

Commemorative philatelic issues of 2020

- Portuguese Autochthonous Breeds (3rd group)
- 500 Years of the Navigation of the Strait of Magellan
- Centenary Museums of Portugal (2nd group)
- 30 Years of AICEP / World Portuguese Language Day - UNESCO
- Festivals and Pilgrimages – Places of Faith
- EuroMed 2020 – Traditional Gastronomy in the Mediterranean
- Festivities of the Divine Holy Spirit (Azores issue)
- Europa Issue – Ancient Postal Routes
- Prehistoric Route (2nd group)
- 75 Years of the United Nations and the 2020 Initiative
- International Year of Plant Health – UNESCO

Environment and Sustainability

- Numismatics Self-adhesive stamps (1st group)
- Madeira Booklet
- Azores Booklet

Self-adhesive

Definitive stamps issue

- Portuguese Numismatics – 1st group

Book editions 2020

- Centenary Museums of Portugal - Volume II
- Festivals and Pilgrimages – Places of Faith
- 500 Years of the Portuguese Postal Service
- Portugal in Stamps 2020
- My Stamp Album 2020

More information on the plan of philatelic issues of CTT at:

<https://www.ctt.pt/particulares/filatelia/plano-emissoes/>

3.2 Express & Parcels

The **Express & Parcels revenues** amounted to €193.0m in 2020, €40.6m more (+26.6%) than in 2019. In 4Q20, revenues reached a record amount of €61.5m, corresponding to a growth of €19.1m compared to 4Q19 (+45.2%).

Revenues in Portugal stood at €118.0m in 2020, up 20.2% compared to 2019. In 4Q20 revenues of €36.8m were recorded (+33.1% vs. 4Q19).

The business performance in Portugal in 2020 resulted mostly from the growth of the **CEP** (Courier, Express and Parcels)

business, which recorded revenues of €96.5m (+28.6%) with an increasing acceleration in performance, thus at the end of 4Q20 revenues were €31.3m (+41.7%). In the full year 2020, the **banking documents delivery** business revenues amounted to €6.6m (-1.4%), while those of the **cargo** business amounted to €11.4m (-8.2%) and those of the **logistics** business €2.4m (-23.5%).

In 2020, the restrictions imposed on most sectors of the economy due to the COVID-19 pandemic substantially impacted the items' profile, with a reduction in B2B volumes in 1H20 and a strong growth in ecommerce activity (B2C). This, together with great commercial focus and the repositioning of CTT, resulted in solid volume growth. In 2H20, a recovery in the B2B segment was observed, as well as continued growth of e-commerce activity. In Cargo, some pressure was maintained on the industrial and automotive sector, with a relevant impact on this business line, and in Logistics, the expected loss of a relevant customer was not compensated by new businesses.

In 2020, **CEP** volumes in Portugal totaled 25.9 million items, 35.7% more than in 2019. Contributing to this record-level activity was the strong boost of e-commerce, with very relevant growth in the sectors of food, sports and leisure, education and culture, and consumer electronics. In 4Q20, CEP volumes reached 8 million items, 38.4% above those of 4Q19, with a new historical daily high of 270k items.

The **Dott marketplace**⁴⁷, launched in May 2019 in partnership with Sonae, had, at the end of December 2020, 1,394 registered vendors on the platform (an increase of 160 in 4Q20) and more than 3 million products available for purchase. At the end of December 2020, circa 200k users were registered (+15% vs. September 2020), evidencing the healthy growth and the acceleration of digitalization and e-commerce during the lockdown period.

Revenues in Spain stood at €72.3m in 2020, 39.6% above those of 2019. In 4Q20, revenues reached €24.1m, corresponding to an additional €10.1m (+72.7%) versus 4Q19, as a result of the capture of new customers in 3Q20 and of e-commerce growth.

Volumes in Spain totaled 24.9 million items in 2020, a 57.7% growth versus 2019. This evolution translates the strong commercial focus on the capture of key B2C accounts and is a consequence of the COVID19 pandemic, which led to high volumes growth resulting from changes in consumption patterns that drove ecommerce purchases. In 4Q20, **CEP** volumes reached 8.2 million items, 95.0% above those of 4Q19, with over 200k items processed daily in peak days.

The Company proceeds with its strategy to position itself as a reference operator in the urgent delivery of parcels within the Iberian market. Twenty new sorting centers were opened, and the existing premises renovated, through a strong investment in automated sorting machines for its main centers in Madrid, Barcelona, Valencia and Murcia. Along with this investment in equipment, the Company acquired mobile devices and new software tools to optimize the day-to-day life of parcel carriers, their cargo loads and routes, and already has numerous vehicles operating with this equipment, which is already and will continue to contribute to improved productivity and quality of service, as well as to reduce delivery costs.

Revenues in Mozambique stood at €2.7m in 2020, 10.6% above those of 2019. The **CEP** and the **banking documents delivery** businesses positively contributed to this growth, the latter underpinned by the activity in the health area (collection of biological samples), which started in the 2nd half of 2019, as well as by the continued growth of the banking sector. The full year performance was penalized not only by the pandemic, but also by the continuation of military conflicts in the north and center of the country, which led to a contraction in economic activity.

Eco portfolio

In 2020, CTT fully neutralized the Express offer in Portugal. The emissions produced along the value chain, which were unavoidable, are fully offset by the support given to two projects with environmental (fight against climate change and conservation of biodiversity) and social (support to employment creation and improvement of the quality of life of local communities) benefits. The projects in question were selected by the public in 2019, and include the national project of “Conservation of fluvial bodies”, which seeks to preserve some of the most threatened freshwater fish species in our country, through actions of reproduction of these species to later return them to the natural environment and measures of conservation of their habitat, and the international project “Bandeira & Capell” which promotes the use of renewable biomass for the production of bricks, roof tiles and structural ceramic products, sold on the local market by two ceramic factories located in the state of Alagoas, Brazil.

The Green Deliveries service was also launched this year, directed at business customers which enables all deliveries at the contracted locations to be made exclusively using electric vehicles. This service has aroused the interest of CTT customers and contributes to improve the quality of the air in cities, as the electric vehicles do not emit NO_x particles during their use. Special note should also be made of the associated carbon neutral impact, as CTT acquired 100% of the electricity from renewable sources.

3.3 Banco CTT

In 2020, a year profoundly marked by the COVID-19 pandemic impact, **Banco CTT** reached consolidated net profit for the first time. This important profitability milestone confirms that Banco CTT is already a benchmark banking institution for Portuguese families, with more than 600k clients with open bank accounts, of which 56k opened during the last year, which have certainly contributed to obtain the award as leader of the National Customer Satisfaction Index (ECSI 2020 award).

Banco CTT revenues reached €82.1m in 2020, a growth of €19.2m (+30.5%) compared to the previous year, of which €12.9m originated in 321 Crédito, acquired in May 2019. Excluding this inorganic effect, revenues would have amounted to €48.2m, up €6.3m (+15.1%) vis-à-vis 2019.

The revenue growth was driven by the positive impact of €44.6m in **net interest income** in 2020, €15.3m (+52.3%) above the level of 2019. Excluding 321 Crédito, the net interest income would be €17.3m, up €4.5m (+35.6%) versus 2019.

⁴⁷ The Dott marketplace investment is accounted for by the equity method.