

# 09

## Audit Reports



*(Translation from the original document in the Portuguese language.  
In case of doubt, the Portuguese version prevails)*

## Statutory and Auditor's Report

### REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

#### Opinion

We have audited the accompanying consolidated financial statements of CTT - Correios de Portugal, S.A. (the Group), which comprise the Consolidated Statement of Financial Position as at 31 December 2022 (showing a total of 4,057,488,199 euros and a total equity of 224,929,476 euros, including a net profit for the year of 36,406,519 euros), and the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of CTT - Correios de Portugal, S.A. as at 31 December 2022, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as endorsed by the European Union.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and other technical and ethical standards and guidelines as issued by the Institute of Statutory Auditors. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section below. We are independent of the entities comprising the Group in accordance with the law and we have fulfilled other ethical requirements in accordance with the Institute of Statutory Auditors' code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters in the current year audit are the following:

##### 1. Revenue recognition

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
As at 31 December 2022, sales and services rendered in the consolidated financial statements of CTT - Correios de Portugal, S.A. amounts to 789 million euros, of which 771 million euros related to the business segments Mail, Express & Parcels and Financial Services & Retail (note 4).	<p>Our approach included carrying out the following procedures:</p> <ul style="list-style-type: none"> <li>▶ Understanding and evaluation of the design and testing of the operational effectiveness of the relevant controls related with revenue recognition associated with the business segments Mail, Express &amp; Parcels and Financial Services &amp; Retail;</li> <li>▶ Understanding of information systems and controls associated with revenue recognition and testing of the integration process;</li> <li>▶ Tests of detail for a sample of transactions, obtaining contractual support documentation when applicable and evidence of</li> </ul>

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
<p>Revenue recognition associated with these business segments is based on several different contractual terms, different prices by type of sale or service rendered and different revenue recognition policies taking into account the timing of the performance obligation fulfilment, as referred to in note 2.23 of the consolidated financial statements.</p> <p>In addition, there is a complex set of information systems associated with revenue recognition, with the purpose of ensuring its completeness, accuracy and cut-off.</p> <p>Taking into account the materiality of the amounts involved, the degree of judgment associated with the criteria for revenue recognition, as well as the complexity of the information systems associated with it, determines that we consider this topic as a key audit matter.</p>	<p>performance obligation fulfilment, from the initial recognition of the transaction to its receipt;</p> <ul style="list-style-type: none"> <li>▶ Analytical review procedures, namely through monthly analysis compared to the same period of last year, as well as benchmark with observable market data for the business segments of Mail, Express &amp; Parcels and Financial Services &amp; Retail;</li> <li>▶ Obtaining support documentation of the most significant manual journal entries, in order to verify the accuracy of the amounts and its accurate cut-off;</li> <li>▶ Cut-off tests of detail based on a sample of transactions carried out before and after 31 December 2022; and</li> <li>▶ External confirmations for a representative sample of accounts receivable.</li> </ul> <p>Our approach has also included checking the adequacy of the applicable disclosures included in notes 2.23 and 4 of the notes to the financial statements.</p>

## 2. Employee benefits liabilities

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
<p>As at 31 December 2022, employee benefits liabilities in the consolidated financial statements of CTT - Correios de Portugal, S.A. amounts to 207 million euros, mainly related to healthcare and other long-term employee benefits (note 32).</p> <p>CTT - Correios de Portugal, S.A., with the support of an independent actuarial, determine the current value of liabilities with post-employment benefits, however the calculation requires the use of estimates and assumptions by the actuarial and Management, which depend on demographic and financial forecasts, namely the discount rate, the pensions and salaries growth rates, mortality and disability tables and the growth rate of health costs, among others, as disclosed in note 2.21, 2.30 and 32 of the consolidated financial statements.</p> <p>The relevance of this matter in our audit results from the complexity and high level of judgment of the liability assessment model as well as the fact that changes to demographic and financial assumptions may lead to a significant change in the value of employee</p>	<p>Our approach included carrying out the following procedures:</p> <ul style="list-style-type: none"> <li>▶ Understanding and evaluation of the design and testing of the operational effectiveness of the relevant controls in the assessment of the employee benefits liabilities;</li> <li>▶ Meetings with Management and the independent actuarial in order to understand the methodology, the main demographic and financial assumptions considered and the main changes that occurred in these assumptions compared to the previous period;</li> <li>▶ Reading of the actuarial study prepared with reference to 31 December 2022 and evaluation of the reasonableness of the main assumptions, namely the discount rate, the pensions and salaries growth rates, mortality and disability tables and the growth rate of health costs, with the support of our actuarial specialists;</li> <li>▶ Reconciliation of the information included in the actuarial study with the consolidated financial statements as at 31 December 2022;</li> <li>▶ Review the accuracy of the beneficiaries' information used in the calculation of the employee benefit liability, for a selected sample; and</li> <li>▶ Confirmation of the professional credentials and independence statement of the actuary in relation to the actuarial study prepared as at 31 December 2022.</li> </ul>

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
benefit liabilities, determines that we consider this topic as a key audit matter.	Our approach has also included checking the adequacy of the applicable disclosures included in notes 2.21, 2.30 and 32 of the notes to the financial statements.

### 3. 321 Crédito S.A. Goodwill recoverability

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
<p>As at 31 December 2022, goodwill in the consolidated financial statements of CTT - Correios de Portugal, S.A. amounts to 80 million euros, of which 61 million euros related with the control acquisition of the subsidiary 321 Crédito, S.A. in May 2019 (note 9).</p> <p>Goodwill's recoverability analysis requires Management to define a set of estimates and assumptions based on economic and market forecasts, in particular those relating to the projection of future cash-flows, market shares, margin developments and discount rates.</p> <p>The materiality of the amounts and the degree of judgment associated with the assessment of Goodwill's recoverability require the definition of complex estimates and assumptions by Management, in an environment of constant volatility and increasing uncertainty arising from the macroeconomic impacts of the inflation and interest rates, determines that we consider this topic as a key audit matter.</p>	<p>Our approach included carrying out the following procedures:</p> <ul style="list-style-type: none"> <li>▶ Understanding and evaluation of the Group's process for defining the cash generating units, through meetings with Management in order to identify methodologies and main assumptions;</li> <li>▶ Understanding of the internal control procedures regarding the process of calculating the recoverable value of the cash generating unit;</li> <li>▶ Tests to the arithmetic accuracy and completeness of the impairment test models prepared by Management;</li> <li>▶ We evaluated, with the support of internal specialists, the reasonableness of the assumptions that present highest sensitivity and judgment in determining the recoverable value, namely, discount rate, growth rate in the perpetuity and dividends distribution;</li> <li>▶ Reconciliation of future cash flows with approved budgets and forecast plans and financial indicators for 2022, as well as the reasonableness assessment of estimates through a retrospective analysis of the actual versus budgeted; and</li> <li>▶ Sensitivity analyses evaluation on the assumptions of the impairment model.</li> </ul> <p>Our approach has also included checking the adequacy of the applicable disclosures included in notes 2.9 and 9 of the financial statements.</p>

### 4. Impairment losses on loans to customers

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
As at 31 December 2022, Credit to banking clients, according to note 20 of the notes to the consolidated financial statements, amounts to 1,778 million euros corresponding to credit to bank customers net of impairment charges (note 25 and 46) amounting to 54,7 million euros. The detail of impairment on credit to banking clients and	<p>Our audit approach to impairment on credit to customers included (i) an overall response to the way the audit was conducted and (ii) a specific response that resulted in the design, and subsequent implementation, of audit procedures that included, namely:</p> <ul style="list-style-type: none"> <li>▶ obtaining the understanding, assessment of the design and testing of the operational effectiveness of internal control</li> </ul>

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
<p>the accounting policies, methodologies, concepts and assumptions used are disclosed in the notes to the consolidated financial statements (Notes 2.11 and 2.17).</p> <p>The impairment on credit to clients represents Management best estimate of the expected credit loss of the credit portfolio to customers. To calculate this estimate, Management made critical judgments such as the evaluation of the business model, the assessment of the significant increase in credit risk, the classification of exposures in default, the definition of an asset group with similar credit risk characteristics and the use of models and parameters. These parameters are calculated based on historical indicators, when available or benchmarks, in the remaining cases. For relevant individual exposures, the impairment is calculated based on judgments of experts in the credit risk assessment.</p> <p>In addition to the complexity of the models for quantifying impairment losses of the credit portfolio ("models"), its use requires the processing of significant data, the availability and quality of which may not be adequate.</p> <p>In view of the degree of subjectivity and complexity involved, the use of alternative approaches, models or assumptions may have a material impact on the estimated impairment amount, which, together with its materiality, determines that we consider this topic as a key audit matter.</p>	<p>procedures existing in the process of quantifying impairment losses for credit to customers;</p> <ul style="list-style-type: none"> <li>▶ conducting analytical review tests on the evolution of the amount of impairment on credit to clients, comparing it with the same period and with the expectations, which highlight the understanding of the variations occurred in the credit portfolio and changes in the impairment assumptions and methodologies;</li> <li>▶ reading the minutes of the Equity and Risk Committee and Global Risk Committee and correspondence with Banco de Portugal;</li> <li>▶ obtaining the understanding and evaluation of the design of the model of the expected loss calculation, test to the calculation, comparison of the information used in the model with source data, through the reconciliations prepared by the Bank, analysis of the assumptions used to fill gaps in the data, comparison of the parameters used with the results of the estimation models and comparison of the results of the models with the values recorded in the financial statements;</li> <li>▶ with the support of specialists we performed tests on the reasonableness of the parameters used in the calculation of the impairment, namely: <ul style="list-style-type: none"> <li>i. understanding of the methodology formalized and approved by Management and comparison with the one actually used;</li> <li>ii. understanding of the changes to the models used by the Bank to determine the parameters used in the calculation of expected loss and results in the parameters;</li> <li>iii. on a sampling basis, comparison of the data used in the clearance of risk parameters with source information;</li> <li>iv. inquiries to the Bank's experts responsible for the models and inspection of internal audit reports and regulators; and</li> <li>v. inspection of the reports with the results of the operational evaluation of the model (back-testing);</li> </ul> </li> <li>▶ test the reasonableness of adjustments made to the model and outside the model, in particular those to respond to additional areas of judgment resulting from the effects of the interest rate and inflation increases and understanding of the management process associated with those adjustments; and</li> <li>▶ analysis of the disclosures included in the notes to the consolidated financial statements, based on the requirements of international financial reporting standards and accounting records.</li> </ul>

## **Responsibilities of management and the supervisory board for the consolidated financial statements**

Management is responsible for:

- ▶ the preparation of consolidated financial statements that presents a true and fair view of the Group's financial position, financial performance and cash flows in accordance with International Financial Reporting Standards as endorsed by the European Union;
- ▶ the preparation of the Management Report, the Corporate Governance Report, the Non-financial information statement and the Remunerations report, in accordance with the laws and regulations;
- ▶ designing and maintaining an appropriate internal control system to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- ▶ the adoption of accounting policies and principles appropriate in the circumstances; and
- ▶ assessing the Group's ability to continue as a going concern, and disclosing, as applicable, matters related to going concern that may cast significant doubt on the Group's ability to continue as a going concern.

The supervisory body is responsible for overseeing the Group's financial reporting process.

## **Auditor's responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- ▶ obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- ▶ evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- ▶ conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- ▶ evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

- ▶ obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion;
- ▶ communicate with those charged with governance, including the supervisory body, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit;
- ▶ from the matters communicated with those charged with governance, including the supervisory body, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter; and
- ▶ we also provide the supervisory body with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Our responsibility includes the verification of the consistency of the Management Report with the consolidated financial statements, and the verifications under nr. 4 and nr. 5 of article 451 of the Commercial Companies Code in matters of corporate governance, as well as the verification that the non-financial statement and the remunerations report have been presented.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

### On the Consolidated Management Report

Pursuant to article 451, nr. 3, paragraph e) of the Commercial Companies Code, it is our opinion that the Consolidated Management Report was prepared in accordance with the applicable legal and regulatory requirements and the information contained therein is consistent with the audited consolidated financial statements and, having regard to our knowledge and assessment over the Group, we have not identified any material misstatement. As referred to in article 451, nr. 7 of the Commercial Companies Code this opinion is not applicable to the non-financial statement included in the Consolidated Management Report.

### On the Corporate Governance Report

In compliance with paragraph 4 of article No. 451 of the Portuguese Company Law, in our opinion, the Corporate Governance Report includes the information required to the Group to provide as per article 29-H of the Securities Code, and we have not identified material misstatements on the information provided therein in compliance with paragraphs c), d), f), h), i) and l) of nr. 1 of the said article.

### On non-financial statement

In compliance with paragraph 6 of article No. 451 of the Portuguese Company Law, we hereby inform that the Group has included in its Consolidated Management Report the non-financial statement, as provided for in article 508-G of the Commercial Companies Code.

### On the Remunerations Report

Pursuant to article 26-G, nr. 6 of the Securities Code, we hereby inform that the Group has included in a separate chapter of its Corporate Governance Report the information provided for in paragraph 2 of the said article.

## On additional items set out in article 10 of the Regulation (EU) nr. 537/2014

Pursuant to article 10 of the Regulation (EU) nr. 537/2014 of the European Parliament and of the Council, of 16 April 2014, and in addition to the key audit matters mentioned above, we also report the following:

- ▶ We were appointed as auditors of CTT - Correios de Portugal, S.A. (Group's Parent Entity) for the first time in the shareholders' general meeting held on 29 April 2020 for a mandate from 2021 to 2023.
- ▶ Management has confirmed that they are not aware of any fraud or suspicion of fraud having occurred that has a material effect on the financial statements. In planning and executing our audit in accordance with ISAs we maintained professional skepticism and we designed audit procedures to respond to the possibility of material misstatement in the consolidated financial statements due to fraud. As a result of our work we have not identified any material misstatement to the consolidated financial statements due to fraud;
- ▶ We confirm that our audit opinion is consistent with the additional report that we have prepared and delivered to the supervisory body of the Group on 14 March 2023;
- ▶ We declare that we have not provided any prohibited services as described in article 5 of the Regulation (EU) nr. 537/2014 of the European Parliament and of the Council, of 16 April 2014, and we have remained independent of the Group in conducting the audit; and
- ▶ We declare that, in addition to the audit, we provided the Group with the following services as permitted by law and regulations in force:
  - Limited review of the interim consolidated financial statements of CTT - Correios de Portugal, S.A., for the six-month period ended 30 June 2022;
  - Limited review of the interim consolidated financial statements of Banco CTT, S.A., for the six-month period ended 30 June 2022;
  - Independent limited assurance report on the sustainability information of CTT - Correios de Portugal, S.A. for the year ended 31 December 2022;
  - Agreed Upon Procedures related with information of Plano de Recuperação e Resiliência ("PRR") of CTT - Correios de Portugal, S.A., and CTT Expresso - Serviços Postais e Logística, S.A.;
  - Independent limited and reasonable assurance report related with information of Plano de Recuperação e Resiliência ("PRR") of CTT - Correios de Portugal, S.A., and CTT Expresso - Serviços Postais e Logística, S.A.;
  - Assessment of the adequacy and effectiveness of the internal control system of CTT - Correios de Portugal, S.A., in relation to the prevention of money laundering and terrorist financing with regard to the issuance and payment of postal vouchers (national and international) in accordance with Banco de Portugal notice No. 2/2018;
  - Assessment of the adequacy and effectiveness of the internal control system of Banco CTT, S.A., 321 Crédito - Sistema Financeira de Crédito, S.A. and Payshop (Portugal), S.A., in relation to the prevention of money laundering and terrorist financing in accordance with Banco de Portugal notice No. 2/2018; and
  - Evaluation of the process of quantifying the impairment of the credit portfolio of Banco CTT, S.A. and 321 Crédito - Banco Financeira de Crédito, S.A..

## European Single Electronic Format (ESEF)

The accompanying consolidated financial statements of CTT - Correios de Portugal, S.A. for the year ended 31 December 2022 must comply with the applicable requirements set out in the Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 (ESEF Regulation).

Management is responsible for preparing and disclosing the annual report in accordance with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements, included in the annual report, are presented in accordance with the requirements set out in the ESEF Regulation.



Our procedures considered the OROC Technical Application Guide on report in ESEF and included, among others:

- ▶ obtaining an understanding of the financial reporting process, including the submission of the annual report in valid XHTML format; and
- ▶ the identification and evaluation of the risks of material distortion associated with the marking-up of the information of the consolidated financial statements, in XBRL format using iXBRL technology. This evaluation was based on the understanding of the process implemented by the Group to mark-up the information.

In our opinion, the accompanying consolidated financial statements included in the annual report are presented, in all material respects, in accordance with the requirements set out in the ESEF Regulation.

Lisbon, 16 March 2023

Ernst & Young Audit & Associados - SROC, S.A.  
Sociedade de Revisores Oficiais de Contas  
Represented by:

(Signed)

Luís Pedro Magalhães Varela Mendes - ROC n.º 1841  
Registered with the Portuguese Securities Market Commission under license nr. 20170024

*(Translation from the original document in the Portuguese language.  
In case of doubt, the Portuguese version prevails)*

## Statutory and Auditor's Report

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Opinion

We have audited the accompanying financial statements of CTT - Correios de Portugal, S.A. (the Entity), which comprise the Statement of Financial Position as at 31 December 2022 (showing a total of 1,135,432,072 euros and a total equity of 223,832,044 euros, including a net profit for the year of 37,307,258 euros), and the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the financial position of CTT - Correios de Portugal, S.A. as at 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as endorsed by the European Union.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and other technical and ethical standards and guidelines as issued by the Institute of Statutory Auditors. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section below. We are independent of the Entity in accordance with the law and we have fulfilled other ethical requirements in accordance with the Institute of Statutory Auditors' code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters in the current year audit are the following:

##### 1. Revenue recognition

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
<p>As at 31 December 2022, sales and services rendered in the individual financial statements of CTT - Correios de Portugal, S.A. amounts to 466 million euros related to the business segments Mail and Financial Services &amp; Retail (note 41).</p> <p>Revenue recognition associated with these business segments is based on several different contractual terms, different prices by type of sale or service rendered and different revenue recognition policies taking</p>	<p>Our approach included carrying out the following procedures:</p> <ul style="list-style-type: none"> <li>▶ Understanding and evaluation of the design and testing of the operational effectiveness of the relevant controls related with revenue recognition associated with the business segments Mail and Financial Services &amp; Retail;</li> <li>▶ Understanding of information systems and controls associated with revenue recognition and testing of the integration process;</li> <li>▶ Tests of detail for a sample of transactions, obtaining contractual support documentation when applicable and evidence of</li> </ul>

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
<p>into account the timing of the performance obligation fulfilment, as referred to in note 2.23 of the individual financial statements.</p> <p>In addition, there is a complex set of information systems associated with revenue recognition, with the purpose of ensuring its completeness, accuracy and cut-off.</p> <p>Taking into account the materiality of the amounts involved, the degree of judgment associated with the criteria for revenue recognition, as well as the complexity of the information systems associated with it, determines that we consider this topic as a key audit matter.</p>	<p>performance obligation fulfilment, from the initial recognition of the transaction to its receipt;</p> <ul style="list-style-type: none"> <li>▶ Analytical review procedures, namely through monthly analysis compared to the same period of last year, as well as benchmark with observable market data for the business segments of Mail and Financial Services &amp; Retail;</li> <li>▶ Obtaining support documentation of the most significant manual journal entries, in order to verify the accuracy of the amounts and its accurate cut-off;</li> <li>▶ Cut-off tests of detail based on a sample of transactions carried out before and after 31 December 2022; and</li> <li>▶ External confirmations for a representative sample of accounts receivable.</li> </ul> <p>Our approach has also included checking the adequacy of the applicable disclosures included in notes 2.23 and 41 of the notes to the financial statements.</p>

## 2. Employee benefits liabilities

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
<p>As at 31 December 2022, employee benefits liabilities in the individual financial statements of CTT - Correios de Portugal, S.A. amounts to 206 million euros, mainly related to healthcare and other long-term employee benefits (note 32).</p> <p>CTT - Correios de Portugal, S.A., with the support of an independent actuarial, determine the current value of liabilities with post-employment benefits, however the calculation requires the use of estimates and assumptions by the actuarial and Management, which depend on demographic and financial forecasts, namely the discount rate, the pensions and salaries growth rates, mortality and disability tables and the growth rate of health costs, among others, as disclosed in note 2.21, 2.30 and 32 of the individual financial statements.</p> <p>The relevance of this matter in our audit results from the complexity and high level of judgment of the liability assessment model as well as the fact that changes to demographic and financial assumptions may lead to a significant change in the value of employee</p>	<p>Our approach included carrying out the following procedures:</p> <ul style="list-style-type: none"> <li>▶ Understanding and evaluation of the design and testing of the operational effectiveness of the relevant controls in the assessment of the employee benefits liabilities;</li> <li>▶ Meetings with Management and the independent actuarial in order to understand the methodology, the main demographic and financial assumptions considered and the main changes that occurred in these assumptions compared to the previous period;</li> <li>▶ Reading of the actuarial study prepared with reference to 31 December 2022 and evaluation of the reasonableness of the main assumptions, namely the discount rate, the pensions and salaries growth rates, mortality and disability tables and the growth rate of health costs, with the support of our actuarial specialists;</li> <li>▶ Reconciliation of the information included in the actuarial study with the individual financial statements as at 31 December 2022;</li> <li>▶ Review the accuracy of the beneficiaries' information used in the calculation of the employee benefit liability, for a selected sample; and</li> <li>▶ Confirmation of the professional credentials and independence statement of the actuary in relation to the actuarial study prepared as at 31 December 2022.</li> </ul>

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
benefit liabilities, determines that we consider this topic as a key audit matter.	Our approach has also included checking the adequacy of the applicable disclosures included in notes 2.21, 2.30 and 32 of the notes to the financial statements.

## Responsibilities of management and the supervisory board for the financial statements

Management is responsible for:

- ▶ the preparation of financial statements that presents a true and fair view of the Entity's financial position, financial performance and cash flows in accordance with International Financial Reporting Standards as endorsed by the European Union;
- ▶ the preparation of the Management Report, the Corporate Governance Report, the non-financial information and remunerations report in accordance with the laws and regulations;
- ▶ designing and maintaining an appropriate internal control system to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- ▶ the adoption of accounting policies and principles appropriate in the circumstances; and
- ▶ assessing the Entity's ability to continue as a going concern, and disclosing, as applicable, matters related to going concern that may cast significant doubt on the Entity's ability to continue as a going concern.

The supervisory body is responsible for overseeing the Entity's financial reporting process.

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- ▶ obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- ▶ evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- ▶ conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern;

- ▶ evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- ▶ communicate with those charged with governance, including the supervisory body, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit;
- ▶ from the matters communicated with those charged with governance, including the supervisory body, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter; and
- ▶ we also provide the supervisory body with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Our responsibility includes the verification of the consistency of the Management Report with the financial statements, and the verifications under nr. 4 and nr. 5 of article 451 of the Commercial Companies Code in matters of corporate governance, as well as the verification that the non-financial statement and the remunerations report have been presented.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

### On the Management Report

Pursuant to article 451, nr. 3, paragraph e) of the Commercial Companies Code, it is our opinion that the Management Report was prepared in accordance with the applicable legal and regulatory requirements and the information contained therein is consistent with the audited financial statements and, having regard to our knowledge and assessment over the Entity, we have not identified any material misstatement. As referred to in article 451, nr. 7 of the Commercial Companies Code this opinion is not applicable to the non-financial statement included in the Management Report.

### On the Corporate Governance Report

In compliance with paragraph 4 of article No. 451 of the Portuguese Company Law, in our opinion, the Corporate Governance Report includes the information required to the Entity to provide as per article 29-H of the Securities Code, and we have not identified material misstatements on the information provided therein in compliance with paragraphs c), d), f), h), i) and l) of nr. 1 of the said article.

### On non-financial statement

In compliance with paragraph 6 of article No. 451 of the Portuguese Company Law, we hereby inform that the Entity has included in its Management Report the non-financial statement, as provided for in article 66-B of the Commercial Companies Code.

### On the Remunerations Report

Pursuant to article 26-G, nr. 6 of the Securities Code, we hereby inform that the Group has included in a separate chapter of its Corporate Governance Report the information provided for in paragraph 2 of the said article.

### On additional items set out in article 10 of the Regulation (EU) nr. 537/2014

Pursuant to article 10 of the Regulation (EU) nr. 537/2014 of the European Parliament and of the Council, of 16 April 2014, and in addition to the key audit matters mentioned above, we also report the following:

- ▶ We were appointed as auditors of the Entity for the first time in the shareholders' general meeting held on 29 April 2020 for a mandate from 2021 to 2023;

- ▶ Management has confirmed that they are not aware of any fraud or suspicion of fraud having occurred that has a material effect on the financial statements. In planning and executing our audit in accordance with ISAs we maintained professional skepticism and we designed audit procedures to respond to the possibility of material misstatement in the financial statements due to fraud. As a result of our work we have not identified any material misstatement to the financial statements due to fraud;
- ▶ We confirm that our audit opinion is consistent with the additional report that we have prepared and delivered to the supervisory body of the Entity on 14 March 2023;
- ▶ We declare that we have not provided any prohibited services as described in article 5 of the Regulation (EU) nr. 537/2014 of the European Parliament and of the Council, of 16 April 2014, and we have remained independent of the Entity in conducting the audit; and
- ▶ We declare that, in addition to the audit, we provided the Entity with the following services as permitted by law and regulations in force:
  - Limited review of the interim consolidated financial statements of CTT - Correios de Portugal, S.A., for the six-month period ended 30 June 2022;
  - Limited review of the interim consolidated financial statements of Banco CTT, S.A., for the six-month period ended 30 June 2022;
  - Independent limited assurance report on the sustainability information of CTT - Correios de Portugal, S.A. for the year ended 31 December 2022;
  - Agreed Upon Procedures related with information of Plano de Recuperação e Resiliência (“PRR”) of CTT - Correios de Portugal, S.A., and CTT Expresso - Serviços Postais e Logística, S.A.;
  - Independent limited and reasonable assurance report related with information of Plano de Recuperação e Resiliência (“PRR”) of CTT - Correios de Portugal, S.A., and CTT Expresso - Serviços Postais e Logística, S.A.;
  - Assessment of the adequacy and effectiveness of the internal control system of CTT - Correios de Portugal, S.A., in relation to the prevention of money laundering and terrorist financing with regard to the issuance and payment of postal vouchers (national and international) in accordance with Banco de Portugal notice No. 2/2018;
  - Assessment of the adequacy and effectiveness of the internal control system of Banco CTT, S.A., 321 Crédito - Sistema Financeira de Crédito, S.A. and Payshop (Portugal), S.A., in relation to the prevention of money laundering and terrorist financing in accordance with Banco de Portugal notice No. 2/2018; and
  - Evaluation of the process of quantifying the impairment of the credit portfolio of Banco CTT, S.A. and 321 Crédito - Banco Financeira de Crédito, S.A..

## **European Single Electronic Format (ESEF)**

The accompanying financial statements of CTT - Correios de Portugal, S.A. for the year ended 31 December 2022 must comply with the applicable requirements set out in the Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 (ESEF Regulation).

Management is responsible for preparing and disclosing the annual report in accordance with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance about whether the financial statements, included in the annual report, are presented in accordance with the requirements set out in the ESEF Regulation.

Our procedures considered the OROC Technical Application Guide on report in ESEF and included, among others obtaining an understanding of the financial reporting process, including the submission of the annual report in valid XHTML format.

In our opinion, the accompanying financial statements included in the annual report are presented, in all material respects, in accordance with the requirements set out in the ESEF Regulation.

Lisbon, 16 March 2023

Ernst & Young Audit & Associados - SROC, S.A.  
Sociedade de Revisores Oficiais de Contas  
Represented by:

*(Signed)*

Luís Pedro Magalhães Varela Mendes - ROC n.º 1841  
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# AUDIT COMMITTEE

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## Report and Opinion of the Audit Committee

### - 2022 Financial Year -

Pursuant to the provisions of article 423-F(1)(g) of the Portuguese Companies Code ("PCC") and article 7(5) of the Internal Regulation of the Audit Committee ("CAUD" or "Committee") of CTT-Correios de Portugal, S.A. ("CTT" or "Company"), CAUD is hereby:

- i. Submitting its report of the oversight activities carried out during the 2022 financial year;
- ii. Giving its opinion on the management report, the corporate governance report, the non-financial information, the CTT consolidated and individual accounts and the proposal for the appropriation of results, presented by the Board of Directors ("BoD") and included in the Integrated Report for the financial year ended on 31 December 2022; and
- iii. Disclose the declaration of conformity regarding the Integrated Report in accordance with article 29-G (1)(c) of the Portuguese Securities Code ("PSC").

## Annual Activity Report of the Audit Committee

### 1. Introduction

CTT adopts an Anglo-Saxon type of governance model, which includes the BoD, as the management body of the Company, CAUD and the Statutory Auditor as responsible for its supervision and oversight.

The Audit Committee elected at the Annual General Meeting ("AGM") of 29 April 2020 for the 2020/2022 term of office is composed of the following non-executive Directors:

- Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia (Chair);
- Steven Duncan Wood (Member); and
- María del Carmen Gil Marín (Member).

According to the criteria set forth in Article 414(5) of the PCC, in section 18.1 of Annex I to CMVM Regulation no. 4/2013 on Corporate Governance, in recommendation III.4 of the 2018 Corporate Governance Code of the Portuguese Institute of Corporate Governance amended in 2020 ("2018 IPCG Code amended in 2020") and in the Institutional Shareholder Services (ISS) Guidelines, the majority of CAUD members elected at the AGM held on 29 April 2020 is independent.



# AUDIT COMMITTEE

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The three Directors who are members of CAUD meet the compatibility criteria for the performance of their duties, assessed in accordance with the definition provided in article 414-A by reference to article 423-B(3) of the PCC, as well as the composition requirements stipulated in article 3(2) of Law 148/2015, of 9 September (“Legal Framework for Audit Supervision”), amended by Law No. 35/2018, of 20 July and Law No. 99-A/2021, of 31 December.

## 2. Activities Carried Out

During the 2022 financial year, CAUD held seventeen meetings wherein 96% of its members were present.

The meetings were attended, at the invitation of CAUD and when appropriate, by the Chief Financial Officer of CTT, the Statutory Auditor, the Heads of Accounting & Taxes, Planning & Control, Audit, Compliance & Risk, Investor Relations, Company Secretary & Legal Office, Information Systems, Regulation & Competition, Sustainability, and the former Head of People & Culture, and the managers of the Accounting, Internal Audit, Risk and Compliance divisions, as well as members of the Board of Directors of Banco CTT.

In order to ensure full compliance with the powers legally and statutorily attributed to it and contained in its regulations, the Committee carried out various activities and initiatives, with emphasis on those listed below in each of its main areas of intervention:

- **Monitor the functioning of the Company and ensure compliance with the law, the regulations and the articles of association**

The regular monitoring of the of the activity and business evolution of the Company and its subsidiaries, particularly the decisions of fundamental importance for CTT, namely regarding strategic lines and associated risk factors, as well as monitoring the legal, statutory and regulatory framework applicable to it. This was carried out by this Committee specifically through: **(i)** the participation of its members in the Board of Directors’ meetings; **(ii)** contacts with the Executive Committee or its members; **(iii)** contacts and meetings with Company Heads of Department and division managers; **(iv)** meetings with the Statutory Auditor of CTT, Ernst & Young, Audit & Associados – SROC, S.A. (“EY”); **(v)** analysis of the documents distributed to support its work, and information on and clarifications to the questions raised by this analysis; and **(vi)** assessment of the compliance of the Regulation of the Audit Committee, the Regulation on the Provision of Services by the Statutory Auditor, the Whistleblowing Procedures Regulation and the Regulation on the Appraisal and Control of

## AUDIT COMMITTEE

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Transactions with Related Parties and the Prevention of Situations of Conflicts of Interest with the legislation force and the purposes they are meant for; **(vii)** consideration of the proposal for a Regulation on the compliance function regarding the prevention of money laundering and terrorist financing; and **(viii)** monitoring the implementation of Decree-Law No. 109-E/2021, of 9 December, relating to the General Regime for the Prevention of Corruption, having appraised the proposal for a Code of Conduct on the prevention of corruption and related infringements.

In the performance of its duties the Committee did not come across any constraints or limitations to its action.

- **Supervising the quality and integrity of the financial information in the statements of accounts**

Within the competences laid down in article 423-F(1)(c) to (f) of the PCC and in article 3(3)(a) and (b) of the Legal Framework for Audit Supervision, particularly for the purposes of supervising the compliance with accounting policies, criteria and practices, and the reliability of the financial information, the following main activities were carried out: **(i)** regular monitoring of the preparation and disclosure of the financial information, as well as assessment of the accounting principles and standards and respective amendments, including the supervision of their compliance, of the estimates and judgements, the proceedings and the valuation criteria used, in order to ensure their consistent enforcement throughout each financial year; **(ii)** assessment of compliance with the annual budget; **(iii)** analysis of CTT's individual and consolidated quarterly and half-yearly financial statements; **(iv)** analysis of the Annual Reports of CTT subsidiary companies; and **(v)** assessment of the half-yearly and annual Integrated Reports of CTT and opinion on the annual Integrated Report as well as on the proposal for the appropriation of results.

- **Overseeing the internal control system, including internal audit, compliance and risk management of the activity**

In the scope of the oversight of the effectiveness of the internal control system in its components of risk management, compliance and internal audit, as well as within the assessment of its adequacy and functioning and corresponding procedures, the following aspects should be noted: **(i)** follow-up of the work of the Audit, Compliance & Risk Department and the compliance with its Activity Plan; **(ii)** monitoring of the risk policy and

## AUDIT COMMITTEE

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governance model; **(iii)** appraisal of the efficacy of the internal control systems for the prevention and combat of money laundering and terrorist financing, and of the information systems used in the preparation and disclosure of financial information; **(iv)** monitoring of the preparation of non-financial information, in its environmental and social components, included in the Integrated Report; **(v)** follow-up of the main litigation underway related to workers, regulators and third parties; **(vi)** monitoring of information security initiatives; **(vii)** *a posteriori* assessment of transactions with related parties submitted to the Committee in accordance with the provisions of the its regulation; no commercial transactions with related parties requiring its prior opinion have come to the Committee's attention; and **(viii)** appraisal of claims received, none of which was considered as an irregularity covered by the Whistleblowing Procedures Regulation.

- **Supervising the performance of the duties of the Statutory Auditor**

In terms of the follow-up and monitoring of CTT's Statutory Auditor and the supervision of compliance with the respective independence rules, as required by the applicable laws and regulations, as well as of its audit work, the following activities carried out by this Committee, as its main liaison, stand out: **(i)** analysis of the Statutory Auditor's Reports of consolidated and individual accounts and of the annual Additional Report, as well as of the Limited Review Report regarding the Interim Consolidated Financial Statements; **(ii)** assessment of how the statutory audit has contributed to the integrity of the process of preparing and disclosing financial information by means of the analysis and discussion with the Statutory Auditor on its annual work plan and materiality levels used in the statutory audit, the accounting policies and follow-up of the conclusions of the interim and half-yearly limited review work, the main audit issues and evaluation of the general internal control environment, as well as on the recommendations regarding accounting and internal control aspects; **(iii)** prior approval of non-audit services, in order to ensure that these are not prohibited by the EU legislation; and **(iv)** appraisal of the services provided by the Statutory Auditor and of the complementary information received therefrom under the terms of article 78 (2) of Law No. 140/2015, of 7 September (Statutory Auditors' Statute), as amended by Law No. 99-A/2021, of 31 December), in order to assess that they do not jeopardize its independence or condition its opinion.

# AUDIT COMMITTEE

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## Declaration of Conformity

Under the provisions of article 29-G(1)(c) of the PSC, applicable by virtue of article 8(1)(a) of CMVM Regulation no. 5/2008, the members of the Audit Committee of CTT identified below, in the framework of the duties they are assigned with, hereby state that, to the best of their knowledge, the information in the Integrated Report regarding the management report, the annual consolidated and individual financial statements, the Statutory Auditor's Report of consolidated accounts, and the Statutory Auditor's Report of individual accounts, and other consolidated and individual accounting documents required by law or regulation, regarding the financial year ended on 31 December 2022:

- i. Was prepared in accordance with the applicable accounting standards, giving a true and fair view of the assets and liabilities, the financial situation and the results of CTT and the companies included in its consolidation perimeter; and
- ii. The management report, in particular, faithfully describes the business evolution, the performance and position of CTT and the companies included in its consolidation perimeter and contains a description of the major risks and uncertainties those entities are faced with.

## Opinion on the Integrated Report

CAUD has reviewed, as parts of the Integrated Report, the management report and the consolidated and individual financial statements for the financial year ended on 31 December 2022, including the statement of financial position, the income statements, the statement of comprehensive income, the statement of changes in equity and the cash flow statement, as well as the notes attached thereto.

The consolidated and individual financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union, in force as of 31 December 2022.

## AUDIT COMMITTEE

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CAUD also analysed, as components of the Integrated Report, the corporate governance report, taking into account the provisions of article 420(5) of the PCC, by reference to the provisions of article 423-F(2), and article 29-H of the PSC, and the non-financial information, pursuant to articles 66-B and 508-G of the PCC. CAUD also verified the disclosure of key performance indicators for activities related to assets or processes associated with sustainable economic activities, in accordance with Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020, and Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021.

CAUD checked that the presentation of the consolidated financial statements included in the Integrated Report for the 2022 financial year was made in accordance with the requirements established in the Commission Delegated Regulation (EU) 2019/815 of 17 December 2018.

CAUD appraised with special attention the Statutory Auditor's Reports issued by EY on 16 March 2023 related to: **(i)** the auditing of the consolidated and individual financial statements approved by the Board of Directors, which express a favourable opinion on said financial statements, with no limitations or qualifications; and **(ii)** the compliance with other legal and regulatory requirements applicable to the management report, the corporate governance report and the non-financial information, which express compliance with the requirements in force. CAUD also noted that the Statutory Auditor's Reports include the additional information required in Article 10 of Regulation (EU) No 537/2014 of 16 April, particularly, with regard to "Audit-Relevant Matters", a description of the most significant assessed risks of material misstatement and a summary of the Statutory Auditor's response to those risks, as well as an explanation of the extent to which the statutory audit was considered capable of detecting irregularities, including fraud.

Given the above-mentioned data and the action carried out, as well as in compliance with the provisions of article 423-F(1)(g), article 420(5) and (6), applicable by reference to the provisions of article 423-F(2), and article 452, all of the PCC, the Audit Committee hereby states that, to the best of its knowledge, the information within the Integrated Report of CTT – Correios de Portugal, S.A. as of 31 December 2022 regarding:

- The management report, the corporate governance report, and the non-financial information,
- The consolidated and individual financial statements,
- The Statutory Auditor's Reports on the consolidated and individual accounts dated 16 March 2023, and
- The proposal for the appropriation of results

## AUDIT COMMITTEE

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comply with the applicable legal and accounting rules and the Articles of Association. Accordingly, the Committee agrees with same and recommends that the General Meeting of CTT approves them.

Lisbon, 16 March 2023

The Audit Committee of CTT – Correios de Portugal, S.A.,

Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia (Chair)

Steven Duncan Wood (Member)

María del Carmen Gil Marín (Member)

*(Translation from the original Portuguese language. In case of doubt, the Portuguese version prevails)*

## Independent Limited Assurance Report

To the Board of Directors of  
CTT - Correios de Portugal, S.A.

### Scope

We have been engaged by CTT - Correios de Portugal, S.A. ("CTT") to perform a limited assurance engagement, as defined by International Standards on Assurance Engagements, to report on the disclosures identified in the "Annex IV - GRI Index", which include the sustainability information included in the Integrated Report 2022 (the "Sustainability Information"), for the year ended 31 December 2022.

### Criteria applied

CTT prepared the Sustainability Information in accordance with the sustainability reporting standards of the Global Reporting Initiative - GRI Standards and with the provisions of article 508.º-G of the Commercial Companies Code (*Código das Sociedades Comerciais*) and article 29.º-H, n.º1, paragraph q) of the Securities Code (*Código dos Valores Mobiliários*) with respect to non-financial and diversity disclosures (together the "Criteria").

### Responsibilities of the Management

CTT's management is responsible for selecting the Criteria, and for preparing the Sustainability Information in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining an appropriate internal control system, maintaining adequate records and making estimates that are relevant to the preparation of the Sustainability Information, such that it is free from material misstatement, whether due to fraud or error.

### Responsibilities of the Auditor

Our responsibility is to examine the Sustainability Information prepared by CTT and to issue a limited assurance report based on the evidence obtained.

Our engagement was conducted in accordance with the International Standards for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information - ISAE 3000 (Revised) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and other technical standards and recommendations issued by the Portuguese Institute of Statutory Auditors (*Ordem dos Revisores Oficiais de Contas*). These standards require that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Sustainability Information is prepared in accordance with the Criteria.

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. In these circumstances, our independent review procedures comprised the following:

- ▶ Inquiries to management with the objective to understand the business context and the sustainability reporting process;
- ▶ Conducting interviews with personnel responsible for preparing the information in order to understand the processes for collecting, collating, reporting and validating of the Sustainability Information for the reporting period;
- ▶ Conducting analytical review procedures to support the reasonableness of the data;

- ▶ Execution, on a sample basis, of tests to the calculations carried out, as well as tests to prove the quantitative and qualitative information included in the report;
- ▶ Verification of the conformity of the Sustainability Information with the results of our work and with the Criteria applied.

We consider that the evidence obtained is sufficient and appropriate to provide the basis for our conclusion.

### **Quality and Independence**

We apply the International Standard on Quality Control 1 and, accordingly, maintain a system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We comply with the independence and other ethical requirements of the *Ordem dos Revisores Oficiais de Contas'* Code of ethics and of the International Code of Ethics for Professional Accountants (including international independence standards) (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

### **Conclusion**

Based on our work and evidence obtained, nothing has come to our attention that cause us to believe that the Sustainability Information, for the year ended 31 December 2022, has not been prepared, in all material respects, in accordance with the Criteria.

Lisboa, 16 March 2023

Ernst & Young Audit & Associados - SROC, S.A.  
Sociedade de Revisores Oficiais de Contas  
Represented by:

(signed)

Manuel Ladeiro de Carvalho Coelho da Mota - ROC nº 1410  
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