

CONSOLIDATED

REPORT AND ACCOUNTS

First Semester 2024

PHAROL, SGPS S.A. – FIRST SEMESTER 2024

- PHAROL's net profit in the first half of 2024 was negative by Euros 230 thousand, a 77% decrease in losses compared to the same period in 2023. The 30% reduction in operating costs, which amounted to Euros 930 thousand, and the valuation and profitability of investment portfolios and deposits, with a gain of Euros 726 thousand, representing a growth of 116% compared to 2023 contributed to this result;
- PHAROL's equity in the semester stabilized at Euros 68.0 million – a reduction of Euros 168 thousand compared to December 2023 -, reflecting (1) the negative result of Euros 230 thousand in the semester, and (2) the Net gain from the sale of Oi Shares in the amount of Euros 72.4 thousand;
- The book value of Rio Forte's debt instruments, in bankruptcy proceedings, remained unchanged at Euros 51.9 million.

MESSAGE FROM CEO

Luís Palha da Silva

"In the first half of 2024, as its main successes, Pharol presents a significant reduction in operating costs and an interesting positive contribution of treasury management to net results.

In line with the defined objectives, it was possible to keep costs controlled in practically all lines of the Income Statement, namely in the personnel areas. However, legal costs could not follow the same trend, due to the strong concentration of procedural steps in different judicial spheres, in particular in Luxembourg.

The more flexible management of treasury investments – with a reduction in the weight of bank deposits – seeking higher returns but maintaining adequate risk and diversification standards, led to a positive financial result within expectations, which contributed to an overall loss considerably lower than that obtained in the previous semesters.

The recovery of the amounts relating to Rio Forte's debt instruments has not shown tangible progress and this is a reality that, unfortunately, should remain in the short term, with no greater procedural speed expected in this chapter. And, of course, given the size of the amounts at stake, in the longer term it is to be expected that any judicial decisions will be followed by appeals filed by any of the parties involved."

Highlights

PHAROL

(Euro million)	1H24	1H23
Recurrent EBITDA	(0.9)	(1.3)
Net Income	(0.2)	(1.0)
(Euro million)	Jun24	2023
Assets	94.6	95.4
Liabilities	26.7	27.3
Equity	68.0	68.1

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PHAROL, SGPS S.A.

CONSOLIDATED REPORT AND ACCOUNTS
FIRST HALF OF 2024

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The designations "PHAROL", "PHAROL Group", "Group" and "Company" refer to all the companies that make up PHAROL, SGPS S.A. or to any of them, depending on the context.

01. ANALYSIS OF CONSOLIDATED RESULTS

CONSOLIDATED RESULTS

As of June 30, 2024, PHAROL held as its main assets (1) the debt instruments of Rio Forte Investments S.A. ("Rio Forte") with a nominal value of 897 million Euros and currently valued at 51.9 million Euros, (2) the investment in the portfolios of shares and bonds in the amount of 26.26 million Euros and (3) 59,258 common shares of Oi S.A. ("Oi"), representing 0.10% of the respective share capital (without treasury shares), with a value of 54 thousand Euros.

The debt instruments of Rio Forte, whose bankruptcy proceedings initiated in December 2014 are still pending before the Luxembourg courts, remain valued at a recovery value of 5.79% of its nominal value and amount to 51.9 million euros. During the first half of 2024, there was no relevant occurrence that would justify a review of its recovery value. There are also, following the investment made in Rio Forte, other lawsuits opened against the former Directors and the former External Auditor that are ongoing in the Portuguese instances.

The investment portfolios that Pharol subscribed in August 2022 (€10 million) and reinforced in August 2023 (€15 million) are composed of investments in financial assets that mostly include asset groups of Bonds and Shares of listed companies. On June 30, 2024, the overall value of these portfolios amounts to 26.26 million Euros, an increase of 0.46 thousand Euros compared to the value on December 31, 2023.

On December 31, 2014, after Oi's capital increase on May 5, 2014, PHAROL held an effective interest of 39.7% in Oi, including a participation that was classified as a non-current asset held for sale, following the exchange agreement ("Exchange") entered into with Oi on September 8, 2014 and executed on March 30, 2015, and the remaining interest of 22.8% that was classified as an investment in joint ventures and associates and consequently recognized according to the equity method. After the execution of the Exchange, PHAROL had an effective stake of 27.48% in Oi, corresponding to the 22.8% stake referred to above, plus 4.7% resulting from the reduction in the number of outstanding shares of Oi.

On October 8, 2015, following the approval of the voluntary conversion of preferred shares into common shares issued by Oi, PHAROL began to hold, directly and indirectly through 100% owned subsidiaries, 183,662,204 common shares of Oi, representing 27.18% of Oi's total share capital (excluding treasury shares). PHAROL's voting rights in Oi were limited to 15% of the total common shares.

On June 20, 2016, Oi entered into a Judicial Recovery process, and in December 2017 a Judicial Recovery Plan for Oi was approved.

On July 20, 2018, after the approval of the capital increase through the conversion of debt into shares, foreseen in the Judicial Recovery Plan, Oi went from 825,760,902 shares to a total of 2,340,060,505 shares representing the share capital, with a consequent dilution of PHAROL's stake in Oi to less than 8%.

On January 9, 2019, as part of the capital increase due to the Entry of New Resources, Oi went from 2,340,060,505 shares to a total of 5,954,205,001 shares representing its share capital, with a dilution of

PHAROL's stake in Oi to less than 4%, even though it partially accompanied the aforementioned capital increase.

On April 2, 2019, with the ratification of an agreement between PHAROL and Oi S.A. on January 8, 2019, in which Oi undertook to reimburse PHAROL for the losses for damages suffered through Oi's shares and financial resources for the acquisition of Oi's shares subscribed in the capital increase, PHAROL held a 5.51% stake in Oi's share capital.

During 2020, PHAROL promoted the sale of all of Oi's preferred shares and a small portion of common shares, resulting in a final stake of 5.37% of Oi's share capital. In 2021, after reselling a part of Oi's common shares, PHAROL held a 5.38% position in Oi (without treasury shares).

In 2022, PHAROL began to implement its asset rotation strategy, having sold part of its Oi shares and reduced its stake to 2.2% of Oi (without treasury shares).

Also in early 2023, PHAROL sold another part of Oi's stake, culminating in December 2023 in a final stake of 0.18% of Oi (without treasury shares), which led to an increase in the net cash available amount of 2.6 million Euros.

In the first half of 2024, PHAROL sold another part of Oi's stake, culminating in a final 0.10% stake in Oi (without treasury shares).

The consolidated net profit in the first half of 2024 represents a loss of 231 thousand Euros and essentially reflects the operating costs evolution.

CONSOLIDATED INCOME STATEMENT

CONSOLIDATED INCOME STATEMENT		
	Euro million	
	1H24	1H23
Wages and salaries	0.35	0.47
Supplies, external services and other expenses	0.51	0.74
Indirect taxes	0.07	0.11
Loss before financial results and taxes	(0.93)	(1.33)
Depreciations	0.01	0.02
Earnings before interest and taxes	(0.93)	(1.35)
Net other gains	0.02	0.08
Loss before financial results and taxes	(0.95)	(1.43)
Net interest income	(0.22)	(0.05)
Net losses on financial assets and other investments	(0.51)	(0.28)
Net other financial losses (gains)	(0.00)	(0.08)
Loss before taxes	(0.22)	(1.01)
Income taxes	0.01	0.01
Attributable to equity holders of PHAROL, SGPS S.A.	(0.23)	(1.02)

Consolidated operating costs decreased to 0.93 million Euros in the first half of 2024 compared to 1.33 million Euros in the first half of 2023, due to cost containment with personnel and the provision of external services.

Also in the first half of 2024, net interest was 0.22 million Euros and gains on financial assets amounted to 0.51 million Euros.

The net result attributable to PHAROL's shareholders in the first half of 2024 was negative by 231 thousand Euros, compared to the loss of 1.02 million Euros in the same period of 2023.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Consolidated Statement of Financial Position		
	Euro million	
	jun/24	31 dec 23
ASSETS		
Cash and cash equivalents	15.97	17.20
Accounts receivable	0.36	0.27
Tangible assets	0.03	0.04
Taxes receivable	0.05	0.06
Financials assets	26.31	25.95
Other non-current assets	51.91	51.91
Total assets	94.64	95.42
LIABILITIES		
Short-term debt	0.03	0.05
Accounts payable	0.04	0.12
Accrued expenses	0.16	0.27
Taxes payable	0.01	0.13
Provisions	0.08	0.08
Other liabilities	26.34	26.64
Total liabilities	26.66	27.29
Total equity	67.98	68.14
Total liabilities and shareholders' equity	94.64	95.42

The financial assets comprise a portfolio of investments in shares and bonds in the amount of 26.26 million Euros on June 30, 2024 and 25.82 million Euros on December 31, 2023, and PHAROL's effective investment in Oi, of 0.10% (54 thousand Euros) and 0.18% (130 thousand Euros), respectively, on June 30, 2024 and December 31, 2023. The financial assets are all accounted for at market value.

The "Other non-current assets", in the amount of 51.91 million Euros, correspond essentially to the best estimate of the fair receivables related to the debt instruments issued by Rio Forte, whose nominal value amounts to 897 million Euros, possibly plus compensation amounts.

The balance sheet, following the classification recorded in previous years, shows an amount of 26 million Euros of "Other Liabilities". However, almost all this value has been scrutinized in order to consider different technical-legal analyses that, eventually, may lead in the future to another type of qualification.

Equity amounts to 67.98 million Euros as of June 30, 2024, compared to 68.14 million Euros on December 31, 2023, a decrease of 0.16 million Euros, essentially reflecting (1) the negative result generated in the first half of 2024 in the amount of 0.23 million Euros, and (2) gain of 72 thousand Euros from the sale of Oi shares above the final value of December 2023.

02. MAIN EVENTS

Below we list the events that occurred between January 1 and July 24, 2024, which can be analyzed in more detail and are published in full on the PHAROL website (www.pharol.pt).

PHAROL'S CORPORATE EVENTS

Below we list PHAROL's main corporate events:

Mar 22, 2024 | PHAROL informed that the General Meeting of PHAROL was held where it was decided by the Shareholders to approve:

- Item One: The management report, the balance sheet and the individual accounts, for the financial year 2023;
- Item Two: The management report, the balance sheet and the consolidated accounts, for the financial year 2023;
- Point Three: The proposal for the application of results;
- Item Four: The general assessment of the management and supervision of the COMPANY;
- Item Five: The ratification of the co-optation of a member of the Board of Directors to complete the term corresponding to the 2021-2023 triennium;
- Item Six: The Internal Policy for the Selection of Members of the Company's Management and Supervisory Bodies;
- Item Seven: The acquisition and sale of own shares;
- Item Eight: The election of the members of the Corporate Bodies for the proposed 2024-2026 triennium:

- Board of the General Meeting

President: Tito Arantes Fontes

Secretary: Maria de Lourdes Vasconcelos Pimentel da Cunha Trigos

- Board of Directors

President: Luís Maria Viana Palha da Silva

Administrators:

Diogo Filipe Gil Castanheira Pereira

Rafaela Andrade Reis Figueira

- o Fiscal Council

President: José Eduardo Bettencourt

Vowels:

Isabel Maria Beja Gonçalves Novo

João Manuel Pisco de Castro

Alternate Member: Francisco José Porfírio Vieira

- Item Nine: The election of the effective and alternate Statutory Auditor for the proposed 2024-2026 triennium.

- o Statutory Auditor

Effective Auditor: MAZARS & ASSOCIADOS, Sociedade de Revisores Oficiais de Contas, SA, represented by Luis Filipe Soares Gaspar

Alternate ROC: Paulo Jorge Damião Pereira

26/Mar/24 | PHAROL informed that at a meeting held on March 25, 2024, its Board of Directors decided to appoint as Secretary of the Company, for the term of office corresponding to the 2024-2026 triennium:

- Effective: Luís Manuel da Costa de Sousa de Macedo
- Alternate: Maria de Lourdes Vasconcelos Pimentel da Cunha Trigo

OTHER RELEVANT EVENTS OF PHAROL

Below we list other relevant events of PHAROL:

Feb 16, 2024 | PHAROL informed about the disclosure of the Report of the Judicial Administrators in the insolvency proceedings of Rio Forte (Rapport n°26 des Curateurs), for December 31, 2023, available at www.espiritosantoinsoleuncies.lu

Feb 21, 2024 | PHAROL informed that it was notified to appear at the Commercial Court of the Grand Duchy of Luxembourg on April 19, 2024 – that session determines the start of the process, and until that date Pharol does not have to take any position on the process. This is a request qualified by RFI's own liquidators as subsidiary in relation to the already requested "non-recognition of the claim claimed by Pharol" in RFI's insolvency, in the amount of €918,146,770.80, to declare null and void the payment of €199,631,000 made by RFI on 15 April 2014 directly to Pharol. The liquidators themselves recall in this Notification that the insolvency administrators contested PHAROL's credit statement as an unsecured credit in the amount of €918,146,770.80, for an alleged mere "matter of prudence". The reading of the Notification received does not result in any new arguments that call into question, in the understanding of Pharol and supported by the Opinion of its Lawyers, the regularity of the Company's claim on the insolvency of RFI in the amount of €918,146,770.80.

Jun 19, 2024 | PHAROL informed about the disclosure of the Report of the Judicial Administrators in the insolvency proceedings of Rio Forte (Rapport n°27 des Curateurs), for April 30, 2024, available at www.espiritosantoinsolvencies.lu

03. KEY RISKS AND UNCERTAINTIES

The risk factors and events described below may adversely or significantly affect PHAROL's financial position and, as a result, cause a decrease or increase in the market price of common shares.

Macro Risk	Sub-Risk	Description
Economic Risk	Information Security	PHAROL is exposed to security risks on a daily basis, including the availability, integrity and confidentiality of information.
	Foreign exchange	Exchange rate risks are essentially related to the operations of the investee companies, to investments in financial instruments in foreign currency that are part of the equity and bond investment portfolios, and to PHAROL's investments in Brazil, which had a substantial reduction in 2023 and 2024. Any exchange rate variations in foreign currency against the euro affect the valuation of the shares held by PHAROL and the subsidiary's operation in that country, thus reflecting on PHAROL's results and equity situation. The Society does not have a policy of covering the value of the financial investment.
	Interest rates	Interest rate risks are essentially related to the costs incurred and obtained with debt and financial investments at variable interest rates. PHAROL may be indirectly exposed to these risks in the investments made. It should be noted that PHAROL has no bank debt as of June 30, 2024. As market interest rates also affect the discount rates used for the purposes of impairment tests on the entity's various assets.
Financial Risks	Treasury Applications - Credit and Liquidity	PHAROL is essentially subject to credit risk in its cash investments. In order to mitigate risks, the Board of Directors defined, in July 2014, a policy for treasury investments, and this policy was already reviewed in 2019, and subsequently in 2022 and 2023. As of the second half of 2022, PHAROL is also became exposed to other price risks, that is, the risk of fluctuation in the fair value of the financial instruments that make up the contracted investment portfolios, due to changes in market prices.
	Possibility of Rio Forte's failure to repay the instruments held by PHAROL following the execution of the Exchange	The Rio Forte Instruments currently held by PHAROL are not secured by assets. Therefore, even if there are amounts available for reimbursement by Rio Forte's creditors, PHAROL's right to reimbursement will be shared pro rata with Rio Forte's other unsecured creditors and only after the repayment of all debts to any secured creditors and confirmation of the validation of the credits. PHAROL evaluates this instrument every six months, with monitoring by the Fiscal Council, External Audit and ROC.
	Legal and Legal Risks	Lawsuits

	<p>Litigation or investigations initiated under the Rio Forte Instruments or the Business Combination</p>	<p>PHAROL may incur liability in connection with future litigation or other proceedings and related defense costs. Any liability incurred may adversely affect PHAROL's financial situation.</p>
	<p>Possibility of non-compliance with tax contingency commitments</p>	<p>According to the contracts entered into with Oi, it is incumbent on Oi to pay the liabilities resulting from the tax contingencies originated until May 5, 2014, despite the fact that PHAROL is also jointly and severally liable.</p>

04. QUALIFYING HOLDINGS

QUALIFYING SHARES

As of June 30, 2024, the stakes of qualified shareholders represented 19.56% of PHAROL's share capital, as follows:

DATE OF REPORTING	SHAREHOLDERS	No. OF SHARES	% OF CAPITAL	% VOTING RIGHTS
31/05/2012	Oi S.A. *	89.651.205	10,00%	10,00%
* Oi incorporated Telemar S.A. on May 3, 2021.				
	Total attributable	89.651.205	10,00%	10,00%
20/04/2023	Burlington Loan Management DAC	85.665.125	9,56%	9,56%
	Total attributable	85.665.125	9,56%	9,56%

THE BOARD MEMBERS AND SUPERVISORY BODIES SHAREHOLDINGS

Pursuant to and for the purposes of Article 9(1)(a) of CMVM Regulation No. 5/2008, the following information is provided regarding the securities issued by PHAROL and by companies in a control or group relationship with PHAROL held by the members of PHAROL's management and supervisory bodies on June 30, 2024:

Board of Directors

- Luís Maria Viana Palha da Silva hold 200,000 shares in PHAROL. He was appointed director of PHAROL on May 29, 2015.
- Diogo Filipe Gil Castanheira Pereira does not hold any securities of PHAROL or other companies that are in a control or group relationship with it. He was appointed director of PHAROL on November 16, 2023. He is a representative of Burlington Loan Management DAC.
- Rafaela Andrade Reis Figueira does not hold any securities of PHAROL or other companies that are in a control or group relationship with it. She was appointed director of PHAROL on March 22, 2024.

Fiscal Council

The members of the Fiscal Council, identified below, do not hold shares in PHAROL.

- José Eduardo Fragoso Tavares de Bettencourt
- Isabel Maria Beja Gonçalves Novo
- João Manuel Pisco de Castro
- Francisco José Porfírio Vieira

Managing Director

The Managing Director, Luís Maria Viana Palha da Silva, is also a member of the Board of Directors.

Statutory Auditor

- MAZARS & ASSOCIADOS, Sociedade de Revisores Oficiais de Contas, SA, represented by Luis Filipe Soares Gaspar, who personally holds 145 shares in PHAROL.
- Paulo Jorge Damião Pereira

05. STRATEGIC PROFILE AND FUTURE PERSPECTIVES

From the beginning of 2024, once a stake of a merely symbolic dimension in Oi has been stabilized, Pharol has been focusing on its short and medium-term priorities: (a) defending the creditor position in Rio Forte's bankruptcy process, (b) optimizing treasury management, (c) executing its operating cost reduction program and (d) eliminating risks and passive contingencies.

About Rio Forte, efforts to recognize the claim with the bankruptcy estate continued during the 1st half of the year, which involved different judicial procedures in Luxembourg and may culminate in an assessment by the competent Court in the second half of the year. In Portugal, also at a slow pace, new procedural steps have been taken regarding compensation claims filed against former Directors and former external auditor, and in the latter case, the dragging of an expert opinion decided in the judicial instances should be noted. The complexity and consequent slowness seen in both jurisdictions meant that the costs of legal services occupied, once again, a more prominent place in the company's income statement. It should be noted that the trustees are already requesting that, if Pharol's credit over Rio Forte is accepted, at least one payment of R\$199,631,000.00 made by Rio Forte in April 2014, be considered invalid as it is made during a suspicious period and Pharol allegedly also had privileged knowledge of Rio Forte's insolvency situation, even though, according to our Lawyers, they did not present any evidence to support such an allegation.

The treasury, benefiting from favorable market conditions, evolved from exclusively conservative management, concentrated on bank deposits, and saw its profitability increase. Although it is recognized that non-intermediate investments may present greater volatility, reality, in the 1st half of the year, proved that, when surplus cash is long-lasting and as long as criteria of prudence and broad diversification are maintained, as has been the case at Pharol, it is possible to obtain an interesting contribution to the income statement.

Throughout the semester, efforts to reduce costs continued successfully, both with suppliers (even considering the increase in costs with legal services), as well as in personnel costs, as a result of the changes determined at the General Assembly in March 2024. The decision taken by Shareholders to reduce the number and size of the company's Governing Bodies will continue to contribute positively in this context. Also positive were the changes adopted in insurance and communication management, particularly in the management of the company's website, in which a relatively modest investment will bring significant savings.

Pharol is confronted, however, with some risks and contingencies. The biggest one concerns the possible demand for the return of 750 M € to ESI, a process that after 7 years continues without visible developments. Although it is the opinion of the company's lawyers that the chances of conviction are almost non-existent, the dimension of the case justifies permanent and careful attention.

Also important are tax proceedings prior to 2014, whose responsibility in the event of an unfavorable outcome was transferred to Oi. In recent years, the total size of cases has decreased considerably and the 1st semester was no exception. During this period, the value of possible or probable cases reduced by R\$10 million, with payments made by Oi to the Federal Revenue Service, and the global amount of tax

contingencies fell and at the end of the semester were by 137 million Euros. Although Pharol, for reasons of high prudence, has been recording in its current liabilities amounts corresponding to the reimbursements it obtained from the State in processes with a favorable outcome, these amounts are being scrutinized in order to weigh up different technical-legal analyses, which are not yet complete. and absolutely resolved, notably regarding the ownership of these values, which justifies that, also this semester, the same accounting classification as in previous years is maintained.

In the longer term, Pharol's management faces two major strategic challenges. Both conditioned by a clear conviction that the different cases in which the company is involved, given the reality of the judicial systems in Portugal and Luxembourg, will have a relatively distant resolution horizon. The first challenge is to find and define the minimum level of capital necessary to resolve the processes, given that the availability it maintains today reasonably exceeds future needs. The second challenge is to decide whether this cash surplus will be used to diversify the balance sheet or to return it to shareholders.

06. STATEMENT BY THE BOARD OF DIRECTORS

For the purposes of Articleº 29-J (1)(c) of the Securities Code, the members of the Board of Directors of PHAROL, SGPS, SA, identified below, declare, in their capacity and within the scope of their duties as referred to therein, that, to the best of their knowledge and based on the information to which they had access within the Board of Directors, as applicable, in the performance of their duties:

- The financial statements for the first half of 2024 were prepared in accordance with the law in compliance with the minimum elements provided for in IAS 34 – Interim Financial Reporting, giving a true and fair view of the assets and liabilities, financial situation and results of PHAROL, SGPS, SA and the companies included in the respective consolidation perimeter;
- The interim management report accurately sets out in indicative terms the important events that occurred in the first half of 2024 and their impact on the respective financial statements, containing a correct description of the main risks and uncertainties for the second half of this year.

Lisbon, July 25, 2024

Luís Maria Viana Palha da Silva, Chairman of the Board of Directors and Managing Director

Diogo Filipe Gil Castanheira Pereira, Non-executive director

Rafaela Andrade Reis Figueira, Non-Executive Director

PHAROL, SGPS S.A.

FINANCIAL STATEMENTS AND NOTES ATTACHED

07. CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS JUNE 30, 2024

CONSOLIDATED INCOME STATEMENT PERIODS ENDED JUNE 30, 2024 AND 2023			
		Euro	
	Notes	1H24	1H23
CONTINUING OPERATIONS			
COSTS, LOSSES AND (INCOME)			
Wages and salaries	5	349,194	470,073
Supplies, external services and other expenses	6	510,807	740,677
Indirect taxes	7	67,135	114,564
Provisions and adjustments		-	-
Depreciation		6,528	20,290
Losses (gains) on disposal of fixed assets, net		-	-
Net other losses (gains)		14,513	80,153
		948,177	1,425,758
Income (loss) before financial results and taxes		(948,177)	(1,425,758)
FINANCIAL LOSSES AND (GAINS)			
Net interest income	8	(215,826)	(53,922)
Net foreign currency exchange losses		(440)	(89,771)
Net losses on other non-current assets	11	(510,670)	(282,203)
Net other financial expenses		388	7,824
		(726,548)	(418,072)
Income (loss) before taxes		(221,629)	(1,007,686)
Income taxes	9	9,108	11,562
NET INCOME		(230,737)	(1,019,247)
Attributable to equity holders of the parent		(230,737)	(1,019,247)
Earnings per share			
Basic and Diluted	10	(0.00)	(0.00)

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
PERIODS ENDED JUNE 30, 2024 AND 2023

	Euro	
	1H24	1H23
Net Income recognised in the income statement	(230,737)	(1,019,247)
Income (expenses) recognised directly in shareholders' equity		
Items that may be reclassified subsequently to the income statement		
Foreign currency translation adjustments		1,523
Items that will not be reclassified to the income statement		
Gains (losses) on financial assets at fair value	72,436	(516,207)
Total earnings recognised directly in shareholders' equity	72,436	(514,684)
Total comprehensive income	(158,301)	(1,533,931)
Attributable to shareholders of PHAROL SGPS	(158,301)	(1,533,931)

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
PERIODS ENDED DECEMBER 31, 2023 AND 2022

		Euro	
	Notes	30 jun 24	31 dec 23
ASSETS			
Current Assets			
Cash and cash equivalents	15	15,971,722	17,196,818
Accounts receivable		284,421	261,895
Taxes receivable		51,618	61,485
Prepaid expenses		75,823	8,533
Total current assets		16,383,583	17,528,731
Non-Current Assets			
Tangible assets		34,487	35,502
Financials assets	11	26,312,825	25,953,255
Other non-current assets	12	51,906,470	51,906,470
Total non-current assets		78,253,782	77,895,227
Total assets		94,637,365	95,423,958
LIABILITIES			
Current Liabilities			
Accounts payable	13	42,345	116,302
Accrued expenses	14	156,364	269,167
Taxes payable		8,769	131,035
Other current liabilities	16	26,342,880	26,644,990
Total current liabilities		26,550,357	27,161,495
Non-Current Liabilities			
Medium and long-term debt		26,971	49,871
Provisions		81,522	75,775
Total non-current liabilities		108,492	125,646
Total liabilities		26,658,849	27,287,141
SHAREHOLDERS' EQUITY			
Share capital		26,895,375	26,895,375
Treasury shares		(164,809,193)	(164,809,193)
Legal reserve		6,773,139	6,773,139
Reserve for treasury shares		171,779,820	171,779,820
Other reserves and accumulated earnings		27,339,374	27,497,676
Total equity		67,978,515	68,136,817
Total liabilities and shareholders' equity		94,637,365	95,423,958

The accompanying notes form an integral part of these financial statements.

PHAROL, SGPS S.A.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
PERIODS ENDED JUNE 30, 2024 AND DECEMBER 31, 2023

	Euro						
	Share capital	Treasury shares	Legal reserve	Reserve for treasury shares	Other reserves and accumulated earnings	Equity excluding non-controlling interests	Total equity
Balance as at December 31, 2022	26,895,375	(164,809,193)	6,773,139	171,779,820	29,089,836	69,728,977	69,728,977
Income (expenses) recognized directly in equity	-	-	-	-	(624,969)	(624,969)	(624,969)
Income recognized in the income statement	-	-	-	-	(967,192)	(967,192)	(967,192)
Balance as at December 31, 2023	26,895,375	(164,809,193)	6,773,139	171,779,820	27,497,676	68,136,817	68,136,817
Income (expenses) recognized directly in equity	-	-	-	-	72,436	72,436	72,436
Income recognized in the income statement	-	-	-	-	(230,737)	(230,737)	(230,737)
Balance as at June 30, 2024	26,895,375	(164,809,193)	6,773,139	171,779,820	27,339,374	67,978,516	67,978,515

The accompanying notes form an integral part of these financial statements.

PHAROL, SGPS S.A.

CONSOLIDATED STATEMENT OF CASH FLOWS
PERIODS ENDED JUNE 30, 2024 AND 2023

	Notes	1H24	Euro 1H23
OPERATING ACTIVITIES			
Payments to suppliers	15.a	(753,198)	(602,553)
Payments to employees		(406,548)	(413,644)
Payments relating to income taxes		(27,881)	(42,639)
Other cash receipts, net	15.b	221,048	625,065
Cash flows from operating activities (1)		(966,579)	(433,771)
INVESTING ACTIVITIES			
Cash receipts resulting from:			
Tangible and intangible assets		6,110	-
Interest and related income		113,699	52,856
Capital gains and other equity instruments		135,070	3,195,334
		254,880	3,248,190
Payments resulting from:			
Financial investments		(482,116)	(279,257)
Tangible and intangible assets		(17,100)	(4,465)
		(499,216)	(283,722)
Cash flows from investing activities (2)		(244,336)	2,964,468
FINANCING ACTIVITIES			
Payments resulting from:			
Interest and related expenses		(1,094)	(961)
Cash flows from financing activities (3)		(1,094)	(961)
Cash and cash equivalents at the beginning of the period		17,196,818	20,955,489
Change in cash and cash equivalents (4)=(1)+(2)+(3)		(1,212,009)	2,529,737
Effect of exchange differences		(13,087)	48,667
Cash and cash equivalents at the end of the period	15.c	15,971,722	23,533,893

The accompanying notes form an integral part of these financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS JUNE 30, 2024

(amounts expressed in Euros unless otherwise stated)

1. Introduction

As of June 30, 2024, PHAROL holds (1) the debt instruments of Rio Forte Investments S.A. ("Rio Forte") with a nominal value of 897 million Euros and currently valued at 51.9 million Euros, (2) the investment in the shares and bond portfolios in the amount of 26.26 million Euros and (3) indirectly through 100% owned subsidiaries, 59,258 common shares, representing 0.1% of Oi's total share capital (excluding treasury shares), with a value of 54 thousand Euros.

2. Presentation bases

These interim consolidated financial statements have been presented in accordance with IAS 34 Interim Financial Reporting ("IAS 34"). Consequently, these financial statements do not include all the information required by the International Financial Reporting Standards ("IFRS") as adopted by the European Union, and should therefore be read together with the consolidated financial statements for the year ended December 31, 2023. In addition, additional explanations on the main variations in income and costs are disclosed in the interim management report, so these interim consolidated financial statements should be read together with that management report. The interim financial information now disclosed has not been subject to external audit or limited review.

3. Changes in accounting policies

The interim financial statements follow the same accounting policies and calculation methods applied in the most recent annual financial statements.

4. Exchange rates used in the conversion of financial statements expressed in foreign currency

On June 30, 2024 and December 31, 2023, the assets and liabilities expressed in the main foreign currencies were converted into Euros on the basis of the following exchange rates for the Euro:

Currency	30 jun 24	31 dez 23
Real	5.8915	5.3618
USD	1.0705	1.1050

As of June 30, 2024 and 2023, the income statements and cash flows of subsidiaries and jointly controlled companies expressed in foreign currency were converted into Euros based on the following average exchange rates:

Currency	1H24	1H23
Real	5.7884	5.4827
USD	1.0759	1.0807

5. Wages and Salaries

In the semesters ending on June 30, 2024 and 2023, this item has the following composition:

	1H24	Euro 1H23
Fixed and variable remuneration	277,745	378,061
Social security	64,052	76,876
Other	7,397	15,136
	349,194	470,073

6. Supplies, external services and other expenses

In the semesters ending on June 30, 2024 and 2023, this item has the following composition:

	1H24	Euro 1H23
Specialized work	284,205	431,309
Insurance	113,769	143,605
Travel	3,803	6,915
Other	109,030	158,848
	510,807	740,677

(i) This item essentially reflects certain financial advisory and legal advisory fees.

7. Indirect taxes

In the semesters ending on June 30, 2024 and 2023, this item has the following composition:

	1H24	Euro 1H23
VAT	64,752	103,504
Other	2,383	11,059
	67,135	114,564

8. Interest earned, net

In the semesters ending on June 30, 2024 and 2023, this item has the following composition:

	1H24	Euro 1H23
Net interest earned		
Related to cash and cash equivalents (i)	(215,826)	(53,922)
	(215,826)	(53,922)

(i) The interest obtained relates essentially to investments in Term Deposits made by PHAROL SGPS.

9. Taxes and rates

In 2024, companies located in mainland Portugal are taxed under Corporate Income Tax at the base rate of 21.0% plus (1) a Municipal Surcharge of up to a maximum of 1.5% on the tax base, and (2) a State Surcharge of 3.0% applicable on taxable profit between 1.5 million euros and 7.5 million euros, 5.0% applicable on taxable profit between €7.5 million and €35 million, and 9.0% applicable on taxable profit exceeding €35 million, resulting in a maximum aggregate rate of approximately 31.5% for taxable profits exceeding €35 million. In the calculation of taxable income, to which the aforementioned tax rate is applied, expenses and income not accepted for tax purposes are added to or deducted from the accounting results.

In the semesters ending on June 30, 2024 and 2023, this item has the following composition:

	1H24	Euro 1H23
Income tax		
Income tax - current	9,108	11,562
	9,108	11,562

As a tax loss was calculated in the 2024 and 2023 financial years, the current tax above reflects only the autonomous taxation that is levied on expenses with light vehicles and representation expenses.

10. Earnings per Shares

Earnings per share for the six months ended June 30, 2024 and 2023 were calculated as follows:

		1H24	Euro 1H23
Net loss attributable to equity holders of Pharol	(1)	(230,737)	(1,019,247)
Weighted average common shares outstanding in the period	(2)	821,756,654	821,756,654
Earnings per share from continuing operations			
Basic and diluted	(1)/(2)	(0.00)	(0.00)

11. Financial assets

The financial assets include: 1) portfolios of investments in shares and bonds in the amount of 26.26 million Euros as of June 30, 2024 and 25.82 million Euros as of December 31, 2023, and 2) PHAROL's investment in Oi, of 0.10% (54 thousand Euros) on June 30, 2024 and 0.18% (130 thousand Euros) as of December 31, 2023, respectively. All financial assets are accounted for at market value.

Investment Portfolios

PHAROL subscribed to two investment portfolios in financial assets in August 2022 and two more in August 2023, composed mainly of asset groups of Bonds and Shares of listed companies. The portfolios are managed by a banking entity that has the discretionary power to buy and sell the assets that comprise it, with which a contract has been signed that presupposes the maintenance of these portfolios for a period of more than one year. These financial assets are part of a portfolio of identified financial instruments for which there is evidence of a recent pattern of profit-taking in the short and medium term. At the time of initial recognition, they are recorded at acquisition cost and subsequently at fair value, with changes in fair value recognised in profit or loss. For these assets, as of 30 June 2024, the change in the fair value of the portfolio is as follows:

Portfolio fair value variation		<i>euros</i>
Portfolio value on December 31, 2023		25,822,428
Portfolio value on June 30, 2024		26,258,712
Var. Fair Value – (Gains) or Losses on Oct. non-current assets		(436,284)

Regarding these assets, as of June 30, 2024 and December 31, 2023, the portfolio is composed as follows:

Portfolio Breakdown

	Euro	
	30 jun 24	31 dez 23
Asset Group		
Liquidity	613,745	466,505
Public Debt	467,536	355,650
Investment Grade Bonds	20,270,781	20,278,692
High Yield Bonds and Emerging Markets	3,453,112	3,230,244
Shares	1,453,538	1,491,337
	26,258,712	25,822,428
Group by Geographic Allocation		
Europe (former UK)	14,844,496	14,463,458
USA	5,721,219	5,367,817
Other Developed	825,305	1,308,846
UK	3,065,365	3,090,799
Japan	858,680	819,260
Liquidity	745,663	466,505
Others in Development	0	97,409
Not Classified	197,984	208,334
	26,258,712	25,822,428
Group by sectoral allocation		
Financial	12,240,824	12,476,979
Funds	1,966,465	2,121,467
Cyclical consumer goods	4,286,165	4,176,044
Non-cyclical consumption	1,961,754	1,570,499
Industry	863,674	962,137
Communications	946,310	950,516
Raw material	494,759	486,360
Liquidity	745,663	466,505
Energy	426,240	417,758
Others	427,166	406,892
Public Debt	467,536	355,650
Technology	97,667	97,304
Utilities	1,334,489	1,334,317
	26,258,712	25,822,428

Investment in Oi

Regarding the investment in Oi, as of December 2017 it started to be measured by its fair value. Until that date, Oi was classified as an associate and measured by the equity method.

On September 8, 2014, as explained above, PHAROL entered into an Exchange Agreement with Oi of a portion of Oi's shares held directly by PHAROL for Rio Forte's debt securities and a Call Option on said shares. The Exchange was executed on March 30, 2015 after all necessary approvals had been obtained. As a result of the Exchange entered into on 8 September 2014, the portion of the investment in Oi to be delivered under the Exchange was classified as non-current assets held for sale and measured at its fair value based on the price of Oi's shares up to the date of the Exchange. The remaining 22.8% interest, including the 15.9% and 3.0% interests held directly by PHAROL and Bratel Brasil, respectively, and the 3.9% interest held indirectly through *Oi's parent holdings*, remained classified as an investment in joint ventures and accounted for in

accordance with the equity method. After the execution of the Exchange on March 30, 2015, this participation represented 27.5%.

As previously mentioned, as a result of Oi's New Structure, the shareholders' agreements through which joint control of Oi was exercised ended on July 30, 2015. The simplification of the structure took place on September 1, 2015, allowing Oi to incorporate assets at fair value that, until then, had not been recognized by the holding entities.

As a result of the transaction, PHAROL's effective participation in Oi's results was reduced from 27.5% to 27.4%. In addition, during the third quarter of 2015, the new articles of association were approved, which, among other changes, introduced the limitation of the voting rights of any shareholder to 15%.

On October 8, 2015, Oi's Board of Directors approved the voluntary conversion of preferred shares into common shares issued by Oi ("Voluntary Conversion of PNs"), approved the effective conversion of the preferred shares subject to the conversion statements at BM&FBovespa and Banco do Brasil, and accepted the conversion requests submitted by holders of American Depositary Shares ("ADSs") representing preferred shares ("Preferred ADSs"). The ADSs representing the new common shares resulting from the Exchange Offer related to the Voluntary Conversion of PNs were issued on October 13, 2015.

As a result of the transaction, PHAROL's effective participation in Oi's results was reduced from 27.4% to 27.2%.

According to IAS 28 – Investments in Associates and Joint Ventures, it is presumed that there is significant influence on an investment when the voting right is greater than 20%. For voting rights below 20%, there should be clear indications of instruments through which significant influence can be exerted. The limitation of PHAROL's voting rights in Oi by 15%, compared to the remaining voting rights, translated into around 18.83% on December 31, 2016. By analogy, IFRS 10 – Consolidated Financial Statements considers that there may be control when there is a concentration of shareholdings, with the remaining shareholding being dispersed among different investors ("de facto control"). In Oi's shareholder structure, more than 30% of the common shares were dispersed by free float, with two reference shareholders in addition to PHAROL with voting percentages between 5% and 9% each. PHAROL therefore considered that it would continue to have significant influence.

However, in December 2017, and after the decision of the Court of the 7th Business Court of the District of the Capital of the State of Rio de Janeiro, before which the Judicial Reorganization ("Court") was being processed, which decided to withdraw the rights of the members of Oi's Board of Directors in the approval of the Judicial Recovery Plan in which the company was, it was understood that PHAROL had lost the significant influence it had held until then in its associate Oi S.A..

Consequently, since December 31, 2017, PHAROL started to account for its investment in Oi at market value, which is now classified as a "Financial Asset".

In 2022 and 2023, PHAROL liquidated part of the position in Oi, leaving it with a final position of 2.20% and 0.18% respectively.

In the first half of 2024, PHAROL sold a new portion of shares and a new reverse split of Oi shares at a ratio of 10:1, with a stake of 0.09%, equivalent to 0.10% excluding treasury shares, in the amount of 54 thousand Euros.

In May 2023, within the scope of the proceeding opened in 2016 by the CVM in Brazil in which Pharol is a defendant, a decision was issued to condemn Pharol to the penalty of a pecuniary fine, in the amount of 400 thousand reais (approximately 76 thousand euros) in relation to the accusation of non-compliance with its duty of loyalty as a controlling shareholder of Oi, in view of the alleged informational failures in its financial statements involving Rio Forte's securities.

Subsequently, not complying with the decision, Pharol appealed to the National Financial System Appeals Council, having, however, made a provision of 76 thousand euros for a potential loss.

Also related to the investment in Oi, and following the business combination agreement signed in May 2014 between PHAROL and Oi S.A., all liabilities inherent to potential tax assessments of the consolidated tax of the PT Group became the responsibility of Oi, and PHAROL was jointly and severally liable (Note 16).

12. Other non-current assets

As of June 30, 2024 and December 31, 2023, this item includes an estimated future recovery of approximately 51.9 million Euros relating to the debt instruments issued by Rio Forte.

Rio Forte

Regarding the debt instruments issued by Rio Forte, after becoming aware of the Report of the Judicial Administrators in the insolvency proceedings of Rio Forte (Rapport n°4 des Curateurs), dated August 31, 2016, available in www.espiritasantoinsolvencies.lu, PHAROL initiated steps to ascertain the financial, accounting and legal implications of what is contained in point 2.1.6 thereof, which is transcribed in free translation:

"Predictable recovery

The information currently available to Judicial Administrators does not allow an estimate to be made of either the total recovery or the recovery to be carried out by the company in bankruptcy proceedings.

It cannot be ruled out that judicial attachment and the possible rights of third parties involved may prevent the bankruptcy estate from recovering and distributing certain assets for a long time, or even definitively. In fact, it is not excluded that the judicial authorities aim to confiscate the assets now seized."

PHAROL's Management, after due diligence and supported by the analysis of its advisors, concluded, on that date, based on a principle of prudence, that the expected values of recovery of the assets by the insolvent estate and, consequently, by PHAROL from Rio Forte had been reduced. PHAROL's investment in Rio Forte's securities was initially valued at fair value at the time of its initial recognition on March 30, 2015, and was subsequently measured at amortized cost less any impairment losses. Based on the basic principles set out in IAS 39 (currently IFRS 9) and the available information, the Board of Directors used its judgment in the definition of assumptions that culminated in an appreciation of the credit on Rio Forte by 85.7 million Euros on December 31, 2016. This reflected an appreciation of around 9.5% of the nominal value, against approximately 15% of the nominal value on December 31, 2015, which determined the recording of an impairment in the amount of 48.8 million Euros.

Additionally, in December 2017, after the update of the amount of credit claims considered in the last report of the Judicial Administrators revealed to be a higher value than previously considered, the debt recovery valuation was revised downwards again, having been recorded at 8.32% recovery, which is equivalent to a reduction of 11.1 million Euros to the amount of 74.6 million Euros. On December 31, 2018, the debt recovery value remained at 8.32%.

In April 2019 and 5 years after the filing of the credit complaint against Rio Forte, a new report by the Judicial Administrators was released on April 30, which essentially pointed to: 1) postponement of the results of the conclusion of the administrative analysis of the debt statements; and 2) downward revision of the value of Rio Forte's assets in Latin America. Thus, and based on these new factors, the debt recovery valuation was, once again, revised downwards, having fallen by 7.19% of recovery of the nominal value, which is equivalent to a reduction of 10.1 million Euros to the amount of 64.5 million Euros. Also in the 2019 financial year and after the analysis of the last report issued by the Judicial Administrators, with effect from 31 December 2019, that value was, once again, revised downwards, and the recovery of the nominal value was set at 7.02%, which is equivalent to an additional reduction of 1.5 million Euros for a total recovery amount of 63 million Euros. On December 31, 2020, a new downward revision of the recovery of the nominal value to 5.79% was carried out, essentially justified by the depreciation of the assets held by Rio Forte in Latin America, which is equivalent to a reduction of 11.1 million Euros to the amount of 51.9 million Euros.

On 16 November 2023, the trustees of Rio Forte decided that the insolvency claim of Rio Forte Investments submitted by PHAROL will be submitted, as a measure of prudence, to the Court of Luxembourg for a decision on its admission to the insolvency liability, because, in the words of the trustees, PHAROL's claim does not appear to fully comply with all legal requirements.

As of June 30, 2024, no arguments or information supporting the decision of the trustees taken on November 16 have been submitted and delivered to PHAROL. Thus, with regard to Rio Forte's insolvency proceedings in Luxembourg, PHAROL continues to consider that no significant progress has been made and no reasoned order has yet been issued that could lead to a change in the judgment and assessment considered so far.

In February 2024, and in anticipation of the possibility that the Court would recognise the validity of Pharol's claim against Rio Forte, the latter's trustees requested, in the alternative, that a repayment in April 2014 of € 199,631,000.00 of commercial paper subscribed directly by Pharol in February 2014 be considered null and void because it had been carried out during the suspicious period. For procedural reasons and also because they once again do not present any substantial evidence, our Lawyers are of the opinion that this *assignment* is unfounded.

On June 30, 2024, considering the maintenance of the main valuation factors of Rio Forte's Assets and there being no evolution in the amount of debts claimed, the expected value of recovery of Rio Forte's nominal debt remained unchanged at 5.79%, equivalent to 51.9 million Euros.

In order to compensate for the losses resulting from the insufficiency of assets in Rio Forte's bankruptcy estate to fully satisfy Pharol's credit, in accordance with the decision of the General Shareholders' Meeting in 2015, several actions were taken, which we detail below:

Actions against Former Directors

Proposed Liability action against former directors, requesting that the Defendants be jointly and severally ordered to pay compensation corresponding to the difference between €897 million, the amount of the investment in Rio Forte's commercial paper instruments decided by them, and the amount that may be received in the context of the insolvency proceedings and other damages that may be ascertained. The Defendants presented their defences and requested the main intervention brought by several third parties, including the Insurance Company. The Defendants invoked the existence of a preliminary ruling and requested the stay of the proceedings. The Court, on 18.01.2018, ordered the suspension of the proceedings until the action for annulment of corporate resolutions before the Lisbon Commercial Court is decided. This action, however, was definitively dismissed, so that Pharol, on 27.06.2019, applied to the court for a declaration that the stay of the proceedings ceased. This order has not yet been decided, so the action remains suspended.

In mid-2020, the Court ordered the inclusion of a certificate of the judgment rendered in the preliminary ruling action to the case file, which happened, but did not issue any new order. There was no evolution in 2021 or 2022. As a result, the acceleration of the procedure was requested under the terms of the Law, as soon as the Courts opened on September 1, 2023.

In 2016, a new liability action was filed against the former directors, with the aim of requesting the implementation of financial reporting and internal control systems that made it possible to make increasing amounts of investments in debt instruments issued by companies of the Espírito Santo Group by these directors, decided, in violation of the rules of corporate governance and with the ignorance of investors and shareholders, generating high losses. In this Action, it is requested that the defendants be jointly and severally ordered to pay PHAROL compensation corresponding to €54,900,000.00, plus other damages that may be ascertained, namely in the last investments that were made with the procedures implemented by

the defendants and also for reputational damages and fines and fines resulting from the lack of completeness of the financial reporting documents.

The Defendants presented their defenses and requested the main intervention provoked by several third parties, including the Insurance Company. The Court issued an order suspending the proceedings for preliminary reasons – Proc. No. 23430/15.9T8LSB, which was approved by the Lisbon Commercial Court – Judge 3, in which the Defendants seek the annulment of PHAROL's corporate deliberation that determined the filing of this action. This action, however, was definitively judged unfounded, which is why the court declared the suspension of the process to cease.

The Court ruled on the intervention in the action as defendants of the other members of Pharol's audit committee, which the Defendants had requested, having rejected this claim. Two of the Defendants appealed against this rejection, and Pharol counter-claimed.

Meantime, the court ordered Pharol to respond in writing to the objection raised by the Defendants in the defences, which was done on 11.09.2019.

The appeal was upheld, so the other members of the Audit Committee were summoned, who filed a joint response on 2 November 2020. In the defences, the so-called requested the intervention of the insurance companies to which they transferred the civil liability arising from the acts performed in the exercise of their functions, as had been done by the initial Defendants.

A decision on the intervention of the insurers is awaited. No change until June 30, 2024.

Lawsuits Against Former Auditor

In the same year of 2016, PHAROL also filed a civil liability action against Deloitte Associados and João Luís Falua da Costa da Silva for the breach of legal and contractual duties in the review of accountability documents by the Plaintiff, including the Corporate Governance Report, in the review of the internal control system, namely its operability under the terms required by Section 404 of the SARBANEX-OXLEY ACTA (SOC) and in the preparation and presentation of the respective audit memoranda and internal control memoranda

According to the cause of action, the breach of these duties was an adequate cause for the non-disclosure in the financial statements between 2010 and 2014 of high investments in unrated commercial paper of the Espírito Santo Group over those 4 years and which violated several internal rules, namely corporate governance.

In this action, it is requested that the Defendants be jointly and severally ordered to pay PHAROL compensation corresponding to the difference between €897 million and that which it may receive in the context of Rio Forte's insolvency proceedings and other damages that may be determined in execution of the judgment, resulting either from reputational damage or compensation, fines and fines in which the

plaintiff may be convicted in proceedings of lack of legally required quality of PHAROL's financial reporting documents in the periods from 2010 to 30 June 2014.

The Defendants filed a response, and the intervention of the Insurance Company was requested, which was admitted.

Pharol filed a supervening pleading on 13.09.2022, based on the conviction of Deloitte in an administrative offence proceeding initiated by the Portuguese Securities Market Commission, whose admission has not yet taken place.

Deloitte refused to present the working documents, alleging professional secrecy. The court found him right. Pharol appealed against that decision, and the Court of Appeal sided with Pharol ordering the attachment of the documents in 2023. Deloitte has appealed to the Court, which is pending.

The Investigation is already underway and has not been completed so far.

BES and Banco de Portugal cases

In 2017, Pharol also became an assistant in the entire BES group Case, a status that was recognized by the Court. Sequentially, when charges were brought, Pharol filed a civil claim for compensation for all losses caused by the fraud practiced by some of the defendants therein, for subscription by Pharol in February 2014 of Commercial Paper issued by Rio Forte in the amount of 897 million euros. As is public, several of the defendants requested the opening of an investigation. A preliminary hearing was held and a remedial order was issued with the establishment of the facts, following joint proposals presented. The parties submitted amendments to the evidentiary requirements and expert evidence was admitted.

In 2016, Pharol filed an administrative action against the Bank of Portugal, based on the challenge of the "Contingencies" and "Perimeter" Resolutions taken by the Bank of Portugal on 29.12.2015, which determine that the contingent or unknown liabilities by BES, vis-à-vis third parties, with reference to 03.08.2014, were not transferred to Novo Banco or, having been, were retransferred back to BES with retroactive effect to that date. Without any significant progress in recent years, recently, this case was included in a special procedure for the acceleration of processes. According to this mechanism, 5 pilot processes (similar to each other) were designated and the suspension of the other similar processes was determined until the delivery of a final decision in the pilot processes. Once issued, the decision in the pilot cases will serve as the basis for the others. The exclusion of Pharol's process has been requested and an order on this request is awaited. If the request is granted, Pharol's process will continue its normal course without any suspension until the delivery of a final decision.

Also in 2016, a claim was filed in the insolvency proceedings of BES in the amount of € 897 million, corresponding to the amount invested by PT SGPS in Rio Forte's commercial paper, based on BES's liability as a financial intermediary. As this claim was not recognized in the list of creditors by the Liquidation

Commission, an objection was filed, which received a new unfavorable response from that Commission and consequent rebuttal by Pharol. A decision on the challenge presented is awaited.

ESI Process

Finally, still related to the Rio Forte case, in December 2017, Pharol, became aware of a statement from the Trustees of Espírito Santo International, S.A., ("ESI"), in which they declare that this bankrupt company will evaluate the possibility of suing PHAROL, requesting that it be ordered to reimburse 750 million Euros, without specifying the grounds for that request. On January 28, 2019, as a protective measure to avoid interrupting any limitation period, Pharol was also summoned for proceedings in the Luxembourg Court by the *Ad-hoc* Curator of ESI – Espírito Santo International, with the claim that it had received undue payments from ESI in the amount of seven hundred and fifty million euros, claiming, in summary, that (a) the payment should have been made in cash or by means of "effets de commerce" and not by bank transfers, (b) the payment was abnormal because ESI did not have the necessary funds, (c) Pharol was aware of ESI's state of insolvency and (d) the payment was part of a fraudulent scheme. Subsequently, Pharol's lawyers in Luxembourg, Schiltz & Schiltz, submitted a preliminary opinion that sets out in fact and in law that ESI's claims should be completely dismissed, both in fact and in law.

After analyzing the above-mentioned subpoena and in conclusion, PHAROL and its Lawyers consider the probability of registering, based on the alleged facts, any conviction under the terms subpoenaed, and the process, to date, has not been initiated judicially. Therefore, PHAROL, in its financial statements, did not constitute any provision in relation to this case.

13. Accounts Payable

On June 30, 2024 and December 31, 2023, this item shall be composed as follows:

	Euro	
	30 jun 24	31 dec 23
Current accounts payable		
Current suppliers	48,405	110,141
Others	(6,060)	6,162
	42,345	116,302

14. Cost accruals

On 30 June 2024 and 31 December 2023, this item shall be composed as follows:

	Euro	
	30 jun 24	31 dec 23
Accrued expenses		
Supplies and external services	(4,062)	95,239
Vacation pay and bonuses	145,805	154,494
Others	14,621	19,434
	156,364	269,167

15. Consolidated Statements of Cash Flows

(a) Payments to suppliers

In the first half of 2024 and 2023, payments to suppliers mainly relate to payments made in relation to suppliers of specialised work and consultancy.

(b) Equity and other equity instruments

In the first half of 2024 and 2023, this item concerns the sale of shares in the company Oi S.A.

(c) Cash and cash equivalents at the end of the period

On June 30, 2024 and December 31, 2023, this item shall be composed as follows:

	Euro	
	30 jun 24	31 dec 23
Cash and cash equivalents		
Cash	1,484	4,000
Demand deposits	796,084	5,592,818
Time deposits (i)	15,174,154	11,600,000
	15,971,722	17,196,818

(i) On June 30, 2024, the value of term deposits considered, in addition to conventional term deposits, an investment of 2.03 million euros in a money market fund with variable net value (Short-term VNAV) and liquidity of 1 day, in accordance with the treasury policies defined by the company.

16. Guarantees and financial commitments, and, Other Current Liabilities

PHAROL, after having been the dominant company of the consolidated tax of the PT Group, currently has a series of tax assessments from the years prior to 2014 still in litigation. In May 2014, and in view of the business combination agreement entered into between PHAROL and Oi S.A., all the responsibilities inherent to these tax assessments became the responsibility of Oi, and PHAROL was nevertheless jointly and severally liable.

Thus, in order to face the risks of unfavorable court decisions, PHAROL currently holds counter-guarantees, namely, Bank Guarantees and Guarantees provided by Oi, and may use, eventually, current account balances related to cases in which amounts have been previously disbursed by Oi under the obligations

assumed by this company at the time of the Business Combination. At the moment, there are no balances in favor of Oi under these conditions, that is, previously disbursed by it.

On the other hand, on June 30, 2024 and December 31, 2023, the item Other Current Liabilities includes amounts of refunds from the Tax Authority, the value of which has been scrutinized in order to consider different technical and legal analyses that, eventually, may lead to another type of qualification in the future.

On June 30, 2024 and December 31, 2023, the amount of Bank Guarantees is as follows:

	Euro	
	30 jun 24	31 dec 23
Bank and other guarantees presented to the tax authorities	84,617,476	84,617,476
	84,617,476	84,617,476

The bank guarantees and other guarantees submitted in favour of the tax authorities included EUR 85 million on 30 June 2024 and 31 December 2023, related to tax assessments received by PHAROL. The Company challenged these liquidations in court and, in accordance with Portuguese law, provided a guarantee. Portuguese law, while always allowing the challenge of taxes paid by the tax authorities of its own motion, only suspends the enforcement process if there is payment of the tax or provision of a guarantee. The provision of security thus avoids the payment of tax before the decision on the challenge or the seizure of assets in enforcement proceedings.

Part of the guarantees previously provided were canceled due to the slowness and expiry of the processes. Despite the expiry and consequent cancellation of part of the Guarantees, most of the tax processes remain ongoing and Oi continues to be responsible for them, with the total amount potentially reaching up to 144 million euros. However, any unfavorable decisions, particularly regarding tax credits and tax benefits, will be absorbed by the values of tax losses, tax credits and tax benefits, calculated in the years 2010, 2011, 2012 and 2013, which can be carried forward to the following years. and which were not used until 2018, at a value estimated at up to 7 million euros, thus having the potential to reduce processes to 136 million euros. Still within the scope of the agreements signed, Oi is also obliged to replace the bank guarantees provided by PHAROL to the Federal Revenue Service with guarantees provided by Oi. In cases where this replacement was not possible, Oi committed to providing equivalent guarantees in favor of PHAROL.

As such, on December 31, 2020, a Pledge Agreement for Telemar Norte Leste shares was in force with a maximum amount up to the limit of the potential existing liabilities.

Additionally, in January 2020, following the Private Instrument of Transaction and Other Covenants, entered into between PHAROL and Oi, the latter, through PT Participações SGPS, S.A., made a deposit in a guarantee account in the amount of 34,340,803.32 Euros, intended to guarantee PHAROL in the event of a possible conviction in tax contingencies for which Oi is liable.

During 2021, and in view of the merger on May 3, 2021 of Telemar Norte Leste, Oi S.A. and Pharol, in order to maintain the counter-guarantees in force, reformulated the pledge agreement, which now consists of 64,401,909 common shares issued by Oi. If this amount is fully used in tax contingencies, Oi S.A. undertakes to reinforce the counter-guarantees in force.

In 2024, part of the escrow account was used to pay for cases, and its value currently stands at 22.8 million euros.

The value of potential tax contingencies for PHAROL is currently, as mentioned above, up to 144 million euros. Of these, the cases with possible or probable risk of loss for PHAROL amount to around 17 million euros according to the estimate of the tax advisors.

17. Related parties

a) Associated and jointly controlled companies

In the first half of 2024 and 2023, there were no costs or revenues related to associated or jointly controlled companies.

b) Other

During the periods ended June 30, 2024 and 2023, the fixed remuneration of directors, which were established by the Remuneration Committee, amounted to 91 thousand Euros and 180.9 thousand Euros, respectively.

18. Shareholders with Qualifying Holdings

The Company believes that it is relevant to disclose the outstanding balances and transactions carried out with its main shareholders, namely those with a qualified stake above 2% in the share capital of the PHAROL Group, and with all entities reported by these shareholders as part of the respective economic groups. On June 30, 2024, PHAROL had no balances with entities identified as shareholders with qualified holdings or respective economic groups.

19. Subsequent events

There are no subsequent events to report.

PHAROL, SGPS S.A.

STATEMENT OF THE FISCAL COUNCIL

**STATEMENT OF THE FISCAL COUNCIL ON THE COMPLIANCE OF THE
INFORMATION PRESENTED**

(Article 29-J, paragraph 1, paragraph c) of the Securities Code)

Pursuant to and for the purposes of article 29-J (1) (c) of the Securities Code, the Supervisory Board of PHAROL, SGPS S.A. ("PHAROL") hereby declares that:

To the best of your knowledge, (i) the condensed financial statements for the first half of 2024 have been prepared in accordance with the applicable accounting standards, giving a true and fair view of the assets and liabilities, financial position and profit or loss of PHAROL and the companies included in the scope of consolidation, and (ii) the interim management report for the first half of 2024 faithfully sets out the important events that occurred in the period to which it refers and the impact on said financial statements, as well as contains a description of the main risks and uncertainties for the following six months.

Lisbon, July 25, 2024

President: José Eduardo Fragoso Tavares de Bettencourt

Vowels: Isabel Maria Beja Gonçalves Novo

João Manuel Pisco de Castro

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Shareholders, investors, analysts and other interested parties should send their requests for information and clarifications (annual, half year, and quarter reports, press releases, etc.).

Website

All publications and communications, as well as information regarding the businesses performed by the Company, are available on PHAROL's Internet page, at the following address:
www.pharol.pt

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