

INDIVIDUAL

ACCOUNTS AND REPORT

2025

PHAROL, SGPS S.A.



INDIVIDUAL ACCOUNTS AND REPORT

2025

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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. MANAGEMENT REPORT

As of December 31, 2025, 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 stock and bond portfolios in the amount of 27.8 million Euros and (3) cash and cash equivalents in the amount of 14.9 million 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 their nominal value and amount to 51.9 million euros. During the financial year 2025, there were no relevant occurrences that would justify a revision of its recovery value. There are also, related to the investment made in Rio Forte, other lawsuits opened against the former Directors and the former external Auditor that are underway in the Portuguese instances.

The investment portfolios that PHAROL subscribed to in August 2022 (10 million Euros) and reinforced in August 2023 (15 million euros) are composed of investments in financial assets that mostly include asset groups of Bonds and Shares of listed companies. On December 31, 2025, the overall value of these portfolios amounts to 27.8 million Euros, with an increase of 779 thousand Euros compared to the value on December 31, 2024.

After the purchase of 39.7% of Oi in 2014, PHAROL carried out several operations that significantly changed its stake in the company. In 2015, after the voluntary conversion of preferred shares into common shares, it held 27.18% of Oi's total capital, with voting rights limited to 15%. In 2016, Oi entered into Judicial Reorganization, and the capital increase resulting from the reorganization plan diluted PHAROL's stake to 6.88% in 2018 and to 5.51% in 2019, even with the partial subscription of the capital increase.

As of 2020, PHAROL began the progressive sale of its Oi shares, reducing the stake to 5.37%. Between 2021 and 2024, following an asset rotation strategy, it continued to divest shares, successively reducing the stake to 2.2% in 2022, 0.18% in 2023, 0.02% in 2024 and sold the remainder in 2025.

SUMMARY OF ACTIVITY

Apart from its activity of managing shareholdings in other companies, the Company has not carried out any direct operational activity.

LEGAL INFORMATION

There are no arrears owed to the Portuguese State and Social Security.

No business or transactions that are considered significant in economic terms by any of the parties involved were entered into between the Company and the members of its management and supervisory bodies, with the exception of those mentioned in Note 20 of the Annex to the financial statements as of December 31, 2025.

FINANCIAL YEAR EVENTS AND RECENT DEVELOPMENTS

The main events that occurred in the year ended December 31, 2025 and recent developments are described in PHAROL's consolidated report to which we allow ourselves to refer the Shareholders.

PROPOSAL FOR THE APPLICATION OF PROFITS

Considering that in the year ended December 31, 2025, a positive net result of 2,062,288 euros was recorded, it is proposed that they be transferred to the Company's Retained Earnings.

Lisbon, February 26, 2026

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

02. FINANCIAL STATEMENTS

PHAROL, SGPS, S.A.

STATEMENT OF INCOME
FISCAL YEARS ENDED DECEMBER 31, 2025 AND 2024

euros

	Notes	2025	2024
Losses (gains) on investee companies, net	14	(81,560)	(32,313)
External supplies and services	15	(1,014,716)	(1,172,980)
Personnel expenses	16	(1,198,823)	(991,030)
Indirect taxes		(225,766)	(161,829)
Fair value increases/(decreases)	17	832,986	1,264,513
Other income	19	3,797,226	26,183,600
Other expenses		(18,007)	(14,232)
EARNINGS BEFORE DEPRECIATION, FINANCING EXPENSES AND TAXES		2,091,340	25,075,729
Depreciation and amortization expenses/reversals		(29,616)	(14,653)
OPERATING INCOME (BEFORE FINANCING EXPENSES AND TAXES)		2,061,724	25,061,076
FINANCIAL COSTS AND (GAINS)			
Interest and similar income earned		234,016	399,492
Interest and similar expenses incurred		(182,953)	(2,631)
PROFIT BEFORE TAX		2,112,786	25,457,937
Income tax for the period	9	(50,498)	(1,250,901)
NET RESULT		2,062,288	24,207,036
Net income per share			
Basic and diluted	18	-	0.03
Diluted	20		

Notes form an integral part of these financial statements.

BALANCE SHEET
DECEMBER 31, 2025 AND 2024

	Notes	2025	euros 2024
ACTIVE			
Non-current asset			
Property, plant and equipment		121,190	7,059
Intangible assets		6,645	11,335
Financial participations - equity method	6	106,860	188,421
Other financial investments	7	79,664,927	78,885,930
Total non-current assets		79,899,623	79,092,745
Current Asset			
State and other public entities	10	706,825	-
Other receivables	19	803,899	150,357
Deferrals		2,299	3,239
Cash and bank deposits	4	14,859,144	15,773,328
Total current assets		16,372,168	15,926,924
Total assets		96,271,790	95,019,669
EQUITY			
Subscribed capital	11	26,895,375	26,895,375
Own actions	11	(164,809,193)	(164,809,193)
Legal reserves	11	6,773,139	6,773,139
Other bookings	11	242,935,715	242,935,715
Adjustments / other changes in equity	11	(183,305,008)	(183,305,008)
Retained earnings	11	163,694,379	139,487,343
Net income		2,062,288	24,207,036
Total equity		94,246,695	92,184,407
PASSIVE			
Non-current liabilities			
Financing obtained		-	23,811
Provisions		75,775	75,775
Total noncurrent liabilities		75,775	99,585
Current liabilities			
Suppliers	12	262,769	88,963
Creditors for expense increases	13	701,456	600,753
State and other public entities	10	128,547	1,189,412
Other debts to pay		856,549	856,550
Total current liabilities		1,949,321	2,735,677
Total liabilities		2,025,096	2,835,263
Total equity and liabilities		96,271,790	95,019,669

Notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FISCAL YEARS ENDED DECEMBER 31, 2025 AND 2024

euros

		Subscribed capital	Own actions	Legal reserves	Other bookings	Adjustments/other changes in equity	Retained earnings	Net income	Total equity
Balance as of December 31, 2023	A	26,895,375	(164,809,193)	6,773,139	242,935,715	(183,143,296)	140,454,535	(967,191)	68,139,083
Changes in the exercise:									
Financial Statement Translation Differences		-	-	-	-	(15,609)	-	-	(15,609)
Other recognised changes in equity		-	-	-	-	(146,103)	-	-	(146,103)
	B	-	-	-	-	(161,713)	-	-	(161,713)
Net income	B+C	-	-	-	-	-	-	24,207,036	24,207,036
Full result		-	-	-	-	(161,713)	-	24,207,036	24,045,323
Operations with capital holders:									
Application of the previous year's results		-	-	-	-	-	(967,191)	967,191	-
	D	-	-	-	-	-	(967,191)	967,191	-
Balance as of December 31, 2024	E=A+B+C+D	26,895,375	(164,809,193)	6,773,139	242,935,715	(183,305,008)	139,487,343	24,207,036	92,184,406
Changes in the exercise:									
Financial Statement Translation Differences		-	-	-	-	-	-	-	-
Other recognised changes in equity		-	-	-	-	-	-	-	-
	F	-	-	-	-	-	-	-	-
Net income	G	-	-	-	-	-	-	2,062,288	2,062,288
Full result	F+G	-	-	-	-	-	-	2,062,288	2,062,288
Operations with capital holders:									
Application of the previous year's results		-	-	-	-	-	24,207,036	(24,207,036)	-
	H	-	-	-	-	-	24,207,036	(24,207,036)	-
Balance as of December 31, 2025	I=E+F+G+H	26,895,375	(164,809,193)	6,773,139	242,935,715	(183,305,008)	163,694,379	2,062,288	94,246,695

STATEMENT OF CASH FLOWS
PERIODS ENDED DECEMBER 31, 2025 AND 2024

	Notes	2025	2024
euros			
OPERATIONAL ACTIVITIES			
Payments to suppliers		(958,897)	(1,098,873)
Staff payments		(1,226,828)	(791,815)
Income tax-related payments		(1.784.836)	(116,387)
Other receipts, net		2,942,390	354,283
Operational activity flows (1)		(1,028,170)	(1,652,793)
INVESTMENT ACTIVITIES			
Receipts from:			
Similar interest and income		244,038	414,156
		244,038	414,156
Payments concerning:			
Short-term financial investments			
Tangible and intangible assets		(128,733)	(21,849)
		(128,733)	(21,849)
Investment activity flows(2)		115,305	392,308
FUNDING ACTIVITIES			
Payments concerning:			
Interest and similar costs		(1,318)	(1,926)
		(1,318)	(1,926)
Flows of financing activities(3)		(1,318)	(1,926)
Cash and cash equivalents at the beginning of the period		15,773,328	17,035,740
Change in cash and its equivalents (4) = (1) + (2) + (3)		(914,184)	(1,262,411)
Cash and cash equivalents at the end of the period	4. a.	14,859,144	15,773,328

Notes form an integral part of these financial statements.

ANNEX TO INDIVIDUAL FINANCIAL STATEMENTS

on December 31, 2025

(Amounts expressed in euro, unless otherwise stated)

1. Introductory note

a) Company Identification

PHAROL, SGPS, S.A. ("PHAROL", "PHAROL SGPS" or "Company") was incorporated on June 23, 1994 under the terms of Decree-Law No. 122/94, by merger of the companies Telecom Portugal, S.A., Telefonos de Lisboa e Porto (TLP), S.A. ("TLP") and Teledifusora de Portugal, S.A. ("TDP"), with reference to January 1, 1994. As a result of the privatisation process initiated on 1 June 1995 and completed on 4 December 2000, PHAROL's capital is held for the most part by private shareholders. On 12 December 2000, Portugal Telecom, S.A. changed its corporate name to Portugal Telecom, SGPS, S.A., having changed its corporate purpose to a holding company. On 29 May 2015, it changed its name to PHAROL, SGPS, S.A.

As of December 31, 2025, 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 27.8 million Euros and (3) cash and cash equivalents in the amount of 14.9 million Euros.

b) Presentation bases

These financial statements refer to the Company on an individual basis and have been prepared in accordance with generally accepted accounting principles in Portugal (Note 2), and the financial investments have been recorded using the equity method, less any impairment as referred to in Note 3.3. In these individual financial statements, the effect of the application of the equity method was considered in the equity as at 31 December 2025 and 2024 and in the net profit for the years ended on those dates, through the appropriation of the share held in the other changes in equity and the net profit of the investee companies, based on the respective financial statements, but not the effect of full consolidation on assets, liabilities, expenses and income.

The Company has prepared, in accordance with applicable law, consolidated financial statements in accordance with the International Financial Reporting Standards, as adopted in the European Union, published separately. These consolidated financial statements include the financial statements of the companies in which PHAROL controls, consolidated using the full method.

The disclosures presented in these consolidated financial statements are complementary, mutatis mutandis, to the disclosures presented in these financial statements.

The financial statements for the year ended December 31, 2025 were approved by the Board of Directors and authorized for issuance on February 26, 2026, and are also subject to approval by the General Shareholders' Meeting, under the terms of the commercial legislation in force in Portugal.

2. Accounting framework for the preparation of financial statements

The Company's financial statements have been prepared in accordance with the Accounting Standardization System (SNC) framework, which integrates the Financial Reporting Accounting Standards (NCRF), adapted by the Accounting Standards Commission (CNC) from the International Financial Reporting Standards (IFRS, formerly known as International Accounting Standards) issued by the International Accounting Standards Board (IASB) and adopted by the European Union (EU). The legal diplomas referring to the SNC are:

- Notice No. 8254/2015, of July 29 (Conceptual Framework);
- Ordinance No. 220/2015, of July 24 (Model of financial statements);
- Ordinance No. 2018/2015, of July 23 (Code of accounts);
- Notice No. 8256/2015, of 29 July (Accounting and Financial Reporting Standards);
- Notice No. 8258/2015, of July 29 (Interpretative rules);
- Decree-Law No. 73/2023, of 23 August (Disclosure of information on income tax by certain companies and branches).

The Company adopted the NCRF for the first time in 2010 and applied for this purpose the "NCRF 3 First Time Adoption of the NCRF" ("NCRF 3"), with January 1, 2009 being the transition date for the purposes of presentation of these financial statements. The Company applies the International Accounting and Financial Reporting Standards ("IAS/IFRS") and the respective interpretations ("SIC/IFRIC") issued by the *International Accounting Standards Board* ("IASB") in addition, in order to fill gaps or omissions regarding specific aspects of some transactions or particular situations not provided for in the SNC.

Since January 1, 2005, PHAROL's consolidated financial statements have been prepared in accordance with IFRS as adopted in the European Union, in accordance with the regulations applicable to companies listed on stock exchanges in the European Union.

The PHAROL Group is made up of the following companies:

Company	Headquarters	Company Type	Company Type	Direct	Dec-25	Dec-24
					Effective	Effective
Bratel BV	Amsterdam	Subsidiary	Investment Management	Pharol SGPS (100%)	100%	100%
Pharol Brazil ¹	São Paulo	Subsidiary	Investment Management	Bratel BV (100%)	-	-
Bratel S.a.r.l.	Luxembourg	Subsidiary	Investment Management	Bratel BV (100%)	100%	100%

¹ On December 30, 2024, PHAROL Brasil S.A. was liquidated.

Additionally, it should be noted that PHAROL as of December 31, 2024 held a stake in Oi's capital of 0.02% (excluding treasury shares), respectively.

3. Key Accounting Policies, Judgments, and Estimates

The accompanying financial statements have been prepared on the assumption of continuity of operations. The key accounting policies adopted in the preparation of these financial statements are described below and have been consistently applied.

3.1. Property, plant and equipment

Property, plant and equipment is recorded at acquisition cost, which includes the purchase price and any costs directly attributable to placing the assets in place and in the condition necessary for them to operate as intended.

Depreciation of property, plant and equipment shall be recognised after the asset is in a condition to be used in accordance with the constant share method. The annual rates applied reflect the estimated useful life for each class of goods, as follows:

Asset Class	Years of Useful Life
Transportation Equipment	4
Administrative equipment	3 - 8
Other property, plant and equipment	4 - 8

Gains or losses arising from the disposal or disposal of property, plant and equipment are determined by the difference between the amount received and the carrying amount of the asset, and are recognised in the income statement in the period in which the disposal or disposal occurs.

3.2. Locations

Lease agreements are classified as financial leases if, through them, all the risks and advantages inherent to the possession of the corresponding assets are substantially transferred to the lessee. The remaining leases are classified as operating leases. Leases are classified according to the substance and not the form of the contract.

Assets acquired under leasing contracts, as well as related liabilities, are recorded at the beginning of the lease by the lesser of the fair value of the assets and the present value of the minimum lease payments. Rents include financial expenses and capital amortization, and financial expenses are imputed according to a constant periodic interest rate on the remaining balance of the liability.

In leases considered to be operating, the rents due are recognized as expenses on a straight-line basis during the lease period.

3.3. Financial investments

Subsidiary companies are all entities over which the Company has the power to decide on financial and operational policies, usually represented by more than half of the voting rights. Associated companies are entities over which the Company exercises significant influence but

has no control, usually with holdings of between 20% and 50% of the voting rights. A joint venture is an economic activity undertaken by two or more partners that is subject to their joint control by means of a contractual agreement.

Investments in subsidiaries, associates and joint ventures are recorded using the equity method. According to this method, financial holdings are initially recorded at their acquisition cost and then adjusted according to the changes in the Company's share of the net assets of those entities, after the acquisition, less any impairment. The Company's results include its share of the results of those entities.

Financial investments in foreign entities are converted into euros using the exchange rates in force at the balance sheet date, and the Company's share of the results of these entities is calculated based on the average exchange rate in the period. The exchange rate difference resulting from the translation of the financial statements of foreign entities is recorded in equity under the heading "Adjustments to financial assets" and is recognised in profit or loss at the time the foreign entity is sold or the investment is otherwise transferred. The exchange rates against the Euro used in the conversion of the financial statements of the main foreign operations (held directly or indirectly by PHAROL) are as follows:

Currency	31 Dec 25	31 Dec 24
Real	6,4364	6,4253
USD	1,1750	1,0389

Financial investments are valued whenever there are indications that the asset may be impaired, and impairment losses that are shown to exist are recorded as expenses in the income statement.

Gains obtained in transactions with subsidiaries, associates and joint ventures related to assets held by them are eliminated in proportion to the Company's interest in them, against the corresponding investment item, within the scope of the application of the equity method.

Capital gains arising from the sale of investee companies made within the Group are deferred or cancelled until the moment of their sale to third parties. If capital gains have been deferred, their recognition in profit or loss is recorded under the heading "Gains/(losses) in investee companies", in proportion to which the *goodwill* or assets and liabilities identified in the purchase price allocation process are recognised in profit or loss by the acquiring company.

Ancillary benefits and financing loans granted to subsidiaries, affiliates and joint ventures are recorded at nominal value, less by adjustments for estimated losses, when losses in value of those loans are anticipated.

3.4. Regime of accrual and recognition of expenses

The Company records its income and expenses in accordance with the accrual accounting regime, whereby income and expenses are recognized as they are generated or incurred, regardless of when they are received or paid, respectively.

With regard to the recognition of tax expenses on the acquisition of external services (e.g. non-deductible value added tax), the amounts are classified as indirect taxes.

3.5. Income tax

Income tax corresponds to the sum of current tax and deferred tax, which are recorded in profit or loss except when they relate to items recorded directly in equity, in which case they are also recorded in equity.

The income tax estimate is made based on the estimate of the taxable income for corporate income tax, based on the tax rate applicable in Portugal, plus the municipal and/or state surcharge depending on the tax profit calculated (Note 9).

The income tax for the year recorded in the financial statements is calculated in accordance with the recommendations of the "*NCRF 25 Income Taxes*". In the measurement of the expense related to income tax for the year, in addition to the current tax determined on the basis of the pre-tax result adjusted in accordance with the tax legislation, the effects resulting from the temporary differences between the pre-tax result and the taxable income originated in the year or in previous years are also considered.

Deferred taxes refer to the temporary differences between the amounts of assets and liabilities for accounting carry-forward purposes and their amounts for taxation purposes. Deferred tax assets and liabilities are calculated and valued annually using the tax rates that are expected to be in effect at the date of the reversal of the temporary differences.

Deferred tax assets are recorded only when there are reasonable expectations of sufficient future tax profits to use them. At the balance sheet date, a review of the temporary differences underlying the deferred tax assets is carried out in order to recognise previously unrecorded deferred tax assets and/or to reduce the amount of deferred tax assets that are recognised in line with the current expectation of their future recovery.

3.6. Accounts Receivable

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective rate method, less impairment losses.

Impairments for doubtful debts are calculated based on the assessment of the estimated risks arising from the non-collection of accounts receivable and are recognized in the income statement.

3.7. Provisions and contingent liabilities

Provisions are recognised by the Company when there is a present obligation resulting from past events, provided that it is probable that there will be an expenditure of internal resources for the settlement of that obligation and the amount of such an obligation is reasonably estimated. Where any of these conditions are not met, the Company will disclose the events as contingent liabilities, unless the probability of an outflow of funds is remote.

Provisions are recognised at an amount corresponding to the present value of the best estimate, at the reporting date, of the resources required to settle the obligation. Such an estimate is determined considering the risks and uncertainties associated with the obligation. Provisions are reviewed at the end of each financial year and adjusted to reflect the best estimate at that date.

3.8. Financing obtained

The financing obtained is initially recognised at fair value, net of transaction costs incurred, and subsequently presented at amortised cost, using the effective rate method.

3.9. Own actions

Own shares are accounted for at their acquisition value as a reduction in equity under the heading "Own shares", and the gains or losses inherent to their disposal are recorded under "Retained earnings".

3.10. Balance Sheet Standings

Realizable assets and liabilities due for more than one year from the balance sheet date are classified as assets and non-current liabilities, respectively, at their present value.

3.11. Foreign currency transactions and balances

Transactions in foreign currency (other than the Company's functional currency, the "Euro") are recorded at the exchange rates in force on the date of the transactions. Assets and liabilities denominated in foreign currency for which there is no exchange agreement are converted into euros using the exchange rates prevailing on the balance sheet date. Exchange rate differences, favourable or unfavourable, caused by differences between the exchange rates in force on the date of the operations and those in force on the date of collections, payments or on the balance sheet date, are recorded as income and expenses in the income statement.

On 31 December 2025 and 2024, the assets and liabilities denominated in foreign currency were converted into euros on the basis of the following exchange rates against the Euro, as published by Banco de Portugal:

Final			
	Currency	2025	2024
	Real	6.4364	6.4253
	USD	1.1750	1.0389

Medium		
Currency	2025	2024
Real	6.307	6.3843
USD	1.1299	1.0821

3.12. Financial assets and liabilities

Financial assets and liabilities are recognized in the balance sheet when the Company becomes a party to the corresponding contractual provisions, and are classified into the following categories: (a) at cost or amortized cost; and (b) at fair value, with the corresponding changes recognized in the income statement.

(a) Financial assets and liabilities at cost or amortized cost

Financial assets and liabilities that have the following characteristics are classified in the category "at cost or amortized cost": (a) they are cash or have a defined maturity; (b) have associated a fixed or determinable return; and (c) are not or do not incorporate a derivative financial instrument.

The financial assets and liabilities considered in this category are measured at amortized cost less accumulated impairment losses (in the case of financial assets) and correspond essentially to the following items of assets and liabilities on the Company's balance sheet:

- Financing obtained
- Other Accounts Receivable and Payable
- Other financial assets and liabilities
- Cash and cash equivalents
- Creditors by accrual
- Suppliers

The amortised cost is determined using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future payments or receipts during the term of the financial instrument from the net carrying amount of the financial asset or liability.

Financial assets and liabilities at fair value

All financial assets and liabilities not included in the "at cost or amortized cost" category are classified in the "at fair value" category. These financial assets and liabilities correspond mainly to derivative financial instruments. Changes in the fair value of these derivatives are recognised in equity or profit or loss, depending respectively on whether or not those derivatives meet the hedging criteria. Changes in fair value recognised in profit or loss are recorded under the heading "Increases/(decreases) in fair value" (Note 17). We include in this category the portfolio of investments in bonds and shares measured at fair value with the changes recognized in results.

(b) Impairment of financial assets

Financial assets classified in the category "at cost or amortised cost" are subject to impairment tests at the end of each financial year. Such financial assets are impaired when there is

objective evidence that, as a result of one or more events occurring after their initial recognition, their estimated future cash flows will be affected.

For financial assets measured at amortised cost, the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated new estimated cash flows discounted at their original effective interest rate. For financial assets measured at cost, the impairment loss is the difference between the carrying amount of the asset and the best estimate of the asset's fair value.

Subsequently, if a decrease in impairment loss occurs as a result of an event that occurred after the initial recognition of the loss, the impairment shall be reversed by profit or loss. The reversal is carried out up to the limit of the amount that would have been recognised (at amortised cost) if the loss had not been initially recorded.

(c) Derecognition of financial assets and liabilities

The Company derecognizes financial assets only when its contractual rights to the cash flows from those assets expire, or when it transfers to another entity the financial assets and all significant risks and rewards associated with owning them. The Company derecognizes financial liabilities only when the corresponding obligation is settled, cancelled or expires.

3.13. Key Accounting Estimates and Judgments

In preparing the financial statements in accordance with the NCRF, the Company's Board of Directors uses estimates and assumptions that affect the implementation of the policies and the amounts reported. Estimates and judgments are continually evaluated and are based on experience of past events and other factors, including expectations regarding future events that are considered likely in the circumstances on which the estimates are based or the result of information or experience gained. The most significant accounting estimates reflected in the financial statements are as follows:

- a) Valuation of the investment in Oi** – On May 5, 2014, the Company valued the new stake in Oi, acquired following the business combination carried out at that time with Oi, based on the price of Oi's shares in the capital increase carried out on this date, having, as of this date, appropriated its share in Oi's results through the application of the equity method. In addition, as of September 8, 2014, the portion of the investment in Oi to be delivered under the Exchange Agreement was classified as non-current assets held for sale and measured at fair value from that date, until the execution of the exchange on March 30, 2015. Until December 2017, this investment was valued by the equity method. From that date and in particular on 31 December 2024, the valuation of the investment held in Oi was based on its market value, in particular the stock market price, given that PHAROL lost its significant influence. In December 2025, PHAROL no longer held any stake in Oi.
- b) Valuation of the Rio Forte instrument** – On March 30, 2015, the Rio Forte instruments were obtained following the execution of the swap related to Oi shares. On that date, after consulting with the market, the Company valued the instrument

at 15% of its notional value. This appreciation was revised on September 30, 2016, with a reduction in the notional value to 9.56% and on December 31, 2017 and 2019, to 8.32% and 7.02% respectively. On December 31, 2020, there was a new downward revision of the recovery of the nominal value to 5.79%, which is equivalent to a reduction of 11.1 million Euros to the amount of 51.9 million Euros. On 31 December 2025 and 2024, this value remained the same (see Note 7).

- c) Recognition of provisions and adjustments** – PHAROL SGPS is a party to several ongoing legal proceedings for which, based on the opinion of its lawyers, it has made a judgment to determine the recognition of any provision to address these contingencies. Adjustments for accounts receivable are calculated primarily on the basis of the age of the accounts receivable, the risk profile of the customers and their financial condition.
- d) Valuation of the investment portfolio** – PHAROL subscribed 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. As of December 31, 2025, the valuation of this portfolio is 27.8 million euros, having led to a positive variation of approximately 779 thousand euros recognized in the profit and loss account (see Note 7).

The estimates were determined on the basis of the best information available at the time of preparation of the financial statements, however, situations may occur in subsequent periods that, although not foreseeable at the time, were not considered in these estimates. As set forth in "*NCRF 4 Accounting Policies, Changes in Accounting Estimates and Errors*" ("*NCRF 4*"), changes to these estimates, which occur after the date of the financial statements, are corrected in profit or loss on a forward-looking basis.

3.14. Events after the balance sheet date

Events that occur after the balance sheet date and provide additional information about conditions that existed at the balance sheet date are reflected in the financial statements. Events after the balance sheet date that provide information about conditions that occur after the balance sheet date are not reflected in the financial statements and are only disclosed if they are considered materially material.

4. Cash Flows

Cash and cash equivalents in the statement of cash flows includes cash and bank deposits that can be immediately withdrawn.

The Company is subject to a liquidity risk if funding sources, such as cash equivalents, operating cash flows and cash flows from divestment and financing operations, do not meet existing needs, such as cash outflows related to operating activities, investments, shareholder remuneration and debt repayment. The Company understands that it has the capacity to meet its obligations.

The cash flow statement was prepared in accordance with "NCRF 2 - Statement of Cash Flows", with the following aspects to be highlighted.

(a) Cash and cash equivalents

On 31 December 2025 and 2024, that item had the following composition:

	euros	
	2025	2024
Cash	875	4,606
Bank deposits immediately withdrawable	11.442.633	13,707,074
Treasury Fund	3,415,636	2,061,648
	14,859,144	15,773,328

(i) On December 31, 2025 and 2024, this fund refers to an investment of €3.4 million and €2.06 million, respectively, 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.

5. Policy changes and accounting estimates and errors

No new or revised standards or interpretations were adopted during the financial year 2025, no voluntary changes to other accounting policies and no changes to accounting estimates.

In fiscal year 2025, the Company did not adjust its financial statements for any corrections of material errors from previous years.

6. Financial holdings

Equity method

During the 2025 and 2024 financial years, the movements that occurred under this heading were as follows:

			euros
			2025
Equity shares in subsidiary companies			
	Oi Shares (Fair Value)	Equity (net of investment in Oi)	Total
Opening balance	12,807	175,615	188,421
Net Income Subsidiaries	-	(58,831)	(58,831)
Reductions/Increases	(12,807)	(9,324)	(22,130)
Amendments C. Own	-	(599)	(599)
Closing balance	0	106,862	106,860

			Euros
			2024
Equity shares in subsidiary companies			
	Oi Shares (Fair Value)	Equity (net of investment in Oi)	Total
Opening balance	130,863	193,195	324,056
Net Income Subsidiaries	-	26,421	26,421
Reductions/Increases	(63,740)	(44,001)	(107,741)
Sale of participation	(54,316)	-	(54,316)
Closing balance	12,807	175,615	188,421

In the fiscal years 2025 and 2024, the movements that occurred in shares of capital in subsidiary and associated companies are due to the application of the equity method of subsidiaries, and result essentially from the reduction of indirect participation in Oi's capital, as referred to in notes 1. e), 2. and 3.13a).

7. Other financial investments

As of December 31, 2025, this item essentially includes: 1) an estimated future recovery of approximately 51.9 million Euros related to the debt instruments issued by Rio Forte, and 2) portfolios of financial investments in assets in the amount of approximately 27 million Euros.

1) Strong River

With regard to 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.espiritossantoinvolucencies.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 defining assumptions that culminated in an appreciation of the credit on Rio Forte by 85.7 million Euros on December 31, 2016, i.e., about 9.5% of the nominal value, against approximately 15% of the nominal value on December 31, 2015, which determined the accounting of an impairment in the amount of €48.8M.

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

In February 2024, and in order to prevent the Court from recognising the validity of HALOROL'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 December 8, 2024, and after hearings held in October 2024, PHAROL was notified of the decision of the Luxembourg Commercial Court that recognized the claim of €147,000,000 on the insolvent estate of Rio Forte, S.A., plus interest until the date of the insolvency proceedings. The decision on the remaining €750,000,000 has been suspended pending the resolution of a case related to the cancellation of a payment alleged by Espírito Santo Internacional, S.A. PHAROL reaffirms that it is not a debtor of ESI, maintaining the grounds for the remaining claim.

On December 31, 2025, 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.

On 13 February 2026, PHAROL was notified of a decision of the Luxembourg Commercial Court which, in the context of Rio Forte's insolvency proceedings, recognised PHAROL's claim on Rio Forte's insolvency estate in the amount of capital of 750 million Euros, to be increased by the interest due until the date of opening of the insolvency proceedings.

Thus, the total value of PHAROL's credit on Rio Forte's insolvent estate remains at 897 million euros and respective legal interest, as always claimed since 2014.

The proceedings brought by an *Ad Hoc Curator* of ESI seeking the annulment of an allegedly undue payment of an accumulated amount of 750 million euros of Notes made by ESI at the beginning of 2014 to Pharol SGPS, S.A (200 million euros) and PT Finance (550 million euros) were judged in the same case. This process was communicated to the market on February 1, 2019. Also in this case it was decided that PHAROL does not have to return any amounts to ESI.

The above-mentioned judicial decisions, although subject to appeal within 40 days from the Notification of the Trustees of Rio Forte and the Ad Hoc Curator, fully upheld the positions held by PHAROL from the outset.

Additionally, 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, according to the decision of the General Shareholders' Meeting in 2015, several actions were taken that we detail below.

Actions against Former Directors

An action for liability was filed against former directors, and it was requested 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 that which 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 PHAROL, on 27.06.2019, requested the court to declare the cessation of the stay of the proceedings. 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, procedural acceleration was requested under the terms of the Law, as soon as the Courts opened on September 1, 2023.

In February 2024, the Plaintiff insisted on the termination of the suspension, which happened. In May, the court ordered the attachment of translations by the Defendants (in the meantime joined) and heard the requests for intervention of third parties, in the following terms:

1. It did not admit Deloitte's intervention;
2. It did not admit the intervention of the members of the Audit Committee;
3. It admitted the intervention of the insurance companies;
4. It invited one of the defendants to clarify the facts that support the request for intervention of some of the plaintiff's directors, the directors of Portugal Telecom International Finance B.V. and PT Portugal, SGPS, S.A.. This clarification was provided at the end of May, but the court has not yet decided.

The Defendants appealed against the decision of non-intervention of the members of the Audit Committee. These appeals were not admitted, so the pleadings phase is closed.

By order of 18.12.2025, the court dismissed the intervention caused by the other directors of PHAROL (PT SGPS), Portugal Telecom International Finance B.V. and PT Portugal, SGPS, S.A.. In the same order, following information provided by one of the defendants, it admitted the intervention, principally, of the insurers indicated by him. The summons from the insurers is awaited.

Since PHAROL is the plaintiff in the case file and no counterclaim has been filed, there is no contingency for the company with the case file.

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 defences and requested the main intervention brought by several third parties, including the Insurance Company. The Court issued an order to stay the proceedings for a preliminary ruling – Case No. 23430/15.9T8LSB, which was heard by the Commercial Court of Lisbon – Judge 3, in which the Defendants seek the annulment of HALO's corporate resolution that determined the filing of the present action. That action, however, was definitively dismissed, with the result that the court declared the stay of proceedings to be terminated.

The Court ruled on the intervention in the action as defendants of the other members of the Audit Committee of PHAROL, which the Defendants had requested, having rejected this claim. Two of the Defendants appealed against this rejection, and PHAROL counter-claimed.

However, 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 responses, the defendants 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 the initial Defendants had done.

On December 31, 2023, as timely reported, a decision on the intervention of the insurers was awaited.

In 2024, the Court heard requests for intervention from third parties, allowing the intervention of insurers as a main measure. The addition of translations for the citation of foreign insurance companies was ordered, and such a combination has already happened.

The summons of the insurers is awaited, and PHAROL insisted in December 2024 on this summons, and their response.

By joining this action, the seizure of the Defendants' assets was requested, which was ordered, focusing on several relevant assets of the former directors. Under the terms of this seizure order, a preliminary assessment of the cause of action of the action against the former directors was also carried out, which perfunctorily proves their liability. After the Defendants were summoned, oppositions to the seizure were filed and their trial was held.

All oppositions were upheld. Pharol appealed against that decision in respect of natural persons, complying with the lifting of the seizures relating to legal persons. The appeal was upheld, so that the seizure of the assets of the former directors is maintained. Since PHAROL is the plaintiff in the case file and no counterclaim has been filed, there is no contingency for the company with the case file.

Lawsuits Against Former Auditor

In the same year of 2016, PHAROL also filed a civil liability action against Deloitte Associados and one of its partners for breach of legal and contractual duties in the review of the Plaintiff's accountability documents, 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 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. The Court of Appeal did not admit the appeal against the decision regarding the secrecy of the working documents, understanding that, instead of an appeal, it was appropriate to lift the secrecy. PHAROL initiated the incident of lifting of secrecy, which is pending before the Court of Appeal.

Since there is no counterclaim, there are no contingencies for PHAROL arising from the present case.

BES and Banco de Portugal cases

In 2017, PHAROL also became an assistant in the Universo BES Case, a status that was recognized by the Court. Subsequently, when charges were brought, PHAROL filed a civil claim for compensation for all the 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. The trial has already begun, and the Court understood that civil

claims should be brought in civil proceedings so as not to delay the progress of the criminal proceedings, given the existence of hundreds of civil claims.

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 file has been requested and an order on this request is awaited. If the application is granted, PHAROL's process will continue its normal course without any suspension until the final decision is issued.

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. Pharol's claim was recognized as subordinate 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 stated that this bankrupt company would 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 interrupt any limitation period, PHAROL was also summoned for proceedings in the Court of Luxembourg 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.

The trial hearing was held in November 2025, which was accompanied by the advice of PHAROL's Luxembourg Lawyers.

Up to the date of the trial hearing, no facts or evidence have been presented to support the irregularity of the payment made by ESI to Pharol. This action, in order to avoid contradiction of judgments, was now judged together with the recognition of the remainder of Pharol's 750

million claim on Rio Forte in the context of the latter's insolvency proceedings. This action was the subject of a joint trial hearing with the action filed by the Ad Hoc Curator.

As indicated earlier, on February 13, 2026, it was decided by the Luxembourg Commercial Court that in this case PHAROL does not have to return any amounts to ESI.

The decision, although subject to appeal within 40 days from the Notification of the Ad Hoc Curator, fully upheld the positions held by PHAROL from the outset.

2) 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 banking entities that have 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 31 December 2025, the change in the fair value of the portfolio is as follows:

Fair Portfolio Value Change		
		<i>euros</i>
Portfolio value as of December 31, 2024	(1)	26,979,396
Portfolio value as of December 31, 2025	(2)	27,758,393
Fair Portfolio Value Change	(3)=(2)-(1)	778,997
Value of the Treasury Fund as of December 31, 2024	(4)	2,061,648
Reinforcement of the Treasury Fund	(5)	1,300,000
Treasury Fund Value as of December 31, 2025	(6)	3,415,636
Treasury Fund Change (reported in Note 15)	(7)=(6)-(5)-(4)	53,988
Gains on other financial assets	(8)=(3)+(7)	832,986

For these assets, as of 31 December 2025 and 2024, the portfolio is composed as follows:

euros		
	2025	2024
Asset Group		
Liquidity	967,729	1,066,483
Public Debt	5,225,757	614,965
Investment Grade Bonds	13,282,337	20,620,138
High Yield Bonds and Emerging Markets	6,863,441	3,310,948
Actions	1,419,128	1,366,862
	27,758,393	26,979,396
Group by Geographic Allocation		
Europe (ex-UK)	18,621,730	15,902,761
USA	4,438,883	6,289,269
Other Developed	1,179,951	765,446
United Kingdom	2,098,732	1,978,934
Japan	344,320	877,000
Liquidity	967,729	1,066,483
Others in Development	107,047	99,503
	27,758,393	26,979,396
Group by sector allocation		
Financial	9,202,846	12,613,245
Funds	3,274,554	2,027,052
Cyclical consumer goods	3,479,520	4,284,010
Non-cyclical consumption	2,199,038	1,876,236
Industry	1,137,030	913,701
Communications	556,963	760,946
Raw materials	207,061	558,148
Liquidity	967,729	1,066,483
Energy	680,194	421,892
Other	0	265,555
Public Debt	4,197,885	614,965
Technology	198,847	99,755
Utilities	1,656,727	1,477,407
	27,758,393	26,979,396

8. Related parts

8.1. Financial holdings in subsidiary and associated companies

In 2025 and 2024, the financial interests in subsidiary and associated companies refer exclusively to PHAROL's direct interest in Bratel B.V..

8.2. Other information

During the periods ended December 31, 2025 and 2024, the remuneration of directors, which were established by the Remuneration Committee, amounted to 452 thousand Euros and 241 thousand Euros, respectively.

On 31 December 2025 and 2024, no share-based payment programme or termination compensation programme was in place.

In the year ended December 31, 2025, the fees of the Statutory Auditor of PHAROL amounted to 30 thousand euros and correspond to audit fees related to PHAROL.

For additional information related to the remuneration of the members of the Board of Directors and the managers, we refer readers to the Corporate Governance Report included in the Consolidated Accounts Report.

9. Income taxes

In 2025, 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 taxable income, and (2) a State Surcharge of 3.0% applicable on taxable income 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.

According to the legislation in force, tax returns are subject to review and correction by the tax authorities for a period of four years (five years for Social Security) except when there have been tax losses, tax benefits have been granted, or inspections, complaints or challenges are in progress, in which case, depending on the circumstances, Deadlines are extended or suspended.

On 31 December 2025 and 2024, this item was calculated as follows:

	euros	
	2025	2024
Income tax		
Profit before tax	2,112,786	25,457,937
Effective tax rate	21%	21%
Profit tax at nominal rate	443,685	5,346,167
To add		18,307,763
To be deduced	1,686,663	31,637,290
	1,686,663	13,329,526
Taxable Income	426,123	12,128,410
Accepted tax losses	319,592	9,096,307
Taxable amount	106,531	3,032,102
Effective tax rate	21%	21%
Calculated tax	22,371	636,741
Autonomous taxation	26,529	20,813
Derrama	1,598	593,346
	50,498	1,250,901

PHAROL also has reportable tax losses from past periods in the amount of 570.9 million Euros, which it does not account for in the balance sheet due to the lack of visibility of future economic benefits sufficient for the use of reportable tax losses.

10. State and other public entities

On December 31, 2025 and 2024, the debit and credit balances with the State and Other Public Entities are as follows:

	euros			
	2025		2024	
	Receivable	Payable	Receivable	Payable
Current taxes				
Operations in Portugal				
Value added tax (VAT)		22,886	-	17,571
Corporate Income Tax	705,990	50,498	-	1,147,515
Personal Income Tax	836	32,444	-	12,042
Social Security		22,719	-	12,283
Other	-	-	-	-
	706,825	128,547	-	1,189,412

In 2025 and 2024, the amount of income tax the current tax above reflects the tax on taxable profit already deducted from tax losses carried forward in previous years and added to autonomous taxation for the year.

11. Equity

11.1. Subscribed capital

On December 31, 2025, the Company's share capital was fully paid up and amounted to 26,895,375 euros, represented by 896,512,500 ordinary shares, with a nominal value of 3 euro cents each.

11.2. Own actions

As of December 31, 2025 and 2024, the composition of this item is as follows:

	euros	
	2025	2024
Shares held by PHAROL	164,809,193	164,809,193
	164,809,193	164,809,193

As of December 31, 2025 and 2024, PHAROL holds 74,689,552, corresponding to 8.33% of its share capital.

11.3. Legal reserves

The Company's commercial legislation and articles of association establish that at least 5% of the annual net income must be allocated to reinforce the legal reserve until it represents 20% of the share capital. This reserve is not distributable except in the event of liquidation of the

company, but can be used to absorb losses, after all other reserves have been exhausted, or for incorporation into the capital.

On December 31, 2025, the legal reserve was fully constituted in accordance with the commercial legislation in force, amounting to 6,773,139 euros.

11.4. Other bookings

The composition and movements that occurred under this heading during the fiscal years 2025 and 2024 are as follows:

euros				
	Free Bookings	Booking of own cancelled shares	Reserves-Applications in Own Actions	Total
Balance as of December 31, 2023	71,156,201	6,970,320	164,809,194	242,935,715
Constitution of reserve for own shares	-	-	-	-
Transfer to retained earnings	-	-	-	-
Balance as of December 31, 2024	71,156,201	6,970,320	164,809,194	242,935,715
Constitution of reserve for own shares	-	-	-	-
Transfer to retained earnings	-	-	-	-
Balance as of December 31, 2025	71,156,201	6,970,320	164,809,194	242,935,715

11.5. Adjustments / other changes in equity

During the fiscal years 2025 and 2024, the movements that occurred under this heading were as follows:

euros			
	Currency Translation Adjustments	Other changes in equity	Total
Balance as of December 31, 2023	(140,579,004)	(75,843,384)	(183,143,296)
Equity (Note 6)	(15,609)	(146,103)	(161,713)
Balance as of December 31, 2024	(140,594,614)	(75,989,487)	(183,305,008)
Equity (Note 6)	106,860	(106,860)	-
Balance as of December 31, 2025	(140,487,754)	(76,096,347)	(183,305,008)

11.6. Profit and loss application

In the year ended December 31, 2025, a net profit of 2,062,288 euros was recorded, and it is proposed that they be transferred to the Company's Retained Earnings.

In the year ended December 31, 2024, a net profit of 24,207,036 euros was recorded, transferred to the Company's Retained Earnings.

12. Suppliers

On 31 December 2025 and 2024, this item shall be composed as follows:

	euros	
	2025	2024
Suppliers	262,769	88,963
	262,769	88,963

13. Creditors for increased expenses

On 31 December 2025 and 2024, this item shall be composed as follows:

	euros	
	2025	2024
External supplies and services	281,915	170,249
Holiday charges, holiday allowance and other staff charges	419,541	430,505
	701,456	600,753

14. Gains/(losses) in investee companies

In the financial years 2025 and 2024, this item is composed as follows:

	euros	
	2025	2024
Gains/(Losses) in investee companies	(81,560)	(32,313)
	(81,560)	(32,313)
a) See Note 6		

15. External supplies and services

In the financial years 2025 and 2024, this item is composed as follows:

	euros	
	2025	2024
Specialized work	713,827	740,374
Insurance	208,129	228,203
Travel and stays	10,653	26,089
Other	82,107	178,313
	1,014,716	1,172,980

The specialized work is mainly legal advice fees to monitor ongoing legal proceedings.

Regarding the auditors' fees, Forvis Mazars - Asociados, SROC, Lda., for the work for 2025, the amount was 30,000 euros, to which VAT at the legal rate in force is added.

16. Personnel Expenses

In the financial years 2025 and 2024, this item has the following composition:

	euros	
	2025	2024
Fixed and variable remuneration	1,005,682	843,177
Social charges	153,946	108,324
Other	39,195	39,529
	1,198,823	991,030

In 2025 and 2024, the number of employees together with members of the governing bodies was 11.

In June 2024, some of the members of the governing bodies resumed their salaries in full. The rest had their salary restored as of January 2025.

17. Fair value increases/(decreases)

This item refers to the change in the fair value of the Debt Instruments issued by Rio Forte and the investment portfolio started in August 2022 in the amount of €10 million, with an increase of €15 million in 2023, and presents the following composition in the financial years 2025 and 2024:

	euros	
	2025	2024
Fair value increases/(decreases)	832,986	1,264,513
	832,986	1,264,513

On December 31, 2025 and 2024, the investment portfolios increased by 832 thousand euros and 1.1 million euros, respectively (Note 7).

Regarding Rio Forte's Debt Instruments and considering the maintenance of the main valuation factors of its Assets, and with no evolution in the amount of debts claimed, the expected recovery value of Rio Forte's nominal debt in December 2025 remained unchanged at 5.79%, equivalent to 51.9 million Euros.

18. Net income per share

Net income per share in fiscal years 2025 and 2024 was calculated as follows:

	euros	
	2025	2024
Result of continuing operations	2,062,288	24,207,036
Diluted net result	2,062,288	24,207,036
Average number of common shares outstanding in the period	821,756,654	821,756,654
Basic and diluted net income per share	0.00	0.03

19. Other Debts Payable and Guarantees and Guarantees and Financial Commitments and Other Receivables

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 passed to Oi, and PHAROL was jointly and severally liable,

Thus, PHAROL currently has active counter-guarantees to face the risks of unfavorable court decisions, namely, Bank Guarantees and Guarantees provided by Oi,

In December 2024, PHAROL and Oi signed an agreement to redefine and clarify the outstanding tax liabilities since the merger of PT Portugal with Oi in 2014, adjusting the treatment of refunds received from the Tax Authority, PHAROL, initially responsible for tax proceedings, recorded the reimbursements in liabilities as balances to be clarified, totaling €26,2M, With the revision of the contractual framework, it was agreed that PHAROL will receive all the amounts of payments made before May 2014, discounting €22M of costs incurred on behalf of Oi,

Additionally, on December 31, 2025 and 2024, the amount of Bank Guarantees has the following composition:

	2025	euros 2024
Bank guarantees and other guarantees provided in favour of tax authorities and other public bodies	83,861,425	84,617,476
	83,861,425	84,617,476

The bank guarantees and other guarantees submitted in favour of the tax authorities included EUR 83,8 million and EUR 84,6 million as of 31 December 2025 and 2024, related to tax assessments received by PHAROL, The Company challenged these assessments in court and, in accordance with Portuguese law, provided a guarantee after the initiation of enforcement proceedings, since, in the absence of a guarantee or payment of the contested tax, the proceedings would continue until the seizure of assets sufficient to satisfy the tax assessed, 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 was cancelled due to the slowness and expiry of the processes, During 2025, another guarantee worth 756 thousand Euros was canceled,

Notwithstanding the expiry and consequent cancellation of part of the Guarantees, most of the tax proceedings remain ongoing, and Oi remains responsible for them, and the total amount may amount to up to 153,2 million euros, However, any unfavourable decisions will be

absorbed by the amounts of tax losses assessed in the years 2011, 2012 and 2013 and which were not used until 2018, in an amount estimated at up to 11,8 million euros, thus having the potential to reduce the processes to 141,4 million euros, Also within the scope of the agreements signed, Oi is also obliged to replace the bank guarantees provided by PHAROL to the Tax Authority with guarantees provided by Oi, In cases where this replacement was not possible, Oi undertook to provide equivalent guarantees in favor of PHAROL, In 2025, Oi S,A, faced new stages of Judicial Reorganization and even the threat of declaring bankruptcy, and is operating under judicial administration, with a view to preserving assets and continuing essential services during the liquidation process,

As such, on December 31, 2025, a pledge agreement is in force on 64,401,909 common shares issued by Oi (in the amount of 170 thousand Euros on December 31, 2025), and a deposit in a guarantee account in the amount of 7,861,752,30 Euros, intended to guarantee PHAROL in the event of a possible conviction in tax contingencies under Oi's responsibility, In the event that this amount is fully used in tax contingencies, Oi S,A, undertakes to reinforce the counter-guarantees in force,

Thus, the value of potential tax contingencies for PHAROL is currently up to 153 million euros (147 million euros in 2024), Of these, the cases with a possible or probable risk of loss for PHAROL amount to a net amount of around 12,7 million euros, from which the amount of 9,7 million euros of corrections favorable to the company must be deducted, according to the estimate of the tax advisors,

The item Accounts Receivable refers, mostly, to the amount of 613 thousand euros, corresponding to the fees associated with bank guarantees which, under the terms of the agreements in force with Oi, are the responsibility of Oi.

20. 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 holding above 2% in PHAROL's share capital, and with all entities reported by these shareholders as part of the respective economic groups,

During the years 2025 and 2024, there were no transactions between PHAROL and these entities identified as shareholders with qualified holdings,

In addition, and as communicated to the Market, the Announcements on the Agreement Entered into with Oi in 2024 are reproduced:

Dec 10, 2024 | Agreement signed with Oi

Under the special tax regime applicable to the regimes of groups by companies (RETGS), PT SGPS, currently PHAROL, maintained on 5 May 2014 - the date on which PT PORTUGAL, SGPS, S,A was incorporated into Oi, S,A, - thirteen pending tax proceedings, in which, as the dominant company of the PT PORTUGAL SGPS Group, until then in the Fiscal consolidation regime, he is still today the first responsible, To date, seven of those tax cases remain open, The responsibilities for these tax processes are regulated in a Contingency Letter signed by Oi,

Following a principle of prudence, PHAROL recorded all the refunds received from the Tax Authority in the context of these processes, in a liability account as amounts received in order to clarify that it amounted to the net amount of €26,2M,

After an exhaustive analysis of the nature of the refunds and the closure of some of the larger tax proceedings (from 2005 to 2008 and 2012), PHAROL SGPS SA and Oi SA reviewed some aspects of the contractual framework in force between them in the chapter on responsibilities in tax proceedings, The agreement signed, which PHAROL considers very positive for both parties, was approved by the Boards of Directors of both companies,

Thus, since almost all payments to the tax authorities were made by PHAROL SGPS S,A, on dates prior to 5 May 2014, the refunds of any amounts previously paid by it were recorded in its favour, already net of an amount of Eur, 22M arising from costs assumed by PHAROL on behalf of Oi referring essentially to (1) costs incurred, to date, in legal advice and guarantee commissions, (2) and advance on account of taxes payable,

In addition, and as a result of the conclusions of the analysis carried out of the active tax proceedings, as well as the outcome of the proceedings already closed, PHAROL and Oi agreed to revise downwards the amount of the currently *existing escrow account* balance with a decrease of Eur, 15M,

As a result, the above-mentioned liability, resulting from amounts received from the Tax Authority, was cancelled,

Dec 13, 2024 | Addendum on the Agreement entered into with Oi

Following the notice to the market on December 10th, PHAROL clarified the following:

- the cancellation of the Liabilities of Eur, 26,2M had a positive impact on results in the tax item for refunds received from the Tax Authority and consequently on the Company's net worth of the same amount;
- the amount of Eur, 26,2M of refunds from the Authority is already net of the amount of Eur,22M of costs incurred in the past related to tax contingencies, so the amount of Eur, 22M had no impact on the Financial Statements;
- the reduction in the amount of Eur,15M in the Escrow account referred to a decrease in the escrow account previously deposited by Oi to deal with the value of possible tax

contingencies, which to date has been revised downwards, This also had no impact on PHAROL's Financial Statements;

- it was also clarified that potential future refunds from the Tax Authority of taxes previously paid by PHAROL belong to PHAROL, However, this fact also had no impact on PHAROL's current Financial Statements because there is no forecast of future occurrence,

21. Events after the balance sheet date

On February 13, 2026, PHAROL was notified of a decision of the Luxembourg Commercial Court which, in the context of Rio Forte's insolvency proceedings, recognized PHAROL's claim on Rio Forte's insolvent estate in the amount of capital of 750 million Euros, to be increased by the interest due until the date of opening of the insolvency proceedings,

Thus, the total value of PHAROL's credit on Rio Forte's insolvent estate remains at 897 million euros and respective legal interest, as always claimed since 2014,

The proceedings brought by an Ad Hoc Curator of ESI seeking the annulment of an allegedly undue payment of an accumulated amount of 750 million euros of Notes made by ESI at the beginning of 2014 to Pharol SGPS, S,A (200 million euros) and PT Finance (550 million euros) were judged in the same case, This process was communicated to the market on February 1, 2019, Also in this case it was decided that PHAROL does not have to return any amounts to ESI,

The above-mentioned judicial decisions, although subject to appeal within 40 days from the Notification of the Trustees of Rio Forte and the Ad Hoc Curator, fully upheld the positions held by PHAROL from the outset,

The Board of Directors plans to submit to the shareholders' appreciation and deliberation, at the 2026 Annual General Meeting, a set of proposals to amend certain articles of the Company's Articles of Association, These proposals aim to review and update the Articles of Association, ensuring alignment with the current profile, size and strategy of the Company, as well as with the best corporate governance practices and the applicable legal and regulatory framework,

03, QUALIFYING HOLDINGS

As of December 31, 2025, the interests of qualified shareholders represented 19,56% of PHAROL's share capital, as follows:

Report Date	Shareholders	Number of Shares	% of Capital	% of Voting Rights
06-Jun-25	Burlington Loan Management DAC	175,316,330	19.56%	10.00%

04, INFORMATION TO BE PROVIDED UNDER ARTICLE 447 OF THE COMMERCIAL COMPANIES CODE

1. Number of shares and bonds issued by PHAROL and by companies with which it is in control or group relationship held by the members of PHAROL's management and supervisory bodies, as of 31 December 2025:

Board of Directors

- Luís Maria Viana Palha da Silva is the holder of 200,000 shares in PHAROL, He was appointed director of PHAROL on May 29, 2015,
- Diogo Filipe Gil Castanheira Pereira is not the holder of 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 is not the holder of any securities of PHAROL or of other companies that are in a control or group relationship with her, 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,

Chartered Accountant

- Forvis Mazars & Associados, SROC, SA, represented by Luis Filipe Soares Gaspar, who personally holds 145 shares in PHAROL,
- Paulo Jorge Damião Pereira

2. Transactions on shares and bonds issued by PHAROL, or by companies that are in a control or group relationship with it, carried out by the members of PHAROL's management and supervisory bodies:

Not applicable,

PHAROL, SGPS S.A.



REPORT AND OPINION OF THE FISCAL COUNCIL

REPORT AND OPINION OF THE FISCAL COUNCIL

PHAROL, SGPS S.A.

**Fiscal Year 2025
(individual accounts)**

Hon. Dear Shareholders of
PHAROL, SGPS S.A.

In compliance with the provisions of paragraph g) of number 1 of article 420 of the Commercial Companies Code, it is incumbent upon us, as members of the Fiscal Council of "PHAROL, SGPS S.A." (hereinafter "PHAROL"), issue the annual report on our supervisory action as well as give an opinion on the management report, the individual financial statements and the proposal for the application of profits presented by the Board of Directors for the year ended December 31, 2025 and, also, our assessment of the respective legal certification of the accounts and audit report issued by the firm of statutory auditors.

I. Annual report of the activities of the Fiscal Council for the financial year 2025

In accordance with the provisions of Article 420(1)(g) of the Commercial Companies Code and Article 8(1)(h) of the Internal Regulations of PHAROL's Fiscal Council, this body hereby presents the report on the supervisory action carried out in the 2025 financial year.

1. The Fiscal Council regularly performed the functions of its competence, through periodic meetings with the heads of the relevant areas and also the additional information and clarifications obtained, including the presentation of the main trends and developments that occurred in terms of the development of PHAROL's management and activity.
2. The Fiscal Council also assessed the financial information produced during the 2025 financial year, having carried out the analyses and verifications deemed appropriate and necessary.
3. The work of the Fiscal Council has always consisted of complying with the legally enshrined matters, of permanently monitoring PHAROL's activity, and of verifying that the individual financial statements have been prepared in accordance with the accounting reference in force.
4. During the 2025 financial year, the Fiscal Council met nine times, having developed several actions, of which the following stand out:

- i) Monitoring the quality, integrity and effectiveness of internal control and risk management systems;
 - ii) Supervision of the preparation of individual financial information;
 - iii) Verification of the regularity of accounting records and the accuracy of individual accountability documents;
 - iv) Assessment of the accounting policies and valuation criteria adopted by PHAROL as to their adequacy and consistency, which aim to ensure the presentation of a true and appropriate image of the financial position and results;
 - v) Verification of the compliance of individual financial statements with applicable legal requirements;
 - vi) Analysis of the individual financial information disclosed.
5. Pursuant to the aforementioned regulation, which defines the rules and procedures to be adopted in the *Whistleblowing* System, the Fiscal Council took note of the half-yearly reports of the activity carried out by the Qualified Holding Analysis Unit, dated July 4, 2025 and January 12, 2026, and there were no Participations during the 2025 financial year.
6. The Service Order establishing the procedures applicable to transactions with related parties, as provided for in paragraph 1 of Article 29-S of the Securities Code, was reviewed and approved by the Board of Directors in 2025. In 2025, no transaction with related parties was subject to the prior opinion of the Fiscal Council.
7. The Fiscal Council, within the scope of its functions, exercised its powers in terms of overseeing the qualifications, independence and exercise of functions of the external auditor and statutory auditor, having also met regularly with the latter, who always provided all the technical and accounting clarifications deemed necessary.

It also took note of the results of the audit and external audit work on the individual financial statements for the financial year 2025, which include the balance sheet, the profit and loss statement, the statement of changes in equity, the cash flow statement and its annexes.

The statutory auditor and external auditor followed the process of preparing PHAROL's individual financial statements, having informed the Fiscal Council of his conclusions and his agreement with the documents prepared by the Board of Directors.

Through the Additional Report addressed to the Fiscal Council, the statutory auditor and external auditor communicated the relevant aspects of the work carried out and its conclusions.

The Fiscal Council took note of the legal certification of the accounts and audit report on the individual financial information for the year 2025, issued without reservations or emphases, by the statutory auditor and external auditor, a document that deserved its agreement.

It is the understanding of the statutory auditor and external auditor that they consist of relevant audit matters:

- i) Measurement of investment in debt securities issued by Rio Forte Investments, S.A.
- ii) Measurement of investment portfolios in financial assets

In these areas, audit procedures and tests considered relevant in the circumstances were developed.

8. In the course of its powers, the Fiscal Council has verified that the report of the Board of Directors refers to the most relevant aspects of the activity during the year and is in accordance with the individual financial statements for the year.

II. Opinion of the Fiscal Council

Pursuant to and for the purposes of article 29-G, paragraph 1, paragraph c) of the Securities Code, each of the members of the Fiscal Council declares that, to the best of their knowledge:

- i) the management report, the annual accounts, the legal certification of the accounts, the audit report and other individual accountability documents for the financial year 2025 have been prepared in accordance with the applicable accounting standards, giving a true and fair view of PHAROL's assets and liabilities, financial situation and results;
- ii) the management report faithfully sets out the evolution of PHAROL's business, performance and position and contains a description of the main risks and uncertainties that PHAROL faces in its activity.

On the basis of the above report, the steps taken as well as the conclusions contained in the legal certification of the accounts and audit report and the additional report to the supervisory body on individual financial information, and taking into account the information received from the Board of Directors, PHAROL's services and the statutory auditor and external auditor, We express our agreement with the Management Report, the individual financial statements and the proposal for the application of the individual net profit for the year 2025, so we are of the opinion that nothing prevents its approval at the General Meeting.

Finally, the members of the Fiscal Council express their recognition and gratitude to the Board of Directors, the main managers and other employees of PHAROL for all the collaboration provided.

Lisbon, February 26, 2026

THE FISCAL COUNCIL

José Eduardo Fragoso Tavares de Bettencourt — President

Isabel Maria Beja Gonçalves Novo — Member

João Manuel Pisco de Castro - Member

PHAROL, SGPS S.A.



**STATUTORY AUDITORS' CERTIFICATION
AND AUDIT REPORT**

Statutory auditor's report and Audit report

(Free translation from a report originally issued in Portuguese language. In case of doubt the Portuguese version will always prevail)

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of **PHAROL, SGPS S.A.** (the Entity), which comprise the balance sheet as at December 31, 2025 (showing a total of 96 271 790 euros and a total net equity of 94 246 695 euros, including a net profit of 2 062 288 euros), and the income statement by nature, statement of changes in equity and 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 **PHAROL, SGPS S.A.** as at December 31, 2025, and of its financial performance and its cash flows for the year then ended in accordance with Accounting and Financial Reporting Standards adopted in Portugal under the Portuguese Accounting System (Sistema de Normalização Contabilística).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and further technical and ethical standards and guidelines as issued by Ordem dos Revisores Oficiais de Contas (the Portuguese 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 Ordem dos Revisores Oficiais de Contas 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.

Measurement of debt securities issued by Rio Forte

Description of the key audit matter	Audit Approach and Response
As of December 31, 2025, the balance of Other financial investments includes approximately 51 906KEuros relating to the measurement of debt securities issued by Rio Forte.	In order to respond to the identified risks, among the audit procedures carried out, we highlight the following:
As disclosed in Notes 1, 3, 7 and 17 of the Annex to the individual financial statements, on March 30, 2015, the commercial paper securities issued by Rio Forte Investments, SA	<ul style="list-style-type: none"> Analysis of the information contained in the reports and notices issued by the trustees of Rio Forte's insolvency proceedings; Analysis of the judgments made by Management in determining the

(Rio Forte) were returned to Pharol, following the execution of the exchange agreement signed on September 8, 2014 between the Oi Group and the Pharol SGPS, SA.

Rio Forte is in insolvency proceedings taking place in Luxembourg, with high public notoriety.

In December 2024, the Luxembourg Commercial Court had already acknowledged and validated the claim in the amount of EUR 147 million, together with the corresponding interest. This decision was not challenged by the insolvency trustees of Rioforte and, as such, has become final and hereby.

On 13 February 2026, the Luxembourg Commercial Court recognised Pharol's remaining credit right, in the amount of EUR 750 million, over the insolvency estate of Rio Forte. In that decision, the Luxembourg Commercial Court dismissed all nullity actions brought by the Rio Forte insolvency trustees and by the ad hoc trustee of ESI, and, furthermore, upheld the validity of the payments made in February and April 2014

This investment is relevant within the scope of Pharol's financial statements, and its measurement involves significant judgments, which justifies that this matter has been considered as relevant to the audit process.

recoverable amount of debt securities as of December 31, 2025;

- Requests for confirmation sent out to the institutions where the corresponding debt securities are deposited;
- Monitoring of the communication made by the trustees of the insolvency proceedings of Espírito Santo International, SA (ESI);
- Follow-up to the November 2023 defence of Rio Forte's trustees in which, based on a measure of prudence, they decided to submit to the Court of Luxembourg the decision to admit to the insolvency liability the claims lodged by Pharol, followed in 2024 by an action for annulment of claims paid by ESI in 2014.
- Circularisation of the lawyers who monitor the insolvency proceedings and analysis and evaluation of the corresponding response regarding the estimated outcome for Pharol of these proceedings, also considering the report of the independent expert hired by Pharol and Rio Forte's insolvency trustees to document the financial flows related to the claimed credit;

Finally, we assessed whether the disclosures made by the Entity in the notes attached to the financial statements are in accordance with the requirements of the accounting regulations in force.

Measurement of investment portfolios in financial assets

Description of the key audit matter	Audit Approach and Response
<p>As of December 31, 2025, the balance of Other financial investments comprises around 27 758 KEuros relating to investment portfolios in financial assets.</p> <p>As disclosed in Note 7 of the Annex to the individual financial statements, these assets</p>	<p>In order to respond to the identified risks, among the audit procedures carried out, we highlight the following:</p> <ul style="list-style-type: none"> • Circularisation of banks managing investment portfolios;

are valued at fair value with the changes recognized in results.

The Entity subscribed to investment portfolios in financial assets managed by these banking entities and applied in accordance with previously defined criteria and limits, being composed mainly of asset groups of bonds and shares of listed companies.

Management follows up in a timely manner on the possible existence of signs of impairment at each reporting date. His analysis is based, among others, on his knowledge of the business, experience in the sector and market studies on the assets in question.

The relevance of the amounts in terms of value and interest to stakeholders justifies that this matter has been considered relevant to the audit process.

- Obtaining and analysing the Portfolio Management Reports, with reference to December 31, 2025;
- Confirmation of compliance with the application by banking entities of the criteria and limits previously defined by the Group;
- Validation of the appropriate form of classification and measurement of these investments;
- Substantive tests for validation, by sampling, of the valuation of securities in the portfolio, based on their official quotations;

We also assessed the disclosures made by the Entity in the notes attached to the individual financial statements and verified and concluded on their adequacy in accordance with the requirements of the accounting regulations in force.

Responsibilities of management and the supervisory body for the financial statements

Management is responsible for:

- the preparation of financial statements that give a true and fair view of the Entity's financial position, financial performance and cash flows in accordance with Accounting and Financial Reporting Standards adopted in Portugal under the Portuguese Accounting System (Sistema de Normalização Contabilística).
- the preparation of the management report in accordance with applicable 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, the matters that may cast significant doubt about 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 responsibility is 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 skepticism 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.
- determine, from the matters communicated with those charged with governance, including the supervisory body, 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 their public disclosure.
- provide the supervisory body with a statement that we have complied with relevant ethical requirements regarding independence and communicate all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Our responsibility also includes the verification that the information contained in the management report is consistent with the financial statements, and the verification of the requirements as provided in numbers 4 and 5 of article 451 of the Portuguese Companies' Code on corporate governance report as well as verification of remuneration report.

Report on other legal and regulatory requirements

On the management report

Pursuant to article 451.º, n.º 3, al. (e) of the Portuguese 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 misstatements.

On the corporate governance report

Pursuant to article 451.º, n.º 4, of the Portuguese Companies' Code, it is our opinion that the corporate report includes the information includes the elements required of the Entity pursuant to article 29-H of the Securities Code, and no material inaccuracies have been identified in the information disclosed therein, complying with the provisions of paragraph 1(c), (d), (f), (h), (i) and (l) of said article.

On the remuneration report

Pursuant to article 26-G(6) of the Securities Code, we hereby inform that the Entity has included in a separate chapter, in its corporate governance report, the information provided for in paragraph 2 of that article.

On the additional matters provided in article 10 of the Regulation (EU) nº 537/2014

Pursuant to article 10 of the Regulation (EU) nº 537/2014 of the European Parliament and of the Council, of 16 April 2014, in addition to the key audit matters mentioned above, we also report the following:

- Management has confirmed to us 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 on the financial statements due to fraud.
- We confirm that our audit opinion is consistent with the additional report that we prepared and delivered to the supervisory body of the Entity on February 26, 2026.
- We declare that we have not provided any prohibited services pursuant to Article 5 of Regulation (EU) No 537/2014 and that we have maintained our independence from the Entity during the conduct of the audit.
- We inform you that, apart from the audit, we have not provided Pharol and its subsidiaries with any other services.

Lisbon, February 26, 2026

Forvis Mazars & Associados, Sociedade de Revisores Oficiais de Contas, S.A

Represented by Luis Filipe Soares Gaspar (Statutory Auditor nº 1003 and registered with CMVM under nº 20160618)

Explanation added for translation

(This report is a translation of a report originally issued in Portuguese. Therefore, according to Portuguese Institute of Statutory Auditors instructions, the report is not to be signed)

Contacts

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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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