

PHAROL, SGPS S.A. – 2025

- **Positive net result**, reflecting the occurrence of non-recurring tax refunds, the profitability of the financial investment portfolios and budgetary discipline;
- **Strengthening of equity**, consolidating the recovery path started in 2024;
- **Operating costs kept under control**, in line with the commitment to efficiency and adjustment of the structure to the current size of the Company;
- **Solid cash position and absence of interest-bearing debt**, ensuring financial stability and strategic flexibility;
- **Maintenance of the valuation of Rio Forte's debt instruments at €51.9 million**, supported by a court decision, still subject to appeal, issued in 2026 within the Rio Forte insolvency proceedings, recognising PHAROL as a creditor for the nominal amount of €897 million;
- **Court decision, still subject to appeal, that dispelled the contingency associated with ESI**, in the amount of 750 million euros.

Message from the President

Luís Palha da Silva

"After a financial year in 2024 marked by a significant net profit and a very substantial strengthening of shareholders' equity, 2025 confirmed the consolidation of PHAROL's financial position.

The year's performance reflected a combination of factors, including the profitability of the financial investment portfolios, the continued rigorous management of operating costs, and the occurrence of tax refunds, the latter being of a non-recurring nature.

With the divestment process in Oi completed and the major uncertainties associated with the Rio Forte process removed, PHAROL now presents a reduced risk profile and greater strategic clarity for the protection and enhancement of its main assets.

In 2026, a particularly relevant development occurred within the scope of the Rio Forte insolvency proceedings: PHAROL was judicially recognised, in a decision still subject to appeal, as a creditor for the nominal amount of €897 million. The contingency allegedly associated with ESI was also dismissed, thereby significantly strengthening the Company's legal position.

Although the specific financial effects will depend on the subsequent developments of the proceedings, this represents a key step in safeguarding the interests of PHAROL and its Shareholders.

With a solid financial structure and no material debt, PHAROL will continue to act prudently in its treasury management and in the assessment of diversification opportunities that contribute to the creation of sustainable value."

Highlights

PHAROL

(Million Euros)	2025	2024
Recurrent EBITDA	(2.5)	(2.3)
Net income	2.1	24.2
(Million Euros)	2025	2024
Assets	96.3	95.0
Liabilities	2.0	2.8
Equity	94.3	92.2

Contacts

Luís Sousa de Macedo
 Investor Relations
 Tel: +351 212 697 698
 Fax: +351 212 697 949
 E-mail: ir@pharol.pt

CONSOLIDATED

ANNUAL REPORT

2025

PHAROL, SGPS S.A.

CONSOLIDATED REPORT AND ACCOUNTS

2025

01.	MESSAGE FROM THE PRESIDENT	4
02.	ANALYSIS OF CONSOLIDATED RESULTS	5
03.	MAIN EVENTS	8
04.	KEY RISKS AND UNCERTAINTIES	11
05.	QUALIFYING HOLDINGS	13
06.	STRATEGIC PROFILE AND FUTURE PROSPECTS	15
07.	STATEMENT BY THE BOARD OF DIRECTORS	17
08.	ACTIVITIES OF NON-EXECUTIVE DIRECTORS	18
09.	FINANCIAL STATEMENTS AND NOTES ATTACHED	20

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. MESSAGE FROM THE PRESIDENT

MESSAGE FROM THE PRESIDENT

The financial year 2025 consolidated Pharol as a financially sound company, with a robust balance sheet structure, comfortable liquidity levels and prudent management of its main risks.

After an exceptional year of 2024, marked by the recognition of tax refunds and the significant reinforcement of equity, the performance of 2025 repeats the presentation of positive recurring results, supported by a rigorous management of operating costs, the judicious profitability of cash flow and the absence of financial indebtedness.

This positive net result achieved in 2025, although lower than in the previous year, demonstrates Pharol's ability to generate value in a more normalized context. At the same time, equity maintained a positive evolution, reinforcing the Company's financial strength.

Throughout the year, treasury management continued to comply with principles of prudence, liquidity and diversification, within the framework of a policy defined by the Board of Directors, with financial investments that maintained a conservative profile, while ensuring capital protection and a positive contribution to results.

On a broader horizon, 2025 was also a year of deepening reflection on the future of the Society. The conclusion of the divestment process in Oi and the stabilization of the financial position allowed the Board of Directors to devote greater attention to the evaluation of diversification opportunities and a possible new investment phase, always in strict accordance with Pharol's corporate purpose.

At the same time, Pharol has maintained close monitoring of ongoing legal and tax proceedings, in particular those related to Rio Forte, whose accounting valuation remains unchanged.

The Board of Directors will continue to act with discipline, transparency and a sense of responsibility, aiming to preserve and create value for Shareholders.

Pharol enters 2026 with a solid financial foundation, controlled risks and strategic flexibility to, in a selective and thoughtful way, explore opportunities that contribute to the creation of sustainable value in the medium and long term.

Luís Palha da Silva

02. ANALYSIS OF CONSOLIDATED RESULTS

CONSOLIDATED RESULTS

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) treasury investments in 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.

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 treasury applications that PHAROL subscribed to in August 2022 (10 million Euros) and reinforced in August 2023 (15 million Euros) are composed of financial assets that mostly include portfolios 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.

INCOME STATEMENT

Consolidated Income Statement		
	Million euros	
	2025	2024
Staffing costs	(1.20)	(0.99)
Supplies, external services and other expenses	(1.06)	(1.24)
Indirect taxes	(0.23)	(0.16)
EBITDA	(2.49)	(2.39)
Depreciation	(0.03)	(0.01)
EBIT	(2.52)	(2.41)
Other Gains (Losses)	3.60	26.11
Earnings before financial results and taxes	1.08	23.70
Interest earned, net	0.23	0.40
Gains on financial assets and other investments, net	0.83	1.40
Other financial gains (losses)	0.00	(0.02)
Profit before tax	2.15	25.48
Income tax	(0.05)	(1.25)
Results attributable to the shareholders of PHAROL, SGPS S.A.	2.10	24.22

The consolidated positive net profit for 2025 of 2.10 million Euros essentially reflects: 1) operating costs of 2.49 million Euros, 2) refunds from the Tax Authority of 3.6 million Euros in 2025 and 3) financial gains of 1.07 million Euros. In 2024, the positive net result of 24.2 million Euros is essentially justified by the extraordinary recognition of tax refunds.

Consolidated operating costs amounted to €2.52 million in 2025, compared to €2.41 million in 2024.

In 2025, financial income is essentially composed of: 1) net interest 234 thousand Euros, 2) income on financial assets that reached the value of 832 thousand Euros, resulting from the appreciation of investment portfolios and treasury funds.

The net profit attributable to PHAROL's shareholders in 2025 was 2.10 million Euros, compared to 24.22 million Euros in 2024.

STATEMENT OF FINANCIAL POSITION

Consolidated Statement of Financial Position		
	Million euros	
	2025	2024
ASSETS		
Cash and cash equivalents	14.97	15.96
Accounts Receivable	0.81	0.15
Tangible assets	0.16	0.02
Taxes to be recovered	0.71	0.00
Financial assets	27.76	26.99
Other non-current assets	51.91	51.91
Total assets	96.32	95.03
LIABILITIES		
Gross debt	0.00	0.01
Accounts Payable	0.26	0.09
Cost increases	0.72	0.61
Taxes payable	0.13	1.19
Provisions	0.08	0.08
Other liabilities	0.86	0.86
Passive total	2.04	2.83
Total equity	94.28	92.20
Total equity and liabilities	96.32	95.03

The value of cash and cash equivalents is €14.97 million and €15.96 million in 2025 and 2024, respectively.

The treasury investments include portfolios of ide shares and bonds in the amount of 27.76 million Euros on December 31, 2025 and 26.98 million Euros on December 31, 2024, and PHAROL's effective investment in Oi, of 0.02%, (12 thousand Euros) on December 31, 2024. The financial assets are all accounted for at market value.

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

In liabilities, the amount included in taxes payable of 130 thousand Euros reflects the tax on taxable profit already deducted from tax losses carried forward in previous years and added to autonomous taxation for the year. The item of other liabilities remained at 857 thousand Euros.

Equity amounted to €94.28 million at December 31, 2025, compared to €92.20 million at December 31, 2024, with an increase of €2.08 million, essentially reflecting the net profit for the year.

The book value per share (excluding own shares) was 0.1147 Euros and 0.1122 Euros in 2025 and 2024, respectively.

03. MAIN EVENTS

Below we list the events that occurred between January 1, 2025 and February 25, 2026, which can be analyzed in more detail and are published in full on the PHAROL website (pharol.pt).

QUALIFYING HOLDINGS IN PHAROL

The main changes in PHAROL's qualifying holdings were as follows:

Jun 06, 2025 | Oi, S.A. informed that it sold 89,651,205 shares, representing 10% of PHAROL's capital stock and voting rights.

Jun 06, 2025 | Burlington Loan Management DAC informed that it purchased 89,651,205 shares, representing 10% of the share capital and voting rights of PHAROL, leaving a total of 175,316,330, representing 19.56% of the share capital but limiting the voting rights in PHAROL to 10% in accordance with the Company's Bylaws of Association.

PHAROL'S CORPORATE EVENTS

Below we list PHAROL's main corporate events:

Mar 26, 2025 | PHAROL informed that the General Meeting of PHAROL was held where it was decided by the Shareholders to approve:

Item One: The management report, the balance sheet and the individual accounts, for the financial year 2024;

Item Two: The management report, the balance sheet and the consolidated accounts, for the financial year 2024;

Item Four: The general assessment of the Company's management and supervision;

Item Five: The acquisition and disposal of own shares.

As for **Item Three**, relating to the proposal for the allocation of profits, PHAROL decided to submit to the Annual General Meeting on 26 March the following proposal for the allocation of profits that was already included in its financial statements: "*Considering that in the year ended 31 December 2024 there was a positive net profit in the amount of 24,207,036 euros, it is proposed that this amount be transferred to the Company's Retained Earnings.*"

A Shareholder, after having approved the Individual Report and Accounts, within the scope of item 1 of the agenda, voted against the proposal for the allocation of profits presented by the Board of Directors because it understands that article 29/1/b) of the Company's articles of association is applicable, which provides as follows: "*a percentage of not less than 40% (forty percent) of the distributable profits will be distributed to the shareholders, as dividend, without prejudice to the General Meeting, by a qualified majority of two-thirds of the votes cast, being able to resolve to reduce the dividend or even not to distribute it*".

The proposal presented by the Board of Directors was voted in favour only by a simple majority (52%) of the votes, which is lower than the 2/3 provided for in article 29/1/b) of the Company's articles of association, if it is understood that this provision could be applicable to the case.

The Board of Directors, in the best interest of the COMPANY - taking into account (i) the provisions of article 324 of the Commercial Companies Code (CSC) and that PHAROL registers, among others, unavailable reserves of an amount equal to the amount for which its own shares are accounted for; (ii) and, in turn, that, under the terms of article 32 of the same Code, "*the company's assets may not be distributed to the shareholders when the company's own capital, including the net profit for the year, as it results from the accounts prepared and approved in accordance with the law, is less than the sum of the share capital and the reserves that the law or the contract does not allow to be distributed to the shareholders or becomes less than this sum as a result of distribution*" - considers that there are no conditions to distribute any dividend for the year ended December 31, 2024, as it cannot be considered that there are *distributable profits* in view of the aforementioned article 32 of the CSC, a rule that prevents distribution and, therefore, article 29/1/b) of the articles of association cannot be applied to the case.

Regarding **item number six** of the Agenda of the General Meeting of PHAROL, SGPS S.A., held today, has as its object an amendment to the Company's articles of association, for which the presence or representation of shareholders holding at least 1/3 of the capital is required, as determined by article 383/2 of the CSC, which at the time of the discussion and deliberation on this point did not occur, it was then declared that there was no minimum constitutive quorum for this deliberation to be discussed and voted on.

Thus, as established under the terms of article 383/4 of the CSC, the General Assembly met on the second date to discuss and vote on item number six of the Agenda indicated below:

Item Six: To resolve on the proposal of the Board of Directors for the regrouping, without reduction of the share capital, of the shares representing the share capital of the Company, on the terms of the regrouping process and treatment of fractions of remaining shares, as well as on the consequent amendment to the articles of association (paragraph 2 of article 4 of the articles of association).

11/Apr/2025 | PHAROL informed that the General Meeting of PHAROL was held, the following was discussed by the Shareholders:

Item Six: To resolve on the proposal of the Board of Directors for the regrouping, without reduction of the share capital, of the shares representing the share capital of the Company, on the terms of the regrouping process and treatment of fractions of remaining shares, as well as on the consequent amendment to the articles of association (paragraph 2 of article 4 of the articles of association).

The proposal presented by the Board of Directors was not approved because the majority of 2/3 of the votes cast required by paragraph 3 of article 386 of the Commercial Companies Code was not reached.

OTHER RELEVANT EVENTS OF PHAROL

Below we list other relevant events of PHAROL:

Feb 26, 2025 | PHAROL informed about the disclosure of the Report of the Judicial Administrators in the insolvency proceedings of Rio Forte (Rapport n°29 des Curateurs), for December 31, 2024, available at www.espiritasantoinsolvencies.lu

Jul 01, 2025 | PHAROL informed about the disclosure of the Report of the Judicial Administrators in the insolvency proceedings of Rio Forte (Rapport n°30 des Curateurs), for April 30, 2025, available at www.espiritasantoinsolvencies.lu

Oct 24, 2025 | PHAROL informed about the disclosure of the Report of the Judicial Administrators in the insolvency proceedings of Rio Forte (Rapport n°31 des Curateurs), for August 31, 2025, available at www.espiritasantoinsolvencies.lu

Oct 24, 2025 | PHAROL informed that it received from the Tax Authority the amount of 1.21 million euros, referring to interest associated with the IRC process for the year 2005.

Feb 13, 2026 | PHAROL reported that the Luxembourg Commercial Court, 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 added to the interest due until the date of opening of the insolvency proceedings.

Thus, the total value of PHAROL's claim on Rio Forte's insolvent estate remains at 897 million euros and respective legal interest.

It also informed that in the proceeding brought by an Ad Hoc Curator of Espírito Santo Internacional, S.A ("ESI"), seeking the annulment of an allegedly undue payment of an accumulated amount of 750 million euros of Notes made by ESI in early 2014 to Pharol SGPS, S.A (200 million euros) and PT Finance (550 million euros), In this process communicated to the market on February 1, 2019, 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 Rio Forte Curator and the Ad Hoc Curator, fully upheld the positions held by PHAROL from the outset.

Considering that these decisions are in line with PHAROL's expectations, they do not imply any type of accounting treatment in PHAROL's accounts, nor do they have a direct impact on the results of the 2025 financial year or on the expected recovery values included in the company's balance sheet.

04. KEY RISKS AND UNCERTAINTIES

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

Macro Risk	Sub-Risk	Description
Economic Risks	Information Security	PHAROL is exposed to security risks on a daily basis, including the availability, integrity and confidentiality of information.
	Global Macroeconomic	Adverse impact on the value of financial assets and PHAROL's position due to global macroeconomic shocks (inflation, rising interest rates, recession, banking crisis, geopolitical conflicts or new global health crisis).
Financial Risks	Foreign Exchange	Exchange rate risks are essentially related to investments in financial instruments in foreign currency that are part of the investment portfolios in shares and bonds. The Company's policy is not to hedge the value of the financial investment. However, operations of significant size with effects on treasury may generate hedging operations.
	Risk of Financial Cyberfraud	The growing dependence on electronic platforms for treasury operations exposes PHAROL to risks of targeted cyber fraud and enhances possible improper access to bank accounts and unauthorized financial movements.
	Interest rates	Interest rate risks are essentially related to the costs incurred and obtained with debt and financial investments at variable interest rates. PHAROL may be indirectly exposed to these risks in the investments made. It should be noted that PHAROL has no bank debt as of December 31, 2025. As market interest rates also affect the discount rates used for the purposes of impairment tests on the entity's various assets.
	Treasury Applications - Credit and Liquidity	PHAROL is essentially subject to credit risk in its treasury Investments. In order to mitigate risks, the Board of Directors has defined a policy for treasury investments. As of the second half of 2022, PHAROL was also exposed to other price risks, i.e., the risk of fluctuation in the fair value of the financial instruments that are part of the contracted investment portfolios, due to changes in market prices.
	Eventuality of Rio Forte's default in the repayment of the instruments	The Rio Forte Instruments currently held by PHAROL are not secured by assets. Therefore, even if there are amounts available for reimbursement by Rio Forte's creditors, PHAROL's right to reimbursement will be shared pro rata with Rio Forte's

		<p>other unsecured creditors and only after the repayment of all debts to any secured creditors and confirmation of the validation of the credits. PHAROL evaluates this instrument every six months, with monitoring by the Fiscal Council, External Audit and ROC.</p>
Legal and Legal Risks	<p>Legal proceedings</p>	<p>The Board of Directors subcontracts the risk analysis of the legal proceedings to external lawyers and consultants, in order to know, for each one, what is their assessment of PHAROL's liability (probable, possible or remote occurrence), the status of the process, the amounts involved, provisioned and paid and what steps to take in the defense of PHAROL's interests.</p>
	<p>Litigation or investigations initiated under the Rio Forte Instruments or the Business Combination</p>	<p>PHAROL may incur liability in connection with litigation or other future proceedings and incur defence costs in such litigation or other proceedings. Any liability incurred may adversely affect PHAROL's financial condition.</p>
	<p>Possibility of non-compliance with tax contingency commitments</p>	<p>According to the contracts entered with Oi, it is incumbent on Oi to pay the liabilities resulting from the tax contingencies originated until May 5, 2014, even though PHAROL is also jointly and severally liable. PHAROL permanently evaluates the size of probable and possible cases and tries to maintain an adequate level of counter-guarantees for these, however, the size of the counter-guarantees obtained from Oi for the eventuality of unfavourable outcomes in the resolution of tax proceedings may not be sufficient.</p>

05. QUALIFYING HOLDINGS

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%

PARTICIPATION OF THE MEMBERS OF THE SOCIALS BODIES

Under the terms and for the purposes of article 447 of the Companies Code, the following information is provided regarding the securities issued by PHAROL and by companies in a control or group relationship with PHAROL held by the members of PHAROL's management and supervisory bodies on December 31, 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 Porfirio 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, Sociedade de Revisores Oficiais de Contas, SA, represented by Luís Filipe Soares Gaspar, who personally holds 145 shares in PHAROL.
- Paulo Jorge Damião Pereira

06. STRATEGIC PROFILE AND FUTURE PROSPECTS

Strategic Profile

The conduct of Pharol's business is based on the preservation and optimization of the value of its assets, the strict containment of operating costs and the prudent management of the financial, legal and tax risks that result from its historical path.

As a holding company, Pharol focuses on the active management of its financial assets and shareholdings, while ensuring a balanced financial structure, without debt and with adequate levels of liquidity.

- As of December 31, 2025, Pharol's key assets include:
- a significant treasury position, consisting of cash, deposits and portfolios of financial investments;
- Rio Forte Investments S.A.'s debt instruments, valued according to a conservative and consistent methodology over time;
- residual holdings held through wholly-controlled subsidiaries.

The management of the treasury and its investments is framed by a policy defined by the Board of Directors, which establishes criteria for liquidity, diversification, risk and profitability, ensuring that they maintain a strictly financial nature and do not constitute strategic investments or involve the exercise of corporate influence.

Pharol maintains a lean operational structure, adjusted to its size and activity, allowing strict cost control and high operational efficiency.

Future Perspectives and Investment Policy

The stabilisation of Pharol's financial position, the absence of debt and the consolidation of equity create conditions for a broader strategic reflection on the future of the Company.

The Board of Directors recognizes that the current concentration of assets warrants the thoughtful assessment of diversification strategies, with a view to creating value in the medium and long term. In this context, investment opportunities that cumulatively concern:

- the corporate purpose of Pharol as a holding company;
- demanding risk, profitability and governance criteria;
- a selective and gradual approach to resource allocation.

Any possible investment decision will be preceded by detailed analyses, independent evaluations and adequate consideration of the risks involved, and will always be communicated to the market under the applicable legal terms.

About the ongoing legal and tax proceedings, Pharol will continue to actively monitor their evolution, maintaining a prudent stance in the assessment of their financial impacts, without prejudice to the firm defence of its interests.

The Board of Directors believes that the combination of a solid financial position, discipline in risk management and strategic flexibility puts Pharol in a favourable position to face future challenges and, in a responsible manner, seek new avenues of value creation for its shareholders.

07. STATEMENT BY THE BOARD OF DIRECTORS

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

The information contained in the management report, the annual accounts, the legal certification of the accounts and other accountability documents required by law or regulation for the financial year ended 31 December 2025 has been prepared in accordance with the applicable accounting standards, giving a true and fair view of assets and liabilities, the financial situation and results of PHAROL, SGPS, SA and the companies included in the respective consolidation perimeter;

The management report for that fiscal year faithfully exposes the evolution of the business, performance and position of PHAROL, SGPS, SA and the companies included in the respective consolidation perimeter, containing a correct description of the main risks and uncertainties faced by such entities.

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

08. ACTIVITIES OF NON-EXECUTIVE DIRECTORS

In accordance with its bylaws, the Board of Directors establishes the commitment to provide its non-executive members with an effective ability to monitor, evaluate and supervise the executive management of the Company.

During the year 2025, PHAROL's non-executive directors were able to carry out their duties effectively and without having faced constraints of any kind. In this sense, the following activities stand out:

In addition to the exercise of their respective powers not delegated to the Chief Executive Officer, PHAROL's non-executive directors performed their function of supervising the performance of the executive management, under the terms and for the purposes of paragraph 8 of Article 407 of the Commercial Companies Code and the regulations of the Board of Directors. In fact, under those rules, the delegation of powers to the Managing Director does not exclude the legal duty of general supervision of non-executive directors. As of December 31, 2025, PHAROL's Board of Directors includes 1 independent director, corresponding to 50% of the non-executive directors and 33% of all members of the Board, with assiduous and active participation in the meetings of this body.

In addition, the accumulation of the positions of Chairman/Managing Director did not in any way prejudice the effective performance of functions by the non-executive members of the Board, having proved to be, in fact, manifestly appropriate to the current moment in the company's life, for the following reasons:

The concentration of these positions in a single holder is fully in line with the efficient and rigorous performance of functions by the members of the management body in the current period; in fact, the current governance model maintains the separation of powers between the Board of Directors and its Executive member, in particular as a result of the functions performed by non-executive directors.

Throughout 2025, the Board maintained a set of practices and mechanisms aimed at facilitating informed and independent decision-making by non-executive directors, including, inter alia, the following:

- Issuance of regular and detailed reports of the main decisions taken by the Managing Director;
- Detailed presentations made by the Managing Director, at the meetings of the Board of Directors, of the aspects considered relevant of the activity carried out, providing the non-executive directors with the additional information requested and enhancing an in-depth and fruitful debate on the company's activity (in particular, regarding strategic decisions);
- Obtaining, jointly or individually, by non-executive directors, information necessary or convenient for the exercise of their duties, thus allowing the response to be provided in a timely and appropriate manner;

- Without prejudice to cases of recognized urgency, the meetings of the Board of Directors are convened at least 5 days in advance and the agenda and supporting documentation for the resolutions are made available at least 3 days in advance; e
- Assiduous and active presence of non-executive directors at the meetings of the Board of Directors, with a large number of meetings of this body (11 meetings) being held, as well as informal meetings and presentations with non-executive directors, aimed at clarifying and discussing specific topics related to financial information and the Company's business.

In addition to these activities, it should be noted that, since the Company has chosen the classic model, its supervisory body is a Supervisory Board, which, in the exercise of its legal, statutory and regulatory functions better described in the Corporate Governance Report, presents the result of its activity in autonomous reports and opinions, including the supervisory activity report and the opinions on the report and accounts, issued each year.

09. FINANCIAL STATEMENTS AND NOTES

FINANCIAL STATEMENTS

PHAROL, SGPS S.A.

CONSOLIDATED INCOME STATEMENT
PERIODS ENDED DECEMBER 31, 2025 AND 2024

euros

	Notes	2025	2024
Staffing costs	6	(1,198,823)	(991,030)
Supplies, external services and other expenses	7	(1,062,458)	(1,237,956)
Indirect taxes	8	(226,326)	(164,700)
Other Gains (Losses)	16	3,597,646	26,109,829
Operating income before depreciation and amortization and non-recurring		1,110,039	23,716,143
Depreciation and amortization		(29,616)	(14,653)
Operating Result		1,080,423	23,701,490
Interest earned, net		234,016	399,492
Foreign exchange gains		14,994	(21,151)
Gains on other financial assets	12	832,986	1,399,193
Losses (gains) on financial assets		-	(345)
Other costs		(11,163)	(3,030)
Profit before tax		2,151,255	25,475,650
Income tax	9	(50,498)	(1,250,901)
NET RESULT		2,100,757	24,224,749
Attributable to shareholders of Pharol, SGPS, S.A.		2,100,757	24,224,749
Net income per share			
Basic and Diluted	10	0.0026	0.0295

Notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
PERIODS ENDED DECEMBER 31, 2025 AND 2024

	euros	
	2025	2024
Results recognized in the income statement	2,100,757	24,224,749
Gains (losses) recognised directly in equity		
Items that may be reclassified for the income statement		
Translation of operations into foreign currency	226	-
Items that will not be reclassified to the income statement		
Gains (losses) on financial assets at fair value	(7,503)	72,436
Other gains (losses) recognized directly in equity, net	(14,005)	-
Total results recognized directly in equity	(21,282)	72,436
Total comprehensive income	2,079,475	24,297,185
Attributable to the shareholders of Pharol SGPS, S.A.	2,079,475	24,297,185

Notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
PERIODS ENDED DECEMBER 31, 2025 AND 2024

		euros	
	Notes	2025	2024
ACTIVE			
Current Asset			
Cash and cash equivalents	18	14,972,647	15.961.453
Accounts receivable - other	16	803,899	150.357
Taxes to be recovered	11	705,990	-
Deferred costs		10,575	3.239
Total current assets		16,493,111	16.115.048
Non-current asset			
Tangible and intangible assets		162,823	19.882
Financial assets	12	27,758,393	26.991.758
Other non-current assets	13	51,906,470	51.906.470
Total non-current assets		79,827,687	78.918.111
Total assets		96,320,798	95.033.159
PASSIVE			
Current liabilities			
Accounts Payable	14	263,128	89.313
Cost increases	15	715,990	613.332
Current taxes payable	11	127,736	1.189.412
Other current liabilities		856,549	856.550
Total current liabilities		1,963,404	2.748.606
Non-current liabilities			
Medium and long-term debt		813	7.447
Provisions		75,775	75.775
Total noncurrent liabilities		76,588	83.222
Total liabilities		2,039,992	2.831.828
EQUITY			
Share capital	17	26,895,375	26.895.375
Own actions	17	(164,809,193)	(164.809.193)
Legal reserve	17	6,773,139	6.773.139
Reservation of own shares	17	171,779,820	171.779.820
Other reserves and accumulated results	17	53,641,665	51.562.190
Total equity		94,280,806	92.201.331
Total equity and liabilities		96,320,798	95.033.159

Notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
PERIODS ENDED DECEMBER 31, 2025 AND 2024

euros

	Share capital	Own actions	Legal reserve	Reservation of own shares	Other reserves and accumulated results	Equity, excluding noncontrolling interests	Total equity
Balance as at December 31, 2023	26,895,375	(164,809,193)	6,773,139	171,779,820	27,497,676	68,136,817	68,136,817
Results recognized directly in equity	-	-	-	-	(160,235)	(160,235)	(160,235)
Results recognized in the income statement	-	-	-	-	24,224,749	24,224,749	24,224,749
Balance as at December 31, 2024	26,895,375	(164,809,193)	6,773,139	171,779,820	51,562,190	92,201,331	92,201,331
Results recognized directly in equity	-	-	-	-	(21,282)	(21,282)	(21,282)
Results recognized in the income statement	-	-	-	-	2,100,757	2,100,757	2,100,757
Balance as at December 31, 2025	26,895,375	(164,809,193)	6,773,139	171,779,820	53,641,665	94,280,806	94,280,806

Notes form an integral part of these financial statements.

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

		euros	
	Notes	2025	2024
OPERATIONAL ACTIVITIES			
Payments to suppliers	18.a	(993,514)	(1,175,777)
Staff payments		(1,226,828)	(791,815)
Income tax-related payments		(1,784,836)	(116,387)
Other receipts (payments), net	18.b	2,902,327	343,694
Operational activity flows (1)		(1,102,851)	(1,740,285)
INVESTMENT ACTIVITIES			
Receipts from:			
Tangible and intangible assets		-	5,603
Similar interest and income		244,038	414,156
Equity and other equity instruments		(26)	133,916
		244,011	553,675
Payments concerning:			
Tangible and intangible assets		(128,733)	(21,849)
		(128,733)	(21,849)
Investment activity flows (2)		115,278	531,826
FUNDING ACTIVITIES			
Payments concerning:			
Interest and similar costs		(1,318)	(1,926)
Flows of financing activities (3)		(1,318)	(1,926)
Cash and cash equivalents at the beginning of the period		15,961,453	17,196,818
Change in cash and its equivalents (4)=(1)+(2)+(3)		(988,890)	(1,210,385)
Effect of exchange rate differences		85	(24,981)
Cash and cash equivalents at the end of the period	18.c	14,972,647	15,961,453

Notes form an integral part of these financial statements.

(Amounts expressed in euro, unless otherwise stated)

1. Introduction

PHAROL – Sociedade Gestora de Participações Sociais, S.A., ("PHAROL", "Company" or "Company") has its registered office at Rua Gorgel do Amaral, n.º4, CV Esq.ª 1250-119 Lisbon, Portugal, and its main activity and objective is the management of shareholdings in other companies.

The PHAROL Group ("Group") is made up of PHAROL and its subsidiaries (Note 2).

PHAROL's shares are listed on Euronext Lisbon – Sociedade Gestora de Mercados Regulados, S.A..

These consolidated financial statements were authorized for publication on February 26, 2026.

Based on the agreements entered on 30 March 2015 between PHAROL and Oi, PHAROL has since held Rio Forte's debt instruments with a nominal value of 897 million Euros, currently valued at 51.9 million Euros.

2. Presentation bases

The consolidated 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 at the General Shareholders' Meeting, in accordance with applicable legislation.

The consolidated financial statements are presented in euros, as this is the functional currency of PHAROL SGPS S.A.. The financial statements of the investee companies denominated in foreign currency have been converted to Euros in accordance with the accounting policies described in Note 3.

PHAROL SGPS's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union, including all interpretations of the International Financial Reporting Interpretation Committee ("IFRIC") that were in force on 1 January 2025, approved by the European Union (EU).

The consolidated financial statements have been prepared on the assumption of continuity of operations.

In preparing the consolidated financial statements, in accordance with IFRS, the Board of Directors has adopted certain assumptions and estimates that affect the reported assets and liabilities, as well as the income and costs for the periods reported (Note 3).

a) Principles of consolidation

Controlled companies

PHAROL SGPS S.A. fully consolidated the financial statements of all subsidiaries. Control is considered to exist when the Group is exposed to, or has rights to, variable returns arising from its involvement with the investee company and has the ability to affect those returns through the power it exercises over that company. Where the Group has substantial control of other entities set up for a specific purpose, even though it does not have a majority of the voting rights, they are consolidated by the full consolidation method.

Where applicable, the participation of third parties in the equity and net income of the companies included in the consolidation is presented separately in the Consolidated Statement of Financial Position and in the Consolidated Statement of Income, respectively, under the heading "Non-controlling interests".

The assets, liabilities and contingent liabilities of a subsidiary are measured at their fair value at the date of acquisition. Any excess of the acquisition cost over the fair value of identifiable net assets is recorded as *goodwill*. In cases where the acquisition cost is lower than the fair value of the identified net assets, the difference calculated is recorded as a gain in the Consolidated Statement of Income for the year. The interests of non-controlling shareholders are presented as a proportion of the fair value of the identified assets and liabilities.

The results of the subsidiary companies acquired or sold during the period are included in the Consolidated Statement of Profit and Loss from the date of their acquisition or until the date of their disposal, respectively.

Transactions and balances between controlled companies are eliminated in the consolidation process. Capital gains arising from transactions between Group companies are also cancelled out in the consolidation process.

Whenever necessary, adjustments are made to the financial statements of the controlled companies, with a view to standardizing their accounting policies with those of the Group.

The PHAROL Group is made up of the following companies:

						Dec-25	Dec-24
Company	Headquarters	Company Type	Company Type	Direct	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).

3. Key Accounting Policies, Judgments, and Estimates

Main accounting policies

a) Classification of the Consolidated Statement of Financial Position

Assets realizable less than one year from the date of the Consolidated Statement of Financial Position are classified as current. Liabilities are also classified as current when they are due less than one year, or when there is no unconditional right to defer their settlement for a period of at least 12 months after the date of the Consolidated Statement of Financial Position.

b) Tangible assets

Tangible assets are recorded at acquisition cost, less accumulated depreciation, investment subsidies and impairment losses, where applicable. The acquisition cost includes: (1) the purchase price of the asset; (2) the expenses directly attributable to the purchase; and (3) the estimated costs of dismantling, removing the assets and requalifying the site.

The depreciation of tangible assets, less their salvage value, is recognised from the month in which they are available for use according to the constant share method, over the useful life of the assets, which is determined according to expected utility. The depreciation period of tangible assets is reviewed annually and adjusted where necessary to reflect the estimated useful lives. The depreciation rates used correspond, on average, to the following estimated useful lives:

	Years
Buildings and other constructions	3 - 50
Transportation Equipment	4 - 8
Tools and utensils	4 - 8
Administrative equipment	3 - 10
Other tangible assets	4 - 8

Estimated losses arising from the replacement of equipment before the end of its useful life, due to technological obsolescence, as well as impairment losses, are recognised as a deduction from the value of the respective asset against the profit or loss for the period. Maintenance and repair charges of a current nature are recorded as a cost when incurred. Significant costs incurred with renovations or significant improvements in tangible assets are capitalized and amortized in the corresponding estimated payback period of those investments, when they can be measured in a reliable manner.

Gains and losses on disposals of tangible assets, determined by the difference between the sale value and their book value, are recorded in profit or loss under the heading "Losses (gains) on the disposal of net fixed assets".

c) Intangible assets

Where any, intangible assets are recorded at acquisition cost, less accumulated depreciation and impairment losses, where applicable. Intangible assets are only recognised when they are likely to generate future economic benefits for the Group and can be measured reliably.

d) Impairment of tangible and intangible assets

Group companies carry out impairment tests on their assets whenever there is an event or change that indicates that the amount for which the asset is recorded may not be recovered. In the event of the existence of such indications, the Group shall determine the recoverable amount of the asset in order to determine the extent of the impairment loss.

The recoverable amount is estimated for each asset individually or, if this is not possible, for the cash-generating unit to which the asset belongs. The recoverable amount is determined by the higher of the fair value minus the costs to sell and the value in use. Fair value less costs to sell is the amount that would be obtained from the disposal of the asset in a transaction between independent and knowing entities, less the costs directly attributable to the disposal. Value-in-use is derived from future cash flows, restated on the basis of discount rates, that reflect the current value of capital and the specific risk of the asset.

Whenever the amount for which the asset is recorded is greater than its recoverable amount, an impairment loss is recognised in the Consolidated Statement of Income for the year to which it refers.

When an impairment loss is subsequently reversed, the carrying value of the asset is updated to its estimated value. However, the reversal of the impairment loss can only be carried out up to the limit of the amount (net of depreciation) that would have been recognised if the impairment loss had not been recorded in previous years. The reversal of impairment losses is immediately recognized in the Consolidated Income Statement.

e) Provisions, liabilities and contingent liabilities

Provisions are recognised by the Group when there is a present obligation resulting from past events, and it is likely that in the settlement of that obligation an expenditure of internal resources will be required and the amount of such obligation can be reasonably estimated. When any of these conditions are not met, the Group will disclose the events as a contingent liability, unless the probability of an outflow of resources is remote.

Provisions for restructuring are only recognised when the Group has a detailed and formalised plan for restructuring and after these facts have been communicated to the entities involved.

Provisions are updated in the Consolidated Statement of Financial Position, considering the best estimate obtained by the management bodies.

Obligations for the costs of dismantling, removal of assets and restoration of the site are recognised from the month in which the goods start to be used, if it is possible to estimate the respective

obligation with reliability (Note 3.b.). The amount of the recognised bond corresponds to its present value, and the financial update is recorded in profit or loss as a financial cost under the heading "Interest earned, net".

f) Financial assets and liabilities

Financial assets and liabilities are recognised in the Consolidated Statement of Financial Position when the Group becomes a party to the respective contractual relationship.

(i) Financial assets at amortised cost

A financial asset is classified in the category of "Financial assets at amortised cost" if it cumulatively meets the following conditions:

the financial asset is held in a business model whose main objective is the holding of assets to collect its contractual cash flows; e,

Your contractual cash flows occur on specific dates and correspond only to principal and interest payments of the amount owed.

The category of "Financial assets at amortized cost" includes accounts receivable, loans granted, and other accounts receivable that have fixed or defined payments.

Financial assets at amortised cost are initially recognised at their fair value plus transaction costs and are subsequently measured at amortised cost. In addition, they are subject, since their initial recognition, to the calculation of impairment losses for expected losses, which are recorded against the item "Other financial costs (gains), net".

The gains or losses generated at the time of their derecognition are recorded under the heading "Other financial costs (gains), net".

(ii) Financial assets at fair value through other comprehensive income

A financial asset shall be classified in the category of "Financial assets at fair value through other comprehensive income" if it cumulatively meets the following conditions:

the financial asset is held in a business model where the objective is to collect its contractual cash flows and sell that financial asset; e,

its contractual cash flows occur on specific dates and correspond only to principal and interest payments of the amount owed (SPPI).

In addition, on initial recognition of a capital instrument that is not held for trading, and where there is no contingent consideration recognised by an acquirer in a business combination to which IFRS 3 applies, the Group may irrevocably elect to classify it in the category of "Financial assets at fair value through other comprehensive income".

Equity instruments at fair value through other comprehensive income are initially recognised at their fair value plus transaction costs and are subsequently measured at fair value. Changes in the fair value of these financial assets are recorded against other comprehensive income. Dividends are recognized in profit or loss when the right to receive them is attributed.

The investment held in Oi's shares (0.18% as of December 31, 2024 and during 2025 until its complete liquidation) is measured at fair value through other comprehensive income, with gains and losses arising from fair value variations being recognized directly in other comprehensive income, as per IFRS9 option.

(iii) Financial assets at fair value through profit or loss

A financial asset is classified in the category of "Financial assets at fair value through profit or loss" if the business model defined for its management or the characteristics of its contractual cash flows do not meet the conditions described above to be measured at amortised cost, nor at fair value through other comprehensive income (FVOCI).

In addition, PHAROL may irrevocably designate a financial asset, which meets the criteria to be measured at amortised cost or FVOCI, at fair value through profit or loss at the time of its initial recognition, if doing so eliminates or significantly reduces an inconsistency in measurement or recognition that would otherwise result from the measurement of assets or liabilities or the recognition of gains and losses on them on different bases.

PHAROL classified "Financial assets at fair value through profit or loss" in "Other Non-Current Assets" (Rio Forte) and in "Financial Assets" (investment portfolios), both in Non-Current Assets.

Considering that the transactions carried out by the Company in the normal course of its activity are carried out under market conditions, financial assets at fair value through profit or loss are initially recognised at their fair value, with the costs or income associated with the transactions recognised in profit or loss at the initial time. Subsequent changes in fair value of these financial assets are recognised in profit or loss.

The periodification of interest and premium/discount (where applicable) is recognised under the heading "Interest earned, net", based on the effective interest rate of each transaction. Dividends are recognized in profit or loss when the right to receive them is attributed.

Investments in debt securities issued by Rio Forte are measured by the best estimate of their fair value at each reporting date, and fair value changes are recognized in the income statement under the heading "Losses (gains) on other non-current assets".

The investment portfolios in shares and bonds acquired in August 2022 and August 2023 are recorded at market value, and the fair value changes are to be recognised in the income statement under the heading "Losses (gains) on other non-current assets".

(iv) Financial liabilities and equity instruments

The financial liabilities and equity instruments issued by the Group are classified according to the contractual substance of the transaction and the definition of the financial liability and equity instrument. Equity instruments are contracts that show a residual interest in the Group's assets after deduction of liabilities.

Equity instruments issued by Group companies are recorded at the amount received, net of issuance costs.

(v) Accounts payable (Note 14)

Accounts payable are recorded at their nominal value, which is substantially equivalent to their fair value.

(vi) Own shares (Note 17)

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".

(vii) Cash and cash equivalents and short-term investments (Note 18)

The amounts included under the heading "Cash and cash equivalents" correspond to the amounts of cash, bank deposits, time deposits and others, due in or less than three months and which can be immediately mobilised and with a negligible risk of a change in value. For the purposes of the Consolidated Statement of Cash Flows, the item "Cash and cash equivalents" also includes the bank overdrafts included in the Consolidated Statement of Financial Position under the item "Short-term debt", where applicable.

g) Leases (the company as tenant)

Recognition

The Company recognizes a right to use a lease asset and a lease liability on the lease commencement date. The right to use the asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made on or before the commencement date, plus any initial direct costs incurred, as well as an estimate of the costs of decommissioning and removal of the underlying asset (if applicable), deducted from any incentive granted.

Lease liability is initially recognized at the present value of rents not yet paid at the date of the lease, discounting interest at an interest rate implied in the lease, or in the event that it is not possible to determine this rate easily, using the Company's incremental interest rate. In general, the Company uses its incremental interest rate as the discount rate to be applied.

Lease payments included in the measurement of lease liability include the following:

- fixed payments, less any incentives already received;

- variable lease payments, dependent on a certain rate or index;
- amounts that are due under a residual value guarantee;
- the exercise price of the call option, if it is reasonably certain that the lessee will exercise the option; e
- payment of termination penalties if it is reasonably certain that the lessee will cancel the contract.

Lease liability is remeasured when there are changes in future payments arising from a change in rate or index, if there is a change in the Company's estimate of the amount to be paid under a salvage value guarantee, or if the Company changes its assessment of the purchase exercise option, its extension or termination.

When the lease liability is remeasured, the value of the right of use is also adjusted, or a profit or loss is recorded in the income statement, if the carrying amount of the right-of-use asset was already reduced to zero.

The Group presents the rights to use assets and the responsibilities for leases in items duly segregated in the consolidated statement of financial position.

Short-term finance leases or low-value asset leases

The Company does not recognize as asset use rights or lease liability, lease agreements of less than 12 months or leases of low value. The Company recognizes the expenses associated with these leases as a cost of exercise during the life of the contracts.

Amortization

The right-to-use asset is depreciated using the straight-line depreciation method, based on the lower of the asset's useful life of the right-of-use or the end of the lease term. The estimated useful life of the right-of-use assets is determined on the same basis as for the remaining tangible assets.

Impairments

The right to use the asset is periodically reduced by impairment losses, and adjusted for certain variations in the lease obligation associated with the asset.

Accounting Estimates and Judgments

Useful lives, residual asset values and discount rates

The calculation of the residual values of the assets, estimation of useful lives and discount rates are based on the premises of the lease contracts (or similar assets) and are defined based on the judgment of the Management, as well as the best practices in use by the sector.

h) Income tax

The income tax for the period is recognized in accordance with the provisions of IAS 12 Income Taxes ("IAS 12"), and is composed of current tax and deferred tax.

In the measurement of the cost related to income tax for the period, in addition to current tax, the effect of deferred tax is also considered, calculated based on the difference between the book value of assets and liabilities at a given time and the corresponding value for tax purposes.

Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are recognised only when there is reasonable assurance that they may be used to reduce future taxable income, or where there are deferred tax liabilities that are expected to reverse in the same period in which the deferred tax assets are reversed. On the date of the Consolidated Statement of Financial Position, a review of these deferred tax assets is carried out, and they are reduced whenever their future use is no longer probable.

The amount of tax to be included in both current and deferred tax, which results from transactions or events recognised directly in equity, is recorded directly under these same headings. Thus, the impact of changes in the tax rate is also recognized in net income, except when it refers to items recognized directly in equity, in which case this impact is also recognized directly in equity.

i) Foreign currency balances and transactions

Foreign currency transactions are converted to Euros at the exchange rate on the date of the transaction. On the date of the Consolidated Statement of Financial Position, the exchange rate adjustment of assets and liabilities is carried out, applying the closing rate. The resulting exchange rate differences are recognised in the Consolidated Income Statement for the period in which they were determined. Exchange rate variations generated in non-monetary items, including *goodwill*, and in monetary items that constitute an extension of the investment and whose repayment is not foreseeable in the near future, are recognized directly in equity under the heading "Exchange translation adjustments" and are presented in the Consolidated Statement of Comprehensive Income.

The conversion into Euros of financial statements of investee companies denominated in foreign currency is carried out considering the following exchange rates:

- Exchange rate in force on the date of the Consolidated Statement of Financial Position, for the translation of assets and liabilities;
- Average exchange rate for the period, for the conversion of the items of the Consolidated Income Statement;
- Average exchange rate for the period, for the conversion of cash flows (in cases where this exchange rate is close to the real rate, and for the remaining cash flows the exchange rate of the date of the operations is used); e
- Historical exchange rate, for the translation of equity items.

The exchange rate differences arising from the conversion are included in the shareholders' equity, under the heading "Exchange translation adjustments", and are presented in the Consolidated Statement of Comprehensive Income. According to IAS 21, when there is a reduction in PHAROL

SGPS's investment in a foreign entity, through the sale or redemption of capital, the accumulated effect of the exchange rate translation adjustments is transferred to the Consolidated Income Statement, in proportion to the reduction in the investment.

PHAROL SGPS has chosen to use the exception provided for in IFRS 1, transferring the amount related to exchange rate variations accumulated up to the date of the carryover, recorded in the item "Exchange translation adjustments" on 1 January 2004, to the item "Retained earnings". As of 1 January 2004, the Group began to record directly in equity the exchange rate variations allowed by IFRS, and the exchange rate variations generated after the transition date will be recognised in the Consolidated Income Statement only on the date of sale of the respective financial investments or when the investment made is repaid.

j) Financial Loan Charges

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that qualifies as part of the cost of that asset are capitalised. The other borrowing costs obtained are recognised as an expense in the period in which they are incurred in accordance with the accrual principle and in accordance with the effective interest rate method.

k) Consolidated Statement of Cash Flows

The Consolidated Statement of Cash Flows is prepared in accordance with IAS 7, using the direct method. The Group classifies under the heading "Cash and cash equivalents" investments that are due less than three months and for which the risk of a change in value is negligible. For the purposes of the Consolidated Statement of Cash Flows, the item of cash and cash equivalents also includes the bank overdrafts included in the Consolidated Statement of Financial Position under the item "Short-term debt".

Cash flows are classified in the Consolidated Statement of Cash Flows, depending on their nature, into (1) operating activities; (2) investment activities; and (3) financing activities. Operating activities essentially comprise customer receipts, and payments to suppliers, staff, retirement benefits, income tax and net indirect taxes. Cash flows covered by investing activities include, inter alia, acquisitions and disposals of financial investments, dividends received from associated companies, and receipts and payments arising from the purchase and sale of fixed assets. Cash flows related to financing activities include, inter alia, payments and receipts related to loans obtained, payments related to interest and related expenses, the acquisition of own shares and the payment of dividends.

l) Subsequent events (Note 22)

Events occurring after the date of the Consolidated Statement of Financial Position that provide additional information about conditions that existed at the date of said statement are considered in the preparation of the financial statements for the period. Events occurring after the date of the Consolidated Statement of Financial Position that provide information on conditions occurring after the date of said statement are disclosed in the notes to the consolidated financial statements, if material.

Judgments and estimates

In preparing the consolidated financial statements in accordance with IFRS, the Board of Directors of PHAROL SGPS uses estimates and assumptions that affect the application of accounting 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 in which the estimates are based or the result of information or experience gained. The most significant accounting estimates reflected in the consolidated 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. As at 31 December 2025, this value remained the same (Note 13).
- (c) Valuation and useful life of intangible and tangible assets** – PHAROL SGPS uses estimates to determine the useful life of its tangible assets (Note 3).
- (d) 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.

The estimates have been determined on the basis of the best information available at the time of preparation of the consolidated financial statements. However, situations may occur in subsequent periods that, although not foreseeable at the time, were not considered in these estimates. As provided for in IAS 8, changes to these estimates, which occur after the date of the consolidated financial statements, are corrected in profit or loss on a forward-looking basis.

4. Changes in accounting policies

Description	Regulation of Endorsement by the European Union	Amendment	Effective Date
1. Changes to the rules that became effective on January 1, 2025			
IAS 21 - The effects of changes in exchange rates"Effects of changes in exchange rates: lack of interchangeability"	Regulation (EU) No. 2024/2862 of 12 November	The amendment clarified the circumstances under which a currency is considered to be exchangeable and how the spot exchange rate should be determined when a currency is not interchangeable for a long period.	Annual periods starting on or after 1 January 2025
2. Amendments to the rules that become effective on or after 1 January 2026			
IFRS 9 - Financial Instruments and IFRS 7 - Financial Instruments: Disclosures "Change in the Classification and Measurement of Financial Instruments"	Regulation (EU) No. 2025/1047 of 27 May	The amendments made refer to: (i) clarification of the concept of date of recognition and derecognition of some financial assets and liabilities; (ii) clarification and exemplification of when a financial asset meets the criterion of contractual cash flows corresponding; (iii) new disclosure requirements for instruments with contractual terms that may change cash flows in terms of period and value; and (iv) new disclosures required for capital instruments designated at fair value through other comprehensive income.	Annual periods starting on or after January 1, 2026.
IFRS 9 - Financial Instruments and IFRS 7 - Financial Instruments: Disclosures "Contracts Negotiated with Reference to Electricity Generated from Renewable Sources"	Regulation (EU) No. 2025/1266 of 30 June	The amendments made refer to: (i) clarification of the application of the "own use" exemption established in IFRS 9; (ii) permission to designate it as a hedging instrument"; and (iii) new IFRS 7 disclosure requirements.	Annual periods starting on or after January 1, 2026.
3. Changes to the rules that become effective on or after January 1, 2026 - Annual Improvements			
IAS 1 - First-time adoption of IFRS	Regulation (EU) No. 2025/1331, of 09 July.	This enhancement clarifies that existing coverage in prior GAAP must be eligible and meet the IFRS 9 qualifying criteria to be maintained. Otherwise, the retirement of hedge accounting must be recorded. It is not allowed to designate transactions that occurred before the transition date retrospectively as hedge accounting.	Annual periods starting on or after January 1, 2026.
IAS 7 - Statement of Cash Flows	Regulation (EU) No. 2025/1331, of 09 July.	This improvement refers to the alignment of the designation of the methods for measuring investments in subsidiaries, associates and joint ventures, with IAS 27, with the replacement of the reference to the 'cost method' still present in IAS 7, with "cost".	Annual periods starting on or after January 1, 2026.

IFRS 7 - Financial instruments: disclosures	Regulation (EU) No. 2025/1331, of 09 July.	These improvements aim to: (i) align concepts between IFRS 7 and IFRS 13, regarding the designation of "unobservable inputs" used in the determination of fair value; (ii) clarification that the implementation guide does not include all the disclosure requirements of IFRS 7, including the disclosure of credit risk for assets acquired or originated with impairment loss.	Annual periods starting on or after January 1, 2026.
IFRS 9 - Financial instruments	Regulation (EU) No. 2025/1331, of 09 July.	These improvements refer to: (i) clarification on the application of the principles of derecognition of a financial liability to lease liabilities, i.e., when contractual cash flows are extinguished, with the calculation of the capital gain or loss in results; (ii) eliminating the inconsistency with IFRS 15 regarding the initial recognition of an account receivable under IFRS 15 that does not have a significant funding component, which shall be recorded at the estimated value of the price in accordance with IFRS 15 and not at fair value.	Annual periods starting on or after January 1, 2026.
IFRS 10 – Consolidated Financial Statements	Regulation (EU) No. 2025/1331, of 09 July.	This improvement refers to the simplification of the definition of "de facto agent" and the exemplification of a situation in which such a relationship is established with an investor.	Annual periods starting on or after January 1, 2026.
4. Changes to standards not yet endorsed by the European Union			
IAS 21 - Conversion to a hyperinflationary presentation currency	Pending endorsement	This standard specifies the conversion procedures for an entity whose presentation currency is that of a hyperinflationary economy. An entity applies the changes if: (i) its functional currency is that of a non-hyperinflationary economy and it is converting its profit or loss and financial position to the presentation currency of a hyperinflationary economy; (ii) is converting into the currency of a hyperinflationary economy the results and financial position of a foreign operation whose functional currency is that of a non-hyperinflationary economy.	Annual periods beginning on or after January 1, 2027.
IFRS 18 - Presentation and Disclosure in Financial Statements	Pending endorsement	It replaces IAS 1, and introduces three sets of new requirements to improve the disclosure of companies' financial performance and offer investors a better basis for analyzing and comparing companies: (i) Improving the comparability of the income statement; (ii) Greater transparency in management performance measurements; and (iii) Greater granularity.	Annual periods beginning on or after January 1, 2027.

<p>IFRS 19 - Subsidiaries not subject to public financial reporting: Disclosures</p>	<p>Pending endorsement</p>	<p>This new standard aims to simplify and reduce the cost of financial reporting for subsidiaries while maintaining the usefulness of their financial statements. Entities are considered eligible that: (i) are subsidiaries of a group that prepares consolidated financial statements for public provision; (ii) they are not required to provide public financial information. Eligible entities, which are intermediate holding companies not subject to the public financial reporting obligation, may apply IFRS 19 in their separate financial statements, even if they do not apply it in the consolidated financial statements.</p>	<p>Annual periods beginning on or after January 1, 2027.</p>
<p>IFRS 19 - Amendment to Disclosure Requirements</p>	<p>Pending endorsement</p>	<p>IFRS 19 has been amended to include the reduction of disclosure requirements for new standards and changes to standards arising from projects that were ongoing or nearing completion at the time of its publication. The amendments made aim to reduce the disclosure requirements for changes to standards and new standards issued between February 2021 and May 2024, namely: (i) IFRS 18: Presentation and disclosure in financial statements; (ii) Amendments to IAS 7 – Supplier Financing Agreements; (iii) IAS 12 – International tax reform – Pillar 2 model rules; (iv) Amendments to IAS 21 – Effects of exchange rate changes: Lack of interchangeability.</p>	<p>Annual periods starting on or after 1 January 2027, with the requirement to submit comparative information.</p>

5. Exchange rates used in the translation of financial statements denominated in foreign currency

On 31 December 2025 and 2024, the assets and liabilities denominated in the main foreign currencies were converted into Euros on the basis of the following exchange rates against the euro:

Currency	2025	2024
Real	6.4364	6.4253
USD	1.1750	1.0389

As of December 31, 2025 and 2024, the income and cash flow statements of subsidiaries and jointly controlled companies denominated in foreign currency were converted to Euros based on the following average exchange rates:

Currency	2025	2024
Real	6.307	6.3843
USD	1.1299	1.0821

6. Staffing costs

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

	2025	euros 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.

7. Supplies, external services and other expenses

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

	2025	euros 2024
Specialized works (i)	(713,827)	(743,742)
Insurance	(208,129)	(228,203)
Travel and stays	(10,653)	(26,089)
Other	(129,849)	(239,922)
	(1,062,458)	(1,237,956)

(i) They are mostly legal advice fees for monitoring ongoing legal proceedings.

Regarding the auditors' fees, Forvis Mazars & Associados – Sociedade de Revisores Oficiais de Contas, S.A., for the work for 2025, the amount was 30,000 euros, to which VAT at the legal rate in force was added.

8. Indirect taxes

In the fiscal years 2025 and 2024, the Indirect Taxes item has the following composition:

	euros	
	2025	2024
Value Added Tax	(224,214)	(161,029)
Other	(2,112)	(3,671)
	(226,326)	(164,700)

9. Income taxes and fees

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 Euros and 35 million Euros, and 9.0% applicable on taxable profit exceeding 35 million Euros, resulting in a maximum aggregate rate of approximately 31.5% for taxable profits exceeding 35 million Euros. 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.

Having calculated tax profits in the 2025 and 2024 financial years, 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.

In 2025, the result was 2.10 million euros, due to the reimbursements of the AT and the financial results.

In 2024, the result was 24 million euros, mainly due to the reimbursements of the AT and the agreement with Oi. However, only a portion of these gains are taxable, which reduces the tax estimate. In addition, PHAROL used accumulated tax losses from previous years to deduct the tax due.

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

	euros	
	2025	2024
Income tax		
Profit before tax	2,151,255	25,457,937
Effective tax rate	21%	21%
Profit tax at nominal rate	451,763	5,346,167
To add		18,307,763
To be deduced	1,725,132	31,637,290
	1,725,132	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. Results per share

The results per share in the fiscal years 2025 and 2024 were calculated as follows:

		euros	
		2025	2024
Net income attributable to Pharol shareholders	(1)	2,100,757	24,224,749
Average number of common shares outstanding in the period	(2)	821,756,654	821,756,654
Income per share from continuing operations			
Basic and diluted	(1)/(2)	0.00	0.03

11. Taxes payable and recovered

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

		euros			
		31 Dec 2025		31 Dec 2024	
		Debtor	Creditor	Debtor	Creditor
Current taxes					
Operations in Portugal					
Value Added Tax (VAT)		-	22,886	-	17,571
Corporate Income Tax ¹		705,990	50,498	-	1,147,515
Personal Income Tax			31,609	-	12,042
Social Security		-	22,719	-	12,283
Taxes in foreign countries		-		-	
		705,990	127,711	-	1,189,412
Non-current taxes					
Taxes in foreign countries			25	-	-
		705,990	127,736	-	1,189,412

¹In 2025, the outstanding balance refers to payments on account to be refunded in July 2026.

12. Financial Assets

The financial assets include: 1) portfolios of shares and bonds in the amount of 27.76 million Euros and 26.98 million Euros respectively on December 31, 2025 and 2024, and 2) PHAROL's investment in Oi, of 0.02% (12 thousand Euros) on December 31, 2024. All financial assets are accounted for at market value.

Investment Portfolios

PHAROL subscribed to two investment portfolios in financial assets in August 2022 and two more in August 2023, composed mainly of asset groups of Bonds and Shares of listed companies. The portfolios are managed by 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, while guaranteeing, however, high liquidity. 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			euros
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:

Portfolio Composition			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

Investment in Oi

Since December 31, 2017, PHAROL's investment in Oi has been measured at fair value, no longer being classified as an associate and evaluated by the equity method. From that date, the investment was reclassified as a "Financial Asset" and accounted for at market value.

In 2024 and 2023, PHAROL liquidated part of the position in Oi, leaving it with a final position of 0.02% (12 thousand Euros) and 0.18% (130 thousand Euros) respectively. In 2025, PHAROL liquidated its stake in Oi in its entirety.

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

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

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

13. Other non-current assets

As of December 31, 2025 and 2024, this item includes an estimated future recovery of approximately €51.9 million related to the debt instruments issued by Rio Forte.

Rio Forte

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.espiritosantoinvolucencies.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 Espirito 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. In 2026, a ruling was issued by the Lisbon Court of Appeal that deemed Deloitte's refusal to submit documents illegitimate, citing professional secrecy, and set a ten-day deadline for submitting the documents, which will have been met.

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.

14. Accounts Payable

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

	euros	
	2025	2024
Accounts Payable		
Current account suppliers	24,359	24,349
Other	238,769	64,963
	263,128	89,313

15. Increased costs

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

	euros	
	2025	2024
Cost increases		
External supplies and services	281,915	170,249
Holiday charges, holiday allowance and other staff charges	419,541	430,505
Other	14,534	12,579
	715,990	613,332

16. Financial Guarantees and Commitments and Accounts Receivable

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 unfavourable 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, totalling €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:

	euros	
	2025	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 relating to the 12 months of 2025 which, under the terms of the agreements in force with Oi, are the responsibility of Oi.

17. Equity

17.1. Share capital

PHAROL's share capital, fully subscribed and paid up, amounts to 26,895,375 Euros on December 31, 2025 and 2024, represented by 896,512,500 ordinary shares, with a nominal value of three euro cents each.

17.2. Own actions

On 31 December 2025 and 2024, this item shall be composed 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 own shares corresponding to 8.33% of its share capital.

17.3. Legal Reserve

PHAROL's commercial legislation and statutes establish that at least 5% of the annual net profit must be allocated to reinforce the legal reserve, until it represents 20% of the 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 and 2024, the legal reserve amounted to 6,773,139 Euros and was already fully constituted, corresponding to more than 20% of the share capital.

17.4. Reservation of own shares

The reserve of own shares is related to the recognition of an unavailable reserve of a value equivalent to the nominal value of the cancelled shares or the acquisition cost of the own shares held by PHAROL. The reserve of own shares has a legal regime equivalent to that of the legal reserve. On December 31, 2025 and 2024, this reserve refers to the shares cancelled on December 20, 2007, March 24, 2008 and December 10, 2008, in the amount of 6,970,320 Euros, as well as to the own shares acquired or sold in 2014, 2016, 2019, 2020 and 2021, in the total amount of 164,809,500 Euros.

17.5. Other reserves and accumulated results

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

		euros
	2025	2024
Retained Earnings	135,169,925	110,945,176
Net income	2,100,757	24,224,749
Free Bookings	105,209,244	105,209,244
Currency conversion adjustments (i)	(42,047)	(42,273)
Losses directly recognised in equity, net (ii)	(188,796,215)	(188,774,707)
	53,641,665	51,562,190

(i) The variation in this item essentially reflects the exchange rate effect resulting from the transposition of the subsidiary PHAROL Brasil.

(ii) On 31 December 2025 and 2024, with the application of IFRS 9, this item essentially reflects the investment in Oi, which was classified as an investment in equity instruments at fair value through other comprehensive income on 31 December 2017, the date from which all changes in fair value occurred in that investment were recognised in equity.

18. Consolidated Statement of Cash Flows

a) Payments to suppliers

In the financial years 2025 and 2024, payments to suppliers mainly relate to payments made in relation to suppliers of specialised work and legal advice.

b) Other receipts (payments), net

In the year 2025 and 2024, other net receipts and payments essentially include amounts received and paid in the context of proceedings with the Tax Authority and respective bank guarantee fees paid.

c) Equity Realizations and Other Equity Instruments

In the years 2025 and 2024, this item concerns the sale of shares of the company Oi S.A.

d) Cash and cash equivalents at the end of the period

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

	euros	
	2025	2024
Cash and cash equivalents		
Box	875	4,621
Current deposits	436,136	294,583
Term Deposits	11,120,000	13,600,600
Treasury Fund (i)	3,415,636	2,061,648
	14,972,647	15,961,453

(i) As of December 31, 2025, this fund refers to an investment of €3.4 million 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. During the year 2025, this fund had a reinforcement in the amount of 1.3 million Euros.

19. Related parts

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 any termination compensation programme was in place.

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.

Consequently, 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. Financial Instruments

21.1. Financial risks

PHAROL is mainly exposed to (i) market risks related to changes in exchange rates, changes in interest rates and changes in prices and quotations and (ii) credit risks. The objective of PHAROL's risk management is to reduce these risks to an acceptable level.

21.1.1. Market Risks

Market risks consist of losses that may occur as a result of changes in rates (interest or exchange rates) and/or in the prices and quotations of different financial instruments, considering not only the correlations between them, but also their volatilities.

Exchange rate risks are essentially related to the operations of the investee companies, to investments in financial instruments in foreign currency that are part of the investment portfolios in stocks and bonds, and to PHAROL's investments in Brazil that ceased to exist in 2025.

Regarding the risks of prices and quotations, which are essentially related to the investment portfolio in shares and bonds, the Group has established criteria and limits to the discretionary management that has been given to the banking entities that manage these portfolios. Having thus established the following limits:

1. For two portfolios constituted in August 2022, in the amount of 10 million Euros:

- Minimum investment rating: Investment Grade entities (equal to or greater than BBB or similar, in the case of Moody's).
- Weight per issuer: the exposure to each issuer must not exceed 12.5% of the value of the portfolio;
- Geography: Exposure to emerging countries should not exceed 25%. The exposure per country should not exceed 1/3 of the value of the portfolio;
- Foreign exchange exposure: Exposure to currencies other than the Euro should not exceed 25%;
- Liquidity: up to 5 business days.

2. For two portfolios constituted in August 2023, in the amount of 15 million Euros:

- Minimum investment rating: 70% Investment grade (equal to or greater than BBB or similar, in the case of Moody's) and 30% High yield
- Weight per issuer: the exposure to each issuer must not exceed 12.5% of the value of the portfolio;
- Geography: Exposure to emerging countries should not exceed 25%. The exposure per country should not exceed 1/3 of the value of the portfolio;
- Foreign exchange exposure: Exposure to currencies other than the Euro should not exceed 25%;
- Liquidity: up to 5 business days.

21.1.2. Credit Risk

Credit risk is essentially related to the risk of a counterparty failing in its contractual obligations, resulting in a financial loss for PHAROL. PHAROL is essentially subject to credit risk in its operating and treasury activities.

The criteria used to calculate adjustments to accounts receivable are based on carrying out recoverability analyses of receivables on a regular basis.

As of December 31, 2025, receivables are not considered relevant.

The risks related to treasury activities result essentially from the investments made by the Group in cash equivalents. As previously mentioned, in order to mitigate this risk, PHAROL implemented an investment diversification policy from July 2014 onwards, in such a way that the investment in a financial entity does not exceed 34% of all financial investments. In this way, it is ensured that the amounts are invested in the short term, with diversified financial institutions with a reputation in the market. In 2022 and again in 2025, in order to readjust policies based on active portfolio management, given that bond and share portfolios can be managed by banking entities, these limits were reviewed and more detailed. Thus, the concentration limit of 33.3% for demand deposits and term deposits by a bank is maintained, and the amount invested in an asset management portfolio managed by the same bank will not count towards this limit of 33.3%.

In addition, and in order to establish concentration limits on initial investment also in asset management, a maximum limit of portfolio management per banking entity of 2/3 was established.

PHAROL is also subject to credit risk in its investment in Rio Forte Investments, having adjusted its value accordingly. In November 2023, the trustees of Rio Forte decided that the insolvency claim of Rio Forte Investments filed by PHAROL would be submitted, as a precautionary measure, to the Commercial Court (*standardise*) of Luxembourg for a decision on its admission to the insolvency liability (Note 13). On February 13, 2026, PHAROL Court recognized PHAROL's claim on Rio Forte's insolvent estate in the capital amount of 750 million Euros, to be increased by the interest due up to 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.

Also in the context of the credit against Rio Forte, in January 2019, PHAROL was summoned by the curatorship of Espirito Santo International, S.A., as a precautionary measure to interrupt any limitation period, with a view to a possible cancellation of payments of Notes made by ESI during the month of January 2014 in the amount of 750 million Euros.

Also on January 13, 2026, the Court ruled that in this case PHAROL does not have to return any amounts to ESI.

The above-mentioned judicial decisions are subject to appeal within 40 days from the Notification of the Curators of Rio Forte and the Ad Hoc Curator. However, PHAROL considers the probability of being able to obtain, on the basis of the alleged facts, any conviction of PHAROL in the terms

subpoenaed to be very remote. Accordingly, PHAROL did not make any provision in its financial statements (see Note 13).

PHAROL is also subject to Oi's credit risk, since within the scope of the contracts entered into, it is incumbent on Oi to pay the liabilities resulting from the tax contingencies originated until May 5, 2014, although PHAROL is also jointly and severally liable.

22. Subsequent events

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 Bylaws of Association. These proposals aim to review and update the Bylaws 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.

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
(consolidated 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 and consolidated financial statements 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, permanently monitoring PHAROL's activity, and verifying that the consolidated financial statements were 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 consolidated financial information;
 - iii) Verification of the regularity of accounting records and the accuracy of consolidated accounting 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 the consolidated financial statements with the applicable legal requirements;
 - vi) Analysis of the consolidated financial information disclosed.
5. Under the terms of the 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 consolidated financial statements for the financial year 2025, which include the consolidated profit and loss statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated statement of cash flows and their annexes.

The statutory auditor and external auditor followed the process of preparing PHAROL's consolidated 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 consolidated 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 consistent with the consolidated financial statements for the year.
- 9. Also within the scope of its competences, and as provided for in paragraph 5 of article 420 of the Commercial Companies Code, the Fiscal Council also verified that HOROL's Corporate Governance Report for the 2025 financial year includes the elements required under article 29-H of the Securities Code.

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 consolidated financial documents for the financial year 2025 were prepared in accordance with the applicable accounting standards, giving a true and fair view of the assets and liabilities, financial situation and results of PHAROL and the companies included in the scope of consolidation;
- ii) the management report faithfully sets out the evolution of the business, performance and position of PHAROL and the companies included in the scope of consolidation and contains a description of the main risks and uncertainties that PHAROL and the companies included in the scope of consolidation face in their activity.

Based on 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 consolidated 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 and the consolidated financial statements for the 2025 financial year, and are therefore of the opinion that nothing prevents their 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 consolidated financial statements

Opinion

We have audited the accompanying consolidated financial statements of **PHAROL, SGPS S.A.** (the Group), which comprise the statement of financial position as at December 31, 2025 (showing a total of 96 320 798 euros and a total net equity of 94 280 806 euros, including a net profit of 2 100 757 euros), and the income statement by nature, the statement of comprehensive income, 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 consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of **PHAROL, SGPS S.A.** as at December 31, 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted in the European Union.

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 Consolidated Financial Statements" section below. We are independent of the Group 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated 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 non current assets includes approximately 51 906 KEuros 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 2, 3, 12, 13 and 21 of Notes to the consolidated financial statements, on March 30, 2015, the commercial paper	<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;

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

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 February 13, 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 Group consolidated financial statements, and its measurement involves significant judgments, which justifies that this matter has been considered as relevant to the audit process.

- Analysis of the judgments made by Management in determining the 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 Group, 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 Group of these proceedings, also considering the report of the independent expert hired by Pharol Group 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 consolidated 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 Financial assets comprises around 27 758 KEuros relating to investment portfolios in financial assets.</p> <p>As disclosed in Notes 3, 11, e 20 of Notes to the consolidated financial statements, these assets are valued at fair value with the changes recognized in results.</p> <p>The Group 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.</p> <p>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.</p> <p>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.</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; • 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; <p>We also assessed the disclosures made by the Entity in the notes to the consolidated financial statements and verified and concluded on their adequacy in accordance with the requirements of the accounting regulations in force.</p>

Responsibilities of management and the supervisory body for the consolidated financial statements

Management is responsible for:

- the preparation of consolidated financial statements that give a true and fair view of the Groups financial position, financial performance and cash flows in accordance with International Financial Reporting Standards (IFRS) as adopted in the European Union.
- the preparation of the consolidated management report, corporate governance report, and remuneration report in accordance with applicable laws and regulations.
- designing and maintaining an appropriate internal control system to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error
- the adoption of accounting policies and principles appropriate in the circumstances; and

- assessing the Group's ability to continue as a going concern, and disclosing, as applicable, the matters that may cast significant doubt about the Group's ability to continue as a going concern.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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 consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes 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 consolidated management report is consistent with the consolidated 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 consolidated management report

Pursuant to article 451.º, n.º 3, al. (e) of the Portuguese Companies' Code, it is our opinion that the consolidated management report was prepared in accordance with the applicable legal and regulatory requirements and the information contained therein is consistent with the audited financial statements and, having regard to our knowledge and assessment over the Group, 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 European Single Eletronic Format (ESEF)

The financial statements of the Group for the year ended December 31, 2025 must comply with the applicable requirements set out in Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 (ESEF Regulation).

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

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

Our procedures took into account the OROC Technical Application Guide on ESEF reporting and included, among others:

- obtaining an understanding of the consolidated financial reporting process, including submitting the consolidated annual report in valid XHTML format.
- Identifying and assessing the risks of material misstatement associated with the marking of financial statement information in XBRL format using iXBRL technology. This assessment was based on an understanding of the process implemented by the entity to mark up the information.

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

On the additional matters provided in article 10 of the Regulation (EU) n° 537/2014

Pursuant to article 10 of the Regulation (EU) n° 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 consolidated financial statements. In planning and executing our audit in accordance with ISAs we maintained professional skepticism, and we designed audit procedures to respond to the possibility of material misstatement in the consolidated financial statements due to fraud. As a result of our work we have not identified any material misstatement 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 Group during the conduct of the audit.
- We inform you that, apart from the audit, we have not provided the Group 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 n° 1003 and registered with CMVM under n° 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)

**CORPORATE GOVERNANCE REPORT
2025**



TABLE OF CONTENTS

INTRODUCTION	8
PART I – INFORMATION ON SHAREHOLDER STRUCTURE, ORGANIZATION AND GOVERNANCE OF THE COMPANY	10
A. SHAREHOLDER STRUCTURE	10
I. <i>Capital Structure</i>	10
1. CAPITAL STRUCTURE	10
2. RESTRICTIONS ON THE TRANSFERABILITY OF SHARES, SUCH AS CONSENT CLAUSES FOR DISPOSAL, OR LIMITATIONS ON OWNERSHIP OF SHARES	10
3. NUMBER OF OWN SHARES, PERCENTAGE OF CORRESPONDING CAPITAL AND PERCENTAGE OF VOTING RIGHTS TO WHICH OWN SHARES CORRESPOND	10
4. SIGNIFICANT AGREEMENTS WITH CHANGE-OF-CONTROL CLAUSES	10
5. RENEWAL/REVOCAION OF DEFENSIVE MEASURES, IN PARTICULAR THOSE THAT PROVIDE FOR THE LIMITATION OF THE NUMBER OF VOTES THAT MAY BE HELD OR EXERCISED BY A SINGLE SHAREHOLDER	10
6. SHAREHOLDERS' AGREEMENTS THAT ARE KNOWN TO THE COMPANY AND MAY LEAD TO RESTRICTIONS ON THE TRANSFER OF SECURITIES OR VOTING RIGHTS	11
II. <i>SHARES AND BONDS HELD</i>	11
7. HOLDERS OF QUALIFYING HOLDINGS, PERCENTAGE OF CAPITAL AND VOTES ATTRIBUTABLE, SOURCE AND CAUSES OF IMPUTATION	11
8. NUMBER OF SHARES AND BONDS HELD BY MEMBERS OF THE MANAGEMENT AND SUPERVISORY BODIES	12
9. SPECIAL POWERS OF THE MANAGEMENT BODY, NAMELY WITH REGARD TO RESOLUTIONS ON CAPITAL INCREASE	12
10. SIGNIFICANT COMMERCIAL RELATIONSHIPS BETWEEN QUALIFYING HOLDING HOLDERS AND THE COMPANY	13
B. GOVERNING BODIES AND COMMITTEES	13
I. <i>GENERAL ASSEMBLY</i>	13
11. IDENTIFICATION, POSITION AND TERM OF OFFICE (BEGINNING AND END) OF THE MEMBERS OF THE BOARD OF THE GENERAL MEETING	13
12. POSSIBLE RESTRICTIONS ON VOTING RIGHTS	14
13. MAXIMUM PERCENTAGE OF VOTING RIGHTS THAT MAY BE EXERCISED BY A SINGLE SHAREHOLDER OR BY SHAREHOLDERS WHO ARE IN ANY OF THE RELATIONSHIPS REFERRED TO IN PARAGRAPH 1 OF ARTICLE 20 OF THE SECURITIES CODE	16
14. SHAREHOLDER RESOLUTIONS THAT, BY STATUTORY IMPOSITION, CAN ONLY BE TAKEN WITH A QUALIFIED MAJORITY, IN ADDITION TO THOSE PROVIDED FOR BY LAW	16
II. <i>ADMINISTRATION AND SUPERVISION</i>	16
15. IDENTIFICATION OF THE ADOPTED GOVERNANCE MODEL	16
16. STATUTORY RULES ON PROCEDURAL AND SUBSTANTIVE REQUIREMENTS APPLICABLE TO THE APPOINTMENT AND REPLACEMENT OF MEMBERS OF THE BOARD OF DIRECTORS	17
17. COMPOSITION OF THE BOARD OF DIRECTORS	17
18. DISTINCTION BETWEEN EXECUTIVE AND NON-EXECUTIVE MEMBERS OF THE BOARD OF DIRECTORS AND, IN RELATION TO NON-EXECUTIVE MEMBERS, IDENTIFICATION OF MEMBERS WHO CAN BE CONSIDERED INDEPENDENT	18

19.	PROFESSIONAL QUALIFICATIONS AND OTHER RELEVANT CURRICULUM ELEMENTS OF EACH OF THE MEMBERS OF THE MANAGEMENT BOARD	19
20.	USUAL AND SIGNIFICANT FAMILY, PROFESSIONAL OR BUSINESS RELATIONSHIPS OF THE MEMBERS OF THE BOARD OF DIRECTORS WITH SHAREHOLDERS WHO ARE ATTRIBUTABLE TO A QUALIFYING HOLDING OF MORE THAN 2% OF THE VOTING RIGHTS.....	20
21.	DIVISION OF COMPETENCES BETWEEN THE VARIOUS CORPORATE BODIES, COMMISSIONS AND/OR DEPARTMENTS OF THE COMPANY	20
	MANAGEMENT BODY	20
	Board of Directors	20
	Powers of the Chairman of the Board of Directors	23
	Managing Director	23
	Powers of the Managing Director:	24
	SUPERVISORY BODIES.....	24
	Fiscal Council.....	24
	Chartered Accountant	26
22.	RULES OF OPERATION OF THE BOARD OF DIRECTORS	27
23.	NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS AND DEGREE OF ATTENDANCE OF EACH MEMBER	27
24.	INDICATION OF THE COMPANY'S BODIES COMPETENT TO CARRY OUT THE PERFORMANCE EVALUATION OF EXECUTIVE DIRECTORS	27
25.	PREDETERMINED CRITERIA FOR THE PERFORMANCE EVALUATION OF EXECUTIVE DIRECTORS	27
26.	AVAILABILITY OF EACH OF THE MEMBERS OF THE BOARD OF DIRECTORS, WITH AN INDICATION OF THE POSITIONS HELD SIMULTANEOUSLY IN OTHER COMPANIES, INSIDE AND OUTSIDE THE GROUP, AND OTHER RELEVANT ACTIVITIES CARRIED OUT BY THE MEMBERS OF THE BOARD OF DIRECTORS.....	27
27.	IDENTIFICATION OF THE COMMITTEES CREATED BY THE BOARD OF DIRECTORS....	28
28.	COMPOSITION OF THE EXECUTIVE COMMITTEE AND/OR IDENTIFICATION OF MANAGING DIRECTOR(S).....	28
29.	COMPETENCES OF EACH OF THE COMMITTEES CREATED WITHIN THE BOARD OF DIRECTORS AND SUMMARY OF THE ACTIVITIES CARRIED OUT IN THE EXERCISE OF THESE COMPETENCES	28
	III. SUPERVISORY.....	28
30.	IDENTIFICATION OF THE SUPERVISORY BODY	28
31.	COMPOSITION OF THE FISCAL COUNCIL.....	28
32.	IDENTIFICATION OF THE MEMBERS OF THE SUPERVISORY BOARD WHO CONSIDER THEMSELVES INDEPENDENT, UNDER THE TERMS OF ARTICLE 414, PARAGRAPH 5 OF THE COMMERCIAL COMPANIES CODE	29
33.	PROFESSIONAL QUALIFICATIONS AND OTHER RELEVANT CURRICULAR ELEMENTS OF EACH OF THE MEMBERS OF THE SUPERVISORY BOARD	29
34.	RULES OF OPERATION OF THE FISCAL COUNCIL.....	29
35.	NUMBER OF MEETINGS OF THE SUPERVISORY BOARD AND DEGREE OF ATTENDANCE OF EACH MEMBER	29
36.	AVAILABILITY OF EACH OF THE MEMBERS OF THE SUPERVISORY BOARD, WITH AN INDICATION OF THE POSITIONS HELD SIMULTANEOUSLY IN OTHER COMPANIES, INSIDE AND OUTSIDE THE GROUP, AND OTHER RELEVANT ACTIVITIES CARRIED OUT BY THE MEMBERS OF THE SUPERVISORY BOARD	29

37.	PROCEDURES AND CRITERIA APPLICABLE TO THE INTERVENTION OF THE SUPERVISORY BODY FOR THE PURPOSE OF CONTRACTING ADDITIONAL SERVICES TO THE EXTERNAL AUDITOR	30
38.	OTHER TASKS OF THE SUPERVISORY BODY	30
	IV. STATUTORY AUDITOR	30
39.	IDENTIFICATION OF THE STATUTORY AUDITOR AND THE STATUTORY AUDITOR REPRESENTING HIM/HER	30
40.	NUMBER OF YEARS THAT THE STATUTORY AUDITOR HAS BEEN CONSECUTIVELY WORKING WITH THE FIRM AND/OR GROUP.....	30
41.	OTHER SERVICES PROVIDED TO THE FIRM BY THE STATUTORY AUDITOR	30
	V. EXTERNAL AUDITOR	30
42.	IDENTIFICATION OF THE EXTERNAL AUDITOR AND THE STATUTORY AUDITOR WHO REPRESENTS HIM/HER IN THE PERFORMANCE OF THESE DUTIES, AND HIS/HER REGISTRATION NUMBER WITH THE CMVM	30
43.	NUMBER OF YEARS IN WHICH THE EXTERNAL AUDITOR AND THE RESPECTIVE STATUTORY AUDITOR REPRESENTING HIM IN THE PERFORMANCE OF THESE DUTIES HAVE HELD CONSECUTIVE POSITIONS WITH THE COMPANY AND/OR THE GROUP ...	31
44.	POLICY AND FREQUENCY OF THE ROTATION OF THE EXTERNAL AUDITOR AND THE RESPECTIVE STATUTORY AUDITOR WHO REPRESENTS HIM IN THE PERFORMANCE OF THESE DUTIES.....	31
45.	THE BODY RESPONSIBLE FOR THE EXTERNAL AUDITOR'S EVALUATION AND THE FREQUENCY WITH WHICH THIS EVALUATION IS CARRIED OUT	31
46.	ENGAGEMENTS, OTHER THAN AUDITS, CARRIED OUT BY THE EXTERNAL AUDITOR FOR THE COMPANY AND/OR FOR COMPANIES THAT ARE IN A CONTROL RELATIONSHIP WITH IT, AS WELL AS AN INDICATION OF THE INTERNAL PROCEDURES FOR THE PURPOSE OF APPROVING THE CONTRACTING OF SUCH SERVICES AND AN INDICATION OF THE REASONS FOR THEIR CONTRACTING.....	31
47.	INDICATION OF THE AMOUNT OF THE ANNUAL REMUNERATION PAID BY THE COMPANY AND/OR LEGAL PERSONS IN A CONTROL OR GROUP RELATIONSHIP TO THE AUDITOR AND OTHER NATURAL OR LEGAL PERSONS BELONGING TO THE SAME NETWORK AND A BREAKDOWN OF THE PERCENTAGE FOR EACH TYPE OF SERVICE .	31
	C. INTERNAL ORGANIZATION	32
	I. STATUTES	32
48.	RULES APPLICABLE TO THE AMENDMENT OF THE ARTICLES OF ASSOCIATION OF THE COMPANY.....	32
	Constitutive quorum of the General Assembly.....	32
	Deliberative quorum of the General Assembly.....	32
	II. REPORTING OF IRREGULARITIES	32
49.	MEANS AND POLICY OF REPORTING IRREGULARITIES OCCURRING IN SOCIETY	32
	III. INTERNAL CONTROL AND RISK MANAGEMENT	33
	Internal Control System.....	33
50.	PERSONS, BODIES OR COMMITTEES RESPONSIBLE FOR INTERNAL AUDIT AND/OR THE IMPLEMENTATION OF INTERNAL CONTROL SYSTEMS.....	34
51.	RELATIONSHIPS OF HIERARCHICAL AND/OR FUNCTIONAL DEPENDENCE ON OTHER BODIES OR COMMITTEES OF THE COMPANY	35
52.	OTHER FUNCTIONAL AREAS WITH SKILLS IN RISK CONTROL	35
53.	MAIN RISKS (ECONOMIC, FINANCIAL AND LEGAL) TO WHICH THE COMPANY IS EXPOSED IN THE EXERCISE OF ITS ACTIVITY.....	35

54.	PROCESS OF IDENTIFICATION, ASSESSMENT, MONITORING, CONTROL AND MANAGEMENT OF RISKS	39
	Risk Management Process	39
	Identified risks.....	39
	Risk assessment	40
	Monitoring, control and risk management	40
55.	MAIN ELEMENTS OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS IMPLEMENTED IN THE COMPANY IN RELATION TO THE FINANCIAL DISCLOSURE PROCESS	41
	IV. INVESTOR SUPPORT.....	41
56.	DEPARTMENT RESPONSIBLE FOR INVESTOR SUPPORT, COMPOSITION, FUNCTIONS, INFORMATION PROVIDED BY THESE SERVICES AND CONTACT DETAILS.....	41
57.	REPRESENTATIVE FOR MARKET RELATIONS	42
58.	INFORMATION ON THE PROPORTION AND TIME OF RESPONSE TO REQUESTS FOR INFORMATION RECEIVED IN THE YEAR OR PENDING FROM PREVIOUS YEARS	42
	V. WEBSITE.....	42
59.	ADDRESS.....	43
60.	PLACE WHERE INFORMATION ON THE COMPANY NAME, THE STATUS OF A PUBLICLY-HELD COMPANY, THE REGISTERED OFFICE AND OTHER ELEMENTS MENTIONED IN ARTICLE 171 OF THE COMMERCIAL COMPANIES CODE IS LOCATED	43
61.	PLACE WHERE THE STATUTES AND REGULATIONS OF THE ORGANS AND/OR COMMISSIONS ARE LOCATED.....	43
62.	PLACE WHERE INFORMATION IS MADE AVAILABLE ON THE IDENTITY OF THE MEMBERS OF THE CORPORATE BODIES, THE REPRESENTATIVE FOR MARKET RELATIONS, THE INVESTOR SUPPORT OFFICE OR EQUIVALENT STRUCTURE, THEIR FUNCTIONS AND MEANS OF ACCESS.....	43
63.	PLACE WHERE THE ACCOUNTABILITY DOCUMENTS ARE MADE AVAILABLE, WHICH MUST BE ACCESSIBLE FOR AT LEAST FIVE YEARS, AS WELL AS THE HALF-YEARLY CALENDAR OF CORPORATE EVENTS, PUBLISHED AT THE BEGINNING OF EACH SEMESTER, INCLUDING, AMONG OTHERS, MEETINGS OF THE GENERAL MEETING, DISCLOSURE OF ANNUAL, HALF-YEARLY AND, IF APPLICABLE, QUARTERLY ACCOUNTS	43
64.	PLACE WHERE THE NOTICE OF THE GENERAL MEETING AND ALL PREPARATORY AND SUBSEQUENT INFORMATION RELATED THERETO ARE DISCLOSED	44
65.	PLACE WHERE THE HISTORICAL COLLECTION WITH THE RESOLUTIONS TAKEN AT THE MEETINGS OF THE COMPANY'S GENERAL MEETINGS, THE CAPITAL STOCK REPRESENTED AND THE RESULTS OF THE VOTES, WITH REFERENCE TO THE PREVIOUS 3 YEARS, IS AVAILABLE.....	44
	D. REMUNERATION	44
	I. COMPETENCE FOR DETERMINATION.....	44
66.	INDICATION AS TO THE COMPETENCE TO DETERMINE THE REMUNERATION OF THE CORPORATE BODIES, THE MANAGING DIRECTOR AND THE COMPANY'S DIRECTORS	44
	II. REMUNERATION COMMITTEE.....	44
67.	COMPOSITION OF THE REMUNERATION COMMITTEE, INCLUDING IDENTIFICATION OF THE NATURAL OR LEGAL PERSONS ENGAGED TO ASSIST IT AND DECLARATION OF THE INDEPENDENCE OF EACH OF THE MEMBERS AND ADVISORS	44
68.	KNOWLEDGE AND EXPERIENCE OF THE MEMBERS OF THE REMUNERATION COMMITTEE IN RELATION TO REMUNERATION POLICY	44
	III. STRUCTURE OF REMUNERATION	45

69.	DESCRIPTION OF THE REMUNERATION POLICY OF THE MANAGEMENT AND SUPERVISORY BODIES	45
70.	INFORMATION ON HOW REMUNERATION IS STRUCTURED IN SUCH A WAY AS TO ALIGN THE INTERESTS OF THE MEMBERS OF THE MANAGEMENT BODY WITH THE LONG-TERM INTERESTS OF THE COMPANY, AS WELL AS ON HOW IT IS BASED ON PERFORMANCE APPRAISAL AND DISCOURAGES EXCESSIVE RISK-TAKING.....	45
71.	REFERENCE, IF APPLICABLE, TO THE EXISTENCE OF A VARIABLE COMPONENT OF REMUNERATION AND INFORMATION ON THE POSSIBLE IMPACT OF THE PERFORMANCE APPRAISAL ON THIS COMPONENT.....	45
72.	DEFERRAL OF PAYMENT OF THE VARIABLE COMPONENT OF REMUNERATION, WITH MENTION OF THE DEFERRAL PERIOD.....	45
73.	CRITERIA ON WHICH THE ATTRIBUTION OF VARIABLE REMUNERATION IN SHARES IS BASED AS WELL AS ON THE MAINTENANCE, BY THE EXECUTIVE DIRECTORS, OF THESE SHARES, ON THE POSSIBLE CONCLUSION OF CONTRACTS RELATED TO THESE SHARES, NAMELY HEDGING OR RISK TRANSFER CONTRACTS, THEIR LIMIT, AND THEIR RELATIONSHIP WITH THE VALUE OF THE TOTAL ANNUAL REMUNERATION....	45
74.	CRITERIA ON WHICH THE ATTRIBUTION OF VARIABLE REMUNERATION IN OPTIONS IS BASED AND INDICATION OF THE DEFERRAL PERIOD AND THE EXERCISE PRICE.	46
75.	MAIN PARAMETERS AND RATIONALE OF ANY SYSTEM OF ANNUAL BONUSES AND ANY OTHER NON-CASH BENEFITS.....	46
76.	MAIN CHARACTERISTICS OF SUPPLEMENTARY PENSION OR EARLY RETIREMENT SCHEMES FOR DIRECTORS AND DATE ON WHICH THEY WERE APPROVED AT THE GENERAL MEETING, IN INDIVIDUAL TERMS	46
	IV. DISCLOSURE OF REMUNERATION.....	46
77.	INDICATION OF THE ANNUAL AMOUNT OF REMUNERATION RECEIVED, IN AGGREGATE AND INDIVIDUALLY, BY THE MEMBERS OF THE COMPANY'S MANAGEMENT BODIES .	46
78.	AMOUNTS PAID IN ANY WAY BY OTHER COMPANIES IN A CONTROL OR GROUP RELATIONSHIP OR WHICH ARE SUBJECT TO A COMMON CONTROL.....	46
79.	REMUNERATION PAID IN THE FORM OF PROFIT SHARING AND/OR PAYMENT OF PREMIUMS AND THE REASONS WHY SUCH PRIZES AND/OR PROFIT SHARING WERE GRANTED	46
80.	COMPENSATION PAID OR DUE TO FORMER EXECUTIVE DIRECTORS IN RELATION TO THE TERMINATION OF THEIR DUTIES DURING THE FINANCIAL YEAR	47
81.	INDICATION OF THE ANNUAL AMOUNT OF REMUNERATION RECEIVED, IN AGGREGATE AND INDIVIDUALLY, BY THE MEMBERS OF THE COMPANY'S SUPERVISORY BODIES .	47
82.	INDICATION OF THE REMUNERATION IN THE REFERENCE YEAR OF THE CHAIRMAN OF THE GENERAL MEETING.....	47
	V. AGREEMENTS WITH REMUNERATION IMPLICATIONS	47
83.	CONTRACTUAL LIMITATIONS PROVIDED FOR THE COMPENSATION PAYABLE FOR UNFAIR DISMISSAL OF A DIRECTOR AND ITS RELATIONSHIP WITH THE VARIABLE COMPONENT OF THE COMPENSATION	47
84.	AGREEMENTS WITH MANAGEMENT AND MANAGERS PROVIDING FOR COMPENSATION IN THE EVENT OF TERMINATION OF SERVICE FOLLOWING A CHANGE OF CONTROL	48
	VI. STOCK OPTIONS.....	48
88.	CONTROL MECHANISMS PROVIDED FOR IN A POSSIBLE SYSTEM OF EMPLOYEE PARTICIPATION IN THE CAPITAL IN SO FAR AS VOTING RIGHTS ARE NOT EXERCISED DIRECTLY BY THEM	48
E.	TRANSACTIONS WITH RELATED PARTIES	48
	I. CONTROL MECHANISMS AND PROCEDURES	48
89.	MECHANISMS PUT IN PLACE BY THE COMPANY FOR THE PURPOSE OF CONTROLLING	

TRANSACTIONS WITH RELATED PARTIES (IAS 24)	48
90. INDICATION OF THE TRANSACTIONS THAT WERE SUBJECT TO CONTROL IN THE REFERENCE YEAR.....	52
91. DESCRIPTION OF THE PROCEDURES AND CRITERIA APPLICABLE TO THE INTERVENTION OF THE SUPERVISORY BODY FOR THE PURPOSES OF THE PRIOR ASSESSMENT OF THE BUSINESS TO BE CARRIED OUT BETWEEN THE COMPANY AND HOLDERS OF QUALIFIED HOLDINGS OR ENTITIES THAT ARE IN ANY RELATIONSHIP WITH THEM, PURSUANT TO ARTICLE 20 OF THE SECURITIES CODE	52
II. BUSINESS-RELATED ELEMENTS	52
92. LOCATION OF ACCOUNTABILITY DOCUMENTS WHERE INFORMATION ON RELATED PARTY DEALINGS IS AVAILABLE IN ACCORDANCE WITH IAS 24	52
PART II – EVALUATION OF CORPORATE GOVERNANCE.....	54
1. IDENTIFICATION OF THE ADOPTED CORPORATE GOVERNANCE CODE	54
2. ANALYSIS OF COMPLIANCE WITH THE ADOPTED CORPORATE GOVERNANCE CODE..	54
ANNEX I	65
Curriculum elements of the members of the Board of Directors.....	65
Curricular elements of the members of the Supervisory Board	69
Complementary information to the curricula of the Governing Bodies	76
ANNEX II	79
Statement on the remuneration policy of the members of the management and supervisory bodies	79
ANNEX III.....	85
Code of Ethics and Conduct	85

INTRODUCTION

PHAROL, SGPS S.A. com registered office at Rua Gorgel do Amaral, n.º 4, CV. Esq., 1250-119 Lisbon, share capital of EUR 26,895,375.00, registered at the Commercial Registry Office under the single registration and legal person number 503215058 ("PHAROL" or "Company") is a listed company issuing securities admitted to trading on the regulated market of Euronext Lisbon.

PHAROL is, first and foremost and given its history, a company with very special characteristics in the Portuguese business fabric, having to manage and face its small size with the permanent challenges of a listed company.

The company's profile has gradually adapted to its unique reality and the pursuit of its objectives:

1. the optimisation of the value of its assets, considering different scenarios for the diversification of its activity, implying strategic and complex decisions in the defence of the interests of shareholders, investors, employees, suppliers and stakeholders in the Company's activity.
2. the cancellation of any liabilities and the elimination of actual or potential uncertainties that may threaten its value, managing to the limit of its possibilities, the various legal proceedings in which it is involved, in order to defend the Company and its shareholders;
3. the containment of operational costs in the management of the first two areas.

Despite its small structure, PHAROL encompasses in its strategy matters related to sustainability, social responsibility, culture and knowledge, supporting and having an active presence in relevant institutions in the community in general, such as the Casa da Música Foundation and the Serralves Foundation.

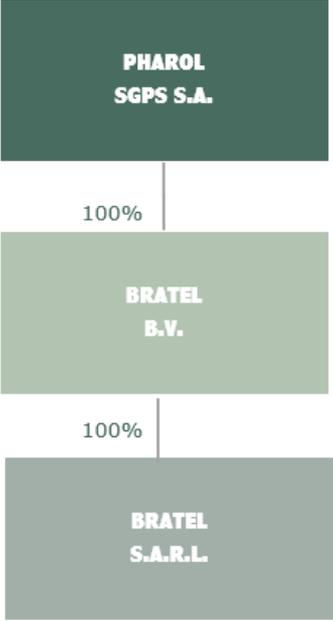
This is the reality that must be taken into account when considering this report.

In fact, in the vast list of recommendations of the Corporate Governance Code of the Portuguese Institute of Corporate Governance, situations, such as the one provided for in recommendation VII.7, decision-making processes with an impact on climate change, are by nature inapplicable due to the small size and specific activity of PHAROL.

As for other matters, PHAROL follows in this Report the recommendations contained in the Corporate Governance Code of the Portuguese Institute of Corporate Governance ("CGS IPCG") which entered into force on 1 January 2018, revised in 2023. PHAROL continues to prepare the same Report in accordance with the annex to CMVM Regulation No. 4/2013 in force since 1 January 2014 and with the circular issued by the same Commission on 28 January 2023. This document aims to reflect on the adjustment and relevance of each recommendation to the reality and situation of the Company with reflections on the respective corporate governance model, of a classic nature, and that provided for in Article 278(1)(a) of the Companies Code.

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.

The structure of the PHAROL Group as of December 31, 2025 is as follows:



A. SHAREHOLDER STRUCTURE

I. Capital Structure

1. CAPITAL STRUCTURE

PHAROL's share capital is 26,895,375 euros, which is fully paid up and is represented by 896,512,500 ordinary shares, with a nominal value of three euro cents each.

All of PHAROL's common shares are admitted to trading on the regulated market Euronext Lisbon.

2. RESTRICTIONS ON THE TRANSFERABILITY OF SHARES, SUCH AS CONSENT CLAUSES FOR DISPOSAL, OR LIMITATIONS ON OWNERSHIP OF SHARES

The Company does not adopt any limits specifically regarding the transferability of shares. However, the Articles of Association provide that shareholders who carry out, directly or indirectly, activities competing with the activity carried out by the companies in a control relationship with PHAROL may not hold, without prior authorization from the General Meeting, common shares representing more than 10% of the Company's capital stock.

3. NUMBER OF OWN SHARES, PERCENTAGE OF CORRESPONDING CAPITAL AND PERCENTAGE OF VOTING RIGHTS TO WHICH OWN SHARES CORRESPOND

As of December 31, 2025, the Company held 74,689,552 own shares, corresponding to 8.33% of PHAROL's share capital.

The voting rights inherent to own shares are suspended, under the terms of the applicable legislation.

4. SIGNIFICANT AGREEMENTS WITH CHANGE-OF-CONTROL CLAUSES

There are no significant contracts that will come into force in the event of a change of control of PHAROL. There are no measures that have the effect of requiring payments or the assumption of charges by the Company in the event of a transition of control or a change in the composition of the management body and that appear to be likely to prejudice the free transferability of shares and the free assessment by shareholders of the performance of the members of the management body.

5. RENEWAL/REVOCATION OF DEFENSIVE MEASURES, IN PARTICULAR THOSE THAT PROVIDE FOR THE LIMITATION OF THE NUMBER OF VOTES THAT MAY BE HELD OR EXERCISED BY A SINGLE SHAREHOLDER

PHAROL's Articles of Association contain a limitation on the counting of votes in the sense that votes cast by a single shareholder holding ordinary shares, by himself or through a representative, in his own name or as a representative of another shareholder, which exceed 10% of the total share capital (Article 13(12)), are not counted.

As the Company's Articles of Association provide for a limitation on the counting of votes, the

discussion of this point was brought to the consideration of the Shareholders at the Meeting held on April 30, 2021, and it was decided to maintain this limitation.

In addition, in the Board of Directors Regulations in force, and in accordance with recommendation III.6 of the Corporate Governance Code of the Portuguese Institute of Corporate Governance ("CGS IPCG") which entered into force on 1 January 2018 and revised in 2023, it is stated that, as the Company's Articles of Association provide for a limitation on the number of votes that can be held or exercised by a single shareholder, individually or in consultation with other shareholders, the Board of Directors must promote that, at least every 5 years, the amendment or maintenance of this statutory provision is subject to deliberation by the General Meeting. As a result of this legal rule, this proposal will be submitted for deliberation at the next General Assembly to be held in 2026.

6. SHAREHOLDERS' AGREEMENTS THAT ARE KNOWN TO THE COMPANY AND MAY LEAD TO RESTRICTIONS ON THE TRANSFER OF SECURITIES OR VOTING RIGHTS

The Company is not aware of the existence of any shareholders' agreements that may lead to restrictions on the transfer of securities or voting rights.

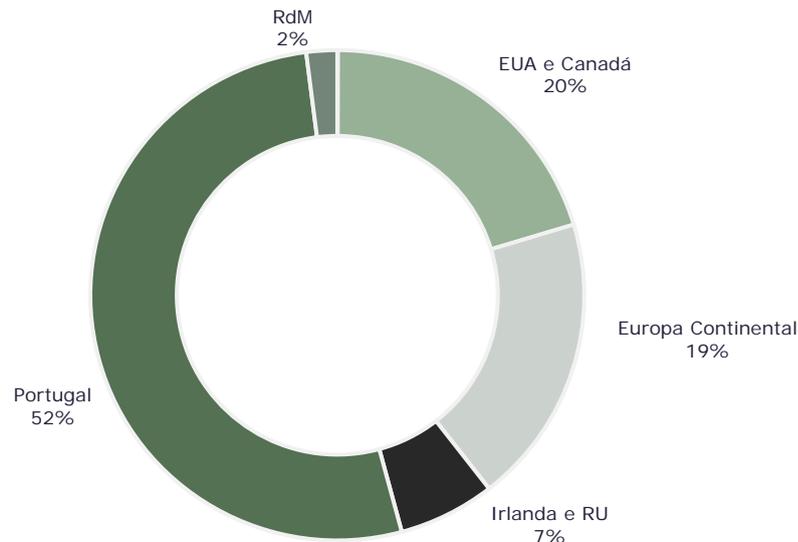
II. SHARES AND BONDS HELD

7. HOLDERS OF QUALIFYING HOLDINGS, PERCENTAGE OF CAPITAL AND VOTES ATTRIBUTABLE, SOURCE AND CAUSES OF IMPUTATION

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%

PHAROL has a shareholder structure with 52% in Portugal and the remaining share capital held by foreign shareholders, divided essentially between the USA and Canada with 20%, Continental Europe with 19%, Ireland and the United Kingdom 7% of the shareholder base.



Source: Interbolsa (December 2025)

For more information on the source and causes of imputation, see the section entitled "Qualifying Holdings" of the annual management report.

Updated information on qualifying holdings in the Company can be consulted on www.pharol.pt and on the CMVM website.

8. NUMBER OF SHARES AND BONDS HELD BY MEMBERS OF THE MANAGEMENT AND SUPERVISORY BODIES

With regard to the members of the management bodies, reference is made to paragraph 17 of Part I *below*.

The members of the supervisory bodies do not hold shares in PHAROL.

9. SPECIAL POWERS OF THE MANAGEMENT BODY, NAMELY WITH REGARD TO RESOLUTIONS ON CAPITAL INCREASE

The powers of PHAROL's Board of Directors are described in point 21 *below*.

Prior to a resolution of the General Meeting that sets the parameters to which the capital reinforcement or reinforcements are subject, PHAROL's Articles of Association authorize the Board of Directors, with the favorable opinion of the Supervisory Board, to resolve to increase the share capital, for one or more times, and by cash contributions, in an amount up to 80,000,000 euros. The overall amount of the authorised capital increase includes not only the nominal value of the issue(s) but also the share premium(s). For the calculation of the overall limit of 80,000,000.00, convertible bonds issued under the eighth article of the Statutes shall always be taken into account.

10. SIGNIFICANT COMMERCIAL RELATIONSHIPS BETWEEN QUALIFYING HOLDING HOLDERS AND THE COMPANY

PHAROL does not have significant commercial relationships with holders of any qualifying holdings.

The relevant business with the other holders of qualifying holdings, other than related parties, carried out during the 2025 fiscal year are described in Note 20 to the consolidated financial statements contained in the 2025 Consolidated Annual Report, and there are no other significant commercial relationships between the shareholders with qualified holdings and the Company.

B. GOVERNING BODIES AND COMMITTEES

I. GENERAL ASSEMBLY

COMPOSITION OF THE BOARD OF THE GENERAL MEETING

The General Meeting meets ordinarily once a year or whenever it is requested to be called to the Chairman of the General Meeting by the Board of Directors, the Fiscal Council or shareholders representing at least 2% of the share capital.

Shareholders may participate directly in the General Meeting or be represented at it, under the broadest terms provided for by the Companies Code, with a form being made available in www.pharol.pt and specific indications given in the respective notices.

The Remuneration Committee, when it exists, is represented at all General Meetings.

The Chairman of the General Shareholders' Meeting is also assured the necessary logistical support for the exercise of his duties, and shareholders may contact the Board of the General Shareholders' Meeting through the following means:

Chairman of the General Meeting
Rua Gorgel do Amaral, n.º 4, CV Esq., 1250-119, Lisbon
Tel. - + 351800207369
Fax - + 351 212697949
Email: assembleia@pharol.pt

11. IDENTIFICATION, POSITION AND TERM OF OFFICE (BEGINNING AND END) OF THE MEMBERS OF THE BOARD OF THE GENERAL MEETING

Board of the General Meeting

Tito Arantes Fontes	President
Maria de Lourdes Cunha Trigoso	Desk

The members of the Board of the General Meeting were elected at the Annual General Meeting held on March 22, 2024 for the three-year period 2024-2026.

EXERCISE OF THE RIGHT TO VOTE

12. POSSIBLE RESTRICTIONS ON VOTING RIGHTS

Under the terms of the Company's Articles of Association, each share corresponds to one vote. Only shareholders with the right to vote on the date of registration (i.e., on the fifth trading day prior to the General Shareholders' Meeting) and who comply with the procedures and deadlines set out in the notice may attend, participate and vote at the General Shareholders' Meeting.

In accordance with Article 13 of the Company's Articles of Association, votes cast by a shareholder holding ordinary shares, by himself or through a representative, in his own name or as a representative of another shareholder, which exceed 10% of the total voting rights corresponding to the share capital, will not be counted, and shares held by persons who are in the situations provided for in Article 20 of the Securities Code will not be counted. the limitation of each person covered being proportional to the number of votes cast.

There are no shares that do not confer voting rights, without prejudice to the limitations described above.

In addition, and under the terms of article 22 of the Securities Code and article 13 of PHAROL's Articles of Association, the Shareholders are granted the right to exercise their voting rights by electronic mail or post. The Company makes available on its electronic address, from the date of the Notice of each General Meeting, forms designed to facilitate access to all the information necessary for the issuance of the documentation to be submitted by the shareholders to ensure their participation in the General Meeting, as well as providing an electronic address dedicated to speeding up between the shareholders and the Chairman of the Meeting. In addition, it affects an internal working team to support the work of the General Shareholders' Meeting and the shareholders.

In accordance with the Articles of Association, the terms and conditions for the exercise of voting by post or electronic mail will be defined by the Chairman of the General Meeting in the call, in order to ensure its authenticity, regularity, security, reliability and confidentiality until the time of voting.

The Company's Articles of Association provide that the exercise of voting by post or electronic mail may cover all matters contained in the notice, under the terms and conditions set out therein, and the votes exercised in this way will be considered at the time of the voting scrutiny in addition to the voting rights exercised during the General Shareholders' Meeting.

In any case, the authenticity of the vote shall be assured before the Chairman of the General Meeting by means of:

- Signed communication, accompanied by a legible copy of an identification document, in the case of natural persons;
- Communication signed by the legal representative(s) of the entity, accompanied by a legible copy of the identification document of the legal representative(s) and the document proving the legitimacy of the signatory(ies) (in the case of legal persons registered in Portugal, it is sufficient to indicate the access code to the permanent certificate of the represented entity);
- Another suitable means of verifying the authenticity of the vote, to be determined by the Chairman of the Board.

In order to ensure the confidentiality of the vote, such communications must be sent in a sealed envelope or to a dedicated email, which will only be considered at the time of the voting scrutiny.

With regard to the vote by electronic mail, and in accordance with the Company's practice,

shareholders with voting rights may exercise it by e-mail, in compliance with the established requirements, provided that until the time and date set in the notice of the General Shareholders' Meeting, they send it to the Chairman of the General Shareholders' Meeting the ballot papers and voting instructions by this means, indicating the email address to which they want the respective ballot papers to be sent.

Following this request, shareholders will receive a communication containing the email address to be used for the exercise of voting rights – an address exclusively created and dedicated for this purpose – and a password to be mentioned in the email with which the shareholder may exercise his or her voting rights.

The ballot paper must contain the digital signature of the shareholder (or respective organic or legal representative) or simple signature, and must be accompanied by (i) a copy of the identification document of the individual shareholder, or (ii) the identification document of the representative of the legal person, and also, in this case, an access code to the permanent certificate of the represented entity (or equivalent document, proof of the representative's legitimacy). As an alternative to sending a copy of the identification document, the signatures may be notarized under the legal terms.

Pursuant to article 22-A of the Code, PHAROL will send electronic confirmation of receipt of the votes to the person who sent them.

Votes cast by post or electronic mail are valid as negative votes in relation to resolution proposals that may be presented after their issuance. The presence at the General Meeting of a shareholder who has exercised the respective right to vote by post or electronic mail, or of his representative, determines the revocation of the vote cast in that form.

In accordance with the practice adopted by PHAROL, voting by mail must be exercised according to the following procedure:

Shareholders with voting rights may, in accordance with article 22 of the Portuguese Securities Code, exercise their right by post, provided that, until the time and date set in the notice, they send a communication addressed to the Chairman of the General Shareholders' Meeting indicating the e-mail address to which they wish the ballot papers to be sent. Shareholders may also remove the ballot papers from the Company's website in www.pharol.pt from the date of the call.

The ballot papers duly completed and signed, under the terms referred to below, must be sent in a sealed envelope to the Chairman of the Polling Station.

The ballot papers must be signed by the shareholder (or respective organic or legal representative), accompanied by a copy of the shareholder's identification document, in the case of a natural person, or a copy of the identification document of the representative of the legal person, and also, in this case, an access code to the permanent certificate of the represented entity (or equivalent document, proof of the representative's legitimacy). As an alternative to sending a copy of the identification document, the signatures can be notarized under the legal terms.

Without prejudice to obtaining ballot papers via the Internet, ballot papers are available to shareholders at the Company's registered office, and may also be provided by hand, by post or by e-mail.

The deadline for receiving explanations of vote by electronic and postal mail, in accordance with the practice adopted by PHAROL, is 3 working days in advance of the date of the General Assembly meeting.

PHAROL's Articles of Association do not provide for any system of highlighting rights of patrimonial content.

Considering the mechanisms for participation and voting in the General Meeting described above, PHAROL promotes shareholder participation, through postal or electronic voting, by a representative with a power of attorney under the legal and statutory terms. Shareholders are

also allowed to attend the General Meeting via videoconference under the terms set out in the notice.

13. MAXIMUM PERCENTAGE OF VOTING RIGHTS THAT MAY BE EXERCISED BY A SINGLE SHAREHOLDER OR BY SHAREHOLDERS WHO ARE IN ANY OF THE RELATIONSHIPS REFERRED TO IN PARAGRAPH 1 OF ARTICLE 20 OF THE SECURITIES CODE

In this regard, reference is made to paragraph 12 of Part I above.

14. SHAREHOLDER RESOLUTIONS THAT, BY STATUTORY IMPOSITION, CAN ONLY BE TAKEN WITH A QUALIFIED MAJORITY, IN ADDITION TO THOSE PROVIDED FOR BY LAW

Pursuant to Article 14 of the Company's Articles of Association, the General Meeting shall decide, on first call or on subsequent call, by the majority of the votes cast, without prejudice to the requirement of a qualified majority in the cases provided for by law.

Thus, the constitutive and deliberative quorum of the General Meeting established in PHAROL's Articles of Association does not differ from that established in the Commercial Companies Code.

II. ADMINISTRATION AND SUPERVISION

COMPOSITION

15. IDENTIFICATION OF THE ADOPTED GOVERNANCE MODEL

PHAROL adopts a governance model that is based on the existence of a Board of Directors and a Statutory Auditor appointed on the proposal of the Supervisory Board. In 2017, a Managing Director was appointed, maintaining the delegation of powers to the Chairman of the Board of Directors for the term that began in 2024.

In accordance with the provisions of the company's Articles of Association, in the event that the Board of Directors appoints a Managing Director, it may or may not establish, at the same meeting in which it appoints it, one or more monitoring committees for certain specific matters. In the specific case of PHAROL, given the small size of the company and the close proximity of the Board of Directors in the analysis and knowledge of the various matters related to it, as well as the high frequency of meetings, there was no need to establish any monitoring committee.

Pursuant to article 26-B of the Securities Code, it will be up to the Board of Directors, when not appointed by the Remuneration Committee, to submit a proposal for a remuneration policy for approval by the General Meeting.

The members of the Governing Bodies and the Board of the General Meeting are elected for a three-year term, and may be re-elected, one or more times, within the limits provided for by law.

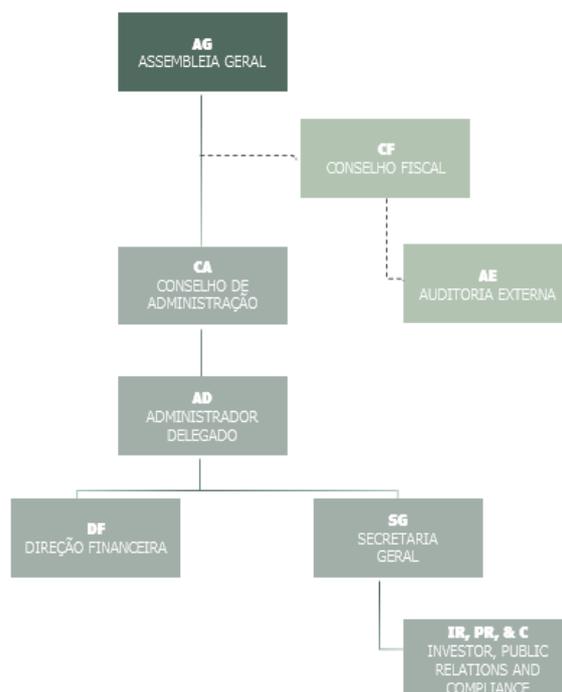
The Supervisory Board, together with the Statutory Auditor, performs the supervisory functions arising from the applicable legal and regulatory provisions.

To ensure its operational operation, PHAROL has 6 permanent employees and the support of external consultants and advisory services in the legal, financial and accounting areas.

In this context of such a small structure and size, the existence of 3 Directors, the Supervisory Board and the ROC, are sufficient to efficiently guarantee the functions that are entrusted to

the management of the Company, including the minimization of risks.

On 31 December 2025, PHAROL's governance model could be presented in schematic terms as follows:



16. STATUTORY RULES ON PROCEDURAL AND SUBSTANTIVE REQUIREMENTS APPLICABLE TO THE APPOINTMENT AND REPLACEMENT OF MEMBERS OF THE BOARD OF DIRECTORS

The members of the Board of Directors are elected by the General Meeting in accordance with the terms described in point 17 of Part I *below*.

The Articles of Association determine that the absence of any director from more than half of the ordinary meetings of the Board of Directors during a financial year, whether consecutive or interpolated, without justification accepted by the Board of Directors, is considered as a definitive absence of that director. Such definitive absence must be declared by the Board of Directors, and the director in question must be replaced in accordance with the law and the Articles of Association.

17. COMPOSITION OF THE BOARD OF DIRECTORS

Under the terms of the bylaws, the Board of Directors is composed of a minimum number of 3 and a maximum of 7 members, elected by the General Meeting.

At the Annual General Meeting held on 22 March 2024, three directors were elected (one of them accumulating the functions of Managing Director).

PHAROL complied with the provisions of Law No. 62/2017, of 1 August (*regime of balanced representation between women and men in the management and supervisory bodies of public sector entities and companies listed on the stock exchange*), integrating two men and one woman on its Board of Directors.

In addition, in 2025 PHAROL approved its Plan for Gender Equality 2026, a document that can

be consulted on the Firm's website in www.pharol.pt

The term of office of the directors is three years, and they may be reelected, one or more times, within the limits provided for by law.

As of December 31, 2025, the Board of Directors had the following composition:

Holders (date of first assignment)	Board of Directors	Executive	Independence (1)	No. of Actions
Luís Maria Viana Palha da Silva (2015)	President	Yes	No	200.000
Diogo Filipe Gil Castanheira Pereira (2023)	Member	No	No	
Rafaela Andrade Reis Figueira (2024)	Member	No	Yes	

(1) Assessment of independence carried out in accordance with internal regulations and with the provisions of paragraph 5 of article 414 of the Portuguese Companies Code and point 18 of the annex to CMVM Regulation No. 4/2013, as applicable.

The non-executive members of the Board of Directors correspond to the majority of the directors in office.

The Managing Director effectively reported to the other members of the Board of Directors on developments within the scope of his position.

18. DISTINCTION BETWEEN EXECUTIVE AND NON-EXECUTIVE MEMBERS OF THE BOARD OF DIRECTORS AND, IN RELATION TO NON-EXECUTIVE MEMBERS, IDENTIFICATION OF MEMBERS WHO CAN BE CONSIDERED INDEPENDENT

The Company has only one executive director and as referred to in point 17 of Part I above, on December 31, 2025, the Company distinguishes executive and non-executive directors and in the same point the directors considered independent are identified.

PHAROL's Board of Directors has, as of December 31, 2025, 1 independent director out of a total of 2 non-executives.

The number of non-executive and independent directors is adequate in relation to the provisions of Recommendations IV.2.2. and IV.2.3. of the IPCG Code, having a number of non-executive directors who meet the independence requirements of 1/3. The conditions are thus met for the effective performance of the Board of Directors in relation to the size of the Company. This ensures strategic decision-making regarding the company's risk and investment profile, constructive supervision of the results achieved, as well as the ability to influence an efficient decision-making process and implement appropriate governance, sustainability and ethical conduct practices.

There are several rules and procedures established in the company that allow for a close and regular articulation between the various members of the Board of Directors, namely between the respective Chairman and the other directors, and the existence of the conditions and means necessary for the performance of their duties.

The director considered independent by PHAROL, on December 31, 2025, as stated in point 17 of Part I *above*, meets the necessary conditions to perform her duties and fulfill her duties of diligent action and in the interest of the Company independently. Thus, the Board of Directors considers that the Company's management body includes a number of independent members appropriate to its size and shareholder structure.

The managing director issues regular reports on all decisions taken by him within his statutory competences, thus allowing the raising of any questions formulated by the non-executive directors on the topics discussed.

The two non-executive directors have direct communication channels to the Chairman of the Board of Directors (who is at the same time the only Executive Director, with the designation of Managing Director) and can also request meetings whenever deemed necessary. In addition, the monthly meeting of the Board of Directors brings together exactly the non-executive directors with the Chairman of the Board of Directors.

As provided for in PHAROL's Service Order No. 3/2017, the members of the Company's Board of Directors must send to the Chairman of the Board of Directors, within 10 working days following their election or co-optation and until January 31 of each year, statements prepared in accordance with an annex to said Service Order.

Where there is a supervening change in the independence of any of the members of the Board of Directors, the director concerned shall send an updated statement to the Chairman of the Board of Directors within 10 working days of the occurrence of such supervening change.

The Board of Directors assesses the independence of its non-executive members on the basis of such statements as well as any other information of which it is aware.

Currently, the Society does not make use of artificial intelligence mechanisms as a decision-making instrument of any corporate body.

19. PROFESSIONAL QUALIFICATIONS AND OTHER RELEVANT CURRICULUM ELEMENTS OF EACH OF THE MEMBERS OF THE MANAGEMENT BOARD

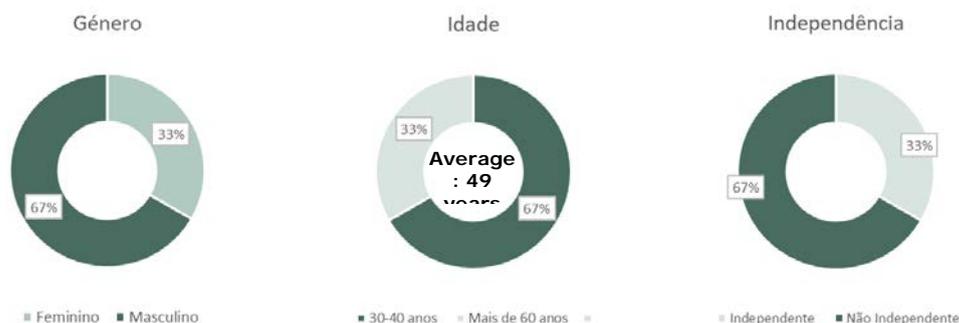
In 2023, the Board of Directors approved the document on the Internal Policy for the Selection of Members of the Management and Supervisory Bodies (a document that is available for consultation on the company's website www.pharol.pt), taking into account the most current practices in the market and the recommendatory principles. Both have been pointing towards the fact that companies should establish criteria and requirements regarding the profile of new members of the corporate bodies appropriate to the function to be performed, considering, along with individual attributes such as competence, independence, integrity, availability and experience, diversity requirements that, as a whole, contribute to the excellence of the performance of the bodies and the balance in their composition. The above-mentioned document outlines and identifies the criteria of the main qualities required by PHAROL for the selection of the Members of the Management and Supervisory Bodies (*Body Profile*) considering that their respective curricula are, in essence, complementary to these criteria.

The aforementioned Internal Policy for the Selection of Members of the Management and Supervisory Bodies was also approved at the General Meeting on March 22, 2024.

The selection of the members of the management and supervisory bodies is based on the assumption that competence and personal characteristics are essential foundations of good performance and that this must be aligned with the medium and long-term interests of the Company, its strategy, the mechanisms for defending the interests of its shareholders and *stakeholders* in general, aiming at its sustainability.

In addition, the composition of the members of the Board of Directors of PHAROL, SGPS S.A. is also defined in the regulations of this board, described in paragraph 21 of this report.

PHAROL also complies with the provisions of the CVM in force on December 31, 2025, as well as the regime of balanced representation between women and men among the management bodies of public sector entities and companies listed on the stock exchange, Law No. 62/2017.



In accordance with Recommendation II.2.1., the curricula of the members of this Body are listed in Annex I. The same annex contains complementary information to the curricula, describing the criteria and conditions for the suitability of the profile of each of the members to the respective function, including individual attributes in matters such as academic and professional training, competence, experience, seniority, independence, integrity and availability, as well as requirements in the areas of gender diversity, inclusion and sustainability.

20. USUAL AND SIGNIFICANT FAMILY, PROFESSIONAL OR BUSINESS RELATIONSHIPS OF THE MEMBERS OF THE BOARD OF DIRECTORS WITH SHAREHOLDERS WHO ARE ATTRIBUTABLE TO A QUALIFYING HOLDING OF MORE THAN 2% OF THE VOTING RIGHTS

As of 31 December 2025, with one exception, no director declared to have any customary and significant family, professional or business relationships with shareholders who are attributable to a qualifying holding of more than 2% of PHAROL's share capital and voting rights.

The exception referred to above concerns the director Diogo Filipe Gil Castanheira Pereira, who declared that he is a representative of the shareholder *Burlington Loan Management DAC*, an entity to which a qualifying holding of more than 2% of PHAROL's share capital and voting rights is attributable.

21. DIVISION OF COMPETENCES BETWEEN THE VARIOUS CORPORATE BODIES, COMMISSIONS AND/OR DEPARTMENTS OF THE COMPANY

MANAGEMENT BODY

Board of Directors

Under the terms of the Articles of Association, the Board of Directors is the body responsible for managing the Company's business and performing all acts related to the corporate purpose that do not fall within the competence of other corporate bodies, establishing PHAROL's strategic orientation and supervising the day-to-day management activity delegated to the Chief Executive Officer, to ensure the existence of a structure more appropriate to PHAROL's management needs.

On November 16, 2023, a new regulation of the Board of Directors was approved, which is governed by the following guidelines:

- The Board of Directors is responsible for managing the Company's business, under the terms set out in the Companies Code and in the Company's Articles of Association and taking into account the applicable national and international recommendations, standards and best practices, framed in an open and transparent culture with respect for equality, sustainability and diversity.

- It is incumbent upon the Board of Directors, under the terms of the Commercial Companies Code, to carry out all acts related to the corporate purpose that do not fall within the competence of the other corporate bodies, as well as to establish the strategic orientation of the Company and its investee company(ies), and in this context it is responsible for the management and supervision of the company's business.
- The Company's Board of Directors is composed of members elected in accordance with the applicable legal and statutory provisions, framed in an open and transparent culture, with respect for diversity.
- Directors, whose profiles must meet criteria and requirements of technical competence, independence, integrity, loyalty, availability, experience and gender diversity, will develop their qualifications, knowledge and experience in order to carry out their duties and competences and to fulfil their duties and functions.

The duties and responsibilities of the Board of Directors are as follows:

1. Without prejudice to the other powers provided for in the applicable legal and statutory provisions and to the provisions established within the scope of the delegation of powers to the Managing Director, the Board of Directors is responsible, in particular, for:
 - a) Define the general objectives and fundamental principles of the policies of the Company and its affiliated company(ies) to be submitted for approval by the General Shareholders' Meeting;
 - b) To approve the general policies and strategy of the Company and its affiliated company(ies), in compliance with the objectives and principles approved by the General Meeting;
 - c) Define and resolve on any changes to the corporate structure of the Company and its investee company(ies), whenever they do not constitute mere internal restructuring of the Company and its investee company(ies) within the framework of the general objectives and fundamental principles approved by the General Meeting;
 - d) To resolve on significant extensions or reductions in the activity of the Company and its investee company(ies);
 - e) Adopt any other decisions considered strategic for the Company and its investee company(ies) due to their respective amount, risk or special characteristics;
 - f) To annually evaluate the Company's governance model and to disclose such assessment within the scope of the Annual Governance Report, identifying any constraints to its operation and proposing suitable measures to overcome them;
 - g) Ensure that the Company has effective internal control, risk management and internal audit systems;
 - h) Proceed by co-optation to the replacement of Directors who are permanently absent;
 - i) Appoint and establish the day-to-day management powers of the Company's Managing Director, delegating the powers whose inclusion is not prohibited by article 407 of the Companies Code;
 - j) Evaluate its own performance annually through a self-evaluation model, as well as that of the Managing Director.
 - k) As the Company's articles of association provide for a limitation on the number of votes that can be held or exercised by a single shareholder, individually or in concert with other shareholders, the Board of Directors must promote that, at least every 5 years, the amendment or maintenance of this statutory provision is subject to resolution by the general meeting.
 - l) To appoint and dismiss the Secretary-General and the Secretary of the Company and their respective Alternate.

Within the scope of the delegation of powers, the Board of Directors has assigned to the Managing Director all the powers necessary for the exercise of the day-to-day management of the Company, with the exception of those relating to matters that cannot be delegated under the terms of article 407 of the Companies Code, as follows:

- a) Choice of the Chairman of the Board of Directors;
- b) Co-optation of Administrators;
- c) Request for the convening of General Meetings;
- d) Annual report and accounts, to be submitted to the General Assembly for approval;
- e) Acquisition, sale and encumbrance of real estate and shareholdings;
- f) Provision of guarantees and personal or real guarantees by the Company, whose competence is reserved to the Board of Directors, without prejudice to the provisions of Article 15(h) of the Company's Articles of Association;
- g) Change of the Company's headquarters;
- h) Projects for the spin-off, merger and transformation of the Company, to be proposed to the General Meeting, as well as acquisitions, disposals, mergers, spin-offs and strategic partnership agreements and other forms of lasting cooperation involving the Company and/or its subsidiaries, whenever, in these cases, such operations do not constitute mere internal structuring within the framework of the general objectives and fundamental principles approved by the General Meeting;
- i) Capital increase projects, to be proposed to the General Meeting;
- j) Amendments to the Bylaws, to be proposed to the General Assembly;
- k) Significant extensions or reductions in the Company's activity and important changes in the Company's organization;
- l) Activity plans, budgets and annual investment plans;
- m) Definition of the amount to be proposed annually to the General Meeting for the issuance of bonds or other securities.

In accordance with the aforementioned Regulations of the Board of Directors, no competence is delegated to that Body with regard to: (i) the approval of the general policies and strategy of the Company and its subsidiary company(ies), taking into account the objectives and principles approved by the General Meeting; (ii) the adoption of any other decisions considered strategic for the Company and its investee company(ies) due to the respective amount, risk or special characteristics.

Without prejudice to the powers of the Supervisory Board, the Board of Directors is also responsible for ensuring that the Company has effective internal control systems and risk management and internal audit procedures, in accordance with the respective internal regulations. The implementation structures of these systems are described in C.III of Part I of this report.

In addition to the matters excluded by law, the Board of Directors is prohibited from adopting resolutions on matters whose competence is conferred by the Articles of Association on the General Meeting. Shareholders, in turn, may only deliberate on management matters at the request of the management body.

All members of the Board of Directors decide in an informed manner all matters submitted to them.

The Board of Directors during 2025 held eleven meetings, including ordinary and extraordinary meetings, which were assisted by the Secretary-General of the Company, who ensures, in a timely manner, the circulation of the necessary information and the preparation of the respective minutes.

He discussed the main issues relevant to the Company, namely discussing the respective Strategic Plan and approving the Budget, as well as all other matters of importance to the Company's management. Budget deviations were regularly evaluated and strategic options were in-depth for each of the assets in PHAROL's portfolio.

It met with the Supervisory Board whenever necessary or required by the rules and regulations and received, periodically, informative notes on the main issues and decisions taken by the Managing Director.

The participation and contribution of all Administrators to the evaluation and deliberation of all situations brought to the Board was a constant.

In view of the information received from the Managing Director and the regularity with which it met with him, the Board of Directors maintained that the creation of any committee was not necessary.

The Board of Directors maintained a Self-Assessment model, which was ensured to be anonymous and confidential, covering a wide range of 21 items.

In this questionnaire, the composition and decision-making process of the Board of Directors were evaluated, covering various topics such as its size, diversity and independence, quality of information that allows monitoring its strategic objectives and risk assessment, as well as the quality of the decisions taken and focus on the main issues of competence of the Board.

In another context, matters related to the responsibility of the Board of Directors, the role and leadership of the President and also the performance of the Company Secretary in terms of support to the President and the Board of Directors were evaluated.

Powers of the Chairman of the Board of Directors

Under the terms of the Articles of Association and the Rules of Operation of the Board of Directors, the Chairman of the Board of Directors is essentially responsible for the following functions:

- Represent the Board of Directors and the Company;
- Coordinate the activity of the Board of Directors;
- Convene and chair the meetings of the Board of Directors;
- Coordinate the activity of the Board of Directors;
- Represent the Council in and out of Court;
- Ensure the correct execution of the resolutions of the Board of Directors;
- Represent the Board of Directors and promote communication between the Company and its shareholders.

Managing Director

Since 2017, the Board of Directors has delegated the day-to-day management of the Company to a Managing Director, in accordance with the respective delegation of powers, retaining the functions of supervision and control.

Within the scope of the Regulation of the Managing Director, who is, at the same time, Chairman of the Company's Board of Directors, it is incumbent upon him to decide on the instructions or guidelines to be given by the Company to the management of its subsidiary companies, regarding the matters referred to in its delegation of powers, under the terms and in compliance with the provisions of the applicable law. In the same Regulation, in its point 1.4, it is expressly stated that the Managing Director may not exercise executive functions in entities outside the Group, thus complying with Recommendation IV.1.2.

In addition, it is also considered that the Service Order on the Independence of the Members of the Board of Directors of PHAROL, SGPS S.A. and the respective completion of its Annex I, and in conjunction with the professional qualifications and relevant curricular elements of the Members of the Board of Directors, clearly show that the Managing Director does not exercise executive functions in any other company.

Powers of the Managing Director:

1. The Managing Director is responsible for managing the Company's day-to-day activities, under the terms set out in the Companies Code and the Articles of Association.
2. Within the quantitative limits set by the Board of Directors, the Chief Executive Officer is responsible for:
 - a) propose to the Board of Directors the Company's management objectives and policies;
 - b) prepare the annual activity and financial plans;
 - c) manage the corporate business and perform all acts and operations related to the corporate purpose that do not fall within the competence attributed to other bodies of the Company;
 - d) represent the Company in and out of court, actively and passively, being able to withdraw, compromise and confess in any claims and, as well, enter into arbitration agreements;
 - e) to resolve on the issuance of bonds and other securities under the terms of the law and the Articles of Association;
 - f) to establish the technical and administrative organization of the Company and the rules of internal operation, namely on personnel and their remuneration;
 - g) appoint representatives with the powers it deems appropriate, including those to sub-establish;
 - h) exercise the other powers assigned to it by law or by the General Assembly.

SUPERVISORY BODIES

Fiscal Council

As a supervisory body, the Fiscal Council has, in addition to other legal and statutory competences, the following specific competences:

- a) Oversee the Company's management and, in particular, annually assess compliance with the Company's strategic plan and budget, risk management, the internal functioning of the Board of Directors and its committees, as well as the relationship between the Company's bodies and committees, if any;
- b) Monitor, evaluate and pronounce on the strategic lines and risk policy defined by the Board of Directors prior to their final approval by the Board of Directors;
- c) To ensure compliance with the law and the Company's Articles of Association;
- d) Verify the regularity of the books, accounting records and documents that support it;
- e) Verify, when it deems it appropriate and in the manner it deems appropriate, the size of the cash and the stocks of any kind of assets or values belonging to the Company or received by it as collateral, deposit or other security;
- f) Verify the accuracy of the accountability documents and, in general, supervise the

quality and integrity of the financial information contained in the Company's accountability documents;

- g) Verify that the accounting policies and valuation criteria adopted by the Company lead to a correct evaluation of assets and results;
- h) To prepare annually a report on its supervisory action and to give an opinion on the report, accounts and proposals presented by the administration, in which it must express its agreement or not with the annual management report, with the accounts for the year and with the legal certification of the accounts or declaration of impossibility of certification, in addition to including the declaration signed by each of its members, provided for in paragraph c) of paragraph 1 of article 29 - G of the Securities Code;
- i) Convene the General Meeting, when the Chairman of the respective board does not do so, and must do so;
- j) Oversee the process of preparation and disclosure of information, including the adequacy of accounting policies, estimates, judgments, relevant disclosures and their consistent application between financial years, in a duly documented and communicated manner;
- k) Monitor the statutory audit of individual and consolidated accounts, as well as supervise and evaluate internal procedures regarding accounting and auditing matters;
- l) To monitor the quality, integrity and effectiveness of the risk management system, the internal control system and the internal audit system, if any, including the annual review of their adequacy and effectiveness, proposing the necessary adjustments;
- m) Be the recipient, on a quarterly basis, of the risk management and monitoring report, with a view to ensuring that the risks actually incurred by the Company are consistent with the objectives set by the management;
- n) Receive reports of irregularities, complaints and/or complaints ("*whistleblowing*") submitted by shareholders, employees of the Company or others, and implement the procedures for receiving, recording and processing them when related to accounting and auditing aspects and internal control procedures in these matters;
- o) To hire the provision of services by experts who assist the members of the Supervisory Board in the exercise of their duties, and the hiring and remuneration of experts must take into account the importance of the matters entrusted to them and the economic situation of the Company;
- p) Attest whether the report on the structure and practices of corporate governance disclosed includes the elements referred to in article 29-H of the Securities Code;
- q) Propose to the General Meeting the appointment of the Statutory Auditor or Audit Firm, based on a selection process based on the commercial evaluation (overall value of the proposals) and the technical evaluation based on the following criteria: experience as an auditor / statutory auditor, methodology of the accounting audit process, planning of the work and allocation of human resources and *Curriculum Vitae* of those responsible and the audit team directly assigned to the work;
- r) To monitor the independence of the statutory auditor, including obtaining the formal written confirmations provided for in article 78 of the Statute of the Order of Statutory Auditors and, in particular, to verify the adequacy and approve the provision of services other than audit services, under the terms of paragraph 12 of article 77 of the Statute of the Order of Statutory Auditors;
- s) To be the main interlocutor of the external auditor and the statutory auditor or audit firm and the first recipient of the respective reports, being responsible, in particular, for proposing the respective remuneration and ensuring that the appropriate conditions for the provision of services are ensured within the Firm;
- t) Annually assess the work carried out by the external auditor and the statutory auditor or audit firm, their independence and suitability for the exercise of their duties and propose to the competent body their dismissal or the termination of the contract for the provision of their services whenever there is just cause for this

purpose.

Regarding paragraph r) above, we also clarify that these confirmations are obtained by the Supervisory Board twice a year at the following times: 1) when the Audit Plan of the Statutory Auditor is presented and 2) when the Additional Report is submitted to the Supervisory Body.

The Supervisory Board also has the following powers:

- a) Analyze and issue its opinion on relevant matters related to accounting and auditing aspects and the impact on the financial statements of changes to the accounting standards applicable to the Company and its accounting policies;
- b) Resolve any discrepancies between the Company's management and the external auditors regarding the financial information to be included in the accountability documents to be reported to the competent entities, as well as with regard to the process of preparation of audit reports to be issued by said external auditors;
- c) To pronounce and give a prior opinion within the scope of its legal and statutory powers and whenever it deems necessary or convenient, on any reports, documentation or information to be disclosed or submitted by the Company to the competent authorities;
- d) Issue a prior opinion on transactions with related parties, under the terms defined by the Company's regulations;
- e) To pronounce on the work plans and resources allocated to the internal control services, including monitoring compliance with the standards applied to the Company (compliance services) and internal audit, if any;
- f) Receive the reports made by the internal control services, at least when it comes to matters related to accountability, the identification or resolution of conflicts of interest and the detection of potential irregularities.

Chartered Accountant

Pursuant to Articles 420(1)(c), (d), (e) and (f) and 446(3) of the Companies Code, the Statutory Auditor is responsible for verifying the regularity of the books, accounting records and documents that support them, as well as, when he deems it appropriate and in the manner he deems appropriate, the size of the cash and the stocks of any kind of assets or values belonging to the Company or received by it in guarantee, deposit or other security, and also the accuracy of the individual and consolidated accounting documents and that the accounting policies and valuation criteria adopted by the Company lead to a correct assessment of the assets and results.

Following the entry into force of Decree-Law No. 185/2009, of 12 August, and like the Supervisory Board, the Statutory Auditor is also required to certify whether the Company's corporate report published annually includes the elements required by law, namely with regard to qualifying holdings in the Company's share capital. the identification of shareholders holding special rights and a description of such rights, any restrictions on voting rights, the rules applicable to the appointment and replacement of directors and the amendment of the Company's Articles of Association, the powers and resolutions of the management body, and the main elements of the internal control and risk management systems implemented in the Company regarding the process of disclosure of financial information.

OPERATION

22. RULES OF OPERATION OF THE BOARD OF DIRECTORS

The full text of the Board of Directors' regulations in force can be consulted on the Company's website, at the *link*:

<https://pharol.pt/cdn/frontend/webpage/232-pt-regulamento-do-conselho-de-administracao-de-pharol-sgps-s-a-1710955286.pdf>

Pursuant to Article 24 of the Articles of Association and the Regulation, the Board of Directors meets at least once every three months and will meet extraordinarily whenever called by its Chairman, two directors or the Supervisory Board. Detailed minutes are drawn up from these meetings.

The Board of Directors may not function without the participation of the majority of its members in office, and the Chairman of the Board of Directors may, in cases of recognized urgency, dispense with the presence of this majority if it is ensured by postal vote or by proxy, although a director may not represent more than one other director.

The decisions of the Board of Directors are taken by majority of the votes cast, with the Chairman having the casting vote.

23. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS AND DEGREE OF ATTENDANCE OF EACH MEMBER

During the financial year 2025, eleven meetings of the Management Board took place. The degree of attendance of the managers to the meetings of the Board of Directors of PHAROL was 100%.

24. INDICATION OF THE COMPANY'S BODIES COMPETENT TO CARRY OUT THE PERFORMANCE EVALUATION OF EXECUTIVE DIRECTORS

The Board of Directors evaluates the performance of the executive director and, accordingly, determines the respective remuneration based on the objective criteria established in the remuneration policy approved at the General Meeting on 31 March 2023 and which remained in force during the year 2025, under the legal terms.

In addition, under the terms of the law, the General Meeting annually carries out a general assessment of the management (and supervision) of the Company.

25. PREDETERMINED CRITERIA FOR THE PERFORMANCE EVALUATION OF EXECUTIVE DIRECTORS

At the General Meeting held on 31 March 2023, the Declaration of the Remuneration Committee on the Remuneration Policy of the members of the management and supervisory bodies contained in Annex II was approved.

26. AVAILABILITY OF EACH OF THE MEMBERS OF THE BOARD OF DIRECTORS, WITH AN INDICATION OF THE POSITIONS HELD SIMULTANEOUSLY IN OTHER COMPANIES, INSIDE AND OUTSIDE THE GROUP, AND OTHER RELEVANT ACTIVITIES CARRIED OUT BY THE MEMBERS OF THE BOARD OF DIRECTORS

The positions held by the directors in other companies and other relevant activities of the same are detailed in Annex I, which shows the positions they hold, but also by the attendance and active participation of the directors in the meetings of the Board of Directors in relation to all

its members (as per point 23 of Part I above) the availability of each of the members of the Board of Directors to exercise the position of director of the Company.

COMMITTEES WITHIN THE MANAGEMENT OR SUPERVISORY BODY AND MANAGING DIRECTORS

27. IDENTIFICATION OF THE COMMITTEES CREATED BY THE BOARD OF DIRECTORS

As mentioned above, the Board of Directors decided not to create any committee.

28. COMPOSITION OF THE EXECUTIVE COMMITTEE AND/OR IDENTIFICATION OF MANAGING DIRECTOR(S)

Under the terms set out in the Articles of Association, the Board of Directors appoints the Chief Executive Officer.

On December 31, 2025, the position of Managing Director was held by the Chairman of the Board of Directors, Dr. Luís Maria Viana Palha da Silva.

29. COMPETENCES OF EACH OF THE COMMITTEES CREATED WITHIN THE BOARD OF DIRECTORS AND SUMMARY OF THE ACTIVITIES CARRIED OUT IN THE EXERCISE OF THESE COMPETENCES

In this regard, reference is made to points 21 and 27 of Part I above.

III. SUPERVISORY

COMPOSITION

30. IDENTIFICATION OF THE SUPERVISORY BODY

The supervisory body is the Fiscal Council.

31. COMPOSITION OF THE FISCAL COUNCIL

Under the terms of the Company's articles of association, the Supervisory Board is composed of three sitting members and one alternate member, all elected at the General Meeting.

On December 31, 2025, the members of the Supervisory Board in office were as follows:

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

32. IDENTIFICATION OF THE MEMBERS OF THE SUPERVISORY BOARD WHO CONSIDER THEMSELVES INDEPENDENT, UNDER THE TERMS OF ARTICLE 414, PARAGRAPH 5 OF THE COMMERCIAL COMPANIES CODE

The members of the Supervisory Board comply with the requirements relating to incompatibilities, independence and specialization arising from the legal and regulatory rules applicable to companies issuing securities admitted to trading on a regulated market.

33. PROFESSIONAL QUALIFICATIONS AND OTHER RELEVANT CURRICULAR ELEMENTS OF EACH OF THE MEMBERS OF THE SUPERVISORY BOARD

The CVs of the members of the PHAROL Supervisory Board can be found in Annex I.

34. RULES OF OPERATION OF THE FISCAL COUNCIL

All the powers of the Supervisory Board are described in the Company's Articles of Association, in addition to the Supervisory Board having adopted an Internal Operating Regulations unanimously approved by all members of the Supervisory Board, on 29 October 2015 and revised on 22 September 2025, which can be consulted at the following email address:

<https://pharol.pt/cdn/frontend/webpage/141-pt-regulamento-do-conselho-fiscal-1761316984.pdf>

Under the terms of the aforementioned Regulation, the Supervisory Board meets at least once every three months, on a date and place set by the respective Chairman, without prejudice to the possibility of extraordinary meetings being called by it or at the request of the majority of its members.

The Supervisory Board must not function without the presence of the majority of its members, and its Chairman, in cases of recognized urgency or justified impossibility, may dispense with the presence of this majority if it is ensured by postal vote or by proxy.

The decisions of the Supervisory Board are taken by majority of the votes cast and the respective Chairman has the casting vote.

35. NUMBER OF MEETINGS OF THE SUPERVISORY BOARD AND DEGREE OF ATTENDANCE OF EACH MEMBER

During the financial year 2025, nine meetings of the Supervisory Board were held, of which the respective minutes were drawn up. The degree of attendance of each member to these meetings was 100%.

36. AVAILABILITY OF EACH OF THE MEMBERS OF THE SUPERVISORY BOARD, WITH AN INDICATION OF THE POSITIONS HELD SIMULTANEOUSLY IN OTHER COMPANIES, INSIDE AND OUTSIDE THE GROUP, AND OTHER RELEVANT ACTIVITIES CARRIED OUT BY THE MEMBERS OF THE SUPERVISORY BOARD

The positions held by the members of the Supervisory Board in other companies and other relevant activities of the same are detailed in Annex I.

SKILLS AND FUNCTIONS

37. PROCEDURES AND CRITERIA APPLICABLE TO THE INTERVENTION OF THE SUPERVISORY BODY FOR THE PURPOSE OF CONTRACTING ADDITIONAL SERVICES TO THE EXTERNAL AUDITOR

In 2025, PHAROL did not contract the External Auditor, nor any entities that are in a group relationship with him or that are part of the same network, services other than audit services.

38. OTHER TASKS OF THE SUPERVISORY BODY

In this regard, reference is made to paragraph 21 of Part I *above*.

IV. STATUTORY AUDITOR

39. IDENTIFICATION OF THE STATUTORY AUDITOR AND THE STATUTORY AUDITOR REPRESENTING HIM/HER

The effective Statutory Auditor for the three-year period 2024-2026 is the company Forvis Mazars & Associados - Sociedade de Revisores Oficiais de Contas, S.A., registered with the OROC under no. 51 and registered with the CMVM under the number 20161394 represented by its partner Luís Filipe Soares Gaspar, registered with the OROC as a Statutory Auditor under no. 1003.

40. NUMBER OF YEARS THAT THE STATUTORY AUDITOR HAS BEEN CONSECUTIVELY WORKING WITH THE FIRM AND/OR GROUP

Forvis Mazars & Associados - Sociedade de Revisores Oficiais de Contas, S.A., has been a Statutory Auditor with the Firm since 22 March 2024. In the performance of its duties, PHAROL's Supervisory Board attested to the independence of the Statutory Auditor and evaluated the work carried out by him in the 2025 financial year.

41. OTHER SERVICES PROVIDED TO THE FIRM BY THE STATUTORY AUDITOR

In 2025, the Statutory Auditor also provided the external audit service to PHAROL, having not provided any other service.

V. EXTERNAL AUDITOR

42. IDENTIFICATION OF THE EXTERNAL AUDITOR AND THE STATUTORY AUDITOR WHO REPRESENTS HIM/HER IN THE PERFORMANCE OF THESE DUTIES, AND HIS/HER REGISTRATION NUMBER WITH THE CMVM

The current External Auditor of the Company appointed in 2024 for the purposes of article 8 of the Portuguese Securities Code is Forvis Mazars & Associados - Sociedade de Revisores Oficiais de Contas, S.A., registered with the OROC under no. 51 and registered with the CMVM under number 20161394, represented by its partner Luís Filipe Soares Gaspar, registered with the OROC as a Statutory Auditor under No. 1003.

43. NUMBER OF YEARS IN WHICH THE EXTERNAL AUDITOR AND THE RESPECTIVE STATUTORY AUDITOR REPRESENTING HIM IN THE PERFORMANCE OF THESE DUTIES HAVE HELD CONSECUTIVE POSITIONS WITH THE COMPANY AND/OR THE GROUP

The current External Auditor of PHAROL, Forvis Mazars & Associados - Sociedade de Revisores Oficiais de Contas, S.A., registered with OROC under no. 51 and registered with the CMVM under number 20161394, started working in March 2024, and has been represented since March 22, 2024, by its partner Luis Filipe Soares Gaspar, registered with OROC as a Statutory Auditor under no. 1003.

44. POLICY AND FREQUENCY OF THE ROTATION OF THE EXTERNAL AUDITOR AND THE RESPECTIVE STATUTORY AUDITOR WHO REPRESENTS HIM IN THE PERFORMANCE OF THESE DUTIES

No mandatory rotation policy for the External Auditor is defined internally, other than that legally applicable to public interest entities, and the mandatory rotation period of the statutory audit partner who represents the External Auditor in the fulfilment of these functions is the one resulting from the provisions of paragraph 2 of article 54 of the Statute of the Order of Statutory Auditors (7 years).

45. THE BODY RESPONSIBLE FOR THE EXTERNAL AUDITOR'S EVALUATION AND THE FREQUENCY WITH WHICH THIS EVALUATION IS CARRIED OUT

The Supervisory Board annually evaluates the performance and independence of the External Auditor, as described in the annual report on the activities of the Supervisory Board.

In the performance of its duties, the Company's Supervisory Board attested to the independence of Forvis Mazars & Associados - Sociedade de Revisores Oficiais de Contas, S.A. and evaluated the work carried out by it in relation to the audit carried out on the Company's financial statements for the year 2025.

46. ENGAGEMENTS, OTHER THAN AUDITS, CARRIED OUT BY THE EXTERNAL AUDITOR FOR THE COMPANY AND/OR FOR COMPANIES THAT ARE IN A CONTROL RELATIONSHIP WITH IT, AS WELL AS AN INDICATION OF THE INTERNAL PROCEDURES FOR THE PURPOSE OF APPROVING THE CONTRACTING OF SUCH SERVICES AND AN INDICATION OF THE REASONS FOR THEIR CONTRACTING

There were no services other than the audit services provided to the Company or to companies that are in a relationship of control with it by the External Auditor, other than the aforementioned statutory audit services.

47. INDICATION OF THE AMOUNT OF THE ANNUAL REMUNERATION PAID BY THE COMPANY AND/OR LEGAL PERSONS IN A CONTROL OR GROUP RELATIONSHIP TO THE AUDITOR AND OTHER NATURAL OR LEGAL PERSONS BELONGING TO THE SAME NETWORK AND A BREAKDOWN OF THE PERCENTAGE FOR EACH TYPE OF SERVICE

Forvis Mazars & Associados - Sociedade de Revisores Oficiais de Contas, S.A., for the functions of Statutory Auditor and External Auditor simultaneously, represents a total cost of 30,000 euros, to which is added VAT at the legal rate in force, referring to the year 2025.

C. INTERNAL ORGANIZATION

I. STATUTES

48. RULES APPLICABLE TO THE AMENDMENT OF THE ARTICLES OF ASSOCIATION OF THE COMPANY

Constitutive quorum of the General Assembly

PHAROL's Articles of Association do not establish any constitutive quorum higher than that established by law.

When amendments to the Articles of Association are at stake, the General Meeting may only resolve on first call if shareholders holding shares corresponding to at least one third of the share capital are present or represented. On second call, this requirement is not required, and the Meeting may deliberate on any matter, regardless of the number of shareholders present.

Deliberative quorum of the General Assembly

PHAROL's Statutes do not establish any deliberative quorum higher than that established by law.

Resolutions regarding the amendment of the Articles of Association must be approved by a minimum of two-thirds of the votes cast, whether the General Meeting meets on first or second call, unless, in the latter case, shareholders holding at least half of the share capital are present or represented, in which case such resolutions may be taken by a majority of the votes cast (paragraphs 3 and 4 of article 386 of the CSC).

By resolution of the Board of Directors, the Company may move its headquarters to any other location in the national territory, as well as create and maintain anywhere in the national territory, or outside it, agencies, delegations or any other form of representation, which will determine the necessary change in the Articles of Association.

The Board of Directors may also, with the favorable opinion of the Fiscal Council, resolve to increase the share capital, prior to a resolution of the general meeting, an act that will determine changes to the Company's Articles of Association.

II. REPORTING OF IRREGULARITIES

49. MEANS AND POLICY OF REPORTING IRREGULARITIES OCCURRING IN SOCIETY

In 2016, PHAROL carried out the last revision regarding the rules and procedures to be adopted in the Whistleblowing System.

In the context of Whistleblowing, improper practices and/or irregularities are considered to be all acts or omissions, intentional or negligent, practiced within the scope of PHAROL's activity, which may have an impact on the financial statements or information sent to the Portuguese regulatory authority, the CMVM, or even those that cause damage to PHAROL's assets and good name.

The system provides adequate security measures for the protection of the information and data contained in communications. In particular, restricted access, from a physical and logical point of view, to the System's servers will be guaranteed, and the means of collecting and archiving information must be exclusive to the System.

Both the confidentiality of the participation and the anonymity of its author will always be guaranteed, unless they themselves unequivocally intend and declare otherwise.

Under no circumstances is any reprisal against those who carry out such reports tolerated.

The Qualified Reporting of Improper Practices (Whistleblowing) can be found on the PHAROL website at:

<https://pharol.pt/pagina/governo-da-sociedade/participacao-de-praticas-de-indevidas-whistleblowing/>

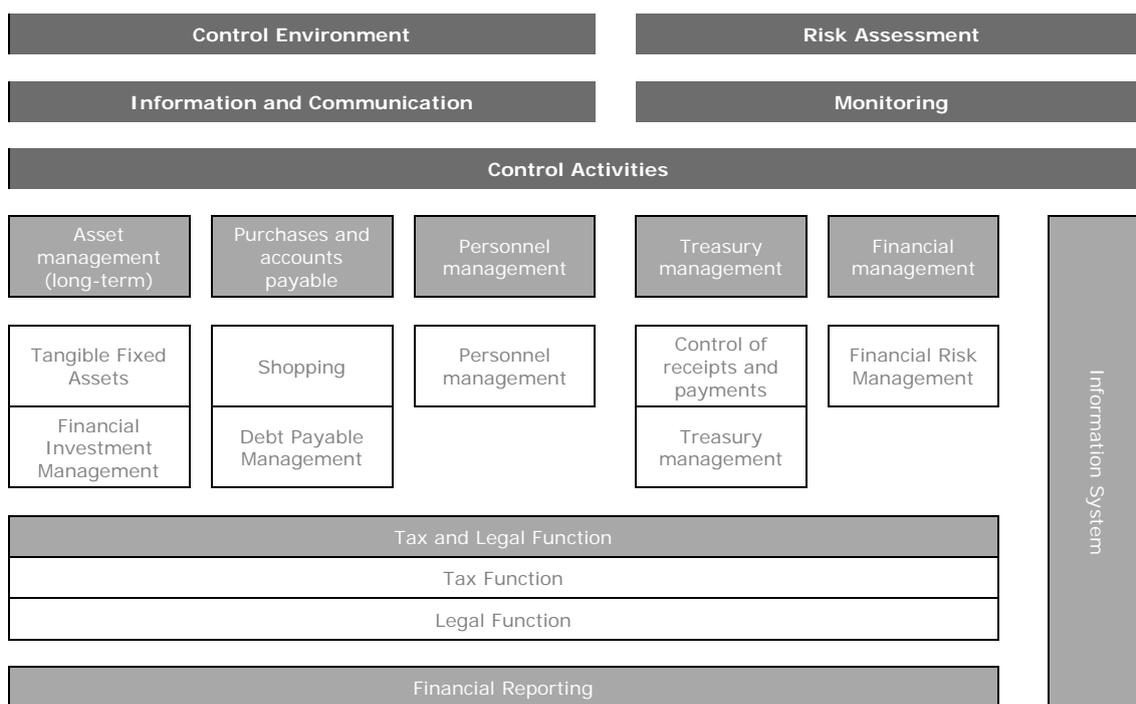
III. INTERNAL CONTROL AND RISK MANAGEMENT

Internal Control System

The Internal Control System implemented at PHAROL was based on an internationally recognized model, the COSO (*Committee of Sponsorship Organizations of the Treadway Commission*), making use of the layers established in this model, namely: (i) *Entity Level Controls*; (ii) *IT Level Controls*; and (iii) *Process Level Controls*.

PHAROL has designed a manual and implemented controls for the business cycles with greater representation in the Society. Regarding smaller processes, and as part of the improvement of the internal control and risk management environment, a set of minimum internal control requirements was defined.

The internal control manual and the most relevant business cycles at PHAROL can be summarized in the following table



The identification and design of controls relevant to financial reporting, whether preventive, detective or corrective, are documented in the appropriate manual, in accordance with the *layers* established in COSO. The manual is reviewed whenever there are changes in the processes, or periodically, in order to attest to its adherence to the reality of PHAROL's operations.

Currently, PHAROL has identified 49 controls, of which 31 are considered key controls.

The internal control system is annually verified by external auditors who also verify the application of the policies and remuneration systems in force in the Company.

50. PERSONS, BODIES OR COMMITTEES RESPONSIBLE FOR INTERNAL AUDIT AND/OR THE IMPLEMENTATION OF INTERNAL CONTROL SYSTEMS

It is incumbent upon the Fiscal Council to monitor PHAROL on a permanent basis as follows:

- a) evaluate internal procedures relating to accounting and auditing matters;
- b) assess the effectiveness of the Risk Management System in the fiscal, legal, economic and financial aspects;
- c) evaluate the effectiveness of the Internal Control System;
- d) analyze the External Audit function.

The Internal Control System is monitored by the Board of Directors, which identifies the company's risks, the results of the risk management process, the materiality in terms of financial reporting and proposes the implementation of measures to improve the processes and procedures instituted.

Given the size of the company, an internal audit system is not implemented, and these activities are ensured when necessary by the External Auditor.

51. RELATIONSHIPS OF HIERARCHICAL AND/OR FUNCTIONAL DEPENDENCE ON OTHER BODIES OR COMMITTEES OF THE COMPANY

The activity plan of the External Audit and Risk Management function, in which the audits to be carried out and their scope are defined, is approved annually by the Managing Director and communicated to PHAROL's Supervisory Board. These audits aim to ensure that PHAROL has adequate control mechanisms in place in terms of the reliability and integrity of financial and operational reports, the efficiency of its operations and compliance with applicable laws and regulations.

The evolution of the execution of the defined plan of activities, as well as the aggregate results of the audits carried out, is reported to the Supervisory Board and the Managing Director to monitor the evolution of the internal control and risk management system and to define action plans to mitigate the risks detected and to resolve them.

52. OTHER FUNCTIONAL AREAS WITH SKILLS IN RISK CONTROL

Risk Management is promoted by the Managing Director and the Board of Directors in order to identify, assess and manage uncertainties, threats and opportunities that may affect the pursuit of the strategic plan and objectives, decide on the level of exposure and the overall risk limits to be assumed by PHAROL in its different activities and ensure that risk management policies and procedures are followed.

PHAROL's level of risk results from the degree of risk acceptance of the Company's Board of Directors, based on the criteria agreed between the Board of Directors, the Managing Director and the Supervisory Board, the latter being, under the law, responsible for evaluating the effectiveness of the Risk Management System in the fiscal, legal, economic and financial aspects.

Risk Management is carried out by the Chief Executive Officer, reported to the Board of Directors, supervised by the Supervisory Board.

53. MAIN RISKS (ECONOMIC, FINANCIAL AND LEGAL) TO WHICH THE COMPANY IS EXPOSED IN THE EXERCISE OF ITS ACTIVITY

Of the various risks that may adversely affect PHAROL's activity, the following stand out:

Macro Risk	Sub-Risk	Description	Mitigation Measures (Used only in Government Report)
Economic Risks	Information Security	PHAROL is exposed to security risks on a daily basis, including the availability, integrity and confidentiality of information.	PHAROL has implemented backups, firewall and antivirus procedures in its computer systems, as well as building security, in order to mitigate risks related to information security.
	Global Macroeconomic	Adverse impact on the value of financial assets and PHAROL's position due to global macroeconomic shocks (inflation, rising interest rates, recession, banking crisis, geopolitical conflicts or new global health crisis).	High liquidity, absence of debt, prudent management of resources and focus on liquid assets.
Financial Risks	Foreign Exchange	Exchange rate risks are essentially related to investments in financial instruments in foreign currency that are part of the investment portfolios in shares and bonds. The Company's policy is not to hedge the value of the financial investment. However, operations of significant size with effects on treasury may generate hedging operations.	To reduce exchange rate risk, the Company may hedge its position using derivatives, however it currently has a policy not to hedge the value of the financial investment.
	Risk of Financial Cyberfraud	The growing dependence on electronic platforms for treasury operations exposes PHAROL to risks of targeted cyber fraud and enhances possible improper access to bank accounts and unauthorized financial movements.	Access conditioned by <i>multi-factor</i> authentication; Manual signatures; <i>Double check system</i> ;

	Interest rates	<p>Interest rate risks are essentially related to the costs incurred and obtained with debt and financial investments at variable interest rates. PHAROL may be indirectly exposed to these risks in the investments made. It should be noted that PHAROL has no bank debt as of December 31, 2025. As market interest rates also affect the discount rates used for the purposes of impairment tests on the entity's various assets.</p>	<p>PHAROL has no bank debt as of December 31, 2025.</p>
	Treasury Applications - Credit and Liquidity	<p>PHAROL is essentially subject to credit risk in its treasury investments. In order to mitigate risks, the Board of Directors has defined a policy for treasury investments. As of the second half of 2022, PHAROL was also exposed to other price risks, i.e., the risk of fluctuation in the fair value of the financial instruments that are part of the contracted investment portfolios, due to changes in market prices.</p>	<p>There is a policy for treasury investments</p>
	Eventuality of Rio Forte's default in the repayment of the instruments	<p>The Rio Forte Instruments currently held by PHAROL are not secured by assets. Therefore, even if there are amounts available for reimbursement by Rio Forte's creditors, PHAROL's right to reimbursement will be shared pro rata with Rio Forte's other unsecured creditors and only after the repayment of all debts to any secured creditors and confirmation of the validation of the credits. PHAROL evaluates this instrument every six months, with monitoring by the Fiscal Council, External Audit and ROC.</p>	<p>Annual evaluation of this instrument, with the validation of the Supervisory Board and External Audit and closely monitors the insolvency process of Rio Forte that is taking place in Luxembourg.</p>

Legal and Legal Risks	Legal proceedings	The Board of Directors subcontracts the risk analysis of the legal proceedings to external lawyers and consultants, in order to know, for each one, what is their assessment of PHAROL's liability (probable, possible or remote occurrence), the status of the process, the amounts involved, provisioned and paid and what steps to take in the defense of PHAROL's interests.	Risk analysis of legal proceedings.
	Litigation or investigations initiated under the Rio Forte Instruments or the Business Combination	PHAROL may incur liability in connection with litigation or other future proceedings and incur defence costs in such litigation or other proceedings. Any liability incurred may adversely affect PHAROL's financial condition.	PHAROL has hired a team of Luxembourg lawyers specialized in insolvency proceedings to ensure the closest possible monitoring of the Rio Forte Instruments. It also has other legal advisors in Portugal who have followed the Business Combination with Oi from the beginning and, whenever necessary, requests legal advice from specialists in Brazilian law.
	Possibility of non-compliance with tax contingency commitments	According to the contracts entered into with Oi, it is incumbent on Oi to pay the liabilities resulting from the tax contingencies originated until May 5, 2014, despite the fact that PHAROL is also jointly and severally liable. PHAROL permanently evaluates the size of probable and possible cases and tries to maintain an adequate level of counter-guarantees for these, however, the size of the counter-guarantees obtained from Oi for the eventuality of unfavorable outcomes in the resolution of tax proceedings may not be sufficient.	Quarterly monitoring and analysis of the report of tax consultants on the status of Oi's processes and the quality of the counter-guarantees provided by it.

54. PROCESS OF IDENTIFICATION, ASSESSMENT, MONITORING, CONTROL AND MANAGEMENT OF RISKS

Risk Management Process

The Risk Management process implemented at PHAROL is also based on the internationally recognized methodology – COSO II, developed by *the Committee of Sponsorship Organizations of the Treadway Commission*. This approach is based on the identification and analysis of key factors and uncertainty factors that may affect the generation of value and the fulfillment of the strategic plan and objectives.

PHAROL has defined as a priority commitment the implementation of risk assessment and management mechanisms that may affect its operations. These mechanisms are based on an integrated and transversal risk management model that, among other objectives, seeks to ensure the implementation of good *corporate governance practices* and transparency in communication with the market and shareholders.

The entire process is monitored and supervised by the Fiscal Council. Within the scope of this body's competences, with regard to the supervision of the effectiveness of the risk management system, the monitoring of the quality, integrity and effectiveness of the risk management system and the internal control system stand out, including the annual review of its adequacy and effectiveness and, in general, monitoring the execution of the functions performed by the Managing Director.

Risk Management Methodology

Considering the need for PHAROL to have clear mechanisms for assessing and managing risks that affect its activity, the following components were defined in the implementation of the risk assessment and management process:

- **Typology of Risks** that allows the reference of the main risk factors that, in general, may affect PHAROL. This component of the risk management process is structured into three major categories of risks, depending on their nature:
 - **Economic Risks:** reflect the risks arising from the macroeconomic environment, as well as the impact of entities and assets not controlled by PHAROL;
 - **Financial Risks:** associated with PHAROL's financial performance and transparency in its communication to the market;
 - **Legal and Legal Risks:** are the result of past, current and future situations associated with hiring, assumption of rights and responsibility and relations with regulators and authorities;
- **Risk Management** that formalizes the processes and procedures for identifying, analyzing, mitigating and reporting relevant risks.

Identified risks

The following table presents the risks currently identified at the level of PHAROL's Risk Management Model and on which the entire risk management process is developed.

Economic Risks	Information Security
	Global Macroeconomic
Financial Risks	Foreign Exchange
	Risk of Financial Cyberfraud
	Interest rates
	Treasury Applications - Credit and Liquidity
	Eventuality of Rio Forte's default in the repayment of the instruments
Legal and Legal Risks	Legal proceedings
	Litigation or investigations initiated under the Rio Forte Instruments or the Business Combination
	Possibility of non-compliance with tax contingency commitments

Risk assessment

When assessing the risks, the Managing Director and the Board of Directors consider the existence of foreseeable and unforeseeable events. If most events are predictable and have already been addressed in the management programs and budgets prepared, there are events that are often unpredictable. The Managing Director and the Board of Directors assess the risks that may cause significant impacts on the Company, taking into account both the inherent risk of the risk materializing and the residual risk (the one that still remains after the measures taken by the Board of Directors and the Managing Director).

Monitoring, control and risk management

The Board of Directors allocates responsibilities to the Managing Director in order to formalize procedures aligned with the strategy and level of exposure/risk tolerance defined for PHAROL, in order to identify:

- The processes for monitoring the mitigation actions for each risk, according to the risk management strategy adopted by the Board of Directors and supervised by the Supervisory Board;
- The processes of disclosure and reporting of information resulting from the risk management process.

The operationalization of the risk management methodology is an interactive and cyclical process that can be summarized by the following table:

Risk Management Methodology	
Board of Directors	Identifies the main risks affecting PHAROL; Decides on the performance and hierarchy of mitigation actions.
Managing Director	Implements policies and controls in accordance with the strategy defined by the Board of Directors; Monitors the implementation of controls.
Fiscal Council	Supervises and evaluates the risk management model; Proposes improvements and changes to the model; Review the main risks.

The Board of Directors also annually assesses climate risk and has concluded that, given the

nature and size of the company, there is no relevant direct impact on its activity.

55. MAIN ELEMENTS OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS IMPLEMENTED IN THE COMPANY IN RELATION TO THE FINANCIAL DISCLOSURE PROCESS

The broader scope of the internal control system implemented by PHAROL includes existing controls both as to the accuracy and completeness of the disclosures made, as well as their compliance with the Company's financial information. At the beginning of the process, the Managing Director, together with the services of the Firm, the External Auditor and the Statutory Auditor, schedules the process and identifies stakeholders/responsibility for the preparation/disclosure of financial information.

Prior to approval by the Board of Directors and the Chief Executive Officer, the disclosures of financial information are submitted for the opinion of the Supervisory Board, in the context of the Company's governance model. Both the approvals of the Board of Directors and the Chief Executive Officer, as well as the opinion of the Fiscal Council, are preceded by a set of validation and accuracy procedures, carried out by the Company's services.

IV. INVESTOR SUPPORT

56. DEPARTMENT RESPONSIBLE FOR INVESTOR SUPPORT, COMPOSITION, FUNCTIONS, INFORMATION PROVIDED BY THESE SERVICES AND CONTACT DETAILS

PHAROL's policy is to provide clear and transparent information, on a regular basis, to its shareholders and other members of the financial community.

PHAROL's Investor Relations area has the objective/mission of ensuring an adequate relationship with shareholders, investors, analysts and financial markets, in particular with the Markets and Stock Exchanges where PHAROL is listed, as well as with the respective regulatory body, the CMVM.

PHAROL regularly prepares press releases and *press releases* on the half-yearly and annual results, as well as on any privileged information that affects the Company. It also provides any and all types of clarifications to the financial community in general – shareholders, investors and analysts.

The financial information that is disclosed is previously audited and validated by the External Auditors and the Management and Supervisory Bodies.

In addition, the inside information is disclosed in relation to its activity or the securities issued by it immediately and publicly, and shareholders and other *stakeholders* can access it through the company's website.

Any interested party can access Investor Relations through the following contacts:

Luís Sousa de Macedo

Investor Relations Officer

Phone: +351.212.697.698

Fax: +351.212.697.949

Email: ir@pharol.pt

Address: Rua Gorgel do Amaral, n° 4, CV Esq.
1250-119 Lisbon – Portugal

General Company Phone:

+351.212.697.690

Website:

www.pharol.pt

In addition to other information, PHAROL keeps the following information updated on its *website*, in Portuguese and English:

- The name of the company, the status of a publicly-held company, the registered office and the other elements mentioned in Article 171 of the Companies Code;
- the statutes;
- The operating regulations of the governing bodies and committees created within the Board of Directors;
- The identity of the members of the governing bodies and the representative for relations with the market;
- The functions and means of access to the Investor Support Services described above;
- For five years, the accountability documents for each year, semester and quarter;
- The calendar of corporate events, which includes, among other information, the meetings of the General Meeting and the disclosure of annual and half-yearly accounts;
- The notices of the General Meetings and, as well, the proposals presented for discussion and voting by the shareholders, at least 21 days before the date of the meeting;
- The historical collection with the resolutions taken at the meetings of the Company's General Meetings, the share capital represented and the results of the votes, for the previous three years;
- In general, information that allows a current knowledge about the evolution and reality of the Company in economic, financial and corporate governance terms.

57. REPRESENTATIVE FOR MARKET RELATIONS

In this regard, reference is made to paragraph 56.

58. INFORMATION ON THE PROPORTION AND TIME OF RESPONSE TO REQUESTS FOR INFORMATION RECEIVED IN THE YEAR OR PENDING FROM PREVIOUS YEARS

PHAROL's Investor Relations area receives calls regularly, with various questions, including clarifications on dividends, general meetings and others, usually answered immediately, when the information is public.

You also regularly receive requests by email or letter and, depending on the technical complexity of the questions, it may take longer to respond, but they are typically answered in less than five working days.

In this way, PHAROL considers that its Investor Relations area ensures permanent contact with investors, analysts and the market in general and a treatment and registration of investor requests.

V. WEBSITE

59. ADDRESS

PHAROL provides, through its website, www.pharol.pt, all legal information or information regarding the governance of the Company, updates on the development of its activity, as well as a complete set of financial and operational data of the Company, in order to facilitate consultation and access to information by its shareholders, financial analysts and other stakeholders.

60. PLACE WHERE INFORMATION ON THE COMPANY NAME, THE STATUS OF A PUBLICLY-HELD COMPANY, THE REGISTERED OFFICE AND OTHER ELEMENTS MENTIONED IN ARTICLE 171 OF THE COMMERCIAL COMPANIES CODE IS LOCATED

Information on Article 171 of the Companies Code can be found on the PHAROL website at:

<http://pharol.pt/pt-pt/a-empresa/Paginas/informacao-corporativa.aspx>

61. PLACE WHERE THE STATUTES AND REGULATIONS OF THE ORGANS AND/OR COMMISSIONS ARE LOCATED

The statutes and operating regulations of the governing bodies and committees set up within the Board of Directors can be found on the PHAROL website at:

<https://pharol.pt/pagina/governo-da-sociedade/estatutos/>

<https://pharol.pt/pagina/governo-da-sociedade/orgaos-sociais/>

62. PLACE WHERE INFORMATION IS MADE AVAILABLE ON THE IDENTITY OF THE MEMBERS OF THE CORPORATE BODIES, THE REPRESENTATIVE FOR MARKET RELATIONS, THE INVESTOR SUPPORT OFFICE OR EQUIVALENT STRUCTURE, THEIR FUNCTIONS AND MEANS OF ACCESS

The identity of the members of the governing bodies, the representative for market relations, the Investor Support Office or equivalent structure, their respective functions and means of access can be found on the PHAROL website at:

<https://pharol.pt/pagina/governo-da-sociedade/orgaos-sociais/>

<https://pharol.pt/contactos/>

63. PLACE WHERE THE ACCOUNTABILITY DOCUMENTS ARE MADE AVAILABLE, WHICH MUST BE ACCESSIBLE FOR AT LEAST FIVE YEARS, AS WELL AS THE HALF-YEARLY CALENDAR OF CORPORATE EVENTS, PUBLISHED AT THE BEGINNING OF EACH SEMESTER, INCLUDING, AMONG OTHERS, MEETINGS OF THE GENERAL MEETING, DISCLOSURE OF ANNUAL, HALF-YEARLY AND, IF APPLICABLE, QUARTERLY ACCOUNTS

The accountability documents as well as the calendar of corporate events can be found on PHAROL's website at:

<https://pharol.pt/pagina/informacao-financeira/relatorios-financeiros/>

<https://pharol.pt/pagina/informacao-financeira/calendario-financeiro/>

64. PLACE WHERE THE NOTICE OF THE GENERAL MEETING AND ALL PREPARATORY AND SUBSEQUENT INFORMATION RELATED THERETO ARE DISCLOSED

The notice of the General Meeting meeting and all the preparatory and subsequent information related to it can be found on the PHAROL website at:

<https://pharol.pt/pagina/governo-da-sociedade/assembleia-geral-de-acionistas/>

65. PLACE WHERE THE HISTORICAL COLLECTION WITH THE RESOLUTIONS TAKEN AT THE MEETINGS OF THE COMPANY'S GENERAL MEETINGS, THE CAPITAL STOCK REPRESENTED AND THE RESULTS OF THE VOTES, WITH REFERENCE TO THE PREVIOUS 3 YEARS, IS AVAILABLE

The historical collection with the resolutions taken at the meetings of the Company's general meetings, the share capital represented and the results of the votes can be found on PHAROL's website at:

<https://pharol.pt/pagina/governo-da-sociedade/assembleia-geral-de-acionistas/>

D. REMUNERATION

I. COMPETENCE FOR DETERMINATION

66. INDICATION AS TO THE COMPETENCE TO DETERMINE THE REMUNERATION OF THE CORPORATE BODIES, THE MANAGING DIRECTOR AND THE COMPANY'S DIRECTORS

Pursuant to Article 26-B of the Securities Code, it is incumbent upon the Board of Directors, when it is not appointed a Remuneration Committee, to submit a proposal for a remuneration policy for approval by the General Shareholders' Meeting, at least every four years and whenever there is a material change in the remuneration policy in force, setting the applicable remuneration taking into account the functions performed, the performance and economic situation of the Company.

Within the scope of the powers delegated by the Board of Directors, the remuneration policy applicable to PHAROL's managers is defined by the Chief Executive Officer.

II. REMUNERATION COMMITTEE

67. COMPOSITION OF THE REMUNERATION COMMITTEE, INCLUDING IDENTIFICATION OF THE NATURAL OR LEGAL PERSONS ENGAGED TO ASSIST IT AND DECLARATION OF THE INDEPENDENCE OF EACH OF THE MEMBERS AND ADVISORS

Not applicable.

68. KNOWLEDGE AND EXPERIENCE OF THE MEMBERS OF THE REMUNERATION COMMITTEE IN RELATION TO REMUNERATION POLICY

Not applicable.

III. STRUCTURE OF REMUNERATION

69. DESCRIPTION OF THE REMUNERATION POLICY OF THE MANAGEMENT AND SUPERVISORY BODIES

The remuneration policy for the executive and non-executive members of the management body (including the members of the supervisory body) in force during the financial year 2025 is described in the statement of the Remuneration Committee on this matter approved by the shareholders at the annual General Meeting held on 31 March 2023, in accordance with the provisions of articles, 26 - B and 26 - C of the Securities Code, remaining in force until the approval of a new remuneration policy at the General Meeting, pursuant to article 26-F of the same Code.

The Board of Directors shall submit a proposal for a remuneration policy for approval at least every four years or when there is a material change in the remuneration policy in force.

This statement is reproduced in Annex II to this report.

At the same time, the remuneration policy applicable to the non-executive members of the Board of Directors did not include any variable component, i.e., the value of which depended on the Company's performance or its value.

70. INFORMATION ON HOW REMUNERATION IS STRUCTURED IN SUCH A WAY AS TO ALIGN THE INTERESTS OF THE MEMBERS OF THE MANAGEMENT BODY WITH THE LONG-TERM INTERESTS OF THE COMPANY, AS WELL AS ON HOW IT IS BASED ON PERFORMANCE APPRAISAL AND DISCOURAGES EXCESSIVE RISK-TAKING

As is apparent from the remuneration policy approved at the General Meeting of 31 March 2023 and contained in Annex II, remuneration is based on fixed and variable components under the terms and conditions set out in that declaration.

71. REFERENCE, IF APPLICABLE, TO THE EXISTENCE OF A VARIABLE COMPONENT OF REMUNERATION AND INFORMATION ON THE POSSIBLE IMPACT OF THE PERFORMANCE APPRAISAL ON THIS COMPONENT.

In this regard, reference is made to the 2023 Remuneration Committee statement in Annex II.

72. DEFERRAL OF PAYMENT OF THE VARIABLE COMPONENT OF REMUNERATION, WITH MENTION OF THE DEFERRAL PERIOD.

In this regard, reference is made to the 2023 Remuneration Committee statement in Annex II.

73. CRITERIA ON WHICH THE ATTRIBUTION OF VARIABLE REMUNERATION IN SHARES IS BASED AS WELL AS ON THE MAINTENANCE, BY THE EXECUTIVE DIRECTORS, OF THESE SHARES, ON THE POSSIBLE CONCLUSION OF CONTRACTS RELATED TO THESE SHARES, NAMELY HEDGING OR RISK TRANSFER CONTRACTS, THEIR LIMIT, AND THEIR RELATIONSHIP WITH THE VALUE OF THE TOTAL ANNUAL REMUNERATION.

Not applicable, insofar as the remuneration policy in force does not include the attribution of variable remuneration in shares.

74. CRITERIA ON WHICH THE ATTRIBUTION OF VARIABLE REMUNERATION IN OPTIONS IS BASED AND INDICATION OF THE DEFERRAL PERIOD AND THE EXERCISE PRICE.

Not applicable, as the remuneration policy in force does not include the attribution of variable remuneration in options.

75. MAIN PARAMETERS AND RATIONALE OF ANY SYSTEM OF ANNUAL BONUSES AND ANY OTHER NON-CASH BENEFITS

The Managing Director is entitled to a variable remuneration, if applicable, under the terms of the declaration contained in Annex II.

76. MAIN CHARACTERISTICS OF SUPPLEMENTARY PENSION OR EARLY RETIREMENT SCHEMES FOR DIRECTORS AND DATE ON WHICH THEY WERE APPROVED AT THE GENERAL MEETING, IN INDIVIDUAL TERMS

None of PHAROL's directors is covered by supplementary pension or early retirement schemes.

IV. DISCLOSURE OF REMUNERATION

77. INDICATION OF THE ANNUAL AMOUNT OF REMUNERATION RECEIVED, IN AGGREGATE AND INDIVIDUALLY, BY THE MEMBERS OF THE COMPANY'S MANAGEMENT BODIES

The gross remuneration earned, individually and in aggregate, by the members of the management body is indicated below:

Board of Directors (year of appointment)	Fixed remuneration paid in 2025	Variable remuneration paid in 2025
Luis Maria Viana Palha da Silva (2015)	294,000	88,200
Diogo Filipe Gil Castanheira Pereira (2023)	35,000	-
Rafaela Andrade Figueira (2024)	35,000	-
Total	364,000	88,200

78. AMOUNTS PAID IN ANY WAY BY OTHER COMPANIES IN A CONTROL OR GROUP RELATIONSHIP OR WHICH ARE SUBJECT TO A COMMON CONTROL

In the financial year 2025, there were no amounts paid by other companies in a control or group relationship or that are subject to a common control.

79. REMUNERATION PAID IN THE FORM OF PROFIT SHARING AND/OR PAYMENT OF PREMIUMS AND THE REASONS WHY SUCH PRIZES AND/OR PROFIT SHARING WERE GRANTED

The remuneration policy for the members of the Board of Directors for 2025 and which was approved at the General Shareholders' Meeting on 31 March 2023, does not provide for the

attribution in general terms of this type of remuneration, other than variable remuneration, where applicable, as referred to in Paragraph 75.

80. COMPENSATION PAID OR DUE TO FORMER EXECUTIVE DIRECTORS IN RELATION TO THE TERMINATION OF THEIR DUTIES DURING THE FINANCIAL YEAR

During the year 2024 there was no compensation paid in relation to the termination of the contract of executive directors. However, in this regard, reference is made to the statement of the Remuneration Committee in Annex II.

81. INDICATION OF THE ANNUAL AMOUNT OF REMUNERATION RECEIVED, IN AGGREGATE AND INDIVIDUALLY, BY THE MEMBERS OF THE COMPANY'S SUPERVISORY BODIES

The remuneration of the members of the Supervisory Board is composed of a fixed annual amount, based on the Company's situation and market practices, and there is no variable remuneration.

The annual gross remuneration of the members of this body in the 2025 financial year was as follows:

Fiscal Council	Remuneration paid in 2025
José Eduardo Fragoso Tavares de Bettencourt	49,000
Isabel Maria Beja Gonçalves Novo	31,500
João Manuel Pisco de Castro	31,500
Francisco José Porfírio Vieira	(1) -
Total	112,000 €

(1) Alternate member.

82. INDICATION OF THE REMUNERATION IN THE REFERENCE YEAR OF THE CHAIRMAN OF THE GENERAL MEETING

The Chairman of the General Meeting for his functions in the General Meetings received a gross remuneration of EUR 4,000.

V. AGREEMENTS WITH REMUNERATION IMPLICATIONS

83. CONTRACTUAL LIMITATIONS PROVIDED FOR THE COMPENSATION PAYABLE FOR UNFAIR DISMISSAL OF A DIRECTOR AND ITS RELATIONSHIP WITH THE VARIABLE COMPONENT OF THE COMPENSATION

There are no agreements entered into with members of the management body and/or managers, which establish the right to compensation for unfair dismissal, without prejudice to the applicable legal provisions.

84. AGREEMENTS WITH MANAGEMENT AND MANAGERS PROVIDING FOR COMPENSATION IN THE EVENT OF TERMINATION OF SERVICE FOLLOWING A CHANGE OF CONTROL

There are no agreements between PHAROL and the members of the board of directors or directors that provide for compensation in the event of dismissal, dismissal without just cause or termination of the employment relationship following a change of control of the Company.

VI. STOCK OPTIONS

The information provided for in *paragraphs 85 to 87* of the model annexed to CMVM Regulation No. 4/2013 is not applicable to PHAROL, since, during the 2025 financial year, the Company did not adopt or remain in force any share allocation plans or any plans for the allocation of share options to PHAROL's directors or employees or to third parties.

88. CONTROL MECHANISMS PROVIDED FOR IN A POSSIBLE SYSTEM OF EMPLOYEE PARTICIPATION IN THE CAPITAL IN SO FAR AS VOTING RIGHTS ARE NOT EXERCISED DIRECTLY BY THEM

Not applicable, since there is no system specifically providing for employee participation in PHAROL's share capital.

E. TRANSACTIONS WITH RELATED PARTIES

I. CONTROL MECHANISMS AND PROCEDURES

89. MECHANISMS PUT IN PLACE BY THE COMPANY FOR THE PURPOSE OF CONTROLLING TRANSACTIONS WITH RELATED PARTIES (IAS 24)

In order to ensure compliance with PHAROL's obligations, the following internal control procedures are adopted: (i) identify and ensure the transparency of the decision-making process related to TRANSACTIONS with RELATED PARTIES and/or shareholders holding QUALIFIED Holdings, (ii) determine the TRANSACTIONS disclosure of which is mandatory or relevant, and (iii) establish internal responsibilities with respect to the identification of RELATED PARTIES and TRANSACTIONS carried out.

To this end, compliance with the following provisions of this SERVICE ORDER IS MANDATORY:

1. General Principles Regarding TRANSACTIONS with RELATED PARTIES and Shareholders Holding QUALIFIED HOLDINGS

1.1 Without prejudice to the provisions of the following sections, TRANSACTIONS with PHAROL's RELATED PARTIES or with shareholders holding a QUALIFYING HOLDING must be carried out within the scope of PHAROL's current activity and under market conditions.

1.2 In any case, no Corporate Body Member OR KEY COLLABORATOR may authorize TRANSACTIONS with themselves, with any of their FAMILY MEMBERS, with any entity under their CONTROL or with an entity under THE CONTROL of their FAMILY MEMBERS.

2. Transactions with Related Parties and shareholders holding Qualified Holdings subject to resolution of the Board of Directors preceded by the opinion of the Fiscal Council

2.1 The following are subject to deliberation by the Board of Directors, preceded by the opinion of the Fiscal Council:

a) Transactions of PHAROL or its subsidiaries to be carried out with members of PHAROL's Board of Directors, regardless of their amount, pursuant to article 397/2 of the CSC;

b) TRANSACTIONS with RELATED PARTIES that do not meet the requirements set forth in paragraph 1.1 above.

c) Transactions of PHAROL or its subsidiaries to be carried out with shareholders holding QUALIFYING HOLDINGS or entities that are in one of the relationships provided for in article 20 of the Securities Code, or respective renewals, whose aggregate value per entity is greater than Euro 1,000,000 (one million euros) per year.

d) THE TRANSACTIONS of PHAROL or its subsidiaries with RELATED PARTIES, or respective renewals, whose aggregate value per entity is greater than Euro 200,000 (two hundred thousand euros) per year;

e) Other TRANSACTIONS that, due to their relevance, the Board of Directors intends to submit to this procedure.

2.2 The resolution of the Board of Directors provided for in the previous paragraph must include in particular the reasoning as to the fair and reasonable nature of the TRANSACTION from the point of view of PHAROL and the shareholders who are not RELATED PARTIES, including minority shareholders, also referring to the meaning of the opinion of the Supervisory Board.

2.3 The proposals for TRANSACTIONS to be submitted to the Board of Directors must be substantiated, referring to the fair and reasonable nature of the TRANSACTION from the point of view of PHAROL and the shareholders who are not RELATED PARTIES, including minority shareholders.

2.4 The request for an opinion to the supervisory body shall be accompanied by: (i) sufficient information on the characteristics of the TRANSACTION, namely from a strategic, financial, legal and tax point of view, (ii) information on the nature of the relationship between PHAROL, or its subsidiaries, and the counterparty in question, (iii) financial procedures and terms agreed within the scope of the TRANSACTION, (iv) the valuation procedure adopted and its assumptions, including the prices used as a reference, (v) the contracting process and (vi) the impact of the TRANSACTION on the financial situation of the PHAROL Group.

2.5 The information referred to in the previous paragraph must be provided by the proponent of the TRANSACTION.

2.6 The approval of the TRANSACTIONS provided for in numbers 2.1/c) and d) above depends on confirmation, in the opinion of the Supervisory Board, that, in view of the reasoning presented, the nature of the counterparty does not influence the decision to contract and the agreed terms and conditions.

2.7 At the meetings of the Board of Directors for the approval of the half-yearly and annual financial information, the supervisory body shall inform the Board of Directors of the opinions issued in the immediately preceding period.

2.8 The annual report of the Board of Directors shall specify the authorisations that have been granted and the report of the Supervisory Board shall mention the opinions granted on these authorisations.

2.9 When the execution of any of the TRANSACTIONS provided for in paragraph 2.1 implies the successive execution of several operations in which the second and the following are mere acts of execution of the first, the approval procedure will only apply once.

3. Other Transactions with Related Parties

3.1 Considering the provisions of paragraph 2.1 *above*, in cases not subject to resolution by the Board of Directors, the approval of the TRANSACTION is the responsibility of a member with an equivalent or higher position in the hierarchy of the PHAROL GROUP that ensures the independence of the decision-making process on the TRANSACTION, with the provisions of paragraphs 2.2 (regarding the grounds for the decision), 2.3 (regarding the grounds for the proposal) and 2.9 *above* (regarding acts of mere execution) being correspondingly applicable.

3.2 Transactions approved or to be approved under the terms of the previous number are subject to internal reporting to PHAROL's Board of Directors if:

- a) The accumulated annual amount of the TRANSACTION corresponds to at least Euro 100,000 (one hundred thousand euros);
- b) If it is a loan, investment or other form of advance of funds (regardless of the guarantees).

3.3 Proposed TRANSACTIONS that do not correspond to normal market conditions for similar transactions cannot be approved and are sent to the Board of Directors for compliance with the provisions of section 2 *above*.

4. Waivers

4.1 TRANSACTIONS with RELATED PARTIES or shareholders holding QUALIFYING HOLDINGS relating to:

- a) Purchases of goods or supply of services contracted in compliance with the internal rules relating to purchases, suppliers and service providers that are in force at the time of contracting;
- b) Banking operations of PHAROL and subsidiaries, understood as such as collection, payment, deposits and other financial investments, short and medium-term financing operations, issuance of commercial paper, foreign exchange operations, hedging derivatives and obtaining bank guarantees, provided that they do not exceed the aggregate value of Euro 300,000 (three hundred thousand euros) per year;
- (c) where the consideration is determined on the basis of official quotations (e.g. contracts on exchange rates or interest rates and *commodities*), where the agreed ranges correspond to normal market practice;

(d) where the consideration is determined on the basis of tariffs or fees set by the competent regulatory authorities.

4.2 The following Transactions are also exempt from the approval procedure set out in section 2 *above*:

a) Transactions carried out between companies in a control or group relationship with PHAROL or between them and PHAROL;

b) The payment by THE PHAROL Group of the remuneration of the MEMBERS OF GOVERNING BODIES AND KEY EMPLOYEES for the performance of their duties;

c) Operations accessible to all employees or shareholders of the PHAROL Group under equivalent conditions;

d) The contracting of technical services, namely legal or tax consultancy, whenever the approval procedure provided for in this article may compromise the timely provision of such services, taking into account the specificity of the services to be provided, namely taking into account the qualifications and degree of knowledge required for the provision of the services in question, as well as the deadline for their execution;

e) Operations that constitute the execution of TRANSACTIONS already contracted under general contracts already in force within the PHAROL Group.

5. Public Disclosure of Transactions with Related Parties and/or Shareholders Holding a Qualifying Interest

5.1 Pursuant to article 29-T of the VM Code, TRANSACTIONS with RELATED PARTIES whose value is equal to or greater than 2.5% of PHAROL's consolidated assets and which are not carried out within the scope of its current activity and under market conditions are subject to public disclosure.

5.2 The disclosure referred to in the previous paragraph must be made no later than the moment of the TRANSACTION, containing, at least: (i) the identification of the RELATED PARTY, (ii) information on the nature of the relationship, (iii) the date and value of the TRANSACTION, (iv) reasoning as to the fair and reasonable nature of the TRANSACTION, from the point of view of PHAROL and the shareholders who are NOTRELATED PARTIES, including minority shareholders and (v) the direction of the Fiscal Council's opinion, whenever it has been negative.

5.3 Transactions BETWEEN Related Parties AND ANY PHAROL SUBSIDIARY WHOSE VALUE IS EQUAL TO OR GREATER THAN 2.5% OF THE COMPANY'S CONSOLIDATED ASSETS AND WHICH ARE NOT carried out within the scope of current activity and under market conditions are also subject to public disclosure, under the same terms.

5.4 Without prejudice to the case-by-case analysis of the specific TRANSACTION in the light of accounting, legal and regulatory standards, the other TRANSACTIONS provided for in paragraph 2.1 *above* and those subject to internal reporting, pursuant to paragraph 3.2 *above*, are also considered relevant for the purposes of considering the disclosure to the market.

5.5 The provisions of the preceding paragraphs shall not prejudice the fulfilment of the obligations of mandatory disclosure of privileged information, under the terms of the law.

5.6 Transactions with the same RELATED PARTY entered into during any 12-month period, or during the same financial year, and which have not been published are aggregated for this purpose.

6. Non-Subjection and Exemption from Public Disclosure

6.1 Without prejudice to the provisions of paragraphs 5.4, 5.5 and 5.6, THE TRANSACTIONS provided for in paragraph 4.1 *above* and those that do not reach the quantitative limit provided for in paragraphs 5.1 and 5.3 are not subject to public disclosure.

6.2 The following are exempt from the legal obligation of public disclosure, as provided for in article 29-T of the Securities Code:

a) Transactions carried out between PHAROL and its subsidiaries, provided that they are in a control relationship with the company and no PARTY RELATED to PHAROL has interests in that subsidiary;

b) TRANSACTIONS relating to the remuneration of directors, or certain elements of such remuneration;

(c) TRANSACTIONS offered to all shareholders on the same terms as the equal treatment of all shareholders and the protection of the interests of the company are ensured;

(d) Transactions that constitute mere execution of TRANSACTIONS already disclosed under this provision.

90. INDICATION OF THE TRANSACTIONS THAT WERE SUBJECT TO CONTROL IN THE REFERENCE YEAR.

In the year 2025, there were no transactions subject to the rules described in paragraph 89.

91. DESCRIPTION OF THE PROCEDURES AND CRITERIA APPLICABLE TO THE INTERVENTION OF THE SUPERVISORY BODY FOR THE PURPOSES OF THE PRIOR ASSESSMENT OF THE BUSINESS TO BE CARRIED OUT BETWEEN THE COMPANY AND HOLDERS OF QUALIFIED HOLDINGS OR ENTITIES THAT ARE IN ANY RELATIONSHIP WITH THEM, PURSUANT TO ARTICLE 20 OF THE SECURITIES CODE

In this regard, reference is made to paragraph 89 of Part I above.

II. BUSINESS-RELATED ELEMENTS

92. LOCATION OF ACCOUNTABILITY DOCUMENTS WHERE INFORMATION ON RELATED PARTY DEALINGS IS AVAILABLE IN ACCORDANCE WITH IAS 24

Information on related parties is available in Note 19 to the consolidated financial statements contained in the 2025 Consolidated Annual Report, and there are no transactions with related parties to be reported with reference to the year ended December 31, 2025.

Note 20 to the consolidated financial statements contained in the 2025 Consolidated Annual Report provides information on transactions with shareholders holding qualifying holdings

other than related parties in accordance with IAS 24 carried out in the year ended December 31, 2025.

PART II – EVALUATION OF CORPORATE GOVERNANCE

1. IDENTIFICATION OF THE ADOPTED CORPORATE GOVERNANCE CODE

As mentioned in the introduction to this document, the Company has adopted the IPCG Corporate Governance Code, ensuring an adequate level of protection of shareholders' interests and transparency of Corporate Governance.

PHAROL is also subject to other rules that are adopted internally, which are relevant to the structure of its corporate governance, such as several internal rules of conduct and transparency, in particular, the Code of Ethics and Conduct, the rules on Transactions of Directors, Transactions with Related Parties and Transactions with Holders of Qualified Holdings and Internal Policy for the Selection of Members of the Management and Supervisory Bodies.

PHAROL, in 2025, maintained the current management model ensured by a Managing Director in accordance with the rules and internal regulations in force.

2. ANALYSIS OF COMPLIANCE WITH THE ADOPTED CORPORATE GOVERNANCE CODE

PHAROL complies with the recommendations contained in the Corporate Governance Code of the Portuguese Institute of Corporate Governance ("CGS IPCG") which came into force on 1 January 2018, revised in 2023.

In this context, PHAROL's corporate governance model and principles:

- Comply with the legal rules of binding content applicable to the classic governance model provided for in Article 278(1)(a) of the Commercial Companies Code;
- They welcome the set of recommendations and *best practices* in this area, contained in the Code of the Portuguese Institute of Corporate Governance, duly justifying their options in terms of corporate governance in obedience to the "*comply or explain*" principle.

PHAROL adopts the recommendations of the Corporate Governance Code of the Portuguese Institute of Corporate Governance ("CGS IPCG") in the revised version in 2023, available through the link:

<https://cgov.pt/codigo-de-governo-das-sociedades/o-codigo/cgs-em-vigor>

The following table shows the points in Part I of this report, which describe the measures taken by the Society to comply with the IPCG recommendations.

RECOMMENDATION ACCORDING TO THE MULTIPLE RECOMMENDATIONS TABLE	Degree of Compliance	Government Report
Chapter I. RELATIONSHIP OF THE COMPANY WITH SHAREHOLDERS, STAKEHOLDERS AND THE COMMUNITY IN GENERAL		
I.1. Society explains in what terms its strategy seeks to ensure the fulfillment of its long-term objectives and what are the main resulting contributions to the community at large.	Reception	Introduction and Annual Report, Item 6
I.2. Society identifies the main policies and measures adopted with regard to the fulfilment of its environmental and social objectives.	Reception	Introduction and Annex III
Chapter II · COMPOSITION AND FUNCTIONING OF THE COMPANY'S BODIES		
II.1. Information		
II.1.1. The company shall put in place mechanisms to ensure, in an appropriate and rigorous manner, the timely circulation or disclosure of the necessary information to its bodies, the company's secretary, shareholders, investors, financial analysts, other interested parties and the market in general.	Reception	Paragraphs 21, 22, 34, 56 to 65
II.2. Diversity in the composition and functioning of the company's bodies		
II.2.1. Companies establish, in advance and in the abstract, criteria and requirements regarding the profile of members of the company's bodies appropriate to the function to be performed, considering, in particular, individual attributes (such as competence, independence, integrity, availability and experience), and diversity requirements (with particular attention to equality between men and women), which can contribute to improving the performance of the body and to the balance in its composition.	Reception	Items 17, 19, 21, 33, Annex I and Additional Information of the Governing Bodies
II.2.2. The management and supervisory bodies and their internal committees have regulations — namely on the exercise of their respective duties, chairmanship, frequency of meetings, operation and table of duties of their members — published in full on the company's website, and minutes of the respective meetings must be drawn up.	Welcome. As for internal committees, sub-recommendations II.2.2. (3) and II.2.2. (6), is not applicable.	Paragraphs 19, 21, 22, 31, 34 and 61
II.2.3. The composition and number of meetings each year of the administrative and supervisory bodies and their internal committees are disclosed on the company's website.	Reception	Paragraphs 17, 22, 23, 27, 31, 34, 35, 59 and 61
II.2.4. Companies adopt a whistleblowing policy that explains the main rules and procedures to be followed in the face of each communication and an internal reporting channel that also includes access by non-employees, under the terms provided for in the applicable law.	Reception	Paragraphs 21 and 49
II.2.5. Companies have specialised committees on corporate governance, remuneration, appointments of members of the company's bodies and performance evaluation, separately or cumulatively. In the event that the remuneration committee provided for in article 399 of the Commercial Companies Code has been created, this recommendation can be complied with by	Not applicable	Paragraphs 15 and 61 Given the specificity of PHAROL, detailed in this report, the Firm considers it good <i>governance</i> not to have set up

assigning to this committee, if this is not prohibited by law, competence in these matters.		committees that may entail large expenses and that are not in line with the cost containment defined in its strategy. It should also be noted that there is no obligation in its Statutes to set up such committees. PHAROL believes that the fact that it does not have these committees does not jeopardize the effectiveness of its operation and transparency.
II.3. Relationship between the company's bodies		
II.3.1. The articles of association or other equivalent channels adopted by the company establish mechanisms to ensure that, within the limits of the applicable legislation, the members of the management and supervisory bodies are permanently assured access to all information necessary for the evaluation of the company's performance, situation and development prospects, including, in particular, the minutes, the documentation supporting the decisions taken, the notices and the archive of the meetings of the executive management body, without prejudice to access to any other documents or persons to whom clarifications may be requested.	Reception	Paragraphs 21, 22, 34 and 61
II.3.2. Each body and committee of the company ensures, in a timely and appropriate manner, the inter-organic flow of information necessary for the exercise of the legal and statutory powers of each of the other bodies and committees.	Reception	Paragraphs 21, 22, 34 and 61
II.4. Conflicts of interest		
II.4.1. By internal regulation or equivalent, the members of the management and supervisory bodies and internal committees are obliged to inform the respective body or committee whenever there are facts that may constitute or cause a conflict between their interests and the interest of the company.	Reception	Paragraphs 22, 34 and 89
II.4.2. The company adopts procedures that ensure that the member in conflict does not interfere in the decision-making process, without prejudice to the duty to provide information and clarifications that the body, the committee or its members request.	Reception	Paragraphs 22, 34 and 89
II.5. Transactions with related parties		
II.5.1. The management body discloses, in the governance report or by other publicly available means, the internal procedure for verifying transactions with related parties.	Reception	Paragraphs 21, 63 and 89

Chapter III SHAREHOLDERS AND GENERAL MEETING		
III.1. The company must not set an excessively high number of shares necessary to confer the right to one vote, and informs in the government report about its option whenever each share does not correspond to one vote.	Reception	Paragraphs 12 and 61
III.2. The company that has issued shares with a special right to plural voting identifies, in the government report, the matters that, as provided for in the company's articles of association, are excluded from the scope of plural voting.	Not Applicable	Number 12
III.3. The company must not adopt mechanisms that hinder the taking of decisions by its shareholders, namely by setting a deliberative quorum higher than that provided for by law.	Reception	Paragraphs 12, 14 and 61
III.4. The company implements the appropriate means for the non-face-to-face participation of shareholders in the General Shareholders' Meeting, in terms proportional to its size.	Reception	Paragraphs 12 and 61
III.5. The company shall also implement the appropriate means for the non-face-to-face exercise of the right to vote, including by mail and by electronic means.	Reception	Paragraphs 12 and 61
III.6. The articles of association of the company which provide for the limitation of the number of votes that may be held or exercised by a single shareholder, individually or in concert with other shareholders, must also provide that, at least every five years, the amendment or maintenance of that provision of the statutes is subject to a resolution by the general meeting — without increased quorum requirements in relation to the legal one — and that, In this deliberation, all the votes cast without that limitation being counted.	Reception	Paragraphs 5, 12 and 21
III.7. Measures should not be adopted that determine payments or the assumption of charges by the company in the event of a transition of control or change in the composition of the management body and that appear likely to prejudice the economic interest in the transfer of shares and the shareholders' free assessment of the performance of directors.	Reception	Point 4

Chapter IV· ADMINISTRATION		
IV.1. Management Body and Executive Directors		
IV.1.1. The management body ensures that the company acts in a manner consistent with its purpose and does not delegate powers, in particular, with regard to: (i) defining the company's strategy and main policies; ii) organization and coordination of the business structure; iii) matters that should be considered strategic due to their amount, risk or special characteristics.	Reception	Paragraphs 21 and 22

<p>IV.1.2. The management body approves, by regulation or by equivalent means, the regime of action of executive directors applicable to the exercise by them of executive functions in entities outside the group.</p>	<p>Reception</p>	<p>Number 21</p>
<p>IV.2. Management Body and Non-Executive Directors</p>		
<p>IV.2.1. Without prejudice to the legal functions of the Chairman of the Board of Directors, if the Chairman of the Board is not independent, the independent directors — or, where there are not sufficient of these, the non-executive directors — shall appoint a coordinator among themselves, in particular (i) act, where necessary, as an interlocutor with the Chairman of the Board of Directors and the other directors, (ii) ensure that they have all the conditions and means necessary to perform their duties, and (iii) coordinate them in the evaluation of performance by the management body provided for in recommendation VI.1.1.; Alternatively, the company may establish another equivalent mechanism to ensure such coordination.</p>	<p>Explain</p>	<p>Introduction and Point 15: PHAROL has a reduced structure.</p> <p>Item 18: The managing director issues regular reports on all decisions taken by him within his statutory competences, thus allowing the non-executive directors to ask any questions on the topics discussed. The two non-executive directors have direct communication channels to the Chairman of the Board of Directors (who is at the same time the only Executive Director, with the designation of Managing Director) and can also request meetings whenever deemed necessary. In addition, the monthly meeting of the Board of Directors brings together exactly the non-executive directors with the Chairman of the Board of Directors.</p> <p>Item 21: As for the self-assessment process of the Board of Directors, it is carried out through answers on an electronic platform, whose coordination is ensured by the Secretary-General.</p>

<p>IV.2.2. The number of non-executive members of the management body must be appropriate to the size of the company and the complexity of the risks inherent to its activity, but sufficient to efficiently ensure the functions entrusted to them, and the formulation of this adequacy assessment must be included in the governance report.</p>	<p>Reception</p>	<p>Paragraphs 15, 17, 18 and 21</p>
<p>IV.2.3. The number of non-executive directors is higher than the of executive directors.</p>	<p>Reception</p>	<p>Paragraphs 15, 17, 18 and 21</p>
<p>IV.2.4. The number of non-executive directors who meet the independence requirements must be plural and cannot be less than one third of the total number of non-executive directors. For the purposes of this recommendation, a person who is not associated with any specific interest group in the company, nor is in any circumstance likely to affect its exemption from analysis or decision, namely due to:</p> <ul style="list-style-type: none"> i. Have exercised for more than twelve years, continuously or interspersed, functions in any body of the company, this period being counted regardless of whether or not it coincides with the end of the term of office; ii. Have been an employee of the company or company that is in a control or group relationship with it in the last three years; iii. Have, in the last three years, provided services or established a significant commercial relationship with the company or with a company that is in a control or group relationship with it, either directly or as a partner, administrator, manager or director of a legal person; iv. To be the beneficiary of remuneration paid by the company or by a company that is in a control or group relationship with it, in addition to the remuneration arising from the exercise of the functions of director; v. Living in a de facto union or being a spouse, relative or affinity in the direct line and up to the 3rd degree, inclusive, in the collateral line, of directors of the company, directors of a legal person holding a qualifying holding in the company or natural persons directly or indirectly holding a qualifying holding; vi. Be a holder of a qualifying holding or representative of a shareholder holding qualifying holdings. 	<p>Not Accepted</p>	<p>Paragraphs 17 and 18 Although the independent director corresponds to 50% of the non-executive directors, there is only one, and the use of the plural is not appropriate.</p>
<p>IV.2.5. The provisions of paragraph (i) of the previous recommendation shall not prevent the classification of a new director as independent if, between the end of his duties in any body of the company and his new appointment, at least three years have elapsed in the meantime (cooling-off period).</p>	<p>Not Applicable</p>	<p>Number 17</p>

Chapter V SUPERVISORY	
------------------------------	--

V.1. With respect for the powers conferred on it by law, the supervisory body takes cognizance of the strategic lines and evaluates and pronounces on the risk policy, prior to its final approval by the management body.	Reception	Paragraphs 21 and 34
V.2. The number of members of the supervisory body and the committee for financial matters must be appropriate to the size of the company and the complexity of the risks inherent to its activity, but sufficient to efficiently ensure the functions entrusted to them, and the formulation of this adequacy assessment must be included in the governance report.	Welcome. As regards the Committee on Financial Matters, sub-recommendation V.2.(2) , is not applicable.	Paragraphs 15, 17, 18, 21 and 31
Chapter VI· PERFORMANCE EVALUATION, REMUNERATION AND APPOINTMENTS		
VI.1. Annual Performance Evaluation		
VI.1.1. The management body — or committee with competence in the matter, composed of a majority of non-executive members — annually evaluates its performance, as well as the performance of the company's executive board, executive directors and committees, taking into account compliance with the company's strategic plan and budget, risk management, its internal functioning and the contribution of each member to this purpose, as well as the relationship between bodies and commissions of society.	Welcome. As regards the company's commissions, sub-recommendation VI.1.1.(3) , is not applicable.	Number 21
VI.2. Remuneration		
VI.2.1. The company constitutes a remuneration committee, whose composition ensures its independence from the management, which may be the remuneration committee appointed under the terms of article 399 of the Commercial Companies Code.	Not Accepted	Number 66 Pursuant to article 26-B of the Securities Code, and in accordance with article 20, number 10 of the Company's Articles of Association, which does not require the establishment of Committees for specific matters, the Board of Directors chose to submit a proposal for a remuneration policy for approval by the General Meeting, setting the applicable remuneration taking into account the functions performed, the performance and economic situation of the Company.
VI.2.2. The remuneration of the members of the management and supervisory bodies and of the company's committees is the responsibility of the	Not Applicable	Paragraphs 66, 69 and Annex II

remuneration committee or the general meeting, on the proposal of that committee.		
VI.2.3. The company discloses in the governance report, or in the remuneration report, the termination of functions of the members of bodies or company commissions, indicating the amounts of all the company's expenses related to the termination of service, the any title, in the year in question.	Reception	Annex II
VI.2.4. In order to provide information or clarifications to shareholders, the chairman or other member of the remuneration committee shall be present at the annual general meeting and at any other meetings if the respective agenda includes a matter related to the remuneration of the members of the company's bodies and committees, or if such attendance has been requested by shareholders.	Not Applicable	Part I, Item B.1 – General Meeting
VI.2.5. Within the budgetary limitations of the company, the remuneration committee may freely decide whether the company shall hire the consulting services necessary or convenient for the performance of its functions.	Not Applicable	Annex II
VI.2.6. The remuneration committee ensures that those services are provided independently.	Not Applicable	Annex II
VI.2.7. The providers of these services will not be hired, by the company itself or by others that are in a control or group relationship with it, to provide the company with any other services related to the competences of the remuneration committee, without the express authorization of the committee.	Not Applicable	Annex II
VI.2.8. In view of the alignment of interests between the company and the executive directors, part of the latter's remuneration is variable in nature that reflects the company's sustained performance and does not encourage the assumption of excessive risks.	Reception	Annex II
VI.2.9. A significant part of the variable component is partially deferred in time, for a period of not less than three years, associating it, in terms defined in the company's remuneration policy, with the confirmation of the sustainability of performance.	Reception	Annex II
VI.2.10. Where the variable remuneration comprises options or other instruments directly or indirectly dependent on the value of the shares, the commencement of the exercise period shall be deferred for a period of not less than three years.	Not Applicable	Annex II
VI.2.11. The remuneration of non-executive directors does not include any component whose value depends on the performance of the company or its value.	Reception	Annex II

VI.3. Appointments		
VI.3.1. The company promotes, under the terms it deems appropriate, but in a manner that can be demonstrated, that the proposals for the election of the members of the company's bodies are accompanied by a statement of reasons regarding	Reception	Annex I, Complementary Information to the Curricula of the Governing Bodies

the suitability of each of the candidates for the function to be performed.		and Internal Policy for the Selection of Members of the Management and Supervisory Bodies
VI.3.2. The committee for the appointment of members of corporate bodies includes a majority of independent directors.	Not Applicable	
VI.3.3. Unless the size of the company does not justify it, the function of monitoring and supporting the designation of senior management is assigned to a nomination committee.	Explain	Number 15
VI.3.4. The committee for the nomination of senior management makes its terms of reference available and promotes, to the extent of its competences, the adoption of transparent selection processes that include effective mechanisms for identifying potential candidates, and that those who present the greatest merit, best suit the requirements of the position and promote, Within the organization, adequate diversity, including equality between men and women.	Not Applicable	
Chapter VII · INTERNAL CONTROL		
VII.1. The management body discusses and approves the company's strategic plan and risk policy, which includes setting limits on risk-taking.	Reception	Paragraphs 21, 50 to 55
VII.2. The company has a specialised committee or a committee composed of risk experts who report regularly to the management body.	Not Accepted	Number 52 Risk Management is carried out by the Chief Executive Officer, reported to the Board of Directors, supervised by the Supervisory Board.
VII.3. The supervisory body is internally organised, implementing periodic control mechanisms and procedures, with a view to ensuring that the risks actually incurred by the company are consistent with the objectives set by the management body.	Reception	Paragraphs 21, 34 and 54
VII.4. The internal control system, comprising the functions of risk management, compliance and internal audit, is structured in terms appropriate to the size of the company and the complexity of the risks inherent to its activity, and the supervisory body must evaluate it and, within the scope of its competence to monitor the effectiveness of this system, propose the necessary adjustments.	Reception	Paragraphs 21, 34 and 54
VII.5. The company establishes procedures for monitoring, periodic evaluation and adjustment of the internal control system, including an annual assessment of the degree of internal compliance and the performance of that system, as well as the prospect of changing the risk framework previously defined.	Reception	Paragraphs 21 and 51
VII.6. Based on its risk policy, the company establishes a risk management function, identifying (i) the main risks to which it is subject	Reception	Paragraphs 53, 54 and 55

in the development of its activity, (ii) the probability of their occurrence and their impact, (iii) the instruments and measures to be adopted with a view to their mitigation and (iv) the monitoring procedures, aiming at its follow-up.		
VII.7. Society institutes processes to collect and process data related to environmental and social sustainability, to alert the management body about the risks that society is incurring and to propose strategies for their mitigation.	Not Applicable	Introduction and Annex III
VII.8. Society informs about how climate change is considered in the organisation and how it considers climate risk analysis in decision-making processes.	Reception	Point 54 and Annex III
VII.9. The company informs, in the government report, about the terms in which artificial intelligence mechanisms have been used as a decision-making instrument by the governing bodies.	Reception	Number 18
VII.10. The supervisory body pronounces on the work plans and resources allocated to the services of the internal control system, including the risk management, compliance and internal audit functions, and may propose any adjustments that may be necessary.	Reception	Paragraphs 21, 34 and 54
VII.11. The Supervisory Body is the recipient of the reports carried out by the internal control services, including the risk management, compliance and internal audit functions, at least when matters related to accountability, the identification or resolution of conflicts of interest and the detection of potential irregularities are at stake.	Reception	Paragraphs 21 and 34
Chapter VIII · INFORMATION AND STATUTORY AUDIT		
VIII.1. Information		
VIII.1.1. The Supervisory Body's regulations require the Supervisory Body to monitor the adequacy of the process of preparation and disclosure of information by the management body, including the adequacy of accounting policies, estimates, judgments, relevant disclosures and their consistent application between financial years, in a duly documented and communicated manner.	Reception	Paragraphs 21 and 34
VIII.2. Statutory audit and audit		
VIII.2.1. By regulation, the Audit Board shall define, in accordance with the applicable legal regime, the audit procedures to ensure the independence of the Statutory Auditor.	Reception	Paragraphs 21 and 34 Regarding paragraph r) of the Supervisory Board Regulation, it is clarified in Point 21 of this report that these confirmations are obtained by the Supervisory Board twice a year at the following times: 1)

		when the Audit Plan of the Statutory Auditor is presented and 2) when the Additional Report is submitted to the Supervisory Body.
VIII.2.2. The supervisory body is the statutory auditor's main interlocutor in the company and the first recipient of the respective reports, and it is incumbent on it, in particular, to propose the respective remuneration and to ensure that the appropriate conditions for the provision of services are ensured within the company.	Reception	Paragraphs 21 and 34
VIII.2.3. The supervisory body annually evaluates the work carried out by the statutory auditor, his independence and suitability for the exercise of his duties and proposes to the competent body his dismissal or the termination of the contract for the provision of his services whenever there is just cause for this purpose.	Reception	Paragraphs 21 and 45

ANNEX I

Curriculum elements of the members of the Board of Directors

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

Date of Birth

February 18, 1956

Academic Background

Graduated in Economics from the Higher Institute of Economics, Technical University of Lisbon, in 1978, and graduated in Business Management from the Portuguese Catholic University, Lisbon, in 1981.

He has attended several executive training programs, in Portugal and abroad, including the Advanced Management Program (AMP) at the Wharton School, University of Pennsylvania, as well as executive training programs at Darden Business School, University of Virginia, and INSEAD.

Professional Experience

He began his professional career in 1981 at Quimigal, in the areas of Metals Marketing and Chemical Supplies. Subsequently, he worked in companies of the Leon Lévy Group, as assistant to the Managing Director, with responsibilities in the financial area, and then joined COVINA, Companhia Vidreira Nacional, where he was a Director, also with the financial department.

In 1991, he was appointed Administrator of IPE - Investimentos e Participações do Estado. Between 1992 and 1995, he held the position of Secretary of State for Commerce in the XII Constitutional Government.

In 1995 he joined Cimpor-Cimentos de Portugal, where he held the positions of Director of Strategic Planning and Financial Administrator (CFO). In these roles, he actively participated in the final stages of the company's privatization process and in its internationalization process, including the acquisition of cement plants in Brazil, Egypt, Tunisia, and was also responsible for Investor Relations.

In 2001, he joined the Jerónimo Martins Group as Chief Financial Officer (CFO), a position he held with that of Chief Executive Officer (CEO) between 2004 and 2010. During this period, he was involved in the group's financial restructuring process and in the strategic redefinition of its business, with a focus on food retail and Poland, while also maintaining responsibility for Investor Relations.

In 2012, he was appointed Executive Vice President of Galp, with responsibility for the *downstream* area, including the refining and retail activities.

In 2015, he assumed the Presidency of the Board of Directors of PHAROL, initially

accumulating these functions with those of Chairman of the Executive Committee and, from 2017, with those of Managing Director. He also held management positions at Oi, S.A., a subsidiary of PHAROL in Brazil, with an interruption between 2018 and 2020. Between January 2021 and December 2022, he was a non-executive member of the Board of Directors of Oi, S.A.

In 2019, he was elected Chairman of the Board of the General Assembly of EDP, a position he has held since then. Since 2018, he has also been a non-executive member of the Board of Directors of Nutrinveste.

Other Functions

He served as President of AEM – Association of Issuers of Portugal, President of APETRO – Portuguese Association of Oil Companies, and President of EPIS – Entrepreneurs for Social Inclusion.

Decorations

In 2015, he was awarded by the Portuguese State with the Grand Cross of the Order of Merit.

Diogo Filipe Gil Castanheira Pereira (Administrator)

Date of Birth

January 20, 1988

Academic Background

Law Degree from the Faculty of Law of the University of Lisbon (June/2009)
Master's Degree in Civil Law from the Faculty of Law of the University of Lisbon (January/2011)

Other Qualifications

Arbitration Law Course at Universidade Nova de Direito de Lisboa (June/2013)
Post-Graduation in Civil Law at the Catholic University of Lisbon (February/2011)
Advance Certificate in English from the University of Cambridge (2006)

Professional Experience

Managing Director of Reviva Portugal (December/2022 – Present)
Partner at CMS Portugal (January/2021 – May/2022)
Member of CMS Portugal (November/2010 – December/2020)
Lecturer at the Faculty of Law of the University of Lisbon (September/2022 – June/2021)
Invited speaker of postgraduate courses in various Law subjects (September/2011 – Present)

Publications

Procedural Interest in Declarative Action, Coimbra Editora, 2010
Several articles in law publications (2011 – 2021)
Collaboration in Law AAVV publications (2011 – Present)

Professional Associations

Portuguese Bar Association (January 2013)

Rafaela Andrade Reis Figueira (Administrator)

Date of Birth

December 19, 1984

Academic Background

2014 The Wharton School & The Lauder Institute, University of Pennsylvania

Full-time MBA

- MBA, Concentration in Finance and Strategy
- MA, Concentration in International Management and Emerging Markets

2010 Fundação Getúlio Vargas

- Post-Graduation in Management

2008 Veiga de Almeida University

- BA, Pedagogy

Professional Experience

2023 to Today

Investment Director Madrid, Spain

Mundi Ventures, a global venture capital manager that invests in early-stage and growth-stage technology companies, with EUR 500M of assets under management.

- Non-Executive Director of Sami Saude, Convelio, AKKO, Ole Life, Raincoat
- Member of the Investment Committee and Head of the Investment Team for Latin America

2018 to Today

Founding Partner

Figueira Ventures, an investment vehicle focused on alternative asset allocation, including early-stage startups in Latin America and Europe, as well as LP positions in venture capital funds.

- Investment portfolio includes: BizCapital, Fazenda Futuro, Sooper, Lemon Energy, Lovys, TutorMundi, aMORA, Roddo, Prudence Fund III and a16z Crypto Fund IV

2020 to 2022

Partner, CFO & COO Lisbon, Portugal

CASAFARI, a technology platform for real estate asset management.

- Developed several real estate products, including an asset management platform to enable institutional investments in single-family home rentals
- Led the expansion of operations to 5 European countries and raised \$30 million in equity in 3 rounds of investments with international funds.

2020

Co-Founder, Finance & Operations São Paulo, Brazil

Alicerce Educação, an education technology platform with social impact

- He led fundraising and debt structuring.
- Responsible for pricing, sales strategy and B2B business model.
- Direct management of more than 20 people for the Corporate Finance and Sales functions.

2017 to 2020

Chief Financial Officer São Paulo, Brazil

QuintoAndar, a leading technology platform for the real estate sector in Latin America, currently valued at \$5.1 billion.

- Developed an in-house rental insurance product that delivered a 9x growth in gross margin with a customer retention rate of 85%.
- He has led IR and fundraising efforts, including a \$64 million Series C round in 2018 and a \$250 million Series D round in 2019.
- Built and managed a team of +80 people in the Corporate Finance, Credit Risk, Financial Operations and Legal functions while the company grew 350% annually.

2016 to 2017

Vice President São Paulo, Brazil

Cubico Sustainable Investments, a \$2 trillion renewable energy private equity fund with assets under management.

- It has invested more than \$350 million in solar and wind projects throughout Latin America.
- Member of the board of directors of companies in Uruguay, Peru and Colombia.

2014 to 2016

Associate, Investment Banking, Brazil and NYC

Goldman Sachs

- He has led and executed domestic and cross-border M&A transactions for clients in the Retail, Consumer, Energy, Education and Infrastructure sectors.
- Advised China Tree Gorges (CTG) on the acquisition of 308MW hydroelectric power plants from Triunfo in a R\$ 1.7 billion transaction.
- Advised Saraiva Educação on the sale of its publishing business to Abril Educação in an all-cash transaction in the amount of R\$ 725 million.
- Led CSN's merger negotiation of its mining, ports and railroad assets with Itochu Corporation in a \$16 billion equity transaction.

2010 to 2012

Associate São Paulo, Brazil

Citibank

- Managed a team of 9 sales analysts responsible for a portfolio of USD 315 million in receivable anticipation products.
- Coordinated with the credit risk committee and the legal departments for the implementation of products and integration of each client.

2007 to 2010

Operational Safety Manager São Paulo, Brazil

Gol Linhas Aéreas

- Led operational expansion to five European countries and led contract negotiations with service providers and local aviation authorities.
- Managed a team of 108 professionals in 18 cities after the merger with VARIG Airlines.

2004 to 2007

Aviation Security Officer Rio de Janeiro, Brazil

Brazilian Air Force

- Specialist in Anti-terrorism and hostage negotiation with certifications from the European Commission and FAA/USA.
- Appointed as a Brazilian delegate to the United Nations Aviation Industry Best Practices research group.

Curricular elements of the members of the Supervisory Board

José Eduardo Fragoso Tavares de Bettencourt (Chairman of the Fiscal Council)

Date of Birth

October 24, 1960

Academic Background

Nova, School of Business & Economics, Portugal – Degree in Economics – 1978/1983

Professional Experience

Since April 2022 Chairman of the Supervisory Board of Santander Gestão de Ativos e Pensões

Since April 2021 Chairman of the Supervisory Board of PHAROL elected for the 2021-2023 triennium

May 2017/Dec. 2020 Administrator of NOVO BANCO – Responsible for IT and Operations and Costs. Responsible for the credit department;

Achieve NB Group cost targets by category – personnel costs, overheads and amortizations (est-2020: Operating Costs €426M; Personnel Costs €246M; G&A €146M; amortizations €34M).

Delivery and execution of the IT strategic plan including "Manage the Bank" and "Change the Bank", namely digital enablers, data-lake, payments hub, Mifid 3 and new default definition;

Reshaping operations to realize cost and efficiencies initiatives, i.e., automation and robotics, and non-essential outsourcing. Meet all pre-defined SLAs;

Implementation of the new operating model in the new COVID-19

environment, maintaining usability and operational and IT security.

Chairman of the Credit Committee (Credit Finance Council);

Chairman of the Procurement and Costs Committee

Member of the following Committees: Costs (responsible); Credit (responsible); Compliance; Financial Control; Product; Risk; Digital Transformation; Impairment; Management Information; Operational Risk;

Member of the Steerings: MiFID2; Data Quality; New Distribution Model; Cyber Security; Data-Protection; PSD2/Payments; Law 83/anti-money laundering and terrorist prevention.

2014/2017	New Bank – Chief of Staff of the President responsible, for his delegation, of IT & Ops, Costs and Human Resources.
2013/2014	Sabbatical after the renovation of the Santander Group; Commercial Director Golden Assets Independent Asset Management.
2012/2013	Santander Asset Management Portugal; Chairman of the Board of Directors of Santander Gestão de Ativos SGPS, SA; Chairman of the Board of Directors of Santander Gestão de Ativos - Sociedade Gestora de Fundos de Investimento Mobiliário, SA. Chairman of the Board of Directors of Santander Pensions - Pension Fund Management Company; Assets under management of €7 billion; Reporting to the head of the Asset Management area of the Santander Group, Juan Alcaraz, part of Santander's Global Asset Management, Insurance and Private Banking Division, headed by Javier Marin;
2009/2011	President of Sporting Club de Portugal; Elected by the club's members with 90% of the votes, in July 2009; Chairman of the Board of Directors of Sporting Club de Portugal SAD.
2006/2009	Director of Santander Totta SGPS and Banco Santander Totta responsible for the retail network - 600 branches - and for the premium, private and middle market business segments, reporting to President Nuno Amado; Elected member of the TOP 200 of the Santander Group; ROE 24%; €737MM Pre-Tax Income; 1.0 b operating income; 1.8MM customers; Ratio of overdue loans >90d loans 0.5%; Cost to income 41.8%; €33b active.
2004/2006	Director of Banco Santander Totta responsible for the Human Resources area (6,000 employees and budget of 285 million euros) and chief of staff to the President Antonio Horta Osório; Responsible for the PMO of the group's new operating system - implementation of Parthenon and Tagus project, allowing the bank to improve its leadership position in cost efficiency.
2001/2004	Administrator of Sporting Club Portugal; He led the Youth Academy project, one of the most prestigious in the world;

	Winner of the Portuguese League 2001/2002.
1998/2001	Chief of Staff of Banco Santander Totta, of the President António Horta Osório; Administrator of the Portuguese Property Credit (non-executive); Member of the Board of Directors of Banco Santander Portugal; Member of the Board of Directors of Santander Leasing Company.
1997/2008	Member of the Board of Directors of Banco Santander de Negócios SA., Head of Private Banking.
1993/1997	Member of the Board of Directors of the Bank of Commerce and Industry, Retail and Middle Market.
1992 Business.	Director of Banco Mello, Coordinating Director of Assurfinance Opening of the first Assurfinance branches with the insurance company Império.
1991 Business;	Director of Barclays Bank PLC., Managing Director of the Retail
1984/1985	Vice-President of Citibank Portugal SA.

Professional Accreditation

2020	FATCA and CRS - 03.2020 (e-learning);
2019	Prevention of Money Laundering and Terrorist Financing - 11.2019 (e-learning);
2019	Information Security - 20.2019 (e-learning);
2019	Technical Seminar "New Digital Trends - Impacts, Challenges and Opportunities for Banking" - 06.2019;
2018	Technical Seminar "Emotional Intelligence" - 11.2018;
2018	Business Continuity - 20.2018 (e-learning);
2018	General Data Protection Regulation - 05.2018 (e-learning);
2018	CRS Common Reporting Standard - 01.2018 (e-learning); Training in Prevention and Money Laundering and Financing of Terrorism - 12.2017 (in e-learning regime);
2017	NOVO BANCO Induction Program: Organizational Structure - business areas, roles and responsibilities of business units, hierarchical lines and committees; Regulatory framework and legal requirements; Strategic Planning and Budget Execution; Financial Markets; Risk Management; Governance, regulation, guidelines and methodologies of the internal control system and the function of the internal control department / Assessment of the effectiveness and adequacy of the internal control system - Internal Audit Function

	Financial Statements;
	Compliance - code of conduct and conflict of interest policies, compliance policies, internal controls, regulation and supervision
2017	Nova School of Business and Economics - Executive Education - Advanced Executive Program NOVO BANCO, First Edition - Banking Business.
2016	Health and Safety at Work (e-learning).
2015	GNB Code of Conduct Certification (e-learning).
2009	Liderando el Crecimiento de Grupo (Santander) Módulo 3.
2008	Liderando el Crecimiento de Grupo (Santander) Módulo 2.
2007	Liderando el Crecimiento de Grupo (Santander) Módulo 1.
2005	Insead Senior Management Workshop.
1997	Bank Insurance Seminar EFMA (Brussels); Financial Markets and Portfolio Management (Santander Internal Private Banking Bill Wates/David Zenoff).
1996	International Private Banking (Cadiz);
1995	Kotler on Marketing (London);
1991	Citicorp Corporate Finance;
1991	Capital Markets (Citibank);
1990	World Corporate Conference (Citibank New York);
1989	Bourse Game (Citibank Jersey) – 1989;
1988	Interest Rate and Foreign Exchange Management (Citibank London) -1988;
1987	Credit and Risk Management (Citibank London) – 1987;
1986	Treasury Skills (Citibank London) – 1986.

Isabel Maria Beja Gonçalves Novo (Member of the Supervisory Board)

Date of Birth

April 1, 1967

Academic Background

She has a degree in Business Organization and Management from the Higher Institute of Labor and Business Sciences, completed a postgraduate degree in Finance (*European Business Certificate*) at South Bank University, in London, and attended the *International Management Programme* at INSEAD, in Fontainebleau, France. He also attended the Management for Executive programs (i) *Managing for Success*, in Belgium (promoted by BNP Paribas and (ii) *Leadership for Growth*, in France (promoted by Fortis Bank).

Professional Experience

She began her professional career as a credit analyst at Générale Bank – Sucursal em Portugal, between 1991 and 1993, the year in which she was appointed deputy head of the Risk and Credit Analysis Department of the same institution, a position she held until 1995.

Between 1995 and 2010 she served as Director of the Risk and Credit Analysis Department of Fortis Bank – Portugal Branch, having been responsible for coordinating the entire credit

granting process and monitoring the portfolio, including the contracting of credit and the respective guarantees, as well as the management of the non-performing portfolio. During this period, he was a representative of the Branch at the Bank of Portugal, a member of the Management Committee and a member of the Credit Committee with delegated powers of up to €10 million.

Between 2010 and 2012, she was Director of the Credit Analysis Department of BNP Paribas Fortis – Portugal Branch, responsible for managing the teams of credit analysts at Fortis Bank – Portugal Branch and BNP Paribas Fortis – Portugal Branch. He was responsible for the restructuring of the Credit Analysis Departments of the two banks, having promoted the integration of the respective teams of analysts and led the harmonization of the credit process of the two institutions. During this period, he was a representative of the Branch at the Bank of Portugal.

Between 2013 and 2017 he was Vice-President of the Triathlon Federation of Portugal.

Since 2013 he has been providing financial and management consulting services, with participation in several projects from different geographies (with emphasis on Mozambique, Portugal, Angola and Cape Verde) and sectors of activity (banking, telecommunications, industry, agriculture, education and tourism, among others).

Member of the Fiscal Council of Touro Capital Partners – SCR, S.A. from March 2021 to March 2022.

Member of the Supervisory Board of Best - Banco Eletrónico de Serviço Total, S.A. from December 2016 to November 2021.

Positions he currently holds:

Member of the Fiscal Council of Mudum – Companhia de Seguros, S.A., since April 2024

Member of the Supervisory Board of Banco ActivoBank, S.A., since December 2021

Member of the Supervisory Board of Interfundos – Sociedade Gestora de Organismos de Investimento Coletivo, S.A., since November 2021

Member of the Supervisory Board of PHAROL SGPS, S.A. since May 2015.

João Manuel Pisco de Castro (Member of the Supervisory Board)

Date of Birth

September 22, 1954

Academic Background

Degree in Electrical Engineering, Telecommunications and Electronics, from Instituto Superior Técnico (1983)

Master's Degree in Business Management (MBA), Faculty of Economics, University of Lisbon (1990)

Professional Experience

Director of the Visabeira Group, SGPS S.A.

Director of Visabeira Constructel S.A.

Director of Real Life – Tecnologias de Informação, S.A.

Administrator of Birla – Visabeira LTD.

Member of the Supervisory Board of PHAROL, SGPS S.A.

Chairman of Vista Alegre USA, until 2017

Director of Constructel (Russia), until 2017

President of MOB – Indústria de Mobiliário, S.A until 2017

President of Faianças da Capoa – Indústria de Cerâmica, S.A. until 2017

President of Pinewells, S.A. until 2017

President of Visagreen, S.A. until 2017
Director of Visacasa S.A. until 2017
Constructel Board Member (Belgium) until 2017
Member of the Board of Directors of Constructel Sweden AB until 2017
Constructel Board Member (UK) until 2017
Administrator of Constructel GmbH until 2017
Director of Constructel (France) until 2017
President of the Institute of Financial Management and Infrastructures of Justice, I.P. from 2007 to 2009
Member of the Board of Directors of the Visabeira SGPS S.A. Group from 2002 to 2007
Director of Visabeira Telecomunicações e Construção, SGPS S.A. from 2002 to 2006
Director of Visabeira Serviços SGPS, S.A. from 2003 to 2005

Francisco José Porfírio Vieira (Alternate Member of the Fiscal Council)

Date of Birth

July 26, 1970

Academic Background

Degree in Accounting and Financial Administration from ISCAL

Bachelor's Degree in Accounting and Administration from ISCAL

Member of the Order of Certified Accountants n° 27264

Professional Experience

Partner of the Gesbanha Group with 30 years of experience in accounting, financial and tax activity in projects and clients in the private sector, the State business sector and other Public Bodies, also exercising the function of Certified Accountant.

- **ACSS, IP – Central Administration of the Health System (2018 to 2019)** – was part of the team responsible for the consolidation of accounts of the Ministry of Health, exercising the functions of Technical Responsible for the Consolidation Process of 2017 and 2018, collaborating in the process of closing the accounts of the 63 entities of the consolidation perimeter, according to the SNC-AP reference.
- **IGeFE, I.P. (2021 to 2022)** – General coordination of the team responsible for accounting, financial and administrative support to IGeFE's Financial Department, ensuring the performance, among others, of the following tasks:
 - Analysis and Reporting of Management Accounts for 2020 and 2021
 - Critical analysis and updating of the asset inventory
 - Laying the foundations for the Institute's future analytical accounting model
 - Internal and external reporting to the competent authorities (ToC, DGO, DGTF)
- **IHRU, I.P. (2020 to 2022)** – Member of the team responsible for accounting, financial and administrative support to the IHRU's Financial Department, ensuring the performance, among others, of the following tasks:
 - Processing of invoices, Registration in the computer application of the movements of Commercial Management and Financial Management, Consultancy

and help in various accounting information, Registration of working capital, Registration in the Budget Management Information System of Budget Execution and budget amendments, bank reconciliations, creation of financial maps, clearance and registration of movements with a view to monthly and annual closings, report to the tutelage.

- **Several Clients (2004 to 2011)** – Coordination of work teams residing in public institutes and monitoring of the respective accounts, developed according to the POCP – Official Public Accounting Plan, namely:
 - InCI – Institute of Construction and Real Estate, I.P.
 - InIR – Institute of Road Infrastructures, I.P.

Complementary information to the curricula of the Governing Bodies

In line with recommendation II.2.1 of the Corporate Governance Code of the Portuguese Institute of Corporate Governance of 2018 ("IPCG Code"), revised in 2023, PHAROL provides this complementary information to the curricula of the corporate bodies on their individual attributes and diversity requirements, which can contribute to their effective performance.

This document, focusing on the curricula presented by the members of the Board of Directors and CF, elected at the General Meeting held on March 22, 2024, on the proposal of the Company's shareholders, is intended to contribute to a more detailed and objective analysis of the members of these bodies, materializing the specification of the criteria and requirements related to individual attributes as set out in the IPCG Corporate Governance Code and in the PHAROL document on Internal Governance Policy Selection of the Members of the Management and Supervisory Bodies, approved by the Board of Directors on November 16, 2023 and subsequently ratified by the Shareholders at the General Meeting held on March 22, 2024. This document is available for consultation on the company's official website (www.pharol.pt)

Composition of the Board of Directors and Fiscal Council

- Board of Directors composed of three members
- Fiscal Council composed of three sitting members and one alternate

The composition of these bodies is appropriate to the size of the company and its activity. It allows the promotion of an effective functioning and performance of the BoD, considering aspects such as (i) the legal framework (composition of 3 to 7 members, in accordance with PHAROL's statutes) and Recommendations on this matter of the IPCG Code regarding the appropriate number of executive, non-executive and independent directors), (ii) the competencies, the necessary experience and knowledge, and (iii) the appropriate level of diversity.

1. Individual Attributes

1.1. Education, Competence and Experience

In the field of academic training, and in accordance with their respective curricula, the members of the Board of Directors have complementary training in the international sphere, which includes Masters, MBA's and PhDs. We emphasize that the directors Dr. Luis Palha da Silva and Dr. Rafaela Andrade Reis Figueira both have training in the areas of economics and management, with Dr. Diogo Castanheira Pereira having a background in the legal area.

The members of the LP have the required and appropriate qualifications to perform these functions with qualifications, training and solid knowledge in auditing or accounting.

The curricula presented by all the members of the CF denote a vast experience in the exercise of functions in supervisory bodies in multiple sectors. The President of the CF, Dr. José Eduardo Fragoso Tavares de Bettencourt, has a wide accumulated experience of more than 30 years of professional life in the banking area, including the international areas of business, cost optimization, commercial network management, risk management, IT, operations and project management. It should be noted that he held top management positions in the banking area and also played a relevant role as a sports director.

Dr. Isabel Maria Gonçalves Novo also has a curriculum with a solid background and extensive experience in the area of supervision, of which we highlight Financial and Management Consulting and her role in the management of the Risk and Credit Analysis department in a Financial Institution.

Eng. João Manuel Pisco de Castro, member of the CF, has extensive experience in executive management of companies, in executive and non-executive positions, both national and international.

The alternate member of the CF, Dr. Francisco José Porfírio Vieira, also has experience in the areas of accounting and taxation, as well as in projects and clients from the private sector,

the State business sector and other Public Bodies.

The members of the CF have extensive experience in the areas of finance and risk management and, as a whole, training and experience in listed companies.

Regarding the competence and experience of the members of the Board of Directors, the following stand out:

a) Leadership, Strategy and Management

The three members that make up the Board of Directors have extensive management experience and have held management and administration positions, which gives them skills and strategic vision, promoting a strong competence in the area of leadership of the Company.

The Chairman of the Board of Directors, Mr. Luis Palha da Silva, has skills, knowledge and extensive executive management experience in management functions in listed and large companies. The top management positions he held contribute very positively to his performance as Managing Director, particularly in the context of the company's future planning.

b) International Area

Almost all of the members of the Board of Directors have extensive experience in the international field, having held management positions in international companies or in Portuguese companies with international expansion. This experience was decisive for the acquisition of a cultural background, a transversal element to all of them. As can be seen from their respective curricula, the directors Dr. Luis Palha da Silva, Dr. Rafaela Andrade Reis Figueira are part of this field. Also at the international level, in the area of Law and in the top academic area, the administrator, Dr. Diogo Filipe Gil Castanheira Pereira stands out

c) Finance and Risk Area

The members of the Board of Directors developed their training and/or professional career in consulting activities or in management functions that allowed them to acquire solid skills in the financial, investment and risk management areas.

d) Legal and Regulation

In this context, the knowledge of the member of the Board of Directors, Dr. Diogo Filipe Gil Castanheira Pereira, stands out, due to his training in Law and extensive professional experience in the various legal branches, being the holder of a vast curriculum linked to the area of Law and author of several publications in this specialty.

e) Corporate Governance, Social Responsibility and Ethics

The skills in this area of the Chairman of the Board of Directors and Managing Director, Dr. Luis Palha da Silva, stand out, who has several years of professional experience in executive and non-executive positions in companies with strong corporate governance, social responsibility and ethics components, such as Jerónimo Martins and Galp Energia. He also currently serves on the Supervisory Board of EDP. He was also president of the AEM (Association of Issuers).

1.2. Independence and Integrity

The members of the Board of Directors and CF meet the necessary conditions to exercise their duties and fulfill their duties of diligent action and in the interest of the Company, with impartiality and impartiality, since rules on conflicts of interest remain in force at PHAROL, in particular:

(a) within the scope of the resolutions of the Board of Directors (with the directors in conflict being prevented from participating and voting);

(b) with respect to transactions with related parties, which are subject to principles and procedures approved by the Board of Directors and the CF aimed at promoting the pursuit of the company's interest.

The Board of Directors and CF have demonstrated the ability to maintain compliance with legal duties and conduct in relation to the activity they have been developing and have the conditions to exercise functions in the interest of the Company and in accordance with

standards of loyalty and integrity.

It is PHAROL's practice to have in its management list elements indicated by shareholders with qualified holdings and with a long-term investment perspective for the closer monitoring of the Company's management.

As for the strategic definition and assessment of the risks inherent to the company, the supervisory functions of non-executive and independent directors are guaranteed .

The members of the LP declare that they comply with the independence requirements defined by law (according to the national criteria provided for in Article 414 of the Companies Code and on the basis of the information provided by them).

1.3. Availability

The members of the Board of Directors and CF have shown full availability for the committed performance of their duties, closely monitoring the company's activity either through meetings or through regular reports by the Managing Director.

2. Level of Diversity

2.1. Gender Diversity

PHAROL fully complies with Law No. 62/2017, as well as article 3 of Normative Order No. 18/2019 of June 21, promoting gender diversity in all its governing bodies which, in turn, frame and guarantee all employees an open and transparent culture where there is no place for any inequality in terms of gender. nationality, ethnicity, origin, social position or age.

2.2. Renewal and retention of knowledge and seniority

The curricula referred to in this document show a balance between, on the one hand, renewal/rotation and, on the other hand, retention of knowledge given the permanence of the functions in the Board of Directors and CF since 2024, including the Chairman of the Board of Directors (who simultaneously performs the functions of Managing Director of the Company), as well as the Chairman of the Supervisory Board.

The composition of the CA and CF present diversification in terms of age, allowing an adjusted balance between the need for extensive experience suitable for the performance of the required functions and the necessary openness to new challenges.

Conclusions

Following a more detailed deepening of the curricula presented by the members of the Board of Directors and members of the Supervisory Board, bodies elected by PHAROL's shareholders in 2024, it is concluded that, in addition to the components of diversity and individual characteristics (such as seniority, cultural background and gender), they have skills, knowledge, skills and experience that are decisive for that, as a whole, meet the necessary conditions to pursue the best interests of the Company and its Shareholders.

ANNEX II

Statement on the remuneration policy of the members of the management and supervisory bodies

Approved at the General Meeting on March 31, 2023 and remained in force in 2025

"Pursuant to the Securities Code and in particular in the provisions of articles 26 - A, 26 - B and 26 - C, the Remuneration Committee of PharoI SGPS, S.A (hereinafter the Company), hereby presents to the General Meeting the remuneration policy of the management and supervisory bodies.

The preparation of the remuneration policy is the responsibility of this Remuneration Committee, composed of three members, all of whom are independent from the administration.

The remuneration policy presented below is, in essence, the one already presented in the previous year, and there has been no significant substantive change in the Policy. This took into account the very specific characteristics of the Company, whose activity is essentially focused on the management of a financial participation (in the Brazilian company OI S.A.) and on the recovery of a set of claims on the company, in bankruptcy proceedings, Rio Forte. In this context, the Firm also has a very small staff (7 full-time employees).

Thus, several of the relevant dimensions to be considered in the remuneration policy introduced by Law No. 50/2020 and consolidated in the Securities Code, in particular how the areas of sustainability, social responsibility and how the conditions of employment and remuneration of workers were taken into account in the policy have, in this Firm, a very limited scope of application.

1. Remuneration Policy for Non-Executive Directors and Members of the Fiscal Council:

The remuneration of the non-executive members of the Board of Directors consists of a fixed annual remuneration of 35,000 euros (divided into 14 times a year), without attendance tickets. There is no place for the attribution of any benefit of a non-pecuniary nature. This remuneration is identical to that practiced in the previous mandate.

The chairman of the Supervisory Board receives an annual remuneration of 49,000 euros and the members of 31,500 euros.

These remuneration values for non-executive Directors and members of the Supervisory Board are identical to those practiced in the previous term of office and aim to ensure adequate compensation in view of the responsibilities of the functions performed and the characteristics of the Company.

No form of variable remuneration is foreseen for the non-executive members of the management body and the supervisory body.

2. Executive Directors Compensation Policy

The remuneration of Executive Directors, which has been embodied since 27 March 2017 in the remuneration of the Managing Director, comprises a fixed component and a variable component.

a. Fixed remuneration

The fixed annual remuneration (RFA) amounts to 294,000 euros and remains the same as in the previous mandate. It took into account (i) the fact that the executive management is concentrated in a single person (Chief Executive Officer), (ii) that the Chief Executive Officer accumulates the functions of chairman of the company's board of directors and (iii) reflects the conditions practiced in the market for functions of a similar nature in order to foster adequate talent retention.

The only non-pecuniary benefits of the Managing Director are the use of a vehicle (including fuel and tolls) and life insurance in line with normal market practices.

b. Variable Compensation

Variable compensation is associated with the performance of the Chief Executive Officer. The attribution of variable remuneration takes into account the different degrees of achievement in relation to the specific objectives previously approved, associated with objective, simple, transparent and measurable performance indicators.

As stated in the preamble, the nature of the Company's activity is based on the management of a very minority shareholding in the Brazilian company OI and the recovery of the claim on the company Rio Forte. In this context, its corporate dimension is also very limited, with a staff of only 7 people and with a strong use of specialized consultants, namely in terms of legal services. These characteristics greatly limit the implementation of a variable compensation model that incorporates a *multi-stakeholder* vision. Shareholder value creation is the benchmarking element that can be used consistently over time.

In order to achieve a longer-term vision of value creation, variable remuneration is divided into two tranches, the annual variable remuneration (RVA) and the multi-annual variable remuneration (RVP), under the terms defined below.

The RVA is calculated based on the variation of the PHAROL Total Shareholder Return (TSR) indicator versus the PSI 20 TSR, both calculated based on the average value of the quotations in December of the year of evaluation and December of the previous year:

$$\text{TSR VARIATION} = ((1 + \text{TSR PHAROL}) / (1 + \text{TSR PSI-20}) - 1) \times 100$$

The value of the RVA is obtained, by linear interpolation, from the following table:

TSR VARIATION	% RFA
---------------	-------

Less than – 5 %	0
From – 5% to 0%	15%
Greater than 0% to 5%	30%
Greater than 5% up to 10%	45%
Greater than 10 %	60%

The RVA will be null if the PHAROL TSR in the period is negative by more than 20%.

The RVP is calculated in the same way as the RVA but based on the average value of the closing prices for the month of December 2020 and the month of December 2023.

The PVR value is obtained by linear interpolation from the following table:

TSR VARIATION	% RFA MANAGING DIRECTOR
Up to 0%	0
Greater than 0% to 5%	35%
Greater than 5% up to 10%	70%
Greater than 10% up to 15%	105%
Greater than 15%	140%

PVR will not be applied if the PHAROL RRT in the period is negative by more than 10%.

The RVA of each year will be paid 50% in cash in the month following the approval of the accounts by the Company's General Meeting. The remaining 50% will be deferred for three years and its payment will be subject to verification of the Company's positive performance in the period considered, to be carried out by the Remuneration Committee, which will take into account the financial sustainability and economic situation of the Company, and may take into account exceptional factors that are not under the control of management and that may affect the Company's performance.

The RVP will be paid 50% in cash in the month following the approval of the 2023 accounts by the Company's General Meeting. The remaining 50% will be deferred for three years and its payment will be subject to verification of the Company's positive performance in the period considered, in the manner previously referred to for RVA.

These remuneration principles and the indicator for determining the variable component of remuneration contribute to the company's business strategy, its long-term interests and its sustainability, insofar as:

- a) The introduction of a multi-year component in the variable remuneration determination model reinforces the long-term view of the Company's performance
- b) A ceiling of 107% was defined for the weight of variable compensation in total compensation, thus creating a reasonable balance between the incentive to performance and the non-assumption of excessive risks;
- c) The retention of 50% of both RVA and RVP and only paid if there is a positive performance of the company in the following 3 years introduces an appropriate focus on sustainability and continuity in the management of the Company;
- d) Finally, the criterion defined for determining variable remuneration requires an adequate articulation with the nature of the activity and characteristics of the company, focusing on profitability and the creation of sustained value.

In another context, the inclusion of the employment and remuneration conditions of the company's employees in the remuneration policy was taken into account (and, it should be remembered, the Firm has a staff of 7 people), by defining that both remuneration systems are based on the same principle set out in this policy, the enhancement of market conditions for the functions performed and the enhancement of the acquisition and retention of talent.

3. Assigning Actions and Options

There is no plan for the allocation of shares or options.

4. Supplementary pension or early retirement schemes

There is no system in place for the granting of a supplementary pension or early retirement to any member of the administrative and supervisory bodies.

5. Termination of the Managing Director's duties

In the event that the Managing Director ceases to hold office, for any reason other than dismissal for just cause, the payment of the amounts of variable remuneration determined and deferred may only be made at the time of termination of the management relationship if, until that date, there are sufficient and sustained indications that the Company's performance will be foreseeably positive in the remaining period in such terms that: in all likelihood, they would allow the payment of that deferred component.

6. Variable compensation reversal clause ("clawback")

The reversal by means of the retention and/or return of variable remuneration whose payment already constitutes an acquired right may be required, by resolution of the Remuneration Committee, if (i) there is a judicial conviction of a Director for unlawful action that determines adverse changes in the company's equity situation; (ii) there is serious or fraudulent non-

compliance with the code of conduct or internal regulations with significant impact, or situations that justify just cause for dismissal; (iii) and/or false statements and/or materially relevant errors and omissions in the financial statements to which the manager's conduct has contributed decisively.

7. Signing of contracts and agreements between the Company and members of the management and supervisory bodies

There are not and have never been established or approved by this Committee any agreements regarding payments related to the dismissal or termination of functions of members of management and supervisory bodies, either for cases of dismissal without just cause, or for any form of termination of functions.

In addition, this Commission has defined, in this context, two fundamental principles:

- i) The Directors shall not enter into contracts, either with the Company or with third parties, which have the effect of mitigating the risk inherent in the variability of the remuneration set for them by the Company;
- ii) In the event of dismissal or termination by agreement of the management relationship, when proven to be due to its inadequate performance, no compensation will be paid to the directors.

8. Remuneration of the general meeting board

The Chairman of the Board receives the amount of 4,000 euros per session and the Secretary of 2,000 euros, values already in force in the previous term.

9. Statutory Auditor's remuneration policy

The Company's Statutory Auditor is remunerated in accordance with the normal remuneration practices and conditions for similar services, following the conclusion of a service agreement with the company, upon proposal of the Supervisory Board.

10. Use of consultants

The board of directors provided the remuneration committee with all the conditions so that it could freely contract externally the consultancy services necessary for the exercise of its functions. As in previous years, in 2022 the commission understood that there is no need to use such services, but that, if necessary, it will ensure that they are provided independently and that the respective providers are never hired to provide any other services to the company itself or to others that are in a control or group relationship with it without express authorization from the commission.

Lisbon, February 17, 2023

By the Remuneration Committee

António Gomes Mota"

Code of Ethics and Conduct

The theme of Sustainability

As already mentioned in this Report, the small size of the Firm and the small number of employees determine a close relationship between them and their management bodies. There is a collective awareness that, for this theme, it is necessary to make a commitment to sustainable development with the implementation of practices and policies that reflect environmental, social and governance awareness.

The Firm's management bodies have promoted the responsible use of natural resources and the preservation of the environment, emphasizing eco-efficient management that minimizes the environmental impacts arising from the company's activity and each employee in their daily work. Facing sustainability as part of the Company's strategy, duly supported by its shareholders, is a responsibility assumed by the management of PHAROL, SPS S.A., and by all its employees. The Company's priority is to satisfy the interests of its *stakeholders*, adopting open and transparent relationship policies, namely with its Shareholders, Suppliers and Employees.

It is important to note that the decision-making processes take into account the impact of climate change, although they do not assume, due to the nature and size of the company, a material relevance. In the social sphere, the company values fair working conditions, equal opportunities and close relationships with employees and the community. On an economic level, it adopts responsible and ethical management, oriented towards continuity and long-term sustainability.

Within the scope of the principles of Equality and Diversity and as already mentioned in this Report, the Firm is always very aware of the strict compliance with its Equality Plan, which can be consulted on its website in www.pharol.pt.

Also, with regard to the promotion of culture and knowledge, PHAROL SGPS S.A. has continued to maintain a policy of support and an active presence in relevant institutions of the community in general, such as the Casa da Música Foundation and the Serralves Foundation.

PHAROL's Code of Ethics and Conduct, approved in 2021, represents the set of principles and rules that govern the internal and external relations of PHAROL, SGPS S.A. com its *stakeholders* and was created with the fundamental objective of sharing these principles and rules as well as promoting and encouraging their adoption.

This Code must be interpreted together with the other regulatory instruments of the policies assumed by PHAROL, as well as with the legislation and/or regulation that is, at any time, applicable.

With this Code of Ethics and Conduct, PHAROL, SGPS S.A. has the following fundamental objectives:

- Establish and consolidate relationships of trust between all stakeholders of the Society;
- Clarify, with employees, the rules of conduct that they must scrupulously observe, both in their reciprocal relations and in the relationships that, on behalf of the Company, they establish with shareholders, suppliers, competing companies, regulatory or supervisory authorities, and other interested parties.

The general rules of conduct set out in this Code apply to the employees of PHAROL, SGPS S.A., being understood as such the members of the corporate bodies and other directors, directors, staff and other workers and collaborators in another capacity, and their

implementation is permanently monitored by the company's management bodies.

The full text of the Code of Ethics and Conduct is available for consultation on the Company's official website (www.pharol.pt) and can also be made available through Investor Relations.

Contacts

Investor Relations

Luís Sousa de Macedo
Investor Relations Director
Rua Gorgel do Amaral, nº4, CV Esqª
1250-119 Lisboa,
Portugal
Tel: +351 21 269 7698
Fax: +351 21 269 7949
E-mail: ir@pharol.pt

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

Registered Office

Rua Gorgel do Amaral, nº4, CV Esqª 1250-119 Lisboa, Portugal
Tel: +351 21 269 7690
Registered With The Commercial Registry Office Of Lisbon Under No. 503 215 058