

PHAROL, SGPS S.A. - FIRST HALF RESULTS 2022

- PHAROL's net income in the first half of 2022 was negative at 1.21 million Euros, justified almost entirely by recurring operating costs.
- The company's equity ended the half year at 84.7 million Euros, a reduction of 7.2 million euros compared to December 2021, reflecting (1) the devaluation of the stake in Oi by 8.98 million euros, (2) fitting the sale of shares of the stake in Oi, in the amount of 2.9 million euros and (3) the negative net result in the amount of 1.21 million Euros.
- PHAROL's stake in Oi ended the first half of 2022 valued at 28.7 million euros as a result of the drop in oi's common stock price, equivalent to a 4.66% stake (excluding treasury shares held by Oi itself).

MESSAGE FROM CEO

Luís Palha da Silva

" In addition to the exogenous effects of the Covid 19 pandemic and the outbreak of war in Ukraine, internally, several factors proved detrimental to Oi's stock market performance in the first half of 2022: delay in the completion of the Judicial Recovery, final value of the debt negotiation of the past to Anatel exceeding the general expectations, reduction of 7% in Oi's future stake in V. Tal and announcement of the calculated amount required by Anatel for the migration of contracts concession for authorisation. Less developed developments in the operational area have also contributed to a process of re-evaluating the lower value of Oi shares. This is a process that, given the weight on its balance sheet, Pharol's quote could not escape.

As a result, the possible reactions were the acceleration in the active management policy of the portfolio of shares held at Oi and a renewed effort in cost control."

Highlights

PHAROL

(Euro million)	1H22	1H21
Recurring EBITDA	(1.2)	(1.4)
Net Income	(1.2)	(1.3)
(Euro million)	Jun22	Dec21
Assets	101.4	108.8
Liabilities	16.7	16.8
Equity	84.7	91.9

Contactos

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

CONSOLIDATED

REPORT AND ACCOUNTS

First Semester 2022

PHAROL, SGPS S.A.

CONSOLIDATED REPORT AND ACCOUNTS

FIRST HALF OF 2022

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

01. FINANCIAL REVIEW

CONSOLIDATED RESULTS

As of June 30, 2022, PHAROL held as main assets (1) 277,700,159 common shares of Oi S.A. ("Oi"), representing 4.66% of Oi's total share capital (without treasury shares), (2) 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.

On December 31, 2014, following Oi's capital increase on 5 May 2014, PHAROL held an effective 39.7% stake in Oi, including a stake that was classified as non-current asset held for sale, following the exchange contract ("Exchange") concluded with Oi on September 8, 2014 and executed on March 30, 2015, and the remaining interest of 22.8% that was classified as an investment in joint and associated ventures and consequently recognized according to the equity method.

On 30 March 2015, the exchange was consummated, through which PHAROL (1) transferred to Portugal Telecom International BV ("PT Finance"), a subsidiary of Oi, 47,434,872 common shares and 94,869,744 preferred shares of Oi, and (2) received from PT Finance as counterpart debt instruments from Rio Forte with a nominal value of 897 million Euros and a purchase option on said shares ("Purchase Option"). After the execution of the Exchange, PHAROL now has an effective stake of 27.48% in Oi, corresponding to the aforementioned 22.8% stake, plus 4.7% resulting from the reduction in the number of outstanding shares of Oi.

On July 22, 2015, the relevant documents were signed for the implementation of oi's New Structure, and on September 1, 2015 a General Assembly of Oi approved its implementation.

On September 30, 2015, after the implementation of the New Structure and before the voluntary conversion of preferred shares into Oi common shares, PHAROL held, directly and through subsidiaries, 84,167,978 common shares and 108,016,749 preferred shares of Oi.

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

The parasocial agreements, through which oi's joint control was exercised, ended on July 30, 2015, with the implementation of the New Structure. To that date, PHAROL has recognized its participation in Oi as an investment in joint ventures, and after that date it has become an Associate since PHAROL considered it to have significant influence over Oi. Thus, even after 30 July 2015, the participation in Oi continued to be accounted for in accordance with the equity method, by the economic participation in its oi results.

On April 29 and May 19, 2016, PHAROL, for corporate reorganization reasons only, transferred ownership of the 128,213,478 common shares issued by Oi S.A., directly owned by PHAROL, SGPS S.A., to its 100% owned subsidiary BRATEL B.V.. Thus, the direct participation of BRATEL B.V. (and indirect of PHAROL, SGPS

S.A.) became 183,662,204 common shares of Oi S.A., which represented approximately 22.24% of the total share capital of Oi S.A. (27.18% excluding treasury shares).

On 15 September 2017 and in order to concentrate all its operations in Luxembourg, PHAROL transferred ownership of all shares that BRATEL B.V. had in Oi S.A., to its subsidiary BRATEL S.à.r.l. wholly owned by BRATEL B.V..

In December 2017, and after the decision by the Judgment of the 7th Business Court of the District of the Capital of the State of Rio de Janeiro (before which the Judicial Recovery ("Judgment")) is being processed, which decided to withdraw the rights of the members of the Board of Directors of Oi in the approval of the Judicial Recovery Plan in which Oi is located, it was understood that PHAROL had lost the significant influence it had up to this time in its associate Oi S.A.. Consequently, as of December 31, 2017, PHAROL began accounting for its investment in Oi at market value and classifying it as "Financial Assets".

Oi S.A. in the disclosure of its consolidated results for 2017, announced that it had made an adjustment to its Net Worth on 1 January 2016 and 31 December 2016, in the amounts of R\$ 18 billion and R\$ 19 billion, respectively. Following this adjustment, PHAROL's investment in Oi, being recorded by the equity method, was adjusted and valued by zero in the periods of 1 January 2016 and 31 December 2016, and the respective comparisons were restated.

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

On January 9, 2019, as part of the capital increase by Entry of New Resources, Oi went from 2,340,060,505 shares to a total of 5,954,205,001 shares representing its share capital, with a dilution of PHAROL's stake in Oi to less than 4%, even though it partially monitored the capital increase.

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

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

In the first half of 2022, PHAROL started or implemented its asset rotation strategy, having divested part of its Oi shares and reduced its stake to 4.66% of Oi (without treasury shares).

Consolidated net income in the first half of 2022 represents a loss of 1.21 million Euros and essentially reflects operating costs.

CONSOLIDATED INCOME STATEMENT

CONSOLIDATED INCOME STATEMENT		
	Euro million	
	1H22	1H21
Wages and salaries	0.49	0.66
Supplies, external services and other expenses	0.59	0.68
Indirect taxes	0.07	0.08
Loss before financial results and taxes	(1.15)	(1.42)
Depreciations	0.03	0.04
Earnings before interest and taxes	(1.18)	(1.46)
Net other gains	(0.00)	(0.23)
Loss before financial results and taxes	(1.18)	(1.23)
Net losses on financial assets and other investments	-	-
Net other financial losses (gains)	0.02	0.02
Loss before taxes	(1.20)	(1.26)
Income taxes	0.01	0.01
Attributable to equity holders of PHAROL, SGPS S.A.	(1.21)	(1.27)

Consolidated operating costs amounted to 1.15 million Euros in the first half of 2022 compared to 1.42 million Euros in the first half of 2021, reflecting the cost reduction implemented mainly with the reduction of personnel costs.

In the first half of 2021, other net gains include the refund of income taxes from previous years.

The net income attributable to PHAROL shareholders in the first half of 2022 was a loss of 1.21 million Euros and a loss of 1.27 million Euros in the same period of 2021.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Consolidated Statement of Financial Position		
	Euro million	
	jun-22	31 dec 21
ASSETS		
Cash and cash equivalents	20.22	17.88
Accounts receivable	0.17	0.14
Tangible assets	0.11	0.14
Taxes receivable	0.07	0.06
Financials assets	28.68	38.57
Other assets	52.12	51.98
Total assets	101.36	108.75
LIABILITIES		
Short-term debt	0.14	0.15
Accounts payable	0.22	0.12
Accrued expenses	0.54	0.61
Taxes payable	0.12	0.14
Other liabilities	15.63	15.79
Total liabilities	16.65	16.81
Total equity	84.71	91.94
Total liabilities and shareholders' equity	101.36	108.75

The cash position, net of liabilities is 3.80 million Euros as of June 30, 2022 and 1.27 million Euros as of December 31, 2021.

The financial assets correspond to PHAROL's effective participation in Oi on June 30, 2022 and December 31, 2021, with a value of 28.68 million Euros and 38.57 million Euros, respectively. This devaluation of 9.89 million Euros is mainly explained by the devaluation of Oi's share, net of the appreciation of the Real against the Euro.

The "Other assets" as of June 30, 2022 and December 31, 2021, amounting to 52 million Euros, correspond essentially to the best estimate of the fair values of assets related to debt instruments issued by Rio Forte, whose nominal value amounts to 897 million Euros.

Equity amounts to 84.7 million Euros as of June 30, 2022, compared to 91.94 million Euros as of December 31, 2021, a decrease of 7.23 million Euros, essentially reflecting (1) the negative result generated in the first half of 2022 in the amount of 1.2 million Euros, and (2) the devaluation of the stake in Oi partially offset by the fitting in the disposal of shares.

OI RESULTS KEY HIGHLIGHTS

The information contained in this point comes from the 1Q22 Results Presentation

With the V.TAL transaction closed, Oi completes all the most critical steps in its Transformation Plan, shifting full attention to the new implementation phase.

Strategic Pillars

- CORE BUSINESS Acceleration
 - Fiber Revenue +54.3% A/A
 - Connected Homes +42.9%A/A
 - ICT revenue + 23.7%
 - Launch of FTTR - The new frontier in the customer's home
- New CUSTOMER-CENTRIC model
 - 73% of fiber customers satisfied with customer service
 - 71% e-billing penetration on FTTH base
 - 86% scanning in FTTH customer service
- Development and growth of NEW SOURCES OF REVENUE
 - Non-telecom revenue +65.9% A/A
 - Launch Oi Play TV - OTT TV Content
- CONCESSION - sustainability
 - More than 1,300 legacy stations disabled
 - Discussions with Anatel to reduce regulatory complexity and advance the migration agenda
 - Arbitration Procedures in progress
 - Change from copper to fiber and wireless technology
- SIMPLIFICATION OF THE OPERATING MODEL
 - Capex nova oi no 1Q22 - R\$ 345 mm
 - -7.2% A/A in adjusted Opex reduction in 1Q22 with -10.9% in personnel (reduction of 1,915 employees in 1Q22)

	in R\$ million*		
	1T22	1T21	4T21
Oi S.A.			
Total Net Revenues	4,415	4,453	4,571
EBITDA	1,252	1,139	1,612
EBITDA Margin (%)	28.4%	25.6%	35.3%
Consolidated Net Earnings (Loss)	1,782	-3,038	-1,669
Net Debt	31,420	25,172	32,573
Available Cash	1,983	3,027	3,288
CAPEX	363	1,863	1,951

*Or otherwise stated

	in R\$ million*		
	1T22	1T21	4T21
BRAZIL			
Total Net Revenues	4,383	4,395	4,525
Routine EBITDA	1,220	1,128	1,489
Routine EBITDA Margin (%)	27.8%	25.7%	32.9%
CAPEX	345	1,859	1,948
Routine EBITDA - CAPEX	875	-731	-459

*Or otherwise stated

02. MAIN EVENTS

Below we list the events that occurred between January 1, 2022 and July 26, 2022, which can be analyzed in more detail and are published in full on the PHAROL website (www.pharol.pt).

QUALIFYING PARTICIPATIONS AT PHAROL

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

Jan 11, 2022 | Grupo Visabeira SGPS, S.A. reported that it sold a total of 780,000 shares on the stock exchange, representing 0.0870% of PHAROL's share capital and voting rights.

As a result of the sales, Grupo Visabeira SGPS, S.A. now holds 9,187,041 shares, representing 1.0248% of PHAROL's share capital and voting rights. He also reported that the existing shares are considered attributable to Fernando Campos Nunes (NIF: 175,776,083).

PHAROL CORPORATE EVENTS

Below we list the main corporate events of PHAROL and Oi:

Mar 25, 2022 | PHAROL reported that the PHAROL General Meeting was held where it was decided by the Shareholders to approve:

POINT ONE: The management report, the balance sheet and the individual accounts for the financial year 2021;

POINT TWO: The management report, the balance sheet and consolidated accounts for the financial year 2021;

POINT THREE: The proposal to implement results;

POINT FOUR: The general assessment of the company's administration and supervision;

POINT FIVE: The acquisition and disposal of own shares;

POINT SIX: The statement of the Remuneration Committee on the remuneration policy of the members of the company's management and supervisory bodies.

OTHER RELEVANT PHAROL EVENTS

Below we list other relevant PHAROL events:

Jan 25, 2022 | PHAROL reported that it was notified by the European Commission of the amendment to the decision taken on 23 January 2013 that it imposed a fine on Portugal Telecom for alleged infringement of competition rules. The recalculation of the fine is less than that stipulated in 2013 and since that date deposited at the order of the European Commission. This new Decision does not thus imply any impact on PHAROL's Treasury or Results. PHAROL also said that it is examining this new decision by the European Commission and considering the need for a possible reaction.

Feb 15, 2022 | PHAROL reported on disclosure of the Report of judicial administrators in the insolvency proceedings of Rio Forte (Rapport n°20 des Curateurs), for December 31, 2021, available in www.espiritosantoinsolvencies.lu

RELEVANT EVENTS OI

Below we list other relevant events of Oi:

Jan 4, 2022 | Oi reported that it approved the call for a General Meeting of shareholders, to be held, in the first call, on January 27, 2022, to deliberate on the proposal for the incorporation by the Company of its subsidiary Oi Móvel S.A. – In Judicial Recovery, in line with the plan for judicial recovery and its addition, approved at the General Meeting approved by the judgment of the 7th Business Court of the District of the Capital of the State of Rio de Janeiro.

Jan 14, 2022 | Oi reported that the Company's Annual General Meeting will be held on April 29, 2022.

Jan 27, 2022 | Oi released the minutes of extraordinary general meeting of this date.

Feb 10, 2022 | Oi informed that the Court of the Administrative Council for the Defense of Competition (CADE), in resolution at the 190th Ordinary Session of Judgment held on this date, approved the operation of disposal of UPI Ativos Móveis ("Operation") by The Company and Oi Móvel S.A. – In Judicial Recovery for the companies Claro S.A, Telefônica Brasil S.A and Tim S.A., conditional on the conclusion and compliance with the Merger Control Agreement. As soon as the Certificate of Judgment is available, the Company will disclose its entire content.

Feb 14, 2022 | Oi reported that as of this date, it became effective to cancel the Company's registration with the U.S. Securities and Exchange Commission ("SEC"). As previously reported, your common and preferred ADRs¹ are being traded on the over-the-counter market in the United States under the trading code "OIBZQ" and OIBRQ, respectively. The Company also clarifies (i) that the cancellation of Oi's registration with the SEC does not impact the listing of the Company's shares in B3, and Oi is subject to the disclosure obligations applicable under Brazilian law and regulations; and (ii) that it will continue to disclose its periodic reports, annual and interim results, and communications as required by applicable law and regulation on its investor relations website (ri.oi.com.br), including in English. Oi reserves the right, for any reason and at any time, to change your plans in this regard.

Feb 22, 2022 | Oi reported that the Board of Directors approved the increase in the Company's share capital, for private subscription, within the limit of authorized capital.

26 Feb/2022 | Oi reported the date of disclosure of 4Q21 Results.

26 Feb/2022 | Oi informed the right temporary suspension of the quota requirement above R \$ 1.00.

Mar 30, 2022 | Oi reported that the new release date for the fourth quarter 2021 results will be on April 27, 2022, after the market closes, and the conference to present and discuss the company's 4Q21 results on April 28.

Mar 30, 2022 | Oi communicated to the market the Call Notice of the Ordinary and Extraordinary General Meeting scheduled for 04/29/2022.

Apr 13, 2022 | Oi reported on the Senior Guaranteed Notes Overtake Offer due in 2026.

Apr 21, 2022 | Oi reported the closing of the Public Offer for The Acquisition of Notes with Senior Guarantee due in 2026.

Apr 21, 2022 | Oi reported the closure ofupi'sDivestment operation Moving Assets.

Apr 28, 2022 | Oi reported that the new date of disclosure of the results of the fourth quarter of 2021 will be on May 4, 2022, after the market close, as postponed in the Material Fact of April 26, and the conference to present and discuss the results of the company's 4Q21 on May 5.

May 5, 2022 | Oi released the results of 4Q21.

May 5, 2022 | Oi communicated to the market the Call Noticeof theExtraordinary General Meeting scheduled for 06/06/2022.

May 6, 2022 | Oi reported that he became aware that the National Telecommunications Agency – Anatel, in deliberation at the 912nd Meeting of the Board of Directors, granted prior consent to the divestment operation, by The Company and Oi Móvel S.A. – In Judicial Recovery (succeeded by incorporation by Oi) for Globenet Cabos Submarinos S.A., of shares representative of the control of Brasil Telecom Comunicação Multimídia S.A. . ("Operation"), subject to compliance with certain conditions commonly established by Anatel.

May 11, 2022 | Oi reported the postponement of the disclosure ofthe results of 1Q21 for the reasons already disclosed to the market through the Relevant Facts of 25.03.2022 and 26.04.2022, among which stand out (i) the complexity of the works of segregation of assets in the three SPEs that integrate the UPI Mobile Assets, including the need to prepare its financial statements, based date of February 2022; (ii) the need to obtain opinions from the independent auditors for the financial statements of the three SPEs that are part of UPI Ativos Móveis; as well as (iii) the impacts of the sale of UPI Ativos Móveis, the sale of control of UPI InfraCo in the preparation of the Company's financial statements, and, consequently, in the opinion of the independent auditors in relation to Oi's financial statements, the Company informs that it will also be necessary to complete the preparation of the Quarterly Information Form (ITR) for March 31, 2022 and announces the change of the date of disclosure of said ITR, from May 12, 2022 to June 21, 2022, in order to ensure the disclosure of accurate, consistent and complete information to shareholders and the market.

1 Jun/ 2022 | Oi informs you about the Postponement of the Filing of the Reference Form.

1 Jun/ 2022 | informs its shareholders and the market in general that it has received, on this date, Letter B3 207/2022-DIE ("Office") of B3 S.A. – Brazil, Bolsa, Balcão ("B3"), informing the approval of the new reconsideration request submitted by the Company in relation to Letter 61.2022-SLS, by which B3 had requested the disclosure of the procedures and schedule for framing the quotation of the Company's shares in an amount equal to or greater than R\$1.00.

1 Jun/ 2022 | Oi communicated to the market the Transaction Instrument concluded with Anatel. On this date informs its shareholders and the market in general that it has concluded, with the National Telecommunications Agency ("Anatel"), represented, in the form of the Law, by the Attorney General of the Union - AGU, Instrument of Renegotiation and Transaction on non-tax debts of Oi (including as successor by incorporation of Telemar Norte Leste S/A – Em Recuperação Judicial e Oi Móvel S/A – Em Recuperação Judicial) with Anatel ("Instrument of Renegotiation and Transaction"), registered in Active Debt of the Union until the date of conclusion of the Instrument of Renegotiation and Transaction, in the total amount of R\$ 20,237,715,290.06 (twenty billion, two hundred and thirty-seven million, seven hundred and fifteen thousand, two hundred and ninety reais and six cents), pursuant to Law No. 13,988/20 c/c with Law No. 14,112/2020, already included all fines, applicable late payment charges and interest.

Jun 21, 2022 | Oi reported the postponement of the disclosure ofthe results ofthe 1Q21 as a result of the postponement of the disclosure of the Financial Statements 2021 for the reasons already exposed to the market through the Material Facts of 03.25.2022 and 26.04.2022, among which stand out (i) the complexity of asset segregation work in the three SPEs that integrate UPI Móveis Assets and the need to obtain opinions from independent auditors for the respective financial statements of the three SPEs and (ii) the completion

of the sale of UPI Ativos Móveis and the sale of control of UPI InfraCo with the consequent impacts on the preparation of the Company's financial statements, and, consequently, in the audit of Oi's financial statements, the Company informs that an additional period will be required for the completion of the preparation of the Quarterly Information Form (ITR) for March 31, 2022, including the limited review of the new independent auditor, and announces the change in the date of disclosure of said ITR from 21 June 2022 to 28 June 2022 to ensure the disclosure of accurate, consistent and complete information to shareholders and the market.

Jun 29, 2022 | Oi released the results of 1 T22.

1/Jul/2022 | Oi informed its shareholders and the market in general that Mr. Roger Solé Rafols, for personal reasons, presented on this date his resignation as a member of the Company's Board of Directors, also extending to the positions of Coordinator of the Committee for Innovation and Digital Transformation - CITD and member of the Transformation Committee, Strategy and Investments - CTEI.

03. MAIN RISKS AND UNCERTAINTIES

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

Macro Risk	Sub-Risk	Description
Economic Risk	Oi Performance	Already with Oi in current management (although still formally in Judicial Recovery) and in the implementation of its Strategic Plan, the main risk that PHAROL is subject through its Oi Asset stems from oi's financial and operational performance, namely its ability to execute the asset sales plan and generate results and cash flow and pay dividends. Consequently, Pharol's performance through Oi is also subject to and dependent on the performance of the Brazilian economy.
	COVID-19/Ukraine War	PHAROL is subject to the potential economic shocks that a pandemic and war can cause in the economies in which the COMPANY operates and may have a direct effect on the market value of the assets in which PHAROL has a stake, as well as on interest rates and inflation in their economies.
	Information Security	PHAROL is exposed daily to security risks, including the availability, integrity, and confidentiality of information.
Financial Risks	Foreign exchange	Exchange rate risks are essentially related to PHAROL's investments in Oi (Brazil). Any exchange variations in the real against the euro affect the valuation of the shares held by PHAROL and the subsidiary's operations in that country, thus reflecting the results and the equity situation of PHAROL itself. The Company's policy is not to cover the value of the financial investment.
	Exchange Rates	Interest rate risks are essentially related to interest borne and obtained with debt and in financial investments at variable interest rates. PHAROL is indirectly exposed to these risks in Brazil. It should be noted that PHAROL has no bank debt as of 30 June 2022. Market interest rates also affect the discount rates used for the purpose of undertesting the various assets of the entity.
	Treasury Investments - Credit and Liquidity	PHAROL is mainly subject to credit risks in its treasury applications. In order to dilute these risks, in July 2014 the Board of Directors defined a policy for treasury applications and this policy has reviewed in 2019.
	Default by Rio Forte as to the reimbursement of the instruments that PHAROL holds following the execution of the Exchange	The Rio Forte Instruments currently held by PHAROL are not guaranteed by assets. Therefore, even if there are amounts available for repayment of Rio Forte's creditors, PHAROL's right to repayment will be shared pro rata with the other unsecured creditors of Rio Forte and only after the repayment of all debts to any secured creditors and confirmation of the validation of the claims. PHAROL annually evaluates this instrument, with monitoring by the Fiscal Council, External Audit and ROC.
Legal-Legal Risks	Court proceedings	The Board of Directors subcontracts the risk analysis of legal proceedings to lawyers and external consultants, in order to know, for each, what its assessment of the liability of PHAROL (probable occurrence, possible or remote), the state of the process, the amounts involved, provisioned and paid and what steps to take in defense of PHAROL's interests.

	<p>Disputes or investigations initiated under the Rio Forte Instruments or the Business Combination</p>	<p>PHAROL may incur liability in the context of future disputes or other proceedings and incur defense costs in such disputes or other proceedings. Any liability incarnatised may adversely affect PHAROL's financial situation.</p>
	<p>Tax contingencies</p>	<p>In accordance with the contracts concluded with Oi, it is for oi to pay the liabilities arising from the tax contingencies arising until 5 May 2014, despite the fact that PHAROL is also jointly and severally liable.</p>

04. QUALIFYING HOLDINGS

QUALIFYING SHARES

As of June 30, 2022, the stakes of qualified shareholders represented 19.56% of PHAROL's share capital, as follows:

REPORT DATE	SHAREHOLDERS	No, no, no, OF SHARES	% OF CAPITAL	% VOTING RIGHTS
31/05/2012	Telemar Norte Leste S.A.*	89.651.205	10,00%	10,00%
*Telemar was incorporated on May 3, 2021 into Oi S.A.				
	Total attributable	89.651.205	10,00%	10,00%
02/04/2018	Novo Banco S.A.	85.665.125	9,56%	9,56%
	Bluntly	85.665.125		
	Shares held by companies in a domain or group relationship with Novo Banco, S.A.	916		
	Shares held by leaders and members of the Governing Bodies	595		
	Total attributable	85.666.636	9,56%	9,56%

THE BOARD MEMBERS AND SUPERVISORY BODIES SHAREHOLDINGS

Under the terms of article 9, number 1 c), of Regulation number 5/2008 of CMVM, the following information is presented with respect to the qualified holdings held by the board members and supervisory bodies in PHAROL's share capital, which the company was informed about regarding June 30, 2022 or the previous date, as indicated:

Board of Directors

- Luís Maria Viana Palha da Silva owns 200,000 shares of PHAROL. He was appointed administrator of PHAROL on 29 May 2015.
- Ana Cristina Ferreira Dias, designated by Novo Banco, S.A., to hold the position in her own name, does not hold any securities of PHAROL or other companies that are with her in a domain or group relationship. She was appointed administrator of PHAROL on April 30, 2021. He serves as a director at Novo Banco, S.A.
- Avelino Cândido Rodrigues, appointed by Oi, S.A., to hold the position in his own name, does not hold any securities of PHAROL or other companies that are with him in a domain or group relationship. He was appointed administrator of PHAROL on February 8, 2019.
- Maria do Rosário Amado Pinto Correia owns 40 shares of PHAROL. She was co-opted as a PHAROL administrator on September 2, 2015.

- Maria Leonor Martins Ribeiro Modesto does not hold any securities of PHAROL or other companies with it in a domain or group relationship. She was appointed administrator of PHAROL on 7 September 2018.
- Pedro Zañartu Gubert Morais Leitão does not hold any securities of PHAROL or other companies with it in a domain or group relationship. He was appointed administrator of PHAROL on 29 May 2015.

Fiscal Council

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

- José Eduardo Fragoso Tavares of Bettencourt
- Isabel Maria Beja Gonçalves New
- Joao Manuel Pisco
- Paulo Ribeiro da Silva

Deputy Administrator

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

Statutory Auditor

Statutory Auditors do not hold PHAROL shares.

- ROC effective - BDO & Associados - SROC, represented by Ana Gabriela Barata de Almeida
- Alternate ROC - António José Correia de Pina Fonseca

05. STRATEGIC PROFILE AND FUTURE OUTLOOK

Management Guidelines

Earlier this year, in the process of completing a Judicial Recovery process, Oi, Pharol's main asset, seemed to have significant revaluation potential in the short, medium and long term. Some steps required for the execution of the strategy of concentration in the most promising sector market in Brazil - FTTH (Fiber to the Home) - namely in the chapter of sales of assets considered non core, were executed and completed, with emphasis on the sale of the mobile telephony and network infrastructure businesses.

Several factors, however, negatively affected Oi's stock market behaviour throughout the semester: from the outset, exogenously, and even decreasingly, the effects of the Covid-19 pandemic continued to be felt; on the other hand, the outbreak of war in Ukraine was reflected in a decrease in the pace of global growth in economies.

In the internal sphere, the repeated delay in the completion of the Judicial Recovery and the disappointing results obtained at various times, such as the negotiation of past debts to Anatel, the sale of fiber infrastructure, which resulted in a 7% reduction in Oi's future stake in V. Tal, were very damaging. and the publication of the calculation of the amount required by Anatel for the migration of concession contracts for authorization, which totals R\$ 12 billion. Add to these factors less achieved developments in the operational area in new revenues and cost control, which, undermining the company's treasury, have somewhat disappointed the market. As a result, a process of revaluation of the value of Oi shares began, with one of the houses closely monitoring Oi's presence on Bovespa reduced its target price to less than R\$1.

The fall in Oi's share price in the first half, of 26% in Reais and 14% in €, led to an acceleration in the active management policy of the portfolio of shares held by Pharol and, in this period, the share decreased from 5.38% to 4.66%.

The Board of Directors, as so far, will keep in permanent observation the evolution of Oi's quotations, so that, in order to create value for shareholders, can make timely decisions to manage the size of this participation and to define timetable for buying or selling operations in the market.

In the management of the Rio Forte chapter, the different processes in which Pharol is involved are slowly in the Luxembourg and Portuguese judicial spheres. Successive postponements in both jurisdictions are still penalising and frustrating for those who are internally concerned, but PHAROL will continue to struggle uncompromisingly for the defense of the interests of its Shareholders and for the compensation of losses suffered. At the same time, if they arise, it will not fail to examine hypotheses of disposal of the real and potentially existing claims in these proceedings.

Pharol's treasury management was based until 2021 on high prudence and a relatively small sacrifice of profitability. More recently, however, the interest rate gap between traditional banking applications and those of direct investments in other fixed income assets has been accentuated. Recognizing this evolution, Pharol has been analyzing the possibility of diversification of investments, particularly in *bonds with investment grade rating*, and the second half of this year should already bring some evolution in this matter.

The path of reduction of operating costs continued in the first half of 2022. Change of offices, some decrease in staff and, above all, a reduction in remuneration decided voluntarily by Corporate Bodies and Directors of Pharol began to show and have full effect in the second half.

06. STATEMENT BY THE BOARD OF DIRECTORS

For the purposes of Article 29j(1)(c) of the Securities Code, the members of the Board of Directors of PHAROL, SGPS, SA, identified below, declare, in the quality and in the context of their functions as referred to therein, that, to the best of their knowledge and based on the information to which they have had access within the Board of Directors, as applicable, in the performance of their duties:

- The financial statements for the first half of 2022 were prepared in legal terms in compliance with the minimum elements provided for in IAS 34 – Interim Financial Report giving a true and appropriate picture of assets and liabilities, financial situation and results of PHAROL, SGPS, SA and the companies included in the respective consolidation perimeter;
- The interim management report accurately sets out in indicative terms the important events that occurred in the first half of 2022 and their impact on their financial statements containing a correct description of the main risks and uncertainties for the second half of this financial year.

Lisbon, 29 July 2022

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

Ana Cristina Ferreira Dias, Non-Executive Director

Avelino Cândido Rodrigues, Non-Executive Director

Maria do Rosário Amado Pinto Correia, Non-Executive Director

Maria Leonor Martins Ribeiro Modesto, Non-Executive Director

Pedro Zañartu Gubert Morais Leitão, Non-executive director

PHAROL, SGPS S.A.

FINANCIAL STATEMENTS AND ATTACHED NOTES

07. CONSOLIDATED FINANCIAL STATEMENTS

FINANCIAL STATEMENTS

PHAROL, SGPS S.A.			
CONSOLIDATED INCOME STATEMENT			
PERIODS ENDED JUNE 30, 2022 AND 2021			
	Notes	1H22	Euro 1H21
COSTS, LOSSES AND (INCOME)			
Wages and salaries	5	486,027	657,889
Supplies, external services and other expenses	6	594,855	684,874
Indirect taxes	7	74,208	79,921
Depreciation		25,526	41,952
Net other losses (gains)	8	(323)	(230,182)
		1,180,294	1,234,454
Income (loss) before financial results and taxes		(1,180,294)	(1,234,454)
FINANCIAL LOSSES AND (GAINS)			
Net interest income	9	(821)	-
Net foreign currency exchange losses		(4,158)	(611)
Net losses on other non-current assets		-	-
Net other financial expenses		21,284	24,367
		16,305	23,756
Income (loss) before taxes		(1,196,599)	(1,258,210)
Income taxes	10	12,503	14,370
NET INCOME		(1,209,102)	(1,272,580)
Attributable to equity holders of the parent		(1,209,102)	(1,272,580)
Earnings per share			
Basic and Diluted	11	(0.00)	(0.00)

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
PERIODS ENDED JUNE 30, 2022 AND 2021

	Notes	1H22	Euro 1H21
Net Income recognised in the income statement		(1,209,102)	(1,272,580)
Income (expenses) recognised directly in shareholders' equity			
Items that may be reclassified subsequently to the income statement			
Foreign currency translation adjustments		746	7,067
Gains (expenses) recorded in shareholders' equity related to joint ventures			
Items that will not be reclassified to the income statement			
Gains (losses) on financial assets at fair value		(6,029,944)	(27,935,333)
Total earnings recognised directly in shareholders' equity		(6,029,198)	(27,928,266)
Total comprehensive income		(7,238,300)	(29,200,846)
Attributable to shareholders of PHAROL SGPS		(7,238,300)	(29,200,846)

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

PHAROL, SGPS S.A.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
PERIODS ENDED JUNE 30, 2022 AND DECEMBER 31, 2021**

	Notes	jun-22	Euro 31 dec 21
ASSETS			
Current Assets			
Cash and cash equivalents	16	20,217,582	17,875,543
Accounts receivable		166,403	137,952
Taxes receivable		65,789	59,486
Prepaid expenses		217,129	70,217
Total current assets		20,666,902	18,143,198
Non-Current Assets			
Tangible assets		108,763	135,207
Financials assets	12	28,676,924	38,565,494
Other non-current assets	13	51,907,226	51,906,667
Total non-current assets		80,692,913	90,607,367
Total assets		101,359,815	108,750,565
LIABILITIES			
Current Liabilities			
Accounts payable	14	220,266	115,821
Accrued expenses	15	544,251	605,452
Taxes payable		116,115	137,215
Other current liabilities		15,634,035	15,794,573
Total current liabilities		16,514,667	16,653,060
Non-Current Liabilities			
Medium and long-term debt		139,179	153,235
Total non-current liabilities		139,179	153,235
Total liabilities		16,653,845	16,806,295
SHAREHOLDERS' EQUITY			
Share capital		26,895,375	26,895,375
Treasury shares		(164,809,193)	(164,809,193)
Legal reserve		6,773,139	6,773,139
Reserve for treasury shares		171,779,820	171,779,820
Other reserves and accumulated earnings		44,066,828	51,305,128
Total equity		84,705,969	91,944,270
Total liabilities and shareholders' equity		101,359,815	108,750,565

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

PHAROL, SGPS S.A.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
PERIODS ENDED JUNE 30, 2022 AND DECEMBER 31, 2021

Euro

	Share capital	Treasury shares	Legal reserve	Reserve for treasury shares	Other reserves and accumulated earnings	Equity excluding non-controlling interests	Total equity
Balance as at December 31, 2020	26,895,375	(184,873,844)	6,773,139	191,844,164	124,733,759	165,372,593	165,372,593
Disposal of own shares	-	(1,282,867)	-	1,283,174	(1,283,174)	(1,282,867)	(1,282,867)
Disposal of own shares	-	21,347,518	-	(21,347,518)	901,556	901,556	901,556
Income (expenses) recognized directly in equity	-	-	-	-	(70,685,921)	(70,685,921)	(70,685,921)
Income recognized in the income statement	-	-	-	-	(2,361,092)	(2,361,092)	(2,361,092)
Balance as at December 31, 2021	26,895,375	(164,809,193)	6,773,139	171,779,820	51,305,128	91,944,270	91,944,270
Balance as at December 31, 2021	26,895,375	(164,809,193)	6,773,139	171,779,820	51,305,128	91,944,270	91,944,270
Disposal of own shares	-	-	-	-	-	-	-
Disposal of own shares	-	-	-	-	-	-	-
Income (expenses) recognized directly in equity	-	-	-	-	(6,029,198)	(6,029,198)	(6,029,198)
Income recognized in the income statement	-	-	-	-	(1,209,102)	(1,209,102)	(1,209,102)
Balance as at June 30, 2022	26,895,375	(164,809,193)	6,773,139	171,779,820	44,066,828	84,705,970	84,705,970

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

PHAROL, SGPS S.A.

**CONSOLIDATED STATEMENT OF CASH FLOWS
PERIODS ENDED JUNE 30, 2022 AND 2021**

	Notes	1H22	Euro 1H21
OPERATING ACTIVITIES			
Payments to suppliers	16.a	(751,717)	(1,109,070)
Payments to employees		(529,367)	(647,587)
Payments relating to income taxes		(30,033)	-
Other cash receipts, net		(184,039)	(80,759)
Cash flows from operating activities (1)		(1,495,157)	(1,837,416)
INVESTING ACTIVITIES			
Cash receipts resulting from:			
Short-term financial applications		-	-
Tangible and intangible assets		-	-
Interest and related income		821	-
Capital gains and other equity instruments	16.b	3,838,152	1,840,994
		3,838,973	1,840,994
Payments resulting from:			
Short-term financial applications		-	-
Financial investments		-	-
Tangible and intangible assets		(219)	(45,260)
Realizações de capital e outros instrumentos de capital próprio		-	-
		(219)	(45,260)
Cash flows from investing activities (2)		3,838,754	1,795,733
FINANCING ACTIVITIES			
Cash receipts resulting from:			
Other financing activities		-	38,803
		-	38,803
Payments resulting from:			
Loans repaid		(5,024)	-
Interest and related expenses		(8,761)	(15,883)
Purchase of own shares	16.c	-	(1,282,867)
		(13,785)	(1,298,750)
Cash flows from financing activities (3)		(13,785)	(1,259,947)
Cash and cash equivalents at the beginning of the period		17,875,543	20,729,910
Change in cash and cash equivalents (4)=(1)+(2)+(3)		2,329,812	(1,301,630)
Effect of exchange differences		12,226	45,404
Cash and cash equivalents at the end of the period	16.d	20,217,581	19,473,683

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2022.

(amounts expressed in Euros unless otherwise indicated)

1. Introduction

As of June 30, 2022, PHAROL indirectly holds 277,700,159 common shares , representing 4.66% of Oi's total share capital (excluding treasury shares). Based on the agreements concluded on 30 March 2015 between PHAROL and Oi, PHAROL currently holds Rio Forte's debt instruments with a nominal value of 897 million Euros and currently valued at 51.9 million euros.

2. Presentation bases

These interim consolidated financial statements were presented in accordance with IAS 34 Interim Financial Report ("IAS 34"). Consequently, these financial statements do not include all the information required by the International Financial Reporting Standards ("IFRS") as adopted by the European Union and should therefore be read in conjunction with the consolidated financial statements for the year ended 31 December 2021. In addition, further explanations of the main variations in income and costs are disclosed in the interim management report, so these interim consolidated financial statements should be read together with that management report. The interim financial information now disclosed has not been subject to external audit or limited review.

3. Accounting policy changes

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

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

As of 30 June 2022 and 31 December 2021, assets and liabilities expressed in major foreign currencies were converted to Euros on the basis of the following exchange rates for the Euro:

Currency	30 jun 22	31 dec 21
Real	5.4229	6.3101
USD	1.0387	1.1326

As of June 30, 2022 and 2021, the income statements and cash flows of subsidiaries and jointly controlled companies expressed in foreign currency were converted to Euros based on the following average exchange rates:

Currency	1H22	1H21
Real	5.5684	6.4902
USD	1.0942	1.2053

5. Wages and Salaries

For the six months ended June 30, 2022 and 2021, this item presents the following composition:

	1H22	Euro 1H21
Fixed and variable remuneration	392,919	534,121
Social security	77,764	102,616
Other	15,344	21,152
	486,027	657,889

6. Supplies, external services and other expenses

For the six months ended June 30, 2022 and 2021, this item presents the following composition:

	1H22	Euro 1H21
Specialized work (i)	284,546	399,897
Insurance	143,267	142,096
Travel	12,635	1,601
Other	154,407	141,281
	594,855	684,874

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

7. Indirect taxes and Net other losses (gains)

For the six months ended June 30, 2022 and 2021, this item presents the following composition:

	1H22	Euro 1H21
VAT	72,776	79,424
Other	1,431	497
	74,208	79,921

8. Other losses (gains), net

In the six months ended 30 June 2021, this item shows a gain of EUR 230,000, the amount of which relates to the refund of income taxes from previous years.

9. Interest earned, net

For the six months ended June 30, 2022 and 2021, this item presents the following composition:

	1H22	Euro 1H21
Net interest earned		
Related to cash and cash equivalents (i)	(821)	-
Other	-	-
	(821)	-

(i) Interest obtained relates primarily to investments in Term Deposits made by PHAROL SGPS.

10. Taxes and rates

In 2022, companies located in Mainland Portugal are taxed in the company's Corporate Income Tax at the base rate of 21.0% plus (1) a Municipal Spill of up to a maximum of 1.5% on the tax base, and (2) a State Spill of 3.0% applicable on taxable profit between 1.5 million euros and 7.5 million euros, applicable 5.0% on taxable income of between EUR 7.5 million and EUR 35 million, and 9.0% applicable on taxable profit exceeding EUR 35 million, resulting in an aggregate maximum rate of approximately 31.5% for taxable profits exceeding EUR 35 million. In the calculation of taxable income, to which the tax rate is applied, non-tax-accepted expenditure and income are increased or deducted from the accounting results.

For the six months ended June 30, 2022 and 2021, this item presents the following composition:

	1H22	Euro 1H21
Income tax		
Income tax - current	12,503	14,370
	12,503	14,370

Having been calculated tax losses in the years 2022 and 2021, the current tax above reflects only the autonomous taxation that is related to expenses with light vehicles and representation expenses.

11. Earnings per Shares

Earnings per share for the six months ended June 30, 2022 and 2021 were calculated as follows:

		1H22	Euro 1H21
Net loss attributable to equity holders of Pharol	(1)	(1,209,102)	(1,272,580)
Weighted average common shares outstanding in the period	(2)	821,756,654	816,928,421
Earnings per share from continuing operations			
Basic and diluted	(1)/(2)	(0.00)	(0.00)

12. Financial assets

This item corresponds to the investment in Oi, which from December 2017 began to be measured at its fair value. Until that date, Oi was classified as associated and measured by the equity method.

On September 8, 2014, PHAROL concluded with Oi the Exchange of a portion of Oi's shares held directly by PHAROL by Rio Forte debt securities and a Purchase Option on those shares. This contract was executed on 30 March 2015 after all necessary approvals were obtained. As a result of the agreement concluded on September 8, 2014, the portion of the investment in Oi to be delivered under the exchange contract was classified as non-current asset held for sale and measured at its fair value based on oi's share price up to the date of the Exchange. The remaining stake of 22.8%, including the 15.9% and 3.0% stakes held directly by PHAROL and Bratel Brasil, respectively, and the 3.9% stake held indirectly through Oi's parent holding companies, remained classified as an investment in joint ventures and measured according to the equity method. After the execution of the Exchange on March 30, 2015, this participation came to represent 27.5%.

As a result of Oi's New Structure, the parasocial agreements through which oi's joint control was exercised ended on 30 July 2015. The simplification of the structure occurred on September 1, 2015, allowing Oi to incorporate assets at fair value that until then were not recognized by the holding entities.

As a result of the operation, PHAROL's effective participation in Oi's results decreased from 27.5% to 27.4%. Additionally, during the third quarter of 2015, the new statutes were approved, which, among other amendments, introduced the limitation of the voting rights of any shareholder to 15%.

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

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

However, in December 2017, and after the decision by the Judgment of the 7th Business Court of the District of the Capital of the State of Rio de Janeiro, before which the Judicial Recovery ("Judgment" is being processed, which decided to withdraw the rights of the members of the Board of Directors of Oi in the approval of the Judicial Recovery Plan in which the company is located, and subsequent events, it was understood that PHAROL lost the significant influence it had up to this time in its associate Oi S.A.

Consequently, since December 31, 2017, PHAROL has been accounting for its investment in Oi at market value, and has been classified as "Financial Assets".

Thus, on June 30, 2022 and 31 December 2021, the value of the Oi investment is as follows:

		1H22	31 dec 21
Stock Price Oi (ON)	<i>R\$</i>	0.56	0.76
Stock Price Oi (PN)	<i>R\$</i>	1.1	1.28
Shares Outstanding (ON)	<i>Million</i>	5,801	5,796
Shares Outstanding (PN)	<i>Million</i>	156	156
Market Cap.	<i>R\$ Million</i>	3,420	4,605
Number of shares owned by PHAROL (ON)	<i>Million</i>	277.7	320.2
Number of shares owned by PHAROL (PN)	<i>Million</i>	-	-
% Participation	<i>%</i>	4.66%	5.38%
Market value R\$	<i>R\$ Million</i>	155.5	243.4
Market value Eur.	<i>Eur. Million</i>	28.7	38.6

13. Other non-current assets

As of June 30, 2022, this item includes an estimated future recovery of approximately EUR 51.9 million for debt instruments issued by Rio Forte.

With regard to the debt instruments issued by Rio Forte, after having become aware of the Report of the Judicial Administrators in the insolvency proceedings of Rio Forte (Rapport n°4 des Curateurs), dated August 31, 2016, available in www.espiritasantoinsolvencies.lu, PHAROL has taken steps to determine the financial, accounting and legal implications of that contained in paragraph 2.1.6., which is transcribe in free translation:

"Predictable recovery

The information currently available to the Judicial Administrators does not allow an estimate, either of the full recovery, nor of the recovery to be carried out by the company in bankruptcy proceedings.

It cannot be ruled out that the seizure of the judiciary and the possible rights of third parties involved will prevent, in a prolonged or even definitive way, the mass of bankruptcy recovers and distributes certain assets. In fact, it is not excluded that the judicial authorities are intended to confiscate the assets now seized."

PHAROL's Management, after the appropriate steps and supported by the analysis of its advisors concluded on that date, by a principle of prudence, that the expected values of recovery of assets by the mass of the insolvent and, consequently, by PHAROL to Rio Forte were reduced. PHAROL's investment in Rio Forte 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 deducted from any impairment losses. Based on the basic principles set out in IAS 39 (now IFRS 9), the Administration, based on the information available, used its judgment in the definition of assumptions that culminated in an appreciation of credit on Rio Forte at 85.7 million Euros at 31 December 2016. This reflects an appreciation of about 9.5% of the nominal value, against approximately 15% of the nominal value at 31 December 2015, which determined the accounting of an oddity 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 was higher than previously considered, the debt recovery valuation was revised

again lower, having registered 8.32% recovery, which is equivalent to a reduction of 11.1 million Euros to the amount of 74.6 million Euros. As at 31 December 2018 the debt recovery value remained at 8.32%.

In April 2019 and 5 years after the entry of the claim on Rio Forte, a new report by the Judicial Administrators was released on April 30, which indicated essentially: 1) postponement of the results of the conclusion of the administrative analysis of debt statements; and 2) a low review of the value of Rio Forte's assets in Latin America; thus, on the basis of these new factors, the debt recovery valuation was once again revised down, with a 7.19% recovery in 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 on December 31, 2019, it was once again revised downwards, and the value of 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 further revision of the recovery of nominal value was carried out to 5.79%, mainly 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 June 30, 2022, considering the maintenance of the main valuation factors of Rio Forte's Assets, and, with no evolution in the amount of debts claimed, the expected recovery value of Rio Forte's nominal debt remained unchanged at 5.79% equivalent to 51.9 million Euros.

In addition, and also in the context of the credit against Rio Forte, PHAROL in December 2017 was aware of a statement from the trustees of Espírito Santo International, S.A. ("ESI") by which they declare that this bankrupt company will evaluate the possibility of suing PHAROL in court, seeking the conviction of THE Latter in the reimbursement of 750 million Euros, without specifying the grounds for that application.

Following this announcement, as early as January 2019, PHAROL was notified by ESI's trustee as a precautionary measure to interrupt any limitation period with a view to a possible cancellation of Notes payments made by ESI during January 2014.

After review of the above-mentioned subpoena, PHAROL considers the likelihood of any conviction of PHAROL under the subpoena, not having been initiated in court until the present date. In this way PHAROL did not constitute any provision in its financial statements.

14. Accounts payable

As of 30 June 2022 and 31 December 2021, this heading has the following composition:

	Euro	
	30 jun 22	31 dec 21
Current accounts payable		
Current suppliers	203,197	99,299
Others	17,069	16,522
	220,266	115,821

15. Cost accruals

As of 30 June 2022 and 31 December 2021, this heading has the following composition:

	Euro	
	30 jun 22	31 dec 21
Accrued expenses		
Supplies and external services	318,920	348,056
Vacation pay and bonuses	201,253	219,962
Others	24,078	37,434
	544,251	605,452

16. Consolidated Statements of Cash Flows

(a) Payments to suppliers

In the first half of 2022 and 2021, payments to suppliers mainly relate to payments made related to specialist and consulting suppliers.

(b) Capital achievements and other equity instruments

In 2021, this rubric concerns the acquisition and sale of shares of oi s.a.

(c) Acquisition and Disposal of Own Shares

In 2021, this rubric concern the acquisition and disposal of shares of the company.

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

As of 30 June 2022, and 31 December 2021, this heading has the following composition:

	Euro	
	30 jun 22	31 dec 21
Cash and cash equivalents		
Cash	2,557	2,414
Demand deposits	17,215,024	13,873,130
Time deposits	3,000,000	4,000,000
	20,217,582	17,875,543

17. Guarantees and financial commitments , and, other Current Liabilities

PHAROL, following being the dominant company of the pt group's consolidated tax, currently has a series of tax settlements in the years prior to 2014. In May 2014, and in view of the business combination agreement between PHAROL and Oi S.A., all liabilities inherent in these tax settlements passed to Oi's responsibility, and PHAROL was jointly and severally liable.

Thus, PHAROL currently has active Bank Guarantees, Oi Guarantees, and captive balances in balance sheet to be able to face potential tax settlements resulting from these processes.

Thus, on June 30, 2022 and December 31, 2021, the other current liabilities item includes the amount of tax authority reimbursements that can be used in potential settlements.

Additionally, on June 30, 2022 and December 31, 2021, the amount of Bank Guarantees has the following composition:

	Euro	
	30 jun 22	31 dec 21
Bank and other guarantees presented to the tax authorities	84,617,476	84,617,476
	84,617,476	84,617,476

(i) Bank guarantees and other guarantees submitted to the tax authorities included EUR 85 million as of 30 June 2022 and 31 December 2021 respectively relating to tax settlements received by PHAROL. The Company has challenged these liquidations in court and, in accordance with Portuguese law, provided assurance, in order to avoid the initiation of an executive proceedings that, in the absence of a guarantee or payment of the contested tax, would continue until the attachment of sufficient assets to satisfy the tax paid. Portuguese law, while always allowing the challenge of taxes settled of its own interest by the tax administration, only suspends the executive process if there is payment of the tax or provision of guarantee. The provision of a guarantee thus avoids the payment of the tax before the decision of the challenge or the attachment of goods in enforcement proceedings.

Part of the guarantees previously provided have been cancelled in view of the length of time and expiry of the proceedings. Despite the expiry and consequent cancellation of part of the Guarantees, most tax proceedings remain ongoing and Oi remains responsible for them and may amount to UP to EUR 386 million. Also within the framework of the agreements concluded, Oi is also obliged to replace the bank guarantees provided by PHAROL to the Tax Authority with guarantees provided by Oi. Where this replacement is not possible, Oi has undertaken to provide equivalent guarantees in favour of PHAROL.

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

Additionally, in January 2020, following the Private Transaction and Other Covenants Instrument, concluded between PHAROL and Oi, the latter, through PT Participações SGPS, S.A., made a deposit into account guarantee in the amount of 34,340,803.32 Euros, intended to guarantee PHAROL in case of possible conviction in tax contingencies under Oi's liability.

Already during the year 2021, and, in view of the incorporation on May 3, 2021 of Telemar Norte Leste, Oi S.A. and Pharol, in order to maintain the counterguarantees in force, reformulated the pledge agreement, which is now constituted on 644,019,090 common shares issued by Oi. If this amount is fully used in tax contingencies, Oi S.A. undertakes to strengthen the counter-guarantees in force.

18. Related parties

(a) associated and jointly controlled companies

In the first half of 2022 and 2021 there were no costs or revenues related to associated or jointly controlled companies.

b) Other

During the periods ended 30 June 2022 and 2021, the fixed remuneration of directors, which were established by the Remuneration Committee, amounted to 269 thousand Euros and 269 thousand Euros, respectively.

19. Shareholders with Qualifying Holdings

The Company considers that the disclosure of outstanding balances and transactions with its main shareholders, including those with a qualifying interest above 2% in the capital stock of the PHAROL Group, and with all entities reported by these shareholders as integrating their economic groups, is relevant. The tables below show the balances as of June 30, 2022 and December 31, 2021 and the transactions that occurred during the periods ended June 30, 2022 and 2021 between the PHAROL Group and these entities identified as qualified shareholders and their economic groups:

	Euro	
	30-jun-22	31 dec 21
	Cash and bank deposits	
Shareholder		
Novo Banco	4,425,224	4,600,481
	4,425,224	4,600,481

	Euro			
	1H22		1H21	
	Costs and losses	Net interest income	Costs and losses	Net interest income
Shareholder				
Novo Banco	19,539	-	161	-
	19,539	-	161	-

20. Subsequent events

- The evolution of Oi's quote value between June 30, 2022 and July 27, 2022 is as follows:

	30 jun 2022	27 jul 2022
Oi ON share price (Reais)	0.56	0.50
Exchange rate Real/Euro	5.4229	5.4039
<u>Oi ON share price (Euro)</u>	<u>0.10</u>	<u>0.09</u>

PHAROL, SGPS S.A.

STATEMENT BY THE SUPERVISORY BOARD

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

(Article 29j(1)(c) of the Securities Code)

Pursuant to and for the purposes of Article 29j(1)(c) of the Securities Code, the Fiscal Council of PHAROL, SGPS S.A. ("PHAROL") declares that:

To the best of your knowledge, (i)the condensed financial statements for the first half of 2022 were prepared in accordance with applicable accounting standards, giving a true and appropriate picture of the assets and liabilities, the financial situation and the results of PHAROL and the undertakings included in the consolidation perimeter, and (ii) the interim management report for the first half of 2022 accurately sets out the important events that occurred in the period to which it relates and the impact on those financial statements, and contains a description of the main risks and uncertainties for the following six months.

Lisbon, 29 de julho de 2022

President: José Eduardo Fragoso Tavares de Bettencourt

Vowels: Isabel Maria Beja Gonçalves New

Joao Manuel Pisco