

PHAROL, SGPS S.A. – 2022

- PHAROL's net income in 2022 was negative at 2.5 million Euros, justified by: 1) recurring operating costs of 2.2 million Euros and 2) accounting for the fair value of treasury financial assets at 310 thousand euros.
- As a result of the 78% drop recorded in Oi's share price and the disposal of a portion of the portfolio in Oi, Pharol held a valued stake at the end of 2022 at 4.0 million euros, equivalent to 2.2% of its capital.
- Pharol's equity ended the year with a value of 69.7 million Euros – a reduction of 22.2 million euros compared to December 2021 – reflecting (1) the devaluation of 19.7 million euros in the holding held in Oi at the end of the year and (2) the negative net result in the amount of 2.5 million Euros.

MESSAGE FROM CEO

Luís Palha da Silva

"Several factors have conditioned the pace of economic recovery in 2022. The war initiated by the Russian invasion of Ukraine, volatility in energy prices, the scarcity of some raw materials and intermediate goods, inflationary tensions and rising interest rates have sparked the spectre of stagflation in this period.

Pharol's participation in Brazil, Oi, in addition to the vicissitudes of the Brazilian economy, also suffered from the advances and setbacks of its Judicial Recovery process, which would conclude only very recently. After this long process started 5 years ago, from the shareholder point of view, there were more setbacks and disappointments than advances, which, of course, did not fail to have repercussions on the evolution of the company's quotation.

In line with the prospects for the evolution of Oi's activity and quotation in the short and medium term, an active management process of the portfolio of shares held in that company has been put in place. During the year, the share was thus reduced from 5.38% to 2.20%, and the average selling price was 0.43 reais, which compared with the value of 0.17 reais, recorded at the end of the year. Meanwhile, the new request for judicial recovery, submitted on March 1, 2023, will be analyzed but it is certain that it will strongly condition Pharol's options in managing its por.

In an environment of strong uncertainties and dimensions in which its activity takes place, one of Pharol's priorities will continue to be the maintenance of the cost reduction trend achieved once again in 2022."

Highlights

PHAROL

(Euro million)	2022	2021
Recurrent EBITDA	(2,2)	(2,4)
Resultado líquido	(2,5)	(2,3)
(Euro million)	2022	2021
Assets	86,9	108,8
Liabilities	17,1	16,8
Equity	69,7	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 ANNUAL REPORT

2022

PHAROL, SGPS S.A.



CONSOLIDATED ANNUAL REPORT

2022

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“PHAROL”, “Group PHAROL”, “Group” and “Company” is a reference to the companies that are part of PHAROL, SGPS S.A. or to one of them, depending on the context.

01. MESSAGE FROM THE CHAIRMAN

MESSAGE FROM THE CHAIRMAN

The easing of restrictions on economies, businesses and people by the Covid 19 pandemic marked the year 2022. Thus, looking at the basis of comparison with previous years, it was no surprise that some growth figures across the globe had already shown positive values, although some economies showed disappointing indicators in the last quarter.

Several factors have conditioned the pace of economic recovery in this period. The war initiated by the Russian invasion of Ukraine at the beginning of the year has been prolonged with no end in sight, generating, among others, an inflationary movement and high volatility in energy goods. This has contributed to the scarcity of some raw materials and intermediate goods, with consequent production delays in numerous sectors and on a global scale (further aggravated by the Chinese state's "zero tolerance" policy). Inflationary tensions have triggered a continued rise in interest rates, among others, from the Federal Reserve Bank and the ECB, with significant impacts on global consumption and investment.

In Brazil, an economy in which Pharol owns one of its assets, despite some favorable evolution in the price of most of the commodities in which the country is rich, there was a marked political instability, resulting from the presidential election process that Brazil has experienced practically throughout the year.

Pharol's stake in Oi, Brazil, in addition to the economic events, also suffered from the advances and setbacks of its Judicial Recovery process, which would only conclude on December 14, 2022.

After this long process started 5 years ago, from the shareholder point of view, there were more setbacks and disappointments than advances, which, of course, did not fail to have repercussions on the evolution of the company's quotation.

During 2022 there was a mismatches of information and figures relating to the different asset sales - in particular and more relevant in V.Tal - and surprise in the resubmission of the debt size - Anatel and Globenet, among others - all of which unexpectedly weighed on Oi's solvency ratios. Also, in the operational field, Oi's promised recovery was being halted by the unsuccessful extinction of the losses of the "legacy" businesses. Reflecting the numerous difficulties inherent in a judicial recovery process of this size, which focused management's attention on complying with the plan approved by creditors, sales in current business and new segments disappointed and the cost reduction program ended up not having a substantial significance in the income account and in the cash drain verified in the year. In addition to operational failures, there is also an incomprehensible slowdown in the arbitration procedure relating to changes to the concession contract. As you would expect, the target prices indicated by the analysts have decreased considerably, following, moreover, the very evolution of the market price.

In line with Oi's business and listing prospects in the short and medium term, the Pharol Board of Directors decided to initiate an active management process of the portfolio of shares held in that company. During the year, the share was thus reduced from 5.38% to 2.20%, and the average

selling price was 0.43 reais, which compared with the value of 0.17 reais, recorded on December 31, 2022. It is not expected at the moment the possibility of further significant sales in 2023, which will ultimately depend, among other factors, on the prospects that Oi's management will outline for its operational activity, the results of the new request for judicial recovery, announced yesterday, March 1, 2023 and a possible debt renegotiation (work that is being equated with the advice of Moelis) can enable it to achieve.

In the management of Pharol's credit on Rio Forte, in bankruptcy proceedings, 2022 was a near-total absence of developments. As can be seen in the different reports issued by the Judicial Administrators and on Pharol's website, the list of approved creditors has not yet been disclosed, the first step in the process of formal allocation of compensation. Given the stability of the assumptions that underpin the valuation calculation model of this Pharol asset, the Board of Directors opted for the maintenance of the same amount recorded at the end of 2021, assuming that administrative costs, not being merely residual, may be compensated by increases in value in some assets of the bankrupt estate.

The control of Pharol's operating costs allowed, as in previous years, the downward trajectory to be maintained. In particular, it is worth noting the reduction of 30% in personnel costs, which was only possible to achieve with the initiative, we consider unprecedented in our capital market, taken by the Governing Bodies and Directors of the company to reduce their own remuneration.

With the sale of Oi shares, Pharol's treasury today presents a greater relief and, of course, although financing of structural costs in the years to come is a priority, the Board of Directors will not fail to propose its use, either in new investments or in appropriate forms of shareholder remuneration.

To the Shareholders, I thank you for all the collaboration and understanding received in this year;

To the Members of the Governing Bodies, I thank for their work and the willingness to accept the sacrifices they have imposed on themselves;

To all our Workers, I thank you for your hard-working spirit of mission.

March 2, 2023

02. FINANCIAL REVIEW

FINANCIAL REVIEW

As at December 31, 2022, PHAROL main assets are composed of (1) 131,151,859 common shares of Oi, S.A. ("Oi"), representing 2,20% (excluding treasury shares held by Oi itself) of the total share capital of Oi, in an amount of 4 million Euros, (2) debt securities of Rio Forte Investments S.A. ("Rio Forte") with a nominal value of 897 million Euros and currently valued at 51.9 million Euros, (3) the investment in the portfolios of shares and bonds in the amount of 9.7 million Euros.

As of December 31, 2014, after the capital increase of Oi, concluded on May 5, 2014 (the "Oi Capital Increase"), PHAROL held a 39.7% direct and indirect stake in Oi. This included a portion classified as a non-current asset held for sale, following the Exchange agreement ("Exchange") entered into on September 8, 2014 and completed on March 8, 2015, and the remaining stake of 22.8%, classified as investment in joint ventures and associates, and therefore accounted for using the equity method.

On March 30, 2015, the Exchange was completed, whereby PHAROL (1) transferred to Portugal Telecom International Finance, B.V. ("PT Finance"), a subsidiary of Oi, an aggregate amount of 47,434,872 common shares and 94,869,744 preferred shares of Oi, and (2) received from PT Finance debt securities of Rio Forte, with a nominal value of Euro 897 million and a call option on the transferred shares ("Call Option"). After the completion of the Exchange, PHAROL held an effective stake of 27.48% in Oi corresponding to the 22.8% stake referred above plus 4.7% due to the decrease in the number of outstanding shares of Oi.

The relevant agreements for the implementation of the New Structure of Oi were signed on July 22, 2015. On September 1, 2015, a General Meeting of Shareholders of Oi was held where the New Structure was approved.

As of September 30, 2015, after the implementation of the New Structure, but prior to the voluntary conversion of preferred shares to ordinary shares of Oi, PHAROL held, directly or indirectly through wholly owned subsidiaries, 84,167,978 common shares and 108,016,749 preferred shares of Oi.

As of October 8, 2015, following the voluntary conversion of preferred shares into common shares of Oi, PHAROL now holds, directly and indirectly through wholly owned subsidiaries, 183,662,204 common shares of Oi, representing 27.18% of total share capital of Oi (excluding treasury shares held by Oi itself). PHAROL's voting rights in Oi were limited to 15% of the total common shares of Oi.

With the implementation of the New Structure on July 30, 2015, the shareholders' agreements, through which joint control of Oi was exercised, were terminated. Up to that date, PHAROL accounted for its stake in Oi as an Investment in Joint Ventures. After this date, PHAROL considered it had significant influence over Oi and classifies it as an associate company. As a result, from July 30, 2015 the investment in Oi continued to be accounted for according to the equity method, based on PHAROL's economic stake in Oi's results.

On April 29 and May 19, 2016, PHAROL, due to a corporate reorganization, transferred direct ownership of 128,213,478 common shares issued by Oi S.A., to its 100% owned subsidiary BRATEL B.V.. Due to the Corporate Reorganization, BRATEL B.V. now directly holds (and PHAROL indirectly holds) 183,662,204 common shares of Oi S.A., which represented 22.24% of Oi S.A.'s entire share capital (27.18% excluding treasury shares held by Oi itself).

On 15 September 2017, in order to concentrate all its operations in Luxembourg, PHAROL transferred the ownership of all the shares that BRATEL BV had in Oi SA to its subsidiary BRATEL S.à.r.l., 100% owned by BRATEL B.V.

In December 2017, and after the decision by the Court of the 7th Business Court of Rio de Janeiro (which it handles the Judicial Recovery of Oi) and which decided to withdraw the rights of the members of the Board of Directors of Oi in the approval of the Judicial Recovery Plan, it was understood that PHAROL lost the significant influence it had until then on its associate Oi. Consequently, on 31 December 2017, PHAROL began to measure its investment in Oi at market value and classify it as "Financial Assets".

Oi S.A., in the disclosure of its consolidated results for 2017, announced that it had restated its Consolidated Equity on January 1, 2016 and December 31, 2016, amounting to BRL 18 billion and BRL 19 billion, respectively. Following this restatement, PHAROL's investment in Oi, being recorded under the equity method, was restated and valued at zero in the periods of January 1, 2016 and December 31, 2016.

On July 20, 2018, following the homologation of the Capital Increase through the conversion of debt into shares, Oi's share capital increased from 825,760,902 shares for a total of 2,340,060,505 shares, was a dilution of PHAROL's participation in Oi to less than 8%.

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

On April 2, 2019, with the approval of an agreement between PHAROL and Oi on January 8, 2019, in which Oi committed itself to reimburse PHAROL for the damages for damages suffered through Oi's actions and resources for the acquisition of Oi shares subscribed in the aforementioned capital increase, PHAROL now holds a 5.51% interest in Oi's share capital.

During 2020, PHAROL sold all of Oi's preferred shares and a small portion of common shares, resulting in a final stake of 5.37% in Oi's share capital.

In 2021, after carrying out transactions for the purchase and sale of shares in Oi, PHAROL held a position of 5.38% in Oi (without treasury shares held by Oi itself).

In 2022, PHAROL once again liquidated part of its position in Oi, with a final position of 2.20%.

In 2022, PHAROL's negative results reflect only the costs of the operation during the year, which are mostly costs with personnel and external supplies and services. In terms of Equity, and as a result of the implementation of the Judicial Recovery Plan also impacted by the Brazilian political and economic instability, the value of PHAROL's investment in Oi reduced to 4 million Euros, being

responsible for the reduction of Equity PHAROL at 19.66 million Euros. Regarding the credit on Rio Forte, despite some timid advances in the legal proceedings underway in Luxembourg and Portugal, nothing very relevant affected its valuation, reason why it was chosen not to record changes in its value in the 2022.

Consolidated net income for 2022 was negative by 2.51 million Euros and essentially reflects operating costs amounting to 2.17 million Euros.

CONSOLIDATED INCOME STATEMENT

CONSOLIDATED INCOME STATEMENT		
	Euro million	
	2022	2021
Wages and salaries	0.94	1.34
Supplies, external services and other expenses	1.10	0.95
Indirect taxes	0.13	0.12
Loss before financial results and taxes	(2.17)	(2.41)
Depreciations	0.05	0.08
Earnings before interest and taxes	(2.22)	(2.49)
Net other gains	(0.04)	(0.22)
Loss before financial results and taxes	(2.19)	(2.27)
Net losses on financial assets and other investments	0.31	-
Net other financial losses (gains)	(0.02)	0.06
Loss before taxes	(2.48)	(2.33)
Income taxes	0.03	0.03
Attributable to equity holders of PHAROL, SGPS S.A.	(2.51)	(2.36)

Consolidated operating costs amounted to 2.17 million Euros in 2022, compared with 2.41 million Euros in 2021, following a reduction in personnel costs.

Results before tax in 2022, however, are negative at 2.48 million Euros, while in 2021 they were negative at 2.33 million Euros, resulting from the combined effect of losses on investment portfolios made from August 2022 and lower revenue from tax authority reimbursements compared to the previous year, that have overcome the reduction in operating costs.

The net result attributable to PHAROL Shareholders recorded a loss of 2.51 million Euros in 2022, which compares with a loss of 2.36 million Euros in 2021.

The net loss in 2022 and 2021 essentially reflects consolidated operating costs of 2.17 and 2.41 million Euros, respectively.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Consolidated Statement of Financial Position

	Euro million	
	2022	2021
ASSETS		
Cash and cash equivalents	20.96	17.88
Accounts receivable	0.16	0.14
Tangible assets	0.07	0.14
Taxes receivable	0.06	0.06
Financials assets	13.64	38.57
Other assets	51.98	51.98
Total assets	86.88	108.75
LIABILITIES		
Short-term debt	0.07	0.15
Accounts payable	0.19	0.12
Accrued expenses	0.46	0.61
Taxes payable	0.13	0.14
Other liabilities	16.30	15.79
Total liabilities	17.15	16.81
Total equity	69.73	91.94
Total liabilities and shareholders' equity	86.88	108.75

The cash balance is 20.96 million Euros at the end of the 2022. The total of the items 1) cash, 2) accounts receivable and 3) taxes receivable, net of all liabilities recorded in the Liabilities is positive at 4.03 million Euros as of December 31, 2022 and 1.27 million Euros as of December 31, 2021.

The financial assets include the effective investment of PHAROL in Oi, of 2.20% (4 million Euros) at December 31, 2022 and 5.38% (38.6 million Euros) in 2021 and a portfolio of investments in shares and bonds in the amount of 9.7 million Euros, started in 2022. All financial assets are accounted for at market value.

The other assets as of December 31, 2022 and 2021, in the amount of 51.9 million Euros, correspond 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 amounted to 69.73 million Euros as of December 31, 2022, compared to 91.94 million Euros as of December 31, 2021, a reduction of 22.2 million Euros which mainly reflects (1) losses on financial assets recognized directly in equity in the amount of 19.66 million Euros, and (2) the negative net result for 2022 in the amount of 2.51 million Euros.

OI RESULTS KEY HIGHLIGHTS

The information within this section arises from the Oi's Presentation of Results - 3Q2022

New Oi Revenues and OPEX Reduction as main operational highlights:

- New Oi's revenues grew by 10% A/A with core represented 70% of the total:
 - +36% of houses passed, reaching 18 M;
 - + 21% of connected houses, totaling 4 M.
- Two-digit annual reduction in OPEX and new CAPEX profile:
 - -16% reduction of routine OPEX despite the increase in variable costs related to the reduction of fiber revenue;
 - ~480 Mi R\$ of CAPEX in 3Q impacted by seasonal investments in equipment in the residence of consumers to support fiber growth.
- Reduction of 60% of gross financial debt since the beginning of Judicial Recovery:
 - 18 Bi R\$ Net Debt: 35% reduction in gross financial debt since 1Q22.
- Other important updates:
 - Hiring Moelis and CO to optimize Oi's capital structure, aiming to ensure the execution of the plan initiate the arbitration process with the 3 buyers to discuss the adjustment of the mobile sale price;
 - Sale of DTH Towers non-core assets with regulatory and competitive approval processes underway
 - Proposal of groups of actions to meet B3 rules and align stock price to best practices in Brazil

	in R\$ million*		
	3T22	3T21	2T22
Oi S.A.			
Total Net Revenues	2,770	4,520	2,770
EBITDA	168	1,460	388
EBITDA Margin (%)	6.1%	32.3%	14.0%
Consolidated Net Earnings (Loss)	-3,064	-4,813	-321
Net Debt	18,334	29,899	16,123
Available Cash	3,590	4,132	5,031
CAPEX	480	1,815	412

*Or otherwise stated

	in R\$ million*		
	3T22	3T21	2T22
BRAZIL			
Total Net Revenues	2,748	4,464	2,740
Routine EBITDA	224	1,443	384
Routine EBITDA Margin (%)	8.1%	32.3%	14.0%
CAPEX	479	1,812	410
Routine EBITDA - CAPEX	-255	-369	-26

*Or otherwise stated

03. MAIN EVENTS

Below we list the events that occurred between January 1, 2022 and February 26, 2023, 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 37Qwww.espiritasantoinsolvencies.lu37T

Feb 09, 2023 | PHAROL reported on disclosure of the Report of judicial administrators in the insolvency proceedings of Rio Forte (Rapport no. 23 des Curateurs), for December 31, 2022, available in 37Qwww.espiritasantoinsolvencies.lu37T

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.

13/Apr/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 of sell of UPI Ativos Móveis.

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 Notice of the Extraordinary 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 Companhia and Oi Móvel S.A. – Em Recuperação Judicial (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 of the 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.

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

Jun 1, 2022 | Oi 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.

Jun 1, 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 of the results of the 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 1Q22.

Jul 1, 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.

Aug 12, 2022 | Oi released the results of 2Q22.

15/Aug/2022 | Hi, on the one hand, and TIM S.A., Telefônica Brasil S.A. and Claro S.A. (together, "Buyers"), on the other, due to the intense exchange of information and documents and the complexity of their analysis, agreed to extend by 30 days the deadline for sending the notifications by the Buyers regarding the calculation of the Adjusted Closing Price of the Operation.

Aug 22, 2022 | Oi informs that on this date, the hearing was held in the Court of Judicial Recovery for the opening of closed proposals presented in the context of the competitive procedure for the disposal of shares issued by a specific-purpose corporation ("SPE Torres 2"), subject to the terms provided for in the Addendum to the PRJ and in the form of the Notice; (ii) During the hearing, there was the absence of other closed proposals for the acquisition of SPE Torres 2, remaining valid the binding proposal submitted by NK 108 Empreendimentos e Participações S.A ("NK 108"), affiliate of Highline do Brasil II Infraestrutura de Telecomunicações S.A., for the acquisition of SPE Torres 2, in the amount of up to R\$1,697,000,000.00 (one billion six hundred and ninety-seven million reais) to be paid in cash, under the conditions observed in the binding proposal, of which up to R\$ 1,088,000,000.00 (one billion and eighty-eight million Reais) will be paid on the closing date of the operation, and up to R\$ 609,000,000.00 (six hundred and nine million Reais) will be paid by 2026, depending on the future amount of Infrastructure Items to be used ("Binding Proposal"), which will be reflected in the Purchase and Sale Agreement of SPE Torres 2 to be negotiated; (iii) Due to the absence of submission of other proposals for the acquisition of SPE Torres 2, the Binding Proposal was ratified by NK 108 during the hearing and the Judicial Recovery Court declared NK 108 as the winner of the competitive procedure for the disposal of SPE Torres 2, after the favorable manifestations of the Public Prosecutor's Office of the State of Rio de Janeiro and the Judicial Administrator, all in the form and in accordance with the terms and conditions set forth in the Notice; (iv) As provided for in the Notice, the respective Purchase and Sale of Shares Agreement will be concluded with NK 108, with the effective completion of the transfer of shares representing the share capital of SPE Torres 2 subject to compliance with the conditions set forth in such contract, including approvals of the purchase and sale of shares by the Administrative Council for Economic Defense - CADE and the National Telecommunications Agency - ANATEL.

Aug 29, 2022 | Oi informs that: 1) Received an office sent by B3 S.A. - Brazil, Bolsa Balcão ("B3"), stating that it has been verified that, in the period from 01/07/2022 to 11/08/2022, the common

shares issued by the Company remained quoted below R\$1.00 per unit, and requesting that the Company disclose, until 01/09/2022, the procedures and schedule that will be adopted to frame the quotation of its shares in an amount equal to or greater than R\$ 1.00, (i) until 17/02/2023 or (ii) until the date of the first general meeting convened after receipt of this notification, whichever comes first. 2) In view of this fact and in compliance with that determined by B3, the Company informs that it will be submitted to the Company's Board of Directors, a proposal for a group of shares for the resolution of shareholders at an Extraordinary General Meeting to be convened and held later this year.

Oct 4, 2022 | Oi reported that received notification sent, together, by TIM S.A. ("TIM"), Telefónica Brasil S.A. ("Telefônica") and Claro S.A. ("Claro" and, together with TIM and Telefônica, "Buyers"), informing the filing of an application for the initiation of arbitration proceedings by The Buyers in the face of Oi, in the Market Arbitration Chamber, due to oi's alleged contractual failure to comply with the price adjustment procedures provided for in the Purchase and Sale of the Operation. Oi informs that it has not yet received a communication from the Market Arbitration Chamber about the request for the arbitration and stresses that there was no breach of the Purchase and Sale Agreement on its part. Prior to receipt of the above notification, Oi pointed out the contractual non-compliance by the Buyers and, in the form of the Contract, took the necessary measures to preserve its rights, requiring, in a precautionary case, the deposit of the retained value, while judging the question of merits. In this context, Oi informs that the Judgment of the 7th Business Court of the District of the Capital of the State of Rio de Janeiro granted the precautionary request requested by Oi, determining the subpoena of the Buyers for the deposit, within 48 hours, of the amount of R\$ 1,527,801,711.76, of which R\$515,565,143.11 by Telefônica, R\$342,705,888.62 by Claro and R\$669,530,680.03 by Tim, in account linked to the judicial recovery process, where it will be cautioned until the decision of the Arbitral Tribunal, under penalty of a fine equivalent to 10% of the amount to be deposited, without prejudice to other measures necessary for the execution of such order. The Court of Judicial Recovery also ordered the immediate establishment of mediation proceedings, with a view to attempting to make the dispute between Oi and the Buyers amicable to be completed and completed within 60 days.

Oct 17, 2022 | Oi reported that the Board of Directors approved, on this date, the submission of a proposal to group all common and preferred shares issued by the Company to the Extraordinary General Meeting of the Company.

Oct 19, 2022 | Oi convened an Extraordinary General Meeting, to be held, in the first convocation, on November 18, 2022.

Oct 27, 2022 | Oi informed that it hired Moelis & Company to assist it in dealing with the Company's creditors in order to optimize its debt profile, in compliance with its strategic planning and the Judicial Recovery Plan.

Nov 10, 2022 | Oi disclosed the results of 3Q22.

Nov 18, 2022 | Oi reported that AGE convened for this date was not installed because the minimum legal quorum required in the first call was not reached.

Nov 21, 2022 | Oi reported that Mr. Luís Maria Viana Palha da Silva submitted his resignation to the position of member of the Company's Board of Directors.

Dec 02, 2022 | Oi reported that, on this date, the proposal for grouping of all common and preferred shares issued by the Company in the proportion of 10:1 ("Group" was approved at the Extraordinary General Meeting.

Dec 15, 2022 | Oi reported that the Judgment of the 7th Business Court of the District of the Capital of the State of Rio de Janeiro issued a ruling declaring the closure of the judicial recovery of the Company and its wholly-owned, direct and indirect subsidiaries, Oi Móvel S.A. – In Judicial Recovery, Telemar Norte Leste S.A. – In Judicial Recovery, Copart 4 Participações S.A – Em Recuperação Judicial, Copart 5 Participações S.A. – In Judicial Recovery (all succeeded by Oi by

incorporation), Portugal Telecom International Finance BV – In Judicial Recovery and Oi Brasil Holdings Coöperatief U.A. – In Judicial Recovery ("Judgment of Closure of Judicial Recovery").

Dec 27, 2022 | Oi reported that it concluded the validations necessary for the calculation of net revenue of liquidity events for prepayment purposes with the discount of 55% (fifty-five percent) of the value of the concursal credits of the Quirographable Creditors of the Restructuring Options I and II, in accordance with the provisions of the Addition to the Judicial Recovery Plan approved by the Judgment of the 7th Business Court of the District of the Capital of the State of Rio de Janeiro on 5 October 2020 ("Addition to the PRJ"), having not been achieved positive value in the calculation of net revenue of liquidity events and, therefore, the requirements set out in the Addendum to the PRJ for the realization of such prepayment, the term of which ends on the last working day of this fiscal year 2022.

Jan 5, 2023 | Oi reported that he became aware that the General Superintendence of the Administrative Council for the Defense of Competition (CADE) published, on this date, Order SG No. 17/2023, approving the operation of disposal of shares representing the entire share capital of Lemvig RJ Infraestrutura e Redes de Telecomunicações S.A. ("SPE Torres 2") to NK 108 Empreendimentos e Participações S.A. ("NK 108" and "Operação"), without restrictions.

Jan 6, 2023 | Oi provided information related to the grouping of all common and preferred shares issued by the Company ("Grouping")."

Jan 26, 2023 | Oi informed that he became aware of a request made by the shareholders Tempo Capital Principal Fundo de Investimento em Ações, Victor Adler and VIC DTVM S/A ("Applicants"), holders of more than 1% of the Company's share capital, in which they submitted, request for convocation, within 8 days, of the Extraordinary General Meeting of the Company to deliberate on the following matters: "I. Reform of Article 22 of the Company's Bylaws, to reduce the number of members of the Board of Directors to 7 (seven) to 9 (nine) full members; II. Removal of the Company's Board of Directors; III. In case of approval of the item (II) above, the election of the members of the Board of Directors, with a unified term of office of 2 (two years) from the election."

Feb 2, 2023 | Oi reported that the Company and its subsidiaries Portugal Telecom International Finance B.V. and Oi Brasil Holdings Coöperatief U.A. requested the Judgment of the 7th Business Court of the District of the Capital of the State of Rio de Janeiro ("Judgment"), in the context of discussions and negotiations with Oi creditors involving a potential renegotiation of certain debts of the Company, the request for precautionary urgency, in secrecy of justice, as is common in requests such as this, to suspend the enforceability of certain obligations assumed by the Company, aiming at the protection of its cash, and, consequently, the continuity of negotiations with its creditors in a balanced and transparent manner.

Feb 3, 2023 | Oi informed that on this date, the Judgment of the 7th Business Court of the District of the Capital of the State of Rio de Janeiro ("Judgment") granted the requests made by the Company and its subsidiaries Portugal Telecom International Finance B.V. – In Judicial Recovery and Oi Brasil Holdings Coöperatief U.A. – In Judicial Recovery ("Applicants") in a lawsuit filed for precautionary urgency protection ("Emergency Protection").

Feb 14, 2023 | Oi reported that on February 13, 2023, the Bankruptcy Court of the United States granted the requests made by the Plaintiffs in proceedings seeking the granting of urgent protection of Chapter 15 of the United States Bankruptcy Code injunctive currently underway before the 7th Business Court of the Court of Justice of the State of Rio de Janeiro ("Precautionary Procedure"), to, among others, suspend the execution/enforceability of certain obligations assumed by the Applicants.

Feb 24, 2023 | Oi reported that Anatel had granted prior consent, which constitutes one of the conditions precedent for the implementation of the sale of shares representing the entire share

capital of Lemvig RJ Infraestrutura e Redes de Telecomunicações S.A., owner of part of the tower infrastructure reversible and non-reversible from the Oi Group to NK 108 Empreendimentos e Participações S.A., with the replacement, through contract, of this infrastructure of reversible towers by third-party assets.

Mar 02, 2023 | Oi reported that filed on March 1, 2023 the request for judicial recovery before the 7th Business Court of the District of the Capital of the State of Rio de Janeiro, on an urgent basis and ad referendum of the General Meeting of the Company ("Judicial Recovery"), in accordance with the arts. 51 and following of Law No. 11,101/2005 and Art. 122, sole paragraph, of the LSA.

04. MAIN RISKS AND UNCERTAINTIES

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

Macro Risk	Sub-Risk	Risk Factors
Economic Risks	Oi's Performance	Now with Oi in day-to-day management and in the implementation of its Strategic Plan, the main risk that PHAROL is subject to through Oi is Oi's financial and operational performance, namely from its ability to execution of the asset sale plan and to generate results and cash flow and to pay dividends. Consequently, PHAROL's performance through Oi is also subject to and dependent on the performance of the Brazilian economy.
	COVID-19 and War in Ukraine	PHAROL is subject to potential economic shocks that a pandemic, war or other externality of a global dimension may cause in the economies in which the COMPANY operates, which may have a direct effect on the market value of the assets in which PHAROL has a stake.
	Information Security	PHAROL is exposed on a daily basis to security risks, including the availability, integrity and confidentiality of the information.
Financial Risks	Exchange Rates	Exchange rate risks are essentially related to PHAROL's investments in Oi (Brazil). Eventual exchange variations occurring in the real against the euro affect the appreciation of the shares held by PHAROL and the operation of the subsidiary in that country, thus reflecting on PHAROL's results and equity situation. The Company does not have a policy of hedging the value of the financial investment.
	Interest Rate	Interest rate risks are essentially related to interest borne and obtained on debt and on 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 on December 31, 2022. Market interest rates also affect the discount rates used for the purpose of impairment testing the various assets of the entity.
	Treasury Applications -	PHAROL is essentially subject to credit risk in its treasury investments.

	Credit and Liquidity	<p>With the aim of mitigating risks, the Board of Directors defined in July 2014 a policy for treasury investments, this policy having already been reviewed in 2019, and later in 2022.</p> <p>As of the second half of 2022, PHAROL is also exposed to other price risks, that is, the risk of fluctuation in the fair value of the financial instruments that make up the contracted investment portfolios due to changes in market prices.</p>
	Default by Rio Forte as to the reimbursement of the instruments that PHAROL holds following the execution of the Exchange	<p>The Rio Forte Instruments currently held by PHAROL are not guaranteed 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 reimbursement of all debts to any secured creditors and, confirmation of credit validation.</p> <p>PHAROL annually evaluates this instrument, with monitoring by the Supervisory Board, External Audit and Statutory Auditor.</p>
Legal Risks	Court proceedings	<p>The Board of Directors subcontracts the risk analysis of 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 defense of PHAROL's interests.</p>
	Disputes or investigations triggered under the Rio Forte Instruments or the Business Combination	<p>PHAROL may incur liability in connection with future litigation or other proceedings and incur defense costs in such litigation or other proceedings. Any liability incurred may adversely affect PHAROL's financial condition.</p>
	Tax contingencies	<p>According to the contracts signed with Oi, it is incumbent upon Oi to pay the liabilities resulting from tax contingencies arising up to 5 May 2014, despite the fact that PHAROL is also jointly liable.</p>

05. QUALIFIED HOLDINGS

As at December 31, 2022, qualified holdings represented 19.56% of PHAROL share capital, as follows:

DATE OF INFORMATION	ENTITIES	NO. OF SHARES	% OF CAPITAL	% OF VOTING RIGHTS
31/05/2012	Oi S.A.*	89.651.205	10,00%	10,00%
*Oi incorporated Telemar on May 3, 2021				
Total attributable		89.651.205	10,00%	10,00%
02/04/2018	Novo Banco S.A.	85.665.125	9,56%	9,56%
Directly		85.665.125		
Shares held by companies in a controlling or group relationship with Novo Banco, S.A.		916		
Shares held by directors and members of the Corporate 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 December 31, 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 for the Board of Directors of PHAROL on May 29, 2015.
- Ana Cristina Ferreira Dias, appointed by Novo Banco, S.A., to exercise the position in her own name, does not own any securities of PHAROL or of other companies that are in a controlling or group relationship with it. She was appointed director of PHAROL on April 30, 2021. She exercises management functions at Novo Banco, S.A..
- Avelino Cândido Rodrigues, appointed by Oi, S.A., to exercise the position in his own name, does not own any securities of PHAROL or other companies that are in a controlling or group relationship. He was appointed for the Board of Directors of PHAROL on February 8, 2019.
- Maria do Rosário Amado Pinto Correia owns 40 shares of PHAROL. She was co-opted for the Board of Directors of PHAROL on September 2, 2015.

- Maria Leonor Martins Ribeiro Modesto does not own any securities of PHAROL or other companies that are in a controlling or group relationship. She was appointed for the Board of Directors of PHAROL on September 7, 2018.
- Pedro Zañartu Gubert Morais Leitão does not own any securities of PHAROL or any other companies that are in a control or group relationship. He was appointed for the Board of Directors of PHAROL on May 29, 2015.

Fiscal Council

The fiscal council does not own any shares of PHAROL.

- José Eduardo Fragoso Tavares de Bettencourt
- Isabel Maria Beja Gonçalves Novo
- João Manuel Pisco de Castro
- Paulo Ribeiro da Silva

Managing-Director

The managing-director Luís Maria Viana Palha da Silva is also member of the Board of Directors.

Statutory Auditor ("ROC")

The Statutory Auditor does not own any shares of PHAROL.

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

06. STRATEGIC PROFILE AND FUTURE OUTLOOK

Strategic Guidelines

Pharol has maintained 3 clear strategic guidelines for its activity: optimization of asset value, reduction of contingencies and reduction of the costs of its operation.

Although it sees as possible and even desirable investment in diversified activities, after all in line with the vocation of a financial holding company, have constituted brakes to developments in new businesses a certain small amount of resources and the clear awareness of management that, with high probability, the first two strategic guidelines mentioned above will still have a dilated calendar.

In fact, with sufficient resources to carry out the priority tasks for a few years and not being able to rely on revenues in the nearest ones, it has been considered essential to maintain an acceptable level of liquidity for a medium and long-term horizon.

The first of Pharol's assets, Oi, has shown ups and downs in its valuation, as a result of the different vicissitudes experienced over the last few years. As early as 2015, it was necessary to recognize that the huge investment made by the former Portugal Telecom in the acquisition of the stake in Oi and in the very merger process of the two companies had not properly anticipated the weaknesses of the balance sheet and the profitability of operations in Brazil. With permanently negative results, loss-making treasury and rising debt, Oi quickly entered a Judicial Recovery process that would reveal new liabilities of an ingestable dimension. With huge losses to shareholders and high benefits for some creditors, the Judicial Recovery Plan approved in 2017 faced enormous difficulties and delays, only having been completed 5 years later and already under threat of a new cycle of negotiation with creditors. Although there was a period of litigation, resolved by a small compensation for the damage suffered in the approval process of the Judicial Recovery Plan, Pharol initially maintained an attitude of expectation and optimism regarding oi's new strategic orientations, in line with the forecasts of several investors and analysts present in the Brazilian capital market. Subsequently, from the beginning of 2022 and in the face of repeated surprises, with new liabilities and revisions of asset sales prices and disappointments in the operational area, Pharol entered a new, more active phase of portfolio management, having sold part of the shares held. This active management, which will remain, is based on the permanent monitoring of target prices defined by analysts and supplemented by internal valuations, the definition of minimum selling prices clearly above these levels and, on the regular analysis of Oi's shareholder structure, which conditions the maximum limit of daily transactions admitted by Pharol. While it is certain that the sale of shares has been made so far at an average price higher than at the end of last year, it is also admitted that the prospects raised by strategic reorientations of the company and, possibly by new players, advise the maintenance of a shareholder position that could benefit from revaluations of the current portfolio (which, however, if they occur, they should not be achieved in the short term).

Credit on Rio Forte (in bankruptcy proceedings) has been the main source of the legal costs incurred by Pharol in the most recent past, without, however, significant progress in Portugal and Luxembourg. The proceedings against former administrators and Deloitte, despite the rulings of the CMVM, continue to follow its legal proceedings and, in Luxembourg, the impasse in the presentation of the list of creditors to be admitted by the Judicial Administrators has been maintained for more

than 8 years. Pharol continues to carry out assessments of the clearing perspectives, with monitoring of any processes for the sale of assets and their valuation; at the same time analyzes the size and quality of provisionally recognized liabilities, which allows it to feed the model of calculation of the value of credit on Rio Forte. In 2022, as mentioned in the annex to the financial statements, pharol's Board of Directors did not review the amounts entered in the balance sheet, as it considered that there were no material new facts to be recorded in the financial year. A possible request to return EUR 750 Million to ESI also continued without any developments, with Pharol's Lawyers holding that, if it were to take place in court, it would be very low probability of success.

The contingencies arising from the tax proceedings, under Oi's responsibility, despite the decrease in the value of the shares given by it as a counter-guarantee, are duly protected, with clear signs that the low probabilities of conviction previously predicted by lawyers remain right and current.

Pharol's Treasury management underwent a qualitative change during 2022: in view of the difference, which was accentuated, between, on the one hand, passive and active interest rates on the market, and, on the other hand, between the remuneration of bank deposits and those of debt securities of various financial and non-financial institutions, it was decided to apply a part of the amounts available in a portfolio of high rating bonds and acceptable liquidity. This new policy, which will remain, allows in the medium term a higher remuneration, although not entirely risk-free, given the possibility of fluctuation in the value of the portfolio itself. There will also be close diversification requirements within the portfolio and the total refusal to take exotic risks. In 2022, there was a devaluation of the portfolio, with negative implications in the results account, but which, fortunately, was already partially cancelled at the beginning of 2023.

In the chapter on operating costs, Pharol has been following a downward trend over the past few years. All assets have been analyzed, verifying their imprescindibility and the possibilities of being disposed of, and all lines of the profit and end account have deserved exhaustive attention. The outlook for future years is that the trend will continue.

As said above, the strategic option of diversifying activities, with returns higher than those of the assets held, creating its own specialised structure that a financial holding company would require, has been hampered by the small size of the net resources now available and the certainty that some of these should be used to maintain Pharol's current business, in the medium term. In these circumstances, it is not possible to guarantee the Shareholders remuneration higher than the cost of capital in the company, the Board of Directors considers it appropriate to consider the proposal to award a dividend, with distribution of reserves that may be available for this purpose.

Sustainability Guidelines

The company pharol participation management aims not only to meet the interests of its Shareholders but also that of all other stakeholders, seeking the long-term sustainability of the company.

The company and all its Corporate Bodies have been demonstrating that they seek to define and follow, in a sustainable way, the strategy defined and suffraged by its Shareholders. In this sense,

active asset management solutions are continuously considered, either through the evaluation of possible disposals or by the rotation study aiming at profitability higher than the existing portfolio. Minimizing the risks of possible contingencies and the existence of a cushion created to ensure financing with exclusively own capital (cash surplus) of a minimum number of years of business expenses or opportunistic investments without the need for immediate sale of assets give Pharol adequate respect for all its business partners.

Being a small-sized holding company - externally and internally, when compared to the generality of other companies listed in the Portuguese market - PHAROL did not fail, however, to define as a priority the satisfaction of the interest of its stakeholders by adopting policies of open and transparent relationship, namely with its Shareholders, Suppliers and Internal Employees.

In relation to shareholders, please review the practices of the Board of Directors of constantly analyzing and communicating the factors of value creation and the implicit risks of its activity, favoring the evaluation of the financial investments of the assets participated and the company itself. In this field, the policies for buying and selling own shares that confer, among other objectives, visibility and liquidity on securities should be emphasized. The active participation in the dynamic of euronext Lisbon's capital market is also confirmed by the maintenance of the quality of associate and its presence in the social bodies of the most representative organizations in this area – namely in the EmA and ipcg. In order to reap economic benefits from one side of the Atlantic and across the Atlantic, in the defense of self-interest as a shareholder, in the exchange of experiences and, sometimes, in the search for synergies, Pharol also maintains an active monitoring of the stakeholder Oi.

With regard to Suppliers, Pharol adopts policies of permanent and rigorous evaluation of the quality of services provided and fair pricing, in particular taking into account the costs incurred and ensuring an adequate return on the tangible, intangible and human capital used, thereby adhering to a necessary demand for demand in the sourcing of companies.

As for the Members of the Social Bodies and Internal Collaborators, in addition to maintaining a permanent alert regarding compliance with the Code of Ethics in force, Pharol has stouted advanced policies of equal treatment, training and remuneration on merit, always respecting, and usually in anticipation, different recommendations and legal obligations. In gender equality policies, Pharol will have been one of the first companies in Portugal to achieve full equivalence at the level of the Board of Directors and to anticipate and exceed at every moment the ratios required in the other governing bodies, and have also signed important public commitments of proactive behavior in this chapter. It was also possible to create pioneering formulas of compatibilization between the professional and family lives of a staff based mainly on Women. The Remuneration Policies, in turn, establish a clear alignment of interests between the different stakeholders, by making a significant part of the salaries of the main executives – directors or not – dependent on the level of results and remuneration of shareholders (Total Shareholders' Return).

Despite the understandable financial difficulties experienced in recent years, cultural intervention has not been forgotten and Pharol has maintained a Policy of support and active presence in Social Organs of institutions of great relevance in the national panorama, such as the Casa da Música and the Serralves Foundation.

07. STATEMENT FROM THE BOARD OF DIRECTORS

For the purposes of the Portuguese Securities Code, the members of the Board of Directors of PHAROL, SGPS S.A., identified hereunder, hereby declare, in their capacity and within their functions as described therein, that, as far as they are aware, and based on information that they have had access to, through the Board of Directors and/or Executive Committee, as applicable, while in office:

- The information featured in the management report, financial statements, and other accountability documents required by law or regulations concerning to 2022, was prepared in accordance with the applicable set of accounting standards, and give a true and fair view of the assets, liabilities, financial position and profit or loss of PHAROL, SGPS S.A. and companies included in the respective consolidation perimeter;
- 2021 management report outlines the progress of the business activities, the performance and position of PHAROL, SGPS, SA and companies included in the respective consolidation perimeter, and it contains a correct description of the main risks and uncertainties that these entities face.

Lisbon, March 2, 2023

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

Ana Cristina Ferreira Dias, Board Member

Avelino Cândido Rodrigues, Board Member

Maria do Rosário Amado Pinto Correia, Board Member

Maria Leonor Martins Ribeiro Modesto, Board Member

Pedro Zañartu Gubert Morais Leitão, Board Member

08. ACTIVITIES OF THE NON-EXECUTIVE DIRECTORS

According to its Regulations, PHAROL's Board of Directors has restated the commitment to provide its Non-Executive members with effective powers to monitor, evaluate and supervise the executive management of the Company.

During 2022, PHAROL's Non-Executive Directors could carry out their duties effectively and without constraints of any kind. In this context, the following activities are highlighted:

- In addition to the performance of their role not delegated to the Managing-Director, PHAROL's Non-Executive Directors carried out their duties of supervising the activity of the executive management, under and for the purposes of Article 407, no. 8 of the Portuguese Companies Code and the Regulation of the Board of Directors. In fact, under those rules, the delegation of authority to the Managing-Director does not preclude the legal duty of general monitoring by the Non-Executive Directors;
- The effective performance of their functions by PHAROL's Non-Executive Directors was also enhanced by the significant number of independent members within the Board

On December 31, 2022, PHAROL's Board includes 3 independent directors corresponding to 60% of the Non-Executive directors and more than 50% of the Board members, with an active and assiduous participation in the Board meetings.

Additionally, the concentration of the Chairman / Managing Director roles has not prejudiced in any way the effective performance of the functions of the Non-Executive Directors, being particularly adequate to the current stage of PHAROL's life, for the following reasons:

- Such concentration of roles in one person is fully in line with the efficient and rigorous performance of functions by Board members in the current period; the actual governance model maintains the segregation of powers between the Board and the Executive Committee, through the roles carried out by the Non-Executive Directors.
- In 2022, PHAROL's Board of Directors kept in place various practices and mechanisms aiming at facilitating the informed and independent decision making by Non-Executive Directors, including inter alia the following:
 - Managing Director providing detailed presentations during the meetings of the Board of Directors, regarding relevant issues concerning the activity developed, granting the Non-Executive Directors any additional information requested and promoting a productive debate regarding the activity of the Company (particularly in what regards strategic decisions);
 - The Non-Executive Directors gathering, jointly or separately, the information necessary or convenient to the exercise of their duties, allowing for an adequate and timely answer to be given;
 - Without prejudice to cases of acknowledged urgency, the meetings of the Board of Directors are convened with a minimum prior notice of five days and the agenda and

supporting documentation of the meeting is made available at least three days in advance;

- The Non-Executive Directors frequently attending the meetings of the Board of Directors, which were held in a significant number (11 meetings), as well as informal meetings and presentations with Non-Executive Directors intended to clarify and debate specific issues concerning the financial information and the business of the Company.

In addition to these activities, it is important to note that, having the Company opted for the classic corporate governance model, its supervisory body is a Fiscal Council which, in the performance of their legal and regulatory duties, as well as those laid down in the articles of association, as described in the Company's Corporate Governance Report, presents the result of its activities in autonomous reports and opinions, including the report of supervisory activity and the opinions on the individual and consolidated annual reports, to be issued each year.

PHAROL, SGPS S.A.



CONSOLIDATED FINANCIAL STATEMENTS

09. CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT PERIODS ENDED DECEMBER 31, 2022 AND 2021

		Euro	
	Notes	2022	2021
COSTS, LOSSES AND (INCOME)			
Wages and salaries	6	938,542	1,335,843
Supplies, external services and other expenses	7	1,104,857	947,179
Indirect taxes	8	128,684	125,634
Depreciation		49,982	83,724
Net other losses (gains)	8	(35,428)	(218,726)
		2,186,637	2,273,653
Income (loss) before financial results and taxes		(2,186,637)	(2,273,653)
FINANCIAL LOSSES AND (GAINS)			
Net interest income		(1,923)	-
Net foreign currency exchange losses		(53,091)	(648)
Net losses on other non-current assets	12	310,426	-
Net other financial expenses		34,407	58,068
		289,819	57,421
Income (loss) before taxes		(2,476,455)	(2,331,074)
Income taxes	9	33,835	30,018
NET INCOME		(2,510,290)	(2,361,092)
Attributable to equity holders of the parent		(2,510,290)	(2,361,092)
Earnings per share			
Basic and Diluted	10	(0.00)	(0.00)

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

PHAROL, SGPS S.A.

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
PERIODS ENDED DECEMBER 31, 2022 AND 2021**

	Euro		
	Notes	2022	2021
Net Income recognised in the income statement		(2,510,290)	(2,361,092)
Income (expenses) recognised directly in shareholders' equity			
Items that may be reclassified subsequently to the income statement			
Foreign currency translation adjustments		(1,133)	1,004
Items that will not be reclassified to the income statement			
Gains (losses) on financial assets at fair value		(19,703,870)	(70,692,372)
Other expenses recognised directly in shareholders' equity, net		-	5,447
Total earnings recognised directly in shareholders' equity		(19,705,003)	(70,685,921)
Total comprehensive income		(22,215,293)	(73,047,013)
Attributable to shareholders of PHAROL SGPS		(22,215,293)	(73,047,013)

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

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

	Notes	2022	Euro 2021
ASSETS			
Current Assets			
Cash and cash equivalents	18	20,955,489	17,875,543
Accounts receivable		158,456	137,952
Taxes receivable	11	64,074	59,486
Prepaid expenses		77,614	70,217
Total current assets		21,255,633	18,143,198
Non-Current Assets			
Tangible assets		73,471	135,207
Financials assets	12	13,643,714	38,565,494
Other non-current assets	13	51,906,112	51,906,667
Total non-current assets		65,623,297	90,607,367
Total assets		86,878,930	108,750,565
LIABILITIES			
Current Liabilities			
Accounts payable	14	193,056	115,821
Accrued expenses	15	455,095	605,452
Taxes payable	11	127,419	137,215
Other current liabilities	16	16,302,809	15,794,573
Total current liabilities		17,078,379	16,653,060
Non-Current Liabilities			
Medium and long-term debt		71,573	153,235
Total non-current liabilities		71,573	153,235
Total liabilities		17,149,952	16,806,295
SHAREHOLDERS' EQUITY			
Share capital	17	26,895,375	26,895,375
Treasury shares	17	(164,809,193)	(164,809,193)
Legal reserve	17	6,773,139	6,773,139
Reserve for treasury shares	17	171,779,820	171,779,820
Other reserves and accumulated earnings	17	29,089,836	51,305,128
Total equity		69,728,977	91,944,270
Total liabilities and shareholders' equity		86,878,930	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 DECEMBER 31, 2022 AND 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
Income (expenses) recognized directly in equity	-	-	-	-	(19,705,003)	(19,705,003)	(19,705,003)
Income recognized in the income statement	-	-	-	-	(2,510,290)	(2,510,290)	(2,510,290)
Balance as at December 31, 2022	26,895,375	(164,809,193)	6,773,139	171,779,820	29,089,836	69,728,977	69,728,977

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

PHAROL, SGPS S.A.
**CONSOLIDATED STATEMENT OF CASH FLOWS
PERIODS ENDED DECEMBER 31, 2022 AND 2021**

	Notes	2022	Euro 2021
OPERATING ACTIVITIES			
Payments to suppliers	18.a	(1,292,378)	(1,534,509)
Payments to employees		(1,007,741)	(1,451,531)
Payments relating to income taxes		(30,408)	(29,000)
Other cash receipts, net	18.b	616,470	(409,493)
Cash flows from operating activities (1)		(1,714,058)	(3,424,533)
INVESTING ACTIVITIES			
Cash receipts resulting from:			
Interest and related income		1,563	-
Capital gains and other equity instruments	18.c	14,887,327	1,865,027
		14,888,890	1,865,027
Payments resulting from:			
Financial investments		(10,000,000)	-
Tangible and intangible assets		(1,796)	(45,885)
Capital gains and other equity instruments		-	(895,023)
		(10,001,796)	(940,908)
Cash flows from investing activities (2)		4,887,094	924,119
FINANCING ACTIVITIES			
Cash receipts resulting from:			
Financing Obtained		-	34,323
Disposal of own shares	18.d	-	900,545
		-	934,868
Payments resulting from:			
Loans repaid		(9,808)	-
Interest and related expenses		(11,528)	(33,810)
Purchase of own shares	18.d	-	(1,282,559)
		(21,336)	(1,316,370)
Cash flows from financing activities (3)		(21,336)	(381,502)
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)		3,151,700	(2,881,916)
Effect of exchange differences		(71,755)	27,550
Cash and cash equivalents at the end of the period	18.e	20,955,489	17,875,543

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

(Amounts stated in Euros, except where otherwise mentioned)

1. Introduction

PHAROL – Sociedade Gestora de Participações Participações, S.A., ("PHAROL", "Company" or "Company") is based at Rua Gorgel do Amaral, nº4, CV Esqª 1250-119 Lisboa, Portugal, and its main activity is the management of shareholdings in other companies.

The PHAROL Group ("Group") consists of PHAROL and subsidiary companies (Note 2), being the main participation of PHAROL in the Brazilian telecommunications company Oi.

PHAROL's shares are listed as Euronext Lisbon - Sociedade Gestora de Mercados Regulamentados S.A..

These consolidated financial statements were authorized for publication on March 2, 2023.

On December 31, 2022, PHAROL indirectly holds, through 100% owned subsidiaries, 131,151,859 common shares of Oi S.A. ("Oi"), representing 2.2% of Oi's total share capital (excluding treasury shares).

On the basis of the agreements concluded on March 30, 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. Basis of presentation

The consolidated financial statements for the financial year ending on December 31, 2022 were approved by the Board of Directors and authorized for issue on March 2, 2023, but still subject to approval at the Shareholders' General Meeting, pursuant to applicable legislation.

The consolidated financial statements are presented in Euros since this is the operating currency of PHAROL. The financial statements of the investing companies given in foreign currency were converted to Euros according to the accounting policies described in Note 3.

The PHAROL consolidated financial statements were prepared according to the 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 effect on January 1, 2022, approved for adoption by the European Union (EU).

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

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

a) Principles of consolidation

Subsidiaries

PHAROL fully consolidated the financial statements of all controlled companies. A company is considered to be controlled when the Group is exposed, or has rights, to variable returns resulting from its involvement

with the investee and has the ability to affect those returns through the same power it exercises over that company. In situations where the Group has, in substance, control of other entities established for a specific purpose, even if it does not possess a majority of the voting rights, they are consolidated using the full consolidation method.

When there is a participation of third parties in the equity and net income of the consolidated companies is presented separately in the Consolidated Statement of Financial Position and the Consolidated Income Statement, respectively, in the "Non-controlling Interests" caption.

The assets, liabilities and contingent liabilities of a subsidiary are measured at their respective fair value at the acquisition date. Any excess of the cost of acquisition over the fair value of identifiable net assets is recorded as goodwill. In cases when the cost of acquisition is less than the fair value of identifiable net assets, the difference is recorded as a gain in the consolidated statement of results for the year. The interests of non-controlling shareholders are presented by the respective proportion of the fair value of identifiable assets and liabilities.

The results of subsidiaries acquired or sold during the period are included in the Consolidated Income Statement from the date of acquisition or up to the effective date of disposal, respectively.

Transactions and balances between subsidiaries are eliminated on consolidation. Capital gains arising from transactions between Group companies are also eliminated in the consolidation process.

Where necessary, adjustments are made to the financial statements of subsidiaries with a view to standardizing their accounting policies with the Group.

The PHAROL Group consists of the following companies:

Company	Head office	Type of Company	Activity	Direct	dec/22 Effective	dec/21 Effective
Bratel BV	Amsterdam	Subsidiaries	Management of investments	Pharol SGPS (100%)	100%	100%
PT Brasil	São Paulo	Subsidiaries	Management of investments	Bratel BV (100%)	100%	100%
Bratel S.a.r.l.	Luxembourg	Subsidiaries	Management of investments	Bratel BV (100%)	100%	100%

In addition, it should be noted that PHAROL as of December 31, 2022 and 2021 held an indirect interest through its subsidiary Bratel S.a.r.l. in the capital of Oi of 2.20% and 5.38% (excluding treasury shares held by Oi itself), respectively.

3. Principal Accounting Policies, Judgements and Estimates

Principal Accounting Policies

a) Classification of the Consolidated Statement of Financial Position

Assets realizable up to 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 in less than one year or when there is no unconditional right to defer their liquidation for a period of at least 12 months after the date of the Consolidated Statement of Financial Position.

b) Tangible Assets

Tangible assets are stated at acquisition cost, net of accumulated depreciation, investment subsidies and accumulated impairment losses, if any. Acquisition cost includes: (1) the amount paid to acquire the asset; (2) direct expenses related to the acquisition process; and (3) the estimated cost of dismantling or removal of the assets.

They are depreciated on a straight-line basis from the month they are available for use, during its expected useful life. The amortization period of tangible assets is monitored annually and adjusted whenever necessary to reflect its economic useful life. The amount of the asset to be depreciated is reduced by any residual estimated value. The depreciation rates used correspond to the following estimated average economic useful lives:

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

Estimated losses resulting from the replacement of equipment before the end of their economic useful lives are recognized as a deduction to the corresponding asset's carrying value, against results of the period, as well as any impairment of these assets. The cost of recurring maintenance and repairs is charged to net income as incurred. Costs associated with significant renewals and betterments are capitalized if any future economic benefits are expected and those benefits can be reliably measured.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the assets, and is recognized in the Consolidated Income Statement under the caption "Gains on disposals of fixed assets, net" when occurred.

c) Intangible Assets

When existing, intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are recognized only if any future economic benefits are expected and those benefits as well as the cost of the asset can be reliably measured.

d) Impairment of Tangible and Intangible Assets

The Group performs impairment tests for these assets if any event or change results in an indication of impairment. In case of any such indication, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. The recoverable amount is the higher of i) fair value less cost to sell, and ii) the value in use. In assessing fair value less cost to sell, the amount that could be received from an independent entity is considered, reduced by direct costs related to the sale. In assessing the value in use, the estimated future cash flows are discounted to their present value

using a discount rate that reflects current market assessments of the time value of money and the specific risk to the asset.

If the recoverable amount of an asset is estimated to be less than its carrying amount, an impairment loss is recognized immediately in the Consolidated Income Statement.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior periods. A reversal of an impairment loss is recognized immediately in net income.

e) Provisions, Liabilities and Contingent Liabilities

Provisions are recognized when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where any of the above-mentioned criteria does not exist, or is not accomplished, the Group discloses the event as a contingent liability, unless the cash outflow is remote.

Provisions for restructuring are only recognized if a detailed and formal plan exists and if the plan is communicated to the related parties.

Provisions are updated on the date of the Consolidated Statement of Financial Position, considering the best estimate of the Group's management.

Obligations for dismantling and removal costs are recognized from the month the assets are in use and if a reliable estimate of the obligation is possible (Notes 3.b). The amount of the obligation is discounted, being the corresponding effect of time value recognized in net income, under the caption "Net interest expense".

f) Financial Assets and Liabilities

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

(i) Financial assets at amortized cost

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

- the financial asset is held in a business model whose main purpose is the holding of assets for the collection of their contractual cash flows; and
- their contractual cash flows occur on specific dates and correspond only to capital payments and interest on the outstanding amount.

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

Financial assets at amortized cost are initially recognized at their fair value plus transaction costs and are subsequently measured at amortized cost. In addition, they are subject, since their initial recognition, to the

clearance of impairment losses for expected losses, which are recorded in return for the heading "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 is classified in the category of "Financial assets at fair value through other comprehensive income" if it meets the following conditions cumulatively:

- the financial asset is held in a business model in which the objective is the collection of its contractual cash flows and the sale of that financial asset;
- their contractual cash flows occur on specific dates and correspond only to capital and interest payments of the outstanding amount (SPPI).

In addition, in the initial recognition of a capital instrument that is not held for trading, and where there is no contingent remuneration recognised by an acquirer in a concentration of business activities to which IFRS 3 applies, the Group may irrevocably choose to classify it in the category of "Fair value financial assets through other comprehensive income".

Fair value capital instruments through other comprehensive income are initially recognized for their fair value plus transaction costs and are subsequently measured at fair value. Changes in the fair value of these financial assets are recorded in return for other comprehensive income. Dividends are recognized in results when the right to their receipt is granted.

The investment held in Oi's shares (2.2% and 5.38% as of December 31, 2022 and 2021, respectively) is measured at fair value through other comprehensive income, and gains and losses arising from fair value variations recognized directly in other comprehensive income, as an option of IFRS9.

(iii) Financial assets at fair value through results

A financial asset is classified in the category of "Financial assets at fair value through results" 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 amortized cost, nor at fair value through other comprehensive income (FVOCI).

In addition, PHAROL may irrevocably designate a financial asset that meets the criteria to be measured at amortized cost or FVOCI, at fair value through results at the time of its initial recognition, if this eliminates or significantly reduces an inconsistency in measurement or recognition, which 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 Results" as " Other Non-Current Assets".

Whereas the transactions carried out by the Company in the normal course of its activity are under market conditions, financial assets at fair value through results are initially recognized at their fair value, with the costs or income associated with transactions recognized in results at the initial moment. Subsequent changes in fair value of these financial assets are recognized in results.

The periodification of interest and premium/discount (where applicable) is recognized under the heading "Interest obtained, net", based on the effective interest rate of each transaction. Dividends are recognized in results when the right to their receipt is granted.

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

The portfolio of investments in stocks and bonds acquired in the like of 2022 is recorded at market value, and the changes in fair value are to be recognized in the income statement in the item "Losses (gains) in other non-current assets".

(iv) Financial liabilities and equity instruments

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

The equity instruments issued by the Group's companies are recorded at the amount received, net of issue 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 in their disposal are recorded in "Retained earnings".

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

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

g) Leases (Company as Lessee)

Recognition

The Company recognizes a right to use an asset and a lease liability on the start date of the lease. 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 start date, in addition to any initial direct costs incurred, as well as an estimate of dismantling and removal costs of the underlying asset (if applicable), less any incentives granted.

The liability of the lease is initially recognized at the present value of the rent not yet paid at the date of the lease, discounting the interest at an interest rate implicit in the lease, or in the event that it is not possible

to determine this rate easily, using the rate 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 the lease liability include the following:

- fixed payments, less any incentives already received;
- variable lease payments, depending on a specific rate or index;
- amounts that are due under a residual value guarantee;
- exercise price of the call option, if the lessee is reasonably certain to exercise the option; and
- payment of penalties for terminating the contract, if it is reasonably certain that the lessee cancels the contract.

Liability for leases is remeasured when there are changes in future payments arising from a change in the rate or index, if there is a change in the Company's estimate of the amount that must be paid under a residual value guarantee, or if the Company changes your assessment of the purchase option, its extension or termination.

When the liability for leases is remeasured, the value of the right to 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 liabilities for leases in items duly segregated in the consolidated statement of financial position.

Short-term finance leases or leases of low-value assets

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

Amortization

The right to use the asset is depreciated using the straight-line method, based on the lowest of the useful life of the asset's right to 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 obligation for leases associated with the asset.

Accounting estimates and judgments

Useful lives, residual values of assets and discount rates

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

h) Income Tax

Income tax for the period is recognized in accordance with IAS 12 Income Taxes ("IAS 12") and is comprised of current tax and deferred tax.

Within income tax for the period, in addition to current tax, the effect of the deferred tax is also recognized, calculated based on the difference between the carrying amount of the assets and liabilities at a given time and the corresponding amount for tax purposes.

Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are only recognized when there is reasonable assurance that they may be used to reduce future taxable profit, or when there is an offset with deferred tax liabilities that are expected to reverse in the same period. Deferred tax assets are reviewed at the date of the Consolidated Statement of Financial Position and are reduced when it is no longer probable that they will be used in the future.

Tax amounts, either in respect of current or deferred tax, resulting from transactions or events recognized directly in shareholders' equity are recorded directly in those captions. The impact of changes in the tax rate is recognized in net income, except when it relates to items recognized directly in shareholders' equity, in which case the impact is also recognized directly in shareholders' equity.

i) Foreign Currency Transactions and Balances

Transactions denominated in foreign currencies are translated to the Euro at the exchange rates prevailing at the time the transactions are made. At the date of the Consolidated Statement of Financial Position, assets and liabilities denominated in foreign currencies are adjusted to reflect the exchange rates prevailing at such date. The resulting gains or losses on foreign exchange transactions are recognized in net income. Exchange differences on non-monetary items, including goodwill, and on monetary items representing an extension of the related investment and where settlement is not expected in the foreseeable future, are recognized directly in shareholders' equity under the caption "Cumulative foreign currency translation adjustments", and included in the Consolidated Statement of Comprehensive Income.

The financial statements of subsidiaries operating in other countries are translated to Euro, using the following exchange rates:

- Assets and liabilities at the exchange rates prevailing at the date of the Consolidated Statement of Financial Position;
- Profit and loss items at the average exchange rates for the reported period;
- Cash flow items at the average exchange rates for the reported period, where these rates approximate the effective exchange rates (and in the remaining cases, at the rate effective on the day the transaction occurred); and
- Share capital, reserves and retained earnings at historical exchange rates.

The effect of translation differences is recognized in shareholders' equity under the caption "Cumulative foreign currency translation adjustments" and is included in the Consolidated Statement of Comprehensive Income. In accordance with IAS 21, when a reduction of PHAROL's investment in a foreign entity occurs, through the sale or reimbursement of share capital, the accumulated effect of translation differences is transferred to the Consolidated Income Statement, considering the proportion of the reduction occurred.

PHAROL choose to use the exception under IFRS 1 relating to cumulative translation adjustments as of January 1, 2004 and transferred this amount from "Foreign currency translation adjustments" to "Accumulated earnings". As from January 1, 2004, the Group has been recognizing all translation adjustments directly in shareholders' equity and therefore these amounts are transferred to net income only if and when the related investments are disposed off or there is a repayment of the investment made.

j) Borrowing Costs

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 capitalized. Other borrowing costs obtained are recognized 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 under IAS 7, using the direct method. PHAROL classifies as "Cash and cash equivalents" all highly liquid investments, with original maturity of up to three months and an insignificant risk of change in fair value. The "Cash and cash equivalents" item presented in the Consolidated Statement of Cash Flows also includes overdrafts, classified in the Consolidated Statement of Financial Position under "Short-term debt".

Cash flows are classified in the Consolidated Statement of Cash Flows according to three main categories, depending on their nature: (1) operating activities; (2) investing activities; and (3) financing activities. Cash flows from operating activities include primarily collections from clients, payments to suppliers, payments to employees, payments relating to post retirement benefits and net payments relating to income taxes and indirect taxes. Cash flows from investing activities include primarily acquisitions and disposals of financial investments, dividends received from associated companies and purchase and sale of property, plant and equipment. Cash flows from financing activities include primarily borrowings and repayments of debt, payments relating to interest and related expenses, acquisition of treasury shares and payments of dividends to shareholders.

l) Subsequent Events (Note 22)

Events occurring after the date of the Consolidated Statement of Financial Position that provide additional information on 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 that occur after the date of said statement are disclosed in the notes to the consolidated financial statements, if material.

Judgements and Estimates

When preparing the consolidated financial statements in accordance with IFRS, PHAROL's Board of Directors uses estimates and assumptions that affect the application of accounting policies and reported amounts. Estimates and judgments are continually evaluated and are based on experience and other factors, including expectations of future events that are believed to be probable under the circumstances on which the estimates are based, or as a result of new information or more experience. The main 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 its new stake in Oi based on Oi's reference share price in the capital increase on that date, having as of that date, appropriated its stake in Oi's income using the equity method. Additionally, from September 8, 2014, onwards, the portion of the investment to be delivered within the scope of the Exchange Agreement was classified as a non-current asset held for sale, and measured at fair value up till the execution of the Exchange Agreement on March 30, 2015. Until December 2017, this investment was valued using the equity method. From that date and namely on 31 December 2022 and 2021, the valuation of the investment held in Oi was based on its market value, namely the stock price, as PHAROL lost the significant influence it held.

(b) Valuation of the Rio Forte - On March 30, 2015, the Rio Forte instruments were obtained following the execution of the exchange related to Oi's shares. On that date, after a market consultation, the Company valued the instrument for 15 % of its notional value. This valuation was reviewed on September 30, 2016, having reduced the notional amount to 9.56% and on December 31, 2017 and 2019, to 8.32% and 7.02%, respectively. As at 31 December 2020, there was a further downward revision of the nominal value recovery 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 2022, this amount remained unchanged (Note 13).

(c) Valuation and useful life of intangible and tangible assets – PHAROL uses estimates to determine the useful life of its property, plant and equipment (Note 3).

(d) Recognition of provisions and adjustments – PHAROL is party to various ongoing legal claims for which, based on the opinion of its legal advisors, a judgment was made to determine the recognition of a possible provision for these contingencies. Adjustments for accounts receivable are calculated based primarily on the aging of the accounts receivable, the risk profile of the customers and their financial situation.

The estimates were determined based on the best information available during the preparation of the consolidated financial statements, however, situations may arise in subsequent periods which, not foreseeable at that time, were not taken into consideration in these estimates. In accordance with IAS 8, changes to estimates which occur after the reporting date of the consolidated financial statements are applied prospectively in net income.

4. Changes in Accounting Policies

1. New rules, interpretations and amendments, with date of entry into force from 1 January 2022

- **Amendments to IFRS 3, IAS 16, IAS 37 and Annual Improvements (Regulation 2021/1080 of 28 June 2021)**

- This set of minor changes made to IFRS will be effective for the annual financial periods beginning on or after 1 January 2022:
 - o Changes to IFRS 3: Updating a reference in IFRS 3 to the Conceptual Financial Reporting Structure without changing the accounting requirements of business activity concentrations;

- Changes to IAS 16: Prohibits an entity from deducting at the cost of a tangible fixed asset the amounts received from the sale of produced items while the entity is preparing the asset for its intended use. Instead, the entity must recognize the retributions received from those sales and the related cost in the results;
- Changes to IAS 37: Specifies what costs an entity should include when assessing whether or not a contract is a onerous contract;
- Annual improvements with minor changes to IFRS 1, IFRS 9 and IAS 41, and illustrative examples of IFRS 16.

These changes are effective for the annual periods beginning on or after 1 January 2022.

- **Amendments to IFRS 16: CONCESSIONS related to COVID at the level of rents beyond 30 June 2021 (Commission Regulation 2021/1421 of 30 August 2021)**

- These changes extend the practical expedient available to renters in accounting for Covid-19-related rent concessions for one year. The practical working hours allocated by the previous amendment to IFRS 16 issued in May 2020 (and endorsed by the European Union on 9 October 2020 by Commission Regulation 2020/1434) was available for reductions in lease payments affecting payments that would originally be due on or until 30 June 2021. This amendment extends this period to 30 June 2022.

Applicable to years starting on or after 1 April 2021, their early adoption is permitted, including financial statements that have not yet been authorized for issue until 31 March 2021.

2. *New rules, interpretations and amendments, with a date of entry into force in financial years beginning on or after January 1, 2023*

- **IFRS 17: Insurance Contracts (Commission Regulation 2021/2036 of 19 November 2021)**

- IFRS 17 solves the comparison problem created by IFRS 4 by requiring that all insurance contracts be consistently accounted for, thus benefiting both investors and insurance companies. Insurance bonds are now accounted for using current values instead of historical cost. The information is updated regularly, providing more useful information to users of the financial statements.

Applicable to exercises starting on or after 1 January 2023.

- **Amendments to IAS 1 and IAS 8 (Commission Regulation 2022/357 of 2 March 2022)**

- Changes to IAS 1 require entities to disclose material information about their accounting policies rather than disclosing meaningful accounting policies.
- The amendments to IAS 8 clarify how entities should distinguish changes in accounting policies from changes in accounting estimates. This distinction is important because changes in accounting estimates are applied prospectively only on transactions and other future events, but changes in accounting policies are generally applied retrospectively to transactions and other past events.

Applicable to exercises starting on or after January 1, 2023, and their early adoption is permitted.

- **Changes to IAS 12: Deferred taxes on assets and liabilities arising from a single transaction (Commission Regulation 2022/1392 of 11 August 2022)**

- IAS 12 grants an exemption to entities from recognizing deferred taxes when they result from the initial recognition of assets and liabilities. However, there was some uncertainty as to whether this exemption would apply to transactions such as lease agreements and decommissioning obligations in which entities recognize both an asset and a liability. This amendment clarifies that the exemption from initial recognition does not apply to such transactions in which equal amounts of taxable and

deductible differences result from initial recognition result from the initial recognition result from the initial recognition resulting from the initial recognition and, therefore, entities shall recognise the deferred tax associated with such transactions.

Annual reporting periods initiated on or after 1 January 2023 shall apply, and their early adoption is permitted.

- **Amendments to IFRS 17: Initial implementation of IFRS 17 and IFRS 9 - Comparative information (Commission Regulation 2022/1491 of 8 September 2022)**

- IFRS 17 and IFRS 9 have different transition requirements. For some insurers, these *differences may cause accounting mismatches* between financial assets and insurance contract liabilities in the comparative information that is presented in their financial statements when IFRS 9 and IFRS 17 are applied for the first time. This amendment, by introducing an option for a presentation of comparative information to the approximately financial assets, helps insurers *avoid these temporary accounting mismatches* and thus increase the usefulness of comparative information for investors.

Applicable to annual reporting periods initiated on or after 1 January 2023, and only the application of this amendment is permitted at the time of the initial application of IFRS 17 Insurance Contracts and IFRS 9 Financial Instruments.

3. *Standards (new or revised) issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC) and not yet endorsed by the European Union*

In addition, until the date of approval of these financial statements, the following standards and interpretations are also issued by the IASB, not yet endorsed by the European Union:

- **Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Changes to IFRS 10 and IAS 28 (issued by the IASB on Sep11, 2014)**

- This amendment clarifies the accounting treatment for transactions when a parent company loses control of a subsidiary by selling all or part of its interest in that subsidiary to an associate or joint venture accounted for by the equity method.

The date of implementation of these amendments has not yet been set and the eu endorsement process will only begin after confirmation of the date of application of the amendments by the IASB.

- **IFRS 14: Accounting for Regulatory Deferrals (issued by the IASB on Jan. 30, 2014)**

- This standard allows first-time ifrs users to continue to recognize regulatory assets and liabilities in accordance with the policy followed under the previous regulations. However, in order to allow comparability with entities that already adopt IFRS and do not recognize regulatory assets/liabilities, these amounts have to be disclosed in the financial statements separately.

Applicable to exercises starting on or after 1 January 2016, the European Commission has decided not to start the process of amending this transitional standard and wait for the final standard to be issued by the IASB.

- **Amendments to IAS 1 - Presentation of Financial Statements (issued by the IASB on January 23, 2020 and updated on July 15, 2020 and 31 October 2022)**

- These changes to IAS 1 - Presentation of Financial Statements, clarify the requirements that an entity applies to determine whether a liability is classified as current or as non-current. These

amendments, in nature, are intended to be only a reduction in scope, clarifying the requirements of IAS 1, and not a modification to the underlying principles.

It applies to exercises starting on or after 1 January 2024, and these amendments are still subject to the eu endorsement process.

- **Changes to IFRS 16 – Lease liabilities *in a sale and leaseback operation* (issued by the IASB on 22 September 2022)**

- The International Accounting Standards Board (IASB) has issued a limited scope amendment to the requirements for sale and leaseback operations included in IFRS 16 Leases, adding to existing requirements explanations of how an entity accounts for the sale and leaseback operation after the date of its transaction.

IFRS 16 includes requirements for how an entity should account for a sale and leaseback operation at the date the transaction occurs. However, IFRS 16 did not specify how this operation should be measured after this date.

The amendments now issued are added to the sale and leaseback requirements of IFRS 16, thus supporting a consistent application of this accounting standard.

These amendments do not alter the accounting of other leases that do not result from a sale and leaseback operation.

Applicable to annual financial periods initiated on or after 1 January 2024 and is still subject to the eu endorsement process.

5. Exchange rates used to translate foreign currency financial statements

As at December 31, 2022 and 2021, assets and liabilities denominated in foreign currencies were translated to Euros using the following exchange rates to the Euro:

Currency	2022	2021
Real	5.6386	6.3101
USD	1.0387	1.1326

During the years 2022 and 2021, the financial statements, income statements and cash flows of subsidiaries and joint ventures denominated in foreign currencies were translated to euros using the following exchange rates to the Euro:

Currency	2022	2021
Real	5.4454	6.3779
USD	1.0942	1.1827

6. Wages and Salaries

The composition of this caption in the 2022 and 2021 financial years is as follows:

	2022	Euro 2021
Fixed and variable remuneration	757,003	1,081,165
Social security	152,782	209,191
Other	28,757	45,487
	938,542	1,335,843

In 2022 and 2021, the average number of employees was 17 and 18 respectively.

In 2022, the reduction in the value of personnel costs is mainly due to the proposal of the company's Governing Bodies to reduce their salaries by approximately 20%.

7. Supplies and external services

The composition of this caption in the 2022 and 2021 financial years is as follows:

	2022	Euro 2021
Specialized work	526,021	422,361
Insurance	298,982	285,144
Travel	18,051	4,948
Other	261,804	234,727
	1,104,857	947,179

In 2022, the increase in the supply of external services was essentially due to the increase in specialized work, a heading where legal advisory fees for monitoring ongoing legal proceedings assume a greater weight.

Regarding the fees of the auditors, BDO & Associados, SROC, Lda., for the work referring to 2022, the amount was 38,100 euros, to which VAT is added at the legal rate in force.

8. Indirect taxes and Net other losses (gains)

The composition of this caption in the 2022 and 2021 financial years is as follows:

	2022	Euro 2021
VAT	118,550	119,791
Other	10,133	5,843
	128,684	125,634

As at 31 December 2021, the caption Other Costs (gains), net which amounts to a total of 218,726 euros of gains, includes an amount of 197,971 euros referring to refunds from the Tax Authority of a Stamp Duty tax process in favor of the PHAROL.

9. Taxes and rates

In 2022, companies located in mainland Portugal are subject to Corporate Income Tax at a base rate of 21.0%, plus (1) up to a maximum of 1.5% of taxable income through a municipal tax, and (2) a state surcharge levied at the rates of 3.0% on taxable income between Euro 1.5 million and Euro 7.5 million,

5.0% on taxable income between Euro 7.5 million and Euro 35 million and 9.0% on taxable income in excess of Euro 35.0 million, resulting in a maximum aggregate tax rate of approximately 31.5% for taxable income higher than Euro 35 million. When calculating taxable income to which the above tax rate is applied, non-tax-deductible amounts are added to or subtracted from accounting records.

The composition of the corporate income tax for as at December 31, 2022 and 2021 is as follows:

	2022	Euro 2021
Income tax		
Income tax - current	33,835	30,018
	33,835	30,018

As a tax loss was calculated for the years 2022 and 2021, the current tax above only reflects the autonomous taxation that is levied on expenses with light vehicles and representation expenses.

10. Earnings per Share

Earnings per share for 2022 and 2021 were as follows:

		2022	Euro 2021
Net loss attributable to equity holders of Pharol	(1)	(2,510,290)	(2,361,092)
Weighted average common shares outstanding in the period	(2)	821,756,654	821,756,654
Earnings per share from continuing operations			
Basic and diluted	(1)/(2)	(0.00)	(0.00)

11. Taxes receivable and payable

On December 31, 2022 and 2021, this caption has the following composition:

	31 Dec 2022		Euro 31 Dec 2021	
	Receivable	Payable	Receivable	Payable
Current taxes				
Operations in Portugal				
Value-added tax	-	10,433	-	7,197
Income taxes	-	29,938	-	26,511
Personnel income tax withholdings	-	19,971	-	27,979
Social Security Contributions	-	62,735	-	71,734
Other	-	-	-	-
	-	123,076	-	133,420
Taxes in foreign countries	-	4,343	-	3,794
	-	127,419	-	137,215
Non-current taxes				
Taxes in foreign countries	64,074	-	59,486	-
	64,074	127,419	59,486	137,215

12. Financial Assets

Financial assets include PHAROL's effective investment in Oi, of 2.20% (4 million Euros) on December 31, 2022 and 5.38% (38.6 million Euros) in 2021 and investment portfolios in shares and bonds worth 9.7 million Euros, started in August 2022. All financial assets are accounted for at market value with changes in fair value recognized in profit or loss.

Investment in Oi

Regarding to the investment in Oi, which since December 2017 has been measured at fair value. Until that date, Oi was classified as associate and measured by the equity method.

On September 8, 2014, as explained above, PHAROL entered into an Exchange Agreement with Oi, for the Exchange of a portion of Oi shares held directly by PHAROL for the Rio Forte Investment and the Call Option over the shares. The Exchange was completed on March 30, 2015, after obtaining all necessary approvals. Because of the Exchange, the portion of the investment in Oi delivered in connection with the Exchange was classified as a non-current asset held for sale and measured at fair value based on the price of Oi shares until the Exchange Agreement date. The remaining interest of 22.8%, including the interests of 15.9% and 3.0% held directly by PHAROL and Bratel Brasil, respectively, and the interest of 3.9% owned indirectly through the controlling holding companies of Oi, remained classified as an investment in joint ventures, measured according to the equity method of accounting. After the Exchange Agreement, on March 30, 2015, the interest was 27.5%.

As referred to above, leading up to the New Ownership Structure of Oi, the Shareholder Agreements through which Oi was jointly controlled were terminated on July 30, 2015. The simplification of the structure occurred on September 1, 2015, and led to the incorporation by Oi of several assets at fair value that were not previously booked by the holding companies.

As a result of the transaction, PHAROL's effective share in Oi reduced from 27.5% to 27.4%. Furthermore, during 2015, changes to Oi's bylaws were approved, which included a 15% limitation on the voting rights of any individual shareholder.

On October 8, 2015, Oi's Board of Directors homologated the voluntary conversion of Oi's preferred shares into common shares ("Voluntary Conversion of PSs"), approved the effective conversion of the preferred shares, object to the conversion manifestations in BM&FBovespa and in the Bank of Brazil, and accepted the conversion solicitations presented by the holders of American Depository Shares ("ADSs") representative of preferred shares ("Preferred ADSs"). The ADSs representative of the new common shares, resulting from the Offer to Exchange, related with the Voluntary Conversion of PSs, were issued on October 13, 2015. Following this operation, PHAROL's effective stake in Oi decreased from 27.4% to 27.2%.

In accordance with IAS 28 – Investments in Associates and Joint Ventures, there is a presumption that significant influence exists when voting rights are higher than 20%. For voting rights less than 20%, there should be clear indications through which significant influence may be exercised. The limitation to 15% of PHAROL's voting rights, considering the remaining available voting rights, represented as at December 31, 2016, an effective voting right of 18.83%. By analogy, IFRS 10 – Consolidated financial statements consider that control may occur when there is a concentration of significant voting rights, with the remainder of voting rights largely dispersed ("de facto control"). In Oi's shareholder structure, over 30% of ordinary shares are

dispersed in free float, and two other shareholders besides PHAROL have voting rights of between 5% and 9% each. Thus, PHAROL considered continuing to have significant influence.

However, in December 2017, and after the decision by the 7th Business Court of the District of the Capital of the State of Rio de Janeiro, which handled the Judicial Recovery ("Judgment"), which decided to withdraw the rights of the members of the Council Board of Directors of Oi in the approval of Oi's Judicial Recovery Plan in which Oi is located, and subsequent events, it was understood that PHAROL had lost the significant influence it had until then on its associate Oi SA.

Therefore, since December 31, 2017, PHAROL started to record its investment in Oi at market value, and it was classified as "Financial Assets".

In 2022, PHAROL liquidated part of the position in Oi, with a final position of 2.20%.

Therefore, on December 31, 2022 and 2021, the accounting for Oi Investment, is as follows:

		2022	2021
Stock Price Oi (ON)	R\$	0.17	0.76
Stock Price Oi (PN)	R\$	0.51	1.28
Shares Outstanding (ON)	Million	5,801	5,796
Shares Outstanding (PN)	Million	156	156
Market Cap.	R\$ Million	1,066	4,605
Number of shares owned by PHAROL (ON)	Million	131.2	320.2
Number of shares owned by PHAROL (PN)	Million	-	-
% Participation	%	2.20%	5.38%
Market value R\$	R\$ Million	22.3	243.4
Market value Eur.	Eur. Million	4.0	38.6

Investment Portfolios

Additionally, in August 2022, Pharol subscribed to two investment portfolios in financial assets composed mainly of groups of assets of Bonds and Shares of listed companies. The portfolios are managed by a banking entity that has the discretionary power to buy and sell the assets that compose it, with which a contract was signed that assumes the maintenance of these portfolios for a period of more than one year. These financial assets are part of a portfolio of identified financial instruments and for which there is evidence of a recent pattern of profit-taking in the short and medium term. Upon initial recognition, they are recorded at acquisition cost and subsequently at fair value, with changes in fair value recognized in profit or loss. With regard to these assets, on 31 December 2022 the variation in the fair value of the portfolio is as follows:

Portfolio fair value variation		euros
Initial investment value in the Portfolio		10,000,000
Portfolio value on December 31, 2022		9,689,577
Var. Fair Value – Gains or Losses on Oct. non-current assets		-310,423

With regard to these assets, at 31 December 2022 the portfolio is made up as follows:

Portfolio Breakdown	
	Euro
Asset Group	
Liquidity	317,952
Investment Grade Bonds	8,079,187
Actions	1,292,438
	9,689,577
Group by Geographic Allocation	
Europe (former UK)	4,805,606
USA	2,333,658
Other Developed	987,162
UK	757,526
Japan	479,855
Liquidity	317,952
Unclassified	7,819
	9,689,577
Group by sectoral allocation	
Financial	4,505,182
Funds	1,163,238
Cyclical consumer goods	1,824,659
Raw material	430,180
Utilities	195,566
Non-cyclical consumption	394,214
Communications	345,030
Industry	337,521
Liquidity	317,952
Energy	16,616
Others	159,419
	9,689,577

13. Other non-current assets

On 31 December 2022 and 2021, this caption includes an estimated future recovery of 51.9 million Euros related to the debt instruments issued by Rio Forte.

Regarding the debt instruments issued by Rio Forte, after having learned the Report of Judicial Administrators in the Rio Forte insolvency process (Rapport n° 4 des Curateurs), dated August 31, 2016, available at www.espiritosantoinsoleuncies.lu, PHAROL initiated efforts to analyze the financial, accounting and legal implications of what is contained in point 2.1.6., which is transcribed in free translation:

“Predictable recovery

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

It cannot be ruled out that judicial foreclosure and the possible rights of third parties involved will prevent for a prolonged period, or even definitively, the bankruptcy estate from recovering and distributing certain assets. In fact, it is not excluded that the judicial authorities have the objective of confiscating the assets now being held.”

PHAROL's Management, after due diligence 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, with Rio Forte had reduced. PHAROL's investment in Rio Forte's securities

was initially valued at fair value upon its initial recognition on March 30, 2015, and subsequently measured at amortized cost less any impairment losses. Based on the basic principles set out in IAS 39 (currently IFRS 9), Management, based on the information available, used its judgment in the definition of assumptions that culminated in a credit appreciation of Rio Forte by 85.7 million Euros at 31 December 2016. This reflects a value 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 impairment in the amount of € 48.8M.

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

In April 2019 and 5 years after the filing of the Rio Forte credit claim, a new report by the Judicial Administrators was published on 30 April 2019, which essentially points to: 1) postponement of the results of the conclusion of the analysis. debt declarations; and 2) downward revision of Rio Forte's asset value in Latin America; Accordingly, and based on these new factors, the recovery in debt recovery was once again revised downwards to 7.19% of nominal value recovery, equivalent to a reduction of 10.1 million euros. Euro to the amount of Euro 64.5 million. At the end of 2019 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, with the face value recovery set at 7.02 %, which is equivalent to an additional reduction of 1.5 million Euros to a total recovery amount of 63 million Euros. On December 31, 2020, a new downward revision of the nominal value recovery was carried out to 5.79%, essentially justified by the depreciation of assets held by Rio Forte in Latin America, which is equivalent to a reduction of 11.1 million of Euros to the amount of 51.9 million Euros.

As at 31 December 2022 and 2021, considering the maintenance of the main valuation factors of Rio Forte's Assets, and, with no evolution in the amount of claimed debts, the expected recovery value of Rio Forte's nominal debt remained unchanged at 5.79% equivalent to 51.9 million Euros.

Additionally, and still within the scope of the credit on Rio Forte, PHAROL in December 2017 learned of a statement from the curators of Espírito Santo International, SA, ("ESI") in which they declare that this bankrupt company will evaluate the possibility to sue PHAROL, asking for the latter to be ordered to reimburse 750 million Euros, without specifying the grounds for that request.

Following this statement, already in January 2019, PHAROL was notified by ESI's curatorship, as a precautionary measure to interrupt any limitation period, with a view to an eventual cancellation of Notes payments made by ESI during January 2014.

After analyzing the aforementioned subpoena, Pharol considers the probability, on the basis of the alleged facts, of obtaining any conviction of Pharol under the subpoenaed terms, to be highly remote, being the judicial process yet to be started until the present date. Accordingly, PHAROL has not made any provision in its financial statements.

14. Accounts Payable

As at December 31, 2022 and 2021, the composition of this caption is as follows:

	2022	Euro 2021
Current accounts payable		
Current suppliers	192,796	99,299
Others	260	16,522
	193,056	115,821

15. Accrued Expenses

As at December 31, 2022 and 2021, the composition of this caption is as follows:

	2022	Euro 2021
Accrued expenses		
Supplies and external services	251,409	348,056
Vacation pay and bonuses	179,658	219,962
Others	24,028	37,434
	455,095	605,452

16. Guarantees and Commitments and Other current liabilities

PHAROL, after being the dominant company in the consolidated tax base of the PT Group, is currently still in dispute over a series of tax assessments from the years prior to 2014. In May 2014, and given the business combination agreement entered into between PHAROL and Oi SA, all responsibilities inherent to these tax assessments were transferred to Oi's responsibility, with PHAROL being jointly and severally liable.

In this way, PHAROL currently has active Bank Guarantees (approximately 84.6 million Euros), Oi Guarantees (approximately 34.3 million Euros in a deposit into a guarantee account and a pledge contract on 644,019,090 common shares of Oi), and captive balances in balance to be able to deal with potential tax settlements from these processes (approximately 15.5 million Euros).

On the other hand, on December 31, 2022 and 2021, the Other Current Liabilities item includes the amount of tax authority reimbursements that may be used in potential settlements.

As of December 31, 2022 and 2021, the amount of Bank Guarantees has the following composition:

	2022	Euro 2021
Bank and other guarantees presented to the tax authorities	84,617,476	84,617,476
	84,617,476	84,617,476

The bank guarantees and other guarantees presented in favor of the tax authorities included 85 million euros as at 31 December 2022 and 2021, respectively, related to tax assessments received by PHAROL. The Company judicially challenged these assessments and, in accordance with Portuguese legislation, provided a guarantee, in order to avoid the initiation of an enforcement process which, in the absence of a guarantee or payment of the contested tax, would proceed until the attachment of sufficient assets to satisfy the tax paid. Portuguese law, although always allowing the challenge of taxes paid of its own motion by the tax

administration, only suspends the enforcement process if the tax is paid or a guarantee is provided. The provision of guarantee thus avoids the payment of tax before the decision of the challenge or the attachment of assets in enforcement proceedings.

Part of the guarantees previously provided were canceled due to the length of time and forfeiture of the processes. Notwithstanding the expiry and consequent cancellation of part of the Guarantees, most of the tax proceedings remain in progress, with Oi still responsible for them and may amount to up to 390 million euros (according to the tax consultants, proceedings with a possible or probable risk of loss for PHAROL amount to approximately 36.1 million euros). Also within the scope of the agreements entered into, Oi is also obliged to replace the bank guarantees provided by PHAROL to the Tax Authority with guarantees provided by Oi. In cases in which this replacement is not possible, Oi undertakes to provide equivalent guarantees in favor of PHAROL.

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

Additionally, in January 2020, following the Private Transaction Instrument and Other Covenants, entered into between PHAROL and Oi, the latter, through PT Participações SGPS, SA, made a deposit in an escrow account in the amount of 34,340,803, 32 Euros, intended to guarantee PHAROL in case of eventual conviction in tax contingencies for which Oi is responsible.

In the course of 2021, and in view of the incorporation on May 3, 2021 of Telemar Norte Leste, Oi SA and Pharol, in order to maintain the counter-guarantees 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 SA undertakes to reinforce the counter-guarantees in force.

17. Capital

17.1. Share capital

The share capital of PHAROL, which is fully subscribed and paid in, was as at December 31, 2022 and 2021, Euro 26,895,375, represented by 896,512,500 common shares, with a nominal value of three Euro cents each.

17.2. Treasury shares

As at December 31, 2022 and 2021, the composition of this caption is as follows:

	2022	Euro 2021
Shares held by PHAROL	164,809,193	164,809,193
	164,809,193	164,809,193

As at December 31, 2022 and 2021, PHAROL held 74,689,552 treasury shares, corresponding to 8.33% of the share capital PHAROL.

17.3. Legal reserve

Commercial law and PHAROL's articles of association provide that at least 5% of the net annual income must be appropriated to strengthen the legal reserve until this reserve represents 20% of the share capital. This reserve is not available for distribution to shareholders, unless on company liquidation, but may be used to absorb losses, once all other reserves have been exhausted, or for incorporation in the share capital. As at December 31, 2022 and 2021, the legal reserve was Euro 6,773,139 and was already fully incorporated, corresponding to more than 20% of the share capital.

17.4. Reserve for treasury shares

The reserve for treasury shares relates to the recognition of a non-distributable reserve equivalent to the nominal value of the cancelled shares, or to the acquisition cost of treasury shares held by PHAROL. This reserve has the same legal regime as the legal reserve. As at December 31, 2022 and 2021, this reserve relates to shares cancelled on December 20, 2007, March 24, 2008, and December 10, 2008, in the amount of Euro 6,970,320, as well as the treasury shares acquired or disposal between 2014, 2016, 2019, 2020 and 2021 amounting to Euro 164,809,193.

17.5. Revaluation reserve, other reserves and accumulated earnings

As at December 31, 2022 and 2021, this caption was made up as follows:

	2022	Euro 2021
Retained earning	114,422,658	116,783,750
Net income	(2,510,290)	(2,361,092)
Free reserves	105,209,244	105,209,244
Cumulative foreign currency translation adjustments (i)	(43,266)	(42,133)
Income and expenses recognized directly in equity (ii)	(187,988,510)	(168,284,640)
	29,089,836	51,305,128

(i) The variation of this caption reflects mainly the exchange effect arising from the transfer of the subsidiary Pharol Brasil.

(ii) As at 31 December 2022 and 2021, with the application of IFRS 9, this item essentially reflects the investment in Oi, which started to qualify as an investment in equity instruments at fair value through other comprehensive income on 31 December 2017, date from which all changes in fair value occurred in this investment started to be recognized in equity.

18. Consolidated Statement of Cash Flows

(a) Payments to suppliers

In 2022 and 2021, payments to suppliers mainly reflect payments of as third party suppliers and consultants.

(b) Other net receipts (payments), net

In 2022 and 2021, other net receipts and payments essentially include amounts received and paid in proceedings with the Tax Authority and its bank guarantee fees paid.

(c) Capital Realization and other equity instruments

In 2022 and 2021, this heading relates to the sale of shares of the company Oi S.A..

(d) Acquisition and Disposal of Treasury Shares

In 2021, this item refers to the acquisition and disposal of treasury shares.

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

At 31 December 2022 and 2021, the composition of this caption is as follows:

	2022	Euro 2021
Cash and cash equivalents		
Cash	4,684	2,414
Demand deposits	5,950,805	13,873,130
Time deposits	15,000,000	4,000,000
	20,955,489	17,875,543

19. Related Parties

During the years ended December 31, 2022 and 2021, the fixed remuneration of the Board members, which was established by the Remuneration Committee, amounted to Euro 368 and 473 thousand, respectively. In addition to the aforementioned amounts, the remuneration of Director Ana Cristina Dias was paid directly to Novo Banco, the shareholder she represents, as mentioned in note 20.

On December 31, 2022 and 2021, no share-based payment was in force, nor any termination benefit program.

20. Shareholders with Qualified Holdings

The Company believes that it is relevant to disclose outstanding balances and transactions with its main shareholders, namely those with a qualified holding of more than 2% in PHAROL's share capital, and with all the entities reported by these shareholders as being part of the respective economic groups. The tables below present the balances as at December 31, 2022 and 2021, and the transactions occurred in the years ended December 31, 2022 and 2021 between PHAROL and the entities that are identified as shareholders with qualified holding and respective economic groups:

	2022	Euro 2021
	Cash and bank deposits	
Shareholder		
Novo Banco	6,166,831	4,600,481
	6,166,831	4,600,481

	2022		Euro 2021	
	Costs and losses	Net interest income	Costs and losses	Net interest income
Shareholder				
Novo Banco	540	1,125	295	-
	540	1,125	295	-

The payment of remuneration to Director Ana Cristina Ferreira Dias, designated by Novo Banco, S.A., to exercise the position in her own name, is made directly to Novo Banco and, in 2022 and 2021, the amount paid was EUR 29,749.98 and EUR 28,700 plus VAT, respectively.

21. Financial instruments

22.1. Financial risks

PHAROL is exposed essentially 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.

22.1.1 Market risk

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

Exchange rate risks are mainly related to PHAROL's investments in Brazil and investments in foreign currency financial instruments that are part of the portfolios of investments in stocks and bonds.

As of December 31, 2022 and 2021, net exposure (assets less liabilities, net of non-controlling interests) to Brazil amounted to R\$ 21.9 million (3.89 million Euros) and R\$ 242.7 million (38.5 million Euros), respectively. PHAROL does not have any contracted instrument to cover the exchange rate risk associated with investments in foreign companies.

In an analysis of the impact of relevant risk variables, we can mention that an appreciation (devaluation) of the Real against the Euro by 0.1, from 5.64 to 5.74 (5.54) would have an impact of an increase (decrease) in PHAROL's net assets as of December 31, 2022, of approximately 467.8 thousand Euros (357.7 thousand Euros), which would correspond to exchange conversion adjustments on investments in Brazil.

Regarding the risks of prices and quotations, which are mainly related to the portfolio of investments in stocks and bonds, the Group has established criteria and limits to the discretionary management that was given to the banking entity that manage these portfolios. Having thus established the following limits for the two current portfolios:

- Minimum investment rating: Investment Grade entities (equal to or greater than BBB or similar, in the case of Moody's)
- Weight per issuer: exposure to each issuer shall not exceed 12.5% of the value of the portfolio;
- Geography: Exposure to emerging countries should not exceed 25%. Exposure by country shall 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 working days.

22.1.2 Credit risks

Credit risk is essentially associated with the risk of a counterpart defaulting on contractual obligations, resulting in a financial loss to the Group. PHAROL is essentially subject to credit risk in its operational and treasury activities.

Criteria used to calculate adjustments to accounts receivable are based on a recoverability analysis of accounts receivable on a regular basis.

On December 31, 2022, the receivables balance was not considered as significant.

Risks associated with treasury activities essentially result from investments made by the Group in cash investments. As mentioned before, in order to mitigate this risk, PHAROL put into place an investment diversification policy as of July 2014, so that investment in a financial institution is not greater than 34% of the total treasury applications. Thus, it ensures that amounts are invested in short term applications in diverse and reputed financial institutions. In 2022, and in order to readjust policies based on active portfolio management, given that bond and equity portfolios can be managed by banking entities, these limits were revised and more detailed. In this way, the concentration limit of 34% is maintained for sight deposits and time deposits per banking entity, and the amount invested in an asset management portfolio managed by the same banking entity will not count towards this limit of 34 %.

Additionally, and in order to establish concentration limits also in asset management, a maximum portfolio management limit per banking entity was established in the amount of 10 million euros.

PHAROL is also subject to credit risk in its investment in Rio Forte Investments, but has adjusted the value accordingly. In addition, and in connection with the Rio Forte debt instruments, PHAROL was informed of a statement from the curators of Espírito Santo International, SA ("Insolvency"), stating that this bankrupt company is going to sue PHAROL for the conviction of this company refund of EUR 750 million, without specifying the grounds for such a request.

Following this announcement, as of January 2019, PHAROL was summoned by the curator of Espírito Santo International, SA, as a precautionary measure to interrupt any limitation period, with a view to canceling ESI Notes payments during the month of January 2014.

After analyzing the abovementioned summons, PHAROL considers it highly remote that, on the basis of the alleged facts, it is possible to obtain any conviction of PHAROL in the terms provided. Accordingly, PHAROL has not recorded any provision in its financial statements (see Note 13).

22. Subsequent events

- Oi's stock price evolution between December 31, 2022, and February 24, 2023, can be found below:

	Reverse Split 10:1		
	31 dec 22	06 jan 23	24 feb 23
Oi ON share price (Reais)	0.17	1.60	2.01
Oi PN share price (Reais)	0.51	5.30	3.96
Exchange rate Real/Euro	5.6386	5.6034	5.4633
Oi ON share price (Euro)	0.03	0.29	0.37
Oi PN share price (Euros)	0.09	0.95	0.72

- On 2 March 2023 Oi reported that, together with its subsidiaries, it made the request for Judicial Recovery before its court as a matter of urgency.

PHAROL, SGPS S.A.



REPORT AND OPINION OF THE FISCAL COUNCIL

REPORT AND OPINION OF THE FISCAL COUNCIL

PHAROL, SGPS S.A.

**Exercise 2022
(consolidated accounts)**

Dear Shareholders of
PHAROL, SGPS S.A.

In compliance with article 420(1) (g) of the Code of Commercial Companies, we are responsible, as members of the Fiscal Council of "PHAROL, SGPS S.A." (from now on "PHAROL"), issue the annual report on our supervisory action as well as give an opinion on the management report and the consolidated financial statements presented by the Board of Directors for the year ended December 31, 2022 and also our assessment of the respective legal certification of the accounts and audit report issued by the audit firm.

I. Annual report of the activities of the Fiscal Council for the financial year 2022

In accordance with article 420(1) (g) of the Commercial Companies Code and article 8(1) (h) of the Rules of Procedure of the PHAROL Fiscal Council, this body submits the report on the supervisory action developed in the year 2022.

1. The Fiscal Council regularly performed the functions of its competence, through regular meetings with those responsible for the relevant areas and also the information and further clarification obtained, including the presentation of the main trends and developments that have occurred in the development of PHAROL's management and activity.
2. The Fiscal Council shall also assess the financial information produced during the financial year 2022 and has carried out the analyses and verifications deemed appropriate and necessary.
3. The work of the Fiscal Council was always to comply with the matters legally established, to permanently monitor the activity of PHAROL, and to verify that the consolidated financial statements were prepared in accordance with the accounting framework in force.
4. During the year 2022, the Fiscal Council met theito times, having developed several actions of which highlight the following:
 - i) Monitoring the quality, integrity and effectiveness of internal control systems and risk management;
 - ii) Supervision of preparation of consolidated financial information;

- iii) verification of the regularity of accounting records and the accuracy of the reporting documents;
 - iv) Assessment of accounting policies and value criteria adopted by PHAROL as to their adequacy and consistency, which aim to ensure the presentation of a true and appropriate picture of the financial position and results;
 - v) Verification of the conformity of the consolidated financial statements with the applicable legal requirements;
 - vi) Analysis of consolidated financial information disclosed.
5. Pursuant to the *regulamento*, which defines the rules and procedures to be adopted in the *Whistleblowing* System, the Fiscal Council became aware of the half-yearly reports of the activity developed by the Qualified Holdings Analysis Center, dated July 7, 2022 and January 12, 2023, and no Holdings were verified during the financial year 2022.
 6. In compliance with article 249(1) - Law No. 50/2020 of August 7, the Fiscal Council gave its assent to the Service Order establishing the procedures applicable to transactions with related parties of 2020 in force. In 2022, no transaction with related parties was subject to the prior opinion of the Fiscal Council.
 7. The Fiscal Council, in the context of its duties, exercised its powers in the supervision of the qualifications, independence and exercise of functions of the external auditor and statutory auditor, having also met regularly with it, which has always provided all the clarifications, technical and accounting, considered necessary.

It also took note of the results of the audit and external audit work on the consolidated financial statements for the year 2022, which include the consolidated increase of the results, the consolidated increase of the comprehensive income, the consolidated statement of the financial position, the consolidated capital changes, the consolidated increase in cash flows and its annexes.

The statutory auditor and external auditor followed the process of preparing PHAROL's consolidated financial statements, having made its findings known to the Fiscal Council and its agreement on 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 on the consolidated financial information for the year 2022, issued with a reservation and an emphasis, by the statutory auditor and external auditor, a document which merited its agreement.

It is the understanding of the statutory auditor and external auditor consisting of relevant audit matters:

- i) Measurement of investment in Oi, S.A.

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

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

8. In the course of its powers, the Conselho Fiscal proved that the report of the Board of Directors refers to the relevant aspects of the activity during the year and is in agreement with the consolidated financial statements for the year.
9. Also within the scope of its powers, and as provided for in Article 420(5) of the Code of Commercial Companies, the Fiscal Council also verified that PHAROL's Corporate Governance Report for the financial year 2022 includes the elements required under Article 29h h of the Securities Code.

II. Opinion of the Fiscal Council

Pursuant to and for the purposes of Article 29g(1)(c) of the Securities Code, each member of the Fiscal Council declares that, to the best of his knowledge:

- i) the management report, the annual accounts, the legal certification of the accounts, the audit report and other consolidated accountability documents for the financial year 2022 were drawn up in accordance with the applicable accounting standards, giving a true and appropriate picture of the assets and liabilities, the financial situation and the results of PHAROL and the companies included in the consolidation perimeter;
- ii) the management report and accurately highlights the evolution of the business, performance and position of PHAROL and the companies included in the consolidation perimeter and there is a description of the main risks and uncertainties that PHAROL and the companies included in the consolidation perimeter face in their activity.

The basis of the above report, the steps taken and the conclusions contained in the legal review 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, the services of PHAROL and the statutory auditor and external auditor, we express our agreement with the management report and the consolidated financial statements for the financial year 2022, so we are of the opinion that nothing prevents its approval at the General Meeting.

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

Lisbon, 2 March 2023

THE FISCAL COUNCIL

José Eduardo Fragoso Tavares de Bettencourt - President

Isabel Maria Beja Gonçalves New - Member

João Manuel Pisco de Castro - Vowel

PHAROL, SGPS S.A.



**STATUTORY AUDITORS' CERTIFICATION
AND AUDIT REPORT**

STATUTORY AUDITOR'S CERTIFICATION 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

Qualified Opinion

We have audited the accompanying consolidated financial statements of Pharol, SGPS, SA Group (Group), which comprise the consolidated statement of the financial position as at December 31, 2022 (showing a total of 86 878 930 euro and a total net equity of 69 728 977 euro, including a net loss of 2 510 290 euro), the consolidated statement of income, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the “Basis for qualified opinion” section of our report, the accompanying consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of Pharol, SGPS, SA Group as at December 31, 2022, 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 qualified opinion

As mentioned in chapters 1 and 2 of the Consolidated Annual Report 2022 and in notes 12 and 17.5 of the notes to the consolidated financial statements as at December 31, 2022, the Financial Assets of Pharol Group, SGPS, SA include the investment in Oi, SA, which, as a result of the sales of shares carried out in 2022 and the negative evolution of their share price, amounts to 4 million euros as at 31 December 2022 (38,6 million euros as at 31 December 2021), valued at market price, determined based on the closing price of the respective shares, with the changes in fair value recognized in equity. The Independent auditor's report on the individual and consolidated financial statements for the year ended December 31, 2021 of Oi, SA, dated May 4, 2022, included a “Material uncertainty related to the operational continuity” of Oi, SA. The review report of the new independent auditor, appointed in 2022, on the interim individual and consolidated financial statements for the period ended September 30, 2022 of Oi, SA, dated November 9, 2022, shows the following paragraph of the Emphasis titled “Going concern”: *“We draw attention to Note 1 to the parent company and consolidated interim accounting information has been prepared on the assumption of the normal continuity of the Company's business, observing the following main aspects: (i) compliance with the requirements, terms and conditions set forth in the Amended Judicial Reorganization Plan (“Amended PRJ”), as well as compliance with the*

requirements set forth in Law No. 11,101/2005; (ii) the successful implementation of the Company's strategic plan; (iii) the conclusion of the sale of Mobile Assets and InfraCo Isolated Productive Units (UPIs), which took place on April 20, 2022 and June 9, 2022, respectively; and (iv) the execution of the instrument of renegotiation and transaction signed with ANATEL. The measures provided for in the Judicial Reorganization Plan aim to reverse the conditions that have been causing recurring losses to the Company, and the fact that the Company is in Judicial Reorganization, as well as the remaining uncertainties regarding the success in meeting the necessary requirements for the end of this process, indicate the existence of material uncertainty that may raise significant doubt as to the Company's ability to continue as a going concern.” As disclosed in chapter 3 of the 2022 Consolidated Report and Accounts of the Pharol Group, SGPS, SA: (i) on December 15, 2022, it was pronounced the decision decreeing the end of the Judicial Reorganization of Oi and its wholly-owned, direct and indirect subsidiaries; and (ii) on March 1, 2023, Oi submitted a new request for urgent Judicial Reorganization, to the respective Court. Up to the present date, the individual and consolidated financial statements for the year ended December 31, 2022 of Oi, SA, nor the corresponding independent auditor's report, are yet available, a situation that limits the scope and depth of the audit. As presented in note 22 to the present consolidated financial statements, the listed market price of the ordinary shares of Oi, SA evolved from 0.17 reais (0.03 euros) as at December 31, 2022 to 2.01 reais (0.37 euros) as at February 24, 2023 (considering reverse split 10:1).

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 entities 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 qualified opinion.

Emphasis of matter

The chapter 4 of the Consolidated Annual Report 2021 and the notes 3, 13 and 21 to the present consolidated financial statements, disclose, on one hand, that the measurement of the debt securities issued by Rio Forte Investments, SA reflects the management’s best estimate concerning the recoverable amount of those securities and, on the other hand, that the Group was summoned by the curators of Espírito Santo International SA (ESI), in view of a possible cancellation of Notes’ payments, made by ESI, during the month of January 2014. Pharol, SGPS, SA (Pharol) considers the probability, based on the alleged facts, of obtaining any conviction of Pharol under the subpoenaed terms, to

be highly remote, being the judicial process yet to be started until the present date. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, 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. In addition to the matter described in the Basis for Qualified Opinion section, we considered in the audit the following relevant matters:

Key audit matters	Synthesis of audit response
<i>Measurement of Oi, SA investment</i>	
<p>The equity investment in Oi, SA (2,20%) is presented as financial assets measured by the market value.</p> <p>Oi, SA is a large entity with high public and media profile, being highly relevant to the Group financial statements. The judicial reorganization process in which Oi, SA had been involved since June 2016 was concluded in December 2022. However, on March 1, 2023, Oi presented a new request for judicial reorganization, on an urgent basis, with the respective Court.</p> <p>The respective financial statements are audited by other auditors.</p> <p>Related disclosures: Notes 2, 3, 12 and 17.5 to the present consolidated financial statements.</p>	<p>The audit response involved, in synthesis, the performance of the following procedures:</p> <p>Confirmation of the shares held by the Group as at December 31, 2022, through the verification of the documentation from the custodian banks where these shares are deposited;</p> <p>Verification of the adequate form of classification and measurement of this investment, bearing in mind the provisions of the applicable IFRS;</p> <p>Obtaining and analysing the independent auditor's review report on the most recent available individual and consolidated financial statements (as at September 30, 2022) of Oi, SA;</p> <p>Analysis and validation of the calculations inherent to the measurement by market value;</p> <p>Evaluation of the reasonableness of the financial statements' disclosures.</p>

Key audit matters	Synthesis of audit response
<i>Measurement of the investment in debt securities issued by Rio Forte Investments, SA</i>	
<p>At March 30, 2015 the debt securities issued by Rio Forte Investments, SA (Rio Forte) were returned to the Group, following the performance of the exchange contract signed on September 8, 2014 between Oi Group and the Group.</p> <p>Rio Forte is under an insolvency process taking place in Luxembourg, with high public and media profile. This investment is relevant within the scope of the Group financial statements and the respective measurement involves significant judgements.</p> <p>Related disclosures: Notes 3, 13 and 21 to the present consolidated financial statements.</p>	<p>The audit response involved, in synthesis, the performance of the following procedures:</p> <p>Analysis of the information present in the reports and announcements issued by the Rio Forte insolvency curators;</p> <p>Analysis of the judgements made by the management in determining the recoverable amount of the debt securities at December 31, 2022;</p> <p>Circularization of the banks where the debt securities are deposited;</p> <p>Monitoring of possible developments arising from an announcement issued by the insolvency curators of Espírito Santo International, SA issued in November 14, 2017 and the corresponding subpoena in the meanwhile received in 2019;</p> <p>Circularization of the lawyers that handle the insolvency process and analysis and appraisal of the respective response about the expected outcome for Pharol of the subpoena received from ESI referred before.</p> <p>Evaluation of the reasonableness of the financial statements' disclosures.</p>
<i>Measurement of investment portfolios in financial assets</i>	
<p>In August 2022, Pharol subscribed with a banking entity for two investment portfolios in financial assets managed by that banking entity and applied in accordance with previously defined criteria and limits, consisting mainly of groups of bond assets and shares of listed companies.</p> <p>These portfolios correspond to approximately 11% of the Grupo Pharol, SGPS, SA assets as at December 31, 2022, and are measured at fair value, with fair value variations recognized in profit or loss (IFRS 9).</p> <p>The consideration of this matter as relevant for the audit is based on the materiality of the assets.</p> <p>Related Disclosures: Notes 3, 12 and 21 of the notes to these consolidated financial statements.</p>	<p>The audit response involved, in synthesis, the performance of the following procedures:</p> <p>Circularization of the bank that manages the investment portfolios;</p> <p>Obtaining and analysing the Portfolio Management Reports as at December 31, 2022;</p> <p>Confirmation of compliance by the banking entity with the criteria and limits previously defined by Pharol;</p> <p>Verification of the adequate form of classification and measurement of this investment, bearing in mind the provisions of the applicable IFRS;</p> <p>Substantive tests for validation, by sampling, of the portfolio assets valuation, based on their official quotations;</p> <p>Evaluation of the reasonableness of the financial statements' disclosures.</p>

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

Management is responsible for:

- (i) the preparation of consolidated financial statements that give a true and fair view of the Group's financial position, financial performance and cash flows in accordance with International Financial Reporting Standards (IFRS) as adopted in the European Union;
- (ii) preparation of the management report, the corporate governance report and remuneration report in accordance with the applicable laws and regulations;
- (iii) designing and maintaining an appropriate internal control system to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or to error;
- (iv) the adoption of accounting policies and principles appropriate in the circumstances; and
- (v) 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 to error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- (i) identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or to 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;
- (ii) 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;
- (iii) evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
 - (iv) conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
 - (v) evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
 - (vi) obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group Audit. We remain responsible for our audit opinion.
 - (vii) 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;
 - (viii) 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;
 - (ix) declare to the supervisory body that we comply with the relevant ethical requirements regarding independence and communicate to the supervisory body all relationships and other matters that may be perceived as threats to our independence and, where applicable, what measures have been taken to eliminate the threats or what safeguards are applied.

Our responsibility also includes the verification that the information contained in the 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.º of the Portuguese Companies' Code, as well as verification that the remuneration report has been presented.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

On the management report

Pursuant to article 451.º, n.º 3, al. (e) of the Portuguese Companies' Code, except for the possible effects of the matter described in the "Basis for qualified opinion" section of our report, it is our opinion that the management report was prepared in accordance with the applicable legal and regulatory requirements and the information contained therein is consistent with the audited consolidated 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

Complying with article 451.º, n.º 4, of the Portuguese Companies' Code, in our opinion, the corporate governance report includes the information required to Pharol to provide under article 29.º-H of the Securities Code, and we have not identified material misstatements on the information provided therein in compliance with paragraphs c), d), f), h), i) and l) of n.º 1 of that article.

On the remuneration report

Complying with article 26-G, no. 6, of the Securities Code, we inform that Pharol has included in a separate chapter, in its corporate governance report, the information specified in paragraph 2 of that article .

On the European Single Electronic Format (ESEF)

The consolidated financial statements of Pharol Group, SGPS, SA, for the year ended 31 December 2022, must comply with the applicable requirements established in Delegated Regulation (EU) 2019/815, of December 17, 2018 of the European Commission (the ESEF Regulation).

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

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

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

- obtaining an understanding of the financial reporting process, including the presentation of the annual report in valid XHTML format;
- identifying and assessing the risks of material misstatement associated with marking up financial statement information, in XBRL format using iXBRL technology. This

assessment was based on the understanding of the process implemented by the entity to mark up the information.

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

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

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

- We were appointed as auditors of Pharol in the shareholders general assembly held on May 29, 2015 for a first mandate from 2015 to 2017. We were appointed for a second mandate, from 2018 to 2020, as auditors of Pharol in the shareholders general assembly held on May 25, 2018 and at the general shareholders' meeting held on April 30, 2021, for a third mandate from 2021 to 2023.
- Management has confirmed to us that they are not aware of any fraud or suspicion of fraud having occurred that has a material effect on the financial statements. In planning and executing our audit in accordance with ISAs we maintained professional scepticism, 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 consolidated financial statements due to fraud.
- We confirm that our audit opinion issued is consistent with the additional report that we prepared and delivered to the supervisory body of Pharol on March 2, 2023.
- We declare that we have not provide any prohibited services as described in article 5.º, number 1, of the Regulation (EU) nº 537/2014 of the European Parliament and of the Council, and we have remained independent of Pharol in conducting the audit.
- We inform that, in addition to the audit, we have not provided to the Group any other services.

Lisbon, March 2, 2023

Ana Gabriela Barata de Almeida,
(ROC nº 1366, registered at the CMVM under no. 20160976)
as representative of BDO & Associados - SROC

CORPORATE GOVERNANCE REPORT
2022



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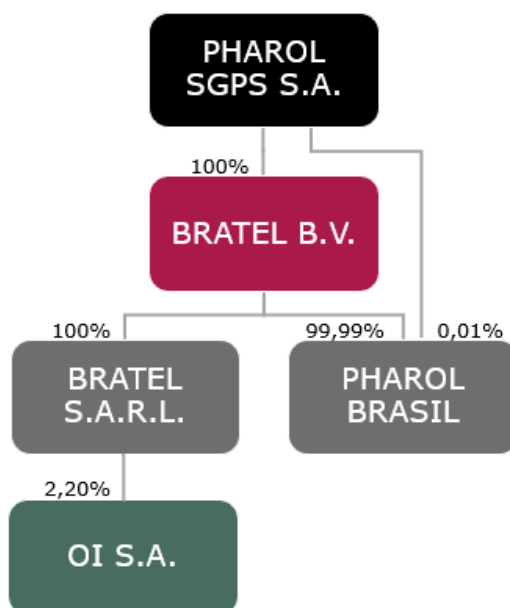
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INTRODUCTION

PHAROL, SGPS SA, is headquartered at Rua Gorgel do Amaral, n° 4, CV Esq. 1250-119 Lisboa, with a share capital of EUR 26,895,375.00, registered on the Commercial Registry Office under unique registration and personal number collective 503215058 ("PHAROL" or "Company") is public listed company, issuer of securities admitted to trading on the regulated market of Euronext Lisbon.

In this report, PHAROL complies with the recommendations contained in the Corporate Governance Code of the Portuguese Institute of Corporate Governance ("CGS IPCG") which entered into force on January 1, 2018, revised in 2020, and continues to prepare the Report in accordance with the annex to Regulation of CMVM n° 4/2013 of January 1, 2014 and with the circular issued by the same Commission on January 28, 2021. This Report intends to reflect the adjustment and the pertinence of each recommendation to the reality and conjuncture of the Company with reflecting its classic corporate governance model and the provisions of paragraph a) of no. 1 of article 278 of the Commercial Companies Code.

The structure and investment of the PHAROL Group as of December 31, 2022 are as follows:



PART I – INFORMATION ON SHAREHOLDER STRUCTURE, ORGANIZATION AND CORPORATE GOVERNANCE

A. SHAREHOLDER STRUCTURE

I. CAPITAL STRUCTURE

1. CAPITAL STRUCTURE

The share capital in PHAROL is 26,895,375 Euros and it is fully paid up and represented by 896,512,500 common shares with a par value of three Euro cents each.

All PHAROL ordinary shares are admitted to trading on the Euronext Lisbon regulated market.

2. RESTRICTIONS TO SHARE TRANSFERABILITY, SUCH AS CONSENT CLAUSES FOR DISPOSAL, OR LIMITATIONS TO SHARE OWNERSHIP

The Company does not adopt any specific limitations as to share transferability. However, the Bylaws provide that shareholders carrying out, directly or indirectly, a business competing with the business of companies in a control relationship with PHAROL may not be the owners, without the prior authorisation of the General Meeting of shareholders, of ordinary shares representing more than 10% of the share capital in the Company.

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

On 31 December 2022, the Company held 74,689,552 own shares, corresponding to 8,33% of PHAROL share capital.

The voting rights inherent to the own shares are suspended, in accordance with the applicable legislation.

4. SIGNIFICANT AGREEMENTS INCLUDING CHANGE OF CONTROL CLAUSES

There are no significant agreements entering into force in the event of change in control in PHAROL. There are no measures requiring payment or assumption of fees by the Company in the event of change of control or change in the composition of the Board of Directors and which appear likely to impair the free transfer of shares and free assessment by shareholders of the performance of Board members.

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

PHAROL's Bylaws include a limitation on the counting of votes whereby any votes in excess of 10% of the total voting rights corresponding to the share capital cast by a single shareholder of ordinary shares, directly or through a representative, in his own name or as a representative of another shareholder, shall not be counted (article 13, 12).

The Company's bylaws provide a limitation on the counting of votes. On April 30, 2021, the discussion of this point was taken to the Shareholders' Meeting and it was decided to keep this limitation.

Also, the Regulation of the Board of Directors approved at the beginning of 2020 is stipulated that, providing for the Company's bylaws a limitation on the number of votes that can be held or exercised by

a single shareholder, individually or in concert with others, the Board of Directors must promote that, at least every 5 years, should it be submitted to deliberation by the general meeting the change or maintenance of this statutory requirement.

6. SHAREHOLDERS' AGREEMENTS OF WHICH THE COMPANY IS AWARE AND MIGHT LEAD TO RESTRICTIONS IN THE TRANSFER OF SECURITIES OR VOTING RIGHTS

The Company has no knowledge of the existence of any shareholders' agreements that might lead to restrictions in the transfer of securities or voting rights.

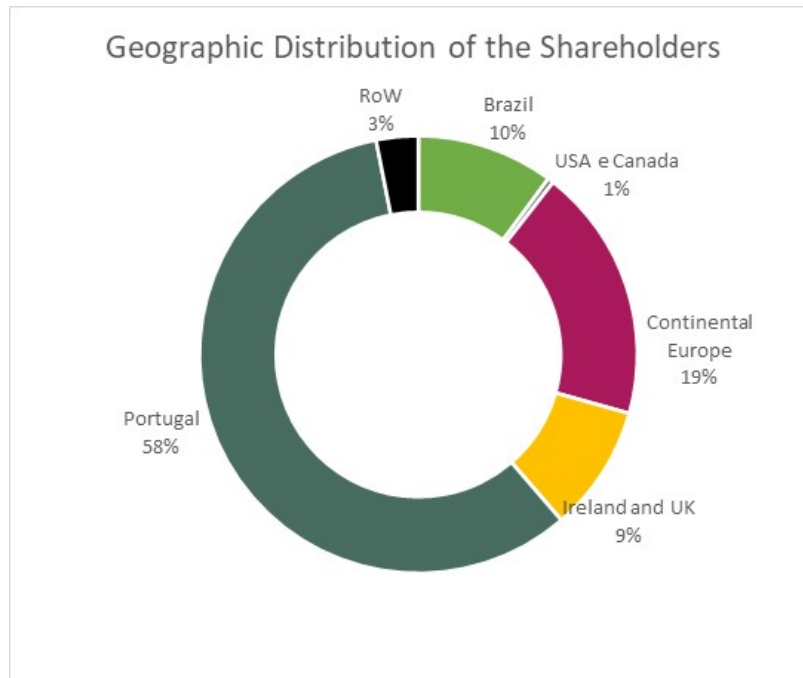
II. SHAREHOLDINGS AND BONDS

7. OWNERS OF QUALIFIED HOLDINGS, PERCENTAGE OF CAPITAL AND VOTES ATTRIBUTABLE, SOURCE AND CAUSES FOR ATTRIBUTION

As of 31 December 2022, qualified holdings represented about 19.56% of PHAROL share capital, as follows:

DATE OF INFORMATION	ENTITIES	NO. OF SHARES	% OF CAPITAL	% OF VOTING RIGHTS
31/05/2012	Oi S.A.*	89.651.205	10,00%	10,00%
*Oi incorporated Telemar on May 3, 2021				
Total attributable		89.651.205	10,00%	10,00%
02/04/2018	Novo Banco S.A.	85.665.125	9,56%	9,56%
	Directly	85.665.125		
	Shares held by companies in a controlling or group relationship with Novo Banco, S.A.	916		
	Shares held by directors and members of the Corporate Bodies	595		
Total attributable		85.666.636	9,56%	9,56%

PHAROL has a diversified shareholder structure, with around 42% of its share capital held by foreign shareholders, essentially divided between Brazil, Europe and Ireland and UK, representing 10%, 19% and 9% respectively of the shareholder basis. The Portuguese market represents around 58% of the shareholder basis.



Source: Interbolsa (December 2022)

For further information on the source and cause of the qualified holdings, please refer to the section called “Qualified Holdings” on the annual management report.

Updated information on qualified holdings in the Company may be consulted at www.pharol.pt and on CMVM website.

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

Regarding this matter, please see item 17 of Part I below.

Members of the supervisory bodies do not hold PHAROL shares.

9. SPECIAL POWERS OF THE MANAGEMENT BODY, NOTABLY AS REGARDS CAPITAL INCREASE RESOLUTIONS

The powers of PHAROL’s Board of Directors are described in item 21 below.

Prior to the resolution of the General Meeting setting parameters for capital reinforcement or reinforcement, PHAROL’s bylaws authorize the Board of Directors, with the favourable opinion of the Fiscal Council, to resolve to increase the capital stock by one or more times, and by cash inflows, in value up to 80,000,000 euros. The total amount of the authorized capital increase includes not only the nominal value of the issue(s) and the issue premium(s). For the calculation of the overall limit of 80,000,000.00, convertible bonds issued under Article 8 of the bylaws shall always be taken into account.

10. SIGNIFICANT COMMERCIAL RELATIONSHIPS BETWEEN OWNERS OF QUALIFIED HOLDINGS AND THE COMPANY

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

Relevant transactions executed during 2022 with other owners of qualified holdings, who are not related parties, are described in Note 20 the consolidated financial statements included in the Report and

Consolidated Accounts 2022. There are no other relevant commercial relations between owners of qualified holdings and the Company.

B. CORPORATE BODIES AND COMMITTEES

I. GENERAL MEETING OF SHAREHOLDERS

COMPOSITION OF THE BOARD OF THE GENERAL MEETING OF SHAREHOLDERS

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

Shareholders may participate directly in the General Meeting or appoint their representatives, within the broadest terms provided for under the Portuguese Companies Code, using the form available at www.pharol.pt and the specific information given in the respective notice.

The Compensation Committee is represented in all General Meetings.

The Chairman of the Board of the General Meeting of shareholders is also provided with logistic support as required to carry out his duties, and the shareholders may contact the Board of the General Meeting of shareholders as follows:

Presidente da Mesa da Assembleia Geral
Rua Gorgel do Amaral, n.º 4, CV Esq., 1250-119, Lisboa
Tel. - + 351800207369
Fax - + 351 212697949
E -mail: assembleia@pharol.pt

11. IDENTIFICATION OF THE MEMBERS OF THE BOARD OF THE GENERAL MEETING OF SHAREHOLDERS, COMMENCEMENT AND EXPIRATION OF TERM OF OFFICE

Board of the General Meeting of Shareholders

Diogo Lacerda Machado	Chairman
Maria de Lourdes Cunha Trigos	Secretary

The members of the Board of the General Meeting of Shareholders were elected on 30 April 2021 to complete the 2021-2023.

EXERCISE OF VOTING RIGHTS

12. POSSIBLE LIMITATIONS ON VOTING RIGHTS

Under the Company's Bylaws, each share grants the right to one vote. Only shareholders entitled to vote on the record date (i.e., on the fifth trading day prior to the General Meeting) and in compliance with the procedures and periods set forth in the notice.

According to article 13 of the Company's Bylaws, the votes cast by a single holder of ordinary shares, directly or through a representative, in his own name or as a representative of another shareholder, that exceed 10% of the total voting rights corresponding to the share capital shall not be counted. Shares held by a person in situations as provided for under article 20 of the Portuguese Securities Code shall be deemed to belong to the shareholder, and the limitation on the counting of votes cast by each person affected by the said provision shall be proportional to the number of votes held and cast.

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

The company promotes the in-person participation of shareholders in General Meetings, as a space for them to communicate with the corporate bodies and reflect on the Company. The means of participation made available to its shareholders for participation in the General Meeting of the Company, taking into account their preferred history of attending in person, are suitable for this circumstance.

Additionally, and pursuant to article 22 of the CódVM and article 13 of PHAROL's articles of association, Shareholders are granted the right to exercise their respective voting rights by electronic mail or post. The Company makes available at its email address, from the date of the Call for each General Meeting, forms intended to facilitate access to all the information necessary for issuing the documentation to be presented by shareholders to ensure their participation in the General Meeting, as well as providing an address electronic forum dedicated to streamlining between shareholders and the Chairman of the Board. Furthermore, it affects an internal work team to support the work of the Board of the General Meeting and the shareholders.

In accordance with the Bylaws, the terms and conditions for voting by postal or electronic correspondence will be defined by the Chairman of the Board of the General Meeting in the notice, in order to ensure their authenticity, regularity, security, reliability and confidentiality so far of the vote.

The Company Bylaws provide that the voting by postal or electronic mail may encompass all matters contained in the notice, under the terms and conditions set forth therein, and votes cast in this way shall be considered at the time of the counting by adding the same to the voting rights exercised in the course of the General Meeting.

In either case, the authenticity of the vote will be assured before the Chairman of the Board of the General Meeting by means of:

- Signed communication, accompanied by a legible copy of the 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(s) (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 guarantee the confidentiality of the vote, the aforementioned communications must be sent in a sealed envelope or to a dedicated email address, which will only be considered at the time of scrutiny of the vote.

With regard to voting by electronic correspondence, and in accordance with the Company's practice, shareholders with the right to vote may exercise it by electronic mail, in compliance with the established requirements, provided that it is up to the time and date set in the notice convening the Meeting. General Meeting, send the ballot papers and voting instructions by this means to the Chairman of the Board of the General Meeting, indicating the email address to which they want the respective ballots to be sent.

Following this request, shareholders will receive a communication containing the email address to be used to exercise their voting rights - an email address exclusively created and dedicated for this purpose - and an identifier code (password) to be mentioned in the email message with- and an identifier code (password) to be mentioned in the email with which the shareholder may exercise their voting rights.

The ballot paper must contain the digital signature of the shareholder (or respective organic or legal representative) or a simple signature, 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, access code to the permanent certificate of the represented entity (or equivalent document, proving the legitimacy of the representative). As an alternative to sending a copy of the identification document, signatures may be recognized in legal terms.

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

Votes cast by postal or electronic correspondence are considered negative votes in relation to resolution proposals that may be presented after the respective issuance. The presence at the General Meeting of a shareholder who has exercised the respective right to vote by postal or electronic correspondence, or of his representative, determines the revocation of the vote expressed in that way.

In accordance with the practice adopted by PHAROL, voting by postal mail shall be carried out according to the following procedure:

Shareholders with voting rights may, in accordance with article 22 of the Securities Code, exercise them by postal mail, provided that, by the time and date set in the notice, they send a communication addressed to the Chairman of the Board of the General Meeting, indicating the e-mail address to which they wish to have the ballot papers sent. Shareholders may also withdraw voting papers from the Company's website at www.pharol.pt from the date of the notice.

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

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, access code to the permanent certificate of the represented entity (or equivalent document, proving the legitimacy of the representative). As an alternative to sending a copy of the identification document, signatures can be recognized in 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 delivery, by post or by email.

The deadline for receiving declarations of vote by electronic and postal correspondence, in accordance with the practice adopted by PHAROL, is 3 working days in advance of the date of the General Meeting.

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

Considering the mechanisms of participation and voting in the General Meeting described above, PHAROL promotes shareholder participation, by means of voting by postal or electronic correspondence, by a representative with a power of attorney under the legal and statutory terms. Shareholders are also allowed to participate in General Meetings 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 CONNECTED TO THE FORMER THROUGH ANY OF THE RELATIONSHIPS SET FORTH IN ARTICLE 20.1 OF THE PORTUGUESE SECURITIES CODE

Regarding this matter, please see item 12 of Part I above.

14. SHAREHOLDER RESOLUTIONS WHICH, ACCORDING TO THE BYLAWS, CAN ONLY BE ADOPTED WITH QUALIFIED MAJORITY, APART FROM THOSE LEGALLY PROVIDED FOR

Under article 14 of the Company's Bylaws, the General Meeting of shareholders resolves, on a first or subsequent call, by a majority of votes cast, without prejudice to any qualified majority as required in cases as provided for by law.

In this way, the constitutive and resolute quorum of the General Meeting of shareholders established under PHAROL's Bylaws is no different from that established under the Portuguese Companies Code.

II. MANAGEMENT AND SUPERVISION

COMPOSITION

15. IDENTIFICATION OF THE CORPORATE GOVERNANCE MODEL

PHAROL follows a governance model, which is based on the existence of a Board of Directors and a Statutory Auditor ("ROC") elected by the General Meeting of shareholders upon a proposal by the Fiscal Council. In 2017, a Managing Director was appointed.

In accordance with the provisions of the company's articles of association, in the event that the Board of Directors appoints a Chief Executive, it may establish, at the same meeting at which it appoints, one or more monitoring committees on certain specific matters. However, 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 relating to it, as well as the high frequency of meetings, there was no need to establish any monitoring committee.

PHAROL's organisation structure further includes a Compensation Committee elected by the General Meeting of shareholders, which is responsible for determining the remunerations of the members of corporate bodies.

The members of the corporate bodies and of the Board of the General Meeting of Shareholders are elected for a three-year term of office, and they may be re-elected one or more times within the limits of the law.

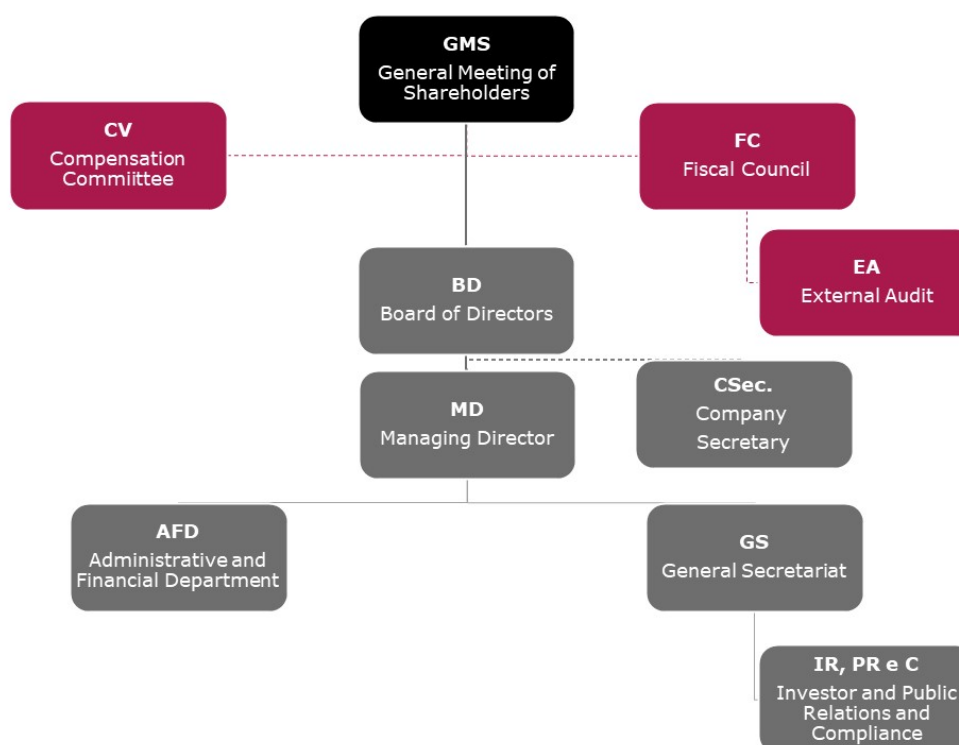
The Fiscal Council, together with the External Audit, performs the supervisory functions that derive from the applicable laws and regulations.

In 2022, PHAROL had as its fundamental objectives the valuation and defense of the value of the assets held by the Company: the shareholding in the Brazilian company Oi and the possible recovery of the credit in the context of the bankruptcy of Rio Forte. In this regard, PHAROL focused on monitoring the evolution of this process in order to be recognized as the creditor of the bankrupt estate to allow the maximum amount to be collected. The Company maintained its focus on reducing operating cost control as well as removing the risks it has faced, many of a legal and legal nature.

To ensure its operational functioning, PHAROL has 7 permanent employees and the support of several external consultants and advisory services in the legal, financial and accounting areas.

In this context of such a reduced structure and dimension, the existence of 6 Directors, of which 3 are independent, from the Supervisory Board and the ROC, seem sufficient to efficiently guarantee the functions that are entrusted to the Company's management, including of risks.

On 31 December 2022, PHAROL's governance model could be schematised as follows:



16. BYLAW RULES ON THE PROCEDURAL AND MATERIAL REQUIREMENTS FOR THE APPOINTMENT AND REPLACEMENT OF THE MEMBERS OF THE BOARD OF DIRECTORS

The members of the Board of Directors are elected by the General Meeting of shareholders as described in item 17 of Part I below.

The Bylaws determine that the absence of any director from more than half the ordinary meetings of the Board of Directors during one financial year, in a consecutive way or not, without a justification acceptable to the Board of Directors, shall be deemed as a definitive absence of such director. Such definitive absence shall be declared by the Board of Directors, and the director in question shall be replaced as provided for by law and the Bylaws.

17. COMPOSITION OF THE BOARD OF DIRECTORS

Under the statutory terms, 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 of 30 April 2021, six Directors were elected.

The Company is also subject to the provisions of Law No. 62/2017, of August 1 (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). Under this law, the proportion of people of each gender newly appointed to each company's management and supervisory bodies cannot be less than 20%, as of the first elective general meeting after January 1, 2018 and the 33.3%, as of the first elective general meeting after January 1, 2020.

PHAROL fully complies with the provisions of the law, integrating in its Board of Directors 3 female directors out of a total of 6 members.

Furthermore, on October 28, 2022, PHAROL approved its 2023 Gender Equality Plan, a document that can be consulted on the Company's website at www.pharol.pt

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

As at 31 December 2022, the Board of Directors had the following composition:

Members (date of first appointment)	Board of Directors	Independence (1)	No. of shares
Luís Maria Viana Palha da Silva (2015)	President	No	200,000
Ana Cristina Ferreira Dias, appointed by Novo Banco, S.A., to exercise the position in her own name (2021)	Member	No	
Avelino Cândido Rodrigues, appointed by Oi, S.A., to exercise the position in his own name (2019)	Member	No	
Maria do Rosário Amado Pinto Correia (2015)	Member	Yes	40
Maria Leonor Martins Ribeiro Modesto (2018)	Member	Yes	
Pedro Zañartu Gubert Morais Leitão (2015)	Member	Yes	

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

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

The Managing-Director reported on all of the relevant matters to all other members of the Board of Directors.

18. EXECUTIVE AND NON-EXECUTIVE BOARD MEMBERS AND INDEPENDENCE CRITERIA

As referred to in item 17 above, as at 31 December 2022 the Company distinguishes executive and non-executive directors. In the same item, those directors that are considered independent are identified.

As at 31 December 2022, the Board of Directors of PHAROL has 3 independent directors, from among 6 members of the Board.

The number of non-executive and independent directors is adequate in relation to the provisions of Recommendations III.2 to III.4 of the IPCG Code, with a number of directors non-executives who meet the independence requirements of more than 1/3 and meeting the conditions 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 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 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.

All directors deemed independent by PHAROL, as of 31 December 2022, as set out in item 17 above, meet the conditions required for the performance of their duties and compliance with their obligations to act diligently and in the interest of the Company in an independent manner. Thus, the Board of Directors considers that the Company's management body includes a number of independent members that is appropriate to its size and shareholder structure.

According to PHAROL's Internal Regulation no. 3/2017, the members of the Board of Directors of the Company, must send to the Chairman of the Board, within 10 business days as from their election or co-optation, and no later than 31 January of each year, declarations prepared in accordance with an Appendix

to the said Internal Regulation.

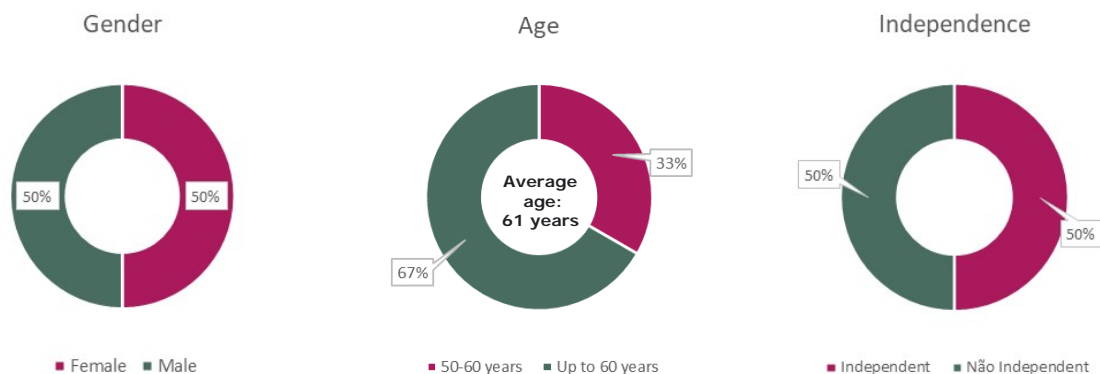
Where the independence situation of any member of the Board of Directors is subsequently changed, the director in question must send to the Chairman of the Board an updated declaration, in the 10 business days following such subsequent change.

The Board of Directors assesses the independence of its non-executive members, on the basis of such declarations, as well as of any other information of which the Board may be aware.

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

The composition and qualifications of the members of the Board of Directors of PHAROL are defined in the internal regulations of this Board, referred in point 21 of this report.

PHAROL also complies with the CVM, effective on December 31, 2022, and with the balanced representation regime between women and men between the management and supervisory bodies of public sector entities and listed companies, law 62/2017.



In accordance with Recommendation I.2.1., Annex I contains the curricula of the members of this Body. The same annex contains additional information to the CVs, describing the criteria and conditions for adapting the profile of each member 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. FAMILY, PROFESSIONAL OR COMMERCIAL RELATIONSHIPS, FREQUENT AND SIGNIFICANT, OF THE MEMBERS OF THE BOARD OF DIRECTORS WITH OWNERS OF QUALIFIED HOLDINGS ABOVE 2% OF THE VOTING RIGHTS

As at 31 December 2022, no member of the board of directors has no family, professional or commercial relationships, frequent and significant, with owners of qualified holdings above 2% of the voting rights, except:

- Ana Cristina Ferreira Dias, appointed by Novo Banco, SA to exercise the position in her own name, also performs management functions at Novo Banco, SA, an entity to which a qualified holding of more than 2% of the share capital and voting rights is attributable from PHAROL.

21. DISTRIBUTION OF POWERS AMONG THE VARIOUS CORPORATE BODIES, COMMITTEES AND/OR DEPARTMENTS OF THE COMPANY

MANAGEMENT BODY

Board of Directors

Pursuant to the Bylaws, the Board of Directors is the corporate body responsible for managing the Company's businesses and practicing all acts regarding the corporate scope that are not within the powers of other corporate bodies. It establishes the strategic orientation of PHAROL and monitors the day-to-day management delegated to the Managing Director, designated in 2017 to ensure the existence of a structure more suited to the management needs of PHAROL.

On February 28, 2020, a new regulation of the Board of Directors was approved, governed by the following guidelines:

- The Board of Directors will perform its duties in accordance with the corporate interest and with the applicable legal and statutory provisions, taking into account the general objectives and fundamental principles of the Company, the long-term interests of its shareholders and other investors and the sustainable development of the activity corporate structure of the Company and its subsidiary company (ies). Corporate governance should promote and enhance the performance of companies and the capital markets and consolidate the confidence of investors, workers and the general public in the quality and transparency of management and supervision and in the sustained development of society.
- The Company's Board of Directors is composed of the members elected in accordance with the applicable legal and statutory provisions framed in an open and transparent culture with respect for diversity.
- The Directors, whose profiles will have to correspond to criteria and requirements of technical competence, independence, integrity, loyalty, availability, experience and gender diversity, will develop their respective qualifications, knowledge and experience with a view to the exercise of their duties and competences and the fulfilment respective duties and functions.

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

1. The Board of Directors is responsible for managing the Company's business dealings and activities and carrying out all actions regarding the corporate purpose that do not fall within the scope of other corporate bodies. It will also establish the strategy for the Company and its subsidiary(ies), engaging, to this purpose, in the necessary managerial and supervisory activities.
2. Regardless of any other powers provided for in the applicable laws and bylaws and of powers delegated to the Managing Director, the Board of Directors is responsible, in particular, for:
 - a) Establishing the general objectives and the fundamental principles of the policies applicable to Company and its subsidiary(ies). These are to be submitted to the General Meeting for approval;
 - b) Approving the general policies and the strategy for the Company and its subsidiary(ies), considering the objectives and principles approved by the General meeting;
 - c) Establishing and deciding on any amendments to the business structure of the Company or of its subsidiary(ies), whenever these do not constitute mere internal restructurings of the Company and/or its subsidiary(ies) that fall within the scope of the general objectives and fundamental principles approved by the General Meeting;
 - d) Deciding on important extensions or reductions in the Company's business activities or in those of its subsidiary(ies);
 - e) Adopting any other decisions deemed strategic for the Company and its subsidiary(ies), taking into account it's the amount, risk or special characteristics involved;
 - f) Evaluating the Company's corporate governance model on an annual basis and disclosing such

evaluation in the Annual Governance Report, identifying any constraints on the operation of this model and proposing adequate measures to overcome such constraints;

- g) Ensuring that the Company has efficient internal control, risk management and internal audit systems;
- h) Replacing directors who are definitively absent, through co-optation;
- i) Appoint and establish the day-to-day management skills in the Managing Director, delegating the skills whose inclusion is not prohibited by article 407 of the Commercial Companies Code;
- j) Annually evaluate itself performance through a self-assessment model, as well as that of the Managing Director and, if applicable, the performance of its committees, taking into account the fulfilment of the Company's strategic plan and budget, the management of risks, its internal functioning and the contribution of each member to the effect, and the relationship between the Company's bodies and commissions;
- k) Providing for the Company's statutes to limit 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.
- l) Appointing and removing the General Secretary and the Company Secretary and their alternate(s).

Within the delegation of powers, the Board of Directors assigned the Managing Director all powers necessary for the day-to-day management of the Company, except for those matters that are not delegable pursuant to article 407 of the Portuguese Companies Code listed below:

- a) Selection of the Chair of the Board of Directors;
- b) Co-opting directors;
- c) Request to convene General Meetings;
- d) Annual report and accounts, to be submitted to the General Meeting for approval;
- e) Acquisition, sale and disposal of real estate and capital holdings;
- f) Provision of real or personal sureties or guarantees by the Company, where the competence for this lies with the Board of Directors, without prejudice to the stipulations of sub-paragraph h) of article 15 of the Company's Articles of Association;
- g) Change in the location of the Company's registered offices;
- h) Projects for the merger, demerger or transformation of the company, to be submitted to the General Meeting, or any corporate acquisitions, disposals, mergers, demergers, strategic partnership agreements or other forms of long-lasting cooperation that involve the Company and/or its subsidiary(ies), whenever such operations do not constitute mere internal restructurings of the Company and/or its subsidiary(ies) that fall within the scope of the general objectives and fundamental principles approved by the General Meeting;
- i) Projects for increases in capital, to be submitted to the General Meeting;
- j) Changes to the articles of association, to be submitted to the General Meeting;
- k) Important extensions or reductions in the Company's business activities or important changes to the Company's organizational structure;
- l) Annual business plans, budgets or investment plans;
- m) Setting of the amount to be proposed each year to the General Meeting for the issue of bonds or other securities.

No authority of the Board of Directors is delegated as regards: (i) the determination of the Company's general strategy and policies, and strategic decisions due to their amount, risk or special features, notably, regarding this latter, as a consequence of such matters being reserved to the powers of the Board of Directors pursuant to its Internal Regulation.

Notwithstanding the Fiscal Council's powers, the Board of Directors is also responsible for ensuring the

Company practice effective internal control and risk management procedures, in accordance with the rules of procedure. The application structures of these systems are described in C.III of Part I of this report.

Other than any matters excluded by law, the Board of Directors is forbidden from passing resolutions on matters assigned by the Bylaws to the General Meeting of shareholders. Shareholders, in their turn, may only resolve on management matters at the request of the management body.

All members of the Board of Directors take informed decisions on the matters submitted to them.

The Board of Directors during 2022 met with high frequency, having held 11 meetings, between ordinary and extraordinary meetings.

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

The Board of Directors met with the Audit Board whenever necessary or imposed by the rules and regulations and received periodic information notes on the main issues and decisions made by the Chief Executive Officer.

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

Due to the information received from the Managing Director and the regularity with which the Board met, the Board of Directors has maintained that it is not necessary the creation of any commission.

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

In this questionnaire were evaluated the composition and decision-making process of the Board of Directors, covering various topics such as the respective size, diversity and independence, quality of the 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, within the Council's competence.

In another context, matters relating to the responsibility of the Board of Directors, the role and leadership of the President and the performance of the Secretary Company in terms of supporting the President and the Board itself were evaluated.

Powers of the Chairman of the Board of Directors

Pursuant to the Bylaws and to the Board of Directors' internal operating rules, the Chairman of the Board of Directors is entrusted with the following duties:

- Call and direct 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 Board of Directors' resolutions;
- Represent the Board of Directors and promote communication between the Company and its shareholders.

Managing-Director

Since 2017, the Board of Directors delegated on a Managing-Director the daily management of the Company, according to the respective delegation of powers, retaining supervision and control functions.

In 2020, a new regulation of the Managing-Director was approved, which has a description of his powers and delegation of powers.

Within the scope of these Regulations, it is incumbent upon the Managing-Director, who is at the same time Chairman of the Board of Directors of the Company, 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 their delegation of powers, in the terms and in compliance with the provisions of applicable law.

As previously mentioned, the Chairman of the Company's Board of Directors is, at the same time, its Managing-Director and, although the specific internal regulation does not contain the regime for exercising the executive functions of the same in entities outside the Group, it is 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 curriculum 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 the management of the daily management of the Company, in accordance with the terms of the Portuguese Companies Code and the Bylaws.

2. Within the quantitative limits established by the Board of Directors, it is the responsibility of the Chief Executive Officer, namely:

- a) propose to the Board of Directors the goals and management policies of the Company;
- b) prepare annual activity and financial plans;
- c) manage the social affairs and practice all acts and operations related to the corporate purpose that do not fit in 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 lawsuits, as well as to conclude arbitration agreements;
- e) to resolve on the issue of bonds and other securities in accordance with the Bylaws;
- f) establish the technical and administrative organization of the Company and the internal rules, namely on personnel and their remuneration;
- g) to establish representatives with the powers they deem appropriate, including those to be replaced;
- h) exercise the other powers attributed to it by law or by the General Meeting.

SUPERVISORY BODIES

Fiscal Council

As a supervisory body, the Fiscal Council has, in addition to all other powers established in the law or the Bylaws, the following specific rules:

1. The Fiscal Council shall:

- a) supervise the administration of the Company and, in particular, annually assess the fulfilment of the strategic plan and budget of the Company, the 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) accompany, assess and give its opinions on the strategic lines and the risk policy defined by the Board of Directors, prior to its final approval by the Board of Directors;
- c) monitor compliance with the law and the Company's Articles of Association;
- d) confirm that the books, accounting records and their support documents are in due order;
- e) when it deems convenient and through the means it finds adequate, confirm available cash and the existence of any type of goods or values belonging to the Company or received by it as a guarantee, deposit or other purpose;
- f) confirm the accuracy of the accounting statements and, generally, supervise the quality and integrity of the financial information specified in the Company's accounting statements;
- g) check whether the accounting policies and the valuation criteria applied by the Company result in a correct evaluation of its assets and results;
- h) prepare an annual report on its supervisory activities and issue an opinion on the report, accounts and proposals presented by the board, in which it expresses its agreement or not with the annual management report, with the fiscal year accounts, and with the audit clearance or a declaration of impossibility of issuing such clearance, besides including a statement signed by each of its members, as provided for in n°1 Art. 29° G of the Portuguese Securities Market Code;
- i) convene the General Meeting, when the Chairman of the Bureau should, but does not do so;
- j) supervise the process for the preparation and disclosure of financial information, including the suitability of the accounting policies, estimates, judgements, relevant disclosures and their consistent application between fiscal years, in a duly documented and communicated manner;
- k) accompany the legal review of the individual and consolidated accounts, as well as supervise and assess the internal procedures regarding accounting and auditing matters;
- l) supervise the quality, integrity and effectiveness of the risk management system, internal control system and internal audit system, if any, including the annual review of its adequacy and effectiveness, proposing any changes that are deemed necessary;
- m) to be the recipient, on a quarterly basis, of the management report and monitoring of the respective risk reports, in order to ensure that the risks effectively incurred by the Company are consistent with the objectives established by the board;
- n) receive notifications of deficiencies, claims and/or complaints ("whistleblowing") submitted by shareholders, Company employees or others, and implement procedures to receive, record and process those notifications when related to aspects of accounting, auditing and internal control procedures in these matters;
- o) contract services provided by experts to assist the Fiscal Council members in carrying out their duties, such contracting and remuneration of said experts to take into account the importance of the issues for which they are responsible and the Company's economic situation;
- p) verify that the disclosed report on the corporate governance structure and practices includes the information specified in Art. 29°-H of the Securities Market Code;
- q) propose to the General Meeting the appointment of the statutory auditor or a firm of statutory auditors, using a selection process based on the commercial evaluation (overall amount of the proposals) and on a technical assessment using the following criteria: experience as an auditor/statutory auditor, methodology of the account auditing procedure, planning of the works and the allocation of human resources, and the Curricula Vitae of the people in charge and of the members of the audit team directly assigned to the work;
- r) supervise the independence of the statutory auditor, including obtaining the formal written confirmations provided for in Art. 78 of the Statutes of the Association of Statutory Auditors and, in particular, verifying the suitability and approving the provision of other services beyond those of auditing, pursuant to the terms of Art. 77(12) of the Statutes of the Association of

Statutory Auditors;

- s) be the main interlocutor for the independent auditor and the statutory auditor or the firm of statutory auditors and the first recipient of the corresponding reports, having the responsibility, specifically, of proposing the corresponding remuneration and diligently ensuring there are suitable conditions in the Company for the provision of their services;
- t) annually evaluate the work carried out by the independent auditor and the statutory auditor or the firm of statutory auditors, their independence and suitability for exercising their duties, and propose to the competent corporate body their dismissal or the resolution of the contract for the provision of their services whenever there is just cause for such.

The Fiscal Council also has the following duties:

- a) Analyse and issue its opinion on relevant issues related to accounting and auditing aspects and the impact on the financial statements caused by alterations to account standards applicable to the Company and to its accounting policies;
- b) Settle any disputes between the Company's Board and the independent auditors indicated in the previous subparagraph, in regard to the financial information to be included in the accounting statements to be reported to the competent entities and in regard to the process of preparing the audit reports to be issued by the said independent auditors;
- c) It will issue a statement and a prior opinion within the scope of its legal and statutory competences, and whenever it deems such 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) Issue a statement on work plans and the resources allocated to the internal control services, including monitoring compliance with the norms applicable to the Company (compliance services) and internal auditing, if any;
- f) Receive the reports made by the internal control services, at least when dealing with matters related to the presentation of accounts, or the identification or resolution of conflicts of interest and the detection of potential irregularities.

Statutory Auditor

Under articles 420,1(c), (d), (e) & (f) and 446,3 of the Portuguese Companies Code, it is the duty of the Statutory Auditor to control the regularity of the books, accounting records and documents supporting the same, as the Statutory Auditor deems fit and appropriate, the extension of cash and inventory of any kind of assets or values owned or received as collateral, deposit or otherwise by the Company, and furthermore the accuracy of individual and consolidated financial statements, as well as that the accounting policies and criteria adopted by the Company lead to a correct assessment of its assets and results.

Following entry into force of Decree-Law no. 185/2009 of 12 August 2009, similarly to the Statutory Auditor, it also became the duty of the Statutory Auditor to verify whether the Company's governance report disclosed each year includes all legally required data as regards, inter alia, qualified shareholdings in the Company capital, identification of shareholders of special rights and description of such rights, any restrictions in respect of voting rights, rules applicable to appointment and replacement of directors, Bylaw amendment and powers and resolutions of the management body, and the main constituents of the internal control and risk management systems implemented in the Company in connection with the financial information disclosure procedure.

FUNCTION

22. OPERATING RULES OF THE BOARD OF DIRECTORS

The full text of the Board of Directors regulation may be consulted on the Company's website, link:

<https://pharol.pt/en-us/governo-sociedade/pages/conselho-administracao.aspx>

Under the terms of article 24 of the Bylaws and the Board's Internal Regulation, the Board of Directors shall meet, at least, every three months of each year, and shall meet in extraordinarily sessions whenever convened by its Chairman, by two Directors or by the Fiscal Council. Detailed minutes are drawn up from these meetings.

The Board of Directors may not work without the participation of the majority of its members in office. The Chairman of the Board of Directors may, when clearly urgent, waive the presence of such majority if the same is ensured through voting by correspondence or through a power of attorney, although a director may not represent more than one other director.

The resolutions of the Board of Directors are passed by a majority of votes cast, and the Chairman has a casting vote.

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

During the 2022 financial year, 11 meetings of the Board of Directors took place. The degree of attendance of directors at these meetings of the Board of Directors of PHAROL was 100%

24. INDICATION OF THE CORPORATE BODIES EMPOWERED TO CARRY OUT THE PERFORMANCE EVALUATION OF EXECUTIVE DIRECTORS

The Compensation Committee determines the remunerations of the members with executive functions based on objective criteria as approved by such Committee.

Furthermore, pursuant to the law, the General Meeting of shareholders makes an annual general appraisal of the management (and supervision) of the Company.

25. PRE-DETERMINED CRITERIA FOR THE PERFORMANCE EVALUATION OF EXECUTIVE DIRECTORS

On March 25, 2022, the General Meeting of Shareholders adopted the Declaration of the Compensation Committee on the Remuneration Policy for the members of the management and supervisory bodies, included on Appendix II.

26. AVAILABILITY OF EACH MEMBER OF THE BOARD OF DIRECTORS AND INDICATION OF FUNCTIONS EXERCISED SIMULTANEOUSLY IN OTHER COMPANIES, INSIDE AND OUTSIDE THE GROUP, AND OTHER RELEVANT ACTIVITIES EXERCISED BY THE MEMBERS OF THE BOARD OF DIRECTORS

The functions exercised by the Company' directors in other companies as well as their other relevant activities are shown in Appendix I, there being highlighted the duties performed and the attendance and active participation of the directors in the meetings of the Board of Directors (in respect of all its members) – see item 23 of Part I above – evidence the availability of each member of the Board of Directors to perform duties as director of the Company.

COMMITTEES WITHIN THE MANAGEMENT OR SUPERVISION BODIES AND DELEGATED 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 DIRECTORS

According to the Bylaws, the Board of Directors appoints the Managing Director.

As of December 31, 2022, the Managing Director was the Chairman of the Board of Directors, Luís Maria Viana Palha da Silva.

29. DUTIES OF EACH COMMITTEE CREATED WITHIN THE BOARD OF DIRECTORS AND SUMMARY OF THE ACTIVITIES DEVELOPED IN THE EXERCISE OF SUCH DUTIES

Regarding this matter, please see items 21 and 27 of Part I above.

III. SUPERVISION

COMPOSITION

30. IDENTIFICATION OF THE SUPERVISORY BODY

The supervisory body is the Fiscal Council.

31. COMPOSITION OF THE FISCAL COUNCIL

Pursuant the Company Bylaws, the Fiscal Council is composed of three effective members and one alternate member, appointed by the General Meeting of shareholders.

On December 31, 2022, the Fiscal Council was composed as follows:

José Eduardo Fragoso Tavares de Bettencourt	Chairman
Isabel Maria Beja Gonçalves Novo	Member
João Manuel Pisco de Castro	Member
Paulo Ribeiro da Silva	Alternate member

32. IDENTIFICATION OF THE MEMBERS OF THE FISCAL COUNCIL COMMITTEE CONSIDERED INDEPENDENT UNDER ARTICLE 414,5 OF THE PORTUGUESE COMPANIES CODE

The Fiscal Council members meet the requirements on incompatibilities, independence and specialization arising from legal and regulatory requirements to Corporate issuers of securities admitted to trading on a regulated market.

33. PROFESSIONAL QUALIFICATIONS AND OTHER RELEVANT CURRICULUM ELEMENTS OF THE MEMBERS OF THE FISCAL COUNCIL

The *curricula* of the members of PHAROL's Fiscal Council are shown in Appendix I.

34. OPERATING RULES OF THE FISCAL COUNCIL

All powers of the Fiscal Council are described in the Company's Bylaws, in addition to the Fiscal Council having adopted an internal regulation of operation, approved unanimously by all members of the Fiscal Council on October 29, 2015 and reviewed on November 29, 2022, which may be consulted at the following link:

<https://pharol.pt/en-us/governo-sociedade/Pages/Conselho-Fiscal.aspx>

According to such Regulation, the Fiscal Council meets at least once every three months, on the day and at the place established by its Chairman, although extraordinary meetings may be called upon by its Chairman or at the request of a majority of its members.

The Fiscal Council shall not function without the presence of the majority of its members in office. Its Chairman may, when clearly urgent or there is a justified impossibility, waive the presence of that majority if the same is ensured through voting by correspondence or by power of attorney.

The Fiscal Council's resolutions are approved by a majority of the votes cast, and its Chairman has a casting vote.

35. NUMBER OF MEETINGS OF THE FISCAL COUNCIL AND DEGREE OF ATTENDANCE OF EACH MEMBER

During the 2022 financial year, 8 meetings of the Fiscal Council took place. The degree of attendance of each member to these meetings was 100%.

36. AVAILABILITY OF EACH MEMBER OF THE FISCAL COUNCIL AND INDICATION OF FUNCTIONS EXERCISED SIMULTANEOUSLY IN OTHER COMPANIES, INSIDE AND OUTSIDE THE GROUP, AND OTHER RELEVANT ACTIVITIES EXERCISED BY THE MEMBERS OF THE FISCAL COUNCIL

The functions exercised by the members of PHAROL's Fiscal Council in other companies as well as their other relevant activities are shown in Appendix I.

COMPETENCES AND DUTIES

37. PROCEDURES AND CRITERIA APPLICABLE TO THE INTERVENTION OF THE SUPERVISORY BODY WHEN HIRING ADDITIONAL SERVICES FROM THE EXTERNAL AUDITOR

In the year 2022, PHAROL did not contract to the external auditor or any entity with a group relationship or that incorporate the same network, for any other services than audit services.

38. OTHER DUTIES OF THE SUPERVISORY BODIES

Regarding this matter, please see item 21 of Part I above.

IV. STATUTORY AUDITOR (REVISOR OFICIAL DE CONTAS / ROC)

39. IDENTIFICATION OF THE STATUTORY AUDITOR AND OF ITS REPRESENTING PARTNER

The Statutory Auditor effective for the period from 2021-2023 is BDO & Associados, SROC, Lda., registered in the Statutory Auditor's Professional Association ("OROC") under no. 29 and at CMVM under no.20161384, represented by its partner, Ana Gabriela Almeida, registered at OROC as Statutory Auditor, under no. 1366.

40. NUMBER OF YEARS DURING WHICH THE STATUTORY AUDITOR PERFORMS DUTIES CONSECUTIVELY IN THE COMPANY AND/OR GROUP

The firm BDO & Associados, SROC. Lda., performs duties as Statutory Auditor in the Company since 29 May 2015. Pursuant to its duties, PHAROL's Fiscal Council confirmed the independence of the Statutory Auditor and appraised its work during the 2022 financial year.

41. OTHER SERVICES RENDERED TO THE COMPANY BY THE STATUTORY AUDITOR

In 2022, the Statutory Auditor also rendered the external audit service to PHAROL and there are no other services rendered.

V. EXTERNAL AUDITOR

42. IDENTIFICATION OF THE EXTERNAL AUDITOR AND OF ITS REPRESENTING PARTNER, AS WELL AS THEIR RESPECTIVE REGISTRY NUMBER BEFORE THE CMVM

PHAROL's current External Auditor, appointed in 2015 for the purposes of article 8 of the Portuguese Securities Code, is BDO & Associados – SROC, Lda., registered at OROC under no. 29 and at CMVM under no. 20161384, and it is represented by its partner Ana Gabriela Almeida, registered at OROC as Statutory Auditor under no. 1366.

43. NUMBER OF YEARS DURING WHICH THE EXTERNAL AUDITOR AND ITS REPRESENTING PARTNER PERFORM DUTIES CONSECUTIVELY IN THE COMPANY AND/OR GROUP

PHAROL's current External Auditor is BDO & Associados – SROC, Lda., registered at OROC under no. 29 and at CMVM under no. 20161384, began its functions in March 2015, , being represented since April 30, 2021, by its partner Ana Gabriela Almeida, registered with OROC as Statutory Auditor under n° 1366.

44. POLICY AND PERIOD FOR THE ROTATION OF THE EXTERNAL AUDITOR AND OF ITS REPRESENTING PARTNER

There is no internal policy for the External Auditor's mandatory rotation, apart from the one legally applicable to public interest entities. The mandatory rotation period applicable to the Statutory Auditor that represents the External Auditor in the performance of its duties results from article 54,2 of the OROC

Statutes (7 years).

45. CORPORATE BODY RESPONSIBLE FOR THE EVALUATION OF THE EXTERNAL AUDITOR AND FREQUENCY FOR SUCH EVALUATION

The Fiscal Council annually evaluates the External Auditor's performance and independence, as described in the annual Report of the Fiscal Council's activities.

Pursuant to its duties, the Company's Fiscal Council assessed and confirmed the independence of BDO & Associados, SROC, Lda., and appraised its work relating to the 2022 financial audit of the Company.

46. SERVICES, OTHER THAN AUDITING SERVICES, PROVIDED BY THE EXTERNAL AUDITOR TO THE COMPANY AND/OR ENTITIES IN A CONTROL RELATIONSHIP, AS WELL AS INDICATION OF INTERNAL PROCEDURES FOR THE PURPOSES OF APPROVING THE HIRING OF THOSE SERVICES AND REASONS FOR SUCH HIRING

There were no services other than auditing services provided to the Company or to the companies in a control relationship with PHAROL by the External Auditor beyond the role of the Statutory Auditor.

47. INDICATION OF THE AMOUNT OF ANNUAL REMUNERATION PAID TO THE AUDITOR AND OTHER INDIVIDUALS OR CORPORATIONS IN THE SAME NETWORK SUPPORTED BY THE COMPANY AND OR BY CORPORATIONS IN A CONTROL OR GROUP RELATIONSHIP, AS WELL AS SPECIFICATION OF THE PERCENTAGE OF EACH TYPE OF SERVICE

BDO & Associados, SROC, Lda. for the external audit and Statutory Auditor simultaneously will represent a total cost of 38,100 euros to which VAT is added at the legal rate, referring to 2022.

C. INTERNAL ORGANIZATION

I. BYLAWS

48. RULES APPLICABLE TO AMENDMENT TO THE BYLAWS OF THE COMPANY

Constitutive quorum for the General Meeting of Shareholders

The PHAROL's Bylaws do not establish a constitutive quorum higher than that established by law.

Where an amendment to the Bylaws is at issue, the General Meeting of shareholders may only resolve on a first call, if shareholders owning shares corresponding to at least one-third of the share capital are present or represented. On a second call, no such requirement exists, and the General Meeting may resolve on any matter whatever the number of shareholders present.

Resolution quorum for the General Meeting of Shareholders

The PHAROL's Bylaws do not establish a resolution quorum higher than that established by law.

Decisions regarding the amendment of the Bylaws must be approved by a minimum of two thirds of the votes cast, whether the General Meeting meets first or second call, unless, in the latter case, shareholders holding at least half of the share capital, and such resolutions may then be taken by a majority of the votes

cast (paragraphs 3 and 4 of article 386 of the Portuguese Companies Code).

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 amendment to the Statutes.

The Board of Directors may also, with the favorable opinion of the Supervisory Board, resolve to increase the share capital, prior to a resolution by the general meeting, which will determine changes to the Company's Articles of Association.

II. WHISTLEBLOWING

49. WHISTLEBLOWING

In 2016, PHAROL revised a set of procedures called regarding to the rules and the procedure to adopt in the System for Disclosure of Unethical Practices or Whistleblowing.

Within Whistleblowing, "Unethical Practices e/or irregularities" mean all acts or omissions, wilful or negligent, performed within the activities of the companies pertaining to PHAROL, that may have an impact on the financial statements or information sent to the Portuguese regulatory authority, CMVM, or those that cause damage to PHAROL's assets and reputation.

Suitable safety measures were implemented for the protection of information and data contained in communications. In particular, restricted access will be guaranteed, from a physical and logical perspective to the System servers, and the means for gathering and filing information must be exclusive to the System.

Both confidentiality of the communication and anonymity of the person reporting will be ensured at all times, unless the person concerned unequivocally intends and declares otherwise.

In no case is any kind of retaliation against those that make the said communications tolerated.

Disclosure of Unethical Practices (Whistleblowing) is available on the Company's website

<http://pharol.pt/en-us/governo-sociedade/participacao-praticas-indevidas/pages/enquadramento.aspx>

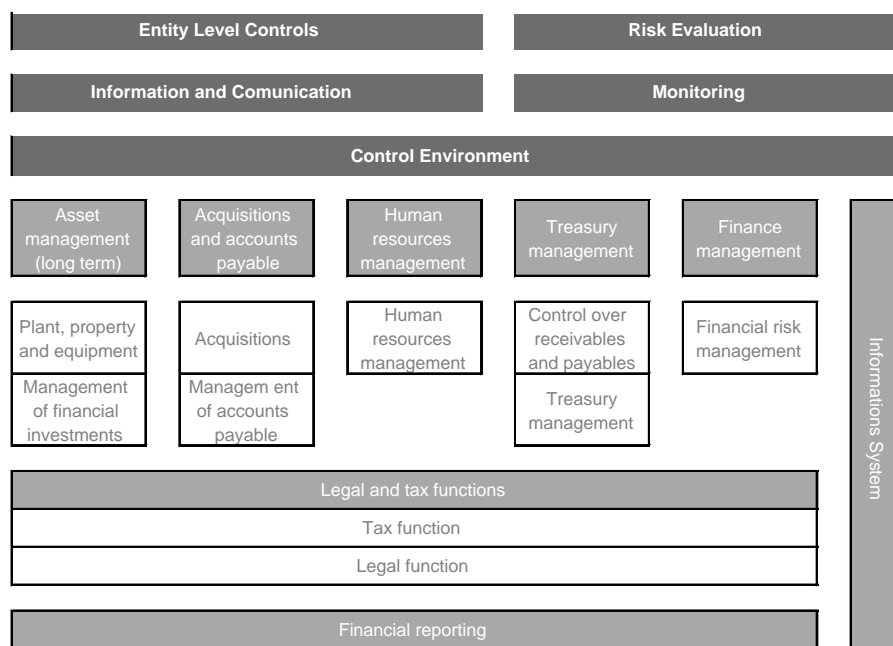
III. INTERNAL CONTROL AND RISK MANAGEMENT

Internal Control System

The Internal Control System implemented at PHAROL was based on an internationally acknowledged model – COSO (Committee of Sponsoring Organisations of the Treadway Commission) – making use of the layers established according to such model, notably: (i) Entity Level Controls; (ii) IT Level Controls; and (iii) Process Level Controls.

PHAROL designed a manual and implemented controls for the most representative business cycles within the Company. As to lesser business cycles, and within the framework of improvement of internal control and risk management environment, PHAROL defined a set of minimum internal control requirements.

PHAROL's internal control manual and most relevant business cycles may be summarised in the table below:



The identification and design of the controls that are relevant to financial reporting, whether preventive, detective or corrective, are documented in the proper manual according to the layers established by COSO. The manual is revised where changes in the processes occur or periodically, in order to attest their adhesion to the reality of PHAROL's operations.

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

The internal control system is checked by the External Auditors and the External Auditors also verify the implementation of remuneration policies and systems in force in the Company.

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

The Fiscal Council monitors PHAROL permanently as follows:

- evaluate internal procedures for accounting and auditing matters;
- assess the effectiveness of the Risk Management System regarding tax, legal, economic and financial aspects;
- evaluate the effectiveness of the internal control system;
- review the External Audit function.

The internal control system is monitored by the Board of Directors, which identifies the risks of the company, the results of the risk management process, the materiality level of financial reporting and proposes the implementation of measures.

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

51. HIERARCHICAL AND/OR FUNCTIONAL DEPENDENCE RELATIONS VIS-À-VIS OTHER CORPORATE BODIES OR COMMITTEES

The annual plan in respect of the External Audit and Risk Management function, in which the audits to be

carried out and their scope are defined, is annually approved by the Managing Director and informed to the Fiscal Council of PHAROL. The objective of these audit procedures is to ensure that internal control mechanisms are in place to ensure the reliability and integrity of financial and operational reports, operational efficiency and compliance with applicable laws and regulations.

The progress of the execution of the annual audit plan as defined, as well as the aggregate results of audits carried out, are reported to the Fiscal Council and to Managing Director for the follow-up of the progress of the internal control and risk management system and definition of action plans for mitigation and resolution of risks detected.

52. OTHER FUNCTIONAL AREAS HAVING RISK CONTROL POWERS ROLE

Risk Management is promoted by the Board of Directors and the Managing Director in such a way as to identify, assess and manage uncertainties, threats and opportunities that might affect the pursuance of the plan and strategic goals, to decide on the level of exposure and overall risk limits to be undertaken by PHAROL in its different activities and to ensure that management risk policies and procedures are followed.

PHAROL risk level results from the degree of the Board’s acceptance for risk, which is kept within limits according to criteria as agreed between the Board of Directors, the Managing Director and the Fiscal Council, this latter under legal terms, responsible for evaluating the effectiveness of the Risk Management System under the fiscal, legal, economic and financial viewpoint.

Risk Management is entrusted to the Board of Directors, performed by the Managing Director, although it depends on the supervision of the Fiscal Council.

53. MAIN ECONOMIC, FINANCIAL AND LEGAL RISKS TO WHICH THE COMPANY IS EXPOSED IN THE CONDUCT OF ITS BUSINESS

Among the various risks that may adversely affect the business of PHAROL, the following should be highlighted:

Macro Risk	Sub-Risk	Risk Factors	Mitigation Measures
Economic Risks	Oi’s Performance	Now with Oi in day-to-day management and in the implementation of its Strategic Plan, the main risk that PHAROL is subject to through Oi is Oi’s financial and operational performance, namely from its ability to execution of the asset sale plan and to generate results and cash flow and to pay dividends. Consequently, PHAROL’s performance through Oi is also subject to and dependent on the performance of the Brazilian economy.	Monitoring of the Judicial Recovery process and all the daily information of Oi, Telco & Brazil. PHAROL also evaluates and analyzes Oi’s investment every six months.
	COVID-19 and War in Ukraine	PHAROL is subject to potential economic shocks that a pandemic, war or other externality of a global dimension may cause in the economies in which the COMPANY operates, which may have a direct effect on the market value of the assets in which PHAROL has a stake.	PHAROL monitors the evolution of the pandemic crisis and war on a daily basis.

	Information Security	PHAROL is exposed on a daily basis to security risks, including the availability, integrity and confidentiality of the information.	PHAROL has implemented backup, firewall and antivirus procedures in its systems, as well as building security, in order to mitigate risks related to information security.
Financial Risks	Exchange Rates	Exchange rate risks are essentially related to PHAROL's investments in Oi (Brazil). Eventual exchange variations occurring in the real against the euro affect the appreciation of the shares held by PHAROL and the operation of the subsidiary in that country, thus reflecting on PHAROL's results and equity situation. The Company does not have a policy of hedging the value of the financial investment.	The Company, in order to reduce exchange rate risk, can hedge its position using derivatives for which there is a market, however, it currently does not have a policy to cover the value of the financial investment.
	Interest Rate	Interest rate risks are essentially related to interest borne and obtained on debt and on 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 on December 31, 2022. Market interest rates also affect the discount rates used for the purpose of impairment testing the various assets of the entity.	On December 31, 2022 PHAROL has no debt.
	Treasury Applications - Credit and Liquidity	PHAROL is essentially subject to credit risk in its treasury investments. With the aim of mitigating risks, the Board of Directors defined in July 2014 a policy for treasury investments, this policy having already been reviewed in 2019, and later in 2022. As of the second half of 2022, PHAROL is also exposed to other price risks, that is, the risk of fluctuation in the fair value of the financial instruments that make up the contracted investment portfolios due to changes in market prices.	There is a policy for treasury applications.
	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 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 reimbursement of all debts to any secured creditors and, confirmation of credit validation. PHAROL annually evaluates this instrument, with monitoring by the Supervisory Board, External Audit and Statutory Auditor.	Annual evaluation of this instrument, with validation by the Supervisory Board and External Audit and closely monitoring the Rio Forte insolvency process taking place in Luxembourg

Legal Risks	Court proceedings	The Board of Directors subcontracts the risk analysis of 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 defense of PHAROL's interests.	Risk analysis of lawsuits.
	Disputes or investigations triggered under the Rio Forte Instruments or the Business Combination	PHAROL may incur liability in connection with future litigation or other proceedings and incur defense costs in such litigation or other proceedings. Any liability incurred may adversely affect PHAROL's financial condition.	PHAROL has hired a team of Luxembourgish 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 follow the Business Combination with Oi from the beginning and, whenever necessary, request legal advice from specialists in Brazilian law.
	Tax contingencies	According to the contracts signed with Oi, it is incumbent upon Oi to pay the liabilities resulting from tax contingencies arising up to 5 May 2014, despite the fact that PHAROL is also jointly liable.	Quarterly monitoring and analysis of the tax consultants' report on the status of Oi's processes and the quality of the counter-guarantees provided by Oi.

54. RISK IDENTIFICATION, ASSESSMENT, MONITORING, CONTROL AND MANAGEMENT PROCEDURE

Risk Management Procedure

The Risk Management procedure implemented in PHAROL is based on an internationally acknowledged methodology – COSO II, developed by the Committee of Sponsorship Organisations of the Treadway Commission. This approach is based on the identification and analysis of key value drivers and uncertainty factors that might affect value generation and compliance with the plan and strategic goals.

PHAROL's priority commitment consists in the implementation of mechanisms for assessment and management of risks that might affect its operations. Such mechanisms are based on an integrated transversal risk management model, which seeks to ensure, implementation of good corporate governance practices and transparency in communication to the market and shareholders.

The whole process is monitored and supervised by the Fiscal Council. Within the functions of this body regarding the supervision of the efficiency of the risk management system, we point out the analysis of the quality, integrity and effectiveness of the risk management system and internal control system, including the annual review of its adequacy and effectiveness, and generally monitoring the execution of the functions performed by the Managing Director.

Risk Management Methodology

Considering PHAROL's need for clear assessment and management mechanisms for the risks affecting its businesses, the following components were defined in the implementation of the risk assessment and management procedure:

- **Risk Typology**, which defines the risk factors that might generally affect PHAROL.
 - **Economic Risks:** reflect the risks from the macroeconomic environment as well as the impact of entities and assets not controlled by PHAROL;
 - **Financial Risks:** associated to the PT SGPS' financial performance and to the transparency in its communication to the market;
 - **Legal Risks:** result of past situations, current and future associated with hiring, assumption of rights and responsibilities and relationships with regulators and authorities.
- **Risk Management**, which formalizes the analysis of processes and procedures, the mitigation and reporting of relevant risks.

Identified risks

The table below shows the risks currently identified at the level of the Risk Management Model of PHAROL on which all risk management procedures are developed.

Economic Risks	Oi's Performance
	COVID-19 and War in Ukraine
	Information Security
Financial Risks	Exchange rates
	Interest rates
	Credit
	Liquidity
	Risk of changes in stock prices/quotations
	Default by Rio Forte as to the reimbursement of the instruments that PHAROL holds following the execution of the Exchange
Legal Risks	Agreements with Oi / Business Combination
	Court proceedings
	Disputes or investigations triggered under the Rio Forte Instruments or the Business Combination

Risk assessment

In its risk assessment, the Board of Directors and Managing Director considers the existence of predictable and unpredictable events. While most events are recurrent and have already been dealt with in already prepared management programs and budgets, there are events that are often unpredictable. The Board of Directors and Managing Director assesses the risks that may cause a significant impact on the Company, taking into account both the inherent risk of materialization of the risk and the residual risk (the risk that still exists after measures have been taken by the Board of Directors and the Managing Director).

Risk monitoring, control and management

The Board of Directors allocates responsibilities to the Managing Director in order to formalise procedures that are aligned with the strategy and exposure level/risk tolerance determined for PHAROL, in such a way as to identify:

- Monitoring procedures to mitigate for each risk, according to the risk management strategy adopted by the Board of Directors and supervised by the Fiscal Council;

- Disclosure and reporting procedures for information issued regarding the risk management procedure.

Operational implementation of the risk management methodology is an interactive cyclical process that may be summarised in the following table:

Risk Management Methodology	
Board of Directors	Identifies main risks affecting PHAROL; Decides on action and prioritisation of mitigating actions.
Managing Director	Implement policies and controls in accordance with the strategy set by the Board of Directors. Monitors the implementation of controls.
Fiscal Council	Supervises and evaluates risk management model; Proposes improvements & changes to model; Reviews the main risks.

55. MAIN ELEMENTS OF INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS IMPLEMENTED IN THE COMPANY IN CONNECTION WITH THE FINANCIAL INFORMATION DISCLOSURE PROCEDURE

The wider scope of the internal control system implemented by PHAROL includes existing controls both as to the accuracy and completeness of disclosures and as to compliance thereof with the Company's financial information. At the beginning of the process, the Managing Director, together with the Company services, the External Auditor and the Statutory Auditor, establish a timeline for the process and identify the participants/responsibility aimed at the preparation/disclosure of the financial information.

Before approval by the Board of Directors and by the Managing Director, financial information disclosures are submitted to the Fiscal Council within the context of the Company's governance model. Both the Board's approval and the Fiscal Council's opinion are preceded by a set of validation and accuracy procedures carried out by the Company services.

IV. INVESTOR SUPPORT

56. INVESTOR SUPPORT OFFICE, COMPOSITION, DUTIES, INFORMATION PROVIDED BY THE SAME AND CONTACT DETAILS

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

The purpose of the Investor Relations Office consists in ensuring adequate relations with shareholders, investors, analysts and financial markets in general, in particular with the Markets and Stock Exchanges where PHAROL is listed and the respective regulatory entity: CMVM.

PHAROL regularly prepares communications and press releases on interim and annual results, as well as any inside information affecting the Company. It also provides all sorts 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 by the Management and Supervisory Bodies.

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

Any interested party may have access to the Investor Relations Office through the following contacts:

Luís Sousa de Macedo

Investor Relations Director

Telephone:	+351.212.697.698
Fax:	+351.212.697.949
E-mail:	ir@pharol.pt
Address:	Rua Gorgel do Amaral, n.º 4, CV Esq. 1250-119 Lisboa - Portugal
Company Switchboard:	+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 in English:

- Company name, its nature of public company, registered office and other data pursuant to article 171 of the Portuguese Companies Code;
- The Bylaws;
- Operating rules of the corporate bodies and of the committees created within the Board of Directors;
- The identity of the members of the corporate bodies and of the representative for relations with the market;
- Duties of and access means to the Investor Relations Office as described above;
- For a period of five years, the annual and interim financial statements;
- A schedule of corporate events, which includes, among other information, scheduled General Meetings of shareholders and disclosure of annual, interim and quarterly accounts;
- Notices of the General Meetings of shareholders, as well as proposals to be submitted to discussion and voting by the shareholders, at least 21 days in advance of the meeting date;
- Historical collection with the resolutions passed at the Company's General Meetings of shareholders, the share capital therein represented and the voting results, regarding the previous three years;
- In general, information allowing an updated knowledge about the Company's evolution and reality in economic, financial and corporate governance terms.

57. REPRESENTATIVE FOR RELATIONS WITH THE MARKET

Regarding this matter, please see item 56.

58. INFORMATION ON RESPONSE PROPORTION AND PERIOD TO INFORMATION REQUESTS MADE DURING THE YEAR OR PENDING FROM PREVIOUS YEARS

The Investor Relations Office regularly receives calls with various questions, including clarifications on dividends, General Meetings of shareholders and others, typically answered immediately, when the information is public.

Also, receives requests by e-mail or post and depending on the technical complexity of the query it may take longer to answer, but typically it takes less than five business days.

Therefore, PHAROL believes that its Investor Relations Office ensures a permanent contact with investors, analysts and the market in general as well as a treatment of investors' requests.

V. INTERNET WEBSITE

59. ADDRESS

PHAROL makes available, through its website, www.pharol.pt, all information of a legal nature or on corporate governance, updates on the conduct of the business of the Company, as well as a complete set of Company financial and operational data, in order to facilitate inspection and access to such information by PHAROL's shareholders, financial analysts and other parties concerned.

60. LOCATION OF INFORMATION ON THE COMPANY NAME, ITS NATURE OF PUBLIC COMPANY, REGISTERED OFFICE AND OTHER DATA PURSUANT TO ARTICLE 171 OF THE PORTUGUESE COMPANIES CODE

All information pursuant to article 171 of the Portuguese Companies Code may be found on PHAROL website at:

<http://pharol.pt/en-us/a-empresa/pages/informacao-corporativa.aspx>

61. LOCATION OF INFORMATION ON THE BYLAWS AND OPERATING RULES OF THE CORPORATE BODIES AND/OR COMMITTEES

The bylaws and operating rules of the corporate bodies and of the committees created within the Board of Directors may be found on PHAROL' website at:

<http://pharol.pt/en-us/governo-sociedade/pages/estatutos.aspx>

<http://pharol.pt/en-us/governo-sociedade/pages/conselho-fiscal.aspx>

62. LOCATION OF INFORMATION ON THE IDENTITY OF THE MEMBERS OF THE CORPORATE BODIES, THE REPRESENTATIVE FOR RELATIONS WITH THE MARKET, THE INVESTOR RELATIONS OFFICE OR EQUIVALENT, THEIR DUTIES AND ACCESS DETAILS

The identity of the members of the corporate bodies, the representative for relations with the market, the Investor Relations Office or equivalent, their duties and access details may be found on PHAROL' website at:

<http://pharol.pt/en-us/governo-sociedade/pages/conselho-administracao.aspx>

<http://pharol.pt/en-us/governo-sociedade/pages/conselho-fiscal.aspx>

<http://pharol.pt/en-us/contactos/pages/relacao-investidores.aspx>

63. LOCATION WHERE THE COMPANY MAKES AVAILABLE THE FINANCIAL STATEMENTS, WHICH MUST BE ACCESSIBLE FOR FIVE YEARS AT LEAST, AS WELL AS A SCHEDULE OF CORPORATE EVENTS, DISCLOSED AT THE BEGINNING OF EACH HALF-YEAR, INCLUDING, AMONG OTHERS, GENERAL MEETINGS OF SHAREHOLDERS, DISCLOSURE OF THE ANNUAL, HALF-YEAR AND, IF APPLICABLE, QUARTERLY FINANCIAL STATEMENTS

The financial statements, as well as the schedule of corporate events may be found on PHAROL' website at:

<https://pharol.pt/en-us/informacao-financeira/relatorios/pages/2022.aspx>

<http://pharol.pt/en-us/informacao-financeira/calendario-financeiro/Pages/calendario-financeiro.aspx>

64. LOCATION WHERE THE COMPANY MAKES AVAILABLE NOTICES OF THE GENERAL MEETING OF SHAREHOLDERS AND ALL PREPARATORY AND SUBSEQUENT INFORMATION RELATED TO THE SAME

Notices of the General Meeting of Shareholders and all preparatory and subsequent information related to the same may be found on PHAROL's website at:

<http://pharol.pt/en-us/governo-sociedade/assembleia-geral-acionistas/Pages/assembleia-geral-acionistas.aspx>

65. LOCATION WHERE THE COMPANY MAKES AVAILABLE THE HISTORICAL COLLECTION WITH THE RESOLUTIONS PASSED AT THE GENERAL MEETINGS OF SHAREHOLDERS, THE SHARE CAPITAL THEREIN REPRESENTED AND THE VOTING RESULTS, REGARDING THE PREVIOUS THREE YEARS

The historical collection with the resolutions passed at the Company's General Meetings of shareholders, the share capital therein represented and the voting results may be found on PHAROL' website at:

<http://pharol.pt/en-us/governo-sociedade/assembleia-geral-acionistas/Pages/assembleia-geral-acionistas.aspx>

D. REMUNERATION

I. COMPETENCE FOR DETERMINATION

66. COMPETENCE FOR THE DETERMINATION OF THE REMUNERATION OF CORPORATE BODIES, MEMBERS OF THE EXECUTIVE COMMITTEE OR MANAGING DIRECTOR AND COMPANY OFFICERS

The Compensation Committee is elected by the shareholders at a General Meeting and serves the purpose of defining the remuneration policy of the members of the corporate bodies, determining the remunerations applicable and taking into consideration the performance and the economic position of the Company.

For the completion of this task, the Compensation Committee continuously follows up and evaluates the directors' and the Company's performance, checking the extent to which the proposed targets have been achieved. The Compensation Committee meets whenever necessary.

Within the delegation of powers, the remuneration policy applicable to the PHAROL's officers is determined by the Managing Director.

II. COMPENSATION COMMITTEE

67. COMPOSITION OF THE COMPENSATION COMMITTEE, INCLUDING THE IDENTIFICATION OF THE PERSONS OR CORPORATIONS HIRED TO SUPPORT IT AND INDEPENDENCE STATEMENT REGARDING EACH OF ITS MEMBERS AND CONSULTANTS

On December 31, 2022, the following members of the Remuneration Committee (also known as the Remuneration Committee) were elected:

- António Sarmento Gomes Mota
- Francisco José Queiróz de Barros Lacerda
- Pedro Miguel Ribeiro de Almeida Fontes Falcão

Notwithstanding the necessary articulation of this committee with the Board of Directors, the composition of the Compensation Committee seeks to obtain the highest possible level of independence of its members from the members of the management body.

No member of the Compensation Committee is a member of any corporate body or committee within the Company, and no member of the Compensation Committee has any family connection to any member of the management body by way of marriage, kindred or affinity in a direct line and up to and including the third degree.

68. KNOWLEDGE AND EXPERIENCE OF THE MEMBERS OF THE COMPENSATION COMMITTEE IN THE MATTER OF REMUNERATION POLICY

All members of the Compensation Committee have knowledge and experience in the matter of remuneration policy. Some of them belong or have belonged to compensation committees of other listed companies. Appendix I hereto sets out the most relevant curriculum elements of the members of the Compensation Committee.

III. REMUNERATION STRUCTURE

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

The remuneration policy for executive and non-executive members of the Board of Directors (such policy including the members of the supervisory body) in force during the 2022 financial year is described on the statement of the Compensation Committee on this matter as approved by the Annual General Meeting of Shareholders on March 25, 2022, under the terms of Arts. 26º-A, 26º-B e 26º-C from CVM.

Such declaration is reproduced in Appendix II hereto.

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

70. INFORMATION ON HOW THE REMUNERATION IS STRUCTURED IN ORDER TO PERMIT THE ALIGNMENT OF THE DIRECTORS' INTERESTS WITH LONG TERM INTERESTS OF THE COMPANY, AS WELL AS HOW THE REMUNERATION IS BASED ON PERFORMANCE AND DISINCENTIVES EXCESSIVE RISK TAKING

As result from the remuneration policy approved at the General Meeting of March 25, 2022 and presented in Annex II, the remuneration was based on a fixed and variable component.

71. REFERENCE, IF APPLICABLE, TO THE EXISTENCE OF A VARIABLE COMPONENT OF THE REMUNERATION AND INFORMATION ON THE WAY AS SUCH COMPONENT DEPENDS ON PERFORMANCE EVALUATION

Regarding this matter, please see the statement of the Compensation Committee Appendix II hereto.

72. DEFERMENT OF PAYMENT OF THE VARIABLE COMPONENT OF THE REMUNERATION, MENTIONING THE DEFERMENT PERIOD

Regarding this matter, please see the statement of the Compensation Committee Appendix II hereto.

73. CRITERIA ON WHICH THE ALLOCATION OF A VARIABLE REMUNERATION IN SHARES IS BASED; EXECUTIVE DIRECTORS KEEPING ANY SHARES GRANTED THEM IN THE COMPANY; ANY AGREEMENT EXECUTED AS TO SUCH SHARES, NOTABLY HEDGING OR RISK TRANSFER AGREEMENTS, THE LIMIT THEREOF, AND THEIR RELATIONSHIP TO THE AMOUNT OF THE OVERALL ANNUAL REMUNERATION

Not applicable, since the remuneration policy in force does not include the allocation of a variable remuneration in shares.

74. CRITERIA ON WHICH THE ALLOCATION OF A VARIABLE REMUNERATION IN OPTIONS IS BASED, AND INDICATION OF DEFERMENT PERIOD AND EXERCISE PRICE

Not applicable, since the remuneration policy in force does not include the allocation of a variable remuneration in options.

75. MAIN PARAMETERS OF AND GROUNDS FOR ANY ANNUAL BONUS SYSTEM AND ANY OTHER NON-PECUNIARY BENEFITS

In 2022, there were no annual bonus systems. The only non-pecuniary benefits of the CEO are the use of a vehicle (including fuel and tolls) and life insurance in line with normal market practices.

76. MAIN CHARACTERISTICS OF COMPLEMENTARY PENSION OR EARLY RETIREMENT SYSTEMS FOR DIRECTORS, SPECIFYING WHETHER THE SAME WERE SUBJECT TO APPRAISAL, IN INDIVIDUAL TERMS, BY THE GENERAL MEETING OF SHAREHOLDERS

No PHAROL director is covered by complementary pension or early retirement system plan.

IV. REMUNERATION DISCLOSURE

77. REMUNERATION INDIVIDUALLY AND GLOBALLY EARNED BY THE MEMBERS OF THE COMPANY'S MANAGEMENT BODY

Individual and global gross remunerations paid to the members of the management body are shown hereinafter:

Board of Directors (year of designation)	Fixed Remuneration 2022	Variable Remuneration 2022
Luís Maria Viana Palha da Silva (2015)	250,472 €	
Ana Cristina Ferreira Dias, appointed by Novo Banco, S.A. to hold the position in her own name (2021) (1)		
Avelino Cândido Rodrigues, appointed by Oi, S.A. to hold the position in his own name (2019)	29,500 €	
Maria do Rosário Amado Pinto Correia (2015)	29,750 €	
Maria Leonor Martins Ribeiro Modesto (2018)	29,500 €	
Pedro Zañartu Gubert Morais Leitão (2015)	29,750 €	
Total	368,972 €	0 €

(1) The payment is made directly to Novo Banco and in 2022 the amount paid was 29,749.98 EUR plus VAT.

The difference between the values presented and the remuneration policy in force (Annex II) is the result of the proposal presented by the Board of Directors for the voluntary reduction of the remuneration of its members by 20% as of April 2022.

78. AMOUNTS PAID, FOR ANY REASON WHATSOEVER, BY OTHER COMPANIES IN A CONTROL OR GROUP RELATIONSHIP OR SUBJECT TO COMMON CONTROL

During 2022, no amounts were paid to PHAROL's members of the Board of Directors by companies in a control or group relationship or subject to common control.

79. REMUNERATION PAID IN THE FORM OF PROFIT SHARING AND/OR BONUS PAYMENT, AND THE REASONS WHY SUCH BONUSES AND/OR PROFIT SHARING WERE GRANTED

The remuneration policy of the members of the Board of Directors in 2022, which was presented to the General Meeting of shareholders March 25, 2022, does not predict the provide for the allocation, in general terms, of this type of remuneration.

80. COMPENSATIONS PAID OR DUE TO FORMER EXECUTIVE DIRECTORS IN RESPECT OF TERMINATION OF OFFICE DURING THE FINANCIAL YEAR

During the year 2022, there is no compensation paid for the contract termination of executive directors. However, with regard to this matter, reference is made to the statement by the Remuneration Committee, in Annex II.

81. REMUNERATION INDIVIDUALLY AND GLOBALLY EARNED BY THE MEMBERS OF THE COMPANY'S SUPERVISORY BODY

The remuneration of the Fiscal Council is composed of a fixed annual amount based on the Company's situation and market practices without the existence of a variable remuneration.

The gross remuneration of the Fiscal Council for the year 2022 was as follows:

Fiscal Council	Remunerations 2021
José Eduardo Fragoso Tavares de Bettencourt	43,855 €
Isabel Maria Beja Gonçalves Novo	31,500 €
João Manuel Pisco de Castro	28,193 €
Paulo Ribeiro da Silva	(1)
Total	103,548 €

(1) Alternate member.

The difference between the values presented and the remuneration policy in force (Annex II) is the result of the decision taken by the Board of Directors for the voluntary reduction of their remuneration, referred to in Point 77, and other Members of the Company's Governing Bodies also adhered to this initiative, namely members of the Supervisory Board with a 14% reduction from April 2022.

82. INDICATION OF THE REMUNERATION OF THE CHAIRMAN OF THE BOARD OF THE GENERAL MEETING OF SHAREHOLDERS

The Chairman of the Board of the General Meeting, Diogo Lacerda Machado, for his functions at General Meetings granting the gross remuneration of Euro 4,000.

V. AGREEMENTS WITH REMUNERATION IMPLICATIONS

83. CONTRACTUAL LIMITATION AS ESTABLISHED FOR ANY COMPENSATION TO BE PAID UPON REMOVAL WITHOUT JUST CAUSE OF A DIRECTOR, AND ITS RELATIONSHIP WITH THE VARIABLE COMPONENT OF THE REMUNERATION

There are no agreements that establish a right to compensations upon removal without just cause of a director, other than the ones provided by law.

84. AGREEMENTS WITH MEMBERS OF THE BOARD AND OFFICERS PROVIDING FOR COMPENSATION IN THE EVENT OF TERMINATION OF OFFICE FOLLOWING A CHANGE OF CONTROL

There are no agreements between PHAROL and the members of the management body or officers providing for compensation in the event of resignation, removal without just cause or termination of employment relationship following a change of control in the Company.

VI. SHARE ALLOTMENT OR STOCK OPTION PLANS

The information set forth in *items 85 to 87* of the form attached to CMVM Regulation no, 4/2013 is not applicable to PHAROL, as during the 2022 financial year, the Company did not adopt any share allotment or share call option plans, nor did any such plans remain in force, in regard to PHAROL directors, employees or any third parties.

88. CONTROL MECHANISMS PLANNED FOR ANY EMPLOYEE CAPITAL HOLDING SYSTEM TO THE EXTENT THAT VOTING RIGHTS ARE NOT EXERCISED BY SUCH EMPLOYEES

Not applicable, since there is no system specifically providing for any share capital holding by employees in the Company.

E. RELATED PARTY TRANSACTIONS

I. CONTROL MECHANISMS AND PROCEDURES

89. MECHANISMS IMPLEMENTED BY THE COMPANY TO CONTROL RELATED PARTY TRANSACTIONS (IAS 24)

In order to ensure compliance with PHAROL's obligations, internal control procedures are adopted to (i) identify and ensure the transparency of the decision-making process related to transactions with related parties and/or with shareholders with qualified participation, (ii) determine the transactions whose disclosure is mandatory or relevant, and (iii) establish internal responsibilities in relation to the identification of related parties and transactions carried out.

For this purpose, it is mandatory to comply with the following provisions of the internal regulations regarding the transactions of PHAROL, SGPS S.A. (PHAROL) and respective subsidiaries with related parties and shareholders with qualified participation:

1. General principles regarding transactions with related parties and shareholders holding qualified participation

- 1.1. Without prejudice to the provisions in the following sections, transactions with PHAROL related parties or with shareholders holding qualified participation must be carried out within the scope of PHAROL's current activity and under market conditions.
- 1.2. In any case, no main corporate member or key collaborator can authorize transactions with himself, with any of his family, with any entity under his control or with an entity under the control of his family.

2. Transactions with related parties and shareholders holding qualified participation subject to a resolution by the Board of Directors preceded by an opinion by the Fiscal Council

- 2.1. The following are subject to deliberation by the Board of Directors, preceded by the opinion of the supervisory board:
 - a) transactions by PHAROL or its subsidiaries to be carried out with members of the Board of Directors of PHAROL, regardless of the respective amount, under the terms of article 397/2 of the Portuguese companies code;
 - b) transactions with related parties that do not meet the requirements set out in paragraph 1.1 above.
 - c) PHAROL transactions or its subsidiaries to be carried out with shareholders with qualified participation 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) 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 semester;
 - e) other transactions that, due to their relevance, the Board of Directors intends to submit to this procedure.

- 2.2. The decision of the Board of Directors provided for in the preceding 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 of the shareholders who are not related parties, including minority shareholders, also making reference to the sense of the Fiscal Council's opinion.
- 2.3. The transaction proposals 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 from the supervisory body must be accompanied by: (i) sufficient information on the characteristics of the transaction, namely from a strategic, financial, legal and fiscal point of view, (ii) information on the nature of the relationship between the PHAROL, or its subsidiaries, and the counterparty in question, (iii) financial procedures and terms agreed within the scope of the transaction, (iv) evaluation procedure adopted and respective assumptions, including prices used as a reference, (v) 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 number must be provided by the transaction proponent.
- 2.6. The approval of the transactions provided for in number 2.1 / c) and d) above, depends on confirmation, in the opinion of the fiscal council, that, given the reasoning presented, the nature of the counterparty does not influence the decision to contract and the terms and conditions agreed.
- 2.7. At meetings of the Board of Directors for approval of half-yearly and annual financial information, the supervisory body informs the Board of Directors of the opinions issued in the immediately preceding period.
- 2.8. When the execution of any of the transactions provided for in paragraph 2.1 implies the successive performance 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 related party transactions

- 3.1. Considering the provisions of paragraph 1.2 above, in cases not subject to deliberation 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 process on the transaction, the provisions of paragraphs 2.2 (regarding the grounds for the decision), 2.3 (regarding the grounds for the proposal) and 2.8 above (regarding mere execution acts) 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) In the case of a loan, investment or other form of advance of funds (regardless of guarantees).
- 3.3. Proposals for transactions that do not correspond to normal market conditions for similar transactions cannot be approved, being sent to the Board of Directors for compliance with the provisions of section 2 above.

4. Exemption

- 4.1. Transactions with related parties or with holders of qualified participation relating to:
 - a) purchases of goods or provision of contracted services in compliance with the internal rules regarding purchases, suppliers and service providers that are in force at the time of contracting;
 - b) banking operations of PHAROL and subsidiaries, 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 bank guarantees provided they do not exceed the aggregate value of euro 300,000 (three hundred thousand euros) per year;

c) where the consideration is determined based on official quotations (for example, contracts on exchange rates or interest and commodities), if the agreed intervals correspond to normal market practices;

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

4.2. The following transactions are also exempted from the approval procedure provided for in section 2 above:

a) transactions carried out between companies in a controlling or group relationship with PHAROL or between these and PHAROL;

b) the payment by the PHAROL group of the remuneration of the main corporate members and key employees for the exercise of their functions;

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 their timely provision, 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) transactions that constitute the execution of transactions already contracted under general contracts already in force at PHAROL group.

5. Public disclosure of transactions with related parties and / or with shareholders holding qualified participation

5.1. 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 number must be made no later than the moment of the transaction, containing at least: (i) the identification of the related party, (ii) information about the nature of the relationship, (iii) the date and amount of the transaction, (iv) justification as to the fair and reasonable nature of the transaction, from the point of view of PHAROL and of the shareholders who are not related parties, including minority shareholders and (v) the sense of the opinion of the fiscal council, whenever this 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 in market conditions.

5.4. Without prejudice to the case-by-case analysis of the specific transaction in the light of accounting, legal and regulatory rules, the other transactions provided for in paragraph 2.1 above and those subject to internal reporting, are also considered relevant for the purposes of weighting the disclosure to the market. Of paragraph 3.2 above.

5.5. The provisions of the preceding paragraphs do not prejudice the fulfillment of the obligations of mandatory disclosure of privileged information, under the legal terms.

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

6. Non-submission 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:

a) Transactions carried out between PHAROL and its subsidiaries, provided that they are in a controlling relationship with the company and no party related to PHAROL has an interest in that subsidiary;

b) Transactions related to directors' remuneration, or to certain elements of that remuneration;

c) the transactions proposed to all shareholders under the same terms in which the equal treatment of all shareholders and the protection of the interests of the company are ensured;

e) transactions that constitute a mere execution of transactions already disclosed under this provision.

Responsibilities for the identification and disclosure of transactions with related parties and / or with qualified participation holders

For the purposes of internal control of transactions with related parties and / or with holders of qualified participation, a division of powers and responsibilities is established within the PHAROL group.

90. TRANSACTIONS SUBJECT TO CONTROL

In 2022, there were no transactions subject to the rules described in paragraph 89.

91. INTERVENTION OF THE SUPERVISORY BODY IN THE PRIOR EVALUATION OF TRANSACTIONS WITH OWNERS OF A QUALIFIED HOLDING

In this respect, reference is made to point 89 of Part I above.

II. TRANSACTION DETAILS

92. LOCATION, IN THE ANNUAL FINANCIAL STATEMENTS, WHERE INFORMATION ON RELATED PARTY TRANSACTIONS, IN ACCORDANCE WITH IAS 24, IS AVAILABLE

Information on related party transactions is available on Note 19 to the consolidated financial statements for the year 2022. There were no transactions with related parties to disclose in respect of the fiscal year ended on 31 December 2022.

Information on the transactions executed during the fiscal year ended on 31 December 2022 with owners of qualified holdings who are not related parties in accordance with IAS 24 is available in Note 212 to the consolidated financial statements for the year of 2022.

PART II – CORPORATE GOVERNANCE EVALUATION

1. IDENTIFICATION OF THE CORPORATE GOVERNANCE CODE ADOPTED

As previously mentioned, the Company has adopted the Corporate Governance Code of IPCG, ensuring an adequate level of protection of shareholders' interests and transparency of Corporate Governance.

PHAROL is also subject to other internal standards adopted in its corporate governance structure such as various internal rules of conduct and transparency, specifically the Code of Ethics and Conduct, the Rules on Management Transactions, Related Party Transactions and Transactions with Qualified Holders.

PHAROL, held in 2022 the management model delegating the day-to-day management to Managing-Director.

2. STATEMENT OF COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE ADOPTED

PHAROL complies with the recommendations set out in the IPCG Corporate Governance Code, which entered into force on January 1, 2018, reviewed in 2020.

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

- Observe all legal rules of a binding content applicable to the Classic-type corporate governance model as provided for under article 278,1(a) of the Portuguese Companies Code;
- Take in a significant set of recommendations and best practices in this field as established under the IPCG Code, duly substantiating duly its corporate governance options in accordance with 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 2020, available through the link:

https://cgov.pt/images/ficheiros/2020/revis%C3%A3o_codigo_en_2018_ebook_copy.pdf

The items in Part I of this Corporate Governance Report that contain a description of the measures taken by the Company for compliance with the IPCG Recommendations are identified hereunder.

RECOMMENDATION ACCORDING TO THE MULTIPLE RECOMMENDATIONS TABLE	Compliance	Report
I. GENERAL PROVISIONS		
I.1. Company's relationship with investors and disclosure		
I.1.1. The company must establish mechanisms that ensure, in an appropriate and rigorous form, the timely disclosure of information to its governing bodies, shareholders, investors and other stakeholders, financial analysts and the market in general.	Complied	Items 56, 58 and 59
I.2. Diversity in the composition and functioning of the company's governing bodies		
I.2.1. Companies must establish criteria and requirements related to the profile of new members of corporate bodies appropriate to the function to be performed, and, in addition to individual attributes (such as competence, independence, integrity, availability and experience), these profiles must consider diversity requirements, paying particular attention to gender, which can contribute to the improvement of the organ's performance and to the balance in its composition.	Complied	Items 19, 21 and, Annex I and Complementary Information to the Curricula of the Governing Bodies.

I.2.2. (1) The management body must have internal regulations - namely on the exercise of the respective attributions, chairmanship, frequency of meetings, operation and duties of its members - fully disclosed on the company's website.	Complied	Items 21, 22, 31, 34 and 61
I.2.2. (2) Idem in relation to the supervisory body.	Complied	
I.2.2. (3) Idem applies to internal commissions.	Not Applicable	
I.2.2. (4) Minutes of the meetings of the management body must be prepared.	Complied	
I.2.2. (5) Idem in relation to the supervisory body.	Complied	
I.2.2. (6) Idem in relation to internal committees.	Not Applicable	
I.2.3. (1) The composition of the management, supervisory bodies and their internal commissions must be disclosed through the company's website.	Complied	Items 17, 22, 23, 27, 31, 34, 35, 59 and 61
I.2.3. (2) The number of annual meetings of the management, supervisory bodies and their internal commissions must be disclosed through the company's website.	Complied	
I.2.4. A whistleblowing policy should be adopted to ensure the appropriate means for communicating and handling them, safeguarding the confidentiality of the information transmitted and the identity of the notifier, whenever requested.	Complied	Items 21 and 49
I.3. Relationship between corporate bodies		
I.3.1. The bylaws or other equivalent measures adopted by the company must establish mechanisms to ensure that, within the limits of the applicable legislation, members of the management and supervisory bodies are permanently guaranteed access to all information and employees of the company for the assessment of performance, the situation and the prospects for the development of the company, including, in particular, the minutes, the documentation to support 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.	Complied	Items 22, 34 and 61
I.3.2. Each company body and committee must ensure, in a timely and appropriate manner, the flow of information, from the beginning of the respective notices and minutes, necessary for the exercise of the legal and statutory powers of each of the other bodies and commissions.	Complied	Items 22, 34 and 61
I.4. Conflicts of interest		
I.4.1. By internal regulation or equivalent, the members of the management and supervisory bodies and internal commissions are bound to inform the respective body or commission whenever there are facts that may constitute or cause a conflict between their interests and the social interest.	Complied	Items 22, 34 and 89
I.4.2. Procedures should be adopted to ensure that the member in conflict does not interfere in the decision-making process, without prejudice to the duty to provide information and clarifications requested by the body, the committee or the respective members.	Complied	Items 22, 34 and 89
I.5. Related party transactions		
I.5.1. The management body must disclose, in the government report or in another publicly available way, the internal procedure for verifying transactions with related parties.	Complied	Items 21 and 89

I.5.2. The management body must communicate to the supervisory body the results of the internal procedure for verifying transactions with related parties, including the transactions under analysis, at least every six months.	Not Applicable	Items 21, 89 and 90
II. SHAREHOLDERS AND GENERAL MEETING		
II.1. (1) The company should not set an excessively high number of shares necessary to grant the right to one vote, II.1. (2) and must make explicit in the government report their option whenever it implies deviation from the principle that each share corresponds to one vote.	Complied Not Applicable	Item 12
II.2. The company must not adopt mechanisms that make it difficult for shareholders to take decisions, namely by setting a deliberative quorum higher than that provided for by law.	Complied	Item 14
II.3. The company must implement adequate means for the participation of shareholders in the General Meeting at a distance, in terms proportional to its size.	Complied	Item 12
II.4. The company must also implement adequate means for exercising the right to vote at a distance, including by correspondence and electronically.	Complied	Item 12
II.5. The bylaws that provide a limitation of the number of votes that can be held or exercised by a single shareholder, individually or in consultation with other shareholders, should also provide that, at least every five years, it is subject to deliberation. by the general meeting the alteration or maintenance of this statutory provision - without quorum requirements aggravated in relation to the legal one - and that, in this resolution, all votes cast are counted without that limitation working.	Complied	Items 5 and 21
II.6. Measures that determine payments or the assumption of charges by the company should not be adopted in the event of a change of control or a change in the composition of the management body and that appear likely to harm the economic interest in the transfer of shares and free appreciation by shareholders performance of administrators.	Complied	Item 4
III. NON-EXECUTIVE ADMINISTRATION AND SUPERVISION		
III.1. Without prejudice to the legal functions of the chairman of the board of directors, if he is not independent, the independent directors must designate a coordinator among themselves to, inter alia, (i) act, whenever necessary, as an interlocutor with the chairman of the board of directors and with the other administrators, (ii) ensure that they have the set of conditions and means necessary for the performance of their duties; and (iii) coordinating them in the performance evaluation by the management body provided for in recommendation V.1.1.	Not Complied	Items 15 and 18 It appears that the appointment of an independent lead director does not bring added value given the reduced structure of the company and the small size of its CA. and, consequently, the reduced number of its independent non-executive directors, does not justify the possibility of appointing a coordinator of independent directors. Within the scope of their functions and competences, all directors decide to meet together afterwards frequently. By streamlining management procedures,

<p>III.2. (1) The number of non-executive members of the management body must be adequate to the size of the company and the complexity of the risks inherent in its activity, but sufficient to efficiently ensure the functions entrusted to them and must be included in the government report the formulation of this adequacy judgment.</p> <p>III.2. (2) Idem in relation to the number of members of the supervisory body.</p> <p>III.2. (3) Idem applies to the number of members of the commission for financial matters.</p>	<p>Complied</p> <p>Complied</p> <p>Not Applicable</p>	<p>the Company provided all directors with the necessary prior information in a timely manner, allowing them to be fully informed and clarified on all matters relating to its decisions. Thus, the Society considers that the appointment of a coordinator would be inappropriate and would only have as its objective the mere formal fulfillment of this recommendation, in which the Society would not revert.</p> <p>As for the CA self-assessment process, it is carried out through responses on an electronic platform, whose coordination is ensured by the Secretary-General.</p> <p>Items 15, 17, 18, 21 and 31</p>
<p>III.3. In any case, the number of non-executive directors must be greater than that of executive directors.</p>	<p>Complied</p>	<p>Items 17, 18 and 21</p>
<p>III.4. Each company must include a number of not less than one third but always plural, of non-executive directors who fulfil the requirements for independence. For the purposes of this recommendation, a person who is not associated with any specific interest group in the company, nor is under any circumstances likely to affect his/her exemption from analysis or decision, is considered to be independent, namely by virtue of: i) Having exercised for more than twelve years, in a continuous or interspersed manner, functions in any body of the company; ii) Having been a collaborator of the company or company that is in a controlling or group relationship with it in the last three years; iii) Having, in the last three years, provided services or established a significant commercial relationship with the company or with a company that is in a dominant or group relationship, either directly or as a partner, administrator, manager or person manager collective; iv) Be the beneficiary of remuneration paid by the company or by a company that is in a controlling or group relationship with it in addition to the remuneration resulting from the exercise of the functions of director; v) Live in a de facto union or be a spouse, relative or similar in a straight line and up to the</p>	<p>Complied</p>	<p>Items 17 and 18</p>

3rd degree, including, in the collateral line, of company directors, managers of a legal person holding a qualified interest in the company or of natural persons directly or indirectly with qualified participation; vi) Be a holder of a qualified shareholding or representative of a shareholder with a qualifying shareholding.		
III.5. The provision in paragraph (i) of recommendation III.4 does not preclude the qualification 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 (cooling-off period).	Not Applicable	Item 17
III.6. (1) With respect to the powers conferred on it by law, the supervisory body assesses and pronounces on the strategic lines, prior to its final approval by the management body. III.6. (2) Idem in relation to the risk policy.	Complied Complied	Item 21 and 34
III.7. (1) Companies must have a specialized committee on corporate governance. III.7. (2) Idem applies to the matter of appointments. III.7. (3) Idem applies to the matter of performance evaluation.	Not Applicable Not Applicable Not Applicable	Items 15
IV. EXECUTIVE MANAGEMENT		
IV.1. The management body must approve, by means of internal regulation or by equivalent means, the performance regime of the executive directors applicable to the exercise by them of executive functions in entities outside the group.	Complied	Item 21 As mentioned in Item 21, PHAROL understands that it complies with this recommendation, through the combination of procedures and supporting documentation that reflect and result, through equivalent means, in compliance with the same.
IV.2. (1) The management body must ensure that the company acts in accordance with its objectives and should not delegate powers, namely, with regard to: i) definition of the company's strategy and main policies; IV.2. (2) ii) organization and coordination of the business structure; IV.2. (3) iii) matters that should be considered strategic due to their amount, risk or special characteristics.	Complied Complied Complied	Items 21 and 22
IV.3. In the annual report, the management body explains in what terms the strategy and the main policies defined seek to ensure the long-term success of society and what are the main resulting contributions to the community in general.	Complied	Annual Report, Item 6.
V. PERFORMANCE ASSESSMENT, REMUNERATION AND APPOINTMENTS		
V.1. Annual Performance Assessment		
V.1.1. (1) The management body should assess its performance annually, taking into account the fulfilment of the company's strategic plan and budget, risk management, its internal functioning and the contribution of each member to the effect, and the relationship between society's bodies and commissions.	Complied	Item 21

V.1.1. (2) Idem in relation to the performance of the committees of the management body.	Not Applicable	
V.1.1. (3) Idem in relation to the performance of executive directors.	Complied	
V.2. Remuneration		
V.2.1. The company must set up a remuneration committee, the composition of which ensures its independence from management, which may be the remuneration committee designated under the terms of article 399 of the Portuguese Companies Code.	Complied	Items 67 and 68
V.2.2. The setting of remunerations should be the responsibility of the remuneration committee or the general meeting, on the proposal of that committee.	Complied	Items 67,68 e and Appendix II
V.2.3. For each mandate, the remuneration committee or the general meeting, on a proposal from that committee, must also approve the maximum amount of all compensation to be paid to the member of any body or committee of the company due to the respective termination of functions, proceeding the disclosure of said situation and amounts in the government report or in the remuneration report.	Not Complied	
V.2.4. In order to provide information or clarifications to the shareholders, the chairman or, when unable to do so, another member of the remuneration committee must 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 corporate bodies and commissions or if such presence has been required by shareholders.	Complied	Part I, Item B I. – General Meeting
V.2.5. Within the company's budgetary limitations, the remuneration committee must be able to freely decide whether to hire, by the company, the necessary or convenient consultancy services for the exercise of its functions.	Complied	Appendix II
V.2.6. The remuneration committee must ensure that those services are provided independently and that the respective providers are not contracted to provide any other services to the company itself or to others that are in a controlling or group relationship without the express authorization of the committee.	Complied	Appendix II
V.2.7. In view of the alignment of interests between the company and the executive directors, part of their remuneration must be of a variable nature that reflects the sustained performance of the company and does not encourage the taking of excessive risks.	Complied	Appendix II
V.2.8. A significant part of the variable component must be partially deferred over time, for a period of not less than three years, associating it, necessarily, to the confirmation of the sustainability of performance, under the terms defined in the company's internal regulations.	Complied	Appendix II
V.2.9. When the variable remuneration comprises options or other instruments directly or indirectly dependent on the value of the shares, the beginning of the exercise period must be deferred for a period of not less than three years.	Not Applicable	Appendix II
V.2.10. The remuneration of non-executive directors must not include any component whose value depends on the performance of the company or its value.	Complied	Appendix II

V.3. Appointments		
V.3.1. The company must, under the terms it deems appropriate, but in a manner susceptible of demonstration, promote that the proposals for the election of the members of the governing bodies are accompanied by reasons regarding the adequacy of the profile, knowledge and curriculum to the function to be performed by each candidate.	Complied	Appendix I and Complementary Information to the Curricula of the Governing Bodies.
V.3.2. Unless the size of the company does not justify it, the function of monitoring and supporting the appointments of senior managers should be assigned to an appointments committee.	Not Applicable	Item 15
V.3.3. This commission includes a majority of independent non-executive members.	Not Applicable	
V.3.4. The appointments committee must make available its terms of reference and must, as far as its competences, induce transparent selection processes that include effective mechanisms for identifying potential candidates, and that the ones with the greatest merit are chosen for the proposal, best suited the requirements of the function and promote, within the organization, an adequate diversity including gender.	Not Applicable	
VI. RISK MANAGEMENT		
VI.1. (1) The management body must discuss and approve the strategic plan.	Complied	Items 21 and 54
VI.1. (2) The management body must discuss and approve the company's risk policy, which includes the setting of limits in terms of risk-taking.	Complied	
VI.2. The supervisory body must organize itself internally, implementing periodic control mechanisms and procedures in order to ensure that the risks effectively incurred by the company are consistent with the objectives set by the management body.	Complied	Items 21, 34 and 54
VI.3. The internal control system, comprising the functions of risk management, compliance and internal audit, must be structured in terms appropriate to the size of the company and the complexity of the risks inherent in its activity, with the supervisory body evaluating it and, in within the scope of its competence to monitor the effectiveness of this system, propose any necessary adjustments.	Complied	Items 21, 34 and 54
VI.4. The supervisory body must give its opinion 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 necessary adjustments.	Complied	Items 21, 34 and 54
VI.5. The supervisory body should be the recipient of the reports made by the internal control services, including the functions of risk management, compliance and internal audit, at least when matters related to the rendering of accounts, identification or resolution of conflicts of interests and the detection of potential irregularities	Complied	Items 21 and 34
VI.6. (1) Based on its risk policy, the company should establish a risk management function, identifying (i) the main risks to which it is subject in the development of its activity, VI.6. (2) (ii) the probability of their occurrence and their impact, VI.6. (3) (iii) the instruments and measures to be adopted in view of the respective mitigation and	Complied Complied Complied	Items 53, 54 and 55

VI.6. (4) (iv) the monitoring procedures, aiming at their monitoring.	Complied	
VI.7. The company must establish procedures for inspection, periodic assessment 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.	Complied	Items 21 and 51
VII. FINANCIAL INFORMATION		
VII.1. Financial Information		
VII.1.1. The internal regulation of the supervisory body should require that it supervise the adequacy of the process of preparation and disclosure of financial information by the management body, including the adequacy of accounting policies, estimates, judgments, relevant disclosures and their consistent application among exercises, in a duly documented and communicated manner.	Complied	Items 21 and 34
VII.2. Statutory audit and inspection		
VII.2.1. Through internal regulations, the supervisory body must define, under the terms of the applicable legal regime, the inspection procedures aimed at ensuring the independence of the statutory auditor.	Complied	Items 21 and 34
VII.2.2. (1) The supervisory body should be the main interlocutor of the statutory auditor in the company and the first recipient of the respective reports, VII.2.2. (2) it is incumbent upon him, namely, to propose the respective remuneration and to ensure that, within the company, the appropriate conditions for the provision of services are ensured.	Complied Complied	Items 21 and 34
VII.2.3. The supervisory body must annually assess the work carried out by the statutory auditor, its independence and suitability for the exercise of functions and propose to the competent body its dismissal or the termination of the contract for the provision of its services whenever there is just cause for that purpose.	Complied	Items 21 and 45

APPENDIX I

Curricular 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

18th February 1956

Education

He completed a degree in Economics from the Instituto Superior de Economia of the Technical University of Lisbon in 1978 and a degree in Business Management from the Portuguese Catholic University, Lisbon, in 1981.

Professional Experience

In 1981 he began his professional career at Quimigal, in the areas of Metal Marketing and Chemical Supplies. After a stint in the companies of the Leon Lévy Group, as deputy of the Managing Director and with responsibilities in the financial areas, he joined COVINA, Companhia Vidreira Nacional, where he held the functions of Member of the Board, also in the financial area. He assumed the position of Member of the Board of IPE- Investimentos e Participações do Estado in 1991 and held the position of Secretary of State for Commerce in the XII Constitutional Government, between 1992 and 1995. In the last year, he began to perform functions at Cimpor-Cimentos de Portugal, having actively participated, as Director of Strategic Planning and Chief Financial Officer, in the last phases of privatization of the company and in the process of internationalization of its activity, following the different operations of acquisition of cement companies in Brazil, Egypt, Tunisia, among others, and being responsible for Investor Relations. In 2001, he began to serve as CFO of Jerónimo Martins, a position that would accumulate with the CEO from 2004 until 2010. In these years, he directed and collaborated in the financial restructuring process and the refocus of the group's business in Poland and food retail. He also maintained, during these years at Jerónimo Martins, the responsibilities of Investor Relations. In 2012, he assumed the position of Executive Vice President of Galp, with the responsibility of the refining and retail areas (downstream). In 2015, he became chairman of PHAROL's Board of Directors, accumulating these functions, initially with those of Chief Executive Officer and, from 2017, with those of Managing Director. In addition, he also assumes Management functions in the subsidiary of PHAROL in Brazil, the telecommunications company Oi with interruption in 2018-2020. Since January 2021 until December 2022, he has been a non-executive member of the Board of Directors of Oi, S.A.. In 2019, he is elected Chairman of the Board of the EDP General Assembly position that accumulates, by inderence, with that of member of the General and Supervisory Board of the same company. Since 2018, he has been a non-executive member of the Board of Directors of Nutrinveste, a leading company in several food businesses in Portugal. He served as President of AEM - Association of Issuers of Portugal, President of Apetro - Association of Portuguese Oil Companies and EPIS- Entrepreneurs for Social Inclusion, a non-

governmental organization of social and educational support to young people. He attended several training courses, namely at the Wharton School of Economics at the University of Pennsylvania (AMP).

Awarded, in Portugal, with the Grand Cross of the Order of Merit (2015).

Maria do Rosário Amado Pinto Correia (Director)

Date of Birth

10th October 1958

Education

Degree in Economics from the Católica Lisbon School of Business and Economics (1980)

Master of Business Administration, Nova School of Business (1983)

MBA from the Wharton School (1981)

Lycée Français Charles Lepierre, Lisbonne – Baccalaureat (1975)

Professional Experience

Corporate executive

- More than a decade of experience on Companies' Boards
- 40 years experience in Corporate Executive and Academia roles
 - Management
 - Consultancy
 - Academic teaching and executive education program coordination
- Performed in various capacities in listed, multinational, and Portuguese SME companies
- With international experience and residency

Expertise

- Technical expertise in Customer Centric Organization Focus, namely in Branding, Advertising & Communication, Satisfaction & Relationship Management and Customer Journey & Experience
- International Business Development, including setting up companies overseas, leading their international transition processes and market expansion programs
- Business turnaround and re-structuring, including acquisition and integration as well as divesting and judiciary recovery processes

Industries

- Academic Education (Undergraduate, MBA and Executive Education Programs Coordination and Lecturer)
- Telecommunications & Post Office
- Branding & Advertising & Communication
- Luxury & Fashion
- Hospitality

Board Positions

- Sport Lisboa e Benfica- Futebol, SAD
 - Board Member (Jan 22 to date)
- Sixty Degrees SGFIM, S.A.
 - Board Member (Apr 2019 to date)
- Experienced Management, SA
 - Board Member (Sep 2018 to date)
- Fundiestamo, SGOIC, S.A.
 - Member of the Supervisory Board (Apr 2018 to date)
- Oi S.A.
 - Alternate Board Member and Member of the HR Committee (2016 to 2018)

- PHAROL, SGPS S.A.
 - Board Member (2015 to date)
- Ferreira Marques & Irmão
 - Chairwoman of the Board (2012-2015)
- PT Group
 - Advisor to the Board of PT International (2007)
 - Board member at PT Asia (2005 – 2007)
 - Chairwoman and Legal Representative of CTTC/Archway Beijing (2005-2007)
- Ogilvy Group Lisboa
 - Advisor to the Chairwoman and CEO (1994-2002)

CEO or equivalent positions

- Experienced Management (2018 to 2021)
- Ferreira Marques & Irmão (2012-2015)
- Macau Cable TV, PT Group (2005-2007)
- Ogilvy One Lisbon (1994-2002)
- Marie Claire Portugal (1992-1994)

Managerial and consulting positions

- Católica Lisbon School of Business and Economics
 - Head of Executive Consultancy, Centre of Applied Economics (2017 to date)
 - Head of Business Development, Executive Education in Asia and Brazil (2012 – 2015)
- Católica Lisbon Centre for Applied Economics (2012)
 - Senior consultant, projects at OGMA and MasterCard
- NNS S.A.
 - Senior consultant with projects at Correa & Terenas, BeWith, Grupo Celff and MyBrand (2008-2012)
- PT Group
 - Founder and Head, Client Satisfaction Department, PT-SGPS (2004)
 - Head, Knowledge Management and Communication Department, PT Comunicações (2003)
- McCann-Erickson Group
 - Group Leader, McCann-Erickson (1990-1992)
 - Team Manager, McCann Direct (1987-1990)
- CTT, Correios de Portugal
 - Founder and Head, Direct Mail Office (1985-1987)
 - Product Manager, Financial Products and Letters (1981-1994)

Academia Positions

- Católica Lisbon School of Business and Economics (1977-1980, 1987-2004, and 2008 to date)
 - Lecturer, Program Coordinator and International Business Development, Executive Education
 - Lecturer, Undergraduate and MBA Programs
 - Business development, Executive consultancy
- Universidade de S Jose, Macau (2005-2012)
 - Invited Lecturer, Undergraduate and MBA Program
- Nova School of Business (1980-1987)
 - Assistant Teacher

Lifelong Learning (most relevant)

- Course On Corporate Governance, Master On Finance Program, CLSBE, Lisboa, 2018
- Program For Non-Executive Board Members, IPCG (Corporate Governance Portuguese Institute), Lisbon, 2016
- Doing Business In Angola, Abreu Advogados, Lisbon, 2010
- Managing Cable And IPTV, CAASBA, Singapore, 2005
- Senior Management Program, Ogilvy Worldwide, Various Locations, 2001/2002

- Senior Leadership Program, Chicago University For Mccaan Worldwide, Chicago, 1991
- Direct Marketing Symposium In Montreux, Switzerland, 1984 - 1987
- Business Turnaround, Wharton School, Lisbon, 1983

Memberships/Professional Affiliations

- Alumni Católica
- AAAMBA (alumni MBA Nova)
- Ordem dos Economistas (professional association of Portuguese economists)
- WPO (Women Presidents Organization)
- IPCG (Portuguese Corporate Governance Institute)
- We Connect (Worldwide women business organization)
- GBRW (Global Board Ready Women)
- WOB (Women on Board)

Maria Leonor Martins Ribeiro Modesto (Director)

Date of Birth

20th January 1958

Education

She graduated in Economics at the Portuguese Catholic University in 1980. In September of 1987 she completed the Ph.D. in Economics at the Catholic University of Louvain. In 2004 she obtained the Agregação in Economics from the Portuguese Catholic University.

Professional Experience

She began her academic career as an Assistant Professor at the Portuguese Catholic University in 1988. She was promoted to Associate Professor in April 1998, and has been a Full Professor of the same university since June 2008.

Managing Partner of Modelling Mind Lda., since June 2010

Between 1988 and 1992 she coordinated the Quantitative Methods Group of the Center for Applied Studies of the Portuguese Catholic University. She was a consultant to the Portuguese Ministry of Finance from 1994 to 1998. She directed the Research Unit of the Faculty of Economics and Business of the Portuguese Catholic University from 1997 to 2004, and from 2007 to 2014. She was director of the Center for Applied Studies of the Portuguese Catholic University from 2008 to December 2017. Leonor Modesto was Dean for research at CLSBE - Católica Lisbon School of Business and Economics - from 2012 to 2014. Between 2015 and 2019 she was President of the Scientific Council of CLSBE.

She has been the principal investigator of numerous research projects funded by the European Commission, the Portuguese Foundation for Science and Technology, the Programme Pessoa and Integrated Luso-French Actions.

Her research interests cover macroeconomic dynamics, more specifically endogenous business cycles, and the functioning of the labor market, with articles published in journals such as the Journal of Economic Theory, Economic Theory, Journal of Economic Dynamics and Control, Journal of Mathematical Economics, Macroeconomic Dynamics, International Journal of Industrial Organization, Mathematical Social Sciences, Economic Modelling, Journal of Population Economics or Labor Economics.

She was President of ASSET the "Southern European Association for Economic Theory" between 2009 and 2011, having been Vice-president of the same association between 2007 and 2009.

She has been an associate editor of Economics Bulletin since 2013.

Ana Cristina Ferreira Dias (appointed by Novo Banco, S.A., to exercise the position in her own name)

Date of Birth

5th March 1970

Education

Degree in Economics – Faculdade de Economia da Universidade Nova de Lisboa (1988-1992)
Post-Graduate in Corporate Finance – CEMAF/Indeg – ISCTE (1998-1999)
Degree in History – Universidade Aberta (2006-2013)
Master in Portuguese Multidisciplinary Studies – Universidade Aberta (2012-2016)
(Ongoing) PhD program in Globalization Studies – Faculdade de Ciências Sociais e Humanas da Universidade Nova de Lisboa (2022-2026)

Recent Professional training

2022 – Attended and approval on 1st edition of *Applied Leadership Program* – Novo Banco, by Nova School of Business and Economics;

2018 – Attended and approval on the 2nd edition of *Advanced Executive Program* – Novo Banco by Nova School of Business and Economics.

Professional Experience

From October 2020 to date, Coordinating director of the Equity Stakes Portfolio department of Novo Banco, SA ("NB"), reporting directly to Board of Directors, with transversal functions in management, institutional representation, monitoring and reporting - corporate and activity - at the level of the portfolio of equity investments held, both in entities of the NB Group and in other participated companies, whether companies (notably subsidiaries and external branches), Restructuring Funds or other investment funds and other entities.

From October 2015 until September 2020, Director in the Business Development and NPA Department ("DDNN") of NB, being responsible for the Strategic Development and NPA Unit, the team managing organised processes of disposal of non-strategic assets, namely equity stakes in companies, financial institutions and investment funds, as well as non-performing loans ("NPL") portfolios.

Most representative projects:

- From 2020 to present date, coordination of several internal projects in Novo Banco involving multi-department working groups, on subsidiaries and external branches as well as monitoring models and processes of equity stakes' portfolio;
- Contracted in December 2018 and September 2019 and with financial close throughout 2019 and 2020: organisation of competitive processes, management of internal and external team (advisors) and negotiation with investors, of the purchase and sale agreements of the two largest NPL portfolios transactions ever performed in the Portuguese market, representing a total divestment of around Eur 3.5 MM;
- With financial close in October 2019: organisation of competitive process, management of internal and external team (advisors) and participation in the negotiation with investor of contracts for i) distribution and ii) purchase and sale of 100% of the capital of the insurer GNB Vida;
- With signature in May 2018: participation in the negotiation with the Resolution Fund (FdR), and consequent internal implementation and with the counterparty, of the servicing contract for the assets

- covered by the contingent capital mechanism (CCA);
- Since 2015: organisation and management of competitive sales processes, negotiation with investors and contracting of transactions for the disposal of NB equity stakes, in companies and investment funds such as: Empark, ES Ventures, NB Asia, among others.

Other permanent assignments:

Since 2013, monitoring and follow-up of equity financial participations and institutional representation of NB as:

- participant, among others, in the Restructuring Funds where the NB holds stakes being the focal point both in the relationship with the fund management companies (ECS, Oxy Capital and Explorer) and with the supervisors, European Central Bank (ECB), Bank of Portugal (BdP) and the other participants.
- shareholder in companies such as Nanium, Portugal Ventures, Hospital de Loures - Gestora do Edifício, GNB Concessões, Líneas and COPE-Radio Popular;

Current positions representing the NB:

Member of the Board of Directors of Hospital de Loures - Sociedade Gestora do Edifício, S.A., since 2017.
 Member of the Board of Directors of Líneas - Concessões de Transportes, SGPS, S.A., since 2017
 Member of the Board of Directors of GNB Concessões, SGPS S.A., since 2018
 Member of the Board of Directors of PHAROL, SGPS S.A. since 2021
 Member of the Board of Directors of Radio Popular, S.A., Cadena de Ondas Populares Españolas, since 2022

Professional positions until 2015

From 2013 to 2015 - Director in different departments of Banco Espírito Santo ("BES") and then NB, with responsibilities for:

- developing instruments to follow up and monitor equity stakes in companies and investment funds, as well as institutional representation of the NB before these entities;
- to conduct proceedings
- Internal advisory in the design and contracting of corporate credit restructuring processes.

2012 - Director at Banco Espírito Santo de Investimento ("BESI") - Corporate Modernisation Office, participating in the management of the Venture Capital Fund "PME Capital Growth" as well as monitoring the underlying asset portfolio.

2005-2011 - on loan from BESI to ESCOM - Espírito Santo Commerce, SA, acting as Advisor to the Board of Directors, focused on the assessment of opportunities and structuring of international investment projects, particularly in Angola, in diversified sectors such as: (i) mining (exploration of the Luó and Chimbongo diamond concessions); (ii) energy (project for hydroelectric dam in Luapasso); (iii) real estate (several buildings in Luanda) and (iv) agriculture and livestock (conception of a project for banana production and export in partnership with Chiquita, in the Lobito region), among others.

2004/2005 - on secondment from BESI, as Advisor to the Board of Directors of Sporting Gestão, SA, with the role of conceiving and developing a Management Planning and Control model for the various business units of the Sporting Group.

From 1997 to 2004 - Evolution from Management Assistant to Director at BESI, in financial advisory functions for companies and consortia in Project Finance and Corporate - Mergers and Acquisitions, in diversified sectors such as transport and infrastructures, environment (water and sanitation, waste), leisure and health. Some emblematic projects and mandates:

- Advisory to public railway transport companies (CP, Metro de Lisboa and Metro do Porto) in projects of: i) reorganisation of business units and public service contractualisation; ii) investment, based on the structuring of multilateral financing and cross-border lease operations of rolling stock (1997-2000);
- Assistance to municipalities, multi-municipal systems and competing consortia in public service water and sanitation concessions (1998-2000);
- Economic and financial assessment of IPE - Águas de Portugal, SGPS's shareholdings (1999);
- Advisory to the Espírito Santo Group on acquisitions of private health units (2000);
- Advisory to the consortium that won the 20-year concession for the Santa Apolónia –

Sotagus container terminal (2000-2001);

- Advising Sport Lisboa e Benfica in the design, development and project finance of the new Luz Stadium (2001-2003).

From 1992 to 1997 - at Banco Português do Atlântico ("BPA"), succeeded by Banco Comercial Português ("BCP") - Enterprise credit and risk analyst, at the Economic-Financial Analysis Office of the Southern Commercial Department, with specialisation in the analysis of: i) medium term investment projects, particularly within the scope of the incentive systems of the second Community Support Framework; ii) economic groups; iii) construction credit; iv) municipal credit.

Pedro Zañartu Gubert Morais Leitão (Director)

Date of Birth

29th June 1965

Education

Management Degree, Best Student BPA Award – Universidade Católica Portuguesa, completed in 1988
Northwestern University, Kellogg Graduate School of Management - Evanston, Illinois, USA, Master in Management, Dean's List (Top 10%), completed in 1992
Portuguese Army, Escola Prática do Serviço de Transportes – Figueira da Foz, Portugal
Officer (Top 10%), completed in 1990

Professional Experience

Tenured CEO, with a successful track record in managing start-ups and acquisitions, turn-arounds and build-ups for private equity shareholders in various sectors in Portugal, Brazil and other Portuguese-speaking countries. Experience in non-executive roles for listed companies in Portugal and Brazil.

- Television – Currently leads the relaunch of the largest television producer in Portugal;
- Energy - Led the build-up of a fuel retailer and biodiesel producer in Portugal;
- Telecommunications – Led the restructuring of a corporate-focused telecom operator in Portugal;
- Insurance – Managed the launch of a new company in Angola, helped launch a direct operation in Portugal;
- Internet – Launched a Portal and Service Provider, managed it as a self-sustaining operation for 9 years;
- Education – Launched an e-Learning operation in Portugal, followed an acquired operation in Brazil;
- Technology retail – Managed the build-up of a consumer technology retailer in Iberia;
- Media – Presided the Portuguese Media Confederation.

GRUPO MEDIA CAPITAL

Chief Executive Officer of Grupo Media Capital, SGPS
Chairman of TVI, S.A.
Portugal

Jun. 2022 – Today

Grupo Media Capital SGPS is the owner of TVI – producer of 4 television channels in Portuguese: TVI, CNN Portugal, TVI Ficção and TVI Realiy – and of Plural, the largest producer of soap operas in Portugal. In 2020 the group was acquired by a group of Portuguese investors led by entrepreneur Mário Ferreira, who invited me to join the group as its chief executive.

PRIO

Chairman and Chief Executive Officer of PRIO
Portugal

Nov. 2013 – Today

PRIO is a biodiesel producer and fuel retailer with 2020 consolidated revenues of 890M€ and recurrent EBITDA of 34M€, employing ~820 direct employees. Since 2013, PRIO doubled its revenues and EBITDA through a combination of new station openings, purchasing contracts negotiations and use of innovative feedstock in biodiesel production. The company was successfully sold to Spanish conglomerate DISA, who have invited me to stay on.

ONI

Chairman and Chief Executive Officer of ONI
Portugal, Mozambique

Apr. 2012 – Oct. 2013

ONI was a fixed telecoms operator focused on corporate, institutional and wholesale clients in the Portuguese market, with FY2013 revenues of 110M€ and EBITDA of 16M€, employing ~360 people. I was hired to sustain the company throughout the Euro crisis, I left after the company was sold to Altice.

LEYA

Chief Executive Officer of UnYLeYa
Portugal, Brazil, Mozambique, Angola

Sep. 2010 – Mar. 2012

UnYLeYa is the e-Learning arm of leading Portuguese-language publisher LeYa. We launched an operation from scratch in Portugal, which also serves the Mozambique and Angola markets, and acquired an existing operation in Brazil with revenues of over €25 million. I left LeYa to join ONI.

GARANTIA SEGUROS

Chief Executive Officer
Angola

Apr. 2009 – Jul. 2010

Garantia was the 7th non-life insurance license in the Angolan market. I launched the operation with a small team in January 2010 and issued \$4M in premiums until May, when a shareholder dispute led to my resignation.

GRUPO MEDIA CAPITAL

Chief Executive Officer of the Internet business unit
Portugal

Aug. 1999 – Nov. 2008

Grupo Media Capital has been the leading media group in Portugal since 2002, with a “free-to-air” television (TVI), a radio group (MCR), and an Internet portal (IOL). I launched and managed the Internet operation from 1999 to 2008, achieving growth both organically and through acquisitions, the operation being self-sustainable throughout.

SONAE MC

Business development manager
Portugal;

1998 - 1999

Worten

Brand Manager
Portugal and Spain; 1997 - 1998

Sonae MC is the retail arm of Sonae, a industrial conglomerate. I developed the store opening plan for Worten and initiated its implementation, leading the design of 12 stores. After Paulo Azevedo left MC to become CEO in Sonae's Telecom operation, I became Business Development Manager. One year later, I left to join Media Capital.

MCKINSEY & COMPANY

Associate - Portugal, Spain, Angola; 1992 - 1997
Analyst - Portugal, Spain; 1988 – 1989

I led and participated in management consulting projects in a variety of sectors, geographies and contexts, such as:

- Redesign of the corporate center role for a leading Portuguese industrial conglomerate
- Performance evaluation of the own-brand product line for the largest Portuguese modern retail chain
- Credit recovery process redesign for a mid-sized Portuguese Bank
- Business plan development for the entry in the Angola market of the largest Portuguese private bank
- Development of the Marketing plan for a large Portuguese food manufacturer
- Design and launch of new products and channels for a credit card issuer in Portugal
- Interim management support in the launch of a new direct-writing car insurance operation in Portugal
- Organizational structure review for the Portuguese Airport operator
- Validation of the network growth plan for the Lisbon Underground operator

THE MAC GROUP

Summer intern
Chicago, Illinois, USA; June – July 1991

Professional Non- Executive Experiences

PHAROL

Non-Executive Director
Portugal; April 2015 - Today

PHAROL is an investment conglomerate listed in the Lisbon Euronext stock exchange. Currently its main asset is a shareholding stake in Brazilian telecom operator Oi. I am independent to any shareholder in the company.

OI

Non-Executive Director
Brazil; Oct. 2015 – Oct. 2018

Oi is the owner and operator of the largest fixed telecom network and the 4th mobile telecom operator in Brazil, with assets of ~\$US20B and revenues of ~\$US7B in 2020. I was recommended to this position by PHAROL.

VILLASBOAS-ACP

Non-Executive Director
Portugal; Sep. 2013 – Nov. 2019

VillasBoas-ACP is one of the four largest insurance brokers operating in Portugal. The company is controlled by my cousin Miguel Morais, who invited me for a non-executive advisory role in the company's board.

CONFEDERAÇÃO PORTUGUESA DE MEIOS DE COMUNICAÇÃO SOCIAL

Chairman
Portugal;

Mar. 2007 – Mar. 2009

CPMCS is the Portuguese media sector's confederation, representing the "Free-to-air" televisions, the national radios, the Radio and the Press Associations in its relationship with the Government, the regulators and the public opinion.

Avelino Cândido Rodrigues (Director appointed by Oi, S.A., to exercise the position in her own name)

Date of Birth

26th November 1959

Education

Graduated Law School from the University of Lisbon School of Law, with a PgD on Markets, Institutions and Financial Instruments from Nova School of Business and Economics/Nova School of Law/ Oporto Derivative Stock Exchange Association and courses on Public Administration procedures (in external good and services contracts) and IT contracts.

Professional Experience

Enrolled in the (Lisbon) Portuguese Bar Association in 1990, as an intern, having been assigned the ultimate professional license no. 9966L and made his registration as a Lawyer with the (Rio de Janeiro) Brazilian Bar Association in 2008, where he has been given the professional license no. 164944 - RJ.

Started his law practice as an independent lawyer and also in a "partnership" with other colleagues, but with this own law firm, until 2007, year in which he participated, as a founding partner, in the constitution of the law firm "ACR & Associados - Law Firm R.L.", firm where he is a main shareholder and CEO since its establishment.

Worked and works mainly as a lawyer for companies and his professional activity ranges from Corporate, Contracts, Administrative, IT, Copyright and Industrial Property, Criminal, Labor and Insolvency Law, Litigation, Investments and Legal Opinions draw ups.

In 2019 was appointed as member of the BoA of PHAROL, SGPS S.A.

CV data of the members of the Compensation Committee

António Sarmiento Gomes Mota (Member of the Compensation Committee)

Date of Birth

10th June 1958

Education

Graduate in Business Organization and Management, ISCTE – Instituto Universitário de Lisboa (1981). MBA, Universidade Nova de Lisboa (1984). Doctor in Management, ISCTE (2001).

Professional Experience

He has a corporate career of over 20 years in management positions in the banking, consulting and financial services fields. He was Director of ISCTE Business School from 2003 to 2012 and President of INDEG/ISCTE from 2005 to 2012. He is a Professor at ISCTE Business School since 2005. He has a large experience as

consultant in the areas of strategy, corporate assessment and risk management for Portuguese and international corporations. He is the author of various reference works in the financial field. He has held leadership positions in various Boards of Directors and Supervisory Boards in Portuguese listed corporations.

Since 2021 he is the Chairman of the Board of Directors of EDP Renováveis, S.A. and Chair of the Nominations, Remuneration and Corporate Governance Committee, since 2019 he is the Chairman of the Audit Board of MYSTICINVEST HOLDING S.A.

He was Chairman of the Board of Directors of CTT, S.A. from 2017 to 2020 and Vice Chairman from 2014 to 2017 | Chairman of the Board of Directors (non-executive) of SDC Investimentos, SGPS S.A. from 2013 to 2016 | Member of the General and Supervisory Council from 2009 to 2018; Member of the Audit Committee (2009/2015) and Performance and Competition (2012/2015) and Chairman of the Audit Committee of EDP – Energias de Portugal, S.A. from 2015 to 2019.

He was also the Chairman of the Portuguese Institute of Corporate Governance from 2016 to 2022.

Member of the Compensation Committee of PHAROL, SGPS S.A. since 2013.

Francisco de Lacerda (Member of the Compensation Committee)

Date of Birth

24th September 1960

Education

Graduated in Management & Business Administration, Universidade Católica Portuguesa (1982). Certified in the International Directors Program, INSEAD, France (2019/2020). Several other training programs in INSEAD.

Professional Experience

Non-Executive Independent Director of Endesa, the largest electricity production, distribution and commercialization company in Spain, since 2015, Chairman of its Audit and Compliance Committee since 2020 (of which he has been a member since 2015) and member of the Nomination and Remuneration Committee between 2015 and 2020 and also since 2021.

During 25 years up to 2008 he held various positions in investment, corporate and retail banking, including CEO of Banco Mello and Executive Member of the Board of Directors of Millennium BCP (the #1 private sector bank in Portugal), then from 2010 to 2012 was CEO of Cimpor – Cimentos de Portugal SGPS, S.A., at that time an international cement group operating in 12 countries, from 2008 to 2012 Non-Executive Independent Director of EDP Renováveis (also member of the Audit Committee and later of the Remuneration Committee), Chief Executive Officer (CEO) of CTT – Portugal Post from 2012 to 2019, where he led its privatization, and Founder and Chairman of Banco CTT since inception in 2015 to 2019. Member of the Board of Cotec Portugal since 2015 (Chairman from 2015 to 2018).

Directorships and similar formal posts

Non-Executive Independent Director of Endesa, Spain, from 2015, Chairman of its Audit and Compliance Committee since 2020 (of which he has been a member since 2015) and member of the Nomination and Remuneration Committee between 2015 and 2020 and also since 2021 | Manager of Pamalican – Consultoria de Promoção de Negócios, Lda. since 2021 | Manager of Ventos Cuidadosos – Negócios e Investimentos. Lda., since 2021 | Chief Executive Officer (CEO) of CTT – Correios de Portugal, SA from 2012 to 2019, also Chairman of the Board of Directors from 2012 to 2017 and Vice Chairman from 2017 to 2019 and member of the Corporate Governance, Evaluation and Nominations Commission from 2014 to 2016 | Chairman of the

Board of Directors of Banco CTT from 2015 to 2019, also Chairman of the Board's Remuneration Commission and member of the Selection Commission from 2015 to 2019 and Chairman of the Shareholders Remuneration Commission from 2016 to 2019 | Chairman of CTT Expresso – Serviços Postais e Logística, SA from 2014 to 2019 | Chairman of Tourline Express Mansajeria, SLU from 2014 to 2019 | Member of the Board of Directors of Portuguese Foundation of Communications from 2012 to 2019 | Chairman of the General Meeting of Shareholders of Correio Expresso de Moçambique, SA since 2013 | Member of the Board of Directors of International Post Corporation from 2014 to 2017 | Chairman of the Board of Cotec Portugal from 2015 to 2018, member of the Board from 2018 | Member of the Board of AEM – Associação de Empresas Emitentes de Valores Cotados em Mercado from 2014 to 2017 | Member of the General Council of Cascais Yacht Club from 2006 to 2020, Vice-Commodore from 2016 to 2020.

Pedro Miguel Ribeiro de Almeida Fontes Falcão (Member of the Compensation Committee)

Date of Birth

17th September 1970

Education

Graduated in Business Management in 1993 from Universidade Católica Portuguesa (Lisbon), concluded in 1999 an MBA from Harvard Business School and a PhD in Management with unanimous praise and distinction, in 2008, by Iscte-IUL. He attended executive programs at London Business School, HEC Paris and Harvard Kennedy School, among others, and attended the Advanced Program for Non-Executive Directors of the Portuguese Institute of Corporate Governance.

Professional Experience

He started his career in 1993 as Founder, Partner and Manager of "Diacalai", a startup selling innovative imported products. In 1994, he taught at the Universidade Católica Portuguesa, having subsequently taught again from 2000 to 2002. In 1995, he joined the investment bank of the BCP Group (Banco Cif), in the corporate finance department, having participated in large-scale projects. In 1999, he went to Vodafone / Telecel where he was responsible for the development of the company's e-commerce area in Portugal. Two years later, he was a consultant at Arthur D. Little, where he developed advisory projects to analyze the economic environment and markets for sectors, and strategic and strategic planning advice. From 2003 to 2013, he developed financial and strategic analysis and advisory projects, including evaluations of business projects, advice on business transactions, restructuring and redefinition of business strategies, raising and executing advisory services in the implementation of turn-around projects and negotiating investment projects. From 2005, he became a Visiting Professor at Iscte-IUL, having been Associate Dean at Iscte Business School from 2014 to 2016, and co-director of the Executive MBA at ISCTE Executive Education. He was a non-executive member of the Board of Directors and Member of the Audit Committee of Caixa Geral de Depósitos from 2013 to 2016, having also been a member of the Remuneration Committee from 2015 to 2016. Member of the Board of the Ordem dos Economistas from 2018 to 2022.

He was a member of the Conselho Fiscal of BMO-GAM Portugal from 2017 to 2022.

He was Chairman of the Conselho Fiscal of Montepio Valor from 2018 to 2022.

From 2015 to 2018 he was a member of the Conselho Fiscal of PHAROL, SGPS, and in 2018 he became a member of the company's Remuneration Committee, until now.

Currently, he is Chairman of the Conselho Fiscal of Montepio Holding, Banco BEM, and Montepio Crédito, positions held since 2018. He is also Chairman of the Conselho Fiscal of Floene Energias since 2022.

He is a consultant in the business area.

CV data of the members of the Fiscal Council

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

Date of Birth

24th October 1960

Education

Catholic Lisbon School of Business & Economics, Portugal
Graduate Studies in European Economy (1 discipline left behind due to military service) – 1983/1984
Nova, School of Business & Economics, Portugal – Degree in Economics – 1978/1983

Professional Experience

April 2022	Chairman of the Fiscal Council of Santander Gestão de Ativos e Pensões
April 2021	Chairman of the Fiscal Council of PHAROL elected for the years 2021-2023
May 2017/Dec. 2020	<p>Board Member of Novo Banco – Chief Operating Officer and Head of the Credit Department;</p> <p>Deliver NB Group cost targets by category – staff, G&A expenses and depreciation; Est-2020 Operating Costs €426M; Staff €246M; G&A €146M; depreciation €34M;</p> <p>Deliver and execution of the IT strategic plan including “run the bank” and “change the bank”, namely Digital enablers, data-lake, payments hub, Mifid 3 and new default definition;</p> <p>Reshape operations to realise cost initiatives and efficiencies, namely automation and robotics and non-core outsourcing. Meeting all the pre-defined SLA's;</p> <p>Implement the new operating model under the COVID-19 new environment, while maintaining operational and IT usability and security;</p> <p>Lead the Credit Committee (Conselho Financeiro de Crédito);</p> <p>Lead the Procurement and Costs Committee;</p> <p>Member of the following Committees: Costs (Responsible); Credit (responsible); Compliance; Financial Control; Product; Risk; Digital Transformation; Impairment; Management Information; Operational Risk;</p> <p>And Steering: DMIF2; Data Quality; New Distribution Model; Cyber Security; Data-Protection; PSD2/Payments; Law 83/anti-money laundering and terrorist prevention.</p>
2013/2014	<p>Sabatic Period after retirement from the Santander Group; Golden Assets Commercial Director; Independent asset management boutique targeting Multifamily Offices Providing; Independent Financial Advisor</p>
2012/2013	<p>Santander Asset Management Portugal; President of the Board Santander Asset Management SGPS S.A.; President of the Board Santander Pensões – Sociedade Gestora de Fundos de Pensões (Pension Funds); Assets under management 7 billion euros; Reporting to the Group’s Asset Management Business managed by Juan Alcaraz part of the global Santander Asset Management, Insurance and Private Banking Division runned by Javier Marin;</p>

	President of the Board Santander Asset Management - Sociedade Gestora de Fundos de Investimento Mobiliário, SA.
2009/2011	President of Sporting Club de Portugal (pure passion); Elected by the club members with 90% of votes in July 2009; President of the Board of Sporting Club de Portugal Football Company.
2006/2009	Board Member in 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 the President Nuno Amado; Elected member of the TOP 200 Santander Group; ROE 24%; €737MM Pre-Tax Income; 1.0 b operating income; 1.8 MM clients; Ratio past-due>90d loans 0,5%; Cost to income 41,8%; €33b worth of assets.
2004/2006	Board Member of Banco Santander Totta responsible for Human Resources (6.000 staff and €285MM budget) and deputy of the President Antonio Horta Osorio; Responsible for the PMO of the group's new operating system -Parthenon implementation and the Tagus project allowing the bank to improve its leading position in cost efficiency.
2001/2004	Board Member of Sporting Club Portugal Football Company; Leading the Youth Academy project, one of the most reputed in the World; Winner of the Portuguese League 2001/2002(the last league title won by the club) Super cup and Cup winner.
1998/2001	Chief of staff of Banco Santander Totta's, President António Horta Osorio; Board Member of Crédito Predial Português (non-executive); Board Member of Banco Santander Portugal; Board Member of Santander Leasing Company.
1997/1998	Board Member of Banco Santander de Negócios SA., Head of Private Banking.
1993/1997	Board Member of Banco de Comércio e Indústria, Retail and Middle Market; Hired by Santander after its first acquisition in Portugal.
1992	Director of Banco Mello, Head of Assurfinance Business. Opening the first assurfinance branches with Império Insurance Company.
1991	Director of Barclays Bank PLC., Head of Retail Business; Opening the first sixty branches in Portugal.
1985/1991	Vice-President of Citibank Portugal SA., Head of World Corporate Banking Group reporting to Don Van Wart Division Group Head; Before, Credit analyst, also responsible for the target market Sectorial Risk Assets Acceptances Criteria and Central Liability Control, including the bank's exposure limits to the Republic of Portugal.

Professional Accreditation

2020	FATCA and CRS - 03.2020 (on an e-learning basis).
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2019	Training on the Prevention of Money Laundering and Terrorist Financing - 11.2019 (on an e-learning basis).
2019	Information Security - 20.2019 (on an e-learning basis).
2019	Technical Seminar "New Trends in Digital - Impact, Challenges and Opportunities for Banking" - 06.2019.
2018	Technical Seminar "Emotional Intelligence" - 11.2018.
2018	Business Continuity - 20.2018 (on an e-learning basis).
2018	General Data Protection Regulation - 05.2018 (on an e-learning basis).
2018	CRS Common Reporting Standard - 01.2018 (on an e-learning basis); Training on the Prevention of Money Laundering and Terrorist Financing - 12.2017 (on an e-learning basis).
2017	Induction Program NOVO BANCO: Organizational Structure - business areas, roles and responsibilities of the business units, reporting 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 internal control department role / Assessment of the internal control system's effectiveness and adequacy – the internal audit function; Financial Statements; Compliance - code of conduct and conflict of interests' policies, compliance policies, internal controls, regulation and supervision;
2017	Nova School of Business and Economics – Executive Education - Advance Executive Program NOVO BANCO, First Edition – Banking Business.
2016	Health and Safety at Work (on an e-learning basis).
2015	Certification of the GNB Code of Conduct (on an e-learning basis).
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 3.
2005	Insead Senior Management Workshop.
1997	Bank Insurance Seminar EFMA (Bruxelas); Mercados Financeiros e Gestão de Carteiras (Santander Banca Privada Interna Bill Wates/David Zenoff.
1996	Internacional Private Banking (Cádiz);

1995	Kottler on Marketing (Londres);
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 Londres) -1988;
1987	Credit and Risk Management (Citibank Londres) – 1987;
1986	Treasury Skills (Citibank Londres) - 1986

Isabel Maria Beja Gonçalves Novo (Member of the Fiscal Council)

Date of Birth

1st April 1967

Education

Graduated in Business Management at Instituto Superior de Ciências do Trabalho e da Empresa, she 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. She also attended the Executive Management programmes (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 she was appointed alternate Head of Credits at the same institution, a position she held until 1995.

Between 1995 and 2010 she served as Head of Credits at Fortis Bank – Sucursal em Portugal, having been responsible for the coordination of the entire credit process and monitoring of the credit portfolio, including loan agreements and respective collaterals, as well as for the management of non-performing loans. In this period, she was a legal representative of the Branch near Banco de Portugal, member of the Steering Committee and member of the Credit Committee, with a delegated credit authority of up to € 10 million.

Between 2010 and 2012, she was the Head of Credits at BNP Paribas Fortis – Sucursal em Portugal, responsible for managing the credit analyst teams of both Fortis Bank – Sucursal em Portugal and BNP Paribas Fortis – Sucursal em Portugal. She was responsible for the restructuring of the Credit Departments of the two banks, promoting the integration of the respective teams and leading the harmonization of the credit process of the two institutions. In this period, she was a legal representative of the Branch near Banco de Portugal.

Between 2013 and 2017 she was Vice-Chairwoman at the Portuguese Triathlon Federation.

Since 2013, she provides financial and business consulting and advisory services, with participation in several projects from different geographies (with an emphasis on Mozambique, Portugal, Angola and Cape Vert) and industries (banking, telecommunications, industry, education and tourism, amongst others).

Member of the Supervisory Board of Touro Capital Partners – SCR, S.A., from March 2021 to March 2022. Member of the Supervisory Board of BEST, Banco Electrónico de Serviço Total, S.A. from December 2016 to November 2021.

Positions Currently held

Member of the Supervisory Board of 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 Touro Capital Partners – SCR, S.A., since March 2021
Member of the Supervisory Board of PHAROL SGPS, S.A., since May 2015

João Manuel Pisco de Castro (Member of the Fiscal Council)

Date of Birth

22th September 1954

Education

Graduated in Electrotechnical Engineering, Telecommunications and Electronics track from Instituto Superior Técnico (1983) | MBA from Faculdade de Economia, Universidade de Lisboa (1990)

Professional Experience

Member of the Supervisory Board of PHAROL, SGPS S.A.
Director of Grupo Visabeira, SGPS S.A.
Director of Constructel Visabeira, S.A.
Chairman of Vista Alegre USA
Director of Real Life – Tecnologias de Informação, S.A.
Director of Constructel (Rússia)
Director of Birla – Visabeira LTD
Director of MJ Quinn Integrated Services
Director of MJ Quinn Constructel Limited
Director of Constructel (Russia) to 2022
Director of Oi S.A.
President of MOB – Indústria de Mobiliário, S.A. to 2017
President of Faianças da Capoa – Indústria de Cerâmica, S.A. to 2017
President of Pinewells, S.A. to 2017
President of Visagreen, S.A. to 2017
Director of Visacasa, S.A. to 2017
Director of Constructel (Bélgica) to 2017
Director of Constructel Sweden AB to 2017
Director of Constructel (UK) até 2017
Director of Constructel GmbH to 2017
Director of Constructel (France) to 2017
President of Instituto de Gestão Financeira e de Infra-Estruturas da Justiça, I.P. from 2007 to 2009
Member of the Board of Directors of Grupo Visabeira SGPS S.A. from 2002 to 2007
Member of the Board of Director of Visabeira Telecomunicações e Construção, SGPS S.A. from 2002 to 2006
Directors of Visabeira Serviços SGPS, S.A. from 2003 to 2005.

Paulo Ribeiro da Silva (Alternate Member of the Fiscal Council)

Date of Birth

2nd april 1966

Education

Graduated in Financial Audit – ISCAL – Instituto Superior de Contabilidade e Administração de

Lisboa

Post-graduated in Corporate Finance – INDEG/ISCTE

Post-graduated in Security and Computer Auditing – ISTECS – Instituto Superior de Tecnologias Avançadas

Professional Experience

Partner of JM Ribeiro da Cunha & Associados, SROC, Lda since 2018

Partner Manager of BRAVI – Fiscalidade e Consultoria, Lda. Since November 2017

Complementary information to the curricula of the Governing Bodies

In line with recommendations 1.2.1 of the Corporate Governance Code of the Portuguese Institute of Corporate Governance 2018 ("IPCG Code"), revised in 2020, PHAROL provides this complementary information to the curricula of the governing bodies on the individual attributes and diversity requirements of them, which can contribute to their effective performance.

This document, focusing on the curricula presented by the members of the Board of Directors, Fiscal Council and Compensation Committee, elected in the General Meeting on April 30, 2021, 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 relating to individual attributes as set out in the IPCG Company Government Code.

Composition of the Board of Directors, Fiscal Council and Compensation Committee

- Board of Directors composed of six members
- Fiscal Council composed of three full members and one alternate
- Compensation Committee of Salaries composed by three members

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 Board of Directors, considering aspects such as (i) the legal framework (composition of 3 to 7 members, in accordance with the statutes of PHAROL, and Recommendations III.2 to III.4 of IPCG code regarding the appropriate number of executives, non-executive and independent directors), (ii) the necessary skills, experience and knowledge and (iii) the appropriate level of diversity.

1. Individual Attributes

1.1. Academic Training, Competence and Experience

In the field of academic training and in accordance with the respective curricula, the members of the Board have complementary training at the international level, which includes Masters, MBA's and PhDs. We point out that the administrators Dr. Luis Palha da Silva, Dra. Ana Cristina Ferreira Dias, Dr. Maria do Rosário Pinto Correia, Dr. Pedro Morais Leitão, Dr. Jorge Freire Cardoso and Dr. Maria Leonor Ribeiro Modesto, all have training in economics and management.

The members of the FC have the qualifications required and adequate to carry out these functions with qualifications, training and solid knowledge in auditing or accounting.

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

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

Dr. Isabel Maria Gonçalves Novo also presents 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 at a Financial Institution.

The alternate member of the FC, Dr. Paulo Ribeiro da Silva, also has experience in the areas of accounting

and taxation.

The members of the FC have experience in the financial and risk management areas and, on the whole, training and experience in listed companies.

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

a) Leadership, Strategy and Management

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

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

b) International Area

Almost all the members of the Board of Directors have extensive experience in the international domain, having performed management functions in international companies or in Portuguese companies with international expansion. This experience was decisive for the acquisition of cultural background, a transversal element to all of them. Can be seen from the respective curricula, the administrators are Dr Luis Palha da Silva, Dr Maria do Rosário Pinto Correia, Dr Pedro Morais Leitão and Dra. Ana Cristina Ferreira Dias. Also, at the international level, and in the area of Law and top academic area, the administrator, Dr Avelino Cândido Rodrigues and the administrator, Dr Maria Leonor Ribeiro Modesto, stand out, respectively.

c) Financial Area and Risk

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

d) Legal and Regulation

In this context, the expertise of the member of the Board of Directors, Dr. Avelino Cândido Rodrigues, stands out for his training in Law and extensive professional experience in the various legal fields, both in Portugal and in Brazil.

e) Corporate Governance, Social Responsibility and Ethics

The skills in this area are highlighted by the Chairman of the Board of Directors and Chief Executive Officer, Dr. Luis Palha da Silva, who has several years of professional experience in executive and non-executive positions in companies with strong corporate governance components, responsibility and ethics, such as Jerónimo Martins and Galp Energia. He also currently serves on the EDP Supervisory Board.

1.2. Independence and Integrity

The members of the Board of Directors and CF meet the necessary conditions to exercise their functions and fulfill their duties of diligent action and in the interest of the Company, with impartiality and impartiality, since the rules regarding conflicts of interest are still in force at PHAROL, in particular:

(a) within the scope of the deliberations of the Board of Directors (when the administrators in conflict are 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 by the FC aimed at promoting the pursuit of the social interest.

The Board and FC demonstrated the ability to maintain compliance with legal and conduct duties in relation to the activity they have been developing and have the conditions for the performance of functions in the interest of the Company and in accordance with standards of loyalty and integrity.

It is PHAROL's practice to have in the list of its management elements indicated by shareholders with qualified holdings and with a long-term investment perspective for 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.

FC members declare that they comply with the independence requirements defined by law (according to the national criteria laid down in Article 414 of the Commercial 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 their full willingness to carry out their duties, closely monitoring the company's activity, either through meetings or through regular reports by the Chief Executive Officer.

2. Diversity Level

2.1. Gender Diversity

PHAROL fully complies with Law No. 62/2017, as well as Article 3 of Normative Dispatch 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 inequality in terms of gender, nationality, ethnicity, origin, social status 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 functions in the Company of Board and FC since 2018, including the President of the Board (who simultaneously serves as Delegated Director of the Company), as well as the Chairman of the Fiscal Council.

The composition of the Board and FC present diversification at the age level 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.

3. Individual profile of members and composition of the Compensation Committee

The three members of the Compensation Committee, Dr. António Sarmento Gomes Mota, Dr. Francisco Lacerda and Dr. Pedro Miguel Ribeiro de Almeida Fontes Falcão as a whole, for their academic background, extensive experience in administration and consulting, demonstrate skills, experience and knowledge in the areas of remuneration policy, human resources, international area, financial and risk area, leadership and legal and regulatory area.

Conclusions

Following a more detailed deepening of the curricula presented by the members of the Board of Directors, members of the Fiscal Council and members of the Compensations Committee, bodies elected by PHAROL shareholders in 2021, 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 crucial for them to , as a whole, meet the necessary conditions to pursue the best interests of the Company and its Shareholders.

APPENDIX II

“Remuneration policy for members of the administrative and supervisory bodies

Pursuant to the Securities Code, in particular in articles 26 - A, 26 - B and 26 - C, the Remuneration Committee of Pharol SGPS, S.A. (hereinafter the Company), presents to the General Meeting the Remuneration Policy of the members of the administrative and supervisory bodies ("MOAF's").

The preparation of the Remuneration Policy is the responsibility of this Remuneration Committee, composed of three members, all of them independent of the administration.

The following MOAF's remuneration policy also took into account the very specific characteristics of the Company, whose activity is mainly focused on the management of a financial holding (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 Company also has a very small staff (7 full-time employees).

Thus, several of the relevant dimensions to be considered in a MOAF's remuneration policy, as provided in the Securities Code, in particular in the areas of sustainability, social responsibility and conditions of employment and remuneration of workers are taken into account in a remuneration policy, have a very limited scope in this Company.

1. Remuneration Policy of non-executive Directors and members of the Supervisory Board

The remuneration of non-executive members of the Board of Directors consists of a fixed annual remuneration of 35,000 euros (allocated 14 times a year), without attendance vouchers. There is no place for any non-pecuniary benefit.

As for the Supervisory Board, the President has an annual remuneration of EUR 49,000 and the members 31,500 euros.

These remuneration amounts of non-executive Directors and members of the Supervisory Board are identical to those practiced in the previous mandate 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 non-executive members of the management body and supervisory body.

2. Executive Directors' Remuneration Policy

The remuneration of the Executive Directors, which has been carried out since March 27, 2017 in the remuneration of the Managing Director-Delegate, comprises a fixed component and a variable component.

2.1. Fixed remuneration

The fixed annual remuneration (ARF) amounts to EUR 294,000 and remains the same as in the previous

mandate. It took into account (i) the fact that the executive administration is concentrated in a single person (Chief Executive Officer), (ii) the Managing Director accumulates the functions of Chairman of the Company's Board of Directors and (iii) and that it should reflect the conditions practiced in the market for functions of a similar nature, in order to promote an adequate retention of talent.

The Managing Director has as its sole non-pecuniary benefits the use of vehicles (including fuel and tolls) and life insurance in line with normal market practices.

2.2. Variable Remuneration

Variable remuneration is associated with the performance of the Managing Director. The allocation 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 mentioned in the preamble, the nature of the Company's activity is based on the management of a very minority stake in Brazilian company OI and on the recovery of credit on the Company Rio Forte. In this context, its corporate dimension is also very limited, with a staff of only 7 people and with strong use of expert consultants, in particular in terms of legal services. These characteristics greatly limit the implementation of a variable compensation model that incorporates a *multi-stakeholder view*. Shareholder value creation is the measurement element that can be consistently used over time.

In order to achieve a vision of creating a longer-term value, variable remuneration is divided into two installments, annual variable remuneration (RVA) and multiannual variable remuneration (PVR), in the following terms.

The RVA is calculated from the variation of the PHAROL Total Shareholder Return (TSR) indicator versus psi 20 TSR, both calculated based on the average value of the december quotes of the year of the evaluation and the month of December of the previous year:

$$\text{VARIAÇÃO TSR} = ((1 + \text{TSR PHAROL}) / (1 + \text{TSR PSI-20}) - 1) \times 100$$

The Value of the RVA is obtained, by linear interpolation, from the following table:

TSR VARIATION	% RFA
Inferior a - 5 %	0
From - 5% to 0 %	15%
More than 0% up to 5%	30%
More than 5% up to 10%	45%
Superior a 10 %	60%

RVA will be null if the PHAROL TSR in the period is negative by more than 20%.

RPV is calculated in the same way as RVA but based on the average value of the closing quotes for december 2020 and December 2023.

The RVP value is obtained, by linear interpolation, from the following table:

TSR VARIATION	% RFA DELEGATED ADMINISTRATOR
Up to 0%	0
More than 0% up to 5%	35%
More than 5% up to 10%	70%
More than 10% up to 15%	105%
Superior a 15%	140%

RPV will not be used if the PHAROL TSR in the period is negative by more than 10%.

Each year's RVA will be paid in 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 their payment subject to verification of the positive performance of the Company in the period considered, to be carried out by the Remuneration Committee that will take into account the financial sustainability and economic situation of the Company, and may also 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 in 50% in cash in the month following the approval of the 2023 accounts by the General Meeting of the Company. The remaining 50% will be deferred for three years and their payment subject to verification of the positive performance of the Company in the period considered, in the terms previously referenced to the RVA.

These principles of remuneration and indicator for determining the variable component of remuneration contribute to the Company's business strategy, its long-term interests and its sustainability, to the extent that:

- a) The introduction into the variable remuneration determination model of a multiannual component reinforces the long-term vision of the Company's performance
- b) The definition of a 107% ceiling for the weight of variable remuneration in total remuneration creates a reasonable balance between encouraging performance and not taking excessive risks;
- c) The retention of 50%, both rva and rvp, to be paid only 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 the determination of variable remuneration reveals an adequate articulation with the nature of the activity and characteristics of society, focusing on profitability and sustained value creation.

In another context, the insertion of the conditions of employment and remuneration of the Company's employees in the remuneration policy was met (and, it should be recalled, the Company has a staff of 7 people), by defining that both remuneration systems are based on the same principle set out in this policy, the valuation of market conditions for the functions performed and the enhancement of the acquisition and retention of talent.

3. Attribution of actions and options

There is no stock assignment plan or options plan.

4. Supplementary pension schemes or early retirement schemes

There is no scheme in place for the allocation of a supplementary pension or early retirement to any member of the administrative and supervisory bodies.

5. Termination of functions of the Managing Director

If the Managing Director ceases his duties, for any reason other than dismissal for just cause, the payment of the amounts of variable remuneration determined and deferred may be made only at the time of termination of the management relationship if, up to that date, there are sufficient and sustained indications that the Performance of the Company will be predictably positive in the remaining period in such terms that, would in all likelihood allow the payment of that deferred component.

6. Variable remuneration reversal clause ("clawback")

The reversal by means of the retention and/or return of the variable remuneration whose payment constitutes already an acquired right may be required, by resolution of the Remuneration Committee, if (i) there is a judicial conviction of the Administrator for unlawful performance that determines adverse changes in the company's assets situation, (ii) there is serious or fraudulent breach of the code of conduct or internal regulation with significant impact, or situations that justify the cause of dismissal, (iii) false statements and/or materially relevant errors and omissions are made in the financial demonstrações to which the Conduct of the Administrator has contributed decisively.

7. Conclusion of contracts and agreements between the Company and members of the administrative and supervisory bodies

The Remuneration Committee is responsible for setting a maximum amount as compensation for the termination of duties of any body of the Company. There are no agreements concluded with the Company regarding voluntary termination or dismissal without just cause of the functions of the members of the administrative and supervisory bodies. In the event of dismissal without cause, only the amounts provided

for by law are due and the realization of any payment always requires prior authorization by the Remuneration Committee.

In addition, this Commission has defined two fundamental principles in this context:

- 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 fixed to them by the Company;
- ii) In the event of dismissal or termination by agreement of the management relationship, when proven to be unsuitable performance, no compensation shall be paid to the administrators.

8. Remuneration of the general meeting table

By session the Chairman of the bureau benefits the amount of 4,000 euros and the Secretary of 2,000 euros, values already in force in the previous term.

9. Statutory Auditor remuneration policy

The Statutory Auditor of the Company is remunerated in accordance with the normal practices and conditions for similar services, following the conclusion of a service contract with the company, on a proposal from the Fiscal Council.

10. Use of consultants

The management board has always provided the remuneration committee with all the conditions so that it could freely hire externally the consultancy services necessary for the performance of its duties. As in previous years, in 2021 the committee considered that there was no need to use such services, but if necessary, it would always be ensured that they were provided independently and that their providers were not hired for the provision of any other services to the Company itself or to others with it who are in a domain or group relationship without the express authorisation of the committee.

Lisbon, 24 February 2022

By the Remuneration Committee

Antonio Gomes Mota

President"

APPENDIX III

Code of Ethics and Conduct

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 SA with its stakeholders and was created with the fundamental objective of sharing these principles and rules well and to promote and encourage its adoption.

Said 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 the Company's stakeholders;
- Clarify, with employees, the rules of conduct that they must scrupulously observe, both in their reciprocal relationships and in the relationships that, on behalf of the Company, they establish with shareholders, suppliers, competing companies, regulatory authorities, or supervision, and other stakeholders.
- View sustainability as a responsibility shared by all employees.
- To promote environmental awareness, the responsible use of natural resources and the preservation of the environment, namely the promotion of eco-efficient management that minimizes the environmental impacts resulting from the company's activity and from each employee in their daily work.

The general rules of conduct set out in this Code apply to the employees of PHAROL, SGPS SA, being understood as such the members of the governing bodies and other managers, directors, executives and other workers and employees in another capacity, their implementation being monitored on a permanent basis. 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