IMVF

Instituto Marquês de Valle Flôr

2025

ANNUAL REPORT AND FINANCIAL STATEMENTS

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MANAGEMENT

MANAGEMENT REPORT

OUR ACTIVITIES

The year 2025 marks the first year of the current Executive Board’s third term.

It was a year marked by the overall stability of key economic indicators, despite the ongoing uncertainties resulting from measures taken by the U.S. administration. The war in Ukraine and the conflicts in the Middle East should reinforce the trend at the European level to prioritize the mobilization of financial resources to address these crises. However, the policy of significantly increasing budgets allocated to military defense appears to undermine that trend.

As a Non-Governmental Development Organization (NGDO), IMVF has sought to align its cooperation strategy with the United Nations *2030 Agenda for Sustainable Development Goals*, as well as with the broad guidelines of its main funders.

Since the funds that support our projects on the ground still come primarily from European calls for proposals, we note that the European Commission continues to focus its cooperation strategy on strengthening sustainable development, the stability of developing countries, and the eradication of extreme poverty—objectives that have underpinned our work, although financial cuts in this area are already evident, alongside new shifts in geostrategic priorities and cooperation instruments. The emphasis on programs and initiatives such as the Global Gateway Initiative (adopted in 2021)—which set out the intention to allocate 300 billion euros in funding to major infrastructure projects by 2027, clearly prioritizing partnerships with the private sector, at the same time that we are witnessing across-the-board cuts to funds previously dedicated to development cooperation, resulting from efforts to support, in particular, to Ukraine, has generated concern and debate in Brussels, within the European Commission itself, and across the development cooperation community.

In this context, we must anticipate the possibility that resources for supporting projects and programs in the field of development cooperation may face further cuts as a result of the aforementioned regional crises, as well as a shift in perspective regarding the EU's role as a "global player." The current debate within the European institutions (the Commission, the Council, and the European Parliament) regarding the Commission's proposal for a drastic reduction in the number of EU delegations worldwide is closely linked to the EU's shifting focus and strategic priorities and is a process that must be closely monitored due to its potential impact on the field of development cooperation.

It should be noted that, although the majority of funding continues to come from the European Union, two important projects are currently underway, funded by the ECOWAS Regional Stabilization and Development Fund, one project funded by the IOM (International Organization for Migration), and another by the UNDP (United Nations Development Programme). Naturally, the strategic and complementary partnership with Portuguese Cooperation remains in place, in addition to monitoring opportunities for Delegated Cooperation.

Furthermore, the IMVF's experience and recognized expertise in the field of telemedicine position it as an indispensable partner in the implementation of this technology in Portuguese-speaking countries.

The complex international and European landscape, as well as the realities in the regions where we work—characterized by rapid and, in some cases, structural changes—is reflected both directly and indirectly in the work of NGDOs, including that of IMVF. For this reason, we have continued to prioritize strategic reflection on the dynamics affecting our areas of activity, particularly isolationist tendencies and their impact on the financing and implementation of cooperation and development activities.

IMVF's work is guided by a positive approach, with the Institute's activities focused on ensuring sustainability in every initiative carried out, prioritizing the building of solid partnerships in the countries and sectors where we operate. Capacity-building for local actors remained a central component of all approaches and strategies adopted, with a view to greater national and local autonomy following the project implementation period.

In 2025, in the area of **Cooperation and Development** Projects, we continued our work in the countries where we have been most active:

- In Guinea-Bissau, we remained a leading organization in the field of telemedicine with the extension, into a second phase in 2026, of the **“Novos** Horizontes” project, managed by *the Marquês de Valle Flôr Association* (AMVF), with a budget of 2 M€ from 2024 to 2025, and €1.2 million for 2026, with the goal of strengthening diagnostic capacity, patient care, and in-person and distance training at Guinea-Bissau’s Main Military Hospital. Work continued on the project to strengthen **health infrastructure in the Bafatá region**, with a budget of approximately 1 M€, and a similar project was launched in **the Gabu region**, valued at 1.5 M€, both funded by the ECOWAS Stabilization Fund. In the area of combating religious radicalism, the **“Observatory for the Prevention of Radicalization and Violent** Extremism” project, valued at 1.1 M€, entered its third year, with the objective of monitoring extremist and radical behaviors that could lead to violence—regardless of their origin, whether religious, ethnic, or otherwise—through interfaith dialogue and prevention. Two projects were launched in 2025 to support organized citizen groups: **“OIM Djuntu**,” with a budget of 327 k€, and a technical assistance project with the UNDP worth 130 k€. Also in this area, the “**Good Governance and** Stability” project entered its second year with a budget of 2 M€, aimed at strengthening civil society organizations to improve the country’s governance.
- In São Tomé and Príncipe, we continued our work in the health sector, in partnership with AMVF, on the **“Health for All”** project **—Consolidation of the São Tomé National Health System**,” valued at over 5 M€ and spanning 4 years, funded by Portuguese Cooperation through *Camões I.P*. and the DGS; its extension through 2026 was approved with a budget of 1.3 M€. In the area of Rural Development and Food Security, the **PAFAE** project**—Project to Support Agricultural Export Value Chains—**is being completed

(2021–2025), with a budget of approximately 5M€, managed by IMVF and funded by the EU. This was followed by the **"Our Land—Our** Future" project*,* managed by AMVF and funded by *Camões I.P.*, in the amount of 323k€. In the area of education, we continued the **"Teaching and Reform of** Educational Governance" (ERGUES) project, with a budget of approximately 4 M€ and a duration of 3 years, funded by Portuguese Cooperation via *Camões I.P.* Its overall objective is to contribute to improving quality, equity, and inclusion in the educational system of São Tomé and Príncipe, and is structured around four pillars: dual-certification technical and vocational education; digital teaching materials for primary and secondary education; teacher training and educational research; and strengthening the institutional capacity of the Ministry of Education of São Tomé and Príncipe. This project was designed in partnership with the University of Aveiro, the University of Évora, the Polytechnic Institute of Santarém, and the Catholic University in Portugal, as well as with the Ministry of Education, Science, and Higher Education (MEES) and the University of São Tomé and Príncipe.

- In Cape Verde, the "**Maio** 2025" project, located on the island of Maio, *funded by the European Union and co-funded by Camões I.P.*, has come to an end. The project aimed to build a model for sustainable territorial development on the island. At the end of the year, the second phase of the **"Inclusion of Children and Youth with Neurological** Disabilities" project began; managed by AMVF and funded by *Camões I.P.* with 268k€, it is located on the island of Santiago.
- In Colombia, the second year of the "**Caquetá ECO – Economically and Ecologically Sustainable** Territories" project took place, with a budget of 1 M€ *and* a duration of 2 years *(2024–2026),* funded by *Camões I.P.* The project was developed in partnership with RedAdelco, our Colombian partner;
- Triangular Cooperation (Colombia–Portugal–São Tomé and Príncipe): It is worth noting the completion of the Latin America Triangular Cooperation project – Europe – Africa: **"Cocoa Bioagrodiversity for Environmental Conservation and Climate Resilience** – Research on Best Practices among Colombia, Portugal, and São Tomé and Príncipe,*"* funded by SEGIB and Portuguese cooperation through *Camões I.P*.

In 2025, in the areas of Global Citizenship, Intermunicipal Cooperation, Strategic Studies and Development, and Communication and Information, we continued the Institute's work, primarily in Portugal and with our partners, with a new project launched during the year under review.

In **Global Citizenship**, the area's priorities were focused on migration and the SDGs, with youth as the primary target audience, continuing the projects initiated in previous years.

In **Intermunicipal Cooperation**, we continued to operate within the framework of our partnership with the *Intermunicipal Network for Development Cooperation*, strengthening municipalities' specific capacity to localize the SDGs, as well as implementing awareness campaigns in support of them. The *People & Planet* project concluded in 2025; IMVF provided administrative and financial management for the project, under which a significant portion of the actions and partnerships established in that context took place.

In the area of **Strategic and Development Studies**, we continued our publishing, training, and partnership activities, notably with the *Clube de Lisboa*. We continued to organize training sessions and lectures in collaboration with academic institutions, particularly ISCTE-IUL.

In this area, it is worth noting the launch of a strategic partnership with the ***European Council on Foreign Relations***, a leading pan-European *think tank* founded in 2007 and headquartered in Paris, Berlin, and London. As part of this partnership, a session on Angola (*"Angola-Europe Relations: Opportunities After the AU-EU Summit"*) was held in Lisbon at the Institute's headquarters.

In conclusion, in 2025 we strengthened the IMVF's position as a leading institution in several of its thematic areas of focus, notably through the addition of new funders.

GENERAL EXECUTIVE ADMINISTRATION

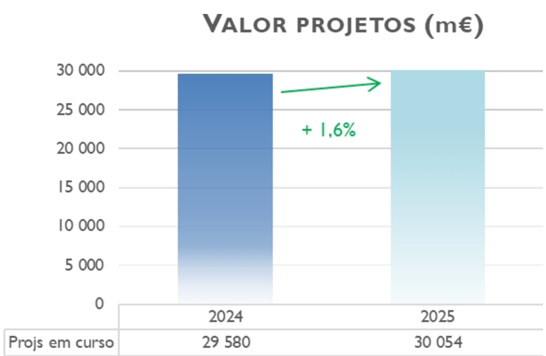
In 2025, the following initiatives and actions are worth noting:

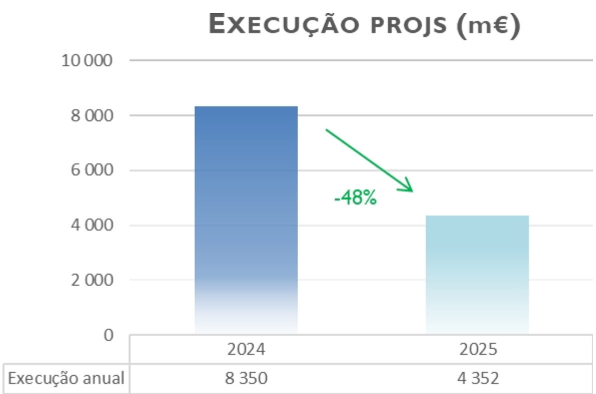
- Launch of new projects with new funders, particularly the IOM and the UNDP.
- Entry into the fourth year of *the Health for All Project* in São Tomé and Príncipe, with increased funding and strengthened areas of intervention
- Launch of two new projects with the Camões Institute by the *Marquês de Valle Flôr Association*, of which the IMVF is an affiliate.
- As part of efforts to maximize the value of the IMVF's own assets, the completion of the roof renovation work on the building at Rua de São Nicolau, No. 105, stands out, with the aim of enhancing the value of this Foundation asset.

With regard to the financial analysis for the year 2025, it is marked by the launch of four projects, with a total value of approximately 5 M€, and the completion of nine projects, valued at 23.5 M€

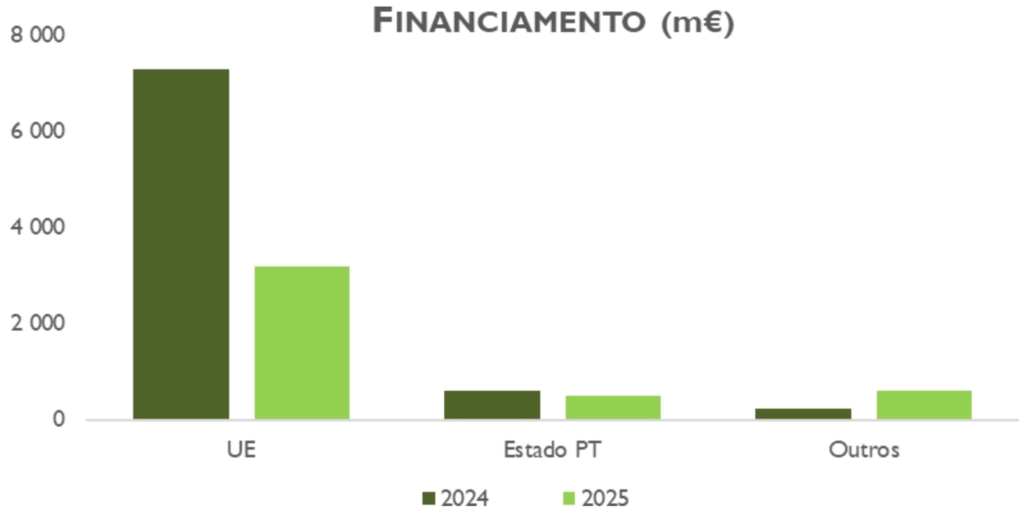
From a macro perspective, the project portfolio remained stable throughout the year:

However, the total amount executed in 2025 decreased to 4,352 m€, 48% below the figure recorded in 2024:





Regarding the financing of projects executed by the IMVF, here is the breakdown by type of financier:



In fact, there has been a reduction of approximately 50% in funding from the European Union, primarily as a result of the completion of four major projects: *PIMI 3* in Guinea-Bissau, *PAFAE* in São Tomé and Príncipe, *Maio 2025* in Cape Verde, and *People & Planet* in Europe. As for the Portuguese government, specifically through the Camões Institute, there has also been a reduction of approximately 15%, mainly due to the end of co-financing for the aforementioned projects. The remaining projects remain in line with the previous year, notably the partnerships with AMVF on the *"Health for All"* project in São Tomé and Príncipe and *the "New Horizons" project* in Guinea-Bissau.

It is also important to note that the Rent category shows a 5% increase, totaling approximately 310 m€, as a result of the adjustments provided for by law.

Overall, operating costs remained stable, with a slight increase of 0.6%, particularly in the Personnel Costs category.

During the year under review, the value of IMVF's 100% stake in *Valle Flor Consulting, Lda.* (a company incorporated in March 2017) decreased and is reflected on the balance sheet at €7,242.

Consequently, the Institute reported a **net income for the fiscal year of €132,271.05**.

It is proposed that this net income be transferred to the Retained Earnings account.

With regard to the financial position, as reflected in the balance sheet, there are no significant changes, except for those mentioned above, namely the reduction in cash and cash equivalents.

With regard to human resources management, efforts continued to promote a framework for improving efficiency, productivity, and the optimization of internal coordination processes, in support of fulfilling the IMVF's noble mission.

The Executive Board would like to take this opportunity to thank and highlight the high level of competence, dedication, and sense of mission demonstrated by this Institution's employees, without whom it would not have been possible to achieve the goals we have already attained.

We are aware of the enormous challenges that lie ahead, which require an even greater effort from everyone so that we can continue to meet the demands placed on us daily—in terms of the countries and projects we develop and in our efforts to maintain our current permanent staff.

Lisbon, March 5, 2026

Ahmed Zaky

Executive Director and Head of Projects

Carolina Quina

Executive Director and Head of New Partnerships and Communications

Jorge Morais

Executive Director and Head of Administration and Finance

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INDIVIDUAL BALANCE SHEET

INDIVIDUAL BALANCE SHEET

as of December 31, 2025 and 2024 EUROS

ASSETS	Notes	2025	2024
Non-current assets			
Tangible fixed assets	6	8,169,926	8,177,331
Investments in progress		0	7,500
Financial investments	7	374,231	414,628
		8,544,157	8,599,458
Current assets			
Accounts receivable	15	41,735	23,832
Advances to suppliers	15	0	0
State and other public entities	13	0	1,797
Other current assets	15	340,417	1,261,848
Co-financing entities	15	7,376,918	7,149,580
Deferrals	15	39,467	31,310
Cash and bank deposits	4	3,752,163	2,540,982
		11,550,700	11,009,349
TOTAL ASSETS		**20,094,856**	**19,608,808**

EQUITY FUNDS AND LIABILITIES	Notes	2025	2024
Equity Funds			
Funds	21	5,268,553	5,268,553
Retained Earnings	21	1,483,536	1,356,233
Revaluation surpluses		4,383,128	4,383,128
Net income for the period	21	132,271	127,303
Total equity		**11,267,488**	**11,135,217**
Liabilities			
Non-current liabilities			
Provisions	12	18,839	18,839
Loans obtained	4 and 15	0	0
		18,839	18,839
Current liabilities			
Accounts Payable	15	16,384	58,015
Advances from customers	15	0	850
State and other public entities	13	22,503	24,614
Funding obtained	4 and 15	476	10,419
Other current liabilities	15	506,622	161,392
Deferred items	15	71,952	75,057
Deferred subsidies	15	8,190,594	8,124,405
		8,808,530	8,454,752
TOTAL LIABILITIES		**8,827,368**	**8,473,590**
TOTAL EQUITY AND LIABILITIES		**20,094,856**	**19,608,808**

Lisbon, March 13, 2026

The Certified Public Accountant
(No. 11,919)

The Executive Board

Ahmed Zaky
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STATEMENT OF INCOME BY CATEGORY

INSTITUTO MARQUÊS DE VALLE FLÔR

INDIVIDUAL STATEMENT OF INCOME BY CATEGORY

for the fiscal years ended December 31, 2025 and 2024 EUROS

REVENUES AND EXPENSES	Notes	2025	2024
Services Provided	9	24,000	24,000
Grants, donations, and bequests to the farm	10	4,358,757	8,159,336
Finishing costs allocated to projects	18	-3,410,598	-7,121,281
Allocated gains/losses from subsidiaries and associates	7	-5,121	-4,833
External goods and services	17	-286,729	-286,048
Personnel expenses	16	-917,959	-911,458
Impairment of receivables (losses/reversals)		0	-1,605
Provisions (increases/decreases)	12	0	0
Impairment of non-depreciable/non-amortizable investments (losses/reversals)		5,171	0
Increases/decreases in fair value		0	0
Other income	19	410,946	364,023
Other expenses	20	-35,415	-83,738
Earnings before depreciation, financing expenses, and taxes		**143,052**	**138,397**
Depreciation and amortization expenses/reversals	6	-10,645	-10,644
Operating income (before financing expenses and taxes)		**132,407**	**127,753**
Interest and similar income earned		0	0
Interest and similar expenses incurred		-136	-449
Pre-tax income		**132,271**	**127,303**
Income tax for the period	14	0	0
Net income for the period		**132,271**	**127,303**

Lisbon, March 13, 2026

The Certified Public Accountant (No. 11,919)

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STATEMENT OF CHANGES IN EQUITY EQUITY

INSTITUTO MARQUÊS DE VALLE FLÔR

INDIVIDUAL STATEMENT OF CHANGES IN EQUITY

for the fiscal years ended December 31, 2025 and 2024

EUROS

DESCRIPTION	Equity funds allocated to the parent entity's founders					Minority interests	Total Equity Funds
	Funds	Retained Earnings	Revaluation surpluses	Net income for the period	Total		
BALANCE AT THE BEGINNING OF THE 2024 PERIOD (Jan. 1, 2024)	5,268,553	1,318,531	0	101,778	6,688,862		6,688,862
CHANGES DURING THE PERIOD							
Realization of revaluation surplus on tangible and intangible fixed assets			4,383,128		4,383,128		4,383,128
Other changes recognized in equity		-64,076			-64,076		-64,076
TOTAL CHANGES FOR THE PERIOD	0	-64,076	4,383,128	0	4,319,052	0	4,319,052
NET INCOME FOR THE PERIOD December 2024				127,303	127,303		127,303
COMPREHENSIVE INCOME				127,303	63,228		63,228
TRANSACTIONS WITH SHAREHOLDERS DURING THE PERIOD							
Allocation of Net Income for Fiscal Year 2023		101,778		-101,778	0		
Other transactions							
	0	101,778	0	-101,778	0	0	0
BALANCE AT THE END OF THE PERIOD December 2024	**5,268,553**	**1,356,233**	**4,383,128**	**127,303**	**11,135,217**	**0**	**11,135,217**
BALANCE AT THE BEGINNING OF THE 2024 PERIOD (JAN 1, 2025)	5,268,553	1,356,233	4,383,128	127,303	11,135,217		11,135,217
CHANGES DURING THE PERIOD							
Realization of revaluation surplus on tangible and intangible fixed assets					0		0
Other changes recognized in equity					0		0
TOTAL CHANGES FOR THE PERIOD	0	0	0	0	0	0	0
NET INCOME FOR THE PERIOD December 2025				132,271	132,271		132,271
COMPREHENSIVE INCOME				132,271	132,271		132,271
TRANSACTIONS WITH CAPITAL CONTRIBUTORS DURING THE PERIOD							
Allocation of Net Income for Fiscal Year 2024		127,303		-127,303	0		
Other transactions							
	0	127,303	0	-127,303	0	0	0
BALANCE AT THE END OF THE PERIOD December 2025	**5,268,553**	**1,483,536**	**4,383,128**	**132,271**	**11,267,488**	**0**	**11,267,488**

Lisbon, March 13, 2026

The Certified Public Accountant
(No. 11,919)

The Executive Board

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Executive Director and Head of Projects

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Jorge Morais
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STATEMENT OF CASH FLOW STATEMENT

CASH FLOW STATEMENT

for the years ended December 31, 2025 and 2024 EUROS

	Notes	2025	2024
Cash Flows from Operating Activities - Direct Method			
Receipts from customers		154,916	169,762
Payments to suppliers		(626,835)	(1,589,068)
Payments to employees		(940,628)	(1,055,729)
Payment/receipt of income tax		6,422	1,384
Cash generated from operations		(1,406,124)	(2,473,652)
Other (payments) and receipts related to operating activities		2,556,119	(2,167,434)
Net cash flows from operating activities		**1,149,995**	**(4,641,085)**
Cash flows from investing activities			
Payments related to:			
Property, plant, and equipment		(3,240)	0
Intangible fixed assets		0	0
Financial investments		(334,588)	0
Other assets		(21,000)	0
Receipts from:			
Tangible fixed assets		0	0
Intangible fixed assets		0	0
Financial investments		371,801	142,527
Other assets		0	0
Interest and similar income		56,439	69,026
Dividends		0	0
Net cash flows from investing activities		**69,411**	**211,553**
Cash Flows from Financing Activities			
Proceeds from:			
Proceeds from borrowings		0	0
Proceeds from the issuance of equity and other equity instruments		0	0
Coverage of losses		0	0
Donations		0	0
Other financing transactions		0	0
Payments related to:			
Funds raised		0	0
Interest and similar expenses		(136)	(449)
Dividends		0	0
Capital reductions and reductions in other equity instruments		0	0
Other financing transactions		0	0
Amortization of finance leases		(8,089)	(9,411)
Net cash flows from financing activities		**(8,225)**	**(9,861)**
Change in Cash and Cash Equivalents		**1,211,181**	**(4,439,393)**
Effect of foreign exchange differences			
Cash and Cash Equivalents at the Beginning of the Period	4	**2,540,982**	**6,980,375**
Cash and Cash Equivalents at the End of the Period	4	**3,752,163**	**2,540,982**

Lisbon, March 13, 2026

The Certified Accountant
(No. 11,919)

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INSTITUTO MARQUÊS DE VALLE FLÔR

APPENDIX TO THE CASH FLOW STATEMENT
as of December 31, 2025 and 2024

EUROS

	2025	2024
Cash	3,050	3,050
Immediately available bank deposits	3,249,113	1,187,932
Time deposits	500,000	1,350,000
Cash and cash equivalents	**3,752,163**	**2,540,982**
Cash and cash equivalents	**3,752,163**	**2,540,982**

Lisbon, March 13, 2026

The Certified Public Accountant
(No. 11,919)

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APPENDIX

1. IDENTIFICATION OF THE ENTITY

Instituto Marquês de Valle Flôr ("IMVF"), taxpayer ID No. 501 066 055, with headquarters at Rua de São Nicolau, 105, in Lisbon, is a private, nonprofit entity with the legal status of a foundation, established on August 1, 1951, with its bylaws published in the Diário da República No. 176 of August 1, 1951, Series III, and recognized as a public-benefit institution by Decree No. 38,351, published in the Diário do Governo No. 161/1951, Series I, of August 1, 1951.

The IMVF's social objectives include carrying out humanitarian aid, cooperation, and educational initiatives for economic, cultural, and social development, as well as promoting and disseminating the culture of countries where Portuguese is the official language.

In its early years, the IMVF focused its activities primarily on supporting health research and providing assistance to disadvantaged populations, particularly in São Tomé and Príncipe.

With Portugal's accession to the European Community, the IMVF expanded its geographic scope to encompass the entire Community of Portuguese-Speaking Countries (CPLP) and broadened its areas of intervention among local populations.

The IMVF primarily works with member countries of the Community of Portuguese-Speaking Countries (CPLP) in the areas of development cooperation and education for development, as well as by collaborating on humanitarian aid missions in these countries. Recognizing the many needs and shortages in some communities, the IMVF also carries out initiatives in areas such as health, education, and food security as a means of promoting the sustainable development of local communities.

Classified as a Non-Governmental Development Organization (NGDO), a status granted by Camões – Institute for Cooperation and Language, I.P., valid until May 1, 2027, pursuant to Article 8 of Law No. 66/98 of October 14, the IMVF is part of several networks in the NGO sector, namely the Portuguese Platform of Development NGOs and the Portuguese Center for Foundations.

In the development and implementation of its various projects, the IMVF's main co-funders are the European Commission, Camões – Institute for Cooperation and Language, I.P., the Calouste Gulbenkian Foundation, the World Bank, the World Food Programme, and the World Health Organization.

IMVF currently maintains representative offices in Guinea-Bissau and São Tomé and Príncipe. It is also active in Angola and Cape Verde through project development. In the past, it had a strong presence in Brazil, Mozambique, and East Timor.

These financial statements relate to the IMVF's individual operations and were prepared for the fiscal years 2025 and 2024, beginning on January 1 and ending on December 31 of the respective years.

The financial statements were approved by the Executive Board, which is of the opinion that they present a true and fair view of the Institution's operations and activities, as well as its financial position, financial performance, and cash flows.

2. ACCOUNTING FRAMEWORK FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

Accounting framework

These financial statements were prepared on a going-concern basis using the Entity's accounting books and records and in accordance with the Accounting and Financial Reporting Standard for Nonprofit Entities (NCRF-ESNL), approved by Decree-Law No. 36-A/2011 of March 9. Annex II of the aforementioned Decree-Law states that the Standardization System for Nonprofit Sector Entities consists of:

- Bases for the Presentation of Financial Statements (BADF) – Annex to Decree-Law No. 158/2009, of July 13, as amended by Law No. 20/2010, of August 23, by Decree-Law No. 36-A/2011, of March 9, by Laws No. 66-B/2012, of December 31, and No. 83-C/2013, of December 31, and by Decree-Law No. 98/2015, of June 2;
- Financial Statement Templates (MDF) – Ordinance No. 220/2015, dated July 24;
- Conceptual Framework – Notice No. 8254/2015 of the Secretary-General of the Ministry of Finance, dated July 29;
- Accounting and Financial Reporting Standards for Nonprofit Entities (NCRF-ESNL) – Notice No. 8259/2015 of the Secretary-General of the Ministry of Finance, dated July 29;
- Chart of Accounts (CC) - Ordinance No. 218/2015, dated July 23;
- Interpretive Standards (NI).

In order to ensure a true and fair presentation of both the Institution's financial position and performance, the standards comprising the Accounting Standards System ("SNC") relating to Nonprofit Sector Entities (ESNL) were applied, as mentioned above, in all aspects relating to recognition, measurement, and disclosure, without prejudice to the supplementary use of the International Accounting Standards adopted under Regulation No. 1606/2002 of the European Parliament and of the Council, dated July 19, as well as to the International Accounting Standards and International Financial Reporting Standards issued by the International Accounting Standards Board and their respective interpretations (SIC-IFRIC), whenever the NCRF-ESNL do not address specific aspects of the transactions carried out, cash flows, or situations in which the Institution is involved.

The NCRF-ESNL was first adopted in 2012; therefore, the transition date from the previous accounting framework (Chart of Accounts for Private Social Solidarity Institutions/Chart of Accounts for Mutual Aid Associations/Official Chart of Accounts for Sports Federations, Associations, and Club Groups) to this standard is January 1, 2011, as established in § 5—First-time Adoption of NCRF-ESNL, in order to ensure the necessary presentation and disclosure for comparative purposes, thereby becoming the baseline standard for subsequent periods.

The financial statements were prepared for a reporting period coinciding with the calendar year, based on the going concern assumption and the accrual basis of accounting, under which items are recognized as assets, liabilities, equity, revenue, and expenses when they meet the definitions and recognition criteria for these elements contained in the conceptual framework, in accordance with the qualitative characteristics of understandability, relevance, materiality, reliability, faithful representation, substance over form, neutrality, prudence, completeness, and comparability. The financial statement templates for ESNLs, as provided for in Article 4 of Ordinance No. 220/2015 of July 24, were used, namely the balance sheet, the income statement by nature, the statement of changes in equity, the cash flow statement, and the notes to the financial statements, with the respective amounts expressed in euros.

Indication and justification of the provisions of the NCRF-ESNL that, in exceptional cases, have been waived and their respective effects on the financial statements

During the periods covered by these financial statements, no provisions of the NCRF-ESNL were waived that could compromise the true and fair view of the Institution's financial position and net assets.

Indication and commentary on balance sheet and income statement accounts whose contents are not comparable to those of the prior period

The amounts for the fiscal years ended December 31, 2025, and 2024, included in these financial statements, are presented in accordance with the formats resulting from the amendments introduced by the legal instruments issued in connection with the publication of the Accounting Standards System, specifically those provided for in Article 4 of Ordinance No. 220/2015, of July 24, and are comparable with one another.

With the aim of providing greater clarity in the interpretation of the financial statements and the information underlying each of the line items presented in the balance sheet and the income statement, the Executive Board has, for the periods beginning in 2016 and thereafter, without affecting the financial position or the calculation of results, to changes in the presentation of the balance sheet and the income statement. On the one hand, it created new line items to disaggregate information that is materially relevant to understanding the Entity's financial position; on the other hand, it reclassified and offset similar information across line items, thereby providing greater consistency to that information.

3. Significant Accounting Policies

The principal accounting policies applied by the Entity in the preparation and presentation of the financial statements were as follows:

Basis of Presentation Used in the Preparation of the Financial Statements (BADF)

The financial statements were prepared in accordance with the Basis for Presentation of Financial Statements (BADF), specifically:

Going Concern

Based on available information and future expectations, the Entity will continue—whether individually or through other Entities in which IMVF has significant influence over the management of those Entities—to operate for the foreseeable future, assuming that there is neither an intention nor a need to liquidate or significantly reduce the scope of its operations. For entities in the nonprofit sector, this assumption does not correspond to an economic or financial concept, but rather to the continuation of service provision or the ability to fulfill their purposes.

Accrual Basis (Economic Accrual)

The effects of transactions and other events are recognized when they occur (provided the definitions and recognition criteria in accordance with the conceptual framework are met, regardless of the timing of payment or receipt), and are recorded in the accounts and reported in the financial statements for the periods to which they relate. Differences between amounts received and paid and the corresponding revenues and expenses are recorded in the respective accounts under the headings “Other Current Assets and Liabilities,” “Deferred Grants,” and “Deferrals” (Note 14).

Consistency of Presentation

The Financial Statements are consistent from one period to the next, both in terms of presentation and the accounting transactions that give rise to them, except when significant changes in nature occur, in which case they are duly identified and justified in this Notes section. This ensures that reliable and more relevant information is provided to users.

Materiality and Aggregation

The relevance of information is affected by its nature and materiality. Materiality depends on the quantification of the omission or error. Information is material if its omission or inaccuracy influences the economic decisions made by users based on the financial statements. Items that are not materially relevant enough to warrant separate presentation in the financial statements may be materially relevant enough to be disclosed in the notes to this appendix.

Offsetting

Because it is important that assets and liabilities be reported separately, as are expenses and revenues, they should not be offset.

Comparative Information

Comparative information must be disclosed in the financial statements with respect to the prior period. In accordance with the going concern principle, accounting policies must be applied consistently over time. If changes are made to accounting policies, the comparative amounts affected by the reclassification must be disclosed, taking into account:

a) The nature of the reclassification;
b) The amount of each item or class of items that has been reclassified; and
c) Reason for reclassification.

Recognition and Measurement Policies

The principal recognition and measurement policies consistently applied in the preparation of the financial statements for the years ended December 31, 2025, and December 31, 2024, are as follows:

Tangible Fixed Assets

Tangible fixed assets acquired on or before January 1, 2009, are recorded at their deemed cost, which corresponds to the acquisition cost in accordance with generally accepted accounting principles in Portugal up to that date, net of accumulated depreciation and any accumulated impairment losses.

Tangible fixed assets acquired after that date are recorded at acquisition cost, which comprises their purchase price—including import duties and non-refundable purchase taxes—net of discounts and rebates, any costs directly attributable to bringing the asset to the location and condition necessary for it to function as intended, and the initial estimate of the costs of dismantling and removing the asset and restoring the site on which it is located, net of accumulated depreciation and impairment losses.

Tangible fixed assets consisting of real estate acquired after January 1, 2023, are accounted for, following initial recognition, using the revaluation model. As of January 1, 2024, the revaluation model also began to be applied to real estate acquired through December 31, 2022, including major repairs.

The revaluation method assumes that fair value can be measured reliably. The fair value of land and buildings must be determined based on market evidence through an appraisal to be conducted by professionally qualified and independent appraisers. The frequency of revaluations depends on changes in the fair values of the tangible fixed assets being revalued. Some items of property, plant, and equipment experience significant and volatile changes in fair value and therefore require annual revaluation. Such frequent revaluations are unnecessary for items of property, plant, and equipment with only insignificant changes in fair value. Instead, it may be necessary to revalue the item only every three or five years.

Depreciation is calculated, once the asset is available for use, using the straight-line method on a consistent basis from period to period, as follows:

a) For tangible fixed assets acquired after January 1, 2016, on a twelfth-of-the-year basis, in accordance with the following estimated useful lives:

Tangible Fixed Asset Categories	Years
Transportation equipment	6
Office equipment	8
Other tangible fixed assets	8–10

b) For tangible fixed assets acquired through December 31, 2015, on a straight-line basis, regardless of the month in which they were first put into use, in accordance with the following estimated useful lives:

Tangible Fixed Asset Categories	Years
Buildings and other structures (headquarters building)	50
Buildings and other structures (major repairs)	10

The useful lives of assets, the depreciation method, and the residual value are reviewed in each financial reporting period to ensure that depreciation charges are in line with the rate of asset consumption. Changes to useful lives are treated as a change in an accounting estimate and are applied prospectively.

Each component of a tangible fixed asset with a cost that is significant relative to the total cost of the asset is depreciated separately, with its useful life and depreciation method determined.

Maintenance and repair costs that do not extend the useful life of these assets are recognized as expenses in the period in which they occur. Costs associated with major inspections are included in the carrying amount of the asset whenever it is expected that the asset will generate additional future economic benefits.

Gains or losses resulting from the disposal or retirement of tangible fixed assets are determined by the difference between the sale price and the carrying amount as of the date of disposal or retirement, and are recorded in the income statement as “Other Income” or “Other Expenses.”

Impairment of Tangible Fixed Assets

The Entity assesses, as of the balance sheet date, whether there is any indication that an asset may be impaired. Whenever the carrying amount at which the asset is recorded exceeds its recoverable amount, an impairment loss is recognized and recorded as an expense under the heading “Other impairments (losses/reversals).” The recoverable amount is the higher of the net selling price and the value in use. The net selling price is the amount that would be obtained from the sale of the asset in a transaction between independent parties knowledgeable of fair value, less costs directly attributable to the sale. Value in use is the present value of the estimated future cash flows expected to arise from the asset’s continued use and its disposal at the end of its useful life. The recoverable amount is estimated for each asset individually or, if this is not possible, for the cash-generating unit to which the asset belongs.

After the recognition of an impairment loss, the asset’s amortization/depreciation expense is adjusted in future periods to allocate the asset’s revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Whenever an event or change in circumstances is identified that indicates the carrying amount of the asset may not be recoverable, an impairment test is performed.

A reversal of impairment losses recognized in prior periods is recorded when it is determined that the recognized impairment losses no longer exist or have decreased. This assessment is performed whenever there are indications that a previously recognized impairment loss has been reversed. The reversal of impairment losses is recognized as income in the statement of income. However, the reversal of an impairment loss is limited to the amount that would have been recognized (net of amortization or depreciation) had the impairment loss not been recorded in prior periods.

For tangible and intangible fixed assets accounted for under the revaluation model, any impairment loss is recognized as a reduction in the revaluation surplus initially recognized in equity. Impairment losses exceeding the revaluation surplus are recognized in the income statement.

Financial Investments

Financial investments in subsidiaries and associates are accounted for using the equity method, with equity interests initially recognized at acquisition cost, which is increased or decreased in proportion to the Company's share of the equity of those entities, as of the acquisition date or the date of first application of the equity method.

Under this method, the carrying amount of equity investments is adjusted annually by the amount corresponding to the share of net income of subsidiaries and associates, with a corresponding entry in gains or losses for the period. The investments are also adjusted by the amount corresponding to the share in changes in the equity of these companies, with a corresponding entry under "Adjustments to Financial Assets." Additionally, dividends received are recorded as a decrease in the carrying amount of the financial investments.

Financial investments held by the Entity that do not qualify as investments in subsidiaries or associates are recorded at acquisition cost. Whenever there are indications that an asset may be impaired, these financial investments are assessed, and any impairment losses found to exist are recorded as expenses. Income from these financial investments (dividends or distributed profits) is recognized in the income statement for the period in which their distribution is decided and announced.

Financial instruments

Accounts Receivable and Other Current Assets

The "Accounts receivable" and "Other current assets" line items are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method when the time value of money is materially relevant; they are presented on the balance sheet net of any associated impairment losses.

Impairment losses are recognized following events that indicate, objectively and in a quantifiable manner, that all or part of the outstanding balance will not be collected. To this end, the Entity considers market information demonstrating that the customer is in default of its obligations, as well as historical information on past-due and uncollected balances. In the event that judicial information is available proving the existence of threats to the debtor's ability to continue operations or to meet its obligations, or from the moment the Entity has legal proceedings underway to collect its receivables, impairment losses are recognized for the full amount of the receivable, net of any recoverable value-added tax and the amount covered by credit insurance, if any.

Impairment losses are adjusted in line with changes in the current accounts, particularly with regard to the details of the transactions comprising them; additional provisions are recognized as expenses for the period, while reversals resulting from the total or partial elimination of the risk are recognized in income, and write-offs to cover the actual loss on the receivable are deducted directly from the current accounts.

Loans

Loans are recorded as liabilities at fair value, net of transaction costs directly attributable to the issuance of such liabilities, and are presented on the balance sheet under current or non-current liabilities, depending on whether they mature within or after one year, respectively. They are derecognized only when the obligations arising from the contracts cease, namely upon settlement, cancellation, or expiration.

Interest and other costs incurred on loans are calculated using the effective interest rate and recognized in the income statement for the period on an accrual basis.

Trade Payables and Other Current Liabilities

Payables to suppliers or other third parties are initially recognized at fair value and subsequently measured at cost or amortized cost using the effective interest method. They are derecognized only when the obligations arising from the contracts cease, namely upon settlement, cancellation, or expiration.

Other Financial Assets and Liabilities

Financial instruments traded on a liquid and regulated market are measured at fair value, with changes in fair value recognized in income for the period.

Transaction costs may only be included in the initial measurement of a financial asset or liability when measured at cost less impairment loss.

As of the reporting date, the Entity assesses all its financial assets that are not measured at fair value through profit or loss. If there is objective evidence of impairment, it is recognized in profit or loss. When the impairment no longer exists, the reversal is recognized.

Cash and Bank Deposits

The amounts included under the heading “Cash and Bank Deposits” correspond to cash on hand, demand deposits, time deposits, and other short-term, highly liquid investments with initial maturities of up to 3 months.

Bank loans are presented on the balance sheet under current liabilities in the “Loans Receivable” line item and are treated as cash and cash equivalents in the preparation of the statement of cash flows.

Revenue

Revenue from sales, services rendered, property rents, interest, royalties, and dividends arising from the Entity’s statutory activities is recognized at fair value, which is defined as the amount freely agreed upon between the contracting parties on an arm’s-length basis; with respect to sales and services rendered, fair value reflects any discounts granted and does not include any taxes charged on invoices.

Revenue from the sale of goods is recognized in the income statement only when (i) the significant risks and rewards of ownership of the goods are transferred to the buyer, (ii) the Entity does not retain ongoing managerial involvement to a degree generally associated with possession or effective control of the goods sold, (iii) the amount of revenue can be reliably measured, (iv) it is probable that the economic benefits associated with the transactions will flow to the Entity, and (v) the costs incurred or to be incurred in connection with the transaction can be reliably measured. Sales are recognized net of taxes, discounts, and other expenses inherent in their completion, at the fair value of the amount received or receivable.

For the provision of services, the associated revenue is recognized based on the stage of completion of the transaction as of the balance sheet date, if the outcome can be estimated reliably, or using the expected margin method upon completion of the respective contracts. In the case of ongoing service arrangements, revenue is recognized on a straight-line basis.

Revenue from rent received under real estate lease agreements is recognized on a straight-line basis over the periods to which the rent pertains, regardless of when it is received.

Interest is recognized using the effective interest method. Interest earned from the risk-free investment of equity funds and cash surpluses arising from the Entity's pursuit of its statutory purposes is presented in the income statement under the heading "Other income." Interest related to loans to group companies or other entities over which the Entity exercises significant influence is presented in the income statement under the heading "Interest and similar income earned," since these loans represent financial investments that go beyond the simple investment of cash surpluses arising from the Entity's pursuit of its statutory purposes and are considered intra-group investments.

Grants from the Government, the European Union, and Other Entities

Government grants, grants from the European Union, and grants from other similar entities—including private entities of public administrative utility or other private entities—intended to support the Entity's objectives are recorded under Liabilities in the "Deferred grants" line item at fair value when there is reasonable assurance that they will be received and that the Entity will comply with the conditions required for their award. These grants are recognized as revenue for the period under the "Operating grants" line item in the income statement, based on the completion stage of the respective projects or co-financed activities.

Grants related to revenue (e.g., to ensure a minimum rate of return, to offset operating deficits, or in the context of vocational training programs) are recognized as revenue for the current period, under the heading "Operating Subsidies" in the income statement for the period in which the programs/contracts are carried out, regardless of the date of receipt, unless they become receivable in a subsequent period, in which case they will be recognized as revenue for that period.

Non-repayable grants related to tangible and intangible fixed assets are initially recognized in equity and are subsequently recognized in the income statement on a systematic and rational basis over the accounting periods necessary to match them with the related expenses. If the grant relates to non-depreciable assets and intangible assets with an indefinite useful life, it is retained in equity, unless the amount is needed to offset any impairment loss.

Refundable grants are recorded as liabilities under the heading "Borrowings."

Effects of Changes in Exchange Rates

Foreign currency transactions are recorded in the functional currency (rounded euro) using the exchange rates in effect on the date of the transaction to convert them. Upon settlement of monetary items or as of the balance sheet date, whichever occurs first, the exchange rates as of that date are used to revalue the outstanding amount, with exchange differences—both favorable and unfavorable—calculated against the initially recorded amount and recognized as gains or losses in the period in which the settlement or revaluation occurs. However, if the initial amount was recorded in prior periods, the exchange difference is calculated by reference to the amount restated using the closing rate as of the date of the most recent balance sheet.

Non-monetary items measured at historical cost—namely, inventories, tangible fixed assets, and intangible assets—continue to be stated, as of each balance sheet date, at the exchange rates in effect on the transaction date, while those measured at fair value are stated at the exchange rates in effect on the date that fair value was determined.

Positive foreign exchange differences related to financing activities are recognized in the income statement as “Interest and similar income earned,” while negative differences are recognized under the heading “Interest and similar expenses incurred.” Other foreign exchange differences arising from operating or investing activities are included in the line items “Other income” and “Other expenses,” if they are positive and negative, respectively.

Foreign exchange differences directly related to project execution are recorded, as provided for in the contracts, as positive or negative components of project execution.

The exchange rate used in recording transactions in local currency is determined according to the criteria established contractually by the lender.

The State and Other Public Entities

Public-benefit and social-solidarity legal entities are exempt from Corporate Income Tax (IRC) under the terms of Article 10 of the CIRC, except for business income derived from commercial or industrial activities carried out outside the scope of their statutory purposes, as well as income from bearer securities that are neither registered nor deposited, in accordance with applicable law, and is further subject to continued compliance with the following requirements:

a) The effective pursuit, on an exclusive or predominant basis, of activities aimed at achieving the purposes that justified the recognition of the organization’s public utility status or the purposes that justified the exemption;
b) Allocation to the purposes referred to in the preceding subparagraph of at least 50% of the total net income that would be subject to taxation under general terms, by the end of the fourth tax period following the one in which it was obtained, except in the event of a justifiable impediment to meeting the allocation deadline, notified to the Director-General of Taxes and accompanied by the respective written justification;
c) Absence of any direct or indirect interest on the part of the members of the statutory bodies, either personally or through an intermediary, in the results of the economic activities carried out by such bodies.

Failure to comply with the requirements set forth in subparagraphs (a) and (c) results in the loss of the exemption, effective as of the corresponding tax period, inclusive.

The total income subject to corporate income tax (IRC) consists of the algebraic sum of the net incomes from the various categories determined under the terms of the Individual Income Tax (IRS), including capital gains obtained without consideration. Deductible from the total income, up to the respective amount, are expenses demonstrably related to the pursuit of social, cultural, environmental, sports, or educational objectives by the respective entities, provided that there is no direct or indirect interest on the part of the members of the statutory bodies—whether personally or through an intermediary—in the results of the economic activities they carry out.

Expenses that are demonstrably essential to the generation of income not related to the pursuit of social, cultural, environmental, sports, or educational objectives, and that are not specifically linked to the generation of income not subject to or exempt from corporate income tax (IRC), are deducted, in whole or in part, from such total income for the purposes of determining the taxable base, in accordance with the following rules:

a) If they are linked solely to the generation of income that is subject to tax and not exempt, they are deducted in full from the aggregate income;
b) If they are related to the generation of income subject to tax and not exempt, as well as to income not subject to tax or exempt, the portion of common expenses attributable to income subject to tax and not exempt—determined by proportionally allocating such expenses to the total gross income subject to tax and not exempt and to income not subject to tax or exempt—is deducted from the aggregate income.

Dues paid by members in accordance with the bylaws, as well as subsidies intended to finance the achievement of the statutory purposes, are considered income not subject to corporate income tax (IRC). Increases in assets obtained free of charge and intended for the direct and immediate achievement of the statutory purposes are considered income exempt from corporate income tax (IRC).

Pursuant to the Order of November 30, 1989, issued by the Secretary of State for Tax Affairs and published in the Official Gazette No. 27, Series III, of February 1, 1990, the IMVF was granted an IRC exemption under Article 10(1)(a) of the CIRC (formerly Article 9 of the same code) with respect to capital income, as defined in Category E of the CIRS, with the exception of any bearer securities that are neither registered nor deposited, in accordance with applicable law.

On March 12, 2021, the IMVF filed a request with the Ministry of Finance, pursuant to Article 10(2) of the CIRC, to extend the corporate income tax exemption to other categories of income directly related to its statutory activities. On January 18, 2023, after the close of the 2022 fiscal year, the IMVF received a deferral notice from the Corporate Income Tax Services Directorate, in which the IMVF was granted a corporate income tax exemption pursuant to the Order issued by the Deputy Director-General of the Tax and Customs Authority.

Pursuant to the aforementioned order, corporate income tax exemption is granted under the following terms and to the following extent:

Category B – Business income derived from commercial and industrial activities carried out within the scope of its statutory purposes, except for training and consulting;

Category E – Investment income, with the exception of any bearer securities that are neither registered nor deposited, in accordance with applicable law;

Category F – Real estate income; Category G –

Capital gains.

Furthermore, pursuant to this order, the exemption applies as of January 1, 2020, and remains contingent upon the organization maintaining its status as an ONGD, in accordance with Law No. 66/98 of October 14.

The IMVF also considers donations made by public or private entities, made under Article 62(3)(e) of the Tax Benefits Statute (EBF) and intended for the fulfillment of the Entity's statutory purposes, to be exempt income.

Tax losses incurred in connection with commercial, industrial, or agricultural activities, as well as capital losses, may be deducted from taxable income of the same category generated during a period of six years following their occurrence, for periods prior to 2010; four years for the 2010 and 2011 fiscal years; five years for the 2012 and 2013 fiscal years; twelve years for the 2014 through 2016 fiscal years; and five years for periods beginning after January 1, 2017. The amount of the deduction for tax losses arising from commercial, industrial, and agricultural activities is 70% of the taxable income in the respective category, without prejudice to the portion of unused losses that may be deducted, within the aforementioned time limits, in subsequent periods.

With the entry into force of Law No. 24-D/2022, of December 30 (State Budget for 2023), tax losses determined after January 1, 2023, as well as tax losses determined in fiscal years prior to that date for which the deduction period is still ongoing as of the date of the law's entry into force, will no longer be subject to a fixed deadline for deduction and may be deducted from profits generated in subsequent fiscal years until they are fully absorbed. Also effective January 1, 2023, the deduction amount will increase to 65% of the calculated taxable income.

Under the Corporate Income Tax Code ("CIRC"), the taxable base calculated as described above is subject to taxation at a rate of 21%. Additionally, in the situations provided for in Article 88 of the CIRC applicable to entities whose principal activity is not of a commercial, industrial, or agricultural nature, there is also a separate tax levied exclusively on the expenses specified therein and deducted from the portion of total income attributable to the exercise of commercial, industrial, or agricultural activities.

Income tax returns are subject to review and correction by the Tax Authority for a period of four years; therefore, returns for the years 2022 through 2025 may still be corrected. However, any such corrections are not expected to have a significant effect on these financial statements.

The aforementioned period may be extended or suspended provided that tax benefits have been obtained, that audits, claims, or appeals are ongoing, or that tax losses have been incurred.

Income tax comprises current taxes and deferred taxes.

Income taxes are recognized in the income statement, except when they relate to items that are recognized directly in equity.

Unpaid taxes, whether relating to the current period or prior periods, are recognized as liabilities at the amount estimated to be payable, based on the tax rates and regulations in effect as of the balance sheet date. However, if the amounts already paid for those periods exceed the amounts due, the excess is recognized as an asset.

The tax effect arising from transactions or any other operations whose effects are reflected in the period's results is also recognized in the results for the same period and is reported in the income statement under the heading "Income tax for the period." However, if these effects occur directly in equity, the tax effect is also recognized in equity, by deducting or adding to the line item that gave rise to it.

Current tax is also affected by any adjustments—positive or negative—that must be recognized in the period relating to current taxes from prior periods.

Deferred taxes relate to temporary differences between the amounts of assets and liabilities for accounting purposes and their respective amounts for tax purposes, as well as those resulting from tax benefits obtained and from temporary differences between taxable income and accounting income. Tax is recognized in the income statement, except when related to items that are recognized in equity, in which case it is recognized in equity.

Deferred tax assets and liabilities are calculated and periodically assessed using the tax rates expected to be in effect on the date the temporary differences reverse.

Deferred tax liabilities are recognized for all taxable temporary differences, with the exception of goodwill that is not deductible for tax purposes, differences resulting from the initial recognition of assets and liabilities that do not affect either accounting or taxable income, and differences related to investments in subsidiaries, joint ventures, and associates, to the extent that they are not likely to reverse in the future.

Deferred tax assets are recognized when it is probable that future taxable income will be available against which the deductible temporary differences can be utilized. The temporary differences underlying deferred tax assets are reviewed annually to recognize or adjust them based on the current expectation of future recovery.

Equity Funds

Equity represents the residual interest in the Entity's assets after deducting liabilities. Equity consists of:

- Funds contributed by the Entity's founders or third parties;
- Accumulated funds and other surpluses;
- Grants, donations, and bequests that the Government, the European Community, or another public entity—or the applicable legal provisions for each entity—require to be included therein.

Provisions

The Entity recognizes a provision when it has a present obligation resulting from a past event and it is probable that an outflow will occur to settle that obligation, which can be reasonably estimated.

The present value of the best estimate as of the reporting date of the resources required to settle the obligation is the amount the Entity recognizes as a provision, taking into account the risks and uncertainties inherent in the obligation.

As of the reporting date, provisions are reviewed and adjusted so that they better reflect the estimate as of that date.

Contingent liabilities, on the other hand, are not recognized in the financial statements; however, they are disclosed whenever the possibility of an outflow involving economic benefits is not remote. Like contingent liabilities, contingent assets are also not recognized in the financial statements and are disclosed only when an inflow is probable.

Employee Benefits

Short-term employee benefits include wages, salaries, meal allowances, vacation and Christmas bonuses, allowances for absences, and any other additional compensation decided on a case-by-case basis by management. In addition, Social Security contributions are included in accordance with the contribution rates set forth in applicable legislation, authorized and paid absences, non-monetary benefits—including legally required workers' compensation and occupational disease insurance, as well as non-mandatory health insurance—and any bonuses, provided their payment occurs within 12 months following the end of the period.

Obligations arising from short-term benefits are recognized as expenses in the period in which the services are rendered, on an undiscounted basis, with a corresponding liability recognized that is settled upon payment.

In accordance with applicable labor laws, the right to vacation and vacation pay for the period—since it coincides with the calendar year—accrues on December 31 of each year and is paid only during the following period; therefore, the corresponding expenses are recognized as short-term benefits and treated as described above.

Benefits arising from the termination of employment, whether by unilateral decision of the Entity or by mutual agreement, are recognized as expenses in the period in which they occur.

Subsequent Events

Events occurring after the balance sheet date that provide additional evidence or information regarding conditions existing as of the balance sheet date—events that give rise to adjustments—are reflected in the Entity's financial statements. Events after the balance sheet date that do not indicate conditions that arose after the balance sheet date—events that do not give rise to adjustments—are disclosed in the notes to the financial statements when material.

Judgments made by management in the process of applying accounting policies that had the most significant impact on the amounts recognized in the financial statements

In preparing the financial statements in accordance with NCRF-ESNL, the Entity's Executive Board uses estimates and assumptions that affect the application of policies and the amounts reported. These estimates and judgments are continuously evaluated and are based on experience with past events and other factors, including expectations regarding future events considered probable given the circumstances on which the estimates are based or resulting from information or experience gained.

The most significant accounting estimates reflected in the financial statements for the periods ended December 31, 2025, and 2024 include:

→ Provisions;

→ Recognition of revenue from services rendered receivable;

→ Recognition of revenue from grants received or receivable;

→ Determination of the stage of completion of projects;

→ Income taxes.

Estimates were determined based on the best information available as of the date the financial statements were prepared. However, situations may arise in subsequent periods that, being unforeseeable at that time, were not considered in these estimates. Any changes to these estimates that occur after the date of the financial statements will be recognized in income on a prospective basis.

Key Assumptions Regarding the Future

The accompanying financial statements were prepared on a going-concern basis, based on the Entity's books and accounting records, which are maintained in accordance with generally accepted accounting principles in Portugal.

Events occurring after the balance sheet date that affect the value of assets and liabilities existing as of the balance sheet date are taken into account in the preparation of the financial statements for the period. If such events are material, they are disclosed in the notes to the financial statements.

Main Sources of Uncertainty in Estimates

Estimates of future amounts that were deemed appropriate to recognize in the financial statements reflect the Entity's expected performance within the framework of its business plan and the information available based on past events and comparable situations at other entities in the sector, and no significant change in this framework is foreseeable in the short term that could call into question the validity of these estimates or imply a significant risk of materially relevant adjustments to the carrying amounts of assets and liabilities in the next period.

4. Cash Flows

The statement of cash flows is prepared using the direct method. The Entity classifies under the heading "Cash and Bank Deposits" amounts of cash, demand deposits, time deposits, and other financial instruments maturing in less than three months and for which the risk of a change in value is insignificant. Bank overdrafts are presented on the balance sheet under current liabilities in the "Loans Received" line item and are treated as cash and cash equivalents in the preparation of the statement of cash flows.

The statement of cash flows is classified into operating, financing, and investing activities.

Operating activities include receipts from customers, payments to suppliers, payments to employees, and other items related to operating activities.

Cash flows related to investing activities include, in particular, acquisitions and disposals of financial investments, as well as payments and receipts arising from the purchase and sale of tangible and intangible fixed assets.

Financing activities include, in particular, payments and receipts related to loans obtained, finance leases, and dividend payments.

The Entity classifies interest paid as financing activities and interest received as investing activities.

Management's commentary on the amount of significant balances of cash and cash equivalents that are not available for use

As of December 31, 2025, the Entity held time deposits totaling €500,000. It has been the understanding of the Board of Directors, within the scope of its statutory powers to manage the Entity's endowment fund, that there is an amount of approximately €2,500,000 that is unavailable for use, and this amount is managed exclusively through low-risk investments, such as bank deposits. This amount serves as collateral and a guarantee for the maintenance of the social fund (Note 20). During the 2025 fiscal year, approximately €2,000,000 was used to meet specific needs related to the completion of large-scale projects. The closure of projects entails the tying up of funds until the financing entities complete their reviews of the projects.

Breakdown of amounts reported under the "Cash and Cash Equivalents" line item

At the end of the fiscal years ended December 31, 2025, and 2024, the "Cash and cash equivalents at the end of the period" line item in the statement of cash flows was broken down as follows:

Cash and cash equivalents line items	2025	2024
Cash		
Cash	3,050	3,050
Bank deposits		
Checking accounts	3,249,113	1,187,932
Time deposits 1)	500,000	1,350,000
Cash and bank deposits	3,752,163	2,540,982
Total cash and cash equivalents	3,752,163	2,540,982

In accordance with the contractual obligations inherent in the co-financing agreements for projects developed by IMVF, particularly those entered into with the European Union, the funds provided by the co-financing entities are held in separate demand deposit accounts specific to each contract and are used exclusively to make payments related to the execution of the respective projects. The balances at the end of the 2025 and 2024 fiscal years for cash and cash equivalents related to dedicated accounts for projects in progress are:

Cash and Cash Equivalents Line Items	2025	2024
Bank deposits		
Checking accounts	3,044,424	981,378
Time deposits	-	-
Total cash and cash equivalents related to projects in progress	3,044,424	981,378

5. ACCOUNTING POLICIES, CHANGES IN ACCOUNTING ESTIMATES, AND ERRORS

There were no changes to accounting policies in fiscal year 2025.

6. PROPERTY, PLANT, AND EQUIPMENT

Disclosures regarding tangible assets

The changes in tangible fixed assets during the 2025 and 2024 fiscal years are detailed as follows:

2025	Land	Buildings	Transportation equipment	Office equipment	Other tangible fixed assets	Total
Gross book value						
Balance as of December 31, 2024	2,001,850	6,096,907	51,300	60,429	72,242	8,282,728
Additions	-	-	-	-	3,241	3,241
Disposals	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Balance as of December 31, 2025	2,001,850	6,096,907	51,300	60,429	75,483	8,285,969
Accumulated depreciation						
Balance as of December 31, 2024	-	-	28,500	59,500	17,398	105,398
Additions	-	-	8,550	178	1,917	10,645
Transfers	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
Balance as of December 31, 2025	-	-	37,050	59,678	19,315	116,043
Net book value	2,001,850	6,096,907	14,250	751	56,168	8,169,926

2024	Land	Buildings	Transportation equipment	Office equipment	Other tangible fixed assets	Total
Gross book value						
Balance as of December 31, 2023	855,619	3,358,984	51,300	60,429	72,242	4,398,574
Additions	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Revaluation	1,146,231	2,590,871				3,737,102
Transfers		147,052				147,052
Balance as of December 31, 2024	2,001,850	6,096,907	51,300	60,429	72,242	8,282,728
Accumulated depreciation						
Balance as of December 31, 2023	-	581,949	19,950	59,323	15,481	676,703
Additions	-	64,076	8,550	177	1,917	74,720

Disposals	-	-	-	-	-	-
Revaluation	-	-646,025	-	-	-	-646,025
Balance as of December 31, 2024	-	-	28,500	59,500	17,398	105,398
Net book value	2,001,850	6,096,907	22,800	929	54,844	8,177,330

The amount recognized under the "Land" account represents, pursuant to Article 10(3) of Regulatory Decree No. 25/2009, of September 14, 25% of the total acquisition cost of the properties located at Rua de São Nicolau, 105, and Calçada do Garcia, Nos. 26–32, both in Lisbon.

Properties acquired by IMVF before and after January 1, 2023, are valued on the balance sheet using the revaluation method, as defined in Note 3, "Tangible Fixed Assets," with the balance sheet value being assessed every three years, barring extraordinary market circumstances.

As previously mentioned in notes 3 and 5 of this appendix, in 2024 the IMVF revalued its headquarters property, located at Rua de São Nicolau, 105, in Lisbon. The impact of this revaluation on tangible fixed assets is reflected in the table of movements for 2024, both in the gross amounts and in the accumulated depreciation, as revaluation adjustments.

Existence and Amounts of Restrictions on Ownership of Tangible Fixed Assets Pledged as Collateral for Liabilities

As of the date of preparation of these financial statements, the Entity did not hold any tangible assets subject to ownership restrictions.

Amount of expenditures recognized in the carrying amount of tangible fixed assets during their construction

During the periods ended December 31, 2025, and December 31, 2024, no expenditures or costs were recognized in the carrying amount of tangible fixed assets under construction.

Amount of contractual commitments for the acquisition of tangible fixed assets

As of the balance sheet date, the Entity had no contractual commitments for the acquisition of tangible fixed assets.

Depreciation Recognized in Income or as Part of the Cost of Other Assets

Depreciation calculated on tangible fixed assets was recognized in the financial statements for the 2025 and 2024 fiscal years as follows:

	Depreciation recognized as of December 31, 2025			
Tangible fixed asset line items	In income	Inincome carried forward	As part of cost of other assets	Total
Buildings and other structures	-	-	-	-
Transportation equipment	8,550	-	-	8,550

Office equipment	178	-	-	178
Other tangible fixed assets	1,917	-	-	1,917
Total	10,645	-	-	10,645

Tangible fixed asset accounts	Depreciation recognized as of December 31, 2024			
	In earnings	In earnings carried forward	As part of cost of other assets	Total
Buildings and other structures	-	64,076	-	64,076
Transportation equipment	8,550	-	-	8,550
Administrative equipment	177	-	-	177
Other tangible fixed assets	1,917	-	-	1,917
Total	10,644	64,076	-	74,720

Accumulated depreciation at the end of the period

The accumulated depreciation recorded at the end of the fiscal years included in these financial statements, deducted from the gross book values of tangible fixed assets, is as follows:

Tangible fixed asset categories	2025	2024
Buildings and other structures	-	-
Transportation equipment	37,050	28,500
Administrative equipment	59,678	59,500
Other tangible fixed assets	19,315	17,398
Total	116,043	105,398

The reduction in accumulated depreciation under the heading “Buildings and Other Structures” is due to the application of the revaluation method to real estate acquired in prior fiscal years, as detailed in Notes 3, 5, and 6 of this appendix.

Items of tangible fixed assets, expressed at revalued amounts

As mentioned in notes 3 and 5 of this appendix, all assets comprising land and buildings included in tangible fixed assets are presented in the financial statements at revalued amounts.

7. FINANCIAL INVESTMENTS

At the end of the fiscal years covered by these financial statements, IMVF held the following financial investments:

Financial investments	2025	2024
Equity investments—equity method	7,242	12,363
Other financial investments	366,989	402,265
Gross book value	374,231	414,628
Losses	-	-
Net book value	374,231	414,628

The changes in the financial investments accounts during the 2025 and 2024 fiscal years are detailed as follows:

2025	Financial investments – equity method	Other Financial	Total
Gross book value			
Balance as of December 31, 2024	12,363	402,264	414,628
Acquisitions	-	334,589	334,589
Disposals	-	-371,801	-371,801
Adjustments	-5,121	1,937	-3,184
Balance as of December 31, 2025	7,242	366,989	374,231
Accumulated impairment losses			
Balance as of December 31, 2024	-	-	-
Balance as of December 31, 2025	-	-	-
Net book value	7,242	366,989	374,231

2024	Equity investments – equity method	Other Financial	Total
Gross book value			
Balance as of December 31, 2023	17,196	546,718	563,914
Acquisitions	-	-	-
Disposals	-	-142,577	-142,577
Adjustments	-4,833	-1,876	-6,709
Balance as of December 31, 2024	12,363	402,264	414,628
Accumulated impairment losses			
Balance as of December 31, 2023	-	-	-
Balance as of December 31, 2024	-	-	-
Net book value	12,363	402,264	414,628

Investments – equity method-

The equity investments in the subsidiaries and associates listed below are valued using the equity method.

Under this method, the carrying amount of the equity investments is adjusted annually by the amount corresponding to the share of net income of the subsidiaries and associates, with a corresponding entry in profit or loss for the period. The investments are also adjusted by the amount corresponding to the share in changes in the equity of these companies, with a corresponding entry under “Adjustments to Financial Assets.” Additionally, dividends received are recorded as a decrease in the carrying amount of the financial investments.

As of December 31, 2025, and 2024, the assets recognized under this heading relate to equity interests in the following entities:

Financial Investments	Interest as of Dec. 31, 2025			Equity Interest as of Dec. 31, 2024		
	Amount Book Value	Number of shares (*)	Ownership (%)	Value Book	Number of shares	Ownership (%)
Valle Flôr Consulting, Sole Proprietorship, Lda.	7,242	1	100%	12,363	1	100%
Gross book value	7,242	-	-	12,363	-	-
Impairment losses	-	-	-	-	-	-
Net book value	7,242	-	-	12,363	-	-

(*) In limited liability companies, the number of shares refers to the shares held

On March 14, 2017, IMVF participated, as sole partner, in the incorporation of Valle Flôr Consulting, Unipessoal, Lda., with its registered office at Rua de São Nicolau, 105, in Lisbon, whose corporate purpose is to provide consulting and services in the areas of humanitarian aid, cooperation, and development education, as well as to conduct studies and scientific research in various fields of knowledge.

Financial investments – other methods

In 2017, the IMVF derecognized the financial asset and the related impairment loss associated with its equity interest in Galilei, SGPS, S.A. (formerly Sociedade Lusa de Negócios, SGPS, S.A.), the company that owned Banco Português de Negócios, S.A. (BPN). This company was declared insolvent by a judgment dated June 29, 2016 (Case No. 23449/15.OT8LSB, issued by the District Court of Lisbon – Lisbon – Central Court – 1st Commercial Section – J4). To date, there have been no further developments regarding the case.

Other Financial Investments

The financial investments listed below are stated at acquisition cost. As of December 31, 2025, and 2024, the assets recognized under this heading relate to:

Other financial investments	2025	2024
Stated at acquisition cost		
Variable-Yield Treasury Bonds (OTRV) – July 2025	19,928	20,100
Spanish Sovereign Debt 04/2027	-	120,556
Portuguese Sovereign Debt 10/2025	-	250,275
C Bombardier	-	969
Treasury Bonds 3,375	146,115	-
RFGB 2 5/8 07/04/42	132,180	-
BlackRock World Gold Fund	15,365	-
DWS Invest Gold Precious Metal	14,533	-
Franklin Gold and Precious Metal	15,570	-
Invesco Commodity Allocation Fund	12,934	-
Labor Compensation Fund (FCT)	10,364	10,364
	366,989	402,264
Gross book value	366,989	402,264
Impairment losses	-	-
Net book value	366,989	402,264

Law No. 70/2013 of August 30 established two labor compensation funds: the Labor Compensation Fund (FCT) or equivalent mechanism (ME) and the Labor Compensation Guarantee Fund (FGCT), with the aim of ensuring workers' right to receive half the amount of compensation due upon termination of their employment contract. These funds require all employers to contribute monthly a flat rate of 1% of the base salary and seniority pay earned by workers hired on or after October 1, 2013, with the exception of very short-term contracts.

Pursuant to Decree-Law No. 115/2023, of December 15, the obligation to enroll in and make contributions to the FCT has been permanently terminated, and the purposes for which the amounts accumulated in the FCT may be used have been amended.

8. Related Parties

Since its incorporation, IMVF has been the sole shareholder of Valle Flor Consulting, Sociedade Unipessoal, Lda., a private for-profit entity incorporated on March 14, 2017, whose corporate purpose is to provide consulting and services in the areas of humanitarian aid, cooperation, and development education, as well as to conduct studies and scientific research in various fields of knowledge.

The IMVF is a founding member of the Marquês de Valle Flor – VF Association, a private nonprofit association incorporated on February 6, 2017, whose mission is to carry out humanitarian aid, development cooperation, and development education initiatives; to conduct studies and scientific research in various fields of knowledge; and to engage in areas such as gender, institutional capacity-building, governance, human rights, the environment, and others.

As of December 31, 2025, and 2024, the Board of Directors, the governing body of AMVF, was composed entirely of members belonging to the Board of Directors and the Executive Board of Instituto Marquês de Valle Flôr .

Compensation for Key Management Personnel

During the fiscal years 2025 and 2024, the following compensation and other employment-related benefits were paid or made available to members of the IMVF's management bodies:

	2025	2024
Short-term benefits		
Remuneration of Governing Bodies	222,838	222,288
Social Security Contributions	43,139	43,252
Non-monetary benefits	-	-
	265,977	265,540
Other personnel expenses		
Per diem and travel expenses using personal vehicles	997	2,504
Other	-	-
	997	2,504
Total	266,954	268,044

Balances and Transactions with Related Parties

As of December 31, 2025, the amounts of outstanding balances with related parties, the respective accumulated impairment losses, and expenses recognized in connection with uncollectible or doubtful debts owed by related parties are broken down as follows:

	Outstanding balances		Impairment losses		Bad debt expenses in period
	Assets	Liabilities	Loss/reversal	Accumulated	
Associated entities					
Marquês de Valle Flôr Association	-	2,763	-	-	-
Valle Flôr Consulting, Unip., Lda.	26,400	-	-	-	-
	26,400	**2,763**	**-**	**-**	**-**

Outstanding receivables from associated entities are recorded under the balance sheet heading “Other current assets,” and outstanding payables to those entities are recorded under the balance sheet heading “Other current liabilities” (Note 14).

During the period covered by these financial statements, 2025, there were no transactions with related parties.

9. REVENUE

IMVF's revenue consists of services ancillary to its statutory activities, revenue from real estate lease agreements, interest, and other revenue arising from surpluses from statutory activities. Subsidies, donations, and other bequests allocated to the Entity for the development of its statutory activities are addressed in Note 10 of this appendix.

The amounts for each of the significant categories of revenue recognized for the periods ended December 31, 2025, and December 31, 2024, are as follows:

Revenue	2025	2024
Services rendered		
Technical assistance	24,000	24,000
	24,000	24,000
Real estate income	309,947	294,489
Interest	37,238	68,269
Total	371,185	386,758

Services rendered

Technical Assistance Services (Training)

Revenue from technical assistance services relates to multi-year contracts through which the IMVF, in partnership with other entities, provides specialized training in various areas where it has acquired *know-how* over the years through the development and implementation of its own projects.

Revenue from these services is recognized using the expected margin method upon completion of the respective contracts, with revenue determined by applying that margin to the expenses incurred at the end of each fiscal year.

The service contracts that were completed or commenced during the fiscal years 2025 and 2024 and that generated revenue during these periods are:

Contract Identification:

Service contracts	Contract	Funder	Project Manager	Start	End
Consulting Services for International Events (a)	02/SG/CML/25	CMLisboa	-	-	-

(a) – Organization and management of online debates in collaboration with Clube de Lisboa, featuring national and international guests

Contract revenue

Contracts	Margin expected 2023	Expenses incurred through Dec. 31,	Revenue			Revenue	Revenue deferred	Increase income
			Through Dec. 31, 2024	In 2025 (1)	Between 2020 and 2023 (1)			
02/SG/CML/25	-	-	24,000	24,000	-	24,000	-	-
Total		-	24,000	24,000	-	24,000	-	-

(1) – Amount of services rendered recorded in the income statement for each respective fiscal year

Other income (revenue)

Income from commercial lease agreements and interest income from bank deposits and other financial investments is recorded in the income statement under "Other income."

To calculate the amortized cost of a financial asset and allocate interest income over the period, the effective interest method was used.

Under this method, the effective interest rate is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

Interest income results, in its entirety, from low-risk financial investments in time deposits (Note 4) and from the financial investments detailed in Note 7 of this appendix. The interest rates obtained are in line with normal market conditions, taking into account the risk and term of the investments.

Rental income from real estate arises from commercial and residential lease agreements for spaces available in the headquarters building, located at Rua de São Nicolau, 105, and at Calçada do Garcia, nos. 26–32, both in Lisbon, including the two stores. Rent is recognized as revenue in the periods to which the lease relates, regardless of when it is received.

10. Operating Subsidies

In pursuing its statutory purposes, the IMVF receives co-financing from various entities in the form of operating subsidies. The IMVF also receives various donations from private entities in connection with events directly related to its statutory purposes.

Operating subsidies from various public or private organizations and donations are recorded in the income statement under the heading "Operating Subsidies, Donations, and Bequests" and are broken down as follows:

Operating Subsidies, Donations, and Bequests	2025	2024
Subsidies for statutory activities		
Grants from Camões – Institute for Cooperation and the Portuguese Language, I.P.	492,647	598,011
Grants from the European Union	3,239,272	7,297,354
ECOWAS	359,662	150,923

Other entities	264,096	96,154
	4,355,677	8,142,442
Other subsidies		
Grants from the Institute for Employment and Vocational Training (IEFP)	2,051	12,028
	2,051	12,028
Donations		
Allocation of 0.5% of the IRS tax paid	979	510
Other entities	50	4,355
	1,029	4,865
Total	4,358,757	8,159,335

The grants awarded by the Portuguese government were provided under contracts entered into with Camões – Institute for Cooperation and the Portuguese Language, I.P.

Grants related to statutory activities are recognized as revenue to the extent that the associated projects are executed, with the percentage of completion determined based on the ratio of expenses already incurred to the total expenses projected for the execution of the respective project.

Donations made to the IMVF were made under Article 62(3)(e) of the Tax Benefits Statute (EBF).

Donations made by individuals subject to personal income tax (IRS) under the allocation of 0.5% of their assessed personal income tax and the allocation of 15% of input VAT are recognized as revenue in the period in which they are actually received.

11. Effects of Changes in Exchange Rates

Exchange rate differences recognized by the Entity result from its statutory activities; therefore, they are recognized in the income statement under the headings “Other Income” or “Other Expenses,” depending on whether they are favorable or unfavorable, respectively.

Foreign exchange differences directly related to the execution of projects are recorded, as provided for in the contracts, as positive or negative components of the projects’ execution.

The exchange rate used in recording transactions in local currency is determined according to the criteria established contractually by the financier.

12. Provisions

As a result of audits conducted by the European Union regarding the contractual obligations inherent in co-financed projects—specifically those related to the full implementation of the projects, the eligible expenses for their implementation, and the supporting documentation for such expenses—in the fiscal year corresponding to the issuance of the interim audit report, the Entity establishes a provision for the risk of having to return funds to the co-financing entity, without prejudice to the IMVF’s right to contest that report.

During the fiscal years ended December 31, 2025, and 2024, the account “Provisions for Other Risks and Expenses” had the following movements:

2025	Opening balance Ending balance	Increase	Utilization	Decrease	
Projects					
Contract No. 2009/224-554 – Community Fountains – Cazenga in	15,222	-	-	-	15,222
Contract No. 2008/165-666 – PGDL – Democratic Governance in Angola	3,616	-	-	-	3,616
	18,838	-	-	-	18,838
Total	18,838	-	-	-	18,838

2024	Opening balance Ending balance	Increase	Usage	Decrease	
Projects					
Contract No. 2009/224-554 – Community Fountains – Cazenga in	15,222	-	-	-	15,222
Contract No. 2008/165-666 – PGDL – Democratic Governance in Angola	3,616	-	-	-	3,616
	18,838	-	-	-	18,838
Total	18,838	-	-	-	18,838

Increases and decreases in provisions are recognized in the of income under the heading “Provisions (increases/decreases)” for the period to which they relate. Drawdowns on provisions are not recognized in income for the period but are recorded on the balance sheet as a reduction in noncurrent liabilities under the heading “Provisions” and in the assets that constitute net financial resources.

13. Government and Other Public Entities

The breakdown of the amount recorded under the heading “Government and Other Public Entities” in the balance sheet’s current assets and current liabilities as of December 31, 2025, and December 31, 2024, is as follows:

Tax categories	Current assets		Current liabilities	
	2025	2024	2025	2024
Corporate Income Tax (IRC):				
Estimated tax	-	1,797	-	-
Income tax withholdings (IRS/IRC):				
Withholdings on wages from employment	-	-	8,057	8,700
Withholdings on self-employment income	-	-	460	1,317
Value-Added Tax (VAT)	-	-	-	-
Other taxes				
Social Security Contributions	-	-	13,760	14,371
Labor Compensation Fund and FGCT	-	-	226	226
Total	-	1,797	22,503	24,614

The line item “Corporate Income Tax (IRC)” is broken down as follows:

Corporate Income Tax (IRC)	2025	2024
Withholding taxes collected by third parties	-	1,797
Estimated IRC	-	-
Total	-	1,797

14. Estimated Income Tax

Pursuant to the notice dated January 18, 2023, regarding the deferral of the extension of the corporate income tax (IRC) exemption to income categories B, E, F, and G (Note 3 – State and Other Public Entities), as defined in the Personal Income Tax Code (CIRS), and pursuant to Article 10 of the Corporate Income Tax Code (CIRC), the IMVF is exempt from corporate income tax (IRC) on income derived from activities carried out within the scope of its statutory purposes, effective January 1, 2020.

The IMVF considers that all income derived from real estate rentals (Category F) and the provision of services (Category B) falls within the scope of the corporate income tax exemption; therefore, no taxable income was reported for the years 2025 and 2024.

Aggregated current and deferred tax related to items debited or credited to equity funds

Current and deferred taxes must be debited or credited directly to equity funds if the tax relates to items that are debited or credited, in the same or a different period, to accounts related to equity funds.

During the periods for the years 2025 and 2024, no deferred or current taxes related to items debited or credited to equity funds were debited or credited to equity funds.

Explanation of Changes in the Applicable Tax Rate Compared to the Previous Accounting Period

Law No. 45-A/2024, of December 31 (State Budget Law for 2025), establishes that, for fiscal years beginning on or after January 1, 2025, the corporate income tax (IRC) rate applicable to the taxable income of entities that do not primarily engage in commercial, industrial, or agricultural activities is now 20% instead of the 21% that was in effect for the year 2024.

Pursuant to Law No. 64/2025, of November 7, the corporate income tax (IRC) rate applicable to entities that do not primarily engage in commercial, industrial, or agricultural activities will be progressively reduced between 2026 and 2028, standing at 19% in 2026, 18% in 2027, and 17% in 2028.

Amount of a deferred tax asset and nature of the evidence supporting its recognition

IMVF did not recognize any deferred tax assets or liabilities in the fiscal years covered by these financial statements because there were no timing differences between the amounts recognized as accounting income from taxable activities and their treatment as taxable income for the period, or vice versa.

15. Financial Instruments

It is the Entity's policy to recognize a financial asset, a financial liability, or an equity instrument only when it becomes a party to the contractual provisions of the instrument.

The Entity measures financial instruments at cost or amortized cost, less accumulated impairment losses, provided they have a defined maturity, fixed returns, a fixed interest rate over the life of the instrument, or a variable rate that is a typical market index for financing transactions (such as, for example, Euribor) or that includes a *spread* over that same index, and that do not contain any contractual clause that could result, for the holder, in a loss of the face value and accrued interest (excluding cases of credit risk). Contracts to grant or take out loans on a net basis and equity fund instruments that are not publicly traded and for which fair value cannot be reliably determined, as well as contracts linked to such instruments that, if executed, result in the delivery of such instruments, are also measured at cost or amortized cost, less accumulated impairment losses.

All other financial instruments are measured at fair value, with the resulting change recognized in income. In these cases, the Entity does not include transaction costs in the initial measurement of the financial asset or liability.

As long as the Entity holds a financial instrument, the measurement policy for that financial instrument remains unchanged.

As of December 31, 2025, and 2024, IMVF held the following financial assets, broken down into current and non-current financial assets:

Financial assets measured at cost or amortized cost, net of impairment

Financial assets	Current		Non-current	
	2025	2024	2025	2024
Gross book value of:				
Accounts receivable	41,735	23,832	-	-
Advances to suppliers	-	-	-	-
The government and other public entities (Note 12)	-	1,797	-	-
Co-funding entities	7,376,918	7,149,580	-	-
Other current assets	340,417	1,261,848	-	-
Deferred items	39,467	31,310	-	-
Cash and bank deposits (Note 4)	3,752,163	2,540,982	-	-
Total gross book amounts	11,550,700	11,009,349	-	-

Accumulated impairment losses:	-	-	-	-
Total accumulated impairment losses	-	-	-	-
Net book value	11,500,700	11,009,349	-	-

As of December 31, 2025 and 2024, IMVF held the following financial liabilities, broken down into current and non-current financial liabilities:

Financial liabilities measured at cost or amortized cost

Financial liabilities	Current		Non-current	
	2025	2024	2025	2024
Accounts Payable	16,384	58,015	-	-
Advances from customers	-	850	-	-
State and other public entities (Note 12)	22,503	24,614	-	-
Loans obtained (note 4)	476	10,419	-	-
Provisions	-	-	18,839	18,839
Other current liabilities	506,622	161,392	-	-
Deferred grants	8,190,594	8,124,405	-	-
Deferrals	71,952	75,057	-	-
Total financial liabilities	8,827,368	8,473,590	18,839	18,839

Accounts receivable

The “Accounts receivable” line item refers primarily to the portion of invoices issued to customers under technical assistance service contracts (Note 8) that were outstanding from the respective entities as of December 31, 2025.

As of December 31, 2025, the Entity assessed the available information regarding the financial difficulties of the respective debtors, breaches of contract—namely, failure to meet payment deadlines for the respective debts—and concluded that there was no objective evidence warranting the recognition of impairment losses on customer balances.

Co-financing Entities

The IMVF recognizes a current asset under the heading “Co-financing Entities,” as of the date of signing the respective program contracts, for the support provided by co-financing entities to the development of the IMVF’s statutory activities. Recognition is made because the conditions for recognition are met, namely because there is reasonable assurance that the funds will be received and that the IMVF will comply with the conditions required for their grant. Whenever a co-financing entity makes a cash payment under the contract, the IMVF records the receipt as a reduction in the corresponding asset, offset by an increase in net cash.

The net amounts under the “Co-financing Entities” account as of December 31, 2025, are broken down as follows:

Co-financing Entities	Opening balance	Increase	Decrease	Ending balance
Camões – Institute for Cooperation and the Portuguese Language, I.P.	191,129	35,587	105,872	120,844
European Union	4,911,961	3,673,834	2,364,021	6,221,774
Other partners	2,046,491	476,962	1,489,153	1,034,300
Total	7,149,581	4,186,383	3,959,046	7,376,918

Other current assets

The “Other current assets” line item consists of the following amounts:

Other current assets	2025	2024
Receivables from income accruals		
Interest receivable	2,231	31,583
	2,231	31,583
Other receivables		
World Bank	-	-
Valle Flor Consulting, Sole Proprietorship, Lda.	26,400	5,000
Marquês de Valle Flor Association – VF	-	222,606
Advances for project expenses	308,109	993,044
Other receivables	3,677	9,615
	338,186	1,230,265
Total other current assets	340,417	1,261,848

At the end of the fiscal years, IMVF held time deposits that do not mature until the following fiscal year. The increase in interest receivable corresponds to interest accrued between the date these deposits were established and the end of the corresponding fiscal year.

The amounts recorded in each year under the heading “Advances for Project Expenses” correspond to transfers of funds to project sites to cover urgent and day-to-day expenses. These funds will be settled upon submission of the corresponding expense reports or the return of the advanced funds.

During certain periods, while the agreed-upon funds have not yet been received from co-financing entities, projects may face cash flow needs. These needs are met by transferring funds from projects that have excess cash on hand at those times. To monitor these transfers, the IMVF records the amounts granted to projects with cash flow needs under the heading “Other Current Assets.”

Funding Received

The amounts recorded under the “Funding Obtained” line item refer to:

- Use of bank credit cards within the credit limits authorized by the respective financial institutions;
- Auto loan agreements

The changes in the amounts of financing obtained during the 2025 fiscal year were as follows:

Lenders	Opening balance	Increase	Decrease	Ending balance
BNP Paribas Personal Finance, SA – Portugal Branch (Cetelem) (a)	7,555	534	8,089	-
Credit card (Banco Comercial Português, SA)	2,864	19,367	21,755	476
Total	10,419	19,901	29,844	476

(a) – Contract with a term of 48 months, beginning on November 5, 2021, and ending on October 5, 2025. The implied rate in the contract is 3.25%

As of December 31, 2025, the total future minimum payments related to the financing obtained are distributed across the following maturities:

Loans	2025	2024
Non-current liabilities (payments due in more than 1 year)		
Auto loan	-	-
	-	-
Current liabilities (payments due within 1 year)		
Auto loan	-	7,555
Credit card	476	2,864
	476	10,419
Total other current assets	476	10,419

Accrued project expenses

The amounts recorded as “Accrued project expenses” represent expenses incurred in the execution of various projects that have not yet been invoiced by the respective entities.

Other current liabilities

The “Other current liabilities” line item consists of the following amounts:

Other current liabilities	2025	2024
Accounts payable for accrued expenses		
Accrued compensation	113,061	118,052
Other accrued expenses	-	-
	113,061	118,052
Other payables		
Loans obtained from projects	389,952	42,968
Marquês de Valle Flor Association – VF	2,763	-
Other creditors	846	372
	393,560	43,340
Total other current liabilities	506,622	161,392

Accrued compensation includes personnel compensation expenses, including compensation for members of the Executive Board, which were recorded as assets as of December 31 of each year and are to be paid during the following fiscal year, relating to vacation entitlements and vacation pay accrued as of January 1 of the following year and relating to work performed during the current year, including the respective social security contributions.

During certain periods, while the agreed-upon funds have not yet been received from co-financing entities, projects may face cash flow needs. These needs are met by transferring funds from projects that have cash surpluses at those times. To monitor these transfers, the IMVF records the amounts received from projects with cash surpluses under the heading "Other current liabilities."

Deferred Grants

The "Deferred Grants" account consists, at the end of the fiscal year, of co-financed amounts not yet recognized as revenue. This account is credited with the total amount of the contracts entered into between the IMVF and the co-financing entities and debited upon recognition as revenue of the portion of the grants corresponding to the degree of completion of the respective projects (percentage-of-completion method). The degree of completion of the projects is calculated as the ratio of expenses actually incurred in their execution to the total expenses projected for their completion.

Deferrals

The "Deferrals" account included in financial assets and liabilities is composed as follows:

Deferrals	Financial Assets		Financial Liabilities	
	2025	2024	2025	2024
Assets:				
Insurance	25,169	17,212	-	-
Renovation work	11,077	14,098	-	-
Accrued interest on the purchase of bonds	3,221	-	-	-
Liabilities:				
Prepaid real estate rent	-	-	28,796	26,494
Lease deposits	-	-	42,194	45,550
Operating subsidies	-	-	962	3,013
Total	39,467	31,310	71,952	75,057

In fiscal year 2018, IMVF carried out renovation and refurbishment work on the space located on the 4th floor on the left in order to equip it with the essential conditions for leasing as office space. The expenses incurred were recorded as a deferred asset. Recognition of the expense in the income statement began in September 2019 (the month the lease began). The renovation work is expected to ensure a significant period of time (10 years) without the need for further interventions, thereby enabling the maintenance of lease agreements.

16. Employee Benefits

Personnel expenses include short-term benefits payable to the Entity's employees under employment contracts, including members of management, and other expenses that, while not directly related to the performance of work, are provided by the Entity for the professional development and well-being of these employees.

Short-term benefits are those that, not being related to termination of employment or equity compensation, vest in full within twelve months after the end of the period in which employees render the respective service and essentially include:

- Salaries, meal allowances, vacation pay, and Christmas bonuses;
- Social Security contributions and contributions to the Labor Compensation Guarantee Fund (FGCT);
- Paid short-term absences, such as vacation;
- Bonuses paid within twelve months of the end of the fiscal year;
- Non-monetary benefits, such as mandatory insurance for work-related accidents and occupational diseases, as well as non-mandatory health insurance.

During the fiscal years ended December 31, 2025, and 2024, the following short-term benefits were paid or made available to employees, and the following expenses related to the professional development of these employees were incurred:

Personnel expenses	2025	2024
Short-term benefits		
Personnel compensation	691,882	684,385
Social Security and FGCT Contributions	134,818	136,854
Termination benefits	19,496	-
Non-monetary benefits	60,016	59,680
	906,212	880,919
Other personnel expenses		
Per diem allowances and travel by personal vehicle	2,150	13,405
Other	9,597	17,134
	11,747	30,539
Total	917,959	911,458

During the fiscal year ended December 31, 2025, the Entity had, on average, 22 employees (23 in 2024).

A significant portion of the Entity's human resources is dedicated to carrying out its statutory activities, specifically the implementation of projects in the field and administrative functions, whether through specific hiring for each project or through the use of existing resources. The IMVF allocates expenses related to these human resources to the respective projects by charging them to the corresponding cost centers, as an integral part of the projects' execution. During the 2025 fiscal year, €597,539 (€753,958 in 2024) was charged to the projects for direct expenses related to personnel hired for the projects.

Additionally, through the cooperation agreement signed in 2017 with the Marquês de Valle Flor – VF Association (note 9), the amount of €387,304.36 in human resources expenses was also allocated to and recovered from this entity in 2024. In 2024, for the Association's new projects, the IMVF became a project partner, with personnel expenses charged directly to the projects.

Post-employment benefits

The Entity does not have any defined contribution plan or other plan related to post-employment benefits for its employees.

Other long-term employee benefits

There are no long-term employee benefits, such as profit-sharing or bonuses payable more than twelve months after the end of the fiscal year, or long-term pension or disability benefits.

Termination benefits

Termination benefits are those payable as a result of: (i) an entity's decision to terminate an employee's employment prior to the normal retirement date; or (ii) an employee's decision to accept voluntary separation in exchange for such benefits.

During the 2025 fiscal year, the amount of €19,496 was paid in connection with termination benefits due to the non-renewal of an employment contract.

17. Purchases and External Services

The "External supplies and services" line item included in the income statement consists, as of December 31, 2025, and 2024, of the following expenses:

External supplies and services	2025	2024
Specialized services	66,562	64,934
Travel and Lodging	29,583	18,413
Maintenance and repairs	55,231	81,513
Communications	14,314	15,907
Gift Items	15,805	16,288
Renting	16,686	15,159
Insurance	10,219	1,625
Electricity	6,746	5,890
Fees	38,154	36,000
Other external supplies and services	33,429	30,319
Total	286,729	286,048

A significant portion of expenditures on external supplies and services is used to carry out its statutory activities, specifically in the implementation of projects in the field and in administrative functions, whether through specific expenditures allocated to each project or through the use of existing resources. The IMVF allocates common expenses to the respective projects by charging them to the respective cost centers in proportion to their use, as an integral part of the projects' implementation. During the 2025 fiscal year, administrative expenses totaling €332,795 (€410,494 in 2024) were allocated to the projects; these expenses primarily include common expenses for external supplies and services and for administrative staff (*back office*).

18. Project-Allocated Finishing Costs

This line item in the income statement includes expenses directly incurred in the execution of various projects, with the exception of expenses related to personnel directly hired for the projects (Note 15), which are recorded under "Personnel Expenses" and are subsequently allocated to the respective cost centers for the purpose of monitoring their execution.

19. Other Income

The amount recorded under the "Other income and gains" line item in the income statement breaks down as follows:

Other revenue	2025	2024
Real estate rental income (Note 9)	309,947	294,489
Bank interest	8,601	56,328
Interest on other financial investments	28,637	11,941
Disposals	-	-
Proceeds from project closures	57,917	-
Adjustments related to prior years	850	491
Overestimation of tax liability	4,625	
Other income and gains	369	774
Total	410,946	364,023

Upon project closure, the Entity recognizes as income for the period of closure the positive difference between the grants received from co-financing entities and the expenses incurred in executing the projects.

20. Other Expenses

The amount recorded under the "Other expenses and losses" line item in the income statement breaks down as follows:

Other expenses	2025	2024
Taxes	10,375	11,953
Adjustments related to prior periods	12,738	1,772
Donations	-	-
Membership dues	2,063	1,375
Project Closure Expenses	6,785	68,241
Underestimation of taxes	-	-
Other	3,454	397
Total	35,415	83,738

Upon project closure, the Entity recognizes as income for the period of closure the positive difference between the grants received from co-financing entities and the expenses incurred in executing the projects.

21. Equity Funds

The IMVF's equity funds consist of the social fund, retained earnings from prior fiscal years, net income for the current fiscal year, and adjustments to financial assets, as shown in the following table:

Equity Funds in 2025	Opening balance	Increase	Decrease	Ending balance
Social fund	5,268,553	-	-	5,268,553
Retained earnings	1,356,233	127,303	-	1,483,536
Revaluation surpluses	4,383,128	-	-	4,383,128
Net income for the period	127,303	132,271	-127,303	132,271
Total	11,135,217	259,574	-127,303	11,267,488

Equity Funds in 2024	Opening balance	Increase	Decrease	Ending balance
Social fund	5,268,553	-	-	5,268,553
Retained earnings	1,318,531	101,778	-64,076	1,356,233
Revaluation surpluses	-	4,383,128	-	4,383,128
Net income for the period	101,778	127,303	-101,778	127,303
Total	6,688,862	4,612,209	-165,854	11,135,217

Pursuant to Article 6 of the IMVF's bylaws, the endowment fund consists of the initial cash donation by the founder, Dona Maria do Carmo Dias Constantino Ferreira Pinto, Marquise of Valle Flôr, in the amount of €49,880, and the net proceeds from the sale of the Valle Flôr Palace, which was one of the assets initially designated for the fulfillment of the Institute's statutory purposes, in accordance with the founder's wishes, in the amount of €5,218,673.

As mentioned in Note 6, the revaluation surpluses result from the application of the revaluation method to the headquarters property acquired in prior fiscal years.

22. Information Required by Other Legal Provisions

Pursuant to Decree-Law No. 534/80, of November 7, the Entity has no overdue debts to the State or other public entities as of the date of preparation of these financial statements or as of the date to which they relate.

In compliance with the provisions of Decree-Law No. 411/91, of October 17, it is hereby reported that, as of the date of preparation of these financial statements or the date to which they relate, the Entity is in good standing with Social Security within the legally stipulated time limits.

Pursuant to and for the purposes of Article 66-A of the Commercial Companies Code (CSC), the fees recorded for the current Statutory Auditors (ROC), in their capacity as members of the IMVF's Supervisory Board, and reported under the heading "External supplies and services," amounted to €8,241 in 2025.

23. Events After the Balance Sheet Date

Events occurring after the balance sheet date that provide additional evidence or information regarding conditions existing as of the balance sheet date—events that give rise to adjustments—are reflected in the Entity's financial statements. Events after the balance sheet date that are not indicative of conditions that arose after the balance sheet date—events that do not give rise to adjustments—are disclosed in the notes to the financial statements when material.

The financial statements were approved by the Executive Board. However, the Board of Directors may, at a meeting, decide not to approve these financial statements and/or request changes.

No other information was received regarding conditions that existed as of the balance sheet date; therefore, no other adjustments were made to the amounts recognized in these financial statements.

Lisbon, March 13, 2026

The Certified Public Accountant

(No. 11 919)

The Executive Board

Ahmed Zaky

Executive Director and Head of Projects

Carolina Quina

Executive Director and Head of New Partnerships and Communications

Jorge Morais

Executive Director and Head of Administration and Finance

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LEGAL CERTIFICATION OF ACCOUNTS

LEGAL CERTIFICATION OF FINANCIAL STATEMENTS

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the accompanying financial statements of INSTITUTO MARQUÊS DE VALLE FLOR (the Entity), which comprise the balance sheet as of December 31, 2025 (showing total assets of 20,094.856 euros and total equity of 11.267,488 euros, including net income of 132,271 euros), the statement of income by nature, the statement of cash flows for the year ended on that date, and the Notes, which include a summary of significant accounting policies.

In our opinion, the accompanying financial statements present, in all material respects, a true and fair view of the financial position of INSTITUTO MARQUÊS DE VALLE FLOR as of December 31, 2025, and its financial performance and cash flows for the year ended on that date, in accordance with the Accounting and Financial Reporting Standard for Nonprofit Entities adopted in Portugal through the Accounting Standardization System.

BASIS FOR OPINION

Our audit was conducted in accordance with International Standards on Auditing (ISA) and other technical and ethical standards and guidelines of the Portuguese Institute of Certified Public Accountants. Our responsibilities under these standards are described in the section "Auditor's Responsibilities for the Audit of the Financial Statements" below. We are independent of the Entity as required by law and comply with all other ethical requirements under the code of ethics of the Portuguese Institute of Certified Public Accountants.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

Management is responsible for:

- preparing financial statements that present a true and fair view of the Entity's financial position, financial performance, and cash flows in accordance with Standard

Inscrita na OROC sob o n.º 23
]registered with the CMVM under No. 201
61381 Share Capital € 15,000
Registration No./Tax ID 50t266259
Lisbon Commercial Registry Office

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Accounting and Financial Reporting for Nonprofit Entities adopted in Portugal through the Accounting Standardization System;

- preparation of the management report in accordance with applicable laws and regulations;
- Establishment and maintenance of an appropriate internal control system to enable the preparation of financial statements free from material misstatements due to fraud or error;
- adoption of accounting policies and criteria appropriate to the circumstances; and
- assessing the Entity's ability to continue as a going concern, disclosing, where applicable, matters that may cast significant doubt on the continuity of its operations.

THE AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our responsibility is to obtain reasonable assurance that the financial statements as a whole are free from material misstatements due to fraud or error, and to issue a report setting forth our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit, and we also:

- We identify and assess the risks of material misstatement of the financial statements due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of failing to detect a material misstatement due to fraud is greater than the risk of failing to detect a material misstatement due to error, since fraud may involve collusion, forgery, intentional omissions, misrepresentations, or circumvention of internal control;
- we obtain an understanding of the internal control relevant to the audit for the purpose of designing audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the Entity's internal control;
- we evaluate the appropriateness of the accounting policies used and the reasonableness of the accounting estimates and related disclosures made by management;

OLIVE RA, REVS &
ASSOCIATES,
SROC, LDA.

- We conclude on the appropriateness of management's use of the going-concern assumption and, based on the audit evidence obtained, whether there is any material uncertainty related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures included 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 report. However, future events or conditions may cause the Entity to cease operations;

- we evaluate the presentation, structure, and overall content of the financial statements, including the disclosures, and whether these financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

- we communicate with those charged with governance regarding, among other matters, the scope and planned timing of the audit, and significant audit findings, including any significant internal control deficiencies identified during the audit.

Our responsibility also includes verifying that the information contained in the management report is consistent with the financial statements.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

ON THE MANAGEMENT REPORT

In compliance with applicable legal requirements, we are of the opinion that the management report was prepared in accordance with applicable legal and regulatory requirements in force, and that the information contained therein is consistent with the audited financial statements; furthermore, based on our knowledge and assessment of the Entity, we have not identified any material misstatements.

Lisbon, March 19, 2026

OLIVEIRA, REIS **& ASSOCIADOS,** SROC, LDA.

Represented by

Carlos Ma h R 1266,

Registered with the CMVM under No. *201608 77*

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REPORT AND OPINION OF THE AUDIT COMMITTEE

FOUNDATION FOR DEVELOPMENT AND COOPERATION—A PUBLIC UTILITY INSTITUTION SINCE 1951

REPORT AND OPINION OF THE AUDIT COMMITTEE

1. In accordance with legal and statutory provisions, it is the duty of the Audit Committee to prepare a report and issue an opinion on the financial statements of the INSTITUTO MARQUÊS DE VALLE FLÔR (Foundation) for the fiscal year ended December 31, 2025.

2. Throughout the fiscal year, the Audit Committee regularly performed the duties entrusted to it, notably conducting the audits it deemed appropriate and reviewing the Entity's financial statements and most significant management actions, as well as verifying compliance with applicable laws and the Articles of Incorporation. The Audit Committee received all requested clarifications and information from the Executive Board.

3. At the close of the fiscal year, the Executive Board submitted to us the financial statements, which include the proposed appropriation of earnings.

4. The Audit Committee also took note of the Statutory Audit Report for the fiscal year in question, issued by the firm of Certified Public Accountants.

5. Opinion

   In light of the foregoing, and having reviewed the documents referred to in the preceding paragraphs, the Audit Committee is of the opinion that the Board of Directors:

   a) Approve the financial statements for fiscal year 2025, as presented by the Executive Board;

   b) Approve the appropriation of earnings proposed by the Executive Board.

6. Finally, the Audit Committee wishes to thank the Executive Board and the Foundation's staff for their full cooperation in the performance of their duties and to commend the Institute's strong global presence in serving the most disadvantaged populations through the various projects it carries out.

Lisbon, March 19, 2026

O CONSELHO FISCAL

OLIVEIRA REIS & ASSOCIADOS, SROC, LDA.
representada por
Carlos Manuel Grenha (ROC n.º 1266),
Registado na CMVM sob o nº 2016087, Presidente

João Godinho da Silveira, *Vogal*

Nuno Miguel Ribeiro António, *Vogal*

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