

MC Annual Report 2025

Growing *together*



Continente Matosinhos,
Portugal's first hypermarket
(1985)

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Yearly *review*

Message from the CEO

2025 was a landmark year for MC as we celebrated 40 years since the opening of our first Continente store. This milestone provides an opportunity to reflect with pride on how far we have come over the past four decades. From Portugal's first hypermarket, we have evolved into a leading Iberian retail group, guided by a clear purpose of delivering value, quality and convenience to the customers and communities we serve. This journey has been made possible by the dedication of our teams, the trust of our customers and the long-term partnerships we have built across our ecosystem.

Resilience in a dynamic environment

The operating environment in 2025 remained complex, shaped by geopolitical uncertainty, uneven macroeconomic conditions and competitive intensity across our core markets. Despite these challenges, we demonstrated resilience and adaptability throughout the year. By staying close to our customers and consistently delivering on our value proposition, we achieved a solid performance across our businesses, reinforcing our leadership positions and creating a strong platform for future growth.

Our strong execution translated into a solid financial performance in 2025. Turnover reached €8,868 million, an increase of 16% versus the previous year. This performance reflected the continued strength of our food retail operations in Portugal, alongside the sustained expansion of our health and beauty business across Iberia. EBITDA reached €955 million, representing a margin of 10.8%, underpinned by disciplined execution, productivity gains and ongoing operational efficiency improvements.

Consolidating leadership in food retail

In food retail, we further consolidated our leadership position in Portugal, reaffirming our commitment to delivering a distinctive, customer-centric proposition to families across the country. The segment recorded a strong performance,

with 10% growth compared to 2024 and 8% growth in the comparable stores base, reflecting both underlying demand resilience and effective execution of our strategy. As a result, we strengthened our competitive position and increased market share, particularly in strategic segments such as fresh, private label and convenience. At the same time, we maintained a disciplined pace of network expansion and modernisation, reaching a key milestone with the opening of our 400th Continente store in Portugal, Continente Modelo São Vicente in Madeira.

Driving growth in health and beauty

In the health and beauty segment, we maintained strong growth momentum, with revenue increasing by 55% (including the impact of the full-year consolidation of Druni's results), with like-for-like growth of 6%. We continued to gain market share across geographies, further strengthening our leadership position, while accelerating our expansion plan to surpass 800 stores across the Iberian Peninsula. Druni entered the Portuguese market with the opening of its first store in Porto, followed by additional openings later in the year. Wells further strengthened its position, notably with the launch of its flagship store in Chiado, reinforcing its competitiveness in beauty. In optics, we expanded our store network, broadened our offering through private label and partnerships, and introduced remote optometry consultations, enhancing both reach and accessibility. Wells was also once again recognised as the number one choice of Portuguese consumers.

Creating greater value for customers

Across all our businesses, we remained focused on delivering greater value to every customer. We strengthened our assortment with high-quality products at accessible prices, while continuing to enhance convenience and proximity by adapting store formats and services to evolving consumer needs. In parallel, digital transformation remained a key enabler of our strategy, supporting the development of our

omnichannel capabilities and enabling more seamless and integrated experiences. By leveraging data and technology, we improved operational efficiency, enhanced personalisation and deepened customer engagement through our loyalty ecosystem.

Sustainability as a strategic priority

Sustainability remained a cornerstone of MC's growth strategy and long-term ambition. In 2025, we achieved leadership-level recognition in CDP Forests and CDP Water, and were included in CDP Climate's prestigious A-List, which distinguishes companies with the highest levels of performance and transparency in climate action globally. More broadly, we continued to advance our sustainability agenda across the pillars Planet, Products, People and Communities, reinforcing our commitment to generating long-term positive impact.

Looking ahead with confidence

Looking ahead to 2026, we remain mindful of the challenges of an increasingly dynamic and competitive environment. However, we are confident in the strength of our strategy, the resilience of our business model and our ability to execute with discipline and ambition. We will continue to invest in our businesses, strengthen our market positions and build on the momentum we have created.

These achievements reflect the collective efforts of our people, the confidence of our customers, and the continued support of our partners and shareholders. My sincere thanks go to them all.

At MC, we believe the path forward is built side by side, creating value, strengthening relationships and continuing to grow together.

Luís Moutinho
CEO



Leadership committee



Luís Moutinho
CEO



Fernando van Zeller
CFO



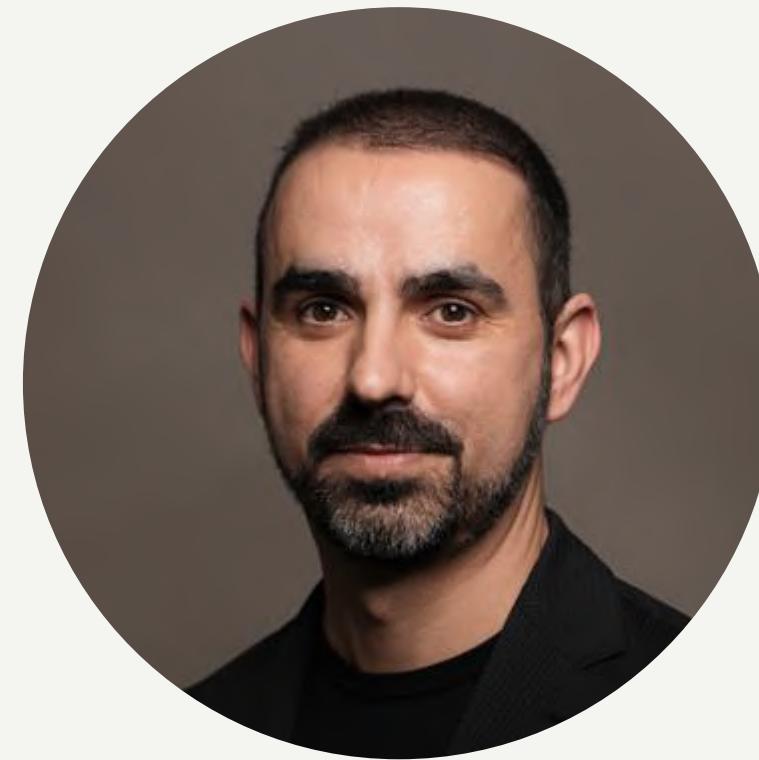
José Fortunato
Store operations and marketing



Isabel Barros
People, sustainability and bazaar trade



João Afonso
Food trade



Hélder Ribeiro
Digital and technology



Miguel Águas
Health and beauty



Pedro Bártolo
Logistics, supply chain and transformation

Operational highlights

Grocery



In December, we celebrated the 40th anniversary of the opening of Portugal's first hypermarket, marking the beginning of a journey defined by innovation, scale and an unwavering commitment to serving our customers. Over the past four decades, we have evolved from a single-format grocery retailer into a diversified retail business spanning multiple store formats, channels and services, while expanding our presence beyond grocery into health and beauty.

Celebrating 40 years of the first Continente hypermarket



2025 marked another milestone for our business, with the opening of 13 new supermarkets, bringing our total grocery retail network past the landmark of 400 stores nationwide. This expansion was driven primarily by MC's convenience format, Continente Bom Dia, strengthening our leadership in the convenience segment and bringing us closer to our customers.

Expanding our food footprint – Continente's 400-store milestone



We achieved market leadership in fresh products for the first time, an important milestone for our business. This breakthrough was driven by years of sustained investment in assortment quality, sourcing excellence and in-store execution, supported by a strong operational focus across our fresh categories.

Leading in fresh products



Investing in AI-powered and data-driven decision making

Building on our digital transformation agenda, we further strengthened our data-driven decision-making capabilities through advanced analytics and AI-enabled tools. A key application of this approach was the optimisation of in-store space and assortment, with more than 50 categories and around 30,000 SKUs reviewed during the year using AI-driven algorithms developed by our Centres of Excellence.

Championing innovation and quality



Private label performance strengthened further in 2025, supported by continued investment in quality and innovation. More than 500 new products were launched during the year, enhancing the offering across key categories. Private label revenues exceeded €1 billion for the first time, with Continente driving further share gains in the segment while reinforcing its leadership position.

Operational highlights

Grocery

Improving access through our omnichannel offering

We strengthened our omnichannel value proposition in 2025 by extending quick-commerce operating hours across selected locations and launching our first 24-hour store in Albufeira, Algarve. We also expanded our Click & Go service to 215 locations, further broadening customer access across Portugal.



We continued to enhance the in-store experience across key store formats, making shopping easier and more enjoyable for customers. A redesigned bakery concept was rolled out across more than 80% of our stores, improving their look and feel and enhancing the customer experience. We also strengthened our takeaway and foodservice proposition by broadening the assortment and optimising in-store layouts. This included the opening of 17 new Cozinha Continente locations and the expansion of our ready-to-eat offer.

Improving the in-store food experience for customers



We further expanded and diversified our offer in 2025 to better serve an increasingly diverse customer base, enhancing choice and relevance across our store network. This included the expansion of our Espaço Brasil concept, a dedicated space for Brazilian products, to additional stores. We also introduced PIX, a Brazilian instant payment platform, in Braga and Lisbon. Taken together, these initiatives reflect our commitment to democratising access to a broader and more relevant assortment, supporting a more inclusive and differentiated shopping experience for Portugal's evolving society.

Serving a more diverse consumer base



Launched at the end of 2025, Combina is a cross-sector discount programme developed with NOS and Galp, bringing together leading brands in grocery retail, fuel, energy and telecommunications. Through Cartão Continente, customers can access discounts across these services and build balance on their card through everyday spend.

Meeting more everyday customer needs through loyalty



Building international commercial partnerships

In 2025, a commercial partnership was agreed with Majid Al Futtaim (MAF) Group, a UAE-based conglomerate operating Carrefour stores across the Middle East, under which selected bazaar products are supplied to its retail network. The agreement extends our international commercial reach and enhances the visibility and recognition of our private label among leading retailers outside Portugal.



Operational highlights

Health and beauty

We opened the largest Wells flagship store in Chiado, one of Lisbon's most prominent retail locations. The store reflects the continued evolution of the Wells brand, combining modern design and technology to enhance the customer experience and strengthen its position in the specialist beauty segment.



In 2025, we celebrated Wells' 15th anniversary, marking an important milestone in our journey to become a trusted partner in health, beauty, and optics for Portuguese families. With more than 300 stores nationwide, we remain committed to democratising access to these essential products and services.

Celebrating 15 years of Wells



We significantly expanded our health and beauty store network, opening 33 Druni, 1 Arenal, and 8 Wells stores, surpassing the 800 stores landmark in 2025. A key milestone was the physical expansion of Druni into Portugal, with the opening of its first stores in Porto, Almada, Braga, and Viseu, further strengthening our health and beauty presence across the Iberian Peninsula.

Surpassing 800 stores in Iberia

Opening of a new Wells flagship store in Lisbon



Reflecting Wells' strong positioning in the optics business, the segment delivered solid growth during the year, supported by the opening of 10 new stores featuring this concept and taking the network to more than 200 points of sale, including 23 standalone stores. The introduction of remote optics services further enhanced the offer, increasing convenience for customers and making it easier to access specialist eye care.

Expanding our optics footprint and reach

Building brand relevance in the beauty segment



For the first time, Wells was recognised as the top-of-mind brand in the beauty segment — a landmark achievement reflecting its growing relevance, strength, and connection with Portuguese consumers.

Operational highlights

Sustainability



Our Plug & Charge electric vehicle charging network continued to expand strongly in 2025, doubling both charging stations and transactions compared to the previous year, while nearly tripling energy supplied. With charging available across 170 stores nationwide, this expansion reinforces our commitment to sustainability and to transforming our store network into destinations that go beyond grocery.

Playing a leading role in the transition to electric mobility

We were once again recognised by the Carbon Disclosure Project (CDP) for our efforts in climate action, being included in the prestigious A-List for global leadership in transparency and performance. We also achieved leadership level in the Water and Forest categories, reflecting our approach to the responsible management of water resources and raw materials associated with deforestation risks.

Leading on climate action and transparency



Embedding circularity in private label packaging



2025 marked the completion of our commitment to ensuring the recyclability of all private label packaging, a key milestone that accelerated action, mobilised the organisation and strengthened our efforts across the value chain.

We were recognised by IEFP as an Inclusive Employer Brand in 2025, reflecting recruitment practices that supported a 300% increase in the hiring of talent with disabilities. Alongside this, we continued our "Inclusive store for unique people" project, expanding it to an additional store and reinforcing our commitment to inclusion and customer experience.



Developing an inclusive culture

Supporting healthier habits in schools

Through Escola Missão Continente, we reinforced our commitment to the school community in 2025 with the launch of the "Dá mais gosto ir à escola" competition, supporting the renovation of nine school spaces in public pre-school and primary schools. The initiative contributes to creating environments that promote healthy eating habits and children's wellbeing.



Financial performance

In 2025, we delivered another year of solid financial and operational performance, supported by continued investment in a competitive, high-quality customer proposition within a demanding market environment. Turnover reached €8,868 million, representing a 16% increase compared to 2024, and an 8% growth on a comparable store basis, reflecting positive momentum across both our food and health and beauty retail segments.

In food retail, we further strengthened our market leadership in Portugal, supported by our continued commitment to delivering a distinctive, modern and customer-focused offer. Despite a challenging market environment, characterised by intense competitive dynamics, increased promotional activity, and rising operating costs, we delivered a robust performance throughout the year.

Our health and beauty business also maintained strong momentum, delivering double-digit growth across Wells, Druni and Arenal. Continued expansion across Portugal and Spain took our network beyond 800 stores across Iberia, reflecting the growing strength of our multi-banner portfolio. As part of this growth, Druni established its physical presence in the Portuguese market with the opening of its first store in Porto, followed by three additional openings before year-end.

EBITDA reached €955 million, equivalent to 10.8% of turnover, representing an increase of 0.7 percentage points compared with 2024. This performance was supported by sustained sales growth and the continued implementation of efficiency initiatives, helping to mitigate cost pressures while maintaining competitiveness.

Net income from continuing operations attributable to shareholders amounted to €271 million, reflecting the resilience and consistency of our operating performance.

Depreciation and financial expenses evolved as expected, while income tax moved in line with business growth.

Our free cash flow reflected the strength of our operations while supporting continued investment in future growth. Capital expenditure totalled €338 million, primarily directed towards the opening of 13 grocery stores and 42 health and beauty stores, as well as the refurbishment of 49 stores across both businesses. Investment also supported store modernisation, energy efficiency initiatives and digital transformation, strengthening our customer offer and long-term competitiveness. During the year, we also completed a payment of €28 million related to the acquisition of Druni, reflecting both the agreed earn-out and the final purchase price adjustment.

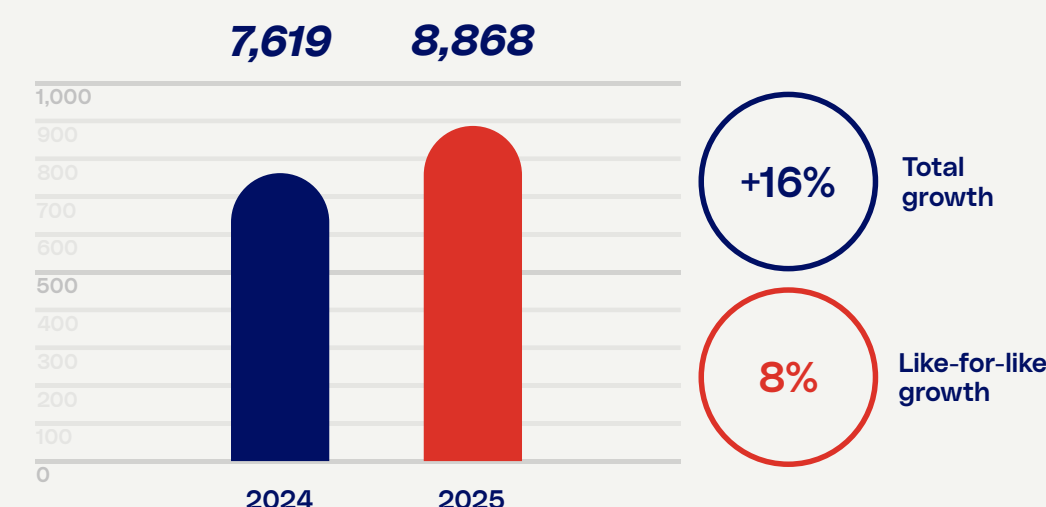
In real estate, our freehold ratio in Portugal remained broadly stable compared with the previous year.

We maintained a balanced capital structure, ending the year with net debt of €2,153 million (financial debt of €645 million) and a net debt-to-EBITDA ratio (post-IFRS 16) of 2.3x, comfortably below the 3.0 threshold. During the year, we also distributed €189 million in dividends to shareholders.

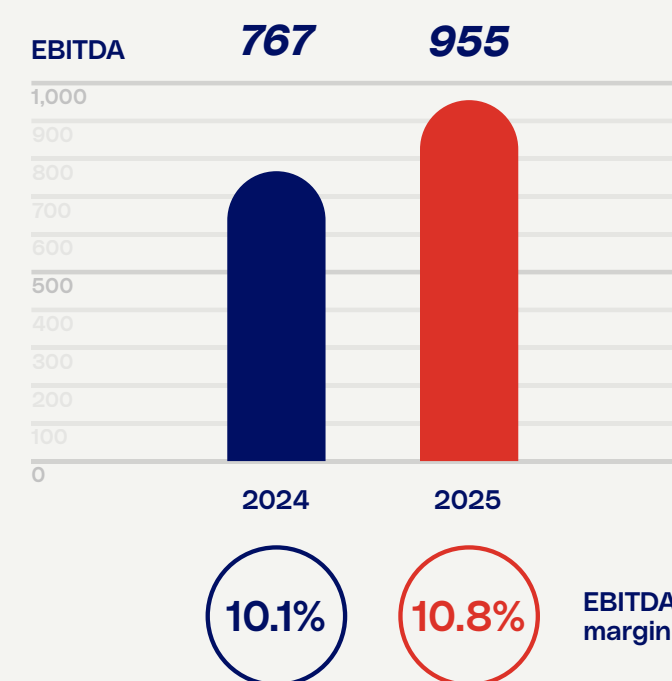
We ended 2025 with an average debt maturity of more than five years, following a number of refinancing transactions completed on attractive terms. These actions contributed to a lower cost of debt and an improved maturity profile. Sustainable financing remained a priority, with Green, ESG-linked and related instruments continuing to represent a significant share of our long-term debt.

Looking ahead, we will continue to invest in the expansion and modernisation of our store network while driving sustainable growth, improving efficiency and reinforcing our leadership position across Iberia.

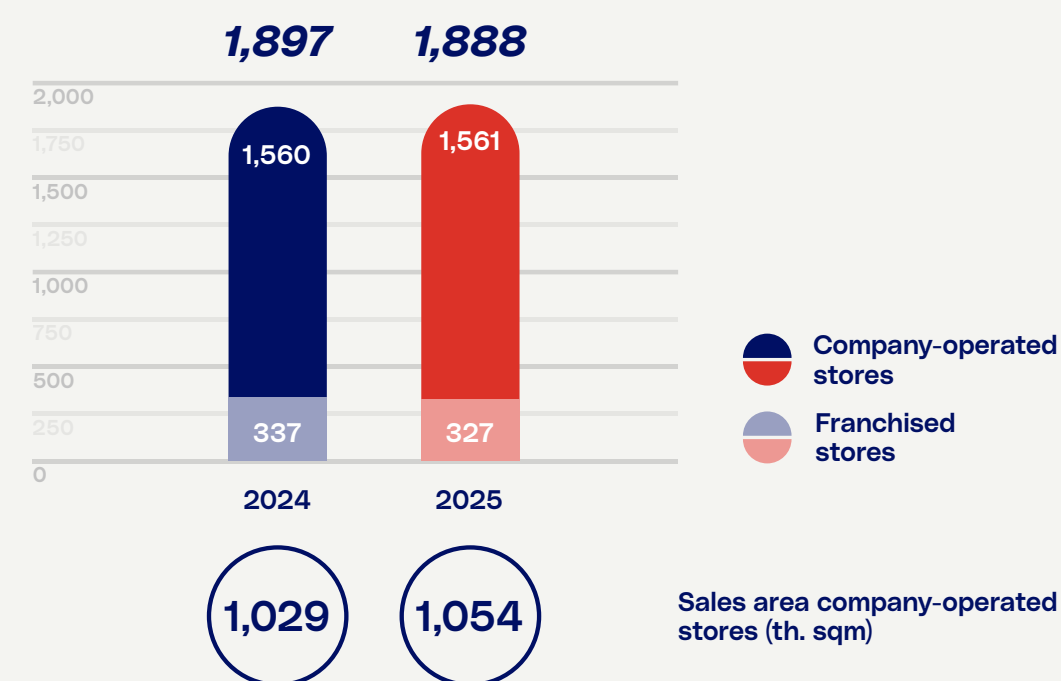
Turnover
(€M)



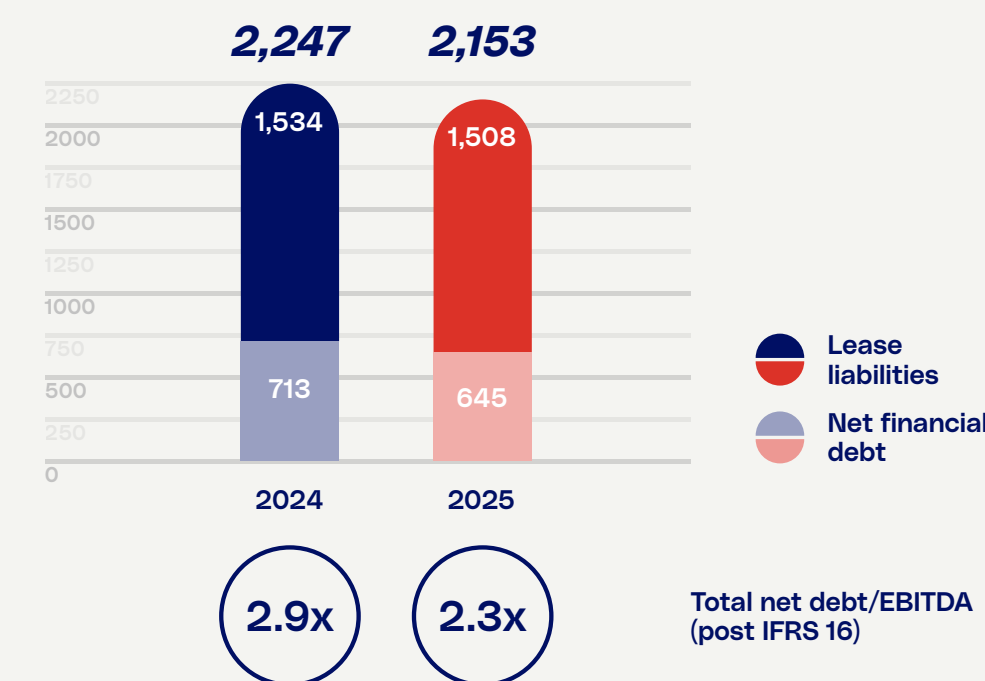
EBITDA
(€M)



Store network
(no.)



Total net debt
(€M)





Business *overview*

MC's history



CONTINENTE

Opening of the first hypermarket in the country, Continente Matosinhos



wells

Opening of MC's first health and beauty format store



CONTINENTE bom dia

Launch of MC's proximity format



note

Launch of Note, a stationery, books and gifts banner



arenal

Acquisition of a majority stake in Arenal, a health and beauty retailer operating in Northern Spain

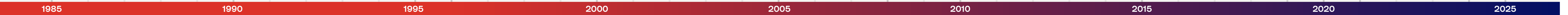


DRUNI

Establishment of a partnership with Druni, Spain's largest health and beauty retailer, through which MC acquired a 50% stake in the business, including Arenal

CVC CAPITAL PARTNERS

CVC's acquisition of an approximately 25% stake in MC



Expansion in grocery retail

CONTINENTE modelo

Opening of the first large supermarket banner



CONTINENTE ONLINE

Launch of the grocery e-commerce operation



Launch of the Continente Card loyalty programme



Acquisition of Carrefour's PT portfolio



Introduction of proximity franchised stores

Cozinha CONTINENTE

Launch of Cozinha Continente, MC's banner for in-store ready-meals and foodservices



Note: Non-exhaustive

MC's portfolio

Built on more than four decades of experience, we have grown from Portugal's first hypermarket into one of the leading retailers in grocery, health and beauty across the Iberian Peninsula.

Our strength lies in our ability to serve customers wherever, whenever and however they choose to shop. Through our omnichannel and multi-format approach, we help customers meet their everyday needs.

- **Grocery retail**

MC's grocery retail portfolio encompasses multiple formats, including Continente (urban hypermarkets), Continente Modelo (large supermarkets), Continente Bom Dia (proximity supermarkets), Continente Online (e-commerce platform) and Meu Super (franchise proximity stores). Together, these formats ensure extensive nationwide coverage through strategically located stores in high-traffic areas, complemented by a strong and growing digital channel.

Alongside our core grocery offer, we operate a portfolio of specialised concepts designed to meet a wider range of customer needs and occasions. note! provides stationery, books and gifts services, and Cozinha Continente and Bagga target foodservice and out-of-home dining. Together, these concepts strengthen our ability to serve customers beyond traditional grocery missions and throughout their daily routines.

In 2025, we completed the sale of ZU, MC's specialised pet care banner, to Musti Group, also part of the Sonae Group, bringing together complementary pet care businesses under a single owner. This transaction creates opportunities for greater scale and operational synergies, supporting future growth and long-term value creation.

- **Health and beauty retail**

In health and beauty, we operate a leading multi-banner platform across Portugal and Spain through Wells (health, beauty, and optics), Arenal (health and beauty) and Druni (health and beauty). All three banners are supported by strong digital channels, enabling us to serve customers seamlessly across physical and online touchpoints.

Through a network of over 1,500 company-operated stores across the Iberian Peninsula, strengthened by well-established digital operations, our portfolio underpins a distinctive and fully integrated value proposition. This ecosystem reinforces our leadership in both grocery and health and beauty retail, while reflecting our dedication to meeting the evolving needs and expectations of Portuguese and Spanish households.



Grocery retail

CONTINENTE

Urban hypermarkets
41 Stores

CONTINENTE
modelo

Large supermarkets
138 Stores



Franchise proximity stores
281 Stores
meusuper.pt

CONTINENTE
bom.dia

Proximity supermarkets
212 Stores

CONTINENTE
ONLINE

E-commerce platform
215 Click & Go collection points
continente.pt

Complementary businesses

note!

Stationery, books and gifts services
92 Stores
noteonline.pt

Cozinha · **B·A·G·G·A**
CONTINENTE

Restaurants and food services
160 establishments

Health and beauty retail

wells

Health, beauty, and optics
310 Stores
wells.pt

DRUNI

Health and beauty
447 Stores
druni.pt; druni.es

arenal

Health and beauty
79 Stores
arenal.com

Note: Non-exhaustive illustration; the number of stores refers to company-operated stores only, excluding franchised stores (except for Meu Super). Data as of 31 December 2025.



For more information, please visit:
mc.sonae.pt/en/history

Trends & challenges

Macroeconomic perspective

2025 unfolded against a backdrop of global complexity. Geopolitical tensions persisted, the conflict in Ukraine remained at a stalemate, a ceasefire in the Middle East offered tentative signs of stability, and policy shifts under Donald Trump's new US administration introduced further uncertainty to an evolving geopolitical and economic landscape. The imposition of new tariff measures, including those targeting the European Union, added pressure to global trade flows, even as some bilateral agreements provided partial relief. Simultaneously, investment in Artificial Intelligence accelerated at a remarkable pace, driving gains in tech valuations while also amplifying concerns around market volatility and the broader implications for the global economy.

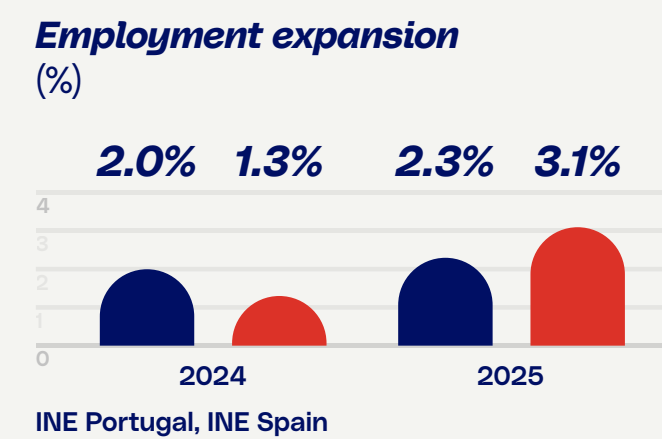
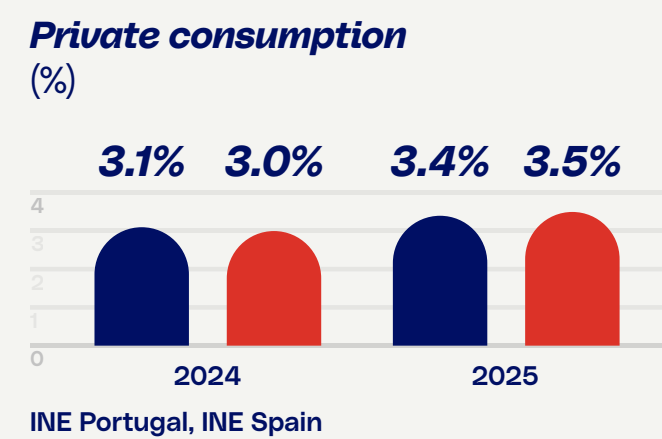
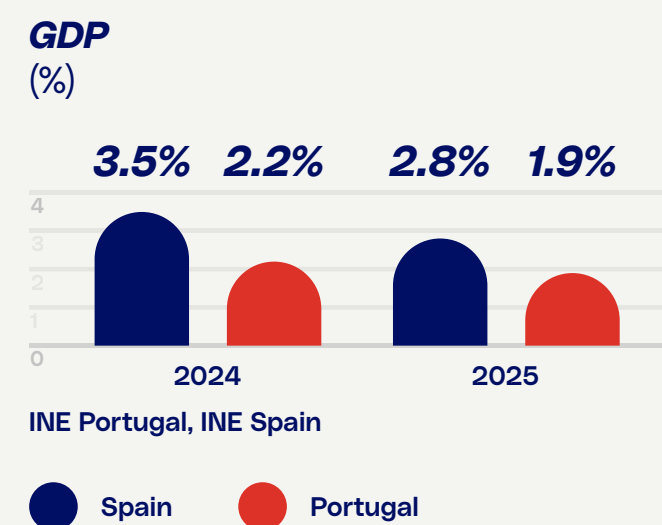
Amid this international environment, major economies followed divergent paths. In the Euro Area, the European Central Bank brought its rate-cutting cycle to a close as inflation stabilised and growth gradually recovered, underpinned by resilient domestic demand, strong private consumption, and a robust labour market.

In Portugal, economic activity expanded by 1.9% in 2025, driven by a 3.5% rise in private consumption. This robust performance was supported by a dynamic labour market, with employment growing by 3.1%, sustained in part by

continued immigration flows. The combination of wage growth, government support measures, and moderate inflation led to a meaningful increase in household disposable income, strengthening purchasing power and underpinning consumption growth.

Spain delivered an equally compelling performance, with GDP expanding by 2.8% in 2025, establishing the country as one of the Euro Area's most significant engines of growth. As in Portugal, domestic demand was the main driver, with private consumption rising 3.4% amid a resilient labour market. Employment grew by 2.3%, and the unemployment rate continued its downward trajectory. Household disposable income evolved favourably, investment recovered momentum, and the export sector delivered a stronger performance than that recorded in Portugal.

In summary, despite the persistence of an international environment characterised by uncertainty and geopolitical complexity, 2025 emerged as a year of consolidation for Europe's economic recovery. The Iberian economies stood out as significant contributors to regional growth, reflecting their underlying resilience and the strength of their domestic foundations.



Retail sector dynamics

Consumer behaviour

How retailers are responding

Convenience missions

Consumers are increasingly shifting towards smaller baskets and more frequent shopping trips, driven by a continued preference for convenience and proximity.

Store formats are more focused on frequent, convenience-led shopping missions, alongside growing demand for ready-to-(h)eat solutions.

Price/quality awareness

Consumers remain highly focused on value for money, with continued demand for a stronger balance between quality and price.

Driving value perception through competitive pricing, enhanced customer benefits, loyalty incentives and stronger private label propositions.

Technology and automation

Growing demand for seamless, digitally enabled shopping experiences across both online and in-store channels.

Leveraging AI and digital innovation to optimise operations, inventory, and personalised promotions, thereby enhancing the overall shopping experience.

Healthier lifestyles

A rising focus on preventive, holistic health and wellbeing reflects consumers' increasing emphasis on long-term quality of life, driving demand for products and services that support these needs.

Improving in-store product placement, expanding the range of healthier products and services, and adapting communication strategies accordingly.

Sustainability as a core priority

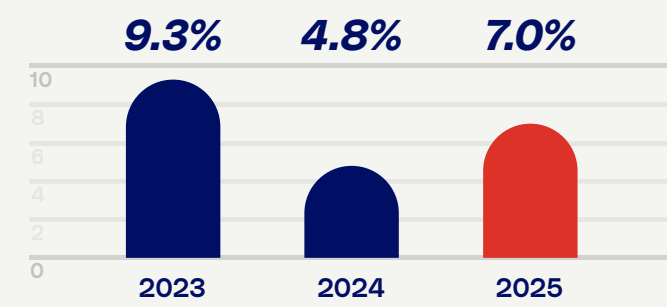
Environmental considerations are increasingly influencing purchasing decisions, with growing preference for sustainable products, ethical sourcing and reduced packaging.

Promoting transparency across social and environmental impacts throughout the value chain, while encouraging more responsible and sustainable consumption.

Trends & challenges

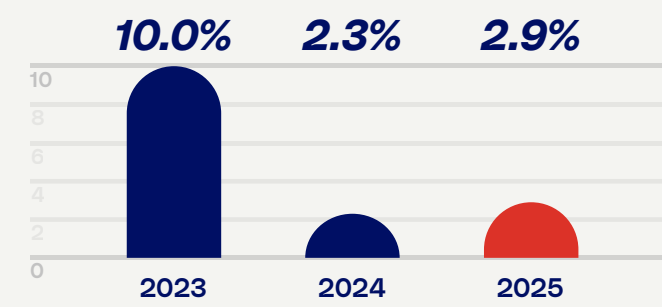
Grocery retail sector

Grocery retail sales growth
(%, annual nominal rate)



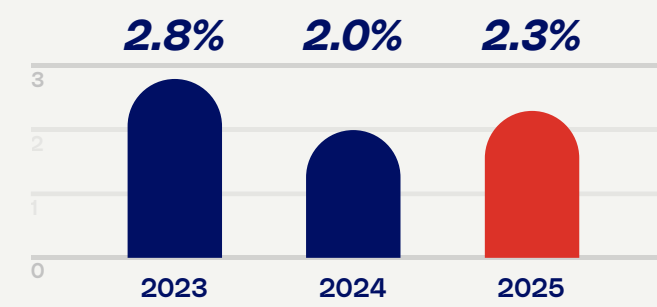
Euromonitor

Inflation rate for food products and non-alcoholic beverages (%)



INE Portugal

Gross sales area
(%, real annual variation)



Nielsen adjusted with retailers' disclosed data

In 2025, the Portuguese grocery retail sector delivered robust outperformance, characterised by strong volume growth that significantly outpaced the broader economy. Households navigated a moderately higher food inflation environment, with value and promotions taking centre stage. This led to more fragmented shopping patterns, with customers spreading their purchases across more retailers. Private label products continued their steady ascent, gaining relevance across all key categories, while shopping behaviour shifted further towards more frequent trips and smaller basket sizes.

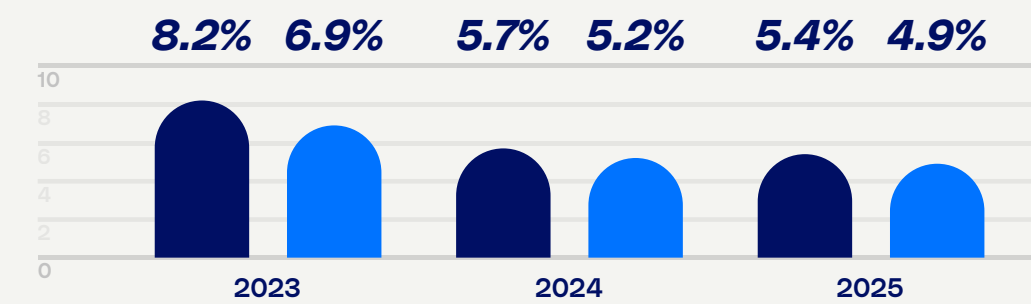
On the demand side, a tight labour market and rising minimum wages provided meaningful support to household budgets, sustaining overall expenditure levels and reinforcing the resilience of consumer spending throughout the year.

To strengthen customer retention, major players reinforced their loyalty ecosystems and maintained intense promotional activity. The market remained highly competitive, with significant investment directed towards store refurbishments and the expansion of proximity formats, reflecting the growing and structural consumer appetite for convenience.



Health and beauty retail sector

Health and beauty retail sales in Iberia growth
(%, annual nominal rate)



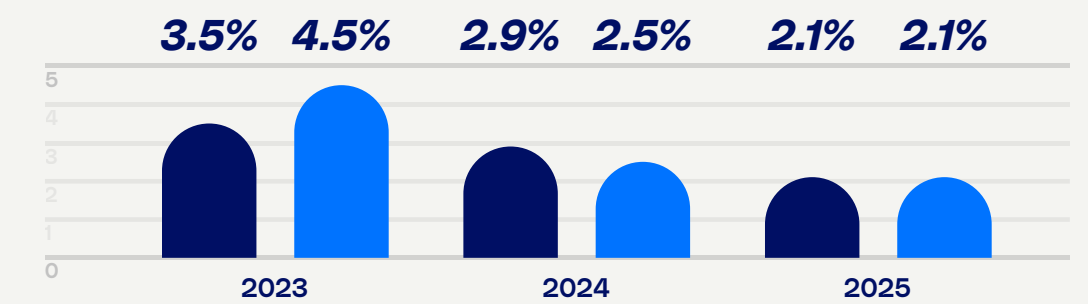
Euromonitor, DBK

● Spain ● Portugal

In 2025, the Iberian health and beauty retail sector delivered strong growth, outperforming the broader economy, supported by a balanced contribution from price and volume.

Demand was characterised by consumers increasingly integrating health, beauty, and optics into a more unified lifestyle, with boundaries between product segments becoming less distinct and increasingly fluid. Global trends and accelerating innovation cycles, particularly in beauty, further shaped this dynamic. Optics continued to establish itself as a fashion-led category, while interest in holistic health

Health and beauty inflation rate
(%)



MC estimation based on Euromonitor data

and wellness solutions gained further traction. Digital channels remained central to this evolution, driving discovery through social commerce and raising expectations for personalisation and seamless omnichannel experiences.

On the supply side, competitive intensity persisted, driven by continued network expansion, the growing weight of online channels and ongoing value dynamics across the market. In this context, retailers expanded their propositions into additional categories to address increasingly holistic consumer needs, strengthening relevance and customer engagement.



Trends & challenges

Strategic priorities

Grocery



To expand our store network, with a particular focus on proximity formats, while modernising our store portfolio and enhancing our digital platforms, delivering convenient, high-quality and increasingly integrated omnichannel experiences to our customers.

To deliver a distinctive and accessible value proposition that is recognised and valued by our customers. This is supported by enhanced personalisation through our loyalty programme and digital capabilities, a value-led promotional strategy, superior fresh product quality, and a modern food solutions portfolio.

Accelerated growth

Customer focus

Health and beauty



To strengthen and expand our presence across the Iberian Peninsula through continued investment in new store openings and the ongoing development of our e-commerce platform, while enhancing the awareness and positioning of Wells, Druni and Arenal.

To reinforce and continuously modernise our store network, strengthening our presence in high-potential segments such as optics and beauty to meet evolving customer needs, while enhancing our e-commerce value proposition and deepening customer engagement through loyalty and personalised experiences.

The strategic value drivers are supported by three enterprise-wide corporate pillars:

Digital transformation

- To deliver seamless and engaging shopping experiences across physical and digital touchpoints, incorporating AI and digital capabilities to enhance personalisation and operational efficiency, strengthening competitive differentiation in an increasingly digital marketplace.
- To leverage technology, automation, and advanced analytics to anticipate customer needs, enhance decision-making, and drive operational excellence.

People

- To foster an inclusive and inspiring work environment that empowers people and supports long-term organisational success.
- To strengthen the ability to attract, develop, and retain top talent, ensuring the critical skills needed to thrive in a dynamic and competitive market.

Sustainability

- To position the Group as a benchmark for sustainability in the retail sector by embedding responsible environmental and social practices across the value chain.
- To enable customers to make informed and responsible choices by delivering clear information and improving access to products and services that support healthier and more sustainable lifestyles.



Sustainability

Our commitment to sustainability

At MC, we are guided by a clear purpose: to create long-term value built on respect for People, the Communities we serve, and the Planet we share.

Sustainability is therefore a strategic pillar embedded across our business model and value proposition, rather than a

short-term response to current challenges. Recognising the impact of our operations throughout the value chain, we take responsibility to act with ambition and a long-term perspective, serving as a catalyst for the transformation required within the food system. This is reflected in our efforts to align our supply chain with the most critical sustainability priorities and

best practices, promote greater transparency, and encourage more sustainable consumption patterns, while building an increasingly resilient, responsible, and future-fit business.

At the same time, our commitment to People and Communities remains central to this journey. We continue to

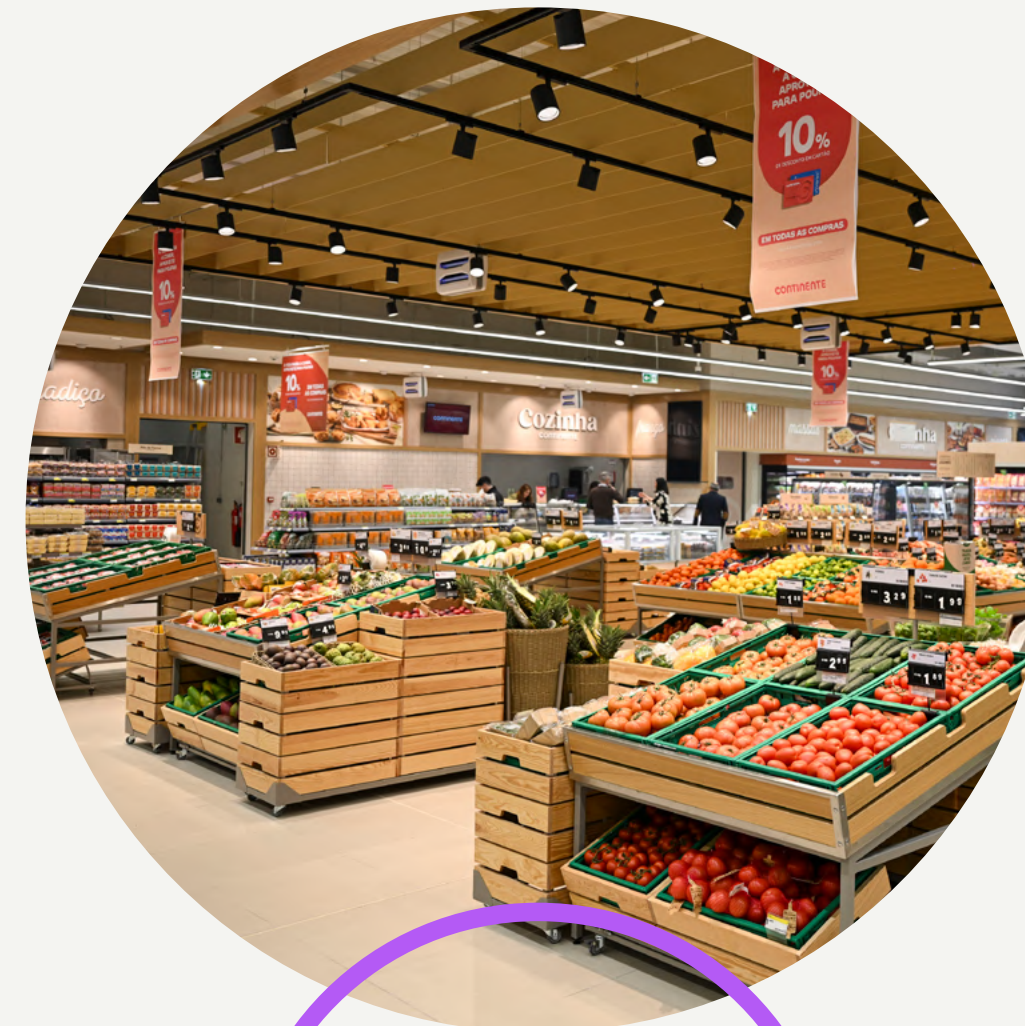
invest in the development, safety, and wellbeing of our teams, fostering inclusive, safe, and future-ready workplaces. In parallel, we strengthened our contribution to the communities where we operate, supporting those most in need, working closely with social partners, and actively contributing to initiatives that generate meaningful social impact.

Our approach is structured around four pillars



Planet

Climate action
& Circularity



Products

Sustainable production
& Responsible offering



People



Communities

Planet

Climate action

Ambition

To decarbonise and adapt our operations in line with the 1.5°C scenario;

Lines of action

- Promote the eco-efficiency of operations;
- Invest in the production and acquisition of renewable energy;
- Ensure the retrofit and replacement of cooling centres;
- Reduce emissions associated with logistics and accelerate the electrification of transportation;

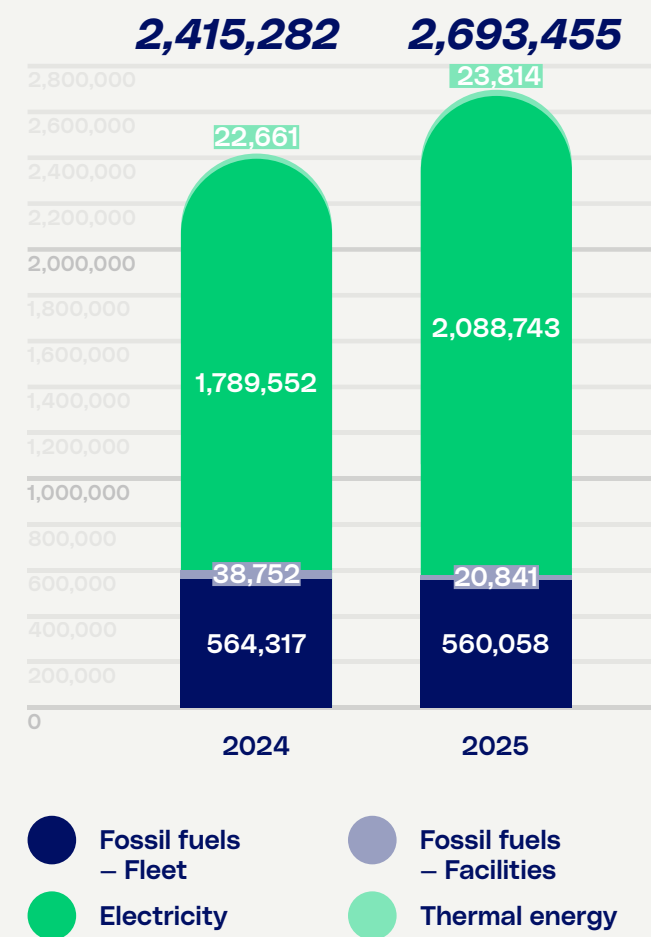
Targets

- Reduce greenhouse gas emissions from operations by 51% compared to 2022 levels, by 2032;
- Achieve carbon neutrality in operations by 2040.

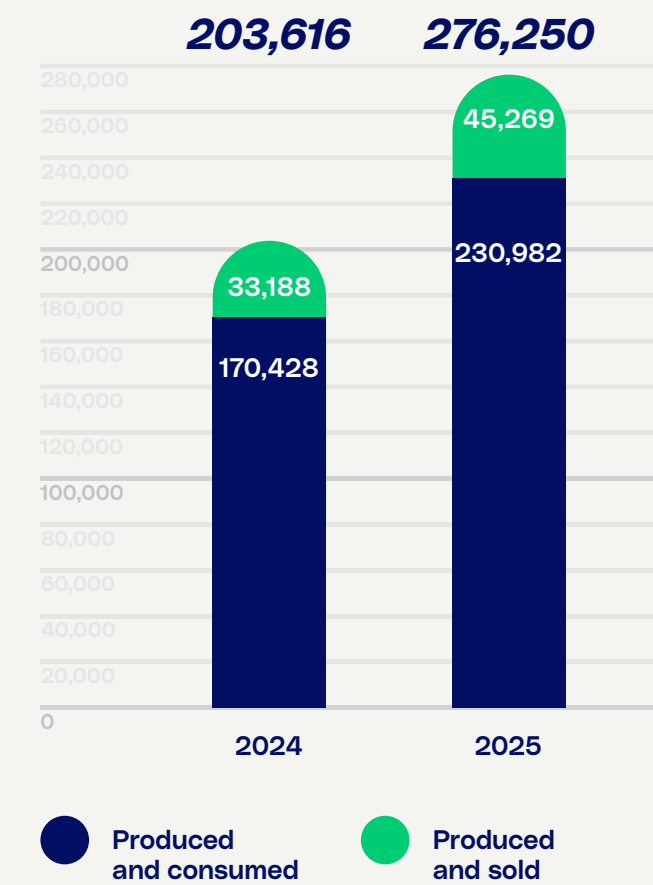
2025 performance

- Total energy consumption reached 2,693,455 GJ, an increase of 11.5% compared to 2024, reflecting our strong growth and the expansion of new services. Nonetheless, a 4.2% reduction in energy consumption per sales area was observed compared to 2024, reflecting continued improvements in energy efficiency.
- Renewable energy production reached 276,250 GJ, representing an increase of 35.7% compared to 2024, driven by continued investment in decarbonising our energy mix, particularly through expanding local renewable electricity generation.
- In a scenario of strong growth, our greenhouse gas (GHG) emissions decreased by approximately 7% compared to the previous year and by 24% compared with our 2022 baseline. Since 2018, we have reduced emissions by 47%. This sustained progress reflects our strong commitment to the Climate Action agenda.
- We were once again recognised by the Carbon Disclosure Project (CDP) for our efforts in climate action, earning a place on its prestigious A-List, which recognises companies with the highest performance and level of transparency globally in this area.

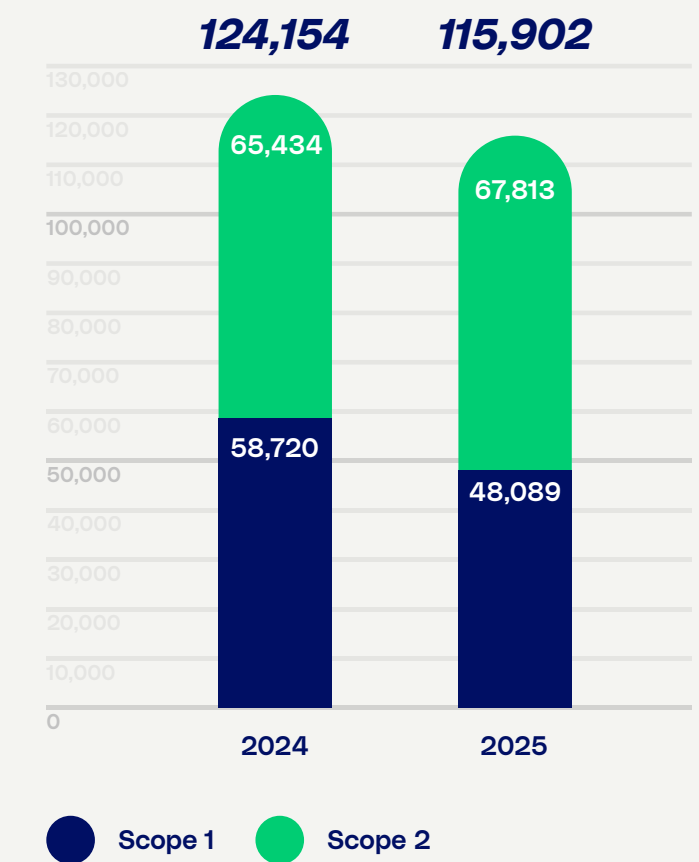
Energy consumption per source (GJ)



Renewable energy produced (GJ)

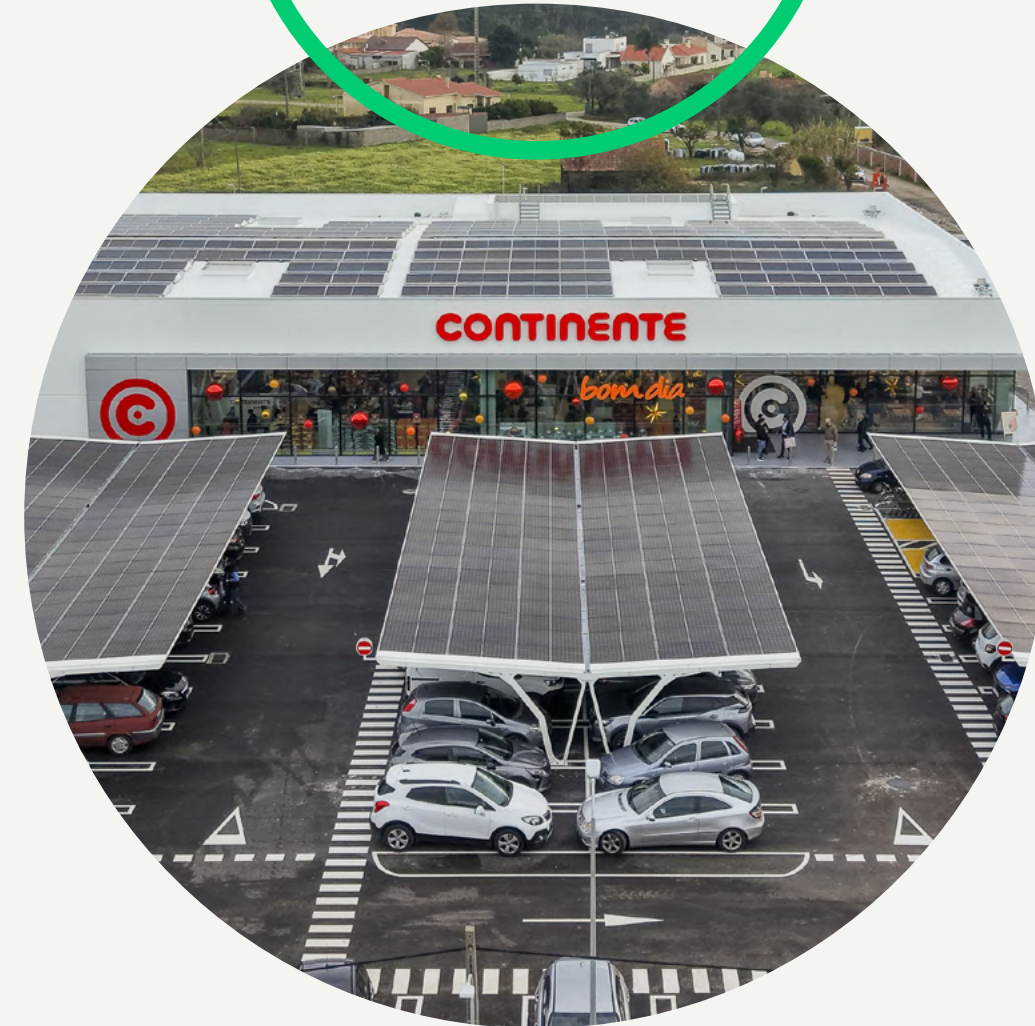


Own GHG emissions per scope (t CO₂e)



Key initiatives

Investment in renewable energy



In 2025, we continued to expand our photovoltaic park, installing new plants in stores that did not yet have this solution, where infrastructure conditions allowed. The park reached approximately 75 MWp, representing a 12% increase compared to 2024, in line with higher consumption of locally generated energy in stores.

Reduction of emissions in logistics and transport electrification



In 2025, we continued the electrification of our light vehicle fleet. By year end, our fleet reached 568 electric vehicles, representing a 144% increase compared to 2024, and reducing diesel consumption associated with this segment by more than 50%.

We also continued to expand our Plug & Charge network, consolidating its position as one of the largest in the country. By the end of 2025, the network included 739 charging points across 170 stores, doubling its capacity compared to 2024.

Within logistics operations, and in a context where large-scale decarbonisation solutions are not yet widely available, we continued to focus on operational optimisation as our primary means of reducing emissions. Initiatives included optimising routes, improving vehicle load factors, and reducing kilometres travelled.

Upgrading of cooling centres

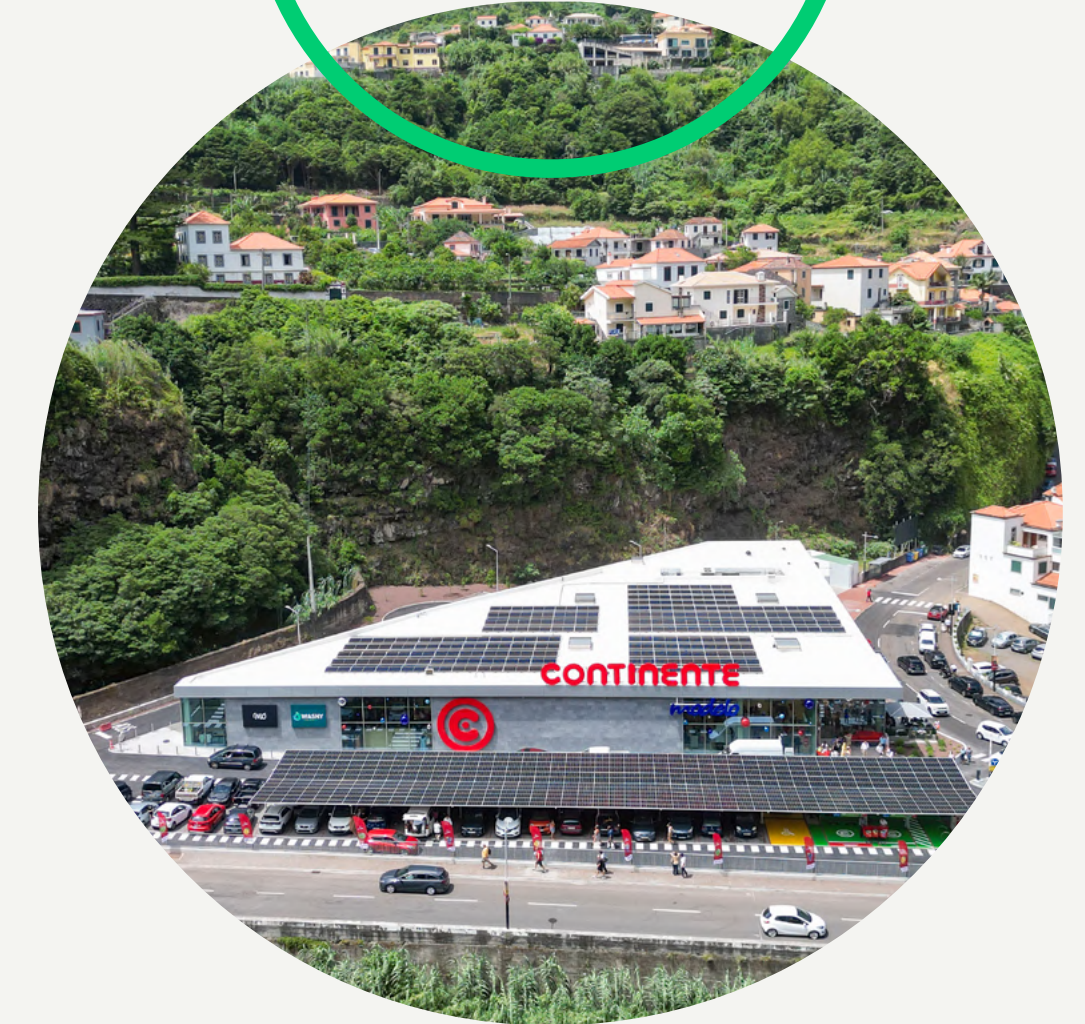


The transition of cooling centres is one of the key pillars of our decarbonisation roadmap, given the impact of emissions resulting from leaks of fluorinated gases with high global warming potential.

In this context, we continued to implement a structured plan to upgrade cooling centres towards solutions that use CO₂ as a refrigerant. In 2025, this strategy was implemented through 29 refurbishments.

This investment resulted in a 60% reduction in emissions associated with fluorinated gases compared to 2024.

Energy innovation



In 2025, we continued to invest in the implementation of innovation pilot projects, with the aim of testing emerging solutions, assessing their real impact on operations and generating critical knowledge to support future scalability decisions.

Under the European POCITYF project, Continate Évora acted as a pilot site for the implementation of advanced energy storage and management solutions.

In parallel, a pilot Energy Communities project was developed in Madeira, focused on testing new collaborative energy models.

Planet

Circularity

Ambition

To guide our actions towards greater efficiency in resource consumption and strengthen circularity;

Lines of action

- Ensure the development of more sustainable packaging solutions;
- Promote the creation of circular products and services;
- Strengthen initiatives to combat food waste in operations;
- Optimise waste collection and sorting systems to enhance material recovery and reintegration into the supply chain;

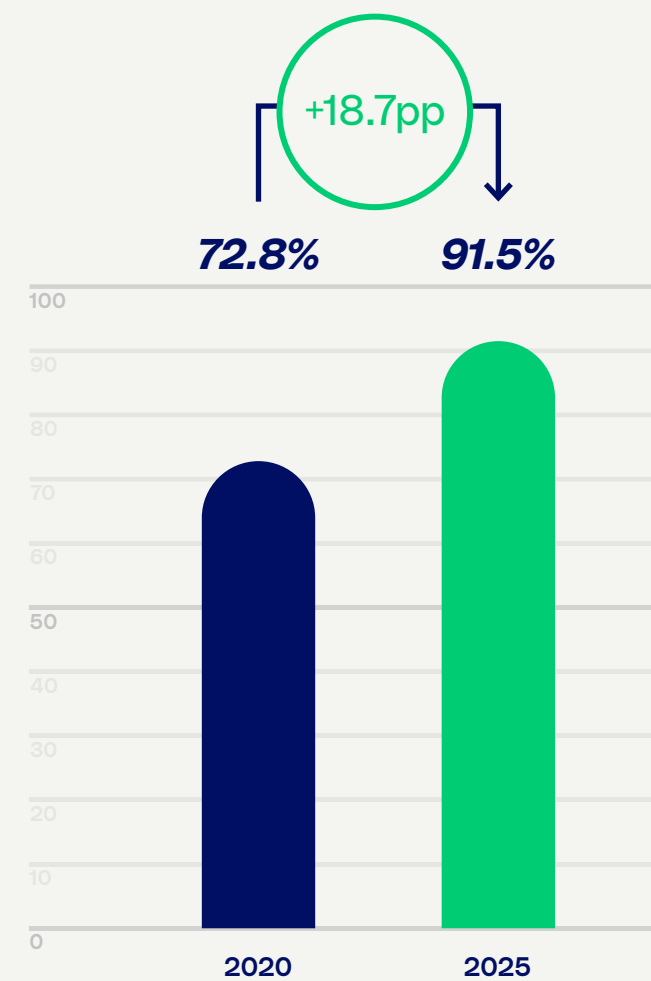
Targets

- Ensure that all private label packaging will be recyclable, compostable, or reusable by 2025, incorporating an average of 30% recycled material;
- To reduce food waste from our operations by 50% compared to 2020, by 2028.

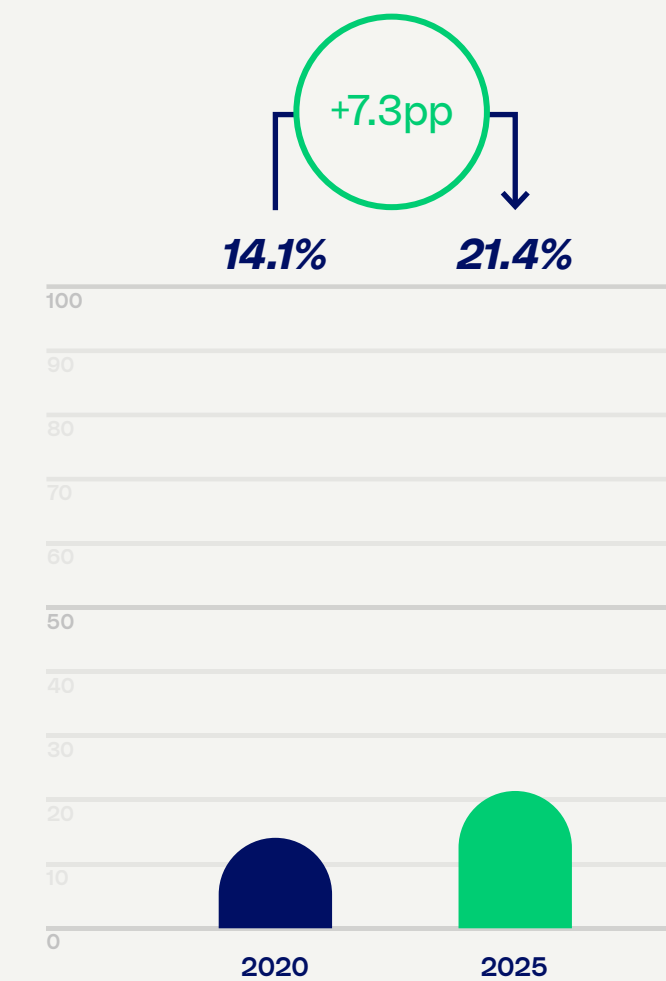
2025 performance

- We concluded 2025 with a recyclability rate of 95.8% for mapped private label packaging, considering the different types of materials and in accordance with our recyclability matrix. In the specific case of plastic packaging, the recyclability rate of the mapped footprint reached 91.5%, and the recycled content incorporation rate reached 21.4%.
- Food waste in operations fell 25% compared to 2020, reflecting the consolidation of implemented practices.
- Mechanisms to accelerate product outflow and the surplus donation programme made it possible to avoid approximately €86 million in food waste, representing an increase of €10.3 million compared to 2024.
- The waste recovery rate from operations reached 86%, reflecting the strengthening of recycling pathways and other forms of waste recovery.

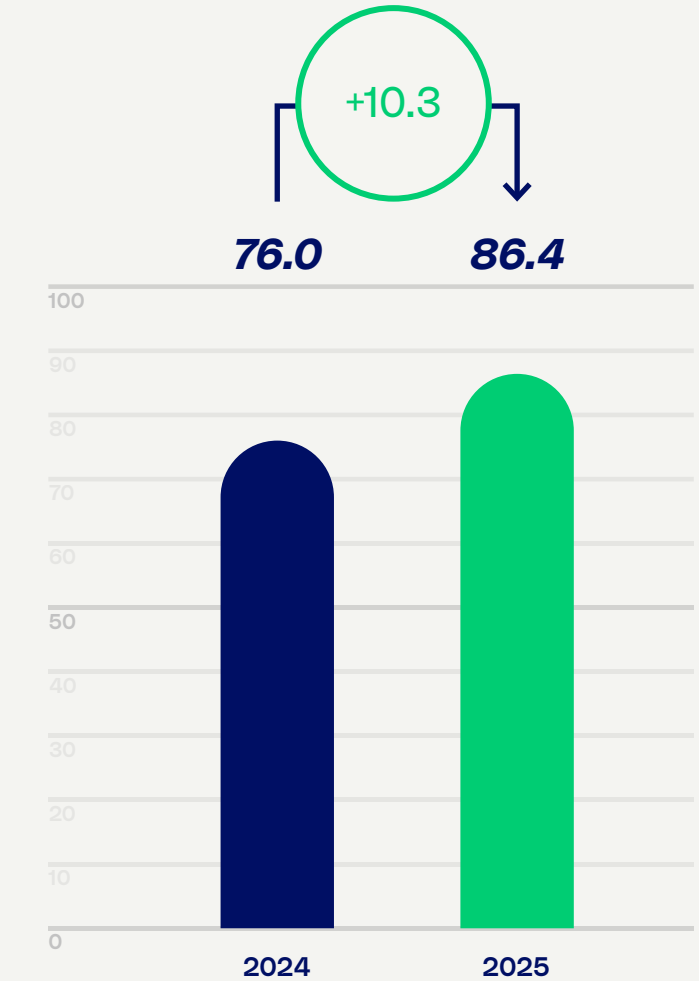
Plastic packaging recycling rate (%)



Plastic packaging recycled content incorporation rate (%)



Food waste avoided (€M)



Key initiatives

More sustainable packaging solutions



Under the motto “There is a new way to deliver that considers packaging throughout its entire life cycle”, our Packaging Policy guided the work of our teams in achieving the ambition of ensuring that all packaging would be recyclable by 2025 — a defining target that mobilised the organisation and reinforced the necessary efforts across the entire value chain.

In 2025, we achieved a recyclability rate of 91.5% for mapped plastic packaging, a result particularly influenced by the industry’s response in developing solutions for flexible packaging and by the maturity of collection and sorting systems, which are essential to ensure the recovery and upcycling of certain types of packaging.

This result emphasised that the path towards sustainability is built collaboratively, based on a process of learning and continuous improvement. The message “failure was only the beginning” reflects the renewed commitment to continue testing innovative solutions and accelerating progress towards increasingly circular models.

Development of circular products



In 2025, we continued to expand our refill assortment, particularly across our hygiene and beauty segments, offering an increasingly wide range of options to customers, who have shown a growing receptiveness to this format. Through MyLabel and Skinerie, the private label brands of Continente and Wells, respectively, we introduced additional refill options for everyday products, including shower gel, body cream, body lotion, and cleansing oil.

This evolution reflects our commitment to more sustainable consumption models, promoting the reuse of packaging and the reduction of waste generation.

Continente Ecospot



We continued to make recycling easier and more convenient for our customers through Continente Ecospot. These dedicated spaces bring together collection points for waste streams that are often difficult to recycle, including coffee capsules, cork stoppers, batteries and light bulbs.

Ecospots are also designed to accommodate Deposit Return System (DRS) machines and seasonal collection campaigns, such as school notebook recycling during the back-to-school period, making it easier for customers to recycle a wider range of materials.

In 2025, customers deposited 1,121 tonnes of materials through Continente Ecospots.

Combating food waste in the supply chain



Preventing and reducing food waste remains a key priority, and we continue to work closely with producers and partners to maximise the value of surplus food.

The Zero Waste range, launched in 2023, valorises fruit and vegetables with minor imperfections, without impacting quality, and included 18 products in 2025.

Through the Clube de Produtores Continente Food Waste Fair, we continued to bring together producers, industry, retailers and researchers to develop innovative circular solutions that help prevent food waste.

We also developed a sauerkraut sauce using surplus Portuguese vegetables through the fermentation of cabbage and macroalgae. In total, 500 kg of vegetables were recovered, preventing unnecessary food waste.

Products

Sustainable production

Ambition

To encourage the adoption of production practices with a low environmental footprint and promote respect for human rights throughout the supply chain;

Lines of action

- Evaluate the extent to which the value chain is exposed to environmental, social and governance (ESG) risks;
- Promote the implementation of programmes supporting the adoption of more sustainable practices;
- Monitor and track supplier performance;

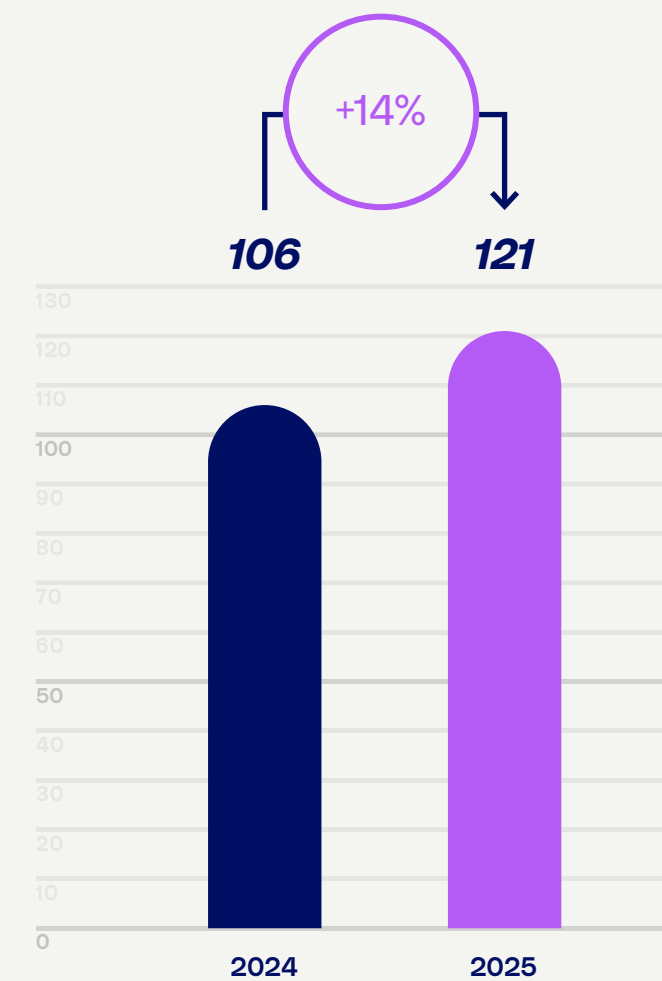
Targets

- Ensure zero deforestation associated with critical raw materials;
- Reduce greenhouse gas emissions in the supply chain by 31% compared to 2022, by 2032.

2025 performance

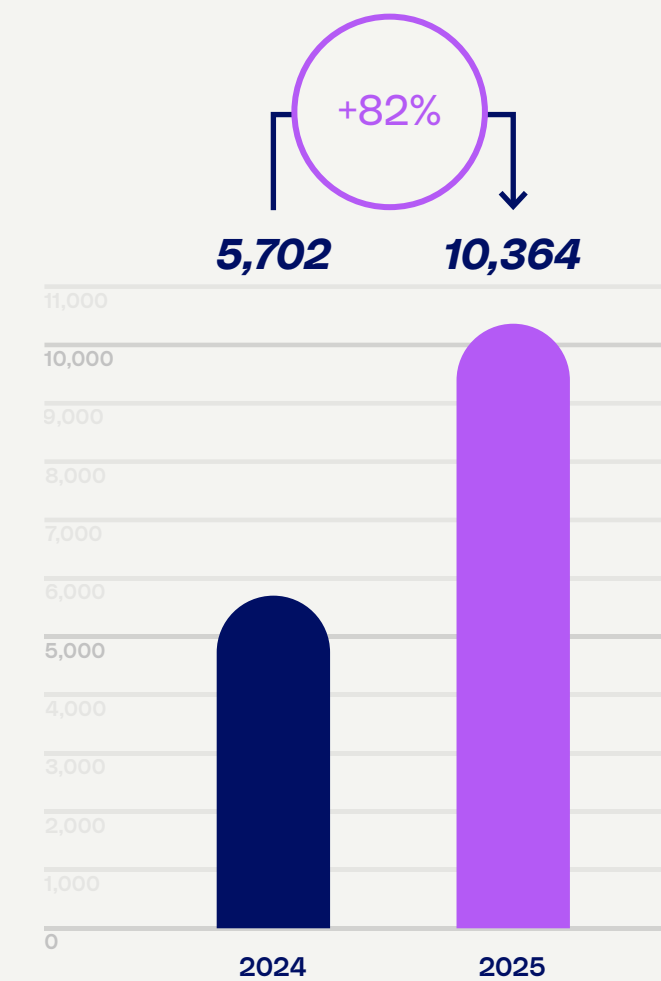
- The “Sustainability Declaration” of the Clube de Produtores Continente (CPC), launched in 2021, already includes 119 producers, reflecting the sector’s growing commitment to responsible production practices. Additionally, within the scope of programmes promoted by the CPC Academy, 10,364 hectares were monitored and/or subject to intervention, and 121 producers were trained.
- We concluded the year with 263 supplier qualifications and follow-up audits conducted. During these audits, a set of requirements related to quality, ethics, environment, hygiene and safety in factories, human rights, labour rights, among others, are verified.
- The carbon intensity of our purchasing basket (emissions per purchasing volume) decreased by 9% compared with 2024.
- For the second consecutive year, we achieved CDP Leadership status for our approach to managing deforestation-related raw materials, recognising our continued progress in responsible sourcing and deforestation prevention.

Producers trained through the CPC Academy (no.)

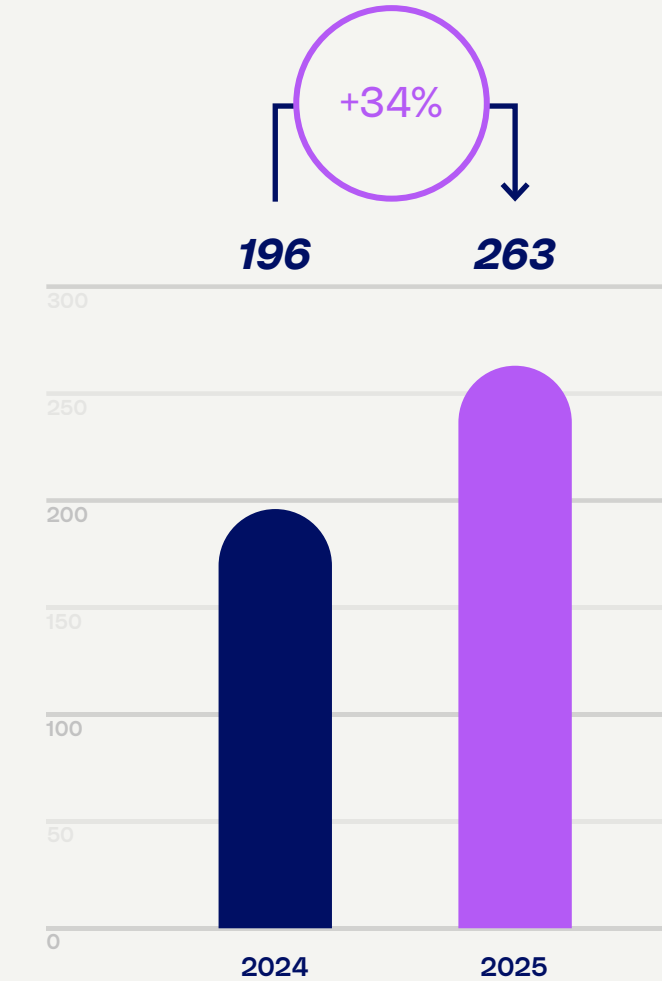


Note: Cumulative number

Hectares monitored and/or intervened under CPC programmes (ha)

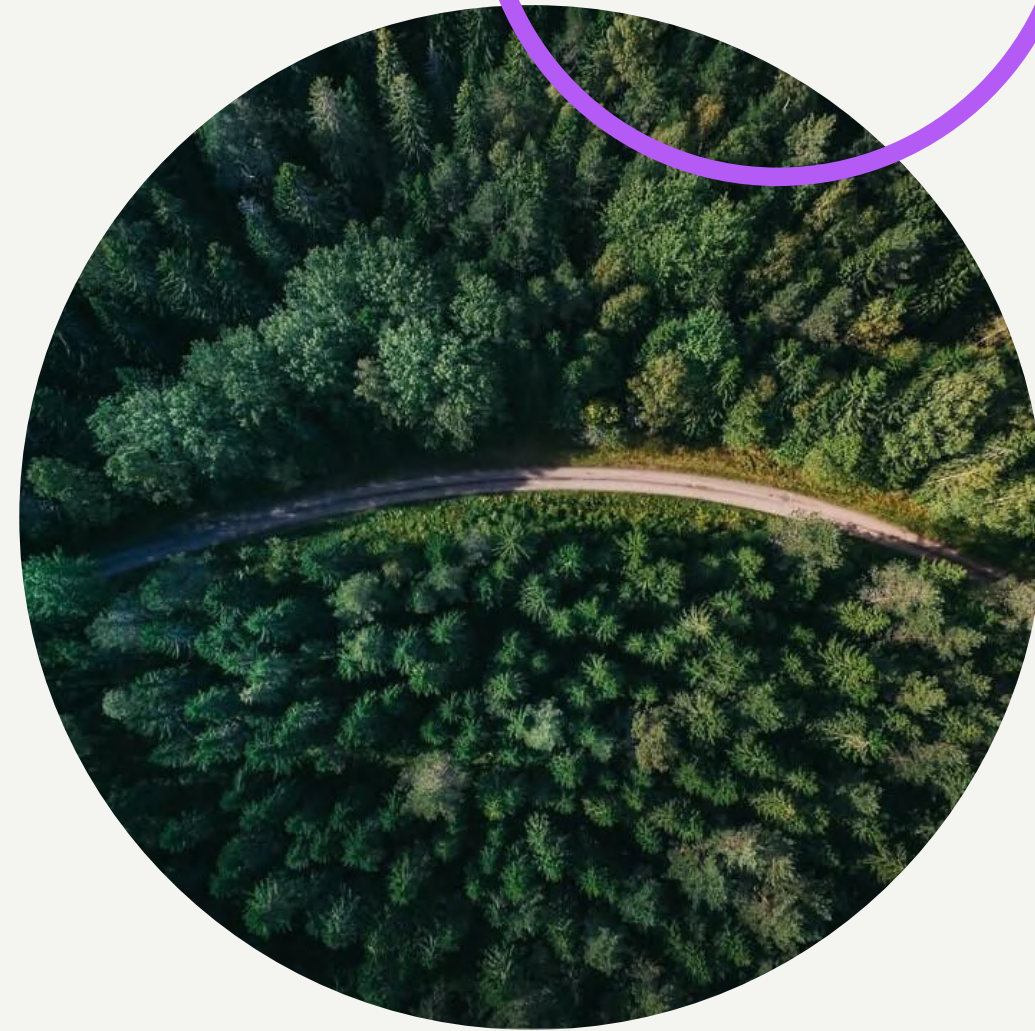


Supplier qualification and follow-up audits (no.)



Key initiatives

Assessing the exposure of the value chain to ESG risks



In 2025, we strengthened our commitment to a deforestation-free supply chain by enhancing our traceability systems and implementing an integrated platform to support compliance with the European Deforestation Regulation (EUDR).

We also strengthened our approach to managing social risks in the supply chain. In partnership with Ethikos, we launched a programme to support the integration, regularisation and development of migrant agricultural workers. The programme includes training initiatives and a recruitment guide for CPC producers to help promote responsible employment practices.

Regenerative Agriculture and Free from Pesticide Residues Programmes



Within the framework of promoting more sustainable and resilient agricultural practices, CPC has fostered several initiatives and partnerships aimed at reducing the environmental impact of production, restoring ecosystems and supporting the development of high-quality national products.

The Regenerative Agriculture Programme, developed in partnership with ZERYA, supports producers in adopting practices tailored to the specific characteristics of each farm and includes independent audits. It currently covers 1,891 hectares and involves 16 producers, nine of which are already certified.

In parallel, the Free from Pesticide Residues Programme, also established in partnership with ZERYA, ensures the production of national fruit and vegetables without pesticide residues for Continente stores, promoting efficient use of resources, emissions reduction and high food safety standards, involving 61 producers and 3,881 hectares.

Restoration and valorisation of the Portuguese forest



Protecting and restoring Portugal's forests remains an important part of our climate strategy. Through a range of partnerships and community initiatives, we continue to support ecosystem restoration and biodiversity.

Alongside our participation in the Sonae Forest Project, which helps offset emissions from our light vehicle fleet, we also support initiatives such as Green Cork, Cadernão and Pi'Antar Bag. These programmes encourage tree planting, restore native ecosystems and engage customers in reforestation efforts.

Together, these initiatives contributed to the reforestation of approximately 158 hectares of forest in Portugal during 2025.

Products

Responsible offering

Ambition

To gradually democratise access to a healthier and more sustainable basket;

Lines of action

- Expand the range of balanced food products, organic products, plant-based products, as well as products with certification for animal welfare and responsible fishing;
- Promote the implementation of campaigns to encourage responsible consumption;
- Facilitate consumer choices for healthier and more sustainable options;

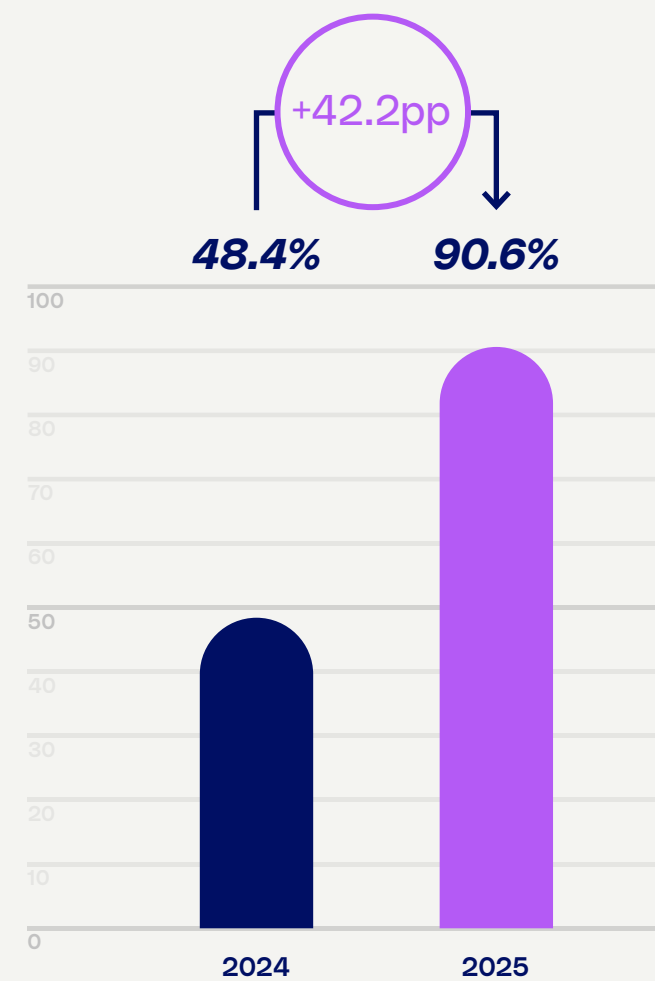
Targets

- Enhance the availability and assortment of more sustainable and healthier products, enabling consumers to make informed choices.

2025 performance

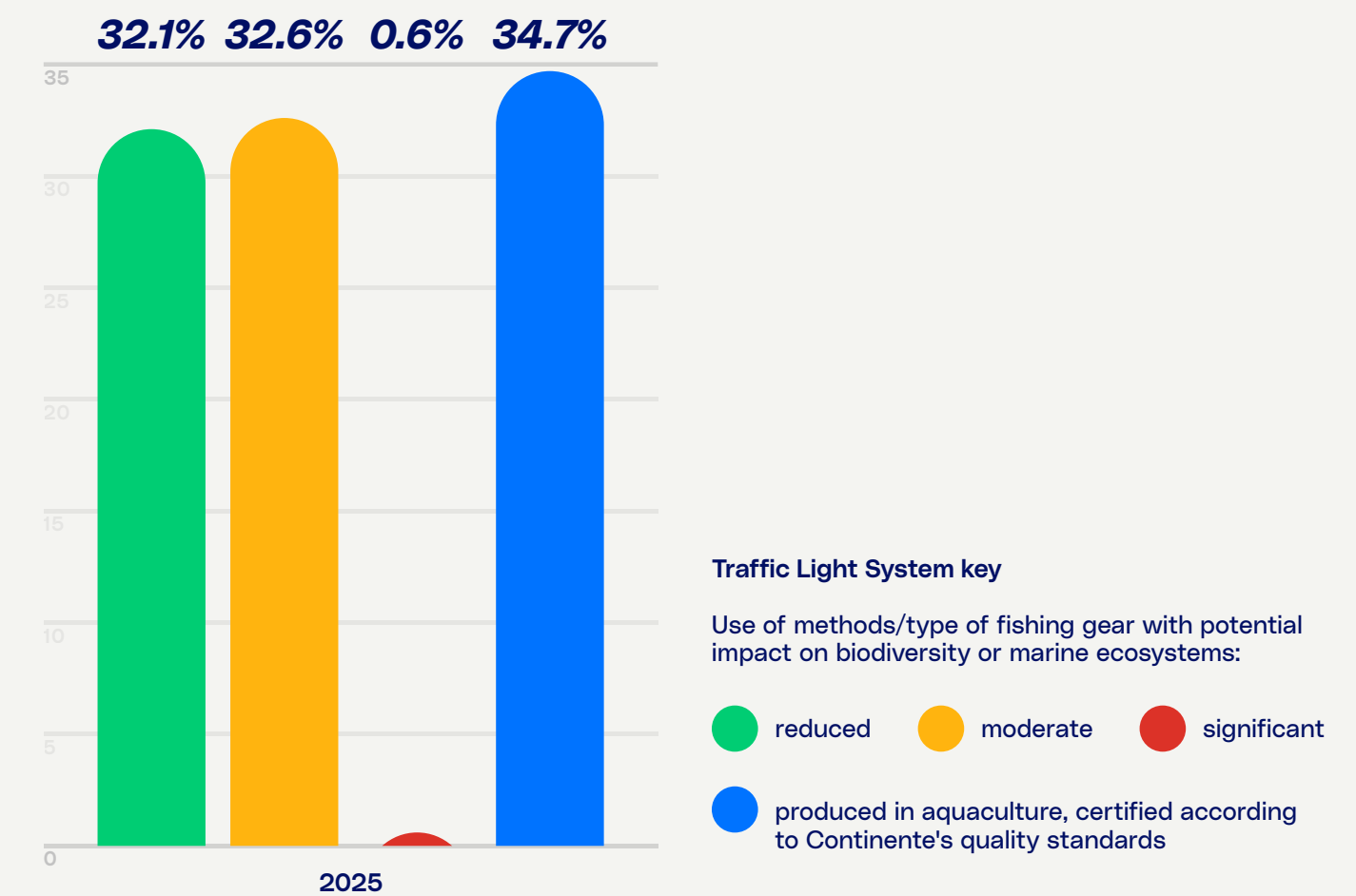
- We continued our product reformulation programme, applying rigorous nutritional criteria to 722 products during the year. This reduced the annual content of sugar by 1,679 tonnes, salt by 135 tonnes and saturated fat by 554 tonnes.
- By the end of 2025, 96% of our Meat & Poultry purchasing volume was covered by recognised animal welfare certification, a significant improvement on the previous year. These certifications assess animal welfare standards using scientifically recognised criteria.
- We further increased the proportion of fish sourced from aquaculture or more sustainable fishing methods. Our sourcing decisions are guided by our Traffic Light System (TLS), which assesses the sustainability of fish based on factors including the environmental impact of different fishing methods.

Animal welfare certification of Continente Meat & Poultry Products (% volume of meat purchase)



Note: As of 2025, MC includes products with recognised animal welfare certification within the scope of this indicator, even if such certification is not communicated commercially on the product.

Fishery purchase volume (%)



Traffic Light System key

Use of methods/type of fishing gear with potential impact on biodiversity or marine ecosystems:

- reduced
- moderate
- significant
- produced in aquaculture, certified according to Continente's quality standards

Key initiatives

Facilitating healthier and more sustainable choices



In 2025, we continued to use our Sustainable Choices platform to assess the environmental impact of food products using indicators including carbon footprint, biodiversity, water consumption and land use. Today, the platform covers our entire fresh food and private label food range, helping us identify priority areas for improvement.

We also developed a new communication approach to make sustainability information clearer and more accessible for customers. As part of this, we launched a pioneering product classification system in Portugal for our private label brand range, helping customers make more informed choices for both their health and the environment.

Based on the HowGood methodology, products are assessed against transparent criteria and identified as having a Low Carbon Footprint or Simple Composition where applicable.

Nutrition and functionality

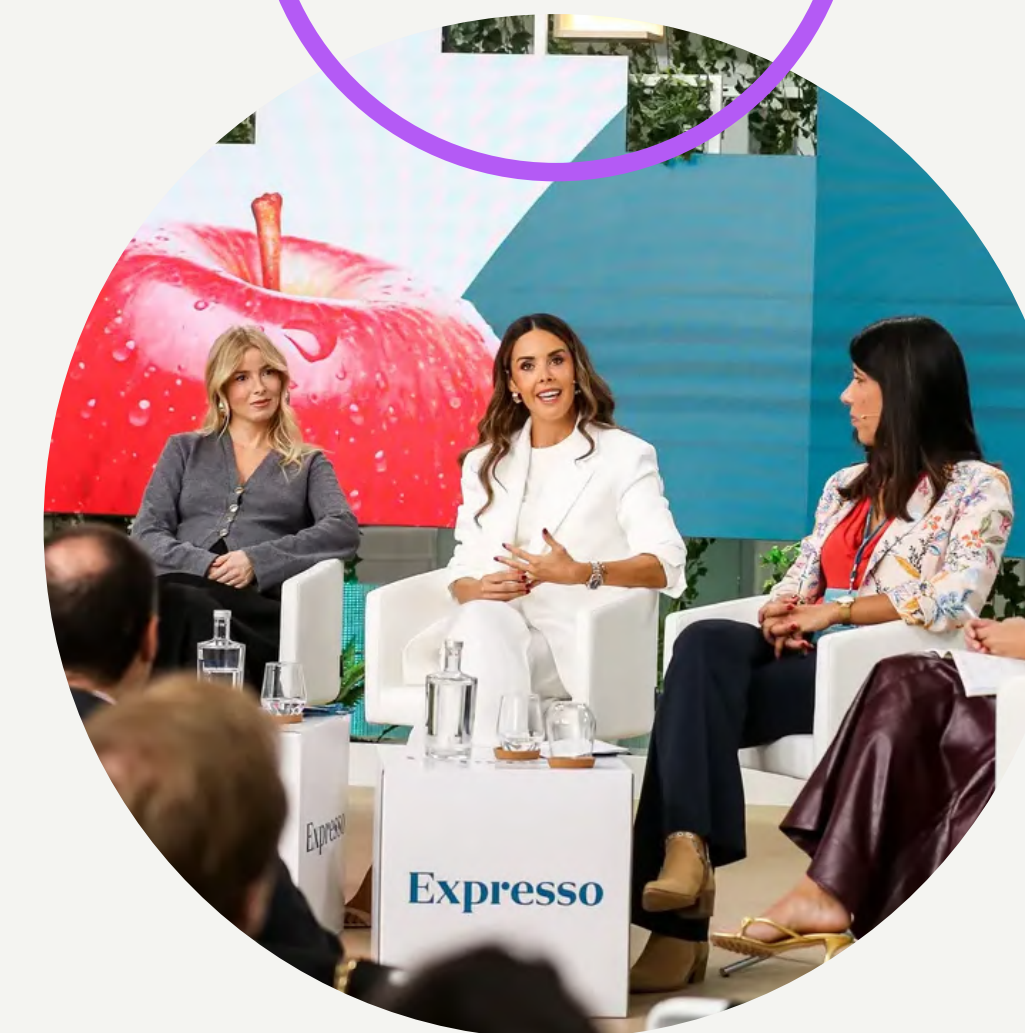


The expansion of the range in 2025 focused on three main strategic areas: infant nutrition, functional products and practical solutions for meals and breakfast.

In this context, Cozinha Continente launched a new range of Functional Meals, developed in collaboration with chefs and nutritionists, with specific well-being benefits, including digestive health, strengthening of the immune system, vitality, focus and support for muscle mass development.

These solutions were designed to respond to consumer needs, offering convenient, accessible options oriented towards the promotion of long-term health.

Promoting responsible consumption



Throughout the year, we continued to promote healthier eating, nutrition and sustainability through our customer communications, helping customers make more informed and responsible choices.

This approach seeks not only to strengthen transparency and trust in the brand, but also to contribute to food and environmental literacy, valuing collaboration with experts, health sector entities and institutional partners, in alignment with our commitments undertaken across the value chain.

Within this context, on World Food Day, Expresso, with the support of Continente and the Portuguese Nutrition Association, hosted a conference on the challenges of promoting healthy eating habits. The event highlighted the importance of collaboration in enabling more informed and balanced food choices.

People

Ambition

To foster a culture that empowers people to learn continuously, lead with confidence, feel supported and belong;

Lines of action

- Develop our people by investing in continuous learning, internal mobility and career development opportunities;
- Promote wellbeing by fostering flexibility, diversity, equity and inclusion to create an environment where people can thrive;
- Lead with proximity by fostering collaborative and empowering leadership that inspires, supports and unlocks team potential;
- Build with boldness by encouraging innovation, sustainability and social responsibility to challenge the status quo and shape a better future;

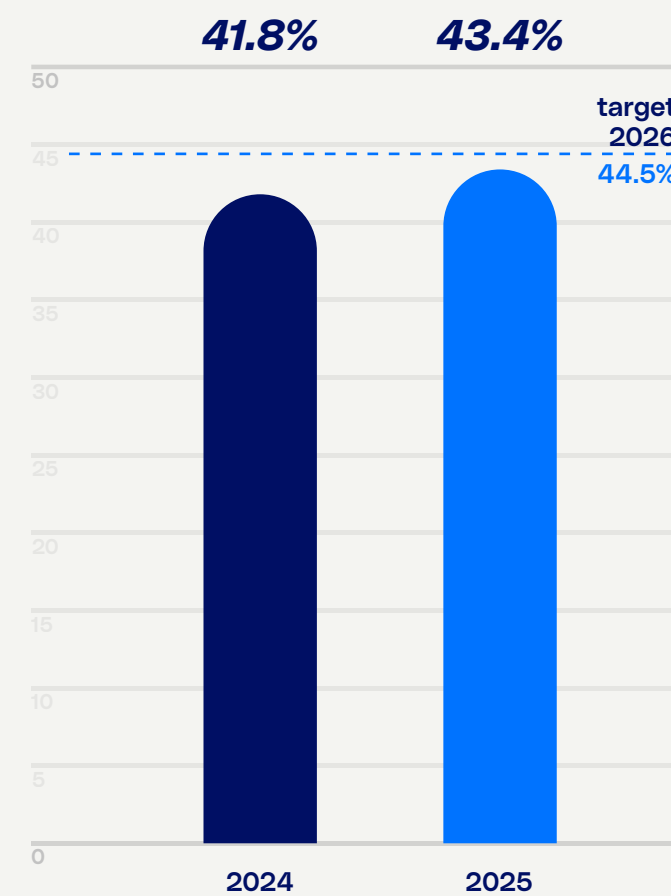
Targets

- Become the employer of choice by developing future-ready talent, empowering leaders, promoting wellbeing and fostering an inclusive culture.

2025 performance

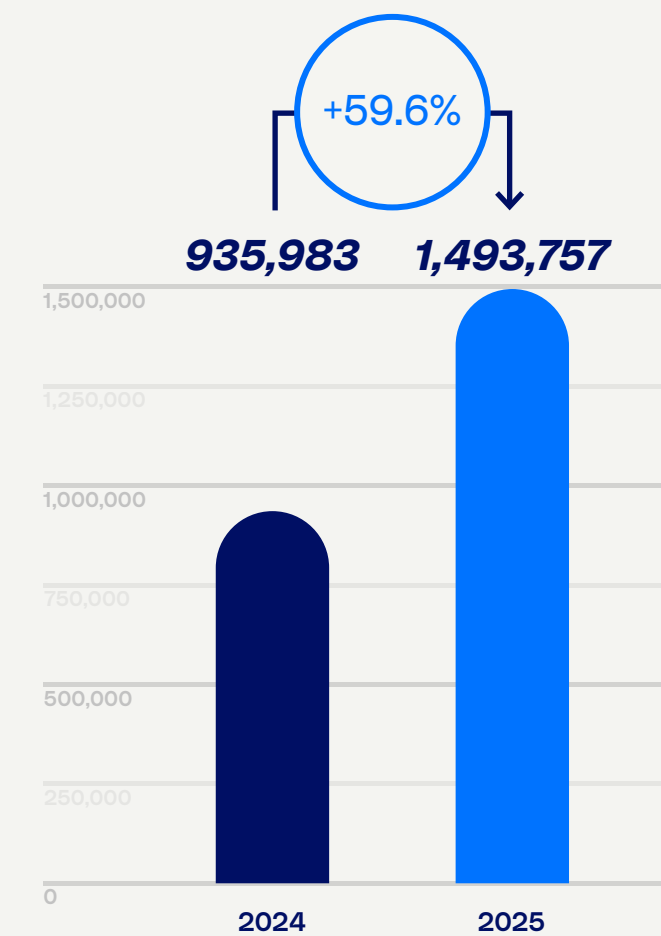
- We significantly expanded learning and development opportunities across the organisation, delivering almost 1.5 million hours of training. Leadership development programmes and enhanced recruitment processes further strengthened organisational capabilities and internal growth.
- Around €3 million were invested in improving working conditions through projects focused on ergonomics, safety and operational efficiency, complemented by initiatives supporting physical, mental and emotional wellbeing. We trained 100% of leadership in Mental Health First Aid, under an initiative promoted by the World Economic Forum, reflecting the growing relevance of this topic and making MC the first company in Iberia to join this commitment.
- We were recognised by IEFP as an Inclusive Employer, reflecting our continued progress in creating equal opportunities. We also increased the recruitment of people with disabilities and expanded accessibility initiatives across our stores.
- We continued to strengthen female representation in leadership through targeted development initiatives, reaching 43.4% women in leadership positions while continuing to promote a culture based on inclusion, collaboration and equal opportunity.

Leadership roles held by women
(%)



Note:
Excludes
Druni and
Arenal

Training hours
(no.)



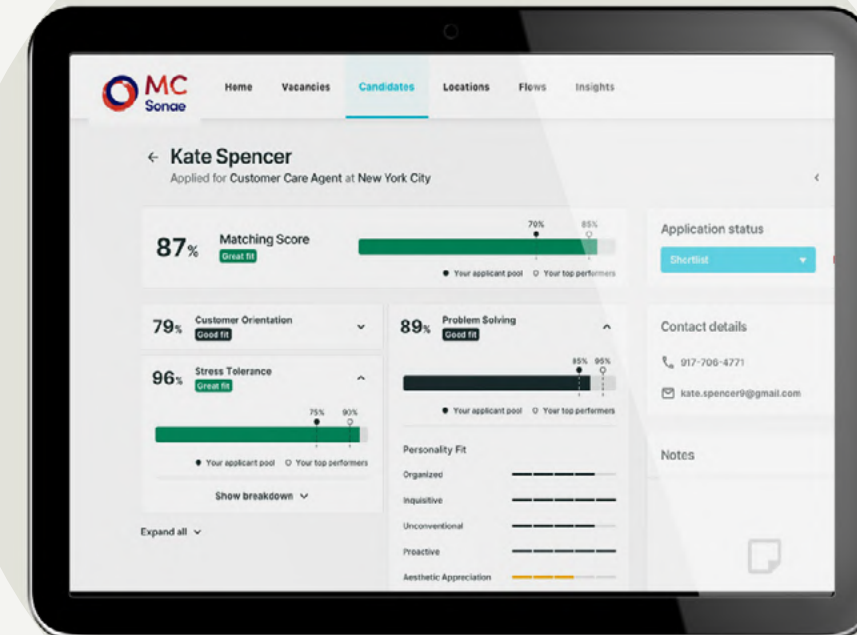
Key initiatives

**“Cá Dentro”
Programme
(Empathy Project)**



The Empathy Project was expanded across all food retail businesses, reinforcing a culture of empathy, collaboration and customer-centricity. Through in-person learning and digital content, the programme reached more than 37,000 employees, strengthening behaviours that support better teamwork and service.

**Skills-based talent
acquisition**



We transformed recruitment through a skills-based, data-driven hiring model, enabling fairer and more effective hiring decisions. The new approach assessed over 50,000 candidates, reduced manual effort by more than 50%, and achieved a 4.6/5 candidate satisfaction score, strengthening our ability to attract talent at scale.

#PrecisamosFalar

**O caminho não
se faz sozinho.**

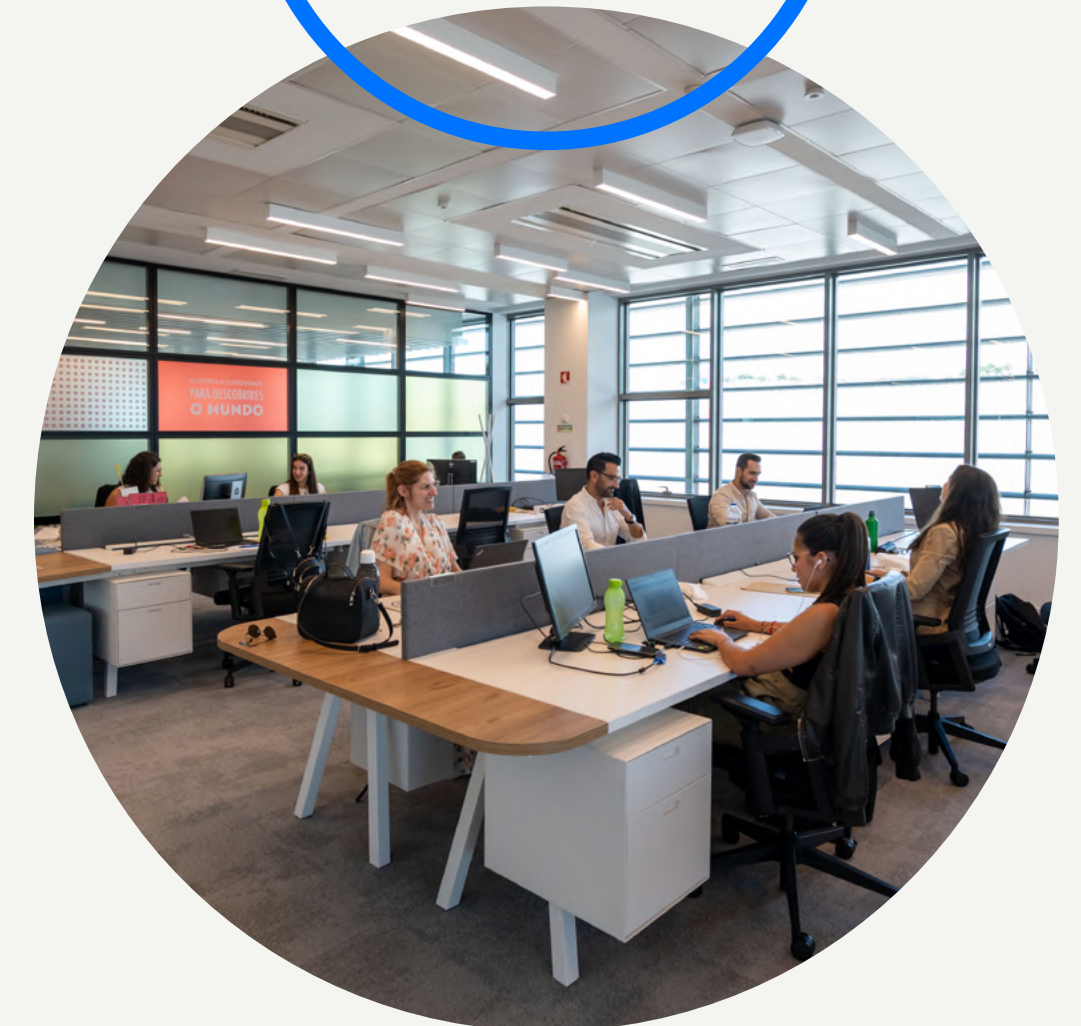
Do primeiro ao último passo,
a MC está ao teu lado.

#PrecisamosFalar



Through the #PrecisamosFalar programme, we continued to promote open conversations around mental health and emotional wellbeing. The initiative encouraged awareness, reduced stigma and reinforced a workplace culture where people feel supported to speak up and seek help.

**Strategic
workforce
planning**



We launched our Strategic Workforce Planning programme to strengthen workforce planning and build future capabilities. By identifying critical skills and internal talent, the programme enhances succession planning, supports internal mobility and strengthens long-term organisational resilience.

Communities

Ambition

To be a catalyst for positive social impact, driving a sustainable future, aware of our responsibility in fostering stronger and more self-sufficient communities;

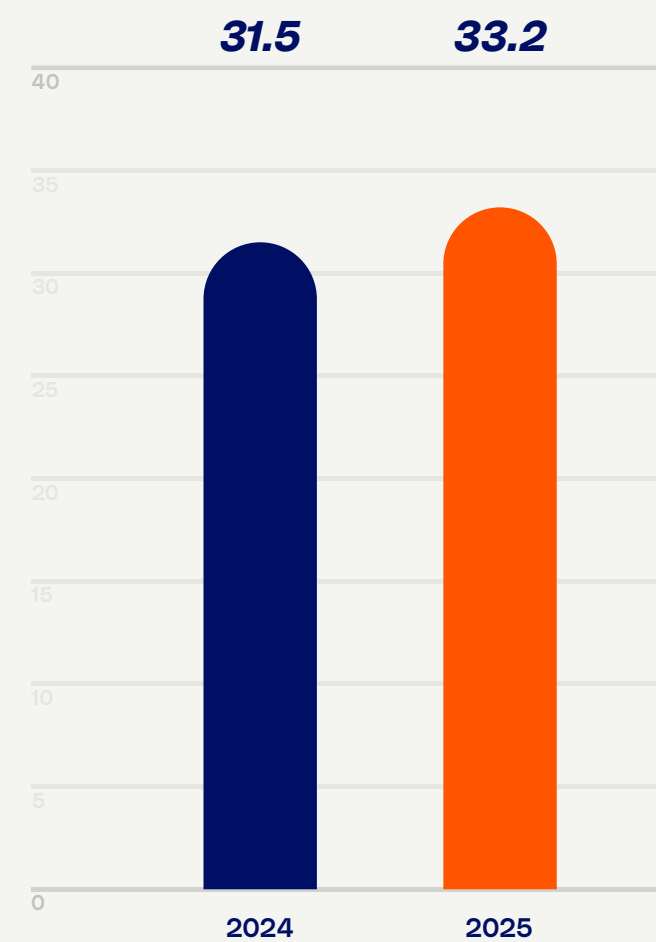
Lines of action

- Promote knowledge and capacity-building for healthier choices;
- Combat food insecurity and support those most in need;
- Develop social impact projects within communities;
- Encourage social engagement and public debate;

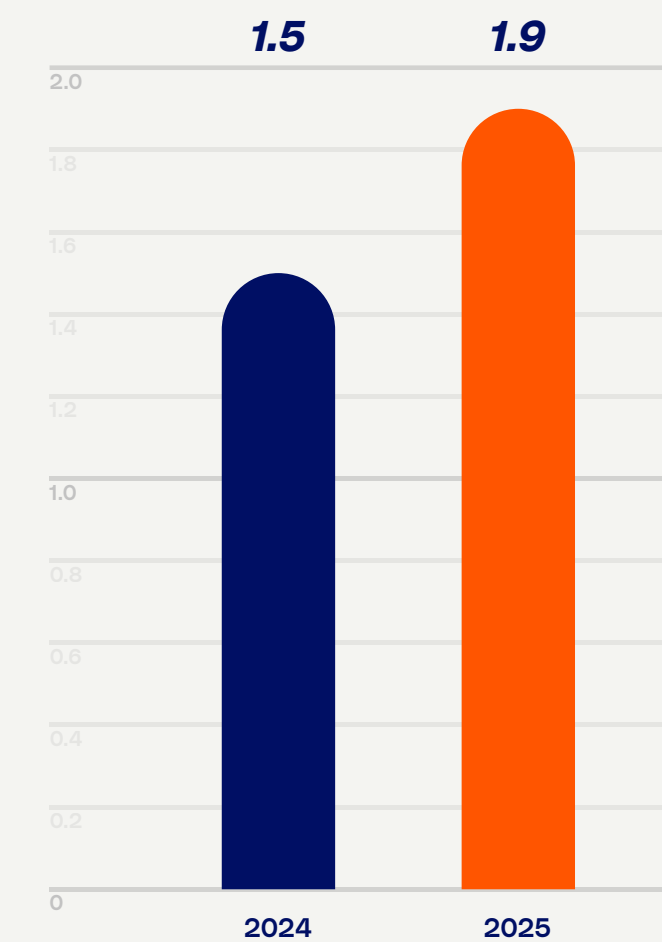
2025 performance

- In 2025, Missão Continente reinforced its commitment to communities through structured initiatives aligned with its two areas of action: (1) Health Education and (2) Social Support.
- Through Escola Missão Continente, during the 2025/2026 school year, we brought educational and playful learning activities to 1,054 pre-school and primary schools, involving approximately 250 internal ambassadors.
- On the other hand, Missão Continente's Christmas campaign focused on addressing food insecurity, a significant yet often overlooked challenge affecting many people in Portugal. More than €1.9 million was allocated to 635 organisations operating social canteens and delivering food assistance, ensuring effective support for individuals and families experiencing vulnerability and hardship.
- Throughout the year, we maintained close collaboration with a wide range of social institutions and strengthened our support for the community, particularly in addressing food insecurity. This support amounted to €33.2 million and benefited 1,339 institutions.

Community support
(€M)



Funds raised through the Christmas campaign
(€M)



Key initiatives

“Missão que alimenta”



The “Missão que alimenta” programme is a surplus donation initiative that transforms products in perfect condition, but which no longer meet all commercial criteria, into concrete support for social institutions. With the aim of increasing social and environmental impact and making the process more transparent and efficient, a new application model was created. This model ensures a more equitable distribution of these goods, promotes continuous engagement with institutions and reinforces the positive impact on communities.

Emergency Response Programme



In partnership with the National Authority for Emergency and Civil Protection (ANEPC) and the Portuguese Red Cross, Missão Continente developed an Emergency Response Programme to provide immediate assistance during wildfire emergencies. The programme supports both fire brigades engaged in firefighting efforts and communities directly affected by wildfires.

Operating nationwide, it provides essential food supplies to emergency responders and affected populations, while also supporting vulnerable domestic animals impacted by these events.

“Dá mais gosto ir à escola”



In 2025, Escola Missão Continente reinforced its commitment to the school community through the launch of the “Dá mais gosto ir à escola” competition, aligned with the Health Education strategic axis. This initiative aims to upgrade nine school spaces in public pre-school and primary education establishments, creating environments that promote healthy eating habits and children’s wellbeing.

The competition, developed in partnership with several brands, received 230 applications, covering 19 district capitals and islands, demonstrating the reach and relevance of this new initiative.



Governing principles and practices

Corporate Governance

Shareholders structure

As of 31st December 2025, MCretail, SGPS, S.A.'s (henceforth, MC) fully subscribed and paid-up share capital comprised 1,000,000,000 ordinary shares at a par value of EUR 1 each.

On the same date, Sonae, SGPS, S.A. and its affiliates held, directly or indirectly, 75.01% of MCretail, SGPS, S.A. share capital. Camoen Investments, S.à.r.l. held the remaining 24.99% of the aforementioned shares.

75.01%

Sonae, SGPS, S.A. and its subsidiaries



24.99%

Camoen Investments, S.à.r.l.

Corporate governance

Corporate governance practices at MC ensure effective decision-making processes are followed and are designed to support successful business outcomes. MC's robust governance model is based on a clear separation of responsibilities between management and control mechanisms, rigorous internal control systems, and transparent communication practices amongst the various governing bodies and between MC, its shareholders, and other stakeholders. The MC corporate governance model is aligned with the best national and international practices. It has evolved by incorporating the Portuguese Institute of Corporate Governance (iPCG) recommendations into its Corporate Governance Code.

This model is designed to ensure transparency and the effective functioning of MC, based on a clear separation of powers between its governing bodies. It also establishes an independent operational framework grounded in defined management guidelines, policies, and procedures tailored to the development of the company's businesses, with the aim of minimising business risks.

MC follows a monist governance model, where the Board of Directors oversees the management structure, and the supervisory structure comprises the Statutory Audit Board and the Statutory External Auditor. It is incumbent upon the Board of Directors to manage the company's businesses, perform all management acts related to its corporate purpose, set strategic company guidelines, and appoint and supervise the activity of the Executive Committee and its specialised committees.

The Board of Directors at MC is focused on the company's long-term growth and development to generate value for all its stakeholders, supported by sound corporate social responsibility. This governing body consists of a highly skilled and balanced team with in-depth knowledge of grocery retail. With clear intentions and focus, the BoD defined MC's terms for operational and sustainable financial success. It has also communicated its mission to the retail industry and shared how its activities benefit customers, associates, and society as a whole.

Board nomination and remuneration committee

- Chair Cláudia Azevedo
- Eduardo Piedade
- Jan Reinier Voûte

Board audit and finance committee

- Chair Ângelo Paupério
- João Dolores
- Jan Reinier Voûte

Company's secretary

- Secretary Marta Azevedo
- Substitute Ana Campos Ferreira

MC's governing bodies and committees¹

General assembly

- President Manuel Cavaleiro Brandão
- Secretary Maria da Conceição Cabaços

Board of directors

- Chair Cláudia Azevedo
- Ângelo Paupério
- João Dolores
- Eduardo Piedade
- Jan Reinier Voûte
- Alvaro Cudos
- Nina Sichteremann
- David Walmsley

Executive committee

- CEO Luís Moutinho
- Fernando van Zeller
- Isabel Barros
- José Fortunato

Leadership committee

- Luís Moutinho
- Fernando van Zeller
- Isabel Barros
- João Afonso
- José Fortunato
- Miguel Águas
- Pedro Bárto
- Hélder Ribeiro

Supervisory board

Statutory audit board

- Chair António Trabulo
- Maria José da Fonseca
- Carlos Silva
- Substitute José Rebouta

Statutory external auditor (SEA)

PricewaterhouseCoopers & Associados
 – Sociedade de Revisores Oficiais de Contas, Lda.
Represented by:
 • Miguel Barroso or António Brochado Correia
SEA alternate
 • Catarina Vieira Pereira

Note: 1. Governing bodies and committees' composition as of 31st December 2025

Remuneration policy

General disclosures

MC's remuneration policy, applicable to members of its governing bodies, together with the principles and objectives that guide it, reflects the adoption of the best corporate governance practices and aims to ensure transparent, rigorous, and effective communication to the market and to the shareholders, in line with the applicable legal framework and corporate governance recommendations.

The remuneration policy is based upon the premise that initiative, competence, commitment, and ethics are essential conditions for good performance. These values should be aligned with MC's medium and long-term interests with a view to its sustainability. The policy is rooted in the following principles:

Competitiveness: When designing the remuneration policy, the primary goal is to attract and retain the best, high-performing talent with a proven track record to guarantee stability and offer a relevant and de facto contribution to the sustainability of the company's businesses.

The remuneration policy is defined by benchmarking against the practices of comparable companies, based on market studies conducted by the consulting firms Mercer and Korn Ferry for the Portuguese and European markets. Companies considered comparable are those whose securities are traded on the Euronext Lisbon Stock Exchange.

Accordingly, the remuneration parameters for members of the governing bodies and other persons discharging managerial responsibilities are determined and periodically reviewed, considering market conditions, the activity performed, and responsibilities inherent to the position held. Thus, the following factors, among others, are taken into account: the members' profile and CV, their experience, the nature and description of the job function, the competencies of the governing body concerned and that of the particular member, and the degree of a direct correlation between individual and business performance.

Performance-oriented: The remuneration policy provides for short- and medium-term variable incentive bonuses for executive directors. These incentives are determined based on MC's and the Group's results, as well as on individual

and collective performance, with the aim of fostering the sustainable growth of the business and reinforcing commitment to predefined objectives.

If the predefined goals, measured through Key Performance Indicators (KPIs), are not achieved, short- and medium-term variable incentives may be partially or fully reduced.

Aligning interests: This policy aligns the interests of company directors with those of shareholders and with medium-term performance objectives, in order to ensure business sustainability. To this end, a portion of the variable bonus awarded to executive directors is deferred for three years following its allocation. The deferred component is adjusted according to the level of achievement of medium-term objectives.

The remuneration of non-executive directors, members of the supervisory bodies and officers of the shareholders' general meeting consists exclusively of fixed remuneration.

Transparency: All aspects of the remuneration structure are transparent and disclosed and are in line with the Group's general remuneration policy.

Reasonableness: The remuneration policy aims to ensure a balance between MC's long-term interests, market positioning and best practices, the expectations and motivation of the members of the governing bodies and other persons discharging managerial responsibilities, and the goal of attracting and retaining talent.

Consistency and fairness: To determine the remuneration of each member of the governing bodies and other persons discharging managerial responsibilities, the employment and remuneration conditions of the group's associates are taken into consideration.

To this effect, conditions of employment and remuneration of full-time equivalent staff are considered to ensure consistency and fairness in remuneration by referring to the weighting of their respective qualifications, responsibilities, experience, availability and the specific nature of the risk associated with fulfilling the requirements of the position held.

Architecture of our remuneration policy

In designing the remuneration policy for MC's governing bodies and other directors, and in determining the applicable remuneration, consideration is given to the job function performed, in accordance with an evaluation system that includes differentiation criteria such as complexity, required qualifications and experience, as well as the level of autonomy and responsibility. This system is based on Korn Ferry's international methodology and is intended to promote fairness in remuneration and employment conditions. It applies the differentiation criteria described above across various job roles and enables comparability and benchmarking

with equivalent functions in the market. As a result, the benchmark for competitive positioning against the relevant market for each job function is generally set at the median for fixed remuneration and the third quartile for variable remuneration, subject to adjustments reflecting market conditions and MC's specific circumstances. The remuneration of the executive members of the Board of Directors includes fixed and variable components. The remuneration of the non-executive members of the Board of Directors and the members of the Statutory Audit Board is comprised exclusively of a fixed component.

Governing bodies		Breakdown		Market positioning
Board of directors	Executive directors	Fixed	Basic compensation	Median
		Variable ¹	Short-term variable compensation	Third quartile
		Medium-term variable compensation	Third quartile	
	Non-executive directors	Fixed	Compensation	Median
	Statutory audit board	Fixed	Compensation	Median
	Statutory external auditor	Fixed	Compensation	Median
	Officers of the shareholders' general meeting	Fixed	Compensation	Median

Note: 1. Subject to fulfilling short and medium-term objective and subjective KPI requirements

Risk management

Internal controls and risk management system framework

Risk management is a key component of MC's culture and one of the pillars of corporate governance. Risk management is embedded across all management processes and is a shared responsibility amongst all company associates.

Since risk-taking is associated with value creation, Risk Management plays a key role in turning risks into opportunities, ensuring business continuity and supporting informed decision-making.

Main roles and responsibilities¹

The company's statutory audit board is responsible for assessing the internal control and risk management systems, overseeing their activity plan, obtaining periodic performance information, evaluating the conclusions reached and issuing the guidelines it deems necessary.



Note: 1. In accordance with the IIA Three Lines Model (Institute of Internal Auditors)

Managing and monitoring the main risks

MC applies the Enterprise Wide Risk Management (EWRM) methodology to manage and monitor risks at a strategic level, with a particular focus on the most significant risks. The EWRM covers all areas of the company and classifies risks into eight categories: external, environmental, strategic, financial, operational, reputational, human resources and technological. In 2025, a total of 60 risks distributed among these eight categories were identified and assessed.

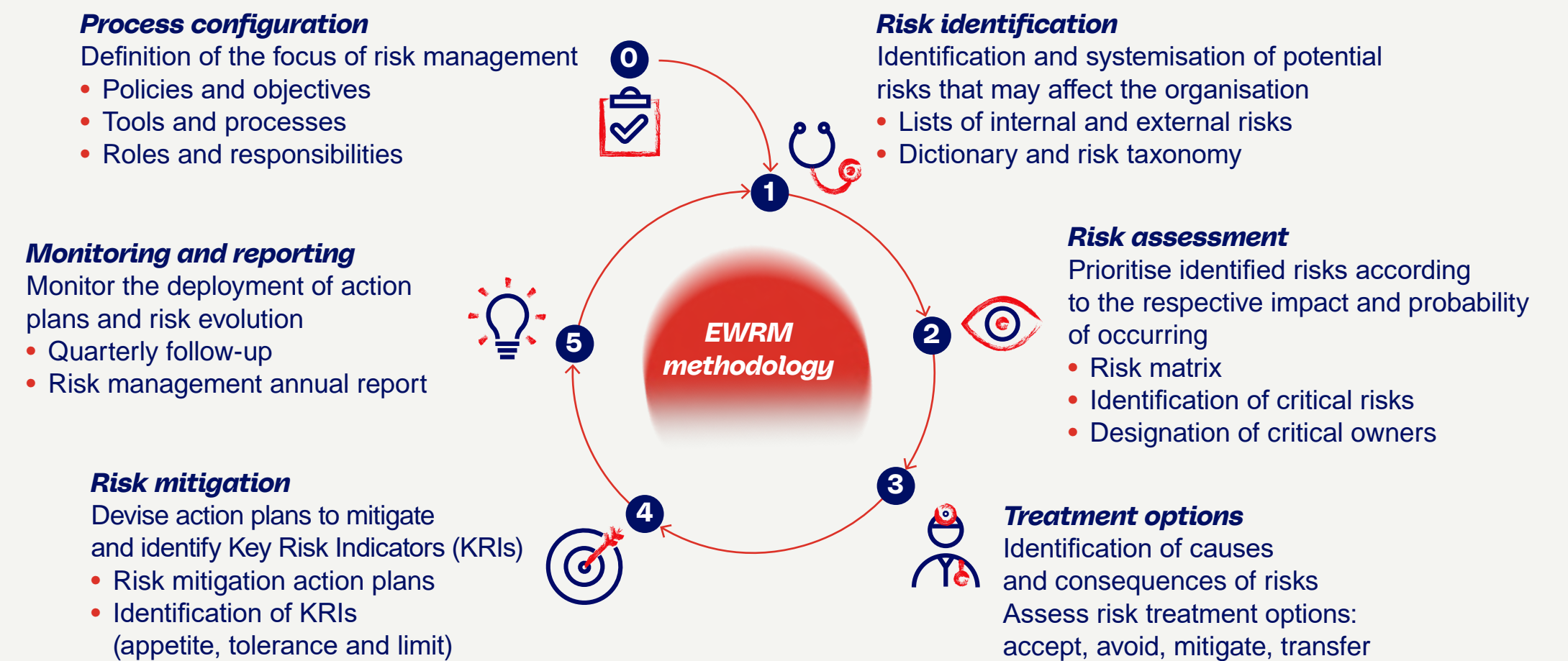
In 2025, the risk matrix model used in the EWRM process was revised, introducing a new distribution of risk levels through a graduated scale that considers both the likelihood of occurrence and the potential impact. This updated model also incorporates

an additional dimension - trend - which aims to anticipate whether each risk is likely to increase, decrease, or remain stable over each three-year cycle.

Within the scope of strategic planning, risks associated with the business portfolio management, the risks of developing new businesses and risks of other strategic projects of the company are also identified and managed.

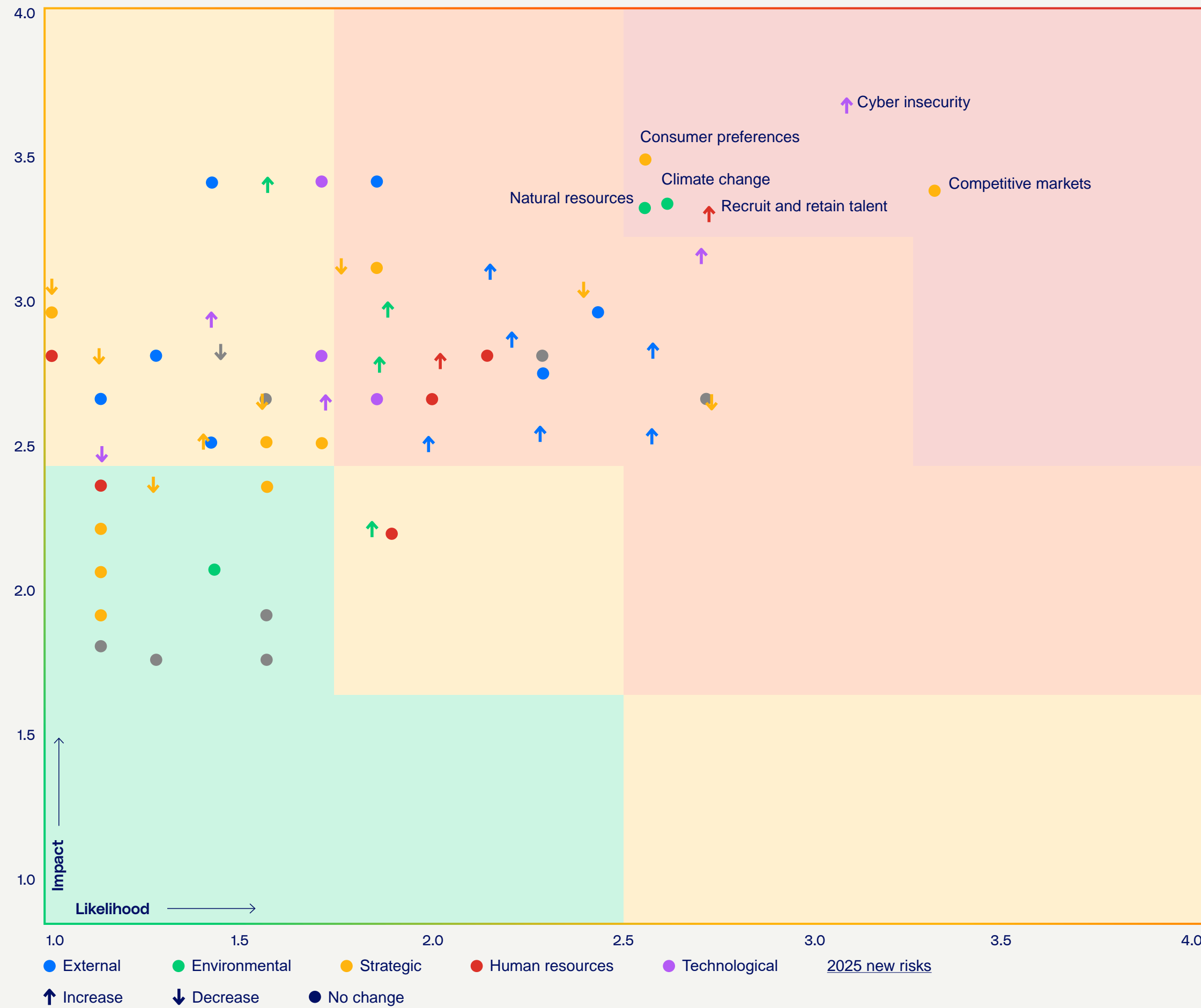
For risks of a more transversal nature, namely those related to business continuity and large-scale organisational changes, structured risk management programmes are developed with the participation of all functional business areas.

Enterprise-wide risk management (EWRM) methodology



Identification and description of the main types of risk

MC has identified the following critical risks (higher probability and impact)



2025 Critical risks

Risk description

Failure to succeed in highly competitive markets

The markets in which we operate are highly competitive, so the performance (location, price, quality and service) of our competitors, both direct and indirect, existing and new, may result in loss of market share and business profitability.

Failure to address consumer preferences

The inability to foresee, evaluate, react to and positively influence consumer preferences and needs (e.g. ageing population, sustainable products/services) in an effective way, can negatively affect the business's market share and profitability.

Inability to recruit and retain talent

Operating in an increasingly competitive labour market, combined with unattractive career plans, stagnating wages, mismatched work models (remote vs in-person), digital nomads, training programmes and inadequate leadership, can compromise the ability to recruit and retain talent. This can negatively impact employee commitment and motivation, leading to lower productivity, higher turnover, and ultimately undermining the execution of the company's objectives and strategy, its competitiveness and the ability to grow and develop the business.

Mitigation initiatives

- Strong store expansion (mainly of convenience formats and untapped regions) and refurbishments plan (mainly to keep larger formats with a modern and appealing look)
- Value proposition enhancements, focused on fresh products quality, range and space management, value perception, loyalty and convenience missions
- Efficiency improvements to sustain a competitive pricing strategy and support further investments (e.g. store expansion, digitalisation)
- Maintain control mechanisms (e.g. NPS surveys, feedback systems) to mitigate business risks and identify new opportunities for action and adjustment

- Tracking consumer behaviour and preferences on an ongoing basis, including both recurring and specific purchasing behaviours
- Perform continuous consumer research through surveys
- Enhance assortment agility (with faster range review cycles and pilots for new products and concepts)
- Keeping track of trends through market and consumer insights projects

- Improving our "Eu Escolho Aprender" programmes to enhance our workers' ability to engage in reskilling or upskilling
- Improving our internal mobility programme "Damos Asas ao Talento"
- Revise the compensation package and benefits for top talent, critical functions and young talent
- Revise the talent attraction process
- Greater emphasis given to internal and external communication, to make MC more attractive
- Definition of technical career paths in specific areas with higher competitiveness/talent scarcity
- Learning Organisation Framework to support SWP (Strategic Workforce Planning) implementation
- Revise career models and performance management process

Continued

Risk description	Mitigation initiatives
<p>Cyber insecurity An inadequate level of protection of the information systems by the company, employees or third parties, as a direct result of outdated or obsolete measures, weak cybersecurity posture along with insufficient training and awareness, in a global context of increasingly sophisticated and frequent cybercrimes and use of Artificial Intelligence (AI), can cause operational disruption, compromise or damage an entity's technological and information networks and infrastructure, compromise crucial business processes or breach the privacy of employees, customers or suppliers, as well as other commercial information or intellectual property, with a direct impact on the company's reputation and business continuity.</p>	<ul style="list-style-type: none"> • Security Operations Centre — NextGen Technology Deployment — Phase II (Automation and AI) • Zero Trust Network Access — SASE implementation • IAM — Increase capabilities and Revised Architecture • Directive NIS2 (Network and Information Security) — Compliance Initiative • Cybersecurity awareness and training programme enforcement on operations and new content • Cyber insurance policy to cover financial losses that result from a cyber attack
<p>Failure of climate change mitigation and adaptation The inability to enforce, enact or invest in effective climate-change measures to adapt (e.g., lack of climate-resilient infrastructure) and to mitigate (e.g., carbon-neutral economy, pollution reduction efforts), protect and help the population or businesses most impacted, can affect the company's image and financial performance. In addition, failure to adapt and mitigate climate change can cause abrupt and severe impacts on planet health or human welfare leading to food and natural resources scarcity, causing disruption in production.</p>	<ul style="list-style-type: none"> • GHG Target Monitoring and Roadmap Execution • Periodically review the Decarbonisation Roadmap, considering regulatory and technological developments, as well as changes in MC's business portfolio <p>Note: Further details can be found in the sustainability chapter of this document</p>
<p>Natural resources loss Loss, destruction of natural capital, human overexploitation and mismanagement of critical natural resources (e.g., chemicals, food, energy, minerals, water) leads to severe commodity and natural resource supply shortages for human, industry or ecosystem use and species extinction or decline across terrestrial and marine ecosystems, with severe consequences for the environment, humankind and economic activity.</p>	<ul style="list-style-type: none"> • Implementation of a support tool for identifying and monitoring deforestation risks (Osapiens), linked to critical raw materials: • Integration of due diligence controls and geolocation of sourcing areas. • Reflection on action lines to mitigate the impact of agricultural activity and promote supply chain resilience, and review of the main governance and operating instruments to enhance impact. • Water risk assessment and definition of targets and measures for consumption optimisation and effluent management of our operations <p>Note: Further details can be found in the sustainability chapter of this document</p>

End of table

Highlights in 2025

- The implementation project to ensure compliance with the Artificial Intelligence Regulation (AI Act) was continued, ensuring that the initiatives used or developed by MC are implemented safely, ethically, and transparently.
- The design and development of initiatives to ensure compliance with the NIS2¹ directive.
- The promotion of events to share and exchange experiences on risk management, namely participation in the Portuguese risk management think tank.
- Considering the Group's high level of maturity and its risk management process, a new matrix model was used, which enables a more refined adaptation of risk levels to different contexts.
- To reinforce transparency and ensure the proper handling of submissions from our Customers, Employees and Suppliers, the Provedor page was launched on the MC website, where a form is available for submitting concerns.
- Management of the Blackout Crisis (28/04/2025) and implementation of measures aimed at strengthening MC's resilience.
- Throughout the year, events were also held to share and exchange experiences in the field of Risk Management, of which we highlight the celebration of the 25th anniversary of Sonae's Internal Audit and Risk Management functions.

Note: 1. NIS2: Network and Information Security



Key financial statements

Key financial statements Highlights

	Total	Grocery	Health and beauty	
Turnover (€M)	8,868	7,109	1,759	Net income (€M) 271
Total growth (%)	16%	10%	55% (Including the impact of the full-year consolidation of Druni's results)	CAPEX (€M) 338
Like-for-like (%)	8%	8%	6%	Total debt (€M) 2,153
EBITDA (€M)	955	729	230	Net debt/EBITDA 2.3x
EBITDA (% of turnover)	10.8% (+0.7pp)	10.2% (+0.6pp)	13.1% (+0.6pp)	Cash conversion ratio 64%

Key financial statements

Consolidated income statements

(Amounts expressed in euro)	31 Dec 2025	31 Dec 2024
Sales	8,721,641,832	7,477,776,982
Services rendered	146,451,740	141,484,618
Gains and losses on investments	(4,460,264)	593,214
Gains and losses on investments recorded at fair value through results	—	1,226
Other income	130,683,684	137,465,101
Cost of goods sold and materials consumed	(6,268,159,611)	(5,399,215,755)
External supplies and services	(652,197,416)	(581,959,316)
Employee benefits expense	(1,051,004,832)	(928,732,619)
Other expenses	(70,776,972)	(82,023,847)
Depreciation and amortisation expenses	(434,551,822)	(363,475,855)
Impairment losses	(15,193,870)	(15,317,862)
Profit/(loss) before financial interests, dividends, share of profit or loss of joint ventures and associates and tax	502,432,469	386,595,887
Dividends received during the year	488	488
Share of profit or loss of joint ventures and associates	1,671,393	1,989,162
Financial income	2,510,861	44,087,215
Financial expense	(130,883,533)	(162,746,238)
Profit/(loss) before tax	375,731,678	269,926,514
Income tax expense	(76,884,833)	(67,500,921)
Consolidated profit/(loss) for the period	298,846,845	202,425,593
Attributable to:		
Shareholders of the parent company	271,377,210	188,629,996
Non-controlling interests	27,469,635	13,795,597
Profit/(Loss) per share		
Basic	0.271377	0.188630
Diluted	0.271377	0.188630

Consolidated statements of comprehensive income

(Amounts expressed in euro)	31 Dec 2025	31 Dec 2024
Net Profit/(Loss) for the period	298,846,845	202,425,593
Items that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of foreign operations	21,376	1,246,453
Changes in hedge and fair value reserves	(9,389,159)	(578,528)
Income tax relating with other components of comprehensive income	2,089,178	95,497
Others	—	(291)
Other comprehensive income for the period	(7,278,605)	763,131
Total other comprehensive income for the period	(7,278,605)	763,131
Total comprehensive income for the period	291,568,240	203,188,724
Attributable to:		
Shareholders of the parent company	264,098,605	189,393,235
Non controlling interests	27,469,635	13,795,489

Key financial statements

Consolidated statement of financial position

(Amounts expressed in euro)	31 Dec 2025	31 Dec 2024	(Amounts expressed in euro)	31 Dec 2025	31 Dec 2024
ASSETS			EQUITY AND LIABILITIES		
NON-CURRENT ASSETS:			EQUITY:		
Property, plant and equipment	1,730,762,190	1,666,151,789	Share capital	1,000,000,000	1,000,000,000
Intangible assets	542,523,766	543,612,323	Legal reserve	200,000,000	200,000,000
Right of use assets	1,289,557,543	1,328,479,503	Reserves and retained earnings	(661,059,693)	(653,046,961)
Goodwill	523,794,010	521,636,655	Profit/(Loss) for the period attributable to the equity holders of the Parent Company	271,377,211	188,629,996
Investments in joint ventures and associates	9,661,013	9,979,664	Equity attributable to the equity holders of the Parent Company	810,317,518	735,583,035
Assets at fair value through profit and loss	8,295,224	8,147,991	Equity attributable to non-controlling interests	263,340,454	235,496,564
Deferred tax assets	114,127,806	114,982,348	TOTAL EQUITY	1,073,657,972	971,079,599
Other non-current assets	27,434,478	28,804,039	LIABILITIES:		
Total Non-Current Assets	4,246,156,030	4,221,794,312	NON-CURRENT LIABILITIES:		
CURRENT ASSETS:			Loans	417,504,028	419,684,342
Inventories	885,184,113	802,761,592	Bonds	204,446,413	325,436,784
Trade receivables	80,583,838	81,474,834	Lease liabilities	1,344,230,978	1,359,947,413
Other receivables	109,800,918	209,642,023	Other non-current liabilities	62,531,789	77,086,062
Other current assets	41,674,994	67,923,494	Deferred tax liabilities	352,405,173	352,438,439
Other tax assets	7,702,414	3,605,660	Provisions	15,722,938	17,054,308
Income tax assets	95,126,176	113,260,085	Total Non-Current Liabilities	2,396,841,319	2,551,647,348
Cash and bank balances	125,552,131	203,940,663	CURRENT LIABILITIES:		
Total Current Assets	1,345,624,582	1,482,608,351	Loans	95,742,704	124,074,313
TOTAL ASSETS	5,591,780,612	5,704,402,663	Bonds	29,981,619	18,997,069
			Lease liabilities	163,205,929	172,141,552
			Trade payables	1,223,445,922	1,210,616,886
			Other payables	164,345,318	203,217,710
			Other current liabilities	297,613,444	295,417,271
			Income tax liabilities	37,019,545	40,437,893
			Other tax liabilities	106,607,040	112,908,330
			Provisions	3,319,801	3,864,692
			Total Current Liabilities	2,121,281,321	2,181,675,716
			TOTAL LIABILITIES	4,518,122,640	4,733,323,064
			TOTAL EQUITY AND LIABILITIES	5,591,780,612	5,704,402,663

Key financial statements

Consolidated statement of cash flows

(Amounts expressed in euro)	31 Dec 2025	31 Dec 2024	(Amounts expressed in euro)	31 Dec 2025	31 Dec 2024
OPERATING ACTIVITIES			FINANCING ACTIVITIES		
Receipts from customers	8,893,305,258	7,622,079,734	Receipts arising from:		
Payments to suppliers	(6,822,421,097)	(5,951,151,611)	Loans obtained	4,172,866,339	2,207,167,786
Payments to employees	(1,036,528,845)	(912,898,481)	Others	—	27,000,000
Cash flow generated by operations	1,034,355,316	758,029,642		4,172,866,339	2,234,167,786
Income taxes (paid) / received	(59,238,287)	(50,406,190)	Payments arising from:		
Other cash receipts and (payments) relating to operating activities	(86,117,212)	62,688,747	Lease liabilities	(276,311,984)	(223,602,902)
Net cash flow from operating activities (1)	888,999,817	770,312,199	Loans obtained	(4,313,536,162)	(1,998,990,787)
INVESTMENT ACTIVITIES			Interests and similar charges	(29,948,120)	(32,956,770)
Cash receipts arising from:			Dividends	(189,000,000)	(171,440,284)
Investments	12,367,098	9,571,881	Others	—	(1,890,000)
Property, plant and equipment	3,161,914	7,129,183		(4,808,796,266)	(2,428,880,743)
Intangible assets	200,715	14,027	Net cash used in financing activities (3)	(635,929,927)	(194,712,957)
Interests and similar income	1,603,370	4,723,539	Net increase (decrease) in cash and cash equivalents (4) = (1) + (2) + (3)	(78,380,079)	74,853,769
Loans granted	486,000	—	Effect of foreign exchange rate	16,733	(274,974)
Dividends	1,990,533	2,093,149	Effect of holdings for sale	—	(426,782)
Others	5,900,862	7,172,846	Cash and cash equivalents at the beginning of the period	203,914,169	129,762,156
	25,710,492	30,704,625	Cash and cash equivalents at the end of the period	125,550,823	203,914,169
Cash Payments arising from:					
Investments	(31,385,109)	(226,350,820)			
Property, plant and equipment	(279,400,714)	(259,308,828)			
Intangible assets	(46,374,638)	(45,790,450)			
	(357,160,461)	(531,450,098)			
Net cash used in / generated by investment activities (2)	(331,449,969)	(500,745,473)			

About this report

Scope and period of the report

In its “Annual Report 2025”, MC sought to compile in a single document financial and non-financial disclosures, thus offering its stakeholders a holistic overview of the Company and its capacity to create value. This document is not intended to report detailed financial data, but MC remains available to provide additional information upon request.

This report refers to activities carried out during the 2025 financial year (1 January to 31 December 2025).

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Information review

The financial information included in the chapter “Key financial statements” is part of the Annual Report and Accounts 2025 of MCretail, SGPS, S.A. approved by the Board of Directors under the legal terms and was subject to verification by an external entity — PwC, which prepared an independent report and issued a Legal Certification of Accounts.

There is additional financial information available at mc.sonae.pt/informacao-financeira.

MC

Concept and graphic design
GBNT

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