RATING ACTION

ARC RATINGS ASSIGNS AN ISSUER RATING TO ENSE AND UPGRADES THE RATING ASSIGNED TO THE COMPANY'S BOND ISSUE

Lisbon, 10 September 2025 - ARC Ratings, S.A. (ARC) has assigned a public final long-term issuer rating to Entidade Nacional para o Setor Energético, E.P.E. (ENSE) and upgraded the public final long-term issue rating of the EUR 360.0 million bond issued by the company.

ISSUER: Entidade Nacional para o Setor Energético, E.P.E. (ENSE)

The below rating relates to the timely payment of interest and principal.

Issuer	Long-term Issuer Rating	Outlook	Debt Instrument Rated	Debt Instrument Amount	Rating	Final Maturity Date	Next Review Date
Entidade Nacional para o Setor Energético, E. P. E.	A+	Stable	Bond Loan	EUR 360 million	A+	6 August 2028	10 September 2026

RATING RATIONALE

ARC Ratings, S.A. (ARC) has assigned a public final long-term issuer rating to ENSE and has upgraded the public final long-term issue rating of the company's EUR 360.0 million bond. This rating action follows the recent upgrade of the Portuguese Sovereign rating and is based on the updated ARC Ratings' Global Corporate Entities Rating Methodology. The Sovereign's strong propensity and willingness to provide financial support to Entidade Nacional para o Setor Energético, E.P.E. (ENSE) warrants applying the rating modifier for group relationships, effectively equalising the rating of the parent (Sovereign) with that of the subsidiary (ENSE & Issuer) and the bond it has issued. ARC applies a top-down approach, using the sovereign rating as the starting point for determining the final long-term issue public rating assigned to the EUR 360.0 million bond issued by ENSE due to the following factors:

- The Portuguese Government wholly owns the ENSE's share capital.
- ENSE is a strategic entity for the country, primarily due to its role as Portugal's central stockholding entity responsible for acquiring and maintaining the strategic portion of national emergency reserves of oil and oil products (oil reserves).
- Its annual revenues are approved by the government and collected from the market participants, ensuring coverage of all operational and financial costs while maintaining a nil net profit in its core business. This structure reinforces ENSE's role as an extension of the government in fulfilling strategic duties for the broader energy system.

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- Despite no legal obligation for timely support, ARC expects the government to intervene to prevent default if needed, given ENSE's strategic importance. Additionally, the company's bylaws state that in the event of ENSE's dissolution, the Portuguese government will assume any losses from asset liquidation and any remaining liabilities.

In addition, ENSE maintains a comfortable coverage of its net financial debt through the market value of its oil reserves, at 1.53 times in June 2025 (compared with 2.01 times in June 2024 and 1.87 times in December 2024). This coverage ratio remains subject to significant volatility due to fluctuations in oil prices. Nevertheless, the primary factor driving the final long-term issue public rating continues to be its link to the Portuguese sovereign rating.

ARC Ratings will continue to monitor the key determinants of this rating and developments in the definition and implementation of ENSE's new responsibilities in the natural gas sector.

KEY TIPPING POINTS

Positive Turning Points	Negative Turning Points
- A positive rating action on Portugal's Sovereign rating will be reflected in ENSE's Issuer Rating, provided the strong links between the Sovereign and the entity are maintained.	- A downgrade would follow a downgrade of Portugal's Sovereign rating.

ISSUER PROFILE

ENSE, founded in 2004, is a State-owned entity with responsibilities centred on energy security in Portugal. Its main activity is to act as the Portuguese central stockholding entity, acquiring and maintaining the strategic portion of national emergency reserves of oil and oil products. In addition, ENSE supervises all energy sectors, manages and monitors storage activities for crude oil and its derivatives across the national territory to ensure supply in line with consumption needs, and, since 2022, has also been designated as the central stockholding entity for the strategic portion of national reserves of natural gas. The latter responsibility was introduced in response to the conflict in Europe between Russia and Ukraine, though its implementation remains subject to further definitions to be established by an ordinance of the Portuguese Government.

RELATED CRITERIA AND RESEARCH

Rating Review Report (04/10/2024)

ARC Ratings' Global Corporate Entities Rating Methodology (August 2025).

ARC Ratings' Use of External Sovereign Ratings, Country Ceilings and Other Credit Ratings

ARC Ratings' Methodologies are available for view at www.arcratings.com.

The rating was assigned by ARC Ratings, S.A. and endorsed by ARC Ratings (UK) Limited in accordance with Statutory Instrument 2019 nº 266 - The Credit Rating Agencies (Amendment etc.) (EU Exit).

REGULATORY DISCLOSURE

The ratings were disclosed to the rated entity.

ARC Ratings' ratings are assigned based on information, which may include confidential information, collected from a wide variety of sources which ARC Ratings believes to be reliable including from the entity being rated or whose financial commitments are subject to rating. ARC Ratings has adopted and implements measures aiming to ensure that, to the extent available in the circumstances, it has obtained reasonable verification of the information it uses in assigning a rating and that such information is from reliable. Notwithstanding the foregoing, if ARC Ratings is not satisfied with the quality of the information it receives it will decline to assign the rating. The assignment of a rating should not be viewed as a guarantee of the accuracy, completeness, or timeliness of the information relied on in connection with the rating or the results obtained from the use of such information.

MATERIALS USED IN RATING PROCESS

- Financial data of the issuer, including financial statement data, investor presentations, annual reports, regulatory filings, and data on the issuer's liquidity sources and uses.
- Credit agreements, offering memoranda, indentures, guarantee agreements, and other underlying legal documents associated with the issuer's borrowings and/or issued and proposed debt, including information on security given and structural/contractual enhancements.
- Industry/sector data, such as qualitative and quantitative information on markets in which the issuer operate, including competitive advantages/disadvantages of industry players, market share, supply and demand statistics, sector structural trends and contractual/regulatory frameworks if applicable.
- The issuer's organisational and debt structure. This includes data regarding its ownership structure, its subsidiary structure, cash flow generating entities and entities with external third-party debt. Information on inter-company loans, internal funding model and cross-defaults as well as upstream/downstream guarantees.
- Information gathered by ARC Ratings in and from meetings with issuer management concerning the issuer's strategy, operations, business, financial policies and financial forecasts.
- Operating and financial data on peers rated by ARC Ratings and other credit rating agencies, which is used to perform comparative analysis and the ranking of credit quality.

– Other ratings and assessments performed by ARC Ratings that are deemed relevant for the issuer, such as the rating on the issuer's parent or counterparties.

The above describes the variety of data that ARC Ratings typically relies on in rating a corporate entity and any financial instruments issued or supported that entity. In issuing its ratings and reports, ARC Ratings may rely on the work of experts, including independent auditors, attorneys, regulators, lawyers, engineers, and others.

RATING AND RATING OUTLOOK

The rating relates to the previously rated issuer. This is not the first time that ARC has rated this issuer.

The outlook highlights the potential direction of the rating during the course of an 18 months to 2-year period.

Initial Rating Release Date:	2 June 2008
Previous Rating Action Date:	5 March 2025
Current Rating Action Date:	10 September 2025

A Rating Action is an Indicative Rating, change to an existing Rating, Affirmation of an existing Rating, Withdrawal or Suspension of an existing Rating, or Rating Watch action, in each case as and when such action is Released.

ARC Ratings monitors its outstanding Ratings on an ongoing and timely basis via our surveillance efforts (at least every 12 months). Surveillance activities may or may not result in a Rating Action. As such the most recent surveillance activity on an existing Rating may be more recent than the latest Rating Action Date listed.

ARC Ratings' rating scale and outlook definition is available for view at Credit Ratings and Other Analytical Products - Definitions and Scales, this includes worst- and best-case scenario ratings.

DISCLAIMERS

ARC Ratings only provides a rating of the rated securities or of the issuer and neither recommends nor will recommend how an issuer can or should achieve a particular rating outcome. A rating does not cover a potential change in laws and is not and cannot be regarded as an audit. Moreover, ARC Ratings is not a party to any transaction documents of the instrument/transaction it is rating. Users of our ratings should familiarise themselves with the transaction documents. ARC Ratings does not act as a legal, tax, financial, investment or other advisor and users should seek professional advice from appropriate third parties where necessary.

ARC Ratings, S.A. is registered as a Credit Rating Agency with the European Securities and Markets Authority (ESMA), within the scope of the Regulation (EC) Nº 1060/2009 of the European Parliament and of the Council, of 16 September, and recognised as External Credit Assessment Institution (ECAI).

ARC Ratings (UK) Limited is registered as a Credit Rating Agency with the United Kingdom Financial Conduct Authority, within the scope of the Statutory Instrument Nº 266/2019, of 13 February, and recognised as ECAI.

This Review Report should be read together with initial Rating Report and with the subsequent Review reports.

Credit Ratings assigned by ARC Ratings are independent and forward looking opinions of the relative credit risks of financial obligations issued by various entities. The credit risk is the risk that an entity may not meet its financial obligations as they come due i.e. the capacity and willingness of an entity/issuer to make all required interest and principal payments on a given obligation in a timely manner in accordance with its terms. Credit ratings express risk in relative rank order - they are an ordinal measure of credit risk whose probability of default or loss may vary through the credit cycle. They are issued using an established and defined ranking system of rating categories (rating scale). ARC's credit ratings are determined using ARC's published rating methodologies.

The rating(s) assigned by ARC Ratings in this report was/were sought by the entity whose financial commitments are being rated.

Prior to the assignment or revision of a rating ARC Ratings provides to the entity whose financial commitments are being rated the documents that substantiate the rating to be attributed. This entity is thus given the opportunity to clarify or correct factual details. The comments made by the entity whose financial commitments are being rated are taken into account by ARC Ratings in the assignment of its ratings. ARC Ratings also grants the issuer the possibility of appealing a rating accorded by ARC as long as this appeal is supported on additional information that has not been taken into account in the original rating.

ARC Ratings, S.A. historical default rates are published in the European Securities and Markets Authority Central Repository (CEREP) which can be accessed on the website cerep.esma.europa.eu/cerep-web/. It should be highlighted that ARC Ratings' rating portfolio can be characterized as a "very low default portfolio" and therefore the agency's historical defaults are not statistically significant. Default is the lack of full and timely payment of capital or interest or of the occurrence of any event that explicitly indicates that the future full and timely payment of those commitments will not occur (e.g., in case of insolvency).

Ratings do not constitute a recommendation or offer or solicitation to buy or sell any investments that may be mentioned, and are only one of the factors that investors may wish to consider. The use of any rating is entirely at the user's own risk.

Throughout the entire period during which ratings are valid, ARC Ratings monitors the issuer's performance via public sources and information provided by the issuer/sponsor and, if a material development occurs, ARC Ratings may bring forward the date of the review unless stated to be a point in time rating. The updated list of public ratings is available on the website www.arcratings.com.

ARC Ratings' ratings are assigned based on information, which may include confidential information, collected from a wide variety of sources which ARC Ratings believes to be reliable including from the entity being rated or whose financial commitments are subject to rating. ARC Ratings has adopted and implements measures aiming to ensure that, to the extent available in the circumstances, it has obtained reasonable verification of the information it uses in assigning a rating and that such information is from reliable sources. Notwithstanding the foregoing, if ARC Ratings is not satisfied with the quality of the information it receives it will decline to assign the rating. The according of a rating should not be viewed as a guarantee of the accuracy, completeness, or timeliness of the information relied on in connection with the rating or the results obtained from the use of such information.
In the rating process, ARC Ratings adopts procedures and methodologies aimed at ensuring transparency, credibility and independence, and also that rating classifications are not influenced by conflicts of interest.

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