



Earnings Announcement

3Q21



3Q21 Highlights

Table 1.

| 3Q21 Highlights | 3Q20 | 3Q21 | 3Q21 / 3Q20 | 9M20 | 9M21 | 9M21 / 9M20 |
|--|---------|----------|-------------|---------|----------|-------------|
| Operating Highlights | | | | | | |
| Homes Passed | 4.796,0 | 5.078,5 | 5,9% | 4.796,0 | 5.078,5 | 5,9% |
| % FttH | 37,8% | 49,6% | 11,8pp | 37,8% | 49,6% | 11,8pp |
| Total RGUs | 9.871,8 | 10.147,1 | 2,8% | 9.871,8 | 10.147,1 | 2,8% |
| Pay TV RGUs | 1.642,4 | 1.643,5 | 0,1% | 1.642,4 | 1.643,5 | 0,1% |
| Convergent + Integrated Customers | 967,6 | 1.005,8 | 3,9% | 967,6 | 1.005,8 | 3,9% |
| Fixed Convergent + Integrated Customers as % of Fixed Access Customers | 62,0% | 63,8% | 1,8pp | 62,0% | 63,8% | 1,8pp |
| Mobile RGUs | 4.972,0 | 5.209,9 | 4,8% | 4.972,0 | 5.209,9 | 4,8% |
| Residential ARPU / Unique Subscriber With Fixed Access (Euros) | 43,5 | 45,2 | 3,8% | 43,4 | 44,4 | 2,3% |
| Financial Highlights | | | | | | |
| Consolidated Revenues | 346,9 | 366,5 | 5,6% | 1.013,6 | 1.044,9 | 3,1% |
| Consolidated EBITDA | 160,6 | 171,1 | 6,6% | 471,2 | 477,7 | 1,4% |
| Consolidated EBITDA Margin | 46,3% | 46,7% | 0,4pp | 46,5% | 45,7% | (0,8pp) |
| Consolidated EBITDA - Consolidated CAPEX Excluding Leasings & Other Contractual Rights | 62,8 | 61,2 | (2,6%) | 201,6 | 167,7 | (16,8%) |
| Telco Revenues | 342,7 | 356,8 | 4,1% | 995,5 | 1.029,2 | 3,4% |
| Telco EBITDA | 155,5 | 159,2 | 2,4% | 449,9 | 447,6 | (0,5%) |
| Telco EBITDA Margin | 45,4% | 44,6% | (0,8pp) | 45,2% | 43,5% | (1,7pp) |
| Telco EBITDA - Telco CAPEX Excluding Leasings & Other Contractual Rights | 63,5 | 53,5 | (15,7%) | 196,6 | 147,6 | (25,0%) |

Acceleration in telco operating performance and and recovery in the Cinema and Audiovisual business.

- With an increase of 146.9 thousand RGUs, this quarter showed the greatest net growth in the Telco segment of the past 5 years;
- 125 thousand new mobile service subscribers, of which 78.1 thousand were contract and 46.9 pre-paid subscribers;
- 12 thousand new convergent customers, increasing NOS' penetration rate of fixed customers to 63.8%, with a net increase of 85.8 thousand convergent RGUs to 5.146 million in 3Q21;
- 12.1 thousand new pay TV customers offset the loss of satellite customers and contributed to boosting the total number of NOS pay TV subscribers to 1.643 million subscribers;
- 1.252 million cinema tickets sold in 3Q representing an increase of 162% YOY, the best quarter this year.

Financial Growth, reflecting positive operating performance

- Consolidated Revenues increased by 5.6%, with an increase of 4.1% in Telco and 72% in Media and Entertainment;
- Accelerated increase of EBITDA to 6.6%, driven by a solid performance of the Telco segment and recovery in the Cinema exhibition;
- Reinforced investment into expansion of the FttH network, and upgrade of the mobile network, ahead of the 5G launch;
- The 5G auction ended on 27 October with a very positive result for NOS having bought the most spectrum of all participants, securing 100 MHz of the 3.6 GHz band and 2x10 MHz of the 700 MHz band. NOS bought the maximum amount possible to explore the new 5G technology and has fulfilled its strategic objective to lead the market, having also acquired 2x5MHz in the 2100MHz band and 2x2MHz in the 900MHz band, to reinforce the quality of its 4G network. NOS' total investment amounted to 165.1 million euros and was also the highest of all participants.

Operational Highlights

- "UMA TV" was substantially upgraded in August, incorporating new features as part of our commitment to innovation. Improvements include: increased customisation of "My TV"; thematic "zapping"; a revamp of the PC experience; direct integration of Netflix and Amazon Prime; improved design of the remote control, produced from 100% recycled plastic and with direct access to OTT apps; 10GB mobile data offer as part of launch of new NOS TV app, which, since its launch in 2016, has been downloaded over 1.4M times for iOS and Android.
- For the second semester in a row, NOS was recognised by Ookla as having the best mobile network coverage in Portugal in 1H21. Although the commercial market for 5G is not yet ready, NOS has been investing in its 5G network so as to be able to offer the best and most extensive coverage for its customers from day one. Focusing on 5G, NOS launched a new campaign with the motto "Quem faz leva o mundo atrás", with the intent of inspiring innovation and change, as we return to daily routines, work and school. During the summer, the first 5G beach in the country was inaugurated in partnership with the Municipality of Almada. At the beginning of the academic year in September, the first 5G school in the country was launched, with full access to digital tools, combined with game-changing teaching and learning methods. The NOS 5G fund

also made its first investment in a technology start-up *Reckon.ai*, who develop artificial intelligence and computer-vision based solutions for the retail sector.

- For the second consecutive year, NOS ranked No.1 in the list of the top 100 companies that invest in R&D in Portugal, in recognition of its commitment to accelerating digital transformation in Portugal. In 2020 NOS invested 67 million euros into developing latest-generation networks and preparing for 5G, as well as a substantial push into areas related to Digital Transformation and development of Smart Cities.
- NOS's growth in the Business segment continues to be driven primarily by IT-related services, with emphasis on Cloud services and "SaaS" solutions, as well as project consultancy leveraging a strong network of strategic partnerships that NOS has been developing where relevant. NOS became a Cisco Gold Partner and as such is qualified to sell, install, and support Cisco solutions in Portugal – a clear signal to its clients of the advantages it can bring to their businesses. In the process of recertification in ISO 20000:2018 (Information Technology – Service Management) most of NOS' processes and platforms were upgraded to meet the latest standards, with the benefits extended to all clients and categories of business services.
- Through its partnership with Microsoft, NOS became the first entity to provide edge computing capabilities with the 3 leading cloud partners (AWS, Azure, Google). Microsoft's Azure Stack Edge delivers computer power and intelligence to exactly where it is needed; a company's data centre, a branch office, or a remote location. NOS also joined the Microsoft Partner Alliance in Portugal, which aims to ensure that skills and opportunities are channelled to create diversified environments, prioritise sustainable business decisions, and develop responsible and ethical technologies. Alliance members are ambassadors for Portugal Digital Skills initiatives and the Activar Portugal programmes.
- In 3Q21, NOS inaugurated a new data centre in Madeira. Equipped with state-of-the-art technology, the new infrastructure will offer improved support for Cloud services and solutions for businesses in this autonomous region. The data centre provides high security solution and supports the most up-to-date technologies, including the most innovative features of 5G. Duplication of network systems and optimisation of energy and cooling systems make this centre 28% more efficient than its predecessor.
- NOS partnered with LTPlabs and Porto Business School to promote the 3rd edition of EURAKATHON in November. This competition challenges students and professionals from Engineering, Science, Business Analytics and Data Science to generate innovative solutions to real problems, in line with UN Sustainable Development Goals (SDGs). Projects designed by the participants will address community development, using critical skills appropriate for a digitised

society. The theme of this year's EUREKATHON is "Challenging Data for Sustainable Cities". Participants will analyse available data and provide solutions for optimising urban spaces, whilst promoting smarter and more sustainable cities.

Media and Entertainment

Table 2.

| Operating Indicators ('000) | 3Q20 | 3Q21 | 3Q21 / 3Q20 | 9M20 | 9M21 | 9M21 / 9M20 |
|---|-------|---------|-------------|---------|---------|-------------|
| Cinema⁽¹⁾ | | | | | | |
| Revenue per Ticket (Euros) | 5,5 | 5,3 | (2,9%) | 5,3 | 5,3 | 0,7% |
| Tickets Sold - NOS | 477,1 | 1.251,9 | 162,4% | 2.003,8 | 1.819,6 | (9,2%) |
| Tickets Sold - Total Portuguese Market ⁽²⁾ | 729,2 | 1.984,7 | 172,2% | 3.297,7 | 2.866,0 | (13,1%) |
| Screens (units) | 208 | 208 | 0,0% | 208 | 208 | 0,0% |

⁽¹⁾ Portuguese Operations

⁽²⁾ Source: ICA - Portuguese Institute For Cinema and Audiovisuals

- Box office sales resumed gradually throughout 3Q21, supported by the release of blockbusters that had been postponed during the pandemic. Thanks to easing of restrictions, and proactive initiatives by NOS Cinemas to ensure a safe return to theatres, NOS was able to boost audience capacity and number of screenings at its theatres, supported by a higher permitted occupancy rate and extended exhibition hours. NOS Cinemas increased sales to 1.232 million tickets in the quarter, accounting for almost 70% of YTD sales (1.819 million tickets sold in first 9 months of 2021). Highly anticipated and popular films were released during Q3, with over 400 thousand tickets sold for "F9 - The Fast Saga", "The Suicide Squad", "Shang-Chi and the Legend of the Ten Rings" and "Black Widow". The Audiovisual segment of NOS also benefitted from the return of screenings, being responsible for the distribution of 5 out of the 10 most watched films in the quarter.

A More Sustainable Future

- NOS has committed to being carbon neutral by 2022, using only electricity from certified renewable sources for our own direct operations. We approved a roadmap for our own fleet of vehicles, aiming at full electrification by 2030 (Scope 1). Until then, as a voluntary measure, we will offset our unavoidable emissions through a reforestation project (maritime pine and European oak) based on our own fleet consumption profile and a 30-year carbon sequestration objective.
- NOS remains committed to providing its customers with a wide range of products and services that are produced responsibly, both from an environmental and social point of view, and as such

continues to promote the circular economy. One initiative is an equipment return scheme, open to both customers *and* non-customers, allowing for exchange of old but functioning smartphones for a voucher of up to 600 euros, which can be used for the purchase of new equipment. The returned equipment will be recycled or reused, depending on its value and condition. This new programme forms part of NOS' global sustainability strategy, contributing to increased circularity and the transformation of Portugal towards more efficient and carbon neutral environmental practices.

- In yet another pioneering initiative, NOS became the first telecom operator in Portugal to issue SIM cards made of 100% recycled plastic. Produced in partnership with IDEMIA, a global leader in Augmented Identity, they are made from post-industrial packaging and printing material waste and guarantee the same connectivity features as its predecessors. The SIM cards will be launched first as part of the WTF brand, aimed at the younger customer segment, and old cards will be phased out over the next few months. At the end of its lifecycle the plastic can be recycled and reused, reducing use of virgin plastic by about one tonne per year. All new SIM cards will be produced in this way, and we aim to reduce the use of plastic by 15 tonnes over the next three years. This initiative is yet another commitment from NOS to increase resource circularity and decrease our carbon footprint.

Financial Performance

The Consolidated Financial Statements have been subject to limited review.

Table 3.

Profit and Loss Statement
(Millions of Euros)

| | 3Q20 | 3Q21 | 3Q21 / 3Q20 | 9M20 | 9M21 | 9M21 / 9M20 |
|--|---------|---------|-------------|---------|---------|-------------|
| Operating Revenues | 346,9 | 366,5 | 5,6% | 1.013,6 | 1.044,9 | 3,1% |
| Telco | 342,7 | 356,8 | 4,1% | 995,5 | 1.029,2 | 3,4% |
| Consumer Revenues | 248,3 | 252,8 | 1,8% | 728,6 | 743,8 | 2,1% |
| Business Revenues | 70,7 | 79,7 | 12,7% | 209,6 | 225,7 | 7,7% |
| Wholesale and Others | 23,7 | 24,3 | 2,7% | 57,3 | 59,6 | 4,1% |
| Audiovisuals & Cinema ⁽¹⁾ | 11,1 | 19,1 | 71,9% | 41,8 | 42,2 | 0,8% |
| Others and Eliminations | (6,9) | (9,4) | 36,4% | (23,8) | (26,4) | 11,2% |
| Operating Costs Excluding D&A | (186,4) | (195,3) | 4,8% | (542,4) | (567,2) | 4,6% |
| Direct Costs | (99,0) | (107,3) | 8,4% | (274,9) | (308,5) | 12,3% |
| Non-Direct Costs ⁽²⁾ | (87,4) | (88,0) | 0,7% | (267,5) | (258,6) | (3,3%) |
| EBITDA ⁽³⁾ | 160,6 | 171,1 | 6,6% | 471,2 | 477,7 | 1,4% |
| EBITDA Margin | 46,3% | 46,7% | 0,4pp | 46,5% | 45,7% | (0,8pp) |
| Telco | 155,5 | 159,2 | 2,4% | 449,9 | 447,6 | (0,5%) |
| EBITDA Margin | 45,4% | 44,6% | (0,8pp) | 45,2% | 43,5% | (1,7pp) |
| Cinema Exhibition and Audiovisuals | 5,1 | 12,0 | 134,3% | 21,3 | 30,1 | 41,5% |
| EBITDA Margin | 46,0% | 62,6% | 16,7pp | 50,9% | 71,4% | 20,6pp |
| Depreciation and Amortization | (103,6) | (108,0) | 4,2% | (305,2) | (312,8) | 2,5% |
| (Other Expenses) / Income | (4,3) | (1,4) | (67,9%) | (53,9) | (7,4) | (86,3%) |
| Operating Profit (EBIT) ⁽⁴⁾ | 52,7 | 61,8 | 17,2% | 112,1 | 157,5 | 40,5% |
| Share of profits (losses) of associates and joint ventures | 0,6 | 2,4 | 280,9% | (9,1) | 4,7 | (151,9%) |
| (Financial Expenses) / Income | (5,3) | (8,9) | 68,5% | (16,6) | (26,7) | 61,5% |
| Leases Financial Expenses | (1,6) | (6,3) | 294,5% | (4,8) | (19,3) | 303,4% |
| Funding & Other Financial Expenses | (3,7) | (2,5) | (30,9%) | (11,8) | (7,4) | (36,8%) |
| Income Before Income Taxes | 48,1 | 55,3 | 15,1% | 86,4 | 135,5 | 56,9% |
| Income Taxes | (4,0) | (9,2) | 131,5% | (14,3) | (15,7) | 10,0% |
| Net Income Before Associates & Non-Controlling Interests | 43,5 | 43,7 | 0,6% | 81,3 | 115,1 | 41,6% |
| Income From Continued Operations | 44,1 | 46,1 | 4,6% | 72,1 | 119,8 | 66,1% |
| o.w. Attributable to Non-Controlling Interests | 0,0 | 0,0 | (57,2%) | 0,6 | 0,2 | (68,3%) |
| Discontinued Operations | 0,0 | 0,0 | n.m. | 6,4 | 0,0 | (100,0%) |
| Net Income | 44,1 | 46,1 | 4,6% | 79,1 | 120,0 | 51,7% |

(1) Includes cinema operations in Mozambique.

(2) Non-Direct Costs Include Commercial & Customer Related Costs and Operating & Structure Costs

(3) EBITDA = Operating Profit + Depreciation and Amortization + Integration Costs + Net Losses/Gains on Disposal of Assets + Other Non-Recurrent Losses/Gains

(4) EBIT = Income Before Financials and Income Taxes.

Revenues

Revenues continued to increase in Q3, to a total of 366.5 million euros, representing +5.6% YOY growth. The Telco segment contributed 356.8 million euros (+4.1% YOY) and revenues from box office sales at Cinemas recovered considerably to 19.1 million euros (+71.9% YOY).

Revenues in Telco operations increased to 252.8 million euros reflecting i) strong growth in customer revenues in the residential fixed segment, of 5.8%, driven by an increase of the average customer base, services, equipment revenues and stable premium subscription revenues, ii) relatively stable revenues from the personal segment, and iii) continued decline in residential wireless revenues (satellite), being replaced by next generation fixed and wireless technology, as part of increased FttH coverage in Portugal. The substantial increase in revenues from the Business segment in 3Q21 was mainly due to the award of more data and IT contracts, in particular this quarter with the increased weight of lower-margin sales of software licenses. Global roaming revenues (in and out) for Q3 also increased by around 25% compared to the same period in 2020, reflecting a higher level of international tourism, following the easing of Covid restrictions over the last few months.

The easing of restrictions, and the release of long-awaited blockbusters over the summer saw a return of cinema goers and boosted NOS' distribution revenues. As a result, the Media and Entertainment division recorded revenues of 19.1 million euros in 3Q21, an increase of 71.9% compared to the same quarter in 2020.

OPEX, EBITDA and Net Results

EBITDA increased in 3Q21 by 6.6% (+10.5 million euros) to 171.1 million euros. The largest contributor to this increase was the Audiovisual and Cinema segment EBITDA margin (6.8 million euros, representing an increase of 134.4%). Telco EBITDA increased by 2.4% to 159.2 million euros. This percentual increase, although greater than that of underlying customer revenues, was diluted this quarter by the higher proportion of low margin revenues in the Business segment, generated from software licensing and projects. Direct costs increased by 8.4% in the quarter to 107.3 million euros, mostly attributable to increased activity in the Audiovisual and Cinema segment and the sale of IT projects and licensing in the Business segment. Other operating costs remained in line with normal operating activity.

Net Income before tax increased by 15.1% YOY to 55,3 million euros reflecting the increase in EBITDA, a lower level of restructuring costs, an improvement in results of affiliated companies, increased costs of leasing contracts (due to the sale of mobile towers at the end of 3Q20) and a reduction in financing costs (lower gross debt combined with lower funding costs). Due to the increase in EBT, and a lower recognition of tax incentives compared to 3Q20, the tax provision increased to 9.2 million euros.

CAPEX

Table 4.

| CAPEX (Million Euros) (1) | 3Q20 | 3Q21 | 3Q21 / 3Q20 | 9M20 | 9M21 | 9M21 / 9M20 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
| Telco Technical CAPEX | 51,6 | 70,2 | 36,1% | 148,0 | 184,6 | 24,7% |
| Baseline Telco | 32,4 | 30,6 | (5,7%) | 102,0 | 103,2 | 1,2% |
| Network Expansion / Substitution and Integration Projects and Others | 19,2 | 39,6 | 106,7% | 46,0 | 81,4 | 76,9% |
| Telco Customer Related CAPEX | 40,5 | 35,5 | (12,4%) | 105,3 | 115,4 | 9,7% |
| Audiovisuals and Cinema Exhibition | 5,8 | 4,3 | (25,4%) | 16,3 | 10,0 | (38,5%) |
| Total CAPEX Excluding Leasing Contracts & Other Contractual Rights | 97,8 | 110,0 | 12,4% | 269,6 | 310,1 | 15,0% |
| Leasing Contracts & Other Contractual Rights | 11,3 | 12,5 | 10,8% | 35,4 | 25,2 | (28,8%) |
| Total Group CAPEX | 109,1 | 122,5 | 12,3% | 305,0 | 335,3 | 9,9% |

In line with our strategy to lead in next generation networks, as a driver of long-term sustainable value creation, we continue to invest in the expansion and modernisation of our fixed and mobile networks. Our Gigabit fixed network already reaches a total of 5.078 million homes, and with 49.6% of homes covered with FttH, we are well on our way to achieving 100% FttH coverage in the medium term. Despite the incomprehensible delay in the conclusion of the 5G auction, we continued to prepare and upgrade our infrastructure for this new technology. Our commitment to coverage, quality, and robustness of our technological infrastructure is being achieved in the fastest, most economically efficient and environmentally sustainable way possible. We are exploring partnerships and investment-sharing opportunities in addition to own build, as a means of avoiding duplication and waste. In 3Q21, 39.6 million euros were invested in expansion and modernisation of networks, taking the total to 81.4 million euros YTD, almost 50% of technical investment (31% in 9M20), reflecting the accelerated investment cycle underway. The only other substantial investment highlight is that of the Audiovisual and Cinema segment, which was well below that of 2020, due to the months of operational slowdown in this area.

Cash Flow

Table 4.

| CAPEX (Millions of Euros) ⁽¹⁾ | 3Q20 | 3Q21 | 3Q21 / 3Q20 | 9M20 | 9M21 | 9M21 / 9M20 |
|--|-------|-------|-------------|-------|-------|-------------|
| Total CAPEX Excluding Leasing Contracts & Other Contractual Rights | 97,8 | 110,0 | 12,4% | 269,6 | 310,1 | 15,0% |
| Telco | 92,0 | 105,7 | 14,8% | 253,3 | 300,1 | 18,5% |
| % of Telco Revenues | 26,9% | 29,6% | 2,8pp | 25,4% | 29,2% | 3,7pp |
| o.w. Technical CAPEX | 51,6 | 70,2 | 36,1% | 148,0 | 184,6 | 24,7% |
| % of Telco Revenues | 15,0% | 19,7% | 4,6pp | 14,9% | 17,9% | 3,1pp |
| Baseline Telco | 32,4 | 30,6 | (5,7%) | 102,0 | 103,2 | 1,2% |
| Network Expansion / Substitution and Integration Projects and Others | 19,2 | 39,6 | 106,7% | 46,0 | 81,4 | 76,9% |
| o.w. Customer Related CAPEX | 40,5 | 35,5 | (12,4%) | 105,3 | 115,4 | 9,7% |
| % of Telco Revenues | 11,8% | 9,9% | (1,9pp) | 10,6% | 11,2% | 0,6pp |
| Audiovisuals and Cinema Exhibition | 5,8 | 4,3 | (25,4%) | 16,3 | 10,0 | (38,5%) |
| Leasing Contracts & Other Contractual Rights | 11,3 | 12,5 | 10,8% | 35,4 | 25,2 | (28,8%) |
| Total Group CAPEX | 109,1 | 122,5 | 12,3% | 305,0 | 335,3 | 9,9% |

(1) CAPEX = Increase in Tangible and Intangible Fixed Assets, Contract Costs and Rights of Use

In 3Q21 NOS generated an Operating Cash Flow of 25.6 million euros. The increase can be attributed to the increase in EBITDA of 10.5 million euros, the 12.2 million euros of investment in network expansion described above and an increase in lease contract payments driven by the tower sale completed at the end of 3Q20.

FCF before dividends, financial investments and acquisition of own shares, adjusted for the partial receipt in 3Q20 of 374.2 million euros from the proceeds of the tower sale, increased YOY from 7.9 to 9.4 million euros.

Consolidated Balance Sheet

Table 6.

| Balance Sheet (Millions of Euros) | 9M20 | 2020 | 9M21 | 9M21 / 9M20 |
|--|---------|---------|---------|-------------|
| Non-current Assets | 2.488,9 | 2.557,5 | 2.584,1 | 3,8% |
| Current Assets | 621,5 | 615,2 | 518,7 | (16,5%) |
| Total Assets | 3.110,4 | 3.172,6 | 3.102,8 | (0,2%) |
| Total Shareholders' Equity | 944,3 | 956,2 | 937,4 | (0,7%) |
| Non-current Liabilities | 1.456,9 | 1.487,8 | 1.367,9 | (6,1%) |
| Current Liabilities | 709,1 | 728,6 | 797,5 | 12,5% |
| Total Liabilities | 2.166,1 | 2.216,4 | 2.165,4 | (0,0%) |
| Total Liabilities and Shareholders' Equity | 3.110,4 | 3.172,6 | 3.102,8 | (0,2%) |

Capital Structure and Funding

Table 7.

| Net Financial Debt (Millions of Euros) | 9M20 | 2020 | 9M21 | 9M21 / 9M20 |
|---|---------|---------|---------|-------------|
| Short Term | 97,2 | 100,8 | 169,3 | 74,2% |
| Medium and Long Term | 854,6 | 854,5 | 762,0 | (10,8%) |
| Total Debt | 951,8 | 955,3 | 931,2 | (2,2%) |
| Cash and Short Term Investments | 180,3 | 153,3 | 43,4 | (75,9%) |
| Net Financial Debt ⁽¹⁾ | 771,5 | 802,0 | 887,8 | 15,1% |
| Net Financial Debt / EBITDA after lease payments (last 4 quarters) ⁽²⁾ | 1,4x | 1,5x | 1,7x | n.a. |
| Leasings and Long Term Contracts | 576,4 | 575,3 | 543,5 | (5,7%) |
| Net Debt | 1.347,9 | 1.377,4 | 1.431,3 | 6,2% |
| Net Debt / EBITDA | 2,2x | 2,3x | 2,3x | n.a. |
| Net Financial Gearing ⁽³⁾ | 58,8% | 59,0% | 60,4% | 1,6pp |

(1) Net Financial Debt = Borrowings - Leasings - Cash

(2) EBITDA After Lease Payments = EBITDA - Lease Cash Payments (Capital & Interest)

(3) Net Financial Gearing = Net Debt / (Net Debt + Total Shareholders' Equity).

At the end of 3Q21, Total Net Debt, including Leasing and Long-term Contracts (as per IFRS16 standards) amounted to 1,431.3 million euros. Net Financial Debt was 887.8 million euros with Cash and Cash Equivalents on the Consolidated Balance Sheet amounting to 43.4 million euros. In addition, NOS held 312.5 million euros in unissued commercial paper programmes.

The ratio of Net Financial Debt / EBITDA after Lease payments (past 4 quarters) now stands at 1.7x. NOS is committed to maintaining a solid and conservative capital structure and as such aims to maintain a financial leverage ratio of around 2x.

The all-in average Cost of Debt in 3Q21 was 1.3%, and 1.5% for the first 9 months of the year. The average debt maturity at the end of 3Q21 was 2.4 years. Considering loans issued at a fixed rate, as well as hedging operations, as of 30 September 2021, approximately 100% of debt was issued at a fixed rate.

Subsequent Events

On 27 October the auction to allocate 5G frequencies in Portugal ended, with NOS acquiring more spectrum than any other participant and investing the highest value. The positive outcome fulfils all of the company's objectives outlined in its strategy for the fifth generation of mobile networks. In total NOS invested approximately 165 million euros, of which 50% can be paid over a maximum of 7 years although NOS may opt to anticipate these deferred amounts in exchange for an upfront discount.

Following more than 200 days of bidding, the longest auction on record, NOS acquired the maximum spectrum possible to exploit the new technology: 100MHz in the 3.6GHz band and 2x10MHz in the 700MHz band, as well as 2x5MHz in the 2100MHz band and 2x2MHz in the 900MHz band, allowing NOS to also reinforce its 4G network and reinforce service quality across the country.

5G opens a new chapter in NOS' history, driving digital transformation and ground-breaking, and, as yet, unimaginable possibilities. With the newly acquired spectrum NOS will be able to guarantee the best 5G network in Portugal. We will be able to drive and accelerate digital transformation, contributing to sustainable development of Portuguese society and the national economy. NOS' ambition is to lead the way in 5G, unlocking all the potential of this technology; creating solutions that allow people to improve their quality of life, companies to be more innovative and sustainable, and the country to fully embrace the digital revolution. With more potential than any preceding technology, our commitment is to make 5G available to everyone, an invaluable opportunity to address the social, economic and environmental challenges we are facing.

APPENDIX I

Table 8.

| Operating Indicators ('000) | 1Q20 | 2Q20 | 3Q20 | 4Q20 | 1Q21 | 2Q21 | 3Q21 |
|--|---------|---------|---------|---------|---------|----------|----------|
| Telco⁽¹⁾ | | | | | | | |
| Homes Passed | 4.639,5 | 4.689,9 | 4.796,0 | 4.806,7 | 4.909,9 | 4.987,5 | 5.078,5 |
| Total RGUs | 9.695,3 | 9.747,4 | 9.871,8 | 9.919,1 | 9.902,2 | 10.000,2 | 10.147,1 |
| o.w. Consumer RGUs | 8.212,6 | 8.243,8 | 8.351,9 | 8.390,8 | 8.370,4 | 8.459,8 | 8.591,2 |
| o.w. Business RGUs | 1.482,7 | 1.503,7 | 1.520,0 | 1.528,3 | 1.531,7 | 1.540,4 | 1.555,9 |
| Mobile | 4.847,1 | 4.869,9 | 4.972,0 | 5.007,8 | 4.992,1 | 5.084,9 | 5.209,9 |
| Pre-Paid | 1.983,2 | 1.957,7 | 1.998,1 | 1.991,7 | 1.937,0 | 1.957,5 | 2.004,4 |
| Post-Paid | 2.863,9 | 2.912,2 | 2.973,9 | 3.016,1 | 3.055,1 | 3.127,3 | 3.205,5 |
| Pay TV Fixed Access ⁽²⁾ | 1.347,8 | 1.351,2 | 1.360,2 | 1.362,7 | 1.363,8 | 1.370,8 | 1.382,9 |
| Pay TV DTH | 283,7 | 283,4 | 282,2 | 279,7 | 275,7 | 268,7 | 260,6 |
| Fixed Voice | 1.756,7 | 1.766,7 | 1.769,3 | 1.774,2 | 1.770,9 | 1.770,4 | 1.775,7 |
| Broadband | 1.424,5 | 1.439,8 | 1.451,5 | 1.457,6 | 1.461,8 | 1.466,5 | 1.478,2 |
| Others and Data | 35,5 | 36,4 | 36,5 | 37,2 | 38,0 | 39,0 | 39,8 |
| 3,4&5P Subscribers (Fixed Access) | 1.206,3 | 1.213,5 | 1.224,9 | 1.230,4 | 1.236,0 | 1.247,7 | 1.270,5 |
| % 3,4&5P (Fixed Access) | 89,5% | 89,8% | 90,1% | 90,3% | 90,6% | 91,0% | 91,9% |
| Convergent + Integrated RGUs | 4.754,6 | 4.823,9 | 4.890,7 | 4.956,0 | 5.002,0 | 5.060,5 | 5.146,3 |
| Convergent + Integrated Customers | 942,3 | 957,5 | 967,6 | 976,7 | 985,8 | 993,8 | 1.005,8 |
| Fixed Convergent + Integrated Customers as % of Fixed Access Customers | 60,8% | 61,6% | 62,0% | 62,4% | 62,9% | 63,3% | 63,8% |
| % Convergent + Integrated Customers | 57,8% | 58,6% | 58,9% | 59,5% | 60,1% | 60,6% | 61,2% |
| Residential ARPU / Unique Subscriber With Fixed Access (Euros) | 44,4 | 42,4 | 43,5 | 44,3 | 43,7 | 44,5 | 45,2 |
| Net Adds | | | | | | | |
| Homes Passed | 27,0 | 50,4 | 106,1 | 10,7 | 103,2 | 77,6 | 91,0 |
| Total RGUs | 19,2 | 52,1 | 124,4 | 47,3 | (16,9) | 98,1 | 146,9 |
| o.w. Consumer RGUs | 19,2 | 31,2 | 108,1 | 38,9 | (20,3) | 89,4 | 131,4 |
| o.w. Business RGUs | (0,0) | 21,0 | 16,3 | 8,3 | 3,4 | 8,7 | 15,5 |
| Mobile | (4,0) | 22,8 | 102,1 | 35,7 | (15,7) | 92,8 | 125,0 |
| Pre-Paid | (25,0) | (25,5) | 40,4 | (6,5) | (54,7) | 20,5 | 46,9 |
| Post-Paid | 21,0 | 48,4 | 61,7 | 42,2 | 39,0 | 72,3 | 78,1 |
| Pay TV Fixed Access | 3,1 | 3,4 | 9,0 | 2,5 | 1,0 | 7,0 | 12,1 |
| Pay TV DTH | 1,1 | (0,2) | (1,2) | (2,6) | (4,0) | (7,0) | (8,1) |
| Fixed Voice | 8,0 | 10,0 | 2,6 | 4,8 | (3,3) | (0,5) | 5,3 |
| Broadband | 10,2 | 15,3 | 11,8 | 6,1 | 4,2 | 4,7 | 11,7 |
| Others and Data | 0,7 | 0,8 | 0,1 | 0,7 | 0,8 | 1,0 | 0,8 |
| 3,4&5P Subscribers (Fixed Access) | 5,7 | 7,3 | 11,4 | 5,5 | 5,5 | 11,8 | 22,8 |
| Convergent + Integrated RGUs | 50,1 | 69,3 | 66,8 | 65,3 | 45,9 | 58,6 | 85,8 |
| Convergent + Integrated Customers | 11,6 | 15,2 | 10,1 | 9,1 | 9,0 | 8,1 | 12,0 |

⁽¹⁾Portuguese Operations.

⁽²⁾Fixed Access Subscribers include customers served by the HFC, FTTH and ULL networks and indirect access customers.

Note: In 1Q21, 4Q20 Post-Paid mobile subscribers have been restated to adjust for the subsidized mobile broadband plans, E-Escolas, which are now not included in numbers reported.

APPENDIX II

Table 9.

| Profit and Loss Statement (Millions of Euros) | 1Q20 | 2Q20 | 3Q20 | 4Q20 | 2020 | 1Q21 | 2Q21 | 3Q21 |
|--|---------|---------|---------|---------|---------|---------|---------|---------|
| Operating Revenues | 345,4 | 321,3 | 346,9 | 354,3 | 1.367,9 | 337,4 | 341,0 | 366,5 |
| Telco | 332,9 | 319,9 | 342,7 | 350,2 | 1.345,7 | 335,7 | 336,7 | 356,8 |
| Consumer Revenues | 244,0 | 236,3 | 248,3 | 253,4 | 982,0 | 244,0 | 247,0 | 252,8 |
| Business Revenues | 71,9 | 67,0 | 70,7 | 79,6 | 289,2 | 73,2 | 72,8 | 79,7 |
| Wholesale and Others | 17,0 | 16,6 | 23,7 | 17,3 | 74,5 | 18,4 | 16,9 | 24,3 |
| Audiovisuals & Cinema ⁽¹⁾ | 21,8 | 8,9 | 11,1 | 11,9 | 53,8 | 9,7 | 13,4 | 19,1 |
| Others and Eliminations | (9,3) | (7,6) | (6,9) | (7,8) | (31,6) | (8,0) | (9,1) | (9,4) |
| Operating Costs Excluding D&A | (192,7) | (163,4) | (186,4) | (222,3) | (764,7) | (185,3) | (186,6) | (195,3) |
| Direct Costs | (97,7) | (78,2) | (99,0) | (115,2) | (390,1) | (99,6) | (101,6) | (107,3) |
| Non-Direct Costs ⁽²⁾ | (95,0) | (85,1) | (87,4) | (107,1) | (374,6) | (85,6) | (85,0) | (88,0) |
| EBITDA ⁽³⁾ | 152,7 | 157,9 | 160,6 | 132,0 | 603,2 | 152,2 | 154,4 | 171,1 |
| EBITDA Margin | 44,2% | 49,1% | 46,3% | 37,3% | 44,1% | 45,1% | 45,3% | 46,7% |
| Telco | 141,8 | 152,6 | 155,5 | 123,7 | 573,6 | 143,5 | 144,9 | 159,2 |
| EBITDA Margin | 42,6% | 47,7% | 45,4% | 35,3% | 42,6% | 42,8% | 43,0% | 44,6% |
| Cinema Exhibition and Audiovisuals | 10,9 | 5,3 | 5,1 | 8,3 | 29,6 | 8,7 | 9,5 | 12,0 |
| EBITDA Margin | 50,1% | 58,8% | 46,0% | 69,9% | 55,1% | 89,1% | 85,1% | 62,6% |
| Depreciation and Amortization | (100,5) | (101,2) | (103,6) | (104,6) | (409,8) | (101,4) | (103,4) | (108,0) |
| (Other Expenses) / Income | (45,7) | (3,8) | (4,3) | (2,2) | (56,0) | (4,3) | (1,7) | (1,4) |
| Operating Profit (EBIT) ⁽⁴⁾ | 6,5 | 52,9 | 52,7 | 25,2 | 137,3 | 46,4 | 49,3 | 61,8 |
| Share of profits (losses) of associates and joint ventures | (8,8) | (0,9) | 0,6 | 0,0 | (9,1) | 2,8 | (0,5) | 2,4 |
| (Financial Expenses) / Income | (5,7) | (5,6) | (5,3) | (10,1) | (26,6) | (9,2) | (8,7) | (8,9) |
| Leases Financial Expenses | (1,6) | (1,6) | (1,6) | (6,7) | (11,5) | (6,5) | (6,4) | (6,3) |
| Funding & Other Financial Expenses | (4,1) | (4,0) | (3,7) | (3,4) | (15,2) | (2,7) | (2,2) | (2,5) |
| Income Before Income Taxes | (8,0) | 46,4 | 48,1 | 15,2 | 101,6 | 40,1 | 40,2 | 55,3 |
| Income Taxes | (2,9) | (7,5) | (4,0) | (2,1) | (16,3) | (9,5) | 3,0 | (9,2) |
| Net Income Before Associates & Non-Controlling Interests | (2,0) | 39,9 | 43,5 | 13,1 | 94,3 | 27,7 | 43,7 | 43,7 |
| Income From Continued Operations | (10,9) | 38,9 | 44,1 | 13,1 | 85,2 | 30,5 | 43,2 | 46,1 |
| o.w. Attributable to Non-Controlling Interests | 0,4 | 0,2 | 0,0 | (0,2) | 0,4 | 0,0 | 0,1 | 0,0 |
| Discontinued Operations | 0,1 | 6,3 | 0,0 | 0,0 | 6,4 | 0,0 | 0,0 | 0,0 |
| Net Income | (10,4) | 45,3 | 44,1 | 12,9 | 92,0 | 30,5 | 43,3 | 46,1 |

(1) Includes cinema operations in Mozambique.

(2) Non-Direct Costs Include Commercial & Customer Related Costs and Operating & Structure Costs

(3) EBITDA = Operating Profit + Depreciation and Amortization + Integration Costs + Net Losses/Gains on Disposal of Assets + Other Non-Recurrent Losses/Gains

(4) EBIT = Income Before Financials and Income Taxes.

Table 10.

| CAPEX (Millions of Euros) ⁽¹⁾ | 1Q20 | 2Q20 | 3Q20 | 4Q20 | 2020 | 1Q21 | 2Q21 | 3Q21 |
|--|-------------|-------------|--------------|--------------|--------------|-------------|--------------|--------------|
| Total CAPEX Excluding Leasing Contracts & Other Contractual Rights | 88,2 | 83,5 | 97,8 | 115,4 | 384,9 | 96,0 | 104,1 | 110,0 |
| Telco | 81,8 | 79,4 | 92,0 | 110,8 | 364,1 | 93,2 | 101,2 | 105,7 |
| % of Telco Revenues | 24,6% | 24,8% | 26,9% | 31,6% | 27,1% | 27,8% | 30,0% | 29,6% |
| o.w. Technical CAPEX | 48,5 | 48,0 | 51,6 | 66,2 | 214,2 | 49,0 | 65,4 | 70,2 |
| % of Telco Revenues | 14,6% | 15,0% | 15,0% | 18,9% | 15,9% | 14,6% | 19,4% | 19,7% |
| Baseline Telco | 29,8 | 39,8 | 32,4 | 37,7 | 139,7 | 38,6 | 34,0 | 30,6 |
| Network Expansion / Substitution and Integration Projects and Others | 18,7 | 8,2 | 19,2 | 28,5 | 74,5 | 10,4 | 31,4 | 39,6 |
| o.w. Customer Related CAPEX | 33,4 | 31,4 | 40,5 | 44,6 | 149,9 | 44,2 | 35,8 | 35,5 |
| % of Telco Revenues | 10,0% | 9,8% | 11,8% | 12,7% | 11,1% | 13,2% | 10,6% | 9,9% |
| Audiovisuals and Cinema Exhibition | 6,4 | 4,1 | 5,8 | 4,6 | 20,8 | 2,7 | 3,0 | 4,3 |
| Leasing Contracts & Other Contractual Rights | 11,3 | 12,9 | 11,3 | 59,1 | 94,5 | 2,9 | 9,8 | 12,5 |
| Total Group CAPEX | 99,5 | 96,4 | 109,1 | 174,5 | 479,4 | 98,8 | 114,0 | 122,5 |

(1) CAPEX = Increase in Tangible and Intangible Fixed Assets, Contract Costs and Rights of Use

Table 11.

| Cash Flow (Millions of Euros) | 1Q20 | 2Q20 | 3Q20 | 4Q20 | 2020 | 1Q21 | 2Q21 | 3Q21 |
|---|--------|--------|---------|---------|---------|--------|---------|---------|
| EBITDA | 152,7 | 157,9 | 160,6 | 132,0 | 603,2 | 152,2 | 154,4 | 171,1 |
| Total CAPEX Excluding Leasings & Other Contractual Rights | (88,2) | (83,5) | (97,8) | (115,4) | (384,9) | (96,0) | (104,1) | (110,0) |
| EBITDA - Total CAPEX Excluding Leasings & Other Contractual Rights | 64,5 | 74,3 | 62,8 | 16,6 | 218,3 | 56,2 | 50,3 | 61,2 |
| % of Revenues | 18,7% | 23,1% | 18,1% | 4,7% | 16,0% | 16,7% | 14,7% | 16,7% |
| Non-Cash Items Included in EBITDA - CAPEX and Change in Working Capital | (4,5) | 5,0 | (15,1) | (0,4) | (15,1) | (3,2) | 9,3 | (10,4) |
| Leasings (Capital & Interest) ⁽¹⁾ | (15,6) | (16,9) | (16,8) | (26,4) | (75,7) | (21,1) | (24,3) | (25,2) |
| Operating Cash Flow | 44,4 | 62,4 | 30,8 | (10,1) | 127,5 | 31,9 | 35,2 | 25,6 |
| Interest Paid | (2,6) | (5,3) | (2,9) | (1,0) | (11,8) | (3,5) | (4,4) | (2,3) |
| Income Taxes Paid | (3,6) | (0,3) | (16,7) | (13,2) | (33,9) | (1,5) | 0,1 | (13,8) |
| Disposals | 0,0 | 0,1 | 374,2 | 0,1 | 374,4 | 0,2 | 1,0 | 0,4 |
| Other Cash Movements ⁽²⁾ | (3,6) | (3,3) | (3,3) | (0,8) | (11,0) | (5,9) | (1,9) | (0,4) |
| Total Free Cash-Flow Before Dividends, Financial Investments and Own Shares Acquisition | 34,6 | 53,5 | 382,1 | (24,9) | 445,3 | 21,2 | 29,9 | 9,4 |
| Financial Investments | 0,0 | 1,8 | 0,0 | 0,2 | 2,0 | 0,2 | 0,2 | (0,2) |
| Acquisition of Own Shares | 0,0 | (2,9) | (0,5) | (2,4) | (5,7) | (2,1) | 0,0 | 0,0 |
| Dividends | 0,0 | 0,0 | (142,5) | 0,0 | (142,5) | 0,0 | (142,4) | 0,0 |
| Free Cash Flow | 34,6 | 52,5 | 239,1 | (27,2) | 299,0 | 19,3 | (112,2) | 9,2 |
| Debt Variation Through Financial Leasing, Accruals & Deferrals & Others | (3,1) | 0,2 | (1,5) | (3,4) | (7,7) | (0,7) | 0,6 | (2,0) |
| Change in Net Financial Debt | (31,5) | (52,7) | (237,6) | 30,6 | (291,3) | (18,7) | 111,6 | (7,2) |

(1) Includes Long Term Contracts.

(2) Includes Cash Restructuring Payments and Other Cash Movements.

Table 12.

| Net Financial Debt (Millions of Euros) | 1Q20 | 2Q20 | 3Q20 | 4Q20 | 1Q21 | 2Q21 | 3Q21 |
|---|---------|---------|---------|---------|---------|---------|---------|
| Short Term | 23,1 | 134,8 | 97,2 | 100,8 | 249,6 | 187,3 | 169,3 |
| Medium and Long Term | 1.104,4 | 891,6 | 854,6 | 854,5 | 705,0 | 737,1 | 762,0 |
| Total Debt | 1.127,5 | 1.026,4 | 951,8 | 955,3 | 954,6 | 924,4 | 931,2 |
| Cash and Short Term Investments | 65,4 | 17,1 | 180,3 | 153,3 | 171,2 | 29,4 | 43,4 |
| Net Financial Debt ⁽¹⁾ | 1.062,1 | 1.009,4 | 771,5 | 802,0 | 783,4 | 895,0 | 887,8 |
| Net Financial Debt / EBITDA after lease payments (last 4 quarters) ⁽²⁾ | 1,9x | 1,8x | 1,4x | 1,5x | 1,5x | 1,8x | 1,7x |
| Leasings and Long Term Contracts | 249,0 | 210,8 | 576,4 | 575,3 | 560,4 | 551,5 | 543,5 |
| Net Debt | 1.311,1 | 1.220,2 | 1.347,9 | 1.377,4 | 1.343,8 | 1.446,5 | 1.431,3 |
| Net Debt / EBITDA | 2,1x | 2,0x | 2,2x | 2,3x | 2,2x | 2,4x | 2,3x |
| Net Financial Gearing ⁽³⁾ | 56,7% | 57,5% | 58,8% | 59,0% | 57,6% | 61,9% | 60,4% |

(1) Net Financial Debt = Borrowings - Leasings - Cash

(2) EBITDA After Lease Payments = EBITDA - Lease Cash Payments (Capital & Interest)

(3) Net Financial Gearing = Net Debt / (Net Debt + Total Shareholders' Equity).

DISCLAIMER

This presentation contains forward looking information, including statements which constitute forward looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. These statements are based on the current beliefs and assumptions of our management and on information available to management only as of the date such statements were made. Forward-looking statements include: (a) information concerning strategy, possible or assumed future results of our operations, earnings, industry conditions, demand and pricing for our products and other aspects of our business, possible or future payment of dividends and share buyback program; and (b) statements that are preceded by, followed by or include the words "believes", "expects", "anticipates", "intends", "is confident", "plans", "estimates", "may", "might", "could", "would", and the negatives of such terms or similar expressions. These statements are not guarantees of future performance and are subject to factors, risks and uncertainties that could cause the assumptions and beliefs upon which the forward-looking statements were based to substantially differ from the expectation predicted herein. These factors, risks and uncertainties include, but are not limited to, changes in demand for the company's services, technological changes, the effects of competition, telecommunications sector conditions, changes in regulation and economic conditions. Further, certain forward looking statements are based upon assumptions as to future events that may not prove to be accurate. Therefore, actual outcomes and results may differ materially from the plans, strategy, objectives, expectations, estimates and intentions expressed or implied in such forward-looking statements. Forward-looking statements speak only as of the date they are made, and we do not undertake any obligation to update them in light of new information or future developments or to provide reasons why actual results may differ. You are cautioned not to place undue reliance on any forward-looking statements. NOS is exempt from filing periodic reports with the United States Securities and Exchange Commission ("SEC") pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934, as amended. Under this exemption, NOS is required to post on its website English language translations of certain information that it has made or is required to make public in Portugal, has filed or is required to file with the regulated market Eurolist by Euronext Lisbon or has distributed or is required to distribute to its security holders. This document is not an offer to sell or a solicitation of an offer to buy any securities.

ENQUIRIES

Chief Financial Officer: José Pedro Pereira da Costa
Phone: (+351) 21 799 88 19

Analysts/Investors: Maria João Carrapato
Phone: (+351) 21 782 47 25 / E-mail: ir@nos.pt

Press: Margarida Nápoles
Phone: (+351) 21 782 48 07 / E-mail: comunicacao.corporativa@nos.pt

| Conf. Call - 04 November - 12:00pm | Webcast - 04 November - 12:00pm |
|---|---|
| <p>Participant Details: http://emea.directeventreg.com/registration/5039229</p> <p>1. Participants must register in advance of the conference call. Upon registering, each participant will be provided with Participant ID and unique Registrant ID.</p> <p>2. Call reminders will also be sent to registered participants.</p> <p>3. In the 15/20 minutes prior to call start time, Participants receive information provided in the email received at the point of registration.</p> <p>Encore Replay dial-in details: Available as of 04/11/2021 17:30 BST Until 11/11/2021 17:30 BST</p> <p>Confirmation Code: 5039229</p> <p>Standard International: +44 (0) 3333009785 US Local: +1 (917) 677-7532 Toll Free: +1 (866) 331-1332 UK : Local: +44 (0)8445718951 Toll Free: 08082380667</p> | <p>Participant Details: https://edge.media-server.com/mmc/p/u78p32wv</p> <p>1. Participants must register for the webcast, using the link provided above.</p> <p>2. In the 15/20 minutes prior to call start time, Participants must be provided above.</p> |



Rua Actor António Silva nº9,
Campo Grande, 1600-404 Lisboa

www.nos.pt/ir