



E A R N I N G S
A N N O U N C E M E N T

2 Q 2 2



Lisbon, 20 July 2022

2Q22 HIGHLIGHTS

Robust operational performance reflected in core telco KPI growth, led by focus on customer experience and technological leadership

Continued recovery in cinema activity driving strong revenues in exhibition and movie distribution

Table 1.

2Q22 Highlights ('000)	2Q21	2Q22	2Q22 / 2Q21	1H21	1H22	1H22 / 1H21
Operating Highlights						
Homes Passed	4,987.5	5,187.5	4.0%	4,987.5	5,187.5	4.0%
% FttH	46.0%	55.9%	9.8pp	46.0%	55.9%	9.8pp
Total RGUs	9,999.3	10,523.6	5.2%	9,999.3	10,523.6	5.2%
Fixed Pay TV RGUs	1,369.4	1,411.3	3.1%	1,369.4	1,411.3	3.1%
Convergent + Integrated Customers	993.8	1,052.1	5.9%	993.8	1,052.1	5.9%
Fixed Convergent + Integrated Customers as % of Fixed Access Customers	63.4%	65.8%	2.4pp	63.4%	65.8%	2.4pp
Mobile RGUs	5,084.9	5,529.0	8.7%	5,084.9	5,529.0	8.7%
Residential ARPU / Unique Subscriber With Fixed Access (Euros) ⁽¹⁾	47.1	47.8	1.5%	46.8	47.4	1.4%
Financial Highlights (Millions of Euros)						
Consolidated Revenues	341.0	368.6	8.1%	678.5	742.0	9.4%
Consolidated EBITDA	154.4	162.8	5.4%	306.6	322.3	5.1%
Consolidated EBITDA Margin	45.3%	44.2%	(1.1pp)	45.2%	43.4%	(1.8pp)
Consolidated EBITDA - Consolidated CAPEX Excluding Leasings, Spectrum License & Other Contractual Rights	50.3	50.3	(0.1%)	106.5	78.3	(26.5%)
Telco Revenues	336.7	355.6	5.6%	672.4	721.4	7.3%
Telco EBITDA	144.9	151.2	4.3%	288.4	300.9	4.3%
Telco EBITDA Margin	43.0%	42.5%	(0.5pp)	42.9%	41.7%	(1.2pp)
Telco EBITDA - Telco CAPEX Excluding Leasings, Spectrum License & Other Contractual Rights	43.7	43.5	(0.6%)	94.0	67.5	(28.2%)

(1) Fixed residential ARPU reestimated from 1Q19 to include Revenues of SIM cards integrated in residential bills

- Total RGUs recorded net adds of 130.2 thousand, +33% yoy, taking total RGUs to 10.523 million.
- Mobile was the main driver of service growth, with net adds of 85.2 thousand post-paid mobile services and 20.3 thousand pre-paid services. Fixed Broadband services grew by an additional 9.2 thousand services and Fixed Pay TV by 9.5 thousand taking total fixed BB and Pay TV services up to 1.502 million and 1.411 million, respectively.



- Customers continue to prefer convergent and integrated packages, with net adds of 98.4 thousand services and of 15.9 thousand customers in 2Q22, taking the total number of customers with convergent and integrated services to 1.052 million, which now represent 65.8% of the fixed access customer base.
- Reflection of NOS' successful focus on technological leadership and innovation, NOS was awarded first place as the fastest 5G network in Portugal in Ookla's 2022 Speedtest Awards, and voted the best 2G/3G/4G mobile internet operator by Deco Proteste;
- Recovery in Cinema going led to an increase in Cinema tickets sold of 189% to 1.597 million in 2Q22, more than the growth in the overall market of 182%, demonstrating the value of NOS Cinema's theatre experience.

Sustained delivery of very positive financial results led by performance of core telco operations and yoy continued recovery in cinema and audiovisuais

- Consolidated Revenues grew 8.1% yoy to 368.6 million euros in 2Q22 with, telco revenues growing by 5.6% to 355.6 million euros and Audiovisuais and Cinema revenues growing by 68.1% yoy to 22.4 million euros.
- Consolidated EBITDA increased 5.4% yoy to 162.8 million euros, representing a 44.2% margin as a proportion of revenues. Telco EBITDA grew by 4.3% yoy to 151.2 million euros and Audiovisuais and Cinema EBITDA by 22.1% to 11.6 million euros.
- Consolidated Net Income increased 2% yoy to 44.2 million euros.
- Total CAPEX Excluding Leasing Contracts, Spectrum license & Other Contractual Rights increased 8.1% to 112.6 million euros led by our accelerated 5G deployment programme, however already lower than the peak recorded in 1Q22.
- Dividend payment in 2Q22 of 142.3 million euros leading to seasonal increase in Net Financial Debt to 1,145.2 million euros, representing 2.15x Net Financial Debt / EBITDA AL (last 4 quarters). FCF generation and proceeds from towers sale transaction, to be received in 2H22, will return Net Financial Debt / EBITDA AL to levels within stated target of around 2x.



OPERATING AND FINANCIAL REVIEW

The Consolidated Financial Statements for 2Q22 have been subject to limited review.

Profit and Loss Statement (Millions of Euros)	2Q21	2Q22	2Q22 / 2Q21	1H21	1H22	1H22 / 1H21
Operating Revenues	341.0	368.6	8.1%	678.5	742.0	9.4%
Telco	336.7	355.6	5.6%	672.4	721.4	7.3%
Consumer Revenues	246.9	252.8	2.4%	491.0	500.4	1.9%
Business Revenues	73.3	79.3	8.2%	146.4	176.5	20.5%
Wholesale and Others	16.5	23.5	42.2%	35.0	44.5	27.2%
Audiovisuals & Cinema ⁽¹⁾	13.4	22.4	68.1%	23.1	39.1	69.4%
Others and Eliminations	(9.1)	(9.5)	4.3%	(17.0)	(18.5)	8.7%
Operating Costs Excluding D&A	(186.6)	(205.8)	10.3%	(371.9)	(419.7)	12.9%
Telco	(191.8)	(204.4)	6.6%	(384.0)	(420.5)	9.5%
Audiovisuals & Cinema ⁽¹⁾	(3.8)	(10.8)	181.7%	(4.9)	(17.7)	260.5%
Others and Eliminations	9.1	9.5	(4.3%)	17.0	18.5	8.7%
EBITDA ⁽²⁾	154.4	162.8	5.4%	306.6	322.3	5.1%
EBITDA Margin	45.3%	44.2%	(1.1pp)	45.2%	43.4%	(1.8pp)
Telco	144.9	151.2	4.3%	288.4	300.9	4.3%
EBITDA Margin	43.0%	42.5%	(0.5pp)	42.9%	41.7%	(1.2pp)
Cinema Exhibition and Audiovisuals	9.5	11.6	22.1%	18.2	21.4	17.8%
EBITDA Margin	85.1%	51.7%	(33.3pp)	75.7%	50.7%	(25.0pp)
Depreciation and Amortization	(103.4)	(110.9)	7.3%	(204.8)	(221.3)	8.1%
(Other Expenses) / Income	(1.7)	(0.5)	(70.0%)	(6.0)	2.2	(137.1%)
Operating Profit (EBIT) ⁽³⁾	49.3	51.4	4.2%	95.8	103.2	7.7%
Share of profits (losses) of associates and joint ventures	(0.5)	5.1	1094.4%	2.3	10.4	346.7%
(Financial Expenses) / Income	(8.7)	(8.9)	2.2%	(17.9)	(17.9)	0.3%
Leases Financial Expenses	(6.4)	(6.3)	(2.7%)	(13.0)	(12.5)	(3.8%)
Funding & Other Financial Expenses	(2.2)	(2.6)	16.3%	(4.9)	(5.4)	11.0%
Income Before Income Taxes	40.2	47.6	18.6%	80.2	95.7	19.2%
Income Taxes	3.0	(3.4)	213.4%	(6.5)	(10.4)	58.7%
Net Income Before Associates & Non-Controlling Interests	43.7	39.1	(10.4%)	71.4	74.9	4.9%
Income From Continued Operations	43.2	44.2	2.4%	73.7	85.3	15.7%
o.w. Attributable to Non-Controlling Interests	(0.1)	0.0	(110.7%)	(0.2)	(0.0)	(90.8%)
Net Income	43.3	44.2	2.0%	73.9	85.3	15.5%

⁽¹⁾ Includes cinema operations in Mozambique.

⁽²⁾ EBITDA = Operating Profit + Depreciation and Amortization + Integration Costs + Net Losses/Gains on Disposal of Assets + Other Non-Recurent Losses/Gains

⁽³⁾ EBIT = Income Before Financials and Income Taxes.



Revenues

Consolidated Revenues grew by 8.1% yoy to 368.6 million euros, with growth in Telco Revenues of 5.6% to 355.6 million euros and in Audiovisuals and Cinema Revenues of 68.1% to 22.4 million euros.

B2C Telco Revenues maintained previous positive trends with growth of 2.4% to 252.8 million euros driven by good RGU and ARPU performance, both in fixed residential services and mobile standalone segments, more than compensating declining legacy satellite services. In B2B, Revenues grew by 8.2% yoy to 79.3 million euros, driven almost entirely by growth in underlying customer revenues, with particular note for very good performance in the large Corporate segment due to sale of managed service solutions and clear positioning as the key partner to support Portuguese companies on their path toward digital transformation. In 2Q22, we booked fewer revenues from non-recurrent and lower margin software resale sales than in previous quarters, thus driving lower overall B2B revenue growth but sustaining higher levels of profitability. Revenues from Wholesale and other business lines increased by 42.2% yoy to 23.5 million euros explained by wholesale business growth, namely recovery in roaming revenue and also due to a one-off negative revenue impact in 2Q21.

Audiovisual distribution and Cinema exhibition revenues grew by 68.1% to 22.4 million euros, as a result of the strong recovery in box office sales after COVID restrictions were lifted and benefiting from the launch of blockbuster movies attracting people back to theatres, one of the most successful launches being "Top Gun". NOS and the market overall are gradually recovering, evidence that when offered popular films without the restrictions of social distancing, spectators return to the cinema.

Table 3.

Operating Indicators ('000)	2Q21	2Q22	2Q22 / 2Q21	1H21	1H22	1H22 / 1H21
Cinema ⁽¹⁾						
Revenue per Ticket (Euros)	5.4	5.7	6.6%	5.4	5.7	6.6%
Tickets Sold - NOS	551.8	1,596.6	189.3%	567.7	2,584.2	355.2%
Tickets Sold - Total Portuguese Market ⁽²⁾	865.9	2,440.9	181.9%	893.0	4,000.6	348.0%
Screens (units)	208	208	0.0%	208	208	0.0%

⁽¹⁾ Portuguese Operations

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



OPEX, EBITDA and Net Results

Consolidated EBITDA grew by 5.4% to 162.8 million euros representing a 44.2% margin as a proportion of Consolidated Revenues. Telco EBITDA increased 4.3% to 151.2 million euros and Audiovisuals and Cinema EBITDA by 22.1% to 11.6 million euros. In the Telco division, robust revenue growth and focus on operating efficiency and cost control, allowed EBITDA margin to remain relatively flatish however there was 6.6% yoy increase in Operating Costs, driven mostly by increased activity related costs, particularly in B2B, roaming charges, leased line costs and some inflationary trends in particular in energy costs, as is to be expected in the current macro and geopolitical environment. In the Audiovisuals and Cinema division EBITDA margins decreased to normal pre pandemic levels due to the recovery in operational activity and resurgence of contractual obligations that had been negotiated down during the most challenging phases of the pandemic.

Consolidated Net Income increased by 2% to 44.2 million euros led primarily by 4.2% growth in Operating Profit (EBIT) to 51.4 million euros, a positive contribution from Associates of 5.1 million euros, albeit mitigated by variation of 6.4 yoy million euros in income tax provision, explained mainly by a decrease in tax incentives when compared with 2Q21.

CAPEX

Total CAPEX Excluding Leasing Contracts, Spectrum license & Other Contractual Rights increased 8.1% to 112.6 million euros led by our accelerated 5G deployment programme, however already lower than the peak recorded in 1Q22.



Table 4.

CAPEX (Millions of Euros) ⁽¹⁾	2Q21	2Q22	2Q22 / 2Q21	1H21	1H22	1H22 / 1H21
Total CAPEX Excluding Leasing Contracts, Spectrum license & Other Contractual Rights	104.1	112.6	8.1%	200.1	244.0	21.9%
Telco	101.2	107.7	6.5%	194.4	233.3	20.0%
% of Telco Revenues	30.0%	30.3%	0.3pp	28.9%	32.3%	3.4pp
o.w. Technical CAPEX	65.4	72.8	11.2%	114.4	162.1	41.7%
% of Telco Revenues	19.4%	20.5%	1.0pp	17.0%	22.5%	5.5pp
Baseline Telco	34.0	40.1	18.0%	72.6	79.1	9.0%
Network Expansion / Substitution and Integration Projects and Others	31.4	32.6	3.9%	41.8	83.0	98.6%
o.w. Customer Related CAPEX	35.8	35.0	(2.2%)	80.0	71.2	(11.0%)
% of Telco Revenues	10.6%	9.8%	(0.8pp)	11.9%	9.9%	(2.0pp)
Audiovisuals and Cinema Exhibition	3.0	4.8	62.9%	5.7	10.7	87.4%
Leasing Contracts & Other Contractual Rights	9.8	21.0	113.6%	11.7	28.0	140.4%
Total Group CAPEX	114.0	133.6	17.2%	212.8	276.8	30.1%

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

NOS' accelerated 5G rollout programme and continued FttH expansion are visible in yoy technical CAPEX growth of 11.2% to 72.8 million euros and of which 32.6 million euros related to network expansion and modernization projects. NOS' fixed Gigabit network coverage already reaches 5.220 million households, of which 56% with FttH, having grown by 55 thousand in 2Q22. NOS' network deployment strategy is to be as fast and economically and environmentally rational as possible, having implemented several strategic fixed and mobile network sharing agreements, and agreements to use third party networks when competitive. In addition, NOS has also monetized a significant proportion of its mobile tower portfolio through a global agreement originally announced in 2020. Initially approximately 2 thousand towers (sites and rooftops) were transferred to Cellnex through the equity sale of NOS Towering, generating initial proceeds of 375 million euros and in 2Q22, [NOS announced a transaction](#) within the scope of this agreement, to sell an additional 350 towers for which cash proceeds of 155 million euros will still be received this year. On the commercial front, telco investment in customer acquisition and retention was lower by 2.2% yoy at 35 million euros, demonstrating increased operational efficiency and commercial effectiveness. Due to the recovery in operational performance, CAPEX in the Audiovisuals and Cinema division picked up yoy to 4.8 million euros, however lower than the 5.8 million euros recorded in 1Q22.



Cash Flow

Table 5.

Cash Flow (Millions of Euros)	2Q21	2Q22	2Q22 / 2Q21	1H21	1H22	1H22 / 1H21
EBITDA	154.4	162.8	5.4%	306.6	322.3	5.1%
Total CAPEX Excluding Leasings, Spectrum License & Other Contractual Rights	(104.1)	(112.6)	8.1%	(200.1)	(244.0)	21.9%
EBITDA - Total CAPEX Excluding Leasings, Spectrum License & Other Contractual Rights	50.3	50.3	(0.0%)	106.5	78.3	(26.5%)
% of Revenues	14.7%	13.6%	(1.1pp)	15.7%	10.5%	(5.1pp)
Non-Cash Items Included in EBITDA - CAPEX and Change in Working Capital	9.3	11.9	28.6%	6.1	13.8	127.6%
Leasings (Capital & Interest) ⁽¹⁾	(24.3)	(25.3)	4.1%	(45.4)	(47.2)	3.9%
Operating Cash Flow	35.2	36.9	4.7%	67.2	44.9	(33.1%)
Interest Paid	(4.4)	(4.0)	(10.2%)	(7.9)	(7.2)	(9.1%)
Income Taxes Paid	0.1	(0.7)	(861.5%)	(1.4)	(0.9)	(35.2%)
Disposals	1.0	0.2	(77.1%)	1.2	0.8	(35.4%)
Other Cash Movements ⁽²⁾	(1.9)	(1.8)	(7.7%)	(7.9)	(2.8)	(64.0%)
Total Free Cash-Flow Before Dividends, Financial Investments and Own Shares Acquisition	29.9	30.6	2.3%	51.1	34.7	(32.1%)
Financial Investments	0.2	(0.4)	(311.1%)	0.4	(0.2)	(155.5%)
Acquisition of Own Shares	0.0	(3.4)	n.a.	(2.1)	(6.3)	203.6%
Dividends	(142.4)	(142.3)	(0.0%)	(142.4)	(142.3)	(0.0%)
Free Cash Flow	(112.2)	(115.5)	2.9%	(92.9)	(114.1)	22.8%
Debt Variation Through Financial Leasing, Accruals & Deferrals & Others	0.6	0.8	36.4%	(0.1)	0.6	(957.8%)
Change in Net Financial Debt	111.6	114.7	2.7%	93.0	113.5	22.1%

⁽¹⁾ Includes Long Term Contracts.

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

In 2Q22, EBITDA – total CAPEX excluding leases, Spectrum License & Other Contractual Rights amounted to 50.3 million euros, in line with 2Q21, with higher EBITDA being offset by higher CAPEX yoy. All other cash movements were relatively stable with note to dividends paid of 142.3 million euros, the same level as 2Q21 and confirmation of NOS' commitment to reward shareholders with an attractive and sustainable level of shareholder remuneration whilst preserving a solid capital structure.



Consolidated Balance Sheet

Table 6.

Balance Sheet (Millions of Euros)	2Q21	2021	2Q22	2Q22 / 2Q21
Non-current Assets	2,565.0	2,752.9	2,809.2	9.5%
Current Assets	486.1	506.5	527.3	8.5%
Total Assets	3,051.1	3,259.4	3,336.5	9.4%
Total Shareholders' Equity	889.2	963.0	911.7	2.5%
Non-current Liabilities	1,347.5	1,406.4	1,288.6	(4.4%)
Current Liabilities	814.5	890.0	1,136.2	39.5%
Total Liabilities	2,162.0	2,296.4	2,424.7	12.2%
Total Liabilities and Shareholders' Equity	3,051.1	3,259.4	3,336.5	9.4%

Capital Structure and Funding

Table 7.

Net Financial Debt (Millions of Euros)	2Q21	2021	2Q22	2Q22 / 2Q21
Short Term	187.3	235.7	458.4	144.7%
Medium and Long Term	737.1	806.9	699.6	(5.1%)
Total Debt	924.4	1,042.6	1,158.0	25.3%
Cash and Short Term Investments	29.4	10.9	12.8	(56.5%)
Net Financial Debt ⁽¹⁾	895.0	1,031.7	1,145.2	28.0%
Net Financial Debt / EBITDA after lease payments (last 4 quarters) ⁽²⁾	1.75x	1.99x	2.15x	0.23pp
Leasings and Long Term Contracts	551.5	534.0	525.4	(4.7%)
Net Debt	1,446.5	1,565.7	1,670.6	15.5%
Net Debt / EBITDA	2.41x	2.53x	2.64x	0.09pp
Net Financial Gearing ⁽³⁾	61.9%	61.9%	64.7%	4.5%

(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 2Q22, Total Net Debt, including Leasings and Long-Term Contracts (according to IFRS16) amounted to 1,670.6 million euros. Net Financial Debt stood at 1,145.2 million euros with a cash and short-term investment position on the balance sheet of 12.8 million euros. At the end of 2Q22, NOS also had 237.5 million euros in unissued commercial paper programmes.

At the end of March 2022, NOS secured 300 million euros in sustainable financing lines, supported by NOS Sustainability-Linked Financing Framework, and linked to the Sustainability Performance Target of the Group's Greenhouse gas (GHG) emission (Scope 1 and 2). In 2Q22, NOS has also



entered into three Interest Rate Swap agreements for a total notional amount of 180m€, forward starting in September 2022.

Net Financial Debt / EBITDA After Lease Payments (last 4 quarters) stood at 2.15x, slightly above NOS' target leverage ratio in the range of 2x Net Financial Debt / EBITDA after lease payments. FCF generation and proceeds from tower sale transaction, to be received in 2H22, will return Net Financial Debt / EBITDA AL to levels within stated target of around 2x.

The all-in average cost of debt, adjusted for interest rate hedging recently contracted, stood at 1.2%¹ for 2Q22, which compares with 1.4% in 2Q21.

Taking into account loans issued at a fixed rate and interest rate hedging operations in place, as at 30 June 2022, the proportion of NOS' issued debt paying interest at a fixed rate was approximately 54%.

At the end of 2Q22, the average maturity of NOS debt was 2.7 years.

¹ Adjusted to include the impact of Interest Rate Swaps already contracted (forward starting in September).

APPENDIX I

Table 8.

Operating Indicators ('000)	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22
Telco ⁽¹⁾										
Homes Passed	4,639.5	4,689.9	4,796.0	4,806.7	4,908.3	4,987.5	5,078.5	5,123.3	5,164.5	5,219.6
Total RGUs	9,695.3	9,747.4	9,871.8	9,917.8	9,901.2	9,999.3	10,146.1	10,305.5	10,393.3	10,523.6
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	8,725.7	8,797.8	8,907.6
o.w. Business RGUs	1,482.7	1,503.7	1,520.0	1,527.0	1,530.7	1,539.4	1,554.9	1,579.8	1,595.5	1,616.0
Mobile	4,847.1	4,870.0	4,972.0	5,007.8	4,992.1	5,084.9	5,209.9	5,349.9	5,423.5	5,529.0
Pre-Paid	1,983.2	1,957.7	1,998.1	1,991.7	1,937.0	1,957.5	2,004.4	2,058.8	2,076.3	2,096.5
Post-Paid	2,863.9	2,912.3	2,973.9	3,016.1	3,055.1	3,127.3	3,205.5	3,291.1	3,347.2	3,432.5
Pay TV Fixed Access ⁽²⁾	1,347.8	1,351.2	1,360.2	1,361.4	1,362.4	1,369.4	1,381.6	1,392.8	1,401.8	1,411.3
Pay TV DTH	283.7	283.4	282.2	279.7	275.7	268.7	260.6	252.8	246.0	241.0
Fixed Voice	1,756.7	1,766.7	1,769.3	1,774.2	1,770.9	1,770.4	1,775.7	1,782.5	1,784.8	1,792.0
Broadband	1,424.5	1,439.7	1,451.5	1,457.6	1,461.8	1,466.5	1,478.2	1,485.8	1,492.3	1,501.5
Others and Data	35.5	36.4	36.5	37.2	38.3	39.4	40.2	41.6	44.8	48.6
3,4&5P Subscribers (Fixed Access)	1,206.2	1,213.5	1,224.9	1,229.2	1,234.8	1,246.5	1,269.3	1,287.2	1,300.6	1,314.1
% 3,4&5P (Fixed Access)	89.5%	89.8%	90.1%	90.3%	90.6%	91.0%	91.9%	92.4%	92.8%	93.1%
Convergent + Integrated RGUs	4,754.6	4,823.9	4,890.7	4,956.0	5,002.0	5,060.5	5,146.3	5,231.6	5,319.6	5,417.9
Convergent + Integrated Customers	942.3	957.5	967.6	976.7	985.8	993.8	1,005.8	1,020.8	1,036.2	1,052.1
Fixed Convergent + Integrated Customers as % of Fixed Access Customers	60.8%	61.6%	62.0%	62.5%	62.9%	63.4%	63.9%	64.4%	65.2%	65.8%
% Convergent + Integrated Customers	57.8%	58.6%	58.9%	59.5%	60.1%	60.7%	61.2%	62.0%	62.9%	63.7%
Residential ARPU / Unique Subscriber With Fixed Access (Euros) ³	46.9	45.0	46.2	47.1	46.4	47.1	47.6	48.0	47.1	47.8
Net Adds										
Homes Passed	27.0	50.4	106.1	10.7	101.6	79.2	91.0	44.7	41.2	55.1
Total RGUs	19.2	52.1	124.4	46.0	(16.6)	98.1	146.9	159.3	87.8	130.2
o.w. Consumer RGUs	19.2	31.2	108.1	38.9	(20.3)	89.4	131.4	134.5	72.1	109.7
o.w. Business RGUs	(0.0)	21.0	16.3	7.0	3.7	8.7	15.5	24.9	15.7	20.5
Mobile	(4.0)	22.8	102.1	35.7	(15.7)	92.8	125.0	140.0	73.6	105.5
Pre-Paid	(25.0)	(25.5)	40.4	(6.5)	(54.7)	20.5	46.9	54.4	17.5	20.3
Post-Paid	21.0	48.3	61.7	42.2	39.0	72.3	78.1	85.6	56.1	85.2
Pay TV Fixed Access ⁽²⁾	3.1	3.4	9.0	1.2	1.0	7.0	12.1	11.3	9.0	9.5
Pay TV DTH	1.1	(0.2)	(1.2)	(2.6)	(4.0)	(7.0)	(8.1)	(7.8)	(6.9)	(5.0)
Fixed Voice	8.0	10.0	2.6	4.8	(3.3)	(0.5)	5.3	6.8	2.3	7.2
Broadband	10.2	15.3	11.8	6.1	4.2	4.7	11.7	7.6	6.5	9.2
Others and Data	0.7	0.8	0.1	0.7	1.1	1.0	0.8	1.4	3.3	3.8
3,4&5P Subscribers (Fixed Access)	5.7	7.3	11.4	4.4	5.5	11.7	22.8	17.9	13.3	13.5
Convergent + Integrated RGUs	50.1	69.3	66.8	65.3	45.9	58.6	85.8	85.2	88.0	98.4
Convergent + Integrated Customers	11.6	15.2	10.1	9.1	9.0	8.1	12.0	14.9	15.4	15.9

(1) Portuguese Operations.

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

(3) Fixed residential ARPU restated from 1Q21 to include Revenues of SIM cards integrated in residential bills.

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	4Q21	2021	1Q22	2Q22
Operating Revenues	345.4	321.3	346.9	354.3	1,367.9	337.4	341.0	366.5	385.4	1,430.3	373.4	368.6
Telco	332.9	319.9	342.7	350.2	1,345.7	335.7	336.7	356.8	372.3	1,401.5	365.8	355.6
Consumer Revenues	244.1	236.1	248.4	253.3	981.9	244.1	246.9	252.6	258.5	1,002.0	247.6	252.8
Business Revenues	71.9	66.9	70.7	79.5	289.0	73.1	73.3	79.5	90.6	316.5	97.2	79.3
Wholesale and Others	16.9	16.8	23.7	17.4	74.8	18.5	16.5	24.8	23.2	82.9	21.0	23.5
Audiovisuals & Cinema ⁽¹⁾	21.8	8.9	11.1	11.9	53.8	9.7	13.4	19.1	24.9	67.0	16.6	22.4
Others and Eliminations	(9.3)	(7.6)	(6.9)	(7.9)	(31.6)	(8.0)	(9.1)	(9.4)	(11.8)	(38.2)	(9.1)	(9.5)
Operating Costs Excluding D&A	(192.7)	(163.4)	(186.4)	(222.3)	(764.7)	(185.3)	(186.6)	(195.3)	(245.1)	(812.3)	(213.9)	(205.8)
Telco	(191.1)	(167.2)	(187.2)	(226.6)	(772.2)	(192.2)	(191.8)	(197.6)	(245.5)	(827.1)	(216.1)	(204.4)
Audiovisuals & Cinema (1)	(10.9)	(3.7)	(6.0)	(3.6)	(24.2)	(1.1)	(3.8)	(7.1)	(11.4)	(23.4)	(6.8)	(10.8)
Others and Eliminations	9.3	7.6	6.9	7.9	31.6	8.0	9.1	9.4	11.8	38.2	9.1	9.5
EBITDA ⁽³⁾	152.7	157.9	160.6	132.0	603.2	152.2	154.4	171.1	140.2	618.0	159.4	162.8
EBITDA Margin	44.2%	49.1%	46.3%	37.3%	44.1%	45.1%	45.3%	46.7%	36.4%	43.2%	42.7%	44.2%
Telco	141.8	152.6	155.5	123.7	573.6	143.5	144.9	159.2	126.8	574.4	149.6	151.2
EBITDA Margin	42.6%	47.7%	45.4%	35.3%	42.6%	42.8%	43.0%	44.6%	34.1%	41.0%	40.9%	42.5%
Cinema Exhibition and Audiovisuals	10.9	5.3	5.1	8.3	29.6	8.7	9.5	12.0	13.4	43.6	9.8	11.6
EBITDA Margin	50.1%	58.8%	46.0%	69.9%	55.1%	89.1%	85.1%	62.6%	54.1%	65.0%	58.9%	51.7%
Depreciation and Amortization	(100.5)	(101.2)	(103.6)	(104.6)	(409.8)	(101.4)	(103.4)	(108.0)	(106.7)	(419.5)	(110.4)	(110.9)
(Other Expenses) / Income	(45.7)	(3.8)	(4.3)	(2.2)	(56.0)	(4.3)	(1.7)	(1.4)	(2.4)	(9.8)	2.7	(0.5)
Operating Profit (EBIT) ⁽⁴⁾	6.5	52.9	52.7	25.2	137.3	46.4	49.3	61.8	31.1	188.7	51.8	51.4
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	(1.1)	3.6	5.3	5.1
(Financial Expenses) / Income	(5.7)	(5.6)	(5.3)	(10.1)	(26.6)	(9.2)	(8.7)	(8.9)	(9.9)	(36.6)	(9.1)	(8.9)
Leases Financial Expenses	(1.6)	(1.6)	(1.6)	(6.7)	(11.5)	(6.5)	(6.4)	(6.3)	(6.3)	(25.6)	(6.2)	(6.2)
Funding & Other Financial Expenses	(4.1)	(4.0)	(3.7)	(3.4)	(15.2)	(2.7)	(2.2)	(2.5)	(3.6)	(11.0)	(2.8)	(2.6)
Income Before Income Taxes	(8.0)	46.4	48.1	15.2	101.6	40.1	40.2	55.3	20.1	155.6	48.0	47.6
Income Taxes	(2.9)	(7.5)	(4.0)	(2.1)	(16.3)	(9.5)	3.0	(9.2)	3.9	(11.8)	(6.9)	(3.4)
Net Income Before Associates & Non-Controlling Interests	(2.0)	39.9	43.5	13.1	94.3	27.7	43.7	43.7	25.2	140.3	35.8	39.1
Income From Continued Operations	(10.9)	38.9	44.1	13.1	85.2	30.5	43.2	46.1	24.0	143.9	41.1	44.2
o.w. Attributable to Non-Controlling Interests	0.4	0.2	0.0	(0.2)	0.4	0.0	0.1	0.0	0.1	0.3	0.0	(0.0)
Discontinued Operations	0.1	6.3	0.0	0.0	6.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Income	(10.4)	45.3	44.1	12.9	92.0	30.5	43.3	46.1	24.1	144.2	41.1	44.2

(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	4Q21	2021	1Q22	2Q22
Total CAPEX Excluding Leasing Contracts & Other Contractual Rights	88.2	83.5	97.8	115.4	384.9	96.0	104.1	110.0	112.3	422.3	131.4	112.6
Telco	81.8	79.4	92.0	110.8	364.1	93.2	101.2	105.7	105.6	405.6	125.6	107.7
% of Telco Revenues	24.6%	24.8%	26.9%	31.6%	27.1%	27.8%	30.0%	29.6%	28.4%	28.9%	34.3%	29.5%
o.w. Technical CAPEX	48.5	48.0	51.6	66.2	214.2	49.0	65.4	70.2	70.9	255.5	89.4	72.8
% of Telco Revenues	14.6%	15.0%	15.0%	18.9%	15.9%	14.6%	19.4%	19.7%	19.1%	18.2%	24.4%	19.9%
Baseline Telco	29.8	39.8	32.4	37.7	139.7	38.6	34.0	30.6	39.4	142.6	39.0	40.1
Network Expansion / Substitution and Integration Projects and Others	18.7	8.2	19.2	28.5	74.5	10.4	31.4	39.6	31.5	112.9	50.4	32.6
o.w. Customer Related CAPEX	33.4	31.4	40.5	44.6	149.9	44.2	35.8	35.5	34.7	150.1	36.2	35.0
% of Telco Revenues	10.0%	9.8%	11.8%	12.7%	11.1%	13.2%	10.6%	9.9%	9.3%	10.7%	9.9%	9.8%
Audiovisuals and Cinema Exhibition	6.4	4.1	5.8	4.6	20.8	2.7	3.0	4.3	6.7	16.7	5.8	4.8
Leasing Contracts & Other Contractual Rights	11.3	12.9	11.3	59.1	94.5	2.9	9.8	12.5	11.0	36.2	11.8	21.0
Spectrum licenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	151.3	151.3	0.0	0.0
Total Group CAPEX	99.5	96.4	109.1	174.5	479.4	98.8	114.0	122.5	274.5	609.8	143.3	133.6

(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	4Q21	2021	1Q22	2Q22
EBITDA	152.7	157.9	160.6	132.0	603.2	152.2	154.4	171.1	140.2	618.0	159.4	162.8
Total CAPEX Excluding Leasings & Other Contractual Rights	(88.2)	(83.5)	(97.8)	(115.4)	(384.9)	(96.0)	(104.1)	(110.0)	(112.3)	(422.3)	(131.4)	(112.6)
EBITDA - Total CAPEX Excluding Leasings & Other Contractual Rights	64.5	74.3	62.8	16.6	218.3	56.2	50.3	61.2	28.0	195.6	28.0	50.3
% of Revenues	18.7%	23.1%	18.1%	4.7%	16.0%	16.7%	14.7%	16.7%	7.3%	13.7%	7.5%	13.5%
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)	(1.5)	(5.9)	1.9	11.9
Leasings (Capital & Interest) ⁽¹⁾	(15.6)	(16.9)	(16.8)	(26.4)	(75.7)	(21.1)	(24.3)	(25.2)	(28.4)	(99.0)	(21.9)	(25.3)
Operating Cash Flow	44.4	62.4	30.8	(10.1)	127.5	31.9	35.2	25.6	(2.0)	90.7	8.1	36.9
Interest Paid	(2.6)	(5.3)	(2.9)	(1.0)	(11.8)	(3.5)	(4.4)	(2.3)	(0.7)	(10.9)	(3.2)	(4.0)
Income Taxes Paid	(3.6)	(0.3)	(16.7)	0.1	(20.5)	(1.5)	0.1	(13.8)	14.5	(0.7)	(0.2)	(0.7)
Disposals	0.0	0.1	374.2	0.1	374.4	0.2	1.0	0.4	0.2	1.8	0.5	0.2
Other Cash Movements ⁽²⁾	(3.6)	(3.3)	(3.3)	(0.8)	(11.0)	(5.9)	(1.9)	(0.4)	(1.0)	(9.4)	(1.0)	(1.8)
Spectrum licenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(151.3)	(151.3)	0.0	0.0
Total Free Cash-Flow Before Dividends, Financial Investments and Own Shares Acquisition	34.6	53.5	382.1	(11.6)	458.6	21.2	29.9	9.4	(140.3)	(79.8)	4.1	30.6
Financial Investments	0.0	1.8	0.3	0.2	2.3	0.2	0.2	(0.2)	(0.6)	(0.4)	0.2	(0.4)
Acquisition of Own Shares	0.0	(2.9)	(0.5)	(2.4)	(5.7)	(2.1)	0.0	0.0	0.0	(2.1)	(2.9)	(3.4)
Dividends	0.0	0.0	(142.5)	0.0	(142.5)	0.0	(142.4)	0.0	0.0	(142.4)	0.0	(142.3)
Free Cash Flow	34.6	52.5	239.4	(13.9)	312.6	19.3	(112.2)	9.2	(141.0)	(224.6)	1.4	(115.5)
Debt Variation Through Financial Leasing, Accruals & Deferrals & Others	(3.1)	0.2	(1.5)	(3.4)	(7.7)	(0.7)	0.6	(2.0)	(2.9)	(5.0)	(0.2)	0.8
Change in Net Financial Debt	(31.5)	(52.7)	(237.9)	17.3	(304.9)	(18.7)	111.6	(7.2)	143.9	229.7	(1.2)	114.7

(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	4Q21	1Q22	2Q22
Short Term	23.1	134.8	97.2	100.8	249.6	187.3	169.3	235.7	99.1	458.4
Medium and Long Term	1,104.4	891.6	854.6	854.5	705.0	737.1	762.0	806.9	947.0	699.6
Total Debt	1,127.5	1,026.4	951.8	955.3	954.6	924.4	931.2	1,042.6	1,046.0	1,158.0
Cash and Short Term Investments	65.4	17.1	180.3	153.3	171.2	29.4	43.4	10.9	15.5	12.8
Net Financial Debt ⁽¹⁾	1,062.1	1,009.4	771.5	802.0	783.4	895.0	887.8	1,031.7	1,030.5	1,145.2
Net Financial Debt / EBITDA after lease payments (last 4 quarters) ⁽²⁾	1.87x	1.82x	1.43x	1.52x	1.50x	1.75x	1.73x	1.99x	1.96x	2.15x
Leasings and Long Term Contracts	249.0	210.8	576.4	575.3	560.4	551.5	543.5	534.0	528.8	525.4
Net Debt	1,311.1	1,220.2	1,347.9	1,377.4	1,343.8	1,446.5	1,431.3	1,565.7	1,559.3	1,670.6
Net Debt / EBITDA	2.07x	1.97x	2.22x	2.28x	2.23x	2.41x	2.35x	2.53x	2.49x	2.64x
Net Financial Gearing ⁽³⁾	56.7%	57.5%	58.8%	59.0%	57.6%	61.9%	60.4%	61.9%	60.8%	64.7%

(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).



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Conf. Call – 21 July – 12:00pm	Webcast – 21 July – 12:00pm
<p>Participant Details: https://register.vevent.com/register/Blbed93b6f5d1745c8b7673cefc5118241</p> <p>1. Participants must register in advance of the conference call, using the link provided above. Upon registering, each participant will be provided with Participant Dial In Numbers, Direct Event Passcode and unique Registrant ID.</p> <p>2. Call reminders will also be sent to registered participants via email the day prior to the event.</p> <p>3. In the 15/20 minutes prior to call start time, Participants must use the conference access information provided in the email received at the point of registering.</p> <p>A recording of the conference call will be available here.</p>	<p>Participant Details: https://edge.media-server.com/mmc/p/gpbsjp32</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 access the webcast using the link provided above.</p>



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