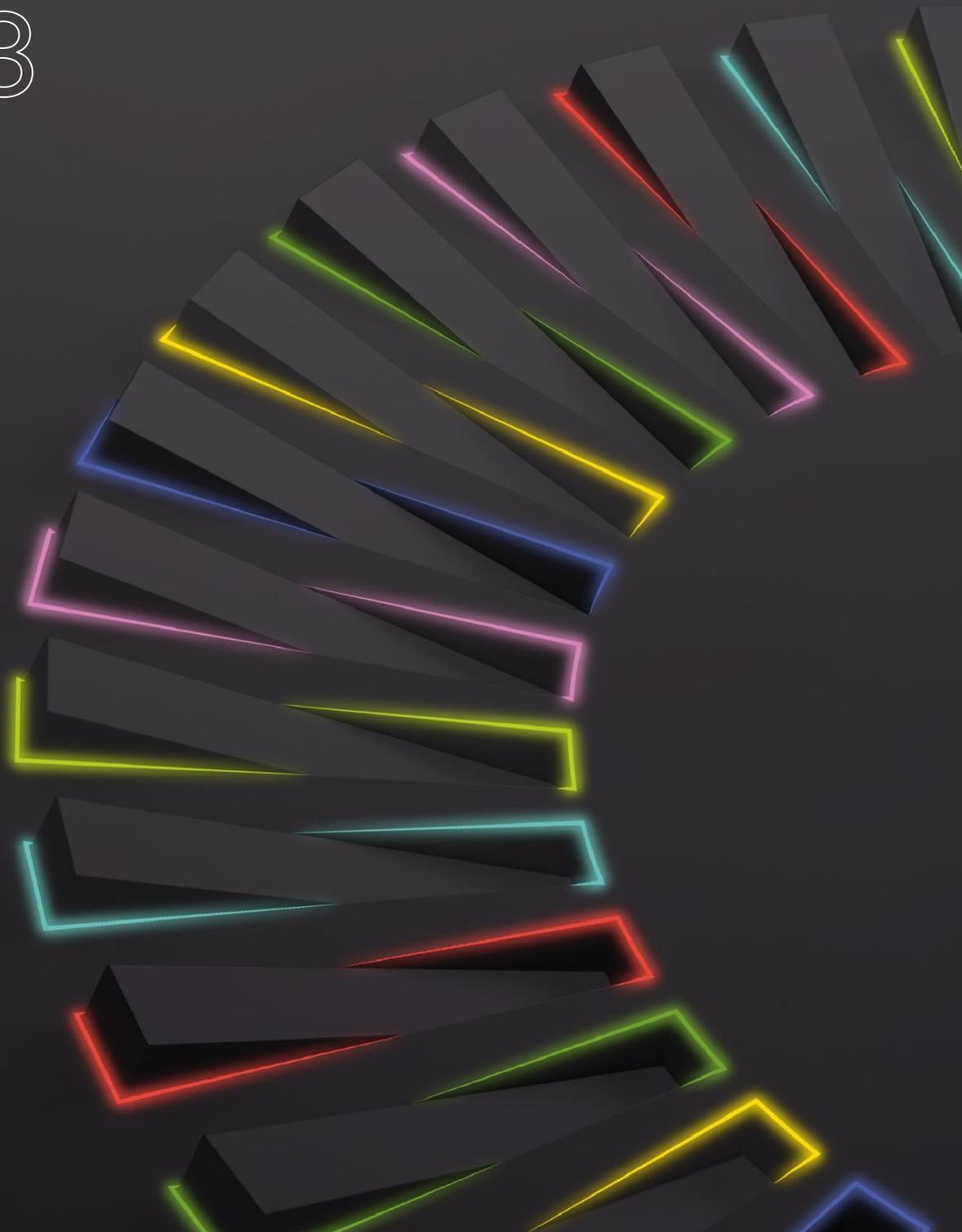




EARNINGS ANNOUNCEMENT

2Q23



Lisbon, 19 July 2023

2Q23 HIGHLIGHTS

Table 1.

2Q23 Highlights	2Q22	2Q23	2Q23 / 2Q22	1H22	1H23	1H23 / 1H22
Operating Highlights ('000)						
Convergent + Integrated Customers	1,052.1	1,114.0	5.9%	1,052.1	1,114.0	5.9%
Fixed Convergent + Integrated Customers as % of Fixed Access Customers	65.8%	68.4%	2.6pp	65.8%	68.4%	2.6pp
Broadband RGUs	1,501.5	1,534.5	2.2%	1,501.5	1,534.5	2.2%
Fixed Pay TV RGUs	1,411.3	1,447.3	2.5%	1,411.3	1,447.3	2.5%
Post-Paid mobile RGUs	3,432.5	3,740.0	9.0%	3,432.5	3,740.0	9.0%
Residential ARPU / Unique Subscriber With Fixed Access (Euros)	47.9	50.3	5.1%	47.5	49.8	4.9%
Homes Passed	5,176.4	5,424.8	4.8%	5,176.4	5,424.8	4.8%
% FttH	56.0%	69.3%	13.3pp	56.0%	69.3%	13.3pp
Financial Highlights (Millions of Euros)						
Consolidated Revenues	368.6	393.8	6.8%	742.0	775.2	4.5%
Consolidated EBITDA	162.8	179.1	10.0%	322.3	352.6	9.4%
Consolidated EBITDA Margin	44.2%	45.5%	1.3pp	43.4%	45.5%	2.0pp
Consolidated EBITDA AL	137.5	150.9	9.7%	275.1	297.0	8.0%
Consolidated EBITDA AL Margin	37.3%	38.3%	1.0pp	37.1%	38.3%	1.2pp
Consolidated EBITDA AL - Consolidated CAPEX Excluding Leasings & Other Contractual Rights	24.9	52.7	111.4%	31.1	101.9	227.6%
Telco Revenues	355.6	377.5	6.2%	721.4	746.6	3.5%
Telco EBITDA	151.2	167.6	10.8%	300.9	331.3	10.1%
Telco EBITDA Margin	42.5%	44.4%	1.9pp	41.7%	44.4%	2.7pp
Telco EBITDA AL	128.9	141.7	9.9%	259.6	280.6	8.1%
Telco EBITDA Margin AL	36.2%	37.5%	1.3pp	36.0%	37.6%	1.6pp
Telco EBITDA AL - Telco CAPEX Excluding Leasings & Other Contractual Rights	21.1	48.1	127.3%	26.3	94.4	258.6%

Our ongoing long-term commitment and focus on providing top-tier solutions to our customer base is driving sustained momentum in our core Telco business. We continued our path to delivery of solid operational results, especially in convergent offers, generating healthy ARPU growth.

- NOS' 5G network has been consistently the more developed in Portugal, being recognized for the third time in a row by Ookla® as the fastest 5G network, reinforcing once again independent recognition of NOS 5G leadership.
- Preference for convergence remains very strong among customers, with an incremental 9.7 thousand customers choosing integrated bundles in 2Q23, accounting for 68.4% of the fixed customer base at the end of the quarter.
- Core value post-paid mobile subscriptions maintained a very positive trajectory with 51.7 thousand net adds in 2Q23, representing 64.3% of total mobile RGUs.
- Cinema operations kept on a path of recovery, with ticket sales rising to 2,033.7 thousand, increasing yoy by 27.4%, and decreasing only 9.6% vs 2Q19 with May higher vs 2019, the best quarter post pandemic, benefiting from the success of blockbusters on show in theatres.

Positive operating performance continues to drive a superior financial performance. This quarter we continued to release a set of very strong financial results, with EBITDA AL and FCF growing double digit.

- Consolidated revenues grew by 6.8% YoY, reaching 393.8 million euros in 2Q23, driving 10.0% growth in EBITDA, to 179.1 million euros. EBITDA AL rose by 9.7% to 150.9 million euros.
- Telco Revenues increased by 6.2% to 377.5 million euros. Telco EBITDA experienced yoy growth of 10.8% to 167.6 million euros. Telco EBITDA AL increased by 9.9% YoY, reaching 141.7 million euros.
- Audiovisual and Cinema Revenues recorded a substantial growth of 9.8%, reaching 24.6 million euros. Audiovisual and Cinema EBITDA AL increased by 6.4% to 9.2 million euros.
- Net Income attributable to NOS shareholders for 2Q23 amounted to 45.5 million euros, representing a YoY increase of 3.0%.
- Total CAPEX, excluding leasing contracts and other contractual rights decreased by 12.8% yoy to 98.1 million euros in 2Q23, reflecting an anticipated deceleration of 5G deployment, which is already close to conclusion with 90% population coverage at the end of 2Q23.
- Total Free Cash Flow Before Dividends, Financial Investments, and Own Shares Acquisition amounted to 36.2 million euros in 2Q23, positively impacted by the EBITDA AL uplift and lower CAPEX requirements.

OPERATING AND FINANCIAL REVIEW

The Consolidated Financial Statements for 2Q23 have been subject to a limited review.

Table 2.

Profit and Loss Statement (Millions of Euros)	2Q22	2Q23	2Q23 / 2Q22	1H22	1H23	1H23 / 1H22
Operating Revenues	368.6	393.8	6.8%	742.0	775.2	4.5%
Telco	355.6	377.5	6.2%	721.4	746.6	3.5%
Consumer Revenues	253.1	271.2	7.1%	500.9	536.6	7.1%
Business Revenues	79.3	81.6	2.8%	176.4	160.9	(8.8%)
Wholesale and Others	23.2	24.7	6.6%	44.1	49.2	11.5%
Audiovisuals & Cinema	22.4	24.6	9.8%	39.1	45.0	15.2%
Others and Eliminations	(9.5)	(8.3)	(11.9%)	(18.5)	(16.5)	(11.0%)
Operating Costs Excluding D&A	(205.8)	(214.7)	4.4%	(419.7)	(422.6)	0.7%
Telco	(204.4)	(209.9)	2.7%	(420.5)	(415.4)	(1.2%)
Audiovisuals & Cinema	(10.8)	(13.2)	21.6%	(17.7)	(23.7)	34.1%
Others and Eliminations	9.5	8.3	(11.9%)	18.5	16.5	(11.0%)
EBITDA ⁽¹⁾	162.8	179.1	10.0%	322.3	352.6	9.4%
EBITDA Margin	44.2%	45.5%	1.3pp	43.4%	45.5%	2.0pp
Telco	151.2	167.6	10.8%	300.9	331.3	10.1%
EBITDA Margin	42.5%	44.4%	1.9pp	41.7%	44.4%	2.7pp
Cinema Exhibition and Audiovisuals	11.6	11.5	(1.3%)	21.4	21.3	(0.4%)
EBITDA Margin	51.7%	46.5%	(5.2pp)	50.7%	43.6%	(7.1pp)
Depreciation and Amortization	(110.9)	(116.6)	5.1%	(221.3)	(237.0)	7.1%
(Other Expenses) / Income	(0.5)	(0.7)	(46.6%)	2.2	(1.2)	155.5%
Operating Profit (EBIT) ⁽²⁾	51.4	61.7	20.0%	103.2	114.3	10.8%
Share of profits (losses) of associates and joint ventures	5.1	0.7	(86.2%)	10.4	3.2	(68.9%)
(Financial Expenses) / Income	(8.9)	(16.5)	86.6%	(17.9)	(29.5)	64.7%
Leases Financial Expenses	(6.3)	(7.6)	21.0%	(12.5)	(15.0)	20.3%
Funding & Other Financial Expenses	(2.6)	(8.9)	244.4%	(5.4)	(14.5)	166.4%
Income Before Income Taxes	47.6	45.9	(3.7%)	95.7	88.1	(7.9%)
Income Taxes	(3.4)	(0.4)	89.7%	(10.4)	(7.5)	(27.6%)
Net Income Before Associates & Non-Controlling Interests	39.1	44.8	14.5%	74.9	77.4	3.3%
Net income	44.2	45.5	3.0%	85.3	80.6	(5.5%)
Net income attributable to Non-controlling interests	(0.0)	0.0	(142.7%)	(0.0)	0.1	(931.1%)
Net Income attributable to NOS shareholders	44.2	45.5	3.0%	85.3	80.5	(5.7%)
Net Income attributable to NOS shareholders excluding gain from tower sale	44.2	45.5	3.0%	85.3	80.5	(5.7%)

(1) EBITDA = Operating Profit + Depreciation and Amortization + Integration Costs + Net Losses/Gains on Disposal of Assets + Other Non-Recurrent Losses/Gains
(2) EBIT = Income Before Financials and Income Taxes.

Table 3.

EBITDA AL (Millions of Euros)	2Q22	2Q23	2Q23 / 2Q22	1H22	1H23	1H23 / 1H22
Leasings	(25.3)	(28.2)	11.4%	(47.2)	(55.6)	17.8%
Telco	(22.3)	(25.9)	16.1%	(41.2)	(50.7)	22.9%
Cinema Exhibition and Audiovisuals	(3.0)	(2.3)	(23.6%)	(5.9)	(4.9)	(17.3%)
Operating costs Excluding D&A AL	(231.1)	(242.9)	5.1%	(466.9)	(478.2)	2.4%
Telco	(226.7)	(235.8)	4.0%	(461.8)	(466.0)	0.9%
Audiovisuals & Cinema ⁽¹⁾	(13.8)	(15.4)	11.9%	(23.6)	(28.6)	21.2%
Others and Eliminations	9.5	8.3	(11.9%)	18.5	16.5	(11.0%)
EBITDA AL	137.5	150.9	9.7%	275.1	297.0	8.0%
EBITDA AL margin	37.3%	38.3%	1.0pp	37.1%	38.3%	1.2pp
Telco	128.9	141.7	9.9%	259.6	280.6	8.1%
EBITDA AL margin	36.2%	37.5%	1.3pp	36.0%	37.6%	1.6pp
Audiovisuals & Cinema	8.6	9.2	6.4%	15.5	16.4	6.1%
EBITDA AL margin	38.5%	37.3%	(1.2pp)	36.6%	33.6%	(3.1pp)

REVENUES

Consolidated revenues in 2Q23 grew by 6.8% yoy to 393.8 million euros, driven by strong operational performance across all business segments. Telco revenues were 6.2% higher YoY, reaching 377.5 million euros. The positive momentum was led by significant growth in core services, namely fixed / convergent services and core value post-paid mobile subscriptions supported by healthy ARPU trends more than compensating for a market wide seasonal slowdown in low ARPU pre-paid mobile services. Growth in B2C amounted to 7.1% yoy and B2B revenues increased by 2.8%. Wholesale and other revenues continued to perform well posting growth of 8.5% yoy, supported by ongoing recovery in roaming in revenues and an increase in low-margin mass calling services.

Audiovisual & Cinema revenues posted a 9.8% yoy increase to 24.6 million euros led by strong growth in cinema revenues of 29% yoy thanks to movie blockbusters such as Fast X, The Super Mario Bros, The Little Mermaid and Guardians of the Galaxy 3, all of which exceeded 200k in ticket sales. Cinema revenues in the 2Q23 achieved almost the same level of 2Q19, this was the best result post pandemic. Expectations are also positive for the second half with the scheduled premier of blockbusters such as "Indiana Jones" or "Mission: Impossible". Of the top10 movies exhibited during 2Q23 NOS audiovisuals distributed 4, representing 32% share of GBO distribution revenues.

Table 4.

Operating Indicators ('000)	2Q22	2Q23	2Q23 / 2Q22	1H22	1H23	1H23 / 1H22
Cinema						
Revenue per Ticket (Euros)	5.7	5.7	(0.7%)	5.7	5.9	3.6%
Tickets Sold - NOS	1,596.6	2,033.7	27.4%	2,584.2	3,535.5	36.8%
Tickets Sold - Total Portuguese Market ⁽¹⁾	2,454.1	3,069.0	25.1%	4,019.8	5,396.2	34.2%
Screens (units)	208	214	2.9%	208	214	2.9%

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

EBITDA, EBITDA AL AND NET RESULTS

Consolidated EBITDA maintained a positive trend in 2Q23, increasing by 10.0% to 179.1 million euros and Consolidated EBITDA AL increased by 9.7% to 150.9 million euros. Telco EBITDA AL posted a yoy increase of 9.9% to 141.7 million euros, while Audiovisual and Cinema EBITDA AL increased by 6.4% to 9.2 million euros.

Consolidated OPEX after leases increased 5.1% yoy to 242.9 million euros, mainly driven by Telco with a 4.0% yoy increase and by a 11.9% increase in Audiovisuals & Cinema costs due to increased royalty costs from strong ticket sales. Our focus is to sustain a positive margin trajectory as we explore avenues to optimize our cost structure despite global inflationary pressures. During this quarter, certain cost items were more adversely impacted by inflation related adjustments, namely wages and salaries, external services, particularly those entailing substantial labour related costs such as maintenance and support services. Leasing costs increased as a reflection of the additional tower sale executed in 2022, with inflationary adjustments capped at 2%. With a positive impact, we continued to optimize energy costs which remained a tailwind to yoy EBITDA AL progression.

Consolidated Net Results for 2Q23 increased 3.0% yoy totaling 45.5 million euros. EBITDA performance of 10.0% yoy was dampened by higher levels of D&A, up by 5.1% to 116.6 million euros due to higher CAPEX levels over the past two years, and also due to an accounting reduction in the useful life of TV set top boxes and Internet routers. Net financial costs increased to 16.5 million euros in 2Q23 versus 8.9 million euros in 2Q22, due to the maturity this last May of the 1.125% 2018 - 2023 DCM bond and the refinancing in the context of a more challenging interest rate environment. ZAP operations were negatively impacted by exchange rate variations, resulting in a negative impact of 4.2 million euros in the quarter vs 2Q22. Income Taxes were lower in 2Q23 primarily due to incentives mainly for research and development related investments.

CAPEX

Total CAPEX, excluding leasing contracts and other contractual rights decreased 12.8% yoy to 98.1 million euros, remaining at same level of the last quarter. For the second quarter in a row total capex remains below 100 milion, confirming the strong deceleration of 5G deployment. 5G coverage of the population already reaches almost 90% of the population, reflecting our strategic commitment to lead in the delivery of exceptional connectivity solutions to all our customers, nationwide. Overall Telco Technical CAPEX amounted to 59.3 million euros, of which 21.6 related to network expansion, substitution, and integration projects, down more than 33% YoY. During the period, customer-related CAPEX amounted to 34.3 million euros, a decline of 1.9% yoy, reflecting a marginal slowdown in commercial momentum.

Table 5.

CAPEX (Millions of Euros) ⁽¹⁾	2Q22	2Q23	2Q23 / 2Q22	1H22	1H23	1H23 / 1H22
Total CAPEX Excluding Leasing Contracts & Other Contractual Rights	112.6	98.1	(12.8%)	244.0	195.1	(20.0%)
Telco	107.7	93.6	(13.1%)	233.3	186.2	(20.2%)
% of Telco Revenues	30.3%	24.8%	(5.5pp)	32.3%	24.9%	(7.4pp)
o.w. Technical CAPEX	72.8	59.3	(18.5%)	162.1	112.7	(30.5%)
% of Telco Revenues	20.5%	15.7%	(4.8pp)	22.5%	15.1%	(7.4pp)
Baseline Telco	40.1	37.7	(6.2%)	79.1	69.3	(12.5%)
Network Expansion / Substitution and Integration Projects and Others	32.6	21.6	(33.7%)	83.0	43.5	(47.6%)
o.w. Customer Related CAPEX	35.0	34.3	(1.9%)	71.2	73.5	3.3%
% of Telco Revenues	9.8%	9.1%	(0.7pp)	9.9%	9.8%	(0.0pp)
Audiovisuals and Cinema Exhibition	4.8	4.5	(6.7%)	10.7	8.9	(16.6%)
Leasing Contracts & Other Contractual Rights	21.0	26.6	26.9%	32.8	55.7	69.8%
Total Group CAPEX	133.6	124.7	(6.6%)	276.8	250.8	(9.4%)

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

Cash Flow

Table 6.

Cash Flow (Millions of Euros)	2Q22	2Q23	2Q23 / 2Q22	1H22	1H23	1H23 / 1H22
EBITDA AL	137.5	150.9	9.7%	275.1	297.0	8.0%
Total CAPEX Excluding Leasings & Other Contractual Rights	(112.6)	(98.1)	(12.8%)	(244.0)	(195.1)	(20.0%)
EBITDA AL - Total CAPEX Excluding Leasings & Other Contractual Rights	24.9	52.7	111.4%	31.1	101.9	227.6%
% of Revenues	6.8%	13.4%	6.6pp	10.5%	20.3%	9.8pp
Non-Cash Items Included in EBITDA AL - CAPEX and Change in Working Capital	11.9	2.2	(81.4%)	13.8	(3.0)	(121.4%)
Operating Cash Flow	36.9	55.0	49.1%	44.9	98.9	120.2%
Interest Paid	(4.0)	(7.4)	84.6%	(7.2)	(12.1)	67.9%
Income Taxes Paid	(0.7)	(10.5)	1450.7%	(0.9)	(10.5)	1053.1%
Disposals	0.2	0.2	(6.6%)	0.8	0.5	(37.8%)
Other Cash Movements ⁽¹⁾	(1.8)	(1.1)	41.5%	(2.8)	(12.2)	(330.4%)
Total Free Cash-Flow Before Dividends, Financial Investments and Own Shares Acquisition	30.6	36.2	18.3%	34.7	64.6	85.9%
Financial Investments	(0.4)	(0.1)	(79.3%)	(0.2)	(0.0)	(92.6%)
Acquisition of Own Shares	(3.4)	(0.7)	(77.6%)	(6.3)	(5.2)	(17.7%)
Dividends	(142.3)	(220.0)	54.5%	(142.3)	(220.0)	54.5%
Free Cash Flow	(115.5)	(184.6)	59.8%	(114.1)	(160.6)	40.7%
Debt Variation Through Financial Leasing, Accruals & Deferrals & Others	0.8	(1.5)	(283.6%)	0.6	(2.5)	(507.7%)
Change in Net Financial Debt	(114.7)	(186.1)	62.3%	(113.5)	(163.1)	43.7%

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

EBITDA AL minus total CAPEX excluding leases and other contractual rights more than doubled yoy to 52.7 million euros. Strong EBITDA AL performance and the ongoing reduction in CAPEX requirements are translating, as anticipated, into considerably more robust cash flow momentum. During 2Q23 Total Free Cash Flow before dividends, financial investments and own shares acquisition was 36.2 million euros, reflecting a yoy increase of 18.3%, impacted positively by Operating Cash Flow, interest paid increasing yoy as expected, cash taxes being impacted in the quarter by a non recurrent payment related to the tower sale capital gain booked in 2022.

In 2Q23 NOS paid 220 million euros in dividends to shareholders (43 cents per share), in respect of FY22 results distribution and as approved by the AGM held in April 2023. This distribution represented an increase of 54.5% in comparison with the previous year and was composed of an ordinary dividend of 27.8 cents per share and an extraordinary dividend of 15.2 cents per share linked to the capital gain and FCF generated by the completion of the tower sale transaction closed in 2022.

Consolidated Balance Sheet

Table 7.

Balance Sheet (Millions of Euros)	2Q22	2Q23	2Q23 / 2Q22
Non-current Assets	2,809.2	2,930.8	4.3%
Current Assets	527.3	528.5	0.2%
Total Assets	3,336.5	3,459.3	3.7%
Total Shareholders' Equity	911.7	899.5	(1.3%)
Non-current Liabilities	1,331.1	1,736.5	30.5%
Current Liabilities	1,093.6	823.3	(27.5%)
Total Liabilities	2,424.7	2,559.8	3.7%
Total Liabilities and Shareholders' Equity	3,379.0	3,459.3	2.4%

Capital Structure and Funding

Table 8.

Net Financial Debt (Millions of Euros)	2Q22	2Q23	2Q23 / 2Q22
Short Term	458.4	166.9	(63.6%)
Medium and Long Term	699.6	999.3	42.8%
Total Debt	1,158.0	1,166.2	0.7%
Cash and Short Term Investments	12.8	10.9	(14.6%)
Net Financial Debt ⁽¹⁾	1,145.2	1,155.3	0.9%
Net Financial Debt / EBITDA after lease payments (last 4 quarters) ⁽²⁾	2.15x	2.03x	(0.06pp)
Leasings and Long Term Contracts	525.4	644.2	22.6%
Net Debt	1,670.6	1,799.5	7.7%
Net Debt / EBITDA	2.64x	2.64x	0.00pp
Net Financial Gearing ⁽³⁾	64.7%	66.7%	3.1%

(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).

As of the end of 2Q23, NOS had a total net debt, including leasings and long-term contracts (according to IFRS16) of 1,799.5 million euros. Net financial debt stood at 1,155.3 million euros.

NOS maintains a solid liquidity position, with available committed commercial paper programmes unissued totalling 275 million euros, and cash & equivalents totalling 10.9 million euros. Net financial debt / EBITDA AL stood at 2.03x in 2Q23 following the dividend payment, which in line with NOS' target leverage ratio of around 2x Net Financial Debt / EBITDA AL, this ratio should go comfortably below the 2x until the end of 2023.

The all-in average cost of debt for 2Q23 was 3.3%, an increase versus last quarter reflecting the increasing interest rate context, as well as the refinancing of the 300 million euros DCM Bond, which was paying a 1.125% coupon and was redeemed in May.

As at 30 June 2023, the proportion of NOS' issued debt paying interest at a fixed rate was approximately 24%. Additionally, 33% of the issued debt had interest rate hedging collars in place.

At the end of 2Q23, the average maturity of NOS debt stood at 3.1 years.

APPENDIX

Table 9.

Telco - operating indicators ('000)	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	2021	2022
Homes Passed	5,134.4	5,176.4	5,216.6	5,284.0	5,338.1	5,424.8	5,096.8	5,284.0
Total RGUs	10,393.3	10,523.6	10,665.2	10,782.3	10,871.7	10,879.9	10,305.5	10,782.3
o.w. Consumer RGUs	8,797.8	8,907.6	9,024.7	9,122.0	9,200.0	9,203.6	8,725.7	9,122.0
o.w. Business RGUs	1,595.5	1,616.0	1,640.4	1,660.2	1,671.7	1,676.4	1,579.8	1,660.2
Mobile RGUs	5,423.5	5,529.0	5,642.3	5,733.8	5,811.7	5,814.1	5,349.9	5,733.8
Pre-Paid	2,076.3	2,096.5	2,102.6	2,112.2	2,123.4	2,074.0	2,058.8	2,112.2
Post-Paid	3,347.2	3,432.5	3,539.7	3,621.6	3,688.3	3,740.0	3,291.1	3,621.6
Pay TV Fixed Access ⁽²⁾	1,401.8	1,411.3	1,424.1	1,434.3	1,441.8	1,447.3	1,392.8	1,434.3
Pay TV DTH	246.0	241.0	235.3	229.9	223.7	218.4	252.8	229.9
Fixed Voice	1,784.8	1,792.0	1,799.3	1,808.7	1,812.5	1,813.0	1,782.5	1,808.7
Broadband	1,492.3	1,501.5	1,513.5	1,523.5	1,529.9	1,534.5	1,485.8	1,523.5
Others and Data	44.8	48.6	50.8	51.9	52.1	52.7	41.6	51.9
3,4&5P Subscribers (Fixed Access)	1,300.6	1,314.1	1,330.2	1,344.8	1,356.8	1,364.6	1,287.2	1,344.8
% 3,4&5P (Fixed Access)	92.8%	93.1%	93.4%	93.8%	94.1%	94.3%	92.4%	93.8%
Convergent + Integrated RGUs	5,319.6	5,417.9	5,538.7	5,645.1	5,739.0	5,810.3	5,231.6	5,645.1
Convergent + Integrated Customers	1,036.2	1,052.1	1,071.2	1,089.0	1,104.3	1,114.0	1,020.8	1,089.0
Fixed Convergent + Integrated Customers as % of Fixed Access Customers	65.2%	65.8%	66.5%	67.2%	67.9%	68.4%	64.4%	67.2%
% Convergent + Integrated Customers	62.9%	63.7%	64.6%	65.4%	66.3%	66.9%	62.0%	65.4%
Residential ARPU / Unique Subscriber With Fixed Access (Euros) ^(3,4)	47.1	47.9	48.5	48.4	49.3	50.3	42.0	43.3
Net Adds								
Homes Passed	37.6	42.0	40.1	67.5	54.1	86.8	290.1	187.2
Total RGUs	87.8	130.2	141.6	117.1	89.4	8.2	387.7	476.8
o.w. Consumer RGUs	72.1	109.7	117.2	97.3	78.0	3.6	334.9	396.3
o.w. Business RGUs	15.7	20.5	24.4	19.8	11.5	4.7	52.8	80.4
Mobile	73.6	105.5	113.3	91.5	77.9	2.3	342.1	384.0
Pre-Paid	17.5	20.3	6.0	9.6	11.2	(49.4)	67.1	53.4
Post-Paid	56.1	85.2	107.2	81.9	66.7	51.7	275.0	330.5
Pay TV Fixed Access ⁽²⁾	9.0	9.5	12.7	10.3	7.5	5.4	31.4	41.5
Pay TV DTH	(6.9)	(5.0)	(5.7)	(5.3)	(6.2)	(5.3)	(26.8)	(22.9)
Fixed Voice	2.3	7.2	7.3	9.4	3.8	0.6	8.3	26.1
Broadband	6.5	9.2	11.9	10.1	6.3	4.6	28.2	37.7
Others and Data	3.3	3.8	2.1	1.2	0.2	0.6	4.4	10.4
3,4&5P Subscribers (Fixed Access)	13.3	13.5	16.2	14.5	12.0	7.8	58.0	57.5
Convergent + Integrated RGUs	88.0	98.4	120.8	106.4	94.0	71.2	275.5	413.5
Convergent + Integrated Customers	15.4	15.9	19.1	17.9	15.2	9.7	44.0	68.3

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

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

(3) Current quarter figures are estimates subject to possible review after final allocations determined

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.

Table 10.

Cinemas - operating indicators ('000)	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	2021	2022
Revenue per Ticket (Euros)	5.5	5.7	5.5	5.9	6.1	5.7	5.5	5.7
Tickets Sold - NOS	987.6	1,596.6	1,786.0	1,890.8	1,501.7	2,033.7	3,450.7	6,261.0
Tickets Sold - Total Portuguese Market	1,552.3	2,440.9	2,720.1	2,841.5	2,316.3	3,069.0	5,933.8	9,554.9
Screens (units)	208.0	208.0	214.0	214.0	214.0	214.0	208.0	214.0

Table 11.

Profit and Loss Statement (Millions of Euros)	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	2021	2022
Operating Revenues	373.4	368.6	381.5	397.5	381.4	393.8	1,430.3	1,521.0
Telco	365.8	355.6	367.6	380.2	369.2	377.5	1,401.5	1,469.2
Consumer Revenues ⁽¹⁾	247.8	253.1	263.4	269.1	265.4	271.2	1,002.0	1,033.4
Business Revenues ⁽¹⁾	97.1	79.3	77.4	82.7	79.3	81.6	316.5	336.5
Wholesale and Others ⁽¹⁾	21.0	23.2	26.8	28.4	24.5	24.7	82.9	99.3
Audiovisuals & Cinema	16.6	22.4	23.4	27.1	20.4	24.6	67.0	89.6
Others and Eliminations	(9.1)	(9.5)	(9.5)	(9.8)	(8.2)	(8.3)	(38.2)	(37.8)
Operating Costs Excluding D&A	(213.9)	(205.8)	(203.7)	(246.6)	(207.9)	(214.7)	(812.3)	(869.9)
Telco	(216.1)	(204.4)	(200.3)	(242.4)	(205.5)	(209.9)	(827.1)	(863.2)
Audiovisuals & Cinema	(6.8)	(10.8)	(12.9)	(14.0)	(10.5)	(13.2)	(23.4)	(44.6)
Others and Eliminations	9.1	9.5	9.5	9.8	8.2	8.3	38.2	37.8
EBITDA ⁽²⁾	159.4	162.8	177.8	150.9	173.5	179.1	618.0	651.1
EBITDA Margin	42.7%	44.2%	46.6%	38.0%	45.5%	45.5%	43.2%	42.8%
Telco	149.6	151.2	167.3	137.8	163.7	167.6	574.4	606.0
EBITDA Margin	40.9%	42.5%	45.5%	36.2%	44.3%	44.4%	41.0%	41.2%
Cinema Exhibition and Audiovisuals	9.8	11.6	10.5	13.1	9.9	11.5	43.6	45.1
EBITDA Margin	58.9%	51.7%	44.9%	48.5%	48.4%	46.5%	65.0%	50.3%
Depreciation and Amortization	(110.4)	(110.9)	(124.2)	(135.3)	(120.4)	(116.6)	(419.5)	(480.9)
(Other Expenses) / Income	2.7	(0.5)	74.2	23.7	(0.5)	(0.7)	(9.8)	100.0
Operating Profit (EBIT) ⁽³⁾	51.8	51.4	127.8	39.3	52.6	61.7	188.7	270.2
Share of profits (losses) of associates and joint ventures	5.3	5.1	6.6	5.1	2.5	0.7	3.6	22.1
(Financial Expenses) / Income	(9.1)	(8.9)	(7.9)	(9.5)	(13.0)	(16.5)	(36.6)	(35.2)
Leases Financial Expenses	(6.2)	(6.2)	(6.2)	(6.2)	(6.2)	(6.2)	(25.6)	(24.8)
Funding & Other Financial Expenses	(2.8)	(2.6)	(1.7)	(3.2)	(6.8)	(10.3)	(11.0)	(10.4)
Income Before Income Taxes	48.0	47.6	126.5	35.0	42.2	45.9	155.6	257.1
Income Taxes	(6.9)	(3.4)	(20.6)	(1.7)	(7.1)	(0.4)	(11.8)	(32.7)
Net Income Before Associates & Non-Controlling Interests	35.8	39.1	99.3	28.1	32.5	44.8	140.3	202.3
Net Income	41.1	44.2	105.9	33.3	35.0	45.5	143.9	224.4
Net income attributable to Non-controlling interests	0.0	(0.0)	0.1	0.0	(0.1)	0.0	0.3	0.1
Net Income attributable to NOS shareholders	41.1	44.2	106.0	33.3	34.9	45.5	144.2	224.6

(1) Current quarter figures are estimates subject to possible review after final allocations determined.

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

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

Leasings	(21.9)	(25.3)	(25.0)	(31.2)	(27.4)	(28.2)	(99.0)	(103.3)
Telco	(18.9)	(22.3)	(22.8)	(29.2)	(24.7)	(25.9)	(87.3)	(93.3)
Cinema Exhibition and Audiovisuals	(3.0)	(3.0)	(2.1)	(2.0)	(2.6)	(2.3)	(11.7)	(10.1)
Operating costs Excluding D&A AL	(235.8)	(231.1)	(228.7)	(277.8)	(235.2)	(242.9)	(911.4)	(973.3)
Telco	(235.0)	(226.7)	(223.1)	(271.6)	(230.2)	(235.8)	(914.4)	(956.5)
Audiovisuals & Cinema ⁽¹⁾	(9.8)	(13.8)	(15.0)	(16.0)	(13.2)	(15.4)	(35.1)	(54.6)
Others and Eliminations	9.1	9.5	9.5	9.8	8.2	8.3	38.2	37.8
EBITDA AL	137.6	137.5	152.9	119.7	146.2	150.9	518.9	547.7
EBITDA AL margin	36.8%	37.3%	40.1%	30.1%	38.3%	38.3%	36.3%	36.0%
Telco	130.7	128.9	144.5	108.6	138.9	141.7	487.1	512.7
EBITDA AL margin	35.7%	36.2%	39.3%	28.6%	37.6%	37.5%	34.8%	34.9%
Cinema Exhibition and Audiovisuals	6.8	8.6	8.4	11.1	7.2	9.2	31.9	35.0
EBITDA AL margin	41.1%	38.5%	35.8%	41.0%	35.5%	37.3%	75.5%	68.7%

Table 12.

CAPEX⁽¹⁾ (Millions of Euros)	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	2021	2022
Total CAPEX Excluding Leasing Contracts & Other Contractual Rights	131.4	112.6	120.2	131.7	97.0	98.1	422.3	495.9
Telco	125.6	107.7	114.0	125.7	92.6	93.6	405.6	473.0
% of Telco Revenues	34.3%	30.3%	31.0%	34.2%	25.2%	25.5%	28.9%	32.2%
o.w. Technical CAPEX	89.4	72.8	75.9	87.1	53.4	59.3	255.5	325.1
% of Telco Revenues	24.4%	20.5%	20.7%	23.7%	14.5%	16.1%	18.2%	22.1%
Baseline Telco	39.0	40.1	39.5	42.6	31.6	37.7	142.6	161.3
Network Expansion / Substitution and Integration Projects and Others	50.4	32.6	36.4	44.5	21.8	21.6	112.9	163.9
o.w. Customer Related CAPEX	36.2	35.0	38.1	38.6	39.2	34.3	150.1	147.9
% of Telco Revenues	9.9%	9.8%	10.4%	10.2%	10.6%	9.1%	10.7%	10.1%
Audiovisuals and Cinema Exhibition	5.8	4.8	6.2	6.0	4.4	4.5	16.7	22.9
Leasing Contracts & Other Contractual Rights	11.8	21.0	16.6	80.5	29.1	26.6	36.2	129.9
Spectrum licenses	0.0	0.0	0.0	0.0	0.0	0.0	151.3	0.0
Total Group CAPEX	143.3	133.6	136.8	212.2	126.1	124.7	609.8	625.8

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

Table 13.

Cash Flow	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	2021	2022
EBITDA AL	137.6	137.5	152.9	119.7	146.2	150.9	518.9	547.7
Total CAPEX Excluding Leasings & Other Contractual Rights	(131.4)	(112.6)	(120.2)	(131.7)	(97.0)	(98.1)	(422.3)	(495.9)
EBITDA AL - Total CAPEX Excluding Leasings & Other Contractual Rights	6.2	24.9	32.7	(12.0)	49.1	52.7	96.6	51.8
% of Revenues	1.6%	6.8%	8.6%	-3.0%	12.9%	13.4%	6.8%	3.4%
Non-Cash Items Included in EBITDA AL - CAPEX and Change in Working Capital	1.9	11.9	(11.4)	0.5	(5.2)	2.2	(5.9)	2.9
Operating Cash Flow	8.1	36.9	21.2	(11.5)	43.9	55.0	90.7	54.7
Interest Paid	(3.2)	(4.0)	(1.5)	(1.8)	(4.7)	(7.4)	(10.9)	(10.5)
Income Taxes Paid	(0.2)	(0.7)	(18.4)	(10.1)	0.0	(10.5)	(0.7)	(29.4)
Disposals	0.5	0.2	121.1	43.9	0.3	0.2	1.8	165.7
Other Cash Movements ⁽¹⁾	(1.0)	(1.8)	26.4	(11.1)	(11.2)	(1.1)	(9.4)	12.5
Spectrum licenses	0.0	0.0	0.0	0.0	0.0	0.0	(151.3)	0.0
Total Free Cash-Flow Before Dividends, Financial Investments and Own Shares Acquisition	4.1	30.6	148.8	9.5	28.4	36.2	(79.8)	193.0
Financial Investments	0.2	(0.4)	(1.6)	0.3	0.1	(0.1)	(0.4)	(1.6)
Acquisition of Own Shares	(2.9)	(3.4)	(0.8)	0.0	(4.4)	(0.7)	(2.1)	(7.1)
Dividends	0.0	(142.3)	0.0	0.0	0.0	(220.0)	(142.4)	(142.3)
Free Cash Flow	1.4	(115.5)	146.3	9.8	24.0	(184.6)	(224.6)	42.0
Debt Variation Through Financial Leasing, Accruals & Deferrals & Others	(0.2)	0.8	(0.7)	(2.5)	(1.0)	(1.5)	(5.0)	(2.5)
Change in Net Financial Debt	1.2	(114.7)	145.7	7.3	23.0	(186.1)	(229.7)	39.5

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

Table 14.

Net Financial Debt (Millions of Euros)	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	2021	2022
Short Term	99.1	458.4	500.8	353.0	342.9	166.9	235.7	353.0
Medium and Long Term	947.0	699.6	649.4	654.5	649.4	999.3	806.9	654.5
Total Debt	1,046.0	1,158.0	1,150.2	1,007.4	992.3	1,166.2	1,042.6	1,007.4
Cash and Short Term Investments	15.5	12.8	150.6	15.2	23.1	10.9	10.9	15.2
Net Financial Debt ⁽¹⁾	1,030.5	1,145.2	999.5	992.2	969.2	1,155.3	1,031.7	992.2
Net Financial Debt / EBITDA after lease payments (last 4 quarters) ⁽²⁾	1.96x	2.15x	1.85x	1.81x	1.74x	2.03x	1.99x	1.81x
Leasings and Long Term Contracts	528.8	525.4	562.3	630.2	638.9	644.2	534.0	630.2
Net Debt	1,559.3	1,670.6	1,561.8	1,622.4	1,608.1	1,799.5	1,565.7	1,622.4
Net Debt / EBITDA	2.49x	2.64x	2.44x	2.49x	2.42x	2.64x	2.53x	2.49x
Net Financial Gearing ⁽³⁾	60.8%	64.7%	60.3%	60.7%	59.8%	66.7%	61.9%	60.7%

(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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ENQUIRIES

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Conf. Call – 20 July – 12:00pm	Webcast – 20 July – 12:00pm
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