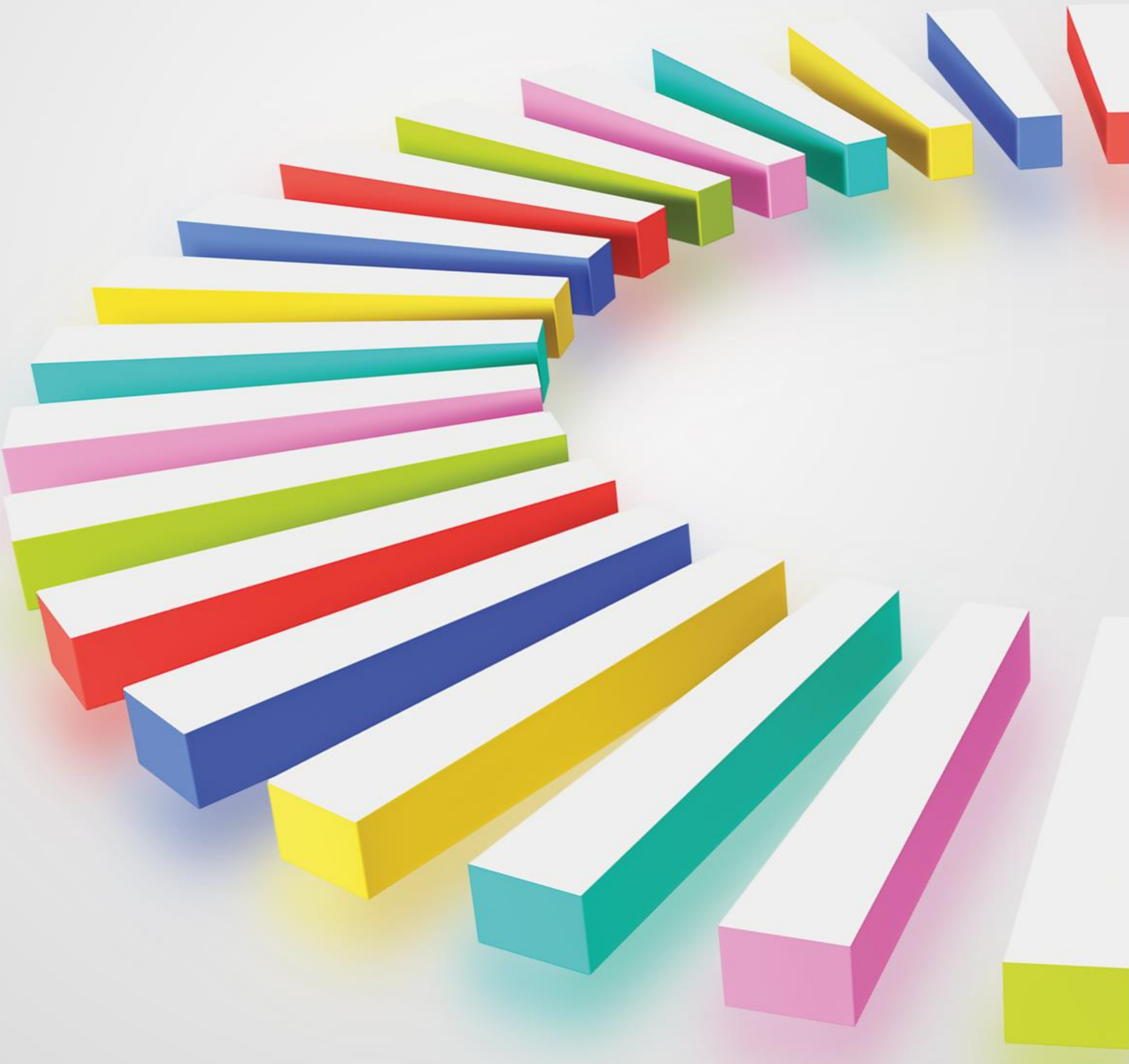
NOS

Report and Accounts 9M24



01 Management Report

Governing Bodies

At the date of this report, 30 October 2024, the composition of the Governing Bodies was as follows:

Board of Directors

Chairman of the Board of Directors	Ângelo Paupério
Chairman of the Executive Committee	Miguel Almeida
Members of the Executive Committee	José Koch Ferreira, CFO Daniel Beato Filipa Santos Carvalho Jorge Graça Luís Nascimento Manuel Ramalho Eanes
Members	António Lobo Xavier Catarina Tavira Van-Dúnem Claúdia Azevedo Cristina Marques Eduardo Verde Pinho João Torres Dolores Ana Rita Rodrigues

Fiscal Board

Chairman of the Fiscal Board	José Pereira Alves
Members	Patricia Teixeira Lopes Paulo Mota Pinto
Alternate Member	Ana Luísa Aniceto da Fonte

Officials of the General Meeting of Shareholders

Chairman	António Agostinho Guedes
Secretary	Daniela Baptista

Statutory Auditor

In Office	KPMG & ASSOCIADOS - Sociedade de Revisores Oficiais de Contas, S.A., inscrita na CMVM sob o número 20161489, representada por Pedro Jorge Quental e Cruz (ROC n.º 1765)
Alternate	Luís Miguel Pedrosa Guerra (ROC n.º 1769)

Highlights of 9M 2024

- Market share of Telco revenues rises to according to the latest official data, reflecting the continued success of the business strategy;
- Consolidated revenues grew 5.5% yoy, with strong performance of 6.0% in the Telco segment;
- Improved operating efficiency reflected in consolidated EBITDA growth of 5.8% to €585.1 million, representing a margin of 46.9% of revenues, +0.1 p.p.;
- Operating FCF grew by 26.5% to €214 million, driven by strong operational performance and the structural reduction in CAPEX, through the achievement of approximately 96.8% 5G coverage;
- Reinforced capital structure, one of the most robust in the sector, with a Net Financial Debt/EBITDA AL ratio of 1.50x;

Message from Miguel Almeida, CEO

"Our unequivocal commitment to deliver the best, most accessible and trustworthy, communication and technology services in Portugal, was again reflected in our accomplishments this quarter.

Consistent execution on strategy is materializing in strong business momentum and sustained health in financial results, with yet another quarter of growth in Revenues, of more than 6% yoy, and equally robust profitability and cash generation.

Continued growth in our market share of retail revenues, a relevant measure of our overall operating success. Key to this performance is our consistent increase in mobile share, and growth in our fixed and convergent customer base led by the ongoing expansion of our next generation network to 5.7 million households.

The weight of Tech driven solutions in our portfolio, primarily for the enterprise market, is posting encouraging growth as we continue to launch innovative projects, often in collaboration through our 5GHub, with local businesses and academic and technological research partners. We are also very pleased with the early results we are seeing in our adjacent value-added operations such as NOS' security and smart home solutions and our cloud-based consultancy business Ten-Twenty-One. Our strategic focus on technological innovation and transformation was further consolidated this quarter with the acquisition of a 20% stake in Daredata, one of the Portuguese leading newcomers to the field of AI, Generative AI, and Machine Learning, representing another important milestone to unlock the full potential of AI based solutions for global markets.

The core services we provide make progress possible, by allowing individuals, businesses, and communities, even in the most remote corners of the country, to communicate, work, learn and be entertained, with reliable and high-capacity access to the very best technology has to offer. In August we became the first operator to cover all municipalities in Portugal with our 5G network and we continue to be rated the fastest operator by Ookla. The nature of our services makes us an important enabler of increased national competitiveness and geographic cohesion, as is reflected in the European Commission´s recent "2030 Digital Decade" report in which Portugal is recognized as one of the most advanced countries in Europe in terms of 5G deployment and well positioned to complete 2030 targets ahead of schedule.

The sustained health of our operating and financial results provides us the foundations to reinvest in the quality and reach of our networks, product offerings and customer experience, bolstering our long-term commitment to Portugal and to all our stakeholders."

Operating and Financial Review

The Consolidated Financial Statements for 9M24 have been subject to a limited review.

Table 1.

Profit and Loss Statement (Millions of Euros)	9M23	**9M24**	9M24 / 9M23
Operating Revenues	1,183.1	1,248.2	5.5%
Telco	1,131.6	1,198.9	6.0%
Consumer Revenues	808.9	847.9	4.8%
Business Revenues	248.2	269.1	8.4%
Wholesale and Others	74.5	81.9	9.8%
Audiovisuals & Cinema	77.2	75.1	(2.7%)
Others and Eliminations	(25.7)	(25.8)	0.6%
Operating Costs Excluding D&A	(630.1)	(663.2)	5.3%
Telco	(615.3)	(648.3)	5.4%
Audiovisuals & Cinema	(40.4)	(40.7)	0.5%
Others and Eliminations	25.7	25.8	0.6%
EBITDA(1)	553.0	585.1	5.8%
EBITDA Margin	46.7%	46.9%	0.1pp
Telco	516.3	550.6	6.6%
EBITDA Margin	45.6%	45.9%	0.3pp
Cinema Exhibition and Audiovisuals	36.7	34.5	(6.2%)
EBITDA Margin	47.6%	45.9%	(1.7pp)
Operating costs Excluding D&A AL	(714.4)	(754.8)	5.7%
Telco	(692.1)	(732.3)	5.8%
Audiovisuals & Cinema	(48.0)	(48.3)	0.7%
Others and Eliminations	25.7	25.8	0.6%
EBITDA AL(1)	468.7	493.4	5.3%
EBITDA AL margin	39.6%	39.5%	(0.1pp)
Telco	439.5	466.6	6.2%
EBITDA AL margin	38.8%	38.9%	0.1pp
Audiovisuals & Cinema	29.2	26.8	(8.2%)
EBITDA AL margin	37.9%	35.7%	(2.1pp)
Leasings	(84.3)	(91.6)	8.7%
Telco	(76.8)	(84.0)	9.4%
Cinema Exhibition and Audiovisuals	(7.5)	(7.6)	1.6%
Depreciation and Amortization	(359.9)	(375.9)	4.5%
(Other Expenses) / Income	(1.1)	71.8	(6600.9%)
Operating Profit (EBIT)(2)	192.1	280.9	46.3%
Share of profits (losses) of associates and joint ventures	4.6	7.1	52.7%
(Financial Expenses) / Income	(48.5)	(59.1)	22.0%
Leases Financial Expenses	(23.0)	(25.2)	9.4%
Funding & Other Financial Expenses	(25.5)	(33.9)	33.4%
Income Before Income Taxes	148.3	228.9	54.4%
Income Taxes	(21.8)	(27.6)	26.5%
Net Income Before Associates & Non-Controlling Interests	121.8	194.2	59.5%
Net income	126.4	201.3	59.2%
Net income attributable to Non-controlling interests	0.1	0.2	90.4%
Net Income attributable to NOS shareholders	126.3	201.1	59.2%

(1) EBITDA AL = Operating Profit AL + 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.
Note: In 1Q24 B2C and B2B revenues have been restated to reflect a more accurate allocation between segments.

Consolidated revenue growth, with positive trends in the core Telco & IT business

Consolidated revenues increased by 5.5% yoy to €1,248.2 million, leveraged by robust performance in the core Telco & IT business, supporting performance in the cinema exhibition and audiovisuals area.

Strong performance in all Telco & IT business lines resulted in an increase of 6.0% yoy, totalling €1,198.9 million. In the Consumer segment, revenues were up 4.8% yoy, with growth in core services, namely convergent and integrated RGUs, thereby bolstering continuous improvement in the value mix. Revenues in the Corporate segment grew by 8.4% to €269.1 million, with the positive momentum seen in this segment, which was up 12.1%, having been leveraged by a higher volume of IT projects. Wholesale and Other business raised total revenues by €7.3 million to €81.9 million, driven by strong growth of 14.5% in the share of sales of low-margin value-added call services with a volatile profile.

The cinema exhibition and audiovisuals business totalled €75.1 million in revenues, representing 2.7% lower yoy performance. *"Inside Out 2",* a film released and shown during 3Q24, with approximately 1.3 million tickets sold in the Portuguese market, reached number one in box office admissions since records began in Portugal. However, this record was not enough to surpass the *"Barbenheimer"* phenomenon and the other box office hits screened in 9M23, with total tickets sales down 10.1% yoy, helping to explain the 5.5% lower revenues in the cinema exhibition segment. Audiovisuals revenues were up 3.9%, thanks to the success of the portfolio of movies distributed by NOS Audiovisuais, including *"Inside Out 2"* and *"Deadpool & Wolverine"*.

Table 2.

Operating Indicators	9M23	9M24	9M24 / 9M23
Cinema			
Revenue per Ticket - box office (Euros)	5.9	6.1	4.0%
Tickets Sold - NOS ('000)	6,345.9	5,706.6	(10.1%)
Tickets Sold - Total Portuguese Market (1) ('000)	9,607.0	8,749.3	(8.9%)
Screens (units)	214	214	0.0%

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

EBITDA sees sustained growth of +5.8% in 9M24 to €585.1 million

EBITDA growth higher than yoy revenue growth, achieved through proactive management of the cost base and driven by the transformation programme in progress. Exploiting the potential of new technologies, particularly AI, is resulting in operational and structural efficiencies that are helping to empower the business and redesign the cost structure in many business areas, with encouraging results in major operational lines, such as customer service and operational network management. The 5.3% increase in Consolidated OpEx reflects, among other things, the impact of positive operating momentum in the corporate segment, whose continued higher number of IT projects inevitably leads to a rise in associated costs. Indirect, operating and structural costs were primarily impacted by higher energy costs, reflecting the yoy increase in regulated prices in the Portuguese market.

Leasing costs were up 8.7% to €91.6 million, reflecting a higher number of sites with radio access sharing and inflation adjustments in payments to Cellnex, capped at 2%. Without the impacts of leases, EBITDA AL rose by 5.3% to €493.4 million, representing a 39.5% margin.

Net Income grows 59.2% to €201.1 million

Consolidated Net Income in 9M24 totalled €201.1 million, up €74.9 million. This increase was due to a combination of factors, including: i) strong operational performance, with an EBITDA contribution of €32.1 million; ii) an increase of €16.1 million in D&A to €375.9 million, mainly as a result of revisions to the useful lives of some assets; iii) increase in Net Financial Income of €10.7 million yoy to €59.1 million, due to more favourable interest rates in 1H24, reversing the trend in 3Q24, with a positive contribution year-on-year; iv) positive non-recurring impacts in non-recurring costs/gains, including €23.4 million, after taxes, in activity fees related to favourable court rulings and €30.6 million, after taxes, related to a capital gain on the sale of a small portfolio of towers to Cellnex, as explained in the Free Cash Flow section.

Structural decline in total CAPEX, down 5.1% to €277.9 million

The deceleration trend in total investments continued in 9M24, down €14.9 million yoy to €277.9 million, with a continuing structural decline in Telco investment reaching 21.9% in 9M24, down 2.8 p.p. yoy. The investment made in our 5G network allows us to reach every municipality in Portugal, covering approximately 96.8% of the population at the end of 9M24. With regard to fixed network coverage, NOS continues to expand in the most sustainable and efficient way possible, both through its own construction and sharing/wholesale agreements, reaching 5.7 million households at the end of 9M24, with a total of 80.1% covered by FttH. As a result of the investment dynamics explained above, expansionary CAPEX reduced 26.5% yoy to €48.0 million.

Table 3.

CAPEX (Millions of Euros) [1]	9M23	**9M24**	9M24 / 9M23
Total CAPEX Excluding Leasing Contracts & Other Contractual Rights	292.8	277.9	(5.1%)
Telco	278.7	262.2	(5.9%)
% of Telco Revenues	24.6%	21.9%	(2.8pp)
o.w. Technical CAPEX	171.5	154.1	(10.1%)
% of Telco Revenues	15.2%	12.9%	(2.3pp)
Baseline Telco	106.2	106.1	(0.1%)
Network Expansion / Substitution and Integration Projects and Others	65.3	48.0	(26.5%)
o.w. Customer Related CAPEX	107.2	108.1	0.8%
% of Telco Revenues	9.5%	9.0%	(0.5pp)
Audiovisuals and Cinema Exhibition	14.1	15.8	11.7%
Leasing Contracts & Other Contractual Rights	66.1	51.0	(22.8%)
Total Group CAPEX	358.9	328.9	(8.3%)

(1) CAPEX = Increase in tangible and intangible fixed assets, contract costs and rights of use
Note: In 1H24 Network and Baseline CAPEX have been restated to reflect a more accurate allocation

Operating Cash Flow up 26.5% to €214.0 million

Higher operating cash flow sustained by solid operational performance and a structural decline in investment needs, with growth of 26.5% to €214.0 million.

Total Free Cash Flow grew €238.3 million to €332.1 million, impacted by positive operational performance and several effects of a non-current nature. The positive variation in cash flow due to income tax of 79.9 million euros results from the fact that the payments made each year are calculated on the basis of the previous year's tax results. The payment in 9M23 of 42.3 million euros is therefore impacted by non-current results relating to the capital gain on the sale of the 2022 towers. The receipt in 9M24 of 37.6 million euros reflects the difference between the amount advanced in 2023 and the tax calculated in 2024 for that year. Free Cash Flow was also boosted by the receipt of €59.1 million in activity fees in the wake of favourable court rulings initially announced in 4Q23, and €57.3 million related to an additional small portfolio of towers transferred to Cellnex under the agreement originally announced in 2020 and extended in 2022. (Links to press releases from 2020 and 2022).

Table 4.

Cash Flow (Millions of Euros)	9M23	**9M24**	9M24 / 9M23
EBITDA AL	468.7	493.4	5.3%
Total CAPEX Excluding Leasings & Other Contractual Rights	(292.8)	(277.9)	(5.1%)
EBITDA AL - Total CAPEX Excluding Leasings & Other Contractual Rights	175.9	215.5	22.5%
% of Revenues	14.9%	17.3%	2.4pp
Non-Cash Items Included in EBITDA AL - CAPEX and Change in Working Capital	(6.7)	(1.5)	(77.9%)
Operating Cash Flow	169.1	214.0	26.5%
Interest Paid	(20.7)	(28.7)	38.6%
Income Taxes Paid	(42.3)	37.6	(212.0%)
Disposals	0.7	57.6	8442.6%
Other Cash Movements (1)	(13.0)	51.6	(497.1%)
Total Free Cash-Flow Before Dividends, Financial Investments and Own Shares Acquisition	93.8	332.1	254.0%
Financial Investments	(0.6)	(1.1)	74.8%
Acquisition of Own Shares	(5.2)	(4.3)	(17.6%)
Dividends	(220.0)	(179.0)	(18.7%)
Free Cash Flow	(132.0)	147.8	(212.0%)
Debt Variation Through Financial Leasing, Accruals & Deferrals & Others	(5.2)	(0.7)	(85.9%)
Change in Net Financial Debt	(137.2)	147.0	(207.1%)

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

Reinforced capital structure, one of the most robust in the sector

At the end of 9M24, NOS had a Net Financial Debt of €942 million, while total debt, including leasing agreements (per IFRS 16), was €1,571 million. The Net Financial Debt/EBITDA AL ratio was 1.50x at the end of 9M24, significantly below our strategic financing goal of around 2x. The average all-in cost of debt in 9M24 was 4.0%.

NOS holds a solid liquidity position of €390.6 million, split between unissued and available commercial paper programmes totalling €359.5 million and Cash and Cash Equivalents totalling €31.1 million.

On 30 September 2024, 29% of NOS' debt was issued at a fixed rate, while another 39% was covered by interest rate collars. The total average maturity of debt on 30 September was 2 years and 3 months. Currently, more than 90% of NOS' total financial debt is tied to ESG performance goals, reiterating our commitment to achieving NOS' global aspirations in sustainability performance.

Table 5.

Balance Sheet (Millions of Euros)	9M23	**9M24**	9M24 / 9M23
Non-current Assets	2,919.2	2,832.9	(3.0%)
Current Assets	570.2	510.3	(10.5%)
Total Assets	3,489.3	3,343.3	(4.2%)
Total Shareholders' Equity	945.9	1,011.4	6.9%
Non-current Liabilities	1,761.1	1,443.9	(18.0%)
Current Liabilities	782.3	888.0	13.5%
Total Liabilities	2,543.4	2,331.9	(8.3%)
Total Liabilities and Shareholders' Equity	3,489.3	3,343.3	(4.2%)

Table 6.

Net Financial Debt (Millions of Euros)	9M23	**9M24**	9M24 / 9M23
Short Term	110.0	254.0	131.0%
Medium and Long Term	1,031.4	719.5	(30.2%)
Total Debt	1,141.4	973.5	(14.7%)
Cash and Short Term Investments	11.9	31.1	160.8%
Net Financial Debt (1)	1,129.4	942.3	(16.6%)
Net Financial Debt / EBITDA after lease payments (last 4 quarters) (2)	1.92x	1.50x	(0.2pp)
Leasings and Long Term Contracts	633.8	628.7	(0.8%)
Net Debt	1,763.3	1,571.0	(10.9%)
Net Debt / EBITDA (last 4 quarters)	2.50x	2.10x	(0.16pp)
Net Financial Gearing (3)	65.1%	60.8%	(4.2pp)

(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).

02

Interim Condensed Consolidated Financial Statements

These financial statements are a translation of financial statements originally issued in Portuguese in accordance with International Financial Reporting Standards (IAS / IFRS) as adopted by the European Union and the format and disclosures required by those Standards, some of which may not conform to or be required by generally accepted accounting principles in other countries. In the event of discrepancies, the Portuguese language version prevails.

Condensed consolidated statement of the financial position

At 30 September 2023, 31 December 2023 and 30 September 2024
(Amounts stated in thousands of euros)

	Notes	30-09-2023	31-12-2023	30-09-2024
Assets				
Non-current assets:				
Tangible assets	7	1,096,335	1,093,584	1,084,578
Investment property		504	349	251
Intangible assets	8	1,209,071	1,207,946	1,164,477
Contract costs	9	159,022	158,406	158,648
Rights of use	10	309,579	307,090	302,941
Investments in jointly controlled companies and associated companies	11	30,178	29,440	33,997
Accounts receivable - other	12	4,674	4,364	3,911
Tax receivable	13	58	51	52
Other financial assets non-current	14	5,929	6,028	8,791
Deferred income tax assets	15	92,019	81,906	72,508
Derivative financial instruments	16	11,801	5,583	2,767
Total non-current assets		**2,919,170**	**2,894,747**	**2,832,921**
Current assets:				
Inventories	17	64,861	48,215	44,614
Accounts receivable - trade	18	352,015	340,780	320,799
Contract assets	19	52,007	47,011	34,353
Accounts receivable - other	12	18,915	38,594	14,373
Tax receivable	13	12,775	37,050	4,812
Prepaid expenses	20	57,374	44,425	60,207
Derivative financial instruments	16	265	-	42
Cash and cash equivalents	21	11,943	18,158	31,143
Total current assets		**570,155**	**574,233**	**510,343**
Total assets		**3,489,325**	**3,468,980**	**3,343,264**

	Notes	30-09-2023	31-12-2023	30-09-2024
Shareholder's equity				
Share capital	22.1	855,168	855,168	855,168
Capital issued premium	22.2	4,202	4,202	4,202
Own shares	22.3	(15,059)	(15,059)	(15,002)
Legal reserve	22.4	4,374	4,374	4,692
Other reserves and accumulated earnings	22.4	(35,395)	(41,578)	(45,558)
Net Income		126,320	180,995	201,111
Equity before non-controlling interests		**939,610**	**988,102**	**1,004,613**
Non-controlling interests	23	6,337	6,585	6,755
Total equity		**945,947**	**994,687**	**1,011,368**
Liabilities				
Non-current liabilities:				
Borrowings	24	1,585,194	1,496,900	1,271,179
Provisions	25	83,399	80,154	81,516
Accounts payable - other	26	41,691	44,726	42,681
Tax payable	13	42,842	44,009	40,937
Derivative financial instruments	16	-	1,036	344
Deferred income tax liabilities	15	7,971	5,498	7,224
Total non-current liabilities		**1,761,097**	**1,672,323**	**1,443,881**
Current liabilities:				
Borrowings	24	190,008	237,069	330,958
Accounts payable - trade	27	260,864	243,991	178,513
Accounts payable - other	26	42,464	50,349	32,942
Tax payable	13	27,976	23,213	52,397
Accrued expenses	29	222,330	203,943	245,113
Deferred income	30	38,515	42,964	47,844
Derivative financial instruments	16	124	441	248
Total current liabilities		**782,281**	**801,970**	**888,015**
Total liabilities		**2,543,378**	**2,474,293**	**2,331,896**
Total liabilities and shareholder's equity		**3,489,325**	**3,468,980**	**3,343,264**

As a standard practice, only the annual accounts are audited, therefore the quarters amounts were not audited autonomously.

The Notes to the Financial Statements form an integral part of the condensed consolidated statement of financial position as of 30 September 2024.

The Chief Accountant　　　　The Board of Directors

Condensed consolidated statement of income by nature

For the nine-month periods ended on 30 of September 2023 and 2024
(Amounts expressed in thousands of euros)

	Notes	3Q 23	9M 23	3Q 24	9M 24
Revenues:					
Services rendered		372,958	1,081,714	393,124	1,136,682
Sales		27,304	79,433	31,842	86,978
Other operating revenues		7,654	21,964	7,770	24,586
	31	**407,916**	**1,183,111**	**432,736**	**1,248,246**
Costs, losses and gains:					
Wages and salaries	32	23,306	68,815	22,602	67,976
Direct costs	33	86,359	256,982	95,487	272,716
Costs of products sold	34	22,114	66,104	21,312	69,432
Marketing and advertising		5,772	20,901	7,342	25,677
Support services	35	20,947	67,582	19,286	64,555
Supplies and external services	35	38,546	112,990	41,831	123,857
Other operating losses / (gains)		130	685	151	550
Taxes		8,882	26,843	9,665	28,985
Provisions and adjustments	36	1,428	9,175	2,071	9,415
Depreciation, amortization and impairment losses	7,8,9,10 & 37	122,838	359,854	128,599	375,919
Restructuring costs	38	132	1,227	301	1,691
Losses / (gains) on sale of assets, net	7	(387)	(723)	(78)	(34,668)
Other losses / (gains) non recurrent net	39	124	600	(403)	(38,806)
		330,191	**991,035**	**348,166**	**967,299**
Income before losses / (gains) participated companies, financial results and taxes		**77,725**	**192,076**	**84,570**	**280,947**
Net losses / (gains) of affiliated companies	11 & 40	(1,415)	(4,649)	(2,418)	(7,098)
Financial costs	41	18,206	45,590	17,646	56,789
Net foreign exchange losses / (gains)		(267)	(61)	301	112
Net losses / (gains) on financial assets		190	195	13	(436)
Net other financial expenses / (income)	41	834	2,739	827	2,648
		17,548	**43,814**	**16,369**	**52,015**
Income before taxes		**60,177**	**148,262**	**68,201**	**228,932**
Income taxes	15	14,353	21,850	15,553	27,647
Net consolidated income		**45,824**	**126,412**	**52,648**	**201,285**
Attributable to:					
NOS Group Shareholders		45,859	126,320	52,556	201,111
Non-controlling interests	23	(35)	92	92	174
Earnings per shares					
Basic - euros	42	0.09	0.25	0.10	0.40
Diluted - euros	42	0.09	0.25	0.10	0.40

As a recurring practice, only the annual accounts are audited therefore, the quarter figures have not been audited independently. The Notes to the Financial Statements form an integral part of the condensed consolidated statement of income by nature for the nine-month period ended on 30 September 2024.

The Chief Accountant

The Board of Directors

Condensed consolidated statement of comprehensive income

For the nine-month periods ended on 30 of September 2023 and 2024

(Amounts expressed in thousands of euros)

	Notes	3Q 23	9M 23	3Q 24	9M 24
Net consolidated income		**45,824**	**126,412**	**52,648**	**201,285**
Other income					
Items that may be reclassified subsequently to the income statement:					
Changes in the comprehensive income of entities accounting for equity method	11	94	(11,959)	(3,016)	(2,541)
Fair value of interest rate swap	16	(1,411)	541	(4,442)	(1,916)
Deferred income tax - interest rate swap	16	317	(122)	999	431
Fair value of exchange rate forward	16	846	503	(413)	(124)
Deferred income tax - exchange rate forward	16	(237)	(139)	117	36
Currency translation differences and others		(3)	(338)	101	105
Income recognized directly in equity		**(394)**	**(11,514)**	**(6,654)**	**(4,009)**
Total comprehensive income		**45,430**	**114,898**	**45,994**	**197,276**
Attributable to:					
NOS Group Shareholders		45,465	114,806	45,902	197,102
Non-controlling interests	23	(35)	92	92	174
		45,430	**114,898**	**45,994**	**197,276**

As a recurring practice, only the annual accounts are audited therefore, the quarter figures have not been audited independently.

The Notes to the Financial Statements form an integral part of the condensed consolidated statement of comprehensive income for the nine-month period ended on 30 September 2024.

The Chief Accountant — The Board of Directors

Condensed consolidated statement of changes in shareholder's equity

For the nine-month periods ended on 30 of September 2023 and 2024

(Amounts expressed in thousands of euros)

				Attributable to NOS Group Shareholders								
						Other reserves						
	Notes	Share capital	Capital issued premium	Own shares	Legal reserve	Own shares reserve	Reserves for plans of medium-term incentive	Hedging reserves	Other reserves and retained earnings	Net income	Non-controlling interests	Total
Balance as of 1 January 2023		**855,168**	**4,202**	**(15,968)**	**1,030**	**15,968**	**6,675**	**8,530**	**(54,087)**	**224,574**	**6,251**	**1,052,343**
Result appropriation												
Transfers to reserves		-	-	-	3,344	-	-	-	221,230	(224,574)	-	-
Dividends paid	22.4								(219,987)			(219,987)
Acquisition of own shares	22.3	-	-	(5,171)	-	5,171	-	-	(5,171)	-	-	(5,171)
Distribution of own shares:												
Distribution of own shares - share incentive scheme	22.3	-	-	5,970	-	(5,970)	(4,629)	-	4,629	-	-	-
Distribution of own shares - other remunerations	22.3	-	-	110	-	(110)	-	-	117	-	-	117
Share Plan - costs incurred in the period and others	46	-	-	-	-	-	2,747	-	6	-	(6)	3,747
Comprehensive Income		-	-	-	-	-	-	783	(12,297)	126,320	92	114,898
Balance as of 30 September 20223		**855,168**	**4,202**	**(15,059)**	**4,374**	**15,059**	**5,793**	**9,313**	**(65,650)**	**126,320**	**6,337**	**945,947**
Balance as of 1 January 2024		**855,168**	**4,202**	**(15,059)**	**4,374**	**15,059**	**7,099**	**3,337**	**(67,073)**	**180,995**	**6,585**	**999,687**
Result appropriation												
Transfers to reserves		-	-	-	318	-	-	-	180,677	(180,995)	-	-
Dividends paid	22.4	-	-	-	-	-			(178,958)	-	-	(178,958)
Acquisition of own shares	22.3	-	-	(4,261)	-	4,261	-	-	(4,261)	-	-	(4,261)
Distribution of own shares:												
Distribution of own shares - share incentive scheme	22.3	-	-	4,197	-	(4,197)	(3,277)	-	3,277	-	-	-
Distribution of own shares - other remunerations	22.3	-	-	121	-	(121)	-	-	113	-	-	113
Share Plan - costs of the plans paid in cash	46	-	-	-	-	-	(1,180)	-	-	-	-	(1,180)
Share Plan - costs incurred in the period and others	46	-	-	-	-	-	3,691	-	4	-	(4)	3,691
Comprehensive Income		-	-	-	-	-	-	(1,573)	(2,436)	201,111	174	197,276
Balance as of 30 September 2024		**855,168**	**4,202**	**(15,002)**	**4,692**	**15,002**	**6,333**	**1,764**	**(68,657)**	**201,111**	**6,755**	**1,011,368**

As a recurring practice, only the annual accounts are audited therefore, the quarter figures have not been audited independently.

The Notes to the Financial Statements form an integral part of the condensed consolidated statement of changes in shareholders' equity for the nine-month periods ended on 30 September 2024.

The Chief Accountant The Board of Directors

Condensed consolidated statement of cashflows

For the nine-month periods ended on 30 September 2023 and 2024
(Amounts expressed in thousands of euros)

	Notes	9M 23	9M 24
Operating activities			
Collections from clients		1,348,631	1,535,545
Payments to suppliers		(641,774)	(710,158)
Payments to employees		(85,135)	(92,134)
Receipts / (Payments) relating to income taxes		(42,333)	37,747
Other cash receipts / (payments) related with operating activities		(47,740)	(55,476)
Cash flow from operating activities (1)		**531,649**	**715,524**
Investing activities			
Cash receipts resulting from			
Financial investments	14	875	1,231
Tangible assets		829	70,745
Interest and related income		5,324	7,146
		7,028	**79,122**
Payments resulting from			
Financial investments	14	(1,504)	(2,331)
Tangible assets		(167,652)	(156,671)
Intangible assets and contract costs		(166,491)	(180,825)
		(335,647)	**(339,827)**
Cash flow from investing activities (2)		**(328,619)**	**(260,705)**
Financing activities			
Cash receipts resulting from			
Borrowings	24	640,200	289,200
Dividends		-	3
		640,200	**289,203**
Payments resulting from			
Borrowings	24	(512,700)	(414,300)
Lease rentals (principal)	24	(62,680)	(64,596)
Interest and related expenses	24	(47,642)	(59,253)
Dividends	22.4	(219,987)	(178,958)
Acquisition of own shares	22.3	(5,171)	(4,261)
		(848,180)	**(721,368)**
Cash flow from financing activities (3)		**(207,980)**	**(432,165)**
Change in cash and cash equivalents (4)=(1)+(2)+(3)		(4,950)	22,654
Effect of exchange differences		(1)	(1)
Cash and cash equivalents, net of bank overdrafts at the beginning of the year		8,079	8,490
Cash and cash equivalents, net of bank overdrafts at the end of the period	**21**	**3,128**	**31,143**

As a recurring practice, only the annual accounts are audited therefore, the quarter figures have not been audited independently.

The Notes to the Financial Statements form an integral part of the condensed consolidated statement of cash flows for the nine-month period ended on 30 September 2024.

The Chief Accountant The Board of Directors

Notes to the condensed consolidated financial statements

As of 30 September 2024

(Amounts stated in thousand euros, unless otherwise stated)

1. Introductory Note

NOS, SGPS, S.A. ("NOS", "NOS SGPS" or "Company"), whose designation did not change during the year, formerly named ZON OPTIMUS, SGPS, S.A. ("ZON OPTIMUS") and until 27 August 2013, named ZON Multimédia – Serviços de Telecomunicações e Multimédia, SGPS, S.A. ("ZON"), with Company headquarters registered at Rua Actor António Silva, nº9, Campo Grande, was established by Portugal Telecom, SGPS, S.A. ("Portugal Telecom") on 15 July 1999 for the purpose of implementing its multimedia business strategy.

During the 2007 financial year, Portugal Telecom proceeded with the spin-off of ZON through the attribution of its participation in the company to their shareholders, which become fully independent from Portugal Telecom.

During the 2013 financial year, ZON and Optimus, SGPS, S.A. ("Optimus SGPS") have merged through the incorporation of Optimus SGPS into ZON. Thereafter, the Company adopted the designation of ZON OPTIMUS, SGPS, S.A.

On 20 June 2014, because of the launch of the new brand "NOS" on 16 May 2014, the General Meeting of Shareholders approved the change of the Company's name to NOS, SGPS, S.A.

The businesses operated by NOS and its associated companies, form the "NOS Group" or "Group", which includes cable and satellite television services, voice and Internet access services, video production and sale, advertising on Pay TV channels, cinema exhibition and distribution, the production of channels for Pay TV, management of datacenters and consulting services in IT, mainly in the Portuguese market.

NOS shares are listed on the Euronext Lisbon market. The shareholders' structure of the Group as of 30 September 2024 is shown in Note 22.1.

The business of NOS Comunicações, S.A. ("NOS SA") and its subsidiaries, NOS Technology, NOS Açores, NOS Madeira, NOS Wholesale and NOS Sistemas comprehends: a) cable and satellite television distribution; b) the operation of the latest generation mobile communication network, GSM/UMTS/LTE/5G; c) the operation of electronic communications services, including data and multimedia communication services in general; d) IP voice services ("VOIP" - Voice over IP); e) Mobile Virtual Network Operator ("MVNO"), f) the provision of consultancy and similar services directly or indirectly related to the above mentioned activities and services, and g) datacenter management and consulting services in IT. The business of these companies is regulated by Law no. 16/2022 (Electronic Communications Law), which establishes the legal regime governing electronic communications networks and services.

The main activity of NOS Audio – Sales and Distribution, previously designated NOS Lusomundo TV and the result of the merger of NOSPUB with NOS Lusomundo TV on December 2020, is the negotiation, acquisition and distribution of content rights and other multimedia products to television and other platforms of distribution, currently producing films and series channels through the compilation of the acquired contents, which are distributed, among other operators, by NOS SA and its subsidiaries. This company also manages the advertising space on Pay TV channels and in the cinemas of NOS Cinemas.

NOS Audiovisuais and NOS Cinemas, together with their associated companies, operate in the audiovisual sector, which includes video production and sale, cinema exhibition and distribution, and the acquisition/negotiation of Pay TV and VOD (video-on-demand) rights.

NOS Inovação main activities are conducting and stimulating scientific activities of R&D (it owns all the intellectual property developed within the NOS Group, intending to guarantee the return of the initial investment through the commercialization of patents and concessions regarding commercial operation, as a result of the creation of new products and services), the demonstration, disclosure, technology and training transfers in the services and information management domains as well as fixed and mobile solutions of the latest generation of TV, internet, voice and data solutions.

These notes to the Financial Statements follow the order in which the items are shown in the consolidated financial statements.

The consolidated financial statements for the nine-month period ended on 30 September 2024 were approved by the Board of Directors and their issue authorized on 30 October 2024.

The Board of Directors believes that these financial statements give a true and fair view of the Group's operations, financial performance, and consolidated cash flows.

2. Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are described below. These policies were consistently applied to all the financial years presented, unless otherwise stated.

2.1. The principles of presentation

The consolidated financial statements were prepared in accordance with IAS 34 Interim Financial Reporting ("IAS 34"). Therefore, these financial statements do not include all the information required by IFRS, so they must be read in conjunction with the consolidated financial statements for the year ended on 31 December 2023.

The consolidated financial statements are presented in euros as this is the main currency of the Group's operations and all amounts are presented in thousands of euros, except when referred to the financial statements of subsidiaries located abroad were converted into euros in accordance with the accounting policies described in Note 2.3.21.

The consolidated financial statements were prepared on a going concern basis from the ledgers and accounting records of the companies included in the consolidation (Annex A), using the historical cost convention, adjusted when necessary for the valuation of financial assets and liabilities (including derivatives) at their fair value (Note 2.3.24).

In preparing the consolidated financial statements in accordance with IFRS, the Board used estimates, assumptions, and critical judgments with impact on the value of assets and liabilities and the recognition of income and costs in each reporting period. Although these estimates were based on the best information available at the date of preparation of the consolidated financial statements, current and future results may differ from these estimates. The areas involving a higher element of judgment and estimates are described in Note 3.

The Board of Directors is convinced that there are no material uncertainties that might question this assumption, even though current liabilities are higher than current assets. An analysis was made that the Group has the necessary resources to continue its operations into the future, for a period of no less than 12 months from the reporting date.

In the preparation and presentation of the consolidated financial statements, the NOS Group declares that it complies explicitly and without reservation with IAS/IFRS reporting standards and related SIC/IFRIC interpretations as approved by the European Union.

Changes in accounting policies and disclosures

The following standards, interpretations, amendments and revisions endorsed by the European Union have mandatory application for the first time in the financial year beginning on January 1, 2024:

- Amendments to IAS 1 - Presentation of financial statements - Classification of current and non-current liabilities. This amendment aims to clarify the classification of liabilities as current or non-current balances depending on the rights an entity has to defer their payment at the end of each reporting period. The classification of liabilities is not affected by the entity's expectations (the assessment should determine whether a right exists but should not consider whether or not the entity will exercise that right), or by events occurring after the reporting date, such as non-compliance with a covenant. However, if the right to defer settlement for at least twelve months is subject to certain conditions being met after the balance sheet date, these criteria do not affect the right to defer settlement for the purpose of classifying a liability as current or non-current. This amendment also includes a new definition of "settlement" of a liability and is of retrospective application.

- Amendment to IAS 7 and IFRS 7 - Disclosures: Supplier financing arrangements. These amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures, aim to clarify the characteristics of a supplier financing arrangement and introduce additional disclosure requirements when such arrangements exist. The disclosure requirements are intended to help users of financial statements understand the effects of supplier financing arrangements on the entity's liabilities, cash flows and exposure to liquidity risk. The changes come into effect for the period beginning on or after January 1, 2024. The new requirements complement those already included in IFRS and include disclosures about:
    - Terms and conditions of supplier financing arrangements;
    - The amounts of the liabilities which are the subject of such agreements, for which part of them the suppliers have already received payments from the financiers and under which heading these liabilities are presented in the balance sheet;
    - The maturity date ranges; and
    - Information on liquidity risk.

- Amendments to IFRS 16 - Lease liabilities in sale and leaseback transactions. This amendment to IFRS 16 introduces guidance on the subsequent measurement of lease liabilities related to sale and leaseback transactions that qualify as a "sale" under the principles of IFRS 15, with greater impact when some or all of the lease payments are variable lease payments that do not depend on an index or a rate. When subsequently measuring lease liabilities, seller-lessees should determine "lease payments" and "revised lease payments" in such a way that they do not recognize gains/(losses) in relation to the right of use they retain. This amendment is retrospective.

These standards and amendments had no material impact on the Group's consolidated financial statements.

The following standards, interpretations, amendments and revisions, with mandatory application in the financial year and in future financial years, have not, as at the date of approval of these financial statements, been endorsed by the European Union:

- Annual Improvements - Volume 11 - The amendments impact the following standards:
    - IFRS 1 First-time adoption of International Financial Reporting Standards - Hedge accounting by a first-time adopter;
    - IFRS 7 Financial Instruments: Disclosures:
        - Gain or loss on derecognition;
        - Disclosure of differences between fair value and transaction price;
        - Disclosures about credit risk;
    - IFRS 9 Financial Instruments:
        - Derecognition of lease liabilities;
        - Transaction price;
    - IFRS 10 Consolidated Financial Statements - Determination of a ‘de facto agent’;
    - IAS 7 Statement of Cash Flows - Cost Method.

- Amendments to IAS 21 - The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability. This amendment aims to clarify how to assess the exchangeability of a currency, and how the exchange rate should be determined when it is not exchangeable for a long period. The amendment specifies that a currency should be considered exchangeable when an entity is able to obtain the other currency within a period that allows for normal administrative management, and through an exchange or market mechanism in which an exchange transaction creates enforceable rights and obligations. If a currency cannot be exchanged for another currency, an entity must estimate the exchange rate at the measurement date of the transaction. The objective is to determine the exchange rate that would be applicable on the measurement date for a similar transaction between market participants. The amendments also state that an entity may use an observable exchange rate without making any adjustment. According to the changes, companies will have to provide new disclosures to help users assess the impact of using an estimated exchange rate on financial statements. The amendments come into force for the period beginning on or after January 1, 2025. These disclosures may include:
    - The nature and financial impacts of the currency not being convertible;
    - The spot exchange rate used;
    - The estimation process; and
    - The risks to the company because the currency is not convertible;

  Early adoption is permitted, however the transition requirements applied must be disclosed.

- IFRS 18 – Presentation and Disclosure in Financial Statements. This standard will replace IAS 1 Presentation of Financial Statements and aims to improve comparability and enhance transparency. The key new concepts introduced in IFRS 18 relate to:
    - the structure of the statement of profit or loss;

  - required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
  - enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

  This standard will apply for reporting periods beginning on or after 1 January 2027 and also applies to comparative information.

- IFRS 19 - Subsidiaries without Public Responsibility: Disclosures. This standard allows eligible subsidiaries to choose to apply the reduced disclosure requirements of IFRS 19, while continuing to apply the recognition, measurement and presentation requirements of other IFRS accounting standards. Application of the standard is optional for eligible subsidiaries. An entity that applies IFRS 19 is obliged to disclose that fact as part of its general statement of compliance with IFRS accounting standards.

  Subsidiaries are eligible to apply IFRS 19 if they have no public accountability and their parent applies IFRS Accounting Standards in its consolidated financial statements.

  A subsidiary does not have public liability if it does not have debt or equity instruments traded, or in the process of being issued, for trading on a public market and does not hold assets in a fiduciary capacity for a broad group of external persons as one of its principal activities.

  This standard will be applicable for reporting periods beginning on or after 1 January 2027 and related comparative information, with early application permitted.

- Amendments to IFRS 9 and IFRS 7 - Amendments to the classification and measurement of financial instruments - The amendments:
  - Clarify that a financial liability is derecognized on the "settlement date", i.e. when the related obligation is settled or cancelled or expires or the liability otherwise qualifies for derecognition. They also introduce an option to derecognize financial liabilities that are settled through an electronic payment system before the settlement date, if certain conditions are met;
  - Clarify how to assess the characteristics of the contractual cash flows of financial assets that include environmental, social and governance (ESG) aspects, among others;
  - Clarify the treatment of non-recourse assets and contractually linked instruments;
  - Require additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that refer to a contingent event (including those linked to ESG), and equity instruments classified at fair value through other comprehensive income.

These changes will apply for reporting periods beginning on or after 1 January 2026. Early adoption is permitted for changes relating to the classification of financial assets and respective disclosures, separately from the other changes.

These standards/amendments have not yet been endorsed by the European Union and, as such, were not applied by the Group in the nine-month period ended 30 September 2024. The Group is analysing the possible impacts of applying the new standards/amendments.

2.2. Bases of Consolidation

Controlled companies

Controlled companies were consolidated by the full consolidation method. Control is deemed to exist when the Group is exposed or has rights, because of their involvement, to a variable return of the entity's activities, and has capacity to affect this return through the power over the entity. Namely, when the Company directly or indirectly holds a majority of the voting rights at a General Meeting of Shareholders or has the power to determine the financial and operating policies. In situations where the Company has, in substance, control of other entities created for a specific purpose, although it does not directly hold equity in them, such entities are consolidated by the full consolidation method. The entities in these situations are listed in Annex A).

The interest of third parties in the equity and net profit of such companies' income presented separately in the consolidated statement of financial position and in the consolidated statement, respectively, under the item "Non-controlling Interests" (Note 23).

The identifiable acquired assets and the liabilities and contingent liabilities assumed in a business combination are measured initially at fair value at the acquisition date, irrespective of the existence of non-controlled interests. The excess of acquisition cost over the fair value of the Group's share of identifiable acquired assets and liabilities is stated in Goodwill. When the acquisition cost is less than the fair value of the identified net assets, the difference is recorded as a gain in the income statement in the period in which the acquisition occurs.

The non-controlling interests are initially recognized as their proportion of the fair value of the identifiable assets and liabilities.

On the acquisition of additional equity shares in companies already controlled by the Group, the difference between the share of capital acquired and the corresponding acquisition value is recognized directly in equity.

When an increase in position in the capital of an associated company results in the acquisition of control, with the latter being included in the consolidated financial statements by the full consolidation method, the share of the fair values assigned to the assets and liabilities, corresponding to the percentages previously held, is stated in the income statement.

The directly attributable transaction costs are recognized immediately in profit or loss.

When the Group loses control over a controlled entity, the assets and liabilities of that entity, and any non-controlling interests and other components recognized in equity, are derecognized. Any resulting gain or loss is recognized in the income statement. Any interest retained in the entity is measured at fair value when control is lost.

The results of companies acquired or sold during the year are included in the income statements from the date of obtaining control or until the date of disposal, respectively.

Intercompany transactions, balances, unrealized gains on transactions and dividends distributed between Group companies are eliminated. Unrealized losses are also eliminated unless the transaction shows evidence of impairment of the transferred asset.

When necessary, adjustments are made to the financial statements of controlled companies in order to align their accounting policies with those of the Group.

Jointly controlled companies

The classification of investments as jointly controlled companies is determined based on the existence of shareholder agreements, which show and regulate the joint control. Financial investments of jointly controlled companies (Annex C)) are stated by the equity method. Under this method, financial investments are adjusted periodically by an amount corresponding to the share in the net profits of jointly controlled companies, as a contra entry in “Losses / (gains) of affiliated companies, net” in the income statement before financial results and taxes. Direct changes in the post-acquisition equity of jointly controlled companies are recognized as the value of the shareholding as a contra entry in reserves, in equity.

Additionally, financial investments may also be adjusted for recognition of impairment losses.

Any excess of acquisition cost over the fair value of identifiable net assets and liabilities (goodwill) is recorded as part of the financial investment of jointly controlled companies and subject to impairment testing when there are indicators of loss of value. When the acquisition cost is less than the fair value of the identified net assets, the difference is recorded as a gain in the income statement in the period in which the acquisition occurs.

Losses in jointly controlled companies, which exceed the investment made in them, are not recognized, except when the Group has entered into undertakings with that entity.

Dividends received from these companies are recorded as a reduction in the value of the financial investments.

Associated companies

An associated company is a company in which the Group exercises significant influence through participation in decisions about its financial and operating policies, but in which does not have control or joint control.

Any excess of the acquisition cost of a financial investment over the fair value of the identifiable net assets is recorded as goodwill and is added to the value of the financial investment and its recovery is reviewed annually or whenever there are indications of possible loss of value. When the acquisition cost is less than the fair value of the identified net assets, the difference is recorded as a gain in the statement of comprehensive income in the period in which the acquisition occurs.

Financial investments in associated companies (Appendix B) are recorded using the equity method, except for associated companies held directly or indirectly through a venture capital organisation. In accordance with this method, financial investments are periodically adjusted by the amount corresponding to the share in the net results of associated companies, against the item 'Losses / (gains) in associated companies, net' in the income statement. Direct changes in equity following the acquisition of associates are recognised in the value of the holding against the reserves heading in equity. In addition, investments may be adjusted by recognising impairment losses.

The Group's investments in associated companies, held directly or indirectly through a venture capital organisation, are measured at fair value through profit or loss. These investments are shown under the heading 'Other non-current financial assets' in the statement of financial position and changes in fair value are recorded against the heading 'Losses / (gains) on financial assets, net' in the income statement. The financial investments of associated companies (Appendix B)) are recorded using the equity method. According to this method, financial investments are recognised in the income statement.

Losses in associated companies, which exceed the investment made in them, are not recognized, except when the Group has entered undertakings with that associated company.

Dividends received from these companies are recorded as a reduction in the value of the financial investments.

Holdings in entities without significant influence

Investments made by the Group in entities where it does not exercise significant influence are initially recognised at cost and subsequently measured at fair value through profit or loss.

These investments are presented under "Other financial assets non-current" in the statement of financial position and changes in fair value are recorded against "Net losses / (gains) of affiliated companies, net" in the income statement.

Balances and transactions between Group companies

Balances and transactions as well as unrealized gains between Group companies, and between them and the parent company, are eliminated in the consolidation.

The part of unrealized gains arising from transactions with associated companies or jointly controlled companies attributable to the Group is eliminated in the consolidation. Unrealized losses are similarly eliminated except when they show evidence of impairment of the transferred asset.

2.3. Accounting policies

2.3.1. Segment reporting

As stipulated in IFRS 8, the Group presents operating segments based on internally produced management information (Note 5). Operating segments are reported consistently with the internal management information model provided to the chief operating decision maker of the Group, who is responsible for allocating resources to the segment and for assessing its performance, and for taking strategic decisions.

2.3.2. Classification of the statement of financial position and income statements

The Group presents assets and liabilities in the financial statements based in the current and non-current classification. An asset is classified as current when:

- The asset is expected to be realized, sold or consumed in its normal operational cycle;
- If the asset is held, essentially, for negotiation purposes;
- The asset is expected to be realized 12 months after reported;
- The asset is a cash or a cash equivalent, unless its trade or use is limited to settle a liability during, at least, 12 months after reporting;

A liability is classified as current when:

- The liability is expected to be settled in its normal operational cycle;
- The liability is held, essentially, for negotiation purposes;
- The liability is expected to be settled in a 12-month period after reported;
- There is no unconditional right to differ the liability settlement during, at least, 12 months after reported.

The remaining assets and liabilities of the Group are classified as non-current.

Realizable assets and liabilities due in less than one year from the date of the statement of financial position are classified as current in assets and liabilities, respectively.

In accordance with IAS 1, "Integration costs", "Losses / (gains) on disposal of assets, net" and "Other non-recurring costs / (gains), net "reflect unusual costs and revenues, that should be disclosed separately from the usual cost and revenues lines, in order to avoid distortion of the financial information from regular operations and be consistent with the way the group's financial performance is analyzed and monitored by management. These unusual costs and revenues may not be comparable to similarly titled measures used by other companies. When determining whether an event or transaction is unusual, management considers both quantitative and qualitative factors. Examples of unusual costs and revenues are business restructuring programs and respective compensation; regulatory affairs and lawsuits; extraordinary impairment of assets due to the reduction of their recoverable amount, sale of non-current assets, among others. If costs and revenues meet these criteria, which are applied consistently from year to year, they are treated as unusual and presented in the specific lines above.

2.3.3. Tangible assets

Tangible assets are stated at acquisition cost, less accumulated depreciation and impairment losses, when applicable. Acquisition cost includes, in addition to the purchase price of the asset: (i) costs directly attributable to the purchase; and (ii) the estimated costs of decommissioning and removal of the assets and restoration of the site, which in Group applies to the cinema operation business, telecommunication towers and offices (Note 7).

Estimated losses resulting from the replacement of equipment before the end of its useful life due to technological obsolescence are recognized by a deduction, from the corresponding asset as a contra entry in profit and loss. The costs of current maintenance and repairs are recognized as a cost when they are incurred. Significant costs incurred on renovations or improvements to the asset are capitalized and depreciated over the corresponding estimated payback period when it is probable that there will be future economic benefits associated with the asset and when these can be measured reliably.

The gains and losses from the disposal of tangible assets, determined by the difference between the sale value and the net book value, are recognized in the item "Losses/ (gains) on disposal of assets, net".

Depreciations

Tangible assets are depreciated from the time they are completed or ready to be used. These assets, less their residual value, are depreciated by the straight-line method, in twelfths, from the month in which they become available for use, according to the useful life of the assets defined as their estimated utility.

The depreciation rates used correspond to the following estimated useful lives:

	2023 (Years)	2024 (Years)
Buildings and other constructions	2 - 50	2 - 50
Technical equipment:		
Network Installations and equipment	7 - 40	7 - 40
Terminal equipment	2 - 8	1 - 5
Other technical equipment	1 - 16	1 - 16
Transportation equipment	3 - 4	3 - 4
Administrative equipment	2 - 10	2 - 10
Other tangible assets	4 - 8	4 - 8

2.3.4. Non-current assets held for sale and discontinued operations

The non-current assets (or discontinued operations) are classified as held for sale if the respective value is realizable through a sale transaction instead of its continued use.

This situation is considered to happen only when: i) the sale is very likely to happen and the asset is immediately available to be sold in its current conditions, ii) the Company made the commitment to sell, and iii) the sale is expected to take place in a period of 12 months. In this case, the non-current assets are measured by the lower amount between accounting value, or the respective fair value deducted from the costs of the sale.

The non-current assets held for sale and discontinued operations are measured at the lower of two: i) the accounting value and, ii) the fair value deducted from the costs of the sale. The costs of the sale are the incremental costs directly assigned to the disposal of the asset (or group to be disposed), excluding financial costs and income tax expenses.

From the moment that tangible assets are considered to be “held for sale” the inherent depreciation of those assets’ ceases, and the assets are determined as non-current asset held for sale.

A discontinued operation unit is a component of and entity that was disposed or is classified as held for sale and:

- It represents an important line of business or geographical area separated from operating units;
- It is an integrant part of a single coordinated plan to dispose an important line of business or geographical area separated from the operational units or;
- It is a subsidiary acquired exclusively for resale.

Discontinued operations are excluded from the continued operations results and are presented in separate as an amount of net income after taxes from discontinued operations on the financial statement of income by nature.

2.3.5. Intangible assets

Intangible assets are stated at acquisition cost, less accumulated amortization and impairment losses, when applicable. Recognized only when they generate future economic benefits for the Group and when they can be measured reliably.

Intangible assets consist mainly of goodwill, telecom and software licenses, content utilization rights and other contractual rights.

Group companies periodically carry out an impairment assessment of intangible assets in-progress. This impairment assessment is also carried out whenever events or changes in circumstances indicate that the amount at which the asset is recorded may not be recoverable. When such indications exist, the Group calculates the recoverable value of the asset in order to determine the existence and extent of the impairment loss.

Goodwill

Goodwill represents the excess of acquisition cost over the net fair value of the assets, liabilities, and contingent liabilities of a subsidiary, jointly controlled company or associated company at the acquisition date, in accordance with IFRS 3.

Goodwill is recorded as an asset and included in “Intangible assets” (Note 8) in the case of a controlled company or in the case in which the excess of cost has been originated by a merger, and in “Financial investments in group companies” (Note 11) in the case of a jointly controlled company or an associated company.

Goodwill is not amortized and is subject to impairment tests at least once a year, on a specified date, and whenever there are changes in the test’s underlying assumptions at the date of the statement of financial position which may result in a possible loss of value. Any impairment loss is recorded immediately in the income statement in “Depreciation, amortization and impairment losses” and is not liable to subsequent reversal.

For the purposes of impairment tests, goodwill is attributed to the cash-generating units to which it is related (Note 8), which may correspond to the business segments in which the Group operates, or a lower level.

Internally generated intangible assets

Internally generated intangible assets, including expenditure on research, are expensed when they are incurred. Research and development costs are only recognized as assets when the technical capability to complete the intangible asset is demonstrated and when it is available for use or sale.

Industrial property and other rights

Assets classified under this item relate to the rights and licenses acquired under contract by the Group to third parties and used in realizing the Group's activities, and include:

- Telecom licenses;
- Software licenses;
- Content utilization rights;
- Other contractual rights .

Software-as-a-Service (SaaS) agreements are service contracts in which NOS has the right to access a particular Cloud application/software for a specified period of time, contracted with the supplier. The costs incurred with the configuration, customization and ongoing access to the Cloud application/software are recognized as operating expenses when the services are received.

Costs incurred with the development, improvement or modification of existing applications/software at NOS, even if interconnected with SaaS agreements, and which meet the recognition criteria, are recorded as intangible assets.

The content exploration rights are recorded in the consolidated statement of financial position, as intangible assets, when the following conditions are fulfilled: (i) there is control over the content, (ii) the Company has the right to choose the way to explore the content, and (iii) it is available for exhibition.

The conclusion of contracts relating to sports contents, which are not immediately available, originates rights that are initially classified as contractual commitments.

In the specific case of broadcasting rights of sports competitions, these are recognized as assets when the necessary conditions to organize each sports competition are present, which occurs in the homologation date of the participating teams in the competition that is being held in the sports season to be initiated, by the organizing entity, taking into consideration that it is from that date that the conditions for the recognition of an asset are present, namely, the unequivocal attainment of the exploration rights of the games of the stated season. In this situation, the stated rights are recognized in the income statement in “Depreciation, amortization, and impairment losses”, by the linear method, by twelfths, starting from the beginning of the month in which they are available for use.

Resulting from agreements concluded for the cession of the exclusive rights to exploit sports content, and as it is permitted by IAS 1, since 2017, NOS presents the net assets and liabilities of the values ceded to other operators, considering that this compensation best reflects the substance of the transactions.

When the recognized intangible assets involve payments in periods above 1 year, the intangible asset corresponds to the present value of those payments.

Amortization

The useful lives of the intangible assets are classified as finite or indefinite.

Intangible assets with finite useful lives are amortized over their useful lives, with an impairment analysis carried out whenever there are indications that the amount at which the intangible asset is mentioned in the financial statements may not be recovered. The amortization period and the amortization method of an intangible asset with a finite useful life are reviewed periodically. Any changes in the expected useful life or in the expected pattern of future consumption of the economic benefits incorporated in the asset, are considered in the modification over the period or method of amortization and, if verified, are treated as changes in accounting estimates. The amortization costs of intangible assets with finite lives are recognized in the income statement.

The assets with finite useful life are amortized by the straight-line method, in twelfths, from the beginning of the month in which they become available for use.

The amortization rates used correspond to the following estimated useful lives:

	2023 (Years)	2024 (Years)
Telecom licenses	20 - 33	20 - 33
Software licenses	1 - 8	1 - 8
Content utilization rights	Period of the contract	Period of the contract
Other	1 - 20	1 - 20

During the nine-month period ended 30 September 2024, NOS revised the depreciation rates of most of the software acquired and developed internally, reducing the useful life from 6 to 3 years, resulting in an increase in "Depreciation, amortization and impairment losses" (Intangible assets) in the amount of 34 million euros (Note 37).

The intangible assets with indefinite useful lives are not amortized, and impairment assessments are performed annually.

Accordingly, the useful life of an intangible asset that is not being amortized is periodically reviewed to determine whether events and circumstances continue to support an indefinite useful life assessment for that asset. If not, the change in the assessment of the useful life from indefinite to finite is accounted for as a change in an accounting estimate.

An intangible asset is unrecognized in its disposal moment, or when no future economic benefits from its use or disposal are expected. The gain or loss related with an unrecognized intangible asset (determined as the difference between the net income of its disposal, if there is any, and the carrying amount of that same asset) is recognized in the financial statement of income by nature.

2.3.6. Contract costs

This item corresponds to costs incurred in attracting customers and costs associated with fulfilling a contract that are capitalized whenever they meet all of the following criteria:

- they are related to an existing contract or a specific future contract;
- generate or increase resources that will be used in the future;
- costs are expected to be recovered; and
- they are not already covered by the scope of another standard, such as inventories, tangible or intangible assets.

These costs are recognized for the expected period of services provided to the client (2 to 4 years).

The costs of attracting customers are essentially:

- Commissions paid to third parties with the acquisition of new contracts / new customers;
- Commissions paid to third parties for upgrading the services provided;
- Commissions paid to third parties for renewal of loyalty of services and offers to customers; and
- Several commissions with revenue collection.

The costs associated with fulfilling the contracts are essentially:

- Costs incurred with the portability of mobile / fixed numbers of other operators;
- Variable costs, variables, incurred with the activation of services contracted by customers.

2.3.7. Impairment of non-current assets, excluding goodwill

Group companies periodically carry out an impairment assessment of non-current assets. This impairment assessment is also carried out whenever events or changes in circumstances indicate that the amount at which the asset is recorded may not be recoverable. When such indications exist, the Group calculates the recoverable value of the asset to determine the existence and extent of the impairment loss.

The recoverable value is estimated for each asset individually or, if that is not possible, assets are grouped at the lowest levels for which there are identifiable cash flows to the cash-generating unit to which the asset belongs. Each of the Group's businesses is a cash-generating unit, except for the assets allocated to the cinema exhibition business, which are grouped into regional cash-generating units.

The recoverable amount is calculated as the higher of the net sale price and the current use value. The net sale price is the amount that would be obtained from the sale of the asset in a transaction between independent and knowledgeable entities, less the costs directly attributable to the sale. The current use value is the current value of the estimated future cash flows resulting from continued use of the asset or of the cash-generating unit. When the amount at which the asset is recorded exceeds its recoverable value, it is recognized as an impairment loss.

The reversal of impairment losses recognized in previous years is recorded when there are indications that these losses no longer exist or have decreased. The reversal of impairment losses is recognized in the statement of comprehensive income in the year in which it occurs. However, an impairment loss can only be reversed up to the amount that would be recognized (net of amortization or depreciation) if no impairment loss had been recorded in previous years.

2.3.8. Financial assets

Financial assets are recognized in the statement of financial position of the Group on the trade or contract date, which is the date on which the Group undertakes to purchase or sell the asset.

Initially, apart from commercial accounts receivable, financial assets are recognized at fair value plus directly attributable transaction costs, except for assets at fair value through income in which transaction costs are immediately recognized in income. Trade accounts receivable, at the initial time, are recognized at their transaction price, as defined in IFRS 15.

The financial assets are derecognized when:

- the Group’s contractual rights to receive their cash flows expire;
- the Group has substantially transferred all the risks and benefits associated with their ownership; or
- although it retains part but not substantially all of the risks and benefits associated with their ownership, the Group has transferred control of the assets.

The financial assets and liabilities are offset and shown as a net value when, and only when, the Group has the right to offset the recognized amounts and intends to settle for the net value.

The Group classifies its financial assets into the following categories: financial assets at fair value through profit or loss, financial assets measured at amortized cost, financial assets at fair value through other comprehensive income. Its classification depends on the entity's business model to manage the financial assets and the contractual characteristics in terms of the cash flows of the financial asset.

Financial assets at fair value through profit and loss

This category includes financial derivatives and equity instruments that the Group has not classified as financial assets through other comprehensive income at the time of initial recognition. This category also includes all financial instruments whose contractual cash flows are not exclusively capital and interest.

Financial assets at fair value through results are presented in the financial statements at fair value, the net changes being known in the income statement. This category of assets includes derivative instruments and investments in listed companies for which the Company has not classified them as financial assets at fair value through other comprehensive income. Dividends from investments in listed companies are recognized as income in the income statement when the respective right of receipt is formalized.

Gains and losses resulting from changes in the fair value of assets measured at fair value through profit or loss are recognized in results in the year in which they occur under “Losses / (gains) on financial assets, net”, including the income from interest and dividends.

Financial assets at fair value through other comprehensive income

Financial assets measured at fair value through other comprehensive income are those that are part of a business model whose objective is achieved through the collection of contractual cash flows and the sale of financial assets, being that these contractual cash flows are only capital and interest reimbursement on the capital in debt.

Financial assets measured at amortized cost

Financial assets measured at amortized cost are those that are included in a business model whose purpose is to hold financial assets in order to receive the contractual cashflows, being that these contractual cash flows are only capital reimbursement and interest payments on the capital in debt.

Financial assets measured at amortized cost are subsequently measured using the effective tax rate method and subject to impairment. Income and costs are recognized in the income statement when the asset is derecognized, updated or an impairment is recognized over it. Financial assets measured at the Company's amortized cost include accounts receivable and loans granted to related parties.

Cash and equivalents

The amounts included in “Cash and cash equivalents” correspond to the amounts of cash, bank deposits, term deposits and other investments with maturities of less than three months which may be immediately realizable and with a negligible risk of change of value.

For the purposes of the statement of cash flows, “Cash and cash equivalents” also includes bank overdrafts included in the statement of financial position under “Borrowings” (when applicable).

2.3.9. Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to their contractual substance irrespective of their legal form. Financial liabilities are initially recognised at fair value. Equity instruments are contracts that show a residual interest in the Group’s assets after deducting the liabilities. The equity instruments issued by Group companies are recorded at the amount received, net of the costs incurred in their issue. Financial liabilities are recognized only when extinguished, i.e., when the obligation is settled, cancelled, or extinguished.

In accordance with IFRS 9, financial liabilities are classified as subsequently measured at amortized cost, except for:

- Financial liabilities at fair value through profit or loss. These liabilities, including derivatives that are liabilities, should subsequently be measured at fair value;
- Financial liabilities that arise when a transfer of a financial asset does not meet the conditions for derecognition or when it is applied the continued involvement approach;
- Financial guarantee contracts;
- The commitments to grant a loan at a lower interest rate than the market;
- The recognized contingent consideration by a buyer in a concentration of business activities to which IFRS 3 applies. Such contingent consideration shall be subsequently measured at fair value, with changes recognized in profit or loss.

Financial liabilities of the Group include borrowings, accounts payable and derivative financial instruments.

2.3.10. Impairment of financial assets

At the date of each financial position statement, the Group analyses and recognizes expected losses on its debt securities, loans and accounts receivable. The expected loss results from the difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive, discounted at the original effective interest rate.

The objective of this impairment policy is to recognize expected credit losses over the respective duration of financial instruments that have undergone significant increases in credit risk since initial recognition, assessed on an individual or collective basis, considering all reasonable and sustainable information, including prospects. If, at the reporting date, the credit risk associated with a financial instrument has not increased significantly since the initial recognition, the Group measures the provision for losses relating to that financial instrument by an amount equivalent to the expected credit losses within a period of 12 months.

For receivables and assets resulting from contracts under IFRS 15, the Group adopts the simplified approach when calculating expected credit losses. As a result, the Group does not monitor changes in credit risk, recognizing instead impairment losses based on the expected credit loss on each reporting date. The Group established a provisions’ matrix where it presents an impairment loss criterion based on the history of credit losses, adjusted by specific prospective factors for the clients and the economic environment.

2.3.11. **Derivative financial instruments**

The Group applies the hedge accounting requirements of IFRS 9.

Initial and subsequent recognition

The Group uses derivative financial instruments, such as exchange rate forward contracts, interest rate swaps, to cover its exchange rate risks, interest, respectively. Such derivative financial instruments are initially recorded at fair value on the date the derivative is contracted and are subsequently measured at fair value. Derivatives are presented in assets when their fair value is positive and in liabilities when their fair value is negative.

In terms of hedge accounting, hedges are classified as:
- Fair value hedge when the purpose is to hedge the exposure to fair value changes of a registered asset or liability or an unregistered Groups' commitment;
- Cash flow hedge when the purpose is to hedge the exposure to cash flow variability arising from a specific risk associated with the whole or a component of a registered asset or liability or an anticipated highly probable occurrence or exchange risk associated with an unregistered Groups' commitment;
- Coverage of a net investment in a foreign operational unit.

NOS Group uses derivative financial instruments with fair value and cash flow hedges.

At the beginning of the hedge relationship, the Group formally designates and documents the hedging relationship for which hedge accounting is intended to apply as well as the management and strategy purpose of such hedge.

The documentation includes the identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all the following effectiveness requirement:
- There is an economic relationship' between the hedged item and the hedging instrument;
- The effect of credit risk does not "dominate the value changes" that result from that economic relationship; and
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group hedges and the quantity of the hedging instrument that the Group actually uses to hedges that quantity of hedged item.

Hedges that meet all the quantifying criteria for hedge accounting are accounted for, as described below:

Fair value hedges

The change in the fair value of the hedging instrument is recognised in the income statement. The change in the fair value of the hedged item attributable to the hedged risk is recognised as part of the carrying amount of the hedged item and is also recognised in the income statement.

For fair value hedges relating to items carried at amortized cost, any adjustment to carrying value is amortized through profit or loss over the remaining term of the hedge using the EIR method. The EIR amortization may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognized, the unamortized fair value is recognized immediately in profit or loss.

When an unrecorded commitment is designated as a hedged item, subsequent cumulative changes in the fair value of the Group's commitment attributable to the hedged risk are recognised as an asset or liability and the corresponding gain or loss recorded in the income statement.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognized in OCI in the cash flow hedge reserve, while any ineffective portion is recognized immediately in the statement of profit or loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The Group uses forward contracts of:

- currency contracts for its exposure to foreign currency risk in forecast transactions and firm commitments;
- interest rates to cover the risk of volatility of the interest rates;
- own shares contracts for its exposure to volatility in own shares to be distributed within the scope of share incentive scheme.

The ineffective portion relating to foreign currency contracts is recognized as "Net foreign exchange losses/(gains)", the ineffective portion relating to interest rates is recognized as "Financial costs" and the ineffective portion relating to own shares contracts is recognized as "Wages and salaries".

On the nine-month period ended on 30 September 2024, the Group did not change the recognition method.

The amounts accumulated in OCI are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognized in OCI for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a Group's commitment for which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in OCI is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above.

2.3.12. Inventories

Inventories, which mainly include mobile phones, customer terminal equipment, DVDs, and content broadcasting rights, are valued at the lower of their cost or net realizable value.

The acquisition cost includes the invoice price, freight, and insurance costs, using the Weighted Average Cost as the method of costing goods sold.

Inventories are adjusted for technological obsolescence, as well as for the difference between the purchase cost and the net realizable value, whichever is the lower, and this reduction is recognized directly in the income statement.

The net realizable value corresponds to the normal sale price less restocking costs and selling costs.

The differences between the cost and the corresponding net realizable value of inventories, when this is less than the cost, are recorded as operating costs in "Cost of goods sold".

Inventories in transit, since they are not available for consumption or sale, are separated out from other inventories and are valued at their specific acquisition cost.

The signing of contracts related with sports content originates rights that are initially classified as contractual commitments.

The content broadcasting rights are recorded in the consolidated statement of financial position, as Inventories, in the event of the nonexistence of full right over the way of exploration of the asset, by the respective value of cost or net realizable value, whenever it is lower, when programmatic content has been received and is available for exhibition or use, according to contractual conditions, without any production or change, given that the necessary conditions for the organization of each sports competition are present, which occurs in the homologation date of the participating teams in the competition that is being held in the sports season to be initiated, by the organizing entity. The stated rights are recognized in the income statement in "Direct costs: Exhibition costs", on a systematic basis given the pattern of economic benefits obtained through their commercial exploration. No balances of content rights are registered in the Inventories caption.

Due to the agreement between the three national operators of reciprocal availability, for several sports seasons (collaborative arrangement), of sports content (national and international) owned by them, (Note 43.2), NOS considered the recognition of the costs, excluding those divided by the remaining operators, on a systematic basis, given the pattern of economic benefits obtained through their commercial exploration.

2.3.13. Subsidies

Subsidies are recognized at fair value when there is reasonable assurance that they will be received and that the Group companies will comply with the requirements for their award.

Operating subsidies, mainly for employee training, are recognized in the statement of comprehensive income by deduction from the corresponding costs incurred.

Investment subsidies are deducted from tangible and intangible fixed assets to the extent of the associated expenses and are recognized in the income statement ("Depreciation, amortization and impairment losses") on a systematic and rational basis over the useful life of the asset.

2.3.14. Provisions and contingent liabilities

Provisions are recognized when:

- there is a present obligation arising from past events and it is likely that in settling that obligation, the expenditure of internal resources will be necessary; and
- the amount or value of such obligation can be reasonably estimated.

When one of the above conditions is not met, the Group discloses the events as a contingent liability unless the likelihood of an outflow of funds resulting from this contingency is remote, in which case they are not disclosed.

Provisions for legal procedures taking place against the Group are made in accordance with the risk assessments carried out by the Group and by their legal advisers, based on success rates.

Provisions for restructuring are only recognized when the Group has a detailed, formal plan, which identify the main features of the restructuring program, and after these facts have been reported to the entities involved.

Provisions for dismantling costs, removal of assets and restoration of the site are recognized when the assets are installed, (as an offset of Property, Plant and Equipment) whenever there is a legal or constructive obligation to dismantle an asset, restore the site on which it is located and when a reasonable estimate can be made. The present value is calculated based on discounted values and considering the economic useful life of the assets. The amount of the provisioned liability reflects the effects of the passage of time and the corresponding financial indexing is recognized in results as a financial cost. The effects of changes resulting from revisions to the term or value of the original estimate of the provision are reflected prospectively, adjusting the book value of the tangible fixed asset. However, when there is no asset, or the change implies a null book value, the effect, or the excess value of the asset reduction, is recognized in the income statement. The discount rate applied on 30 September 2024 was 5.8% (31 December 2023: 5.8%).

Obligations arising from onerous contracts are recorded and measured as provisions. An onerous contract exists when the Company is an integral part of a contract, whose compliance has associated costs directly associated with the contract (both incremental costs and an allocation of costs directly related to the contract) that exceed future economic benefits.

Provisions for potential future operating losses are not covered.

Contingent liabilities are not recognized in the financial statements, unless the exception provided under IFRS 3 business combination, and are disclosed whenever there is a good chance to shed resources including economic benefits. Contingent assets are not recognized in the financial statements, being disclosed when there is a likelihood of a future influx of financial resources.

Provisions are reviewed and brought up to date at the date of the statement of financial position to reflect the best estimate at that time of the obligation concerned.

2.3.15. Rights of use and leases

A lease is defined as a contract, or part of a contract, that transfers the right to use a good (the underlying asset) for a period in exchange for a value.

At the beginning of each contract, it is evaluated and identified if it is or contains a lease. This assessment involves an exercise of judgement as to whether each contract depends on a specific asset if NOS obtains substantially all the economic benefits from the use of that asset and whether NOS has the right to control the use of the asset.

All contracts that constitute a lease are accounted for based on the on-balance model.

At the commencement date of the lease, NOS recognizes the liability related to lease payments (lease liability) and the asset representing the right to use the underlying asset during the lease period (the right of use or "ROU").

The cost of interest on the lease liability and the depreciation of the ROU are recognized separately.

Lease liability is remeasured at the occurrence of certain events (such as a change in the lease period, a change in future payments that result from a change in the reference rate or rate used to determine such payments). This remeasurement of the lease liability is recognized as an adjustment in the ROU.

The estimated costs of dismantling, removal of assets and restoration of the site related with leases are recognized in tangible assets with works carried out (Note 2.3.3).

2.3.15.1. Rights of use

The Group recognizes the right to use the assets at the start date of the lease (that is, the date on which the underlying asset is available for use).

The right to use the assets is recorded at acquisition cost, deducted from accumulated depreciation and impairment losses and adjusted for any new measurement of lease liabilities. The cost of the ROU of the assets includes the recognized amount of the lease liability, any direct costs incurred initially, and payments already made prior to the initial rental date, less any incentives received.

Unless it is reasonably certain that the Group obtains ownership of the leased asset at the end of the lease term, the recognized right of use of the assets is depreciated on a straight-line basis over the shorter of its estimated useful life and the term of the lease.

Rights of use are subject to impairment.

The rights of used of assets are depreciated using the straight-line method by the shortest period between length of the contract and its expected useful life.

If at the end of the leasing contract the asset is transferred to the company, or if the cost reflects the possibility of exercising the call option, the depreciation is calculated according to the estimated useful life of the asset.

2.3.15.2. Liabilities with leases

At the start date of the lease, the Group recognizes the liabilities measured at the present value of the future payments to be made until the end of the lease.

Lease payments include fixed payments (including fixed payments on the substance), deducted of any incentives to be received, variable payments, dependent on an index or rate, and expected amounts to be paid under residual value guarantees. The lease payments also include the exercise price of a call option if it is reasonably certain that the Group will exercise the option, and penalties for termination of the lease if it is reasonably certain that the Group will terminate the lease.

Variable payments that do not depend on an index or a rate are recognized as an expense in the period in which the event giving rise to them occurs.

To calculate the present value of the lease payments, the Group uses the incremental loan rate at the start date of the lease if the implied interest rate is not readily determinable.

The Group does not apply the practical expedient provided for leases of less than one year.

After the start date of the lease, the value of the lease liability is increased to reflect the increase in interest and reduces by the payments made. In addition, the book value of the lease liability is remeasured if there is a change, such as a change in the lease term, fixed payments or the purchase decision of the underlying asset.

2.3.16. Income tax

NOS is covered by the special tax regime for groups of companies, which covers all the companies in which it directly or indirectly owns at least 75% of the share capital and which simultaneously are resident in Portugal and subject to Corporate Income Tax (IRC).

The remaining subsidiaries not covered by the special tax regime for groups of companies are taxed individually based on their respective taxable incomes and the applicable tax rates.

Income tax is stated in accordance with the IAS 12 criteria. In calculating the cost relating to income tax for the period, in addition to current tax, allowance is also made for the effect of deferred tax calculated in accordance with the liability method, taking into account the temporary differences resulting from the difference between the tax basis of assets and liabilities and their values as stated in the consolidated financial statements, and the tax losses carried forward at the date of the statement of financial position. The deferred income tax assets and liabilities were calculated based on the tax legislation currently in force or of legislation already published for future application.

Deferred income tax assets are recognized for all the deductible temporary differences until it is likely that a taxable profit is obtained to which the deductible temporary difference may be used, unless the deferred income tax asset results from the initial recognition of an asset or liability in a transaction which:

- Is not a concentration of business activities;
- At the moment of the transaction, it does not affect neither the accounting profit nor the taxable profit (fiscal loss);
- With respect to deductible temporary differences arising from investments in subsidiaries, branches and associates and interests in joint arrangements, deferred income tax assets are recognized only to the extent that the temporary difference will revert in the foreseeable future and taxable profit against which the temporary difference can be used will be available.

As stipulated in the above standard, deferred income tax assets are recognized only when there is reasonable assurance that these may be used to reduce future taxable profit, or when there are deferred income tax liabilities whose reversal is expected to occur in the same period in which the deferred income tax assets are reversed. At the end of each period an assessment is made of deferred income tax assets, and these are adjusted in line with the likelihood of their future use.

The amount of tax to be included, either in current tax or in deferred tax resulting from transactions or events recognized in equity accounts, is recorded directly under those items and does not affect the results for the period.

In a business combination, the deferred tax benefits acquired are recognized as follows:

- The deferred tax benefits acquired recognized in the measurement period of one year after the date of merger and that result from new information about facts and circumstances that existed at the date of acquisition are recorded against the goodwill-carrying amount related to the acquisition. If the goodwill-carrying amount is null, any remaining deferred tax benefits are recognized in the income statement.
- All the other acquired deferred tax benefits performed are recognized in the income statement (when applicable, directly in shareholders' equity).

Estimates to deal with uncertainties regarding the acceptance of a given tax treatment by the tax authorities are recognized as deferred tax liabilities.

Pillar II

The Council of the EU approved the Directive (EU) 2022/2523, of December 15, 2022 ("Directive"), on the guarantee of a worldwide minimum level of taxation for multinational enterprise groups and large domestic groups within the Union, commonly known as "Pillar II". Although Portugal has not met the deadline for transposing this Directive, it is estimated that this will happen in 2024.

Considering the rules approved in the Directive and the best information available at the moment, NOS has carried out an assessment of the possible impacts of Pillar II for the NOS Group, and it is estimated that the group will benefit from the supplementary tax exclusion in the initial phase of international activity, provided for in Article 49 of the Directive, under the transitional regime, applicable for a period of 5 years (2024-2028).

2.3.17. Payment based in shares

The benefits granted to employees under share purchase or share option incentive plans are recorded in accordance with the requirements of IFRS 2 – Share-based payments.

In accordance with IFRS 2, since it is not possible to reliably estimate the fair value of the services received from employees, their value is measured by reference to the fair value of equity instruments in accordance with their share price at the grant date.

The cost is recognized, linearly over the period in which the service is provided by employees, under the caption “Wages and salaries” in the income statement, with the corresponding increase in “Other reserves” in equity.

The accumulated cost recognized at the date of each statement of financial position up to the vesting reflects the best estimate of the number of own shares that will be vested, weighted by the tire elapse between the grant and the vesting. The impact on the income statement each year corresponds to the accumulated cost valuation between the beginning and the end of the year.

In turn, benefits granted based on shares but paid in cash lead to the recognition of a liability valued at fair value at the date of the statement of financial position.

2.3.18.Equity

Share issue premium

Issue of shares corresponds to premiums from the issuance or capital increases. According to Portuguese law, share premiums follow the treatment given to the "Legal reserve", that is, the values are not distributable, except in case of liquidation, but can be used to absorb losses after having exhausted all other reserves and to increase share capital.

Own shares

The own shares are recorded at acquisition cost as a deduction from equity. Gains or losses on the sale of own shares are recorded under "Other reserves".

Legal reserve

Portuguese commercial legislation requires that at least 5% of annual net profit must be appropriated to a legal reserve until it represents at least 20% of the share capital. This reserve is not distributable, except in case of liquidation, but can be used to absorb losses, after having exhausted all other reserves and to increase share capital.

Other reserves and accumulated earnings

Reserves for plans of medium-term incentive

According to IFRS 2 - "Share-based payments", the responsibility with the medium-term incentive plans settled by delivery of own shares is recorded as credit under "Reservations for mid-term incentive plans" and such reserve is not likely to be distributed or used to absorb losses.

Hedging reserves

Hedging reserve reflects the changes in fair value of derivative financial instruments as cash flow hedges that are considered effective, and they are not likely to be distributed or be used to absorb losses.

Own shares reserves

The "Own shares reserves” reflect the value of the shares acquired and follows the same legal regime as the legal reserve.

Other reserves and Retained results

This item includes the results available for distribution to shareholders and earnings per fair value in financial instruments increases, financial investments and investment properties, which, in accordance with paragraph 2 of article 32 of the CSC, will only be available for distribution when the elements or rights that originated them are sold, exercised, terminated, or settled.

Under Portuguese law, the amount of distributable reserves is determined according to the individual financial statements of the company prepared in accordance with IFRS. In addition, the increases resulting from the application of fair value through equity components, including its application through the net profit can only be distributed when the elements that originated them are sold, exercised liquidated or when the end their use, in the case of tangible assets or intangible assets.

Dividends

The company recognizes the liability, as well as its impact over the equity, associated with the responsibility to distribute dividends when it is approved by the shareholders.

2.3.19. Revenue

The main types of revenue of NOS subsidiaries are as follows:

- Revenues of Communications Services:

- Cable/Satellite television, fixed broadband and fixed voice: The revenues from services provided using the fibre optic cable network result from:
    - Basic channel subscription packages that can be sold in a bundle with fixed broadband/fixed voice services;
    - premium channel subscription packages and S-VOD;
    - terminal equipment rental;
    - consumption of content (VOD);
    - traffic and voice termination;
    - service activation;
    - sale of equipment, licensing and others; and
    - other additional services (ex: firewall, antivirus).

- Mobile broadband and voice services: Revenues from mobile broadband Internet access services and mobile voice services result mainly from monthly subscriptions and/or usage of the Internet and voice service, as well as the traffic associated with the type chosen by the client.

- Advertising revenue: Advertising revenues mainly derive from the attraction of advertising for Pay TV channels to which the Group has publicity rights and in cinemas. These revenues are recognized from when they are received, taken off any discounts given.

- Film showings and distribution: Distribution revenue pertains to the distribution of films to film exhibitors not distributed by the Group, that are included in the film showings, whilst income from film showings mostly derive from cinema ticket sales and the product sales in the bars; the film showings revenue includes the revenue from ticket sales and bar sales respectively.

- Revenue from distributing channel content: Revenue from distribution essentially includes the sale of DVDs, the sale of content and the distribution of television channels subscriptions to third parties and count from the time at which they are sold, shown, and made available for distribution to telecommunications operators, respectively. The television channels distribution by subscription to third parties consists in the transmission and retransmission of information, including, namely, the distribution of television emissions and radio broadcasting, owned and third partied owned, codified or not, as well as the addressed nature rendered services and data transmission. NOS is leading these activities since it: controls the channel exhibition, in its package of products disposes the power of pricing, the retribution corresponds to the service price and not to a mere commission and it is exposed to the credit risk of its customers.

- Consultancy and datacenter management: information systems consultancy and datacenter management are the major services rendered by NOS Sistemas.

- Insurance brokerage commissions: income from insurance sales commissions is obtained by NOS Mediação de Seguros.

- Intelligent Alarm: the revenues obtained with the NOS | Securitas Intelligent Alarm include security solutions for people and property, which combine the professional monitoring of the Securitas Alarm Center with NOS latest technology.

The Group's revenue is based on the five-step model established by IFRS 15:

- Identification of the contract with the customer;

- Identification of performance obligations;
- Determining the price of the transaction;
- Allocation of the price of the transaction to the performance obligations; and
- Recognition of revenue.

Thus, at the beginning of each contract, the NOS Group evaluates the promised goods or services and identifies, as a performance obligation, every promise of transfer to the customer of any distinct good or service (or package of goods or services). These promises in customer contracts may be express or implied, provided such promises create a valid expectation in the client that the entity will transfer a good or service to the customer, based on the entity's published policies, specific statements or usual business practices.

The NOS Group has internally defined that a performance obligation corresponds to the promise of delivery of a good or service that can be used in an isolated/separated way by the customer and on which there is a clear perception of this good or service by the customer among the available in each contract.

The main performance obligations are summarized as Sales of Mobile Phones, Telephones, Hotspots, DVD's, Movie Tickets, Licensing and Other Equipment and the Services Rendered of Mobile Internet Services, Fixed Internet, Mobile Phone, Landline Phone, Television, Consulting, Cloud/ IT Services, distribution of audio-visual rights among others.

The provision of Set-top-boxes, routers, modems and other terminal equipment at the customers' home and respective installation and activation services were considered by the group as not corresponding to a performance obligation, since they are necessary actions to fulfil the promised performance obligation.

In determining and allocating the transaction price of each performance obligation, NOS used stand-alone prices of the promised products and services at the time of entering into the agreement with the customer to distribute the amount expected to be received under the contract.

The recognition of revenue occurs at the time of performance of each performance obligation.

Revenue from selling equipment is included when the buyer takes on the risks and advantages of taking possession of goods and the value of the benefits are reasonably quantified.

Revenue from telecom services subscriptions (TV, internet, mobile and fixed voice services bundle subscription, individually or as a bundle) is recognized linearly over the subscription period.

Revenue from equipment rental is recognized linearly over the rental agreement, except in the case of instalment sales, which are accounted as credit sales.

The Group attributes to its customers loyalty points in each call or recharge, that might be exchanged, over a limited period, for discounts in equipment purchase.

In each reporting period, NOS recognizes the current liability with discounts to be awarded in the future. This responsibility is calculated based on the amount of points awarded and not yet used, discounted from the estimate of points that will not be used (based on the history of use) and valued based on the offer available at each time for the use of points (specific catalog).

The recognition of liability configures a deferred income (until the date on which the points are definitively converted into benefits), which is recognized at the time of the use of the discount, as a revenue accrual.

Revenue related with traffic, roaming, data usage, audiovisual content, and others is recognized when the service is rendered. The Group also offers various personalized solutions, particularly to its corporate customers in telecom management, access, voice, and data transmission services. These personalized solutions are also recognized when the service is rendered.

Unless demanded or allowed by IFRS, the compensation of revenues and costs is not performed, namely, when it reflects the nature of the transaction or other event.

The compensation of revenues and costs is performed in the following situations:

- When the gross inflows from economic benefits do not result in equity increases to the Group, i.e., the amount charged to the customer is equal to the amount delivered to the partner. This situation is applicable to the revenue obtained by the invoicing special services operators, in these cases the amounts charged on account of the capital are not revenue; and

- When the counterpart is not a "customer" but a partner who shares the risks and benefits of developing a product or services in order for it to be commercialized. Thus, a counterpart of a contract will not be a customer if, for instance, the counterpart has hired from NOS to participate in an activity or process in which the parties in the contract share the risks and benefits instead of obtaining the Group's ordinary activities result. These cases are designated collaborative arrangements. This situation is applicable to revenues from operators affected by the reciprocal availability agreement regarding broadcasting rights of sports content.

Discounts granted to customers related with loyalty programmes are allocated to the entire retention contract to which the customer is committed to. Therefore, the discount is recognized as the goods and services made available to the customer.

Amounts that have not been invoiced for are included based on estimates. The differences between the estimated amounts and the actual amounts, which are normally immaterial, are recorded in the next financial year.

The revenue from penalties is recognized in the "Other income" item upon receival.

Interest revenue is recognized using the effective interest method, only when they generate future economic benefits.

2.3.20. Accruals

A Group's revenues and costs are recognized in accordance with the accrual's principle, under which they are recognized as they are generated or incurred, regardless of when they are received or paid.

The costs and revenues related to the current period and whose expenses and income will only occur in future periods are registered under "Accounts receivable – trade", "Accounts receivable – other", "Prepaid expenses", "Accrued expenses" and "Deferred income", as well as the expenses and income that have already occurred that relate to future periods, which will be recognized in each of those periods, for the corresponding amount.

The costs related to the current period and whose expenses will only occur in future periods are registered under "Accrued expenses" when it is possible to estimate with certainty the related amount, as well as the timing of the expense's materialization. If uncertainty exists related to any of these aspects, the value is classified as Provisions (Note 2.3.14).

2.3.21. Assets, liabilities and transactions in foreign currencies

Transactions in foreign currencies are converted into the functional currency at the exchange rate on the transactions dates. On each accounting date, outstanding balances (monetary items) are updated by applying the exchange rate prevailing on that date. The exchange rate differences in this update are recognized in the income statement for the year in which they were calculated in the item "Losses / (gains) on exchange variations". Exchange rate variations generated on monetary items, which constitute enlargement of the investment denominated in the functional currency of the Group or of the subsidiary in question, are recognized in equity. Exchange rate differences on non-monetary items are classified in "Other reserves" in equity.

The financial statements of subsidiaries denominated in foreign currencies are converted at the following exchange rates:

- The exchange rate obtaining on the date of the statement of financial position for the conversion of assets and liabilities;
- The average exchange rate in the period for the conversion of items in the income statement, apart from cases of affiliated companies that are in a hyperinflationary economy;
- The average exchange rate in the period, for the conversion of cash flows (in cases where the exchange rate approximates to the real rate, and for the remaining cash flows the rate of exchange at the date of the operations is used), apart from cases of affiliated companies that are in a hyperinflationary economy;
- The historical exchange rate for the conversion of equity accounts.

Exchange differences arising from the conversion into euros of the financial statements of subsidiaries denominated in foreign currencies are included in equity under "Other reserves".

In the last quarter of 2017, the Angolan economy was considered a hyperinflationary economy according to IAS 29 - Financial Reporting in Hyperinflationary Economies.

This standard requires that the financial statements prepared in the currency of a hyperinflationary must be expressed in terms of the current measurement unit at the financial statements' preparation date.

In summary, the general aspects that must be considered for the restatement of the individual financial statements are the following ones:

- The monetary assets and liabilities are not amended because they are already updated to the current unit at the financial statements date;
- The non-monetary assets and liabilities (that are still not expressed in terms of the current unit at the financial statements) are restated by the application of an index;
- The effect of the inflation on the net monetary position of the subsidiaries companies is reflected in the income statement as a loss in the net monetary position.

Additionally, according to IAS 21, the restatement of the consolidated financial statements is prohibited when the parent company does not operate in a hyperinflationary economy.

The conversion coefficient that was used for the restatement of the individual financial statements of the subsidiaries in Angola was the Consumer Price Index (CPI), issued by the National Bank of Angola.

In the last quarter of 2019, the Angolan economy was no longer considered a hyperinflationary economy.

IAS 29 - Financial Reporting in Hyperinflationary Economies provides that "when an economy ceases to be hyperinflationary, the company should treat the amounts expressed in the current unit of measurement at the end of the previous reporting period, as the basis for the carrying amounts in its statements subsequent financial statements". In this way, the adjustments / revaluations, carried out until the end of the classification as a hyperinflationary economy, are treated as a deemed cost and recognized in the same proportion as the assets that gave rise to it.

On 31 December 2023 and 30 September 2024, assets and liabilities expressed in foreign currencies were converted into euros using the following exchange rates of such currencies against the euro, as published by the Bank of Portugal.

	31-12-2023	30-09-2024
US Dollar	1.0594	1.1196
Angolan Kwanza	879.3020	1052.5483
British Pound	0.8646	0.8354
Mozambican Metical	66.9500	70.8400
Canadian Dollar	1.4227	1.5133
Swiss Franc	0.9669	0.9439
Real	5.3065	6.0504

In the nine-month periods ended on 30 September 2023 and 2024, the income statements of subsidiaries expressed in foreign currencies were converted to euros at the average exchange rates of the currencies of their countries of origin against the euro. The average exchange rates used are as follows:

	9M 23	9M 24
Angolan Kwanza	709.4723	942.6119
Mozambican Metical	68.4222	68.7844

2.3.22. Financial charges and borrowings

Financial charges related to borrowings are recognized as costs in accordance with the accrual's principle, except in the case of loans incurred (whether these are generic or specific) for the acquisition, construction or production of an asset that takes a substantial period (over one year) to be ready for use, which are capitalized in the acquisition cost of that asset. Costs from capitalized borrowings are determined having in consideration the amount of borrowing costs obtained that can be capitalized, according to the application of a capitalization rate over the expenses associated with that asset. The capitalization rate (aligned with NOS average financing rate) as well as with the costs to be capitalized are determined monthly, taking into consideration the monthly balance of eligible borrowings and the monthly amount of the asset in progress that qualifies.

2.3.23. Investment property

Investment property mainly includes buildings held to generate rents rather than for use in the production or supply of goods or services, or for administrative purposes, or for sale in the ordinary course of business. These are measured initially at cost.

Subsequently, the Group uses the cost model for the valuation of investment property since use of the fair value model would not result in material differences.

An investment property is eliminated from the statement of financial position on disposal or when the investment property is taken permanently out of use and no financial benefit is expected from its disposal.

2.3.24. Fair value measurement

The Group measures part of the financial assets, such as financial assets available for sale, and some of its non-financial assets, at fair value on the date of the financial statements.

The fair value measurement assumes that the asset or liability is exchanged in an orderly transaction among market participants to sell the asset or transfer the liability at the measurement date under current market conditions. The fair value measurement is based on the assumption that the transaction to sell the asset or transfer the liability may occur:

- On the main market of the assets and liabilities, or
- In the absence of a primary market, it is assumed that the transaction occurs in the most advantageous market. This is what maximizes the amount that would be received for selling asset or minimizes the amount that would be paid to transfer the liability, after considering transaction costs and transport costs.

Since different entities and businesses within a single entity can have access to different markets, the main or most advantageous market for the same asset or liability can vary from one entity to another, or even between businesses within the same entity, but it is assumed that they are accessible to the Group.

The fair value measurement uses assumptions that market participant's use in defining price of the asset or liability, assuming that market participants would use the asset to maximize its value.

The Group uses valuation techniques appropriate to the circumstances whenever there is information to measure the fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities measured at fair value or of which disclosure is mandatory, are rated on a fair value hierarchy, which ranks data in three levels to be used in the measurement at fair value, and detailed below:

- Level 1 – Listed and unadjusted market prices, in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 - valuation techniques using inputs that aren't quoted, but which are directly or indirectly observable;
- Level 3 - valuation techniques using inputs not based on observable market data, based on unobservable inputs.

The fair value measurement is classified in the same fair value hierarchy level at the lowest level of input, which is significant to the measurement as a whole.

2.3.25. Assets and liabilities offsetting

Financial assets and liabilities are offset and presented at the net amount when, and only when, the Group has the right to offset the recognized amounts and intends to settle for the net amount.

2.3.26. Employee benefits

Personnel expenses are recognized when the service is rendered by employees independently of their date of payment. Here are some specificities:

- Termination of employment. The benefits for termination of employment are due for payment when there is cessation of employment before the normal retirement date or when an employee voluntarily accepts to leave in exchange of these benefits.

- The Group recognizes these benefits when it can be shown to be committed to a termination of current employees according to a detailed formal plan for termination and there is no realistic possibility of withdrawal or these benefits are granted to encourage voluntary redundancy. When the benefits of cessation of employment are due more than 12 months after the balance sheet date, they are updated to their present value.

- Holiday, holiday allowances, and bonuses. According to the labor law, employees are entitled to 22 days annual leave, as well as one month of holiday allowances, rights acquired in the year preceding payment. These liabilities of the Group are recorded when incurred, independently of the moment of payment, and are reflected under the item "Accounts payable and other".

- Labor Compensation Fund (FCT) and the Labor Compensation Guarantee Fund (FGCT). Based on the publication of Law No. 70/2013 and subsequent regulation by Order No. 294-A / 2013, entered into force on 1 October the Labor Compensation Fund schemes (FCT) and the Guarantee Fund Compensation of Labor (FGCT). In this context, companies that hire a new employee are required to deduct a percentage of the respective salary for these two new funds (0.925% to 0.075% and the FCT for FGCT), in order to ensure, in the future, the partial payment the compensation for dismissal. Considering the characteristics of each Fund, the following is considered:
  - The monthly deliveries to FGCT, made by the employer are recognized as expense in the period to which they relate.
  - The monthly deliveries to FCT, made by the employer are recognized as a financial asset, in the caption "Other non-current financial assets" of the entity, measured at fair value with changes recognized in the respective results.

With the publication of Law no. 13/2023, as of 1 May 2023, it is no longer mandatory to make payments corresponding to 0.925% of each worker's basic salary and seniority to the FCT, which has been converted into a closed accounting fund.

According to the same law, the obligations relating to the FGCT corresponding to 0.075% are suspended for the duration of the Medium-Term Agreement for the improvement of incomes, wages and competitiveness, which is expected to run until 2026.

2.3.27. Statement of cash flows

The statement of cash flows is prepared in accordance with the direct method. The Group classifies under “Cash and cash equivalents” the assets with maturities of less than three months and for which the risk of change in value is negligible. For purposes of the statement of cash flows, the balance of cash and cash equivalents also include bank overdrafts included in the statement of financial position under "Borrowings".

The statement of cash flows is divided into operating, investing, and financing activities.

Operating activities include cash received from customers and payments to suppliers, staff and others related to operating activities. Under "Other cash receipts / (payments) related with operating activity" includes the amount received and subsequent payments related to assignments without recourse, coordinated by the Banco Comercial Português and Caixa Geral de Depósitos, and these operations do not involve any change in the accounting treatment of the underlying receivables or in the relationship with their clients.

The cash flows included in investing activities include acquisitions and disposals of investments in subsidiaries and cash received and payments arising from the purchase and sale of tangible and intangible assets, amongst others.

Financing activities include cash received and payments relating to borrowings, the payment of interest and similar costs, finance leases, the purchase and sale of own shares and the payment of dividends.

2.3.28. Subsequent events

Events occurring after the date of the statement of financial position, which provide additional information about conditions that existed at that date, are considered in the preparation of financial statements of the quarter.

Events occurring after the date of the statement of financial position, which provide information on conditions that occur after that date, are disclosed in the notes to the financial statements, when they are materially relevant.

3. Judgements and estimates

3.1. Relevant accounting estimates

The preparation of the condensed consolidated financial statements requires the Group's management to make judgments and estimates that affect the condensed statement of financial position and the reported results. These estimates are based on the best information and knowledge about past and/or present events and on the operations that the Company considers it may implement in the future. However, at the date of completion of such operations, their results may differ from these estimates.

Changes to these estimates that occur after the date of approval of the consolidated financial statements will be corrected in the income statement in a prospective manner, in accordance with IAS 8 - "Accounting Policies, Changes in Accounting Estimates and Errors".

The estimates and assumptions that imply a greater risk of giving rise to a material adjustment in assets and liabilities are described below:

Entities included in the consolidation perimeter

To determine the entities to be included in the consolidation perimeter, the Group assesses the extent to which it is exposed, or has rights, to variability in return from its involvement with that entity and can take possession of them through the power it holds over this entity.

The decision that an entity must be consolidated by the Group requires the use of judgment, estimates, and assumptions to determine the extent to which the Group is exposed to return variability and the ability to take possession of them through its power.

Other assumptions and estimates could lead to the Group's consolidation perimeter being different, with direct impact on the condensed consolidated financial statements.

Impairment of non-current assets, excluding goodwill

The determination of a possible impairment loss can be triggered by the occurrence of various events, such as the availability of future financing, the cost of capital or other market, economic and legal changes or changes with an adverse effect on the technological environment, many of which are beyond the Group's control.

The identification and assessment of impairment indicators, the estimation of future cash flows, and the calculation of the recoverable value of assets involve a high degree of judgment by the Board.

Impairment of *goodwill*

Goodwill is annually subject to impairment tests or whenever there are indications of a possible loss of value, according to the criteria referred on Note 8. The recoverable values of the cash-generating units to which goodwill is allocated are determined based on the calculation of current use values. These calculations require the use of estimates by management.

Tangible and intangible assets

The life of an asset is the period during which the Company expects that an asset will be available for use and this should be reviewed at least at the end of each financial year.

The determination of the useful lives of assets, the amortization/depreciation method to be applied, and the estimated losses resulting from the replacement of equipment before the end of its useful life due to technological obsolescence is crucial in determining the amount of amortization/depreciation to be recognized in the consolidated income statement each period.

These three parameters are defined using management's best estimates for the assets and businesses concerned and taking account of the practices adopted by companies in the sectors in which the Group operates.

The capitalized costs with the audiovisual content distribution rights acquired for commercialization in the various windows of exhibition are amortized over the period of exploration of the respective contracts. Additionally, these assets are subject to impairment tests whenever there are indications of changes in the pattern generation of future revenue underlying each contract.

The residual value, the useful life and the depreciation methods are periodically revised by the various companies of the Group and prospectively adjusted, if appropriated.

Rights of use

The Group determines the end of the lease as the non-cancelable part of the lease term, together with any periods covered by an option to extend the lease if it is reasonably certain that it will be exercised, or any periods covered by an option to terminate the lease agreement, if it is reasonably certain that it will not be exercised.

The Group has the option, under some of its lease agreements, to lease its assets for additional periods. NOS assesses the reasonableness of exercising the option to renew the contract. That is, NOS considers all the relevant factors that create an economic incentive for exercising the renewal. After the start date, the Group re-evaluates the termination of the contract if there is a significant event or changes in circumstances that are under control and affect its ability to exercise (or not exercise) the renewal option (a change in strategy of business).

Provisions

The Group periodically reviews any obligations arising from past events, which should be recognized or disclosed. The subjectivity involved in determining the probability and amount of internal resources required to meet obligations may give rise to significant adjustments, either due to changes in the assumptions made, or due to the future recognition of provisions previously disclosed as contingent liabilities.

Deferred income tax assets

Deferred income tax assets are recognized only when there is strong assurance that there will be future taxable income available to use the temporary differences or when there are deferred tax liabilities whose reversal is expected in the same period in which the deferred tax assets are reversed. The assessment of deferred income tax assets is undertaken by management at the end of each period taking account of the expected future performance of the Group.

Expected credit losses

The credit risk on the balances of accounts receivable is assessed at each reporting date, using a collection matrix based on the historical past collections adjusted from the future expectation of collections evolution, to determine the uncollectability rate. The expected credit losses of the accounts receivable are thus adjusted for the assessment made, which may differ from the effective risk that will incurred in the future.

Fair value of financial assets and liabilities

When the fair value of an asset or liabilities is calculated, on an active market, the respective market price is used. When there is no active market, which is the case with some of the Group's financial assets and liabilities, valuation techniques generally accepted in the market, based on market assumptions, are used.

The Group applies evaluation techniques for unlisted financial instruments, such as derivatives, financial instruments at fair value and instruments measured at amortized cost. The most frequently used valorization models are models of discounted cash flows and option models, which incorporate, for example, interest rate and market volatility curves.

For certain types of more complex derivatives, more advanced valuation models are used containing assumptions and data that are not directly observable in the market, for which the Group uses internal estimates and assumptions.

3.2. Errors, estimates, and changes to accounting policies

During the nine-month periods ended 30 September 2023 and 2024, no material errors, estimates or changes in accounting policies relating to previous years were recognised. On 30 September 2024, estimates were reclassified to deal with uncertainties regarding the acceptance of a certain tax treatment by the Tax Authorities, from deferred tax liabilities to non-current taxes payable, in the amount of around 40.9 million euros (30 September 2023: 42.8 million euros; 31 December 2023: 44.0 million euros), with restatement of the period ended 30 September 2023, for the purposes of comparability (Note 15). Also as at 31 December 2023, estimates of the amounts to be received as a result of favourable decisions in the Constitutional Court in proceedings brought by the company relating to the settlement of the Activity Tax, were reclassified from accounts receivable - customers to accounts receivable - other, in the amount of around 22.9 million euros, amounts which were fully received on that date (Notes 12 and 18).

4. Changes in the perimeter

During the nine-month period ended on 30 September2023, the following changes in the perimeter occurred:

- Incorporation of the company Ten Twenty One, S.A., in February 2023, whose main activity is to provide engineering and consultancy services in the area of information, communication and electronic technologies;
- Disposal of the stake held in Big Picture 2 Films (20%), in June 2023, for the sum of 50 thousand euros (Note 11);
- Acquisition of BLU, S.A., in March 2023, whose main activity is the provision of telecommunications services, establishment, management and operation of telecommunications networks, and subsequent merger into NOS Comunicações, in May 2023. This merger had no material impact on the Group's consolidated financial statements;
- Acquisition of a stake in the company BrightCity, S.A. (50%), in September 2023, for the sum of 255 thousand euros (Note 11) and shareholder loans totalling 129 thousand euros.

Following the acquisition of BLU, S.A., NOS carried out an assessment of the fair value of the assets acquired and liabilities assumed through this operation. The breakdown of the net assets acquired and the goodwill calculated under this transaction is as follows:

	BOOK VALUE	ADJUSMENTS TO FAIR VALUE	FAIR VALUE
ACQUIRED ASSETS			
Contract costs - customer portfolio	-	183	183
Accounts receivable	141	-	141
Prepaid expenses	21	-	21
Cash and cash equivalents	158	-	158
	320	**183**	**503**
ACQUIRED LIABILITIES			
Accounts payable	120	-	120
Tax payable	7	-	7
Deferred income	26	-	26
	153	**-**	**153**
TOTAL NET ASSETS ACQUIRED	**167**	**183**	**350**
GOODWILL			**-**
ACQUISITION PRICE (NOTE 11)			**350**

The difference between the amount paid and the net assets acquired was allocated in full to the company's customer portfolio, taking into account the rationale behind the acquisition operation.

BLU, S.A.'s contribution to net income and revenue for the period ending 30 September 2023 was 72 thousand euros and 275 thousand euros respectively, corresponding to the 3-month period (March to May, the date of the merger).

The net cash flows from the acquisition of BLU, S.A. resulted in a payment of 192 thousand euros, included in the cash flows from Investing Activities (Price paid: 350 thousand euros; Cash and cash equivalents: 158 thousand euros).

Following the acquisition of the stake in BrightCity, S.A., NOS carried out an assessment of the fair value of the assets acquired and liabilities assumed through this operation. The breakdown of the net assets acquired and the goodwill calculated under this transaction is as follows:

	BOOK VALUE	ADJUSMENTS TO FAIR VALUE	FAIR VALUE
ACQUIRED ASSETS			
Tangible and Intagible fixed assets	63	461	524
Accounts receivable	530	-	530
Tax receivable	153	-	153
Prepaid expenses	6	-	6
Cash and cash equivalents	123	-	123
	875	**461**	**1,336**
ACQUIRED LIABILITIES			
Loans	256	-	256
Accounts payable	568	-	568
Tax payable	2	-	2
	826	**-**	**826**
TOTAL NET ASSETS ACQUIRED	**49**	**461**	**510**
TOTAL NET ASSETS ACQUIRED (50%)	**25**	**231**	**255**
GOODWILL			**-**
ACQUISITION PRICE			**255**

The difference between the amount paid and the net assets acquired was allocated in full to the company's Intangible Assets, taking into account the intellectual property owned/developed by the company.

The net value of the assets and liabilities acquired is recognised under 'Investments in joint ventures and associates'.

During the nine-month period ended 30 September 2024, the following changes to the perimeter took place:

- Acquisition of 20% of the share capital of DareData, S.A., a company specialising in the development of data infrastructures and projects based on generative Artificial Intelligence (AI) and machine learning, for the sum of 2 million euros, through the NOS 5G Fund (Note 14).

5. Segment reporting

The business segments are as follows:

- Telco – TV, Internet (fixed and mobile) and voice (fixed and mobile) services rendered and includes the following companies: NOS Technology, Per-mar, Sontária, NOS SGPS, NOS Açores, NOS Property, NOS Madeira, NOS SA, NOS Audio- Sales and Distribution, Teliz Holding, NOS Sistemas, NOS Sistemas España, NOS Inovação, NOS Internacional SGPS, NOS Corporate Center, NOS Wholesale, Fundo NOS 5G, Dualgrid, NOS Mediação de Seguros, Ten Twenty One and CEiiA.

- Audiovisual – the supply of video production services and sales, cinema exhibition and distribution and the acquisition/negotiation of Pay TV and VOD (video-on-demand) rights and includes the following companies: NOS Audiovisuais, NOS Cinemas, Lusomundo Moçambique, Lda ("Lusomundo Moçambique"), Lusomundo Imobiliária 2, S.A. ("Lusomundo Imobiliária 2"), Lusomundo Sociedade de Investimentos Imobiliários, SGPS, S.A. (“Lusomundo SII”), Empracine – Empresa Promotora de Atividades Cinematográficas, Lda (“Empracine”), NOS Audio SGPS and Dreamia S.L.

Assets and liabilities by segment on 31 December 2023 and 30 September 2024 are shown below:

	31-12-2023			
	Telco	Audiovisuals	Eliminations	Group
Assets				
Non - current assets:				
Tangible assets	1,084,379	9,205	-	1,093,584
Intangible assets	1,114,748	93,198	-	1,207,946
Contract costs	158,406	-	-	158,406
Rights of use	272,228	34,862	-	307,090
Investments in jointly controlled companies and associated companies	144,077	45,224	(159,861)	29,440
Accounts receivable - other	13,076	3,173	(11,885)	4,364
Deferred income tax assets	74,775	7,131	-	81,906
Other non-current assets	11,720	291	-	12,011
Total non - current assets	**2,873,409**	**193,084**	**(171,746)**	**2,894,747**
Current assets:				
Inventories	47,607	608	-	48,215
Account receivables	415,253	51,225	(40,093)	426,385
Prepaid expenses	43,278	1,525	(378)	44,425
Other current assets	35,027	2,023	-	37,050
Cash and cash equivalents	17,359	799	-	18,158
Total current assets	**558,524**	**56,180**	**(40,471)**	**574,233**
Total assets	**3,431,933**	**249,264**	**(212,217)**	**3,468,980**
Shareholder's equity				
Share capital	855,168	78,925	(78,925)	855,168
Capital issued premium	4,202	-	-	4,202
Own shares	(15,059)	-	-	(15,059)
Legal reserve	4,374	2,697	(2,697)	4,374
Other reserves and accumulated earnings	(22,388)	49,319	(68,509)	(41,578)
Net income	171,661	18,608	(9,274)	180,995
Equity before non - controlling interests	**997,958**	**149,549**	**(159,405)**	**988,102**
Non-controlling interests	6,585	-	-	6,585
Total equity	**1,004,543**	**149,549**	**(159,405)**	**994,687**
Liabilities				
Non - current liabilities:				
Borrowings	1,468,909	39,875	(11,884)	1,496,900
Provisions	73,182	6,972	-	80,154
Other non-current liabilities	88,273	1,498	-	89,771
Deferred income tax liabilities	5,487	11	-	5,498
Total non - current liabilities	**1,635,851**	**48,356**	**(11,884)**	**1,672,323**
Current liabilities:				
Borrowings	249,176	9,942	(22,049)	237,069
Accounts payable	291,055	16,726	(13,441)	294,340
Tax payable	22,186	1,027	-	23,213
Accrued expenses	190,993	18,010	(5,060)	203,943
Other current liabilities	38,129	5,654	(378)	43,405
Total current liabilities	**791,539**	**51,359**	**(40,928)**	**801,970**
Total liabilities	**2,427,390**	**99,715**	**(52,812)**	**2,474,293**
Total liabilities and shareholder´s equity	**3,431,933**	**249,264**	**(212,217)**	**3,468,980**

	30-09-2024			
	Telco	Audiovisuals	Eliminations	Group
Assets				
Non - current assets:				
Tangible assets	1,074,947	9,631	-	1,084,578
Intangible assets	1,071,316	93,161	-	1,164,477
Contract costs	158,648	-	-	158,648
Rights of use	274,167	28,774	-	302,941
Investments in jointly controlled companies and associated companies	148,686	45,171	(159,860)	33,997
Accounts receivable - other	3,529	3,267	(2,885)	3,911
Deferred income tax assets	66,637	5,871	-	72,508
Other non-current assets	11,667	194	-	11,861
Total non - current assets	**2,809,597**	**186,069**	**(162,745)**	**2,832,921**
Current assets:				
Inventories	44,015	599	-	44,614
Account receivables	363,837	63,863	(58,175)	369,525
Prepaid expenses	59,134	1,490	(417)	60,207
Other current assets	1,107	3,747	-	4,854
Cash and cash equivalents	30,013	1,130	-	31,143
Total current assets	**498,106**	**70,829**	**(58,592)**	**510,343**
Total assets	**3,307,703**	**256,898**	**(221,337)**	**3,343,264**
Shareholder's equity				
Share capital	855,168	78,925	(78,925)	855,168
Capital issued premium	4,202	-	-	4,202
Own shares	(15,002)	-	-	(15,002)
Legal reserve	4,692	2,697	(2,697)	4,692
Other reserves and accumulated earnings	(38,545)	67,946	(74,959)	(45,558)
Net income	188,964	14,984	(2,837)	201,111
Equity before non - controlling interests	**999,479**	**164,552**	**(159,418)**	**1,004,613**
Non-controlling interests	6,755	-	-	6,755
Total equity	**1,006,234**	**164,552**	**(159,418)**	**1,011,368**
Liabilities				
Non - current liabilities:				
Borrowings	1,248,307	25,757	(2,885)	1,271,179
Provisions	73,984	7,533	(1)	81,516
Other non-current liabilities	83,491	470	1	83,962
Deferred income tax liabilities	7,211	-	13	7,224
Total non - current liabilities	**1,412,993**	**33,760**	**(2,872)**	**1,443,881**
Current liabilities:				
Borrowings	357,094	7,560	(33,696)	330,958
Accounts payable	210,066	21,447	(20,058)	211,455
Tax payable	50,832	1,565	-	52,397
Accrued expenses	229,775	20,214	(4,876)	245,113
Other current liabilities	40,710	7,800	(418)	48,092
Total current liabilities	**888,477**	**58,586**	**(59,048)**	**888,015**
Total liabilities	**2,301,470**	**92,346**	**(61,920)**	**2,331,896**
Total liabilities and shareholder´s equity	**3,307,704**	**256,898**	**(221,338)**	**3,343,264**

The results by segment and investments in tangible and intangible assets, contract costs and rights of use for the nine-month periods ended on 30 September 2023 and 2024 are shown below:

	Telco		Audiovisuals		Eliminations		Group	
	3Q 23	9M 23	3Q 23	9M 23	3Q 23	9M 23	3Q 23	9M 23
Revenues:								
Services rendered	355,785	1,043,458	26,136	63,256	(8,963)	(25,000)	372,958	1,081,714
Sales	21,857	66,711	5,510	12,927	(63)	(205)	27,304	79,433
Other operating revenues	7,287	21,403	517	1,011	(150)	(450)	7,654	21,964
	384,929	**1,131,572**	**32,163**	**77,194**	**(9,176)**	**(25,655)**	**407,916**	**1,183,111**
Costs, losses and gains:								
Wages and salaries	20,247	60,455	3,059	8,362	-	(2)	23,306	68,815
Direct costs	84,774	257,618	7,820	17,978	(6,235)	(18,614)	86,359	256,982
Costs of products sold	20,796	63,162	1,321	2,958	(3)	(16)	22,114	66,104
Marketing and advertising	7,277	26,701	1,443	3,118	(2,948)	(8,918)	5,772	20,901
Support services	21,024	67,766	734	2,052	(811)	(2,236)	20,947	67,582
Supplies and external services	35,042	104,602	2,683	4,257	821	4,131	38,546	112,990
Other operating losses / (gains)	92	565	38	120	-	-	130	685
Taxes	8,855	26,776	27	67	-	-	8,882	26,843
Provisions and adjustments	1,667	9,573	(239)	(398)	-	-	1,428	9,175
	199,774	**617,218**	**16,886**	**38,514**	**(9,176)**	**(25,655)**	**207,484**	**630,077**
EBITDA	**185,155**	**514,354**	**15,277**	**38,680**	**-**	**-**	**200,432**	**553,034**
Depreciation, amortization and impairment losses	116,302	339,550	6,536	20,304	-	-	122,838	359,854
Other losses / (gains), net	(66)	784	(65)	320	-	-	(131)	1,104
Income before losses / (gains) participated companies, financial results and taxes	**68,919**	**174,020**	**8,806**	**18,056**	**-**	**-**	**77,725**	**192,076**
Net losses / (gains) of affiliated companies	(1,469)	(4,850)	54	201	-	-	(1,415)	(4,649)
Financial costs	17,499	44,195	707	1,395	-	-	18,206	45,590
Net foreign exchange losses / (gains)	(283)	(45)	16	(16)	-	-	(267)	(61)
Net losses / (gains) on financial assets	198	(6,837)	(8)	(4)	-	7,036	190	195
Net other financial expenses / (income)	831	2,727	3	12	-	-	834	2,739
	16,776	**35,190**	**772**	**1,588**	**-**	**7,036**	**17,548**	**43,814**
Income before taxes	**52,143**	**138,830**	**8,034**	**16,468**	**-**	**(7,036)**	**60,177**	**148,262**
Income taxes	12,696	19,006	1,657	2,844	-	-	14,353	21,850
Net income	**39,447**	**119,824**	**6,377**	**13,624**	**-**	**(7,036)**	**45,824**	**126,412**
Capex	**104,459**	**329,491**	**3,576**	**29,390**	**-**	**-**	**108,035**	**358,881**
EBITDA - Capex	**80,696**	**184,863**	**11,701**	**9,290**	**-**	**-**	**92,397**	**194,153**

	Telco		Audiovisuals		Eliminations		Group	
	3Q 24	9M 24	3Q 24	9M 24	3Q 24	9M 24	3Q24	9M 24
Revenues:								
Services rendered	375,558	1,100,245	26,720	62,069	(9,154)	(25,632)	393,124	1,136,682
Sales	26,079	74,892	5,818	12,230	(55)	(144)	31,842	86,978
Other operating revenues	7,638	23,769	158	843	(26)	(26)	7,770	24,586
	409,275	**1,198,906**	**32,696**	**75,142**	**(9,235)**	**(25,802)**	**432,736**	**1,248,246**
Costs, losses and gains:								
Wages and salaries	19,412	59,100	3,190	8,876	-	-	22,602	67,976
Direct costs	93,505	274,374	8,173	17,060	(6,191)	(18,718)	95,487	272,716
Costs of products sold	19,958	66,523	1,363	2,940	(9)	(31)	21,312	69,432
Marketing and advertising	9,335	32,675	1,120	2,133	(3,113)	(9,131)	7,342	25,677
Support services	19,375	64,780	857	2,282	(946)	(2,507)	19,286	64,555
Supplies and external services	38,170	114,453	2,637	4,819	1,024	4,585	41,831	123,857
Other operating losses / (gains)	129	475	22	75	-	-	151	550
Taxes	9,485	28,759	180	226	-	-	9,665	28,985
Provisions and adjustments	1,961	9,338	110	77	-	-	2,071	9,415
	211,330	**650,477**	**17,652**	**38,488**	**(9,235)**	**(25,802)**	**219,747**	**663,163**
EBITDA	**197,945**	**548,429**	**15,044**	**36,654**	**-**	**-**	**212,989**	**585,083**
Depreciation, amortization and impairment losses	121,137	355,060	7,463	20,860	-	-	128,600	375,920
Other losses / (gains), net	(261)	(71,928)	80	144	-	-	(181)	(71,784)
Income before losses / (gains) participated companies, financial results and taxes	**77,069**	**265,297**	**7,501**	**15,650**	**-**	**-**	**84,570**	**280,947**
Net losses / (gains) of affiliated companies	(2,597)	(7,151)	178	52	1	1	(2,418)	(7,098)
Financial costs	17,410	55,713	236	1,076	-	-	17,646	56,789
Net foreign exchange losses / (gains)	281	100	20	12	-	-	301	112
Net losses / (gains) on financial assets	13	(300)	(2,836)	(2,836)	2,836	2,700	13	(436)
Net other financial expenses / (income)	824	2,636	3	12	-	-	827	2,648
	15,931	**50,998**	**(2,399)**	**(1,684)**	**2,837**	**2,701**	**16,369**	**52,015**
Income before taxes	**61,138**	**214,299**	**9,900**	**17,334**	**(2,837)**	**(2,701)**	**68,201**	**228,932**
Income taxes	13,379	25,161	2,174	2,350	-	136	15,553	27,647
Net income	**47,759**	**189,138**	**7,726**	**14,984**	**(2,837)**	**(2,837)**	**52,648**	**201,285**
Capex	**108,469**	**313,789**	**6,493**	**15,145**	**-**	**-**	**114,962**	**328,934**
EBITDA - Capex	**89,476**	**234,640**	**8,551**	**21,509**	**-**	**-**	**98,027**	**256,149**

EBITDA = Operating Profit + Depreciation, amortisation and impairment losses + Restructuring costs + Losses / (gains) on disposal of assets + Other non-recurring costs / (gains) differs from that reported in the Management Report, essentially due to the effect of management fees between the companies.

CAPEX = Increases in tangible and intangible assets, contract costs and rights of use

Transactions between segments are performed on market terms and conditions in a comparable way to transactions performed with third parties.

On 30 September 2024, fully consolidated foreign companies represent less than 1% of assets (at 30 September 2023: less than 1%) and their turnover is less than 0.1% of consolidated turnover.

6. Financial assets and liabilities classified in accordance with the IFRS 9– financial instruments

The accounting policies set out in IFRS 9 for financial instruments were applied to the following items:

	31-12-2023					
	Financial assets	**Derivatives**	**Financial liabilities**	**Total financial assets and liabilities**	**Non-financial assets and liabilities**	**Total**
Assets						
Other financial assets non-current (Note 14)	6,028	-	-	6,028	-	6,028
Derivative financial instruments (Note 16)	-	5,583	-	5,583	-	5,583
Accounts receivable - trade (Note 18)	340,780	-	-	340,780	-	340,780
Accounts receivable - other (Note 12)	31,361	-	-	31,361	11,597	42,958
Cash and cash equivalents (Note 21)	18,158	-	-	18,158	-	18,158
Total financial assets	**396,327**	**5,583**	**-**	**401,910**	**11,597**	**413,507**
Liabilities						
Borrowings (Note 24)	-	-	1,733,969	1,733,969	-	1,733,969
Derivative financial instruments (Note 16)	-	1,477	-	1,477	-	1,477
Accounts payable - trade (Note 27)	-	-	243,991	243,991	-	243,991
Accounts payable - other (Note 26)	-	-	94,871	94,871	204	95,075
Accrued expenses (Note 29)	-	-	203,943	203,943	-	203,943
Total financial liabilities	**-**	**1,477**	**2,276,774**	**2,278,251**	**204**	**2,278,455**

	30-09-2024					
	Financial assets	**Derivatives**	**Financial liabilities**	**Total financial assets and liabilities**	**Non-financial assets and liabilities**	**Total**
Assets						
Other financial assets non-current (Note 14)	8,791	-	-	8,791	-	8,791
Derivative financial instruments (Note 16)	-	2,809	-	2,809	-	2,809
Accounts receivable - trade (Note 18)	320,799	-	-	320,799	-	320,799
Accounts receivable - other (Note 12)	6,958	-	-	6,958	11,325	18,283
Cash and cash equivalents (Note 21)	31,143	-	-	31,143	-	31,143
Total financial assets	**367,691**	**2,809**	**-**	**370,500**	**11,325**	**381,825**
Liabilities						
Borrowings (Note 24)	-	-	1,602,137	1,602,137	-	1,602,137
Derivative financial instruments (Note 16)	-	592	-	592	-	592
Accounts payable - trade (Note 27)	-	-	178,513	178,513	-	178,513
Accounts payable - other (Note 26)	-	-	75,461	75,461	162	75,623
Accrued expenses (Note 29)	-	-	245,113	245,113	-	245,113
Total financial liabilities	**-**	**592**	**2,101,224**	**2,101,816**	**162**	**2,101,978**

Considering its nature, the balances of the amounts to be paid and received to/from state and other public entities were considered outside the scope of IFRS 7. Also, the captions of “Prepaid expenses” and “Deferred income” were not included in this note, as the nature of such balances are not included in the scope of IFRS 7.

The Board of Directors believes that the fair value of the breakdown of financial instruments recorded at amortized cost or registered at the present value of the payments does not differ significantly from their book value. This decision is based in the contractual terms of each financial instrument.

7. Tangible assets

In the nine-month periods ended on 30 September 2023 and 2024, the movements in this item were as follows:

	31-12-2022	Increases	Disposals and write-offs	Transfers and others	30-09-2023
Acquisition cost					
Lands	519	-	-	-	519
Buildings and other constructions	264,259	(1,813)	(1,186)	12,829	274,089
Basic equipment	2,909,175	37,459	(68,244)	92,768	2,971,158
Transportation equipment	514	-	-	-	514
Tools and dies	1,607	-	(4)	634	2,237
Administrative equipment	195,921	1,048	(3,983)	1,172	194,158
Other tangible assets	44,162	100	(47)	194	44,409
Tangible assets in-progress	53,438	95,188	13,510	(98,694)	63,442
	3,469,595	**131,982**	**(59,954)**	**8,903**	**3,550,526**
Accumulated depreciation and impairment losses					
Buildings and other constructions	159,518	8,905	(1,186)	37	167,274
Basic equipment	1,971,674	137,515	(54,818)	1,877	2,056,248
Transportation equipment	514	1	-	-	515
Tools and dies	1,528	50	(4)	-	1,574
Administrative equipment	185,650	2,908	(3,941)	(75)	184,542
Other tangible assets	43,659	426	(47)	-	44,038
	2,362,543	**149,805**	**(59,996)**	**1,839**	**2,454,191**
	1,107,052	**(17,823)**	**42**	**7,064**	**1,096,335**

	31-12-2023	Increases	Disposals and write-offs	Transfers and others	30-09-2024
Acquisition cost					
Lands	519	-	-	-	519
Buildings and other constructions	281,666	-	(1,196)	5,091	285,561
Basic equipment	2,928,457	32,116	(18,663)	89,355	3,031,265
Transportation equipment	512	-	-	-	512
Tools and dies	1,688	-	-	81	1,769
Administrative equipment	147,071	888	(157)	1,165	148,967
Other tangible assets	44,576	129	-	258	44,963
Tangible assets in-progress	45,940	95,681	-	(97,534)	44,087
	3,450,429	**128,814**	**(20,016)**	**(1,584)**	**3,557,643**
Accumulated depreciation and impairment losses					
Buildings and other constructions	143,676	5,463	(754)	-	148,385
Basic equipment	2,027,478	119,515	(11,686)	745	2,136,052
Transportation equipment	511	-	-	-	511
Tools and dies	985	166	-	-	1,151
Administrative equipment	140,040	2,563	(151)	-	142,452
Other tangible assets	44,155	359	-	-	44,514
	2,356,845	**128,066**	**(12,591)**	**745**	**2,473,065**
	1,093,584	**748**	**(7,425)**	**(2,329)**	**1,084,578**

In the nine-month period ended on 30 September 2024, the net amount of "Disposals and write-offs" corresponds predominantly to the sale of a portfolio of 80 mobile sites, with NOS receiving 57.3 million euros for the operation, giving rise to a gain of 34.2

million euros, recognized under the heading Losses / (gains) on disposal of assets, this reflects a deferral of 15.8 million euros deducted from new site leases (Notes 10 and 24). The net amount of "Transfers and Other" corresponds predominantly to the transfer of assets from "Intangible Assets" (Note 8)

On 30 September 2024, the net value of tangible assets is composed mainly by basic equipment, namely:

- Network and telecommunications infrastructure (fibre optic network and cabling, network equipment, and other equipment) in the amount of 809.1 million euros (31 December 2023: 807.5 million euros);
- Terminal equipment installed on client premises, included under Basic equipment, amounts to 86.1 million euros (31 December 2023: 93.5 million euros).

Tangible and intangible assets include interests and other financial expenses incurred directly related to the construction of certain tangible or intangible assets in progress.

On 30 September 2024, total net value of these costs amounted to 12.5 million euros (31 December 2023: 13 million euros).

8. Intangible assets

In the nine-month periods ended on 30 September 2023 and 2024, the movements in this item were as follows:

	31-12-2022	Increases	Disposals and write-offs	Transfers and others	30-09-2023
Acquisition cost					
Industrial property and other rights	2,103,180	19,977	-	57,750	2,180,907
Goodwill	641,400	-	-	-	641,400
Intangible assets in-progress	27,217	68,840	-	(65,149)	30,908
	2,771,797	**88,817**	**-**	**(7,399)**	**2,853,215**
Accumulated amortization and impairment losses					
Industrial property and other rights	1,559,907	82,221	-	816	1,642,944
Intangible assets in-progress	2,332	-	-	(1,132)	1,200
	1,562,239	**82,221**	**-**	**(316)**	**1,644,144**
	1,209,558	**6,596**	**-**	**(7,083)**	**1,209,071**

	31-12-2023	Increases	Disposals and write-offs	Transfers and others	30-09-2024
Acquisition cost					
Industrial property and other rights	2,101,487	5,438	(658)	76,308	2,182,575
Goodwill	641,400	-	-	-	641,400
Intangible assets in-progress	27,190	69,304	-	(73,979)	22,515
	2,770,077	**74,742**	**(658)**	**2,329**	**2,846,490**
Accumulated amortization and impairment losses					
Industrial property and other rights	1,561,149	120,155	(273)	(1,473)	1,679,558
Intangible assets in-progress	982	-	-	1,473	2,455
	1,562,131	**120,155**	**(273)**	**-**	**1,682,013**
	1,207,946	**(45,413)**	**(385)**	**2,329**	**1,164,477**

The net amount of “Transfers and Others” corresponds, mainly, to the transfer of assets to “Tangible assets" (Note 7).

On 30 September 2024, the item "Industrial property and other rights" includes mainly:

- A net amount of 130.0 million euros (31 December 2023: 135.6 million euros) corresponding to the acquisition of frequency usage rights in 5G bands and other relevant bands (100MHz in the 3.6GHz band and 2x10MHz in the 700MHz band, also acquiring 2x5MHz in the 2100MHz band and 2x2MHz in the 900MHz band);

- A net amount of 71.4 million euros (31 December 2023: 77.5 million euros) mainly related to the investment, net of amortization, made in the development of the UMTS network by NOS SA, including:
    - 22.6 million euros (31 December 2023: 24.5 million euros) related to the license;

   - 7.5 million euros (31 December 2023: 8.2 million euros) related to the agreement signed in 2002 between Oni Way and the other three mobile telecommunication operators with activity in Portugal;
   - 2.3 million euros (31 December 2023: 2.5 million euros) related to the Share Capital of "Fundação para as Comunicações Móveis'', established in 2007, under an agreement entered with "Ministério das Obras Públicas, Transportes e Comunicações" and the three mobile telecommunication operators in Portugal;
   - 33.1 million euros (31 December 2023: 35.9 million euros) related with the program "Iniciativas E"; and
   - the net amount of 3.9 million euros (31 December 2023: 4.2 million euros) corresponding to the valuation of the license in the fair value allocation process resulting from the merger;

- A net amount of 64.9 million euros (31 December 2023: 67.7 million euros) corresponding to the current value of future payments related with the acquisition of rights of use for frequencies (spectrum) bands of 800 MHz, 1800 MHz, 2600 MHz, which will be used to develop 4th generation services (LTE - Long Term Evolution) and a net amount of 2.3 million euros (31 December 2023: 2.4 million euros) corresponding to the valuation of the license in the fair value allocation process resulting from the merger;

- A net amount of 133 million euros related with software development (31 December 2023: 172 million euros);

- A net amount of 16.2 million euros (31 December 2023: 16.3 million euros) corresponding to the future rights to use movies and series.

Increases in the nine-month periods ended on 30 September 2024 correspond mainly to the acquisition of movies and television series usage rights, for an amount of 13.7 million euros, and acquisition and development of software and other assets, for an amount of 61 million euros.

Impairment tests on goodwill

Goodwill was allocated to the cash-generating units of each reportable segment, as follows:

	31-12-2023	30-09-2024
Telco	564,799	564,799
Audiovisuals	76,601	76,601
	641,400	**641,400**

In 2023 impairment tests were performed based on assessments in accordance with the discounted cash flow method, which corroborate the recoverability of the book value of the Goodwill. The amounts in these assessments are based on the historical performances and forecast growth of the businesses and their markets, incorporated in medium/long term approved plans.

These estimates are based on the following assumptions:

	Telco Segment	Audiovisuals Segment	
		NOS Audiovisuals	NOS Cinemas
Discount rate (before taxes)	6.5%	9.1%	9.8%
Assessment period	5 year	5 years	5 years
EBITDA growth (2023-28)*	0.0%	-3.8%	3.4%
Perpetuity growth rate	2.0%	2.0%	2.0%

* EBITDA = Operating Profit + Depreciation, Amortisation and Impairment Losses + Restructuring Costs + Losses/(Gains) on asset disposals + Other Non-Recurring Costs/(Gains) (CAGR - average)

In the Telco segment, the assumptions used are based on past performance, evolution of the number of customers, expected development of regulated tariffs, current market conditions, and expectations of future development.

In the cinema segment, the most affected segment by COVID-19, strong EBITDA growth is justified on the prospect of a recovery in activity to levels close to those pre-pandemic.

The number of years specified in the impairment tests depends on the degree of maturity of the several businesses and markets and were determined based on the most appropriate criterion for the valuation of each cash-generating unit.

Sensitivity analyses were performed to variations in the discount rate and growth rate in the perpetuity of the various reported segments, of 1 percentage point and 0.4 percentage points, respectively.

In the telecommunications segment, sensitivity analysis was also performed to variations in the operational indicators RGU (Revenue Generating Unit), ARPU (Average Revenue per User), EBITDA and CAPEX, in perpetuity, of approximately 5%.

In the cinema segment, sensitivity analysis was conducted on variations in the projected number of tickets sold, average revenue per ticket, EBITDA and CAPEX, in perpetuity, of approximately 5%.

These simulations did not result in the need to reinforce impairment.

As of 30 September 2024, it was understood that the assumptions made in the impairment tests carried out in 2023 did not vary materially, so there is no evidence of any impairment.

9. Contract costs

In the nine-month periods ended on 30 September 2023 and 2024, the movements in this item were as follows:

	31-12-2022	Increases	30-09-2023
Acquisition cost			
Cost of attracting customers	623,472	49,624	673,096
Costs of fulfilling customer contracts	286,840	22,405	309,245
	910,312	**72,029**	**982,341**
Accumulated amortizations and impairment losses			
Cost of attracting customers	522,150	49,193	571,343
Costs of fulfilling customer contracts	227,568	24,408	251,976
	749,718	**73,601**	**823,319**
	160,594	**(1,572)**	**159,022**

	31-12-2023	Increases	30-09-2024
Acquisition cost			
Cost of attracting customers	689,601	52,421	742,022
Costs of fulfilling customer contracts	316,650	21,968	338,618
	1,006,251	**74,389**	**1,080,640**
Accumulated amortizations and impairment losses			
Cost of attracting customers	587,925	50,778	638,703
Costs of fulfilling customer contracts	259,920	23,369	283,289
	847,845	**74,147**	**921,992**
	158,406	**242**	**158,648**

Contract costs refers to commissions paid to third parties and other costs related to raising customers' loyalty contracts, including portability costs. These costs are amortized, systematically and consistently, with the transfer to customers of goods or services to which the asset is related (between 2 and 4 years).

10.Rights of use

In the nine-month periods ended on 30 September 2023 and 2024, the movements in this item were as follows:

	31-12-2022	Increases	Transfers and others	30-09-2023
Acquisition cost				
Telecommunications towers and rooftops	224,319	23,968	-	248,287
Movie theatres	124,323	15,201	-	139,524
Transponders	93,752	383	-	94,135
Equipments	165,910	14,555	-	180,465
Buildings	91,336	3,335	-	94,672
Fibre optic rental	40,137	4	-	40,141
Stores	24,547	6,407	-	30,954
Others	43,415	2,200	13	45,628
	807,739	**66,053**	**13**	**873,806**
Accumulated amortizations and impairment losses				-
Telecommunications towers and rooftops	69,950	14,716	-	84,666
Movie theatres	97,322	6,657	-	103,978
Transponders	74,552	4,888	-	79,440
Equipments	119,138	12,602	-	131,740
Buildings	66,151	6,402	-	72,553
Fibre optic rental	35,068	2,289	-	37,357
Stores	19,874	2,787	-	22,661
Others	27,961	3,877	(6)	31,832
	510,016	**54,218**	**(6)**	**564,227**
	297,723	**11,835**	**19**	**309,579**

	31-12-2023	Increases	Disposals and write-offs	Transfers and others	30-09-2024
Acquisition cost					
Telecommunications towers and rooftops	250,500	32,186	-	(1,593)	281,093
Movie theatres	140,975	(1,199)	-	-	139,776
Transponders	94,135	182	-	-	94,317
Equipments	187,931	11,032	(9)	-	198,954
Buildings	94,753	2,257	-	-	97,010
Fibre optic rental	40,141	-	-	-	40,141
Stores	31,055	2,993	-	-	34,048
Others	46,970	3,538	-	-	50,508
	886,460	**50,989**	**(9)**	**(1,593)**	**935,847**
Accumulated amortizations and impairment losses					
Telecommunications towers and rooftops	87,120	15,759	-	-	102,879
Movie theatres	106,346	5,318	-	-	111,664
Transponders	81,072	4,962	-	-	86,034
Equipments	135,608	12,819	(9)	-	148,418
Buildings	74,606	6,279	-	-	80,885
Fibre optic rental	38,121	1,548	-	-	39,669
Stores	23,568	2,852	-	-	26,420
Others	32,929	4,008	-	-	36,937
	579,370	**53,545**	**(9)**	**-**	**632,906**
	307,090	**(2,556)**	**-**	**(1,593)**	**302,941**

The item Rights of Use refers to assets associated with lease contracts which are depreciated over the duration of the respective contract, except for equipment leases with a purchase option which are depreciated over the estimated period of use.

The net amount of “Increases” corresponds to new contracts and renegotiation of the contractual terms of leases.

11. Investments in jointly controlled companies and associated companies

On 31 December 2023 and 30 September 2024, this item was composed as follows:

	31-12-2023	30-09-2024
Investments – equity method		
Finstar*	22,812	25,942
Mstar	3,698	4,870
Dreamia	1,544	1,492
Other companies	1,386	1,693
	29,440	**33,997**

* Consolidated from Finstar and ZAP Media

Movements in "Investments in jointly controlled companies and associated companies" in the nine-month periods ended on 30 September 2023 and 2024 were as follows:

	9M 23	9M 24
As of January 1	**38,961**	**29,440**
Constitution of new companies (Note 40)	3,795	7,098
Bright City acquisition (Note 4)	255	-
Disposal of Big Picture 2 Films (Note 4)	(50)	-
Dividends distribution	(824)	-
Changes in equity	(11,959)	(2,541)
As of September 30	**30,178**	**33,997**

Amounts related to changes in equity of the companies registered by the equity method of consolidation are mainly related to foreign exchange impacts of the investment in currencies other than euro.

The assets, liabilities and results of the jointly controlled companies and associated companies in the period ended on 31 December 2023 and 30 September 2024, are as follows:

31-12-2023

Entity	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Equity	Revenue	Net income	% Held
Sport TV*	81,581	47,757	48	106,093	23,197	192,206	(1,188)	25.00%
Dreamia	963	12,952	7,146	4,029	2,740	17,229	(2,132)	50.00%
Finstar	44,144	130,496	-	98,622	76,018	205,495	12,176	30.00%
Mstar	871	22,476	-	13,355	9,992	27,591	5,796	30.00%
Upstar	1,420	18,377	-	15,672	4,125	17,467	1,339	30.00%
Dualgrid	4	258	-	174	88	575	7	50.00%
Dreamia S.L.	15,190	1,156	6,551	2,319	7,476	2,307	47	50.00%
BrightCity S.A.	61	1,015	-	894	182	1,388	7	50.00%
CEiiA**	24,809	28,080	13,475	34,731	4,683	21,813	(2,859)	16.20%
	169,043	**262,567**	**27,220**	**275,889**	**128,501**	**486,071**	**13,193**	

30-09-2024

Entity	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Equity	Revenue	Net income	% Held
Sport TV*	131,880	97,044	-	199,913	29,011	145,585	5,813	25.00%
Dreamia	811	12,431	7,375	3,292	2,575	12,457	(165)	50.00%
Finstar	18,785	126,312	21,854	56,926	66,317	80,435	9,303	30.00%
Mstar	1,108	26,701	-	12,368	15,441	22,409	5,390	30.00%
Upstar	1,771	15,120	-	11,295	5,596	11,600	1,365	30.00%
Dualgrid	3	416	-	298	121	454	34	50.00%
Dreamia S.L.	15,418	973	6,749	2,143	7,499	1,715	22	50.00%
BrightCity S.A.	84	465	9	958	(418)	763	(617)	50.00%
CEiiA**	24,809	28,080	13,475	34,731	4,683	21,813	(2,859)	16.20%
	194,669	**307,542**	**49,462**	**321,924**	**130,825**	**297,231**	**18,286**	

*Sport TV's annual reporting period is from July 1 to June 30 (in line with the soccer season), so in the accounts presented in the tables above, revenues and net income correspond to the figures for the reported period of 12 month in 2023 and 9 months in 2024.

** The amounts presented correspond to the year ending 31 December 2022.

Indicators presented in the tables above do not include consolidated adjustments which were considered when determining the Group's interest in the results, assets and liabilities of jointly controlled and associated companies.

In the nine-month period ended on 30 September 2024, the assets, liabilities and results of jointly controlled company ZAP Media (100% held by Finstar) are:

	30-09-2024						
Entity	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Equity	Revenues	Net income
ZAP Media	20,190	7,363	76	15,471	12,006	22,194	761

The differences between the individual accounts (prepared in accordance with Angolan regulations) and the Finstar Group (Finstar + ZAP Media) correspond, predominantly, to the annulment of balances and transactions between the companies and the adjustment because the companies were in a hyperinflationary economy from 2017 to September 2019 (IAS 29) and use accounting plans other than the IAS/IFRS.

The Group has several controls regarding the reporting process of its jointly controlled and associated companies. The amounts included in the reported financial statements are subject to audit in cases where it is legally required. In the remaining cases and in those where the audit has not been completed, specific review procedures are carried out by the Group.

The Board of Directors believes that the seizure of assets to Mrs. Isabel dos Santos, in the specific case of the shares held by her in Finstar, ZAP Media, Mstar and Upstar (where she holds 70% of the capital), does not change the control profile, in this case joint control as defined in IFRS 11.

12. Accounts receivable - others

On 31 December 2023 and 30 September 2024, this item was composed as follows:

	31-12-2023		30-09-2024	
	Current	Non-current	Current	Non-current
Accounts receivable	27,234	4,392	3,623	3,874
Advances to suppliers	11,597	-	11,325	-
	38,831	**4,392**	**14,948**	**3,874**
Impairments of other receivables	(237)	(28)	(575)	37
	38,594	**4,364**	**14,373**	**3,911**

On 30 September 2024, Accounts receivable correspond predominantly to:

- Short-term loans, medium and long-term shareholder loans and interest receivable from associated companies; and
- An amount receivable of 0.825 million euros from the sale of NOS International Carrier Services.

On 31 December 2023, the Accounts receivable heading also included amounts receivable as a result of favourable decisions in the Constitutional Court in proceedings brought by the company relating to the settlement of the Activity Tax, in the amount of 22.9 million euros, which were fully received on that date.

Additionally, on 30 September 2024, advances to suppliers correspond predominantly to amounts paid under soccer rights contracts and other operating costs.

The summary of movements in impairment of other receivable in other accounts receivable is as follows:

	9M 23	9M 24
As of January 1	**1,861**	**265**
Increases (Note 36)	94	396
Reductions (Note 40)	(854)	-
Utilizations, transfers and others	(324)	(123)
As of September 30	**777**	**538**

13. Taxes payable and receivable

On 31 December 2023 and 30 September 2024, these items were composed as follows:

	31-12-2023		30-09-2024	
	Receivable	Payable	Receivable	Payable
Non-current				
Tax procedings	-	44,009	-	40,937
Debt regularization	51	-	52	-
	51	**44,009**	**52**	**40,937**
Current				
Value-added tax (VAT)	5,971	19,291	4,798	24,189
Income taxes	31,063	-	-	25,119
Personnel income tax witholdings	-	1,715	-	993
Social Security contributions	-	2,056	-	2,023
Others	16	151	14	73
	37,050	**23,213**	**4,812**	**52,397**
	37,101	**67,222**	**4,864**	**93,334**

In the nine-month period ended on 30 September 2024, the item "Tax litigation" includes liabilities, related to ongoing tax processes, of which highlights:

- Future credits transferred: for the financial year ended on 31 December 2010, NOS SA was notified of the Report of Tax Inspection, when it is considered that the increase, when calculating the taxable profit for the year 2008 of the amount of 100 million euros, with respect to initial price of future credits transferred to securitization, is inappropriate. Given the principle of periodization of taxable income, NOS SA was subsequently notified of the improper deduction of the amount of 20 million euros in the calculation of taxable income between 2009 and 2013. Given that the increase made in 2008 was not accepted due to not complying with Article 18 of the CIRC, also in the years following, the deduction corresponding to credits generated in that year, will eliminate the calculation of taxable income, to meet the annual amortization hired as part of the operation (20 million per year for 5 years). NOS SA challenged the decisions regarding the 2009 to 2013 fiscal year and will appeal for the judicial review in due time the decision regarding the 2008 to 2013 fiscal year. Regarding the year 2008, the Administrative and Fiscal Court of Porto has already decided unfavorably, in March 2014. The company has appealed.

  In March 2021, NOS SA was notified of the dismissal issued by the Court of Appeal. Not accepting the decision, NOS filed a Review Appeal with the Supreme Administrative Court, pending, in this regard, the issuance of the respective admissibility order.

  In May 2022, NOS was notified of the decision which did not admit the review appeal. An appeal has been filed against the Constitutional Court with suspensive effects on the transit of that non-admission decision. In addition to that appeal, an application was lodged in the file for recognition of the invalidity of the decision, for lack of reasoning. Both applications were rejected and the means of reaction in the case relating to 2008 have been exhausted. The same outcome can be expected in the cases relating to 2009 to 2013.

On 31 December 2023 and 30 September 2024, the amounts of CIT (Corporate Income Tax) receivable and payable were composed as follows:

	31-12-2023	30-09-2024
Estimated current tax on income	(19,011)	(41,406)
Payments on account	48,129	12,383
Withholding income taxes	1,011	993
Others	934	2,911
	31,063	**(25,119)**

14. Other non-current financial assets

On 31 December 2023 and 30 September 2024, this caption is composed as follows:

	31-12-2023	30-09-2024
DareData	-	2,000
TechTransfer Fund	1,355	1,597
Didimo	1,415	1,415
Seems Possible	1,200	1,200
Reckon.ai	854	1,004
SkillAugment	175	547
MindProber	500	500
Others	529	528
	6,028	**8,791**

During the year ended on 31 December 2023, NOS reinforced its investment in the TechTransfer Fund, in the company Reckon.ai and in the company Seems Possible. During the same period, impairments were recorded on the valuations of the TechTransfer Fund and the company SkillAugmented, in the amounts of 81 thousand euros and 125 thousand euros, respectively.

During the nine-month period ended 30 September 2024, NOS acquired a stake in the company DareData (Note 4), in the amount of 2 million euros, and reinforced its investment in the TechTransfer Fund and in the company Reckon.ai, in the amounts of 242 thousand euros and 150 thousand euros, respectively, with the remaining variations corresponding to changes in the fair value of the investments.

15. Income tax expense

NOS and its subsidiaries are subject to IRC - Corporate Income Tax - at the rate of 21% on taxable amount (taxable profit less eventual tax losses subject to deduction), plus IRC surcharge at the maximum rate of 1.5% on taxable profit, giving an aggregate rate of approximately 22.5%. Additionally, following the introduction of austerity measures approved by Law 66-B/2012 of 31 December, and respective addendum published by Law 114/2017 of 29 December, this rate was raised by 3% and will be applied to the company's taxable profit between 1.5 million euros and 7.5 million euros, by 5% to the company's taxable profit which exceeds 7.5 million euros until 35 million euros, and by 9% to the company's taxable profit above 35 million euros.

In the calculation of taxable income, amounts, which are not fiscally allowable, are added to or subtracted from the book results. These differences between accounting income and taxable income may be of a temporary or permanent nature.

NOS is taxed in accordance with the Special Regime for Taxation of Corporate Groups, which covers the companies in which it directly or indirectly holds at least 75% of their share capital and which fulfil the requirements of Article 69 of the IRC Code.

The companies covered by the Special Regime for Taxation of Corporate Groups in 2024 are:

- NOS SGPS (parent company)
- Empracine
- Lusomundo Imobiliária
- Lusomundo SII
- NOS Açores
- NOS Audiovisuais
- NOS Audiovisuais SGPS
- NOS Cinemas
- NOS Comunicações
- NOS Inovação
- NOS Internacional SGPS
- NOS Audio – Sales and Distribution
- NOS Madeira
- NOS Mediação de Seguros
- NOS Sistemas
- NOS Technology
- NOS Wholesale
- NOS Corporate Center
- NOS Property
- Per-mar
- Sontária
- Teliz
- Ten Twenty One

Under current legislation, tax declarations are subject to review and correction by tax authorities for a period of four years, except when tax losses have occurred or tax benefits have been obtained, whose term, in these cases, matches the deadline to use them. It should be noted that in the event of inspections, appeals, or disputes in progress, these periods might be extended or suspended.

The Board of Directors of NOS, based on information from its tax advisers, believes that these and any other revisions and corrections to these tax declarations, as well as other contingencies of a fiscal nature, will not have a significant effect on the consolidated financial statements as at 30 September 2024.

A) Deferred tax

NOS and its associated companies have reported deferred tax relating to temporary differences between the taxable basis and the book amounts of assets and liabilities, and tax losses carried forward at the date of the statement of financial position.

The movements in deferred tax assets and liabilities for the nine-month period ended on 30 September 2023 and 2024 were as follows:

	31-12-2022	Income (Note B)	Equity	30-09-2023
Deferred income taxes assets				
Impairment of other receivable	9,288	(1,674)	-	7,614
Inventories	2,579	133	-	2,712
Other provisions and adjustments	39,761	1,924	-	41,685
Intragroup gains	26,851	(606)	-	26,245
Liabilities recorded as part of the allocation of fair value to the liabilities acquired in the merger operation	4,865	(170)	-	4,695
Assets recognized under application of IFRS 16	6,160	2,872	-	9,032
Derivatives	50	125	(139)	36
	89,554	**2,604**	**(139)**	**92,019**
Deferred income taxes liabilities				
Revaluations of assets as part of the allocation of fair value to the assets acquired in the merger	2,235	(129)	-	2,106
Derivatives	2,487	137	122	2,746
Others	2,785	334	-	3,119
	7,507	**342**	**122**	**7,971**
Net deferred tax	**82,047**	**2,262**	**(261)**	**84,048**

	31-12-2023	Income (Note B)	Equity	30-09-2024
Deferred income taxes assets				
Impairment of other receivable	7,209	1,392	-	8,601
Inventories	4,453	(630)	-	3,823
Other provision and adjustments	40,969	(3,540)	-	37,429
Intragroup gains	19,522	2,984	-	22,506
Assets recognized under application of IFRS 16	9,395	(9,395)	-	-
Derivatives	358	(245)	36	149
	81,906	**(9,434)**	**36**	**72,508**
Deferred income taxes liabilities				
Revaluations of assets as part of the allocation of fair value to the assets acquired in the merger	2,361	(129)	-	2,232
Liabilities recognized under applicaton of IRS 16	-	2,685	-	2,685
Derivatives	1,267	(202)	(431)	634
Others	1,870	(197)	-	1,673
	5,498	**2,157**	**(431)**	**7,224**
Net deferred tax	**76,408**	**(11,591)**	**467**	**65,284**

In the nine-month period ended on 30 September 2024, the Group derecognized the deferred tax (offseted by tax receivable) resulting from the consideration, for tax purposes, of the application of IFRS 16 following the publication of Circular no. 3/2024, which changes the previous understanding of the Tax Authority regarding the depreciation period of Right of Use assets, now allowing depreciation to occur over the period of the contract in situations where the lease does not transfer ownership of the underlying asset to the lessee at the end of the lease term, nor is it estimated that a purchase option will be exercised.

On 30 September 2024, the deferred tax assets related to the other provisions and adjustments are mainly due:

- impairments and acceleration of amortizations beyond the acceptable fiscally and other adjustments in fixed tangible assets and intangible assets, amounted to 22.6 million euros (31 December 2023: 25.6 million euros); and
- other provisions amounted to 14.8 million euros (31 December 2023: 15.4 million euros).

The revaluations of assets refer to the appreciation of telecommunications licenses and other assets at the merger of Group companies.

On 30 September 2024, deferred tax assets were not recognized for an amount of 0.4 million euros, corresponding mainly to tax incentives and losses.

Deferred tax assets were recognized when it is probable that taxable profits will occur in future that may be used to absorb tax losses or deductible tax differences. This assessment was based on the business plans of the Group's companies, which are regularly revised and updated.

On 30 September 2024, the tax rate used to calculate the deferred tax assets relating to tax losses carried forward was 21% (2023: 21%). In the case of temporary differences, the rate used was 22.5% (2023: 22.5%) increased to a maximum of 6.2% (2023: 6.2%) of state surcharge when the taxation of temporary differences in the estimated period of application of the state surcharge was perceived as likely. Tax benefits, related to deductions from taxable income, are considered 100%, and in some cases, their full acceptance is conditional upon the approval of the authorities that grants such tax benefits.

Under the terms of Article 88 of the IRC Code, the Company is subject to autonomous taxation on a series of charges at the rates set out in that Article.

With the State Budget for 2023, tax losses no longer have a time limit for being carried forward, but there will be a limitation on their deduction up to 65% of the taxable profit generated.

B) Effective tax rate reconciliation

In the nine-month periods ended on 30 September 2023 and 2024, the reconciliation between the nominal and effective rates of tax was as follows:

	3Q 23	9M 23	3Q24	9M 24
Income before taxes	60,177	148,262	68,201	228,932
Statutory tax rate	22.5%	22.5%	22.5%	22.5%
Estimated tax	**13,540**	**33,359**	**15,345**	**51,510**
Permanent differences	(204)	(972)	(793)	(6,728)
Tax benefits	(2,391)	(14,522)	(3,002)	(26,621)
State surcharge	3,038	6,430	3,710	10,938
Autonomous taxation	174	438	205	626
Others	196	(2,883)	87	(2,078)
Income taxes	**14,353**	**21,850**	**15,552**	**27,647**
Effective Income tax rate	23.9%	14.7%	22.8%	12.1%
Income tax	16,766	23,888	12,171	16,056
Deferred tax	(2,413)	(2,038)	3,382	11,591
	14,353	**21,850**	**15,553**	**27,647**

On 30 September 2023 and 2024, the permanent differences were composed as follows:

	3Q 23	9M 23	3Q 24	9M 24
Equity method (Note 40)	(1,415)	(4,649)	(2,418)	(7,098)
Reinvestment of capital gains i)	-	-	-	(24,128)
Others	507	328	(1,108)	1,322
	(908)	**(4,321)**	**(3,526)**	**(29,904)**
	22.5%	22.5%	22.5%	22.5%
	(204)	**(972)**	**(793)**	**(6,728)**

i) In the nine-month period ended 30 September 2024, the heading Reinvestment of capital gains refers predominantly to capital gains generated from the sale of mobile sites, taxed at 50%, resulting from the intention to reinvest the realization value of assets held for more than one year.

The amount registered as fiscal benefits relates to the register of deferred taxes and the use of tax benefits for which there was no record of deferred taxes: SIFIDE (Business Research and Development Tax Incentives System), a tax benefit introduced by Law 40/2005 of 3 August; fiscal benefit – RFAI (Investment Tax Incentive Regime) introduced by Law 10/2009 of 10 March; fiscal benefit of Incentive to Capitalization of Companies (ICE) – introduced by the Law 20/2023 of 17 May; and provisions for used tax incentives.

16. Derivative financial instruments

Interest rate derivatives

On 30 September 2024, NOS have 3 interest rate swaps in a total amount of 180 million euros (31 December 2023: 180 million euros) and 9 zero cost collars, amounting a total of 377.5 million euros (31 December 2023: 377.5 million euros), contracted in 2023.

Exchange rate derivatives

At the date of the statement of the financial position there are foreign currency forwards open worth 17,871 thousand euros (31 December 2023: 19,916 thousand euros).

	31-12-2023				
	Notional	Assets		Liabilities	
		Current	Non-current	Current	Non-current
Interest rate derivatives	557,500	-	5,386	-	1,036
Exchange rate derivatives	19,916	-	197	441	-
	577,416	**-**	**5,583**	**441**	**1,036**

	30-09-2024				
	Notional	Assets		Liabilities	
		Current	Non-current	Current	Non-current
Interest rate derivatives	557,500	-	2,767	15	318
Exchange rate derivatives	17,871	42	-	233	26
	575,371	**42**	**2,767**	**248**	**344**

Movements during the nine-month period ended on 30 September 2023 and 2024 were as follows:

	31-12-2022	Income	Capital	30-09-2023
Fair value interest rate derivatives	10,947	-	541	11,488
Fair value exchange rate derivatives	(95)	46	503	454
Derivatives	**10,852**	**46**	**1,044**	**11,942**
Deferred income tax liabilities	(2,487)	(137)	(122)	(2,746)
Deferred income tax assets	50	125	(139)	36
Deferred income tax	**(2,437)**	**(12)**	**(261)**	**(2,710)**
	8,415	**34**	**783**	**9,232**

	31-12-2023	Income	Capital	30-09-2024
Fair value interest rate derivatives	4,350	-	(1,916)	2,434
Fair value exchange rate derivatives	(244)	151	(124)	(217)
Derivatives	**4,106**	**151**	**(2,040)**	**2,217**
Deferred income tax liabilities	(1,267)	202	431	(634)
Deferred income tax assets	358	(245)	36	149
Deferred income tax	**(909)**	**(43)**	**467**	**(485)**
	3,197	**108**	**(1,573)**	**1,732**

17. Inventories

On 31 December 2023 and 31 September 2024, this item was composed as follows:

	31-12-2023	30-09-2024
Inventories		
Telco	63,317	57,554
Audiovisuals	608	599
	63,925	**58,153**
Impairment of inventories		
Telco	(15,710)	(13,539)
	(15,710)	**(13,539)**
	48,215	**44,614**

The movements occurred in impairment adjustments were as follows:

	9M 23	9M 24
As of January 1	**9,161**	**15,710**
Increase and decrease - Cost of products sold (Note 34)	1,500	(1,877)
Utilizations / Others	(1,034)	(294)
As of September 30	**9,627**	**13,539**

18. Accounts receivables – Trade

On 31 December 2023 and 30 September 2024, this item was as follows:

	31-12-2023	30-09-2024
Trade receivables	486,090	463,764
Unbilled revenues	68,031	63,843
	554,121	**527,607**
Impairment of trade receivable	(213,341)	(206,808)
	340,780	**320,799**

The amounts to be invoiced correspond mainly to the value of contractual obligations already met or partially met and whose invoicing will occur subsequently.

The movements occurred in impairment adjustments were as follows:

	9M 23	9M 24
As of January 1	**214,582**	**213,341**
Increases and decreases (Note 35)	10,428	8,715
Penalties	15,907	8,228
Utilizations / Others	(21,866)	(23,476)
As of September 30	**219,051**	**206,808**

Penalties correspond to the invoiced penalties, in the period, for which the full expected credit losses are registered, and the register was made by deduction from the respective revenue.

“Utilizations/Others" corresponds, mainly, to the derecognition of accounts receivable, after all collection efforts deemed appropriate for credit recovery have been exhausted or frustrated.

19. Contract assets

On 30 September 2024, the contract assets, in the amount of 34 million euros (31 December 2023: 47 million euros), correspond to discounts, attributed to customers at the time of the sale of equipment (included in the telecommunications packages) and which are allocated to monthly fees / services rendered, within the scope of the allocation of credits to different types of performance obligations, according to IFRS 15. These assets are deferred, at the time of sale of the equipment, and recognized over the contract period (service rendered).

20.Prepaid expenses

On 31 December 2023 and 30 September 2024, this item was composed as follow:

	31-12-2023	30-09-2024
Costs related to specific corporate projects	14,248	17,761
Programming costs i)	9,617	15,349
Repair and maintenance	1,817	2,789
Insurance	1,450	2,003
Costs of litigation procedure activity ii)	2,707	197
Taxes	-	5,509
Advertising	374	760
Others iii)	14,212	15,839
	44,425	**60,207**

i) Programming costs correspond to costs inherent to the availability of channels, namely fixed fees, billed in advance. This cost is recognized in the period in which the channel is made available and transmitted, and recognized as a programming cost, in the Consolidated Income Statement.

ii) Deferred costs related to collection actions correspond to services paid in advance to external entities as part of the processes for recovering customer debts / collection actions. These costs are recognized as the service is provided.

iii) "Others" includes deferred costs, mainly related to expenses to be recognized from various supplies and external services, such as specialized works, maintenance and repair work and others, billed in advance by suppliers (quarterly or annual billing), the respective expense being recognized in the income statement as the service is provided. The increase in this item results mainly from expenses paid in advance at the beginning of each year in respect of the current year.

21.Cash and cash equivalents

On 31 December 2023 and 30 September 2024, this item was composed as follows:

	31-12-2023	30-09-2024
Cash	887	775
Current deposits	9,785	6,348
Term deposits	7,486	24,020
Cash and cash equivalents	**18,158**	**31,143**
Bank overdrafts (Note 25)	9,668	-
Cash and cash equivalents for the purposes of the Cash Flow Statement	**8,490**	**31,143**

On 30 September 2024, the "Term deposits" have maturity of less than 10 days and bear interest at market rates.

22.Shareholder's equity

22.1. Share capital

On 31 December 2023 and 30 September 2024, the share capital of NOS was 855,167,890.80 euros, respectively. On 30 September 2024, the share capital is represented by 515,161,380 shares registered book-entry shares, with a nominal value of 1.66 euro each (2023: 1.66 euro each).

The main shareholders as of 31 December 2023 and 30 September 2024 are:

	31-12-2023		30-09-2024	
	Number of shares	**% Share capital**	**Number of shares**	**% Share capital**
Sonaecom, SGPS, S.A.	192,527,188	37.37%	192,527,188	37.37%
ZOPT, SGPS, SA	134,322,269	26.07%	134,322,269	26.07%
Mubadala Investment Company	25,758,569	5.00%	25,758,569	5.00%
Total	**352,608,026**	**68.45%**	**352,608,026**	**68.45%**

According to paragraphs b) and c) of number 1 of article 20º and article 21º of the Portuguese Securities Code, a qualified shareholding of the share capital and voting rights of NOS, SGPS, S.A. as calculated in the terms of article 20º of the Portuguese Securities Code, is attributable to the following companies:

- Sonaecom and, consequently, to all entities in a control relationship with Sonaecom, SGPS, S.A., namely Sontel, BV and Sonae, SGPS, S.A., directly or indirectly controlled by Efanor Investimentos, SGPS, S.A. As of 29 November 2017, Efanor Investimentos SGPS, S.A. ceased to be a controlling shareholder under the terms and for the purposes of articles 20 and 21 of the Portuguese Securities Code.

- ZOPT - This qualified holding is attributable to the companies Kento Holding Limited ("Kento"), BV, as well as to Mrs. Isabel dos Santos, being (i) Kento and Unitel International directly and indirectly controlled by Mrs. Isabel dos Santos; (ii) a ZOPT, a society controlled by Kento Holding Limited, Unitel International Holdings, BV.

Note: the calculation of the percentage of voting rights does not take into account own shares held by the Company.

22.2. Capital issued premium

On 27 August 2013, following the completion of the merger between ZON and Optimus SGPS, the Company's share capital was increased by 856,404,278 euros, corresponding to the total number of issued shares (206,064,552 shares), based on the closing market price of 27 August 2013. The capital increase is detailed as follows:

- share capital in the amount of 2,060,646 euros;

- premium for issue of shares in the amount of 854,343,632 euros.

Additionally, the premium for issue of shares was deducted for an amount of 125 thousand euros related to costs with the respective capital increase.

On 21 April 2022, was approved in the Annual General Meeting of shareholders of NOS SGPS, an increase of share capital, by incorporation of share premium, in the amount of 850,016,277.00, through the increase of the nominal value of the total shares representing the share capital in the amount of €1.65. The nominal value of each share is now €1.66.

As of 30 September 2024 the amount of share issue premium is 4,202,356 euros (31 December 2023: 4,202,356 euros).

The capital issued premium is subject to the same rules as for legal reserves and can only be used:

- To cover part of the losses on the balance of the year that cannot be covered by other reserves;
- To cover part of the losses carried forward from the previous year that cannot be covered by the net income of the year or by other reserves;
- To increase the share capital.

22.3. Own shares

Company law regarding own shares requires the establishment of a non-distributable reserve of an amount equal to the purchase price of such shares, which becomes frozen until the shares are disposed of or distributed. In addition, the applicable accounting rules determine that gains or losses on the disposal of own shares are stated in reserves.

On 30 September 2024 there were 3,845,224 own shares, representing 0.7464% of share capital (31 December 2023: 3,736,403 own shares, representing 0.7253% of the share capital).

The movements occurred in the nine-month periods ended on 30 September 2023 and 2024 were as follows:

	Quantity	Value
Balance as of 1 January 2023	**4,008,391**	**15,968**
Acquisition of own shares	1,234,638	5,171
Distribution of own shares - share incentive scheme	(1,479,000)	(5,970)
Distribution of own shares - other remunerations	(27,626)	(110)
Balance as of 30 September 2023	**3,736,403**	**15,059**
Balance as of 1 January 2024	**3,736,403**	**15,059**
Acquisition of own shares	1,212,419	4,261
Distribution of own shares - share incentive scheme	(1,072,203)	(4,197)
Distribution of own shares - other remunerations	(31,395)	(121)
Balance as of 30 September 2024	**3,845,224**	**15,002**

23.4 Reserves

Legal reserve

Company law and NOS Articles of Association establish that at least 5% of the Company's annual net profit must be used to build up the legal reserve until it corresponds to 20% of the share capital. This reserve cannot be distributed except in the event of liquidation of the company, but it may be used to absorb losses after all other reserves have been exhausted, or for incorporation in the share capital.

Other reserves

Under Portuguese law, the amount of distributable reserves is determined according to the individual financial statements of the company prepared in accordance with IAS / IFRS. Thus, on 30 September 2024 NOS had reserves, which by their nature are considered distributable for an amount of approximately 3.4 million euros, not including the net income.

Dividends

The General Meeting held on 5 April 2023 approved the Board of Directors' proposal to pay an ordinary dividend per share of 0.278 euros and an extraordinary dividend of 0.152 euros, totalling 221,519 thousand euros. The dividend attributable to own shares totalled around 1,532 thousand euros. The dividends were paid on 21 April 2023.

The General Meeting held on 12 April 2024 approved the Board of Directors' proposal to pay an ordinary dividend per share of 0.35 euros, totalling 180,306 thousand euros. The dividend attributable to own shares totalled approximately 1,348 thousand euros. The dividends were paid on 24 April 2024.

23.Non-controlling interests

The movements of the non-controlling interests occurred during the nine-month periods ended on 30 September 2023 and 2024 and the results attributable to non-controlling interests for the year are as follows:

	31-12-2022	Attributable profits	Others	30-09-2023
NOS Madeira	5,432	247	(5)	5,674
NOS Açores	819	(155)	(1)	663
	6,251	**92**	**(6)**	**6,337**

	31-12-2023	Attributable profits	Others	30-09-2024
NOS Madeira	6,006	436	(3)	6,439
NOS Açores	579	(262)	(1)	316
	6,585	**174**	**(4)**	**6,755**

24.Borrowings

On 31 December 2023 and 30 September 2024, the composition of borrowings was as follows:

	31-12-2023		30-09-2024	
	Current	Non-current	Current	Non-current
Loans - nominal value	**152,268**	**951,000**	**248,000**	**720,500**
Debenture loan	75,000	350,000	60,000	340,000
Commercial paper	67,600	601,000	188,000	380,500
Bank overdrafts	9,668	-	-	-
Loans - accruals and deferrals	**5,422**	**(1,183)**	**6,019**	**(1,040)**
Loans - amortized cost	**157,690**	**949,817**	**254,019**	**719,460**
Leases	**79,379**	**547,083**	**76,939**	**551,719**
	237,069	**1,496,900**	**330,958**	**1,271,179**

During the nine-month period ended on 30 September 2024, the average cost of debt of the used lines was approximately 3.9% (2023: 3.4%).

The average global financing cost (used and unused lines) during the nine-month period ended on 30 September 2024 was approximately 4.0% (2023: 3.5%).

On 30 September 2024 there is no default in terms of capital, interest, conditions for redemption on loans payable or other commitments.

As at 30 September 2024, more than 90% of the loans obtained are indexed to ESG performance objectives, in line with NOS' commitment and ambition in terms of sustainability.

In the nine-month period ended on 30 September 2024, the movements occurred in the Borrowings are as follows:

	Bank Overdrafts	Debenture Loan	Commercial Paper	Leases	Total
Balance as of 1 January 2024	**9.668**	**427.751**	**670.088**	**626.462**	**1.733.969**
Receipts from loans	-	50,000	239,200	-	289,200
Payments of loans	-	(75,000)	(339,300)	(64,596)	(478,896)
Variation of bank overdrafts	(9,668)	-	-	-	(9,668)
Payments of interests and commissions	(59)	(14,877)	(19,148)	(25,169)	(59,253)
Loans commissions	-	367	1,708	-	2,076
Interest paid (Note 40)	59	14,042	18,647	25,169	57,917
Leases (Note 10)	-	-	-	50,989	50,989
Deferred income from locations (Note 7)	-	-	-	15,803	15,803
Balance as of 30 September 2024	**-**	**402,284**	**571,195**	**628,658**	**1,602,137**

24.1. Debenture loans

On 30 September 2024, NOS has a total amount of 400 million euros of bonds issued:

- A bond loan in the amount of 15 million euros placed by BPI in July 2021 and maturing in July 2026. The loan bears interest at a variable rate, indexed to the Euribor and paid on a quarterly basis.
- A bond loan in the amount of 75 million euros placed by Caixa Geral de Depósitos in March 2022 and maturing in March 2027. The loan bears interest at variable rates, indexed to Euribor and paid semi-annually.
- A bond loan in the amount of 75 million euros placed by BPI in July 2022 and maturing in March 2027. The loan bears interest at variable rates, indexed to Euribor and paid quarterly.
- A bond loan in the amount 50 million euros placed by BPI in April 2023 and maturing in January 2028. The loan bears interest at variable rates, indexed to Euribor and paid quarterly.
- A bond loan in the amount 75 million euros placed by Caixa Geral de Depósitos in April 2023 and maturing in April 2028. The loan bears interest at variable rates, indexed to Euribor and paid semi-annually.
- A bond loan in the amount of 60 million euros placed by BPI in December 2023 and maturing in June 2025. The loan bears interest at variable rates, indexed to Euribor and paid every semi-annually.
- A bond loan in the amount of 50 million euros placed by Caixa Geral de Depósitos in January 2024 and maturing in July 2026. The loan bears interest at variable rates, indexed to Euribor and paid quarterly.

On 30 September 2024, an amount of 2,284 thousand euros, corresponding to interest and commissions, was added to this amount and recorded in the item “Loans - accruals and deferrals”.

24.2. Commercial paper

On 30 September 2024, the Company has borrowings of 568.5 million euros in the form of commercial paper of which €53.0 million issued under programmes without underwriting. The total amount contracted, under underwriting securities, is of 875 million euros, corresponding to 16 programmes, with 6 banks, 775 million euros of which bear interest at market rates and 100 million euros are issued in fixed rate. Commercial paper programmes with maturities over one-year totaling 715 million euros (of which 355.5 million euros have been used as of 30 September 2024), since the Company can renew unilaterally current issues on or before the programmes' maturity dates and because they are underwritten by the organizer. As such, this amount, although having a current maturity, it was classified as non-current for presentation purposes in the financial position statement.

On 30 September 2024 an amount of 2,695 thousand euros, corresponding to interest and commissions, was deducted to this amount, and recorded in the item "Loans - accruals and deferrals".

24.3. Leases

On 31 December 2023 and 30 September 2024, the leases refer mainly to rental agreements for telecommunications towers, movie theaters, equipment, shops and vehicles, exclusive acquisition of satellite capacity and rights to use distribution network capacity.

Leases – payments

	31-12-2023	30-09-2024
Until 1 year	111,908	109,364
Between 1 and 5 year	296,689	322,437
Over 5 years	391,690	386,103
	800,287	**817,904**
Future financial costs (leases)	(173,825)	(189,246)
Present value of lease liabilities	**626,462**	**628,658**

Leases – present value

	31-12-2023	30-09-2024
Until 1 year	79,379	76,939
Between 1 and 5 years	190,875	226,134
Over 5 years	356,208	325,585
	626,462	**628,658**

At 31 December 2023 and 30 September 2024, the maturity of the loans obtained is as follows:

	31-12-2023			30-09-2024		
	Until 1 year	Between 1 and 5 years	Over 5 years	Until 1 year	Between 1 and 5 years	Over 5 yeas
Debenture loan	78,743	349,008	-	63,196	339,088	-
Commercial paper	69,279	600,809	-	190,823	380,372	-
Bank overdrafts	9,668	-	-	-	-	-
Leases	79,379	190,875	356,208	76,939	226,134	325,585
	237,069	**1,140,692**	**356,208**	**330,958**	**945,594**	**325,585**

25.Provisions

On 31 December 2023 and 30 September 2024, the provisions were as follows:

	31-12-2023	30-09-2024
Litigation and other - i)	30,345	32,035
Dismantling and removal of assets - ii)	22,254	24,547
Contingent liabilities - iii)	22,908	22,908
Contingencies - other - iv)	4,647	2,026
	80,154	**81,516**

i) On 30 September 2024, the amount under the item "Litigation and other" corresponds to provisions to cover the legal and others claims in-progress;

ii) The amount under the item "Dismantling and removal of assets "refers to the estimated future costs discounted to the present value, related with the termination of the use of the space where there are telecommunication towers and cinemas;

iii) The amount in the item "Contingent liabilities" refers to several provisions recorded for present but not likely obligations, related to the merger by incorporation of Optimus SGPS (concentration of business activities), namely:

a) Extraordinary contribution to the fund to compensate for the net costs of the universal electronic communications service (CLSU): The extraordinary contribution to the fund to compensate for the net costs of the universal electronic communications service (CLSU) is provided for in articles 17 to 22 of Law 35/2012 of 23 August. From 1995 until June 2014, MEO, SA (formerly PTC) provided the universal electronic communications service on an exclusive basis, having been administratively appointed to do so by the government (i.e. it was chosen to provide this service without recourse to a tendering procedure). This constitutes an illegality recognised by the Court of Justice of the European Union, which in its decision of June 2014 ordered the Portuguese state to pay a fine of 3 million euros. According to article 18 of Law no. 35/2012, of 23 August, the net costs incurred by the operator responsible for the universal service approved by ANACOM must be shared by the other companies offering public communications networks and electronic communications services accessible to the public in Portugal. NOS is covered by this extraordinary contribution, and MEO has requested payment of the CLSU to the compensation fund for the various periods in which it was responsible for the service. In fact, according to the law, the compensation fund can be used to compensate for the net costs of the universal electronic communications service, including, as in this case, those relating to the period prior to the designation of the respective provider by tender, whenever, cumulatively, (i) there are net costs, that are considered excessive, the amount of which is approved by ANACOM, following an audit of the preliminary calculation and respective supporting documents, which are transmitted by the universal service provider and (ii) the universal service provider requests the Government to compensate the net costs that have been approved under the terms of the previous paragraph.

Therefore:

– In 2013, ANACOM decided to approve the final results of the audit of the CLSU submitted by MEO for the 2007-2009 financial year, totalling around 66.8 million euros, a decision that was contested by NOS; In January 2015, the liquidation notes relating to NOS, SA, NOS Madeira and NOS Açores were issued for that period, totalling 18.6 million euros, which were in turn subject to legal challenge and in relation to which guarantees were presented by NOS SGPS (Note 47), in order to avoid the promotion of the respective tax enforcement proceedings. The guarantees were accepted by ANACOM.

– In 2014, ANACOM decided to approve the final results of the audit of the CLSU submitted by MEO for the financial years 2010 to 2011, totalling around 47.1 million euros, a decision that was also contested by NOS. In February 2016, the liquidation notes for NOS, SA, NOS Madeira and NOS Açores for that period were issued, totalling 13 million euros, which were also contested and for which guarantees were again presented by NOS SGPS, in order to avoid the promotion of the respective tax enforcement proceedings. The guarantees were also accepted by ANACOM.

– In 2015, ANACOM decided to approve the final results of the audit of the CLSU submitted by MEO for the financial years 2012 and 2013, totalling around 26 million euros and 20 million euros respectively, a decision which, like the previous ones, was challenged by NOS. In December 2016, the liquidation notes for NOS, SA, NOS Madeira and NOS Açores were issued for that period, totalling 13.6 million euros, which were contested by NOS and for which guarantees have also been presented by NOS SGPS in order to avoid the promotion of the respective tax enforcement proceedings. The guarantees were also accepted by ANACOM.

– In 2016, ANACOM approved the results of the audit of the net costs of providing the universal service for the period from January to June 2014, provided by MEO, totalling 7.7 million euros, which NOS contested under the usual terms.

– In 2017, NOS, SA, NOS Madeira and NOS Açores were notified of ANACOM's decision on the entities obliged to contribute to the compensation fund and to set the amounts of the contributions relating to the CLSU to be compensated for the months of 2014 in which MEO was still the provider of the Universal Service, which provides for a contribution totalling around 2.4 million euros for all these companies. In December 2017, liquidation notes were issued for NOS, SA, NOS Madeira and NOS Açores for that period, totalling approximately 2.4 million euros, which were contested by NOS and for which guarantees have also been presented by NOS SGPS in order to avoid the promotion of the respective tax enforcement proceedings. The guarantees have also been accepted by ANACOM.

It is the opinion of the Board of Directors of NOS that these extraordinary contributions to the Universal Service required of it, which relate to the period prior to the designation of the universal service provider by tender, violate the Universal Service Directive. Furthermore, considering the legal framework and the law in force since NOS began its activity, the requirement to pay the extraordinary contribution violates the principle of the protection of trust, recognised at a legal and constitutional level in the Portuguese legal system. For these reasons, NOS has challenged in court both the approval of the results of the audit of the net costs of the universal service for the pre-tender period and the settlement of each and every one of the extraordinary contributions demanded of it. In September 2021 and January 2024, the Administrative Court of Lisbon dismissed the actions relating to NOS SA's administrative challenge of the results of the audit of CLSU 2007-2009 and CLSU 2013, respectively, which NOS appealed in October 2021 and February 2024. In May 2024, the Lisbon Tax Court dismissed the challenges to the CLSU 2007-2009 extraordinary contributions of NOS Açores and NOS Madeira, as well as the CLSU 2014 of NOS, SA, decisions which the companies in question appealed in September 2024.

he Board of Directors is convinced, and supported by the lawyers following the cases, it will be successful in both challenges and appeals undertaken;

iv) The amount under the caption "Contingencies - other" refers to provisions for risks related to miscellaneous events/disputes of various kinds, the settlement of which may result in outflows of cash, and other likely liabilities related to several transactions from previous periods, and whose outflow of cash is probable, namely, costs charged to the current period or previous years, for which it is not possible to estimate reliably the time of occurrence of the expense.

During the nine-month period ended on 30 September 2023, movements in provisions were as follows:

	31-12-2022	Increases	Decreases	Others	30-09-2023
Litigation and other	32,158	3,574	(2,645)	1,218	34,305
Dismantling and removal of assets	22,294	836	-	-	23,130
Contingent liabilities	22,908	-	-	-	22,908
Contingencies - other	3,907	1,224	-	(2,075)	3,056
	81,267	**5,634**	**(2,645)**	**(857)**	**83,399**

During the nine-month period ended on 30 September 2024, movements in provisions were as follows:

	31-12-2023	Increases	Decreases	Others	30-09-2024
Litigation and other	30,345	2,180	(916)	426	32,035
Dismantling and removal of assets	22,254	903	-	1,390	24,547
Contingent liabilities	22,908	-	-	-	22,908
Contingencies - other	4,647	1,665	-	(4,286)	2,026
	80,154	**4,748**	**(916)**	**(2,470)**	**81,516**

During the nine-month periods ended on 30 September 2023 and 2024, the increases refer mainly to compensation to employees, provisions for legal and other claims plus interests and charges, and the decreases refer mainly to the reassessment and prescription of several legal contingencies.

The movements recorded in “Others”, under the heading “Contingencies - other” correspond, predominantly, to compensations to employees (under “Contingencies – other”) and unfavorable decisions in legal proceedings (under “Litigation and other”).

The net movements for the nine-month periods ended on 30 September 2023 and 2024 reflected in the income statement under Provisions were as follows:

	9M 23	9M 24
Provisions and adjustments (Note 36)	(1,355)	304
Other losses / (gains) non-recurrent (Note 38)	1,224	1,665
Interests - dismantling	836	903
Other	2,284	960
Increases and decreases in provisions	**2,989**	**3,832**

26. Accounts payable – others

On 31 December 2023 and 30 September 2024, this item was composed as follows:

	31-12-2023	30-09-2024
Non-current		
Contractual rights	44,726	42,681
	44,726	**42,681**
Current		
Fixed assets suppliers	34,701	17,245
Contractual rights	2,881	3,792
Advances from customers	204	162
Advances on investment subsidies	7,470	5,081
Others	5,093	6,662
	50,349	**32,942**
	95,075	**75,623**

The caption Contractual Rights refers to the liability to be settled over 20 years, related with the contractual right acquired with the agreement celebrated between NOS Comunicações, S.A., NOS Technology S.A., and Vodafone Portugal, Comunicações Pessoais, S.A with the aim of sharing mobile support network infrastructures (passive infrastructure such as towers and masts) and active mobile network (active radio equipment such as antennas, amplifiers and other equipment), as disclosed to the market on 22 October 2020.

27. Accounts payable – trade

On 30 September 2024, accounts payable to suppliers and other entities, amounting to 179 million euros (31 December 2023: 244 million euros), correspond to amounts payable arising from the company's operating activities.

In the 9-month period ending 30 September 2024, the reduction in accounts payable to suppliers is predominantly due to the conclusion of the dispute over the undefined interconnection prices for 2001 (Note 45.6).

28. Supplier financing agreements

NOS has agreed supplier financing agreements with four banks. In these agreements, NOS delivers to the banks the credits to be paid to its suppliers, instructing the banks to pay on the respective due date. Suppliers, on their own initiative, can anticipate the receipt of these credits. The participation of our suppliers in these financing agreements has no impact on our payment terms and conditions, nor are any guarantees provided by NOS.

Our current payment terms with most of our suppliers vary between 30 and 90 days.

Consequently, the amounts due to our suppliers under these agreements are shown under the headings Accounts payable - suppliers and Accounts payable - other in the consolidated statement of financial position. Likewise, the amounts paid under these agreements are shown under Payments to suppliers in the consolidated statement of cash flows.

On 31 December 2023 and 30 September 2024, the amount of outstanding obligations that the Company has delivered to the banks is as follows:

	31-12-2023	30-09-2024
Accounts payable (Note 26 and 27)	86.002	71,073
Anticipated by suppliers	60.274	37,857
	146.276	**108,930**

Additionally, in the periods ended on 31 December 2023 and 30 September 2024, there were no business combinations or material exchange differences, nor transfers between Accounts payable and Borrowings.

29. Accrued expenses

On 31 December 2023 and 30 September 2024, this item was composed as follows:

	31-12-2023	30-09-2024
Current		
Invoices to be issued by operators i)	43,161	50,720
Investments in tangible and intangible assets	30,778	37,767
Advertising	24,956	26,131
Professional services	20,580	23,584
Vacation pay and bonuses	19,591	21,175
Fees (Anacom + Cinema Law) ii)	16,475	16,874
Content and film rights	13,412	14,488
Costs related to specific projects of business customers	9,278	13,274
Programming services	-	10,463
Energy and water	7,423	9,913
Comissions	6,168	8,770
Costs of litigation procedure activity	5,349	6,594
Maintenance and repair	2,664	3,125
Other accrued expenses	4,108	2,235
	203,943	**245,113**

i) Invoices to be issued by operators correspond predominantly to interconnection costs for international traffic and for the use of roaming services not yet billed.

ii) Amounts relating to ANACOM licences and other ICA fees, the invoicing of which is issued annually in subsequent periods.

30.Deferred income

On 31 December 2023 and 30 September 2024, this item was composed as follows:

	31-12-2023		30-09-2024	
	Current	Non-current	Current	Non-current
Advanced billing	42,964	-	47,841	-
	42,964	**-**	**47,841**	**-**

This item relates mainly to the billing of Pay TV services regarding the following month to the report period and amounts received from NOS Comunicações, SA customers, related with the recharges of mobile phones and purchase of telecommunications minutes yet unused.

31. Operational Revenue

Consolidated operating revenues, for the nine-month periods ended on 30 September 2023 and 2024, were as follows:

	3Q 23	9M 23	3Q 24	9M 24
Services rendered:				
Communications service revenues i)	343,131	1,006,873	359,153	1,052,787
Revenue distribution and cinematographic exhibition ii)	15,933	36,187	16,732	34,262
Advertising revenue iii)	4,899	14,213	5,651	17,039
Production and distribution of content and channels iv)	6,366	17,657	6,313	18,661
Others	2,629	6,784	5,275	13,933
	372,958	**1,081,714**	**393,124**	**1,136,682**
Sales:				
Telco v)	21,849	66,681	26,067	74,851
Audiovisuals and cinema exhibition vi)	5,455	12,752	5,775	12,127
	27,304	**79,433**	**31,842**	**86,978**
Other operating revenues:				
Telco	7,083	21,199	7,638	23,769
Audiovisuals and cinema exhibition	571	765	132	817
	7,654	**21,964**	**7,770**	**24,586**
	407,916	**1,183,111**	**432,736**	**1,248,246**

These operating revenues are shown net of inter-company eliminations.

i) This item mainly includes revenue relating to: (a) basic channel subscription packages that can be sold in a bundle with fixed broadband/fixed voice services; (b) premium channel subscription packages and S-VOD; (c) terminal equipment rental; (d) consumption of content (VOD); (e) traffic and mobile and fixed voice termination; (f) service activation; (g) mobile broadband access; and (h) other additional services (ex: firewall, antivirus) and services rendered related to datacenter management and consulting services in IT.

ii) This item mainly includes (a) box office revenue at the NOS Cinemas, and (b) revenue relating to film distribution to other cinema exhibitors in Portugal.

iii) This item includes advertising revenues on television channels and NOS cinemas.

iv) This item includes revenues related to production of audiovisual content, thought the compilation of acquired contents, and distribution of channels, essentially TVCines.

v) Revenue relating to the sale of terminal equipment, telephones, and mobile phones.

vi) This item mainly includes sales of bar products by NOS Cinemas and DVD sales.

This item includes earned income related with non-compliances and contractual penalties, as well as other supplementary income of diverse natures.

32. Wages and salaries

In the nine-month periods ended on 30 September 2023 and 2024, this item was composed as follows:

	3Q 23	9M 23	3Q 24	9M 24
Remuneration	17,624	52,118	16,391	50,019
Social taxes	4,671	13,768	4,665	14,224
Social benefits	556	1,599	667	1,845
Other	455	1,330	879	1,888
	23,306	**68,815**	**22,602**	**67,976**

In the nine-month periods ended on 30 September 2023 and 2024, the average number of employees of the companies included in the consolidation was 2,451 and 2,435, respectively. On 30 September 2024, the number of employees of the companies included in the consolidation was 2,386 employees.

The costs of compensations paid to employees, since they are non-recurring costs, are recorded in the item “Restructuring costs” (Note 38).

33. Direct costs

In the nine-month periods ended on 30 September 2023 and 2024, this item was composed as follows:

	3Q 23	9M 23	3Q 24	9M 24
Exhibition costs	45,708	139,217	50,566	139,780
Costs related to corporate customers services	13,104	39,129	19,335	55,556
Traffic costs	19,178	54,135	16,660	49,949
Capacity costs	5,093	15,162	5,291	16,374
Shared advertising revenues	3,276	9,339	3,635	11,057
	86,359	**256,982**	**95,487**	**272,716**

34. Cost of products sold

In the nine-month periods ended on 30 September 2023 and 2024, this item was composed as follows:

	3Q 23	9M 23	3Q 24	9M 24
Costs of products sold	21,486	64,604	25,057	71,309
Increases / (decreases) in inventories impairments (Note 17)	628	1,500	(3,745)	(1,877)
	22,114	**66,104**	**21,312**	**69,432**

35.Support services and supplies and external services

In the nine-month periods ended on 30 September 2023 and 2024, this item was composed as follows:

	3Q 23	9M 23	3Q 24	9M 24
Support services:				
Administrative support and others	8,918	28,466	10,082	30,685
Call centers and customer support	7,936	26,077	5,395	21,840
Information systems	4,093	13,039	3,809	12,030
	20,947	**67,582**	**19,286**	**64,555**
Supplies and external services:				
Maintenance and repair	13,079	41,697	12,832	37,841
Electricity	4,697	11,979	7,538	22,452
Leasing of ducts and poles	6,649	19,687	6,453	19,816
Professional services	2,221	6,579	1,917	6,342
Installation and removal of terminal equipment	1,523	4,084	1,582	4,798
Travel and accommodation	807	2,584	885	2,688
Communications	633	2,065	646	1,979
Other supplies and external services	8,937	24,315	9,978	27,941
	38,546	**112,990**	**41,831**	**123,857**

36.Provisions and adjustments

In the nine-month periods ended on 30 September 2023 and 2024, these items were composed as follows:

	3Q 23	9M 23	3Q 24	9M 24
Provisions (Note 25)	22	(1,355)	63	304
Impairment of account receivables - trade (Note 18)	1,362	10,428	1,659	8,715
Impairment of account receivables - others (Note 12)	31	94	349	396
Others	13	8	-	-
	1,428	**9,175**	**2,071**	**9,415**

37.Depreciation, amortization and impairment losses

In the nine-month period ended on 30 September 2023 and 2024, this item was composed as follows:

	3Q 23	9M 23	3Q 24	9M 24
Tangible assets				
Buildings and other constructions	1,996	8,905	1,833	5,463
Basic equipment	49,720	137,515	43,140	119,515
Transport equipment	1	1	-	-
Tools and dies	26	50	56	166
Administrative equipment	977	2,908	839	2,563
Other tangible assets	102	426	132	359
	52,822	**149,805**	**46,000**	**128,066**
Intangible assets				
Industrial property and other rights	27,289	82,221	39,000	120,155
	27,289	**82,221**	**39,000**	**120,155**
Contract costs				
Contract costs	24,602	73,601	24,799	74,147
	24,602	**73,601**	**24,799**	**74,147**
Rights of use				
Rights of use	18,122	54,218	18,799	53,545
	18,122	**54,218**	**18,799**	**53,545**
Investment property				
Investment property	3	9	1	6
	3	**9**	**1**	**6**
	122,838	**359,854**	**128,599**	**375,919**

During the nine-month period ended 30 September 2024, NOS revised the depreciation rates of most of the software acquired and developed internally, reducing the useful life from 6 to 3 years, resulting in an increase in "Depreciation, amortization and impairment losses" (Intangible assets) in the amount of 34 million euros (Note 2.3.5).

38.Restructuring Costs

In the nine-month periods ended on 30 September 2023 and 2024, this item was composed as follows:

	3Q 23	9M 23	3Q 24	9M 24
Personnel compensation (Note 25 and 32)	129	1,224	289	1,665
Personnel costs related to non-recurrent projects	3	3	12	26
	132	**1,227**	**301**	**1,691**

39.Other losses / (gains) non-recurrent, net

In the nine-month periods ended on 30 September 2023 and 2024, the other non-recurring costs / (gains) was composed as follows:

	3Q 23	9M 23	3Q 24	9M 24
Gains:				
Legal processes	-	-	1,328	42,063
	-	**-**	**1,328**	**42,063**
Costs:				
Others	124	600	925	3,257
	124	**600**	**925**	**3,257**
Total	**124**	**600**	**(403)**	**(38,806)**

In the nine-month period ended on 30 September 2024, an income of 33.5 million euros was recognized, resulting from favorable decisions in the Constitutional Court in proceedings brought by the company related to the settlement of the Activity Tax (Note 45.1) and an income of 8.6 million euros resulting from the conclusion of the dispute over the undefined interconnection tariffs of 2001 (Note 45.6).

40.Losses / (gains) of affiliated companies, net

In nine-month periods ended on 30 September 2023 and 2024, this item was composed as follows:

	3Q 23	9M 23	3Q 24	9M 24
Equity method (Note 11)				
Finstar	(1,316)	(2,379)	(2,378)	(5,521)
Mstar	(43)	(989)	(589)	(1,406)
Upstar	(122)	(634)	(23)	(442)
Dreamia	54	179	179	53
Others	12	28	393	218
	(1,415)	**(3,795)**	**(2,418)**	**(7,098)**
Others (Note 12)	-	(854)	-	-
	(1,415)	**(4,649)**	**(2,418)**	**(7,098)**

41.Financing costs and other financials expenses / (income), net

In the nine-month periods ended on 30 September 2023 and 2024, financing costs and other financial expenses / (income) were composed as follows:

	3Q 23	9M 23	3Q 24	9M 24
Financing costs:				
Interest expense:				
Borrowings	10,887	24,977	10,318	32,748
Finance leases	8,008	23,009	8,538	25,169
Derivatives	-	50	-	-
Others	943	2,750	1,020	5,572
	19,838	**50,786**	**19,876**	**63,489**
Interest earned:				
Interest on late payments	(878)	(2,548)	(944)	(2,844)
Derivatives	(901)	(1,913)	(1,028)	(3,281)
Others	147	(735)	(258)	(575)
	(1,632)	**(5,196)**	**(2,230)**	**(6,700)**
Total	**18,206**	**45,590**	**17,646**	**56,789**
Net other financial expenses /(income):				
Comissions and guarantees	712	2,260	676	2,091
Others	122	479	151	557
	834	**2,739**	**827**	**2,648**

42.Net earnings per share

Earnings per share for the nine-month periods ended on 30 September 2023 and 2024 were calculated as follows:

	3Q 23	9M 23	3Q 24	9M 24
Consolidated net income attributable to shareholders	45,859	126,320	52,556	201,111
Number of ordinary shares outstanding during the period (weighted average)	511,424,977	511,382,034	508,778,308	508,837,692
Basic earnings per share - euros	0.09	0.25	0.10	0.40
Diluted earnings per share - euros	0.09	0.25	0.10	0.40

In the above periods, there were no diluting effects on net earnings per share, so the diluted earnings per share are equal to the basic earnings per share.

43.Guarantees and financial undertakings

43.1. Guarantees

On 31 December 2023 and 30 Setember 2024, the Group had furnished sureties, guarantees, and comfort letters in favour of third parties corresponding to the following situations:

	31-12-2023	30-09-2024
Tax authorities i)	33,392	35,673
Others ii)	15,763	16,392
	49,155	**52,065**

i) On 31 December 2023 and 30 September 2024, this amount relates to guarantees demanded by the tax authorities in connection with tax proceedings contested by the Company and its subsidiaries (Note 43).

ii) On 31 December 2023 and 30 September 2024, this amount mainly relates to guarantees provided in connection with Municipal Wayleave Tax proceedings and guarantees provided to cinema owners, and bank guarantees given to providers of satellite capacity renting services.

During the first quarterly of 2015, 2016, 2017 and 2018, and following the settlement notes to CLSU 2007-2009, 2010-2011, 2012-2013 and 2014, respectively, NOS constituted guarantees in favour of the Universal Service Compensation Fund in the amount of 23.6 million euros, 16.7 million euros, 17.5 million euros and 3.0 million euros, respectively, in order to prevent the introduction of tax enforcement proceedings in order to enforce recovery of the amounts paid.

In addition to the guarantees required by the tax authorities, sureties were set up for the current fiscal processes, which NOS was a surety for NOS SA for an amount of 14.1 million euros.

43.2. Other undertakings

Covenants

From the loans obtained (excluding financial leases), besides being subject to the Group's compliance with its obligations (operational, legal and fiscal) 100% of them are subject to Cross default and Pari Passu, 96% are subject to Negative Pledge clauses and 70% are subject to Ownership clauses.

Additionally, about 18% of total borrowings require that the consolidated net financial debt does not exceed 3 times EBITDA after payment of consolidated leases, about 16% require that the consolidated net financial debt does not exceed 4 times EBITDA after payment of consolidated leases and about 6% require that the consolidated net financial debt does not exceed 4.5 times EBITDA after payment of consolidated lease.

Net Financial Debt = Loans - Leasings - Cash and Cash Equivalents

EBITDA = Operating profit + Depreciation, amortization and impairment losses + Restructuring costs + Losses / (gains) on disposal of assets + Other non-recurrent costs / (gains)

EBITDA after lease payments = EBITDA - lease payments (principal and interest)

Assignment agreements football broadcast rights

In December 2015, NOS signed a contract with Sport Lisboa e Benfica - Futebol SAD and Benfica TV, SA of television rights of home matches of football NOS' league, broadcasting rights and distribution of Benfica TV Channel. The contract began in 2016/2017 sports season, had an initial duration of three years, and might be renewed by decision of either party up to a total of 10 sports seasons, with the overall financial consideration reaching the amount of 400 million euros, divided into progressive annual amounts.

Also in December 2015, NOS signed a contract with Sporting Clube de Portugal - Futebol SAD and Sporting and Communication Platforms, S.A. for the assignment of the following rights:
1) TV broadcasting rights and multimedia home games of Sporting SAD;
2) The right to explore the static and virtual advertising at Stadium José Alvalade;
3) The right of transmission and distribution of Sporting TV Channel;
4) The right to be its main sponsor.

The contract will last 10 seasons, concerning the rights indicated in 1) and 2) above, starting in July 2018, 12 seasons in the case of the rights stated in 3) starting in July 2017 and 12 and a half seasons in the case of the rights mentioned in 4) beginning in January 2016, with the overall financial consideration amounting to 446 million euros, divided into progressive annual amounts.
Also in December 2015, NOS SA has signed contracts regarding the television rights of home senior team football games with the following sports clubs:
1) Associação Académica de Coimbra – Organismo Autónomo de Futebol, SDUQ, Lda
2) Os Belenenses Sociedade Desportiva Futebol, SAD
3) Clube Desportivo Nacional Futebol, SAD
4) Futebol Clube de Arouca – Futebol, SDUQ, Lda
5) Futebol Clube de Paços de Ferreira, SDUQ, Lda
6) Marítimo da Madeira Futebol, SAD
7) Sporting Clube de Braga – Futebol, SAD
8) Vitória Futebol Clube, SAD

The contracts began in the 2019/2020 sports season and last up to 7 seasons, apart from the contract with Sporting Clube de Braga - Futebol, SAD which lasts 9 seasons.

In May 2016, NOS and Vodafone have agreed on reciprocal availability, for several sports seasons, of sports content (national and international) owned by the companies, in order to assure to both companies, directly by the assigning party or indirectly through the transfer to third party content distribution channels or models, the availability of broadcasting rights of the sports clubs home football games, as well as the broadcasting and distribution rights of sports and sports clubs channels, whose rights are owned by each of the companies in each moment. The agreement came into force from the beginning of the sports season 16/17, assuring access to Benfica's channel and Benfica's home football games to NOS' and Vodafone's clients, independent from the channel where these football games are broadcast.

Considering that the contract signed allowed for the possibility of extending the agreement to the other operators, in July 2016 MEO and Cabovisão joined the agreement, ending the lack of availability of Porto Canal in the NOS's channel grid, assuring that every Pay TV client can have access to every relevant sports content, regardless of which operator they use.

Following the agreement signed with the remaining operators, which is being made directly in some cases and through channel yield to third parties in others, as a counterpart of the reciprocal provision of rights, the global costs are shared according with retailer telecommunications revenues and Pay TV market shares.

The estimated cash flows are estimated as follows:

Seasons	2024/25	Following
Estimated cash-flows with the contract signed by NOS with the sports entities*	113.9	250.2
NOS estimated cash-flows for the contracts signed by NOS (net amounts charged to the operators) and for the contracts signed by the remaining operators	63.2	138.8

* Includes direct broadcasts of games and channels, advertising and others.

Considering that, following the celebrated agreements with the remaining operators, the risks and benefits associated to contracts with teams are shared amongst the operators, the agreement was considered a collaborative agreement. For this reason, the revenue (with operators) is compensated with the expenses with teams.

Network sharing contract with Vodafone

A NOS and Vodafone Portugal celebrated on 29 September 2017 an agreement of infrastructure development and sharing with a nationwide scope. This partnership allows the two Operators providing their commercial offers under a shared network at the beginning of 2018.

The agreement covers the reciprocal sharing of dark fiber in approximately 2.6 million of homes in which each of the entities shares with the other one an equivalent investment value, in other words, they share similar goods. It is assumed that both companies retain full autonomy, independence, and confidentiality concerning the design of the commercial offers, the management of the customers' database and the choice of technological solutions they might decide to implement, that did not originate any impact on the consolidated financial statements (according to IAS 16, this exchange of similar non-monetary assets will be presented on a net basis).

The partnership has also been extended to mobile infrastructure sharing where it is agreed a minimum sharing of 200 mobile towers.

Celebrated agreements regarding the sharing of mobile network support infrastructure

On 22 October 2020, NOS Comunicações S.A. and NOS Technology, on the one hand, and Vodafone Portugal, Comunicações Pessoais, S.A., on the other hand, celebrated a set of agreements regarding the sharing of mobile network support infrastructure (passive infrastructures such as towers and poles) and active mobile network elements (active radio equipment such as antennas, amplifiers and remaining equipment). These agreements have the following characteristics:

a) the agreements have a nationwide scope with diverse geographical application according to the higher or lower level of population density. In higher density geographies, typically larger urban areas, the parties will pursue synergies by sharing support infrastructure. In lower density areas, typically rural and interior locations, in addition to shared use of support infrastructure, the parties will also share active mobile network.

b) the agreements focus on assets currently held, or that may be held by each party in the future, and on existing 2G, 3G and 4G technology. Incorporation of 5G technology in these agreements will depend on each to deploy this technology.

c) the agreements do not encompass spectrum sharing between the operators and each party will maintain exclusive strategic control of its networks, thus ensuring full competitive, strategic and commercial independence and the ability to differentiate in terms of customer service and provision.

Each party retains the ability to develop its mobile communications network independently.

These agreements will enable NOS to invest more efficiently by capturing value through synergies. NOS will also be able to deploy its mobile network faster and in a more environmentally responsible way, thus benefitting customers and remaining stakeholders.

Sharing of mobile infrastructure represents an important contribution towards greater geographical cohesion and digital inclusion, both of which are essential to the sustainable development of the country.

44. Related parties

44.1. Balances and transactions between related parties

Transactions and balances between NOS and companies of the NOS Group were eliminated in the consolidation process and are not subject to disclosure in this note.

The balances on 31 December 2023 and 30 September 2024 and transactions in the nine-month periods ended on 30 September 2023 and 2024 between NOS Group and its associated companies, joint ventures and other related parties are as follows:

Balances on 31 December de 2023

	Balances on 31 December 2023		
	Accounts receivables and prepaid expenses	Accounts payable and deferred income	Borrowings
Associated companies	**13,550**	**7,289**	**-**
Sport TV	13,550	7,289	-
Jointly controlled companies	**14,833**	**1,813**	**3,298**
Dreamia S.A.	1,453	1,428	-
Dreamia Servicios de Televisión, S.L.	105	-	3,173
Dualgrid	-	88	-
Finstar	13,280	(40)	-
Upstar	(17)	237	-
Bright City S.A.	11	100	125
Other related parties	**7,181**	**1,678**	**-**
Banco Bic Português, S.A.	204	-	-
Capwatt Services, S.A.	109	-	-
Centro Colombo Centro Comercial, S.A.	153	27	-
Centro Vasco da Gama-Centro Comercial,S.A.	80	139	-
Gaiashopping I- Centro Comercial, S.A.	98	497	-
Modelo Continente Hipermercados, S.A.	1,104	49	-
Norteshopping Centro Comercial, S.A.	499	417	-
Universo IME, S.A.	398	-	-
SFS, Gestão e Consultoria, S.A.	5	265	-
Sierra Portugal, S.A.	435	(1)	-
Sonae Investment Management-S.T.,SGPS,S.A.	121	-	-
MC Shared Services, S.A.	639	5	-
The Editory Collections Hotel, S.A.	143	-	-
Worten - Equipamento para o Lar, S.A.	1,971	192	-
Other related parties	1,221	87	-
	35,564	**10,780**	**3,298**

Transactions in the nine-month period ended on 30 September 2023

	30-09-2023		
	Services rendered	Supplies and external services	Interest gains
Associated companies	**38,295**	**49,710**	**-**
Big Picture 2 Films [1]	15	934	-
Sport TV [2]	38,280	48,776	-
Jointly controlled companies	**9,924**	**224**	**70**
Dreamia Servicios de Televisión, S.L.	-	-	70
Dreamia S.A.	3,676	(106)	-
Finstar	6,218	-	-
Upstar	20	90	-
Dualgrid	-	216	-
Bright City S.A. [3]	10	24	-
Other related parties	**20,635**	**6,240**	**-**
Arrábidashopping - Centro Comercial, SA	8	153	-
Banco Bic Português, S.A.	1,419	-	-
Capwatt Services, SA	149	-	
Cascaishopping Centro Comercial, S.A.	9	790	-
Centro Colombo Centro Comercial, S.A.	14	1,424	-
Centro Vasco da Gama Centro Comercial,S.A.	10	329	-
Continente Hipermercados, S.A.	371	28	-
Fashion Division, S.A.	471	-	-
Gaiashopping I Centro Comercial, S.A.	7	321	-
Grupo Habit Analytics	-	135	-
Insco Insular de Hipermercados , S.A.	123	31	-
Irmãos Vila Nova III, SA	169	-	-
Maiashopping Centro Comercial, SA	7	143	-
Modalfa - Comércio e Serviços, S.A.	310	-	-
Modelo Continente Hipermercados, S.A.	4,043	110	-
Norteshopping Centro Comercial, S.A.	11	1,310	-
Pharmacontinente - Saúde e Higiene, S.A.	300	-	-
SC - Sociedade de Consultoria, S.A.	588	-	-
SDSR - Sports Division SR, S.A.	155	-	-
SFS - Financial Services, IME, S.A.	580	-	-
SFS, Gestão e Consultoria, S.A.	15	295	-
Sierra Portugal, S.A.	1,211	57	-
Solinca Classic, S.A.	304	-	-
Sonae Arauco Portugal, S.A.	192	85	-
Sonae Investment Management-S.T.,SGPS,SA	132	-	-
Sonae MC - Serviços Partilhados, S.A.	2,887	1	-
Worten - Equipamento para o Lar, S.A.	5,518	588	-
Other related parties	1,632	440	-
	68,854	**56,174**	**70**

Balances on 30 September de 2024

	Balances on 30 September 2024		
	Accounts receivables and prepaid expenses	Accounts payable and deferred income	Borrowings
Associated companies	**20,328**	**10,778**	**-**
Sport TV	20,328	10,778	-
Jointly controlled companies	**14,145**	**2,250**	**3,399**
Dreamia S.A.	1,627	97	-
Dreamia Servicios de Televisión, S.L.	104	-	3,267
Finstar	12,394	1,952	-
Upstar	14	95	-
Bright City S.A.	6	106	132
Other related parties	**8,737**	**2,434**	**-**
Centro Colombo Centro Comercial, S.A.	204	11	-
Gaiashopping I- Centro Comercial, S.A.	111	61	-
Maiashopping Centro Comercial, SA	60	243	-
Modelo Continente Hipermercados, S.A.	1,100	22	-
Norteshopping Centro Comercial, S.A.	146	7	-
Universo IME, S.A.	277	-	-
Sierra Portugal, S.A.	387	-	-
Solinca Classic, S.A.	163	-	-
MC Shared Services, S.A.	775	121	-
Worten - Equipamento para o Lar, S.A.	3,914	1,853	-
Outras partes relacionadas	1,600	116	-
	43,210	**15,462**	**3,399**

Transactions in the nine-month period ended on 30 September 2024

	30-09-2024		
	Services rendered	Supplies and external services	Interest gains
Associated companies	**35,011**	**52,794**	**-**
Sport TV [2]	35,011	52,794	-
Jointly controlled companies	**10,737**	**140**	**106**
Dreamia Servicios de Televisión, S.L.	-	-	93
Dreamia S.A.	3,283	(256)	-
Finstar	7,429	-	-
Upstar	21	85	-
Dualgrid	2	152	-
Bright City S.A.	2	158	13
Other related parties	**19,773**	**6,904**	**-**
Adira – Metal Forming Solutions, S.A.	112	-	-
Arrábidashopping - Centro Comercial, S.A.	9	101	-
Banco Bic Português, S.A. [1]	923	-	-
Insco Insular de Hipermercados, S.A.	234	34	-
Capwatt Services, S.A.	211	-	-
Capwatt, SA	132	-	-
Cascaishopping Centro Comercial, S.A.	9	745	-
Centro Colombo Centro Comercial, S.A.	40	1,758	-
Centro Vasco da Gama Centro Comercial,S.A.	10	916	-
Continente Hipermercados, S.A.	367	23	-
Fashion Division, S.A.	152	-	-
Gaiashopping I Centro Comercial, S.A.	8	462	-
Maiashopping Centro Comercial, S.A.	7	296	-
Modelo Continente Hipermercados, S.A.	4,208	140	-
Modalfa - Comércio e Serviços, S.A.	137	-	-
Norteshopping Centro Comercial, S.A.	13	1,259	-
Pharmacontinente - Saúde e Higiene, S.A.	312	-	-
Irmãos Vila Nova III, SA	129	-	-
Universo IME, S.A.	460	-	-
SDSR - Sports Division SR, S.A.	146	-	-
SFS, Gestão e Consultoria, S.A.	4	143	-
Sierra Portugal, S.A.	1,277	38	-
Solinca Classic, S.A.	376	-	-
Sonae Arauco Portugal, S.A.	160	123	-
MC Shared Services, S.A.	2,913	-	-
Sonae Investment Management-S.T.,SGPS,SA	112	-	-
The Editory Collections Hotel, S.A.	378	-	-
Worten - Equipamento para o Lar, S.A.	5,084	374	-
Other related parties	1,850	492	-
	65,521	**59,838**	**106**

(1) The company ceased to be a related party in July 2024

(2) In the nine-month periods ended on 30 September 2024, the amount related to Sales and Services Rendered includes about 33 million euros (30 September 2023: 37 million euros), which are not recorded in the consolidated accounts under Sales and Services Rendered, since it is related to the agreement celebrated with the operators, which configures a sharing of costs and benefits, therefore the compensation of the revenue is made with the expenses with the clubs (Note 43.2).

The Company regularly performs transactions and signs contracts with several parties within the NOS Group. Such transactions were performed on normal market terms for similar transactions, as part of the contracting companies' current activity.

Due to the large number of low value related parties' balances and transactions, it was grouped in the heading "Other related parties" the balances and transactions with entities whose amounts are less than 100 thousand euros.

45.Legal actions and contingent assets and liabilities

45.1. Legal actions with regulators and Competition Authority (AdC)

i. NOS SA, NOS Açores and NOS Madeira have been judicially challenging ANACOM's acts of assessment of the Annual Activity Fee (corresponding to the years 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022 and 2023) as an Electronic Communications Services Network Provider, requesting the refund of the amounts paid within the scope of the execution of said acts of assessment. For 2020, 2021, 2022 and 2023, NOS Wholesale also challenged the assessment of the Activity Fee in court.

   The settlement amounts are, respectively, as follows:

   a) NOS SA: 2009: 1,861 thousand euros, 2010: 3,808 thousand euros, 2011: 6,049 thousand euros, 2012: 6,283 thousand euros, 2013: 7,270 thousand euros, 2014: 7,426 thousand euros, 2015: 7,253 thousand euros, 2016: 8,242 thousand euros, 2017: 9,099 thousand euros, 2018: 10,303 thousand euros, 2019: 10,169 thousand euros; 2020: 10,184 thousand euros, 2021: 9,653 thousand euros, 2022: 9,850 thousand euros and 2023: 10,486 thousand euros.

   b) NOS Açores: 2009: 29 thousand euros, 2010: 60 thousand euros, 2011: 95 thousand euros, 2012: 95 thousand euros, 2013: 104 thousand euros, 2014: 107 thousand euros, 2015: 98 thousand euros, 2016: 105 thousand euros, 2017: 104 thousand euros, 2018: 111 thousand euros, 2019: 107 thousand euros, 2020: 120 thousand euros, 2021: 123 thousand euros, 2022: 123 thousand euros and 2023: 120 thousand euros.

   c) NOS Madeira: 2009: 40 thousand euros, 2010: 83 thousand euros, 2011: 130 thousand euros, 2012: 132 thousand euros, 2013: 149 thousand euros, 2014:165 thousand euros, 2015: 161 thousand euros, 2016: 177 thousand euros, 2017: 187 thousand euros, 2018: 205 thousand euros, 2019: 195 thousand euros, 2020: 202 thousand euros, 2021: 223 thousand euros, 2022: 235 thousand euros and 2023: 247 thousand euros.

   d) NOS Wholesale: 2020: 36 thousand euros, 2021: 110 thousand euros, 2022: 90 thousand euros and 2023: 106 thousand euros.

   This fee is a percentage decided annually by ANACOM (in 2009 it was 0.5826%) of operators' electronic communications revenues. The appeals invoke: i) unconstitutionality and illegality, related to the inclusion in the cost accounting of ANACOM of the provisions made by the latter, due to judicial proceedings against the latter (including these appeals of the activity rate) and ii) that only revenues from the electronic communications business per se, subject to regulation by ANACOM, should be considered for the purposes of the application of the percentage and the calculation of the fee payable, and that revenues from television content should be excluded. Judgments have been handed down in more than three dozen cases on the matter, which ANACOM has appealed to the Central Administrative Court, Supreme Administrative Court and/or the Constitutional Court, pending the outcome of the cases. Between 2023 and the first quarter of 2024, the Constitutional Court ruled, in more than two dozen separate cases, that have become final and unappealable, that Ordinance 1473-B/2008, of December 17, which regulates the determination of fees due for the exercise of the activity of provider of electronic communications networks and services, is unconstitutional, and ordered ANACOM to refund the amount unduly charged. As at 30 September 2024, NOS recognized accumulated income of 72 million euros (2023: 38.5 million euros and 2024: 33.4 million euros), resulting from the favorable decisions in the Constitutional Court, having already received the full amount (Note 39). The other cases are awaiting judgement and/or decision, with some cases in which ANACOM is raising the issue of NOS' right to interest.

ii. During the first quarter of 2017, NOS was notified by ANACOM of the initiation of an infraction process related to communications of prices update at the end of 2016, beginning of 2017. In the end of the last trimester of 2020, ANACOM notified NOS of the accusation, with the practice of 4 very severe offences and 1 severe offence related, respectively, with i) the non-communication to customers of the right to rescind the contract with no charges, as a result of prices changes, with (ii and iii) the supposed non-communication of pricing update and with (iv) the adequate advance and, yet, (v) the lack of information to be communicated to ANACOM. However, ANACOM did not present any value for a fine, except in relation to the with severe offence. In this case, ANACOM gave NOS the possibility to settle the fine by the minimum, in the amount of 13 thousand euros, which NOS did. NOS presented its written defense on 29 January 2021.

NOS was notified, in November 2022, of ANACOM's decision that condemned NOS to pay a fine of 5.2 million euros. NOS has challenged the decision in court, and, in June 2023, the court reduced the amount of the fine imposed on NOS to €4.2 million. NOS appealed this decision to the Court of Appeal, which reduced the fine to 3.5 million euros. In May 2024, NOS appealed this ruling to the Constitutional Court, pending further developments in the case.

iii. On 17 July 2020, NOS was notified by the Portuguese Competition Authority (AdC) of an illegality note (accusation) related to digital marketing without a google search engine, which accuses the operators MEO, NOS, NOWO and Vodafone of concertation, for a period ranging from between 2010 and 2018, failing to identify a concrete fine. It is not possible, at this moment, to estimate the value of an eventual fine. NOS presented its written defense to the Portuguese Competition Authority (AdC) and an appeal to the Lisbon Court of Appeal, where it challenged the nullity of the obtained evidence. NOS then asked the AdC to delete the seized emails, which the AdC refused on the grounds of an appeal. In July 2023, the Supreme Court of Justice rejected the appeal filed by the AdC and, in the same month, the NOS informed the Competition, Regulation and Supervision Court of this decision. NOS opposed the conclusion of supervening uselessness, but the Court came to the same conclusion and NOS appealed the decision. In January 2024, NOS was notified by the AdC that the emails affected by the declaration of prohibition of evidence had already been expunged from the case file and, in February 2024, NOS asked for other documentary elements to be expunged from the case file, and, to date, no decision has yet been handed down on this matter. It is the Board of Directors' conviction, taking into account the elements it knows, that it will be able to demonstrate the various arguments in favor of its defense.

iv. On 15 December 2021, NOS was notified by the Portuguese Competition Authority (AdC) of an illegality note (accusation) related to advertising service practices in automatic recordings, which accuses NOS, other operators and a consultant of concertation behavior in the television recordings advertising market. NOS presented its written defense and subsequently challenged the nullity of the taking of evidence. As of decision take in August 2023, a set of evidence that had been seized was eliminated, which led to the declaration of the supervening uselessness of the case as regards the request for annulment of emails submitted by NOS. In January 2024, NOS was notified by the AdC that the emails affected by the declaration of prohibition of evidence had already been expunged from the case file. In June 2024, NOS was notified by the AdC of the final decision regarding the elements that make up the case, a decision that resumes the investigation phase of the case and which included a request to NOS for new elements. It is the Board of Directors' conviction, taking into account the elements it knows, that it will be able to demonstrate the various arguments in favor of its defense.

45.2. Tax authorities

During the course of the 2003 to 2024 financial years, some companies of the NOS Group were the subject of tax inspections for the 2001 to 2021 financial years. Following these inspections, NOS SGPS, as the controlling company of the Tax Group, and companies not covered by Tax Group, were notified of the corrections made to the Group's tax losses, to VAT and stamp tax and to make the payments related to the corrections made to the above exercises. The total amount of the notifications unpaid is about 39 million euros, added interest, and charges. These settlement notes, which totally were contested, are the respective lawsuits in progress.

Based on the advice obtained from the process representatives and tax consultants, the Board of Directors maintains the belief in a favorable outcome, which is why these proceedings are maintained in court. However, in accordance with the principle of prudence, an assessment of the group's level of exposure to these proceedings is made periodically, in the light of the evolution of case law, and consequently the provisions recorded for this purpose are adjusted. The Group provided the guarantees demanded by the Tax Authorities, related to these processes, according reference in Note 43.

45.3. Actions by MEO against NOS SA, NOS Madeira and NOS Açores and by NOS SA against MEO

In 2011, MEO brought against NOS SA, in the Judicial Court of Lisbon, a claim for the compensation of 10.3 million of Euros, as compensation for alleged unauthorized portability of NOS SA in the period between March 2009 and July 2011. NOS SA contested, and the Court ordered an expert opinion, meanwhile, deemed without effect. The discussion and trial hearing took place in the first quarter of 2016, being the rendered in September of the same year, which considered the action to be partially justified, based not on the occurrence of improper portability, which the Court has determined to restrict itself to those which do not correspond to the will of the proprietor. In that regard, it sentenced NOS to the payment of approximately 5.3 million euros to MEO, a decision of which NOS appealed to the Lisbon Court of Appeal. MEO, on the other hand, was satisfied with the decision and did not appeal against the part of the sentence that acquitted NOS. This Court, in the first quarter of 2018, upheld the decision of the Court of First Instance, except for interests, in which it gave reason to the claims of NOS, in the sense that interests should be counted from the citation to the action and not from the due date of the invoices. NOS filed an extraordinary appeal with the Supreme Court of Justice (SCJ), that appeal which found that the facts established were insufficient to resolve on the substance of the case. Consequently, the SCJ ordered that the court under appeal should amplify the facts. The case was transferred to the Court of First Instance and in November 2019, this, granted the parties the possibility of requesting the production of supplementary evidence on the subject of the extension, with NOS requesting an expert examination and the repetition of testimonial evidence. In February 2020, the Court determined the need to obtain new evidence, which requires the analysis of the information relating to all portabilities that serve as the basis for the process, determining the carrying out of expert evidence for that purpose. The appointment of the expert occurred on October 2021. In December 2022, the expert asked to be relieved of his duties because he felt that the qualified non-judicial verification was unfeasible in view of the volume of documentation to be analyzed, having the court determined in April 2023, that, in view of the expert's request, the trial should be limited to the submission of written pleadings. The parties submitted their written pleadings in June and NOS, in addition, filed an autonomous appeal against that order, on the grounds that the court's decision violated the STJ judgment. In July 2023, even though no additional evidence had been produced as determined by the STJ, the Court handed down a new decision ordering NOS to pay 5.3 million euros. In October 2023, NOS appealed this decision to the Lisbon Court of Appeal and, in April 2024, this Court revoked the lower court's order and ordered the examination of the witnesses on the matter of fact added following the judgement handed down by the Supreme Court of Justice in March 2019.

In 2011, NOS SA brought a claim against MEO in the Lisbon Judicial Court for compensation for damages suffered by NOS SA as a result of MEO's violation of the Portability Regulation, specifically the large number of unjustified refusals of portability requests by MEO between February 2008 and February 2011. The court ordered technical and economic-financial expert evidence to be carried out, and the expert reports were finalized in February 2016 and June 2018, respectively. MEO argued that the economic and financial expert report was invalid, which was rejected. After the trial, in May 2022, the court ruled partially in favour of NOS, condemning MEO to pay 7.9 million euros, a decision challenged by MEO and NOS through appeals in October 2022. At the end of March 2023, the Lisbon Court of Appeal overturned the initial decision and ordered that the facts of the case be expanded, which will require new trial sessions. This decision also recognized that the other issues raised by both NOS and MEO should not be examined as they were considered to be prejudiced. Following the judgement of the Lisbon Court of Appeal, MEO appealed to the Supreme Court of Justice regarding the request to waive (or reduce) the remaining court fee. The Supreme Court of Justice confirmed the judgement of the Lisbon Court of Appeal, which had rejected MEO's request, taking into account its conduct. Recently, the Court notified the Parties that, due to the impediment of the Judge in charge of the case, it is expected that the judgement hearing will only take place in 2025. It is the opinion of the Board of Directors, corroborated by the lawyers accompanying the case, that in formal and substantive terms there is a good chance that NOS SA will be able to win the case, not least because MEO has already been condemned for the same offences by ANACOM.

45.4. Action brought by DECO

In March 2018, NOS was notified of a legal action brought by DECO against NOS, MEO and NOWO, seeking a declaration that the obligation to pay the price increases imposed on customers at the end of 2016 was null and void. In April and May 2018, the operators, including NOS, filed a defence. The claim was set at €60,000. After the discussion and trial sessions were held in 2022, NOS filed an appeal against the court decision that dispensed with the production of testimonial evidence, which was upheld by the Lisbon Court of Appeal. Trial sessions were held in June and September 2024, and the deadline for submitting final arguments is currently running. The Board of Directors is convinced that the arguments used by the plaintiff are unfounded, which is why it is believed that the outcome of the case should not have a significant impact on the Group's financial statements.

45.5. Action brought by Citizens Voice

In November 2022, NOS was served with a lawsuit filed by Citizens Voice - Consumer Advocacy Association ("Citizens Voice"), where a set of requests related to the automatic activation of pre-defined volumes of mobile data, once the data volume included in the monthly fee contracted by customers has been exhausted. Citizens Voice requests more specifically (i) the judicial declaration of the illegality of this practice for understanding that violates a set of national and European rules, (ii) the recognition of the right of customers to refuse to contract these services, (iii) the return of amounts paid on this basis over the past years by NOS customers, as well as (iv) the payment of compensation in the amount of 100 euros to each customer for alleged moral damages resulting from that practice. In December 2022 NOS presented its response invoking the illegitimacy of Citizens Voice to present the action, namely by the existence of a profit interest, and furthermore defending the lawfulness of the practice and its total transparency and clarity for the respective customers. The Board of Directors is convinced that the arguments used by the plaintiff are unfounded, reason why it is believed that the outcome of the process will not result in significant impacts for the

Group's financial statements. A preliminary hearing has been scheduled for October 2024. The Board of Directors is convinced that the arguments used by the plaintiff are not well-founded, which is why it believes that the outcome of the case should not have a significant impact on the Group's financial statements.

45.6. Interconnection tariffs

As at 30 June 2024, there were outstanding balances with national operators, recorded under customers and suppliers, in the amount of 37,139,253 euros and 43,475,093 euros, respectively, resulting from a dispute between NOS SA and, essentially, MEO - Serviços de Comunicações e Multimédia, S.A. (formerly TMN-Telecomunicações Móveis Nacionais, S.A.), relating to the undefined interconnection prices for 2001. In the part of this dispute with MEO that was before the courts, the outcome was entirely favourable to NOS SA and has become final. In March 2021, MEO filed a new lawsuit against NOS, claiming that the price of interconnection services between TMN and Optimus for 2001 should be set at 55$00 (€0.2743) per minute. After NOS filed a defence challenging MEO's claim, by court decision NOS was acquitted. MEO appealed this decision to the Court of Appeal, the Supreme Court of Justice and, later, the Constitutional Court. In May 2024, in a complaint to the conference, the latter was rejected and the decision not to admit MEO's appeal was confirmed. As the process was concluded, in the half-year ended 30 June 2024, NOS derecognised these outstanding balances, giving rise to a gain recognised under Other non-recurring costs / (gains), net (Note 39).

46. Share incentive scheme

On 23 April 2014, the General Meeting approved the Regulation on Short and Medium-Term Variable Remuneration, which establishes the terms of the Share Incentive Scheme ("NOS Plan"). This plan aimed at more senior employees with the vesting taking place three years being awarded, assuming that the employee is still with the company during that period.

On 30 September 2024, the unvested plans are:

	Number of shares
Plan NOS	
Plan 2022	1,242,619
Plan 2023	1,112,875
Plan 2024	1,257,476

During the nine-month period ended on 30 September 2024, the movements that occurred in the plans are detailed as follows:

	NOS Plan 2021	NOS Plan 2022	NOS Plan 2023	NOS Plan 2024	Total
Balance as at 31 December 2023	**1,426,069**	**1,164,196**	**1,038,600**	**-**	**3,628,865**
Movements in the period:					
Awarded	-	-	-	1,167,302	1,167,302
Vested	(1,059,516)	(7,976)	(3,536)	(1,175)	(1,072,203)
Cancelled/Elapsed/Corrected (1)	(366,553)	86,399	77,811	91,349	(110,994)
Balance as at 30 September 2024	**-**	**1,242,619**	**1,112,875**	**1,257,476**	**3,612,970**

(1) Refers mainly to correction made for dividends paid, exit of employees not entitled to the vesting of shares and other adjustments resulting from the way the shares are vested.

The share plans costs are recognized over the year between the awarding and vesting date of those shares. The responsibility is calculated taking into consideration the share price at award date of each plan, for plans settled in shares, or at the closing date, for plans settled in cash. The responsibility is recorded in Reserves and Accrued Expenses, respectively.

As of 30 September 2024, the outstanding responsibility related to these plans is 6,333 thousand euros and is recorded in Reserves.

The costs recognized in previous years and in the nine-month period ended on 30 September 2024, and its liabilities are as follows:

	Total
Costs recognized in previous years related to plans as at 31 December 2023	7,099
Costs of plans vested in the period	(3,277)
Cost of plans paid in cash	(1,180)
Costs incured in the period and others	3,691
Total cost of the plans	**6,333**

47. Other matters

47.1. Preventive seizure of 26.075% of the share capital of NOS SGPS, S.A.

On 4 April 2020, SONAECOM, SGPS, SA, holder of 50% of the capital of ZOPT, SGPS, SA (hereinafter "ZOPT"), was informed by this company of the communication received from the Central Criminal Investigation Court of Lisbon (hereinafter Tribunal) to proceed to the preventive seizure of 26.075% of the share capital of NOS, SGPS, SA, corresponding to half of the shareholding in NOS held by ZOPT and, indirectly, by the companies Unitel International Holdings, BV and Kento Holding Limited ", controlled by Eng.ª Isabel dos Santos.

Under the terms of the aforementioned decision, the foreclosed shares are deprived of the exercise of voting rights and the right to receive dividends, the latter of which must be deposited with Caixa Geral de Depósitos, S.A. at the court's discretion.

The other half of ZOPT's participation in NOS share capital, corresponding to an identical percentage of 26.075% - and which, at least in line with the criterion used by the Court, embodies the 50% held in ZOPT by SONAECOM - was not subject to seizure, nor the rights attached to it were subject to any limitation.

On 12 June 2020, ZOPT was authorized by the Lisbon Central Criminal Investigation Court to exercise the voting right corresponding to the 26.075% of NOS share capital preventively seized under the aforementioned Court order.

Following the communication of April 4, 2020, ZOPT filed third-party claims, which, in June 2020, were rejected by the investigating judge on the grounds that the Portuguese courts had no jurisdiction to hear and decide them, a decision that, having been appealed by ZOPT, was revoked by the Lisbon Court of Appeal, in February 2021.

In November 2021, the Investigating Judge, aware of the cause's merit, dismissed the third-party embargoes presented by ZOPT, a decision that, according to ZOPT, was appealed to the Court of Appeal. After being admitted in February 2022, in June 2022, ZOPT was notified of the decision dismissing the appeal. Further developments are awaited. The Board of Directors of NOS is not aware of any developments in this process.

In September 2022, Sonaecom informed that in a meeting of the General Meeting of ZOPT it was decided to proceed with the amortization of Sonaecom's stake in that company and the refund of the additional payments made by Sonaecom, for a consideration that includes the delivery of shares representing 26.075% of the capital of NOS. As a result of this repayment, which was subject to the applicable legal procedures, Sonaecom is no longer a shareholder of ZOPT, which is now wholly owned by Unitel International Holdings, BV and Kento Holding Limited, companies controlled by Isabel do Santos. In December 2022, Sonaecom, upon completion of the legal procedures, informed that it now directly holds 134,322,269 ordinary shares of NOS, corresponding to 26.07% of its share capital.

Additionally, also informed that such participation is also attributable to the entities with which it is in a control relationship, namely, SONTEL, BV, Sonae Investments, BV, SONAE, SGPS, S.A. and EFANOR INVESTIMENTOS, SGPS, S.A..

The Board of Directors of NOS is not aware of any developments in the above mentioned preventive seizure process.

To date, Sonaecom holds 192,527,188 ordinary shares corresponding to 37.37% of NOS' share capital.

48.Subsequent events

As of the date of approval of this document, there have been no other relevant subsequent events that merit disclosure in this report.

These financial statements are a translation of financial statements originally issued in Portuguese in accordance with International Financial Reporting Standards (IAS / IFRS) as adopted by the European Union and the format and disclosures required by those Standards, some of which may not conform to or be required by generally accepted accounting principles in other countries. In the event of discrepancies, the Portuguese language version prevails.

49.Annexes

A. Companies included in the consolidation by the full consolidation method

Company	Headquarter	Main activity	Shareholder	Percentage of ownership Effective 30-09-2023	Direct 30-09-2024	Effective 30-09-2024
NOS, SGPS, S.A. (Holding)	Lisbon	Management of investments	-	-	-	-
Fundo de Capital de Risco N5G (a)	Lisbon	Invest and support the development of companies that aim to commercialize technologies and products that result from scientific and technological research	NOS	100%	100%	100%
Empracine - Empresa Promotora de Atividades Cinematográficas, Lda.	Lisbon	Movies exhibition	Lusomundo SII	100%	100%	100%
Lusomundo - Sociedade de investimentos imobiliários SGPS, SA	Lisbon	Management of Real Estate	NOS	100%	100%	100%
Lusomundo Imobiliária 2, S.A.	Lisbon	Management of Real Estate	Lusomundo SII	100%	100%	100%
Lusomundo Moçambique, Lda. (b)	Maputo	Movies exhibition and commercialization of other public events	NOS + NOS Cinemas	100%	100%	100%
NOS Sistemas, S.A.	Lisbon	Rendering of consulting services in the area of information systems	NOS Comunicações	100%	100%	100%
NOS Sistemas España, S.L.	Madrid	Rendering of consulting services in the area of information systems	NOS Comunicações	100%	100%	100%
NOS Açores Comunicações, S.A.	Ponta Delgada	Distribution of television by cable and satellite and operation of telecommunications services in the Azores area	NOS Comunicações	84%	84%	84%
NOS Audiovisuais, SGPS, S.A.	Lisbon	Management of investments participations in other companies as an indirect form of economic activity	NOS	100%	100%	100%
NOS Property, S.A.	Lisbon	Management of investments participations in other companies as an indirect form of economic activity	NOS	100%	100%	100%
NOS Comunicações, S.A.	Lisbon	Implementation, operation, exploitation and offer of networks and rendering services of electronic comunications and related resources; offer and commercialisation of products and equipments of electronic communications	NOS	100%	100%	100%
NOS Corporate Center, S.A.	Lisbon	Service rendered of business support and management and administration consultancy services, including accounting, logistics, administrative, financial, tax, human resources services and any other services that are subsequent or related to previous activities	NOS	100%	100%	100%
NOS Inovação, S.A.	Matosinhos	Achievement and promotion of scientific activities and research and development as well as the demonstration, dissemination, technology transfer and formation in the fields of services and information systems and fixed solutions and last generation mobile, television, internet, voice and data, and licensing and engineering services and consultancy	NOS	100%	100%	100%
NOS Internacional, SGPS, S.A.	Lisbon	Management of investments participations in other companies as an indirect form of economic activity	NOS	100%	100%	100%
NOS Lusomundo Audiovisuais, S.A.	Lisbon	Import, distribution, commercialization and production of audiovisual products	NOS Audiovisuais SGPS	100%	100%	100%
NOS Lusomundo Cinemas , S.A.	Lisbon	Movies exhibition and commercialization of other public events	NOS	100%	100%	100%
NOS Audio - Sales and Distribution, S.A.	Lisbon	Movies distribution, editing, distribution, commercialization and production of audiovisual products	NOS + NOS Audiovisuais	100%	100%	100%
NOS Madeira Comunicações, S.A.	Funchal	Distribution of television by cable and satellite and operation of telecommunications services in the Madeira area	NOS Comunicações	78%	78%	78%
NOS Mediação de Seguros, S.A.	Lisbon	Insurance distribution and related activities	NOS	100%	100%	100%
NOS TECHNOLOGY – Concepção, Construção e Gestão de Redes de Comunicações, S.A. ('Artis')	Matosinhos	Design, construction, management and exploitation of electronic communications networks and their equipment and infrastructure, management of technologic assets and rendering of related services	NOS Comunicações	100%	100%	100%
NOS Wholesale, S.A.	Lisbon	Trade, service rendered and exploitation of wholesale offerings of national and international electronic communications services and related services, namely information and communication technology services	NOS	0%	100%	100%
Per-Mar – Sociedade de Construções, S.A. ('Per-Mar')	Lisbon	Purchase, sale, renting and operation of property and commercial establishments	NOS Comunicações	100%	100%	100%
Sontária - Empreendimentos Imobiliários, S.A. ('Sontária')	Lisbon	Realisation of urbanisation and building construction, planning, urban management, studies, construction and property management, buy and sale of properties and resale of purchased for that purpose	NOS Comunicações	100%	100%	100%
Teliz Holding, S.A.	Lisbon	Management of group financing activities	NOS	100%	100%	100%
Ten Twenty One, S.A (c)	Lisbon	Provision of engineering and consulting services in the area of information technology, communications and electronics	NOS	-	100%	100%

(a) NOS SGPS: 27,50%; NOS Sistemas: 20,00%; NOS Internacional SGPS: 20,00%; NOS Audiovisuais SGPS: 22,50%; NOS Cinemas: 10,00%
(b) NOS SGPS: 90%; NOS Lusomundo Cinemas: 10%
(c) Company established in February 2023

B. Associated companies

Company	Headquarter	Main activity	Shareholder	Percentage of ownership		
				Effective 30-09-2023	Direct 30-09-2024	Effective 30-09-2024
Big Picture 2 Films, S.A. (a)	Oeiras	Import, distribution, exploitation, trade and production of cinematographic films, videograms, phonograms and other audiovisual products	NOS Audiovisuais	-	-	-
Big Picture Films, S.L. (a)	Madrid	Film sales and distribution	Big Picture 2 Films, S.A.	-	-	-
Sport TV Portugal, S.A.	Lisbon	Conception, production, realization and commercialization of sports programs for telebroadcasting, purchase and resale of the rights to broadcast sports programs for television and provision of publicity services	NOS	25%	25%	25%
DAREDATA (b)	Lisboa	Provision of consulting services, development, monitoring, maintenance, and training of systems in the field of information technology, software applications, internet and electronics, as well as complementary products or services. Audit, consulting, and training in technological and business management areas and associated fields, along with complementary products or services; representation of brands and organization of events; management and promotion of real estate assets and income from owned properties and on behalf of others	Fundo NOS 5G	0.00%	20.00%	20.00%

(a) Company disposed in June 2023.
(b) Acquisition by the NOS 5G Fund of 20 per cent of the share capital of DareData for 2 million euros. This investment is recognised at fair value.

C. Jointly controlled companies

Company	Headquarter	Main activity	Shareholder	Percentage of ownership		
				Effective 30-09-2023	Direct 30-09-2024	Effective 30-09-2024
Dreamia Servicios de Televisión, S.L. (a)	Madrid	Management of investments	NOS Audiovisuais	50.00%	50.00%	50.00%
Dreamia - Serviços de Televisão, S.A.	Lisbon	Conception, production, realization and commercialization of audiovisual contents and provision of publicity services	Dreamia SL	50.00%	100.00%	50.00%
FINSTAR - Sociedade de Investimentos e Participações, S.A.	Luanda	Distribution of television by satellite, operation of telecommunications services	Teliz Holding S.A.	30.00%	30.00%	30.00%
Upstar Comunicações S.A.	Vendas Novas	Electronic communications services provider, production, commercialization, broadcasting and distribution of audiovisual contents	NOS	30.00%	30.00%	30.00%
ZAP Media S.A.	Luanda	Projects development and activities in the areas of entertainment, telecommunications and related technologies, the production and distribution of the contents and the design, implementation and operation of infrastructure and related facilities	FINSTAR	30.00%	100.00%	30.00%
MSTAR, SA (a)	Maputo	Satellite television signal distribution, operation and provision of telecommunications services	NOS + NOS Comunicações	30.00%	30.00%	30.00%
Dualgrid - Gestão de Redes Partilhas, S.A.	Lisbon	Rendering of technical, administrative and financial consultancy services to telecommunications companies, planning and management of telecommunications networks and any other activities that are complementary, subsidiary or accessory to those referred to in the previous numbers	NOS Comunicações	50.00%	50.00%	50.00%
BrightCity S.A.	Maia	Creation and development of technologies to improve electrical, lighting, communications, information systems management or other infrastructures; trade and provision of services for the better management of available resources with an environmental, economic and social impact, including, but not limited to, the supply, installation and maintenance of electrical equipment and electricity distribution networks, the assembly, installation and maintenance of lighting and signaling systems and equipment, the optimized management of parking spaces and road traffic, the management of water consumption, the supply, installation and management of communications networks, data processing, technical support, maintenance and other information technology services, as well as any other ancillary or complementary activities.	NOS Comunicações	50.00%	50.00%	50.00%

(a) NOS SGPS: 29,40%; NOS Comunicações: 0,60%.

Financial investments whose participation is less than 50% were considered as joint arrangements due to shareholder agreements that confer joint control.

D. Companies in which NOS does not have significant influence

Company	Headquarter	Main activity	Shareholder	Percentage of ownership Effective 30-06-2023	Direct 30-06-2024	Effective 30-06-2024
Associação Laboratório Colaborativo em Transformação Digital - DTX	Guimarães	Research applied to different areas associated with digital transformation to encourage cooperation between R&D units, educational institutions and the productive sector	NOS Inovação	4.92%	4.92%	4.92%
CEiiA (a)	Matosinhos	Develops, implements and operates innovative products and systems, together with its partners, for mobility industries such as aeronautics, automobiles, oceans and space.	NOS	0.00%	16.20%	16.20%
Didimo Inc. (b)	Dover	DIDIMO has developed a platform that allows the generation, in about 60 seconds, of 3D digital avatars based on photographs.	Fundo NOS 5G	0.00%	0.00%	0.00%
Didimo SA (b)	Porto	DIDIMO has developed a platform that allows the generation, in about 60 seconds, of 3D digital avatars based on photographs.	Fundo NOS 5G	0.00%	0.00%	0.00%
Fundo TechTransfer	Lisbon	Invest and support the development of companies that aim to commercialize technologies and products that result from scientific and technological research	NOS Inovação	3.90%	3.90%	3.90%
Lusitânia Vida - Companhia de Seguros, S.A ("Lusitânia Vida")	Lisbon	Insurance services	NOS	0.03%	0.03%	0.03%
Lusitânia - Companhia de Seguros, S.A ("Lusitânia Seguros")	Lisbon	Insurance services	NOS	0.02%	0.02%	0.02%
Mindprober	Braga	The company aims to measure the emotional impact that multimedia content has on consumers, through wearables that monitor biometric data such as sweat or heartbeat acceleration.	Fundo NOS 5G	2.09%	2.09%	2.09%
RK. AI - Serviços de Processamento de Imagens e Análise de Dados, S.A. (Reckon.ai)	Porto	Activities related to information and computer technologies, images and data processing and analysis, hosting and related activities and IT consulting	Fundo NOS 5G	11.76%	11.76%	11.76%
Seems Possible, Lda. (Knock Healthcare) (c)	Porto	Data processing activities, information domiciliation and related activities, namely in the health area.	Fundo NOS 5G	0.00%	0.00%	0.00%
SkillAugment, Lda (KIT-AR) (c)	Aveiro	Conception, design, methodology development, programming, editing, testing, support and maintenance of software, online web platforms and virtual and augmented reality systems, with machine learning and artificial intelligence capabilities, in industrial and business environments.	Fundo NOS 5G + Fundo TechTransfer	0.00%	0.00%	0.00%
Colab4Ageing (d)	Coimbra	Promotion and exercise of initiatives and advanced training activities oriented towards the area of aging, promoting new collaborative forms between public and private sectors that simultaneously enhance the creation of value and qualified employment, as well as the pursuit of research and development activities aimed at innovation and the transfer of knowledge and technologies to accelerate the transformation of the Portuguese healthcare system in the area of aging.	NOS Comunicações	0.00%	11.97%	11.97%

(a) NOS SGPS subscribed to 150 units of CEiiA - Centro de Engenharia e Desenvolvimento, giving it a 16.2% stake.
(c) The NOS 5G Fund only holds 1 share in each entity, representing 0.0% of the capital.
(c) The investment in the entity was in convertible debt, so the interest is 0%.
(d) NOS Comunicações subscribed to 42.5 units of Colab4Ageing Association at a unit value of €100, totaling a payment of €4,250 and giving it a 12% stake.

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LIMITED REVIEW REPORT ON CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(This report is a free translation to English from the original Portuguese version. In case of doubt or misinterpretation the Portuguese version will prevail.)

Introduction

We have performed a limited review of the accompanying condensed consolidated financial statements of **NOS, SGPS, S.A.** (the Group), which comprise the condensed consolidated statement of financial position as of 30 September 2024 (that presents a total of 3,343,264 thousand Euro and total equity attributable to the shareholders of 1,004,613 thousand Euro, including a consolidated net profit attributable to the shareholders of 201,111 thousand Euro), the condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the nine-month period then ended, and notes to these condensed consolidated financial statements.

Management's responsibilities

Management is responsible for the preparation of this condensed consolidated financial statements in accordance with IAS 34 – Interim Financial Reporting as adopted by the European Union, and for the implementation and maintenance of an appropriate internal control system to enable the preparation of condensed consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibilities

Our responsibility is to express a conclusion on the accompanying condensed consolidated financial statements. Our work was performed in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" and further technical and ethical standards and guidelines issued by the Portuguese Institute of Statutory Auditors ("Ordem dos Revisores Oficiais de Contas"). These standards require that we conduct the review in order to conclude whether anything has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared in all material respects in accordance with the IAS 34 – Interim Financial Reporting as adopted by the European Union.

A limited review of condensed consolidated financial statements is a limited assurance engagement. The procedures that we have performed consist mainly of making inquiries and applying analytical procedures and subsequent assessment of the evidence obtained. The procedures performed in a limited review are substantially less that those performed in an audit conducted in accordance with International Standards on Auditing (ISA). Accordingly, we do not express an audit opinion on these condensed consolidated financial statements.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated financial statements of **NOS, SGPS, S.A.** on 30 September 2024, are not prepared, in all material respects, in accordance with the IAS 34 – Interim Financial Reporting as adopted by the European Union.

Other matters

The consolidated financial statements for the year ended 31 December 2023 and the nine-month period ended 30 September 2023, which are presented for comparative purposes, have been audited and reviewed by another statutory auditor, who issued a Statutory and Auditors' Report, dated 5 March 2024 for the financial year 2023 and a Limited review report dated 2 November 2023 for the nine-month period ended 30 September 2023. Our acceptance as Statutory Auditors to perform the audit for the financial year commencing 1 January 2024 occurred on 12 April 2024.

30 October 2024

SIGNED ON THE ORIGINAL

KPMG & Associados
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