



EARNINGS
ANNOUNCEMENT

4Q24

Lisbon, 26 February 2025

Letter from Miguel Almeida, CEO

Reflecting on a Decade of Growth and a Year of Record Achievement

In 2024, we marked the 10th anniversary of NOS—a decade of transformation, innovation, and leadership in Portugal's communications, technology, and entertainment sectors. This milestone is not just a celebration of time passed but a reflection of the extraordinary journey we have undertaken together.

2024 was a record-breaking year in many ways. We reinforced our leadership in 5G, achieving the largest coverage, highest quality, and fastest deployment of any operator in Portugal—achievements independently recognized at both national and European levels. We accelerated the expansion of our FTTH coverage, providing 5.7 million households with cutting-edge connectivity. Our digital transformation programs advanced rapidly, enhancing customer interfaces and transactional platforms to improve interactions and deliver a more seamless and personalized experience. And, driven by our commitment to technological leadership, customer experience, and operational excellence, we increased our market share to nearly 32%¹, achieving our strongest year ever in revenue growth, profitability, and cash generation.

Looking Ahead: A New Cycle of Innovation and Leadership

Our ambition remains clear: to reinforce our leadership in the consumer segment by delivering a differentiated value proposition built on technological superiority and fostering strong, trusted relationships with our customers. At the same time, we are driving disruptive growth in the Business segment, positioning NOS as the preferred partner for digital transformation. In line with this strategy, we took a major step toward leadership with the announcement of our acquisition² of Claranet Portugal in January 2025.

A key enabler of our future growth will be the large-scale deployment of AI and advanced digital solutions across all areas of our business. By embedding AI-driven capabilities into every function, we aim to maximize business potential, drive operational efficiency, and establish NOS as a fully AI-enabled organization, ready to meet the demands of an increasingly digital world.

Finally, financial discipline and capital optimization remain at the core of our strategy. By ensuring operational efficiency and maximizing returns, we reinforce our market position while securing the financial sustainability needed to continue investing in the future and creating long-term value for our shareholders, all our stakeholders, and the country.

¹ According to the latest official data

² The conclusion of this agreement is subject to the non-opposition of the Competition Authority.

Highlights of 2024 results

- Strategic execution driving operational success, with 337.9k RGUs net additions in 2024. Strong growth fueled by the most modern and advanced infrastructure among national operators, recognized for having Europe's best mobile network and Portugal's fastest 5G. Additionally, continued FTTH network expansion increased coverage by 8.2 percentage points to 82.5%, alongside ongoing enhancements in customer experience;
- Operational and financial success reflected in a 0.4 percentage point increase in telecommunications revenue market share to 31.5%, according to the latest official data;
- Consolidated revenues grew by 6.2% to 1,696.3 million euros, driven by the resilience of the Consumer segment, up 4.6% to 1,140.5 million euros, and the strong growth of the Business segment, up 9.6% to 375.8 million euros;
- EBITDA increased to 767.6 million euros, up 7.1% vs. 2023, with 0.4 percentage points margin expansion to 45.3%;
- Net income attributable to NOS holders excluding extraordinary non-recurring effects increased to 187.0 million euros, up 21.4% vs 2023
- CAPEX followed a downward trend, decreasing by 3.9% to 372.7 million euros. Operational cash flow generation improved, with EBITDA AL - CAPEX rising by 26.3% to 272.2 million euros;
- Underlying FCF³ grew by 117.4 million euros, with total FCF reaching 359.9 million euros, an increase of 229.4 million euros vs. 2023;
- Proposal for an ordinary dividend per share of 35.0 euro cents, representing an ordinary dividend yield of 9.0%, and an extraordinary dividend of 5.0 euro cents, reaffirming our commitment to an attractive and sustainable shareholder remuneration while maintaining a robust capital structure below our strategic financing target of approximately 2x;

Highlights of 4Q 2024 results

- Robust growth of 7.2% in the Telecommunications business and strong results in the Cinema & Audiovisual business, up 21.6% yoy, fueled an 8.1% increase in consolidated revenues to 448.0 million euros.
- EBITDA margin expanded by 1.3 percentage points to 40.7%, supported by strong operational performance and continuous cost management and optimization efforts.
- Underlying FCF grew to 27.5 million euros, driven by the structural growth of EBITDA AL - CAPEX, which increased by 17.0 million euros to 56.8 million euros.

³ FCF excluding amounts relating to towers sale and non-recurring extraordinary effects relating to activity fees

Consolidated Financial Statements

The 2024 Consolidated Financial Statements were audited.

Table 1.

Profit and Loss Statement (Millions of Euros)	4Q23	4Q24	4Q24 / 4Q23	FY23	FY24	FY24 / FY23
Operating Revenues	414.3	448.0	8.1%	1,597.5	1,696.3	6.2%
Telco	401.2	430.2	7.2%	1,532.7	1,629.1	6.3%
Consumer Revenues	281.1	292.6	4.1%	1,089.9	1,140.5	4.6%
Business Revenues	94.7	106.5	12.5%	342.9	375.8	9.6%
Wholesale and Others	25.4	31.0	22.0%	99.9	112.9	12.9%
Audiovisuals & Cinema	22.2	27.1	21.6%	99.4	102.2	2.8%
Others and Eliminations	(9.1)	(9.2)	1.6%	(34.7)	(35.0)	0.9%
Operating Costs Excluding D&A	(250.7)	(265.5)	5.9%	(880.8)	(928.6)	5.4%
Telco	(247.1)	(259.9)	5.2%	(862.4)	(908.2)	5.3%
Audiovisuals & Cinema	(12.7)	(14.8)	16.5%	(53.2)	(55.5)	4.4%
Others and Eliminations	9.1	9.2	1.6%	34.7	35.0	0.9%
EBITDA⁽¹⁾	163.6	182.5	11.6%	716.7	767.6	7.1%
EBITDA Margin	39.5%	40.7%	1.3pp	44.9%	45.3%	0.4pp
Telco	154.1	170.3	10.5%	670.4	720.9	7.5%
EBITDA Margin	38.4%	39.6%	1.2pp	43.7%	44.3%	0.5pp
Cinema Exhibition and Audiovisuals	9.5	12.2	28.4%	46.3	46.7	1.0%
EBITDA Margin	42.9%	45.2%	2.4pp	46.5%	45.7%	(0.8pp)
Operating costs Excluding D&A AL	(279.8)	(296.5)	6.0%	(994.3)	(1,051.3)	5.7%
Telco	(273.7)	(288.4)	5.2%	(965.8)	(1,020.7)	5.7%
Audiovisuals & Cinema	(15.2)	(17.4)	14.1%	(63.2)	(65.7)	3.9%
Others and Eliminations	9.1	9.2	1.6%	34.7	35.0	0.9%
EBITDA AL⁽¹⁾	134.5	151.5	12.6%	603.2	644.9	6.9%
EBITDA AL margin	32.5%	33.8%	1.4pp	37.8%	38.0%	0.3pp
Telco	127.5	141.8	11.2%	566.9	608.4	7.3%
EBITDA AL margin	31.8%	33.0%	1.2pp	37.0%	37.3%	0.4pp
Audiovisuals & Cinema	7.0	9.7	37.9%	36.3	36.5	0.8%
EBITDA AL margin	31.6%	35.8%	4.2pp	36.5%	35.7%	(0.7pp)
Leasings	(29.1)	(31.1)	6.6%	(113.5)	(122.7)	8.1%
Telco	(26.6)	(28.5)	7.0%	(103.4)	(112.5)	8.8%
Cinema Exhibition and Audiovisuals	(2.5)	(2.6)	1.9%	(10.0)	(10.2)	1.7%
Depreciation and Amortization	(123.8)	(122.9)	(0.7%)	(483.6)	(498.8)	3.1%
(Other Expenses) / Income	32.3	38.9	20.5%	31.2	110.7	254.9%
Operating Profit (EBIT)⁽²⁾	72.1	98.5	36.6%	264.2	379.5	43.6%
Share of profits (losses) of associates and joint ventures	0.4	1.2	168.9%	5.1	8.3	62.5%
(Financial Expenses) / Income	(20.7)	(13.1)	(37.0%)	(69.2)	(72.2)	4.3%
Leases Financial Expenses	(8.0)	(8.3)	4.3%	(31.0)	(33.5)	8.1%
Funding & Other Financial Expenses	(12.8)	(4.8)	(62.8%)	(38.2)	(38.7)	1.2%
Income Before Income Taxes	51.8	86.6	67.1%	200.1	315.5	57.7%
Income Taxes	3.1	(14.8)	(578.4%)	(18.8)	(42.5)	126.4%
Net Income Before Associates & Non-Controlling Interests	54.5	70.6	29.6%	176.3	264.8	50.2%
Net income excluding extraordinary non-recurring effects⁽³⁾	27.7	39.9	43.8%	154.0	187.0	21.4%
Net income	54.9	71.8	30.7%	181.3	273.1	50.6%
Net income attributable to Non-controlling interests	0.2	0.6	158.7%	0.3	0.8	140.3%
Net Income attributable to NOS shareholders	54.7	71.1	30.1%	181.0	272.3	50.4%

(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.

(3) Excludes capital gains relating to towers sale and non-recurring extraordinary effects relating to activity fees

Note: In 1Q24 B2C and B2B revenues have been restated to reflect a more accurate allocation between segments.

Strong growth in consolidated revenues, driven by positive contributions across all businesses and different segments

Consolidated revenues recorded the best quarterly performance of 2024, growing by 8.1% to 448.0 million euros, driven by the strength of our Telco & IT operations, with a strong contribution from the Business and Wholesale segments, as well as significant growth in the cinema exhibition and audiovisual business, benefiting from blockbuster successes screened in cinemas throughout the quarter and the portfolio of films distributed by NOS Audiovisuais.

The Telco & IT business delivered a strong performance across all segments, growing by 7.2% yoy to 430.2 million euros in revenues. The Consumer segment, which includes services provided to households and individuals, saw positive dynamics across all services, driving an increase of 85.5k RGUs. The adoption of convergent services, with 49.9k net additions, continues to drive strong performance in the Consumer segment, contributing to an improvement in the value mix and sustained growth in fixed residential ARPU by 3.0% to 52.1 euros, culminating in a 4.1% revenue increase in the segment to 292.6 million euros. NOS continues to strengthen its positioning in the Business market, fostering new partnerships and business opportunities in Telco & IT, positioning itself as a preferred partner for digital transformation. This business unit saw its revenues grow by 12.5% to 106.5 million euros, benefiting from strong operational momentum across all business lines, with particular emphasis on the Corporate segment, which was boosted by a higher volume of IT projects. Additionally, the Wholesale & Other segment grew by 5.6 million euros to 31.0 million euros, supported by the increase in the market share of value-added call services, which, despite their low-margin and volatile profile, contributed to revenue growth in the segment.

The cinema exhibition and audiovisual division recorded a significant revenue increase of 21.6%, reaching a total of 27.1 million euros. The cinema exhibition segment registered revenue growth of 29.6%, driven by a 19.2% increase in the number of tickets sold, 4.7 percentage points above the total market growth in Portugal for the same period. Several blockbusters were screened in 4Q24, including "Moana II", "Gladiator II", and "Mufasa", all of which ranked among the top 10 most-watched films of 2024. A noteworthy investment was made in the Azores, with the opening of four new cinema screens, reinforcing NOS' commitment to providing the best infrastructure for all Portuguese audiences. The Audiovisual segment saw a revenue increase of 24.1%, benefiting from the success of the film portfolio distributed by NOS Audiovisuais, including the top three films of the quarter: "Moana II", "Gladiator II", and "Mufasa".

Table 2.

Operating Indicators	4Q23	4Q24	4Q24 / 4Q23	FY23	FY24	FY24 / FY23
Cinema						
Revenue per Ticket - box office (Euros)	5.8	6.1	5.1%	5.9	6.1	4.2%
Tickets Sold - NOS ('000)	1,710.4	2,038.5	19.2%	8,056.3	7,745.1	(3.9%)
Tickets Sold - Total Portuguese Market ⁽¹⁾ ('000)	2,698.7	3,089.7	14.5%	12,305.7	11,839.0	(3.8%)
Screens (units)	214	218	1.9%	214	218	1.9%

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

Operational efficiencies drive sustained EBITDA growth of 11.6% in 4Q24

The consolidated EBITDA recorded a yoy growth of 11.6%, surpassing the growth of consolidated revenues. This was driven by a robust 10.5% performance in the Telecommunications business and a significant contribution from the cinema exhibition and audiovisual business, which grew by 28.4%, resulting in a margin expansion of 1.3 percentage points to 40.7%.

Consolidated OPEX increased by 5.9% to 265.5 million euros, reflecting a continuous optimization of our cost structure and processes, mitigating the negative impacts of inflation and higher direct costs due to increased operational activity. The ongoing operational transformation program continues to reshape and restructure various processes by leveraging the disruptive potential of new technologies, such as AI and generative AI. The results achieved allow us to gain operational and structural efficiencies that enhance the business and help redesign the cost structure across multiple areas, including reducing customer service-related costs. Direct costs associated with the Business segment and the Cinema exhibition and audiovisual business registered significant growth during the quarter, driven by an increase in IT projects in the Corporate segment and strong operational performance in our cinemas. Non-direct, operational, and structural costs continue to be impacted, particularly in supplies and external services, where higher energy costs reflect the less favorable regulated price environment in the Portuguese market compared to the previous year.

Leasing costs increased by 6.6% to 31.1 million euros, reflecting a higher number of sites with shared radio access and inflation-related adjustments to payments to Cellnex, capped at 2%. Excluding leasing impacts, EBITDA AL grew by 12.6% to 151.5 million euros, representing a margin of 33.8%.

Consolidated Net Income increased by 16.5 million euros in 4Q24, reaching 71.1 million euros

The increase in net results by 16.5 million euros is explained by a combination of several factors, including: i) Operational performance and efficiencies, with EBITDA contributing 18.9 million euros; ii) Reduction in Financing and Other Costs in 7.7 million euros to 13.1 million euros, benefiting from a more favorable interest rate environment; iii) Increase in non-recurring income by 6.6 million euros to 38.9 million euros, resulting from the higher recognition of revenues related to activity fees associated with court rulings and unconstitutionality favorable to NOS, initially recognized in 4Q23; iv) A positive contribution of 0.7 million euros from our stake in associated companies and JVs, with ZAP's performance benefiting from a more favorable exchange rate environment; v) Income taxes had a negative impact of 17.9 million euros compared to 4Q23, due to higher pre-tax earnings.

Telecommunications CAPEX shows structural slowdown throughout 2024, decreasing by 2.2% in 4Q24

Total CAPEX, excluding leasing contracts and other contractual rights, decreased by 0.1% yoy to 94.7 million euros, reflecting a slowdown in investment throughout all quarters of 2024. The structural reduction in CAPEX levels results from previously anticipated investments made in past years to ensure the best and most reliable mobile network in the country, featuring the highest number of 5G stations and being a pioneer in achieving full coverage across all municipalities in Portugal. We continue to invest in the expansion and modernization of our fixed network, deploying this expansion as sustainably and efficiently as possible through a combination of own network construction, sharing agreements, and wholesale solutions. By the end of 2024, we reached a total of 5.7 million homes, with 82.5% covered by FttH. The level of investment in the telecommunications business, measured as a percentage of revenues, decreased by 2.0 percentage points to 20.2%.

Audiovisual and Cinema CAPEX excluding leasings in 4Q24 reached 7.6 million euros, driven by the acquisition of rights for new films.

Table 3.

CAPEX (Millions of Euros) ⁽¹⁾	4Q23	4Q24	4Q24 / 4Q23	FY23	FY24	FY24 / FY23
Total CAPEX Excluding Leasing Contracts & Other Contractual Rights	94.8	94.7	(0.1%)	387.6	372.7	(3.9%)
Telco	89.1	87.1	(2.2%)	367.8	349.3	(5.0%)
% of Telco Revenues	22.2%	20.2%	(2.0pp)	24.0%	21.4%	(2.6pp)
o.w. Technical CAPEX	53.9	49.4	(8.3%)	225.4	203.5	(9.7%)
% of Telco Revenues	13.4%	11.5%	(1.9pp)	14.7%	12.5%	(2.2pp)
Baseline Telco	38.0	35.5	(6.6%)	144.2	141.6	(1.8%)
Network Expansion / Substitution and Integration Projects and Others	15.9	13.9	(12.4%)	81.2	61.9	(23.7%)
o.w. Customer Related CAPEX	35.2	37.7	7.2%	142.4	145.8	2.4%
% of Telco Revenues	8.8%	8.8%	(0.0pp)	9.3%	8.9%	(0.3pp)
Audiovisuals and Cinema Exhibition	5.7	7.6	33.5%	19.8	23.4	18.0%
Leasing Contracts & Other Contractual Rights	21.2	22.6	6.7%	87.2	73.6	(15.7%)
Total Group CAPEX	116.0	117.3	1.2%	474.8	446.2	(6.0%)

(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

Underlying Free Cash Flow increased by 6.4 million euros to 27.5 million euros in 4Q24

The strong operational performance and the structural slowdown trend in investment levels drove to sustainable growth of the EBITDA AL - CAPEX line item, with underlying Free Cash Flow reaching 27.5 million euros in 4Q24, an increase of 6.4 million euros yoy.

EBITDA AL - CAPEX recorded a growth of 42.9% to 56.8 million euros, although this performance was offset by a 20.4 million euros negative impact from working capital variations and non-monetary items, leading to a 3.3 million euros reduction in operational cash flow.

The decrease in cash flow from income taxes by 6.1 million euros to 10.1 million euros results from the fact that payments made each year are based on the previous year's tax results. The 4Q23 payment of 16.2 million euros was impacted by non-recurring results related to the capital gain from the 2022 tower sale.

Total Free Cash Flow decreased by 8.8 million euros to 27.8 million euros, impacted by non-recurring effects recorded in 4Q23. Free Cash Flow in 4Q23 had been boosted by the receipt of 15.6 million euros in activity fees, following favorable court rulings initially announced in that period.

Table 4.

Cash Flow (Millions of Euros)	4Q23	4Q24	4Q24 / 4Q23	FY23	FY24	FY24 / FY23
EBITDA AL	134.5	151.5	12.6%	603.2	644.9	6.9%
Total CAPEX Excluding Leasings & Other Contractual Rights	(94.8)	(94.7)	(0.1%)	(387.6)	(372.7)	(3.9%)
EBITDA AL - Total CAPEX Excluding Leasings & Other Contractual Rights	39.7	56.8	42.9%	215.6	272.2	26.3%
% of Revenues	9.6%	12.7%	3.1pp	13.5%	16.0%	2.6pp
Non-Cash Items Included in EBITDA AL - CAPEX and Change in Working Capital	11.5	(8.9)	(177.7%)	4.7	(10.4)	(320.4%)
Operating Cash Flow	51.2	47.8	(6.5%)	220.3	261.8	18.8%
Interest Paid	(13.7)	(9.8)	(28.6%)	(34.4)	(38.4)	11.8%
Income Taxes Paid	(16.2)	(10.1)	(26.1%)	(58.5)	27.5	(285.2%)
Disposals	0.8	0.6	(22.7%)	1.4	58.2	3949.4%
Other Cash Movements ⁽¹⁾	14.6	(0.7)	(105.0%)	1.6	50.8	3069.8%
Total Free Cash-Flow Before Dividends, Financial Investments and Own Shares Acquisition	36.7	27.8	(24.1%)	130.5	359.9	175.8%
Financial Investments	0.0	(0.3)	(1294.5%)	(0.6)	(1.4)	122.4%
Acquisition of Own Shares	0.0	0.0	n.a.	(5.2)	(4.3)	(17.6%)
Dividends	0.6	0.0	(100.0%)	(219.4)	(179.0)	(18.4%)
Free Cash Flow	37.3	27.6	(26.1%)	(94.7)	175.3	(285.2%)
Debt Variation Through Financial Leasing, Accruals & Deferrals & Others	2.8	2.2	(18.5%)	(2.5)	1.5	(160.5%)
Change in Net Financial Debt	40.1	29.8	(25.6%)	(97.1)	176.8	(282.1%)

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

Robust Capital Structure, Standing as One of the Strongest in the Sector

At the end of 4Q24, NOS reported a Net Financial Debt of 913 million euros, while total debt, including leasing contracts (under IFRS 16), amounted to 1,539 million euros. The Net Financial Debt/EBITDA AL ratio stood at 1.4x, making it one of the most conservative leverage ratios in the sector.

The all-in average cost of debt in 4Q24 was 3.6%, representing a 39 basis points decrease compared to the previous quarter.

NOS maintains a very solid liquidity position of 405 million euros, distributed across 396 million euros in unissued and available commercial paper programs and 9 million euros in Cash and Equivalents.

As of December 31, 2024, 31% of NOS' debt was issued at a fixed rate, and 41% was covered by interest rate collars. The average total debt maturity as of December 31 was two years.

Currently, more than 90% of NOS' total financial debt is linked to ESG performance targets, reinforcing our commitment to achieving NOS' global sustainability ambitions.

Table 5.

Balance Sheet (Millions of Euros)	4Q23	4Q24	4Q24 / 4Q23
Non-current Assets	2,894.7	2,825.1	(2.4%)
Current Assets	574.2	532.5	(7.3%)
Total Assets	3,469.0	3,357.5	(3.2%)
Total Shareholders' Equity	994.7	1,087.0	9.3%
Non-current Liabilities	1,672.3	1,480.4	(11.5%)
Current Liabilities	802.0	790.2	(1.5%)
Total Liabilities	2,474.3	2,270.5	(8.2%)
Total Liabilities and Shareholders' Equity	3,469.0	3,357.5	(3.2%)

Table 6.

Net Financial Debt (Millions of Euros)	4Q23	4Q24	4Q24 / 4Q23
Short Term	157.7	164.0	4.0%
Medium and Long Term	949.8	757.6	(20.2%)
Total Debt	1,107.5	921.6	(16.8%)
Cash and Short Term Investments	18.2	9.1	(50.0%)
Net Financial Debt ⁽¹⁾	1,089.3	912.5	(16.2%)
Net Financial Debt / EBITDA after lease payments (last 4 quarters) ⁽²⁾	1.81x	1.41x	(0.2pp)
Leasings and Long Term Contracts	626.5	626.6	0.0%
Net Debt	1,715.8	1,539.1	(10.3%)
Net Debt / EBITDA (last 4 quarters)	2.39x	2.01x	(0.16pp)
Net Financial Gearing ⁽³⁾	63.3%	58.6%	(4.7pp)

(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).

Subsequent events

On January 27, 2025, NOS, SGPS, S.A. announced the agreement reached between NOS, SGPS, S.A. and Claranet Group Limited for the acquisition of 100% of the share capital of Claranet Portugal, S.A. for 152 million euros.

After 10 consecutive years of growth, Claranet Portugal recorded revenues of 205 million euros in the 2024 financial year and generated 15.4 million euros in EBITDA, driven by a strong and growing contribution from its services business. This transaction values Claranet Portugal at 9.9x EBITDA.

This agreement will enable NOS to strengthen its position as a relevant and trusted technology partner for its Business customers, while expanding its capabilities in the fast-growing technology sector. By integrating Claranet Portugal's expertise and resources, NOS reinforces its strategic ambition to provide innovative and resilient digital solutions that meet the evolving needs of the business ecosystem and drive technological transformation across the economy and society.

The completion of this agreement is subject to non-opposition by the Competition Authority.

Shareholder remuneration

On 26 February 2025, the Board of Directors approved a proposal for the upcoming General Meeting to distribute an ordinary dividend per share of 35.0 euro cents, in line with the previous year, representing an ordinary dividend yield of approximately 9.0%.

Considering the non-recurring FCF generated in 2024, namely the sale of a tower portfolio completed during the year, and given the conservative capital structure, the Board of Directors also approved a proposal for the next AGM to distribute an extraordinary dividend of 5.0 euro cents per share, linked to this non-recurring FCF.

Following the payment of this dividend, NOS will maintain a solid capital structure, remaining below its target net debt ratio of 2x NFD/EBITDA AL.

NOS remains well-positioned to meet future investments and is firmly committed to continuing to distribute an attractive level of dividends while strategically focusing on preserving a strong capital structure to ensure sustainable value creation for shareholders.

Appendix

Table 7.

Telco - operating indicators ('000)	4Q23	1Q24	2Q24	3Q24	4Q24	FY23	FY24
Homes Passed	5,436.7	5,490.0	5,566.7	5,661.5	5,738.1	5,436.7	5,738.1
Ftth Coverage	74.3%	76.5%	78.0%	80.2%	82.5%	74.3%	82.5%
Total RGUs ⁽¹⁾	11,014.3	11,068.9	11,142.2	11,266.0	11,352.1	11,014.3	11,352.1
o.w. Consumer RGUs	9,255.1	9,294.8	9,358.1	9,464.5	9,549.9	9,255.1	9,549.9
o.w. Business RGUs	1,759.2	1,774.1	1,784.1	1,801.6	1,802.2	1,759.2	1,802.2
Mobile RGUs ⁽²⁾	5,917.1	5,960.1	6,017.0	6,117.9	6,195.7	5,917.1	6,195.7
Pre-Paid	2,069.7	2,016.6	2,000.9	2,021.4	2,025.4	2,069.7	2,025.4
Post-Paid	3,847.4	3,943.6	4,016.1	4,096.5	4,170.3	3,847.4	4,170.3
Pay TV Fixed Access ⁽³⁾	1,459.8	1,463.9	1,469.5	1,479.1	1,484.7	1,459.8	1,484.7
Pay TV DTH	210.2	206.3	202.7	198.0	193.2	210.2	193.2
Fixed Voice	1,821.7	1,825.4	1,828.6	1,833.1	1,832.8	1,821.7	1,832.8
Broadband	1,551.9	1,558.6	1,566.1	1,577.8	1,583.3	1,551.9	1,583.3
Others and Data	53.6	54.5	58.4	60.2	62.5	53.6	62.5
Convergent Customers	1,142.9	1,161.0	1,174.4	1,186.9	1,192.8	1,142.9	1,192.8
Fixed Convergent Customers as % of Fixed Access Customers	68.6%	69.5%	70.2%	70.6%	70.8%	68.6%	70.8%
Residential ARPU / Unique Subscriber With Fixed Access (Euros) ⁽⁴⁾⁽⁵⁾	50.5	50.8	51.3	51.9	52.1	50.1	51.5
Net Adds							
Homes Passed	67.5	53.3	76.7	94.8	76.6	152.8	301.3
Total RGUs	29.5	54.6	73.3	123.8	86.1	232.0	337.9
o.w. Consumer RGUs	16.8	39.7	63.3	106.4	85.5	193.0	294.8
o.w. Business RGUs	12.8	14.9	10.1	17.4	0.6	39.0	43.0
Mobile	21.5	43.0	56.8	100.9	77.8	183.3	278.5
Pre-Paid	(57.5)	(53.2)	(15.7)	20.5	4.0	(80.0)	(44.4)
Post-Paid	79.0	96.2	72.5	80.4	73.8	263.3	322.9
Pay TV Fixed Access	4.5	4.1	5.6	9.6	5.6	25.4	24.9
Pay TV DTH	(4.2)	(3.9)	(3.6)	(4.7)	(4.8)	(19.8)	(17.0)
Fixed Voice	1.8	3.8	3.2	4.5	(0.3)	13.0	11.1
Broadband	5.3	6.7	7.5	11.7	5.6	28.3	31.4
Others and Data	0.6	0.9	3.8	1.8	2.3	1.7	8.9
Convergent Customers	11.4	18.0	13.4	12.5	5.9	51.4	49.9

1) Consumer and Business RGUs have been restated in line with B2B & B2C Revenues restatement in 1Q24

2) Mobile Pre-paid & Post-paid RGUs have been restated

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

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

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

Table 8.

Cinemas - operating indicators	4Q23	1Q24	2Q24	3Q24	4Q24	FY23	FY24
Revenue per Ticket - box office (Euros)	5.8	6.1	6.0	6.1	6.1	5.9	6.1
Tickets Sold - NOS ('000)	1,710.4	1,722.6	1,322.8	2,661.2	2,038.5	8,056.3	7,745.1
Tickets Sold - Total Portuguese Market ⁽¹⁾ ('000)	2,698.7	2,673.9	2,054.4	4,021.0	3,089.7	12,305.7	11,839.0
Screens (units)	214.0	214.0	214.0	214.0	218.0	214.0	218.0

(1) Source: ICA - Instituto do Cinema e do Audiovisual

Table 9.

Profit and Loss Statement (Millions of Euros)	4Q23	1Q24	2Q24	3Q24	4Q24	FY23	FY24
Operating Revenues	414.3	403.3	412.2	432.7	448.0	1,597.5	1,696.3
Telco	401.2	389.0	400.7	409.3	430.2	1,532.7	1,629.1
Consumer Revenues ⁽¹⁾	281.1	277.5	281.4	288.9	292.6	1,089.9	1,140.5
Business Revenues ⁽¹⁾	94.7	87.6	89.8	91.8	106.5	342.9	375.8
Wholesale and Others ⁽¹⁾	25.4	23.9	29.4	28.5	31.0	99.9	112.9
Audiovisuals & Cinema	22.2	22.8	19.7	32.7	27.1	99.4	102.2
Others and Eliminations	(9.1)	(8.5)	(8.1)	(9.2)	(9.2)	(34.7)	(35.0)
Operating Costs Excluding D&A	(250.7)	(218.8)	(224.6)	(219.7)	(265.5)	(880.8)	(928.6)
Telco	(247.1)	(215.1)	(221.8)	(211.4)	(259.9)	(862.4)	(908.2)
Audiovisuals & Cinema	(12.7)	(12.2)	(10.9)	(17.5)	(14.8)	(53.2)	(55.5)
Others and Eliminations	9.1	8.5	8.1	9.2	9.2	34.7	35.0
EBITDA ⁽²⁾	163.6	184.5	187.6	213.0	182.5	716.7	767.6
EBITDA Margin	39.5%	45.7%	45.5%	49.2%	40.7%	44.9%	45.3%
Telco	154.1	173.9	178.9	197.8	170.3	670.4	720.9
EBITDA Margin	38.4%	44.7%	44.7%	48.3%	39.6%	43.7%	44.3%
Cinema Exhibition and Audiovisuals	9.5	10.6	8.7	15.2	12.2	46.3	46.7
EBITDA Margin	42.9%	46.5%	44.4%	46.4%	45.2%	46.5%	45.7%
Depreciation and Amortization	(123.8)	(122.3)	(125.0)	(128.6)	(122.9)	(483.6)	(498.8)
(Other Expenses) / Income	32.3	31.3	40.3	0.2	38.9	31.2	110.7
Operating Profit (EBIT) ⁽³⁾	72.1	93.4	103.0	84.6	98.5	264.2	379.5
Share of profits (losses) of associates and joint ventures	0.4	2.7	2.0	2.4	1.2	5.1	8.3
(Financial Expenses) / Income	(20.7)	(20.7)	(19.6)	(18.8)	(13.1)	(69.2)	(72.2)
Leases Financial Expenses	(8.0)	(8.3)	(8.4)	(8.5)	(8.3)	(31.0)	(33.5)
Funding & Other Financial Expenses	(12.8)	(12.5)	(11.2)	(10.2)	(4.8)	(38.2)	(38.7)
Income Before Income Taxes	51.8	75.4	85.4	68.2	86.6	200.1	315.5
Income Taxes	3.1	(7.5)	(4.6)	(15.6)	(14.8)	(18.8)	(42.5)
Net Income Before Associates & Non-Controlling Interests	54.5	65.1	78.8	50.2	70.6	176.3	264.8
Net Income	54.9	67.8	80.8	52.6	71.8	181.3	273.1
Net income attributable to Non-controlling interests	0.2	(0.0)	0.1	0.1	0.6	0.3	0.8
Net Income attributable to NOS shareholders	54.7	67.8	80.7	52.6	71.1	181.0	272.3

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

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

³⁾ 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.

Leasings	(29.1)	(29.1)	(31.1)	(31.4)	(31.1)	(113.5)	(122.7)
Telco	(26.6)	(26.7)	(28.5)	(28.8)	(28.5)	(103.4)	(112.5)
Cinema Exhibition and Audiovisuals	(2.5)	(2.5)	(2.6)	(2.6)	(2.6)	(10.0)	(10.2)
Operating costs Excluding D&A AL	(279.8)	(248.0)	(255.7)	(251.2)	(296.5)	(994.3)	(1,051.3)
Telco	(273.7)	(241.8)	(250.3)	(240.3)	(288.4)	(965.8)	(1,020.7)
Audiovisuals & Cinema (1)	(15.2)	(14.6)	(13.5)	(20.1)	(17.4)	(63.2)	(65.7)
Others and Eliminations	9.1	8.5	8.1	9.2	9.2	34.7	35.0
EBITDA AL	134.5	155.3	156.5	181.6	151.5	603.2	644.9
EBITDA AL margin	32.5%	38.5%	38.0%	42.0%	33.8%	37.8%	38.0%
Telco	127.5	147.2	150.4	169.0	141.8	566.9	608.4
EBITDA AL margin	31.8%	37.8%	37.5%	41.3%	33.0%	37.0%	37.3%
Cinema Exhibition and Audiovisuals	7.0	8.1	6.2	12.6	9.7	36.3	36.5
EBITDA AL margin	31.6%	35.7%	31.3%	38.4%	35.8%	36.5%	35.7%

Table 10.

CAPEX ⁽¹⁾ (Millions of Euros)	4Q23	1Q24	2Q24	3Q24	4Q24	FY23	FY24
Total CAPEX Excluding Leasing Contracts & Other Contractual Rights	94.8	91.9	93.1	92.9	94.7	387.6	372.7
Telco	89.1	86.3	87.9	88.0	87.1	367.8	349.3
% of Telco Revenues	22.2%	22.2%	21.9%	22.0%	20.2%	24.0%	21.4%
o.w. Technical CAPEX	53.9	50.2	52.1	51.8	49.4	225.4	203.5
% of Telco Revenues	13.4%	12.9%	13.0%	12.7%	11.5%	14.7%	12.5%
Baseline Telco	38.0	37.9	34.2	34.1	35.5	144.2	141.6
Network Expansion / Substitution and Integration Projects and Others	15.9	12.4	17.9	17.7	13.9	81.2	61.9
o.w. Customer Related CAPEX	35.2	36.1	35.8	36.2	37.7	142.4	145.8
% of Telco Revenues	8.8%	9.3%	8.9%	8.8%	8.8%	9.3%	8.9%
Audiovisuals and Cinema Exhibition	5.7	5.6	5.2	4.9	7.6	19.8	23.4
Leasing Contracts & Other Contractual Rights	21.2	13.5	15.4	22.1	22.6	87.2	73.6
Spectrum licenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Group CAPEX	116.0	105.5	108.5	115.0	117.3	474.8	446.2

(1) CAPEX = Increase in Tangible and Intangible Fixed Assets, Contract Costs and Rights of Use
Note: In 1Q24 Network and Baseline CAPEX have been restated to reflect a more accurate allocation

Table 11.

Cash Flow (Millions of Euros)	4Q23	1Q24	2Q24	3Q24	4Q24	FY23	FY24
EBITDA AL	134.5	155.3	156.5	181.6	151.5	603.2	644.9
Total CAPEX Excluding Leasings & Other Contractual Rights	(99.3)	(91.9)	(93.1)	(92.9)	(94.7)	(392.1)	(372.7)
EBITDA AL - Total CAPEX Excluding Leasings & Other Contractual Rights	35.2	63.4	63.4	88.7	56.8	211.1	272.3
% of Revenues	8.5%	15.7%	15.4%	21.5%	12.7%	13.2%	16.1%
Non-Cash Items Included in EBITDA AL - CAPEX and Change in Working Capital	11.5	5.3	4.8	(11.6)	(8.9)	4.7	(10.4)
Operating Cash Flow	51.2	68.7	68.2	77.1	47.8	220.3	261.8
Interest Paid	(13.7)	(8.2)	(11.2)	(9.3)	(9.8)	(34.4)	(38.4)
Income Taxes Paid	(16.2)	(0.2)	(0.5)	38.3	(10.1)	(58.5)	27.5
Disposals	0.8	0.1	57.4	0.1	0.6	1.4	58.2
Other Cash Movements ⁽¹⁾	14.6	18.8	21.5	11.2	(0.7)	1.6	50.8
Spectrum licenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Free Cash-Flow Before Dividends, Financial Investments and Own Shares Acquisition	36.7	79.3	135.4	117.4	27.8	130.5	359.9
Financial Investments	0.0	0.1	0.2	(1.4)	(0.3)	(0.6)	(1.4)
Acquisition of Own Shares	0.0	(3.2)	(1.0)	0.0	0.0	(5.2)	(4.3)
Dividends	0.6	0.0	(179.0)	0.0	0.0	(219.4)	(179.0)
Free Cash Flow	37.3	76.2	(44.4)	116.0	27.6	(94.7)	175.3
Debt Variation Through Financial Leasing, Accruals & Deferrals & Others	2.8	(1.9)	1.4	(0.2)	2.2	(2.5)	1.5
Change in Net Financial Debt	40.1	74.3	(43.0)	115.8	29.8	(97.1)	176.8

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

Table 12.

Net Financial Debt (Millions of Euros)	4Q23	1Q24	2Q24	3Q24	4Q24	FY23	FY24
Short Term	157.7	199.4	320.8	254.0	164.0	157.7	164.0
Medium and Long Term	949.8	828.8	751.4	719.5	757.6	949.8	757.6
Total Debt	1,107.5	1,028.2	1,072.1	973.5	921.6	1,107.5	921.6
Cash and Short Term Investments	18.2	13.1	14.0	31.1	9.1	18.2	9.1
Net Financial Debt ⁽¹⁾	1,089.3	1,015.1	1,058.1	942.3	912.5	1,089.3	912.5
Net Financial Debt / EBITDA after lease payments (last 4 quarters) ⁽²⁾	1.81x	1.66x	1.71x	1.50x	1.41x	1.81x	1.41x
Leasings and Long Term Contracts	626.5	620.1	627.0	628.7	626.6	626.5	626.6
Net Debt	1,715.8	1,635.2	1,685.1	1,571.0	1,539.1	1,715.8	1,539.1
Net Debt / EBITDA (last 4 quarters)	2.39x	2.22x	2.29x	2.10x	2.01x	2.39x	2.01x
Net Financial Gearing ⁽³⁾	63.3%	60.6%	63.6%	60.8%	60.3%	63.3%	60.3%

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

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

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

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Enquiries

Chief Financial Officer: José Koch Ferreira

Phone: (+351) 21 799 88 19

Analysts/Investors: Maria João Carrapato

Phone: (+351) 21 782 47 25 / E-mail: ir@nos.pt

Press: Margarida Nápoles

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

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RUA ACTOR ANTÓNIO SILVA, N° 9, CAMPO GRANDE, 1600-404 LISBOA
www.nos.pt/ir