



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

1 Q 2 2



## 1Q22 HIGHLIGHTS

**Focus on technological leadership and customer experience driving strong KPI and financial performance across all telecom business lines;**

**Audiovisual and Cinema activity continues to recover although negatively impacted by strict social distancing restrictions in the first weeks of the year;**

Table 1.

1Q22 Highlights ('000)	1Q21	1Q22	1Q22 / 1Q21
<b>Operating Highlights</b>			
Homes Passed	4,909.9	5,164.5	5.2%
% FttH	42.8%	53.7%	10.9pp
Total RGUs	9,901.2	10,393.3	5.0%
Fixed Pay TV RGUs	1,362.4	1,401.8	2.9%
Convergent + Integrated Customers	985.8	1,036.0	5.1%
Fixed Convergent + Integrated Customers as % of Fixed Access Customers	62.9%	65.1%	2.2pp
Mobile RGUs	4,992.1	5,423.5	8.6%
Residential ARPU / Unique Subscriber With Fixed Access (Euros) <sup>(1)</sup>	46.4	47.4	2.0%
<b>Financial Highlights (Millions of Euros)</b>			
Consolidated Revenues	337.4	373.4	10.6%
Consolidated EBITDA	152.2	159.4	4.8%
Consolidated EBITDA Margin	45.1%	42.7%	(2.4pp)
Consolidated EBITDA - Consolidated CAPEX Excluding Leasings, Spectrum License & Other Contractual Rights	56.2	28.0	(50.2%)
Telco Revenues	335.7	365.8	9.0%
Telco EBITDA	143.5	149.6	4.3%
Telco EBITDA Margin	42.8%	40.9%	(1.8pp)
Telco EBITDA - Telco CAPEX Excluding Leasings, Spectrum License & Other Contractual Rights	50.3	24.1	(52.1%)

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



- Total net growth in RGUs of 88 thousand to 10.393 million, up from negative 16.6 thousand in 1Q21, the main driver of growth in the quarter being post-paid mobile services with 56 thousand net adds;
- Convergent and Integrated services remain the preferred choice with an additional 15.3 thousand customers in 1Q22, taking the total convergent and integrated customer base up to 1.036 million, (5.319 million convergent and integrated RGUs) and representing over 65% of the fixed customer base;
- Broadband services grew by 6.5 thousand to 1.492 million and fixed access Pay TV continued to grow with 9 thousand net adds in 1Q22 more than offsetting the decline in lower revenue legacy DTH services;
- Cinema spectators increased to 987.6 thousand in 1Q22, up from just 15.9 thousand last year, although lower than the previous quarter due to the strict social distancing restrictions imposed due to the first weeks of the New Year;

### **Revenues boosted by continued strength of telco operation and recovery in Audiovisuals and Cinema activity**

- Consolidated Revenues grew yoy by 10.6% to 373.4 million euros, with growth of 9.0% in Telco Revenues to 365.8 million euros and 71.1% in Audiovisuals and Cinema Revenues to 16.6 million euros.
- Consolidated EBITDA grew to 159.4 million euros, up by 4.8% yoy combining an increase of 4.3% yoy in Telco EBITDA to 149.6 million euros and of 13.1% in Audiovisuals and Cinema EBITDA to 9.8 million euros;
- Consolidated Net Income grew 34.6% yoy to 41.1 million euros
- Total CAPEX Excluding Leasing Contracts, Spectrum license & Other Contractual Rights amounted to 131.4 million euros, up by 37.0% in comparison with 1Q21, led by our accelerated 5G deployment programme.



- Sustained strength of capital structure with Net Financial Debt/EBITDA after lease payments of 1.96x, with Net Financial Debt amounting to 1,030.5 million euros at the end of the quarter, comfortably accommodating accelerated technological deployment strategy.

## ESG Update

- [On Behalf of the Planet](#): To celebrate World Earth Day, NOS launched a five-day campaign “[Quem Faz, Faz a Diferença](#)” (Take Action, Make a Difference), to voluntarily compensate all emissions generated throughout the year from the use of NOS’ main telco products and services, such as smartphones, TVs, set top boxes and routers. For all products and services bought in a NOS shop or at the online store NOS will plant a tree and display an online count on its digital platforms. The trees will then be planted in addition to NOS’ [broader reforestation programme](#) in fire devastated regions in the interior of Portugal, a project launched in 2021 to voluntarily compensate scope 1 own fleet emissions.
- [More for our People](#): In its first [Integrated Management Report 2021](#) NOS formalized an internal diversity target to reach 40% of women in managerial roles by 2030. Along with numerous ongoing initiatives to drive a greater gender balance, both within the company and in society, the announcement of this formal target makes public NOS’ ambition to guide talent and recruitment management and define strategies to address the traditionally more male world of technology and engineering.



## OPERATING AND FINANCIAL REVIEW

The Consolidated Financial Statements for 1Q22 have been subject to limited review.

Table 2.

<b>Profit and Loss Statement</b> (Millions of Euros)	1Q21	<b>1Q22</b>	1Q22 / 1Q21
Operating Revenues	337,4	373,4	10,6%
Telco	335,7	365,8	9,0%
Consumer Revenues	244,1	248,9	2,0%
Business Revenues	73,1	96,5	32,0%
Wholesale and Others	18,4	20,3	10,2%
Audiovisuals & Cinema <sup>(1)</sup>	9,7	16,6	71,1%
Others and Eliminations	(8,0)	(9,1)	13,7%
Operating Costs Excluding D&A	185,3	213,9	15,5%
Telco	192,2	216,1	12,5%
Audiovisuals & Cinema <sup>(1)</sup>	1,1	6,8	546,3%
Others and Eliminations	(8,0)	(9,1)	(13,7%)
EBITDA <sup>(3)</sup>	152,2	159,4	4,8%
EBITDA Margin	45,1%	42,7%	(2,4pp)
Telco	143,5	149,6	4,3%
EBITDA Margin	42,8%	40,9%	(1,8pp)
Cinema Exhibition and Audiovisuals	8,7	9,8	13,1%
EBITDA Margin	89,1%	58,9%	(30,2pp)
Depreciation and Amortization	101,4	110,4	8,9%
(Other Expenses) / Income	4,3	(2,7)	(163,1%)
Operating Profit (EBIT) <sup>(4)</sup>	46,4	51,8	11,5%
Share of profits (losses) of associates and joint ventures	(2,8)	(5,3)	87,1%
(Financial Expenses) / Income	9,2	9,1	(1,5%)
Leases Financial Expenses	6,5	6,2	(4,8%)
Funding & Other Financial Expenses	2,7	2,8	6,5%
Income Before Income Taxes	40,1	48,0	19,8%
Income Taxes	9,5	6,9	(27,2%)
Net Income Before Associates & Non-Controlling Interests	27,7	35,8	29,2%
o.w. Attributable to Non-Controlling Interests	(0,0)	(0,0)	59,6%
Net Income	30,5	41,1	34,6%

<sup>(1)</sup> Includes cinema operations in Mozambique.

<sup>(2)</sup> Non-Direct Costs Include Commercial & Customer Related Costs and Operating & Structure Costs

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

<sup>(4)</sup> EBIT = Income Before Financials and Income Taxes.



## Revenues

Consolidated Revenues increased 10.6% in 1Q22 to 373.4 million euros, combining growth in Telco revenues of 9.0% to 365.8 million euros and of 71.1% in A&C revenues to 16.6 million euros. The quarterly growth in Telco revenues reflects continued strength in underlying operating performance with net RGU growth of 87.8 thousand to 10.393 million, up by 5% yoy. The main driver of RGU growth is mobile services, with 73.6 thousand net adds in 1Q22, taking the total mobile subscriber base to 5.423 million subscribers (62% post-paid contract customers). Customers continue to show clear preference for convergent bundles with 1.036 million subscribers, representing more than 65% of the fixed customer base and leading to continued take up of additional mobile cards within a single residential bill. Overall, revenues from the B2C segment increased by 2.0% yoy to 248.9 million euros. In the B2B segment, we continued to grow the underlying base of managed service solutions in the quarter and reinforce our positioning as the preferential partner for digital transformation of Portuguese companies, leveraging the potential of 5G to accelerate that transformation. In addition to strong underlying growth in core customer revenues, we recorded one-off low margin sales in the corporate segment and, due to the generalized easing in travel restrictions, revenues from roaming traffic almost doubled yoy in 1Q22, explaining the growth recorded in wholesale and other telco revenues.

Cinema and Audiovisual revenues were 71.1% higher yoy, reaching 16.6 million euros in 1Q22. The decline in comparison with the previous quarter is explained by the government imposition of strict social distancing measures at the start of the year driving spectators away from movie theatres and leading to some delays in blockbuster launches. However, box office sales started to recover as the quarter progressed, accompanying the progressive relaxation of restrictions, and consolidating yoy improvement.

Table 3.

Operating Indicators ('000)	1Q21	1Q22	1Q22 / 1Q21
<b>Cinema <sup>(1)</sup></b>			
Revenue per Ticket (Euros)	5,5	5,5	(0,2%)
Tickets Sold - NOS	15,9	987,6	6111,4%
Tickets Sold - Total Portuguese Market <sup>(2)</sup>	26,9	1.552,3	5673,4%
Screens (units)	208	208	0,0%

<sup>(1)</sup> Portuguese Operations

<sup>(2)</sup> Source: ICA - Portuguese Institute For Cinema and Audiovisuals



## OPEX, EBITDA and Net Results

Consolidated EBITDA increased 4.8% to 159.4 million euros, representing a 42.7% margin as a proportion of Revenues. Growth in Telco EBITDA amounted to 4.3%, to 149.6 million euros, accompanying strong underlying revenue performance and operational efficiencies. The growth in Telco OPEX is explained primarily by the mirror effect on cost of goods sold of one-off low margin sales in the corporate segment. Other OPEX recorded a combination of opposite variations yoy, amongst which a yoy increase in marketing and publicity costs, due to a greater volume of marketing campaigns aired over the past months and some improvement in premium programming costs. Variations in remaining items were relatively small, reflecting a degree of cost management that has already incorporated the more immediate opportunities for operating efficiencies. Additional optimization is still being sought, albeit through transformational processes that will take some time to be reflected in OPEX savings or avoidance. Audiovisuals and Cinema EBITDA grew by 13.1% to 9.8 million euros, benefitting from strength in revenues and cost management initiatives. Overall, costs are increasing in this division due to the recovery in operational activity and resurgence of contractual obligations that had been negotiated down during the most challenging phases of the pandemic.

Consolidated Net Income increased by 34.6% to 41.1 million euros driven primarily by a combination of both positive and negative variations, namely increased EBITDA, higher depreciations due primarily to the increased investment in network and in 5G spectrum, a lower level of other expenses/income when compared with 1Q21 due to a favourable court ruling. The decline yoy in income tax provision is explained primarily by higher tax incentives recorded in 1Q22.

## CAPEX

As planned, NOS' accelerated 5G rollout programme and continued FttH expansion are visible in technical CAPEX which grew by 82.3% yoy to 89.4 million euros. Of this amount, 50.4 million euros is related to network expansion, substitution, and integration projects, compared with 10.4 million euros in 1Q21. Baseline Telco CAPEX was similar to the level of 1Q21 and Customer related CAPEX was 18.1% lower, reflecting continued efficiencies and more effective commercial activity and optimization of CPE investments and installation costs.

NOS' total fixed Gigabit network coverage already reached 5.165 million households in Portugal, of which 54%, with FttH. During 1Q22, NOS increased its FttH network by an additional 41 thousand households to 2.774 million households, investing at a pace similar to that of previous quarters. As



regards mobile NOS continued to accelerate its 5G deployment schedule. NOS' overall approach to network deployment aims to be as fast and economically and environmentally rational as possible. As such, NOS has several strategic fixed and mobile network sharing agreements in place, as well as agreements to use third party networks where they present a more viable opportunity. NOS has also monetized a significant proportion of its mobile tower portfolio through a global agreement originally announced in 2020. In addition to the approximately 2 thousand towers (sites and rooftops) first transferred to Cellnex through the equity sale of NOS Towering, generating initial proceeds of 375 million euros, on 21 April 2022, [NOS announced a transaction](#) within the scope of this agreement, to sell an additional 350 towers for which 155 million euros will be received this year.

CAPEX in the Audiovisuals and Cinema division started to pick up with increased operating activity in the quarter. Although higher yoy at 5.8 million euros, quarterly investment in this division is still below pre-pandemic levels, as are revenues.

Table 4.

CAPEX (Millions of Euros) <sup>(1)</sup>	1Q21	1Q22	1Q22 / 1Q21
Total CAPEX Excluding Leasing Contracts, Spectrum license & Other Contractual Rights	96.0	131.4	37.0%
Telco	93.2	125.6	34.7%
% of Telco Revenues	27.8%	34.3%	6.6pp
o.w. Technical CAPEX	49.0	89.4	82.3%
% of Telco Revenues	14.6%	24.4%	9.8pp
Baseline Telco	38.6	39.0	1.0%
Network Expansion / Substitution and Integration Projects and Others	10.4	50.4	384.5%
o.w. Customer Related CAPEX	44.2	36.2	(18.1%)
% of Telco Revenues	13.2%	9.9%	(3.3pp)
Audiovisuals and Cinema Exhibition	2.7	5.8	114.0%
Leasing Contracts & Other Contractual Rights	2.9	11.8	309.1%
Total Group CAPEX	98.8	143.3	44.9%

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





## Cash Flow

Table 5.

Cash Flow (Millions of Euros)	1Q21	1Q22	1Q22 / 1Q21
EBITDA	152.2	159.4	4.8%
Total CAPEX Excluding Leasings, Spectrum License & Other Contractual Rights	(96.0)	(131.4)	37.0%
EBITDA - Total CAPEX Excluding Leasings, Spectrum License & Other Contractual Rights	56.2	28.0	(50.2%)
% of Revenues	16.7%	7.5%	(9.2pp)
Non-Cash Items Included in EBITDA - CAPEX and Change in Working Capital	(3.2)	1.9	(159.5%)
Leasings (Capital & Interest) <sup>(1)</sup>	(21.1)	(21.9)	3.6%
Operating Cash Flow	31.9	8.1	(74.8%)
Interest Paid	(3.5)	(3.2)	(7.6%)
Income Taxes Paid	(1.5)	(0.2)	(84.6%)
Disposals	0.2	0.5	230.3%
Other Cash Movements <sup>(2)</sup>	(5.9)	(1.0)	(82.4%)
Total Free Cash-Flow Before Dividends, Financial Investments and Own Shares Acquisition	21.2	4.1	(80.6%)
Financial Investments	0.2	0.2	(12.9%)
Acquisition of Own Shares	(2.1)	(2.9)	41.7%
Free Cash Flow	19.3	1.4	(92.9%)
Debt Variation Through Financial Leasing, Accruals & Deferrals & Others	(0.7)	(0.2)	(69.6%)
Change in Net Financial Debt	(18.7)	(1.2)	(93.8%)

<sup>(1)</sup> Includes Long Term Contracts.

<sup>(2)</sup> Includes Cash Restructuring Payments and Other Cash Movements.

In 1Q22, EBITDA – total CAPEX excluding leases, Spectrum License & Other Contractual Rights amounted to 28.0 million euros representing a decline yoy due to the significantly higher level of investment in 1Q22, as discussed above. All other Cash Flow items presented a relatively similar profile yoy, leading to Total Free Cash Flow before Dividends, Financial Investments and Own Shares in 1Q22 of 4.1 million euros.



## Consolidated Balance Sheet

Table 6.

<b>Balance Sheet</b> (Millions of Euros)	1Q21	<b>1Q22</b>	1Q22 / 1Q21
Non-current Assets	2,555.8	2,795.8	9.4%
Current Assets	628.8	536.8	(14.6%)
<b>Total Assets</b>	<b>3,184.6</b>	<b>3,332.7</b>	<b>4.6%</b>
Total Shareholders' Equity	987.8	1,007.3	2.0%
Non-current Liabilities	1,320.4	1,537.7	16.5%
Current Liabilities	876.5	787.7	(10.1%)
<b>Total Liabilities</b>	<b>2,196.8</b>	<b>2,325.4</b>	<b>5.9%</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>3,184.6</b>	<b>3,332.7</b>	<b>4.6%</b>

## Capital Structure and Funding

Table 7.

<b>Net Financial Debt</b> (Millions of Euros)	1Q21	<b>1Q22</b>	1Q22 / 1Q21
Short Term	249.6	99.1	(60.3%)
Medium and Long Term	705.0	947.0	34.3%
<b>Total Debt</b>	<b>954.6</b>	<b>1,046.0</b>	<b>9.6%</b>
Cash and Short Term Investments	171.2	15.5	(90.9%)
<b>Net Financial Debt <sup>(1)</sup></b>	<b>783.4</b>	<b>1,030.5</b>	<b>31.6%</b>
<b>Net Financial Debt / EBITDA after lease payments (last 4 quarters) <sup>(2)</sup></b>	<b>1.50x</b>	<b>1.96x</b>	<b>0.31pp</b>
Leasings and Long Term Contracts	560.4	528.8	(5.6%)
<b>Net Debt</b>	<b>1,343.8</b>	<b>1,559.3</b>	<b>16.0%</b>
<b>Net Debt / EBITDA</b>	<b>2.23x</b>	<b>2.49x</b>	<b>0.12pp</b>
<b>Net Financial Gearing <sup>(3)</sup></b>	<b>57.6%</b>	<b>60.8%</b>	<b>5.4%</b>

<sup>(1)</sup> Net Financial Debt = Borrowings - Leasings - Cash

<sup>(2)</sup> EBITDA After Lease Payments = EBITDA - Lease Cash Payments (Capital & Interest)

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

At the end of 1Q22, Total Net Debt, including Leasings and Long-Term Contracts (according to IFRS16) amounted to 1,559.3 million euros. Net Financial Debt stood at 1,030.5 million euros with a cash and short-term investment position on the balance sheet of 15.5 million euros. At the end of 1Q22, NOS also had 277.5 million euros in unissued commercial paper programmes.



Net Financial Debt / EBITDA After Lease Payments (last 4 quarters) stood at 1.96x, slightly below NOS' target leverage ratio in the range of 2x Net Financial Debt / EBITDA after lease payments, which represents a solid and conservative capital structure that NOS is committed to maintain. The all-in average cost of debt stood at 1.2 % for 1Q22, which compares with 1.6% in 1Q21.

At the end of March, NOS secured 300 million euros in sustainable financing lines, in bank loans structured as bond issues and commercial paper programmes, with maturity in 2027, with three financial institutions – Banco BPI, Caixa Geral de Depósitos e Millennium bcp. These bank loans are supported by the recently developed [Sustainability-Linked Financing Framework](#) and are linked to the Sustainability Performance Target of the Group's Greenhouse gas (GHG) emission (Scope 1 and 2), establishing a reduction of at least 80% by 2025, compared to 2019. This target is aligned with NOS' validated Science Based Targets which aim to keep global warming limited to 1.5°C and in line with climatic science and best practices of the sector.

The Sustainability-Linked Financing Framework was defined with the purpose of aligning financing strategy with NOS' corporate strategy, allowing financing in a sustainability-linked format. S&P Global issued the [Second Party Opinion](#) and confirmed alignment with Sustainability-Linked Bond Principles and Sustainability-Linked Loan Principles and ranks most of the categories of the Framework as "Advanced" (the best possible rating). With these transactions, NOS is strengthening the link between its financing cost and sustainability performance, demonstrating its strategic relevance and commitment at every organizational level, and to achieve best-in-class performance in ESG indicators. These facilities contribute positively towards NOS' average cost of debt, which is at highly attractive levels compared to its national and European peers, and towards diversifying instruments and extending maturities. After these transactions NOS holds more than 40% of its contractual debt linked to sustainability indicators and targets.

At the end of 1Q22, the average maturity of NOS debt was 2.9 years. Taking into account loans issued at a fixed rate and interest rate hedging operations in place, as at 31 March 2022, the proportion of NOS' issued debt paying interest at a fixed rate was approximately 100%.



## Shareholder Remuneration

On 21 April 2022, NOS' held its Annual General Meeting. All points on the agenda were approved and as a result, NOS' shareholders approved a dividend payment of 27.8c per share, in line with last year and representing a dividend yield of approximately 6.9%. Upon payment NOS will still have a very conservative capital structure, remaining close to its target net debt ratio of 2x NFD / EBITDA AL, albeit temporarily higher due to the one-off 5G license payment in 4Q21. With strong underlying cash flow generation and the additional tranche of cash proceeds to be received in 2022 from Cellnex of 155 million euros, NOS remains solidly positioned to meet future investments and committed to distribute an attractive level of dividends whilst maintaining a strategic focus on preserving a strong capital structure to support continued delivery of sustainable value creation for shareholders.

# APPENDIX I

Table 8.

Operating Indicators ('000)	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22
<b>Telco <sup>(1)</sup></b>									
Homes Passed	4.639,5	4.689,9	4.796,0	4.806,7	4.908,3	4.987,5	5.078,5	5.123,3	5.164,5
Total RGUs	9.695,3	9.747,4	9.871,8	9.917,8	9.901,2	9.999,3	10.146,1	10.305,5	10.393,3
o.w. Consumer RGUs	8.212,6	8.243,8	8.351,9	8.390,8	8.370,4	8.459,8	8.591,2	8.725,7	8.797,8
o.w. Business RGUs	1.482,7	1.503,7	1.520,0	1.527,0	1.530,7	1.539,4	1.554,9	1.579,8	1.595,5
Mobile	4.847,1	4.870,0	4.972,0	5.007,8	4.992,1	5.084,9	5.209,9	5.349,9	5.423,5
Pre-Paid	1.983,2	1.957,7	1.998,1	1.991,7	1.937,0	1.957,5	2.004,4	2.058,8	2.076,3
Post-Paid	2.863,9	2.912,3	2.973,9	3.016,1	3.055,1	3.127,3	3.205,5	3.291,1	3.347,2
Pay TV Fixed Access <sup>(2)</sup>	1.347,8	1.351,2	1.360,2	1.361,4	1.362,4	1.369,4	1.381,6	1.392,8	1.401,8
Pay TV DTH	283,7	283,4	282,2	279,7	275,7	268,7	260,6	252,8	246,0
Fixed Voice	1.756,7	1.766,7	1.769,3	1.774,2	1.770,9	1.770,4	1.775,7	1.782,5	1.784,8
Broadband	1.424,5	1.439,7	1.451,5	1.457,6	1.461,8	1.466,5	1.478,2	1.485,8	1.492,3
Others and Data	35,5	36,4	36,5	37,2	38,3	39,4	40,2	41,6	44,8
3,4&5P Subscribers (Fixed Access)	1.206,2	1.213,5	1.224,9	1.229,2	1.234,8	1.246,5	1.269,3	1.287,2	1.300,6
% 3,4&5P (Fixed Access)	89,5%	89,8%	90,1%	90,3%	90,6%	91,0%	91,9%	92,4%	92,8%
Convergent + Integrated RGUs	4.754,6	4.823,9	4.890,7	4.956,0	5.002,0	5.060,5	5.146,3	5.231,6	5.319,2
Convergent + Integrated Customers	942,3	957,5	967,6	976,7	985,8	993,8	1.005,8	1.020,8	1.036,0
Fixed Convergent + Integrated Customers as % of Fixed Access Customers	60,8%	61,6%	62,0%	62,5%	62,9%	63,4%	63,9%	64,4%	65,1%
% Convergent + Integrated Customers	57,8%	58,6%	58,9%	59,5%	60,1%	60,7%	61,2%	62,0%	62,9%
Residential ARPU / Unique Subscriber With Fixed Access (Euros)®	46,9	45,0	46,2	47,1	46,4	47,1	47,6	47,9	47,4
<b>Net Adds</b>									
Homes Passed	27,0	50,4	106,1	10,7	101,6	79,2	91,0	44,7	20,0
Total RGUs	19,2	52,1	124,4	46,0	(16,6)	98,1	146,9	159,3	87,8
o.w. Consumer RGUs	19,2	31,2	108,1	38,9	(20,3)	89,4	131,4	134,5	72,1
o.w. Business RGUs	(0,0)	21,0	16,3	7,0	3,7	8,7	15,5	24,9	15,7
Mobile	(4,0)	22,8	102,1	35,7	(15,7)	92,8	125,0	140,0	73,6
Pre-Paid	(25,0)	(25,5)	40,4	(6,5)	(54,7)	20,5	46,9	54,4	17,5
Post-Paid	21,0	48,3	61,7	42,2	39,0	72,3	78,1	85,6	56,1
Pay TV Fixed Access	3,1	3,4	9,0	1,2	1,0	7,0	12,1	11,3	9,0
Pay TV DTH	1,1	(0,2)	(1,2)	(2,6)	(4,0)	(7,0)	(8,1)	(7,8)	(6,9)
Fixed Voice	8,0	10,0	2,6	4,8	(3,3)	(0,5)	5,3	6,8	2,3
Broadband	10,2	15,3	11,8	6,1	4,2	4,7	11,7	7,6	6,5
Others and Data	0,7	0,8	0,1	0,7	1,1	1,0	0,8	1,4	3,3
3,4&5P Subscribers (Fixed Access)	5,7	7,3	11,4	4,4	5,5	11,7	22,8	17,9	13,3
Convergent + Integrated RGUs	50,1	69,3	66,8	65,3	45,9	58,6	85,8	85,2	87,6
Convergent + Integrated Customers	11,6	15,2	10,1	9,1	9,0	8,1	12,0	14,9	15,3

(1) Portuguese Operations.

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

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

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

# APPENDIX II

Table 9.

<b>Profit and Loss Statement</b> (Millions of Euros)	1Q20	2Q20	3Q20	4Q20	2020	1Q21	2Q21	3Q21	4Q21	2021	<b>1Q22</b>
Operating Revenues	345.4	321.3	346.9	354.3	1,367.9	337.4	341.0	366.5	385.4	1,430.3	373.4
Telco	332.9	319.9	342.7	350.2	1,345.7	335.7	336.7	356.8	372.3	1,401.5	365.8
Consumer Revenues	244.1	236.2	248.4	253.3	981.9	244.1	246.9	252.6	258.1	1,001.7	248.9
Business Revenues	71.9	66.9	70.7	79.5	289.0	73.1	73.3	79.5	90.6	316.5	96.5
Wholesale and Others	16.9	16.8	23.7	17.4	74.8	18.4	16.5	24.8	23.6	83.3	20.3
Audiovisuals & Cinema <sup>(1)</sup>	21.8	8.9	11.1	11.9	53.8	9.7	13.4	19.1	24.9	67.0	16.6
Others and Eliminations	(9.3)	(7.6)	(6.9)	(7.9)	(31.6)	(8.0)	(9.1)	(9.4)	(11.8)	(38.2)	(9.1)
Operating Costs Excluding D&A	(192.7)	(163.4)	(186.4)	(222.3)	(764.7)	(185.3)	(186.6)	(195.3)	(245.1)	(812.3)	(213.9)
Telco	(191.1)	(167.2)	(187.2)	(226.6)	(772.2)	(192.2)	(191.8)	(197.6)	(245.5)	(827.1)	(216.1)
Audiovisuals & Cinema (1)	(10.9)	(3.7)	(6.0)	(3.6)	(24.2)	(1.1)	(3.8)	(7.1)	(11.4)	(23.4)	(6.8)
Others and Eliminations	9.3	7.6	6.9	7.9	31.6	8.0	9.1	9.4	11.8	38.2	9.1
EBITDA <sup>(3)</sup>	152.7	157.9	160.6	132.0	603.2	152.2	154.4	171.1	140.2	618.0	159.4
EBITDA Margin	44.2%	49.1%	46.3%	37.3%	44.1%	45.1%	45.3%	46.7%	36.4%	43.2%	42.7%
Telco	141.8	152.6	155.5	123.7	573.6	143.5	144.9	159.2	126.8	574.4	149.6
EBITDA Margin	42.6%	47.7%	45.4%	35.3%	42.6%	42.8%	43.0%	44.6%	34.1%	41.0%	40.9%
Cinema Exhibition and Audiovisuals	10.9	5.3	5.1	8.3	29.6	8.7	9.5	12.0	13.4	43.6	9.8
EBITDA Margin	50.1%	58.8%	46.0%	69.9%	55.1%	89.1%	85.1%	62.6%	54.1%	65.0%	58.9%
Depreciation and Amortization	(100.5)	(101.2)	(103.6)	(104.6)	(409.8)	(101.4)	(103.4)	(108.0)	(106.7)	(419.5)	(110.4)
(Other Expenses) / Income	(45.7)	(3.8)	(4.3)	(2.2)	(56.0)	(4.3)	(1.7)	(1.4)	(2.4)	(9.8)	2.7
Operating Profit (EBIT) <sup>(4)</sup>	6.5	52.9	52.7	25.2	137.3	46.4	49.3	61.8	31.1	188.7	51.8
Share of profits (losses) of associates and joint ventures	(8.8)	(0.9)	0.6	0.0	(9.1)	2.8	(0.5)	2.4	(1.1)	3.6	5.3
(Financial Expenses) / Income	(5.7)	(5.6)	(5.3)	(10.1)	(26.6)	(9.2)	(8.7)	(8.9)	(9.9)	(36.6)	(9.1)
Leases Financial Expenses	(1.6)	(1.6)	(1.6)	(6.7)	(11.5)	(6.5)	(6.4)	(6.3)	(6.3)	(25.6)	(6.2)
Funding & Other Financial Expenses	(4.1)	(4.0)	(3.7)	(3.4)	(15.2)	(2.7)	(2.2)	(2.5)	(3.6)	(11.0)	(2.8)
Income Before Income Taxes	(8.0)	46.4	48.1	15.2	101.6	40.1	40.2	55.3	20.1	155.6	48.0
Income Taxes	(2.9)	(7.5)	(4.0)	(2.1)	(16.3)	(9.5)	3.0	(9.2)	3.9	(11.8)	(6.9)
Net Income Before Associates & Non-Controlling Interests	(2.0)	39.9	43.5	13.1	94.3	27.7	43.7	43.7	25.2	140.3	35.8
Income From Continued Operations	(10.9)	38.9	44.1	13.1	85.2	30.5	43.2	46.1	24.0	143.9	41.1
o.w. Attributable to Non-Controlling Interests	0.4	0.2	0.0	(0.2)	0.4	0.0	0.1	0.0	0.1	0.3	0.0
Discontinued Operations	0.1	6.3	0.0	0.0	6.4	0.0	0.0	0.0	0.0	0.0	0.0
Net Income	(10.4)	45.3	44.1	12.9	92.0	30.5	43.3	46.1	24.1	144.2	41.1

(1) Includes cinema operations in Mozambique.

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

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

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



Table 10.

CAPEX (Millions of Euros) <sup>(1)</sup>	1Q20	2Q20	3Q20	4Q20	2020	1Q21	2Q21	3Q21	4Q21	2021	1Q22
Total CAPEX Excluding Leasing Contracts & Other Contractual Rights	88.2	83.5	97.8	115.4	384.9	96.0	104.1	110.0	112.3	422.3	131.4
Telco	81.8	79.4	92.0	110.8	364.1	93.2	101.2	105.7	105.6	405.6	125.6
% of Telco Revenues	24.6%	24.8%	26.9%	31.6%	27.1%	27.8%	30.0%	29.6%	28.4%	28.9%	34.3%
o.w. Technical CAPEX	48.5	48.0	51.6	66.2	214.2	49.0	65.4	70.2	70.9	255.5	89.4
% of Telco Revenues	14.6%	15.0%	15.0%	18.9%	15.9%	14.6%	19.4%	19.7%	19.1%	18.2%	24.4%
Baseline Telco	29.8	39.8	32.4	37.7	139.7	38.6	34.0	30.6	39.4	142.6	39.0
Network Expansion / Substitution and Integration Projects and Others	18.7	8.2	19.2	28.5	74.5	10.4	31.4	39.6	31.5	112.9	50.4
o.w. Customer Related CAPEX	33.4	31.4	40.5	44.6	149.9	44.2	35.8	35.5	34.7	150.1	36.2
% of Telco Revenues	10.0%	9.8%	11.8%	12.7%	11.1%	13.2%	10.6%	9.9%	9.3%	10.7%	9.9%
Audiovisuals and Cinema Exhibition	6.4	4.1	5.8	4.6	20.8	2.7	3.0	4.3	6.7	16.7	5.8
Leasing Contracts & Other Contractual Rights	11.3	12.9	11.3	59.1	94.5	2.9	9.8	12.5	11.0	36.2	11.8
Spectrum licenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	151.3	151.3	0.0
Total Group CAPEX	99.5	96.4	109.1	174.5	479.4	98.8	114.0	122.5	274.5	609.8	143.3

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



Table 11.

Cash Flow (Millions of Euros)	1Q20	2Q20	3Q20	4Q20	2020	1Q21	2Q21	3Q21	4Q21	2021	1Q22
EBITDA	152.7	157.9	160.6	132.0	603.2	152.2	154.4	171.1	140.2	618.0	159.4
Total CAPEX Excluding Leasings & Other Contractual Rights	(88.2)	(83.5)	(97.8)	(115.4)	(384.9)	(96.0)	(104.1)	(110.0)	(112.3)	(422.3)	(131.4)
EBITDA - Total CAPEX Excluding Leasings & Other Contractual Rights	64.5	74.3	62.8	16.6	218.3	56.2	50.3	61.2	28.0	195.6	28.0
% of Revenues	18.7%	23.1%	18.1%	4.7%	16.0%	16.7%	14.7%	16.7%	7.3%	13.7%	7.5%
Non-Cash Items Included in EBITDA - CAPEX and Change in Working Capital	(4.5)	5.0	(15.1)	(0.4)	(15.1)	(3.2)	9.3	(10.4)	(1.5)	(5.9)	1.9
Leasings (Capital & Interest) <sup>(1)</sup>	(15.6)	(16.9)	(16.8)	(26.4)	(75.7)	(21.1)	(24.3)	(25.2)	(28.4)	(99.0)	(21.9)
Operating Cash Flow	44.4	62.4	30.8	(10.1)	127.5	31.9	35.2	25.6	(2.0)	90.7	8.1
Interest Paid	(2.6)	(5.3)	(2.9)	(1.0)	(11.8)	(3.5)	(4.4)	(2.3)	(0.7)	(10.9)	(3.2)
Income Taxes Paid	(3.6)	(0.3)	(16.7)	0.1	(20.5)	(1.5)	0.1	(13.8)	14.5	(0.7)	(0.2)
Disposals	0.0	0.1	374.2	0.1	374.4	0.2	1.0	0.4	0.2	1.8	0.5
Other Cash Movements <sup>(2)</sup>	(3.6)	(3.3)	(3.3)	(0.8)	(11.0)	(5.9)	(1.9)	(0.4)	(1.0)	(9.4)	(1.0)
Spectrum licenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(151.3)	(151.3)	0.0
Total Free Cash-Flow Before Dividends, Financial Investments and Own Shares Acquisition	34.6	53.5	382.1	(11.6)	458.6	21.2	29.9	9.4	(140.3)	(79.8)	4.1
Financial Investments	0.0	1.8	0.3	0.2	2.3	0.2	0.2	(0.2)	(0.6)	(0.4)	0.2
Acquisition of Own Shares	0.0	(2.9)	(0.5)	(2.4)	(5.7)	(2.1)	0.0	0.0	0.0	(2.1)	(2.9)
Dividends	0.0	0.0	(142.5)	0.0	(142.5)	0.0	(142.4)	0.0	0.0	(142.4)	0.0
Free Cash Flow	34.6	52.5	239.4	(13.9)	312.6	19.3	(112.2)	9.2	(141.0)	(224.6)	1.4
Debt Variation Through Financial Leasing, Accruals & Deferrals & Others	(3.1)	0.2	(1.5)	(3.4)	(7.7)	(0.7)	0.6	(2.0)	(2.9)	(5.0)	(0.2)
Change in Net Financial Debt	(31.5)	(52.7)	(237.9)	17.3	(304.9)	(18.7)	111.6	(7.2)	143.9	229.7	(1.2)

(1) Includes Long Term Contracts.

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





Table 12.

<b>Net Financial Debt</b> (Millions of Euros)	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	<b>1Q22</b>
Short Term	23.1	134.8	97.2	100.8	249.6	187.3	169.3	235.7	99.1
Medium and Long Term	1,104.4	891.6	854.6	854.5	705.0	737.1	762.0	806.9	947.0
<b>Total Debt</b>	<b>1,127.5</b>	<b>1,026.4</b>	<b>951.8</b>	<b>955.3</b>	<b>954.6</b>	<b>924.4</b>	<b>931.2</b>	<b>1,042.6</b>	<b>1,046.0</b>
Cash and Short Term Investments	65.4	17.1	180.3	153.3	171.2	29.4	43.4	10.9	15.5
<b>Net Financial Debt <sup>(1)</sup></b>	<b>1,062.1</b>	<b>1,009.4</b>	<b>771.5</b>	<b>802.0</b>	<b>783.4</b>	<b>895.0</b>	<b>887.8</b>	<b>1,031.7</b>	<b>1,030.5</b>
<b>Net Financial Debt / EBITDA after lease payments (last 4 quarters) <sup>(2)</sup></b>	<b>1.87x</b>	<b>1.82x</b>	<b>1.43x</b>	<b>1.52x</b>	<b>1.50x</b>	<b>1.75x</b>	<b>1.73x</b>	<b>1.99x</b>	<b>1.96x</b>
Leasings and Long Term Contracts	249.0	210.8	576.4	575.3	560.4	551.5	543.5	534.0	528.8
<b>Net Debt</b>	<b>1,311.1</b>	<b>1,220.2</b>	<b>1,347.9</b>	<b>1,377.4</b>	<b>1,343.8</b>	<b>1,446.5</b>	<b>1,431.3</b>	<b>1,565.7</b>	<b>1,559.3</b>
<b>Net Debt / EBITDA</b>	<b>2.07x</b>	<b>1.97x</b>	<b>2.22x</b>	<b>2.28x</b>	<b>2.23x</b>	<b>2.41x</b>	<b>2.35x</b>	<b>2.53x</b>	<b>2.49x</b>
<b>Net Financial Gearing <sup>(3)</sup></b>	<b>56.7%</b>	<b>57.5%</b>	<b>58.8%</b>	<b>59.0%</b>	<b>57.6%</b>	<b>61.9%</b>	<b>60.4%</b>	<b>61.9%</b>	<b>60.8%</b>

<sup>(1)</sup> Net Financial Debt = Borrowings - Leasings - Cash

<sup>(2)</sup> EBITDA After Lease Payments = EBITDA - Lease Cash Payments (Capital & Interest)

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



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Conf. Call – 04 May – 12:00pm	Webcast – 04 May – 12:00pm
<p><b>Participant Details:</b> <a href="http://emea.directeventreg.com/registration/8587555">http://emea.directeventreg.com/registration/8587555</a></p> <p>1. Participants must register in advance of the conference call, using the link provided above. Upon registering, each participant will be provided with Participant Dial In Numbers, Direct Event Passcode and unique Registrant ID.</p> <p>2. Call reminders will also be sent to registered participants via email the day prior to the event.</p> <p>3. In the 15/20 minutes prior to call start time, Participants must use the conference access information provided in the email received at the point of registering.</p> <p><b>Encore Replay dial-in details:</b> <i>Available as of 04/05/2022 17:30 BST</i> <i>Until 11/05/2022 17:30 BST</i></p> <p>Confirmation Code: <b>8587555</b></p> <p><b>Standard International:</b> +44 (0) 3333009785 <b>US</b> Local: +1 (917) 677-7532 Toll Free: +1 (866) 331-1332 <b>UK :</b> Local: +44 (0)8445718951 Toll Free: 08082380667</p>	<p><b>Participant Details:</b> <a href="https://edge.media-server.com/mmc/p/ue6uq2r7">https://edge.media-server.com/mmc/p/ue6uq2r7</a></p> <p>1. Participants must register for the webcast, using the link provided above.</p> <p>2. In the 15/20 minutes prior to call start time, Participants must access the webcast using the link provided above.</p>



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