

NOVABASE

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REPORT AND ACCOUNTS

1st half 2024

- Management Report
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NOVABASE

NEXT-GEN

IT SERVICES COMPANY

1H24

CONSOLIDATED RESULTS

1H24 Outlook



Chairman and CEO

NOVABASE

Message from Luís Paulo Salvado

“Novabase’s results for the first half of 2024 reveal the continued execution of our strategy under current market conditions: Revenue grew by 1%, EBITDA by 5%, and Net Income from continuing operations by 16%.

In the Next-Gen segment, where international activity accounts for more than 70% of the business, EBITDA increased by 8%, reaching double-digit profitability. The number of employees grew by 1%, in line with revenue, and the attrition rate decreased to below 11%, an improvement compared to previous periods. This resulted from a more competitive value proposition for talent and a macroeconomic context more favourable for retention.

The first half was also marked by the dividend payment of €1.79 per share, with 80% of shareholders opting to receive shares

of the company. Consequently, of the €46m distributed, €38m was reinvested in the capital increase, bringing the Net Cash position to €59m. Notably, the total shareholder return during this period was 35%, compared to -6% for the PSI All-Share index and 20% for the EuroStoxx Technology index.

Despite the uncertainty that persists for the rest of the year, we will maintain our strategic course. We thank our teams for their work, trusting in their ability to overcome future challenges.”

Novabase in the News¹

Press Zone

- **Most Valuable Brand in the Technology & Software sector** | Novabase was considered the most valuable portuguese brand in the Technology & Software sector and one of the Top100, according to Brand Value study conducted by the consultancy OnStrategy.
- **Award at FutureNet World 2024** | Celfocus won the Operator Award at FutureNet World for its Cognitive Intelligence & Automation Solution (CIAS) for Global NOC in collaboration with Vodafone.
- **Merit Awards for Telecom** | Celfocus has secured the Gold medal in three prestigious categories at the Merit Awards for Telecom. The Awards recognises Celfocus' outstanding contributions to the telecom industry alongside its clients, Vodafone and Eutelsat OneWeb.
- **Catalyst Awards at the DTW24** | Celfocus won four prestigious Catalyst Awards at the DTW24 - Ignite event, held in Copenhagen. Recognised for their innovation and collaboration, Celfocus' projects tackled critical industry challenges, showcasing cutting-edge solutions.
- **Talent Acquisition initiatives** | Celfocus hosted another edition of “Celfocus Insider”, an open day initiative specially designed for university students, in collaboration with IST², offering them an immersive experience within our offices and team.
- **Partnership with Technovation Girls Portugal** | Celfocus sponsored, mentored and trained 9 teams of girls, aged 8 to 18. This program aims to inspire and empower young girls in STEM³ fields, contributing to create a responsible, inclusive, and diverse community.
- **New Corporate Bodies** | Novabase's corporate bodies were elected for the 2024-2026 term, with a Board of Directors led by Luís Salvado.
- **Novabase paid €1.79 per share** | Distribution of profits and free reserves in cash, included the option, on the part of shareholders, to alternatively allocate shares of the same category to be issued by Novabase for this purpose.
- **Novabase increased its capital by €38.0m** | Novabase concluded its share capital increase by issuing 9,234,565 new shares to be allocated to shareholders who opted to receive the dividend in kind. New shares entered the stock exchange on 28 June.

¹ Until this presentation date.

² University of Lisbon's Instituto Superior Técnico.

³ Science, Technology, Engineering, and Mathematics.

Financial Highlights

Stable 1H with improved profitability

Turnover and EBITDA do not include the *IT Staffing* Business (Value Portfolio), discontinued in 4Q23, for all periods in this presentation.

- Turnover grew 1% YoY
- 70% of Next-Gen's Turnover is generated outside Portugal
- Europe & Middle East target markets account for 96% of NG's International Ops.
- Top Tier clients Revenues grew 2% YoY
- EBITDA increased 5% YoY, with Next-Gen showing a two-digit profitability
- Net Profit from continuing operations of €2.5m, +16% YoY
- Solid Net Cash position of €59.3m, after €1.79/share payment
- Talent Pool of 1333 employees
- Total Shareholder Return of 35%



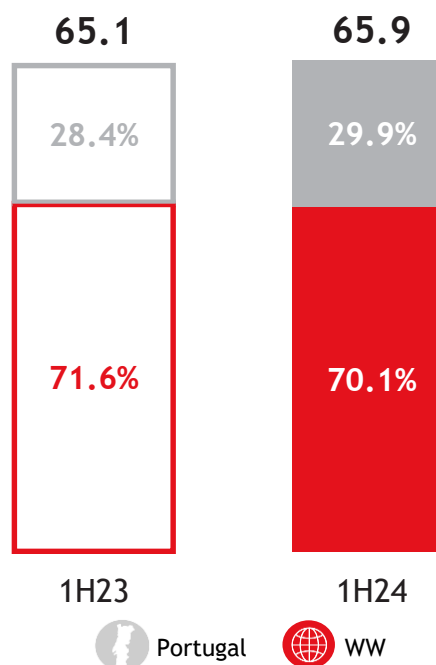
1H24 Performance

Key Figures

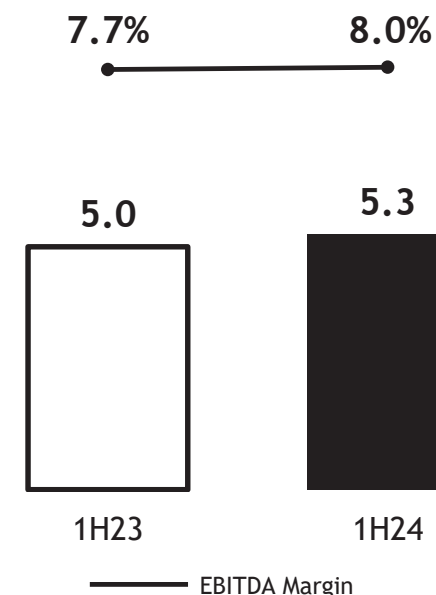
NOVABASE

Turnover grew 1% YoY and EBITDA increased 5% YoY

Turnover ⁽¹⁾ | % by Geography ⁽²⁾



EBITDA ⁽³⁾



(1) 100% of Turnover refers to Next-Gen in both periods.

(2) Turnover by Geography is computed based on the location of the client's decision centre.

(3) Includes Value Portfolio EBITDA of -€1.5m in 1H24 (-€1.3m in 1H23), almost entirely related to central structure costs.



Turnover & EBITDA

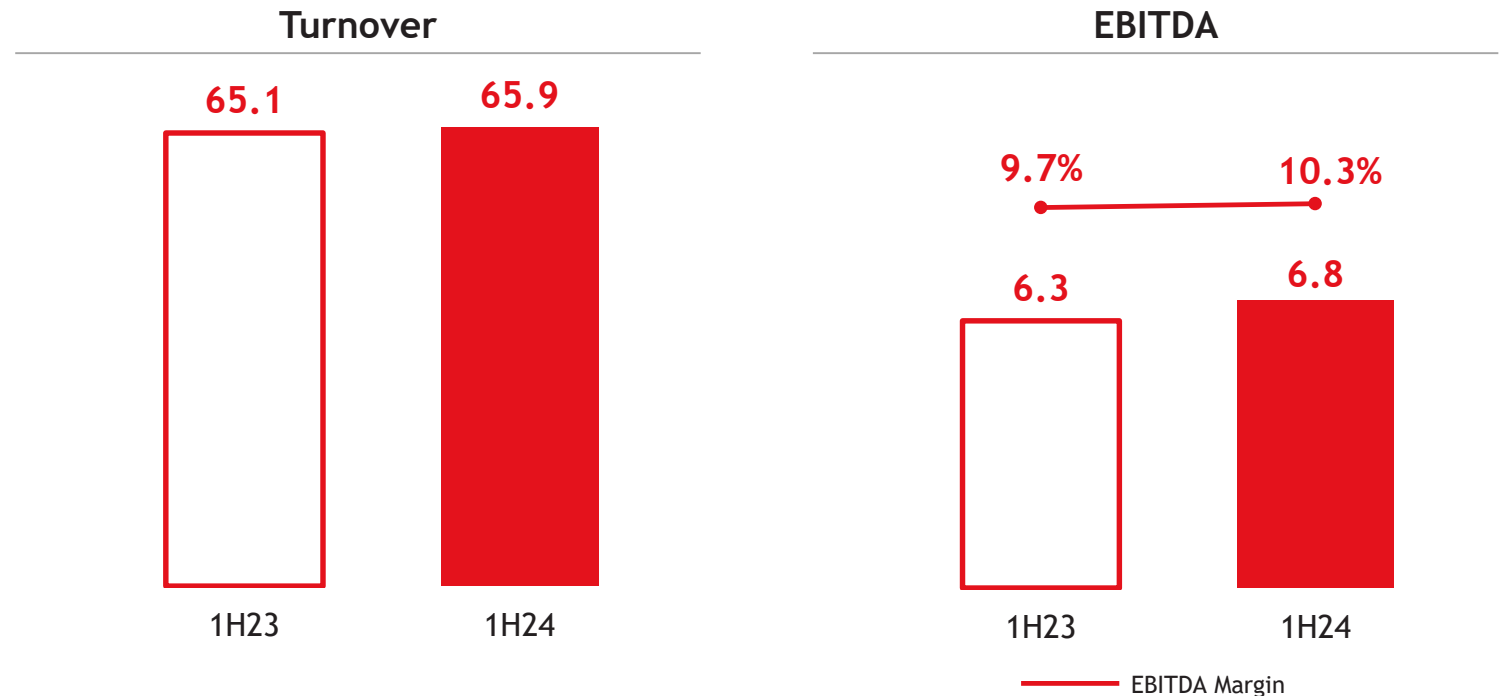
Key Figures



Next-Gen Segment

NOVABASE

Next-Gen Turnover grew organically 1% YoY
with EBITDA reaching double-digit
profitability



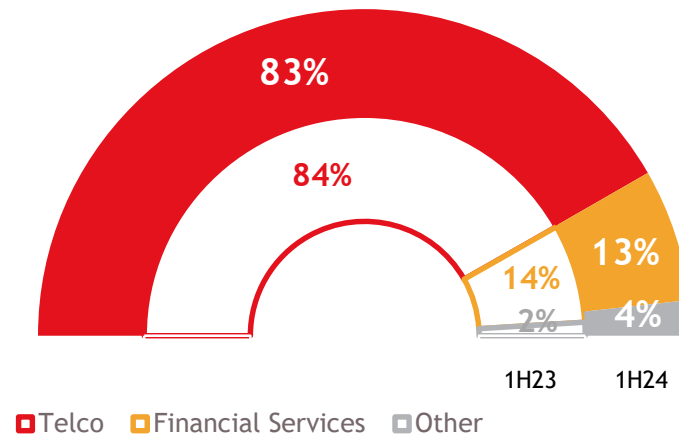
Key Figures

International Ops. represent 70% of Next-Gen's Turnover

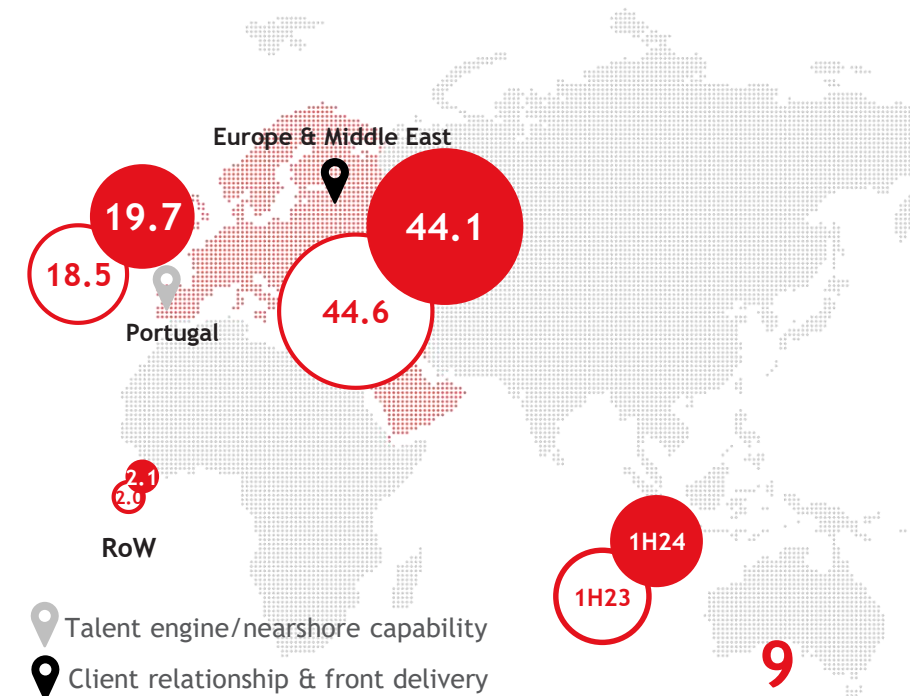
Multi-industry approach results emerging, but still Telco dominance.

Europe & Middle East totalled 96% of Next-Gen's international Revenues, in line with the strategic focus.

Revenue by Industry (%)



Revenue by Geography



Next-Gen Segment

Key Figures

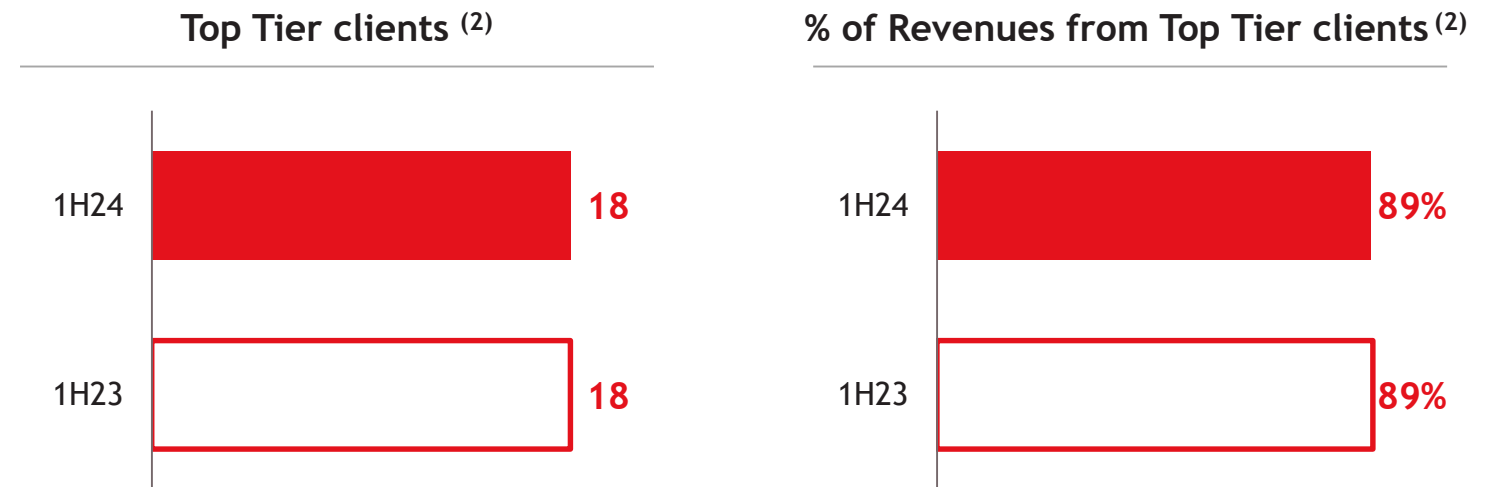


Next-Gen Segment

NOVABASE

Top Tier clients Revenues grew 2% YoY

The client base ⁽¹⁾ expanded by 6% YoY.



Total number of clients in 1H24 increased to 111 (105 in 1H23).

(1) Client is defined as the decision-making client.

(2) Top Tier clients (>1 M€) considers the Trailing 12 Months.

Key Figures



EBITDA to Net Profit

NOVABASE

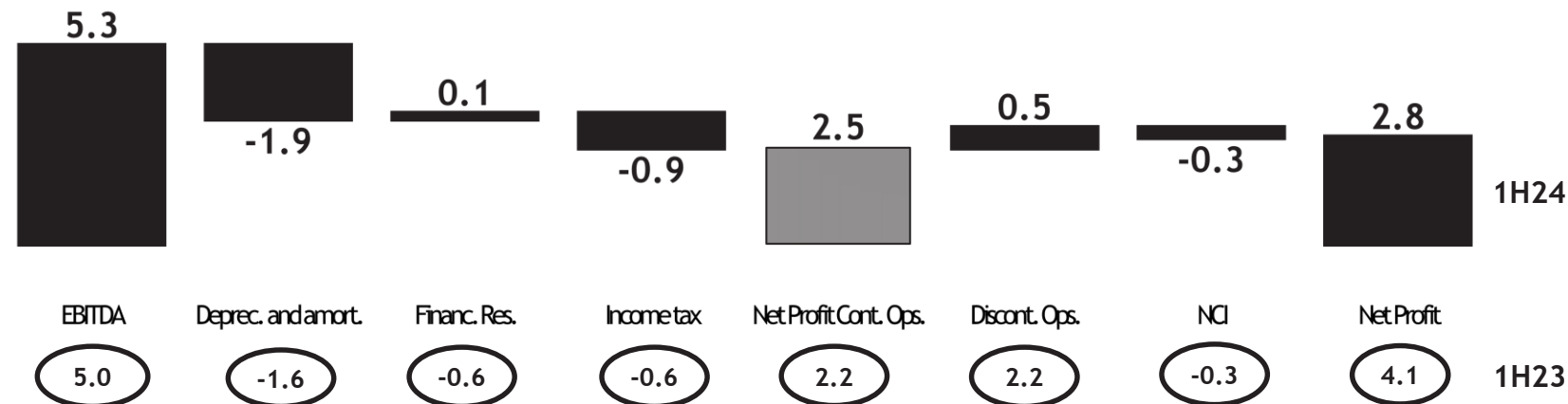
Net Profit from continuing operations of €2.5m, +16% YoY...

... as a result of higher EBITDA, partially offset by higher D&A and Income tax, and improved Financial Results.

Net Profit stood at €2.8m, -32% YoY, due to the divestiture in 2023 of the Neotalent business, the results of which are presented in Discontinued Operations. A capital gain adjustment of €0.4m was recorded in 1H24, following the final determination of price clauses provided for in the Agreement.

Total EPS was €0.10 (€0.15 in 1H23).

EBITDA to Net Profit



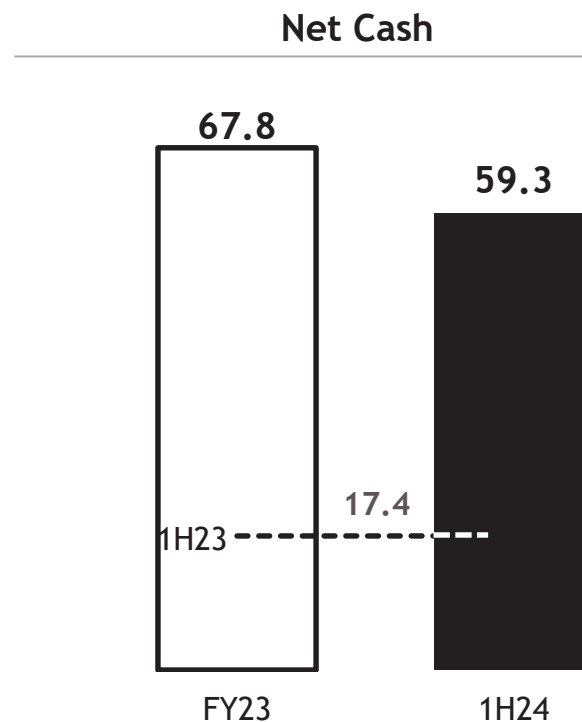
Key Figures



Net Cash

Solid Net Cash position of €59.3m...

... after €1.79/share payment, where the distribution in kind, at the option of the shareholders, allowed for a reinforcement of capitalization.



Cash use of €0.2m in 1H24, excluding the €46.3m cash outflow from shareholder remuneration and the €38.0m cash inflow from share capital increase.

Considering the last 12 months, noteworthy is the €51.1m cash inflow from *IT Staffing* Business disposal in 2H23.

€2.5m of Net Cash refers to Non-Controlling Interests (Vs. €3.3m in FY23).

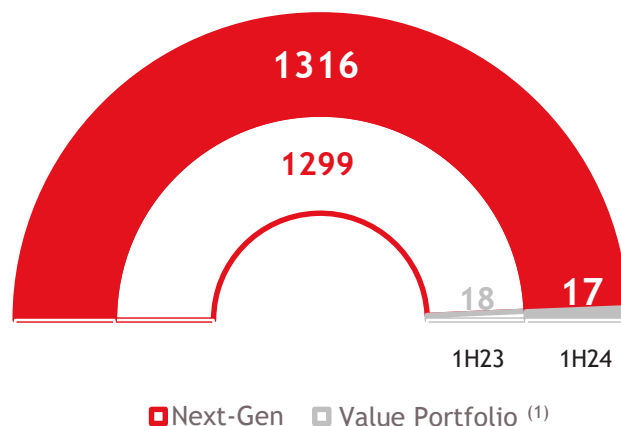
Key Figures



Talent

Talent Pool of 1333 employees

Average number of Employees



Talent pool increased 1% YoY (1317 in 1H23).

TTM attrition rate ⁽²⁾ of Next-Gen dropped to 10.7% (14.4% in 1H23 and 11.2% in FY23), in a downward trend since 2H22, as a result of proactive management of our pool and evolving market context.

(1) Excludes *IT Staffing* representing 843 employees in 1H23.

(2) Determined by the formula: number of leaves at the employee's initiative ÷ average number of employees, for the Trailing 12 Months.

Key Figures



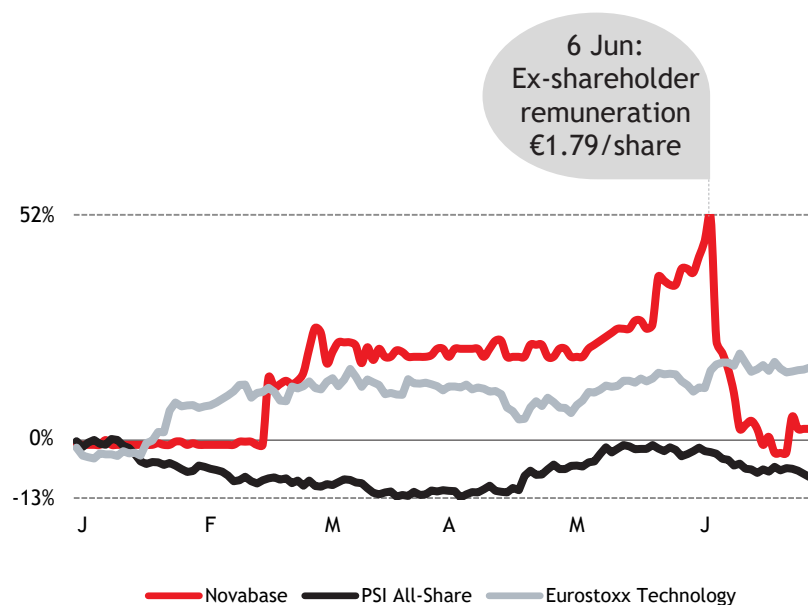
Stock Market

TSR of 35%

NBA total shareholder remuneration increased 35% in 1H24, whilst the EuroStoxx Technology Index gross return increased 20% and the PSI All-Share Index gross return decreased 6% (in price returns, +3%, +17%, and -9%, respectively).

The sale of *IT Staffing* Business in late 2023 enabled additional shareholders' remuneration, and in 1H24 Novabase paid €1.79/share, where shareholders were given the possibility to alternatively opt for the allotment of shares of the same class to be issued for this purpose.

Novabase and the Market



As a result of the cash contributions made by Novabase's shareholders who opted to receive the dividend in kind, the amount of the share capital increase was €38.0m, corresponding to the issue of 9,234,565 new shares ⁽¹⁾.

New shares were admitted to trading on the Euronext Lisbon regulated market from 28 June (inclusive).

No transactions of own shares took place during 1H24. At 30 June 2024, Novabase holds 658,461 own shares (1.84% of its share capital).

Market Cap at the end of 1H24 is €196.7m, with a ttm Price to Sales of 1.47x.

(1) The capital increase was subscribed by shareholders holding shares representing around 80% of the share capital entitled to the dividend.



**In compliance with
ESMA guidelines**

Alternative Performance Measures

APMs used by Novabase in this presentation are: EBITDA and Net Cash.

EBITDA allows to evaluate the profitability of the business and the company's capacity to generate resources through its operating activities. EBITDA is defined as operating profit excluding depreciation and amortisation and (if any) non-operating costs (e.g. restructuring costs). "Operating Profit" is simultaneously the item of the consolidated income statement, which is an integral part of this Report, more directly reconcilable and more relevant to this APM.

Net Cash provides information on the level of cash and other bank deposits and marketable securities, after discounting the debts to financial institutions, assisting in the analysis of the company's liquidity and its ability to meet non-bank commitments. "Cash and cash equivalents" is simultaneously the item of the consolidated statement of financial position more directly reconcilable and more relevant to this APM.

The detail and breakdown of Net Cash, as well as the reconciliation in 1H24 and prior period, is analysed in the table below.

	FY23	1H24
Cash and cash equivalents	80,314	68,487
Treasury shares held by the Company ⁽¹⁾	3,529	3,622
Bank borrowings - Non-Current	(8,587)	(7,449)
Bank borrowings - Current	(7,475)	(5,376)
Net Cash (Euro thousands)	67,781	59,284

	FY23	1H24
Treasury shares held by the Company	658,461	658,461
Closing price @ last tradable day (€)	5.360	5.500
Treasury shares held by the Company (Euro thousands)	3,529	3,622

(1) Determined by multiplying the number of treasury shares held by the Company at the end of the period by the share price on the last tradable day.

NEXT-GEN IT SERVICES COMPANY



Company Information

Novabase SGPS, S.A.
Euronext code: PTNBA0AM0006
Registered in TRO of Lisbon and
Corporate Tax Payer no. 502.280.182
Share Capital: 1,072,866.06 €
Head Office: Av. D. João II, 34,
1998-031 Lisbon - PORTUGAL



Investors Relations

María Gil Marín
Chief Investors Officer
Tel. +351 213 836 300
Fax: +351 213 836 301
investor.relations@novabase.com

Report available on website:
www.novabase.com



Next Events

2024 Full Year Results (tbd)

NOVABASE

**Consolidated Statement of Financial Position
as at 30 June 2024**

	30.06.24	31.12.23
	(Thousands of Euros)	
ASSETS		
Tangible assets	1,220	1,391
Intangible assets	10,177	9,264
Right-of-use assets	10,263	11,390
Financial investments	13,855	13,879
Deferred income tax assets	6,882	6,945
Other non-current assets	1,466	1,466
Total Non-Current Assets	43,863	44,335
Trade debtors and accrued income	42,440	40,073
Other debtors and prepaid expenses	12,875	10,326
Derivative financial instruments	113	246
Cash and cash equivalents	68,487	80,314
Total Current Assets	123,915	130,959
Assets for continuing operations	167,778	175,294
Assets for discontinued operations	1,499	1,373
Total Assets	169,277	176,667
EQUITY		
Share capital	1,073	796
Treasury shares	(20)	(20)
Share premium	37,930	226
Reserves and retained earnings	28,892	27,449
Net profit	2,824	47,058
Total Shareholders' Equity	70,699	75,509
Non-controlling interests	11,838	11,587
Total Equity	82,537	87,096
LIABILITIES		
Bank borrowings	7,449	8,587
Lease liabilities	8,805	9,796
Provisions	3,952	3,269
Other non-current liabilities	2,749	2,749
Total Non-Current Liabilities	22,955	24,401
Bank borrowings	5,376	7,475
Lease liabilities	2,516	1,961
Trade payables	4,262	4,628
Other creditors and accruals	26,724	28,240
Derivative financial instruments	254	112
Deferred income	22,893	20,972
Total Current Liabilities	62,025	63,388
Total Liabilities for cont. operations	84,980	87,789
Total Liabilities for discount. operations	1,760	1,782
Total Liabilities	86,740	89,571
Total Equity and Liabilities	169,277	176,667
Net Cash	59,284	67,781

**Consolidated Income Statement
for the period of 6 months ended 30 June 2024**

	30.06.24	30.06.23 (*)	Var. %
	(Thousands of Euros)		
CONTINUING OPERATIONS			
<i>Operating income</i>			
Services rendered	65,896	65,135	
Supplementary income and subsidies	848	51	
Other operating income	12	6	
	66,756	65,192	
<i>Operating expenses</i>			
External supplies and services	(24,517)	(23,861)	
Employee benefit expense	(37,291)	(36,435)	
(Provisions) / Provisions reversal	52	(14)	
Net impairm. losses on financ. assets	370	267	
Other operating expenses	(120)	(149)	
	(61,506)	(60,192)	
Gross Net Profit (EBITDA)	5,250	5,000	5.0 %
Depreciation and amortisation	(1,936)	(1,594)	
Operating Profit (EBIT)	3,314	3,406	-2.7 %
Financial results	143	(559)	
Net Profit before taxes (EBT)	3,457	2,847	21.4 %
Income tax expense	(908)	(648)	
Net Profit from continuing operations	2,549	2,199	15.9 %
DISCONTINUED OPERATIONS			
Net Profit from discount. operations	528	2,187	-75.9 %
Non-controlling interests	(253)	(261)	
Attributable Net Profit	2,824	4,125	-31.5 %
Other information :			
Turnover	65,896	65,135	1.2 %
EBITDA margin	8.0 %	7.7 %	
EBT % on Turnover	5.2 %	4.4 %	
Net profit % on Turnover	4.3 %	6.3 %	

* Restated - The IT Staffing business was considered in discontinued operations.

Results Information by SEGMENTS
for the period of 6 months ended 30 June 2024

(Thousands of Euros)

	Value Portfolio	Next-Gen	NOVABASE
<i>CONTINUING OPERATIONS</i>			
Turnover	-	65,896	65,896
Gross Net Profit (EBITDA)	(1,528)	6,778	5,250
Depreciation and amortisation	(5)	(1,931)	(1,936)
Operating Profit (EBIT)	(1,533)	4,847	3,314
Financial results	702	(559)	143
Net Profit / (Loss) before Taxes (EBT)	(831)	4,288	3,457
Income tax expense	(323)	(585)	(908)
Net Profit / (Loss) from cont. operations	(1,154)	3,703	2,549
<i>DISCONTINUED OPERATIONS</i>			
Net Profit from discontinued operations	528	-	528
Non-controlling interests	(55)	(198)	(253)
Attributable Net Profit / (Loss)	(681)	3,505	2,824
Other information :			
EBITDA % on Turnover	n/a	10.3%	8.0%
EBT % on Turnover	n/a	6.5%	5.2%
Net profit % on Turnover	n/a	5.3%	4.3%

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ANNEXES TO THE MANAGEMENT REPORT

1st half 2024

I. CORPORATE BODIES

The 2024 General Meeting of Shareholders, held on 22 May, resolved the election of the members of the corporate bodies and of the Remunerations Committee for the term of office 2024/2026, as well as the election of the effective and deputy Statutory Auditor. Therefore, under the terms resolved, the corporate bodies and the Remuneration Committee of Novabase have the following composition for the 2024/2026 triennium:

BOARD OF DIRECTORS

Chairman and Director with delegated powers: Luís Paulo Cardoso Salvado

Director with delegated powers: Álvaro José da Silva Ferreira

Director with special responsibilities (responsible for the logistics, finance and tax and legal areas): Francisco Paulo Figueiredo Morais Antunes

Director with special responsibilities (responsible for the business area related to Novabase Capital, investors relations area, marketing and communication area and information technologies area): María del Carmen Gil Marín

Non-Executive member of the Board of Directors: José Afonso Oom Ferreira de Sousa

Non-Executive member of the Board of Directors: Pedro Miguel Quinteiro Marques de Carvalho

Non-Executive member of the Board of Directors: Benito Vázquez Blanco

Non-Executive member of the Board of Directors: Madalena Paz Ferreira Perestrelo de Oliveira

Non-Executive member of the Board of Directors: Rita Wrem Viana Branquinho Lobo Carvalho Rosado

OFFICERS OF THE GENERAL MEETING

Chairman: Catarina Maria Marante Granadeiro

Secretary: Diogo Ferreira da Fonseca Pinto

AUDIT BOARD

Chairman: Álvaro José Barrigas do Nascimento

Member: Fátima do Rosário Piteira Patinha Farinha

Member: João Luís Correia Duque

Deputy: Manuel Saldanha Tavares Festas

STATUTORY AUDITOR

Effective: Ernst & Young Audit & Associados - S.R.O.C., S.A., represented by Luís Miguel Gonçalves Rosado

Deputy: Rui Abel Serra Martins

REMUNERATIONS COMMITTEE

Chairman: Francisco Luís Murteira Nabo

Member: Pedro Miguel Duarte Rebelo de Sousa

Member: João Francisco Ferreira de Almada e Quadros Saldanha

At the meeting of the Board of Directors of Novabase, also held on 22 May, it was resolved to appoint the secretary of Novabase for the 2024/2026 term of office, in accordance with the following terms:

COMPANY'S SECRETARY

Effective: Miguel Meunier Nolasco de Almeida Crespo

Deputy: Maria Amália Lopes dos Santos Parente

II. INFORMATION CONCERNING STAKES HELD BY MEMBERS OF THE BOARD OF DIRECTORS AND SUPERVISORY BODIES

(Under the terms of paragraph 5 of article 447 of the Portuguese Commercial Companies Code)

The shareholding of each of these members of the Corporate Bodies corresponds to the last position notified to the Company with reference to 30 June 2024 or a previous date. The functions of each of these Corporate Bodies are described in Annex I of this Report.

Holders	No. shares	% share capital and voting rights
Pedro Miguel Quinteiro Marques de Carvalho	2,736,653	7.65%
Manuel Saldanha Tavares Festas	74,986	0.21%
Francisco Paulo Figueiredo Morais Antunes	43,536	0.12%
María del Carmen Gil Marín	33,011	0.09%
João Luís Correia Duque	500	0.00%
Luís Paulo Cardoso Salvado ⁽¹⁾	1	0.00%
Álvaro José da Silva Ferreira ⁽¹⁾	1	0.00%
José Afonso Oom Ferreira de Sousa ⁽¹⁾	1	0.00%
Rita Wrem Viana Branquinho Lobo Carvalho Rosado	0	0.00%
Madalena Paz Ferreira Perestrelo de Oliveira	0	0.00%
Benito Vázquez Blanco	0	0.00%
Álvaro José Barrigas do Nascimento	0	0.00%
Fátima do Rosário Piteira Patinha Farinha	0	0.00%
Ernst & Young Audit & Associados - S.R.O.C., S.A., represented by Luís Miguel Gonçalves Rosado	0	0.00%
Rui Abel Serra Martins	0	0.00%
Total	2,888,689	8.08%

⁽¹⁾ Luís Paulo Cardoso Salvado, Álvaro José da Silva Ferreira and José Afonso Oom Ferreira de Sousa are shareholders of HNB - S.G.P.S., S.A., where they hold management positions. HNB - S.G.P.S., S.A. held 16,417,222 shares representing 45.91% of Novabase's share capital and respective voting rights at 30 June 2024.

In addition to those mentioned to in this document (at the management transactions item), no encumbrances or other acquisitions or changes in the ownership of shares representing the Company's share capital (or of a company in a control or group relationship with the Company) were undertaken by the Members of the Board of Directors and Supervisory Bodies, nor any promissory, option or repurchase agreements, nor other agreements with similar effects on such shares.

No other transactions of the type described above were likewise carried out by any person falling under the scope of paragraphs 2 a) to d) of article 447 of the Portuguese Commercial Companies Code.

Finally, it should be clarified that neither the Company nor any company in a control or group relationship with it is an issuer of bonds.

III. MANAGEMENT TRANSACTIONS

(Under the terms of European Union market abuse regulation)

During the first half of 2024, the following transactions on Novabase's ordinary shares were carried out by the persons falling under the scope of article 447 of the Portuguese Commercial Companies Code:

Director / closely associated person	Transaction	Date	Location	No. shares	Price per share (€)
HNB - S.G.P.S., S.A.	Acquisition	25/06/2024	Outside regulated market	4,978,371	4.1129
Francisco Paulo Figueiredo Morais Antunes	Acquisition	25/06/2024	Outside regulated market	13,201	4.1129
María del Carmen Gil Marín	Acquisition	25/06/2024	Outside regulated market	10,010	4.1129
Pedro Miguel Quinteiro Marques de Carvalho	Acquisition	25/06/2024	Outside regulated market	639,040	4.1129

IV. OWN SHARES TRANSACTIONS

(Under the terms of section d) of paragraph 5 of article 66 of the Portuguese Commercial Companies Code)

As at 31 December 2023, Novabase held 658,461 own shares, representing 2.48% of its share capital, all of them held through Novabase Consulting S.G.P.S., S.A..

During the first half of 2024, Novabase increased its capital by €38.0m corresponding to the issue of 9,234,565 new shares allocated to shareholders who opted to receive the dividend in kind. As a result, Novabase have a share capital of €1,072,866.06, represented by 35,762,202 ordinary registered shares.

New shares were admitted to trading on the Euronext Lisbon regulated market from 28 June (inclusive).

During the first half of 2024, there were no own shares transactions.

As at 30 June 2024, Novabase held 658,461 own shares, representing 1.84% of its share capital, all of them held through Novabase Consulting S.G.P.S., S.A..

As at 30 June 2024, the nominal value of all shares representing the share capital of Novabase was €0.03 (31 December 2023: €0.03).

CONDENSED CONSOLIDATED ACCOUNTS

1st half 2024

(Unaudited)

NOVABASE S.G.P.S., S.A.

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These condensed consolidated interim financial statements does not include all the notes of the type normally included in an annual financial statements. Accordingly, these condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2023 and any public announcements made by NOVABASE during the interim reporting period.

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I. CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
for the period of 6 months ended 30 June 2024

NOVABASE S.G.P.S., S.A.

Condensed Consolidated Interim Statement of Financial Position as at 30 June 2024

(Amounts expressed in thousands of Euros)

	Note	30.06.24	31.12.23
Assets			
Non-Current Assets			
Property, plant and equipment	5	11,483	12,781
Intangible assets	6	10,177	9,264
Financial assets at fair value through profit or loss	26	13,855	13,879
Deferred tax assets	7	6,882	6,945
Other non-current assets		1,466	1,466
Total Non-Current Assets		43,863	44,335
Current Assets			
Trade and other receivables	8	43,311	41,827
Accrued income		4,763	3,514
Income tax receivable		2,195	1,670
Derivative financial instruments	26	113	246
Other current assets		5,046	3,388
Cash and cash equivalents	9	68,487	80,314
Total Current Assets		123,915	130,959
Assets from discontinued operations	25	1,499	1,373
Total Assets		169,277	176,667
Equity and Liabilities			
Equity			
Share capital	10	1,073	796
Treasury shares	10	(20)	(20)
Share premium	10	37,930	226
Reserves and retained earnings	11	28,892	27,449
Profit for the period		2,824	47,058
Total Equity attributable to owners of the parent		70,699	75,509
Non-controlling interests	12	11,838	11,587
Total Equity		82,537	87,096
Liabilities			
Non-Current Liabilities			
Borrowings	13	16,254	18,383
Provisions	14	3,952	3,269
Other non-current liabilities		2,749	2,749
Total Non-Current Liabilities		22,955	24,401
Current Liabilities			
Borrowings	13	7,892	9,436
Trade and other payables	15	30,400	32,413
Income tax payable		586	455
Derivative financial instruments	26	254	112
Deferred income and other current liabilities		22,893	20,972
Total Current Liabilities		62,025	63,388
Liabilities from discontinued operations	25	1,760	1,782
Total Liabilities		86,740	89,571
Total Equity and Liabilities		169,277	176,667
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The accompanying notes are an integral part of these condensed consolidated interim financial statements

NOVABASE S.G.P.S., S.A.

Condensed Consolidated Interim Statement of Profit or Loss for the period of 6 months ended 30 June 2024

(Amounts expressed in thousands of Euros)

	Note	6 M *	
		30.06.24	30.06.23 (*)
Continuing operations			
Services rendered	4	65,896	65,135
External supplies and services	16	(24,517)	(23,861)
Employee benefit expense	17	(37,291)	(36,435)
Net impairment losses on trade and other receivables	8	370	267
Other gains/(losses) - net	18	792	(106)
Depreciation and amortisation	5, 6	(1,936)	(1,594)
Operating Profit		3,314	3,406
Finance income	19	1,508	421
Finance costs	20	(1,365)	(980)
Earnings Before Taxes (EBT)		3,457	2,847
Income tax expense	21	(908)	(648)
Profit from continuing operations		<u>2,549</u>	<u>2,199</u>
Discontinued operations			
Profit from discontinued operations	25	<u>528</u>	<u>2,187</u>
Profit for the period		<u>3,077</u>	<u>4,386</u>
Profit attributable to:			
Owners of the parent		2,824	4,125
Non-controlling interests	12	<u>253</u>	<u>261</u>
		<u><u>3,077</u></u>	<u><u>4,386</u></u>
Earnings per share from continuing and discontinued operations attributable to owners of the parent (Euros per share)			
Basic earnings per share			
From continuing operations	22	0.08 Euros	0.07 Euros
From discontinued operations	22	0.02 Euros	0.08 Euros
From profit for the period	22	<u>0.10 Euros</u>	<u>0.15 Euros</u>
Diluted earnings per share			
From continuing operations	22	0.08 Euros	0.07 Euros
From discontinued operations	22	0.02 Euros	0.08 Euros
From profit for the period	22	<u>0.10 Euros</u>	<u>0.14 Euros</u>

(*) Restated to reflect continuing operations separately from discontinued operations (IT Staffing Business) - see note 25.

6 M * - 6-month period ended

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The accompanying notes are an integral part of these condensed consolidated interim financial statements

NOVABASE

NOVABASE S.G.P.S., S.A.

Condensed Consolidated Interim Statement of Comprehensive Income for the period of 6 months ended 30 June 2024

(Amounts expressed in thousands of Euros)

	Note	6 M *	
		30.06.24	30.06.23
Profit for the period		3,077	4,386
Other comprehensive income			
Items that may be reclassified to profit or loss			
Exchange differences on foreign operations, net of tax		(6)	(605)
Other comprehensive income		(6)	(605)
Total comprehensive income for the period		<u>3,071</u>	<u>3,781</u>
Total comprehensive income attributable to:			
Owners of the parent		2,820	3,820
Non-controlling interests		251	(39)
		<u>3,071</u>	<u>3,781</u>

6 M * - 6-month period ended

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The accompanying notes are an integral part of these condensed consolidated interim financial statements

NOVABASE

NOVABASE S.G.P.S., S.A.

Condensed Consolidated Interim Statement of Changes in Equity for the period of 6 months ended 30 June 2024

(Amounts expressed in thousands of Euros)

	Note	Attributable to owners of the parent						Non-controlling interests	Total Equity
		Share capital	Treasury shares	Share premium	Legal reserves	Stock options reserves	Exch. dif. on foreign operations		
Balance at 1 January 2023		32,971	(2,150)	226	3,140	784	(5,111)	26,540	67,227
Profit for the period		-	-	-	-	-	-	4,125	4,386
Other comprehensive income for the period	11, 12	-	-	-	-	-	(305)	(300)	(605)
Total comprehensive income for the period		-	-	-	-	-	(305)	4,125	3,781
Transactions with owners									
Share capital reduction	10, 11	(32,136)	2,214	-	(2,952)	-	-	32,874	-
Share capital increase	10	-	-	-	-	-	-	-	-
Dividends and reserves paid	11, 23	-	-	-	-	-	-	(10,827)	(10,827)
Treasury shares movements	10, 11	-	(126)	-	-	-	-	(17,207)	(17,333)
Share-based payments	11	-	-	-	-	388	-	-	388
Change in consolidation perimeter	12	-	-	-	-	-	-	758	758
Transactions with owners		(32,136)	2,088	-	(2,952)	388	-	4,840	(27,014)
Changes in ownership interests in subsidiaries that do not result in a loss of control									
Transactions with non-controlling interests		-	-	-	-	-	-	-	-
Balance at 30 June 2023		835	(62)	226	188	1,172	(5,416)	35,505	43,994
Balance at 1 January 2024		796	(20)	226	188	1,961	(5,576)	77,934	87,096
Profit for the period		-	-	-	-	-	-	2,824	3,077
Other comprehensive income for the period	11, 12	-	-	-	-	-	(4)	(2)	(6)
Total comprehensive income for the period		-	-	-	-	-	(4)	2,824	3,071
Transactions with owners									
Share capital reduction	10, 11	-	-	-	-	-	-	-	-
Share capital increase	10	277	-	37,704	-	-	-	-	37,981
Dividends and reserves paid	11, 23	-	-	-	-	-	-	(46,306)	(46,306)
Treasury shares movements	10, 11	-	-	-	-	-	-	-	-
Share-based payments	11	-	-	-	-	695	-	-	695
Change in consolidation perimeter	12	-	-	-	-	-	-	-	-
Transactions with owners		277	-	37,704	-	695	-	(46,306)	(7,630)
Changes in ownership interests in subsidiaries that do not result in a loss of control									
Transactions with non-controlling interests		-	-	-	-	-	-	-	-
Balance at 30 June 2024		1,073	(20)	37,930	188	2,656	(5,580)	34,452	82,537

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The accompanying notes are an integral part of these condensed consolidated interim financial statements

NOVABASE

NOVABASE S.G.P.S., S.A.

Condensed Consolidated Interim Statement of Cash Flows for the period of 6 months ended 30 June 2024

(Amounts expressed in thousands of Euros)

	Note	6 M *	
		30.06.24	30.06.23
Cash flows from operating activities			
Net cash from operating activities		1,024	7,321
Cash flows from investing activities			
<i>Proceeds:</i>			
Sale of subsidiaries, net of cash disposed of (i)	25	413	217
Sale of property, plant and equipment		9	5
Investment grants		111	-
Interest received		1,337	81
		<u>1,870</u>	<u>303</u>
<i>Payments:</i>			
Acquisition of subsidiaries		-	(215)
Acquisition of property, plant and equipment	5	(161)	(159)
Acquisition of intangible assets	6	(983)	(66)
		<u>(1,144)</u>	<u>(440)</u>
Net cash from (used in) investing activities		726	(137)
Cash flows from financing activities			
<i>Proceeds:</i>			
Proceeds from borrowings	13	-	12,471
Proceeds from issue of shares	10	37,981	-
		<u>37,981</u>	<u>12,471</u>
<i>Payments:</i>			
Repayment of borrowings	13	(3,237)	(2,100)
Dividends, reserves paid and share capital reductions	11, 12	(46,306)	(10,827)
Payment of lease liabilities	13	(851)	(1,330)
Interest paid		(846)	(566)
Purchase of treasury shares	10, 11	-	(17,338)
		<u>(51,240)</u>	<u>(32,161)</u>
Net cash used in financing activities		(13,259)	(19,690)
Cash and cash equivalents at 1 January	9	81,450	40,620
Net increase (decrease) in cash and cash equivalents		(11,509)	(12,506)
Effect of exchange rate changes on cash and cash equivalents		(185)	24
Cash and cash equivalents at 30 June	9	69,756	28,138

6 M * - 6-month period ended

(i) The amount presented in the condensed consolidated interim statement of cash flows for the 6 months of 2023 under the heading 'Effects of change in consolidation perimeter', of -€3k relating to the cash disposed of with the Mozambican subsidiary NBMSIT, Sist. de Inf. e Tecnol., S.A., was aggregated in the caption 'Sale of subsidiaries, net of cash disposed of' in these condensed financial statements, in line with the presentation in the 2023 annual financial statements.

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The accompanying notes are an integral part of these condensed consolidated interim financial statements

NOVABASE S.G.P.S., S.A.

Selected Notes to the Condensed Consolidated Interim Financial Statements for the period of 6 months ended 30 June 2024

1. General information

Novabase, Sociedade Gestora de Participações Sociais, S.A., with head office in Av. D. João II, 34, Parque das Nações, 1998-031 Lisbon, Portugal, holds and manages financial holdings in other companies as an indirect way of doing business, being the Holding Company of Novabase Group. Novabase Group (hereinafter referred to as Novabase Group, Group or Novabase) refers to Novabase S.G.P.S., S.A. and the companies included in the respective consolidation perimeter, which are detailed and disclosed in note 6 in the consolidated financial statements of the 2023 Annual Report.

Novabase's activity is aggregated into 2 operating segments:

(i) **Next-Gen (NG)** - This area, which operates under the Celfocus commercial brand according to Novabase's brand architecture, develops activities of IT consulting and services with technology offerings that tend to be more advanced and targeted mainly to the Financial Services (Banks, Insurance and Capital Markets) and Telecommunications (Operators) industries, and to the most competitive markets (Europe and Middle East);

(ii) **Value Portfolio (VP)** - This area of Novabase develops a venture capital activity through Novabase Capital, S.C.R., S.A.. In 2023 it also developed an IT Staffing activity, under the Neotalent commercial brand, which was discontinued at the end of the year, as a result of the sale agreement of Novabase Neotalent, S.A..

Novabase is listed on the Euronext Lisbon.

The share capital is represented by 35,762,202 shares (31.12.23: 26,527,637 shares), with all shares having a nominal value of 0.03 Euros each (31.12.23: 0.03 Euros). At 30 June 2024, Novabase held 658,461 own shares representing 1.84% of its share capital (31.12.23: 658,461 own shares representing 2.48% of the share capital).

These condensed consolidated interim financial statements were approved and authorized for issue by the Board of Directors on 26 September 2024.

2. Material accounting policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2023, as described in those financial statements, except for the adoption of new standards, amendments and interpretations, effective at 1 January 2024 (see note 2.2.). The accounting standards, amendments and interpretations recently issued, but not yet effective, can also be analysed in note 2.2..

As mentioned in note 3 - Financial risk management policy in the consolidated financial statements of the 2023 Annual Report, the Group is exposed to several risks as a result of its normal activity, which are monitored and mitigated throughout the year. During the first six months of 2024, there were no material changes that could significantly change the assessment of the risks to which the Group is exposed to. Similarly, the Group has not identified significant changes on its exposure to climate-related and other emerging risks, since the last annual reporting period up until 30 June 2024.

2.1. Basis of preparation

The condensed consolidated interim financial statements for the period of six months ended 30 June 2024 have been prepared in accordance with IAS 34 - 'Interim financial reporting'. These condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2023, which have been prepared in accordance with IFRS's, as adopted by the European Union (EU).

These consolidated financial statements were prepared and structured to present fairly the Group's operations, as well as its financial position, financial performance and cash flows. Focusing on the relevance of information, the financial statements include essentially an explanation of the significant events and transactions for an understanding of the major changes to the financial position and performance of the Group since the last annual financial report. Some of the notes from the 2023 Annual Report are omitted because no changes occurred, or they are not materially relevant for an understanding of the interim financial statements.

The Group's condensed consolidated financial statements were prepared on a going concern basis, based on the historical cost principle, except for assets and liabilities measured at fair value, that is, the financial assets at fair value through profit or loss and the derivative financial instruments.

Novabase Group's activity does not have, on a biannual basis, any significant seasonality.

These condensed financial statements are presented in thousands of Euros, rounded to the nearest thousand, except otherwise stated. The abbreviations '€k' and '€m' represent thousands and millions of euros, respectively. These financial statements have not been audited.

2.2. IASB new standards and amendments or IFRIC interpretations

New standards, amendments to existing standards and interpretations that became effective at 1 January 2024

A number of amended standards became applicable for the current reporting period:

Standard, amendment or interpretation	Brief description	Issued in	Effective date
Amendment to IFRS 16 - 'Lease liability in a sale and leaseback'	This amendment introduces guidelines for the subsequent measurement of lease liabilities in a sale and leaseback transaction that qualify as a sale in accordance with IFRS 15.	22/Sep/22	1/Jan/24
Amendment to IAS 1 - 'Classification of liabilities as current or non-current'	This amendment clarifies on the classification of liabilities as current or non-current balances depending on entity's right to defer its settlement for at least twelve months after the reporting period.	23/Jan/20	1/Jan/24
Amendment to IAS 1 - 'Non-current liabilities with covenants'	This amendment clarifies that covenants that an entity is required to comply with on or before the reporting date would affect classification as current or non-current, even if the covenant is only assessed after the entity's reporting date.	31/Oct/22	1/Jan/24
Amendments to IAS 7 and IFRS 7 - 'Supplier finance arrangements'	The amendments require an entity to make qualitative and quantitative additional disclosures about its supplier finance arrangements.	25/May/23	1/Jan/24

None of the amended standards applied by the Group for the first time in this period produced materially relevant impacts on the financial statements, nor retrospective adjustments were made as a result of its adoption.

New standards, amendments to existing standards and interpretations not yet effective

A number of standards and amended standards of mandatory application in future financial years are published up to the date of issue of this report, but have not yet been endorsed by the EU, so the Group did not early adopt them:

Standard, amendment or interpretation	Brief description	Issued in	Effective date
Amendment to IAS 21 - 'Lack of exchangeability'	This amendment contains guidance to specify when a currency is exchangeable, and how to determine the exchange rate when it is not.	15/Aug/23	1/Jan/25
Amendments to IFRS 9 and IFRS 7 - 'Classification and measurement of financial instruments'	These amendments result from the post-implementation review of the IFRS 9 classification and measurement requirements, and include clarifications in particular regarding the classification of financial assets with ESG linked features and similar characteristics and the settlement of liabilities using electronic payment systems.	30/May/24	1/Jan/26
IFRS 18 - 'Presentation and disclosure in financial statements'	This standard replaces IAS 1 and aims to improve companies' reporting of financial performance and promote the provision of more transparent and comparable information. The main impact of applying IFRS 18 refers to the presentation of the Statement of Profit or Loss.	9/Apr/24	1/Jan/27
Annual Improvements - Volume 11 ⁽¹⁾	It affects the following standards: IFRS 1 - 'First-time adoption of IFRS', IFRS 7 - 'Financial instruments - disclosures' and accompanying guidance on implementing IFRS 7, IFRS 9 - 'Financial instruments', IFRS 10 - 'Consolidated financial statements' and IAS 7 - 'Statement of cash flows'.	18/Jul/24	1/Jan/26

⁽¹⁾ EFRAG has yet to receive the request for endorsement advice from the European Commission.

No significant impacts on the Group's consolidated financial statements resulting from their adoption are estimated.

3. Critical accounting estimates and judgements

The preparation of interim financial statements requires Management to use judgement, and to make estimates and follow assumptions that impact the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Consequently, actual results may differ from these estimates.

The critical accounting estimates and judgments made in preparing these condensed consolidated interim financial statements are the same as those applied to the consolidated financial statements for the year ended 31 December 2023.

4. Segment information

Novabase's activity is aggregated into two operating segments, Next-Gen and Value Portfolio, and no changes occurred in this interim period in the basis of segmentation or in the basis of measurement of segment's profit or loss in relation to the last annual financial statements.

Operating segments are reported consistently with the internal reporting that is provided to the Management, based on which it evaluates the performance of each segment and allocates the available resources.

The amounts reported in each operating segment result from the aggregation of the subsidiaries defined in each segment perimeter and the elimination of transactions between companies of the same segment.

The companies considered in each operating segment are presented in note 6 in the consolidated financial statements of the 2023 Annual Report. For the purposes of segment reporting, Novabase S.G.P.S., S.A. (company including the Group's top management) is considered to be an integral part of the Value Portfolio segment.

In the last quarter of 2023, as a result of the sale agreement of the IT Staffing business entered into with Conclusion Group B.V., Neotalent Business was discontinued. This situation led to the restatement of the results disclosed in the 1st half of 2023, to present the continuing operations separately from discontinued operations, as shown in the following table:

1st half of 2023	Value Portfolio (disclosed)	Neotalent	Value Portfolio (restated)
Total segment revenues	27,546	26,886	660
Sales and services rendered - inter-segment	3,770	3,110	660
Sales and services rendered - external customers	23,776	23,776	-
Operating Profit / (Loss)	1,790	3,083	(1,293)
Finance results	(162)	7	(169)
Income tax expense	(238)	(713)	475
Profit from continuing operations	1,390	2,377	(987)
Profit from discontinued operations (note 25)	(190)	(2,377)	2,187
Other information:			
Depreciation and amortisation	(163)	(159)	(4)
(Provisions) / Provisions reversal	-	-	-
Net impairment losses on trade and other receivables	44	44	-

Revenues from operating segments, as well as other measures of profit or loss and material items within the consolidated statement of profit or loss, can be analysed as follows:

1st half of 2023	Value Portfolio (restated)	Next-Gen	Novabase
(i) Total segment revenues	660	66,771	67,431
Sales and services rendered - inter-segment	660	1,636	2,296
Sales and services rendered - external customers	-	65,135	65,135
Operating Profit / (Loss)	(1,293)	4,699	3,406
Finance results	(169)	(390)	(559)
Income tax expense	475	(1,123)	(648)
Profit from continuing operations	(987)	3,186	2,199
Profit from discontinued operations (note 25)	2,187	-	2,187
Other information:			
Depreciation and amortisation	(4)	(1,590)	(1,594)
(Provisions) / Provisions reversal	-	(14)	(14)
Net impairment losses on trade and other receivables	-	267	267

1st half of 2024	Value Portfolio	Next-Gen	Novabase
(i) Total segment revenues	638	65,927	66,565
Sales and services rendered - inter-segment	638	31	669
Sales and services rendered - external customers	-	65,896	65,896
Operating Profit / (Loss)	(1,533)	4,847	3,314
Finance results	702	(559)	143
Income tax expense	(323)	(585)	(908)
Profit from continuing operations	(1,154)	3,703	2,549
Profit from discontinued operations (note 25)	528	-	528
Other information:			
Depreciation and amortisation	(5)	(1,931)	(1,936)
(Provisions) / Provisions reversal	-	52	52
Net impairment losses on trade and other receivables	-	370	370

(i) Net of intra-segment revenues (in the 1st half of 2023: €5,012k, of which €86k in Value Portfolio and €4,926k in Next-Gen, and in the 1st half of 2024: €4,637k, of which €67k in Value Portfolio and €4,570k in Next-Gen).

As part of monitoring the execution of the strategic plan, Management monitors Turnover by geography. In 2024, this indicator began to be calculated based on the location of the client's decision centre, and this geographic criterion was also used to disaggregate revenue in the presentation to investors. Comparatives were calculated according to the same criteria.

Sales and services rendered by geography are analysed as follows:

1st half of 2023	Value Portfolio (restated)	Next-Gen	Novabase	Total %
Sales and services rendered - external customers	-	65,135	65,135	100.0%
Portugal	-	18,506	18,506	28.4%
Europe and Middle East	-	44,590	44,590	68.5%
Rest of the World	-	2,039	2,039	3.1%
1st half of 2024	Value Portfolio	Next-Gen	Novabase	Total %
Sales and services rendered - external customers	-	65,896	65,896	100.0%
Portugal	-	19,707	19,707	29.9%
Europe and Middle East	-	44,129	44,129	67.0%
Rest of the World	-	2,060	2,060	3.1%

5. Property, plant and equipment

The amounts presented under 'Property, plant and equipment' heading comprise own assets and right-of-use assets. The movement in the net book value of property, plant and equipment, during the 1st half of 2024, was as follows:

	Buildings and other constr.	Basic equipment	Transport equipment	Furniture, fit. and equip.	Other tangible assets	Total
Cost	34,201	8,527	3,636	1,448	12	47,824
Accumulated depreciation	(25,151)	(7,349)	(1,193)	(1,338)	(12)	(35,043)
Net book value at 31 December 2023	9,050	1,178	2,443	110	-	12,781
1st half of 2024						
Net book value at 1 January	9,050	1,178	2,443	110	-	12,781
Acquisitions / increases	21	161	394	-	-	576
Write-offs / disposals	-	(4)	-	(4)	-	(8)
Depreciation	(1,085)	(295)	(464)	(22)	-	(1,866)
Net book value at the end of the period	7,986	1,040	2,373	84	-	11,483
Cost	34,222	8,623	3,959	1,398	12	48,214
Accumulated depreciation	(26,236)	(7,583)	(1,586)	(1,314)	(12)	(36,731)
Net book value at 30 June 2024	7,986	1,040	2,373	84	-	11,483

Acquisitions of property, plant and equipment mainly refer to right-of-use assets of 'Transport equipment' (see detail below), and 'Basic equipment' for the operations, particularly laptops.

Depreciation is included in 'Depreciation and amortisation' heading in the statement of profit or loss.

The net book value of right-of-use assets by class of underlying asset, as well as movements during the period, are detailed as follows:

	Buildings and other constr.	Transport equipment	Total
Cost	31,158	3,636	34,794
Accumulated depreciation	(22,211)	(1,193)	(23,404)
Net book value at 31 December 2023	8,947	2,443	11,390
1st half of 2024			
Net book value at 1 January	8,947	2,443	11,390
Acquisitions / increases	21	394	415
Depreciation	(1,078)	(464)	(1,542)
Net book value at the end of the period	7,890	2,373	10,263
Cost	31,180	3,959	35,139
Accumulated depreciation	(23,290)	(1,586)	(24,876)
Net book value at 30 June 2024	7,890	2,373	10,263

Acquisitions of rights-of-use assets of 'Buildings and other constructions' refer to the remeasurement of two existing contracts dependent on an index or rate. Acquisitions of right-of-use assets of 'Transport equipment' are part of the usual renewal of the Group's fleet.

Information on the movements that occurred during the period in lease liabilities related to these right-of-use assets, namely, interest expense and lease payments, can be found in note 13.

6. Intangible assets

The movement in the net book value of intangible assets, during the 1st half of 2024, was as follows:

	Intern. gener. intang. assets	Ind. prop. and other rights	Work in progress	Goodwill	Total
Cost	3,463	382	348	8,115	12,308
Accumulated amortisation	(2,662)	(382)	-	-	(3,044)
Net book value at 31 December 2023	801	-	348	8,115	9,264
1st half of 2024					
Net book value at 1 January	801	-	348	8,115	9,264
Acquisitions / increases	-	38	945	-	983
Write-offs / disposals	-	-	-	-	-
Amortisation	(67)	(3)	-	-	(70)
Net book value at the end of the period	734	35	1,293	8,115	10,177
Cost	3,463	420	1,293	8,115	13,291
Accumulated amortisation	(2,729)	(385)	-	-	(3,114)
Net book value at 30 June 2024	734	35	1,293	8,115	10,177

Acquisitions of intangible assets in the period mainly refer to 'Work in Progress', specifically with the development of the subsidized project under the PRR - Recovery and Resilience Plan, BLOCKCHAIN.PT - "Decentralize Portugal with Blockchain" Agenda.

Amortisation is included in 'Depreciation and amortisation' heading in the statement of profit or loss.

7. Deferred tax assets

Deferred taxes are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities, and when the deferred tax assets and liabilities relate to the same tax authority. At 30 June 2024, the deferred tax liability offset amounts to €869k (31.12.23: €869k).

The movement in deferred tax assets was as follows:

	30.06.24	31.12.23
Balance at 1 January	6,945	8,826
Profit or loss charge	(63)	(1,445)
Other comprehensive income charge	-	(314)
Change in consolidation perimeter	-	(122)
Balance at the end of the period	6,882	6,945

For Novabase Group, the movement in deferred tax assets during the period after the offsetting of balances within the same tax jurisdiction is as follows:

	Tax Credits	Provisions / Adjustments	Tax Losses / Other	Total
Balance at 1 January 2023	9,156	(330)	-	8,826
Profit or loss charge	(2,768)	23	1,300	(1,445)
Other comprehensive income charge	-	-	(314)	(314)
Change in consolidation perimeter	(41)	(81)	-	(122)
Balance at 31 December 2023	6,347	(388)	986	6,945
Profit or loss charge	(496)	584	(151)	(63)
Other comprehensive income charge	-	-	-	-
Change in consolidation perimeter	-	-	-	-
Balance at 30 June 2024	5,851	196	835	6,882

8. Trade and other receivables

	30.06.24	31.12.23
Trade receivables	38,198	37,339
Impairment allowance for trade receivables	(521)	(780)
	37,677	36,559
Capital subscribers of FCR Novabase Capital +Inovação	1,898	1,898
Value added tax	993	1,418
Receivables from financed projects	1,854	1,965
Loans to related parties (note 24 iii))	994	994
Amounts receivable from the liquidation of participated companies	746	11
Prepayments to suppliers	98	13
Employees	24	21
Other receivables	153	185
Impairment allowance for other receivables	(654)	(765)
Provision for impairment of loans to related parties (note 24 iii))	(472)	(472)
	5,634	5,268
	43,311	41,827

The increase of 'Amounts receivable from the liquidation of participated companies' caption in the period reflects the amount receivable arising from the liquidation of Powergrid, Lda. - see note 26, B. At 31 December 2023, the balance refers to the liquidation of Powerdata, Lda..

Movements in impairment allowances for trade and other receivables are analysed as follows:

	Trade receivables		Other receivables		Total	
	30.06.24	31.12.23	30.06.24	31.12.23	30.06.24	31.12.23
Balance at 1 January	780	794	765	1,038	1,545	1,832
Impairment	152	610	-	-	152	610
Impairment reversal	(411)	(224)	(111)	(273)	(522)	(497)
Exchange differences	-	(92)	-	-	-	(92)
Write-offs	-	(23)	-	-	-	(23)
Change in consolidation perimeter	-	(166)	-	-	-	(166)
Discontinued operations	-	(119)	-	-	-	(119)
Balance at the end of the period	521	780	654	765	1,175	1,545

9. Cash and cash equivalents

With reference to the statement of cash flows, the detail and description of cash and cash equivalents is analysed as follows:

	30.06.24	31.12.23
Cash	15	11
Short-term bank deposits	68,484	80,309
Impairment allowance for short-term bank deposits	(12)	(6)
Cash and cash equivalents by Statement of Financial Position	68,487	80,314
Cash and cash equivalents included in Assets from discontinued operations	1,257	1,130
Less: Impairment allowance for short-term bank deposits	12	6
Cash and cash equivalents by Statement of Cash Flows	69,756	81,450

The evolution of the 'Cash and cash equivalents' balance in the period essentially reflects the payment of dividends and the distribution of free reserves to shareholders, in the total amount of €46,306k (see note 11), partially offset by the proceeds from the capital increase carried out by Novabase shareholders who chose to receive the dividend in kind, in the amount of €37,981k (see note 10).

Movements in impairment allowance for short-term bank deposits are analysed as follows:

	30.06.24	31.12.23
Balance at 1 January	6	3
Impairment (note 20)	8	6
Impairment reversal (note 19)	(2)	(3)
Balance at the end of the period	12	6

10. Share Capital, share premium and treasury shares

	No. Shares (thousands)	Share capital	Treasury shares	Share premium	Total
Balance at 1 January 2023	31,401	32,971	(2,150)	226	31,047
Share capital reduction	(4,873)	(32,175)	2,253	-	(29,922)
Treasury shares purchased	-	-	(126)	-	(126)
Treasury shares transferred	-	-	3	-	3
Balance at 31 December 2023	26,528	796	(20)	226	1,002
Share capital increase	9,234	277	-	37,704	37,981
Treasury shares purchased	-	-	-	-	-
Treasury shares transferred	-	-	-	-	-
Balance at 30 June 2024	35,762	1,073	(20)	37,930	38,983

In compliance with the resolutions taken by the General Meeting held on 22 May 2024, a share capital increase was carried out as a result of cash contributions made by Novabase shareholders who opted to receive the dividend/remuneration in kind (see note 11).

The amount of the above-mentioned capital increase was €37,980,842.39, corresponding to the issue of 9,234,565 new shares ("New Shares"), and was subscribed by shareholders holding shares representing around 80 per cent of the share capital entitled to the dividend. As a result, Novabase now have a share capital of €1,072,866.06 (31.12.23: €795,829.11), represented by 35,762,202 ordinary registered shares (31.12.23: 26,527,637) with a nominal value of €0.03 each.

The New Shares are fungible with the other shares and confer on the shareholders the same rights as the shares existing prior to the said capital increase, and were admitted to trading on the Euronext Lisbon regulated market from 28 June 2024 (inclusive).

At 31 December 2023, Novabase held 658,461 treasury shares, representing 2.48% of its share capital, all of them held through Novabase Consulting S.G.P.S., S.A.. During the 1st half of 2024 there were no treasury shares transactions, thus, at 30 June 2024, Novabase held the same 658,461 treasury shares, now representing 1.84% of its share capital.

11. Reserves and retained earnings

Movements in 'Reserves and retained earnings' are analysed as follows:

	30.06.24	31.12.23
Balance at 1 January	27,449	16,436
Profit for the previous year	47,058	8,917
Share capital reduction (note 10)	-	29,922
Payment of dividends / shareholder remuneration	(46,306)	(10,827)
Exchange differences on foreign operations	(4)	(465)
Purchase and sale of treasury shares	-	(17,207)
Share-based payments	695	1,306
Share-based payments - stock options exercise	-	(3)
Transactions with non-controlling interests	-	(630)
Balance at the end of the period	28,892	27,449

The General Meeting of shareholders held on 22 May 2024 approved the payment of a dividend per share of €1.41 in relation to the total number of shares issued (see note 23). It was also approved the payment to shareholders of €10,081k, by way of distribution of free reserves. Thus, the global amount of the distribution to shareholders reached €47,485k, corresponding to €1.79 per share. The payment, occurred in June 2024, totalled €46,306k, with the difference between distribution and payment corresponding to the remuneration of treasury shares held by the Company, which remained in Novabase.

12. Non-controlling interests

	30.06.24	31.12.23
Balance at 1 January	11,587	10,827
Transactions with non-controlling interests	-	630
Distribution of dividends to non-controlling interests	-	(194)
Exchange differences on foreign operations	(2)	(463)
Profit attributable to non-controlling interests	253	397
Change in consolidation perimeter	-	390
Balance at the end of the period	11,838	11,587

13. Borrowings

	30.06.24	31.12.23
Non-current		
Bank borrowings	7,449	8,587
Lease liabilities	8,805	9,796
	16,254	18,383
Current		
Bank borrowings	5,376	7,475
Lease liabilities	2,516	1,961
	7,892	9,436
Total borrowings	24,146	27,819

The exposure of the Group's current bank borrowings to the contractual repricing dates are as follows:

	6 months or less	6 to 12 months	1 to 2 years	2 to 5 years	Over 5 years	Total
Bank borrowings	5,237	2,238	2,276	6,311	-	16,062
Lease liabilities	847	1,114	2,539	6,975	282	11,757
At 31 December 2023	6,084	3,352	4,815	13,286	282	27,819
Bank borrowings	3,238	2,138	2,276	5,173	-	12,825
Lease liabilities	1,191	1,325	2,553	6,252	-	11,321
At 30 June 2024	4,429	3,463	4,829	11,425	-	24,146

The weighted average of effective interest rates of bank borrowings at the reporting date is 4.950% (31.12.23: 4.975%). The Group uses its incremental borrowing rate when determining the present value of future lease payments, based on the features of the agreement (underlying asset, guarantees and lease term). The weighted average rate applied at the reporting date is 4.737% (31.12.23: 4.641%). This note presents lease liabilities already discounted of the future finance charges, which amounts to €1,221k as at 30 June 2024 (31.12.23: €1,436k).

During 1st half of 2024, loan repayments with banking institutions amounted to €3.2m (30.06.23: €2.1m). No new loans were contracted in the period, nor were renegotiated the conditions or covenants in relation to the loans existing at 31 December 2023.

At 30 June 2024, the Group was complying with all contractual covenants: the Net Debt / EBITDA ratio was -8.69 (31.12.23: -4.91) and the Equity ratio was 48.76% (31.12.23: 49.30%).

Movements in lease liabilities are as follows:

	30.06.24	31.12.23
Balance at 1 January	11,757	3,851
Change in consolidation perimeter	-	(178)
Increases (i)	415	11,055
Termination of lease agreements	-	(5)
Interest expense (ii)	266	370
Lease payments (iii)	(1,117)	(3,336)
Balance at the end of the period	11,321	11,757

(i) Includes new lease agreements, remeasurement of leases that depend on an index or rate and lease modifications that are not accounted for as a separate lease (lease term).

(ii) Included in 'Finance costs' (note 20).

(iii) Classified as 'Cash flows from financing activities' in the Condensed Consolidated Interim Statement of Cash Flows.

Note 5 provides information on the right-of-use assets of the Group related to these lease liabilities.

(a) Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

	30.06.24	31.12.23
Cash and cash equivalents by Statement of Cash Flows	69,756	81,450
Borrowings - repayable within one year (including overdrafts)	(7,892)	(9,436)
Borrowings - repayable after one year	(16,254)	(18,383)
Net debt	45,610	53,631

	Cash and cash equivalents	Bank borrow. due within 1 year	Bank borrow. due after 1 year	Lease liabilities due within 1 year	Lease liabilities due after 1 year	Net debt
At 1 January 2023	40,620	(4,200)	(5,200)	(2,737)	(1,114)	27,369
Cash flows	41,218	5,338	(12,000)	2,966	-	37,522
Acquisitions - lease liabilities	-	-	-	-	(11,055)	(11,055)
Effect of exchange rate changes	(388)	-	-	-	-	(388)
Change in consolidation perimeter	-	-	-	-	178	178
Other non-cash movements	-	(8,613)	8,613	(2,190)	2,195	5
At 31 December 2023	81,450	(7,475)	(8,587)	(1,961)	(9,796)	53,631
Cash flows	(11,509)	3,237	-	851	-	(7,421)
Acquisitions - lease liabilities	-	-	-	-	(415)	(415)
Effect of exchange rate changes	(185)	-	-	-	-	(185)
Other non-cash movements	-	(1,138)	1,138	(1,406)	1,406	-
At 30 June 2024	69,756	(5,376)	(7,449)	(2,516)	(8,805)	45,610

14. Provisions

Movements in provisions for other risks and charges are analysed as follows:

	30.06.24	31.12.23
Balance at 1 January	3,269	3,047
Charge for the period (note 18)	-	2,108
Reversals / charge-off (note 18)	(52)	(1,309)
Transfers / reclassifications	735	(407)
Exchange differences	-	(17)
Change in consolidation perimeter	-	(153)
Balance at the end of the period	3,952	3,269

With the Powergrid, Lda. liquidation, a provision for risks related to past projects was recognised under 'Transfers / reclassifications' (see notes 26, B. and 27).

15. Trade and other payables

	30.06.24	31.12.23
Trade payables	4,262	4,628
Remunerations, holiday pay and holiday and Christmas allowances	13,623	8,989
Bonus	3,868	8,680
Ongoing projects	3,744	3,837
Value added tax	61	634
Social security contributions	1,028	1,935
Income tax withholding	839	1,304
Employees	46	68
Stock options plan	1,169	753
Other accrued expenses	1,541	1,382
Other payables	219	203
	<u>30,400</u>	<u>32,413</u>

16. External supplies and services

	30.06.24	30.06.23
Subcontracts	19,993	19,183
Commissions and consultancy fees	596	759
Transportation, travel and accommodation expenses	2,005	1,744
Specialised services and rents	1,006	784
Advertising and promotion	191	116
Water, electricity and fuel	192	270
Communications	142	44
Insurance	115	298
Utensils, office supplies and technical documentation	27	433
Other supplies and services	250	230
	<u>24,517</u>	<u>23,861</u>

17. Employee benefit expense

	30.06.24	30.06.23
Key management personnel compensation (note 24 i))	997	711
Wages and salaries of the employees	28,588	28,188
Employees social security contributions	4,923	4,779
Stock options granted (note 24 i))	1,111	835
Other employee expenses	1,672	1,922
	<u>37,291</u>	<u>36,435</u>

In the semesters ended 30 June 2024 and 2023 the average number of employees of the companies included in the consolidation of continuing operations was 1333 and 1317, respectively.

18. Other gains/(losses) - net

	30.06.24	30.06.23
Provisions and provisions reversal for other risks and charges (note 14)	52	(14)
Other operating income and expense	740	(92)
	<u>792</u>	<u>(106)</u>

The increase in 'Other operating income and expense' in year-on-year terms is mainly explained by the higher level of supplementary income referring to back-office services that continued to be provided during the 1st half of 2024 in the subsidiaries sold in the Neotalent Business, within the scope of the Transitional Services Agreement (TSA) entered into upon sale.

19. Finance income

	30.06.24	30.06.23
Interest received	1,152	125
Foreign exchange gains	354	186
Fair value adjustment to financial assets	-	110
Reversal of impairment losses on short-term bank deposits (note 9)	2	-
	<u>1,508</u>	<u>421</u>

Change in 'Finance income' in the 1st half of 2024 is essentially due to the increase in interest obtained from short-term bank deposits, as a result of the cash position and higher market interest rates.

20. Finance costs

	30.06.24	30.06.23
Interest expenses		
- Borrowings	(423)	(327)
- Lease liabilities (note 13)	(266)	(195)
- Other interest	-	(1)
Bank guarantees charges	(10)	(47)
Bank services and commissions	(99)	(96)
Foreign exchange losses	(535)	(313)
Fair value adjustment to financial assets	(24)	-
Impairment losses on short-term bank deposits (note 9)	(8)	(1)
	<u>(1,365)</u>	<u>(980)</u>

21. Income tax expense

The Group's income tax expense for the period differs from the theoretical amount that would arise using the weighted average rate applicable to profits of the country of the Parent-Company due to the following:

	30.06.24	30.06.23
Earnings before taxes	3,457	2,847
Income tax expense at nominal rate (21% in 2024 and 2023)	726	598
Autonomous taxation	147	143
Results in companies where no deferred tax is recognised	(3)	14
Differential tax rate on companies located abroad	(1)	(2)
Research & Development tax benefit	(467)	-
Municipal Surcharge and State Surcharge	217	170
Impairment of Special Payment on Account, tax losses and withholding taxes	106	149
Expenses not deductible for tax purposes and sundry items	183	(424)
Income tax expense	908	648
Effective tax rate	26.3%	22.8%

22. Earnings per share

	30.06.24	30.06.23
Weighted average number of ordinary shares	27,408,270	27,557,670
Stock options adjustment	930,999	961,566
Adjusted weighted average number of ordinary shares	28,339,269	28,519,236
Profit attributable to owners of the parent	2,824	4,125
Basic earnings per share (Euros per share)	€0.10	€0.15
Diluted earnings per share (Euros per share)	€0.10	€0.14
Profit from continuing operations attributable to owners of the parent	2,296	1,938
Basic earnings per share (Euros per share)	€0.08	€0.07
Diluted earnings per share (Euros per share)	€0.08	€0.07
Profit from discontinued operations attributable to owners of the parent	528	2,187
Basic earnings per share (Euros per share)	€0.02	€0.08
Diluted earnings per share (Euros per share)	€0.02	€0.08

23. Dividends per share

In the 1st half of 2024, the amount of €37,404k was distributed to shareholders by way of dividends, corresponding to €1.41 per share in relation to the total number of ordinary shares issued (30.06.23: €2,784k, corresponding to €0.10 per share). This amount differs from that shown in the Condensed Consolidated Interim Statement of Cash Flows due to the distribution of free reserves also occurred in this period and to the remuneration of treasury shares held by the Company (see note 11).

24. Related parties

For reporting purposes, related parties include subsidiaries, other participated companies classified as financial assets at fair value through profit or loss, shareholders and key elements in the management of the Group.

i) Key management personnel compensation

Remuneration assigned to the Board of Directors and other key management personnel, during the periods ended 30 June 2024 and 2023, are as follows:

	30.06.24	30.06.23
Short-term employee benefits	997	830
Other long-term benefits	-	30
Stock options granted	1,111	835
	2,108	1,695

The key management personnel compensation recognised in profit or loss and included in 'Employee benefit expense' is €2,108k (30.06.23: €1,546k), and included in 'Profit from discontinued operations' is €0k (30.06.23: €149k).

The total variable remuneration assigned to the Board of Directors of Novabase S.G.P.S. and other key management elements of the Group, regardless the year of allocation, which payment is deferred as at 30 June 2024, is null (31.12.23: €280k).

At 30 June 2024, there are current receivable balances outstanding with key management personnel in the amount of €8k (31.12.23: €0k). There are no payable balances at this date (31.12.23: €9k).

Additionally, at 30 June 2024, there are 421,863 shares attributed to managing directors and directors with special duties following the exercise of options in 2022 and 2023 (see also note 28), as disclosed in the respective Annual Reports and Accounts, which are retained by Novabase under the terms of the Regulation.

ii) Balances and transactions with related parties

At 30 June 2024 and 31 December 2023, there are no balances with related parties. The transactions with related parties are shown in the following table.

	Services rendered		Supplementary income		Interest received	
	30.06.24	30.06.23	30.06.24	30.06.23	30.06.24	30.06.23
Associates	-	-	-	-	-	-
Other partic. companies	-	-	-	-	-	7
	-	-	-	-	-	7

iii) Other balances with related parties

	Non-current		Current (note 8)	
	30.06.24	31.12.23	30.06.24	31.12.23
Associates	-	-	-	-
Other participated companies				
Loan to Powergrid, Lda. (note 26, B.)	-	2,050	-	-
Loan to Bright Innovation, Lda.	1,477	1,477	-	-
Loan to Radical Innovation, Lda.	-	-	994	994
	1,477	3,527	994	994
Impairment allowance for loans to related parties	(928)	(2,978)	(472)	(472)
	549	549	522	522

These loans take the legal form of quasi-equity supplementary payments.

In addition to balances and transactions described in the tables above, no other balances or transactions exist with the Group's related parties.

25. Discontinued operations

In October 2023, Novabase entered into a sale and purchase agreement with Conclusion Group B.V. of its IT Staffing business through the disposal of all shares held in Novabase Neotalent, S.A. for an initial price of €49.4m, subject to certain adjustments, to which a potential earn-out may be accreted. The sale was substantially completed at the end of 2023, with a capital gain worth €39,760k being recognised that year.

In the 1st half of 2024, the parties confirmed an adjustment to the price initially paid by the purchaser, following the final determination of the price clauses under the terms of the Agreement, which resulted in an adjustment to the capital gain generated by the sale of the business in the amount of €401k, fully received during this period. Novabase may also receive an earn-out of up to €0.95m, depending on full compliance with the Transitional Services Agreement ("TSA") signed in the context of this transaction.

As for the revenues and expenses presented for Neotalent in the 1st half of 2024, they refer to the results of the Angolan subsidiary NBASIT, for which the activity was discontinued in late 2023 following the sale of the IT Staffing business.

Financial information relating to the discontinued operations for this period and comparative period is set out below. For further information about the discontinued operations, please refer to note 38 in the Group's annual financial statements for the year ended 31 December 2023.

A. Results of discontinued operations

	30.06.23				
	NEOTALENT	COLLAB	GTE	IMS	Novabase
Revenue	23,848	-	-	-	23,848
Expenses	(20,758)	-	-	-	(20,758)
Results from operating activities	3,090	-	-	-	3,090
Income tax	(713)	-	-	-	(713)
Results from operating activities, net of tax	2,377	-	-	-	2,377
Gain on sale of Business	-	-	(190)	-	(190)
Income tax on gain on sale of Business	-	-	-	-	-
Profit from discontinued operations, net of tax	2,377	-	(190)	-	2,187

	30.06.24				
	NEOTALENT	COLLAB	GTE	IMS	Novabase
Revenue	621	-	-	-	621
Expenses	(453)	-	-	-	(453)
Results from operating activities	168	-	-	-	168
Income tax	(41)	-	-	-	(41)
Results from operating activities, net of tax	127	-	-	-	127
Gain on sale of Business	401	-	-	-	401
Income tax on gain on sale of Business	-	-	-	-	-
Profit from discontinued operations, net of tax	528	-	-	-	528

B. Assets and liabilities from discontinued operations

In the 1st half of 2024, the following movements occurred in assets and liabilities from discontinued operations:

- The assets from discontinued operations, which fully correspond to the assets held in the Angolan subsidiary NBASIT-Sist. de Inf. e Telec., S.A. (discontinued following the IT Staffing Business sale), increased to €1,499k (31.12.23: €1,373k).
- The liabilities of the Angolan subsidiary decreased to €224k (31.12.23: €246k).
- Provisions for R&W relating to the Neotalent, GTE and Collab Businesses remained unchanged towards 31 December 2023, at €1,536k.

C. Cash flows for discontinued operations

	30.06.23				
	NEOTALENT	COLLAB	GTE	IMS	Novabase
Net cash from (used in) operating activities	(2,936)	-	5	9	(2,922)
Net cash from investing activities ⁽¹⁾	16	-	2	-	18
Net cash from financing activities	372	-	-	-	372
	(2,548)	-	7	9	(2,532)

	30.06.24				
	NEOTALENT	COLLAB	GTE	IMS	Novabase
Net cash from operating activities	116	-	-	-	116
Net cash from investing activities ⁽²⁾	412	12	-	-	424
Net cash used in financing activities	(1)	-	-	-	(1)
	527	12	-	-	539

⁽¹⁾ GTE (NBMSIT): the cash disposed of in the sale of NBMSIT of -€3k was revised in these condensed consolidated interim financial statements from 'Effects of change in consolidation perimeter' to 'Net cash from investing activities', in accordance with the 2023 audited financial statements.

⁽²⁾ Neotalent: includes €401k adjustment to the initial price, following the final determination of the price clauses set out in the agreement; Collab: proceeds from the Third (and final) earn-out on the sale of Collab (recognised in 2023).

26. Fair value measurement of financial instruments

The Group's financial assets and liabilities measured at fair value are the following:

- Derivative financial instruments (assets and liabilities) - Refer to the forward foreign exchange contracts ("FX Forwards") used to manage the Group's exposure to foreign exchange risk, which arise from transactions in currencies different from Euro performed by some of the subsidiaries, primarily in U.S. Dollars, but also from the Group's presence in several markets. Although contracted to hedge foreign exchange risks according to the Group's financial risk management policies, changes in fair value of these derivatives are included in the consolidated statement of profit or loss, since the instruments do not comply with all the requirements of IAS 39 to qualify for hedge accounting.
- Financial assets at fair value through profit or loss - This category includes certain interests of the Group in companies mainly held through its Venture Capital Funds, NB Capital Inovação e Internacionalização and Novabase Capital +Inovação, and the participation units held in FCT - Labour Compensation Fund (the full list of these assets can be found in note 9 in the consolidated financial statements of the 2023 Annual Report).

The Group classifies its financial instruments into the three Levels of fair value hierarchy prescribed under the accounting standards:

- Level 1: The fair value of financial instruments is based on quoted prices in active and liquid markets at the reporting date.
- Level 2: The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. Main inputs used on these valuation models are based on observable market data.
- Level 3: The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques, and the main inputs are not based on observable market data.

At 30 June 2024 and 31 December 2023, the Group's financial assets and financial liabilities measured and recognised at fair value on a recurring basis are as follows:

	30.06.24			31.12.23		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets at fair value						
Financial assets at fair value through profit or loss	584	-	13,271	608	-	13,271
Derivative financial instruments	-	113	-	-	246	-
	<u>584</u>	<u>113</u>	<u>13,271</u>	<u>608</u>	<u>246</u>	<u>13,271</u>
Financial liabilities at fair value						
Derivative financial instruments	-	254	-	-	112	-
	<u>-</u>	<u>254</u>	<u>-</u>	<u>-</u>	<u>112</u>	<u>-</u>

The Group did not measure any financial assets or financial liabilities at fair value on a non-recurring basis as at 30 June 2024.

The Group also has a number of financial instruments which are not measured at fair value in the statement of financial position. At 30 June 2024, the fair values of these instruments are not materially different to their carrying amounts, since the interest receivable / payable is either close to current market rates or the instruments are short-term in nature.

A. Valuation techniques

Specific valuation techniques used to determine fair values of financial instruments include:

- For FCT participation units - fair value is based on the observable quote of the Participation Units (PU's) at the reporting date (Level 1 in the fair value hierarchy).
- For derivative financial instruments (namely the FX Forwards) - fair value is calculated by using the Market-to-Market (MtM) quotes provided by the dealers with whom those transactions were entered with. Those valuations represent the dealers current estimate of the value of the transaction or instrument as at the specified date (Level 2 in the fair value hierarchy).
- For other financial instruments (where the participated companies of the funds FCR NB Capital Inovação e Internacionalização and FCR Novabase Capital +Inovação, and of Novabase Capital S.C.R., S.A. are included) - fair value is determined using valuation models and financial theories in which the significant inputs are unobservable (Level 3 in the fair value hierarchy). The discounted cash flow method is used, considering a 5-year business plan forecasted by Management.

B. Fair value measurements using significant unobservable inputs (Level 3)

The following table presents the movements in Level 3 instruments for the half-year ended 30 June 2024:

	30.06.24	31.12.23
Balance at 1 January	13,271	13,215
Acquisitions	-	208
Disposals	-	(396)
Net fair value adjustments	-	244
Balance at the end of the period	<u>13,271</u>	<u>13,271</u>

Powergrid, Lda., a company owned by FCR NB Capital Inovação e Internacionalização, was dissolved during this period. The amount of the investment in this participated company, as well as the quasi-equity supplementary payments (see note 24, iii)), were fully provisioned. With the dissolution, a receivable amount of €735k (note 8) and a provision for other risks and charges of equal amount (note 14) were recorded, generating zero gain.

There were no transfers between the Levels 3 and 2 for the purposes of fair value measurement in the 1st half of 2024. There were also no changes made to any of the valuation techniques applied as of 31 December 2023.

The quantitative information about the significant unobservable inputs used in Level 3 fair value measurement of Feedzai, S.A., the main asset in this category representing approximately 89% of these instruments at 30 June 2024, as well as the relationship of some of those unobservable inputs to fair value (for illustrative purposes only) is set out below. No changes were made to the inputs used in Feedzai's valuation at 30 June 2024, as the Group considered that no material changes occurred in the 1st half of 2024, that could significantly affect the inputs used in the valuation. The inputs will be evaluated/reviewed with reference to 31 December 2024.

	Feedzai
Discount rate (post-tax)	16.1%
Perpetuity growth rate	0.5%
Average annual growth rate of turnover	41.3%

According to sensitivity analyses performed, a possible increase or decrease of 1 percentage point in WACC would result in a Feedzai's fair value change of approximately -€871k and +€1,001k, respectively. As for a possible increase or decrease of 0.5 percentage point in the perpetuity growth rate implicit in the calculation of the Terminal Value of the valuation, with all other variables held constant, would result in a fair value change of approximately +€281k and -€263k, respectively.

The Group has a team responsible for the Level 3 fair value measurements of the companies held mainly by the funds NB Capital Inovação e Internacionalização and Novabase Capital +Inovação, which reports directly to the Chief Financial Officer (CFO). Discussions of valuation processes and results are held between the CFO and the valuation team at least once every six months, in line with the Group's half-yearly reporting periods to the market.

The main Level 3 inputs used by the Group in measuring the fair value of financial instruments are derived and evaluated as follows:

- **Discount rates:** These are determined by calculating the weighted average cost of capital ("WACC") for each participated company in each Fund. To calculate the cost of capital, the return on the risk-free asset corresponds to the average yield of the 10-year Portuguese Bonds for the 5 years previous to valuation (risk-free), plus the risk premium for Portugal (Market Risk Premium) at the time of valuation, where the risk factor referring to the participated company (beta) is obtained through the average of comparable companies listed in the stock markets. Finally, a conservative risk premium (alpha) is added to the cost of capital. The alpha component reflects factors that are not captured by beta, that is, it adjusts the cost of capital to company-specific risks, unsystematic or idiosyncratic risks. To calculate the cost of the financial debt of each participated company, the risk-free cost of capital is used, to which a spread is added depending on the risk rating of the participated company to be evaluated, all adjusted by the corporate tax rate to be paid.
- **Growth rates of turnover:** The evolution of this indicator is made individually for each participated company after an in-depth analysis of the evolution of each company's business as well as its growth prospects. The growth prospects of the market as a whole in which the participated company operates are also taken into account, considering not only the growth of the market itself but also the evolution of the company's product and its fit in the market and prospects for expansion into new markets.
- **Perpetuity growth rates:** In all participated companies, the perpetuity growth rate is +0.5%.
- **Risk adjustments specific to the counterparties (including assumptions about credit default rates):** Adjustments for risks specific to the counterparties are mostly reflected in the discount rates calculated for each participated company. Novabase's valuation team analyses the several risks of each company individually, reflecting the necessary adjustments to the WACC, whenever justified.

Changes in Level 2 and 3 fair values are analysed at the end of each reporting period during the half-yearly valuation discussion between the CFO and the valuation team. As part of this discussion, it is considered whether the inputs of the models initially used in its measurement became, for instance, observable and whether they have adherence to the financial instrument under analysis. If the inputs are observable and representative, Novabase changes the category from Level 3 to Level 2.

27. Contingencies

Given the disclosed in the annual financial statements for the year 2023, there are no significant changes in the judicial processes.

Furthermore, upon the dissolution and liquidation of Powergrid, Lda., it was unanimously decided by its shareholders that future costs and/or charges with said company would be borne by FCR NB Capital Inovação e Internacionalização, through its management company Novabase Capital S.C.R., S.A.. Under this assumption, a provision of €735k was recorded (included in note 14) for probable financial adjustments relating to past projects, with no additional costs expected to those already included in these accounts.

28. Events after the reporting period

After 30 June 2024 and up to the date of issue of this report, the following material events occurred:

▪ Exercise of 600 thousand stock options

In the 2nd half of 2024, a total amount of €1,906k was paid and 340,123 ordinary shares were allotted to the managing directors and directors with special duties, following the exercise of 600 thousand options over shares, corresponding to all outstanding options at 31 December 2023.

29. Note added for translation

These financial statements are a free translation of financial statements originally issued in Portuguese. In the event of discrepancies, the Portuguese language version prevails.

II. SECURITIES HELD BY CORPORATE BODIES

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SECURITIES ISSUED BY THE COMPANY AND COMPANIES IN A CONTROL OR GROUP RELATIONSHIP WITH NOVABASE S.G.P.S., HELD BY MEMBERS OF THE CORPORATE BODIES OF NOVABASE S.G.P.S.

	Share capital	Total number of shares / quotas	No. shares / quotas held by corporate bodies at 31.12.23	Transactions	No. shares / quotas held by corporate bodies at 30.06.24	% held by corporate bodies at 30.06.24
Novabase S.G.P.S., S.A.	€1,072,866	35,762,202	13,665,289	5,640,622	19,305,911	54.0%
HNB - S.G.P.S., S.A. ^(a)			11,438,851	4,978,371	16,417,222	45.9%
Pedro Miguel Quinteiro Marques de Carvalho			2,097,613	639,040	2,736,653	7.7%
Manuel Saldanha Tavares Festas			74,986	0	74,986	0.2%
Francisco Paulo Figueiredo Morais Antunes			30,335	13,201	43,536	0.1%
María del Carmen Gil Marín			23,001	10,010	33,011	0.1%
João Luís Correia Duque			500	0	500	0.0%
Luís Paulo Cardoso Salvado			1	0	1	0.0%
Álvaro José da Silva Ferreira			1	0	1	0.0%
José Afonso Oom Ferreira de Sousa			1	0	1	0.0%
Benito Vázquez Blanco			0	0	0	0.0%
Rita Wrem Viana Branquinho Lobo Carvalho Rosado			0	0	0	0.0%
Madalena Paz Ferreira Perestrelo de Oliveira			0	0	0	0.0%
Álvaro José Barrigas do Nascimento			0	0	0	0.0%
Fátima do Rosário Piteira Patinha Farinha			0	0	0	0.0%
KPMG & Associados - S.R.O.C., represented by						
Susana de Macedo Melim de Abreu Lopes ^(b)			0	0	N/A	-
Maria Cristina Santos Ferreira ^(b)			0	0	N/A	-
Ernst & Young Audit & Associados - S.R.O.C., S.A., represented by Luís Miguel Gonçalves Rosado ^(c)			N/A	0	0	0.0%
Rui Abel Serra Martins ^(c)			N/A	0	0	0.0%
NBASIT - Sist. Inf e Telecomunicações, S.A.	AOA 47,500,000	100,000	800	0	800	0.8%
Álvaro José da Silva Ferreira			400	0	400	0.4%
Luís Paulo Cardoso Salvado			200	0	200	0.2%
Francisco Paulo Figueiredo Morais Antunes			200	0	200	0.2%

^(a) José Afonso Oom Ferreira de Sousa, Luís Paulo Cardoso Salvado and Álvaro José da Silva Ferreira are the controlling shareholders and directors of HNB - S.G.P.S., S.A., having entered into a shareholder's agreement concerning the total share capital of this company.

^(b) No longer belongs to the Company's corporate bodies in accordance with the resolutions of the General Meeting held on 22 May 2024.

^(c) Became part of the Company's corporate bodies in accordance with the resolutions of the General Meeting held on 22 May 2024.

Novabase reports in the above table the securities held directly by members of the Board of Directors and supervisory bodies of the Company or those closely related to them.

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STATEMENT OF COMPLIANCE

NOVABASE S.G.P.S., S.A.

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Statement of the Board of Directors
(Free translation from the original version in Portuguese)
SIGNED ON THE ORIGINAL

Pursuant to the terms of section c) of paragraph 1 of article 29-J of the Portuguese Securities Code, the members of the Board of Directors of Novabase, Sociedade Gestora de Participações Sociais, S.A., below identified declare, in the quality and scope of their duties as referred to therein, that to the best of their knowledge and based on the information to which they had access within the Board of Directors:

(i) the information contained in the condensed consolidated interim financial statements and all other accounting documentation required by law or regulation, regarding the period of six months ended 30 June 2024, was prepared in compliance with the applicable accounting standards and gives a true and fair view of the assets and liabilities, financial position and results of Novabase S.G.P.S., S.A. and the companies included in the consolidation perimeter; and

(ii) the interim management report faithfully states the evolution of the businesses, of the performance and of the position of Novabase S.G.P.S., S.A. and the companies included in the consolidation perimeter, containing namely an accurate description of the main risks and uncertainties which they face.

Lisbon, 26 September 2024

Luís Paulo Cardoso Salvado
Chairman and Director with delegated powers (CEO)

Álvaro José da Silva Ferreira
Director with delegated powers

Francisco Paulo Figueiredo Morais Antunes
Director with special responsibilities

María del Carmen Gil Marín
Director with special responsibilities

Rita Wrem Viana Branquinho Lobo Carvalho Rosado
Non-Executive member of the Board

José Afonso Oom Ferreira de Sousa
Non-Executive member of the Board

Madalena Paz Ferreira Perestrelo de Oliveira
Non-Executive member of the Board

Pedro Miguel Quinteiro Marques de Carvalho
Non-Executive member of the Board

Benito Vázquez Blanco
Non-Executive member of the Board

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