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2024 **Accounts** 2024

NOVABASE

2024 CONSOLIDATED FINANCIAL STATEMENTS

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

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I. CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2024

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

Consolidated Statement of Financial Position as at 31 December 2024

(Amounts expressed in thousands of Euros)

	Note	31.12.24	31.12.23
Assets			
Non-Current Assets			
Property, plant and equipment	7	11,137	12,781
Intangible assets	8	10,602	9,264
Financial assets at fair value through profit or loss	9	14,000	13,879
Deferred tax assets	10	6,806	6,945
Other non-current assets	11	529	1,466
Total Non-Current Assets		43,074	44,335
Current Assets			
Trade and other receivables	13	45,680	41,827
Accrued income	14	3,331	3,514
Income tax receivable	15	3,109	1,670
Derivative financial instruments	16	75	246
Other current assets	17	2,987	3,388
Cash and cash equivalents	18	62,747	80,314
Total Current Assets		117,929	130,959
Assets from discontinued operations	39	1,393	1,373
Total Assets		162,396	176,667
Equity and Liabilities			
Equity			
Share capital	19	1,073	796
Treasury shares	19	(20)	(20)
Share premium	19	37,930	226
Reserves and retained earnings	20	28,538	27,449
Profit for the year		6,420	47,058
Total Equity attributable to owners of the parent		73,941	75,509
Non-controlling interests	21	10,945	11,587
Total Equity		84,886	87,096
Liabilities			
Non-Current Liabilities			
Borrowings	22	14,224	18,383
Provisions	23	5,552	3,269
Other non-current liabilities	24	3,575	2,749
Total Non-Current Liabilities		23,351	24,401
Current Liabilities			
Borrowings	22	6,047	9,436
Trade and other payables	25	28,713	32,413
Income tax payable	15	6	455
Derivative financial instruments	16	688	112
Deferred income and other current liabilities	26	17,217	20,972
Total Current Liabilities		52,671	63,388
Liabilities from discontinued operations	39	1,488	1,782
Total Liabilities		77,510	89,571
Total Equity and Liabilities		162,396	176,667
THE CERTIFIED ACCOUNTANT		THE BOARD OF DIRECTORS	

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

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

Consolidated Statement of Profit or Loss for the year ended 31 December 2024

(Amounts expressed in thousands of Euros)

	Note	12 M *	
		31.12.24	31.12.23
Continuing operations			
Services rendered	5	134,188	132,556
External supplies and services	27	(48,412)	(46,760)
Employee benefit expense	28	(74,102)	(73,945)
Net impairment losses on trade and other receivables	13	692	(156)
Restructuring costs	29	(1,854)	-
Other gains/(losses) - net	30	763	(766)
Depreciation and amortization	31	(3,845)	(3,468)
Operating Profit		7,430	7,461
Finance income	32	4,420	1,700
Finance costs	33	(3,051)	(2,915)
Earnings Before Taxes (EBT)		8,799	6,246
Income tax expense	34	(2,192)	(2,822)
Profit from continuing operations		6,607	3,424
Discontinued operations			
Profit from discontinued operations	39	1,058	44,031
Profit for the Year		7,665	47,455
Profit attributable to:			
Owners of the parent		6,420	47,058
Non-controlling interests	21	1,245	397
		7,665	47,455
Earnings per share from continuing and discontinued operations attributable to owners of the parent (Euros per share)			
Basic earnings per share			
From continuing operations	35	0.17 Euros	0.11 Euros
From discontinued operations	35	0.04 Euros	1.65 Euros
From profit for the year	35	0.21 Euros	1.76 Euros
Diluted earnings per share			
From continuing operations	35	0.17 Euros	0.11 Euros
From discontinued operations	35	0.03 Euros	1.60 Euros
From profit for the year	35	0.20 Euros	1.71 Euros

12 M * - 12-month period ended

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

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

Consolidated Statement of Comprehensive Income for the year ended 31 December 2024

(Amounts expressed in thousands of Euros)

	Note	12 M *	
		31.12.24	31.12.23
Profit for the Year		7,665	47,455
Other comprehensive income			
Items that may be reclassified to profit or loss			
Exchange differences on foreign operations, net of tax		(25)	(928)
Other comprehensive income		(25)	(928)
Total comprehensive income for the year		<u>7,640</u>	<u>46,527</u>
Total comprehensive income attributable to:			
Owners of the parent		6,405	46,593
Non-controlling interests		1,235	(66)
		<u>7,640</u>	<u>46,527</u>

12 M * - 12-month period ended

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

Consolidated Statement of Changes in Equity for the year ended 31 December 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	Other res. & retained earnings		
Balance at 1 January 2023		32,971	(2,150)	226	3,140	784	(5,111)	26,540	10,827	67,227
Profit for the year		-	-	-	-	-	-	47,058	397	47,455
Other comprehensive income for the year	20, 21	-	-	-	-	-	(465)	-	(463)	(928)
Total comprehensive income for the year		-	-	-	-	-	(465)	47,058	(66)	46,527
Transactions with owners										
Share capital reduction	19, 20	(32,175)	2,253	-	(2,952)	-	-	32,874	-	-
Share capital increase	19	-	-	-	-	-	-	-	-	-
Dividends and reserves paid	20, 21	-	-	-	-	-	-	(10,827)	(194)	(11,021)
Treasury shares movements	19, 20	-	(126)	-	-	-	-	(17,207)	-	(17,333)
Share-based payments - options exercise	19, 20	-	3	-	-	(129)	-	126	-	-
Share-based payments, net of tax	19, 20	-	-	-	-	1,306	-	-	-	1,306
Change in consolidation perimeter	21	-	-	-	-	-	-	-	390	390
Transactions with owners		(32,175)	2,130	-	(2,952)	1,177	-	4,966	196	(26,658)
Changes in ownership interests in subsidiaries that do not result in a loss of control										
Transactions with non-controlling interests	20, 21	-	-	-	-	-	-	(630)	630	-
Balance at 31 December 2023		796	(20)	226	188	1,961	(5,576)	77,934	11,587	87,096
Balance at 1 January 2024		796	(20)	226	188	1,961	(5,576)	77,934	11,587	87,096
Profit for the year		-	-	-	-	-	-	6,420	1,245	7,665
Other comprehensive income for the year	20, 21	-	-	-	-	-	(15)	-	(10)	(25)
Total comprehensive income for the year		-	-	-	-	-	(15)	6,420	1,235	7,640
Transactions with owners										
Share capital reduction	19, 20	-	-	-	-	-	-	-	-	-
Share capital increase	19	277	-	37,704	-	-	-	-	-	37,981
Dividends and reserves paid	20, 21	-	-	-	-	-	-	(46,306)	-	(46,306)
Treasury shares movements	19, 20	-	-	-	-	-	-	(3)	-	(3)
Share-based payments - options exercise	19, 20	-	-	-	-	-	-	-	-	-
Share-based payments, net of tax	19, 20	-	-	-	-	348	-	197	-	545
Change in consolidation perimeter	21	-	-	-	-	-	-	-	654	654
Transactions with owners		277	-	37,704	-	348	-	(46,112)	654	(7,129)
Changes in ownership interests in subsidiaries that do not result in a loss of control										
Transactions with non-controlling interests	20, 21	-	-	-	-	-	-	(190)	(2,531)	(2,721)
Balance at 31 December 2024		1,073	(20)	37,930	188	2,309	(5,591)	38,052	10,945	84,886

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NOVABASE

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

Consolidated Statement of Cash Flows for the year ended 31 December 2024

(Amounts expressed in thousands of Euros)

		12 M *	
	Note	31.12.24	31.12.23
<i>Cash flows from operating activities</i>			
Cash receipts from customers		138,283	176,346
Cash paid to suppliers and employees		(134,567)	(158,366)
Cash generated from operations		3,716	17,980
Income taxes paid		(2,217)	(276)
Other operating proceeds / (payments)		(1,970)	753
		(4,187)	477
Net cash from operating activities		(471)	18,457
<i>Cash flows from investing activities</i>			
<i>Proceeds:</i>			
Sale of subsidiaries, net of cash disposed of	39	413	48,559
Sale of associates and other participated companies	40	278	296
Acquisition of subsidiaries, net of cash acquired	6	-	24
Loans granted to associates and participated companies	38 ii)	1,348	-
Sale of property, plant and equipment		23	12
Investment grants	26	1,142	1,040
Interest received		2,229	311
		5,433	50,242
<i>Payments:</i>			
Acquisition of subsidiaries	39	-	(215)
Prepayments related to the sale of subsidiaries	13	(238)	-
Acquisition of property, plant and equipment	7	(1,029)	(434)
Acquisition of intangible assets	8	(1,493)	(918)
		(2,760)	(1,567)
Net cash from (used in) investing activities		2,673	48,675
<i>Cash flows from financing activities</i>			
<i>Proceeds:</i>			
Proceeds from borrowings	22	-	12,000
Proceeds from issue of shares	19	37,981	-
		37,981	12,000
<i>Payments:</i>			
Repayment of borrowings	22	(6,475)	(5,338)
Dividends, reserves paid and share capital reductions	20, 21	(46,306)	(11,021)
Transactions with non-controlling interests	20, 21	(823)	-
Payment of lease liabilities	22	(2,101)	(2,966)
Interest paid		(1,473)	(1,251)
Purchase of treasury shares	19, 20	(3)	(17,338)
		(57,181)	(37,914)
Net cash used in financing activities		(19,200)	(25,914)
Cash and cash equivalents at 1 January	18	81,450	40,620
Net increase (decrease) in cash and cash equivalents		(16,998)	41,218
Effect of exchange rate changes on cash and cash equivalents		(523)	(388)
Cash and cash equivalents at 31 December	18	63,929	81,450

12 M * - 12-month period ended

THE CERTIFIED ACCOUNTANT

THE BOARD OF DIRECTORS

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NOVABASE

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

Notes to the Consolidated Financial Statements for the year ended 31 December 2024

1. General information

Novabase, Sociedade Gestora de Participações Sociais, S.A. (hereinafter referred to as Novabase, Novabase Group or Group), with head office at Av. D. João II, 34, Parque das Nações, 1998-031 Lisbon, Portugal, was incorporated in 11 May 1989 in Portugal. Novabase holds and manages financial holdings in other companies as an indirect way of doing business, being the Holding Company of Novabase Group.

Novabase's activity is aggregated into two 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 pursued an IT Staffing business under the Neotalent commercial brand, which was discontinued at the end of this year as a result of the sale agreement of the subsidiary Novabase Neotalent, S.A.

Novabase is listed on the Euronext Lisbon. The share capital on 31 December 2024 is represented by 35,762,202 shares (31.12.23: 26,527,637 shares), and all shares have a nominal value of €0.03 in both periods.

The consolidated financial statements were prepared to fairly present the Group's operations, as well as its financial position, financial performance and cash flows. These consolidated financial statements were approved and authorized for issue by the Board of Directors on 30 April 2025.

These consolidated financial statements will be subject to approval at the General Meeting of Shareholders scheduled for 22 May 2025.

2. Material accounting policies

The material accounting policies applied in the preparation of these consolidated financial statements are described below. These accounting policies have been consistently applied to all years presented in these financial statements.

2.1. Basis of preparation

The consolidated financial statements of Novabase have been prepared in accordance with International Financial Reporting Standards - IFRS, as adopted by the European Union (EU) as at 31 December 2024.

It should be understood as being part of those Standards, whether the IFRS issued by the International Accounting Standards Board ("IASB"), or the IAS issued by the International Accounting Standards Committee ("IASC") and respective interpretations - IFRIC and SIC, issued, respectively, by the International Financial Reporting Interpretations Committee ("IFRIC") and Standard Interpretations Committee ("SIC"). These standards and interpretations will be referred to generically as IFRS.

These 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.

The Group's consolidated financial statements were prepared on a going concern basis, based on the historical cost principle except for 'Financial assets at fair value through profit or loss' and 'Derivative financial instruments', which were measured at fair value (notes 9 and 16).

New standards, interpretations and amendments to existing standards, which became effective in 2024

- **Amendment to IFRS 16, 'Lease liability in a sale and leaseback'**. The amendment to this standard 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 - 'Revenue from contracts with customers'. This amendment provides a requirement for the seller-lessee to determine 'lease payments' or 'revised lease payments' in a way that the seller-lessee would not recognize any amount of the gain or loss that relates to the right of use retained by the seller-lessee.

- **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, and requires that this right must have substance and exist at the end of the reporting period. Classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability for at least twelve months after the reporting period.

- **Amendment to IAS 1, ‘Non-current liabilities with covenants’.** The amendment to this standard clarifies that covenants that an entity is required to comply with on or before the reporting date affect classification of debt as current or non-current, even if compliance with the covenant is assessed only after the reporting date (for example, a covenant based on the entity’s financial position at the reporting date). When an entity classifies a liability arising from a loan arrangement as non-current and that liability is subject to covenants, the amendment requires a company to disclose information in the notes enabling investors to understand the risk that such debt could become repayable within 12 months.

- **Amendments to IAS 7 and IFRS 7, ‘Supplier finance arrangements’.** These amendments require an entity to provide additional disclosures about its supplier finance arrangements to enable users: a) to assess how supplier finance arrangements affect an entity’s liabilities and cash flows; and b) to understand the effect of supplier finance arrangements on an entity’s exposure to liquidity risk and how the entity might be affected if the arrangements were no longer available to it.

No standard, interpretation or amendment to existing standards adopted by the Group for the first time this year had a significant impact on the consolidated financial statements.

New standards, interpretations and amendments to existing standards that have been published and are mandatory for annual periods beginning on or after 1 January 2025, but that the Group has not early adopted

- **Amendment to IAS 21, ‘Lack of exchangeability’** (effective for annual periods beginning on or after 1 January 2025). This change clarifies: i) the circumstances in which a currency is considered to be exchangeable; ii) how to determine a spot exchange rate when exchangeability is lacking over a long period of time. IAS 21 amendment also requires the disclosure of information that enables users to understand how the currency not being exchangeable into another currency affects, or is expected to affect, the entity’s financial performance, financial position and cash flows, in addition to the spot exchange rate used at the reporting date and how it was estimated.

- **IFRS 18, ‘Presentation and disclosure in financial statements’** (effective for annual periods beginning on or after 1 January 2027). This standard is still subject to endorsement by the European Union. IFRS 18 is the IASB’s response to investors’ demand for more comparable information about companies’ performance and replaces IAS 1 - Presentation of financial statements. The new standard requires entity’s to report more consistently and transparently on their financial performance, and introduce three sets of new requirements: i) new required categories and subtotals in the statement of profit or loss, including “operating profit”; ii) disclosure in the financial statements about management-defined performance measures in a single note; and iii) enhanced guidance on grouping of information (aggregation and disaggregation) and disclosure about items labelled as “other”.

- **Amendments to IFRS 9 and IFRS 7, ‘Classification and measurement of financial instruments’** (effective for annual periods beginning on or after 1 January 2026). These amendments stem from the revision process after the implementation of IFRS 9 for the principles of classification and measurement, and include clarifications with regard to classifying financial assets with ESG and similar characteristics, and the settlement of liabilities through electronic payment systems. They are still subject to endorsement by the European Union.

- **Annual Improvements - Volume 11** (effective for annual periods beginning on or after 1 January 2026). This cycle of improvements is still subject to endorsement by the European Union, and affects the following standards: IFRS 1 - ‘First adoption of IFRS’, IFRS 7 - ‘Financial instruments - disclosures’ and its accompanying guidelines on the implementation of IFRS 7, IFRS 9 - ‘Financial instruments’, IFRS 10 - ‘Consolidated financial statements’ and IAS 7 - ‘Statement of cash flows’.

It is not expected for new standards, interpretations and amendments to existing standards not yet mandatory and not early adopted, to have a significant impact on the Group’s consolidated financial statements, with the exception of standard IFRS 18, whose impact is currently being assessed.

The preparation of financial statements in accordance with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenue and expenses during the reporting period. Although these estimates are based on the Management’s best knowledge of current events and actions, actual results ultimately may differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

The Board of Directors believes that the estimates and assumptions adopted do not involve significant risks that may, during the next financial year, cause material adjustments in the amount of assets and liabilities.

2.2. Basis of consolidation

The consolidated financial statements, with reference to 31 December 2024, include assets, liabilities and results of the Group companies, understood as Novabase and its subsidiaries, which are presented in note 6.

(1) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has the power to manage the relevant activities, that is, is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. These are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The acquisition cost corresponds to the fair value of assets handed over, shares issued and liabilities assumed as of the acquisition date, and to the fair value of any holding owned prior to the acquisition of control. Acquisition-related costs are expensed as incurred. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value at the acquisition date, irrespective of the extent of any non-controlling interests. The excess of the acquisition cost, the fair value of the acquirer's previously held equity interest in the acquiree before control is transferred to the Group and the fair value of non-controlling interest, over the net identifiable assets acquired and liabilities assumed is recorded as goodwill. If the acquisition cost, the fair value of the acquirer's previously held equity interest in the acquiree before control is transferred to the Group and the fair value of non-controlling interest, is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss.

The contingent prices of future events are considered at fair value as of the acquisition date, regardless of the likelihood of occurrence. Subsequent remeasurements do not affect goodwill.

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred. Accounting policies of subsidiaries are changed when necessary to ensure consistency with the policies adopted by the Group.

(2) Transactions with non-controlling interests

Non-controlling interests corresponds to the proportion of the fair value of assets, liabilities and contingent liabilities of acquired subsidiaries, which are not directly or indirectly attributable to Novabase. Transactions with non-controlling interests are accounted for as equity transactions - that is, as transactions with the owners in their capacity as owners.

Non-controlling interests recognized within the scope of a business combination can be initially measured either through their fair value or proportionally through the fair value of the net identifiable assets of the acquired subsidiary. This option is performed separately for each transaction.

In any acquisition to non-controlling interests, the difference between any consideration paid and the carrying amount of the relevant shares acquired is recorded in equity. Gains or losses on disposals to non-controlling interests that do not result in a loss of control are also recorded in Equity.

When the Group no longer has control or significant influence, any residual holding in equity is remeasured to its market value, with changes to be recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as a financial asset.

2.3. Segment reporting

Operating segments are reported consistently with the internal reporting provided to the Management.

An operating segment is a component or a set of components of the Group that engage in business activities that may earn revenues or incur expenses, whose operating results are regularly reviewed by the Management and for which discrete financial information is available.

Novabase monitors the performance of its operations according to the main guidelines of the strategic plan for the 2019-2023 horizon, disclosed to the market in July 2019, which remains valid and under execution, despite having entered into a time period subsequent to the five-year period covered therein. Based on this plan, Novabase identified the following reportable operating segments: Next-Gen, the betting segment of Novabase, which has the ambition to become a "Next-Gen IT Services Company", and Value Portfolio, segment aimed at generating the necessary funds to support the Next-Gen growth and transformation. Novabase did not aggregate operating segments.

General information on how Novabase identified its reportable operating segments, including the organizational basis, activities developed by each segment, as well as the types of products and services from which each operating segment derives its revenues are presented in note 5.

2.4. Foreign currency translation

(1) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). Euro is the Company's functional and presentation currency.

The subsidiaries included in consolidation with a functional currency different from the Group's presentation currency are those operating in Angola and in the United Kingdom, as shown in the table of note 6.

(2) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

Exchange rate differences on non-monetary financial assets such as equity instruments at fair value through profit or loss are recognized in results for the period in the consolidated statement of profit or loss as part of the gain or loss of the fair value variation. Exchange rate differences on monetary items are included in other comprehensive income in the consolidated statement of comprehensive income.

The main exchange rates applied on the reporting date are those listed below:

Euro foreign exchange reference rates (x foreign exchange units per 1 Euro)	Rate at		Average rate	
	31.12.24	31.12.23	2024	2023
• Angolan Kwanza (AOA)	975.9011	942.9324	1003.9028	712.5121
• US Dollar (USD)	1.0389	1.1050	1.0830	1.0787
• British Pound (GBP)	0.8292	0.8691	0.9176	0.8743

Except for AOA, all exchange rates used on the reporting date are the official EUR exchange rate as published on 'Banco de Portugal' website. Regarding the AOA, it was used the most appropriate exchange rate as if the transactions were settled at the reporting date, according to IAS 21.26.

(3) Group companies

The results and financial position of all the Group's entities that have a functional currency different from the presentation currency that is not the currency of a hyperinflationary economy, are translated into the presentation currency as follows:

- (i) assets and liabilities at the reporting date are translated at the closing exchange rate in force at the reporting date;
- (ii) income and expenses in results are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- (iii) all resulting exchange differences are recognized in the statement of comprehensive income.

If the entity operates in a hyperinflationary economy, before translating from the functional currency to the presentation currency as described above, the amounts relating to the assets, liabilities, equity, income and expenses of that entity must first be monetarily restated, based on a general price index that reflects changes in the general purchasing power of the currency of the country in which transactions are generated.

The Group assesses annually whether any of the economies in emerging countries where it has subsidiaries meet the main criteria to be considered hyperinflationary in accordance with IAS 29 - 'Financial reporting in hyperinflationary economies'.

In 2024, Novabase reassessed the economies where it operates in accordance with this standard, with special attention to the Angolan economy, which recorded an annual inflation rate of 27.5% and an accumulated inflation for the last three years of approximately 74.2% (data from the Angolan National Institute of Statistics), concluding that none of those economies met the necessary conditions to be considered as a hyperinflationary economy (it should be noted that Angola has qualified as a hyperinflationary economy in 2017 and 2018, but in 2019 no longer fulfilled the criteria, so the Group ceased the application of IAS 29 to the subsidiary NBASIT-Sist. de Inf. e Telecomunic., S.A. accounts for the year ended 31 December 2019).

Loans between Group companies and related foreign exchange gains or losses are eliminated on consolidation. However, when the loan is between Group companies that have different functional currencies, the foreign exchange gain or loss cannot be eliminated in full and is recognized in the consolidated result, unless the settlement of the loan is not planned nor likely to occur in the foreseeable future and, therefore, is in substance an extension of the net investment in a foreign operation.

In this case, exchange rate differences - whether they arise from the translation of net investments in foreign operations (i.e., from the conversion of monetary items at rates different from those at which they were converted in the initial recognition or in previous financial statements) or the early repayment of monetary items that are part of the net investment in a foreign entity - are recognized in other comprehensive income, under the heading 'Exchange differences on foreign operations', remaining in reserves until the sale or liquidation of such foreign entities.

As soon as the criteria for continuing to classify the amount receivable (in part or in whole) as a net investment in foreign entities are no longer verified, the future foreign exchange gains and losses related to it are recorded in profit or loss, but the historical gains and losses recorded up to that moment are not reclassified to profit or loss.

When a foreign entity is sold or substantially or completely liquidated, the accumulated exchange differences are recognized in profit or loss as part of the gain or loss on the sale. In the partial sale of a subsidiary without loss of control, the corresponding portion of the accumulated exchange differences is reclassified to non-controlling interests, within equity.

2.5. Property, plant and equipment

For Novabase Group, property, plant and equipment comprise own assets and right-of-use assets (see also note 2.20).

Property, plant and equipment are essentially composed of buildings and other constructions, basic and transport equipment.

Depreciation is calculated using the straight-line method, over their estimated useful lives, as follows:

	<u>No. of years</u>
• Buildings and other constructions	3 to 50
• Basic equipment	3 to 4
• Transport equipment	4
• Tools and utensils	4
• Furniture, fittings and equipment	3 to 10

An asset's carrying amount is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

2.6. Intangible assets

(1) Goodwill

Goodwill represents the excess of the cost of acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in 'Intangible assets'.

Goodwill (that has an undetermined useful life), is carried at cost less accumulated impairment losses, being tested annually for impairment, in the second half of the year. Impairment losses on goodwill are recognized whenever its carrying amount exceeds its recoverable amount, and are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

For the purpose of performing impairment tests, goodwill is allocated to cash generating units (CGUs). Cash generating units represent the lowest level within the entity at which the goodwill is monitored for internal management purposes and cannot be larger than an operating segment before aggregation.

The cash generating units identified by Novabase represent how Management monitors the entity's operations and makes decisions about continuing or disposing of the entity's assets and operations. There is no unallocated goodwill to the cash generating units identified. Note 8 gives information on the goodwill's allocation to the CGUs.

(2) Internally generated intangible assets

Research expenses in the search for new technical or scientific knowledge are recognized in the statement of profit or loss as and when incurred. Development expenses are accounted as intangible assets when: i) it is technically feasible to complete the asset or process; ii) the Group has the intention and capacity to complete its development; iii) market viability is assured and iv) its cost can be reliably measured.

These assets are recorded at their production or acquisition cost, which include the acquisition cost of the assets plus employee costs directly involved in the production or outsourcing costs incurred for the same purpose, as well as an appropriate portion of relevant overheads.

Amortization is calculated using the straight-line method, for periods between three to ten years. Impairment of internally generated assets in progress is tested at each reporting date.

(3) Industrial property and other rights

These assets are recorded at their acquisition cost. These assets have a finite useful life and are recognized at cost less accumulated amortization for a period between three to ten years. Amortization is calculated using the straight-line method to allocate the cost of the industrial property and other rights over their estimated useful lives.

(4) Intangible assets in progress

Intangible assets in progress refer to, mainly, the ongoing internal development of software products.

2.7. Financial assets and liabilities

Financial assets are recognized in the consolidated statement of financial position on the trade or contracting date.

At the initial recognition, except for trade accounts receivable, financial assets are recognized at fair value plus directly attributable transaction costs, except for assets at fair value through profit or loss in which transaction costs are recognized immediately in profit or loss. The subsequent measurement depends on the category of the investment, Level 1, Level 2 or Level 3, which are described in note 40.

Fair value is determined using the quoted price in an active market, or based in valuation methods and techniques (when there is no active market). A market is regarded as 'active', and therefore liquid, if transactions for the asset take place on a regular basis.

Trade receivables, at the initial recognition, are recognized at their transaction price, as defined in IFRS 15.

Financial assets are derecognized when: (i) the contractual rights of the Group to receive their cash flows expire; (ii) the Group has transferred substantially all the risks and rewards of the ownership; or (iii) despite retaining a portion, but not substantially all the risks and rewards of the ownership, the Group has transferred control over the assets.

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

Management determines the classification of its investments at the date of acquisition and reassesses this classification at each reporting date. Regarding changes in the fair value measurement from period to period, the Group considers 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.

The Group's financial assets are mostly classified in the category of 'Financial assets measured at amortized cost' and include trade and other receivables, other assets, accrued income and cash and cash equivalents. These items are included in the statement of financial position in current assets, except for maturities greater than 12 months after the end of the reporting period that are classified as non-current assets.

The Group has also financial assets classified at fair value through profit or loss, such as derivative financial instruments and certain interests in companies mainly held through its Venture Capital Funds, NB Capital Inovação e Internacionalização and NB Capital +Inovação. In this category, fair value is calculated using the method of discounted cash flows, except in cases where fair value is observable in the market, with the changes in fair value recognized in profit or loss in the period in which they occur.

Financial liabilities are classified according to the contractual substance regardless of their legal form. They are derecognized only when they are extinguished, that is, when the obligation is settled, cancelled or expired.

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

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

The Group's financial liabilities include borrowings, trade and other payables, derivative financial instruments and other liabilities. They are classified in the statement of financial position as non-current liabilities if the remaining maturity is greater than 12 months and as current liabilities if their maturity is less than 12 months.

2.8. Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortization and depreciation and are tested annually for impairment. Assets that are subject to amortization and depreciation are reviewed for impairment on an annual basis or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

The value in use is the present value of the estimated future cash flows from the continuous use of the asset and from its sale at the end of its useful life. In determining the value in use, estimated future cash flows are discounted using a pre-tax rate that reflects current market assessments of the time value of money and the specific risks of the asset in question.

For the purposes of assessing impairment, assets are allocated by cash generating units, given that this is the level at which Management monitors its return on investment.

2.9. Impairment of financial assets

At each reporting date, Novabase assesses whether financial assets carried at amortized cost are credit-impaired and recognize loss allowances for ECLs on: (1) Trade, debtors and other receivables, and (2) Deposits and short-term investments.

ECLs are a probability-weighted estimate of credit losses and are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive), discounted at the effective interest rate of the financial asset.

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

In terms of the presentation in the statement of financial position, loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Regarding the statement of profit or loss, the Group has applied judgement in determining an appropriate presentation of impairment losses under IFRS 9, considering the specific requirements to present the effect of certain events or circumstances as a single amount in the statement of profit or loss, ensuring that the chosen presentation is relevant to the users' understanding of its financial statements. Consequently, the Group has disaggregated the impairment loss amount into:

- Impairment related to trade and other receivables, which is presented separately in the statement of profit or loss under the heading 'Net impairment losses on trade and other receivables'; and
- Impairment related to deposits and short-term investments, which is included in 'Finance costs' or 'Finance income' (in the case of reversals) due to materiality considerations.

(1) Trade, debtors and other receivables

With regard to trade and other receivables, Novabase measures loss allowances at an amount equal to lifetime ECLs. With receivables being recorded by the various group companies under IFRS 15, the Group applies the simplified approach to measure the expected credit losses, that means, it uses an allowance matrix per company, which is based on the past experience of actual losses over a period considered statistically relevant and representative of the specific characteristics of the underlying credit risk. These allowance matrices are reviewed whenever there is a significant change in the company's credit risk, changes in the type of customers or significant changes in the business or macroeconomic environment.

When determining whether the credit risk of a financial asset has increased significantly, the Group considers all reasonable and supportable information that is relevant and available without undue cost or effort, which includes both quantitative and qualitative information and analysis, based on the Group's historical experience and forward-looking information. Novabase defines a financial asset relating to trade and other receivables to be in default when is more than 360 days past due.

Despite the '90 days past due' presumption under IFRS 9, the Group considers 360 days past due to be a more appropriate default definition, because it is in line with the entity's current credit risk management policies, as it corresponds to the period in which the sending of credit for litigation is triggered, and since its experience of actual losses before this maturity is reduced, apart from the fact that there are no sales with significant financing components in accordance with the principles of IFRS 15. It should be noted that the Group, based on balances and specific past events and considering counterparties historical information, its risk profile and other observable data, assesses whether there are objective indicators of impairment, and records impairment losses accordingly. Furthermore, the Group assessed the impact of considering 360 days of default over 90 days and concluded that the 'Expected Credit Losses' would not change significantly.

The impairment losses are recorded in profit or loss under 'Net impairment losses on trade and other receivables'. When an amount receivable from customers and debtors is considered unrecoverable, it is written off using the same heading in the statement of profit or loss. The Group expects no significant recovery from the amounts written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due. Subsequent recoveries, if any, are recorded in profit or loss under 'Net impairment losses on trade and other receivables'.

(2) Deposits and short-term investments

Regarding deposits and short-term investments, impairments are calculated by assigning i) a Probability of Default (PD) that derives from the rating of the issuer or counterparty, and ii) a Loss Given Default (LGD) that results from market parameters. Since the PD available on the market corresponds to the expected losses over a 12-month period, Novabase applied a PD adjusted to the maturity of the instrument on a 'pro rata' basis to the value of debt securities and bank balances. In 2024, the LGD used corresponded to 61% for Portugal and Angola (2023: 61% for Portugal and Angola).

For these assets the Group measures loss allowances at 12-month ECLs (or a shorter period if the expected life of the instrument is less than 12 months) provided that the credit risk has not increased significantly since its initial recognition.

The Group considers 'low credit risk' for deposits and short-term investments when its credit rating is equivalent to CCC or higher (weighted average rating per various agencies, namely, Standard & Poor's and Moody's).

The impairment losses related to deposits and short-term investments are recorded in profit or loss, under 'Finance costs' heading. If the Group's exposure declines or if the annual reassessment of the PD and LGD used to calculate the impairment leads to a reduction of the ECLs, the carrying amount of these assets is increased, against 'Finance income' in the statement of profit or loss.

2.10. Trade and other receivables

Trade and other receivables are amounts due on the sale of goods or services rendered by the Group in the ordinary course of business. They are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less impairment losses.

2.11. Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short-term highly liquid investments with original maturities of three months or less, or with contractual terms of immediate demobilization and which are subject to an insignificant risk of change in value.

For the purpose of presentation in the statement of cash flows, this heading also includes bank overdrafts. Bank overdrafts are shown within 'Borrowings' in current liabilities in the statement of financial position.

2.12. Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or stock options of the Company and its subsidiaries are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or stock options, or for the acquisition of a business, are included in the cost of acquisition as part of the purchase consideration.

Where the Company or any group companies acquire treasury shares of the parent company, they are recorded at cost and the consideration paid is deducted from the total equity attributable to the shareholders, and presented according to the following paragraph, until the shares are cancelled, reissued or sold. When such shares are subsequently sold or reissued, any consideration received is included in equity attributable to the shareholders.

The 'Treasury shares' heading presents treasury shares at their par value (nominal value) and the premium/discount between the acquisition cost and the par value is shown as an adjustment to other reserves or retained earnings.

2.13. Borrowings

For Novabase Group, borrowings comprise bank borrowings and lease liabilities (see also note 2.20).

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities, unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Interest costs on borrowings are included in the statement of profit or loss under 'Finance costs' heading.

2.14. Current and deferred tax

The tax expense for the year comprises current and deferred tax. Tax is recognized in the statement of profit or loss, except to the extent that it relates to items recognized directly in equity. The current income tax charge is calculated on the basis of profit before income tax, adjusted according to the tax laws.

Deferred tax is recognized, using the liability method at the reporting date, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax is not accounted for if it arises from the recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax is determined using the rate that should be in force in the year in which the temporary differences will be reversed.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be used.

Deferred taxes are recorded for temporary differences in investments in subsidiaries, except when the elimination of the temporary difference is controlled by the Group, and when the temporary difference is unlikely to be eliminated in the near future.

2.15. Employee benefits

Bonus

The Group estimates a liability and an expense for bonuses, based on the individual performance of the employees and the financial performance of the Company.

Liabilities with holidays, holiday allowance and Christmas allowance

In accordance with Portuguese legislation, employees are entitled to one month's holiday and one month's holiday pay each year, right earned in the previous year to its settlement. In addition, employees are entitled annually to a Christmas allowance, which is earned over the year and paid each December. These liabilities are therefore recorded during the period in which the right is earned, regardless its payment date.

Labour Compensation Fund (FCT) and Labour Compensation Guarantee Fund (FGCT)

On 1 May 2023 the provisions of Article 32(4) and (5) of Law no. 13/2023 of 3 April came into force, which suspended the obligation to make monthly deliveries to the Compensation Funds (established by Law No. 70/2013 and Order No. 294-A/2013), pursuant to which companies that hire a new employee are required to deduct a percentage of the respective salary for the Labour Compensation Fund (FCT) - 0.925% - and for the Labour Compensation Guarantee Fund (FGCT) - 0.075%, in order to ensure, in the future, the partial payment of the compensation in the event of dismissal. Not that, considering the characteristics of each Fund, only the monthly deliveries to FCT are recognized as a financial asset measured at fair value with changes recognized in the statement of profit or loss, while the monthly deliveries to FGCT are recognized as an expense in the period to which they relate (in the heading 'Employee benefit expense').

On 15 December 2023, Decree-Law no. 115/2023 was published, effective as of 1 January 2024, which defined how companies can mobilize FCT funds, namely to support employees' housing investments and costs, finance the qualification and certified training of employees and building daycare centres and cafeterias, for example. Companies can mobilize the value of their FCT until it is extinguished. The liquidation and extinguishing of the fund is provided for, although without a specific date for this purpose.

Stock options

The Group rewards the services rendered by the members of the Board of Directors of the Company and some employees of Novabase through the attribution of stock options plans, settled in equity and in cash, as a form of remuneration able to promote the alignment of the Board Members and employees' interests with the Company's interests and to stimulate and incentivize their creativity and productivity.

The fair value of the services received is recorded as a cost in the statement of profit or loss, against an increase in equity (equity settled portion) or liability (cash settled portion), over the period of acquisition of rights by the employee. The total amount to be recorded as a cost is determined based on the fair value of the options granted, which is estimated only using market conditions. Acquisition conditions that are not market conditions are considered to estimate the number of options that at the end of the acquisition period will have acquired rights. At each reporting date, Novabase reviews the estimate of the number of options it expects to become exercisable and recognizes the impact of the revision of the original estimate in profit or loss.

2.16. Provisions

Provisions are recognized at the reporting date when: i) the Group has a present legal or constructive obligation as a result of past events; ii) it is probable that an outflow of resources will be required to settle the obligation and; iii) the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any of the items included in the same class of obligations may be small. Note 23 provides information on the type of provisions.

Provisions are reviewed at each reporting date and adjusted to reflect the best estimate at that date. Whenever possible, the time effect is taken into account in the annual adjustment of provisions. The Group does not discount the provisions for which there is no predictability of the moment of reversal.

Onerous contracts

The Group recognizes a provision for onerous contracts on the date on which it is established that the costs to be incurred to satisfy the obligation assumed exceed the future economic benefits. This analysis is made on an individual basis.

Legal claims in progress

Provisions for legal claims in progress are recorded for the amounts estimated to represent future outflows in accordance with the risk assessments made by Management, supported by its legal experts and advisers (internal and/or external) opinions, based on success rates.

For legal proceedings where the probability of having an unfavourable outcome is less than probable, the Group does not recognize provisions, but disclosure is made in note 41, unless the possibility of an outflow of resources is remote, in which case it is not disclosed. For each legal proceeding a brief description of the process is given, as well as an estimate of its financial effect, and when practicable an indication of the uncertainties that relate to the moment of any outflow. If any repayment is possible, this information is also included in the 'Contingencies' note.

2.17. Trade and other payables

Trade and other payables balances are obligations to pay goods or services that have been acquired in the ordinary course of the business. They are initially recognized at fair value and subsequently at amortized cost according to the effective interest rate method.

2.18. Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of services in the ordinary course of the Group's activities. Revenue is shown net of Value Added Tax (V.A.T.), rebates and discounts and after eliminating intra-group transactions.

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

- identification of the contract with the customer;
- identification of performance obligations;
- determination of the price of the transaction;
- allocation of transaction price to performance obligations; and
- recognition of revenue when or as the entity meets a performance obligation.

According to this model, the recognition of revenue depends on whether performance obligations are satisfied over time or whether, on the contrary, control over goods or services is transferred at a point in time, being measured by the consideration that the entity expects to be entitled to receive in return for the delivery of these goods or services.

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

In determining and allocating the transaction price of each performance obligation, the Group uses the stand-alone prices of the promised products and services, at the date of conclusion of the contract with the customer.

Revenue recognition occurs at the time of the fulfilment of each performance obligation.

Novabase's revenues derive from: (a) services rendered, (b) interest income and (c) dividends. The recognition of revenue is detailed below, by type of revenue:

(a) Services rendered

Revenue from services rendered is recognized in the statement of profit or loss when all the following conditions have been satisfied: i) the amount of revenue can be reliably measured; ii) it is probable that future economic benefits associated with the transaction will flow to the Group; iii) the stage of completion of the performance obligation at the reporting date can be reliably measured; and (iv) the costs incurred for the transaction and the costs to complete the transaction can be reliably measured. For Novabase Group, the revenue from services rendered relates to 'time and materials' projects, 'turn key' projects and outsourcing or maintenance projects.

Revenue from 'time and materials' consulting projects is recognized at the date the services are rendered, given that is the time when the benefits of the performance obligation are transferred to the customer (the customer simultaneously receives and consumes the benefits of the goods and services provided). In cases where the customer does not receive or consume goods and services over time, Novabase does not recognize any revenue, recognizing only when the performance obligation is satisfied.

Revenues from the services rendered in 'turn key' projects are recognized, in each year, according to the performance obligation to which they comply, depending on its percentage of completion. That is, for each performance obligation, the Group recognizes revenue over time by measuring progress towards full compliance with such performance obligation. The assessment of the percentage of completion of each performance obligation is reviewed periodically considering the most recent information available from project managers and subject to further review by the respective controllers. The amount of the transaction whose receipt is conditional to the completion of the services rendered is recognized as a contract asset (included in accrued income) rather than a receivable.

Whenever the performance obligations at the reporting date have an estimated initial duration of one year or less, the Group does not disclose additional information about them, as permitted by IFRS 15.

Revenue from outsourcing or maintenance projects is recognized as a single performance obligation on a straight-line basis over the contract period.

(b) Interest income

Interest received is recognized on an accrual basis, considering the outstanding balance and the effective rate during the period up to maturity. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount (estimated future cash flows, discounted at the original effective rate of the instrument), and records the discount as a financial gain.

(c) Dividends

Dividends are recognized when the shareholders' rights to receive such amounts are appropriately established and communicated.

2.19. Grants

Government grants are recognized at fair value, when there is a high likelihood of the grant being received and the Group fulfils all the requirements to receive it.

Non-refundable grants to finance development projects are recorded as a liability at the reporting date, in 'Other non-current liabilities' heading, if the remaining maturity is greater than 12 months or in 'Deferred income and other current liabilities' if the maturity is less than 12 months, and are recognized in profit or loss of each period by the useful life of the financed assets.

Operating grants are aimed at covering the costs, incurred and recorded, with training initiatives and research projects for new technological or scientific knowledge, and are recognized in the statement of profit or loss as the related expenses are incurred, regardless of when the grant is received.

2.20. Leases

The Group's leases refer mainly to the lease agreement of the Company's headquarters and to lease agreements of other facilities where Novabase operates, with initial terms between one and five years, which may have options to extend or terminate the lease. Lease payments are updated annually to reflect inflation and/or market values.

Novabase applies the short-term lease recognition exemption to its short-term leases of facilities that have a lease term of 12 months or less. The Group recognizes the lease payments associated with these leases as an expense under the straight-line method over the lease term. The Group has no low-value assets leases.

- **Right-of-use assets**

The Group recognizes a right-of-use asset at the lease commencement date (i.e., the date the underlying asset is available for use). The right-of-use asset is initially measured at cost and subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

- **Lease liabilities**

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of future lease payments. The lease payments include the exercise price of a purchase or renewal options reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

In determining the present value of the lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. Subsequently, the amount of lease liabilities is increased to reflect interest and reduced for the lease payments made.

In addition, the carrying amount of lease liabilities is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, the revised lease payments are discounted using an unchanged discount rate, and a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

If there is a lease modification that do not qualifies to be accounted for as a separate lease, Novabase remeasures the liability (and adjusts the corresponding right-of-use assets) by discounting the revised lease payments, using a revised discount rate at the effective date of the modification.

2.21. Derivative financial instruments

Novabase uses derivative financial instruments to hedge foreign exchange risks to which is exposed to. The financial instruments used are the forward contracts. Novabase does not take speculative positions. The financial department is responsible for negotiating derivative financial instruments, in accordance with rules defined and approved by the Group's Board of Directors. Derivative financial instruments are measured initial and subsequently by their fair value. The recognition method depends on the contractual nature and purpose.

(1) Trading derivatives

As provided for in IFRS 9, Novabase Group is applying the requirements of hedge accounting found in IAS 39. Although contracted with the purpose of economic hedge in accordance with the Group's risk management policies, Novabase Group derivative financial instruments do not comply with all the requirements of IAS 39 to qualify for hedge accounting, therefore the respective changes in fair value are included in the statement of profit or loss, under financial results, in the period in which they occur.

2.22. Dividend distribution

Dividend distribution to the shareholders is recognized as a liability in the period in which dividends are approved by the Company's shareholders.

2.23. Earnings per share

Basic

Basic earnings per share is determined by dividing the profit attributable to owners of the parent by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Group and held as treasury shares.

Diluted

Diluted earnings per share are determined by adjusting the weighted average number of ordinary shares in issue to assume the conversion of all potential dilutive ordinary shares.

Theoretically, Novabase has only one type of potential dilutive ordinary shares: stock options. For the calculation of the 'Stock options adjustment', the number of shares that would be acquired at fair value (determined by the average over the period of the market price of Novabase shares) is determined, which is then compared with the number of shares that would be issued if all options were exercised, except for cases where the options have already been exercised (but their ownership has not been transferred to the plan participant) and the number of shares corresponding to those options has been determined, where this number prevails.

2.24. Discontinued operations

A discontinued operation is a component of the Group's business that comprises operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the Group, and:

- represents either a separate major line of business or a geographical area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held for sale.

When an operation is classified as a discontinued operation, the comparatives of the statement of profit or loss and of the statement of comprehensive income are re-presented as if the operation had been discontinued from the start of the comparative year.

In terms of the statement of profit or loss, results are recognized in 'Profit from discontinued operations' and, in terms of the statement of financial position, under the headings 'Assets from discontinued operations' and 'Liabilities from discontinued operations'.

For Novabase Group, discontinued operations correspond mainly to the Neotalent Business, including the Angolan subsidiary NBASIT, discontinued at the end of 2023, as the result of the sale agreement of the IT Staffing business to Conclusion Group B.V. (see note 39). It also comprises a marginal value of results and liabilities related to the GTE Business, discontinued at the end of 2019, and to the company Collab, sold in the first quarter of 2020.

2.25. Comparatives

The consolidated financial statements for the year ended 31 December 2024 are comparable in all material aspects with 2023, and no changes in accounting policies have occurred when compared to those used in preparing financial statements of the prior year, presented for comparative purposes.

3. Financial risk management policy

Novabase Group is exposed to a collection of financial risks resulting from its business, namely foreign exchange risk, interest rate risk (cash flows and fair value), credit risk, liquidity risk and capital risk.

Developments in the financial markets are continuously analysed according to the Group's risk management policy to minimize potential adverse effects on its financial performance.

In 2024, interest rates in the Eurozone were cut by the European Central Bank (ECB) due to waning inflation (at around 2.4%), according to data published on 17 January 2025 by Eurostat. Geopolitical conflicts, however, such as the war in Ukraine and tensions in the Middle East, continued to generate uncertainties. The outlook for 2025 suggests a potential stabilization of interest rates and controlled inflation, although geopolitical conflicts and global political shifts, such as the new term of office of Donald Trump, bring additional uncertainties. The global economy faces major challenges, requiring coordinated, effective responses to ensure stability and sustainable growth.

Despite these geopolitical uncertainties and economic challenges, Novabase believes that its current financial risk management policies remain adequate to Novabase's profile, continuing to monitor risks on an ongoing basis, seeking to anticipate and manage any impacts not currently contemplated.

a) Foreign exchange risk

The Group is exposed to foreign exchange risk, mainly arising from U.S. Dollar (USD) exposure, since some subsidiaries perform transactions in this currency, but also arising from British Pound (GBP) and Kwanza (AOA) exposures.

The financial department is responsible for monitoring exchange rate developments in these currencies to mitigate their impact on the consolidated results. Whenever exchange rate expectations so justify, the Group attempts to enter into hedging transactions against adverse changes by means of derivative financial instruments (see note 15). These financial instruments do not comply with hedge accounting requirements therefore being classified as trading derivatives, with changes in fair value recognized in profit or loss.

The currency market was marked by volatility in 2024, with the euro falling around 6.23% against the dollar, reaching a historic low of \$1.0350 in December. Foreign exchange risk rose due to geopolitical factors and divergent monetary policies between the ECB and the American Federal Reserve (FED). The outlook for 2025 suggests a scenario of uncertainty, with potential exchange fluctuations due to ongoing geopolitical tensions and unpredictable economic policies, especially with the recent victory of Donald Trump in the United States elections.

Despite this, Novabase does not expect to see its foreign exchange risk significantly worsened as a result of the above-mentioned uncertainties. On the one hand, the Group already had a policy of maintaining a high level of hedge regarding the U.S. Dollar exposure, and on the other hand, the Group's exposure to British Pound and to currencies from emerging markets is currently quite low, as illustrated in the following table.

The Group's exposure to foreign currency exchange rate risk as at 31 December, based on the amounts of the Consolidated Statement of Financial Position of the Group's continued operations financial assets and liabilities, is as follows:

At 31 December 2024	Euro	Dollar	Kwanza ⁽¹⁾	Pound	Other	Total
Assets						
Financial assets at fair value through profit or loss	14,000	-	-	-	-	14,000
Other non-current assets	529	-	-	-	-	529
Trade and other receivables	35,166	7,794	-	1,050	66	44,076
Accrued income	64	-	-	-	-	64
Derivative financial instruments	75	-	-	-	-	75
Cash and cash equivalents	61,865	463	-	60	359	62,747
	<u>111,699</u>	<u>8,257</u>	<u>-</u>	<u>1,110</u>	<u>425</u>	<u>121,491</u>
Liabilities						
Borrowings	20,220	-	-	-	51	20,271
Other non-current liabilities	826	-	-	-	-	826
Trade and other payables	28,159	63	-	415	76	28,713
Derivative financial instruments	688	-	-	-	-	688
	<u>49,893</u>	<u>63</u>	<u>-</u>	<u>415</u>	<u>127</u>	<u>50,498</u>
At 31 December 2023						
Assets						
Financial assets at fair value through profit or loss	13,879	-	-	-	-	13,879
Other non-current assets	1,466	-	-	-	-	1,466
Trade and other receivables	33,721	4,363	-	377	16	38,477
Accrued income	247	-	-	-	-	247
Derivative financial instruments	246	-	-	-	-	246
Cash and cash equivalents	78,132	1,837	-	25	320	80,314
	<u>127,691</u>	<u>6,200</u>	<u>-</u>	<u>402</u>	<u>336</u>	<u>134,629</u>
Liabilities						
Borrowings	27,706	-	-	-	113	27,819
Other non-current liabilities	-	-	-	-	-	-
Trade and other payables	31,293	867	-	216	37	32,413
Derivative financial instruments	112	-	-	-	-	112
	<u>59,111</u>	<u>867</u>	<u>-</u>	<u>216</u>	<u>150</u>	<u>60,344</u>

⁽¹⁾ Exposure to Kwanza limited to the Angolan subsidiary NBASIT-Sist. de Inf. e Telecomunic., S.A., considered in discontinued operations at the end of 2023 (see note 38).

The Group uses a sensitivity analysis technique that measures the estimated changes in profit or loss and shareholders' equity of either a 10% strengthening or weakening in Euro against all other currencies, from the rates applicable as at 31 December 2024, for each class of financial instrument with all other variables held constant. This analysis has illustrative purposes only, as in practice market rates rarely change alone.

Under this assumption, with a 10% strengthening or weakening of Euro against all exchange rates, profit before income tax (and inherent capital) would have increased or decreased, respectively, by €919k in 2024 (2023: €571k). There are no direct impacts on equity since the Group does not hold financial instruments with fair value changes recognized in equity nor is applying hedge accounting.

b) Interest rate risk (cash flows and fair value)

Interest-rate risk entails the possibility of fluctuations in future financial charges on loans due to changes in market interest rate levels.

The cost of the Group's financial debt is indexed to short-term reference rates, adjusted at a frequency of one year or less, plus duly negotiated risk premiums. Therefore, changes in interest rates can affect the Group's results.

Novabase's exposure to interest rate risk originates from financial assets and liabilities with fixed and/or variable rates. In the case of fixed rates, the Group faces the risk of a variation in the fair value of these assets or liabilities, insofar as any change in market rates involves an opportunity cost. In the case of variable rates, such changes directly impact the amount of interest, thereby resulting in variations in cash.

Exposure to interest rate risk is constantly analysed by the financial department. Interest rate risk management is aimed at reducing the volatility of interest charges.

In 2024, key interest rates in the Eurozone fell due to the slowdown in inflation. After a consecutive cycle of ten hikes through September 2023, followed by a 9-month period in which interest rates remained unchanged, an easing of the restrictive policy of the European Central Bank (ECB) began in June 2024, with four interest rate cuts over the course of this same year, with the last reduction of 25 base points in December, bringing the main refinancing rate to 3.15%. The interest rate cut trajectory is expected to continue in 2025, even due to the positive outlook in controlling inflation. Nonetheless, several factors and uncertainties may weigh upon the ECB's decisions and impose greater caution, such as the political and economic situation in Germany and France and the "trade war" on the horizon between the American and European blocks. Novabase has been monitoring this risk particularly closely, although no relevant impacts are expected, since Novabase's exposure to interest rate risk is currently low thanks to its surplus cash position.

At 31 December 2024, 100% of bank borrowings are at variable rates (2023: 6% were at fixed rates). All of the borrowings are denominated in Euro. Investments in financial institutions are short-term.

The Group uses a sensitivity analysis technique that measures the estimated changes in profit or loss and shareholders' equity of either an instantaneous increase or decrease of 0.5% (50 basis points) in market interest rates, from the rates applicable at 31 December 2024, for each class of financial instrument with all other variables held constant. This analysis has illustrative purposes only, as in practice market rates rarely change alone. The sensitivity analysis is based on the following assumptions:

- (i) Changes in market interest rates affect the interest income or expense of variable interest financial instruments;
- (ii) Changes in market interest rates only affect interest income or expense in relation to financial instruments with fixed interest rates if these are recognized at their fair value;
- (iii) Changes in market interest rates affect the fair value of derivative financial instruments and other financial assets and liabilities;
- (iv) Changes in the fair values of derivative financial instruments and other financial assets and liabilities are estimated by discounting the future cash flows of net present values using appropriate market rates prevailing at the year end.

Under these assumptions, an increase or decrease of 0.5% in market interest rates, would impact respectively in an increase or decrease of profit before income tax of approximately €266k in 2024, and in an increase or decrease, respectively, of approximately €326k in 2023. There are no impacts on shareholders' equity without being those inherent to the impact on results.

c) Credit risk

Novabase manages credit risk both in terms of business units (for customer receivables) and on a consolidated basis (for all active positions of financial instruments). Credit risk originates from cash and cash equivalents, derivative financial instruments and customer credit exposure, including amounts receivable and previously agreed transactions. Only banks and institutions having credibility in the sector are accepted. Customer credit risk is managed based on credit limit ranges, based on the customer's financial position and historical business relations. Note 13 provides information on the exposure to credit risk and ECLs for the Novabase's trade receivables, by intervals of maturity, as at 31 December 2024 and 31 December 2023.

The current scenario suggests a complex global economic setting with significant challenges. Ongoing geopolitical conflicts, volatile monetary policies and extreme climate changes are fuelling uncertainty in financial markets, which may lead rating agencies to take adverse rating actions on banks and financial institutions, with the consequent increase of impairment losses in the future. The general financial deterioration of counterparties worldwide may also have an impact on creditworthiness of Novabase's trade and other receivables.

Despite this context, Novabase does not anticipate relevant impacts to this date, continuing to monitor the evolution of this risk. On the one hand, its exposure to credit risk through bank deposits is currently low, given that the Group already had a policy of accepting only banks and financial institutions with credibility in the sector. On the other hand, the Group's main customers and counterparties are from the Telco industry and/or customers with a solid credit profile.

At 31 December 2024, the 30 customers with greater balances of the Group represented approximately 96.1% of the total balance (2023: 93.7%).

The distribution by geographical market of those customers is shown in the table below:

	31.12.24	31.12.23
Portugal	25%	36%
Europe	55%	47%
Middle East	19%	14%
Africa	1%	3%
	<u>100%</u>	<u>100%</u>

The distribution by business sector of those customers is shown in the table below:

	<u>31.12.24</u>	<u>31.12.23</u>
Telecommunications	88%	87%
Financial Services	7%	10%
Other	5%	3%
	<u>100%</u>	<u>100%</u>

The ratings attributed by Moody's Investors Services to the financial institutions with whom the Group has higher balances of bank deposits (note 18) at 31 December 2024 and 31 December 2023, are analysed as follows. These balances are shown before impairment losses recognized according to IFRS 9.

	<u>31.12.24</u>	<u>31.12.23</u>
A1	19,765	27,309
A2	30,203	31,377
A3	12,042	19,105
Baa2	-	2,128
	<u>62,010</u>	<u>79,919</u>

All bank deposits are highly liquid, readily convertible to known amounts of cash.

d) *Liquidity risk*

The prudent management of liquidity risk entails keeping cash or financial instruments sufficiently liquid, with sources of financing through an adequate number of credit facilities, together with the ability to close market positions.

The management monitors updated forecasts of the Group's liquidity reserve (unused credit lines, cash and cash equivalents) at the base of expected cash flows, by analysing the remaining contractual maturity of financial liabilities and the expected date of inflows from financial assets. Additionally, the maturity concentration of derivative financial instruments, borrowings and liabilities of the Group are regularly monitored. Notes 16 and 22 present those Novabase's liabilities, respectively, by intervals of contractual residual maturity at 31 December 2024 and 31 December 2023.

Details on the borrowings balances and credit lines negotiated by Novabase Group, by financial institution, are as follows:

	Euro	
	<u>31.12.24</u>	<u>31.12.23</u>
Banco BPI (BPI)	7,000	8,200
Bankinter	6,000	8,000
Banco Comercial Português (BCP)	5,087	6,362
Novo Banco	3,500	5,500
Caixa Geral de Depósitos (CGD)	5,000	5,000
	<u>26,587</u>	<u>33,062</u>

As shown in the analysis of the table above, the Group maintains a diversified profile in its financing and has access to credit facilities (plafonds), amounts that are not totally used but that are at its disposal. These credit facilities can cover all the loans that are repayable within 12 months.

The available short and medium-term credit lines not used amount to approximately €17,000k as at 31 December 2024 (31.12.23: €17,000k), being sufficient to meet any immediate requirement. In addition to these facilities, the Group has €62,747k of 'Cash and cash equivalents' as at 31 December 2024, as stated in the Consolidated Statement of Financial Position, which combined with the credit facilities amounts to €79,747k of liquidity.

Considering the current macroeconomic and business environment and the commitments assumed at the reporting date, the Group assessed potential impacts on the level of additional liquidity needs and concluded that the current liquidity position remains adequate. Novabase expects to satisfy all its cash needs by using its liquidity reserves and, if necessary, using existing available credit lines and/or new financing. Novabase also believes that compliance with the current covenants associated with borrowings is ensured.

e) *Capital risk*

The Group's goals with regard to capital management - a broader concept than the capital shown on the face of the consolidated statement of the financial position - are as follows:

- (i) Safeguarding the Group's ability to keep doing business, and therefore provide returns to shareholders and benefits to other stakeholders;
- (ii) Maintaining a solid capital structure to support the development of its business;
- (iii) Maintaining a sound capital structure to reduce the cost of capital.

Management monitors the Return on Capital (ROC) ratio, which the Group defines as the 'Operating Profit' divided by 'Total Equity', to measure the Group's ability to generate cash flows related to the capital invested in its business.

	<u>31.12.24</u>	<u>31.12.23</u>
Operating Profit	7,430	7,461
Total Equity	<u>84,886</u>	<u>87,096</u>
Return on Capital	8.8%	8.6%

The Group has the objective to maintain ROC above the cost of capital (measured by WACC - Weighted Average Cost of Capital), which allows the Group to add value. The Group's WACC is around 9.9% (2023: 10.6%). In 2024 and 2023, the objective was not achieved.

Novabase announced the intention of its Board of Directors to propose to the 2025 Annual General Meeting the payment of a shareholder remuneration of €1.35 per share, in a press release dated 20 February (see note 43).

4. **Critical accounting estimates and judgements**

The preparation of financial statements requires the use of certain critical accounting estimates by the Management, that affect assets, liabilities, and the disclosure of assets and contingent liabilities at the reporting date in the financial statements, as well as income and expenses during the reporting period, consequently actual results can differ from the estimated ones. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and judgements considered more relevant in the preparation of these financial statements are presented below.

a) *Goodwill impairment analysis*

The Group tests annually, in the second half of the year, whether goodwill is impaired, in accordance with the accounting policy stated in note 2.6. The recoverable amounts of cash generating units have been determined based on value-in-use calculations. These calculations require the use of estimates, to forecast the cash flows of each cash generating unit, and the choice of a discount rate and a perpetuity growth rate (see note 8).

b) *Financial instruments measured at fair value*

The fair value of financial instruments not quoted on an active market is determined based on valuation methods and financial theories. The use of valuation methodologies requires using assumptions, with some assumptions requiring the use of estimates (see note 40). Therefore, changes in those assumptions could result in a change in the fair value reported.

c) *Income taxes and deferred taxes*

The Group is subject to income taxes in the locations in which it operates. A judgement is required when determining estimated income taxes and the use of deferred tax assets and liabilities. Deferred tax assets and liabilities were determined based on tax legislation currently in effect for the Group companies, or on legislation already published for future application. Changes in the tax legislation may influence the value of deferred taxes.

The Group recognizes deferred tax assets related to tax incentives obtained under SIFIDE based on estimates. The final amount of these tax incentives is only known in future years based on the approval by the competent body (ANI) of the Group's applications to these incentives. The booked amount of tax credits not yet approved reach €2,498k (2023: €2,693k), with their approval being likely.

The Group also recognizes deferred taxes on tax losses based on estimates of future taxable profits, and such assets are only recognized if there is a high expectation of future recovery.

Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax assets and liabilities in the period in which such determination is made.

d) *Revenue*

Revenue recognition in respect of 'turn key' projects requires the use of judgements, starting with the application of the five-step model established in IFRS 15, namely, in the identification of performance obligations and in the allocation of the transaction price to defined performance obligations, based on their relative stand-alone selling prices. In addition, Management carries out analysis and estimates of the current and future developments of consulting projects in place, which may have a different development in the future from the present estimates performed by project managers.

Any changes in the estimates would be reflected under 'Accrued income' and 'Deferred income and other current liabilities' captions in the statement of financial position and under 'Services rendered' in the statement of profit or loss, however, historically there have been no material deviations in the estimates of costs to be incurred in ongoing projects from the year before, nor in the outcome of the transaction.

e) *Impairment losses on financial assets*

Impairment losses on trade and other receivables are based on risk default assumptions and expected loss rates. The Group uses judgements for these assumptions and selects the inputs to the impairment calculation, based on the Group's past history (such as the ageing of accounts receivable balances and historical write-off experience, customer credit worthiness and changes in customer payment terms), existing market conditions and forward-looking estimates at the end of each reporting period. If the customer's financial conditions deteriorate, actual impairment losses and write-offs might be higher than expected. With regard to impairment for deposits and short-term investments, the Group also assesses whether credit risk has increased significantly since initial recognition.

f) *Provisions for legal claims*

The Group exercises judgement in measuring and recognizing provisions and its exposure to contingent liabilities related to legal proceedings, based on the assessment of its specialists and legal advisers (internal and/or external). This judgement is necessary to determine the probability of the outcome for each lawsuit. Provisions are recognized for amounts that may result in cash outflows, with disclosure in the notes when the probability of having an unfavourable outcome is less than probable. These estimates are subject to changes as new information becomes available. Due to the uncertainties inherent in the evaluation process, real losses may be different from those originally estimated in the provision.

The Group discloses in 'Contingencies' (note 41) all the legal proceedings in which it considers that there is a possibility of an outflow of resources, although it is not probable, which is why no liabilities are recognized. For such legal proceedings, the Management believes that there is sufficient substance for its defence in court, based on the opinions of its specialists and legal advisers (internal and/or external), and therefore considers that such actions will have a successful outcome.

g) *Bonus*

The Novabase Group recognizes on a monthly basis an estimate for bonus and other variable remunerations, which considers the theoretical amounts agreed with employees, the monitoring of the expected objectives' achievement rates and the general situation of the Company's business. The variable remuneration of the members of the Board of Directors is set by the Remuneration Committee, pursuant to the Remuneration Policy, which may be comprised of variable remuneration in cash (associated, among other factors, with the performance of Novabase) and variable remuneration based on stock options (namely participation in the Share Options Plan). Therefore, the cost estimate for the current exercise booked under 'Trade and other payables' heading, is prepared based on the Management's best estimate to the performance of the current year, where the actual final outcome is only known in the following exercise, after the Remuneration Committee's deliberation. More information about Novabase's remuneration policy and Directors' remuneration during the year can be found in chapter D. Remunerations of the Corporate Governance Report, which forms an integral part of this Annual Financial Report.

h) *Leases*

The Group applies judgement to determine the lease term for some lease agreements that include options to extend the lease or to terminate the lease, that is, it considers all relevant factors that create an economic incentive for it to exercise the options. The assessment of whether the Group is reasonably certain to exercise options to extend the lease or is reasonably certain not to exercise options to terminate the lease impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognized. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the options.

The Group also applies judgement to determine the incremental borrowing rate to apply to each portfolio of leases identified and to measure residual value guarantees, which forms part of lease payments. In this case, according to IFRS 16, the Management considers the amount that it expects to pay in the measurement of the lease liabilities.

5. Segment information

Novabase's activity is aggregated into two operating segments:

- Next-Gen
- Value Portfolio

The Next-Gen segment comprises the assets held in Financial Services and Telecommunications. This segment aims to achieve an accelerated growth through focus on Next-Gen IT (Design & UX, Insights Through Data, Cloud native & scalable, Digital Architecture, API Exposure, AI/Analytics, Test Automation & Engineering, Continuous Delivery, Intelligent Operations) for the Telco and Financial Services industries and Europe and the Middle East geographies. This segment derives its revenues from time and materials consulting projects, turn-key consulting projects and outsourcing and maintenance projects, and may also include a small component of sales.

The Value Portfolio segment includes venture capital activities developed by Novabase Capital and Venture Capital Funds. The Value Portfolio aims at maximizing operating profitability to generate the funds necessary to invest in Next-Gen growth. This segment's revenues derive from the valuation and sale of Venture Capital Fund's investees and advisory services in purchase and sale and M&A processes. This segment also included the IT Staffing activity (Neotalent), whose revenues derived mainly from time and materials projects, considered in discontinued operations in 2023.

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. 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.

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:

At 31 December 2024	Value Portfolio	Next-Gen	Novabase
(i) Total segment revenues	1,286	134,126	135,412
Sales and services rendered - inter-segment	1,275	(51)	1,224
Sales and services rendered - external customers	11	134,177	134,188
Operating Profit	(3,210)	10,640	7,430
Financial results (notes 32 and 33)	2,596	(1,227)	1,369
Income tax	(17)	(2,175)	(2,192)
Profit from continuing operations	(631)	7,238	6,607
Profit from discontinued operations (note 39)	1,058	-	1,058
Other information:			
Restructuring costs (note 29)	-	(1,854)	(1,854)
Depreciation and amortization	(12)	(3,833)	(3,845)
(Provisions)/Provisions reversal	20	(991)	(971)
Net impairment losses on trade and other receivables	-	692	692
At 31 December 2023			
(i) Total segment revenues	3,777	135,368	139,145
Sales and services rendered - inter-segment	3,721	2,868	6,589
Sales and services rendered - external customers	56	132,500	132,556
Operating Profit	(1,720)	9,181	7,461
Financial results (notes 32 and 33)	(564)	(651)	(1,215)
Income tax	569	(3,391)	(2,822)
Profit from continuing operations	(1,715)	5,139	3,424
Profit from discontinued operations (note 39)	44,031	-	44,031
Other information:			
Restructuring costs (note 29)	-	-	-
Depreciation and amortization	(9)	(3,459)	(3,468)
(Provisions)/Provisions reversal	(353)	(474)	(827)
Net impairment losses on trade and other receivables	1	(157)	(156)

(i) Net of intra-segment revenues (in 2024: €10,184k, of which €134k in Value Portfolio and €10,050k in Next-Gen, and in 2023: €10,631k, of which €169k in Value Portfolio and €10,462k in Next-Gen).

Novabase does not disclose information on assets and liabilities for each reportable segment since it does not provide such information to those responsible for operational decision making.

In overseeing the implementation of the strategic plan, the management monitors turnover by region. In 2024, this indicator began to be calculated based on the location of the customer's decision-making centre, a geographic criterion also used in the breakdown of revenue in the presentation to investors. Comparisons have been calculated in accordance with the same criterion.

Sales and services rendered by geography in 2024 and 2023 are analysed as follows:

At 31 December 2024	Value Portfolio	Next-Gen	Novabase	Total %
Sales and services rendered - external customers	11	134,177	134,188	100.0%
Portugal	11	40,995	41,006	30.6%
Europe and Middle East	-	89,024	89,024	66.3%
Rest of the World	-	4,158	4,158	3.1%

At 31 December 2023	Value Portfolio	Next-Gen	Novabase	Total %
Sales and services rendered - external customers	56	132,500	132,556	100.0%
Portugal	56	36,278	36,334	27.4%
Europe and Middle East	-	91,992	91,992	69.4%
Rest of the World	-	4,230	4,230	3.2%

Novabase does not disclose geographic information of non-current assets, since this information is not reported to the management for operational decision-making. For some information on non-current assets in Angola, see note 6 - A. Subsidiaries with material non-controlling interests.

6. Companies included in consolidation

The companies included in the consolidation using the full consolidation method as at 31 December 2024 were as follows:

Holding Company and Subsidiaries	Principal place of business	Share capital 31.12.24	% interest held	
			31.12.24	31.12.23
Parent company:				
Novabase S.G.P.S., S.A.	Portugal	€1,072,866	-	-
Next-Gen:				
Novabase E.A., S.A.	Portugal	€150,000	100.0%	100.0%
Celfocus, S.A.	Portugal	€101,000	90.1%	90.1%
Novabase Solutions Middle East FZ-LLC	UAE	€699,670	100.0%	100.0%
Celfocus LTD	United Kingdom	15,000 GBP	90.1%	90.1%
Celfocus B.V.	Netherlands	€20,000	90.1%	90.1%
Novabase Business Solutions, S.A.	Portugal	€3,365,000	100.0%	100.0%
Binómio, Lda.	Portugal	€2,626	90.1%	90.1%
Celfocus GmbH	Germany	€25,000	90.1%	90.1%
Equipa Frutuosa, S.A.	Portugal	€50,000	76.0%	76.0%
Rota Virtuosa, S.A.	Portugal	€50,000	76.0%	76.0%
Value Portfolio:				
NBASIT-Sist. de Inf. e Telecomunic., S.A. (*)(**)	Angola	47,500,000 AOA	49.4%	49.4%
Novabase Capital S.C.R., S.A.	Portugal	€2,500,000	100.0%	100.0%
(i) FCR NB Capital Inovação e Internacionalização	Portugal	€6,500,000	50.5%	51.8%
(ii) FCR NB Capital +Inovação	Portugal	€1,755,319	53.1%	57.8%
Novabase Consulting S.G.P.S., S.A.	Portugal	€5,233,264	100.0%	100.0%
NOVABASE IMS 2, S.A.	Portugal	€220,500	100.0%	100.0%
(iii) TVLab, S.A.	Portugal	-	-	70.0%
Nbase International Investments B.V.	Netherlands	€1,220,800	100.0%	100.0%

(*) Novabase discontinued activity at this subsidiary at the end of 2023, following the agreement to sell its Neotalent business to Conclusion Group B.V. (note 39).

(**) Despite having a holding of less than 50%, Novabase has more than 50% of this company's voting rights, and thus has control in accordance with that stated in note 2.2; therefore, it is consolidated by the full consolidation method.

In 2024, the following changes occurred in the consolidation perimeter:

- (i) Dilution of the holding in the subsidiary FCR NB Capital Inovação e Internacionalização by 1.34%, following the closing of Provision A of this fund (note 20);
- (ii) Dilution of the holding in the subsidiary FCR NB Capital +Inovação by 4.70%, thanks to this fund's share capital reduction in the amount of the subscribed capital not paid up (note 20);
- (iii) Liquidation of TVLab, S.A. (notes 21, 23 and 30).

A. Subsidiaries with material non-controlling interests

Novabase believes that the main subsidiaries with material non-controlling interests, in accordance with IFRS 12.10, are those presented below. The share capital of these subsidiaries consists solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Subsidiary	Main activity
Celfocus, S.A.	Development, training and commercialization of systems for the telecommunications industry
NBASIT-Sist. de Inf. e Telecomunic., S.A.	Production, commercialization, import and export of goods and IT services and related activities, and information systems
FCR NB Capital Inovação e Internacionalização	Venture capital activity through the financing of investment projects aimed at innovation, modernization and internationalization of small and medium-sized technology-based companies in early development or expanding phases
FCR NB Capital +Inovação	Venture capital activity through the financing of investment projects aimed at innovation, modernization and internationalization of small and medium-sized technology-based companies in early development or expanding phases

Summarized financial information on subsidiaries with material non-controlling interests (amounts before intra-company eliminations):

	Celfocus, S.A.		NBASIT (Angola)		FCR NB Capital II		FCR NB Capital +Inov.	
	31.12.24	31.12.23	31.12.24	31.12.23	31.12.24	31.12.23	31.12.24	31.12.23
<i>Financial position:</i>								
Non-Current Assets	20,955	21,829	-	-	12,857	12,995	579	814
Current Assets	55,720	55,480	1,393	1,375	4,105	4,690	613	5,048
Non-Current Liabilities	(17,061)	(15,050)	-	-	-	-	-	-
Current Liabilities	(47,596)	(54,414)	(2,983)	(3,190)	(40)	(317)	(2)	(2)
Net Assets	<u>12,018</u>	<u>7,845</u>	<u>(1,590)</u>	<u>(1,815)</u>	<u>16,922</u>	<u>17,368</u>	<u>1,190</u>	<u>5,860</u>
Net Assets attrib. to NCI	1,612	818	866	641	8,377	8,364	558	2,471
<i>Results and comprehensive income:</i>								
Sales and Services rendered	135,298	135,130	1,126	1,650	-	-	-	-
Profit for the year	8,011	7,411	145	(1,160)	1,260	(309)	25	13
Total compr. income for the year	<u>8,011</u>	<u>7,411</u>	<u>145</u>	<u>(1,160)</u>	<u>1,260</u>	<u>(309)</u>	<u>25</u>	<u>13</u>
Compr. income attrib. to NCI	794	213	234	265	623	(151)	7	6
<i>Cash flows:</i>								
Cash and cash equiv. at 1 Jan.	10,003	2,589	1,130	1,163	4,656	4,795	353	366
Cash and cash equiv. at 31 Dec.	485	10,003	1,178	1,130	4,004	4,656	611	353
Change in cash and cash equiv.	<u>(9,518)</u>	<u>7,414</u>	<u>48</u>	<u>(33)</u>	<u>(652)</u>	<u>(139)</u>	<u>258</u>	<u>(13)</u>
Dividends paid to NCI (note 21)	-	-	-	-	-	-	-	-

7. Property, plant and equipment

	31.12.24			31.12.23		
	Cost	Accumulated depreciation	Net book value	Cost	Accumulated depreciation	Net book value
Buildings and other constr.	33,390	25,815	7,575	34,201	25,151	9,050
Basic equipment	9,261	7,812	1,449	8,527	7,349	1,178
Transport equipment	3,473	1,476	1,997	3,636	1,193	2,443
Furniture, fittings and equip.	1,444	1,328	116	1,448	1,338	110
Other tangible assets	12	12	-	12	12	-
	<u>47,580</u>	<u>36,443</u>	<u>11,137</u>	<u>47,824</u>	<u>35,043</u>	<u>12,781</u>

Movements in the item property, plant and equipment in 2024, for the Group, had the following breakdown:

	Balance at 01.01.24	Acquisitions /charges	Impairment /write-offs	Transfers	Exchange differences	Change in consolidation perimeter	Balance at 31.12.24
Cost:							
Buildings and other constr.	34,201	625	(1,450)	14	-	-	33,390
Basic equipment	8,527	878	(144)	-	-	-	9,261
Transport equipment	3,636	1,013	(1,176)	-	-	-	3,473
Furniture, fittings and equip.	1,448	37	(41)	-	-	-	1,444
Other tangible assets	12	-	-	-	-	-	12
	<u>47,824</u>	<u>2,553</u>	<u>(2,811)</u>	<u>14</u>	<u>-</u>	<u>-</u>	<u>47,580</u>
Accumulated depreciation:							
Buildings and other constr.	25,151	2,114	(1,450)	-	-	-	25,815
Basic equipment	7,349	586	(123)	-	-	-	7,812
Transport equipment	1,193	963	(680)	-	-	-	1,476
Furniture, fittings and equip.	1,338	41	(51)	-	-	-	1,328
Other tangible assets	12	-	-	-	-	-	12
	<u>35,043</u>	<u>3,704</u>	<u>(2,304)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,443</u>

Movements in the item property, plant and equipment in 2023, for the Group, had the following breakdown:

	Balance at 01.01.23	Acquisitions /charges	Impairment /write-offs	Discontinued operations	Exchange differences	Change in consolidation perimeter	Balance at 31.12.23
Cost:							
Buildings and other constr.	27,792	8,827	(1,540)	-	-	(878)	34,201
Basic equipment	8,603	425	(467)	(12)	(9)	(13)	8,527
Transport equipment	1,862	2,228	(379)	(44)	(31)	-	3,636
Furniture, fittings and equip.	1,823	9	(113)	(3)	(1)	(267)	1,448
Other tangible assets	12	-	-	-	-	-	12
	<u>40,092</u>	<u>11,489</u>	<u>(2,499)</u>	<u>(59)</u>	<u>(41)</u>	<u>(1,158)</u>	<u>47,824</u>
Accumulated depreciation:							
Buildings and other constr.	25,070	2,305	(1,540)	-	-	(684)	25,151
Basic equipment	7,196	645	(462)	(12)	(9)	(9)	7,349
Transport equipment	1,043	599	(374)	(44)	(31)	-	1,193
Furniture, fittings and equip.	1,600	66	(91)	(3)	1	(235)	1,338
Other tangible assets	12	-	-	-	-	-	12
	<u>34,921</u>	<u>3,615</u>	<u>(2,467)</u>	<u>(59)</u>	<u>(39)</u>	<u>(928)</u>	<u>35,043</u>

Acquisitions of property, plant and equipment in 2024 primarily refer to right-of-use assets of 'Buildings and other constructions' and 'Transport equipment', which also justify the largest share of write-offs (see detail below), but also to 'Basic equipment' for the operations, mainly comprised of laptops.

In 2023, 'Change in consolidation perimeter' reflects the effect of the subsidiary Novabase Neotalent, S.A. disposal, and 'Discontinued Operations' column, the assets of the Angolan subsidiary (see note 39).

In 2024, no events or circumstances that indicated that the carrying amount of property, plant and equipment exceeded its recoverable amount were identified. Consequently, no impairment tests have been performed.

Depreciation recognized in profit or loss and included in 'Depreciation and amortization' amounts to €3,704k (2023: €3,449k), and included in 'Profit from discontinued operations' is null (2023: €166k).

Right-of-use assets included in 'Property, plant and equipment', by class of assets, are as follows:

	31.12.24			31.12.23		
	Buildings and other constr.	Transport equipment	Total	Buildings and other constr.	Transport equipment	Total
Cost	30,219	3,473	33,692	31,158	3,636	34,794
Accumulated depreciation	(22,856)	(1,476)	(24,332)	(22,211)	(1,193)	(23,404)
	<u>7,363</u>	<u>1,997</u>	<u>9,360</u>	<u>8,947</u>	<u>2,443</u>	<u>11,390</u>

Movements in right-of-use assets were as follows:

	31.12.24			31.12.23		
	Buildings and other constr.	Transport equipment	Total	Buildings and other constr.	Transport equipment	Total
Balance at 1 January	8,947	2,443	11,390	2,434	819	3,253
Change in consolidation perimeter	-	-	-	(167)	-	(167)
Acquisitions/increases	511	1,013	1,524	8,827	2,228	11,055
Write-offs	-	(496)	(496)	-	(5)	(5)
Depreciation charge (i)	(2,095)	(963)	(3,058)	(2,147)	(599)	(2,746)
Balance at 31 December	7,363	1,997	9,360	8,947	2,443	11,390

(i) Included in 'Depreciation and amortization' (note 31) and in 'Discontinued operations' (note 39).

Acquisitions of right-of-use assets of 'Buildings and other constructions' include (i) the extended term of two existing lease agreements renegotiated during the year in the amount of €433k, (ii) the accounting of a new lease agreement with an estimated duration of 36 months in the amount of €57k, and (iii) the remeasurement of existing contracts, dependent on an index or rate, in the amount of €21k. There were also write-offs relating to a Lisbon office lease agreement expired, in the gross value and accumulated depreciation of the same amount, worth €1,450k.

Acquisitions of right-of-use assets of 'Transport equipment' are part of the usual renewal of the Group's fleet, while write-offs also include the effect of assignments of the contractual position of vehicles to the domain of the company Neotalent, disposed of at the end of 2023.

Information on the movements that occurred during the year in lease liabilities related to these right-of-use assets, namely, interest expense and lease payments, can be found in note 22.

For short-term leases considered in the exemption from recognition provided for in IFRS 16, the Group recognized this year the amount of €119k (2023: €162k) under the heading 'External supplies and services'.

8. Intangible assets

	31.12.24			31.12.23		
	Cost	Accumulated amortization	Net book value	Cost	Accumulated amortization	Net book value
Internally generated intang. assets	3,565	2,795	770	3,463	2,662	801
Industrial property and other rights	423	390	33	382	382	-
Intangible assets in progress	1,684	-	1,684	348	-	348
Goodwill	8,115	-	8,115	8,115	-	8,115
	13,787	3,185	10,602	12,308	3,044	9,264

During 2024, movements in intangible assets for the Group were as follows:

	Balance at 01.01.24	Acquisitions /charges	Impairment /write-offs	Transfers	Change in consolidation perimeter	Balance at 31.12.24
Cost:						
Internally generated intang. assets	3,463	102	-	-	-	3,565
Industrial property and other rights	382	41	-	-	-	423
Intangible assets in progress	348	1,350	-	(14)	-	1,684
Goodwill	8,115	-	-	-	-	8,115
	12,308	1,493	-	(14)	-	13,787
Accumulated amortization:						
Internally generated intang. assets	2,662	133	-	-	-	2,795
Industrial property and other rights	382	8	-	-	-	390
	3,044	141	-	-	-	3,185

During 2023, movements in intangible assets for the Group were as follows:

	Balance at 01.01.23	Acquisitions /charges	Impairment /write-offs	Transfers	Change in consolidation perimeter	Balance at 31.12.23
Cost:						
Internally generated intang. assets	2,961	-	(43)	801	(256)	3,463
Industrial property and other rights	388	-	(6)	-	-	382
Intangible assets in progress	231	918	-	(801)	-	348
Goodwill	11,501	-	-	-	(3,386)	8,115
	<u>15,081</u>	<u>918</u>	<u>(49)</u>	<u>-</u>	<u>(3,642)</u>	<u>12,308</u>
Accumulated amortization:						
Internally generated intang. assets	2,777	62	(43)	-	(134)	2,662
Industrial property and other rights	369	19	(6)	-	-	382
	<u>3,146</u>	<u>81</u>	<u>(49)</u>	<u>-</u>	<u>(134)</u>	<u>3,044</u>

In 2023, 'Change in Consolidation Perimeter' reflects the effect of the subsidiary Novabase Neotalent, S.A. disposal (see note 39).

Amortization recognized in profit or loss and included in 'Depreciation and amortization' amounts to €141k (2023: €19k), and included in 'Profit from discontinued operations' is null (2023: €62k).

The captions 'Internally generated intangible assets' and 'Intangible assets in progress' include costs incurred in software development projects.

The amount with research and development recognized as a cost, related to the main research projects, reached approximately €2.5m (2023: €2.5m), and essentially refers to man-hours with employees allocated to projects recorded in 'Employee benefit expense'.

Movements in gross goodwill were as follows:

	31.12.24	31.12.23
Balance at 1 January	8,115	11,501
Discontinued operations Neotalent (Value Portfolio)	-	(3,386)
Balance at 31 December	<u>8,115</u>	<u>8,115</u>

Movements in goodwill impairment were as follows:

	31.12.24	31.12.23
Balance at 1 January	-	-
Impairment losses	-	-
Balance at 31 December	<u>-</u>	<u>-</u>

At the end of 2023, the goodwill associated with Neotalent CGU was written-off as a result of the sale of the Neotalent business.

Impairment tests for goodwill

Goodwill is allocated to the Group's Cash Generating Units (CGUs), identified according to how Novabase monitors its operations and makes its decisions on the continuation or disposal of its assets and operations, as follows:

	31.12.24	31.12.23
Next-Gen	8,115	8,115
	<u>8,115</u>	<u>8,115</u>

The impairment tests for goodwill were performed based on the discounted cash flow method, using a 5-year business plan forecasted by Management, with the following key assumptions:

Next-Gen	31.12.24	31.12.23
Discount rate (post-tax)	9.9%	10.6%
Perpetuity growth rate	2.0%	2.0%
Average annual growth rate of turnover	5.0%	7.3%

Management has determined each of the above key assumptions as follows:

- Discount rate (post-tax) - Based on the weighted average cost of capital (“WACC”) and considering a tax rate of 20% (2023: 22.5%), reflects the best estimate of specific risks relating to the relevant industry in which it operates.
- Perpetuity growth rate - This is the weighted average growth rate used to extrapolate cash flows beyond the business plan, being consistent with forecasts included in industry reports.
- Average annual growth rate of turnover - Average annual growth rate over the five-year forecast period; based on past performance and management’s expectations of market development.

The application of the previously described method generates a recoverable amount (determined by value in use) of assets exceeding its carrying amount, therefore it is concluded that there is no need for an impairment charge to the goodwill allocated to the Cash Generating Unit. A possible increase or decrease of one percentage point in the WACC would not result in an Equity Value of the Next-Gen CGU, in any of the situations, lower than the carrying amount of assets.

9. Financial assets at fair value through profit or loss

	% Interest held directly		Amount	
	31.12.24	31.12.23	31.12.24	31.12.23
(i) Feedzai, S.A.	1.4%	1.4%	12,178	11,778
(ii) Globaleda, S.A.	25.1%	25.1%	497	522
(iii) Aixel Technologies, S.A.	5.3%	5.7%	512	498
(iv) Probely, S.A.	-	2.0%	-	159
(v) Bright Innovation, Lda.	90.0%	90.0%	-	-
(vi) Powergrid, Lda.	-	88.9%	-	-
(vii) Radical Innovation, Lda.	-	80.0%	-	2
(viii) Glarevision, S.A.	10.5%	10.5%	217	281
(ix) Habit Analytics PT, Lda.	4.0%	6.0%	-	31
(x) Other			596	608
			<u>14.000</u>	<u>13,879</u>

(i) Company, held by FCR NB Capital Inovação e Internacionalização, focused on the development of solutions for processing large volumes of data in real time, which applies advanced machine learning and artificial intelligence models to combat fraud in financial services and e-commerce.

(ii) Held by Novabase Business Solutions S.A., this is a technology-based company in the area of information systems and telecommunications engineering. Despite holding more than 20% of Globaleda’s shares, Novabase does not have significant influence on this company, understood as the power to participate in the financial and operating policy decisions of the investee, namely it has no representation on the Board of Directors nor participation in the policy-making process nor transactions with the investee.

(iii) Company held by the funds FCR NB Capital Inovação e Internacionalização and FCR NB Capital +Inovação, which developed FIBERCLOUD, a network management platform for the global market.

(iv) Company, focused on the area of cybersecurity, disposed of in 2024. It was held by FCR NB Capital +Inovação.

(v) Company specialized in incubate projects in the area of Information and Communication Technologies (ICT) and provide integrated services in the administrative and financial areas, training and assistance for ICT SME applications, supported by a multi-channel platform. This company is held by FCR NB Capital Inovação e Internacionalização.

(vi) Company focused on the development of an application platform for Smart Grids, dissolved in 2024. It was held by FCR NB Capital Inovação e Internacionalização.

(vii) Company dissolved in 2024. It was held by the fund FCR NB Capital Inovação e Internacionalização and by Novabase Capital S.C.R., S.A., and specialized in the incubation of projects in the area of ICT and the provision of integrated services in the administrative and financial areas, training and assistance for applications, aimed at ICT SMEs of the Lisbon Region.

(viii) Company, held by FCR NB Capital +Inovação, focused on developing solutions based on augmented reality for industrial maintenance.

(ix) Company, held by FCR NB Capital +Inovação and by Novabase Capital S.C.R., S.A., focused on developing a real-time data intelligence platform (Internet of Things).

(x) In 2024 and 2023, the amount is fully related to FCT - Labour Compensation Fund.

Novabase does not have control of the companies held by the funds FCR NB Capital Inovação e Internacionalização and FCR NB Capital +Inovação and by Novabase Capital S.C.R., S.A., understood as the power to manage the relevant activities of an entity, being exposed to the risks of variation of the return obtained and having the capacity to affect those returns through its power over the entity, therefore they were not considered subsidiaries or associates.

Movements in this heading were as follows:

	<u>31.12.24</u>	<u>31.12.23</u>
Balance at 1 January	13,879	13,961
Acquisitions/share capital increase	-	208
Disposals/share capital decrease	(159)	(436)
Net fair value adjustments (notes 32 and 33)	280	279
Change in consolidation perimeter (note 39)	-	(133)
Balance at 31 December	<u>14,000</u>	<u>13,879</u>

In 2024, there were no reimbursements from the FCT - Labour Compensation Fund (in 2023 they totalled €40k, included in disposals). Additional information on acquisitions and disposals of Level 3 instruments can be found in note 40.

The net fair value adjustments recognized in profit or loss of Level 1 instruments amounted to €12k, while the net fair value adjustments of Level 3 instruments amounted to €292k (see note 40).

Note 40 provides information on the fair value hierarchy of these financial assets, valuation techniques, unobservable inputs and sensitivity analysis, and valuation processes.

10. 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 31 December 2024, the deferred tax liability offset amounts to €1,344k (31.12.23: €869k), and refers essentially to non-taxable adjustments arising from the application of the fair value to the Funds' participated companies.

The gross movement in deferred tax assets was as follows:

	<u>31.12.24</u>	<u>31.12.23</u>
Balance at 1 January	6,945	8,826
Profit or loss charge	(563)	(1,445)
Other comprehensive income charge	-	(314)
Directly to equity charge	424	-
Change in consolidation perimeter	-	(122)
Balance at 31 December	<u>6,806</u>	<u>6,945</u>

The amount recognized in profit or loss and included in 'Income tax expense' is -€563k (2023: -€701k), and included in 'Profit from discontinued operations' is null (2023: -€744k).

The amount recognized directly in equity, totalling €424k in 2024, refers to the tax related to deductible temporary differences from the Stock options plan - equity-settlement.

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

	<u>Tax Credits</u>	<u>Tax Losses /Other</u>	<u>Stock options</u>	<u>Provisions /Adjustments</u>	<u>Total</u>
At 1 January 2023	9,156	-	-	(330)	8,826
Charged to Profit or Loss	(2,768)	1,300	-	23	(1,445)
Charged to Other Comprehensive Income	-	(314)	-	-	(314)
Charged directly to Equity	-	-	-	-	-
Change in consolidation perimeter	(41)	-	-	(81)	(122)
At 31 December 2023	6,347	986	-	(388)	6,945
Charged to Profit or Loss	(1,992)	680	307	442	(563)
Charged to Other Comprehensive Income	-	-	-	-	-
Charged directly to Equity	-	-	424	-	424
Change in consolidation perimeter	-	-	-	-	-
At 31 December 2024	<u>4,355</u>	<u>1,666</u>	<u>731</u>	<u>54</u>	<u>6,806</u>

Deferred tax assets related to tax credits result from projects of research and development submitted under the SIFIDE incentive scheme.

Profit or loss charge of Tax Credits in 2024 include the following effects:

- (i) use of -€2,418k in 2024 CIT return (Form 22);
- (ii) recognition of +€795k in reference to the year 2024, which are under approval;
- (iii) derecognition of the DTA associated with SIFIDE that expires in 2026, in the amount of -€606k, by reassessment of recoverability;
- (iv) correction to 2021 SIFIDE estimate, in the amount of +€310k, according to the ANI's approvals in 2024; and
- (v) use of -€73k as a result of corrections by the tax authority to 2020 Tax Return.

The expiry date of the deferred tax assets can be analysed as follows:

	<u>Tax Credits</u>	<u>Tax Losses /Other</u>	<u>Stock options</u>	<u>Provisions /Adjustments</u>	<u>Total</u>
Between 2 and 3 years	285	-	-	-	285
Between 3 and 4 years	200	-	-	-	200
Between 4 and 5 years	509	-	-	-	509
Between 5 and 6 years	1,915	-	-	-	1,915
Over 6 years	1,446	-	-	-	1,446
With no defined date	-	1,666	731	54	2,451
	<u>4,355</u>	<u>1,666</u>	<u>731</u>	<u>54</u>	<u>6,806</u>

11. Other non-current assets

	<u>31.12.24</u>	<u>31.12.23</u>
Loans to related parties (note 38 iii))	1,477	3,527
Receivables from financed projects (note 26)	-	917
Provision for impairment of loans to related parties (note 38 iii))	(948)	(2,978)
	<u>529</u>	<u>1,466</u>

The change in 'Other non-current assets' primarily involves the classification of balances receivable from subsidiaries as current on 31 December 2024 (note 13). In addition, the decrease in loans to related parties and impairment of loans is related to the liquidation of Powergrid, Lda. in this period (note 38 iii)).

The fair value of this heading approximates its carrying amount.

Movements in the provision for impairment of loans to related parties are analysed as follows:

	<u>31.12.24</u>	<u>31.12.23</u>
Balance at 1 January	2,978	4,262
Impairment (note 33)	20	430
Impairment reversal (note 32)	(735)	-
Transfers	-	(472)
Charge-off/write-offs	(1,315)	(1,242)
Balance at 31 December	<u>948</u>	<u>2,978</u>

12. Financial instruments by category

<u>At 31 December 2024</u>	<u>Financial assets at amortized cost</u>	<u>Assets /liabilities at fair value through P&L</u>	<u>Financial liabilities at amortized cost</u>	<u>Non-financial assets /liabilities</u>	<u>Total</u>
Assets					
Financial assets at fair value through profit or loss	-	14,000	-	-	14,000
Other non-current assets	529	-	-	-	529
Trade and other receivables	44,076	-	-	1,604	45,680
Accrued income	64	-	-	3,267	3,331
Derivative financial instruments	-	75	-	-	75
Other current assets	-	-	-	2,987	2,987
Cash and cash equivalents	62,747	-	-	-	62,747
	<u>107,416</u>	<u>14,075</u>	<u>-</u>	<u>7,858</u>	<u>129,349</u>
Liabilities					
Borrowings	-	-	20,271	-	20,271
Other non-current liabilities	-	-	826	2,749	3,575
Trade and other payables	-	-	28,713	-	28,713
Derivative financial instruments	-	688	-	-	688
Deferred income and other current liabilities	-	-	-	17,217	17,217
	<u>-</u>	<u>688</u>	<u>49,810</u>	<u>19,966</u>	<u>70,464</u>

At 31 December 2023	Financial assets at amortized cost	Assets /liabilities at fair value through P&L	Financial liabilities at amortized cost	Non- financial assets /liabilities	Total
Assets					
Financial assets at fair value through profit or loss	-	13,879	-	-	13,879
Other non-current assets	1,466	-	-	-	1,466
Trade and other receivables	38,477	-	-	3,350	41,827
Accrued income	247	-	-	3,267	3,514
Derivative financial instruments	-	246	-	-	246
Other current assets	-	-	-	3,388	3,388
Cash and cash equivalents	80,314	-	-	-	80,314
	<u>120,504</u>	<u>14,125</u>	<u>-</u>	<u>10,005</u>	<u>144,634</u>
Liabilities					
Borrowings	-	-	27,819	-	27,819
Other non-current liabilities	-	-	-	2,749	2,749
Trade and other payables	-	-	32,413	-	32,413
Derivative financial instruments	-	112	-	-	112
Deferred income and other current liabilities	-	-	-	20,972	20,972
	<u>-</u>	<u>112</u>	<u>60,232</u>	<u>23,721</u>	<u>84,065</u>

13. Trade and other receivables

	31.12.24	31.12.23
Trade receivables	42,820	37,339
Impairment allowance for trade receivables	(310)	(780)
	<u>42,510</u>	<u>36,559</u>
Capital subscribers of FCR NB Capital +Inovação (note 20)	-	1,898
Value added tax	1,041	1,418
Receivables from financed projects (note 26)	1,740	1,965
Loans to related parties (note 38 iii))	-	994
Receivables from the liquidation of partic. companies (note 38 iii) and 40 B.)	81	11
Advances on account of financial holdings disposal (note 43)	238	-
Prepayments to suppliers	311	13
Employees	14	21
Other receivables	288	185
Impairment allowance for other receivables	(543)	(765)
Provision for impairment of loans to related parties (note 38 iii))	-	(472)
	<u>3,170</u>	<u>5,268</u>
	<u>45,680</u>	<u>41,827</u>

The change in 'Prepayments to suppliers' is primarily due to advances made to foreign suppliers on account of a future subsidiary in Egypt (in the process of incorporation).

The fair value of this heading approximates its carrying amount.

The carrying amount of this heading plus the balance of 'Accrued income' (see note 14) represents the maximum exposure to credit risk.

The exposure to credit risk and ECLs for the Group's trade receivables as at 31 December 2024 and 2023 is analysed as follows:

At 31 December 2024	Weighted- average loss rate	Gross carrying amount	Loss allowance	Asset in default
Current	0.18%	29,466	21	No
1-180 days past due	1.00%	12,857	27	No
181-360 days past due	12.57%	189	23	No
More than 360 days past due	81.63%	308	239	Yes
		<u>42,820</u>	<u>310</u>	

At 31 December 2023	Weighted- average loss rate	Gross carrying amount	Loss allowance	Asset in default
Current	0.12%	25,645	30	No
1-180 days past due	0.28%	10,612	23	No
181-360 days past due	64.82%	807	517	No
More than 360 days past due	77.39%	275	210	Yes
		<u>37,339</u>	<u>780</u>	

Details on the Group's customer concentration/dependency as well as the distribution of the customers with higher balances by geographical market and business sector can be found in note 3 c).

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

	Trade receivables		Other receivables		Total	
	31.12.24	31.12.23	31.12.24	31.12.23	31.12.24	31.12.23
Balance at 1 January	780	794	765	1,038	1,545	1,832
Impairment	101	610	-	-	101	610
Impairment reversal	(571)	(224)	(222)	(273)	(793)	(497)
Exchange differences	-	(92)	-	-	-	(92)
Write-offs	-	(23)	-	-	-	(23)
Change in consolidation perimeter	-	(166)	-	-	-	(166)
Discontinued operations	-	(119)	-	-	-	(119)
Balance at 31 December	<u>310</u>	<u>780</u>	<u>543</u>	<u>765</u>	<u>853</u>	<u>1,545</u>

Impairment and impairment reversal for trade and other receivables recognized in profit or loss and included in 'Net impairment losses on trade and other receivables' is -€692k (2023: -€156k), and included in 'Profit from discontinued operations' is null (2023: €43k).

14. Accrued income

	31.12.24	31.12.23
Ongoing projects	3,267	3,267
Other accrued income	64	247
	<u>3,331</u>	<u>3,514</u>

The balances with ongoing projects, or contract assets, refer to differences between the progress of projects and contractual invoicing times. This framework is typical of this industry.

15. Income tax receivable and payable

Since 1 January 2009, Novabase is being taxed under the Special Taxation Regime for Groups of Companies (Group taxation relief). For taxation purposes, this group includes companies held in 75% or more by Novabase S.G.P.S. which comply with the further requirements under article 69 and following of the Corporate Income Tax Code.

The re-entry of Celfocus, S.A. and Binómio, Lda. (both temporarily excluded in 2023 following the Celfocus equity partnership) into the Novabase tax group is planned for 2025 (see note 20).

The remaining subsidiaries, not contemplated by this mechanism, are taxed individually, based on their taxable profits and the tax rates applicable (see note 34).

	Assets		Liabilities	
	31.12.24	31.12.23	31.12.24	31.12.23
Payments on account	2,295	1,111	-	-
Special payment on account	335	335	-	-
Estimated tax (note 34)	(1,547)	(30)	25	1,864
Tax payable	-	-	(19)	(20)
Reimbursement requests	79	79	-	-
Third-party withholding	1,947	175	-	(1,389)
	<u>3,109</u>	<u>1,670</u>	<u>6</u>	<u>455</u>

16. Derivative financial instruments

The fair value of derivative financial instruments can be analysed as follows:

	Assets		Liabilities	
	31.12.24	31.12.23	31.12.24	31.12.23
Forward foreign exchange contracts	75	246	688	112
	<u>75</u>	<u>246</u>	<u>688</u>	<u>112</u>

The Group is exposed to foreign exchange risk, primarily with respect to the U.S. Dollar, since some of its subsidiaries perform transactions in this currency. Novabase's exposure to foreign exchange risk also arises from its presence in several markets, namely in the UK and in Angola, although the exposure to these geographies is low.

The financial instruments used to mitigate this exposure are foreign exchange forwards, and they are contracted on the net exposure to currencies, according to the terms of receipts and payments agreed with third parties, in order to set the exchange rate associated with these operations. The nature of the hedged risk is the exchange variation recorded in foreign currency denominated transactions.

The fair value is classified as a non-current asset or liability if the remaining maturity is greater than 12 months and as current asset or liability if the remaining maturity is less than 12 months. In 2024, derivative financial instruments were classified as current assets and liabilities. Although contracted with the purpose of economic hedge in accordance with the Group's risk management policies, changes in the fair value of these derivatives were recognized in profit or loss (see note 2.21 (1)). Note 40 provides information on the fair value hierarchy of these financial assets and liabilities.

At 31 December 2024, the Group had forward foreign exchange contracts to sell U.S. Dollar with the notional amount of \$15,961,706 (31.12.23: \$19,248,760) and forward foreign exchange contracts to buy U.S. Dollar with the notional amount of \$4,445,916 (31.12.23: 4,706,048 USD). Also, the Group had forward foreign exchange contracts to sell British Pound with the notional amount of £942,439 (31.12.23: £829,059) and forward foreign exchange contracts to buy British Pound with the notional amount of £120,000 (31.12.23: 142,708 GBP).

17. Other current assets

The amounts recorded regarding prepayments of contracted services are as follows:

	31.12.24	31.12.23
Consulting	1,584	2,414
Software licences	429	172
Insurances	560	374
Software maintenance	27	197
Other specialized services	337	213
Rents	50	18
	<u>2,987</u>	<u>3,388</u>

In order to ensure the proper balancing of the services provided by third parties, expenses were deferred and will be recognized in profit or loss in the next period.

18. Cash and cash equivalents

	31.12.24	31.12.23
Cash	16	11
Short-term bank deposits	62,735	80,309
Impairment of deposits and financial investments	(4)	(6)
Cash and cash equivalents by Statement of Financial Position	<u>62,747</u>	<u>80,314</u>
Cash and cash equivalents included in Assets from discontinued operations	1,178	1,130
Less: Impairment of deposits and financial investments	4	6
Cash and cash equivalents by Statement of Cash Flows	<u>63,929</u>	<u>81,450</u>

The change in the balance of 'Cash and cash equivalents' essentially reflects the payment of dividends and reserves net of the cash inflow from the capital increase done by shareholders who opted for the dividend in kind, in the amount of -€8,325k (notes 19 and 20), and a significant investment in working capital, as shown on the balance sheet.

91% of the balance of cash and cash equivalents (net of impairment losses) refers to fully owned Novabase subsidiaries. Of the remainder, 9% is related to subsidiaries based outside Portugal.

At 31 December 2024 and 2023, no restrictions existed as to the use of the amounts recorded in 'Cash and cash equivalents'.

The ratings attributed to the financial institutions with whom the Group has higher balances of bank deposits are detailed in note 3 c).

The fair value of this heading approximates its carrying amount.

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

	<u>31.12.24</u>	<u>31.12.23</u>
Balance at 1 January	6	3
Impairment	3	6
Impairment reversal	<u>(5)</u>	<u>(3)</u>
Balance at 31 December	<u>4</u>	<u>6</u>

The impairment and impairment reversal for bank deposits and financial investments recognized in financial results is €2k (2023: -€6k), and included in 'Profit from discontinued operations' is null (2023: €3k).

19. Share Capital, share premium and treasury shares and stock options

The share capital as at 31 December 2024, fully subscribed and paid in the amount of €1,072,866.06 (31.12.23: €795,829.11), is represented by 35,762,202 shares with a nominal value of €0.03 each (31.12.23: 26,527,637 shares of €0.03).

At 31 December 2024, 84.23% of Novabase's share capital (30,121,952 shares) is held by shareholders with qualifying stakes. The list of shareholders with qualifying stakes can be found in the annexes to the management report, included in the Management Report, which is an integral part of the Annual Financial Report.

	<u>No. Shares (thousands)</u>	<u>Share capital</u>	<u>Treasury shares</u>	<u>Share premium</u>	<u>Total</u>
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
At 31 December 2023	<u>26,528</u>	<u>796</u>	<u>(20)</u>	<u>226</u>	<u>1,002</u>
Share capital increase	9,234	277	-	37,704	37,981
Treasury shares purchased	-	-	-	-	-
Treasury shares transferred	-	-	-	-	-
At 31 December 2024	<u>35,762</u>	<u>1,073</u>	<u>(20)</u>	<u>37,930</u>	<u>38,983</u>

In compliance with resolutions taken by the General Meeting of Shareholders of 22 May 2024, a share capital increase was carried out through cash payments made by Novabase shareholders who opted for the dividend/remuneration in kind (see note 20).

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

New Shares are fungible with other shares, and grant shareholders the same rights as shares existing prior to the capital increase in question. They were listed on the Euronext Lisbon regulated market as of 28 June 2024 (inclusive).

In keeping with prevailing legislation and deliberated in the General Meeting of Shareholders of 22 May 2024, the acquisition of treasury shares by Novabase SGPS is permitted up to a maximum of 10% of its share capital.

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.

Following resolutions made by the Novabase Remuneration Committee regarding the attribution of stock options under the Stock Options Plan (see next section), and by the Board of Directors dated 19 December 2024, Novabase commenced trading, on 20 December, under the treasury shares buy-back program ("Buy-back Program"), pursuant to and in accordance with the limits of the decision approved by the Novabase General Meeting of Shareholders dated 22 May 2024.

The maximum number of shares to be acquired under this Buy-back Program is 460,000, corresponding to the estimated number of shares needed to settle the options attributed, and the maximum monetary amount of up to €3,000,000. The Buy-back Program will last until 31 December 2026, or potentially sooner if the maximum number of shares or maximum monetary amount are reached.

Under this program in 2024, Novabase acquired 460 treasury shares at an average net price of €5.82.

At 31 December 2024, Novabase held 658,921 treasury shares in its portfolio, representing 1.84% of its share capital. From this total 658,461 shares, representing 1.84% of the share capital, are held through Novabase Consulting S.G.P.S., S.A.

Share premiums resulted from gains obtained with share capital increases. According to the current legislation, the amounts included under this heading can be used only to increase share capital or to absorb losses carried forward (no need for prior use of other reserves), but it cannot be used for attribution of dividends or purchase of treasury shares.

Stock options

At 31 December 2024, a Stock Options Plan Regulation ("Regulation") is in effect, approved at the General Meeting of Shareholders held on 26 September 2019. This Regulation sets out the general terms and conditions under which options over ordinary shares of the Company may be attributed to the Board of Directors and Novabase employees.

The assigned options have as sole condition of acquisition, the employee's permanence on the dates defined in the terms of the plan, and automatically expire whenever the employee ceases to be at the service of any of the Group companies due to dismissal promoted by Novabase with the allegation of just cause, or in the event of termination of employment at the employee's initiative.

The options exercised are settled as follows: i) 50% through the attribution of Novabase shares ('net share settlement') held by the Company, and ii) the remaining 50% through the attribution of Novabase shares ('net share settlement') or, alternatively, in cash ('net cash settlement'), by choice of the participant. The same Regulation also establishes that the maturity date of the options corresponds to the 2nd anniversary counting from the grant's date (without prejudice of the participant choice to exercise on the 1st anniversary), and that the retention period (period during which the shares corresponding to the exercised options will be retained by Novabase) corresponds to three years counting from the exercise date, with ownership of the shares being transferred to the participant once such period has elapsed and conditioned to the positive performance of Novabase during the same period.

Lastly, we would like to point out that, in accordance with the Regulations, shares retained remain subject to adjustments for events occurring during the retention period, namely the payment of dividends, with participants paid an amount equivalent to cumulative unit payments per share made to shareholders during the period in question, together with the handover of the shares.

Movements in the number of share options outstanding are as follows:

	31.12.24		31.12.23	
	Average exercise price per share	Options (thousands)	Average exercise price per share	Options (thousands)
Balance at 1 January		600		1,050
Granted	(0.749)	318	1.385	600
Exercised	5.604	(600)	4.813	(1,050)
Balance at 31 December		<u>318</u>		<u>600</u>

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Expiry date	Exercise price (*)	Options (thousands)	
		31.12.24	31.12.23
2025	1.385	-	600
2026	(0.749)	318	-
		<u>318</u>	<u>600</u>

In 2024, 318 thousand options were granted, with a total estimated value of the plan of €1,915k.

The fair value of options granted during the period using the Monte Carlo model was €5.8852. The significant inputs into the model were the following:

- (i) Spot: €5.20
- (ii) Exercise price (*): -€0.7494
- (iii) Volatility: 11.194% - obtained using a sample mean of a series of historical volatilities based on 180 daily closing prices
- (iv) Options' time-to-maturity: 1.935 years
- (v) Risk-free interest rate: 3.1730% (2 years)

(*) Corresponds to the strike price under the terms of the September 2019 Regulation of €2.295 per share, adjusted by the shareholder remuneration distributed in the period discounting treasury shares.

According to the Regulation, the share options exercise price is adjusted by dividends' distribution, therefore the options may be evaluated based on the exercise price already set and assuming a dividend yield null.

Also in 2024, 600 thousand options were exercised, resulting in the payment of €1,906k and in the allotment of 340,123 ordinary Novabase shares. In total, 761,986 shares have been attributed by Novabase (2023: 421,863 shares), following the options on Novabase shares exercised.

In 2024, the Group recognized in the statement of profit or loss, under 'Employee benefit expense' heading, a cost in the amount of €2,788k (see note 28), against stock options reserves in the amount of €876k (see note 20), an increase in liabilities of €6k (see note 25) and a cash outflow of €1,906k as referred above (see note 38 i)).

20. Reserves and retained earnings

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

	<u>31.12.24</u>	<u>31.12.23</u>
Balance at 1 January	27,449	16,436
Profit for the previous year	47,058	8,917
(*) Share capital reduction (note 19)	-	29,922
Payment of dividends/shareholder remuneration	(46,306)	(10,827)
Exchange differences on foreign operations	(15)	(465)
(**) Purchase and sale of treasury shares (note 19)	(3)	(17,207)
(***) Share-based payments (note 19)	545	1,306
Share-based payments - stock options exercise (note 19)	-	(3)
Transactions with non-controlling interests	(190)	(630)
Balance at 31 December	<u>28,538</u>	<u>27,449</u>

(*) In 2023, there was a reduction to the nominal value of the 31,401,394 shares representing the share capital at that time (from €1.05 to €0.03 per share) aimed at freeing up reserves for the Tender Offer on Novabase treasury shares launched on 16 February.

(**) In 2023, corresponds essentially to the premium for the acquisition cost of the treasury shares acquired under the Tender Offer.

(***) In 2024 includes: i) €876k for the cost of the share options plan; ii) -€755k for the adjustment of dividends on shares retained; and €424k in active deferred taxes related to items recognized directly in equity.

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 36). 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, made 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.

According to the legislation in force, Portuguese based companies that integrate Novabase Group are required to transfer a minimum of 5% of annual net profit to legal reserves until this balance reaches at least 20% of the share capital. This reserve cannot be distributed to shareholders, although it may be used to absorb losses carried forward or to increase share capital. Also, according to Article 324, paragraph 1 b) of the Portuguese Companies Code, Novabase constitutes an unavailable reserve of an amount equal to the amount recorded in treasury shares (31.12.24: €3k and 31.12.23: €0k).

In 2024 and 2023, the Group performed transactions with non-controlling interests (NCI) with the following impact:

	<u>Reduction of assets</u>	<u>Payments to NCI</u>	<u>(Decrease) /increase of NCI (note 21)</u>	<u>Impact on Equity attrib. to owners of the parent</u>
At 31 December 2024				
(i) Dilution of holding in FCR NB Capital II by 1.34%	-	823	(610)	(213)
(ii) Dilution of holding in FCR NB Capital +Inovação by 4.70%	1,898	-	(1,921)	23
	<u>1,898</u>	<u>823</u>	<u>(2,531)</u>	<u>(190)</u>
At 31 December 2023				
(iii) Dilution of holding in Celfocus, S.A. by 9.939%	-	-	630	(630)
	<u>-</u>	<u>-</u>	<u>630</u>	<u>(630)</u>

(i) The Group diluted its holding in FCR NB Capital Inovação e Internacionalização to 50.50% (previously 51.83%), following the closing of Provision A of this Fund, followed by a share capital reduction to distribute liquidity. The payment to NCI resulting from these transactions is included in the heading 'Transactions with non-controlling interests', in Financing Activities in the Consolidated Statement of Cash Flows.

(ii) Following a share capital reduction of FCR NB Capital +Inovação in the amount of the subscribed capital not paid up (see also note 13), the Group diluted its participation in this Fund to 53.12% (previously 57.82%).

(iii) As part of the business development plan of Celfocus, S.A., and with the aim of promoting the lasting mutual interest of Novabase Group and a group of employees with operational leadership responsibilities within the Group in the development and enhancement of Celfocus, an equity partnership operation was carried out during 2023, which culminated in the acquisition by them of an indirect minority stake in Celfocus. The completion of this transaction involved, in an initial phase, the incorporation, between the above-mentioned employees, of two new companies - Equipa Frutuosa, S.A. and Rota Virtuosa, S.A. - in which Novabase Group acquired 76% of the share capital, and in a second phase, the acquisition by the aforementioned companies of an aggregate shareholding of 41.414% of the share capital of Celfocus, S.A. As a result of the operation described, the Group diluted its interest in the share capital of Celfocus, S.A. to 90.061%, and consequently in its wholly owned subsidiaries, specifically, Binómio, Lda., Celfocus LTD, Celfocus B.V. and Celfocus GmbH.

Given that these transactions with non-controlling interests result in changes in ownership interests while retaining control, they were accounted for as equity transactions (i.e., transactions with equity holders in their capacity as holders).

21. Non-controlling interests

	31.12.24	31.12.23
Balance at 1 January	11,587	10,827
Transactions with non-controlling interests (note 20)	(2,531)	630
(*) Distribution of dividends to non-controlling interests	-	(194)
Exchange differences on foreign operations	(10)	(463)
Profit attributable to non-controlling interests	1,245	397
(**) Change in consolidation perimeter	654	390
Balance at 31 December	<u>10,945</u>	<u>11,587</u>

(*) In 2023, Novabase Neotalent, S.A. approved dividends to its shareholders. These dividends were paid in the year of their attribution.

(**) The change to the consolidation perimeter in 2024 corresponds to the liquidation of TVLab, S.A. (see notes 6, 23 and 30). In 2023 it corresponded to the disposals of subsidiaries NBMSIT, Sist. de Inf. e Tecnol., S.A. and Novabase Neotalent, S.A., with an impact on NCI of €758k and -€392k, respectively, and to the acquisitions of subsidiaries Equipa Frutuosa, S.A. and Rota Virtuosa, S.A., with an impact on NCI of €24k.

22. Borrowings

	31.12.24	31.12.23
Non-current		
Bank borrowings	6,311	8,587
Lease liabilities	7,913	9,796
	<u>14,224</u>	<u>18,383</u>
Current		
Bank borrowings	3,276	7,475
Lease liabilities	2,771	1,961
	<u>6,047</u>	<u>9,436</u>
Total borrowings	<u>20,271</u>	<u>27,819</u>

The maturity of debts recognized in 'Borrowings' can be analysed as follows:

	6 months or less	6 to 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Bank borrowings	2,138	1,138	2,275	4,036	-	9,587
Lease liabilities	1,402	1,369	2,607	5,306	-	10,684
At 31 December 2024	<u>3,540</u>	<u>2,507</u>	<u>4,882</u>	<u>9,342</u>	<u>-</u>	<u>20,271</u>
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	<u>6,084</u>	<u>3,352</u>	<u>4,815</u>	<u>13,286</u>	<u>282</u>	<u>27,819</u>

The weighted average of effective interest rates of bank borrowings at the reporting date is 3.931% (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 4.831% (31.12.23: 4.641%). This note presents lease liabilities already discounted of the future finance charges, which amounts to €1,036k as at 31 December 2024 (31.12.23: €1,436k).

In 2024, loan repayments with banking institutions amounted to €6.5m (31.12.23: €5.3m). No new loans were taken out during the period, nor were conditions or covenants renegotiated with regard to loans existing at 31 December 2023.

Movements in lease liabilities are as follows:

	<u>31.12.24</u>	<u>31.12.23</u>
Balance at 1 January	11,757	3,851
Change in consolidation perimeter	-	(178)
Increases (i)	1,524	11,055
Termination of lease agreements	(496)	(5)
Interest expense (ii)	540	370
Lease payments (iii)	<u>(2,641)</u>	<u>(3,336)</u>
Balance at 31 December	<u>10,684</u>	<u>11,757</u>

(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 33).

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

Note 7 provides information on the right-of-use assets of the Group related to these lease liabilities.

The covenants of the Group's bank borrowings are as follows:

Covenants

- Net debt/EBITDA \leq 3.5
- Non-reduction of share capital/non-reduction of share capital in significant amounts
- Year-on-year change in bank indebtedness \leq 20%
- Bond seniority determined pari passu
- Cross Default
- Good standing with tax and social security authorities
- Published accounts
- Information disclosure obligations regarding court disputes
- Active insurance policies

At 31 December 2024, the Group was complying with all contractual covenants, including Bankinter's indebtedness covenant, which at 31 December 2023 was not achieved. The ratio of Net Debt/EBITDA was -3.33 (31.12.23: -4.91), where EBITDA is an alternative performance measure that Novabase defines as 'Operating Profit' excluding 'Depreciation and amortization' and 'Restructuring costs' (and other unusual costs, if they exist).

(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.

	<u>31.12.24</u>	<u>31.12.23</u>
Cash and cash equivalents by Statement of Cash Flows (note 18)	63,929	81,450
Borrowings - repayable within one year (including overdrafts)	(6,047)	(9,436)
Borrowings - repayable after one year	<u>(14,224)</u>	<u>(18,383)</u>
Net debt	<u>43,658</u>	<u>53,631</u>

	Cash and cash equivalents	Bank borrowings due <1 year	Bank borrowings due >1 year	Lease liabilities due <1 year	Lease liabilities due >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	(16,998)	6,475	-	2,101	-	(8,422)
Acquisitions - lease liabilities	-	-	-	-	(1,524)	(1,524)
Effect of exchange rate changes	(523)	-	-	-	-	(523)
Other non-cash movements	-	(2,276)	2,276	(2,911)	3,407	496
At 31 December 2024	63,929	(3,276)	(6,311)	(2,771)	(7,913)	43,658

23. Provisions

Movements in provisions are analysed as follows:

	Restructuring	Other Risks and Charges	Total
At 1 January 2023	-	3,047	3,047
Charge for the year (note 30)	-	2,108	2,108
Reversals (note 30)	-	(1,309)	(1,309)
Reclassifications	-	(407)	(407)
Change in consolidation perimeter	-	(153)	(153)
Exchange differences	-	(17)	(17)
At 31 December 2023	-	3,269	3,269
Charge for the year (notes 29 and 30)	1,854	1,160	3,014
Reversals (note 30)	-	(189)	(189)
(*) Uses	-	(542)	(542)
At 31 December 2024	1,854	3,698	5,552

(*) Amount in reference to risks with TVLab, S.A., which was used and considered in determining the loss from the liquidation of this subsidiary (see notes 6, 21 and 30).

The balance of 'Provisions' is intended to cover different risks and charges, namely the situations listed below, the settlement of which may result in cash outflows and other probable liabilities, for which in most cases it is not possible to estimate reliably the time of occurrence of the expense:

- Liabilities with costs to be incurred with possible contractual penalties related to ongoing projects;
- Other risks related to events/disputes of various kinds, which include contingencies of civil, labour, contractual nature, among others, and involve customers, suppliers, business partners or employees;
- Restructuring - Liabilities with costs to be incurred with compensation to employees from the restructuring process implemented at the end of 2024.

The amount of provisions for other risks and charges, net of reversals, recognized in profit or loss and included in 'Other gains/(losses) - net' is €971k (2023: €827k), and included in 'Profit from discontinued operations' is null (2023: -€28k).

24. Other non-current liabilities

	31.12.24	31.12.23
Stock options plan - shares retained (note 19)	826	-
Research and development grants	2,749	2,749
	3,575	2,749

At 31 December 2024, 'Other non-current liabilities' include the non-current debt for the adjustment of dividends on shares retained, in accordance with the Regulations of the Stock Options Plan in force (see note 19). The portion with a maturity of less than 12 months is included in 'Trade and other payables' (note 25).

The heading 'Research and development grants' corresponds to the grant under the PRR - Recovery and Resilience Plan for the BLOCKCHAIN.PT - "Decentralizing Portugal with Blockchain" Agenda project. Additional information on grants is shown in note 26.

The fair value of this heading approximates its carrying amount.

The due date of these liabilities is as follows:

	<u>31.12.24</u>	<u>31.12.23</u>
Between 1 and 2 years	1,742	-
Between 2 and 5 years	1,833	2,749
	<u>3,575</u>	<u>2,749</u>

25. Trade and other payables

	<u>31.12.24</u>	<u>31.12.23</u>
Trade payables	3,274	4,628
Remunerations, holiday pay and holiday allowances	9,358	8,989
Bonus	7,268	8,680
Ongoing projects	3,175	3,837
Value added tax	86	634
Social security contributions	2,022	1,935
Income tax withholding	1,207	1,304
Employees	98	68
Stock options plan - cash settled (note 19)	561	555
Stock options plan - shares retained (notes 19 and 24)	127	198
Other accrued expenses	1,300	1,382
Other payables	237	203
	<u>28,713</u>	<u>32,413</u>

The fair value of this heading approximates its carrying amount.

The maturity of these liabilities is as follows:

	<u>31.12.24</u>	<u>31.12.23</u>
No later than 1 year	28,713	32,413
	<u>28,713</u>	<u>32,413</u>

26. Deferred income and other current liabilities

	<u>31.12.24</u>	<u>31.12.23</u>
Consulting projects	17,217	20,972
Research and development grants	-	-
	<u>17,217</u>	<u>20,972</u>

The balances with consulting projects, or contract liabilities, refer to differences between the progress of projects and contractual invoicing times. This framework is typical of this industry.

The table below shows the financial incentives for research and development outstanding as at 31 December 2024, by type of incentive program. The balances to be received are presented in notes 11 and 13.

	<u>Contracted amount</u>	<u>Acum. amount received</u>
Grants:		
• FAI - Innovation Support Fund	1,706	1,163
• PRR - Recovery and Resilience Plan	2,749	1,552
	<u>4,455</u>	<u>2,715</u>

Incentives received during the year, whether from projects outstanding at the reporting date or from projects closed in the meantime, totalled €1,142k (2023: €1,040k).

27. External supplies and services

	<u>31.12.24</u>	<u>31.12.23</u>
Subcontracts	38,346	37,658
Commissions and consultancy fees	1,120	1,464
Transportation, travel and accommodation expenses	3,935	3,718
Specialized services and rents	2,513	1,064
Advertising and promotion	330	386
Water, electricity and fuel	477	541
Communications	242	251
Insurances	441	377
Utensils, office supplies and technical documentation	445	785
Other supplies and services	563	516
	<u>48,412</u>	<u>46,760</u>

Subcontracts mostly refer to amounts incurred for services rendered by external entities used by the Group to support projects for clients.

28. Employee benefit expense

	<u>31.12.24</u>	<u>31.12.23</u>
Key management personnel compensation (note 38 i))	980	1,907
Wages and salaries of the employees	56,599	55,782
Employee wage and salary expenses	9,828	9,504
Stock options granted (notes 19 and 38 i))	2,788	2,759
Other employee expenses	3,907	3,993
	<u>74,102</u>	<u>73,945</u>

Other employee expenses include labour accident insurance, social responsibility costs, training costs and indemnities.

The increase in 'Employee benefit expense' in equivalent terms, not including the effect referred to in the following paragraph, was in line with the growth in Turnover.

The change in 'Key management personnel compensation' is impacted by the reversal in this year of the estimated variable remuneration recorded in 2023, in the amount of €500k, since the Remuneration Committee decided in 2024 that there would be no variable remuneration in cash in relation to the performance of that year (see also note 38, sub-paragraph i)).

The average number of employees is analysed as follows:

	<u>31.12.24</u>	<u>31.12.23</u>
Value Portfolio	11	18
Next-Gen	1,314	1,299
	<u>1,325</u>	<u>1,317</u>

At 31 December 2024, the number of employees was 1322 (2023: 1334), 32% of whom are women (2023: 32%).

29. Restructuring costs

At the end of 2024, Novabase carried out restructuring for the dual purpose of enhancing its customer focus and improving operational efficiency. As a result, restructuring costs were incurred for employee compensation, in the amount of €1,854k (2023: null), corresponding to the estimated amount payable in 2025 (see note 23).

30. Other gains/(losses) - net

	<u>31.12.24</u>	<u>31.12.23</u>
(*) Loss on disposal/liquidation of financial holdings	(112)	-
Provisions and provisions reversal for other risks and charges (note 23)	(971)	(827)
(**) Supplementary income	2,049	144
Other operating income and expense	<u>(203)</u>	<u>(83)</u>
	<u>763</u>	<u>(766)</u>

(*) Result from the liquidation of TVLab, S.A., after derecognizing the non-controlling interests in this subsidiary and using the respective provision for risks (see notes 6, 21 and 23).

(**) In 2024, includes €1,948k related to redebts and services provided by the Group to subsidiaries disposed of in the Neotalent business, under the Transitional Services Agreement (TSA) entered into at the time of the sale (see note 39).

31. Depreciation and amortization

	<u>31.12.24</u>	<u>31.12.23</u>
Property, plant and equipment (note 7):		
Buildings and other constructions	2,114	2,148
Basic equipment	586	644
Transport equipment	963	599
Furniture, fittings and equipment	41	58
Other tangible assets	-	-
	<u>3,704</u>	<u>3,449</u>
Intangible assets (note 8):		
Internally generated intangible assets	133	-
Industrial property and other rights	8	19
	<u>141</u>	<u>19</u>
	<u>3,845</u>	<u>3,468</u>

32. Finance income

	<u>31.12.24</u>	<u>31.12.23</u>
Interest received	1,996	502
Foreign exchange gains	988	889
Fair value adjustment to financial assets (note 9)	414	298
Adjustments for loans to related parties (note 11)	907	-
(*) Gain on disposal/liquidation of financial assets	110	11
Reversal of impairment losses on short-term bank deposits (note 18)	5	-
	<u>4,420</u>	<u>1,700</u>

(*) In 2024: disposal of shares held in Probely, S.A. (see note 40); in 2023: result of the liquidation of Powerdata, Lda.

The change in 'Finance income' in 2024 is essentially due to the higher interest obtained from short-term bank deposits, thanks to a surplus cash position and a scenario of high interest rates, together with the reversal of impairments for loans to related parties (see note 38 iii)).

33. Finance costs

	<u>31.12.24</u>	<u>31.12.23</u>
Interest expenses		
- Borrowings	(722)	(783)
- Lease liabilities (note 22)	(540)	(365)
- Other interest	(1)	(7)
Bank guarantees charges	(11)	(49)
Bank services and commissions	(107)	(139)
Foreign exchange losses	(1,511)	(1,017)
Fair value adjustment to financial assets (note 9)	(134)	(19)
Adjustments for loans to related parties (note 11)	(20)	(430)
(*) Loss on disposal/liquidation of financial assets	(2)	(100)
Impairment losses on short-term bank deposits (note 18)	(3)	(6)
	<u>(3,051)</u>	<u>(2,915)</u>

(*) In 2024: correction to the result of the dissolution of Powerdata, Lda. (see note 40); in 2023: result of the dissolution of FCR Istart I.

34. Income tax

Novabase and its subsidiaries with head offices in Portugal are subject to Corporate Income Tax at the nominal rate of 21%, which can be increased by a Municipal Surcharge up to a maximum rate of 1.5% of taxable income, resulting in a total tax rate of 22.5%. Additionally, taxable income exceeding €1,500k and up to €7,500k is subject to a State Surcharge at the rate of 3%, from €7,500k and up to €35,000k is subject to a State Surcharge at the rate of 5%, and the part of taxable income exceeding €35,000k is subject to a State Surcharge at the rate of 9%.

To determine deferred tax assets, Novabase used the rate of 20%, bearing in mind the publication of Law no. 45-A/2024 of 31 December, which changed the Corporate Income Tax rate as of 1 January 2025. The impact of this change resulted in a tax expense of €18k.

The net income generated by foreign subsidiaries is taxed at local tax rates applicable based on their taxable profits, namely, those generated in Angola, in The Netherlands, in the United Kingdom and in Germany are taxed at 25%, 19%, 19% and 15%, respectively. In 2024, Dubai introduced a rate of 9% for EBT greater than AED 375,000.

According to the current tax legislation, in general terms tax returns can be reviewed by the tax authorities during a subsequent period. In Portugal, this period is four years or, if any deduction is made or tax benefit granted, the exercise term of that right. Therefore, all annual tax returns for the years 2021 through 2024 are still open to such review.

Legislative changes that became effective on 1 January 2024

Under the 2024 State Budget Law (Law no. 82/2023), entities classified as startups are now subject to corporate income tax (IRC) at the rate of 12.5% on the first €50,000 of taxable income.

In addition, expenses related to lightweight passenger vehicles, certain lightweight commercial vehicles or motorcycles, became subject to autonomous taxation at the rates of 8.5%, 25.5% and 32.5% (previously 10%, 27.5% and 35% respectively). The acquisition cost of goodwill acquired in a business combination will now be allowed as a tax-deductible cost, in equal amounts, during the first 15 tax years (previously, 20) after its initial recognition, applicable to intangibles whose initial recognition occurs from 1 January 2024 onward.

These changes did not have a significant impact on the Group's Income Tax.

Legislative changes introduced by the 2025 State Budget

With regard to changes introduced by the 2025 State Budget Law (Law no. 45-A/2024 of 31 December), note that the normal corporate income tax rate has been reduced by one p.p. to 20%. SMEs and Small Mid-Caps will be subject to corporate income tax at the rate of 16% (currently, 17%) on the first €50,000 of taxable income.

In addition, there will be a reduction to autonomous taxation on expenses related to lightweight passenger vehicles, certain lightweight commercial vehicles or motorcycles, now subject to rates of 8%, 25% and 32% (currently, 8.5%, 25.5% and 32.5%), and an updating of the respective limits of acquisition costs. Expenses incurred for shows offered to customers, suppliers or any other persons or entities no longer qualify as entertainment expenses, and are no longer subject to autonomous taxation. Note also that expenses incurred for health insurance or illness to the benefit of employees, retirees or their respective family members, when considered socially useful contributions, will now be considered at 120% of their value.

The Management believes that none of these changes will have a significant impact on the Group's income tax.

'Income tax expense' is analysed as follows:

	<u>31.12.24</u>	<u>31.12.23</u>
Current tax on profit for the year (note 15)	1,572	1,894
Current tax adjustments	57	227
Deferred tax on temporary differences (note 10)	563	701
	<u>2,192</u>	<u>2,822</u>

The Group's income tax expense for the year 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:

	<u>31.12.24</u>	<u>31.12.23</u>
Earnings before taxes	8,799	6,246
Income tax expense at nominal rate (21% in 2024 and 2023)	1,848	1,312
Provisions and amortizations not considered for tax purposes	-	113
Untaxed gain obtained from the disposal of financial holdings	24	-
Autonomous taxation	280	315
Results in companies where no deferred tax is recognized	(260)	35
Differential tax rate on companies located abroad	(2)	(2)
Research & Development tax benefit	(1,105)	(1,132)
Municipal Surcharge and State Surcharge	704	473
Corporate income tax rate adjustment	18	-
Derecognition/reversal of SIFIDE R&D benefit	606	1,654
Impairment of Special Payment on Account, tax losses and non-resident WHT	190	234
Stock options plan	(133)	202
Tax benefits related to the capitalization of companies (ICE)	(363)	-
Borrowing expenses	102	-
Expenses not deductible for tax purposes and sundry items	283	(382)
Income tax	<u>2,192</u>	<u>2,822</u>
Effective tax rate	24.9%	45.2%

35. Earnings per share

Earnings per share are analysed as follows:

	<u>31.12.24</u>	<u>31.12.23</u>
Weighted average number of ordinary shares	31,255,967	26,690,538
Stock options adjustment	1,117,103	894,782
Adjusted weighted average number of ordinary shares	<u>32,373,070</u>	<u>27,585,320</u>
Profit attributable to owners of the parent	6,420	47,058
Basic earnings per share (Euros per share)	<u>€0.21</u>	<u>€1.76</u>
Diluted earnings per share (Euros per share)	<u>€0.20</u>	<u>€1.71</u>
Profit from continuing operations attributable to owners of the parent	5,362	3,027
Basic earnings per share (Euros per share)	<u>€0.17</u>	<u>€0.11</u>
Diluted earnings per share (Euros per share)	<u>€0.17</u>	<u>€0.11</u>
Profit from discontinued operations attributable to owners of the parent	1,058	44,031
Basic earnings per share (Euros per share)	<u>€0.04</u>	<u>€1.65</u>
Diluted earnings per share (Euros per share)	<u>€0.03</u>	<u>€1.60</u>

36. Dividends per share

In 2024, the amount of €37,404k was distributed to shareholders as dividends, corresponding to €1.41 per share in relation to the total number of ordinary shares (31.12.23: €2.784k, corresponding to €0.10 per share). This amount differs from that shown in the Consolidated Statement of Cash Flows due to the distribution of free reserves also occurred in this period and the remuneration of treasury shares held by the Company (see note 20).

Regarding the 2024 financial year, the Board of Directors will propose to the 2025 Annual General Meeting the payment of €1.35 per share to shareholders, i.e. an amount corresponding to €48,278,972.70, through the application of the net profit of Novabase S.G.P.S. (the proposal for the allocation of results can be found in the Management Report, which is an integral part of the Annual Financial Report). These financial statements do not reflect the dividend payable.

37. Commitments

The financial commitments not included in the Consolidated Statement of Financial Position related with bank guarantees provided to third parties for ongoing projects and leases of the Group, or resulting from the sale of businesses, are analysed as follows:

	<u>Bank</u>	<u>31.12.24</u>	<u>31.12.23</u>
(*) Novabase S.G.P.S., S.A.	BPI	-	2,600
Novabase S.G.P.S., S.A.	Bankinter	1,935	1,935
Novabase Business Solutions, S.A.	BCP	20	48
Novabase Business Solutions, S.A.	Santander	220	220
Novabase Business Solutions, S.A.	Novo Banco	20	20
Novabase Business Solutions, S.A.	BPI	222	237
Novabase Business Solutions, S.A.	Bankinter	-	7
Celfocus, S.A.	BPI	111	-
Celfocus, S.A.	Santander	-	50
Celfocus, S.A.	Novo Banco	410	410
Celfocus, S.A.	BCP	34	-
		<u>2,972</u>	<u>5,527</u>

(*) Bank guarantee provided within the scope of Novabase Neotalent, S.A. sale, cancelled at the beginning of March 2024.

Following the sale of Novabase Neotalent, S.A. in December 2023, Novabase undertook, jointly and severally with the remaining Sellers, the following commitments:

- A Liability Cap for guarantees relating to ownership title, capitalization and corporate structure in the amount corresponding to 100% of the purchase price effectively received by the Sellers, during two years, that is, until 18 December 2025;
- A Liability Cap corresponding to 20% of the purchase price effectively received by the Sellers for a period of 18 months (duration of guarantees), which means, between 18 December 2023 and 18 June 2025, with the exception of guarantees under GDPR whose term is five years, that is, until 18 December 2028;
- A Liability Cap for tax and Social Security guarantees in the amount corresponding to 100% of the purchase price effectively received by the Sellers, for a period of four and five years, respectively;
- Constitution of a basket deductible for further corrections in the amount of €201k, *de minimis* of €22.5k;
- Non-competition obligation for two years in Neotalent's core business areas, which means, until 18 December 2025.

Following the sale of COLLAB - Sol. I. Com. e Collab., S.A. in March 2020, Novabase undertook, jointly and severally with the remaining Sellers, the following commitments:

- A Liability Cap for all guarantees (except those relating to ownership title, capitalization and corporate structure) provided by Sellers of €3m between two years and 30 business days and five years and 30 business days (expiry of tax and Social Security guarantees), that is, between 24 April 2022 and 5 May 2025;
- Constitution of a basket deductible of €100k, no *de minimis*.

In 2024, the Group had the following grouped credit lines contracted:

<u>Group of companies</u>	<u>Plafond</u>
Novabase S.G.P.S.; Celfocus, S.A.	€5.0m
Novabase S.G.P.S.; Celfocus, S.A.; NB Business Solutions, S.A.	€7.0m

38. Related parties

For reporting purposes, related parties include all subsidiaries (detailed in note 6), other participated companies classified as financial assets at fair value through profit or loss (detailed in note 9), shareholders and key elements in the management of the Group.

i) Key management personnel remuneration/benefits

Remuneration assigned to the Board of Directors and other key management personnel, during the years ended 31 December 2024 and 2023, are as follows:

	<u>31.12.24</u>	<u>31.12.23</u>
Short-term employee benefits	980	1.808
Other long-term benefits	-	305
Stock options granted (note 19)	<u>2,788</u>	<u>2,759</u>
	<u>3,768</u>	<u>4,872</u>

The key management personnel compensation recognized in profit or loss and included in 'Employee benefit expense' is €3,768k (2023: 4,666k), and included in 'Profit from discontinued operations' is null (2023: €206k).

The heading 'Other long-term benefits' corresponds to the portion of specialized variable remuneration in the year, with payment to be deferred for more than one year after the reporting date. Note that the final amount of variable remuneration for members of the Board of Directors is only known in the following year after the Remuneration Committee's deliberation - see note 4 g)).

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 31 December 2024, is null (31.12.23: €280k).

At 31 December 2024, there are current payable balances outstanding with key management personnel in the amount of €2k (31.12.23: €9k). There are no receivable balances at this date (31.12.23: €0k).

In addition, at 31 December 2024, there are 761,986 shares (31.12.23: 421,863 shares) attributed to managing directors and directors with special responsibilities following the exercising of options, and a liability of €953k (31.12.23: €198k) corresponding to the amount that will be paid to them together with the handover of the shares, pursuant to the Regulations - see notes 19, 24 and 25.

The remuneration policy of the Board of Directors and Supervisory Board of Novabase S.G.P.S., the parent company of Novabase Group, is detailed in Chapter D. Remunerations of the Corporate Governance Report, which is an integral part of this Annual Financial Report, which is summarized below.

By unanimous decisions of the Remuneration Committee, fixed remuneration components were set for members of the Novabase Board of Directors in 2024, along with annual variable remuneration. This remuneration is distributed among the members of the Board of Directors in accordance with the breakdown stipulated by the Remuneration Committee, pursuant to the Remuneration Policy, whereby directors receive fixed remuneration in cash, and potentially variable remuneration as well, which may be comprised of variable remuneration in cash and variable remuneration based on stock options. This remuneration is broken down among the directors in view of their responsibilities at Novabase, and as stipulated by the Remuneration Committee under the Remuneration Policy.

The remuneration of non-executive and non-independent directors may include a variable component, per the Remuneration Policy, if the duties and responsibilities so justify. In fact, the performance of remunerated duties by these members of the Board of Directors allows Novabase to leverage their extensive know-how acquired as company founders and accumulated over a period of 35 years, especially since these directors continue to have major responsibilities in the Group.

The variable component in cash of directors' remuneration must be determined annually by the Remuneration Committee, based on the criteria described in the Remuneration Policy and in point 70 of the Corporate Governance Report. Given the specific context of the Company, namely due to the implementation of the ongoing strategic plan (Strategic Update 2019+), which remains valid despite having entered into a time period subsequent to the five-year period covered by the plan announced in 2019, the Remuneration Committee decided in 2024 that all variable remuneration would be attributed via plans based on Novabase shares, namely participation in the Company's Stock Option Plan approved at the General Meeting of 26 September 2019. Indeed, 317,500 options on Novabase shares were granted during the 2024 financial year, under the Stock Options Plan, to the managing directors Luís Paulo Cardoso Salvado and Álvaro José da Silva Ferreira and to the directors with special duties Francisco Paulo Figueiredo Morais Antunes and Maria del Carmen Gil Marín, as shown in the table below.

The total variable remuneration in cash referring to the performance of Novabase directors throughout the year 2023 was €0 (zero Euros), which compares with €0 (zero Euros) relating to the 2022 performance. The variable remuneration in cash paid in 2024 corresponds to only 1/6 of the variable remuneration in cash allocated in 2021 for 2020.

It should also be noted that the Remuneration Committee decided in 2024 to channel 20% of amounts attributed as fixed remuneration for 2024 to each of the directors with executive functions and to the directors with special responsibilities to reinforce capitalization insurance contributions currently in effect at the Company in substitution of paying that part of fixed remuneration.

The remuneration paid by Novabase S.G.P.S. in 2024 to the acting directors of the Company at 31 December 2024 are as follows:

Directors ¹	Fixed annual remuneration (€) ²	Annual variable remuner. in cash paid in 2024 (€) ^{3, 4}	Total partial (fixed + variable in cash paid in 2024) (€)	Variable in cash paid in 2024/Partial total (%)	Deferred annual variable remuner.(€)	Variable remuner. No. Options
Luís Paulo Cardoso Salvado	351,000	53,027	404,027	13.12	-	125,000
Álvaro José da Silva Ferreira	324,242	33,230	357,472	9.30	-	125,000
Executives Total	675,242	86,257	761,498	11.33	-	250,000
(% total)	58.83	53.74	58.21			
María del Carmen Gil Marín	171,275	26,513	197,788	13.40	-	30,000
Francisco Paulo Figueiredo Morais Antunes	97,500	26,513	124,013	21.38	-	37,500
José Afonso Oom Ferreira de Sousa	45,500	10,605	56,105	18.90	-	-
Pedro Miguel Quinteiro Marques Carvalho	45,500	10,605	56,105	18.90	-	-
Madalena Paz Ferreira Perestrelo de Oliveira	45,500	-	45,500	-	-	-
Benito Vázquez Blanco	45,500	-	45,500	-	-	-
Rita Wrem Viana Branquinho Lobo C. Rosado	21,675	-	21,675	-	-	-
Non-executives Total	472,450	74,237	546,687	13.58	-	67,500
(% total)	41.17	46.26	41.79			
TOTAL	1,147,692	160,493	1,308,185	12.27	-	317,500

¹ Directors Francisco Paulo Figueiredo Morais Antunes and Rita Wrem Viana Branquinho Lobo Carvalho Rosado received amounts in 2024 through other companies in a control or group relationship with the Company. These amounts are not shown in this table, and are presented below.

² The amount shown includes amounts attributed as fixed remuneration in the Remuneration Committee meeting of 27 May 2024, which were channelled to retirement supplements by reinforcing capitalization insurance contributions currently in effect at the Company, substituting payment of that part of fixed remuneration - namely, Luís Paulo Cardoso Salvado (€70,200), Álvaro José da Silva Ferreira (€64,848), María del Carmen Gil Marín (€34,255) and Francisco Paulo Figueiredo Morais Antunes (€19,500).

³ The amount shown is the total amount paid to each director in 2024 (excluding the variable component based on stock options, as applicable), i.e. 1/6 of the amount allocated for 2020 in 2021.

⁴ Amount used to reinforce capitalization insurance contributions currently in effect at the Company.

During the 2024 financial year, Directors Luís Paulo Cardoso Salvado, Álvaro José da Silva Ferreira, María del Carmen Gil Marín and Francisco Paulo Figueiredo Morais Antunes exercised their stock options (respectively, 250,000, 200,000, 75,000 and 75,000 options, attributed in 2023) under the following terms:

- For 50% of the options subject to exercising, via net share settlement, resulting in the allotment of 141,717, 113,374, 42,516 and 42,516 ordinary Novabase shares, respectively, to Luís Paulo Cardoso Salvado, Álvaro José da Silva Ferreira, María del Carmen Gil Marín and Francisco Paulo Figueiredo Morais Antunes, using the calculation formula in the plan's regulations; and
- For the remaining 50%, via net cash settlement, resulting in the payment to Directors Luís Paulo Cardoso Salvado, Álvaro José da Silva Ferreira, María del Carmen Gil Marín and Francisco Paulo Figueiredo Morais Antunes, respectively, of €794,140.36, €635,307.80, €238,237.62 and €238,237.62, using the calculation formula in the Plan's regulation.

In summary, the exercise of options in 2024 resulted in a total of 340,123 ordinary shares allotted and a total amount paid of €1,905,923.40.

The table below shows remuneration paid by Novabase S.G.P.S., S.A. in 2024 to directors of the Company who ceased office in previous years:

Director	Fixed annual remuneration (€)	Annual variable remuner. in cash paid in 2024 (€)	Total partial (fixed + variable in cash paid in 2024) (€)	Variable in cash paid in 2024/Partial total (%)	Deferred annual variable remuner.(€)
Paulo Jorge de Barros Pires Trigo ⁵	-	33,528	33,528	100.00	-
João Nuno da Silva Bento ⁵	-	53,027	53,027	100.00	-
TOTAL	-	86,555	86,555	100.00	-

⁵ Left position in the General Meeting of Shareholders of 25 May 2021. The amounts indicated refer to the years in which he held the position of director in this Company, as disclosed in the Corporate Governance Reports of previous years.

There are no formal mechanisms regulating the possibility of requesting reimbursement for the variable remuneration received by Novabase directors. Even so, per the general guiding principles of Novabase's remuneration policy, when the company's performance is a determining criterion for variable remuneration, any downgrading in performance may justify limits upon this remuneration, in view of the specific circumstances.

The members of Novabase's Board of Directors are paid exclusively by this entity, and do not receive additional remuneration of any kind from other companies that are controlled by or part of Novabase Group, nor from any company subject to shared control with Novabase, except for the remuneration referred to in the following table:

Director	Fixed annual remuneration (€)	Annual variable remuner. in cash paid in 2024 (€)	Total partial (fixed + variable in cash paid in 2024) (€)	Variable in cash paid in 2024/Partial total (%)	Deferred annual variable remuner.(€)
Francisco Paulo Figueiredo Morais Antunes ⁶	97,500	-	97,500	-	-
Rita Wrem Viana Branquinho Lobo C. Rosado ⁷	81,053	63,322	144,376	43.86	-

⁶ Amount paid by Novabase Consulting S.G.P.S., S.A., a company fully owned (directly) by Novabase S.G.P.S., S.A., corresponding to remuneration received for the position of director with special responsibilities at Novabase S.G.P.S., S.A. as of 1 July 2024. The amount shown includes amounts attributed as fixed remuneration in the Remuneration Committee meeting of 27 May 2024, which were channelled to retirement supplements by reinforcing capitalization insurance contributions currently in effect at the Company, substituting payment of that part of fixed remuneration - namely €19,500.

⁷ Amount paid by Celfocus, S.A., a company 90.1% owned (indirectly) by Novabase S.G.P.S., S.A., corresponding to remuneration received for the position of Head of Legal of Novabase Group under a service provision agreement.

In 2024, an additional amount of €20,728.96 was paid to acting members of the Board of Directors in meal allowances. There are no relevant amounts of non-monetary benefits considered as remuneration and not covered by the previous situations.

Also in 2024, no additional remuneration was awarded in the form of profit sharing and/or payment of bonuses. No compensations were paid, nor are any compensations owed, to former executive directors as a result of their duties no longer being performed in 2024.

ii) Balances and transactions with related parties

Group companies have commercial relations with each other that qualify as related parties transactions. In consolidation, all of these transactions are eliminated, since the consolidated financial statements disclose information regarding the holding company and its subsidiaries as if they were a single entity.

Balances and transactions with related parties are as follows:

	Trade and other receivables		Trade and other payables	
	31.12.24	31.12.23	31.12.24	31.12.23
Associates	-	-	-	-
Other participated companies	14	-	-	-
	<u>14</u>	<u>-</u>	<u>-</u>	<u>-</u>
Impairment allowances for trade and other receivables	-	-	-	-
	<u>14</u>	<u>-</u>		

	Services rendered		Supplementary income		Interest received		Purchases	
	31.12.24	31.12.23	31.12.24	31.12.23	31.12.24	31.12.23	31.12.24	31.12.23
Associates	-	-	-	-	-	-	-	-
Other partic. companies	-	56	11	-	-	7	-	1
	<u>-</u>	<u>56</u>	<u>11</u>	<u>-</u>	<u>-</u>	<u>7</u>	<u>-</u>	<u>1</u>

Accounts receivable and payable with related parties are cash settled and are not covered by any guarantees.

iii) Other balances with related parties

	Non-current (note 11)		Current (note 13)	
	31.12.24	31.12.23	31.12.24	31.12.23
Associates	-	-	-	-
Other participated companies				
Loan to Powergrid, Lda.	-	2,050	-	-
Loan to Bright Innovation, Lda.	1,477	1,477	-	-
Loan to Radical Innovation, Lda.	-	-	-	994
	<u>1,477</u>	<u>3,527</u>	<u>-</u>	<u>994</u>
Adjustments for loans to related parties	(948)	(2,978)	-	(472)
	<u>529</u>	<u>549</u>	<u>-</u>	<u>522</u>

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

In 2024, the lower balance of loans to related parties corresponds to Powergrid, Lda. and to Radical Innovation, Lda., as a result of the liquidation of these companies. The amount to be reimbursed from the liquidation totalled €1,429k, while the balance of these loans, net of any associated impairment, was €522k, resulting in a gain in 'Adjustments for loans to related parties' of €907k (see note 32). Of this €1,429k, €1,348k was received in the year, leaving €81k to be received as of the reporting date (see note 13).

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

39. 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, plus a potential earn-out. The sale was substantially completed in December 2023, with the recognition of a gain of €39,760k in this year.

At the start of 2024, the parties confirmed an adjustment to the price initially paid by the buyer, in the wake of the final determination of the contract's pricing clauses, which resulted in a correction to the gain generated from the disposal of the business in the amount of €401k, received in full in the year. Novabase may still receive an earn-out of up to €0.95m, depending on full compliance with the Transitional Services Agreement ("TSA") entered into in the context of this transaction.

Following this sale, on 31 December 2023, the Group also discontinued the IT Staffing business of the Angolan subsidiary NBASIT-Sist. de Inf. e Telecomunic., S.A., for which it expected to cease operations in the short term through the sale of the company. Throughout 2024, the general guidelines of the plan to sell this subsidiary were executed. At 31 December 2024, the Management remains committed to its plan to sell, with no changes to the initial plan (see also note 43).

The financial information on discontinued operations by subsidiary/business sold can be presented as follows:

	31.12.24				
	NEOTALENT	COLLAB	GTE	IMS	Novabase
<i>Results from discontinued operations:</i>					
Revenues ⁽¹⁾	1,129	-	-	-	1,129
Expenses ⁽¹⁾	(556)	60	100	-	(396)
Results from operating activities	<u>573</u>	<u>60</u>	<u>100</u>	<u>-</u>	<u>733</u>
Income tax	(76)	-	-	-	(76)
Results from operating activities, net of tax	<u>497</u>	<u>60</u>	<u>100</u>	<u>-</u>	<u>657</u>
Gain on sale of Business	401	-	-	-	401
Tax on gain on sale of Business	-	-	-	-	-
	<u>898</u>	<u>60</u>	<u>100</u>	<u>-</u>	<u>1,058</u>
<i>Assets and liabilities from discontinued operations:</i>					
Assets from discontinued operations ⁽²⁾	1,393	-	-	-	1,393
Liabilities from discontinued operations	(465)	-	(1,023)	-	(1,488)
	<u>928</u>	<u>-</u>	<u>(1,023)</u>	<u>-</u>	<u>(95)</u>
<i>Cash flows from (used in) discontinued operations:</i>					
Cash flows from Operating Activities	3	-	-	-	3
Cash flows from Investing Activities ⁽³⁾	462	12	-	-	474
Cash flows used in Financing Activities	(2)	-	(9)	-	(11)
	<u>463</u>	<u>12</u>	<u>(9)</u>	<u>-</u>	<u>466</u>

⁽¹⁾ The revenues and costs shown for Neotalent in 2024 refer to the results of the Angolan subsidiary NBASIT. In the case of Collab and GTE, the amounts shown correspond to reversals of R&W provisions, considering the elapsed warranty period.

⁽²⁾ Includes €1,178k of Cash and cash equivalents.

⁽³⁾ Neotalent: includes a price adjustment of €401k, in the wake of the final determination of the contract's pricing clauses.

	31.12.23				
	NEOTALENT	COLLAB	GTE	IMS	Novabase
<i>Results from discontinued operations:</i>					
Revenue	43,184	-	-	-	43,184
Expenses	(37,957)	60	259	-	(37,638)
Results from operating activities	5,227	60	259	-	5,546
Income tax	(1,279)	-	-	-	(1,279)
Results from operating activities, net of tax	3,948	60	259	-	4,267
Gain on sale of Business	39,760	194	(190)	-	39,764
Tax on gain on sale of Business	-	-	-	-	-
	<u>43,708</u>	<u>254</u>	<u>69</u>	<u>-</u>	<u>44,031</u>
<i>Assets and liabilities from discontinued operations:</i>					
Assets from discontinued operations	1,373	-	-	-	1,373
Liabilities from discontinued operations	(590)	(60)	(1,132)	-	(1,782)
	<u>783</u>	<u>(60)</u>	<u>(1,132)</u>	<u>-</u>	<u>(409)</u>
<i>Cash flows from (used in) discontinued operations:</i>					
Cash flows from (used in) Operating Activities	300	-	(28)	9	281
Cash flows from Investing Activities	48,323	212	2	-	48,537
Cash flows used in Financing Activities	(377)	-	(9)	-	(386)
	<u>48,246</u>	<u>212</u>	<u>(35)</u>	<u>9</u>	<u>48,432</u>

40. 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 (see note 16). Although contracted with the purpose of economic hedge in accordance with the Group's risk management policies, changes in the fair value of these derivatives are recognized in profit or loss (see note 2.21).
- 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, FCR NB Capital Inovação e Internacionalização and FCR NB Capital +Inovação, and the participation units held in FCT - Labour Compensation Fund (see note 9).

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

	31.12.24			31.12.23		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets measured at fair value						
Financial assets at fair value through profit or loss	596	-	13,404	608	-	13,271
Derivative financial instruments	-	75	-	-	246	-
	<u>596</u>	<u>75</u>	<u>13,404</u>	<u>608</u>	<u>246</u>	<u>13,271</u>
Liabilities measured at fair value						
Derivative financial instruments	-	688	-	-	112	-
	<u>-</u>	<u>688</u>	<u>-</u>	<u>-</u>	<u>112</u>	<u>-</u>

The Group also has a number of financial instruments which are not measured at fair value in the statement of financial position. At 31 December 2024, the fair value of these instruments is not materially different to their carrying amount, 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 (PUs) 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 (including the participated companies of the funds FCR NB Capital Inovação e Internacionalização and FCR NB Capital +Inovação and of Novabase Capital S.C.R., S.A.) - 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 during 2024 and 2023:

	31.12.24	31.12.23
Balance at 1 January	13,271	13,215
Acquisitions	-	208
Disposals	(159)	(396)
Profit or loss charge	292	244
Balance at 31 December	<u>13,404</u>	<u>13,271</u>

There were no acquisitions in 2024 (2023: Glarevision, S.A.). Disposals concern the total sale of the shares held in Probely, S.A., generating a gain of €110k (see note 32) and a cash inflow of €269k (2023: FCR Istart I). It should also be noted that, for Powerdata, Lda., a company liquidated in 2023, the amount of €9k was received this year from the total amount receivable as at 31 December 2023 (see note 13), with the recognition of a loss of €2k (see note 33).

Net fair value adjustments of Level 3 instruments recorded in the year essentially reflect the appreciation of the investment in Feedzai, S.A. (€400k), partially cancelled due to the devaluation of the investments in Glarevision, S.A. (-€64k) and Habit Analytics PT, Lda. (-€31k). Positive fair value adjustments were recognized in profit or loss and included in 'Finance income' (see note 32), while negative fair value adjustments were recognized in profit or loss and included in 'Finance costs' (see note 33).

There were no transfers between the Levels 3 and 2 for the purposes of fair value measurement in 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 91% of these instruments at 31 December 2024, as well as the relationship of some of those unobservable inputs to fair value is set out below.

<u>Feedzai</u>	31.12.24	31.12.23
Discount rate (post-tax)	14.2%	16.1%
Perpetuity growth rate	0.5%	0.5%
Average annual growth rate of turnover	36.2%	41.3%

According to sensitivity analyses performed, a possible increase or decrease of one percentage point in WACC would result in a Feedzai's fair value change of approximately -€1,148k and +€1,346k, respectively. As for a possible increase or decrease of 0.5 percentage points 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 +€402k and -€374k, respectively.

The Group has a team responsible for the Level 3 fair value measurements of the companies held mainly by the funds FCR NB Capital Inovação e Internacionalização and FCR NB 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 five 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.

41. Contingencies

At 31 December 2024, the Group was a party in the following legal process:

- The Company has been served a notice from the Ghana High Circuit Court - Commercial Division, of a lawsuit filed by Rhema Systems Associates Ltd, Novabase's partner in Ghana, for the payment of amounts that it considers to be due for profit sharing in the scope of some business contracts signed with customers. The global amount claimed is \$1,568,801.76. According to Rhema's allegations, the distribution of profit was not made according to the terms agreed upon in the partnership contract, existing to date divergence as to the executed terms. The case is being dealt with by the Ghana High Circuit Court - Commercial Division. The judicial process has been suspended because the parties opted to initiate a mediation procedure, involving an external mediator from the University of Ghana Law School, with a view to negotiating an agreement between the parties, however no consensus could be reached, whereby the case is now back to the judicial courts, pending court hearings and Novabase to present its counter arguments and defence. There are provisions (included in note 39) for probable liabilities associated with the process, and additional costs to those already included in these accounts are not expected.

Additionally, in the course of its activity, Novabase is exposed to risks of a civil, labour, contractual nature, among others, whose probability of outcome is evaluated using legal advisors, whenever applicable. Contingencies graded as possible are recorded under the heading 'Provisions' (note 23) or under the heading 'Liabilities from discontinued operations' (note 39).

In the sale of Novabase Neotalent, S.A. (note 39) it was agreed that Novabase may receive an earn-out of up to €0.95m, subject to full compliance with the Transitional Services Agreement signed on the same date, to be paid upon the TSA's expiry, whose maximum duration could reach 18 months, i.e. until 18 June 2025. Since it is not possible to estimate its value at this date, it has been considered a contingent asset.

42. Additional information required by law

In accordance with article 508-F of the Portuguese Commercial Companies Code, we hereby inform of the following:

- In addition to all operations described in the notes above, as well as in the Management's Report, there are no other operations considered relevant which are not already contained either in the consolidated statement of financial position or its notes;
- In view of the rules on the mandatory rotation of the external auditor and statutory auditor, and that the term of KPMG & Associados - S.R.O.C. (KPMG) ended on 31 December 2023, the rotation provided for in legislation on the provision of statutory and external auditing services for the three-year period of 2024-2026 has been complied with.

Ernst & Young Audit & Associados - SROC, S.A. (EY) was appointed external auditor of Novabase Group at the General Meeting of Shareholders of 22 May 2024. EY's total remuneration in 2024 was €100,000, corresponding entirely to legal account review services. KPMG's total fees for professional services provided in 2023 were €140,428, of which €132,500 correspond to legal account review services (with Neotalent included in the scope of the audit), €5,000 relate to reliability assurance services that concern the issuance of limited and reasonable assurance reports within the scope of applying for incentives under the PRR - Recovery and Resilience Plan, and €2,928 relate to services other than legal account review services relating to the registration of Novabase employees in a training session given by KPMG to various clients on ESG and the provision of services for agreed-upon procedures relating to the assessment of the entity's financing capacity in the context of applying for PRR;

(iii) Note 38 of the Notes to the Consolidated Financial Statements includes all the related parties' disclosures, in accordance with the International Financial Reporting Standards.

43. Events after the reporting period

In 2025, up until publication of this report, the following relevant facts occurred:

- **Sales agreement for the subsidiary NBASIT-Sist. de Inf. e Telecomunic., S.A.**

In January 2025, Novabase entered into a share sale and purchase agreement with Filipe Lobo ("Buyer") for the disposal of 99.2% of the share capital of the Angolan subsidiary NBASIT-Sist. de Inf. e Telecomunic., S.A. ("NBASIT"), for total consideration of €99,200, of which €9,920 was paid on the date of signing the agreement, and €89,280 will be paid on the date of completing the transaction. In the context of this agreement, the subsidiaries Novabase Business Solutions, S.A. and NOVABASE IMS 2, S.A. made an agreement for the assignment, with consideration, of claims against NBASIT in the amount of €358k and €2,510k, respectively, contracted within the scope of their business activities.

This sale agreement entailed the prior acquisition of 49.8% of NBASIT from minority shareholder Microcenter, a transaction that occurred at the end of 2024. The completion of this sale is still subject to the fulfilment of several conditions precedent, namely the receipt of the entire price for the assignment of claims, to be acquired by the Buyer over a maximum of 12 months, and with control transferred to the Buyer after this last condition has been met. Any failure to fulfil these conditions precedent will result in the automatic and immediate termination of the agreement.

Under the guidance of IFRS 10, the Group believes that these qualify as a single transaction. In fact, in the 2024 financial statements, the purchase of the non-controlling interest was reflected as an advance (see note 13), and will be considered as a reduction in fair value of the consideration received from the disposal of the holding, at the time of determining a loss or gain.

Note also that, as stated in the 2023 financial statements, there exists a negative exchange differences reserve associated with the operation in Angola, totalling €5.6m as at 31 December 2024 (31.12.23: €5.6m). In light of IFRS standards, this exchange differences reserve will be recognized in profit or loss, with a negative impact, upon disposal of this subsidiary. The transfer of the exchange differences reserve to profit or loss will not impact cash.

- **Remuneration to shareholders of €1.35 per share**

On 20 February 2025, Novabase announced the intention of its Board of Directors to propose to the 2025 Annual General Meeting the payment of a dividend of €1.35 per share, subject to market conditions, a financial and accounting status at Novabase allowing its execution. This corresponds to the distribution of €48.3m to shareholders, which represents, at the closing price of the day of the announcement, a dividend return of 21.4%.

The same announcement states that the Board of Directors intends to propose that this remuneration be paid, partially or in whole, in kind, by shareholder choice, in new Novabase shares issued for this purpose, from the same category as those already existing.

44. 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.

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**II. REPORTS ISSUED BY THE SUPERVISORY BOARD AND BY THE
CMVM REGISTERED AUDITOR**

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RELATÓRIO E PARECER DO CONSELHO FISCAL
SOBRE AS DEMONSTRAÇÕES FINANCEIRAS CONSOLIDADAS DA
NOVABASE - SOCIEDADE GESTORA DE PARTICIPAÇÕES SOCIAIS, S.A.
DO EXERCÍCIO FINDO EM 31 DE DEZEMBRO DE 2024

Aos Exmos. Senhores Acionistas,

INTRODUÇÃO

Nos termos da Lei e para os efeitos do disposto na alínea g) do artigo 420.º do Código das Sociedades Comerciais e nos estatutos da Sociedade, cumpre-nos submeter à vossa apreciação o nosso Relatório sobre a atividade fiscalizadora desenvolvida e emitir o nosso Parecer sobre o Relatório de Gestão e as Demonstrações Financeiras Consolidadas da Novabase - Sociedade Gestora de Participações Sociais, S.A. relativamente ao exercício findo em 31 de dezembro de 2024.

ATIVIDADE DESENVOLVIDA

Fiscalização da Sociedade

No decurso do exercício em análise acompanhámos regularmente a evolução da atividade da sociedade e das suas participadas, tendo zelado pela observância da lei e do respetivo contrato de sociedade, bem como procedemos à fiscalização da administração da Sociedade, da eficácia dos sistemas de gestão de risco, de controlo interno e de preparação e divulgação da informação financeira, da regularidade dos registos contabilísticos, da exatidão dos documentos de prestação de contas consolidadas e das políticas contabilísticas e critérios valorimétricos adotados pela sociedade, por forma a verificar que os mesmos conduzem a uma adequada expressão do seu património, resultados e fluxos de caixa consolidados.

Durante o exercício o Conselho Fiscal reuniu seis vezes, tendo as respetivas reuniões sido formalmente registadas em ata. Nessas reuniões registou-se assiduidade de 100% para o Presidente e para o vogal João Duque e de 83% para a vogal Fátima Farinha.

Adicionalmente, o Conselho Fiscal participou na reunião do Conselho de Administração que aprovou o Relatório de Gestão e as Demonstrações Financeiras Consolidadas do exercício de 2024.

No âmbito das nossas funções mantivemos os contactos necessários com os representantes da Sociedade de Revisores Oficiais de Contas e Auditor Externo, no sentido de acompanhar o planeamento e os trabalhos de auditoria efetuados e tomar conhecimento das respetivas conclusões. As reuniões mantidas com os representantes da Sociedade de Revisores Oficiais de Contas e Auditor Externo permitiram-nos formular um parecer positivo quanto à integridade, rigor, competência, qualidade dos trabalhos e objetividade com que levaram a cabo os respetivos trabalhos, bem como da fiabilidade da informação financeira.

Foram ainda objeto de análise com os representantes da Sociedade de Revisores Oficiais de Contas e Auditor Externo as matérias relevantes de auditoria; remetemos para o seu relatório sobre as demonstrações financeiras consolidadas a descrição dos elementos essenciais objeto de análise.

Durante as reuniões do Conselho Fiscal, analisámos e discutimos com a Gestão e com o Revisor Oficial de Contas os principais riscos que afetam a Novabase - Sociedade Gestora de Participações Sociais, S.A. e as sociedades que integram o perímetro de consolidação, tendo como base apresentações preparadas pelos referidos órgãos sociais. Consideramos que obtivemos as explicações e esclarecimentos que considerámos relevantes.

Comunicação de irregularidades

Declaramos que durante o exercício de 2024 não rececionámos, através dos meios definidos para o efeito, qualquer comunicação sobre irregularidades.

Transações com partes relacionadas

Durante o exercício de 2024 não foram sujeitas à apreciação do Conselho Fiscal quaisquer transações com partes relacionadas nos termos do regulamento em vigor.

Independência do Auditor Externo

O Conselho Fiscal recebeu a declaração do Revisor Oficial de Contas a confirmar a sua independência relativamente à Sociedade e comunicando todos os relacionamentos que possam ser percecionados como uma ameaça à sua independência, assim como as salvaguardas implementadas.

DECLARAÇÃO DE RESPONSABILIDADE

De acordo com o disposto no artigo 29.º - G n.º 1, C) do Código dos Valores Mobiliários, declaramos que, tanto quanto é do nosso conhecimento e convicção, os documentos de prestação de contas atrás referidos, foram elaborados de acordo com as Normas Internacionais de Relato Financeiro, tal como adotadas pela União Europeia, dando uma imagem verdadeira e apropriada do ativo e do passivo, da situação financeira e dos resultados da Novabase - Sociedade Gestora de Participações Sociais, S.A. e das empresas incluídas no perímetro da consolidação, e que o relatório de gestão expõe fielmente a evolução dos negócios, do desempenho e da posição da Novabase - Sociedade Gestora de Participações Sociais, S.A. e das empresas incluídas no perímetro da consolidação, contendo uma adequada descrição dos principais riscos e incertezas com que se defrontam.

PARECER

Analisámos o Relatório de Gestão e as Demonstrações Financeiras Consolidadas relativas ao exercício de 2024, que compreendem a Demonstração Consolidada da Posição Financeira em 31 de dezembro de 2024, a Demonstração Consolidada dos Resultados, a Demonstração Consolidada do Rendimento Integral, a Demonstração Consolidada das Alterações aos Capitais Próprios e a Demonstração Consolidada dos Fluxos de Caixa e as respetivas notas anexas, elaborados de acordo com as Normas Internacionais de Relato Financeiro, tal como adotadas na União Europeia.

No âmbito das nossas competências analisámos a Certificação Legal das Contas e Relatório de Auditoria sobre a Informação Financeira Consolidada relativas ao exercício de 2024, elaboradas pelo Revisor Oficial de Contas, documento que não apresenta qualquer reserva e com o qual estamos de acordo.

Analisámos ainda o Relatório sobre o Governo da Sociedade relativo ao exercício de 2024, o qual se encontra em anexo ao Relatório de Gestão, preparado pelo Conselho de Administração em cumprimento do disposto no Regulamento da CMVM n.º 4/2013 (Governo das Sociedades Cotadas) competindo-nos apenas atestar que o mesmo incluía todos os elementos referidos no artigo n.º 29.º-H do Código de Valores Mobiliários.

Nestes termos, é nosso parecer que:

- nada obsta à aprovação do Relatório de Gestão relativo ao exercício de 2024;
- nada obsta à aprovação das Demonstrações Financeiras Consolidadas do exercício de 2024.

Lisboa, 30 de abril de 2025

O Conselho Fiscal

Álvaro José Barrigas do Nascimento - Presidente

Fátima do Rosário Piteira Patinha Farinha – Vogal

João Luís Correia Duque – Vogal

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*(Translation from the original document in the Portuguese language.
In case of doubt, the Portuguese version prevails)*

Statutory and Auditor's Report

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of Novabase – Sociedade Gestora de Participações Sociais, S.A. (the Group), which comprise the Consolidated Statement of Financial Position as at 31 December 2024 (showing a total of 162,396 thousand euros and a total equity of 84,886 thousand euros, including a net profit for the year of 6,420 thousand euros), and the Consolidated Statement of Profit and Loss by Nature, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of the Novabase – Sociedade Gestora de Participações Sociais, S.A. as at 31 December 2024, and of its consolidated financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), as endorsed by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (“ISAs”) and other technical and ethical standards and guidelines as issued by the Institute of Statutory Auditors. Our responsibilities under those standards are further described in the “Auditor’s responsibilities for the audit of the consolidated financial statements” section below. We are independent of the entities comprising the Group in accordance with the law and we have fulfilled other ethical requirements in accordance with the Institute of Statutory Auditors’ code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters in the current year audit are the following:

1. Revenue recognition - Turn Key

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
<p>As at 31 December 2024, the accompanying consolidated financial statements of Novabase – Sociedade Gestora de Participações Sociais, S.A. show 134,188 thousand euros in services rendered (2023: 132,556 thousand euros) (Note 5).</p> <p>The recognition of revenue associated with consultancy projects under a closed contract</p>	<p>Our approach included the following procedures:</p> <ul style="list-style-type: none"> ▶ Understanding and assessing the design of relevant processes and controls, including the design of general IT controls, related to the revenue recognition process; ▶ Carrying out substantive analytical procedures and detail tests for a sample of projects, obtaining contractual support documentation, where applicable, and evidence of

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
<p>("Turn Key") regime represents approximately 30% of the Group's turnover.</p> <p>The recognition of this type of "over time" projects is based on qualitative factors that require judgement, such as planned income and costs, contingencies in terms of contractual risks.</p> <p>Taking into account the materiality of the amounts involved and the degree of judgement associated with the revenue recognition criteria, we consider this topic as a relevant audit matter.</p>	<p>compliance with the performance obligation, from the moment the transaction is recognised until its receipt;</p> <ul style="list-style-type: none"> ▶ Carrying out analytical review procedures, namely by analysing the evolution of the project margin; ▶ Carrying out procedures to review the estimate and discuss the main assumptions considered by the management body regarding planned costs and income and contingencies; ▶ Obtaining support for the main manual adjustments, in order to verify the accuracy of the amounts accounted for and their correct specialisation of the financial year; and ▶ Obtaining external confirmations for a representative sample of accounts receivable. <p>We also verified the adequacy of the revenue recognition policies and other applicable disclosures, included in Notes 2.18, 4 (d) and 5 of the notes to the consolidated financial statements.</p>

2. Fair value measurement of financial assets - Feedzai, S.A.

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
<p>The amount of financial assets at fair value through profit or loss amounts to 14,000 thousand euros (2023: 13,879 thousand euros).</p> <p>The participation in the entity Feedzai, S.A., amounts to 12,178 thousand euros (2023: 11,778 thousand euros), representing the most significant part of the financial assets at fair value through profit or loss item, as detailed in Note 9 of the notes to the consolidated financial statements.</p> <p>The Group's policy is to determine the fair value at each reporting date, in accordance with a discounted cash flow model, supported by business plans estimated by the management over a 5-year horizon, discount rates and growth rates in perpetuity.</p> <p>Due to the relevance of the amounts involved, as well as the complexity and judgment inherent in the assumptions included in the adopted model, it is determined that we consider this topic as a relevant audit matter.</p>	<p>Our approach has included the following procedures:</p> <ul style="list-style-type: none"> ▶ Understanding and assessing the process and controls relating to the recording and monitoring of the fair value of subsidiaries recognised at fair value through profit or loss; ▶ Obtaining the models prepared by the management and testing the arithmetic accuracy and completeness of the models used to determine the fair value; ▶ Analysing the models by comparing current performance with estimates made in previous periods; and ▶ Assessing, with the support of internal experts, the reasonableness of the assumptions that present greater sensitivity and judgement in determining the fair value, namely, discount rate and growth rate in perpetuity. <p>Additionally, we verified the adequacy of the disclosures presented in Notes 2.7, 4(b), 9 and 40 of the notes to the consolidated financial statements.</p>

Responsibilities of management and the supervisory board for the consolidated financial statements

Management is responsible for:

- ▶ the preparation of consolidated financial statements that presents a true and fair view of the Group's financial position, financial performance and cash flows in accordance with International Financial Reporting Standards as endorsed by the European Union;
- ▶ the preparation of the Management report, the Corporate Governance Report, non-financial information and remunerations report, in accordance with the laws and regulations;
- ▶ designing and maintaining an appropriate internal control system to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error;
- ▶ the adoption of accounting policies and principles appropriate in the circumstances; and
- ▶ assessing the Group's ability to continue as a going concern, and disclosing, as applicable, matters related to going concern that may cast significant doubt on the Group's ability to continue as a going concern.

The supervisory body is responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- ▶ obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- ▶ evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- ▶ conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- ▶ evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

- ▶ planned and performed our audit to obtain sufficient and appropriate audit evidence regarding the financial information of the entities or units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the work performed for the purpose of the group audit and are ultimately responsible for our audit opinion;
- ▶ communicate with those charged with governance, including the supervisory body, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit;
- ▶ from the matters communicated with those charged with governance, including the supervisory body, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter; and
- ▶ We also provide the supervisory body with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken to eliminate threats or safeguards applied.

Our responsibility includes the verification of the consistency of the Management Report with the consolidated financial statements, and the verifications under nr. 4 and nr. 5 of article 451 of the Commercial Companies Code regarding corporate governance matters, as well as the verification that the non-financial information and remunerations report have been presented.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

On the Management Report

Pursuant to article 451, nr. 3, paragraph e) of the Commercial Companies Code, it is our opinion that the Management Report was prepared in accordance with the applicable legal and regulatory requirements and the information contained therein is consistent with the audited consolidated financial statements and, having regard to our knowledge and assessment over the Group, we have not identified any material misstatement. As referred to in article 451, nr. 7 of the Commercial Companies Code this opinion is not applicable to the consolidated statement of non-financial information included in the Management Report.

On the Corporate Governance Report

Pursuant to article 451, nr. 4 of the Commercial Companies Code, in our opinion the Corporate Governance Report includes the information required to the Group to provide as per article 29.º-H of the Securities Code, and we have not identified material misstatements on the information provided therein in compliance with paragraphs c), d), f), h), i) and m) of nr. 1 of the said article.

On the consolidated statement of non-financial information

Pursuant to article 451, nr. 6 of the Commercial Companies Code, we hereby inform that the Group included in the Management Report, chapter "Sustainability Statement", the consolidated statement of non-financial information, in compliance with article 508-G of the Commercial Companies Code.

On the remunerations report

Pursuant to article 26.º-G, nr. 6 of the Securities Code, we hereby inform that the Group has included in a separate chapter of its Corporate Governance Report the information provided in compliance with paragraph 2 of the said article.

On additional items set out in article 10 of the Regulation (EU) nr. 537/2014

Pursuant to article 10 of the Regulation (EU) nr. 537/2014 of the European Parliament and of the Council, of 16 April 2014, and in addition to the key audit matters mentioned above, we also report the following:

- ▶ We were appointed as auditors of Novabase – Sociedade Gestora de Participações Sociais, S.A. (Group's parent entity) for the first time in the shareholders' general meeting held on 22 May 2024 for a mandate from 2024 to 2026;
- ▶ Management has confirmed that they are not aware of any fraud or suspicion of fraud having occurred that has a material effect on the consolidated financial statements. In planning and executing our audit in accordance with ISAs we maintained professional skepticism and we designed audit procedures to respond to the possibility of material misstatement in the consolidated financial statements due to fraud. As a result of our work we have not identified any material misstatement to the consolidated financial statements due to fraud;
- ▶ We confirm that our audit opinion is consistent with the additional report that we have prepared and delivered to the supervisory body of the Group on 30 April 2025;
- ▶ We declare that we have not provided any prohibited services as described in article 5, of the Regulation (EU) nr. 537/2014, of the European Parliament and of the Council, of 16 April 2014 and we have remained independent of the Entity in conducting the audit; and
- ▶ We declare that, in addition to the audit, we provided the Group with the following services as permitted by law and regulations in force:
 - Independent limited assurance report on the consolidated statement of non-financial information of Novabase – Sociedade Gestora de Participações Sociais, S.A. for the period ended 31 December 2024.

European Single Electronic Format (ESEF)

The accompanying consolidated financial statements of Novabase – Sociedade Gestora de Participações Sociais, S.A. for the year ended 31 December 2024 must comply with the applicable requirements set out in the Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 (ESEF Regulation).

Management is responsible for preparing and disclosing the annual report in accordance with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements, included in the annual report, are presented in accordance with the requirements set out in the ESEF Regulation.

Our procedures considered the OROC Technical Application Guide on report in ESEF and included, among others:

- ▶ obtaining an understanding of the financial reporting process, including the submission of the annual report in valid XHTML format; and
- ▶ the identification and evaluation of the risks of material distortion associated with the marking-up of the information of the consolidated financial statements, in XBRL format using iXBRL technology. This evaluation was based on the understanding of the process implemented by the Group to mark-up the information.

In our opinion, the accompanying consolidated financial statements included in the annual report are presented, in all material respects, in accordance with the requirements set out in the ESEF Regulation.

Lisbon, 30 April 2025

Ernst & Young Audit & Associados – SROC, S.A.
Sociedade de Revisores Oficiais de Contas
Represented by:

(Signed)

Luís Miguel Gonçalves Rosado - ROC nr. 1607
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III. SECURITIES ISSUED BY THE COMPANY AND OTHER GROUP COMPANIES, 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 31.12.24	% held by corporate bodies at 31.12.24
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 - SROC, 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-G of the Portuguese Securities Code, the members of the Board of Directors and those responsible within Novabase, Sociedade Gestora de Participações Sociais, S.A., below identified, state, 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, namely within the Board of Directors:

(i) the information contained in the management report, annual accounts, Auditors' Report and all other accounting documentation required by law or regulation, for the year ended 31 December 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 management report faithfully states the evolution of the businesses, performance and 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, 30 April 2025

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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Statement by the members of the Audit Board under paragraph 1, c) of article 29º-G of the Portuguese Securities Code

Álvaro José Barrigas do Nascimento, chairman of the Audit Board of Novabase S.G.P.S., S.A. declares that, to the best of his knowledge, the information contained in the management report, the annual accounts, the chartered accountant legal certification and all other financial statement documentation regarding the year ended 31 December 2024 was drafted in accordance with the applicable accounting standards, give a true and appropriate view of the assets and liabilities, the financial position and the results of the issuer and, when applicable, of the companies included in the consolidation perimeter, and the management reports faithfully state the evolution of the businesses, performance and position of the issuer and, when applicable, of the companies included in the consolidation perimeter, containing a description of the main risks and uncertainties which they face.

Lisbon, April 30, 2025

Fátima do Rosário Piteira Patinha Farinha, member of the Audit Board of Novabase S.G.P.S., S.A. declares that, to the best of her knowledge, the information contained in the management report, the annual accounts, the chartered accountant legal certification and all other financial statement documentation regarding the year ended 31 December 2024 was drafted in accordance with the applicable accounting standards, give a true and appropriate view of the assets and liabilities, the financial position and the results of the issuer and, when applicable, of the companies included in the consolidation perimeter, and the management reports faithfully state the evolution of the businesses, performance and position of the issuer and, when applicable, of the companies included in the consolidation perimeter, containing a description of the main risks and uncertainties which they face.

Lisbon, April 30, 2025

João Luís Correia Duque, member of the Audit Board of Novabase S.G.P.S., S.A. declares that, to the best of his knowledge, the information contained in the management report, the annual accounts, the chartered accountant legal certification and all other financial statement documentation regarding the year ended 31 December 2024 was drafted in accordance with the applicable accounting standards, give a true and appropriate view of the assets and liabilities, the financial position and the results of the issuer and, when applicable, of the companies included in the consolidation perimeter, and the management reports faithfully state the evolution of the businesses, performance and position of the issuer and, when applicable, of the companies included in the consolidation perimeter, containing a description of the main risks and uncertainties which they face.

Lisbon, April 30, 2025

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