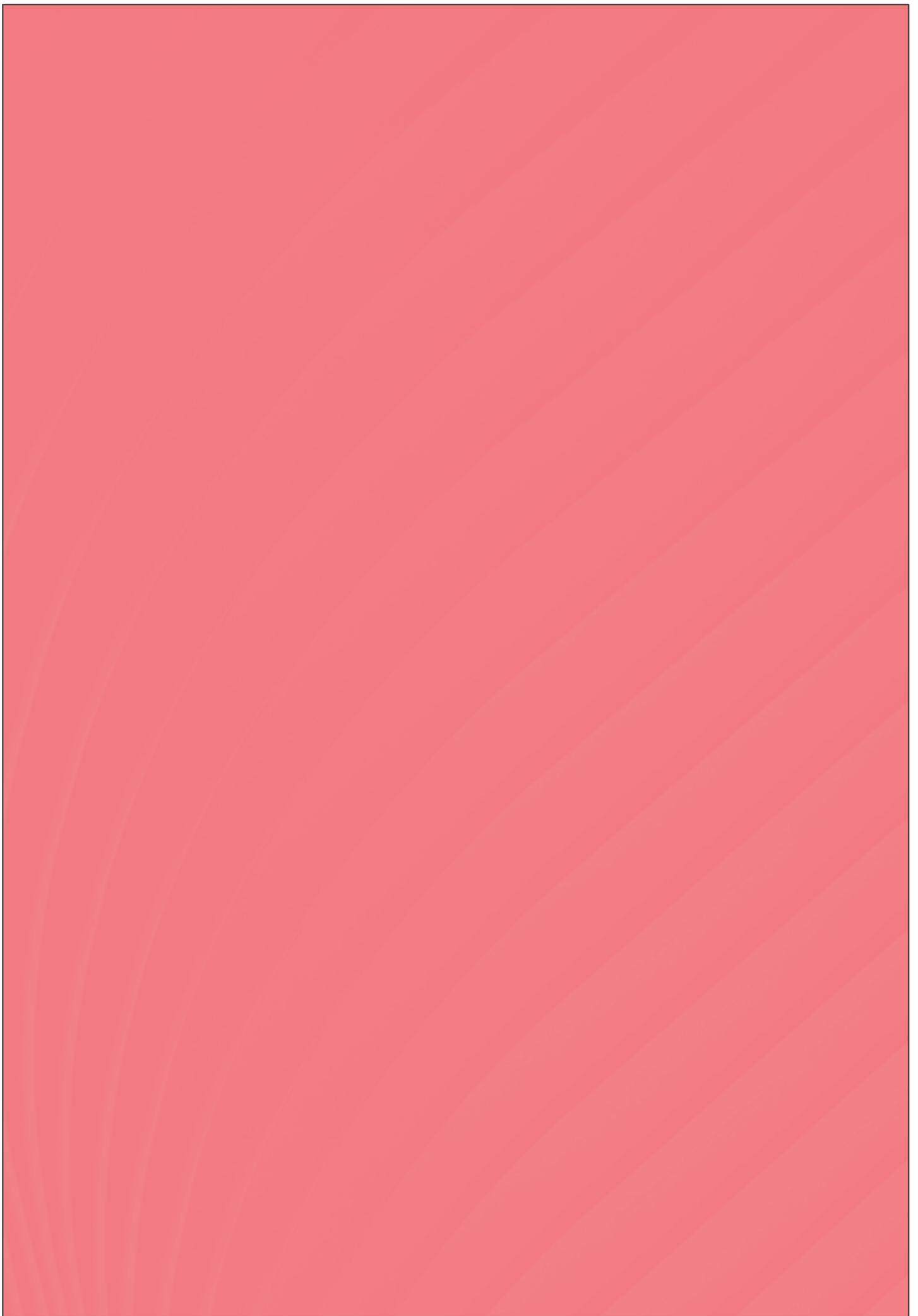


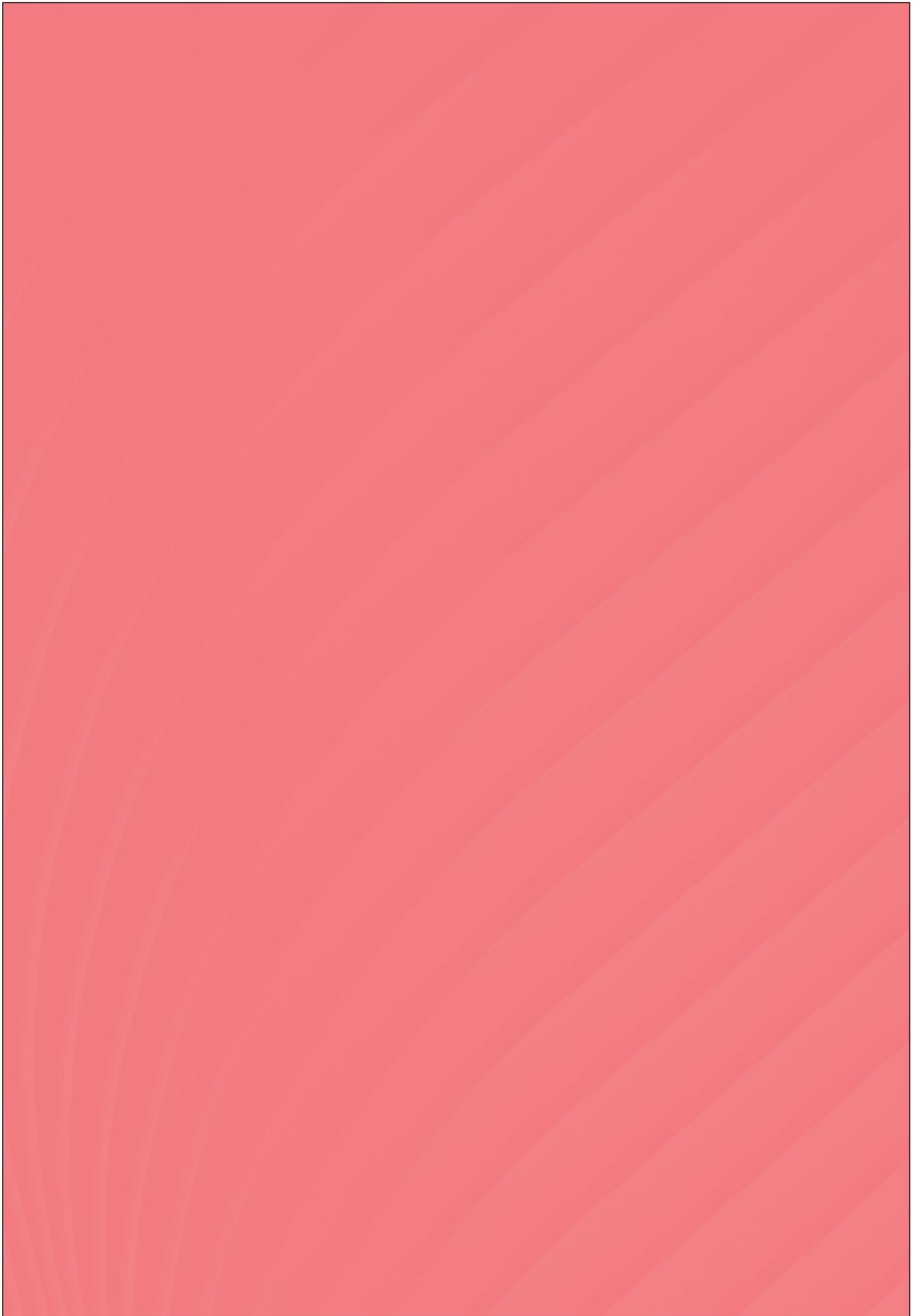
2021

MANAGEMENT REPORT

NOVABASE



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CHAIRMAN AND CEO'S MESSAGE

Dear Shareholders,

Our 2021 results confirm that our strategy is suited to the challenges we face, revealing a good performance in our main indicators.

Our turnover was up 11%, with our international business approaching 60% of the total. Our EBITDA and our Net Profit increased 7% and 16%, respectively, with this last indicator more than doubling in terms of continuing operations. The Net Cash position totalled around €56 million.

Next-Gen business increased 15%, thanks to the strong expansion of our international operations by 20%. We won new flagship clients and enhanced our talent pool with 16% more specialists, despite the pandemic. In the Value Portfolio business, we got back to growth and improved profitability, recovering from the impacts of Covid-19 in 2020.

The second year of the pandemic continued to bring us challenges, given the constant ups and downs. The maturity of our remote working methodologies and the flexibility of the hybrid model we adopted allowed us to successfully overcome these adversities.

A new management term of office also began in 2021. The elected team – more diverse in expertise, experience and gender – has been committed to the sustained creation of value for NOVABASE and all its stakeholders, including society at large. We made relevant progress in environmental, social and governance (ESG) indicators, as described in the various sections of this document.

During 2021 the share price soared 60%, accrediting the work of our entire team, to whom I thank for their tremendous dedication in such demanding times.

Given the company's solid balance sheet, we will propose to the 2022 General Meeting of Shareholders a remuneration of €0.43 per share.

Our main bets and challenges for 2022 remain the same: the growth of our international business and our talent base. We will also keep looking for assets to buy to accelerate our strategy, but always with a value creation mindset.

Unfortunately, at the beginning of the year, we were confronted by an unexpected military conflict in Europe and all its negative and tragic consequences, from a social, economic and, above all, human perspective. As of the date of issue of this Report, there is great uncertainty about how this whole situation will evolve.

Despite all of this, we will continue to execute our strategy, believing in our team's abilities to triumph over the difficulties that lie ahead.

Luís Salvado

HIGHLIGHTS 2021

ACTIVITY

STRATEGY EXECUTION 2019+ **NEXT-GEN WITH GREAT MOMENTUM**

Next-Gen delivered a strong performance in 2021, growing at 20% its international Turnover, benefitting from the focus on resilient sectors and larger sized customers.

Although the bolt on M&A initiative is delayed, Next-Gen is making good progress with its transformation and continues to thrive in its organic growth.

VALUE PORTFOLIO BACK TO GROWTH

The year 2021 marks the recovery of the Value Portfolio, after the pandemic impacts (mainly in the Spanish market) experienced in 2020, especially during the second half. This segment was able to clock improvements in Turnover throughout the quarters, ending the year slightly above the 2020 level.

As global economy continues to open, Value Portfolio is well positioned for sustained growth and to generate value to fund Next-Gen strategy.

PRESS ZONE

NOVABASE ON THE NEWS

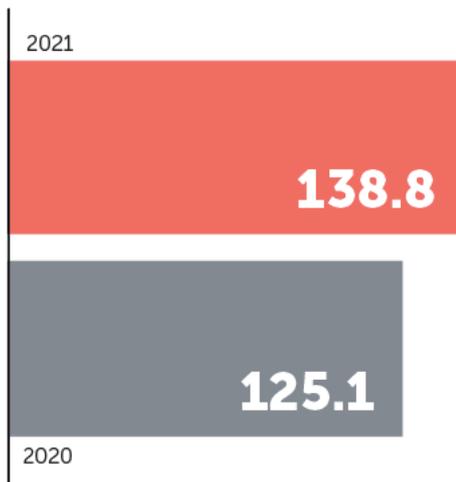
- New corporate bodies for 2021/2023 triennium.
- New brand architecture (www.novabase.com).
- New lab space sponsored at Instituto Superior Técnico.
- First edition of FutureNet World Middle East & Africa sponsored by Celfocus.
- Celfocus is Diamond partner of the Portuguese Software Testing Qualifications Board.
- Partnership with ISCTE and Instituto Pedro Nunes to develop “New Digital Talent Ecosystem”, a R&D project using AI and blockchain.
- Most innovative company in managing people award for the 3rd consecutive year, by Human Resources Portugal magazine.
- Agility in Service Design & Delivery award to Celfocus, at the World Agility Forum Gala 2021.
- Multiple initiatives at universities with eyes set on talent , e.g. SINFO conference, SET - Business and Technology Week and Universidade do Algarve Careers Fair.
- Internal Mobility Programme “Move My Talent” launched by Neotalent, aimed at increasing motivation and lowering attrition rate.
- 700 new talents virtually onboarded by Celfocus.
- New hybrid working model deployed: 60% Work From Home policy, aimed at retaining and attracting talent.
- Sponsorship of PWIT - Portuguese Women in Tech.
- Partnership with PWN Lisbon, aiming at promoting female talent and increase its representation in the STEM areas (Science, Technology, Engineering and Mathematics).
- Partnership with Portuguese Red Cross on the Walkinar - Walk for a Cause initiative.
- Social Responsibility Programme launched by Celfocus, focused on expanding Technology reach.

HIGHLIGHTS 2021

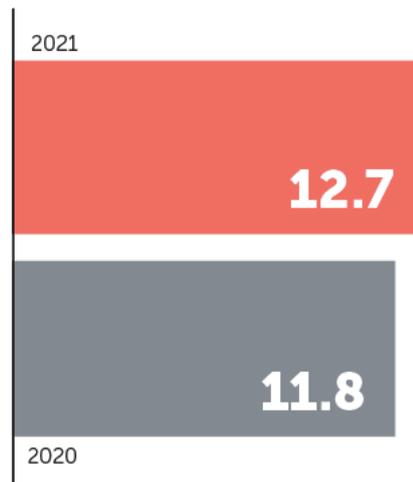
FINANCIAL HIGHLIGHTS

AMOUNTS IN M€, EXCEPT OTHERWISE STATED

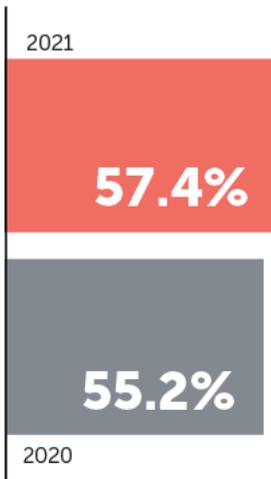
TURNOVER



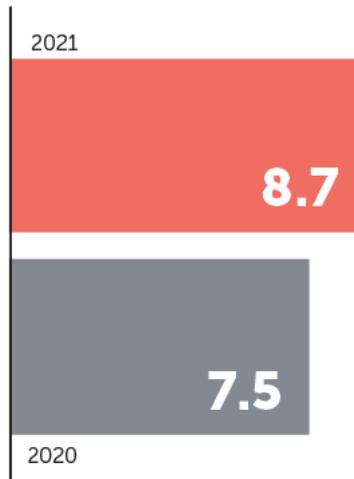
EBITDA



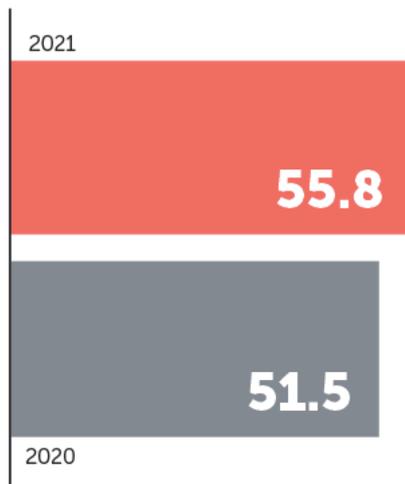
INTERNATIONAL BUSINESS (%)



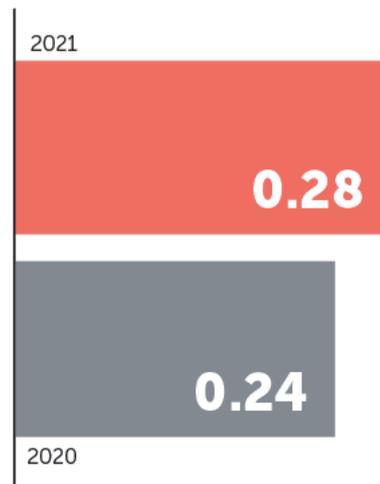
NET PROFIT



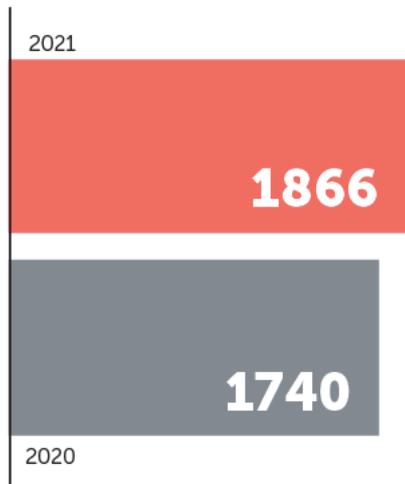
NET CASH



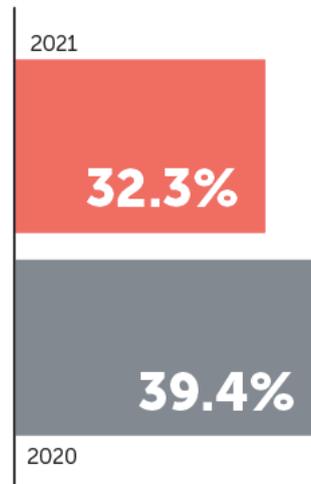
EPS (€/SHARE)



TALENT POOL (AVERAGE #)



FREE FLOAT VELOCITY (%)



CORPORATE GOVERNANCE

NOVABASE has been a publicly-traded company since July 2000. It operates according to a governance model whose suitability and performance are assessed regularly by the Board of Directors to help optimize its performance in closer alignment with the interests of all stakeholders – those interested in NOVABASE’s corporate activities, namely shareholders, investors, customers, suppliers, other business partners and employees.

In view of the mounting challenges of internationalization and competition revolving around NOVABASE’s business, the corporate governance system in place at the company needed to be brought up to date by simplifying and streamlining company bodies and procedures, so as to tailor existing solutions to the Company’s size and specific circumstances.

Therefore, beginning in 2015, NOVABASE adopted a reinforced Latin corporate governance model comprised of a Board of Directors, Audit Board and Statutory Auditor (ROC). In this model, a substantially more agile day-to-day management structure was implemented, with the Board of Directors able to delegate the day-to-day running of the Company to one or more directors (managing directors) or to an Executive Committee of 3 to 9 members.

Following the General Meeting of Shareholders of 25 May 2021 (which, among other decisions, elected the members of the corporate boards and Remuneration Committee for three-year period of 2021-2023), for the purpose of implementing a substantially more agile day-to-day management structure, the elected Board of Directors delegated NOVABASE's daily management to managing directors Luís Paulo Cardoso Salvado and Álvaro José da Silva Ferreira, thereby not creating an Executive Committee for this term of office. Along these lines, the decision was made to grant special responsibilities to director María del Carmen Gil Marín, pursuant to article 407, paragraph 1 of the Commercial Companies Code. The activities of these managing directors are supervised by the non-executive directors.

Moreover, NOVABASE has a general meeting board elected for three-year terms of office, along with a Remuneration Committee appointed by the General Meeting of Shareholders to establish the remuneration of each corporate board member based on the duties performed and the Company's financial status. The Company also designates a Secretary and respective substitute, under the terms of article 446-A of the Commercial Companies Code, to perform the duties established by law.

NOVABASE constantly analyses the implementation of this model in order to refine its corporate governance practices, whenever possible, and tailor the model to the demands and challenges faced by the Company.

FINANCIAL AND STOCK PERFORMANCE RELEVANT INFORMATION

UPDATE ON COVID-19 IMPACTS

The second year of the pandemic has proven to be a year of challenges, with advances and setbacks. 2021 began under a wave of infections and new lockdowns worldwide, but as of the middle of the second quarter, the outlook began to improve. By the end of the year, the pandemic situation worsened again, due to the surge of a new variant.

The Group's Pandemic Task Force continued to support the operations, while taking all necessary health measures to protect the entire community. The evolution of the pandemic was continuously monitored, and implementation of new measures was carried out whenever necessary.

There was no material impact on the direct operating conditions during 2021. The Nearshore Agile Delivery Model enabled sound growth and allowed customer operations to continue seamlessly and smoothly.

The successful experience of working remotely imposed by the pandemic was key for the deployment of a new hybrid working model: NOVABASE's employees may work remotely 60% of their time. The new policy brings the flexibility that NOVABASE considers a strategic imperative for attracting and retaining talent.

In terms of financials, there were also no relevant Covid-19 impacts. Next-Gen thrived in its organic growth and Value Portfolio recorded a recovery, after experiencing some Covid-effects, especially in the second half of 2020.

Other effects of the pandemic include higher complexity in talent retention, delays in the M&A initiatives and challenges in winning new clients, however, the commercial victories achieved during the year are encouraging.

The Board of Directors considers that the liquidity situation and the capital levels are sufficient to continue the Group's activity.

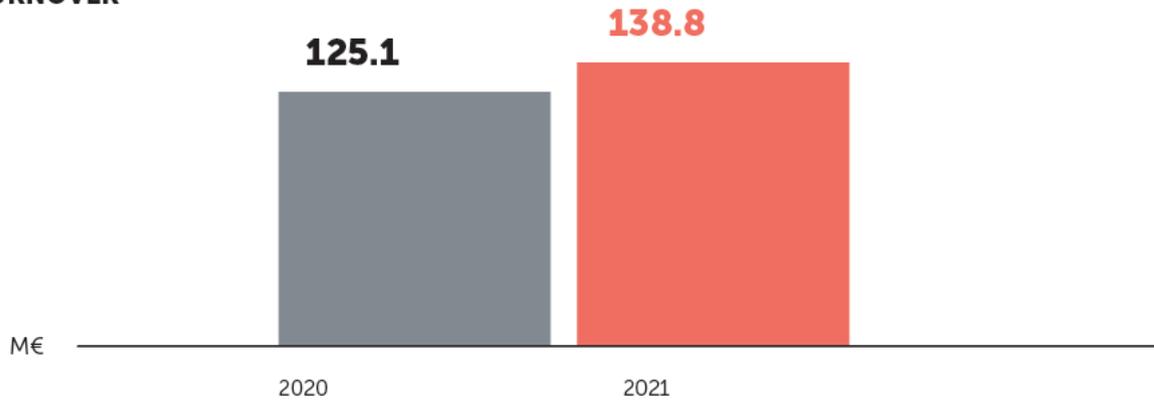
NOVABASE will continue monitoring the pandemic's evolution and giving priority to the implementation of all measures considered adequate to minimise the negative effects on the Group's operations, in line with the recommendations of the authorities and on all stakeholders' best interest.

KEY FIGURES

TURNOVER

Turnover grew by 11% YoY, leveraged by Next-Gen

TURNOVER



BREAKDOWN BY GEOGRAPHY (%) ⁽¹⁾

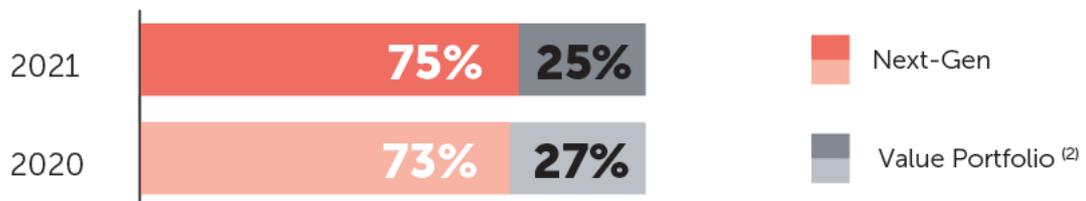


42.6% Vs. 44.8%



57.2% Vs. 55.2%

BREAKDOWN BY SEGMENT (%)



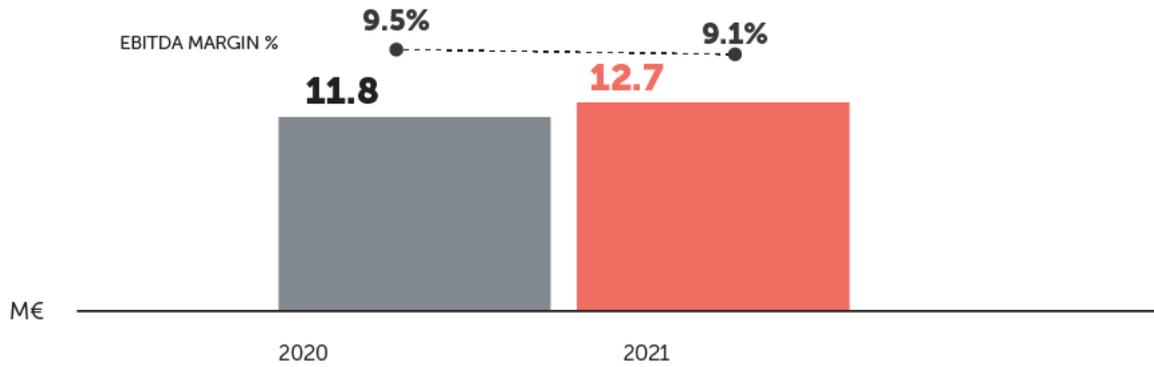
⁽¹⁾ Computed based on the location of the client where the project is delivered.

⁽²⁾ Includes holding / shared services.

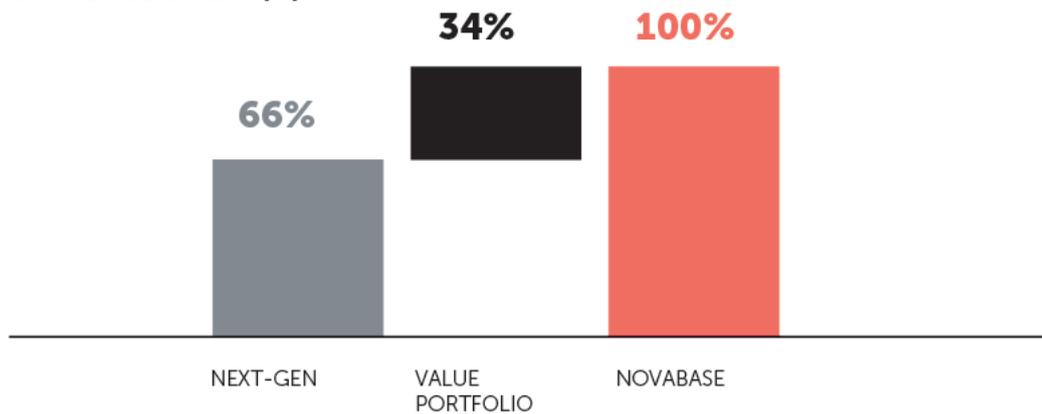
EBITDA

EBITDA increased 7% YoY, with Next-Gen representing $\frac{2}{3}$

EBITDA



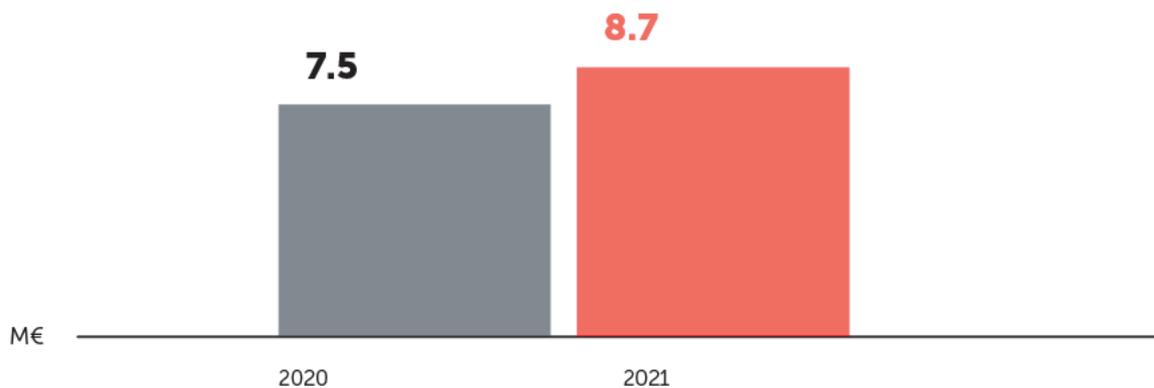
BREAKDOWN BY SEGMENT (%)



NET PROFIT

Net Profit increased 16% YoY, to 8.7 M€

NET PROFIT

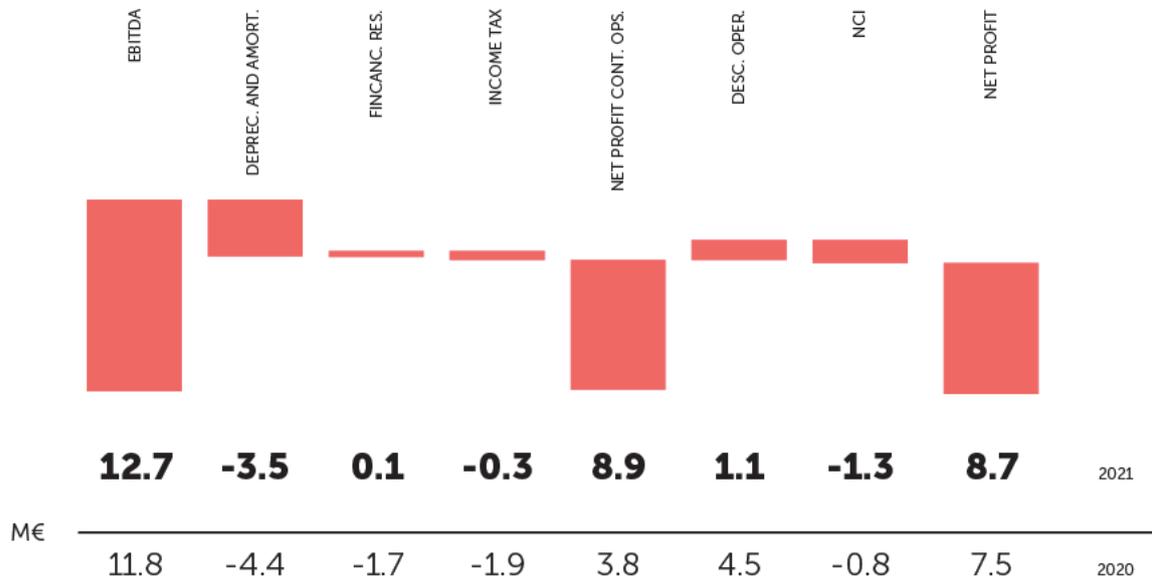


Total Earnings per Share reached 0.28 Euros (0.24 Euros in 2020).

EBITDA TO NET PROFIT

Net Profit from continuing operations shot up approximately 2.3x

EBITDA TO NET PROFIT



Financial results improved 1.8 M€ YoY, due to the exchange differences recorded in foreign operations and re-evaluations of the Venture Capital Funds investments.

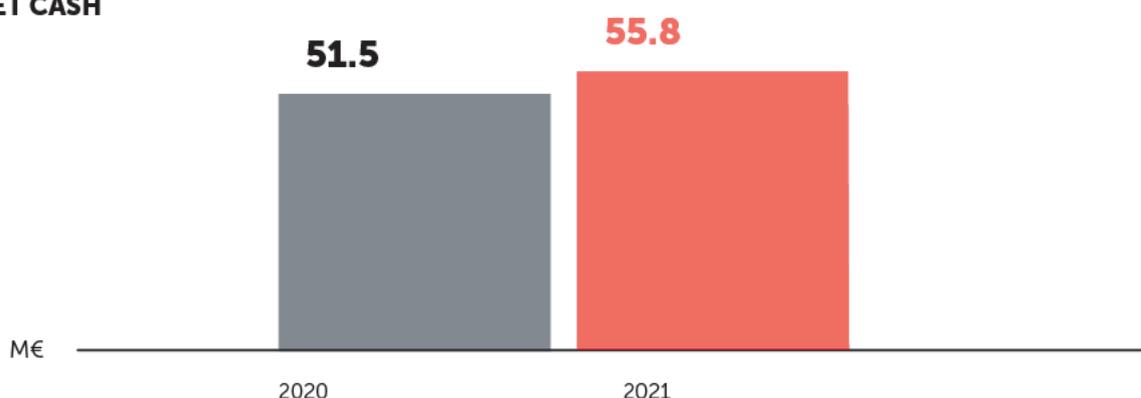
Income Tax increased +1.6 M€ YoY, benefitting from SIFIDE R&D tax incentives.

Discontinued operations, of 1.1 M€ in 2021, comprise R&W provisions reversals and the capital gain adjustment on the sale of Collab (first-year earn-out). In 2020, this heading presented capital gains on the GTE Business and Collab disposals.

NET CASH

Solid Net Cash position of 55.8 M€

NET CASH



NOVABASE presented a comfortable liquidity situation, which will allow it to support the 2019+ Strategy investments and shareholders' remuneration commitments.

There was a cash generation of 4.3 M€ in 2021 primarily driven by solid net cash provided by operating activities, which also comprises the following movements:

- M&A settlement of 4.5 M€, related to the consideration associated to the service hiring guarantees on the acquisition of Celfocus equity stake in 2020, as set out in the agreement;
- Payments to Non-controlling interests of 1.3 M€, including dividends and amounts released following the share capital reduction of Novabase Capital I&I Venture Capital Fund.

From the 55.8 M€ of Net Cash, 3.1 M€ refers to Non-controlling interests (versus 4.3 M€ in 2020).

Net Cash is an Alternative Performance Measure (APM) used by NOVABASE to assist in the analysis of the Company's liquidity and ability to meet commitments. The detail and breakdown of Net Cash is as follows:

AMOUNTS EXPRESSED IN THOUSANDS OF EUROS	2020	2021
Cash and cash equivalents	71,929	68,431
Treasury shares held by the Company ⁽¹⁾	2,172	3,581
Bank borrowings - Non-Current	(16,200)	(9,400)
Bank borrowings - Current	(6,400)	(6,800)
Net Cash	51,501	51,812
Number of treasury shares held by the Company	676,611	699,480
Closing price @ last tradable day (€)	3.210	5.120
Treasury shares held by the Company	2,172	3,581

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

CAPITAL EXPENDITURE

Capex ⁽¹⁾ of 0.9 M€

Consolidated recurring investment amounted to 0.8 M€ in 2021 (0.9 M€ in 2020). This amount, which corresponds to a cash outflow from the balance sheet, refers to acquisitions of property, plant and equipment, essentially IT equipment for operations and furniture.

In 2021, there was also a non-recurring investment of 0.1 M€, which corresponds to a cash outflow from the balance sheet, related to extraordinary or unusual acquisitions of work in progress and computer software.

The non-recurring investment includes additions of right-of-use assets of buildings and vehicles recognised under lease contracts that are non-cash items in the amount of 1.1 M€.

Additionally, and still in the non-recurring investment, there are the disinvestment parts, which correspond to non-cash write-offs related to right-of-use assets of buildings and vehicles in the amount of 2.5 M€ and other tangible assets in the amount of 0.1 M€ negative.

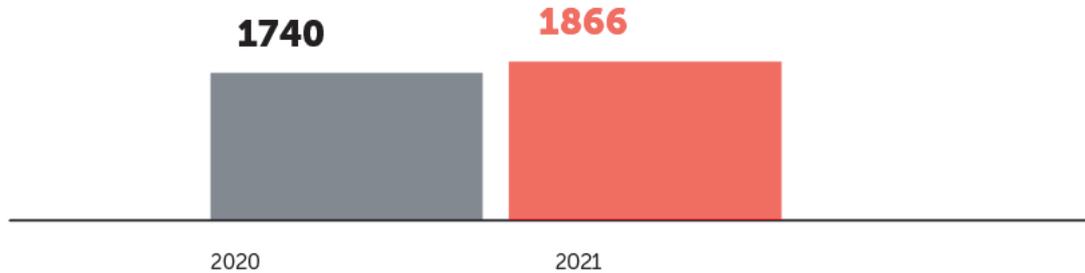
AMOUNTS EXPRESSED IN THOUSANDS OF EUROS	NON-RECURRING	RECURRING	TOTAL
Work in progress	46	-	46
WORK IN PROGRESS	46	-	46
R&D	20	-	20
Industrial Property and Other Rights	2	-	2
INTANGIBLE ASSETS	22	-	22
Transport Equipment / Leasing / OR	-97	-	-97
Other Tangible Assets	-1,391	790	-601
PROPERTY, PLANT AND EQUIPMENT	-1,488	790	-698
TOTAL	-1,420	790	-630

⁽¹⁾ Payments related to the acquisition of property, plant and equipment and intangible assets, disclosed as investment activities in the Consolidated Statement of Cash Flows, which is an integral part of this Annual Financial Report.

TALENT

Talent pool grew 7% YoY

AVERAGE NUMBER OF EMPLOYEES



Despite the shortage of technology talent accelerated by the pandemic, NOVABASE was able to continue hiring and growing its pool of specialists.

In 2021, 157 new university graduates were recruited through Novabase Academy programme (75 in 2020).

SEGMENT INFORMATION

NOVABASE's activity is organised into two operating segments: Next-Gen and Value Portfolio

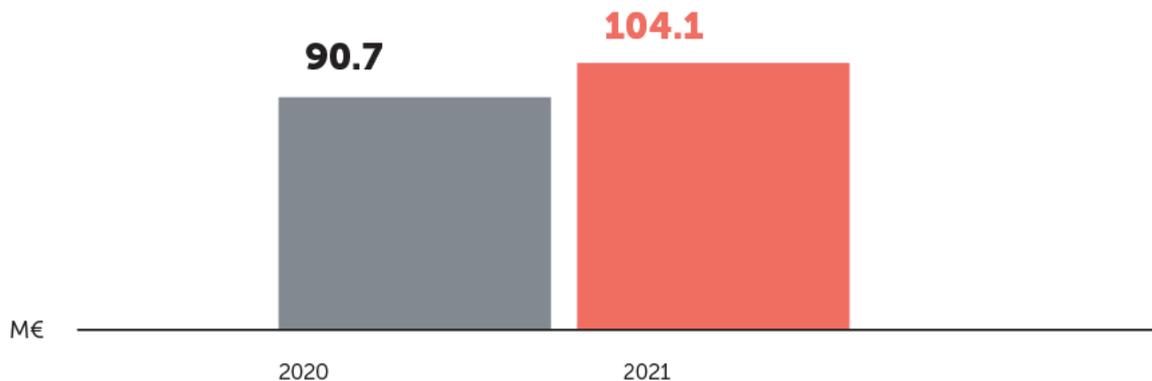
NEXT-GEN: NOVABASE's core segment, which operates under the Celfocus commercial brand according to the new brand architecture. It develops an IT activity with technological offers that tend to be more advanced and targeted mainly to the Financial Services and Telecommunications industries and to the most competitive markets (Europe and the Middle East).

VALUE PORTFOLIO: Segment aggregating the activities of IT Staffing, under the Neotalent commercial brand, and venture capital through Novabase Capital, S.C.R., S.A.. Its objective is to generate funds to support Next-Gen strategy. For reporting purposes, the Group's holding and shared services also belong to Value Portfolio.

- **NEXT-GEN**

Next-Gen's Topline grew at double-digit, +15% YoY

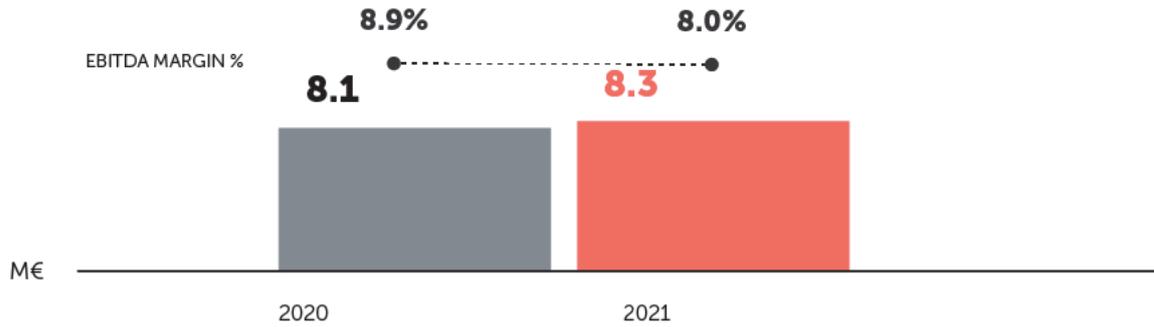
TURNOVER



Growth was fully organic and driven by international operations.

Next-Gen's EBITDA rose 3% YoY

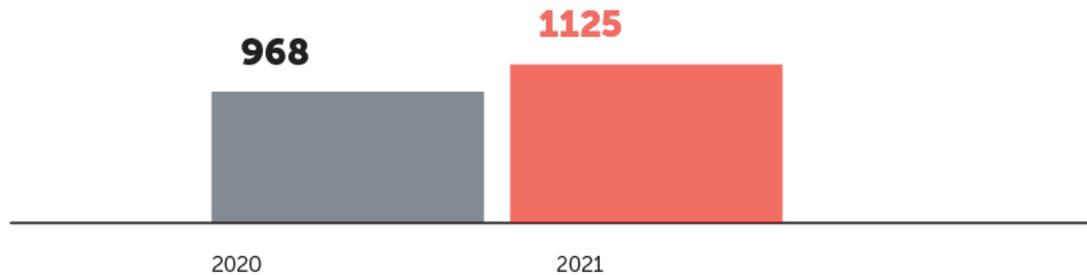
EBITDA



2021 EBITDA incorporates the impacts of strategic and talent management initiatives.

Next-Gen's Talent Pool increased 16% YoY

AVERAGE NUMBER OF EMPLOYEES



Next-Gen already represents 60% of the NOVABASE'S average number of employees, in line with the strategic objectives. Turnover per employee kept in line with the value recorded in 2020.

Attrition rate⁽¹⁾ of Next-Gen was 21.7% in 2021 (11.7% in 2020), reflecting both a correction to the abnormally low values recorded in 2020 and the new labour dynamics driven by fierce competition for scarce talent.

Multi Industry approach delayed due to the pandemic

% OF REVENUES BY INDUSTRY



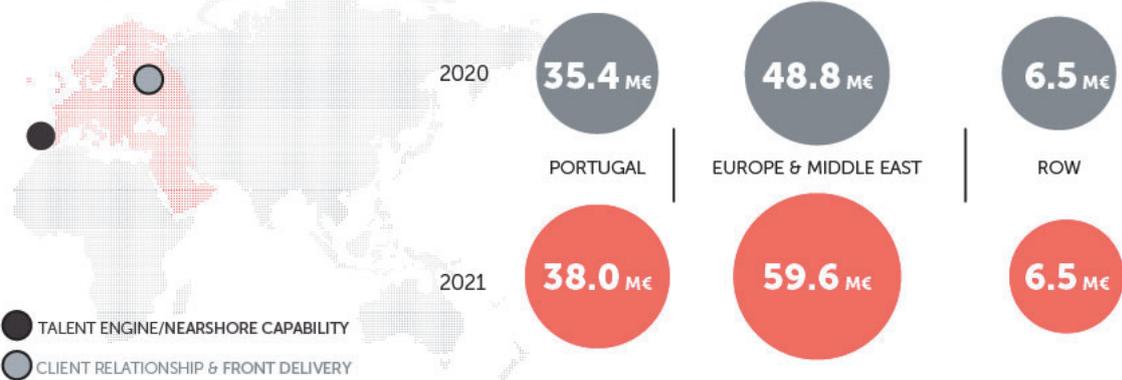
2021 highlights the Next-Gen still focused on Telco.

⁽¹⁾ Determined by the formula: number of leaves at the employee's initiative ÷ average number of employees.

International Turnover increased 20% YoY

64% of Next-Gen’s Turnover was generated outside Portugal.

REVENUES BY GEOGRAPHY



Target markets of Europe & Middle East increased 22% YoY and represented 90% of the segment’s international business. Exposure to Africa declined by 9% YoY.

Top Tier clients Revenues grew by 19% YoY

Next-Gen focused on building long term relationships and in winning new clients committed to digital.



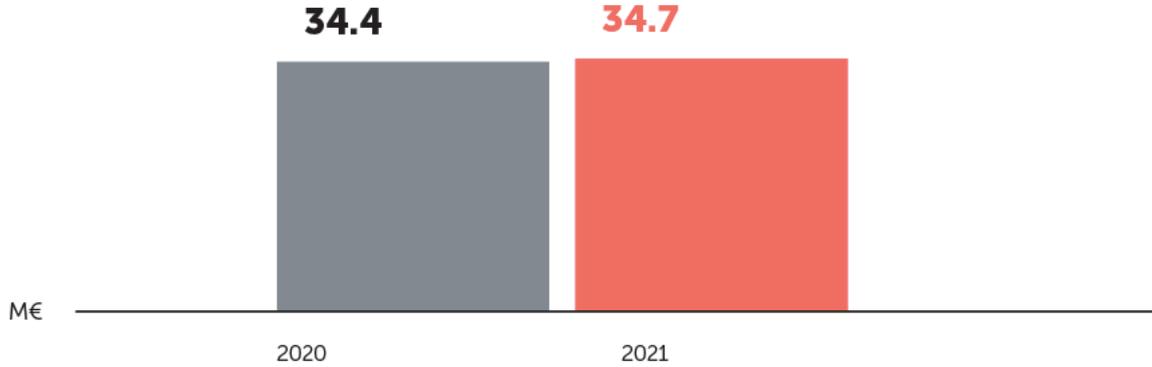
Total number of clients in 2021 increased to 112 (102 in 2020).

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

• **VALUE PORTFOLIO**

Value Portfolio's Turnover 1% above 2020

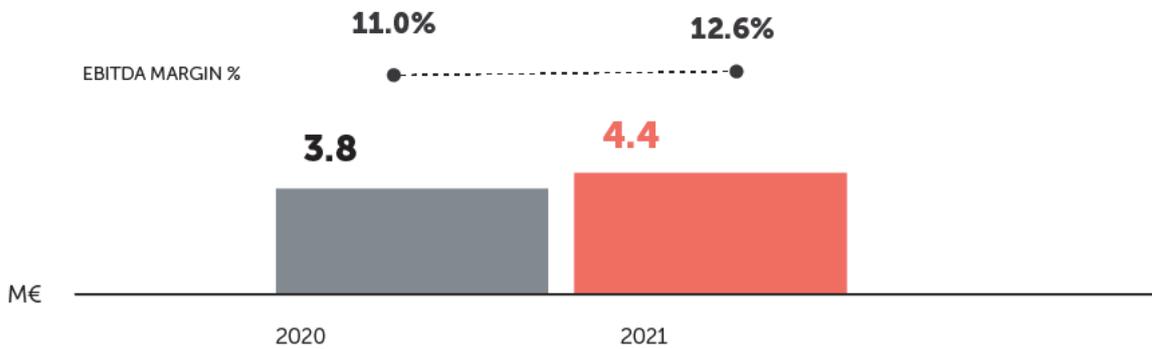
TURNOVER



YoY rise confirms the recovery from the pandemic impacts in the second half of 2020 (mainly in the Spanish market).

Value Portfolio's EBITDA margin increased 160 bps

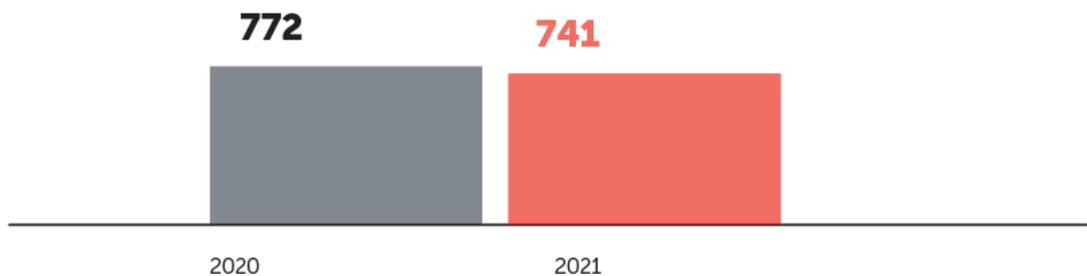
EBITDA



Performance in 2021 reflects the resilience of the IT Staffing business.

Value Portfolio's Talent pool of 741 employees

AVERAGE NUMBER OF EMPLOYEES



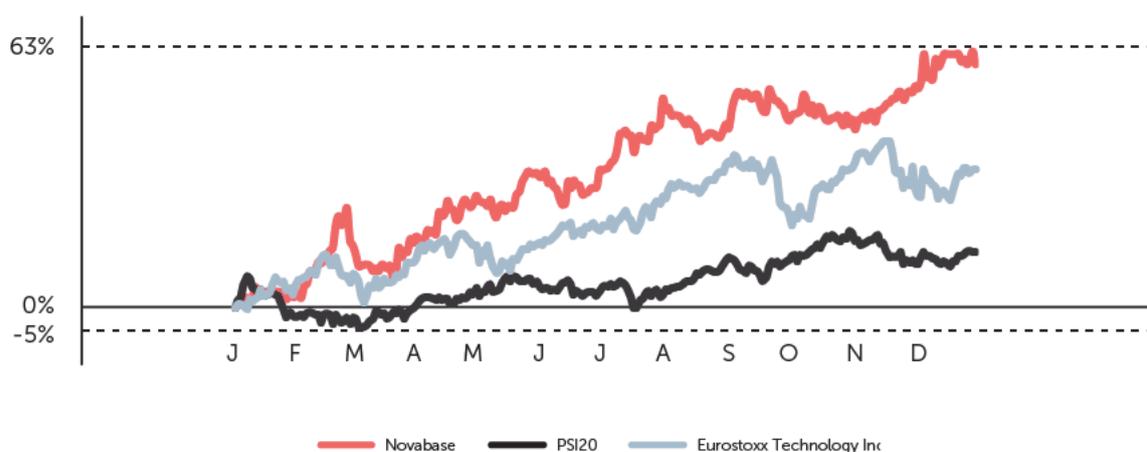
Holding and shared services represented 76 employees in 2021 (versus 82 in 2020).

STOCK PERFORMANCE

NOVABASE share price soared by 60% in 2021

During all 2021, NOVABASE was part of PSI20, the Lisbon stock exchange main index. NOVABASE share price performed clearly above the reference indexes PSI20 and EuroStoxx Technology, which increased 14% and 34%, respectively.

NOVABASE AND THE MARKET



The Board of Directors will propose a remuneration of 0.43 €/share

In 2021 no amounts were distributed to shareholders, due to the uncertainties of the pandemic context.

The Board of Directors will propose to the next General Meeting of Shareholders a remuneration of 0.43 €/share, just over half of the amount yet to be paid until 2023 according to the Strategic Update 2019+ commitment.

NOVABASE acquired around 23 thousand shares in 2021, under the Company's own shares buy-back programme. At 31 December 2021, NOVABASE held 699,480 own shares (2.23% of its share capital).

The average NOVABASE share price weighted by quantity in 2021 was 4.123 Euros per share. 3.6 million shares were traded in all 258 stock exchange sessions in 2021, corresponding to a trading value of 14.6 M€.

Market Capitalisation at the end of 2021 was 160.8 M€, with a ttm Price to Sales of 1.25x. Free Float Velocity ⁽¹⁾ represented 32% (39% in 2020).

At the date of issue of this Report, the average price target disclosed by analysts is 6.35 €, with unanimous recommendation to buy. The average upside is 24%.

⁽¹⁾ Considering a free float of 35% in 2021 and 40% in 2020, calculated according to Euronext criteria.

RISKS

• FINANCIAL RISKS

NOVABASE's activities expose it to a variety of financial risks, namely Foreign exchange risk, Interest rate risk (cash flows and fair value), Credit risk, Liquidity risk and Capital management risk. The Group's overall risk management programme focuses on the evolution of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

At the end of 2021, uncertainty regarding the pandemic decreased, with the latest data pointing to a control of the infection control in Europe and several countries continuing to lighten restrictions.

However, it brought other uncertainties to the financial markets. On the one hand, inflation in the Eurozone speeded up significantly in the last months of the year, mainly due to the spike of energy prices and supply chain problems, increasing the uncertainty regarding a possible interest rate hike by the European Central Bank (ECB). On the other hand, there are more geopolitical risks on the horizon, with the resulting uncertainties.

More information on each of the financial risks to which NOVABASE is exposed to, listed below, can be found in the "Financial risk management policy" note included in the Accounts, an integral part of this Annual Financial Report, and for which reading is advised.

Foreign exchange risk

NOVABASE is exposed to foreign exchange risk, mainly arising from U.S. Dollar, since some subsidiaries perform transactions in this currency, but also arising from Kwanza and British Pound.

The finance department is responsible for monitoring the evolution of exchange rates of the currencies referred above, seeking to mitigate the impact of their fluctuations in consolidated results. Whenever expectations of changes in exchange rates justify it, the Group uses derivative financial instruments to hedge those exposures.

Interest rate risk (cash flows and fair value)

Interest rate risk reflects the possibility of fluctuations in future interest charges in loans obtained, as a result of changes in market interest rate levels.

The Group's financial liabilities are indexed to short-term reference interest rates, revised in periods shorter than one year plus duly negotiated risk spreads. Hence, changes in interest rates can impact NOVABASE's results.

NOVABASE's exposure to interest rates arises from financial assets and liabilities contracted with a fixed and/or floating rate. In the first case, the Group faces a risk of fair value variation in these assets or liabilities, since every change in market rates involves an opportunity cost. In the second case, such change has a direct impact on interest amount, consequently causing cash variations.

Exposure to interest rate risk is monitored continuously by the finance department. The purpose of managing interest rate risk is to reduce the volatility of interest expenses.

Credit risk

NOVABASE's credit risk is managed, simultaneously, on a business units level, for the outstanding amounts of trade and other receivables, and on a Group basis, for financial instruments.

Credit risk arises from cash and cash equivalents, derivative financial instruments, and credit exposures to customers, including outstanding receivables and committed transactions. For banks and financial institutions, only credible and well-rated counterparties are accepted. Credit risk management of trade and other receivables is based in credit limit ranges, taking into account the financial position of the customer and past experience.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash or liquid financial instruments, the availability of financing sources through an adequate amount of committed credit facilities and the possibility to close out market positions.

Management monitors rolling forecasts of NOVABASE's liquidity reserve (which comprises undrawn committed borrowing facilities and cash and cash equivalents) on the basis of expected cash flows, taking into account the analysis of the remaining contractual maturity of the financial liabilities and the expected date of financial assets inflows. Additionally, the maturity concentration of borrowings and liabilities of NOVABASE are regularly monitored.

Capital management risk

NOVABASE's objectives when managing capital, which is a broader concept than the equity disclosed on the face of the consolidated statement of financial position, are:

1. To safeguard the Group's ability to continue as a going concern and hence to provide returns for shareholders and benefits for other stakeholders;
2. To maintain a solid capital structure to support the development of its business;
3. To maintain an optimal capital structure to reduce the cost of capital.

Management monitors the Return on Capital ⁽¹⁾ ratio, which measures NOVABASE's ability to generate cashflows in relation to the capital invested in its business.

⁽¹⁾ Determined by the formula: Operating Profit ÷ Total Equity.

• EMERGING RISKS

In addition to the financial risks inherent to its activity, NOVABASE is also exposed to operational and business risks, which can be materialised into threats and opportunities, and proactively develops adequate mitigation strategies. From those, we highlight:

Cyber-risks

The growing sophistication and integration of technologies increased the companies exposure to several cyber-risks (such as large-scale cyber attacks, violation and destruction of data, etc.), with possible financial, operational and reputational losses. With the Covid-19 pandemic, and consequent increase of homeworking in society at large, exposure to this risk increased considerably.

According to the World Economic Forum (WEF) report released in January 2022, cybercrime worldwide has increased by 31% in 2021. In Portugal, the weekly average of cyber attacks against organisations increased by 81% compared to 2020.

NOVABASE has been reinforcing measures to mitigate this risk, supervised directly by the Chief Information Security Officer, namely by strengthening technological security controls and, furthermore, focusing on training on good Work From Home practices and cybercrime awareness.

Talent Retention risk

NOVABASE's ability to successfully implement the strategy outlined depends on its ability to attract and retain top talent for each position.

The impact of the pandemic combined with the acceleration of digital transformation has brought, and will continue to bring, a profound transformation to the labour market and talent management. The general increase trend in IT wages due to the high demand and shortage of talent in technology, translates into a potential increase in labour costs and consequent increased challenges in employee retention.

NOVABASE's human resources policies are aligned to achieve the strategic objectives, having been adapted and reinforced in view of the new reality. It should be noted, in 2021, the fully digital recruitment of 700 new talents. Also to highlight the launch of the Internal Mobility Programme "Move My Talent" and the deployment of a new hybrid working model, which comprises 60% of remote work, policies aimed at lowering the attrition rate and attracting quality talent.

This area was distinguished in 2021, for the 3rd consecutive year, with the "Innovation in People Management" award, attributed by Human Resources Portugal magazine.

Delivery risk

NOVABASE's policies to address delivery risk include, among others, the following:

- Analysis of each significant commercial proposal in order to reduce possible overselling, considering the available internal capacity;
- Permanent scrutiny of the quality of the team to be allocated to the projects;

- Maintenance of permanent training programmes in technologies (namely in New-Generation information technologies) and project management methodologies.

The Nearshore Agile delivery model that NOVABASE refined in recent years has shown its resilience during the pandemic, proving to be adequate in the post-pandemic period.

Strategic and contextual risks

NOVABASE is not immune to the contingencies of the markets in which it operates, still facing the so-called “strategic and context risks”. The exposure to this risk increased significantly on account of the Covid-19 pandemic, due to its unprecedented social and economic impacts worldwide and the still high level of uncertainty regarding its evolution. Additionally, geopolitical turbulence has increased, creating an enormous unpredictability.

NOVABASE seeks to manage and mitigate these risks through practices of recurring discussion, at the level of the various management chains, on the risks that impact on society / business unit. These discussions address areas of investment / divestment, strategic bets and pending risks at all times, and where the risk appetite at the level of the organisation and its evolution is also discussed.

Risks associated with climate change

While NOVABASE does not have a significant carbon footprint nor is it directly exposed to physical climate change risk, these factors are considered when making investment decisions. NOVABASE’s performance is crucial in the context of generating return for shareholders, as well as in the context of the wider economy and well-being of the broader community in which it operates.

Aware of its role, NOVABASE has been progressively adopting a more rigorous and robust approach to:

- Identify, manage and mitigate climate related risks;
- Identify and maximise climate change generated opportunities;
- Report on how physical and transitional risks associated with climate related risks are managed and what initiatives have been developed, from the point of view of environmental preservation, towards a more sustainable low carbon economy.

Among the implemented policies, we highlight that NOVABASE has an Environmental Management System (ISO 14001) and a policy with environmental requirements pertaining to the acquisition / supply of goods and services.

More information about the initiatives developed, including the evolution of a set of environmental indicators, can be found in the NON-FINANCIAL STATEMENTS section of this Report, and for which reading is advised.

• **OUTLOOK**

The main bets and challenges for 2022 are the growth of both international business and talent pool

NOVABASE's results in 2021 reveal a sound strategy execution under particularly adverse conditions of the Covid-19 pandemic. The main activity indicators posted a good performance, with the double-digit growth in Turnover and the more than doubling of Net Profit from continuing operations to be highlighted.

In the Next-Gen, the international business registered a strong expansion, new flagship clients were won and 16% of new talents were added. Value Portfolio got back to growth and improved profitability, recovering from the impacts of Covid-19 in 2020.

In what is interpreted as a recognition of the creation of value for shareholders, NOVABASE's shares price soared 60% on the stock market in 2021.

The operating results and commercial victories achieved in 2021 bear testament to the resilience of NOVABASE's business model and financial strength.

The main bets for 2022 remain the same: the growth of international business and the talent base. Winning new clients of size, especially in Europe, together with attracting and retaining talent in an increasingly more competitive market are, likewise, the two biggest challenges that NOVABASE faces. Additionally, NOVABASE will keep looking for assets to buy, in order to accelerate its strategy, with a value creation mindset.

Regardless of the uncertain context, NOVABASE believes it is well positioned to seize the opportunities that the current environment provides.

• **SUBSEQUENT EVENTS**

The following relevant facts occurred in 2021 up to the date of issue of this report:

Shareholder remuneration proposal

On 17 February 2022, NOVABASE informed the intention of the Board of Directors to propose, at the 2022 Annual General Meeting of Shareholders, the distribution of EUR 13.5 Million to shareholders. This payment, equal to 155% of the consolidated net profit, represents a remuneration of 43 Euro cents per share.

NOVABASE leaves the PSI20, which is renamed PSI

Euronext announced, in news of 9 March 2022, that NOVABASE will leave the Lisbon stock exchange main index, the PSI20 (where it traded since 23 March 2020), after the markets close on 18 March. This exit takes place within the framework of the new rules of the index, in which the requirement of the lower limit of the free float of market capitalisation of the constituent companies becomes EUR 100 Million. From that date onwards, the name of the index no longer contains the reference 20 and becomes simply PSI.

Situation in Ukraine

On 24 February 2022, the Russian military invasion of Ukraine began, an event that significantly changed expectations for growth and inflation in the Eurozone for the worse. Since then, capital markets have plunged into an environment of great uncertainty, the price of oil has climbed above 100 dollars, the price of other raw materials has also soared, and the stock markets had significant drops. The uncertainty of the war also brings the risk of recession, with the fear that high inflation will be combined with a stagnation of economic growth. The European Commission admits, in particular, that the war and possible retaliation by Russia against the sanctions imposed by the EU will have *"a negative impact on growth, with repercussions on financial markets, new pressures on energy prices, more persistent bottlenecks in the supply chain and confidence effects"*.

NOVABASE considers the situation in Ukraine as a non-adjustable subsequent event. Despite not having economic relations with Russia, NOVABASE is not immune to the economic context in which it operates, so the military invasion of Ukraine by Russia could have an impact on future economic performance. Given the exceptional uncertainty at this stage, it is not possible to quantify the magnitude of the impacts, namely on NOVABASE's activity and profitability during the 2022 financial year.

Transactions by person closely associated to director

NOVABASE received communications from the company IBI - Information Business Integration, AG, collective person closely associated to the director José Sancho García, related to the acquisition by IBI of 60,000 ordinary shares of NOVABASE, representing 0.191% of its share capital and voting rights. The statements further clarify that these acquisitions by IBI are not linked to the exercise of a stock options programme.

CORPORATE BODIES

BOARD OF DIRECTORS

Chairman

Luís Paulo Cardoso Salvado
(Executive)

Members

Álvaro José da Silva Ferreira
(Executive)

María del Carmen Gil Marín
(Non-executive)

José Afonso Oom Ferreira de Sousa
(Non-executive)

Pedro Miguel Quinteiro Marques de Carvalho
(Non-executive)

José Sancho García
(Non-executive)

Madalena Paz Ferreira Perestrelo de Oliveira
(Non-executive)

Rita Wrem Viana Branquinho Lobo Carvalho Rosado
(Non-executive)

OFFICERS OF THE GENERAL MEETING

Chairman

António Manuel da Rocha e Menezes Cordeiro

Secretary

Catarina Maria Marante Granadeiro

DELEGATED DIRECTORS

Luís Paulo Cardoso Salvado

Álvaro José da Silva Ferreira

DIRECTOR WITH SPECIAL RESPONSIBILITIES

María del Carmen Gil Marín

AUDIT BOARD

Chairman

Álvaro José Barrigas do Nascimento

Members

Fátima do Rosário Piteira Patinha Farinha
João Luís Correia Duque

Surrogate

Manuel Saldanha Tavares Festas (surrogate member who is replacing the effective member João Luís Correia Duque, under the terms of article 415.º of the Portuguese Commercial Companies Code)

STATUTORY AUDITOR

Effective Statutory Auditor

KPMG & Associados - S.R.O.C., S.A. represented by Susana de Macedo Melim de Abreu Lopes

Surrogate Statutory Auditor

Maria Cristina Santos Ferreira

REMUNERATION COMMITTEE

Chairman

Francisco Luís Murteira Nabo

Members

Pedro Miguel Duarte Rebelo de Sousa
João Francisco Ferreira de Almada e Quadros Saldanha

COMPANY'S SECRETARY

Marta Isabel dos Reis da Graça Rodrigues do Nascimento
Carolina Duarte Simões Pereira Barrueca (Surrogate)

PROPOSAL FOR THE ALLOCATION OF PROFITS

Whereas:

1. The Company, in the financial year 2021, recorded in the individual accounts a positive net result of € 1,025,507.61 (one million, twenty-five thousand, five hundred and seven euros and sixty-one cents);
2. Notwithstanding, the Company's individual accounts as at 31 December 2021 show negative retained earnings of € 5,843,725.47 (five million, eight hundred and forty-three thousand, seven hundred and twenty-five euros and forty-seven cents).

In accordance with legal and statutory provisions, the Board of Directors proposes that the positive net profit for the year of € 1,025,507.61 (one million, twenty-five thousand, five hundred and seven euros and sixty-one cents) be transferred to retained earnings, to cover part of the existing retained losses.

Lisbon, 27 April 2022

The Board of Directors



ANNEXES TO THE MANAGEMENT REPORT

LIST OF SHAREHOLDERS WITH QUALIFYING STAKES AS AT 31 DECEMBER 2021

(Under the terms of section b) of paragraph 1 of article 8 of the Portuguese Securities Market Commission - CMVM – Regulation no. 5/2008, with the identification of the respective allocation of voting rights in accordance with paragraph 1 of article 20 of the Portuguese Securities Code)

The holdings identified below correspond to the last positions notified to the Company with reference to 31 December 2021 or a previous date.

There are no categories of shares with special rights.

HOLDERS	NO. SHARES	% SHARE CAPITAL AND VOTING RIGHTS
HNB - S.G.P.S., S.A. ⁽¹⁾	10,810,823	34.43%
Pedro Miguel Quinteiro Marques de Carvalho	2,097,613	6.68%
Luís Paulo Cardoso Salvado ⁽¹⁾	1	0.00%
Álvaro José da Silva Ferreira ⁽¹⁾	1	0.00%
José Afonso Oom Ferreira de Sousa ⁽¹⁾	1	0.00%
Holding under the Shareholders Agreement concerning NOVABASE ⁽²⁾	12,908,439	41.11%
Partbleu, Sociedade Gestora de Participações Sociais, S.A. ⁽³⁾	3,180,444	10.13%
IBI - Information Business Integration, A.G. ⁽⁴⁾	4,549,188	14.49%
Lazard Frères Gestion SAS	1,570,870	5.00%
TOTAL	22,208,941	70.73%

⁽¹⁾ 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 executed a shareholder's agreement concerning the entirety of the share capital of this company.

⁽²⁾ The total holding is attributed to José Afonso Oom Ferreira de Sousa, Luís Paulo Cardoso Salvado, Álvaro José da Silva Ferreira and Pedro Miguel Quinteiro Marques de Carvalho, under the terms of the Shareholders Agreement concerning NOVABASE described in item 6 of the Corporate Governance Report, attached to this Management Report.

⁽³⁾ When NOVABASE was notified of this holding, it was informed that this company was indirectly held in 72% by Mr. Miguel Pais do Amaral, and therefore the corresponding voting rights were attributed to him.

⁽⁴⁾ When NOVABASE was notified of this holding, it was informed that José Sancho García is the controlling shareholder of this company, and therefore the corresponding voting rights are attributed to him.

During 2021, NOVABASE did not maintain any significant business relationship with shareholders with qualifying stakes or entities that, as far as the Company is aware, are or were related to them.

INFORMATION CONCERNING STAKES HELD BY MEMBERS OF THE BOARD OF DIRECTORS AND SUPERVISORY BODIES AS AT 31 DECEMBER 2021

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

The shareholding of each of these members of the Corporate Boards corresponds to the last position notified to the Company with reference to 31 December 2021 or a previous date. The responsibilities of each of these Corporate Bodies are described in the CORPORATE BOARDS section of this Report.

HOLDERS	NO. SHARES	% SHARE CAPITAL AND VOTING RIGHTS
Pedro Miguel Quinteiro Marques de Carvalho	2,097,613	6.68%
Manuel Saldanha Tavares Festas	74,986	0.24%
María del Carmen Gil Marín	23,001	0.07%
João Luis Correia Duque	500	0.00%
Luís Paulo Cardoso Salvado ⁽¹⁾	1	0.00%
Álvaro José da Silva Ferreira ⁽¹⁾	1	0.00%
José Afonso Oom Ferreira de Sousa ⁽¹⁾	1	0.00%
José Sancho Garcia ⁽²⁾	0	0.00%
Madalena Paz Ferreira Perestrelo de Oliveira	0	0.00%
Rita Wrem Viana Branquinho Lobo Carvalho Rosado	0	0.00%
Álvaro José Barrigas do Nascimento	0	0.00%
Fátima do Rosário Piteira Patinha Farinha	0	0.00%
KPMG & Associados - S.R.O.C., represented by Susana de Macedo Melim de Abreu Lopes ⁽³⁾	0	0.00%
Maria Cristina Santos Ferreira	0	0.00%
TOTAL	2,196,103	6.99%

⁽¹⁾ Luís Paulo Cardoso Salvado, Álvaro José da Silva Ferreira and José Afonso Oom Ferreira de Sousa are shareholders of HNB – S.G.P.S., S.A., where they hold management positions. HNB – S.G.P.S., S.A. held 10,810,823 shares representing 34.43% of NOVABASE's share capital and respective voting rights at 31 December 2021.

⁽²⁾ José Sancho García is the controlling shareholder of IBI - Information Business Integration, A.G., company that held 4,549,188 shares representing 14.49% of NOVABASE's share capital and respective voting rights at 31 December 2021.

⁽³⁾ Until 22 December 2021, it was represented by partner Paulo Alexandre Martins Quintas Paixão.

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

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

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

MANAGEMENT TRANSACTIONS

(Under the terms of European Union market abuse regulation)

During 2021, the following transactions on NOVABASE shares were carried out by the persons falling under the scope of article 447 of the Portuguese Companies Code:

DIRECTOR / CLOSELY ASSOCIATED PERSON	TRANSACTION	DATE	LOCATION	NO. SHARES	PRICE PER SHARE (€)
HNB – S.G.P.S., S.A.	Acquisition	13/01/2021	Outside regulated market	650,924	3.300
HNB – S.G.P.S., S.A.	Acquisition	28/05/2021	Outside regulated market	1,025,070	3.715
IBI - Information Business Integration, A.G	Acquisition	24/06/2021	Outside regulated market	341,690	3.715
Rent Profit, S.L. ⁽¹⁾	Disposal	30/07/2021	Euronext Lisbon	10	4.530
José Sancho García / Pilar Thomas Ríos ⁽²⁾	Disposal	30/07/2021	Euronext Lisbon	3,704	4.561
IBI - Information Business Integration, A.G	Acquisition	30/07/2021	Euronext Lisbon	3,714	4.509
IBI - Information Business Integration, A.G	Acquisition	08/11/2021	Euronext Lisbon	40,208	4.650
IBI - Information Business Integration, A.G	Acquisition	09/11/2021	Euronext Lisbon	59,792	4.750
IBI - Information Business Integration, A.G	Acquisition	15/11/2021	Euronext Lisbon	1,634	4.744
IBI - Information Business Integration, A.G	Acquisition	17/11/2021	Euronext Lisbon	12,905	4.746

⁽¹⁾ Company managed and administered by the spouse of the director José Sancho García.

⁽²⁾ These shares were deposited in a securities account jointly held by the aforementioned director and his spouse Pilar Thomas Ríos.

OWN SHARES TRANSACTIONS

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

At 31 December 2020, NOVABASE held 676,611 own shares, representing 2.15% of its share capital.

Following the resolution of the Board of Directors of 22 July 2021, regarding to the attribution of options over NOVABASE shares under the stock options plan of the Company, NOVABASE started trading, on 29 September 2021, in the context of the buy-back programme of own shares ("Buy-back Programme"), pursuant to the terms and limitations set forth in the Annual General Meeting of Shareholders of NOVABASE held on the 25 May 2021.

The maximum number of shares to be acquired under the scope of this buy-back program is 270,000 shares, corresponding to the estimated number of shares necessary to settle the options granted.

During 2021, NOVABASE acquired 22,869 own shares on the market, under this buy-back programme, at the average net price of 4.85 Euros.

At 31 December 2021, NOVABASE held 699,480 own shares, representing 2.23% of its share capital and voting rights to which the own shares held would correspond.

Without prejudice, 91,539 shares of the aforementioned 699,480 own shares were attributed during 2020 to Paulo Jorge de Barros Trigo, at the time executive director, following the exercise of NOVABASE ordinary stock options that he held. The shares corresponding to the options exercised will be retained by NOVABASE for a three-year period from the respective exercise, and their ownership will only be transferred once such period has elapsed and conditioned to the positive performance of the Company during the same period.

During 2021, NOVABASE shares always had a nominal value of 1.74 Euros.

Own shares transactions are detailed below:

TRANSACTION	DATE	LOCATION	NO. SHARES	PRICE PER SHARE (€)
Acquisition	30/09/2021	Euronext Lisbon	95	4.710
Acquisition	5/10/2021	Euronext Lisbon	511	4.730
Acquisition	7/10/2021	Euronext Lisbon	64	4.750
Acquisition	7/10/2021	Euronext Lisbon	121	4.750
Acquisition	7/10/2021	Euronext Lisbon	122	4.750
Acquisition	7/10/2021	Euronext Lisbon	121	4.750
Acquisition	7/10/2021	Euronext Lisbon	121	4.750
Acquisition	7/10/2021	Euronext Lisbon	48	4.750
Acquisition	7/10/2021	Euronext Lisbon	114	4.680
Acquisition	7/10/2021	Euronext Lisbon	119	4.680
Acquisition	8/10/2021	Euronext Lisbon	1,771	4.800
Acquisition	11/10/2021	Euronext Lisbon	250	4.810
Acquisition	11/10/2021	Euronext Lisbon	250	4.810
Acquisition	13/10/2021	Euronext Lisbon	560	4.700
Acquisition	13/10/2021	Euronext Lisbon	256	4.700
Acquisition	15/10/2021	Euronext Lisbon	1,200	4.680
Acquisition	15/10/2021	Euronext Lisbon	83	4.660
Acquisition	15/10/2021	Euronext Lisbon	83	4.670
Acquisition	18/10/2021	Euronext Lisbon	210	4.700
Acquisition	18/10/2021	Euronext Lisbon	45	4.700
Acquisition	20/10/2021	Euronext Lisbon	150	4.680
Acquisition	20/10/2021	Euronext Lisbon	129	4.680
Acquisition	22/10/2021	Euronext Lisbon	195	4.700
Acquisition	22/10/2021	Euronext Lisbon	245	4.700
Acquisition	25/10/2021	Euronext Lisbon	911	4.680

TRANSACTION	DATE	LOCATION	NO. SHARES	PRICE PER SHARE (€)
Acquisition	25/10/2021	Euronext Lisbon	1,000	4.690
Acquisition	26/10/2021	Euronext Lisbon	22	4.640
Acquisition	26/10/2021	Euronext Lisbon	20	4.640
Acquisition	8/11/2021	Euronext Lisbon	16	4.610
Acquisition	8/11/2021	Euronext Lisbon	5	4.610
Acquisition	8/11/2021	Euronext Lisbon	1	4.610
Acquisition	9/11/2021	Euronext Lisbon	250	4.660
Acquisition	9/11/2021	Euronext Lisbon	210	4.650
Acquisition	9/11/2021	Euronext Lisbon	15	4.680
Acquisition	9/11/2021	Euronext Lisbon	10	4.680
Acquisition	17/11/2021	Euronext Lisbon	300	4.750
Acquisition	17/11/2021	Euronext Lisbon	300	4.750
Acquisition	17/11/2021	Euronext Lisbon	400	4.750
Acquisition	17/11/2021	Euronext Lisbon	125	4.750
Acquisition	17/11/2021	Euronext Lisbon	48	4.750
Acquisition	17/11/2021	Euronext Lisbon	827	4.750
Acquisition	18/11/2021	Euronext Lisbon	1,500	4.790
Acquisition	19/11/2021	Euronext Lisbon	50	4.770
Acquisition	19/11/2021	Euronext Lisbon	200	4.770
Acquisition	23/11/2021	Euronext Lisbon	45	4.800
Acquisition	23/11/2021	Euronext Lisbon	75	4.800
Acquisition	24/11/2021	Euronext Lisbon	77	4.860
Acquisition	26/11/2021	Euronext Lisbon	76	4.810
Acquisition	29/11/2021	Euronext Lisbon	179	4.810
Acquisition	3/12/2021	Euronext Lisbon	100	4.960
Acquisition	3/12/2021	Euronext Lisbon	100	4.940
Acquisition	3/12/2021	Euronext Lisbon	1,250	4.940

TRANSACTION	DATE	LOCATION	NO. SHARES	PRICE PER SHARE (€)
Acquisition	3/12/2021	Euronext Lisbon	1,950	4.940
Acquisition	3/12/2021	Euronext Lisbon	900	4.930
Acquisition	6/12/2021	Euronext Lisbon	22	4.890
Acquisition	6/12/2021	Euronext Lisbon	35	4.890
Acquisition	6/12/2021	Euronext Lisbon	100	4.890
Acquisition	6/12/2021	Euronext Lisbon	40	4.890
Acquisition	8/12/2021	Euronext Lisbon	45	5.060
Acquisition	8/12/2021	Euronext Lisbon	124	5.060
Acquisition	8/12/2021	Euronext Lisbon	83	5.060
Acquisition	9/12/2021	Euronext Lisbon	10	5.080
Acquisition	9/12/2021	Euronext Lisbon	2	5.020
Acquisition	10/12/2021	Euronext Lisbon	250	5.100
Acquisition	10/12/2021	Euronext Lisbon	34	5.020
Acquisition	13/12/2021	Euronext Lisbon	10	5.020
Acquisition	16/12/2021	Euronext Lisbon	500	5.080
Acquisition	16/12/2021	Euronext Lisbon	2,000	5.080
Acquisition	20/12/2021	Euronext Lisbon	241	5.120
Acquisition	20/12/2021	Euronext Lisbon	524	5.120
Acquisition	27/12/2021	Euronext Lisbon	24	5.120
Acquisition	29/12/2021	Euronext Lisbon	1,000	5.120

NON-FINANCIAL STATEMENTS

PART I – INFORMATION ON POLICIES

A. INTRODUCTION | THE NOVABASE GROUP

Pursuant to article 508-G of the Commercial Companies Code, as amended by Decree Law no. 89/2017 of 28 July, which transposed Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014 into Portuguese legislation, NOVABASE explains in this document the “information for a sufficient understanding of the developments, performance, position and impact of the group’s activities, at minimum with regard to environmental, social and employee-related issues, equality between men and women, non-discrimination, respect for human rights and fighting corruption and attempted bribery” in relation to the NOVABASE Group for the year ending 31 December 2021.

Information on the NOVABASE Group’s business and corporate structure is available in the 2021 Annual Report and Accounts (Notes to the Consolidated Financial Statements for the year ending 31 December 2021), as well as in the 2021 Corporate Governance Report (Part I, Section B., Point 21).

B. BUSINESS MODEL

This information is described in Part I, Letter B., Section II. “ADMINISTRATION AND SUPERVISION (Board of Directors, Executive Board of Directors and General and Supervisory Board)” from the 2021 Corporate Governance Report.

C. MAIN RISK FACTORS

The NOVABASE Group is subject to both standard market risks and specific risks related to its business. NOVABASE believes that the risk management policy is of vital importance in running and developing a business which has historically had a higher risk appetite profile, since this is intrinsically necessary in such a dynamic and disruptive sector.

NOVABASE also has internal control systems and procedures to prevent and manage risks within the context of its organization and activities.

Additional information on NOVABASE’s internal control and risk management can be found in Part I, Letter C, Section III. “Internal Control and Risk Management” of the 2021 Corporate Governance Report.

D. POLICIES IMPLEMENTED

i. Environment

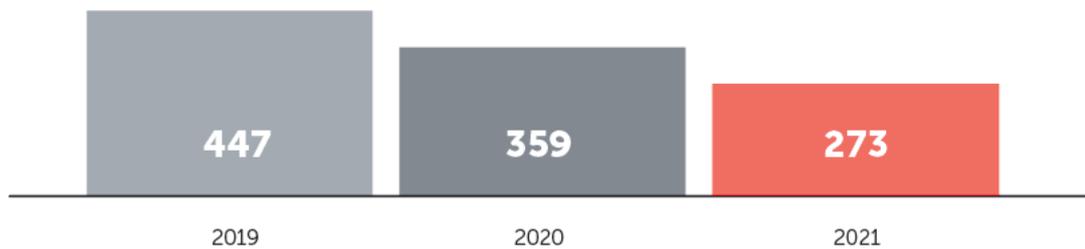
NOVABASE has implemented an Environmental Management System (ISO 14001) as part of its Integrated Management System (Quality, Environment, Occupational Health and Safety). The Integrated Management System is governed by a policy which has been incorporated into NOVABASE's vision and values and aligned with the needs of stakeholders. Internal and external audits are done annually, the latter by certifying entities. As in 2020, no non-conformities were found in 2021.

NOVABASE has a policy which identifies environmental and safety requirements to be met for the acquisition/provision of goods and services.

NOVABASE monitors a number of indicators: consumption of electricity, thermal energy, water, diesel and gas; recycling of plastic, cardboard, paper and glass; and the emission of greenhouse gases.

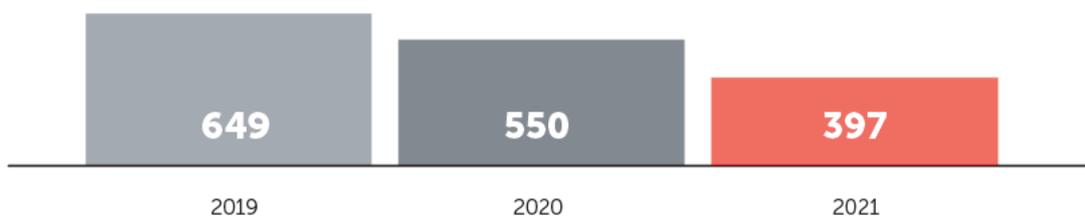
In view of the remote work and/or working from home imposed by rules to fight the Covid-19 pandemic, the following indicators were of note in 2021:

ELECTRICITY CONSUMPTION MW/H



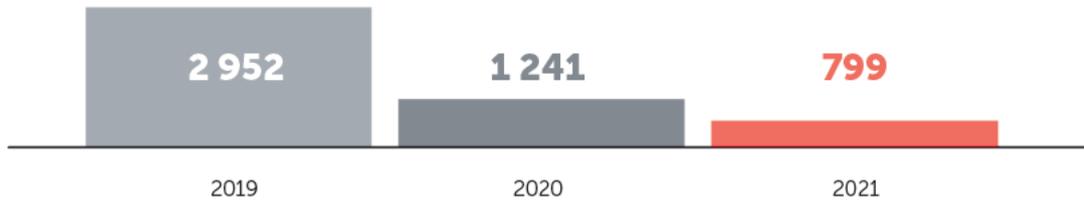
Measures implemented: Centralized Management System to control operating times, replacement of all fluorescent lighting with LED lighting.

THERMAL ENERGY CONSUMPTION IN MW



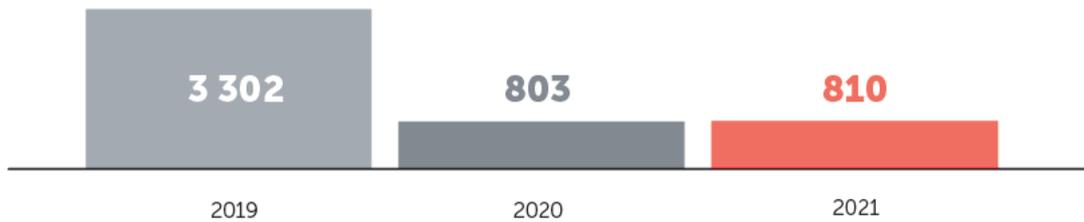
Measures implemented: Centralized Management System to control operating times of the climate control system.

WATER CONSUMPTION M3



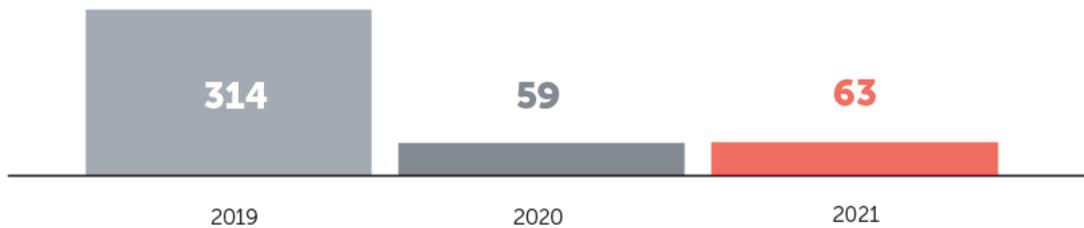
Measures implemented: decreased water flow and installation of regulating valves in faucets.

TOTAL PAPER CONSUMPTION IN KG



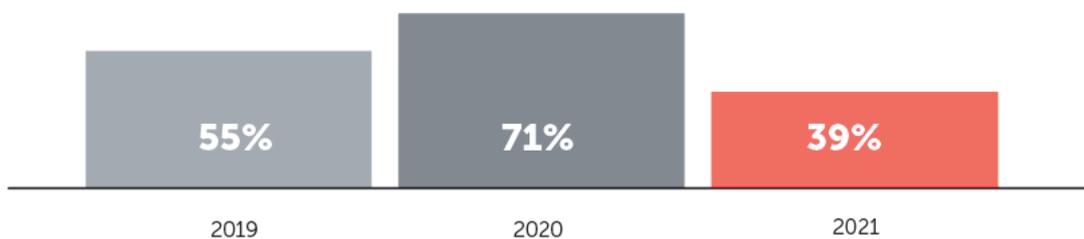
Measures implemented: Awareness on decreasing the use of paper.

PLASTIC PRODUCTION IN KG

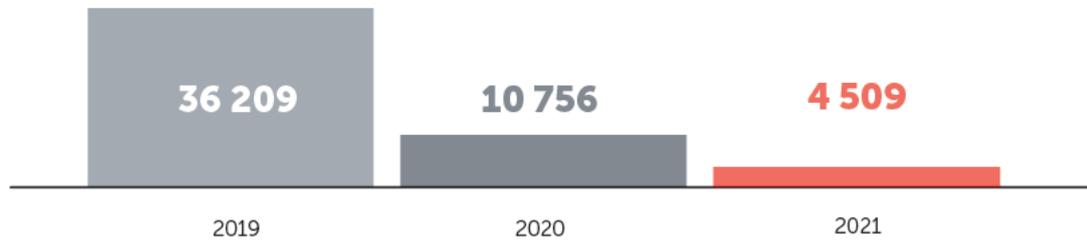


Measures implemented: Replacement of disposable plastic with reusable materials (glass).
The recycling rate went down significantly, while the volume of waste was also reduced.

RECYCLING RATE

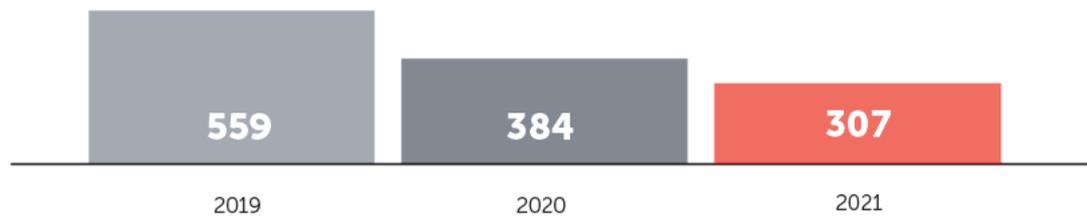


AMOUNT OF WASTE IN KG



With regard to emissions:

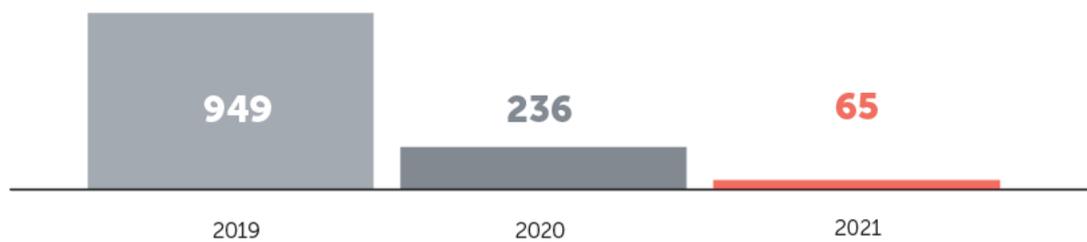
EMISSIONS T/CO2 FLEET



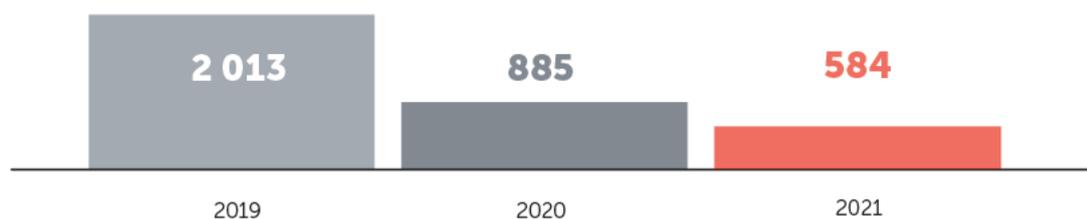
NOVABASE’s fleet has environmentally-friendly vehicles, as shown in the following table:

VEHICLE TYPE	2019	2020	2021
Hybrid	0	0	0
Hybrid Plug In	19	21	43
Electric	4	3	8

EMISSIONS T/CO2 AIR TRAVEL



EMISSIONS T/CO2 FUEL, AIR TRAVEL AND BUILDINGS



In addition to measures already known (e.g. remote meetings, video calls, the existence of offices in other regions), other measures to offset these emissions are being analysed.

In 2020/2021, NOVABASE was part of the “A Tree for the Forest” reforestation campaign (Quercus/CTT). The amounts received for the recovery of toners and ink cartridges sent for recycling were used for the acquisition of kits with native trees and/or shrubs, which will be planted in spring in protected zones or areas affected by fire.

ii. Social and Fiscal

NOVABASE has implemented a number of measures aimed at well-being and a balance between the professional, family and personal lives of its employees. Some noteworthy measures include: Online fitness classes, webinars on the topic of mental health, preventive eye care, campaign to quit smoking, osteopathy appointments, psychology appointments to help those in need (with guaranteed anonymity).

NOVABASE implemented the “Second Life” program for equipment at the end of its professional life, allowing NOVABASE Group employees to use this equipment at home. 70 pieces of equipment were sold in 2021.

In 2021, NOVABASE developed and participated in several welfare initiatives, including the following:

- Almada-Seixal Health Centre Group, the Seixal Municipality “Via Verde Saúde” (VVS) service for users without a family physician:

- 7 laptops;
- 6 monitors.

- Celfocus

- “Zero Waste Policy”: meaning that any material sent or given to the people of Celfocus should have a utility and useful life beyond the time denoted. Being useful and reusable is a matter of principle.
- Volunteer program: allowing everyone to take one work day to volunteer at an institution of their choice.

The results of the initiatives carried out in 2021 were:

- Volunteer Day – 91 hours of volunteering by 16 employees.
- Donation of technology equipment:
 - Student Keep – 7 computers + 7 monitors
 - 12 Workstations – monitors + computers
- Collection and donation of non-food items:
 - Portuguese Refugee Council

- Senhora da Conceição Parish Church
 - Angels Animal Shelter
 - Society of Saint Vincent de Paul (SSVP) volunteer organization – Senhora da Hora.
- Neotalent
 - Donation to Banco do Bebê - Neotalent supported this association by donating articles of clothing and toiletries needed for the layettes of newborns, who are often born without essential fundamental items for their first months of life. Banco do Bebê, headquartered at the Alfredo da Costa maternity ward, also needed technology equipment (such as cell phones to install apps which could be used via wireless), allowing contact between mothers and their families.

In total, the following were donated:

- 50 articles of clothing
 - 50 toiletry articles
 - 8 packages of infant formula
 - 6 baby bottle sterilizers
 - 1 breast pump
 - 1 wireless landline phone
 - 6 cell phones
- Donation to Just a Change - through the Association of Professional Spanish Women in Lisbon (AMPEL), presided over by a Neotalent employee, Neotalent sponsored a drawing in the benefit raffle. This initiative raised funds for a non-profit organization as part of AMPEL's Solidarity Christmas Dinner. Neotalent donated a pack of "Odisseias" experiences which, together with other raffle items, helped to raise €1,600 (one thousand, six hundred euros) for the Just a Change association, which is dedicated to rehabilitating the homes of needy people and families in Portugal, thanks to the mobilization of volunteers from various countries.

iii. Employees and Gender Equality and Non-Discrimination

Council of Ministers Resolution no. 19/2012 of 08 March 2012 requires the mandatory adoption of an equality plan by all entities in the state corporate sector, with a view to achieving equal treatment and equal opportunities between men and women, eliminating discrimination and reconciling personal, family and professional life.

This obligation was extended to listed companies through Law no. 62/2017 of 1 August, which passed the scheme for equal representation between men and women in the managing and supervisory boards of entities from the corporate public sector and listed companies. Article 7 of this law establishes the obligation to prepare annual equality

plans “aimed at effectively achieving equal treatment and equal opportunities between men and women, eliminating gender discrimination and reconciling personal, family and professional life”.

In this context, on 15 September 2021, NOVABASE presented a new version of its Gender Equality and Diversity Plan with measures and practices for the years 2021/2022, including the following:

- Continued use and promotion of inclusive language both inside and outside the company;
- Give-away of book “O Longo Caminho para a Igualdade (“The Long Way To Equality”) to new employees in onboarding kit;
- Communication and awareness activities;
- Consolidation of partnership with Valor T (employment agency for disabled persons);
- Sharing and dissemination of mentoring programs, namely the PWN program.

The key indicator is the proportion of men and women vis-à-vis all employees, which should tend to be balanced. In 2021, this indicator had a proportion of 69% men and 31% women, slightly different from 2020 when the proportion was 68% men and 32% women.

At NOVABASE, we believe in equal opportunities and mutual respect regardless of ethnicity, gender, religion, beliefs, social background or sexual orientation. These differences tend to enhance the quality of decision-making processes through multiple perspectives, greater intellectual and cultural richness and a better representation of reality and of those involved.

For this reason, we also believe that diversity in our corporate boards helps to improve NOVABASE’s performance and competitiveness. As such, we are committed to the following policy:

- Compliance with Law no. 62/2017 of 01 August, since gender diversity provides different management styles and complementary approaches;
- With regard to age, there must be a balance between experience and maturity and the youth and energy needed for the fast-paced innovation of our highly dynamic sector (information technologies);
- With regard to qualifications and education, in addition to areas associated with technology, various other areas of knowledge must also be represented, in view of the mounting importance of multidisciplinary in team performance.

NOVABASE will monitor this policy’s implementation, in accordance with its corporate governance model, and will review it whenever deemed appropriate.

iv. Human Rights

NOVABASE ensures and has specific principles related to (i) respecting human rights (ii) collective bargaining, and (iii) guaranteed non-existence of child and forced/mandatory labour. It has a Code of Conduct, which was reviewed and approved by the Board of Directors in 2021, to solidify these principles. This Code lays out the principles and rules governing NOVABASE's relationships with its stakeholders, in the broadest sense. They represent a commitment to NOVABASE's customers and partners, but also a commitment by and to its employees in terms of how they relate with the company and among themselves. It covers a range of topics from integrity, transparency, respect, health and safety, the use of information, intellectual property, the use of resources, social and environmental responsibility, managing conflicts of interest, corruption and bribery, including various aspects such as legal compliance, best environmental and labour practices, including human rights, and applying these principles in third-party procurement. The Code of Conduct is available at the website's institutional area and on the Intranet. Our ethical concerns also extend to our suppliers and partners. The principles and rules described in NOVABASE's Code of Conduct must be strictly followed by any partner or supplier working with NOVABASE, and incorporated into their day-to-day routines. In its contractual agreements with suppliers, NOVABASE includes a commitment to adhere to NOVABASE's Code of Conduct.

v. Anti-Corruption and Attempted Bribery

NOVABASE has adopted a whistleblowing system for reporting irregularities (known as "SPI") that may occur within the Group. Any report of irregularities made through the SPI is directed to a member of the Audit Board specifically designated for this purpose. Additional information on reporting irregularities through NOVABASE's SPI can be found in Part I, Letter B., Section II. "WHISTLEBLOWING" of the 2021 Corporate Governance Report.

Also in 2021, Law no. 93/2021 of 20 December was published establishing the general scheme for protecting whistleblowers, transposing Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 into the Portuguese legal system. Given that this law will enter into force 180 days after the publication of the legal instrument, NOVABASE is currently weighing up amendments made regarding the protection of whistleblowers, in order to adapt its current SPI to comply with the new legal requirements.

Council of Ministers Resolution no. 37/2021 of 6 April passed the 2020-2024 National Anti-Corruption Strategy, which calls all sectors, including the private corporate sector, to be part of a joint anti-corruption effort primarily focused on the prevention of corruptive phenomena.

NOVABASE, fully aware of these risks, albeit potential, sought to identify them through the Prevention Plan for the Risks of Corruption and Related Offences in the specific ecosystem to which NOVABASE belongs and address them, thereby ensuring that our corporate culture is rooted in the fundamental values of legality, uprightness, trust and ethics. NOVABASE approved the Plan in December 2021 and published it at its website.

PART II – INFORMATION ON STANDARDS AND GUIDELINES FOLLOWED

In view of the NOVABASE Group's size, the nature of its business, its business model and the industries in which it operates, no formal policies have been approved for all of the items referred to in article 508-G (2) of the Commercial Companies Code. Nonetheless, various aspects of the NOVABASE Group's business are governed by applicable legislation, and by applicable regulations and recommendations of the Portuguese Securities Market Commission and other domestic and international entities. In addition, the NOVABASE Group internally uses a number of reference documents, diligence proceedings and systems regarding practices to be employed in certain areas, taking the Group and its needs into account, together with its employees, professionals and other stakeholders, with a view to ensuring sustainable growth. NOVABASE Group companies are also subject to a number of different internal and external audits. In this context, the main aspects, documents, practices and processes in place at the NOVABASE Group, which it believes have an impact on non-financial issues relevant to the Group (namely involving the environment, society, labour, gender equality, non-discrimination, human rights and the fight against corruption), are listed below:

- NOVABASE's business and the conduct of employees and professionals are governed by applicable law in relevant jurisdictions, and by NOVABASE's Code of Conduct (published at its corporate website), an internally approved document in effect at the Group since 2011 aimed at guiding the conduct of NOVABASE's professionals through values cultivated by the Group in its customer and interpersonal relations;
- The company's business is managed in accordance with the Integrated Management System (Quality, Environment, Occupational Health and Safety);
- NOVABASE's companies are audited by its financial auditors; its certifications in quality (ISO 9001), environmental management (ISO 14001) and occupational health and safety (ISO 45001) are renewed each year after internal and external audits, the latter conducted by certifying entities;
- The company regularly monitors customer satisfaction, along with its employees' and professionals' satisfaction with company services and other issues of interest to the management;
- In compliance with Portuguese Corporate Governance Institute recommendations regarding the governance of listed companies, and in view of fostering a culture of responsibility and compliance, NOVABASE has adopted a whistleblowing system for reporting irregularities (known as "SPI") that may occur within its Group. Any report of irregularities made through the SPI is directed to a member of the Audit Board specifically designated for this purpose. Additional information on reporting irregularities through NOVABASE's SPI can be found in Part I, Letter B., Section II. "WHISTLEBLOWING" of the 2021 Corporate Governance Report;
- The company also has "Internal Regulations on Business Dealings with Qualified NOVABASE, S.G.P.S. S.A. Shareholders" in effect.



EUROPEAN TAXONOMY

BACKGROUND

By means of Regulation (EU) 2020/852, the European Commission created the concept of EU Taxonomy in environmentally sustainable activities, an economic activity classification system aimed at identifying those which contribute towards European environmental objectives, thereby creating a framework facilitating sustainable investment.

Commission Delegated Regulation (EU) 2021/2139 was published in 2021, establishing the first list of activities qualifying for inclusion in EU Taxonomy, together with criteria for assessing their contribution towards two of the environmental objectives: mitigating and adapting to climate change.

As such, for 2021, there is mandatory reporting on the means and the extent to which activities accommodate EU Taxonomy in terms of turnover, capital expenditure (CapEx) and operating expenses (OpEx), whose disclosure is limited to the activities referred to in the Delegated Regulation (eligible activities).

ACTIVITIES ELIGIBLE FOR TAXONOMY

An assessment was done of the NOVABASE Group's economic activities, which concluded that those eligible for Taxonomy and generating turnover for the Group are as follows:

- 8.1. Data processing, hosting and related activities: Storage, manipulation, management, movement, control, display, switching, interchange, transmission or processing of data through data centres, including edge computing (NACE code: J.63.11);
- 8.2. Data-driven solutions for GHG emissions reductions: Development or use of ICT solutions that are aimed at collecting, transmitting, storing data and at its modelling and use where those activities are predominantly aimed at the provision of data and analytics enabling GHG emission reductions. Such ICT solutions may include, inter alia, the use of decentralized technologies (i.e. distributed ledger technologies), Internet of Things (IoT), 5G and Artificial Intelligence (NACE code: J.61, J.62 and J.63.11).

TURNOVER

Turnover corresponds to total sales originating from Taxonomy-aligned economic activities. Therefore, the eligible numerator corresponds to the portion of turnover originating from the eligible activities of "8.1 Data processing, hosting and related activities" and "8.2 Data-driven solutions for GHG emissions reductions". For 2021, the numerator's value is zero, since no amounts were recorded in relation to the above-mentioned eligible activities. The denominator corresponds to the Group's total turnover in 2021.

OPERATING EXPENSES

Eligible operating expenses correspond to the portion related to assets and taxonomy-related economic activities, including all non-capitalized direct costs originating from research and development (R&D) activities, acquisition costs for the production of taxonomy-aligned economic activities and with individual measures enabling the transformation of these activities into low-carbon activities or activities which reduce greenhouse gas emissions.

The numerator used for the calculation shown in the table corresponds to average electricity costs for charging electric vehicles at the Group's facilities in 2021. The denominator corresponds to non-capitalized direct costs involving research and development, building renovation measures, short-term leasing, maintenance and repair, and any other direct expenses for the day-to-day maintenance of tangible fixed assets, by the company or by subcontractors, as needed to ensure the ongoing effective functioning of these assets.

CAPITAL EXPENDITURE (CAPEX)

Eligible capital expenses are assets and Taxonomy-related economic activities which are part of a five-year plan to expand (or to better align) economic activities related to taxonomy or to individual measures enabling their transformation into activities which help to mitigate or adapt to climate change.

The value used to calculate the numerator corresponds to the amount invested by the Group in 2021 in electric and hybrid vehicles. The denominator used was the Group's total gross investment in 2021, as presented in Note 7, "Tangible Fixed Assets" and Note 8, "Intangible Assets" of the consolidated financial statements.

PROPORTION OF ELEGIBLE ACTIVITIES	TOTAL THOUSAND €	ELEGIBLE FOR TAXONOMY %	ELEGIBLE FOR TAXONOMY THOUSAND €	NOT ELEGIBLE FOR TAXONOMY %	NOT ELEGIBLE FOR TAXONOMY THOUSAND €
Turnover	138,788	0.0%	-	100.0%	138,788
Operating expenses	3,120	0.2%	6	99.8%	3,115
Capital expenditure	1,991	19.2%	382	80.8%	1,609

FINANCIAL STATEMENTS

TURNOVER

↑ **138.8 M€**

(2020: 125.1 M€)
(Δ +11%)

EBITDA

↑ **12.7 M€**

(2020: 11.8 M€)
(Δ +7%)

NET PROFIT

↑ **8.7 M€**

(2020: 7.5 M€)
(Δ +16%)

**CONSOLIDATED
STATEMENT OF
FINANCIAL
POSITION**

AMOUNTS EXPRESSED IN THOUSANDS OF EUROS	31.12.21	31.12.20
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	6,840	9,095
Intangible assets	11,873	12,063
Investments in associates	160	223
Financial assets at fair value through profit or loss	13,615	12,601
Deferred tax assets	9,443	7,947
Other non-current assets	1,997	2,025
TOTAL NON-CURRENT ASSETS	43,928	43,954
CURRENT ASSETS		
Inventories	7	10
Trade and other receivables	42,634	42,660
Accrued income	4,691	3,556
Income tax receivable	1,236	2,988
Derivative financial instruments	16	64
Other current assets	4,105	4,290
Cash and cash equivalents	68,431	71,929
TOTAL CURRENT ASSETS	121,120	125,497
Assets from discontinued operations	396	342
TOTAL ASSETS	165,444	169,793
EQUITY		
Share capital	54,638	54,638
Treasury shares	(1,217)	(1,177)
Share premium	226	226
Reserves and retained earnings	3,235	(4,124)
Profit for the year	8,706	7,486
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	65,588	57,049
Non-controlling interests	10,361	10,047
TOTAL EQUITY	75,949	67,096
LIABILITIES		
NON-CURRENT LIABILITIES		
Borrowings	12,417	21,493
Provisions	3,391	5,233
Other non-current liabilities	2,120	3,705
TOTAL NON-CURRENT LIABILITIES	17,928	30,431
CURRENT LIABILITIES		
Borrowings	9,583	9,432
Trade and other payables	37,775	40,313
Income tax payable	96	53
Derivative financial instruments	71	9
Deferred income and other current liabilities	19,711	16,148
TOTAL CURRENT LIABILITIES	67,236	65,955
Liabilities from discontinued operations	4,331	6,311
TOTAL LIABILITIES	89,495	102,697
TOTAL EQUITY AND LIABILITIES	165,444	169,793

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

AMOUNTS EXPRESSED IN THOUSANDS OF EUROS

12 M *

31.12.21

31.12.20

CONTINUING OPERATIONS

Services rendered	138,788	125,080
External supplies and services	(41,518)	(37,379)
Employee benefit expense	(85,913)	(80,176)
Net impairment losses on trade and other receivables	(272)	(72)
Other gains/(losses) - net	1,582	4,378
Depreciation and amortisation	(3,521)	(4,356)
OPERATING PROFIT	9,146	7,475

Finance income	1,945	1,240
Finance costs	(1,816)	(2,928)
Share of loss of associates	(66)	(58)
PROFIT BEFORE INCOME TAX	9,209	5,729
Income tax expense	(293)	(1,912)
Profit from continuing operations	8,916	3,817

DISCONTINUED OPERATIONS

Profit from discontinued operations	1,060	4,509
PROFIT FOR THE YEAR	9,976	8,326

PROFIT ATTRIBUTABLE TO:

Owners of the parent	8,706	7,486
Non-controlling interests	1,270	840
	9,976	8,326

EARNINGS PER SHARE FROM CONTINUING AND DISCONTINUED OPERATIONS ATTRIBUTABLE TO OWNERS OF THE PARENT (EUROS PER SHARE)

BASIC EARNINGS PER SHARE

From continuing operations	0.25 Euros	0.10 Euros
From discontinued operations	0.03 Euros	0.15 Euros
FROM PROFIT FOR THE YEAR	0.28 Euros	0.24 Euros

DILUTED EARNINGS PER SHARE

From continuing operations	0.25 Euros	0.10 Euros
From discontinued operations	0.03 Euros	0.15 Euros
FROM PROFIT FOR THE YEAR	0.28 Euros	0.24 Euros

12 M * - period of 12 months ended

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

AMOUNTS EXPRESSED IN THOUSANDS OF EUROS

12 M *

31.12.21 31.12.20

PROFIT FOR THE YEAR	9,976	8,326
Other comprehensive income for the year		
Items that may be reclassified to profit or loss		
Exchange differences on foreign operations, net of tax	162	22
OTHER COMPREHENSIVE INCOME FOR THE YEAR	162	22
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	10,138	8,348
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
Owners of the parent	8,456	6,948
Non-controlling interests	1,682	1,400
	10,138	8,348

12 M * - period of 12 months ended

AUDIT BOARD AND STATUTORY AUDITOR REPORTS



**REPORT AND OPINION OF THE AUDIT BOARD ON THE CONSOLIDATED FINANCIAL
STATEMENTS OF NOVABASE – SOCIEDADE GESTORA DE PARTICIPAÇÕES
SOCIAIS, S.A. FOR THE FINANCIAL YEAR ENDED ON DECEMBER 31, 2021**

To the Shareholders,

INTRODUCTION

In compliance with the Law and for the purposes of paragraph g) of article 420 of the Portuguese Companies Code and the Company's bylaws, the Audit Board hereby presents for appreciation its Report on the supervising activity that was carried out and issues its Opinion on the Management Report and Consolidated Financial Statements of Novabase – Sociedade Gestora de Participações Sociais, S.A. for the financial year ended on December 31, 2021.

ACTIVITIES CARRIED OUT

Supervision of the Company

During the financial year, the Audit Board regularly followed up the evolution of the company's business and the business of its subsidiaries, ensuring compliance with the law and the relevant bylaws, and monitored the Company's management, the efficiency of the risk management and internal control systems and the preparation and disclosure of financial information, as well as the regularity of the accounting records, the accuracy of the consolidated financial statements and the accounting policies and metrical valuation criteria adopted by the company, in order to verify that they lead to an adequate expression of its consolidated assets, results and cash flows.

It should also be noted that on the date of the General Meeting of shareholders of May 25, 2021, after Mr. João Duque's communication to that effect, Novabase's Audit Board resolved to approve the declaration of this member as being temporarily prevented from starting his functions as such, under the terms and for the purposes of paragraph 3 of article 415 of the Portuguese Companies Code. Indeed, due to the position of member of the General and Supervisory Board that Mr. João Duque holds in the bank Caixa Central de Crédito Agrícola Mútuo, C.R.L., the beginning of his functions as member of the Audit Board of Novabase is subject to prior assessment and authorization by Bank of Portugal, which is currently being submitted to the regulator. In this context, Novabase's Audit Board has decided to substitute this member, until the issuance of the referred Bank of Portugal decision, by Manuel Saldanha Tavares Festas, alternate member of the Audit Board elected at the same General Meeting, under the terms and for the purposes of article 415 of the Commercial Companies Code. The referred replacement was in force during the financial year of 2021 and is currently in force.

During the year, the Audit Board met five times and the respective meetings were formally recorded in minutes. At these meetings there was an attendance of 100% by the Chairman and Fátima Farinha, and

of 66,6% by Manuel Festas; the number of meetings indicated corresponds to those that took place after the appointment of the Audit Board at the General Meeting of May 25, 2021. To this date, the previous Audit Board held 2 meetings in the year 2021. The Chairman and Fátima Farinha were part of the previous Audit Board, having also attended all meetings held in 2021 until the appointment of the new Audit Board.

Additionally, the Audit Board participated in the Board of Directors meeting that approved the Management Report and the Consolidated Financial Statements for the financial year 2021.

Within its duties, the Audit Board maintained the necessary contacts with the representatives of the Chartered Accountants Company and External Auditor, in order to monitor the planning and audit work that was carried out and to take note of the respective findings. The meetings held with the representatives of the Chartered Accountants Company and External Auditor enabled the Audit Board to reach a positive opinion on the integrity, rigor, skill, quality of work and objectivity with which they carried out their work, as well as the reliability of the financial information.

Relevant matters concerning auditing were also analysed with the representatives of the Chartered Accountants Company and External Auditor; the Audit Board refers to their report on the consolidated financial statements for the description of the essential elements subject to analysis.

During the meetings of the Audit Board, the main risks affecting Novabase - Sociedade Gestora de Participações Sociais, S.A. and the companies included in the consolidation perimeter were analysed and discussed with Management and the Statutory Auditor, based on presentations prepared by these corporate bodies. The Audit Board considers that it has obtained the explanations and clarifications considered relevant.

Communication of irregularities

The Audit Board declares that during the financial year 2021 it has not received, through the means defined for this purpose, any communication of irregularities.

Related Party Transactions

During the 2021 financial year, no related party transactions, in accordance with the regulation in force, were submitted to assessment by the Audit Board.

Independence of the External Auditor

The Audit Board received the statement by the Statutory Auditor confirming its independence in relation to the Company and communicating all relationships that may be perceived as a threat to its independence, as well as the safeguards that were implemented.

RESPONSIBILITY STATEMENT

Pursuant to paragraph 1/c) of article 29.º - G of the Portuguese Securities Code, applicable by virtue of paragraph 1/a) of article 8 of the CMVM Regulation no. 5/2008 (Information Duties), we hereby declare that, to the best of our knowledge and belief, the aforementioned financial statements were prepared in accordance with the International Financial Reporting Standards, as adopted by the European Union, giving a true and appropriate view of the assets and liabilities, financial position and results of Novabase - Sociedade Gestora de Participações Sociais, S.A. and the companies included in the consolidation perimeter, and the management report faithfully describes the evolution of the business, performance

and position of Novabase - Sociedade Gestora de Participações Sociais, S.A. and the companies included in the consolidation perimeter, containing an adequate description of the main risks and uncertainties which they face.

OPINION

The Audit Board analysed the Management Report and the Consolidated Financial Statements for the 2021 financial year, which comprise the Consolidated Statement of Financial Position as at December 31, 2021, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows, as well as the accompanying notes, which were prepared in accordance with the International Financial Reporting Standards, as adopted in the European Union.

Within its duties the Audit Board has analysed the Legal Certification of Accounts and the Audit Report on the Consolidated Financial Information for the 2021 financial year, prepared by the Statutory Auditor, document which does not present any reservation and with which the Audit Board agrees.

The Audit Board further analysed the Corporate Governance Report for the 2021 financial year, which is attached to the Management Report prepared by the Board of Directors in compliance with the CMVM Regulation no. 4/2013 (Corporate Governance of Listed Companies), and the Audit Board certifies that it includes all the elements referred to in article 29-H of the Portuguese Securities Code.

In this context, it is the Audit Board's opinion that:

- There are no objections to the approval of the Management Report for the 2021 financial year;
- There are no objections to the approval of the Consolidated Financial Statements for the 2021 financial year.

Lisbon, April 27, 2022

The Audit Board

Álvaro José Barrigas do Nascimento – Chairman

Fátima do Rosário Piteira Patinha Farinha – Member

Manuel Saldanha Fortes Tavares Festas – Alternate Member¹

¹ Alternate member that is substituting in the office the effective member João Luís Correia Duque, under the terms of article 415 of the Portuguese Companies Code.



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STATUTORY AUDITORS' REPORT

(Free translation from a report originally issued in Portuguese language. In case of doubt the Portuguese version will always prevail.)

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of **Novabase, S.G.P.S, S.A.** (the Group), which comprise the consolidated statement of financial position as at 31 December 2021 (showing a total of 165,444 thousand euros and total equity of 75,949 thousand euros, including non-controlling interests of 10,361 thousand euros and a profit for the year of 8,706 thousand euros), and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and the accompanying notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of **Novabase, S.G.P.S, S.A.** as at 31 December 2021 and of its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and further technical and ethical standards and guidelines as issued by Ordem dos Revisores Oficiais de Contas (the Portuguese Institute of Statutory Auditors). Our responsibilities under those standards are further described in the “Auditors’ Responsibilities for the Audit of the consolidated Financial Statements” section below. We are independent of the Group in accordance with the law and we have fulfilled other ethical requirements in accordance with the Ordem dos Revisores Oficiais de Contas’ 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 consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Revenue recognition (Euro 178,788 thousand)

See Note 5 to the consolidated financial statements.

The Risk

The revenue recognition policy for advisory projects on a turnkey basis, which represent a significant part of the Group's business, requires judgment as disclosed in Note 4 (d) of the notes to the consolidated financial statements.

The recognition of such overtime projects in accordance with the applicable accounting policy, as described in Note 2.19 (a), involves a number of qualitative factors such as estimated billing, costs to be incurred, including contingency values for contractual risks, which justify that the recognition of revenue has been considered as a key audit matter.

Our response to the identified risk

Our audit procedures included, amongst others, those that we describe below:

- We have analysed the revenue recognition policy adopted by the Group with reference to the applicable accounting standards;
 - We have evaluated the design and implementation and operational effectiveness of relevant controls, including application controls and general IT controls, related to the revenue recognition process;
 - We have critically analysed the estimates and assumptions made by the management, namely regarding estimated billing, costs to be incurred and contingencies;
 - We have carried out substantive analytical procedures and detailed tests to the accounting records in order to identify and test the risk of fraud and potential derogation to implemented controls; and,;
 - We assessed the adequacy of the respective disclosures to the financial statements, in accordance with the applicable accounting framework.
-



Recoverability of goodwill (Euro 11,501 thousand)

See Note 8 to the consolidated financial statements which describes the net book value of the goodwill of the Next-Gen and NeoTalent business areas.

The Risk

The determination of the recoverable value of these assets is subjective due to the uncertainty inherent to the financial projections and to the discount of future cash flows, since many key assumptions are based on management expectations, not observable in the market.

The Group performs, on an annual basis, impairment tests on goodwill based on the discounted cash flow method, considering a 5-year business plan estimated by management, as mentioned in Notes 2.7 (1), 4 (a) and 8.

The complexity and inherent degree of judgment justify that the recoverability of goodwill has been considered a key audit matter.

Our response to the identified risk

Our audit procedures included, amongst others, those that we describe below:

- We have evaluated the design and implementation and operational effectiveness of the key controls implemented by the Group in connection with this matter and have reviewed the budgeting procedures on which the projections are based, by comparing the current performance against estimates made in prior periods, and the integrity of the discounted cash flow model;
 - We have assessed the internal and external assumptions used and the reasonableness of such as current business trends, market performance, inflation, projected economic growth and discount rates;
 - We have performed sensitivity analyses on the robustness of the assumptions and forecasts used;
 - We have involved out experts in benchmarking the average cost of capital ratio; and,
 - We assessed the adequacy of the respective disclosures to the financial statements, in accordance with the applicable accounting framework.
-



Recoverability of deferred tax assets (Euro 9,443 thousand)

See Note 11 to the consolidated financial statements which describes the amount of deferred tax assets, of which 8,782 thousand euros related to tax benefits arising from Research and Development projects presented under the SIFIDE incentive scheme.

The Risk

Deferred tax assets recorded by management are based on its best estimate on the timing and future amounts required for their recovery, using assumptions that require judgment, as mentioned in Notes 2.15 and 4 (c).

The associated level of uncertainty and the degree inherent to the judgement justify that the recoverability of deferred tax assets has been considered as a key audit matter.

Our response to the identified risk

Our audit procedures included, amongst others, those that we describe below:

- We have evaluated the design and implementation and operational effectiveness of the key controls implemented by the Group in connection with this matter and have analysed the budgeting procedures on which the projections are based, by comparing the current performance with estimates made in prior periods;
- We have analysed the assumptions and methodology used by management to assess the recoverability of deferred tax assets, namely projections of taxable income; and,
- We assessed the adequacy of the respective disclosures to the financial statements, in accordance with the applicable accounting framework.



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

Management is responsible for:

- the preparation of consolidated financial statements that give a true and fair view of the Group's consolidated financial position, financial performance and the consolidated cash flows, in accordance with the International Financial Reporting Standards as adopted by the European Union;
- the preparation of the consolidated management report, the corporate governance report, the consolidated non-financial information and the remunerations' report, in accordance with applicable 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, the matters that may cast significant doubt about the Group's ability to continue as a going concern.

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

Auditors' responsibilities for the audit of the financial statements

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatements whether due to fraud or error, and to issue an auditors' 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 financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism 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 auditors' report to the related disclosures in the 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 auditors' 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 financial statements represent the underlying transactions and the events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion; and,
- communicate with those charged with governance regarding, including the supervisory body, 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;
- determine, from the matters communicated with those charged with governance, including the supervisory body, those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes their public disclosure; and,
- provide the supervisory body with a statement that we have complied with the relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Our responsibility also includes the verification that the information contained in the consolidated management report is consistent with the consolidated financial statements, and the verification of the requirements as provided in numbers 4 and 5 of article 451 of the Portuguese Companies' Code regarding the corporate governance report, as well as the verification that the consolidated non-financial information and the remunerations report were presented.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

On the consolidated management report

Pursuant to article 451, nr. 3, al. (e) of the Portuguese Companies' Code, it is our opinion that the consolidated management report was prepared in accordance with the applicable legal and regulatory requirements, the information contained therein is consistent with the audited consolidated financial statements and, having regard to our knowledge and assessment of the Group, we have not identified any material misstatements. As defined in the article 451, nr. 7 of the Portuguese Companies' Code, this opinion is not applicable to the non-financial statement that is included in the management report.



On the corporate governance report

Pursuant to article 451, nr. 4, of the Portuguese Companies' Code, it is our opinion that the corporate governance report includes the information required to the Group to provide under article 29-H of the Securities Code, and we have not identified any material misstatements on the information provided therein in compliance with paragraphs c), d), f), h), i) and l) of nr. 1 of that article.

On the non-financial information

Pursuant to article 451, nr. 6, of the Portuguese Companies' Code, we inform that the Group has included in its management report the non-financial statement defined in article 508-G of the Portuguese Companies' Code.

On the remunerations' report

Pursuant to article 26-G, nr. 6, of the Securities Code, we inform that the Group has prepared a remunerations report where includes the information defined in nr. 2 of that article.

On the European single electronic format (ESEF)

The consolidated financial statements of Novabase, S.G.P.S, S.A. for the year ended 31 December 2021 have to comply with the applicable requirements established by the European Commission Delegated Regulation 2019/815 of 17 December 2018 (ESEF Regulation).

Management is responsible for the preparation and presentation of 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, have been prepared in accordance with the requirements of the ESEF Regulation.

Our procedures considered the OROC (Portuguese Institute of Statutory Auditors) technical application guide on ESEF reporting and included, amongst others:

- obtaining an understanding of the financial reporting process, including the presentation of the annual report in a valid XHTML format.
- identifying and assessing the risks of material misstatement related to the tagging of information in the financial statements, in XBRL format using iXBRL technology. This assessment was based on an understanding of the information tagging process implemented by the Entity.

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



On the additional matters provided 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 first appointed as auditors of the Group in the shareholders general assembly held on 29 April 2015 for a first mandate from 2015 to 2017. We were appointed as auditors of the Group in the shareholders general assembly held on 10 May 2018 for a second mandate from 2018 to 2020. We were reappointed as auditors of the Group in the shareholders general assembly held on 25 May 2021 for a third mandate from 2021 to 2023.
- Management as confirmed to us that they are not aware of any fraud or suspicion of fraud having occurred that has a material effect on the 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 financial statements due to fraud. As a result of our work, we have not identified any material misstatement of the consolidated financial statements due to fraud.
- We confirm that the audit opinion we issue is consistent with the additional report that we prepared and delivered to the supervisory body of the Group on 27 April 2022.
- 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 Group in conducting the audit.

27 April 2022

SIGNED ON THE ORIGINAL

KPMG & Associados -
Sociedade de Revisores Oficiais de Contas, S.A.
(no. 189 and registered at CMVM with the nr. 20161489)
represented by
Susana de Macedo Melim de Abreu Lopes
(ROC no. 1232 and registered at CMVM with the nr. 20160843)

2021

CORPORATE GOVERNANCE REPORT

NOVABASE