

# NOVABASE

**POLICY FOR THE PREVENTION OF MONEY  
LAUNDERING AND TERRORIST FINANCING**

**NOVABASE GROUP**

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## 1. Introduction

This Policy for the Prevention of Money Laundering and Terrorist Financing sets out the basic principles followed by Novabase<sup>1</sup> in preventing, detecting and fighting money laundering and terrorist financing.

This Policy is drawn up on the basis of the applicable legislation and regulatory diplomas and should be read and interpreted together with these diplomas, which are identified in Annex I – Legal Framework (non-exhaustive list of applicable legal and regulatory diplomas).

Of particular note is Law no. 83/2017 (Measures to Combat Money Laundering and Terrorist Financing), hereinafter referred to as LBCFT, in the wording currently in force, as well as CMVM Regulation no. 2/2020, which regulated that law for financial entities that are subject to CMVM supervision.

The duties and obligations set out in this Policy for the Prevention of Money Laundering and Terrorist Financing apply to all Novabase Group companies and to all and to all Novabase People, and the respective acts and procedures – whether current or future – must be adopted, adapted and drawn up in accordance with this Policy and the related legislation and regulations.

## 2. Money laundering

Money laundering is a crime and is provided for in article 368-A of the Penal Code, typically punishing the agent who converts, transfers, assists or facilitates any operation of conversion or transfer of advantages by himself or a third party, directly or indirectly, with the aim of concealing their illicit origin, or of preventing the perpetrator of such offenses from being criminally prosecuted or subject to criminal reaction, in relation to a certain type of crime provided for in the law, of a more serious nature.

The range of crimes that can trigger an autonomous crime of money laundering is quite broad and diverse.

Examples include crimes as diverse as pimping, sexual abuse of children or dependent minors, computer and communications fraud, extortion, abuse of guarantee cards, passing counterfeit currency, acquiring counterfeit cards or other payment devices, computer sabotage and illegitimate access, illegitimate interception or illegitimate reproduction of a protected program, criminal association, trafficking of narcotic drugs and psychotropic substances, trafficking of arms, trafficking of persons, aiding illegal immigration, damage to nature, pollution, activities dangerous to the environment, or endangering animals or plants, tax fraud or fraud against social security, influence peddling, undue receipt of advantage, corruption, embezzlement and economic participation in business, harmful administration in a public sector economic unit, corruption to the detriment of international trade or in the private sector, insider trading or market manipulation, violation of the exclusivity of patents, utility models or the topography of semiconductor products, violation of exclusive design rights, counterfeiting, imitation and illegal use of trademarks, the sale or concealment of products or fraud involving goods, among others.

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<sup>1</sup> Meaning Novabase – Sociedade Gestora de Participações Sociais, S.A. and the companies that form part of the Novabase Group.

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This means that an organization's internal procedures for preventing money laundering must be prepared to understand the range of activities it can encompass.

## 3. Terrorist financing

The classification of terrorist financing as an autonomous crime is included in the Portuguese legal system in article 5-A of Law 52/2003, of August 22.

Terrorist financing is characterized by the provision, collection or holding of funds, or products or rights that can be transformed into funds, intended to be used or knowing that they may be used in the planning, preparation or commission of a terrorist act.

In contrast to money laundering, where the main objective of the launderer is to conceal the origin of the funds, in terrorist financing one of the objectives of the financiers is to conceal the purpose for which the funds are intended.

Terrorist financing can therefore have a lawful or unlawful origin and for this reason, combined with the fact that the amounts involved may not be very significant, detecting terrorist financing operations is very complex.

## 4. General principles

Money laundering and terrorist financing are crimes that are particularly dangerous in society, given their repercussions, and it is imperative that they are combated by all economic agents who, given their economic activity, are particularly likely to deal with situations associated with these types of criminal offenses.

The legislator understood that venture capital companies, although they are not par excellence the entities that act more permanently in the market in terms of operations involving the transfer of funds and making payments, are likely to deal with situations related to the criminal activities described above, and are therefore considered financial entities, in accordance with the provision contained in article 3(1)(f) of the LBCFT.

In this context, and considering that the Group includes Novabase Capital – Sociedade de Capital de Risco, S.A. (hereinafter “Novabase Capital”), which qualifies as a financial entity within the meaning of the aforementioned law, this company must, in its actions, comply with a certain number of preventive duties, duly described in the following subchapters of this paragraph 4, which Novabase believes should, as far as possible or applicable, be extended to the other companies within the Group.

### 4.1. Control

Novabase has and ensures the effective application of procedures and controls appropriate to the effective management of money laundering and terrorist financing risks and compliance with legal and regulatory standards on the prevention of money laundering and terrorist financing.

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These procedures are proportional to the nature, size and current activity of the Group companies and comprise the assumptions established in current legislation.

Given the size and structure of Novabase, the compliance officer will combine these duties with other operational duties, provided that the requirement set out in Article 16(3)(e) of the LBCFT is met.

## 4.2. Identification and due diligence

Prior to establishing a business relationship or transaction, Novabase takes the necessary steps to identify the suitability of the counterparty and/or the ownership of the capital in which to invest, in the context of natural and legal persons, their representatives and beneficial owners.

In addition to the identification documents, instruments of mandate and Registration of the Beneficial Owner must be requested, where applicable.

The business relationships established inevitably have a follow-up inherent to the business or investment made, and the intention is always to ensure that the information provided or inquired about

## 4.3. Reporting suspicious operations

Novabase will report to the competent authorities any suspicion that potential business or investments, when scrutinized more closely, relate to or stem from criminal activities or are related to the financing of terrorism.

The same will naturally apply to any other operations proposed to Novabase.

## 4.4. Abstain

Novabase will refrain from carrying out any operation, present or future, which it knows or suspects may be associated with funds related to the practice of criminal activities or the financing of terrorism.

Any ongoing business or investment operation will also be suspended in the event of such suspicion, until it is unequivocally confirmed that such suspicion is unfounded.

## 4.5. Rejection

Notwithstanding the particularities inherent in the activity of some of the Group companies and the general duty of prior scrutiny inherent in any potential business or investment, Novabase will always refuse to enter into business relationships or carry out occasional transactions when it does not obtain the identification elements and the respective means of proof provided for the identification and verification of the identity of the owner of the capital of the company with which it enters into business or where the investment is made, its representatives and beneficial owners.

## 4.6. Document retention

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All documents associated with the establishment and conduct of an operation are kept under the terms and conditions laid down by law.

This documentation is organized and filed in such a way that it can be made readily available to any competent authority.

## 4.7. Examination

In the event of conduct, activities or events in operations whose characteristics make them likely to be related to funds derived from criminal activities or related to the financing of terrorism, Novabase will intensify the degree and nature of monitoring with methods of special care and attention.

The results of the duty of examination shall be recorded in writing and kept, in accordance with the aforementioned terms, regardless of whether the exercise of this duty has given rise to a communication to the competent authorities.

## 4.8. Collaboration

Novabase assumes the duty to cooperate promptly and fully with any request from the competent authorities.

To this end, Novabase will respond fully, within the prescribed timeframe and by secure means, to requests for information made by the competent authorities.

## 4.9. Non-disclosure

Under no circumstances may Novabase or any of its People disclose to its partners, clients or holders of capital in which investments are being made, or to third parties, information that communications have been or will be made to the competent authorities or that internal or judicial investigations are underway, except in the cases provided for by law.

## 4.10. Training

To the extent applicable, and taking into account the particularities of the activity of the Group's companies and their size, Novabase ensures that its People and Directors will be given specific and regular training to recognize operations that may be related to money laundering or terrorist financing.

In the case of newly hired People whose duties are directly related to the prevention of money laundering and terrorist financing, Novabase provides them with appropriate training for the purposes set out in the previous paragraph immediately after they are hired.

Records of the training carried out are kept under the terms and conditions established by current legislation.

## 5. Internal control

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Novabase Group has a solid and effective internal control system, and the Group's functional areas also provide support to Novabase Group companies, namely Finance, IT, Legal and Human Resources.

A culture that fosters a positive and constructive attitude towards risk management and compliance is promoted, as well as an accessible and robust internal control framework.

## **6. Annexes**

This Policy comprises the following Annex(es):

### **6.1. Annex I: Legal and Regulatory Framework**

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## Annex I

### Legal and Regulatory Framework

Legal Diploma	Subject
<b>Directive (EU) 2015/849 of the European Parliament and of the Council of May 20, 2015</b>	Preventing the use of the financial system for money laundering or terrorist financing purposes.
<b>Law no. 89/2017, of August 21, 2017</b>	Approves the Legal Framework of the Central Registry of Beneficial Owners (RCBE).
<b>Law no. 83/2017, of August 18, 2017</b>	Establishes measures to combat money laundering and terrorist financing.
<b>Law no. 52/2003, of August 22, 2003</b>	Establishes measures to combat terrorism.
<b>Law no. 5/2002, of January 11, 2002</b>	Establishes measures to combat organized and economic-financial crime and provides for a special regime for the collection of evidence, breach of professional secrecy and loss of assets in favor of the State in relation to various types of crime, including money laundering and terrorist financing.
<b>Decree-Law no. 298/92, of December 31, 1992</b>	Approves the General Regime for Credit Institutions and Financial Companies.
<b>Criminal Code</b>	Foresees the crime of money laundering (article 368-A).
Regulatory (Portuguese Securities Market Commission) (applicable only to Novabase Capital)	Subject
<b>CMVM Regulation no. 2/2020</b>	Provides measures to combat money laundering and terrorist financing.

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