



ANNUAL GENERAL MEETING OF SHAREHOLDERS
May 7, 2014

NOVABASE - Sociedade Gestora de Participações Sociais, S.A.

Sociedade Aberta

Registered Office: Av. D. João II, lote 1.03.2.3., Lisboa

Share Capital: 15,700,697 Euros

Lisbon Commercial Registry inscription and corporation number 502.280.182

PROPOSAL OF THE BOARD OF DIRECTORS

ITEM 1 ON THE AGENDA

To resolve on the Management Report (which includes the Corporate Governance Report as attachment) and Accounts for the 2013 financial year

Under the terms and for the purposes of article 376 no. 1, paragraph a) and article 508-A, no. 1 and 2 of the Portuguese Companies Code and the applicable articles of association provisions, it is hereby proposed that the Meeting approves the Management Report and Accounts for the 2013 financial year.

Lisbon, March 27, 2014

THE BOARD OF DIRECTORS



take
a look
into the future.

now
what?

XXV

Novabase 25 anos.

Novabase 25 years.



“

it's kind
of fun

to do the im-
possible

Walt Disney

”

É divertido fazer o impossível.

Walt Disney



**Prever o futuro, já sabemos,
é impossível.**

Na Novabase, só isso já seria uma boa razão para o tentarmos.

Mas uma razão ainda melhor é que olhar para o futuro nos obriga a inventá-lo. E, ao fazê-lo, a descobrir formas de o tornar melhor para milhões de pessoas.

Na verdade, é o que temos feito nos últimos 25 anos.

Quanto aos próximos, a única coisa certa é que vamos continuar assim: com os olhos postos lá à frente. E a partilhar consigo – como nas páginas a seguir – o que vamos aprendendo pelo caminho.

Predicting the future, as we all know, is impossible. At Novabase, this alone would be a good enough reason to try.

But an even better reason is that looking to the future compels us to invent it. And, as we do this, to discover ways to make it better for millions of people. In fact, this is what we've been doing for the past 25 years.

Regarding the next ones, the only certainty is that we're going to continue this way: with our eyes fixed way ahead. And sharing with you, as on the pages that follow, what we learn along the way.



Não podermos prever o futuro
não nos impede de sonhá-lo.

Not being able to predict the future
doesn't stop us from dreaming it.

Daqui a 25 anos,
só uma certeza:
estaremos a pensar
nos próximos 25.
25 years from now,
only a thing is for sure:
we will be thinking about
the next 25 years.
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Daqui a 25 anos, só uma certeza:
estaremos a pensar nos próximos 25.

**25 years from now, only one thing
is for sure:** we will be thinking about the next 25 years

Mensagem do CEO [CEO's Message](#)

Os 25 anos de uma empresa costumam ser um bom momento para uma retrospectiva, mas tivemos uma ideia melhor.

Desafiámos os líderes da Novabase para um exercício: que tal pensar sobre os próximos 25? O resultado, condensado a partir de várias horas de entrevistas, é o que encontrará nas próximas páginas.

Não é que acreditemos em futurologia. Veja os filmes de ficção científica de há 30 anos: invariavelmente erraram – e muitas vezes por defeito. A tecnologia, regra geral, andou mais depressa.

Quando a Novabase começou, quem sonharia um mundo ligado por redes sociais, em que tudo acontece num smartphone, e zilhões de dados por nanossegundo são partilhados numa nuvem?

A company's 25th anniversary is usually a good occasion to look back – but we had a better idea.

We challenged Novabase's leaders to an exercise: how about thinking about the next 25? The result, summarised from many hours of interviews, is what you find on the following pages.

Not that we believe in futurology. Look at the science fiction films from 30 years ago: they invariably got it wrong – and often falling short of reality. In general, technology developed faster.

When Novabase began, who would have dreamt of a world connected by social networks, where everything happens on a Smartphone and zillions of data per nanosecond are shared on a cloud? Today the difficulty is even

Now what?

Hoje a dificuldade é ainda maior. Com a massa de conhecimentos disponível, o acesso que cada um de nós tem a ferramentas poderosíssimas, e tanta gente a trabalhar em direções diferentes, é impossível prever com exatidão o que aí vem.

Mas não podermos prever o futuro não nos impede de sonhá-lo.

Foi o que a Novabase fez há 25 anos. Éramos uns poucos sonhadores numa sala, mas tínhamos uma visão. Queríamos ser a empresa líder entre as tecnológicas do nosso país.

Nesse tempo, parecia uma visão tão extravagante e impossível que às vezes nos inibíamos de a proclamar muito alto. Mas acreditámos nela – porque, sonhadores, mas pragmáticos, sabíamos que se baseava numa perceção correta das oportunidades da altura.

Hoje essa visão não só se concretizou, como ficou pequena para a Novabase.

Por isso, olhando para os próximos 25 anos, sabemos que não os podemos prever. Mas, a partir do que vemos à nossa volta, e do que aprendemos diariamente sobre tecnologia, podemos seguir uma visão ainda mais ambiciosa do que aquela que nos trouxe até aqui.

greater. With the mass of knowledge available, the access everyone has to extremely powerful tools and with so many people working in different directions, it's impossible to accurately predict what's to come.

However, not being able to predict the future doesn't prevent us from dreaming it.

That's what Novabase did 25 years ago. We were just a few dreamers in a room, but we had a vision. We wanted to be the leading IT company in Portugal.

In those days, it seemed such an extravagant and impossible vision that sometimes we shied away from proclaiming it loud. However, we believed it – because being dreamers yet pragmatic, we knew it was based on the right perception of the opportunities at hand then.

Today, not only has this vision been achieved, it's become small for Novabase.

That's why, when we look to the next 25 years, we know that we cannot predict what's ahead. But, based on what we see around us, and on what we learn every day about technology, we can set ourselves a vision even more ambitious than the one that brought us to where we are.

Para onde nos levará este novo ciclo? As próximas páginas arriscam respostas, mas sobretudo levantam ainda mais perguntas. Não faz mal.

Bem melhor do que prever o futuro é construí-lo. Para que, mais uma vez, seja muito mais interessante do que alguma vez poderíamos imaginar.

Where will this new cycle take us? The pages that follow risk some answers but mainly they raise even more questions. It doesn't matter.

Much better that predicting the future, is building it. So that, once again, it turns out to be much more interesting than we could ever have imagined.

“

Desafiámos os líderes da Novabase para um exercício: **que tal pensar sobre os próximos 25?**

”

We challenged Novabase's leaders to an exercise: how about thinking about the next 25?



Luís Paulo Salvado
CEO / Presidente da Comissão Executiva
CEO



glo bali zati on

Qualquer adolescente no seu quarto comanda um volume inimaginável de dados, espalhados por servidores no mundo inteiro, e ferramentas que ainda ontem eram para especialistas.

From their bedroom, teenagers command an unthinkable amount of data, spread across servers worldwide, and an array of tools which, up until recently, were only for specialists.



“
O mundo já não é
para especialistas.
Tenho acesso a toda
a informação que quero,
em segundos.”

The world is no longer for specialists.
I have access to all the information I want, in seconds.

2



2



Prever o futuro? Esqueça. **Predicting the future? Forget it.**

Há uma dúzia de anos, ninguém adivinharia a extensão em que a tecnologia transformou a nossa vida. Como comunicamos, trabalhamos, convivemos. Como fazemos compras ou planeamos as férias.

Quem conseguiria prever o poder que cada um de nós tem hoje na ponta dos dedos? Qualquer adolescente no seu quarto comanda um volume inimaginável de dados, espalhados por servidores no mundo inteiro, e ferramentas que ainda ontem eram para especialistas.

E o dia-a-dia é só a ponta do iceberg. A internet, a mobilidade, a explosão na capacidade de processamento não param de revolucionar empresas, organizações, governos. Setores inteiros reconfiguram-se, com novos modelos de negócio todos os dias. Onde será que isto vai parar?

A dozen or so years ago, no one would have guessed to what extent technology would transform our lives. How we communicate, work, socialise. How we shop or plan holidays.

Who would have predicted the power each one of us has at our fingertips? From their bedroom, teenagers command an unthinkable amount of data, spread across servers worldwide, and an array of tools which, up until recently, were only for specialists.

And daily life is just the tip of the iceberg. The internet, mobility and the boom in processing capacity keep revolutionising companies, organisations and governments. Whole industries are reconfiguring themselves, giving birth to new business models every day. Where is this going to end?

in for ma ti on

Com a massa de informação disponível, o valor não está em produzir ou ter acesso a ainda mais informação, mas em criar, a partir dela, valor real para as empresas e as pessoas.

With the mass of information available, what's important is not to produce or have access to even more information but to use this information to create real value for companies and people.



“

O mais valioso
não é a informação,
mas transformá-la
em conhecimento útil.

Por exemplo: e se uma aplicação
pegasse em toda a informação
na minha secretária e com ela
organizasse o meu dia?

”

The best value is not in the information, but in transforming it into useful knowledge. For example: what if an application took hold of all the information on my desk and used it to organise my day?

technology





Onde isto vai parar? Não vai parar. Where is this going to end? It's not.

A tecnologia continuará a mudar o mundo, e depressa. Mas a direção da mudança depende de como respondermos a perguntas que se colocam hoje.

Sistemas tão complexos a apoiar tudo o que fazemos não nos tornam demasiado dependentes? Vivemos hiperconectados é um benefício ou uma ansiedade? Sistemas que sabem tudo sobre mim, e assim acertam na satisfação dos meus desejos, são ótimos. Mas e a privacidade?

Por outro lado, há áreas inteiras da economia onde a revolução tecnológica ainda não aconteceu. Países onde largas parcelas da população esperam os seus benefícios. Ou setores em que a tecnologia apenas amplifica processos mal pensados - complicando, em vez de simplificar, a nossa vida.

Ainda há muito por fazer - ou por fazer de uma nova maneira. A tecnologia já mudou tanta coisa, mas muitas das suas promessas estão por cumprir. Quantas delas se tornarão realidade? Depende da visão com que as soubermos abordar.

Technology will keep changing the world, and quickly. But the direction of change depends on how we respond to the questions raised today.

Do the complex systems that support everything we do make us too dependent? Is being constantly interconnected a benefit or a source of anxiety? Systems that know everything about me and therefore get it right when it comes to satisfying my wishes are great. But what about privacy?

On the other hand, there are whole areas of the economy where technological revolution still hasn't taken place. Countries where large parts of the population are waiting for technology's benefits. Or industries where technology only amplifies ill-conceived processes, complicating instead of simplifying our lives.

There's still a lot to be done - or to be done in a new way. Technology has already changed so many things but many of its promises are yet to be fulfilled. How many of them will come true? It depends on the vision with which we are able to approach them.

velo city

Com o mundo a mudar tão depressa só terá hipóteses quem souber reinventar-se ao mesmo ritmo. Na Novabase temos uma visão que obriga a pensar e a fazer de um modo sempre novo.

With the world changing so rapidly, only those who reinvent themselves at the same rate will stand a chance. At Novabase we have a vision that obliges us to always think and do things in a new way.

“

Quem quer ser bilionário?

Com uma ideia na cabeça
e a tecnologia nas mãos,
pode acontecer
da noite para o dia.”

Who wants to be a billionaire?
With an idea in one's mind
and technology in one's hands,
it can happen overnight.



one

we



world

4



4



**Previsões são arriscadas.
É melhor ter uma visão.**
**Predictions are risky. It's better
to have a vision.**

Há 25 anos, uma microempresa portuguesa tinha uma visão nada modesta: liderar o seu mercado, então dominado por poderosas multinacionais.

Pois a visão, quem diria, concretizou-se. Hoje, líderes no nosso país e a operar no mundo inteiro, tivemos que nos perguntar outra vez: olhando para o futuro, o que vemos?

Refletimos então sobre o nosso papel no mundo. A conclusão: a tecnologia que desenvolvemos só fará sentido se melhorar a vida das pessoas.

Óbvio? Nem por isso. A tecnologia é uma ferramenta. Ao serviço de processos complicados, modelos de negócio mal desenhados, a sua promessa fica por cumprir.

No futuro que projetamos, o papel da tecnologia é só um: tornar a vida das pessoas e das empresas mais simples e mais feliz.

Concretizar esta visão é um desafio e tanto. Obriga-nos a repensar quem somos. E a ir mais longe.

25 years ago, a small Portuguese start-up had a very bold vision: to lead its market, then dominated by powerful multinationals.

The vision, surprise, surprise, became reality. Today, market leaders in our country and operating all over the world, we once again had to ask ourselves: looking to the future, what do we see?

We reflected upon our role in the world. The conclusion: the technology we develop only makes sense if it improves people's lives.

Obvious? Not really. Technology is a tool. At the service of complicated processes or badly designed business models, its promise fails to be fulfilled.

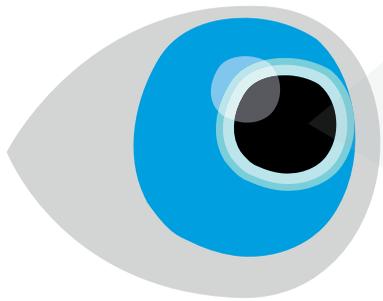
In the future we project, the role of technology is just one: to make the lives of people and companies simpler and happier.

Achieving this vision is quite a challenge. It forces us to rethink who we are. And go further.

“

A tecnologia que desenvolvemos só fará sentido se **melhorar a vida das pessoas.**

”



The technology we develop only makes sense if it improves people's lives.

Mais longe, para já, do que a própria tecnologia. Para saber o que é “simples” e “feliz” para pessoas e empresas, temos que conhecê-las de perto. Por isso elegemos o Design Thinking, com a sua raiz na antropologia e noutras disciplinas, como método de trabalho.

Mais longe, também, na geografia. Refocar a tecnologia nas pessoas é urgente em qualquer lado. Por isso, expandimo-nos para mercados em que esta visão terá o máximo impacto.

Mais longe, por fim, nas metodologias, na relação com os clientes, até na forma de apresentar os projetos. Relatórios de 500 páginas que passam a 30 com infografias melhoram a vida dos clientes empresariais com quem lidamos diariamente.

Com o mundo a mudar tão depressa, só terá hipóteses quem souber reinventar-se ao mesmo ritmo. Na Novabase temos uma visão que obriga a pensar e fazer de um modo sempre novo. Para onde nos levará?

Temos algumas pistas, mas apenas uma certeza: será uma viagem a não perder.

Further, to begin with, than technology itself. To find out what “simple” and “happy” means to people and companies, we need to get to know them well. That’s why we chose Design Thinking, with its roots in anthropology and other disciplines, as our working methodology.

Further, also, in geography. Refocusing technology on people is urgent everywhere. That’s why we are expanding to markets where this vision will have maximum impact.

Further, finally, in our methodologies, in our relationships with clients, even in the way we present our projects. 500-paged reports that are reduced to 30 pages using infography, improve the lives of the business clients we deal with daily.

With the world changing so rapidly, only those who reinvent themselves at the same rate will stand a chance. At Novabase we have a vision that obliges us to always think and do things in a new way. Where will this take us?

We have a few clues, but only one certainty: it will be a journey not to be missed.

per so nali zati on

Na Medicina, haverá drogas ajustadas a cada pessoa. Na Educação, cada aluno será responsável pela criação do seu *currículo*. Produtos e serviços serão desenhados especificamente para cada consumidor.

In Medicine there will be drugs tailor-made for each person. In Education, students will be responsible for creating their own academic curriculum. Products and services will be designed specifically for each consumer.



“

E se o meu banco me desse
aconselhamento financeiro
de alta precisão baseado
em todas as minhas transações
nos últimos 20 anos? ”

What if my bank gave me some very
precise financial advice based on all
my transactions of the past 20 years?



Estamos a caminho. **We're on our way.**

Por muito que a tecnologia já tenha mudado o mundo, o que está ainda por mudar garante muitos anos de oportunidades.

O setor da energia, por exemplo, será revolucionado com as redes inteligentes. Também há muito a fazer nas administrações públicas, onde há processos que não estão sequer informatizados. A banca terá que se adaptar a utilizadores mais móveis e exigentes. A “internet das coisas”, que porá em diálogo todo o tipo de equipamentos, significará novas montanhas de dados a tratar.

E a mudança não será só tecnológica: em muitos casos exigirá repensar a própria atividade. Algo que a Novabase, com o Design Thinking, já ajuda muitos clientes a fazer.

Estas transformações terão particular impacto em países emergentes, com imensas necessidades de infraestruturas. Sendo regiões com muito por fazer, não têm o peso do que já existe a travar a inovação.

Regardless of how much technology has changed the world, what is yet to be changed guarantees many years of opportunities.

The energy industry, for example, will be revolutionised with the intelligent networks. There's also still a lot to be done in the public service, where there are processes which aren't even computerised. The banking industry will have to adapt to more mobile and demanding users. The “internet of things”, that will put in dialogue all kinds of devices, will mean new mountains of data to treat.

And the change will not be solely technological: in many cases it will demand rethinking the business itself. Something that Novabase, using Design Thinking, already helps many clients do.

These transformations will have particular impact in emerging markets, with huge infrastructure requirements. As these are regions where there's still much to be done, innovation is not held back by the burden of what already exists.



Seja no mundo emergente, seja no desenvolvido, a tecnologia por si será cada vez mais uma commodity. Diferenciador será servi-la em forma de soluções, oportunidades, insights.



Be it in the emerging or developed world, technology *per se* will increasingly become a commodity. Differentiation will come from the ability to deliver it in the form of solutions, opportunities, insights.

Em vários desses mercados, especialmente em África, a Novabase já implementa sistemas mais simples, fiáveis, económicos, sobretudo mais centrados no utilizador. Nas telecomunicações, na banca, nos serviços públicos, já melhoram a vida de milhões de pessoas. Nos próximos anos, serão muitos milhões mais.

Seja no mundo emergente, seja no desenvolvido, a tecnologia por si será cada vez mais uma commodity. Diferenciador será servi-la em forma de soluções, oportunidades, insights. Para uma empresa como a Novabase, isto implicará estar cada vez mais perto do negócio dos clientes – negócio, ele próprio, em constante transformação.

Mobilidade, big data, redes inteligentes, internet das coisas, inteligência artificial, personalização ao extremo... o que mais podemos esperar?

Na verdade, não sabemos. Mas uma coisa é certa: se estes primeiros 25 anos foram emocionantes, os próximos serão ainda mais. Vem connosco?

In many of these markets, especially in Africa, Novabase is already implementing simpler, more reliable, cheaper and, most importantly, more user-centred systems. In telecommunications, banking, public administration, these systems already improve the lives of millions of people. Over the next few years, they will be many millions more.

Be it in the emerging or developed world, technology *per se* will increasingly become a commodity. Differentiation will come from the ability to deliver it in the form of solutions, opportunities, insights. For a company like Novabase, this will imply being closer to the clients' business – which is, itself, in constant transformation.

Mobility, big data, intelligent networks, internet of things, artificial intelligence, personalisation to the extreme... What more should we expect?

To tell the truth, we just don't know. But one thing's for sure: if these first 25 years were exciting, the next ones will be even more so. Are you coming along?

mobility

Trabalharemos em qualquer sítio, e a própria noção de escritório desaparecerá. Aplicações e dados estarão disponíveis em qualquer local.

We will work anywhere and the very notion of an office will, in many cases, disappear. Applications and data will be available on any device.



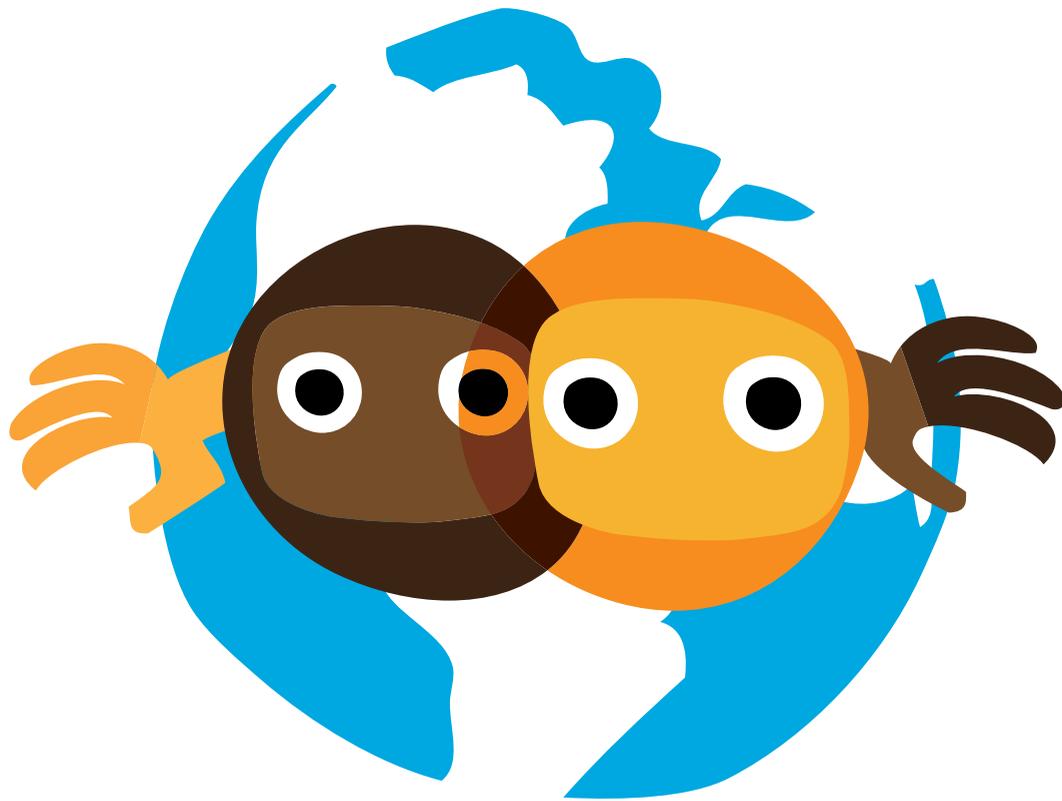
“

“Escritório”, “loja”, “banco”
já não serão um sítio,
mas algo que se liga
ou desliga em qualquer lado.

”

“Office”, “shop”, “bank”, will no longer be a place,
but something that is turned on or off anywhere.

talent



Em forma para lá chegar. **In good shape to get there.**

O mundo onde vamos viver nos próximos anos é cheio de oportunidades. Mas também muito mais exigente.

Exigirá agilidade. Criatividade. Adaptação rápida. E, principalmente, a capacidade de trabalhar em equipa, atraindo e tirando o melhor partido da inteligência, do conhecimento, do talento.

Para tornar a sua visão uma realidade nesse mundo em transformação acelerada, a Novabase sabe que precisa, ela própria, de abraçar a mudança.

É por isso que estamos a investir a fundo na criação de uma cultura interna que seja o reflexo daquilo em que acreditamos. Uma cultura de colaboração, de interajuda e de criatividade. Uma cultura de super-equipas, não de super-homens. Na qual cada um possa crescer à medida do seu potencial e da sua ambição.

The world we will be living in during the next few years is full of opportunities. But it will also be much more demanding.

It will demand agility. Creativity. Quick adaptation. And, mainly, the ability to work as a team, attracting and making the most of intelligence, knowledge and talent.

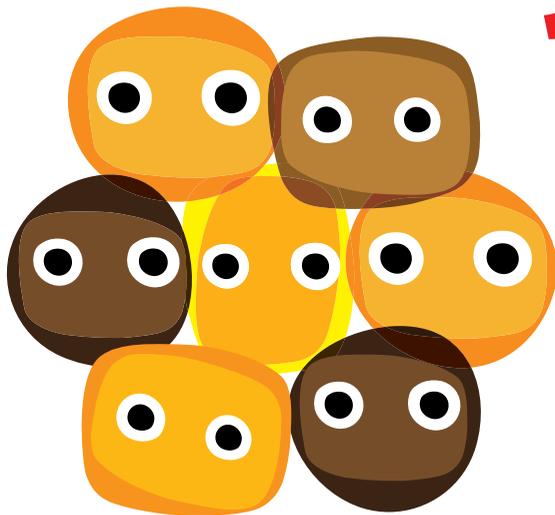
To make its vision a reality in this rapidly changing world, Novabase knows that the company itself must embrace change.

That's why we are investing strongly in a company culture that reflects what we believe in. A culture of cooperation, mutual help and creativity. A culture of super-teams, not supermen. Where one is able to grow according to one's potential and ambition.



Uma cultura de colaboração, de interajuda e de criatividade. Uma cultura de super-equipas, não de super-homens.

Na qual cada um possa crescer à medida do seu potencial e da sua ambição.



A culture of super-teams, not supermen. Where one is able to grow according to one's potential and ambition.

Criar uma cultura assim não é fácil. É uma corrida de fundo – e, por isso, todos os dias estamos a treinar. Criámos programas como o People, o Leadership Gym ou o Talent Gym – onde as nossas lideranças desenvolvem competências de coaching para ajudar as suas equipas a crescer.

O objetivo: uma Novabase alinhada com a sua visão e os seus valores. E por isso mais competitiva, mais sustentável e eficaz a tornar a vida das empresas e das pessoas mais simples e mais feliz.

Creating a culture like this isn't easy. It's a long-distance race – for which we're training every day. We have created programmes like People, The Leadership Gym or The Talent Gym – where our leaders develop coaching skills to help their teams grow.

The objective: a Novabase aligned with its vision and values. And therefore more competitive, more sustainable and effective in making the lives of companies and people simpler and happier.

dream





E agora?

Now what?



Rogério Carapuça
Chairman

A Novabase enfrentará quatro grandes desafios: **internacionalização, organização, rentabilidade e reutilização da sua propriedade intelectual.**

A **internacionalização** intensificar-se-á, acompanhando a expansão das economias emergentes e, no mundo desenvolvido, respondendo à crescente escassez de recursos humanos especializados. Seremos um player regional significativo na nossa zona geográfica natural, com a internacionalização a viabilizar o necessário crescimento.

Novabase will face four great challenges: **international expansion, organisation, profitability** and the reuse of its **intellectual property.**

International expansion will intensify, accompanying the expansion of emerging economies and, in the developed world, responding to the increasing scarcity of specialised human resources. We will be a significant regional player in our natural geographic zone, with international expansion making possible the necessary growth.

Uma Novabase maior e mais dispersa terá que encontrar o modelo de **organização** que lhe permita manter-se orientada para o cliente, ágil e capaz de atrair pessoas qualificadas e de continuamente criar e reutilizar a sua propriedade intelectual. Teremos de encontrar permanentemente novas formas de potenciar a criação de oportunidades para os nossos melhores talentos.

O terceiro desafio é a **rentabilidade**. Face à comoditização de muitos serviços das TIC, teremos de diferenciar a nossa oferta e encontrar formas eficientes de delivery à distância. Será preciso reutilizar conhecimentos e soluções para aumentar a rentabilidade, sem prejuízo do foco na satisfação de clientes e colaboradores e na melhoria da vida das pessoas que servimos.

Teremos ainda que intensificar a sistematização da nossa **propriedade intelectual**, definindo os problemas que resolvemos e a forma como que os resolvemos. A capacidade de adquirir, tratar e replicar este ativo em geografias diferentes será indispensável à nossa competitividade.

A larger and more dispersed Novabase will have to find an **organisation** model that allows it to remain client-oriented, agile and capable to attract highly qualified people as well as to continuously create and reuse its intellectual property. We will have to permanently seek new ways to promote the creation of opportunities for our best talents.

The third challenge is **profitability**. Faced with the commoditisation of ITC services, we will have to differentiate our offer and find efficient forms of remote delivery. It will be necessary to reuse knowledge and solutions to increase profitability, without prejudice to the focus on client and employee satisfaction and the improvement in the lives of the people we serve.

Furthermore, we will have to further systematise our **intellectual property**, defining the problems we solve and the way we solve them. The capacity to acquire, treat and replicate this asset in different geographies will be key to our competitiveness.

O nosso sonho

A implementação da nossa Visão traduz-se neste desejo: transformar a vida de 1 bilhão de pessoas. Este é o universo aproximado de cidadãos da nossa zona geográfica natural de atuação. Hoje temos cerca de 2300 colaboradores, mas a forma como ajudamos os nossos clientes a servir os seus próprios clientes tem potencial para transformar a vida dessa imensa população.

Como? Implementando soluções que viabilizam modelos de negócio mais intuitivos na banca, nas telecomunicações, na energia, bem como serviços públicos mais acessíveis e redes de transportes mais fluidas e intermodais. Soluções que respondam àquelas tendências que enunciámos para os próximos anos: mobilidade, personalização, globalização.

É neste contexto que a Novabase celebra os seus 25 anos. Como fruto da inteligência, competência e dedicação dos nossos colaboradores, do estímulo dos nossos clientes, da orientação e confiança no futuro dos nossos acionistas.

Bem hajam todos. Vamos construir mais uma etapa deste sonho coletivo que será o nosso legado para o futuro.

Our dream

The implementation of our vision translates to this wish: transform the lives of 1 billion people. That's the approximate number of citizens in our natural geographic area of activity. Today we are about 2300 employees but the way we help our clients serve their own clients has the potential to transform the lives of that immense population.

How? Implementing solutions that encourage more intuitive business models in the banking industry, in telecommunications or in energy and create more accessible public services and more fluid and intermodal transport networks. Solutions that respond to the trends that we have identified for the next few years: mobility, personalisation, globalisation.

It is in this context that Novabase celebrates its 25th anniversary. As a result of the intelligence, skills and dedication of our employees, of our clients' encouragement and of the guidance and trust in the future of our shareholders.

Thank you all. We are going to build another stage in this collective dream which will be our legacy for the future.

Os conteúdos desta brochura foram retirados de entrevistas realizadas a líderes da Novabase.

Contents of this brochure were taken from interviews with Novabase's leaders.

Coordenação Coordinated by
Novabase Marketing & Communication

Design e ilustração Design and illustration
Musse Ecodesign

Textos Texts
Hamlet



novabase.pt

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“

**Não poderemos
prever o futuro
não nos impede
de sonhá-lo.**

”

Not being able to predict the future
doesn't prevent us from dreaming it.

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9

18%

Crescimento internacional em 2013
International growth in 2013

34%

Percentagem de negócio internacional
International business percentage



2013 em Análise 2013 in the Spotlight

Senhores Acionistas,

Apesar do contexto adverso que continuou a afetar o nosso mercado doméstico em 2013, os resultados foram claramente positivos e confirmaram uma boa execução da estratégia que definimos para o ano.

No mercado externo, a Novabase cresceu 18%, representando o negócio internacional 34% da atividade total da Empresa. A internacionalização é, pois, uma aposta que se intensifica ano após ano, sobretudo nos mercados emergentes. A nossa oferta tem vindo a sofisticar-se, levando-nos a competir, em muitas áreas, de igual para igual com os grandes players globais.

O exercício de 2013 termina com uma redução do EBITDA e do Resultado Líquido, em 18% e 5% respetivamente, devido ao expressivo reforço dos meios dedicados à internacionalização, tal como havia sido antecipado.

Dear Shareholders,

Despite the negative setting that continued to affect our domestic market in 2013, the results were clearly positive, bearing out the solid execution of the strategy we laid out for the year.

In the foreign market, Novabase grew 18%, with international business accounting for 34% of the company's total business. As such, internationalization is a focus that intensifies year after year, above all in emerging markets. Our products and services have become more sophisticated, allowing us to compete on a par with major world players in many areas.

2013 ended with an 18% drop in EBITDA and a 5% drop in Net Profit due to major reinforcements in resources dedicated to internationalization, as had been anticipated.

A medida do sucesso da Novabase volta-se hoje, mais do que nunca, para os progressos além-fronteiras. Ao longo do ano, fomos desenvolvendo novos negócios em países com realidades complexas e distintas. Ferramentas como o Design Thinking e valências de multidisciplinaridade têm sido fatores distintivos que promovem o nosso crescimento pelo mundo, bem como a materialização da nossa Visão.

Reforçámos a nossa presença em África, com a inauguração oficial das operações em Moçambique, no 2º trimestre. Em Moçambique queremos assumir-nos como o parceiro tecnológico de referência dos principais grupos económicos e da administração pública. A nossa participada Celfocus registou um desempenho internacional excecional – em países tão diferentes como o Reino Unido, o Gana, os Emirados Árabes Unidos, o Qatar ou a Turquia – e conquistámos as primeiras vitórias em contratos-programa para a Comissão Europeia.

The measure of Novabase's success comes back – now more than ever – to progress abroad. Over the year, we have been developing new businesses in countries with complex, distinct realities. Tools such as Design Thinking and multidisciplinary expertise have been the differentiating factors allowing us to grow around the world, together with the materialization of our vision.

We strengthened our position in Africa with the official inauguration of operations in Mozambique in the second quarter. In Mozambique, we want to become a key technology partner for leading economic groups and public administration. Our subsidiary Celfocus had exceptional international performance – in different countries such as the United Kingdom, Ghana, United Arab Emirates, Qatar and Turkey – and we saw our first victories in program contracts with the European Commission.

Continuámos as nossas ações de solidariedade social na área do ensino, nomeadamente através da realização dos Cursos de Verão, uma iniciativa da Novabase e da Carlucci American International School of Lisbon, com o apoio da Câmara Municipal de Sintra. A edição de 2013 envolveu mais de 200 alunos e a avaliação que realizámos revela que o nosso contributo é significativo para a melhoria do seu comportamento escolar. Também revela que é possível criar uma escola diferente com um formato de ensino mais participativo e em que a tecnologia desempenha um papel fundamental.

A Novabase vai manter a sua estratégia de expansão internacional e aprofundar a verticalização das suas operações. A nossa diferenciação passará pela progressiva especialização em diversas ofertas replicáveis internacionalmente, através do investimento em I&D e da aplicação da nossa metodologia “DO” junto dos nossos clientes. Somos hoje, segundo o relatório “The top 1000 R&D investors in the EU”, uma das seis empresas portuguesas que mais aposta em I&D.

We continued our charity work in the area of education, namely through our summer courses, an initiative of Novabase and the Carlucci American International School of Lisbon, backed by the Sintra City Council. The 2013 edition involved more than 200 students, and our assessment shows that our contribution significantly helped to improve their academic performance. It also shows that it is possible to conceive a different school with a more participatory teaching format where technology plays a key role.

Novabase will maintain its strategy of international expansion and continue to vertically integrate its operations. We will differentiate ourselves by progressively specializing in various products and services that can be replicated internationally by investing in R&D and using our “DO” methodology with our customers. According to the “Top 1000 R&D investors in the EU” report, we are now one of the top six Portuguese companies when it comes to investing in R&D.

Temos uma solidez financeira invejável que nos permitiu pagar em 2013 dois dividendos, num total de 0,6€ por ação. Mantivemos níveis elevados de satisfação dos nossos clientes. Reforçamos o nosso investimento em capital humano, quer com a contratação de mais 170 jovens recém-graduados (a maioria mestres), quer com múltiplas iniciativas de formação em inúmeras áreas, com destaque para a Liderança e o Coaching.

Em 2014 a empresa comemora o seu 25º aniversário. Foram 25 anos de muito trabalho e dedicação de milhares de colaboradores. O seu talento e empenho tornaram possível esta Novabase de que muito nos orgulhamos. E, acreditamos, será também fundamental para a Novabase do futuro, um projeto que acreditamos tão improvável e ambicioso como aquele que nos trouxe até aqui.

Os próximos 25 anos já começaram!

Our enviable financial robustness allowed us to pay two dividends in 2013 totalling €0.6 per share. We maintained our customers' high levels of satisfaction. We boosted our investment in human capital by hiring an additional 170 recent university graduates (mostly Master's degree students) as well as multiple training initiatives in countless areas, particularly in leadership and coaching.

The company celebrates its 25th anniversary in 2014. These 25 years have been full of the work and dedication of thousands of employees. Their talent and commitment have made this Novabase, the one we are so proud of, possible. We believe this will also be essential for the Novabase of the future, an undertaking as improbable and ambitious as the one which brought us here today.

The next 25 years have now begun!

“

A medida do sucesso da Novabase volta-se hoje, mais do que nunca, para os progressos além-fronteiras. Ao longo do ano, fomos desenvolvendo novos negócios em países com realidades complexas e distintas.

”

The measure of Novabase's success comes back – now more than ever – to progress abroad. Over the year, we have been developing new businesses in countries with complex, distinct realities.



Rogério Carapuça
Presidente do Conselho de Administração
Chairman



Luís Paulo Salvado
CEO / Presidente da Comissão Executiva
CEO

2 Sumário Financeiro Financial Highlights



EBITDA
14.9



Volume de Negócios
Turnover
216.8



Volume de Negócios por Área
Turnover per Area



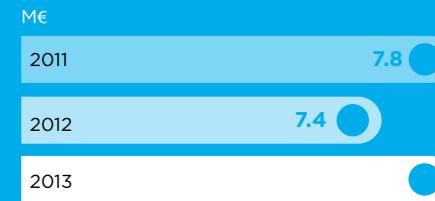
Resultados Líquidos
Net Profit
7.5



Earnings per Share
0.24



Net Cash
20.3

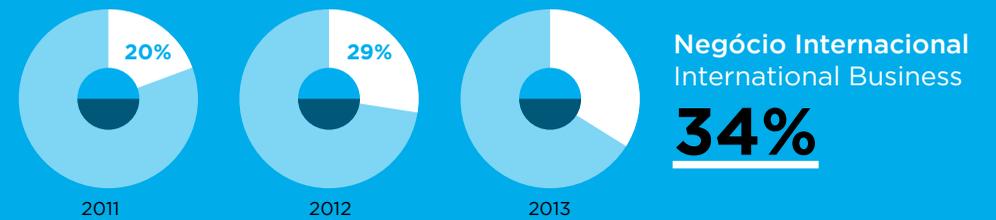


I&D | R&D
7.8

Número médio de colaboradores
Average number of employees



Colaboradores | Staff
2 170





Governo da Sociedade Corporate Governance

A Novabase, Sociedade Gestora de Participações Sociais, S.A. (adiante designada por Novabase ou Empresa) optou por divulgar, em separado, um Anexo ao Relatório anual de gestão relativo ao Governo de Sociedade, em conformidade com o artigo 245.º - A do Código dos Valores Mobiliários e de harmonia com o disposto no Regulamento da CMVM N.º 04/2013 sobre o Governo das Sociedades Cotadas, seguindo, na sua estrutura, o esquema preconizado no Anexo I ao Regulamento CMVM anteriormente citado. No presente relatório a NOVABASE indica quais as recomendações adotadas e parcialmente adotadas, incluindo neste caso os motivos.

Novabase, Sociedade Gestora de Participações Sociais, S.A. (hereinafter called “Novabase” or “Company”) has chosen to publish a separate annex to its annual report on the topic of corporate governance, in compliance with Article 245/A of the Securities Code and in accordance with the provisions of CMVM Regulation no. 04/2013 on the Governance of Listed Companies, organized according to the scheme outlined in Annex I to this CMVM regulation. In this report, Novabase indicates which recommendations have been adopted and partly adopted - with justification in the latter case.

A Novabase é uma empresa cotada desde Julho de 2000, que funciona de acordo com um modelo de governo que é com regularidade avaliado pelo Conselho de Administração quanto à adequação e desempenho, com o objetivo de procurar contribuir para a otimização do seu desempenho e com um mais correto alinhamento com os interesses de todos os *stakeholders* - entidades cujos interesses estão envolvidos na atividade societária -, nomeadamente os Acionistas e Investidores, os Clientes, Fornecedores e demais Parceiros de negócio e os Colaboradores.

Novabase is a listed company since July 2000, which operates according to a corporate government model that is regularly reviewed by the Board regarding its performance and adequacy, with the aim of optimizing its performance and alignment with the interests of all the stakeholders - entities whose interests are involved in the corporate activity - namely the shareholders and investors, customers, suppliers and other business partners and employees.

Face à evolução das boas práticas do Governo das Sociedades em conformidade com as regras e recomendações emitidas pela CMVM e tendo em conta a experiência da Novabase desde a sua admissão à negociação no Mercado Regulamentado da atual NYSE *Euronext Lisbon*, foi aprovada pelos Acionistas, na Assembleia Geral de 12 de Abril de 2007, a adoção do modelo de governo anglo-saxónico, que integra: um Conselho de Administração, o qual compreende uma Comissão de Auditoria, e um revisor oficial de contas (ROC). No âmbito deste modelo, foi mantida a opção de continuar a delegar a gestão corrente da Sociedade numa Comissão Executiva e, na sequência da Assembleia Geral de 28 de Abril de 2009, foram constituídas no seio do Conselho de Administração duas comissões especializadas: uma Comissão de Avaliação da Atividade do Conselho de Administração e uma Comissão de Avaliação do Governo Societário.

In light of trends in best corporate governance practices in accordance with rules and recommendations issued by the CMVM, and taking into account Novabase's experiences since its admission to trading on the NYSE Euronext Lisbon regulated market, shareholders at the General Meeting of Shareholders of 12 April 2007 approved an Anglo-Saxon corporate governance model that includes: a Board of Directors with an Auditing Committee and a statutory auditor. In this model, the company has kept the option of continuing to delegate the day-to-day running of the company to an Executive Committee. After the General Shareholders' Meeting of 28 April 2009, two specialized committees were created within the Board of Directors: a Board of Directors Performance Assessment Committee and a Corporate Governance Assessment Committee.

A Novabase analisa de forma contínua a implementação deste modelo por forma a conseguir aperfeiçoar sempre que possível as suas práticas de governo societário e adequar o modelo adotado às exigências e desafios que a Sociedade enfrenta.

Importa assim salientar que, no âmbito do último Relatório Anual sobre o Governo das Sociedades Cotadas em Portugal - 2012 elaborado pela CMVM, a Novabase cumpre a 100% com a adoção das recomendações constantes do Código de Governo das Sociedades. Apenas 5, das 42 entidades cotadas avaliadas pelo órgão regulador, apresentaram este grau de cumprimento.

In order to improve its governance practices whenever possible and tailor the model to the company's demands and challenges, Novabase constantly analyses its implementation.

Note that, in the latest Annual Report on Corporate Governance in Portugal - 2012, prepared by the CMVM, NOVABASE fulfills 100% of the recommendations contained in the Code of Corporate Governance. Only 5 of the 42 listed entities evaluated by the regulator showed this degree of compliance.

216.8 M€

Volume de negócios em 2013
Turnover in 2013

7.5 M€

Resultado líquido acionistas em 2013
Attributable net profit in 2013



Sustentabilidade Sustainability

Criação de Valor para os Acionistas Creation of Value for the Shareholders

VN Turnover	216.8 M€
EBITDA EBITDA	14.9 M€
Resultado líquido acionistas Attributable Net Profit	7.5 M€
Taxa de crescimento do VN Turnover growth rate	2.2%
Taxa de crescimento do VN internacional International turnover growth rate	18.1%
Taxa de crescimento do EBITDA EBITDA growth rate	-17.7%
Taxa de crescimento do resultado líquido acionistas Attributable Net Profit growth rate	-5.0%
Crescimento do "net cash" Net Cash growth	-17.3 M€
Return on Equity Return on Equity	8.3%
Return on Assets Return on Assets	4.3%



Desempenho Financeiro e Bolsista Financial and Stock Performance

Evolução dos indicadores chave

Volume de Negócios

O Volume de Negócios da Novabase, em 2013, atingiu os 216,8 M€ (milhões de euros), valor que corresponde a um aumento de 2,2% face aos 212,1 M€ registados em 2012, ficando em linha com o *Guidance* anual de 215,0 M€ (+0,9%), destacando o crescimento da componente internacional.

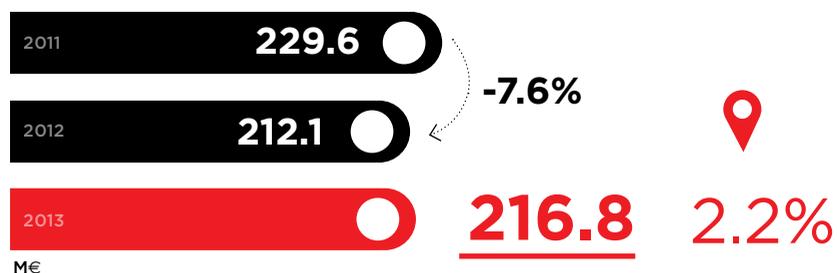
Changes in key indicators

Turnover

Novabase's turnover in 2013 was 216.8 M€ (million euros), an increase of 2.2% compared to 212.1 M€ in 2012, being in line with the annual *Guidance* of 215.0 M€ (+0.9%), highlighting the international component growth.

Volume de Negócios

Turnover



M€

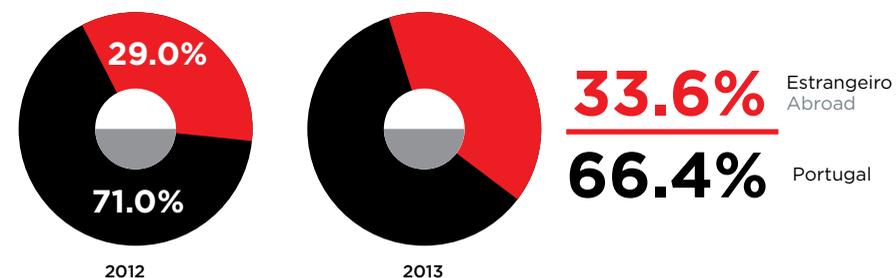
Guidance Anual: 215,0
Annual *Guidance* : 215.0

Com efeito, o negócio internacional cresceu 18,1% em 2013, refletindo a aposta nos mercados fora de Portugal. Do Volume de Negócios total, 33,6% são gerados fora de Portugal, ou seja 72,8 M€, que comparam com os 61,6 M€ registados em 2012. O negócio fora de Portugal gerado na Business Solutions cresceu para 32,1% da respetiva faturação (25,5% em 2012). Na IMS, a componente internacional subiu para 26,2% (25,7% em 2012) e na Venture Capital aumentou para 87,9% (84,8% em 2012).

Thus, international business grew 18.1% in 2013, reflecting a strong focus on markets outside Portugal. 33.6% of Novabase's total turnover, 72.8 M€, are originated from outside Portugal, compared to 61.6 M€ in 2012. Business Solutions business originating from outside Portugal increased to 32.1% of its sales (25.5% in 2012). At IMS, international business grew to 26.2% of its sales (25.7% in 2012) and in Venture Capital area increased to 87.9% (84.8% in 2012).

Volume de Negócios por geografia

Turnover by geography



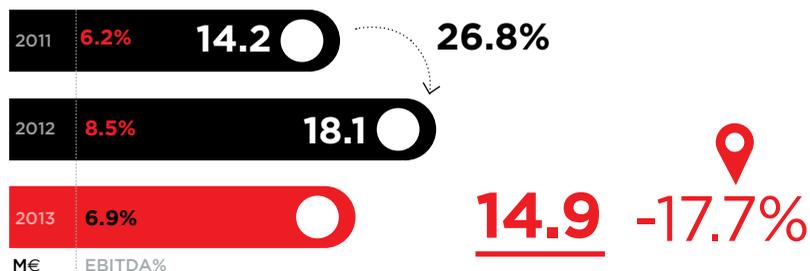
EBITDA

O EBITDA atingiu 14,9 M€ em 2013, o que representa um decréscimo de 17,7% face aos 18,1 M€ obtidos em 2012, ficando contudo dentro do intervalo do *Guidance* anual de 14-17 M€ e 6,5%-7,9% de margem: -4,1% abaixo do meio do intervalo (-0,4 p.p.).

EBITDA

EBITDA reached 14.9 M€ in 2013, a decrease of 17.7% compared to 18.1 M€ in 2012, being however within the range of the annual *Guidance* of 14-17 M€ and 6.5%-7.9% of margin: -4.1% below the middle of the range (-0.4 percentage points).

EBITDA



Meio do intervalo do *Guidance* Anual: 15,5
Middle of the range of the Annual *Guidance*: 15.5

A margem EBITDA cifrou-se em 6,9%, abaixo dos 8,5% de margem obtida em 2012.

The EBITDA margin was 6.9%, below the 8.5% margin obtained in 2012.

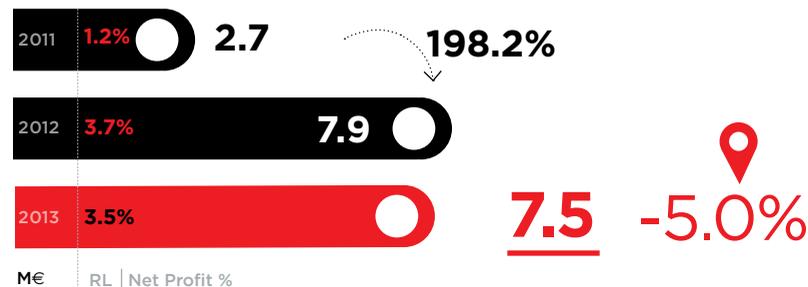
Resultados

Os Resultados Líquidos Consolidados, depois dos Interesses que não controlam, atingiram 7,5 M€, tendo diminuído 5,0% face ao valor de 7,9 M€ registado em 2012, um decréscimo já previsto, fruto dos custos associados à aceleração da estratégia de internacionalização.

Results

Consolidated Net Profit, after Non-controlling interests, reached 7.5 M€, a decrease of 5.0% compared to 7.9 M€ in 2012, an evolution already expected, due to the costs associated to the reinforcement of the international expansion strategy.

Resultados Líquidos Consolidados Consolidated Net Profit

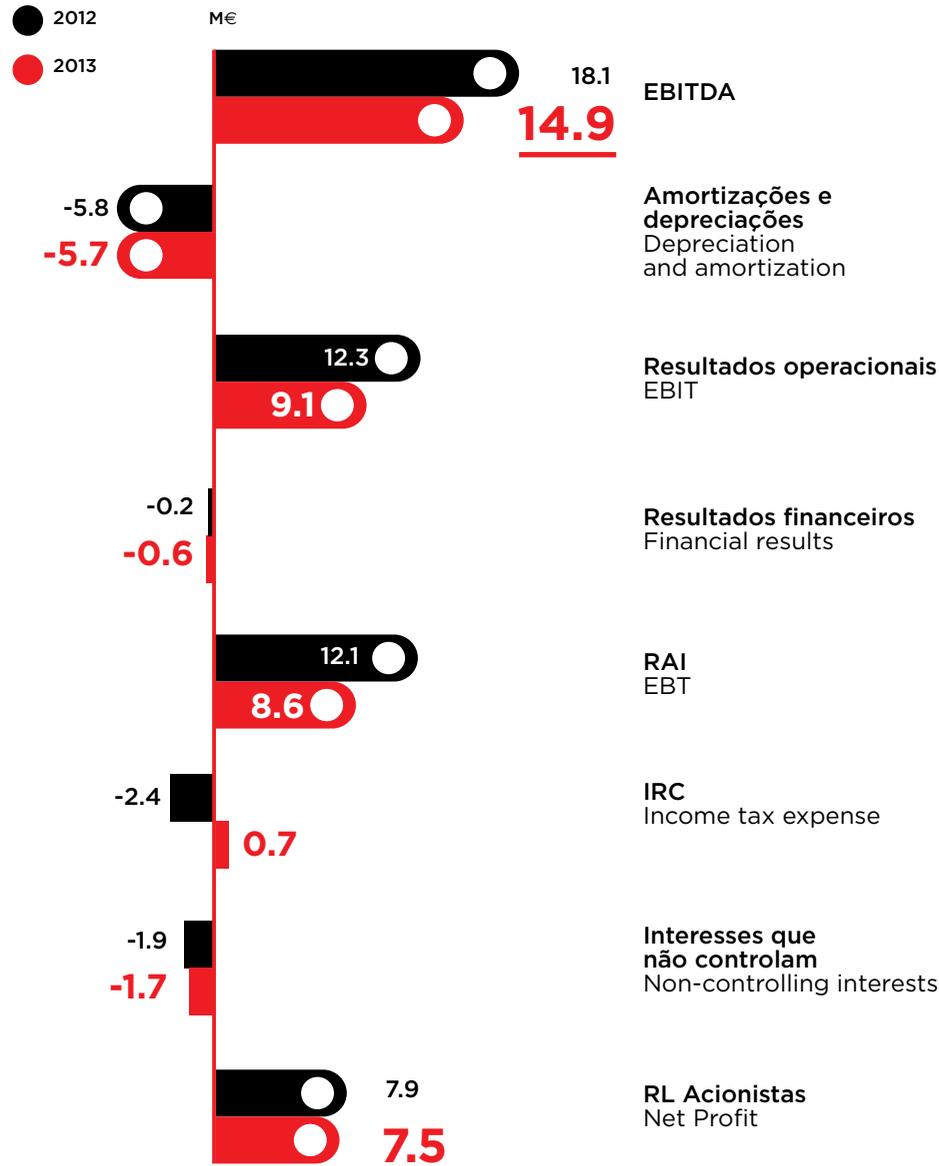


Em 2013, os Lucros por Ação atingiram 0,24 Euros por ação, registando um decréscimo de 5,5% face ao valor registado em 2012, de 0,26 Euros por ação.

Earnings per Share were 0.24 euros in 2013, registering a decrease of 5.5% compared to the 0.26 euros in 2012.

A evolução comparativa do EBITDA para os Resultados Líquidos é a seguinte:

Trends in EBITDA to Net Profit were as follows:



As Amortizações e depreciações atingiram -5,7 M€, abaixo do valor registado em 2012 (-5,8 M€).

Depreciation and amortization reached -5.7 M€, below the amount registered in 2012 (-5.8 M€).

Os Resultados operacionais (EBIT), no valor de 9,1 M€, registaram um decréscimo de 25,8% face ao período homólogo (12,3 M€).

Operating Profit (EBIT) was 9.1 M€, reflecting a decrease of 25.8% compared to 2012 (12.3 M€).

Os Resultados Financeiros atingiram o valor líquido negativo de 0,6 M€, um decréscimo de 0,4 M€, assente fundamentalmente na reavaliação do portfólio dos investimentos no segmento de Venture Capital, parcialmente compensado pelo aumento dos ganhos cambiais face ao ano anterior.

The Financial Results reached a net negative value of 0.6 M€, a decrease of 0.4 M€, fundamentally based on the re-evaluation of the portfolio of investments in the Venture Capital segment, partially offset by the increase in the foreign exchange gains compared to the same period of last year.

Os Resultados Antes de Impostos (RAI) foram, neste período, de 8,6 M€, registando uma descida de 29,5% versus os 12,1 M€ registados em 2012.

Earnings Before Taxes (EBT) in 2013 were 8.6 M€, registering a decrease of 29.5% compared to 12.1 M€ in 2012.

O Imposto sobre o Rendimento em 2013 fixou-se em 0,7 M€, acima dos -2,4 M€ registados em 2012, beneficiando do forte investimento em I&D.

Income tax expense in the 2013 reached 0.7 M€, above the -2.4 M€ in 2012, benefiting from the significant investment in R&D.

Os Interesses que não controlam atingiram -1,7 M€, que comparam com -1,9 M€ em 2012.

Non-controlling interests in 2013 amounted to -1.7 M€, which compares to -1.9 M€ in 2012.

Cash

Em 2013, a Novabase apresenta uma evolução negativa a nível da geração de *cash*.

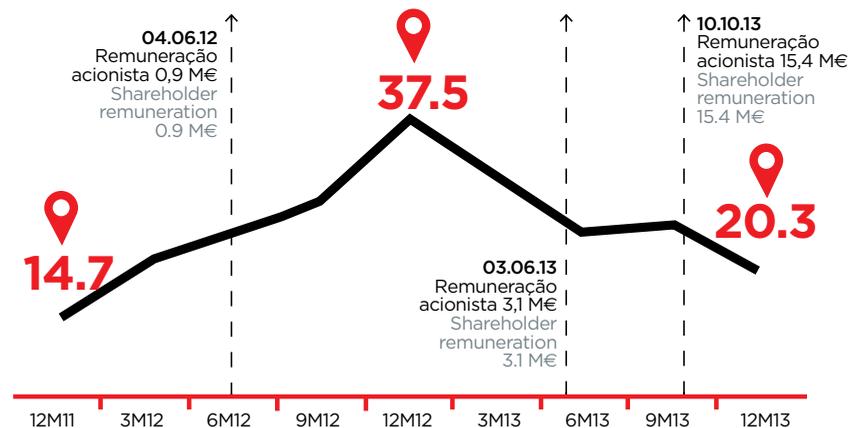
A Novabase terminou o ano de 2013 com 20,3 M€ em net cash, que compara com 37,5 M€ em 2012. Ainda assim, apesar do esperado aumento do investimento em fundo de maneo (dado os níveis atipicamente baixos registados no final de 2012) e excluindo o pagamento de dividendos no valor total de 18,5 M€, a Novabase apresentou uma geração de *cash* de 1,2 M€ em 2013.

Cash

In 2013, Novabase shows a negative evolution in cash generation. Novabase ended 2013 with 20.3 M€ in net cash, which compares to 37.5 M€ in 2012. Still, despite the expected increase of the investment in working capital (given the unusually lower levels recorded in the end of 2012) and excluding the payment of dividends in the total amount of 18.5 M€, Novabase had a cash generation of 1.2 M€ in 2013.

Net Cash

M€



A 3 de junho de 2013, a Novabase remunerou os seus acionistas no valor total de 3,1 M€ (0,10€/ação). Adicionalmente, a 10 de outubro de 2013, ocorreu a distribuição aos acionistas de reservas e resultados acumulados no montante de 15,4 M€, sendo o respectivo valor por ação de 0,50€.

On June 3, 2013, Novabase paid its shareholders a total amount of 3.1 M€ (0.10€/share). Additionally, on October 10, 2013, occurred the distribution of reserves and retained earnings to shareholders in a total amount of 15.4 M€, corresponding to 0.50€ per share.

Investimento

O valor do investimento recorrente consolidado ascendeu, em 2013, a 4,8 M€. Este valor, que corresponde a saída de *cash* da Demonstração da Posição Financeira, decompõe-se em duas parcelas, uma primeira parcela relativa a intangíveis em curso no valor de 3,1 M€ referente ao desenvolvimento de projetos ainda em curso, e uma segunda parcela, no valor de 1,7 M€, relativa a ativos fixos tangíveis, como mobiliário e equipamento diverso.

O investimento não recorrente foi negativo, no valor total de 3,2 M€, correspondendo, por um lado, a aquisições com caráter não regular ou usual, no montante de 0,1 M€ (correspondem a uma saída de *cash*), e por outro lado, a transferências, variações de perímetro e abates, no montante de -3,3 M€ (*non-cash items*).

Capital Expenditure

Consolidated recurring investment reached 4.8 M€ in 2013. This amount, which corresponds to a cash write-off, is divided into two parts: one pertaining to work in progress in the amount of 3.1 M€ related to the development of projects that are still under construction, and a second part, in the amount of 1.7 M€, related to other tangible assets, such as furnishings.

Non-recurring investment was negative, in the total amount of 3.2 M€, comprised of extraordinary acquisitions of 0.1 M€ (corresponding to cash write-offs) and transfers, changes in the consolidation perimeter and write-offs of -3.3 M€ (*non-cash items*).

Investimento Capital expenditure	Não recorrente Non-recurring	Recorrente Recurring	Total
Intangíveis em curso Work in progress			
Intangíveis em curso Work in progress		3.1	3.1
Transferência para ativos intangíveis Transfer to intangible assets	-2.2		-2.2
Sub-total (1)	-2.2	3.1	0.9
Ativos Intangíveis Intangible assets			
I&D R&D	2.4		2.4
Propriedade industrial e outros direitos Industrial property and other rights	-1.6		-1.6
Goodwill Goodwill	0		0
Sub-total (2)	0.8	0	0.8
Ativos fixos tangíveis Tangible assets			
Eq. transporte/ leasing/ AOV Transport equipment/ leasing/ OR	-0.4		-0.4
Outros ativos tangíveis Other tangible assets	-1.4	1.7	0.3
Sub-total (3)	-1.8	1.7	-0.1
Total	-3.2	4.8	1.6

Recursos Humanos

Em termos de Recursos Humanos, a Novabase teve em média, em 2013, 2170 colaboradores, o que representa um decréscimo de 1,1% face a 2012 (2194).

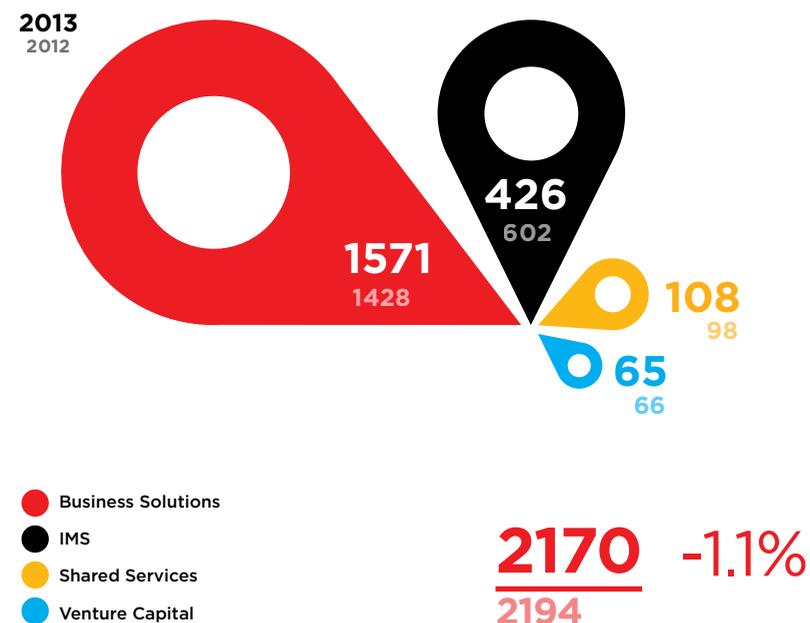
A distribuição de colaboradores pelas várias áreas da Novabase é a que se mostra na figura seguinte:

Human Resources

In terms of human resources, Novabase had an average of 2170 employees in 2013, a decrease of 1.1% compared to 2194 in 2012.

The following table shows the breakdown of employees among Novabase's various business areas:

Número Médio de Colaboradores Average Number of Employees



2170 -1.1%

2194

Colaboradores
Employees

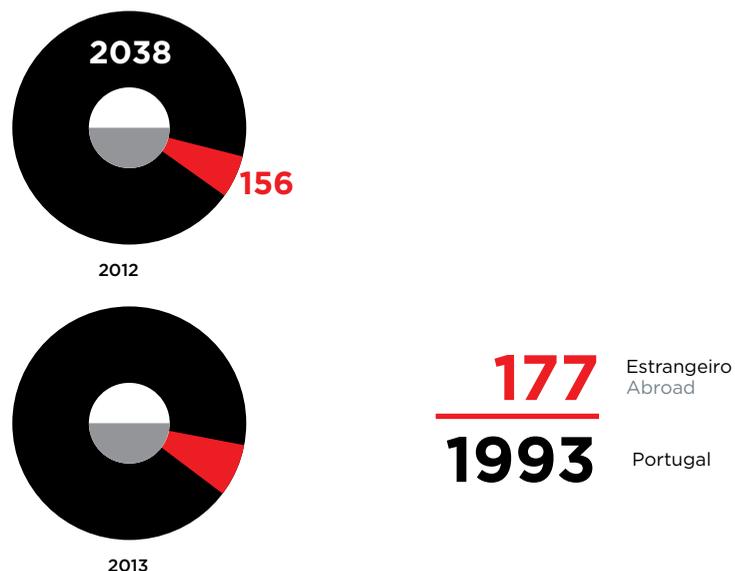
Esta evolução no número médio de colaboradores inclui a renovação de talento pela contratação de 170 recém-graduados através do programa Novabase Academy, o qual teve a sua primeira edição em Moçambique.

A equipa internacional cresceu 13,5%, em linha com a aposta da Novabase nos mercados fora de Portugal.

Average number of employees' evolution includes the talent renovation by the recruitment of 170 university graduates through Novabase Academy program, which had its first edition in Mozambique.

The international team grew 13.5%, in line with the Novabase's focus on markets outside Portugal.

Número Médio de Colaboradores por geografia
Average Number of Employees by geography



Resumo da Atividade

Os resultados de 2013 estão alinhados com as expectativas definidas para o ano, com foco no reforço da internacionalização e na verticalização das ofertas da Novabase. Recorde-se que o *Guidance* incorporava os custos adicionais associados ao desenvolvimento destas apostas estratégicas.

Com efeito, face ao período homólogo, o Volume de Negócios aumentou 2,2%, com a atividade internacional a representar 33,6% do total, mas o EBITDA registou uma redução de 17,7%. Os resultados anuais estão em linha com o *Guidance* de Volume de Negócios (+0,9%), e dentro do intervalo do *Guidance* de EBITDA (-4,1% em valor e -0,4 pontos percentuais comparado com o ponto médio do intervalo).

Destacamos no 2º trimestre de 2013, a inauguração oficial das operações em Moçambique. É ambição da Novabase Moçambique ser o parceiro tecnológico de referência dos principais bancos, dos operadores móveis e ter uma participação ativa nos projetos estruturantes do Governo. É também objetivo alargar esta presença ao restante mercado Africano.

Business Summary

The results of 2013 are in line with the expectations set for the year, with focus on strengthening both the international expansion and the vertical integration of Novabase offerings. It is worth noting that the *Guidance* included the costs associated to the development of these strategies.

Thus, compared to the same period of last year, the Turnover increased by 2.2%, with the international business representing 33.6% of the total business, but the EBITDA registered a decrease of 17.7%. The annual results are in line with the Turnover *Guidance* (+0.9%), and within the range of the EBITDA *Guidance* (-4.1% in value and -0.4 percentage points compared to the middle of the range).

Highlights include the official opening of operations in Mozambique in the second quarter of 2013. Novabase Mozambique aspires to be a key technology partner for leading banks and mobile operators, and play an active role in the government's structural projects. Another goal is to expand its position to the rest of the African market.

A entrada em Moçambique está alinhada com a estratégia de internacionalização da Empresa, que continua a apostar nos mercados emergentes.

Na área de Venture Capital, o Fundo de Capital de Risco Novabase Capital Inovação e Internacionalização realizou investimentos nas sociedades SmartGeo Solutions, empresa especializada na implementação de Sistemas de Informação Geográfica, Power Data, empresa dedicada ao desenvolvimento de soluções inovadoras para o sector das Utilities, e Radical Innovation, empresa que tem por objeto a incubação de projetos na área das tecnologias de informação e prestação de serviços integrados e suportados por uma plataforma multi-canal. Estes investimentos refletem o reforço da aposta estratégica em PME de base tecnológica inovadoras e com foco no mercado internacional.

The entry into Mozambique is in line with the company's international expansion strategy, which continues to focus on emerging markets.

In the Venture Capital area, the Venture Capital Fund Novabase Capital Inovação e Internacionalização invested in the companies SmartGeo Solutions, a company specialising in the deployment of Geographic Information Systems (GIS), Power Data, a company focused on developing innovative solutions for the Utilities sector, and Radical Innovation, specializing in incubator projects in the area of Information and Communication Technologies (ICT) and integrated services, supported by a multi-channel IT platform. These investments reflect the strengthening of Novabase's strategic commitment to innovative technology-based SMEs focused on the international market.

Adicionalmente, a Novabase decidiu alienar ao grupo General Satellite 100% das participadas Novabase Digital TV, EURL e DTV Research, Lda e 49% da Novabase Digital TV, GmbH. Esta operação é o culminar do plano estabelecido para a incubação do negócio de Digital TV/SIP (soluções de System-in-Package) na área de Venture Capital, permitindo a aplicação dos recursos agora libertados no desenvolvimento e internacionalização do negócio *core* da Novabase.

Ainda de assinalar, a distinção da Collab com o prémio Gold para a “Melhor Tecnologia de Contact Centers em 2013”, atribuído pela Associação Portuguesa de Contact Centers (APCC). Adicionalmente, a Novabase recebeu cinco prémios pela sua *performance* em Portugal, durante a reunião anual de parceiros Cisco da Europa, Cisco Partner Summit 2013: Architectural Excellence Borderless Networks Partner of the Year, Architectural Excellence Data Center Partner of the Year, Architectural Excellence Service Provider Architecture Partner of the Year, Commercial Partner of the Year e Services Partner of the Year.

Additionally, Novabase decided to sell to General Satellite group 100% of the subsidiaries Novabase Digital TV, EURL and DTV Research, Lda and 49% of Novabase Digital TV, GmbH. This transaction represents the culmination of the plan established by the area of Venture Capital for the incubation of the Digital TV business, and allows Novabase to apply the resources made available by this transaction in the development and internationalization of its core business.

Also worthy of note, is the distinction of Collab which was given the Gold award for the “Best Contact Center Technology in 2013”, attributed by the Portuguese Association of Contact Centers (APCC). Additionally, during the annual European Cisco partners meeting, Cisco Partner Summit 2013, Novabase received five awards for its performance in Portugal: Architectural Excellence Borderless Networks Partner of the Year, Architectural Excellence Data Center Partner of the Year, Architectural Excellence Service Provider Architecture Partner of the Year, Commercial Partner of the Year and Services Partner of the Year.



Com um investimento superior a 22 milhões de euros nos últimos três anos, a Novabase volta a marcar presença no relatório “*The top 1000 R&D investors in the EU*”, divulgado pela Comissão Europeia, que conta apenas com 6 empresas portuguesas neste *ranking*, tendo sido uma de duas únicas empresas a aumentar o investimento em I&D em 2013.

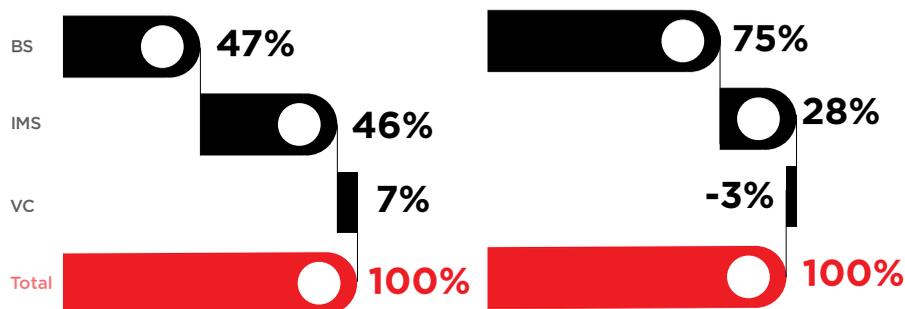
With investments exceeding €22 million in the last three years, Novabase was once again featured in “The top 1,000 R&D investors in the EU” report, published by the European Commission, which only has six portuguese companies in this ranking, being one of only two companies to increase investment in R&D in 2013.

A decomposição percentual do Volume de Negócios e do EBITDA pelos diferentes negócios, em 2013, é a seguinte:

The percent breakdown of Turnover and EBITDA, by business area, was as follows in 2013:

Volume de Negócios 2013
Turnover 2013

EBITDA 2013



Business Solutions

A Business Solutions apresentou em 2013 uma equipa de 1571 consultores e contribuiu com 47% do Volume de Negócios total da Novabase e com 75% do EBITDA total gerado em 2013.

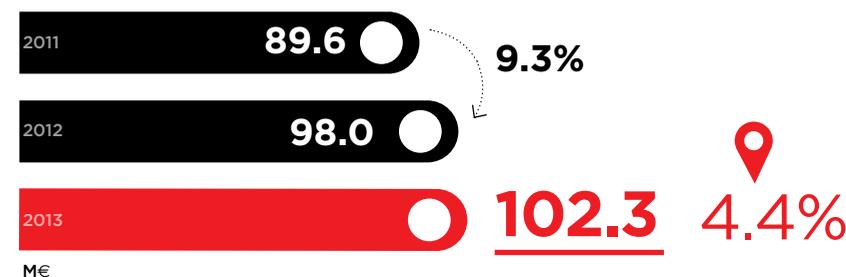
Business Solutions

In 2013, Business Solutions had a team of 1571 consultants, and generated 47% of Novabase’s total Turnover and 75% of the total EBITDA.

O Volume de Negócios global desta área atingiu 102,3 M€, o que representa um crescimento de 4,4% face ao valor de 2012, refletindo sobretudo o crescimento da componente internacional (+31,8% vs. 2012).

This business area’s total Turnover was 102.3 M€, an increase of 4.4% compared to 2012, primarily reflecting the growth of the international component (+31.8% vs. 2012).

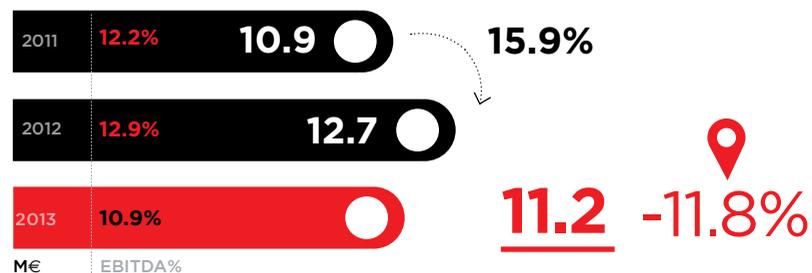
Volume de Negócios BS
Turnover BS



O EBITDA da Business Solutions em 2013 diminuiu 11,8% em termos homólogos (de 12,7 M€ para 11,2 M€), fixando-se a margem EBITDA nos 10,9% (o que compara com 12,9% em 2012). Esta evolução reflete os custos associados à intensificação da estratégia de internacionalização, conforme previsto.

Business Solutions EBITDA fell 11.8% in 2013 in equivalent terms (from 12.7 M€ to 11.2 M€), with an EBITDA margin of 10.9% (compared to 12.9% in 2012). This evolution reflects the costs associated to the intensification of the international expansion strategy, as anticipated.

EBITDA BS



Infrastructures & Managed Services

Em 2013, a IMS dispôs de uma força laboral de 426 colaboradores e contribuiu com 46% do Volume de Negócios e com 28% do EBITDA total gerado pela Novabase. O Volume de Negócios global desta área atingiu 98,4 M€, o que representa um decréscimo de 3,3% face ao valor de 2012. A evolução da IMS foi condicionada pela forte pressão de mercado.

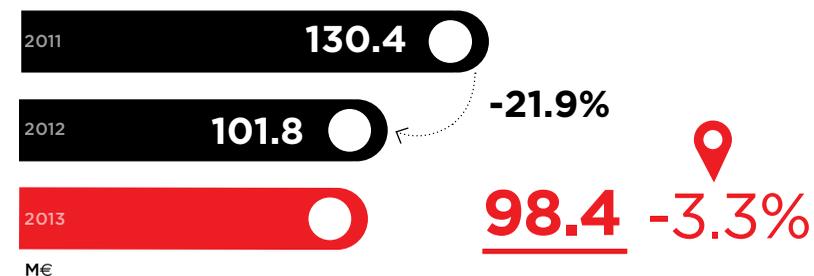
Infrastructures & Managed Services

IMS had a workforce of 426 employees in 2013, and generated 46% of Novabase's Turnover and 28% of the total EBITDA. This business area's total Turnover reached 98.4 M€, a decrease of 3.3% compared to 2012. This evolution was constrained by the strong market pressure.

Contudo, já se observa uma tendência de recuperação.

However, we already observe a trend towards recovery.

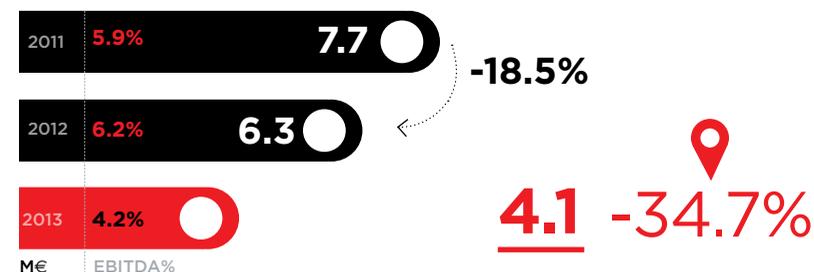
Volume de Negócios IMS Turnover IMS



O EBITDA da IMS em 2013 diminuiu 34,7% em termos homólogos (de 6,3 M€ para 4,1 M€), fixando-se a margem EBITDA nos 4,2% (que compara com 6,2% em 2012).

The EBITDA of IMS fell 34.7% in 2013 in equivalent terms (from 6.3 M€ to 4.1 M€), with an EBITDA margin of 4.2% (compared to 6.2% in 2012).

EBITDA IMS



Venture Capital

Em 2013, a Venture Capital dispôs de uma massa crítica de 65 colaboradores e contribuiu com 7% do Volume de Negócios e -3% do EBITDA total gerado pela Novabase.

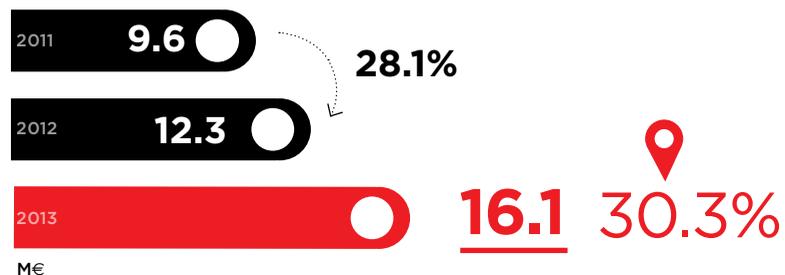
O Volume de Negócios global desta área atingiu 16,1 M€, o que representa um acréscimo de 30,3% face ao valor de 2012, refletindo sobretudo o crescimento da componente internacional (+35,1%).

Venture Capital

Venture Capital had a critical mass of 65 employees in 2013, and generated 7% of Novabase's Turnover and -3% of the total EBITDA.

This business area's total Turnover reached 16.1 M€, an increase of 30.3% compared to 2012, primarily reflecting the growth of the international component (+35.1%).

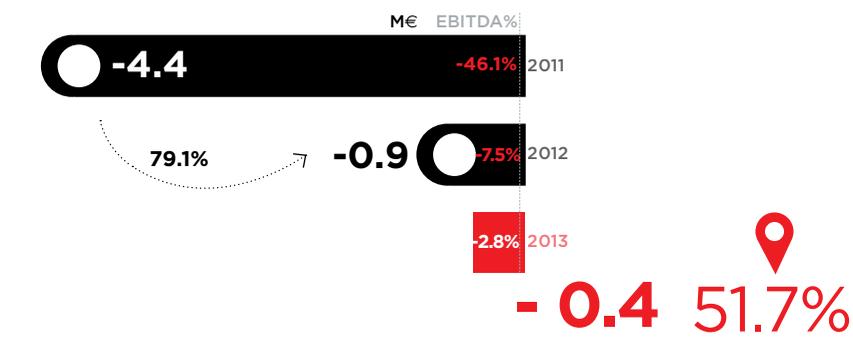
Volume de Negócios VC Turnover VC



O EBITDA da Venture Capital em 2013 aumentou, em termos homólogos, de -0,9 M€ para -0,4 M€, fixando-se a margem EBITDA nos -2,8%. Esta evolução reflete estágio de desenvolvimento com investimentos significativos em I&D.

Venture Capital's EBITDA increased in 2013, in equivalent terms, from -0.9 M€ to -0.4 M€, with an EBITDA margin of -2.8%. This area showed a positive evolution, typical of a stage of development with significant investments in R&D.

EBITDA VC



No seguimento da transação de alienação do negócio da Digital TV/SIP, a Novabase reconheceu um impacto global positivo de 0,3 M€ em EBITDA. Adicionalmente, está previsto um encaixe total de 11,2 M€ (2,2 M€ já reconhecidos em 2013), dos quais 6,2 M€ por libertação de fundo de manêio.

Este negócio representou em 2013 um Volume de Negócios de 12,0 M€ e um EBITDA de -1,8 M€.

Following the transaction of sale of the Digital TV/SIP business, Novabase recognized an overall positive impact of 0.3 M€ in EBITDA. Additionally, it is expected a total cash inflow of 11.2 M€ (2.2 M€ already recognized in 2013), 6.2 M€ of which as release of working capital.

This business accounted for a Turnover of 12.0 M€ and an EBITDA of -1.8 M€ in 2013.

Comportamento Bolsista

A cotação da ação Novabase em 2013 valorizou-se 13,5%, o que compara com uma valorização de 16,0% ocorrida no índice PSI20 e com uma valorização do índice EuroStoxx Technology de 26,7%.

Em junho de 2013, foi distribuído um dividendo de 0,10€/ação. Adicionalmente, em outubro de 2013 foi pago aos acionistas um valor de 0,50€/ação a título de distribuição de reservas e resultados acumulados. Descontando a remuneração acionista, a valorização do título Novabase teria sido de 39,1%.

Ainda referir que a Novabase entrou na carteira do PSI20 a 18 de março deste ano, tendo deixado o referido índice a partir de 24 de junho.

A rotação representou 26,5% do capital da Novabase, tendo sido transacionadas 8,3 milhões de ações, valores superiores em 69,4% aos ocorridos em 2012 (rotação de 15,6% do capital, tendo sido transacionadas 4,9 milhões de ações).

Stock Performance

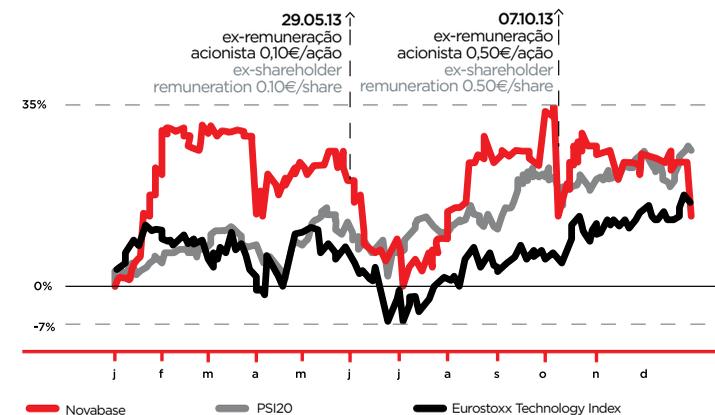
Novabase share price in 2013 gained 13.5%, comparing to a 16.0% gain in the PSI20 Index and a 26.7% gain in the EuroStoxx Technology Index.

On June 2013, a dividend of 0.10€/share was distributed. Additionally, on October 2013, it was paid to the shareholders an amount of 0.50€/share, corresponding to the distribution of reserves and retained earnings. Excluding the shareholder remuneration, the appreciation of Novabase share price would have been 39.1%.

Also to be noted that Novabase was included in PSI20 index as of March, 18, and left the index as of June, 24.

Share turnover accounted for 26.5% of Novabase's capital, with 8.3 million shares traded, 69.4% above the values in 2012 (turnover of 15.6% of capital, with 4.9 million shares traded).

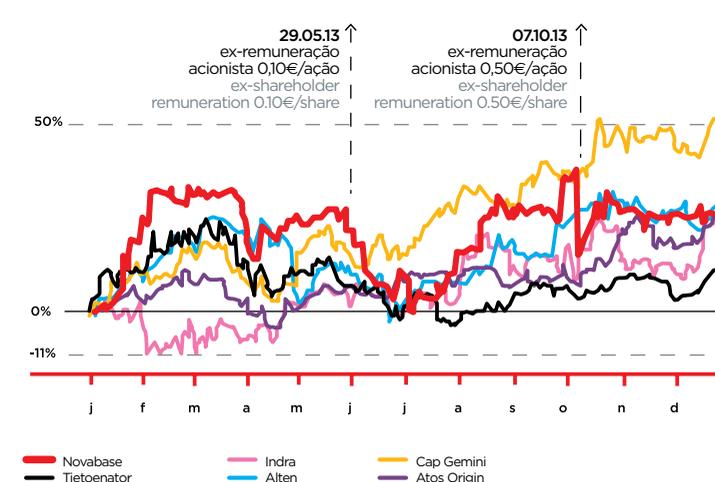
Novabase e o Mercado Novabase and the market



A evolução da cotação da Novabase comparada com outras empresas do sector de TI na Europa, em 2013, foi a seguinte:

The evolution of Novabase's share price compared to other companies from Europe's IT sector, in 2013, was as follows:

Novabase e outras TMT Novabase and other TMT



A Novabase apresentava no final de 2013 um múltiplo de *Price to CF* de 6,33x e um múltiplo de *Price to Sales* de 0,41x, o que significa um desconto de 44% e 46%, respetivamente, comparando com a média de outras empresas do sector na Europa.

O *price target* médio referenciado pelos analistas que cobrem a Novabase é de 3,88 euros (upside médio de 48,8%).

A cotação média, ponderada pela quantidade, do título Novabase em 2013 cifrou-se em 2,79 euros por ação. Foram transacionadas 8,3 milhões de ações em todas as 255 sessões de bolsa de 2013, correspondentes a um valor de transação de 23,2 M€.

In the end of 2013, Novabase presented a *Price to CF* multiple of 6.33x and a *Price to Sales* multiple of 0.41x, which represents a discount of 44% and 46%, respectively, compared to the average of other companies in the sector in Europe.

The average target price from analysts covering Novabase is 3.88 euros (average upside of 48.8%).

The average Novabase share price weighted by quantity in 2013 was 2.79 euros per share. 8.3 million shares were traded in all 255 stock exchange sessions in 2013, corresponding to a trading value of 23.2 M€.

O número médio diário de ações transacionadas fixou-se em 32,6 mil títulos, correspondente a um valor médio diário de cerca de 0,1 M€.

A cotação no último dia de bolsa de 2013, 31 de dezembro de 2013, fixou-se nos 2,61 euros, o que representa uma valorização de 13,5% face aos 2,30 euros com que a Novabase se fixou no final de 2012.

A cotação de fecho máxima ocorrida em 2013 atingiu os 3,11 euros enquanto o valor mínimo de fecho registado fixou-se nos 2,29 euros. A capitalização bolsista, no final de 2013, fixou-se em 82,0 M€.

The daily average number of shares traded was 32.6 thousand shares, corresponding to a daily average value of about 0.1 M€.

The share price on the last day of trading of 2013, 31 December 2013, was 2.61 euros, which represents a gain of 13.5% compared to the 2.30 euros that Novabase shares registered at the end of 2012.

The maximum closing price achieved in 2013 was 3.11 euros, while the minimum closing price recorded was 2.29 euros. Market capitalization at the end of 2013 was 82.0 M€.



Resumo Summary

	2013	2012	2011	2010	2009
Cotação mínima (€) Minimum price (€)	2.29	1.66	1.70	2.79	3.27
Cotação máxima (€) Maximum price (€)	3.11	2.32	3.21	4.63	5.05
Cotação média ponderada (€) Average weighted price (€)	2.79	2.05	2.67	3.71	4.39
Cotação no último dia (€) Last tradable day price (€)	2.61	2.30	2.09	2.90	4.44
Nº títulos transacionados (milhões) Number of shares traded (million)	8.3	4.9	5.5	7.1	8.5
Capitalização bolsista no último dia (M€) Market capitalization on last day (M€)	82.0	72.2	65.6	91.1	139.4

Riscos

O Grupo Novabase encontra-se exposto a um conjunto de riscos financeiros que resultam da sua atividade, nomeadamente, o Risco de taxa de câmbio, o Risco de fluxos de caixa e de justo valor, o Risco de crédito, o Risco de liquidez e o Risco de capital.

A imprevisibilidade dos mercados financeiros é analisada continuamente em consonância com a política de gestão de riscos do Grupo, de forma a minimizar potenciais efeitos adversos na sua *performance* financeira.

a) Risco de taxa de câmbio

O Grupo encontra-se exposto ao risco de flutuação cambial, sobretudo do dólar, dado que algumas subsidiárias efetuam transações nesta moeda.

O departamento financeiro é responsável pelo acompanhamento da evolução cambial da moeda referida acima, procurando mitigar o impacto da flutuação cambial nos resultados consolidados. Sempre que as expectativas de evolução de taxas de câmbio o justifiquem, o Grupo procura contratar operações de proteção contra movimentos adversos, através de instrumentos financeiros derivados.

Risks

The Group's activities expose it to a variety of financial risks, namely, Foreign exchange risk, Cash flow and fair value interest rate risk, Credit Risk, Liquidity risk and Capital management risk.

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

a) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk, mainly arising from U.S. Dollar exposure, since some subsidiaries perform transactions in this currency.

The finance department is responsible for the tracking of the exchange rate of the currency mentioned above, in order to reduce the impact of the fluctuation in consolidated results. The group uses derivative financial instruments to hedge certain risk exposures.

b) Risco de fluxos de caixa e de justo valor

A exposição ao risco de taxa de juro da Novabase advém de aplicações em instituições financeiras e em obrigações, e empréstimos. As aplicações em instituições financeiras e em obrigações são de curto prazo. Os empréstimos obtidos a taxas variáveis expõem a Novabase a risco de fluxos de caixa decorrente de variações na taxa de juro. Empréstimos emitidos a taxas fixas expõem a Novabase a risco de justo valor decorrente de variações na taxa de juro.

c) Risco de crédito

A gestão de risco de crédito da Novabase é efetuada simultaneamente ao nível das unidades de negócios, para os montantes em dívida de clientes, e ao nível consolidado, para a globalidade das posições ativas dos instrumentos financeiros. O risco de crédito advém de caixa e equivalentes de caixa, instrumentos financeiros derivados, e exposições de crédito a clientes, incluindo valores a receber e transações já acordadas. A nível de bancos e instituições financeiras, são apenas aceites entidades com credibilidade no sector.

b) Cash flow and fair value interest rate risk

The Group's interest-rate risk arises from finance investments in banks and bonds, and borrowings. Finance investments in banks and bonds are short term. Borrowings issued at variable rates expose the Group to cash flow interest-rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk.

c) Credit risk

Credit risk is managed, simultaneously, on business units' level, for the amounts of outstanding trade and other receivables, and on Group basis, for financial instruments. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions. For banks and financial institutions, only independently well rated parties are accepted.

A gestão do risco de crédito dos clientes é efetuada com base em intervalos de limites de crédito, tendo por base a posição financeira do cliente e o histórico das relações comerciais com o cliente.

d) Risco de liquidez

A gestão prudente do risco de liquidez implica a manutenção de dinheiro ou instrumentos financeiros líquidos suficientes, da existência de fontes de financiamento através de um montante adequado de facilidades de crédito e a possibilidade de fechar posições de mercado.

A Gestão monitoriza previsões atualizadas da reserva de liquidez do Grupo (linhas de crédito não utilizadas e caixa e equivalentes de caixa) na base dos fluxos de caixa esperados, tendo por base uma análise da maturidade contratual remanescente dos passivos financeiros e data esperada dos *inflows* dos ativos financeiros. Adicionalmente, é efetuado um controlo regular sobre a concentração da maturidade dos empréstimos e obrigações do Grupo.

Credit risk management of trade and other receivables is based in credit limits, taking into account the financial position of the customer and past experience.

d) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

Management monitors rolling forecasts of the Group'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, a regular monitoring is made to the maturity concentration of borrowings and liabilities of the Group.

e) Risco de capital

Os objetivos do Grupo em relação à gestão de capital, que é um conceito mais amplo do que o capital relevado na face da demonstração da posição financeira consolidada, são:

(i) Salvaguardar a capacidade do Grupo de continuar em atividade e assim proporcionar retornos para os acionistas e benefícios para os restantes *stakeholders*;

(ii) Manter uma estrutura de capital sólida para apoiar o desenvolvimento do seu negócio;

(iii) Manter uma estrutura de capital ótima que lhe permita reduzir o custo do capital.

Perspetivas 2014

Os resultados de 2013 estão de acordo com as expectativas da gestão. O Volume de Negócios registou um aumento de 2,2%, devido ao crescimento da componente internacional em 18,1%. Conforme esperado, o EBITDA diminuiu 17,7%, em termos homólogos, dada a pressão de preços no mercado doméstico e, fundamentalmente, pelos custos associados à aceleração da estratégia de internacionalização.

e) Capital management risk

The Group's objectives when managing capital, which is a broader concept than 'equity' in the consolidated statement of financial position, are:

(i) To safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders;

(ii) To maintain a solid capital structure to support the development of its business;

(iii) To maintain an optimal capital structure to reduce the cost of capital.

Outlook for 2014

The results of 2013 are in line with the management expectations. The Turnover registered an increase of 2.2%, due to the 18.1% growth of the international business. As anticipated, EBITDA decreased by 17.7%, year on year, due to strong pressure on prices in the domestic market and, primarily, because of the costs associated to the reinforcement of the international expansion strategy.

A Novabase mantém como prioridade para 2014 a intensificação da sua estratégia de internacionalização, estando prevista a abertura de várias subsidiárias para operar em novas geografias. Adicionalmente, a Novabase pretende reforçar o investimento em I&D para a especialização das suas soluções.

Em termos de *Guidance*, a Novabase espera um Volume de Negócios de 220 M€, dos quais 35% fora de Portugal, o que representa um crescimento internacional de 26,7%, considerando a alienação do negócio da Digital TV/SIP. Em relação ao EBITDA, a Novabase prevê um resultado entre os 14 M€ e os 17 M€, que incorpora os custos adicionais associados ao reforço da sua estratégia.

Eventos Subsequentes

Em 2014, até à emissão do presente relatório, ocorreram os seguintes factos relevantes, cujos detalhes se encontram adequadamente divulgados, a título de divulgação de informação privilegiada, nos sites da Novabase. S.G.P.S. e CMVM:

Novabase maintains as priority for 2014 the enhancement of its internationalization strategy, planning to open several subsidiaries to operate in new geographies. Additionally, Novabase intends to increase the investment in R&D with the aim of differentiation of its offerings.

In terms of *Guidance*, Novabase expects a Turnover of 220 M€, 35% of which generated outside Portugal, representing an international increase of 26.7%, considering the sale of Digital TV/SIP business. Regarding the EBITDA, Novabase foresees a result between 14 M€ and 17 M€, which includes the additional costs associated to the reinforcement of its strategy.

Subsequent Events

The following relevant facts occurred in 2014 by the date of issue of this report, details of which have been adequately disclosed as privileged information via the Novabase S.G.P.S. and CMVM sites:

Novabase informa sobre Política de dividendos e Dividendo aos acionistas de 0,20 cêntimos de Euro por ação

O Conselho de Administração aprovou a alteração da política de remuneração acionista, nos termos da qual passará a ser proposto à Assembleia Geral o pagamento anual de um montante correspondente a, pelo menos, 30% do resultado líquido consolidado do Grupo Novabase que for apurado em cada exercício social, eliminando assim o limite superior da política anteriormente em vigor. Nestes termos, a Novabase anuncia a intenção do seu Conselho de Administração de propor à Assembleia Geral anual de 2014 a distribuição de 6.280.278,80 Euros aos acionistas. Este pagamento, que corresponde a um montante equivalente a 83,62% do resultado líquido consolidado, representa um dividendo de 20 cêntimos de Euro por ação.

Novabase informs about shareholders remuneration policy and dividend to shareholders of 20 euro cents per share

The Board of Directors has approved an amendment to the shareholding earnings policy, under which the Board of Directors will propose to the General Meeting of Shareholders an annual payment of at least 30% of Novabase's Group consolidated net profit recorded in each financial year, thereby removing the upper limit of the policy previously in force. As a result, Novabase informs the intention of the Board of Directors to propose, at the 2014 Annual General Meeting of Shareholders, the distribution of € 6,280,278.80 to shareholders. This payment, equal to 83.62% of the consolidated net profit, represents a dividend of 20 euro cents per share.



Órgãos Sociais Corporate Boards

1. **Rogério dos Santos Carapuça**
Chairman
2. **Luís Paulo Cardoso Salvado**
CEO
3. **José Afonso Oom Ferreira de Sousa**
Administrador Não Executivo | Non Executive Director
4. **Pedro Miguel Quinteiro Marques de Carvalho**
Administrador Não Executivo | Non Executive Director
5. **João Nuno da Silva Bento**
Administrador Não Executivo | Non Executive Director
6. **Álvaro José da Silva Ferreira**
Africa | Energy & Utilities | Telecoms & Media
7. **Joaquim Manuel Jordão Sérvulo Rodrigues**
Administrador Não Executivo | Non Executive Director
8. **Luís Fernando de Mira Amaral**
Administrador Não Executivo | Non Executive Director
9. **Manuel Fernando de Macedo Alves Monteiro**
Administrador Não Executivo | Non Executive Director
10. **Francisco Paulo Figueiredo Morais Antunes**
CFO | International Task Force

11. **João Luís Correia Duque**
Administrador Não Executivo | Non Executive Director
12. **Nuno Carlos Dias dos Santos Fórneas**
CMO | Financial Services
13. **Paulo Jorge de Barros Pires Trigo**
Administrador Não Executivo | Non Executive Director
14. **Maria do Carmo do Brito Palma**
Government, Healthcare & Transportation
15. **Pedro Miguel Gonçalves Afonso**
Infrastructures & Managed Services

Mesa da Assembleia Geral
Officers of the General Meeting of Shareholders

António Manuel de Carvalho F. Vitorino
Presidente | Chairman

Maria José Santana
Secretário | Secretary

Comissão de Auditoria | Audit Committee

Luís Fernando de Mira Amaral
Presidente | Chairman

Manuel Fernando de Macedo Alves Monteiro

João Luís Correia Duque



Proposta de Aplicação de Resultados Proposal for the Allocation of Profits

No exercício de 2013, a Novabase SGPS, SA apresentou um resultado líquido consolidado de € 7.510.484,10 (sete milhões, quinhentos e dez mil, quatrocentos e oitenta e quatro euros e dez cêntimos) e um resultado líquido de € 14.219.654,57 (catorze milhões, duzentos e dezanove mil, seiscentos e cinquenta e quatro euros e cinquenta e sete cêntimos) nas contas individuais.

De acordo com a lei e os Estatutos, 5% do resultado líquido do exercício destina-se ao reforço da reserva legal, até que esta represente pelo menos 20% do capital social.

A demonstração da posição financeira individual da Sociedade, reportada à data de 31 de dezembro de 2013, apresenta reservas legais no montante de € 3.140.139,40 (três milhões, cento e quarenta mil, cento e trinta e nove euros e quarenta cêntimos). Este montante é igual ao mínimo legalmente exigível, não se

In 2013, Novabase SGPS, SA had a consolidated net profit of €7,510,484.10 (seven million, five hundred and ten thousand, four hundred and eighty four euros and ten cents) and a net profit of €14,219,654.57 (fourteen million, two hundred and nineteen thousand, six hundred and fifty four euros and fifty seven cents) in the individual accounts.

In compliance with the provisions of law and the articles of association, 5% of the net profit for the year should be added to the statutory reserves until this balance reaches 20% of the share capital.

The individual statement of financial position of the Company, reported as at December 31, 2013, presents statutory reserves in the amount of €3,140,139.40 (three million, one hundred and forty thousand, one hundred and thirty nine euros and forty cents). This amount is equal to the minimum legally

tornando, por outro lado, o capital próprio da Sociedade inferior à soma do capital e das reservas que a lei ou o contrato não permitem distribuir aos sócios, em consequência da aplicação de resultados pretendida.

No dia 6 de fevereiro de 2014, o Conselho de Administração da Sociedade divulgou ao mercado a alteração da política de remuneração acionista, nos termos da qual passará a ser proposto à Assembleia Geral o pagamento anual de um montante correspondente a, pelo menos, 30% do resultado líquido consolidado do Grupo Novabase que for apurado em cada exercício social, eliminando assim o limite superior da política anteriormente em vigor. Nestes termos, comunicou a sua intenção de propor à Assembleia Geral anual de 2014 a distribuição aos acionistas de um montante global de 6,3 M€, respeitante a lucros do exercício a distribuir mediante deliberação de aplicação de resultados. Esta distribuição, que corresponde a um montante equivalente a 83,62% do resultado líquido consolidado, traduzir-se-á num pagamento total aos acionistas de 0,20 Euros por ação, sujeita a aprovação da Assembleia Geral.

required, not becoming, on the other hand, as a result of the intended allocation of profits, the total equity inferior to the sum of the capital and reserves which may not be distributed to shareholders by the law or the contract.

On 6 February 2014, the company's Board of Directors publicly announced an amendment to the shareholding earnings policy, under which the Board of Directors will propose to the General Meeting of Shareholders an annual payment of at least 30% of Novabase's Group consolidated net profit recorded in each financial year, thereby removing the upper limit of the policy previously in force. As a result, Novabase informed on its intention to propose, at the 2014 Annual General Meeting of Shareholders, the distribution of €6.3 million, corresponding to annual profits to be distributed by means of a resolution to allocate profits. This payment, equal to 83.62% of the consolidated net profit, represents a dividend of €0.20 per share, subject to the approval of the General Meeting of Shareholders.

Nos termos das disposições legais e estatutárias, o Conselho de Administração propõe que os resultados líquidos a título individual sejam distribuídos da seguinte forma:

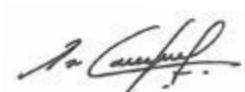
1. Do resultado líquido do exercício, acima mencionado, sejam pagos aos acionistas € 6.280.278,80 (seis milhões, duzentos e oitenta mil, duzentos e setenta e oito euros e oitenta cêntimos), correspondendo a € 0,20 (vinte cêntimos de euro) por ação, relativamente ao número total de ações emitidas;

2. Que o montante remanescente do resultado líquido do exercício, no valor de € 7.939.375,77 (sete milhões, novecentos e trinta e nove mil, trezentos e setenta e cinco euros e setenta e sete cêntimos), seja transferido para resultados transitados.

Pursuant to legal and statutory provisions, the Board of Directors proposes that the net profit be allocated, on an individual basis, as follows:

1. From the net profit for the year above mentioned, an amount totalling € 6,280,278.80 (six million, two hundred and eighty thousand, two hundred and seventy eight euros and eighty cents), corresponding to € 0.20 (twenty euro cents) per share of the total number of shares issued, shall be paid to shareholders;

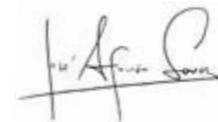
2. The remainder of net profit for the year in the amount of € 7,939,375.77 (seven million, nine hundred and thirty nine thousand, three hundred and seventy five euros and seventy seven cents) shall be transferred to retained earnings.



Rogério dos Santos Carapuça
(Presidente Chairman)



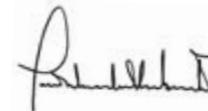
Luís Paulo Cardoso Salvado
(CEO)



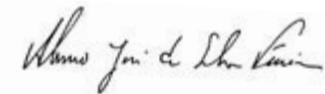
José Afonso Oom Ferreira de Sousa



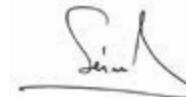
Pedro Miguel Quinteiro Marques de Carvalho



João Nuno da Silva Bento



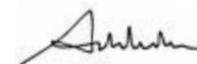
Álvaro José da Silva Ferreira



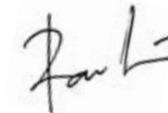
Joaquim Sérvulo Rodrigues



Luís Fernando de Mira Amaral



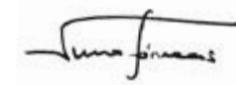
Manuel de Macedo Alves Monteiro



Francisco Paulo Figueiredo Morais Antunes



João Luís Correia Duque



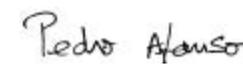
Nuno Carlos Dias dos Santos Fórneas



Paulo Jorge de Barros Pires Trigo



Maria do Carmo do Brito Palma



Pedro Miguel Gonçalves Afonso

Lisboa, 27 de março de 2014
O Conselho de Administração

Lisbon, 27 March 2014
Board of Directors



Anexos ao Relatório de Gestão Consolidado Annexes to the Consolidated Board of Directors' Report

Informação sobre a participação dos membros dos órgãos de administração e de fiscalização no capital da Empresa em 31 de dezembro de 2013

(De acordo com a disposição no
n.º 5 do artigo 447º do Código
das Sociedades Comerciais)

Information concerning stakes held in the Company by members of the board of directors and supervisory boards as at 31 December, 2013

(Under the terms of paragraph
5 of Article 447º of the
Portuguese Commercial

Acionistas¹ Shareholders

	Nº de ações No. shares	% Capital e direito de voto % Capital and voting rights
HNB - SGPS, SA	8.006.914	25.50%
Rogério dos Santos Carapuça	1.993.120	6.35%
Luís Paulo Cardoso Salvado	13.602	0.04%
José Afonso Oom Ferreira de Sousa	2.721	0.01%
Pedro Miguel Quinteiro Marques de Carvalho	2.279.012	7.26%
João Nuno da Silva Bento	699.799	2.23%
Álvaro José da Silva Ferreira	13.602	0.04%
Luís Fernando de Mira Amaral	6.305	0.02%
Manuel Alves Monteiro	9.000	0.03%
João Luís Correia Duque	500	0.00%
Nuno Carlos Dias dos Santos Fórneas	122.757	0.39%
Paulo Jorge de Barros Pires Trigo	68.864	0.22%
Maria do Carmo do Brito Palma	11.820	0.04%
Total	13.228.016	42.13%

¹ A participação de cada um destes Acionistas corresponde à última posição comunicada à Sociedade com referência a data anterior a 31 de dezembro de 2013.
¹ The shareholding of each of these Shareholders corresponds to the last position reported to the company until December 31, 2013.

Lista dos titulares de participações qualificadas em 31 de dezembro de 2013

(De acordo com a disposição no
n.º 4 do artigo 448º do Código
das Sociedades Comerciais e
artigo 16º do Código dos Valores
Mobiliários 'CVM')

List of shareholders with qualifying stakes as at 31 December, 2013

(Under the terms of paragraph
4 of Article 448º of the
Portuguese Commercial
Companies Code and
Article 16º of the Portuguese
Securities Code 'PSC')

Acionistas¹ Shareholders

	Nº parcial Partial No.	Nº de ações No. shares	% Capital e direito de voto % Capital and voting rights
HNB - SGPS, SA		8.006.914	25.50%
Partbleu, Sociedade Gestora de Participações Sociais, SA		3.180.444	10.13%
ES TECH VENTURES, SGPS, SA	1.792.144		
Banco Espírito Santo de Investimento, SA	66.929		
Elementos dos Órgãos Sociais		60	
Corporate Board Members			
Grupo Banco Espírito Santo, SA (termos do n.º 1 do Art.º 20 do CVM) (paragraph 1 Article 20 of PSC)		1.859.133	5.92%
Rogério dos Santos Carapuça		1.993.120	6.35%
Pedro Miguel Quinteiro Marques de Carvalho		2.279.012	7.26%
João Nuno da Silva Bento		699.799	2.23%
Fernando Fonseca Santos		1.575.020	5.02%
Fundo Santander Ações Portugal	1.413.967		
Fundo Santander PPA	138.786		
Santander Asset Management - Soc. Gestora de Fundos de Investimento Mobiliário, SA (termos do n.º 1 do Art.º 20 do CVM) (paragraph 1 Article 20 of PSC)		1.552.753	4.94%
IBIM2 Ltd		648.486	2.07%
Total		21.794.681	69.41%

¹ A participação de cada um destes Acionistas corresponde à última posição comunicada à Sociedade com referência a data anterior a 31 de dezembro de 2013.
¹ The shareholding of each of these Shareholders corresponds to the last position reported to the company until December 31, 2013.

Lista de transações de dirigentes

(Nos termos dos números 6 e 7 do artigo 14º do Regulamento da CMVM n.º 5/2010)

List of management transactions

(Under the terms of paragraphs 6 and 7 of Article 14º of the Portuguese Securities Market Commission - CMVM - Regulation n.º 5/2010)

Dirigente Director	Transação Transaction	Data Date	Hora Time	Local Location	Nº Ações No Shares	Preço unitário (€) Price per share (€)
Paulo Jorge de Barros Pires Trigo	Aquisição Acquisition	04.04.2013	-	Fora de Mercado Regulamentado Over-the-Counter	12.396	3.65
Paulo Jorge de Barros Pires Trigo	Aquisição Acquisition	04.04.2013	-	Fora de Mercado Regulamentado Over-the-Counter	2.777	2.839
Paulo Jorge de Barros Pires Trigo	Aquisição Acquisition	04.04.2013	-	Fora de Mercado Regulamentado Over-the-Counter	3.691	2.719
Álvaro José da Silva Ferreira	Aquisição Acquisition	09.04.2013	11:46:41 AM	Euronext Lisbon	30.000	2.670
Álvaro José da Silva Ferreira	Aquisição Acquisition	09.04.2013	12:03:10 PM	Euronext Lisbon	82	2.670
Álvaro José da Silva Ferreira	Aquisição Acquisition	09.04.2013	12:03:10 PM	Euronext Lisbon	694	2.675
Álvaro José da Silva Ferreira	Aquisição Acquisition	09.04.2013	12:03:10 PM	Euronext Lisbon	30	2.683
Álvaro José da Silva Ferreira	Aquisição Acquisition	09.04.2013	3:11:01 PM	Euronext Lisbon	2.336	2.685
Álvaro José da Silva Ferreira	Aquisição Acquisition	09.04.2013	12:03:10 PM	Euronext Lisbon	1.000	2.688
Álvaro José da Silva Ferreira	Aquisição Acquisition	09.04.2013	12:03:10 PM	Euronext Lisbon	4.639	2.690
Álvaro José da Silva Ferreira	Aquisição Acquisition	09.04.2013	3:11:01 PM	Euronext Lisbon	5.000	2.695
Álvaro José da Silva Ferreira	Aquisição Acquisition	09.04.2013	12:03:10 PM	Euronext Lisbon	93.555	2.700
Álvaro José da Silva Ferreira	Aquisição Acquisition	09.04.2013	3:11:01 PM	Euronext Lisbon	92.664	2.700
José Afonso Oom Ferreira de Sousa	Venda Disposal	22.05.2013	-	Fora de Mercado Regulamentado Over-the-Counter	2.514.996	3.00
Luís Paulo Cardoso Salvado	Venda Disposal	22.05.2013	-	Fora de Mercado Regulamentado Over-the-Counter	2.079.591	3.00
João Nuno da Silva Bento	Venda Disposal	22.05.2013	-	Fora de Mercado Regulamentado Over-the-Counter	1.200.000	3.00
Álvaro José da Silva Ferreira	Venda Disposal	22.05.2013	-	Fora de Mercado Regulamentado Over-the-Counter	1.749.073	3.00
HNB - SGPS, SA	Aquisição Acquisition	22.05.2013	-	Fora de Mercado Regulamentado Over-the-Counter	2.514.996	3.00
HNB - SGPS, SA	Aquisição Acquisition	22.05.2013	-	Fora de Mercado Regulamentado Over-the-Counter	2.079.591	3.00
HNB - SGPS, SA	Aquisição Acquisition	22.05.2013	-	Fora de Mercado Regulamentado Over-the-Counter	1.200.000	3.00
HNB - SGPS, SA	Aquisição Acquisition	22.05.2013	-	Fora de Mercado Regulamentado Over-the-Counter	1.749.073	3.00
Luís Paulo Cardoso Salvado	Aquisição Acquisition	27.05.2013	-	Fora de Mercado Regulamentado Over-the-Counter	27.201	2.837
Álvaro José da Silva Ferreira	Aquisição Acquisition	27.05.2013	-	Fora de Mercado Regulamentado Over-the-Counter	27.201	2.837
José Afonso Oom Ferreira de Sousa	Aquisição Acquisition	27.05.2013	-	Fora de Mercado Regulamentado Over-the-Counter	5.440	2.837
Luís Paulo Cardoso Salvado	Venda Disposal	28.05.2013	-	Fora de Mercado Regulamentado Over-the-Counter	13.600	3.00
Álvaro José da Silva Ferreira	Venda Disposal	28.05.2013	-	Fora de Mercado Regulamentado Over-the-Counter	13.600	3.00
José Afonso Oom Ferreira de Sousa	Venda Disposal	28.05.2013	-	Fora de Mercado Regulamentado Over-the-Counter	2.720	3.00
HNB - SGPS, SA	Aquisição Acquisition	28.05.2013	-	Fora de Mercado Regulamentado Over-the-Counter	13.600	3.00
HNB - SGPS, SA	Aquisição Acquisition	28.05.2013	-	Fora de Mercado Regulamentado Over-the-Counter	13.600	3.00
HNB - SGPS, SA	Aquisição Acquisition	28.05.2013	-	Fora de Mercado Regulamentado Over-the-Counter	2.720	3.00
Rogério dos Santos Carapuça	Aquisição Acquisition	21.06.2013	-	Fora de Mercado Regulamentado Over-the-Counter	108.333	2.470
Pedro Miguel Quinteiro Marques de Carvalho	Aquisição Acquisition	21.06.2013	-	Fora de Mercado Regulamentado Over-the-Counter	108.333	2.470
HNB - SGPS, SA	Aquisição Acquisition	21.06.2013	-	Fora de Mercado Regulamentado Over-the-Counter	433.334	2.470
Total					16.105.866	

Transações de ações próprias

(Nos termos da alínea d) do n.º 5 do artigo 66º do Código das Sociedades Comerciais)

Own shares transactions

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

Transacção Transaction	Data Date	Local Location	Nº Ações No Shares	Preço unitário (€) Price per share (€)
Cedência Transfer	04.04.2013	Fora de Mercado Regulamentado Over-the-Counter	5.493	3.78
Cedência Transfer	04.04.2013	Fora de Mercado Regulamentado Over-the-Counter	1.231	2.839
Cedência Transfer	04.04.2013	Fora de Mercado Regulamentado Over-the-Counter	1.831	3.78
Cedência Transfer	04.04.2013	Fora de Mercado Regulamentado Over-the-Counter	410	2.839
Cedência Transfer	04.04.2013	Fora de Mercado Regulamentado Over-the-Counter	4.348	3.78
Cedência Transfer	04.04.2013	Fora de Mercado Regulamentado Over-the-Counter	974	2.839
Cedência Transfer	04.04.2013	Fora de Mercado Regulamentado Over-the-Counter	4.348	3.78
Cedência Transfer	04.04.2013	Fora de Mercado Regulamentado Over-the-Counter	974	2.839
Cedência Transfer	04.04.2013	Fora de Mercado Regulamentado Over-the-Counter	348	3.78
Cedência Transfer	04.04.2013	Fora de Mercado Regulamentado Over-the-Counter	78	2.839
Cedência Transfer	04.04.2013	Fora de Mercado Regulamentado Over-the-Counter	12.396	3.65
Cedência Transfer	04.04.2013	Fora de Mercado Regulamentado Over-the-Counter	2.777	2.839
Cedência Transfer	04.04.2013	Fora de Mercado Regulamentado Over-the-Counter	6.198	3.65
Cedência Transfer	04.04.2013	Fora de Mercado Regulamentado Over-the-Counter	1.389	2.839
Cedência Transfer	04.04.2013	Fora de Mercado Regulamentado Over-the-Counter	6.779	2.719
Cedência Transfer	04.04.2013	Fora de Mercado Regulamentado Over-the-Counter	4.696	2.719
Cedência Transfer	04.04.2013	Fora de Mercado Regulamentado Over-the-Counter	5.452	2.719
Cedência Transfer	04.04.2013	Fora de Mercado Regulamentado Over-the-Counter	21.520	2.719
Cedência Transfer	04.04.2013	Fora de Mercado Regulamentado Over-the-Counter	3.691	2.719
Cedência Transfer	27.05.2013	Fora de Mercado Regulamentado Over-the-Counter	27.201	2.837
Cedência Transfer	27.05.2013	Fora de Mercado Regulamentado Over-the-Counter	27.201	2.837
Cedência Transfer	27.05.2013	Fora de Mercado Regulamentado Over-the-Counter	5.440	2.837
Cedência Transfer	03.09.2013	Fora de Mercado Regulamentado Over-the-Counter	6.198	3.65
Cedência Transfer	03.09.2013	Fora de Mercado Regulamentado Over-the-Counter	1.389	2.839
Total			152.362	

Em 31 de dezembro de 2012, a Novabase S.G.P.S. detinha em carteira 742.316 ações próprias, representativas de cerca de 2,36% do seu capital social.

Durante o ano de 2013, a empresa cedeu 152.362 ações próprias a um preço líquido médio de 3,04 Euros, sendo que 50.382 ações próprias foram utilizadas na liquidação de aquisições a interesses que não controlam, 42.138 ações próprias como prémios a colaboradores e 59.842 ações próprias na liquidação das opções exercidas no âmbito do Plano de Opções de Atribuição de Ações em vigor.

Em 31 de dezembro de 2013, a Novabase S.G.P.S. detinha em carteira 589.954 ações próprias, representativas de cerca de 1,88% do seu capital social.

At 31 December 2012, Novabase S.G.P.S. held 742,316 own shares, representing 2.36% of its share capital.

During 2013, the company transferred 152,362 own shares at the average net price of 3.04 Euros, 50,382 of which were used in the settlement of acquisitions to non-controlling interests, 42,138 as bonuses to employees and 59,842 in the settlement of the exercised options under the terms of the Stock Options Plan in force.

At 31 December 2013, Novabase S.G.P.S. held 589,954 own shares, representing 1.88% of its share capital.



Demonstrações Financeiras Financial Statements

Demonstração da Posição Financeira Consolidada Consolidated Statement of Financial Position



	Milhares de Euros Thousand of Euros	31.12.13	31.12.12
Ativo Assets			
Ativos Não Correntes Non-Current Assets			
Ativos fixos tangíveis Property, plant and equipment		6.120	7.101
Ativos intangíveis Intangible assets		32.095	31.660
Investimentos em empresas associadas Investments in associates		961	855
Ativos financeiros ao justo valor através de resultados Other financial assets at fair value through profit or loss		1.256	1.731
Ativos por impostos diferidos Deferred income tax assets		14.901	12.249
Outros ativos não correntes Other non-current assets		4.868	-
Total de Ativos Não Correntes Total Non-Current Assets		60.201	53.596
Ativos Correntes Current Assets			
Inventários Inventories		8.925	4.474
Clientes e outras contas a receber Trade and other receivables		87.975	92.489
Acréscimos de proveitos Accrued income		12.421	10.035
Imposto sobre o rendimento a receber Income tax receivable		2.236	2.057
Instrumentos financeiros derivados Derivative financial instruments		514	216
Outros ativos correntes Other current assets		4.470	5.782
Ativos financeiros detidos para negociação Financial assets held for trading		5.015	9.855
Caixa e equivalentes a caixa Cash and cash equivalents		32.942	40.452
Total de Ativos Correntes Total Current Assets		154.498	165.360
Ativos operações descontinuadas Assets for discontinued operations		-	-
Total do Ativo Total Assets		214.699	218.956

	Milhares de Euros Thousand of Euros	31.12.13	31.12.12
Capitais Próprios Equity			
Capital social Share capital		15.701	15.701
Ações próprias Treasury shares		(295)	(371)
Prêmios de emissão Share premium		43.560	43.560
Reservas e resultados acumulados Reserves and retained earnings		23.756	33.481
Resultado líquido Profit for the year		7.510	7.906
Total dos Cap. Próp. Atrib. aos Acionistas Total Equity Atrib. To Owners of the Parent		90.232	100.277
Interesses que não controlam Non-controlling interests		11.522	10.613
Total dos Capitais Próprios Total Equity		101.754	110.890
Passivo Liabilities			
Passivos Não Correntes Non-Current Liabilities			
Empréstimos Borrowings		14.031	11.287
Provisões Provisions		4.386	2.436
Passivos por impostos diferidos Deferred income tax liabilities		100	100
Outros passivos não correntes Other non-current liabilities		70	70
Total de Passivos Não Correntes Total Non-Current Liabilities		18.587	13.893
Passivos Correntes Current Liabilities			
Empréstimos Borrowings		7.353	5.246
Fornecedores e outras contas a pagar Trade and other payables		61.764	59.755
Imposto sobre o rendimento a pagar Income tax payable		89	916
Instrumentos financeiros derivados Derivative financial instruments		77	34
Proveitos diferidos e outros passivos correntes Deferred income and other current liabilities		24.755	27.902
Total de Passivos Correntes Total Current Liabilities		94.038	93.853
Passivos operações descontinuadas Liabilities for discontinued operations		320	320
Total do Passivo Total Liabilities		112.945	108.066
Total dos Capitais Próprios e Passivo Total Equity and Liabilities		214.699	218.956

Demonstração Consolidada dos Resultados e Outro Rendimento Integral
Consolidated Statement of Profit and Loss and Other Comprehensive Income



	Milhares de Euros Thousand of Euros	31.12.13 (12M*)	31.12.12 (12M*)
Vendas Sales		78.282	74.280
Prestação de serviços Services rendered		138.548	137.795
Custo das vendas Cost of sales		(67.165)	(65.126)
Fornecimentos e serviços externos External supplies and services		(54.441)	(52.228)
Gastos com o pessoal Employee benefit expense		(79.808)	(75.936)
Outros ganhos e perdas líquidos Other gains/(losses) - net		(556)	(725)
Amortizações e depreciações Depreciation and amortisation		(5.731)	(5.757)
Resultados Operacionais Operating Profit		9.129	12.303
Proveitos financeiros Finance income		3.253	4.731
Custos financeiros Finance costs		(3.900)	(4.721)
Perdas em associadas Share of post tax loss of associates		73	(176)
Resultados Antes de Impostos Profit Before Income Tax		8.555	12.137
Imposto sobre o rendimento Income tax expense		693	(2.376)
Resultado Líquido Profit for the Year		9.248	9.761
Outro rendimento integral no exercício Other comprehensive income		-	-
Rendimento Integral Total no Exercício Total Comprehensive Income for the Year		9.248	9.761



	Milhares de Euros Thousand of Euros	31.12.13 (12M*)	31.12.12 (12M*)
Resultado Líquido Atribuível a: Profit Attributable to:			
Acionistas Owners of the parent			
Interesses que não controlam Non-controlling interests		7.510	7.906
		1.738	1.855
		9.248	9.761
Rendimento Integral Atribuível a: Total Comprehensive Income Attributable to:			
Acionistas Owners of the parent			
Interesses que não controlam Non-controlling interests		7.510	7.906
		1.738	1.855
		9.248	9.761
Resultado por ação atribuível aos acionistas (€ por ação) Earnings per share attributable to owners of the parent (Euros per share)			
Resultado por ação básico Basic earnings per share			
Resultado por ação diluído Diluted earnings per share		0.24 Euros	0.26 Euros
		0.24 Euros	0.26 Euros

12M* - período de 12 meses findo em

12M* - period of 12 months ended



**Parecer da Comissão
de Auditoria e Certificação
Legal das Contas
Opinion of the Audit
Committee and Statutory
Audit Report**



Comissão de Auditoria

Parecer da Comissão de Auditoria Sobre a Informação Financeira Consolidada

Senhores Acionistas,

Nos termos da lei, do mandato que nos foi conferido pelos Senhores Acionistas e conforme previsto na alínea g) do artigo 423º- F do Código das Sociedades Comerciais e no n.º 1 do artigo 508º- D do mesmo Código, apresentamos sucinto relato da atividade fiscalizadora desenvolvida e damos Parecer sobre o Relatório de Gestão e Demonstrações Financeiras Consolidadas apresentados pelo Conselho de Administração da Novabase S.G.P.S., S.A. relativamente ao exercício findo em 31 de dezembro de 2013.

Ao longo do ano de 2013 esta comissão realizou 10 reuniões formais, bem como diversas reuniões informais, tendo procedido à fiscalização:

- da Administração da Sociedade, seja no tocante à observância do cumprimento da lei, do contrato de sociedade e demais regulamentação em vigor, seja no tocante à sua atividade de gestão, às políticas prosseguidas e à conduta transparente, rigorosa e credível;
- da eficácia dos sistemas de gestão de riscos, e das ações de controlo interno e de auditoria interna; e
- dos mecanismos, procedimentos e ações desenvolvidos na preparação e divulgação de informação financeira, assim como na revisão da exatidão dos documentos de prestação de contas e das principais políticas contabilísticas adotadas pela Sociedade, por forma a assegurar que os mesmos correspondem a uma correta avaliação da posição financeira e dos seus resultados.

No âmbito das competências que nos foram conferidas verificámos que:



Comissão de Auditoria

- o relatório consolidado de gestão evidência de forma correta, clara e completa os aspetos mais significativos da evolução dos negócios e da situação patrimonial da Sociedade; igualmente, encontram-se devidamente identificados todos os riscos existentes, quer aqueles de natureza operacional, quer aqueles de natureza financeira; e
- as demonstrações financeiras consolidadas e o respetivo anexo dão uma imagem verdadeira e apropriada da situação financeira da Sociedade.

Nestes termos, tendo em consideração as informações recebidas do Conselho de Administração e dos diversos Departamentos da sociedade, bem como, as conclusões constantes da Certificação Legal das Contas com as quais se concorda, somos do parecer que:

- seja aprovado o Relatório de Gestão;
- sejam aprovadas as Demonstrações Financeiras Consolidadas.

Lisboa, 27 de março de 2014

A Comissão de Auditoria

Luis Mira Amaral (Presidente)

Manuel Alves Monteiro (Vogal)

João Luís Duque (Vogal)



Certificação Legal das Contas e Relatório de Auditoria sobre a Informação Financeira Consolidada

Introdução

1 Nos termos da legislação aplicável, apresentamos a Certificação Legal das Contas e Relatório de Auditoria sobre a informação financeira contida no Relatório de gestão e nas demonstrações financeiras consolidadas anexas da Novabase, SGPS, SA., as quais compreendem a Demonstração da posição financeira consolidada em 31 de dezembro de 2013, (que evidencia um total de 214.699 milhares de euros e um total de capital próprio de 101.754 milhares de euros, o qual inclui interesses que não controlam de 11.522 milhares de euros e um resultado líquido de 7.510 milhares de euros), a Demonstração consolidada dos resultados e outro rendimento integral, a Demonstração de alterações aos capitais próprios consolidados e a Demonstração dos fluxos de caixa consolidados do exercício findo naquela data, e o correspondente Anexo.

Responsabilidades

2 É da responsabilidade do Conselho de Administração da Empresa (i) a preparação do Relatório de gestão e de demonstrações financeiras consolidadas que apresentem de forma verdadeira e apropriada a posição financeira do conjunto das empresas incluídas na consolidação, o resultado consolidado e o rendimento integral consolidado das suas operações, as alterações aos capitais próprios consolidados e os fluxos de caixa consolidados; (ii) que a informação financeira histórica seja preparada em conformidade com as normas internacionais de relato financeiro (IFRS) tal como adotadas na União Europeia e que seja completa, verdadeira, atual, clara, objetiva e lícita, conforme exigido pelo Código dos Valores Mobiliários; (iii) a adoção de políticas e critérios contabilísticos adequados; (iv) a manutenção de sistemas de controlo interno apropriados; e (v) a divulgação de qualquer facto relevante que tenha influenciado a atividade do conjunto das empresas incluídas na consolidação, a sua posição financeira ou resultados.

3 A nossa responsabilidade consiste em verificar a informação financeira contida nos documentos de prestação de contas acima referidos, designadamente sobre se é completa, verdadeira, atual, clara, objetiva e lícita, conforme exigido pelo Código dos Valores Mobiliários, competindo-nos emitir um relatório profissional e independente baseado no nosso exame.

Âmbito

4 O exame a que procedemos foi efetuado de acordo com as Normas Técnicas e as Diretrizes de Revisão/Auditoria da Ordem dos Revisores Oficiais de Contas, as quais exigem que o mesmo seja planeado e executado com o objetivo de obter um grau de segurança aceitável sobre se as demonstrações financeiras consolidadas não contêm distorções materialmente relevantes. Para tanto o referido exame incluiu: (i) a verificação de as demonstrações financeiras das empresas incluídas na consolidação terem sido apropriadamente examinadas e, para os casos significativos em que o não tenham sido, a verificação, numa base de amostragem, do suporte das quantias e divulgações nelas constantes e a avaliação das estimativas, baseadas em juízos e critérios definidos pelo Conselho de Administração, utilizadas na sua preparação; (ii) a verificação das operações de consolidação e da aplicação do método da equivalência patrimonial; (iii) a apreciação sobre se são adequadas as políticas

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Matriculada na CRC sob o NUPC 506 628 752, Capital Social Euros 314.000
Inscrita na lista das Sociedades de Revisores Oficiais de Contas sob o n.º 183 e na CMVM sob o n.º 9077

PricewaterhouseCoopers & Associados - Sociedade de Revisores Oficiais de Contas, Lda. pertence à rede de entidades que são membros da PricewaterhouseCoopers International Limited, cada uma das quais é uma entidade legal autónoma e independente.

contabilísticas adotadas e a sua divulgação, tendo em conta as circunstâncias; (iv) a verificação da aplicabilidade do princípio da continuidade; (v) a apreciação sobre se é adequada, em termos globais, a apresentação das demonstrações financeiras consolidadas; e (vi) a apreciação se a informação financeira consolidada é completa, verdadeira, atual, clara, objetiva e lícita.

5 O nosso exame abrangeu ainda a verificação da concordância da informação constante do Relatório de gestão com os restantes documentos de prestação de contas, bem como as verificações previstas nos números 4 e 5 do artigo 451º do Código das Sociedades Comerciais.

6 Entendemos que o exame efetuado proporciona uma base aceitável para a expressão da nossa opinião.

Opinião

7 Em nossa opinião, as referidas demonstrações financeiras consolidadas apresentam de forma verdadeira e apropriada, em todos os aspetos materialmente relevantes, a posição financeira consolidada da Novabase, SGPS, SA. em 31 de dezembro de 2013, o resultado consolidado e o rendimento integral consolidado das suas operações, as alterações aos capitais próprios consolidados e os fluxos consolidados de caixa no exercício findo naquela data, em conformidade com as Normas Internacionais de Relato Financeiro (IFRS) tal como adotadas na União Europeia e a informação nelas constante é completa, verdadeira, atual, clara, objetiva e lícita.

Relato sobre outros requisitos legais

8 É também nossa opinião que a informação constante do Relatório de gestão é concordante com as demonstrações financeiras consolidadas do exercício e o Relatório do governo das sociedades inclui os elementos exigíveis nos termos do artigo 245º-A do Código dos Valores Mobiliários.

27 de março de 2014

PricewaterhouseCoopers & Associados
- Sociedade de Revisores Oficiais de Contas, Lda.
Inscrita na Comissão de Valores Mobiliários sob o n.º 9077
representada por:

Jorge Manuel Santos Costa, R.O.C.



Audit Committee

Opinion of the Audit Committee on the Consolidated Financial Information

Dear Shareholders,

Pursuant to the law, the mandate from our shareholders and the provisions of Article 423-F, Item g) of the Portuguese Company Code and n° of Article 508-D of the same code, we now present a brief summary of our supervisory activities, together with our opinion on the Annual Report and Consolidated Financial Statements presented by the Novabase SGPS, SA Board of Directors for the year ending 31 December 2013.

Over the course of the period ended December 31, 2013, the Audit Committee held 10 formal meetings and several informal meetings to supervise the following:

- Company management, in terms of compliance with the law, the memorandum of association and other regulations in force, as well as in relation to management activities, policies pursued and the transparency, diligence and credibility of conduct;
- The efficacy of risk management systems and internal control and auditing activities; and
- Mechanisms, procedures and activities employed in preparing and disclosing financial information and reviewing the accuracy of the accounting documentation and accounting policies used by the Company, to ensure that these entail an accurate assessment of the Company's financial status and results.



Audit Committee

Under the powers given to us, we have confirmed that:

- The Consolidated Annual Report accurately, clearly and fully reflects the most significant aspects of the Company's business and financial situation; similarly, all existing risks of both an operational and financial nature have been duly identified; and
- The Consolidated Financial Statements and corresponding Annex truly and fairly reflect the Company's financial situation.

Therefore, in light of the information received from the Board of Directors and the Company's various departments, together with the conclusions of the Statutory Auditors Report of the Limited Review Report which deserved our agreement, it is our opinion that:

- The Annual Report be approved;
- The Consolidated Financial Statements be approved.

Lisbon, March 27th 2014

The Audit Committee

Luis Mira Amaral (Chairman)

Manuel Alves Monteiro (Member)

Audit Report for Statutory and Stock Exchange Regulatory Purposes on the Consolidated Financial Information

(Free translation from the original in Portuguese)

Introduction

1 As required by law, we present the Audit Report for Statutory and Stock Exchange Regulatory Purposes on the financial information included in the Directors' Report and in the attached consolidated financial statements of Novabase, SGPS, SA., comprising the consolidated statement of financial position as at December 31, 2013, (which shows total assets of Euros 214.699 thousand and total shareholder's equity of Euros 101.754 thousand including non-controlling interests of Euros 11.522 thousand and a net profit of Euros 7.510 thousand), the consolidated statement of profit and loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and the corresponding notes to the accounts.

Responsibilities

2 It is the responsibility of the Company's Board of Directors (i) to prepare the Directors' Report and the consolidated financial statements which present fairly, in all material respects, the financial position of the Company and its subsidiaries, the consolidated results and the consolidated comprehensive income of their operations, the changes in consolidated equity and the consolidated cash flows; (ii) to prepare historic financial information in accordance with International Financial Reporting Standards as adopted by the European Union and which is complete, true, up-to-date, clear, objective and lawful, as required by the Portuguese Securities Market Code; (iii) to adopt appropriate accounting policies and criteria; (iv) to maintain appropriate systems of internal control; and (v) to disclose any significant matters which have influenced the activity, financial position or results of the Company and its subsidiaries.

3 Our responsibility is to verify the financial information included in the financial statements referred to above, namely as to whether it is complete, true, up-to-date, clear, objective and lawful, as required by the Portuguese Securities Market Code, for the purpose of issuing an independent and professional report based on our audit.

Scope

4 We conducted our audit in accordance with the Standards and Technical Recommendations issued by the Institute of Statutory Auditors which require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. Accordingly, our audit included: (i) verification that the Company and its subsidiaries' financial statements have been appropriately examined and, for the cases where such an audit was not carried out, verification, on a sample basis, of the evidence supporting the amounts and disclosures in the consolidated financial statements and assessing the reasonableness of the estimates, based on the judgements and criteria of the Board of Directors used in the preparation of the consolidated financial statements; (ii) verification of the consolidation operations and the utilization of the equity method; (iii) assessing the appropriateness of the accounting principles used and their

disclosure, as applicable; (iv) assessing the applicability of the going concern basis of accounting; (v) assessing the overall presentation of the consolidated financial statements; and (vi) assessing the completeness, truthfulness, accuracy, clarity, objectivity and lawfulness of the consolidated financial information.

5 Our audit also covered the verification that the information included in the Directors' Report is consistent with the financial statements as well as the verification set forth in paragraphs 4 and 5 of Article 451º of the Companies Code.

6 We believe that our audit provides a reasonable basis for our opinion.

Opinion

7 In our opinion, the consolidated financial statements referred to above, present fairly in all material respects, the consolidated financial position of Novabase, SGPS, SA. as at December 31, 2013, the consolidated results and the consolidated comprehensive income of its operations, the changes in consolidated equity and the consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union and the information included is complete, true, up-to-date, clear, objective and lawful.

Report on other legal requirements

8 It is also our opinion that the information included in the Directors' Report is consistent with the consolidated financial statements for the year and that the Corporate Governance Report includes the information required under Article 245-A of the Portuguese Securities Market Code.

March 27, 2014

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Registered in the Comissão do Mercado de Valores Mobiliários with no. 9077
represented by:

Jorge Manuel Santos Costa, R.O.C.

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Turnover

216.8 M€

International presence

+40
countries

I&D

7.8 M€

+20000
employees

Coordenação Coordinated by
Novabase Marketing & Communication

Design
Musse Ecodesign



Corporate Governance Report



CORPORATE GOVERNANCE REPORT

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**PART I – INFORMATION ON SHAREHOLDER STRUCTURE,
ORGANIZATION AND CORPORATE GOVERNANCE**

A. SHAREHOLDER STRUCTURE

I. Capital Structure

1. *Shareholder base (share capital, number of shares, share distribution to shareholders), including indication of shares not admitted to trading, different categories of shares, underlying rights and duties and the percentage of capital that each category represents. 245-A, paragraph 1, sub-paragraph a).*

General Information on Capital Structure

Share capital on 31 December 2013 (€)	15,700,697.00
Total shares	31,401,394
Number of unlisted shares	0
Different categories of shares	Only ordinary shares exist

Ordinary shares grant general rights such as the right to vote, to participate in general meetings of shareholders, to receive information, profit sharing and pre-emptive rights in capital increases, as well as the generally applicable obligations of capital contributions and loyalty.

Shareholdings¹

Shareholders	#	#	%
	Partial Shares	Shares ¹	Capital and Voting Rights
HNB - SGPS, S.A.	8,006,914		25.50%
Pedro Miguel Quinteiro Marques de Carvalho	2,279,012		7.26%
Rogério dos Santos Carapuça	1,993,120		6.35%
João Nuno da Silva Bento	699,799		2.23%
Álvaro José da Silva Ferreira ²	13,602		0.04%
Luís Paulo Cardoso Salvado ²	13,602		0.04%
José Afonso Oom Ferreira Sousa	2,721		0.01%
Number of shares attributable to signatories of Novabase Shareholders' Agreement (under the terms of article 20, paragraph 1 of the Securities Code)		13,008,770	41.43%

Partbleu, Sociedade Gestora de Participações		3,180,444	10.13%
ES TECH VENTURES, SGPS, S.A.	1,792,144		
BANCO ESPÍRITO SANTO DE INVESTIMENTO, S.A.	66,929		
Corporate board members	60		
Banco Espírito Santo, S.A. Group (under the terms of Article 20, Item 1 of the Securities Code)		1,859,133	5.92%
Fernando Fonseca Santos		1,575,020	5.02%
Fundo de Investimento Mobiliário Aberto Poupança Ações Santander PPA	138,786		
Fundo de Investimento Mobiliário Aberto Santander Ações Portugal	1,413,967		
Santander Asset Management - Soc. Gestora de Fundos de Investimento Mobiliário, SA. (under the terms of Article 20, Item 1 of the Securities Code)		1,552,753	4.94%
IBIM2 Ltd		648,486	2.07%
Total		21,824,606	69.50%

¹ The shareholding of each of these shareholders corresponds to the last position notified to the company in reference to a date before 31 December 2013.

² José Afonso Oom Ferreira de Sousa, Luís Paulo Cardoso Salvado, Álvaro José da Silva Ferreira and João Nuno da Silva Bento are the only shareholders of HNB – SGPS, S.A., having signed a shareholders' agreement for all of this company's share capital.

2. Restrictions on the transferability of shares, such as consent of sale clauses or restrictions on ownership of shares. 245-A, paragraph 1, sub-paragraph b)).

The articles of association do not limit the transfer or ownership of Novabase shares.

3. Number of treasury shares, percentage of corresponding share capital and percentage of corresponding voting rights (article 245-A, paragraph 1, sub-paragraph a)).

On 31 December 2013, Novabase had 589,954 treasury shares corresponding to 1.88% of share capital and corresponding voting rights for the treasury shares held.

- 4. Significant agreements that the company is a party to and will come into force in the future which can be altered or terminated in the event of a change in the control of the company resulting from a tender offer, along with the respective effects, unless, by their very nature, their disclosure is seriously harmful to the company, except if the company is specifically obliged to disclose such information as a result of legal requirements 245-A, paragraph 1, sub-paragraph j).*

These do not exist.

- 5. Applicable scheme for the renewal or revocation of defensive measures, in particular those aimed at limiting the number of votes that can be held or exercised by a single shareholder individually or in conjunction with other shareholders.*

As a public company, Novabase has not implemented any defensive measure for unsolicited takeover bids.

- 6. Shareholders' agreements that are known to the company and which may lead to restrictions in terms of transferring securities or voting rights (article 245-A, paragraph 1, sub-paragraph g).*

On 24 May 2013, Novabase announced to the market that it was notified by its shareholders José Afonso Oom Ferreira de Sousa, Luís Paulo Cardoso Salvado, João Nuno da Silva Bento, Rogério dos Santos Carapuça, Álvaro José da Silva Ferreira and Pedro Miguel Quinteiro Marques de Carvalho of the following:

On 22 May 2013, to ensure shareholder stability through the end of the 2012-2014 term, the following contractual agreements and transactions were signed:

1. Shareholders José Afonso Oom Ferreira de Sousa, Luís Paulo Cardoso Salvado, João Nuno da Silva Bento, Rogério dos Santos Carapuça, Álvaro José da Silva Ferreira and Pedro Miguel Quinteiro Marques de Carvalho (hereinafter called the "Signatories") have signed a shareholders' agreement (hereinafter called "Novabase Shareholders' Agreement") for 11,876,260 Novabase shares (hereinafter called "Restricted Shares") directly or indirectly held by them and corresponding to 37.82% of this company's share capital. This new shareholders' agreement entered immediately into force, and shall be valid until 30 April 2015, replacing the previous shareholders' agreement signed by the signatories. Meanwhile, as shown in the table in point 1 above, a qualified holding of 13,008,770 shares representing 41.43% of Novabase's share capital and corresponding voting rights is attributable to the signatories of the Novabase Shareholders' Agreement (under the terms of article 20, paragraph 1 of the Securities Code).

2. Under the provisions of the new Novabase Shareholders' Agreement, Signatories José Afonso Oom Ferreira de Sousa, Luís Paulo Cardoso Salvado, Álvaro José da Silva Ferreira and João Nuno da Silva Bento became the sole shareholders of the company HNB – SGPS, S.A. (hereinafter called "HNB"), which currently holds 8,006,914 Novabase shares.
3. The signatories referred to in the above paragraph have also signed a shareholders' agreement for all of the share capital of HNB (hereinafter called "HNB Shareholders' Agreement"), which entered immediately into force with an indefinite duration.

A. Novabase Shareholders' Agreement

The following content of the Novabase shareholders' agreement are noteworthy:

- A) The need for agreement by a majority equal to or greater than two thirds of votes corresponding to restricted shares to establish terms by which these shares may be sold, together with the potential purchase of Novabase restricted shares by the signatories, with signatories agreeing not to initiate sales or purchases of any kind outside of this agreement;
- B) Need for unanimity of all signatories to acquire Novabase shares or sign agreements giving these signatories qualified holdings exceeding one-third or 50% of Novabase's voting rights, as envisaged in Article 20 of the Securities Code, according to whether the signatories' immediately prior shareholdings are less or more than one-third of these voting rights;
- C) Notwithstanding the above, each signatory is authorized to acquire Novabase shares not considered restricted shares up to a maximum of 1.50% of the voting rights corresponding to Novabase's share capital, per signatory, provided that such acquisitions do not give the signatories or HNB more than 50% of the voting rights corresponding to the company's share capital. Novabase shares acquired in this manner will not be considered restricted shares, unless agreed so by unanimous decision;
- D) The signatories undertake to ensure that their descendants in the first degree (who have not yet reached legal age) will not acquire any Novabase shares in return for payment;
- E) If, due to a breach of the shareholders' agreement, a qualified shareholding exceeding one third or 50% of Novabase's voting rights is allocated to the remaining signatories or HNB, the procedure to suspend the tender offer obligation, as provided for in Article 190 of the Securities Code, must be immediately initiated. Any Signatory responsible for allocating such voting rights, and who fails to execute the proper procedures to suspend and terminate the obligation for a tender offer, will be obliged to launch the tender offer individually;
- F) Commitment, subject to market conditions and applicable legal conditions, seeking to ensure that:

- a. A dividend policy be proposed for the 2013 and 2014 financial years with an annual dividend payment of at least 30% of the consolidated net profit for the year; and
 - b. A new stock option plan to be proposed, under market conditions to be defined, to replace the current plan when it expires.
- G) Obligation to draw up, together with all signatories before the elections at the General Meeting of Shareholders, proposals to appoint members to Novabase's corporate boards, Executive Committee and specialized committees of the Board of Directors;
- H) Obligation of signatories to vote or to make HNB vote at General Meetings of Shareholders exclusively in favour of decisions previously passed by a two-thirds or greater majority of signatories having voting rights corresponding to restricted shares, namely in the context of the following: dividend policy to be adopted, management compensation policy for Novabase directors, increases and decreases in share capital, elimination of the pre-emptive right in increases in capital, composition of corporate boards, Novabase mergers and divisions, and amendments to the articles of association;
- I) Any signatory who is dismissed without just cause from his/her management duties at Novabase while the Shareholders' Agreement is in force may opt to terminate his/her participation in the agreement. In the remaining cases, and except in specific situations of death, interdiction, incapacity or disability governed by the agreement, signatories may only terminate their participation in the shareholders' agreement with approval by a majority at least equal to or greater than two-thirds of votes corresponding to restricted shares;
- J) Any party in breach of its obligations arising from the shareholders' agreement shall be subject to the respective provisions concerning penalties for the non-performance of this agreement.

Under the terms of new Novabase Shareholders' Agreement, the rights and obligations described above must be exercised and fulfilled directly by the signatories or, when applicable, through the actions of HNB.

B. HNB Shareholders' Agreement

The following content of the HNB shareholders' agreement are noteworthy:

- A) Need to obtain the consent of HNB to transfer HNB shares (hereinafter called "Shares") between HNB shareholders (hereinafter called "Shareholders") - except when they do not globally account for more than 25% of the total Shares held by the Shareholder making the transfer - or to third parties, under the terms of the HNB Shareholders' Agreement;
- B) Existence of pre-emptive right of shareholders for the transfer of shares to third parties, to be exercised under the terms of the same HNB Shareholders' Agreement;
- C) Need to approve various transactions by at least two thirds of HNB's share capital with voting rights, namely increases and decreases to HNB's share capital, amendments to its articles of association and the acquisition of, disposal of, encumbrance of or other legal transactions involving Novabase shares through which the respective voting rights are attributed;
- D) With notice to HNB, Shareholders may exercise a put option against HNB for all of that Shareholder's Shares held at any given time, pursuant to the terms of the HNB Shareholders' Agreement;
- E) In certain specific cases of returning restricted Novabase shares transferred by a Shareholder to HNB, HNB will have a call option for its own shares held by the Shareholder in question, pursuant to the terms of its Shareholders' Agreement.

II. Shareholdings and Bonds

7. Identification of legal or natural persons who directly or indirectly own qualified holdings (article 245-A, paragraph 1, sub-paragraphs c) and d) and article 16), with specific percentages of capital and votes attributed, and the source and causes of the attribution.

Other Holdings

Shareholder	#	#	%
	Partial Shares	Shares¹	Capital and Voting Rights
HNB - SGPS, S.A.	8,006,914		25.50%
Pedro Miguel Quinteiro Marques de Carvalho	2,279,012		7.26%
Rogério dos Santos Carapuça	1,993,120		6.35%

João Nuno da Silva Bento	699,799		2.23%
Álvaro José da Silva Ferreira ²	13,602		0.04%
Luís Paulo Cardoso Salvado ²	13,602		0.04%
José Afonso Oom Ferreira Sousa	2,721		0.01%
Number of shares attributable to signatories of Novabase Shareholders' Agreement (under the terms of article 20, paragraph 1 of the Securities Code)		13,008,770	41.43%
Partbleu, Sociedade Gestora de Participações		3,180,444	10.13%
ES TECH VENTURES, SGPS, S.A.	1,792,144		
BANCO ESPÍRITO SANTO DE INVESTIMENTO, S.A.	66,929		
Corporate board members	60		
Banco Espírito Santo, S.A. Group (under the terms of Article 20, Item 1 of the Securities Code) (*)		1,859,133	5.92%
Fernando Fonseca Santos		1,575,020	5.02%
Fundo de Investimento Mobiliário Aberto Poupança Acções Santander PPA	138,786		
Fundo de Investimento Mobiliário Aberto Santander Acções Portugal	1,413,967		
Santander Asset Management - Soc. Gestora de Fundos de Investimento Mobiliário, S.A. (under the terms of Article 20, Item 1 of the Securities Code)		1,552,753	4.94%
IBIM2 Ltd		648,486	2.07%
Total		21,824,606	69.50%

¹ The shareholding of each of these shareholders corresponds to the last position notified to the company in reference to a date before 31 December 2013.

² José Afonso Oom Ferreira de Sousa, Luís Paulo Cardoso Salvado, Álvaro José da Silva Ferreira and João Nuno da Silva Bento are the only shareholders of HNB – SGPS, S.A., having signed a shareholders' agreement for all of this company's share capital.

8. *Number of shares and bonds held by members of managing and supervisory boards.
[NOTE: the information should be presented in accordance with the provisions of article 447,
paragraph 5 of the Commercial Companies Code]*

Holdings of Members of the Managing and Supervisory Boards (article 447, paragraph 5 of the Commercial Companies Code)¹

Owner	#	%
	Shares ¹ .	Capital and Voting Rights
Rogério dos Santos Carapuça	1,993,120	6.35%
Luís Paulo Cardoso Salvado ²	13,602	0.04%
José Afonso Oom Ferreira Sousa	2,721	0.01%
Pedro Miguel Quinteiro Marques de Carvalho	2,279,012	7.26%
João Nuno da Silva Bento	699,799	2.23%
Álvaro José da Silva Ferreira ²	13,602	0.04%
Joaquim Sérvulo Rodrigues	0	0.00%
Luís Fernando de Mira Amaral	6,305	0.02%
Manuel Alves Monteiro	9,000	0.03%
Francisco Paulo de Figueiredo Morais Antunes	0	0.00%
João Luis Correia Duque	500	0.00%
Nuno Carlos Dias dos Santos Fórneas	122,757	0.39%
Paulo Jorge de Barros Pires Trigo	68,864	0.22%
Maria do Carmo do Brito Palma	11,820	0.04%
Pedro Miguel Gonçalves Afonso	0	0.00%
PricewaterhouseCoopers & Associados – SROC (acting statutory auditor), represented by partner Jorge Manuel Santos Costa	0	0.00%
César Abel Rodrigues Gonçalves (substitute statutory auditor)	0	0.00%
Total	5,221,102	16.63%

¹ The shareholding of each of these corporate board members corresponds to the last position notified to the company in reference to a date before 31 December 2013. Information on the number of options attributed to each board of directors and supervisory board member in 2013 is found in point 77.

² José Afonso Oom Ferreira de Sousa, Luís Paulo Cardoso Salvado, Álvaro José da Silva Ferreira and João Nuno da Silva Bento are shareholders of HNB – SGPS, S.A., where they hold management positions. HNB – SGPS, S.A. holds 8,006,914 shares representing 25.50% of Novabase's share capital and respective voting rights.

In addition, the following transactions of Novabase shares were made in 2013 by the persons referred to in article 447 of the Commercial Companies Code (“CSC”):

Entity	Transaction	Date	Place	Number of shares	Unit price (€)
Rogério dos Santos Carapuça	Purchase	21/06/2013	Outside of regulated market	108,333	2.470
Pedro Miguel Quinteiro Marques de Carvalho	Purchase	21/06/2013	Outside of regulated market	108,333	2.470
HNB - SGPS, S.A.	Purchase	21/06/2013	Outside of regulated market	433,334	2.470
Luís Paulo Cardoso Salvado	Purchase	27/05/2013	Outside of regulated market	27,201	2.837
Luís Paulo Cardoso Salvado	Sale	28/05/2013	Outside of regulated market	13,600	3.000
Álvaro José da Silva Ferreira	Purchase	27/05/2013	Outside of regulated market	27,201	2.837
Álvaro José da Silva Ferreira	Sale	28/05/2013	Outside of regulated market	13,600	3.000
José Afonso Oom Ferreira de Sousa	Purchase	27/05/2013	Outside of regulated market	5,440	2.837
José Afonso Oom Ferreira Sousa	Sale	28/05/2013	Outside of regulated market	2,720	3.000
HNB - SGPS, S.A.	Purchase	22/05/2013	Outside of regulated market	7,543,660	3.000
José Afonso Oom Ferreira Sousa	Sale	22/05/2013	Outside of regulated market	2,514,996	3.000
Luís Paulo Cardoso Salvado	Sale	22/05/2013	Outside of regulated market	2,079,591	3.000
Álvaro José da Silva Ferreira	Sale	22/05/2013	Outside of regulated market	1,749,073	3.000
João Nuno da Silva Bento	Sale	22/05/2013	Outside of regulated market	1,200,000	3.000
Paulo Jorge de Barros Pires Trigo	Purchase	04/04/2013	Outside of regulated market	18,864	2.719
Álvaro José da Silva Ferreira	Purchase	09/04/2013	NYSE Euronext Lisbon	30,000	2.670
Álvaro José da Silva Ferreira	Purchase	09/04/2013	NYSE Euronext Lisbon	82	2.670
Álvaro José da Silva Ferreira	Purchase	09/04/2013	NYSE Euronext Lisbon	694	2.675
Álvaro José da Silva Ferreira	Purchase	09/04/2013	NYSE Euronext Lisbon	30	2.683
Álvaro José da Silva Ferreira	Purchase	09/04/2013	NYSE Euronext Lisbon	2,336	2.685
Álvaro José da Silva Ferreira	Purchase	09/04/2013	NYSE Euronext Lisbon	1,000	2.688
Álvaro José da Silva Ferreira	Purchase	09/04/2013	NYSE Euronext Lisbon	4,639	2.690
Álvaro José da Silva Ferreira	Purchase	09/04/2013	NYSE Euronext Lisbon	5,000	2.695
Álvaro José da Silva Ferreira	Purchase	09/04/2013	NYSE Euronext Lisbon	93,555	2.700
Álvaro José da Silva Ferreira	Purchase	09/04/2013	NYSE Euronext Lisbon	92,664	2.700

Information on the conditions under which options were attributed to each board of directors and supervisory board member in 2013 is found in point 74.

9. *Special powers of the board of directors, namely with respect to decisions to increase capital (article 245-A, paragraph 1, sub-paragraph i), specifying, in this regard, the date on which they were given, the date until which they can be exercised, the maximum ceiling of the capital increase, the amount already issued under the allocation of powers and the means of implementing the powers granted.*

Novabase's managing board has no special powers vis-à-vis those granted by law, except as described below.

Regarding decisions to increase capital, the Board of Directors can, by a two-thirds majority of the votes of its members, increase the share capital one or more times by cash payments, up to a ceiling of twenty-eight million, two hundred thousand euros, setting the terms and conditions of each increase of capital and the form and time limits for subscribing.

This power of the board of directors was renewed for an additional period of five years at the Annual General Meeting of Shareholders of 03 May 2012.

Since this renewal, no share capital has been issued under this provision of the articles of association.

10. Information on the existence of significant business relationships between the holders of qualified holdings and the company.

In 2013, Novabase had business relationships with holders of qualified holdings, or entities related to them, as shown in the following table:

Taxpayer ID	Name or related company name	Brief description
	BES - Succursale Luxembourg, Banco Espírito Santo, S.A.	Sale of IT solutions
245 737 640	Banco Espírito Santo - London Branch	Sale of IT solutions
500 136 408	Espírito Santo Viagens - Consultant	Sale of IT solutions
500 852 367	Banco Espírito Santo, S.A.	Sale of IT solutions
500 940 231	Companhia de Seguros Tranquilidade, S.A.	Sale of IT solutions
501 385 932	BES Investimentos, S.A.	Sale of IT solutions
501 834 141	E.S. Gestão de Patrimónios, S.A.	Sale of IT solutions
501 882 618	ESAF - Fundo Investimento Imobiliário	Sale of IT solutions
502 253 169	E.S. Fundos de pensões, S.A.	Sale of IT solutions
502 801 026	ESAF - Fundo Investimento Imobiliário, S.A.	Sale of IT solutions
503 024 856	BES - Vida, Companhia de Seguros, S.A.	Sale of IT solutions
503 040 380	Oblog Consulting	Sale of IT solutions
503 718 092	Espírito Santo Seguros, S.A.	Sale of IT solutions
504 885 367	Espírito Santo Saúde, SGP	Sale of IT solutions
505 149 060	BEST - Banco Electrónico de Serviço	Sale of IT solutions
512 061 840	BES Açores	Sale of IT solutions
	Espírito Santo Services, S.A.	Sale of IT solutions

	Banco Espírito Santo S.A. - Venezuela Branch - Banco Universal	Sale of IT solutions
	Banco Espírito Santo, S.A.	Sale of IT solutions
502 443 880	Locarent, Lda.	Sale of IT solutions
502 253 169	ESAF - Espírito Santo Fundo	Sale of IT solutions
	BANCO ESPIRITO SANTO ANGOLA	Sale of IT solutions
	BES Cabo Verde	Sale of IT solutions
507 684 486	T - VIDA, Companhia de Seguros, S.A.	Sale of IT solutions
508 278 600	Seguros LOGO, S.A.	Sale of IT solutions
504 930 001	ES CONTACT CENTER, S.A.	Sale of IT solutions
503 718 092	BES - Companhia de Seguros, S.A.	Sale of IT solutions

B. CORPORATE BOARDS AND COMMITTEES

I. General Meeting of Shareholders

a) Composition of the general meeting board

11. Identification, position and term of office (beginning and end) of the general meeting board

The officers of the Novabase General Meeting of Shareholders, elected in the general meeting held on 3 May 2012 for the three-year period of 2012-2014, are Chairman António Manuel de Carvalho Ferreira Vitorino and Secretary Maria José Santana.

The Chairman of the General Meeting of Shareholders has the necessary and appropriate means to exercise his duties, having access to a work room and secretarial services at the company. In addition, the Chairman of the General Meeting of Shareholders has 10 people (7 of whom belong to the company's staff) at his disposal dedicated to working specifically on the organization and management of the General Meeting of Shareholders.

b) Exercising of voting rights

12. Possible restrictions on voting rights, such as limitations on exercising voting rights based on ownership of a number or percentage of shares, deadlines for exercising a voting right or special systems for equity rights (article 245-A, paragraph 1, sub-paragraph f).

Novabase has no restrictions on voting rights, nor any limitations on voting based on a number or percentage of shares or special systems for equity rights.

Postal voting is permitted, provided that the following are observed:

a) Shareholders with a voting right may exercise this right by post, by means of a signed statement clearly indicating their voting intention for each point on the meeting's agenda. Shareholders may use the postal voting form which will be made available at the company's website in a timely fashion.

A legible photocopy of the shareholder's identity card must accompany the voting form. If the shareholder is a legal person, the voting form must be signed by one of its representatives and his or her signature should be notarized in that capacity.

c) Voting forms, together with the items specified in the preceding subparagraphs, must be placed in a sealed envelope addressed to the Chairman of the General Meeting, delivered by hand to the Company's registered office, or delivered to this office by registered mail by the third working day preceding the date of the General Meeting.

d) The Chairman of the General Meeting must ensure the authenticity and confidentiality of postal votes until the time of voting.

e) If the shareholder or his/her representative attends the General Meeting in person, his/her respective postal vote will be annulled.

f) Postal votes will be counted as 'No' votes in relation to items for discussion submitted after these votes' date of issue.

Although not specifically mentioned in the articles of association, electronic voting is referred to in meeting notices, and follows the same principles as those of postal voting.

The deadlines for exercising voting rights are exclusively those established by law.

13. Maximum percentage of voting rights that can be exercised by a single shareholder or by shareholders having any of the relationships referred to in article 20, paragraph 1 with that shareholder.

No such limitation exists

14. Shareholder decisions which, pursuant to the articles of association, can only be made by a qualified majority, in addition to those provided for by law, specifying these majorities.

No Shareholder decisions which, pursuant to the articles of association, can only be made by a qualified majority, in addition to those provided for by law, specifying these majorities.

II. MANAGEMENT AND SUPERVISION (Board of Directors, Executive Board of Directors and General and Supervisory Board)

a) Composition

Board of Directors on 31 December 2013.

Rogério Santos Carapuça
Luís Paulo Cardoso Salvado
José Afonso Oom Ferreira de Sousa
Pedro Miguel Quinteiro Marques Carvalho
João Nuno da Silva Bento
Alvaro José da Silva Ferreira
Joaquim Sérvulo Rodrigues
Luís Fernando de Mira Amaral
Manuel Alves Monteiro

Francisco Paulo Figueiredo Morais Antunes

João Luís Correia Duque

Nuno Carlos Dias dos Santos Fórneas

Paulo Jorge de Barros Pires Trigo

Maria do Carmo do Brito Palma

Pedro Miguel Gonçalves Afonso

Executive Committee on 31 December 2013

Luís Paulo Cardoso Salvado

Alvaro José da Silva Ferreira

Francisco Paulo Figueiredo Morais Antunes

Nuno Carlos Dias dos Santos Fórneas

Maria do Carmo do Brito Palma

Pedro Miguel Gonçalves Afonso

15. Identification of governance model used.

Novabase is a listed company since July 2000, which operates according to a corporate government model that is regularly reviewed by the Board regarding its performance and adequance, with the aim of optimizing its performance and alignment with the interests of all the stakeholders - entities whose interests are involved in the corporate activity - namely the shareholders and investors, customers, suppliers and other business partners and employees.

In light of trends in best corporate governance practices in accordance with rules and recommendations issued by the CMVM, and taking into account Novabase's experiences since its admission to trading on the NYSE Euronext Lisbon regulated market, shareholders at the General Meeting of Shareholders of 12 April 2007 approved an Anglo-Saxon corporate governance model that includes: a Board of Directors with an Auditing Committee and a statutory auditor. In this model, the company has kept the option of continuing to delegate the day-to-day running of the company to an Executive Committee. After the General Shareholders' Meeting of 28 April 2009, two specialized committees were created within the Board of Directors: a Board of Directors Performance Assessment Committee and a Corporate Governance Assessment Committee. In order to improve its governance practices whenever possible and tailor the model to the company's demands and challenges, Novabase constantly analyses its implementation.

Note that the Association of Listed Securities Issuers (AEM – Associação de Empresas Emitentes de Valores Cotados em Mercado) and the Catholic University of Portugal (Universidade Católica Portuguesa) presented a study in 2013 on the degree of compliance with corporate governance recommendations in force in Portugal in 2012, weighted by their affinity with a number of international *benchmarks*, with total values ranging from 5,000 to 10,000 (complete compliance with

recommendations considered relevant) and scores ranging from D (minimum rating) to AAA (maximum rating). In this study, Novabase received a *rating* of AA and a score of 9,511.51.

Also note that, in the latest Annual Report on Corporate Governance in Portugal – 2012, prepared by the CMVM, NOVABASE fulfills 100% of the recommendations contained in the Code of Corporate Governance. Only 5 of the 42 listed entities evaluated by the regulator showed this degree of compliance.

16. Article of association rules on procedural requirements and matters applicable to the appointment and replacement of members, as applicable, of the Board of Directors, Executive Board of Directors and General and Supervisory Board (article 245-A, paragraph 1, sub-paragraph h).

The members of Novabase's Board of Directors are appointed and replaced under the terms of the law, namely the provisions of articles 390 and following of the Commercial Companies Code. Article 14, paragraph 1 of the company's articles of association merely state that a Board of Directors shall be responsible for managing the company's business, with full and exclusive powers of representation, comprised of at least three and at most nineteen members elected by the General Meeting of Shareholders.

Furthermore, pursuant to article 14 paragraph 2 of the company's articles of association, the General Meeting of Shareholders is responsible for appointing the Chairman of the Board of Directors, which will elect its own chairman if the General Meeting of Shareholders fails to do so.

With regards to the absence and substitution of management, pursuant to the articles of association, Directors who fail to attend over one third of the meetings held in a financial year, without justification approved by the Board of Directors, shall be considered permanently absent, as is the case for executive directors who fail to attend, without justification approved by the Board of Directors, over one fifth of Executive Committee meetings in the same period.

Article 8 of the articles of association states that directors are elected by the General Meeting of Shareholders for three-year terms, subject to re-election one or more times.

17. Composition, as applicable, of the Board of Directors, Executive Board of Directors and General and Supervisory Board, stating the minimum and maximum number of members, term of office, number of full members, inauguration date and end date of each member's term of office, in accordance with the articles of association.

Article 8 of the company's articles of association states that members of the Board of Directors are elected by the General Meeting of Shareholders for three-year terms, subject to re-election one or more times, and that these directors shall keep their positions during their respective terms of office until the appointment of new members.

As mentioned above, Novabase's articles of association also state that the Board of Directors may be comprised of at least three and at most nineteen members.

On 31 December 2013, the Board of Directors had fifteen full members, as shown in the following table:

Director	Inauguration date	End of term of office
Rogério Santos Carapuça	29-03-1994	31-12-2014
Luís Paulo Cardoso Salvado	18-03-1998	31-12-2014
José Afonso Oom Ferreira de Sousa	24-01-1991	31-12-2014
Pedro Miguel Quinteiro Marques Carvalho	24-01-1991	31-12-2014
João Nuno da Silva Bento	09-11-1999	31-12-2014
Álvaro José da Silva Ferreira	03-03-2000	31-12-2014
Joaquim Sérvulo Rodrigues	29-04-2003	31-12-2014
Luís Fernando de Mira Amaral	20-04-2006	31-12-2014
Manuel Alves Monteiro	20-04-2006	31-12-2014
Francisco Paulo Figueiredo Morais Antunes	28-04-2009	31-12-2014
João Luís Correia Duque	28-04-2009	31-12-2014
Nuno Carlos Dias dos Santos Fórneas	28-04-2009	31-12-2014
Paulo Jorge de Barros Pires Trigo	03-05-2012	31-12-2014
Maria do Carmo do Brito Palma	25-09-2013	31-12-2014
Pedro Miguel Gonçalves Afonso	25-09-2013	31-12-2014

Under the terms of Article 14 of the articles of association, the Board of Directors may delegate the everyday running of the company to an executive committee consisting of five to nine directors.

On 31 December 2013, the Executive Committee had six full members, as shown in the following table:

Director	Inauguration date	End of term of office
Luís Paulo Cardoso Salvado	20-04-2006	31-12-2014
Álvaro José da Silva Ferreira	20-04-2006	31-12-2014
Francisco Paulo Figueiredo Morais Antunes	30-04-2009	31-12-2014
Nuno Carlos Dias dos Santos Fórneas	30-04-2009	31-12-2014
Maria do Carmo do Brito Palma	26-09-2013	31-12-2014
Pedro Miguel Gonçalves Afonso	26-09-2013	31-12-2014

18. Distinction between executive and non-executive members of the Board of Directors and, for the latter, identification of members who can be considered independent or, when applicable, identification of independent members of the General and Supervisory Board.

Member of the Board of Directors	Category	Independence ² .
Rogério dos Santos Carapuça ¹	Non-executive	No
Luís Paulo Cardoso Salvado	Executive	No
José Afonso Oom Ferreira de Sousa	Non-executive	No
Pedro Miguel Quinteiro Marques Carvalho	Non-executive	No
João Nuno da Silva Bento	Non-executive	No
Álvaro José da Silva Ferreira	Executive	No
Joaquim Sérvulo Rodrigues	Non-executive	No
Luís Fernando de Mira Amaral	Non-executive	Yes.
Manuel Alves Monteiro	Non-executive	Yes.
Francisco Paulo Figueiredo Morais Antunes	Executive	No
João Luís Correia Duque	Non-executive	Yes.
Nuno Carlos Dias dos Santos Fórneas	Executive	No
Paulo Jorge de Barros Pires Trigo ¹	Non-executive	No
Maria do Carmo do Brito Palma	Executive	No
Pedro Miguel Gonçalves Afonso	Executive	No

¹ Executive positions at Novabase Group companies (see point 26)

² Under the terms of CMVM Regulation no. 4/2013, Annex I, point 18.1. The evaluation of the independence of members of the Auditing Committee *per se* is done in point 32.

Novabase has three independent directors from a total of fifteen members of the Board of Directors, accounting for one fifth of the directors. In view of the company's size, shareholder structure, respective free float and, above all, corporate governance model involving various degrees of

internal control and rules on conflicts of interest, together with a vast range of options benefiting shareholder participation and the exercising of their respective rights, it can only be concluded that the proportion of independent directors compared to the total is adequate, given these characteristics of Novabase, in line with the new CMVM Recommendation no. II.1.7.

19. Professional qualifications and other relevant background information of each member, as applicable, of the Board of Directors, General and Supervisory Board and Executive Board of Directors.

Director	Professional Qualifications	Other relevant background ¹
<p>Rogério Santos Carapuça</p>	<ul style="list-style-type: none"> • Ph.D in Electrotechnical and Computer Engineering from IST • Masters in Electrotechnical and Computer Engineering from IST • Graduate in Electrotechnical and Computer Engineering from IST 	<ul style="list-style-type: none"> • Chairman of the Board of Directors • Chairman of the Board of Directors Performance Assessment Committee • Chairman of the Board of Directors Performance Assessment Committee • Director of various Novabase Group companies • Member of the Faculty Council of the UNL Faculty of Sciences and Technologies • Chairman of the Portuguese Association for the Development of Communications (APDC) <p><u>Formerly:</u></p> <ul style="list-style-type: none"> • CEO and Executive Committee member responsible for Marketing & Communication
<p>Luís Paulo Cardoso Salvado</p>	<ul style="list-style-type: none"> • MBA in Information Management from Universidade Católica Portuguesa • Graduate in Electrotechnical and Computer Engineering 	<ul style="list-style-type: none"> • CEO / CHRO / Business Solutions Competencies / Venture Capital / Celfocus / IT Contracting / Business Design / Corporate Development / Investor Relations • Member of the Board of

	<p>from IST</p>	<p>Directors Performance Assessment Committee</p> <ul style="list-style-type: none"> • Member of the Corporate Governance Assessment Committee • Director of various Novabase Group companies <p><u>Formerly:</u></p> <ul style="list-style-type: none"> • CFO and CLO of Novabase Group and CEO of Novabase Consulting
<p>José Afonso Oom Ferreira de Sousa</p>	<ul style="list-style-type: none"> • MBA from Universidade Nova de Lisboa • Masters in Electrotechnical Engineering from IST • Graduate in Electrotechnical Engineering from IST 	<ul style="list-style-type: none"> • Member of the Board of Directors Performance Assessment Committee • Member of the Corporate Governance Assessment Committee <p><u>Formerly:</u></p> <ul style="list-style-type: none"> • CLO and CFO of Novabase Group • Director of various Novabase Group companies
<p>Pedro Miguel Quinteiro Marques Carvalho</p>	<ul style="list-style-type: none"> • Graduate in Applied Mathematics from Universidade de Lisboa 	<ul style="list-style-type: none"> • Member of the Board of Directors Performance Assessment Committee <p><u>Formerly:</u></p> <ul style="list-style-type: none"> • Director responsible for the administrative and logistics area • CIO of Novabase Group • Director of various Novabase Group companies
<p>João Nuno da Silva Bento</p>	<ul style="list-style-type: none"> • MBA in Information Management from Universidade Católica 	<ul style="list-style-type: none"> • Director of various Novabase Group companies <p><u>Formerly:</u></p>

	<p>Portuguesa</p> <ul style="list-style-type: none"> Graduate in Electrotechnical and Computer Engineering from IST 	<ul style="list-style-type: none"> International Digital TV business / Energy & Utilities / Telecoms & Media sector CEO of Novabase Digital TV
<p>Alvaro José da Silva Ferreira</p>	<ul style="list-style-type: none"> MBA from Universidade Nova de Lisboa Graduate in IT Engineering from Universidade Nova de Lisboa 	<ul style="list-style-type: none"> Energy & Utilities / Telecoms & Media / Africa Director of various Novabase Group companies <p><u>Formerly:</u></p> <ul style="list-style-type: none"> CHRO / CIO of Novabase Group CEO of Novabase IMS
<p>Joaquim Sérvulo Rodrigues</p>	<ul style="list-style-type: none"> MBA from INSEAD Masters in Electrotechnical and Computer Engineering from IST Graduate in Electrotechnical and Computer Engineering from IST 	<ul style="list-style-type: none"> Member of the Board of Directors Performance Assessment Committee Member of the Corporate Governance Assessment Committee Chairman of the executive committee of the board of directors of Es Tech Ventures, SGPS, S.A. Chairman of the executive committee of the board of directors of ES Ventures, SCR, S.A. Director of various companies from the portfolio of the prior companies Member of the National Entrepreneurship and Innovation Committee (CNEI) Member of management of COTEC <p><u>Formerly:</u></p>

		<ul style="list-style-type: none"> • School board member of the Higher Technical Institute (Instituto Superior Técnico – UTL)
<p>Luís Fernando de Mira Amaral</p>	<ul style="list-style-type: none"> • Postgraduate Diploma in Management (Stanford Executive Program) from Stanford University • Masters. in Economics from Universidade Nova de Lisboa • Graduate in Electronics Engineering from IST 	<ul style="list-style-type: none"> • Chairman of the Auditing Committee • Member of the Board of Directors Performance Assessment Committee • CEO and Vice President of Caixa Geral de Depósitos • Director of Sociedade Portuguesa de Inovação, S.A. • Director of BPI • CEO of Banco BIC Português • Member of the Royal Lankhorst Group Supervisory Board
<p>Manuel Alves Monteiro</p>	<ul style="list-style-type: none"> • Graduate in Law, member of the Portuguese Bar Association (Ordem dos Advogados) • Business Management and Corporate Governance Program – Wharton University, Pennsylvania, USA 	<ul style="list-style-type: none"> • Member of the Auditing Committee • Member of the Corporate Governance Assessment Committee • Non-executive director of CIN-SGPS • Member of the General and Supervisory Board of EDP • Member of the Board of Grupo Soares da Costa, SGPS • Chairman of the Remuneration Committee of Douro Azul, S.A: <p><u>Formerly:</u></p> <ul style="list-style-type: none"> • Chairman and executive and non executive member of the Board of several listed and non-listed companies, institutions and state owned

		companies.
Francisco Paulo Figueiredo Morais Antunes	<ul style="list-style-type: none"> • Master's in Finance from ISCTE • Graduate in Management from ISCTE 	<ul style="list-style-type: none"> • CFO / CLO / CIO / CRO / International Task Force • Director of various Novabase Group companies <p><u>Formerly:</u></p> <ul style="list-style-type: none"> • Financial Director of Novabase Group
João Luís Correia Duque	<ul style="list-style-type: none"> • Ph.D in Business Administration from Manchester Business School / Manchester University • Graduate in Company Organization and Management from ISEG / UTL 	<ul style="list-style-type: none"> • Member of the Auditing Committee • Member of the Corporate Governance Assessment Committee • President and Full Professor at ISEG • Chairman of IDEFE / ISEG • Member of the Audit Board of Sagres – Sociedade de Titularização de Créditos, S.A.
Nuno Carlos Dias dos Santos Fórneas	<ul style="list-style-type: none"> • MBA from ISEG. • Graduate in Electrotechnical and Computer Engineering from IST 	<ul style="list-style-type: none"> • CMO / Financial Services • Director of various Novabase Group companies <p><u>Formerly:</u></p> <ul style="list-style-type: none"> • Executive of Novabase Consulting
Paulo Jorge de Barros Pires Trigo	<ul style="list-style-type: none"> • Graduate in Electrotechnical and Computer Engineering from IST 	<ul style="list-style-type: none"> • Director of various Novabase Group companies <p><u>Formerly:</u></p> <ul style="list-style-type: none"> • COO
Maria do Carmo do Brito Palma	<ul style="list-style-type: none"> • Graduate in IT Engineering from the Universidade Nova de Lisboa School of 	<ul style="list-style-type: none"> • Government, Healthcare & Transportation • Director of various Novabase

	Sciences and Technology	Group companies <u>Formerly:</u> <ul style="list-style-type: none"> Executive Director of Novabase, Government, Healthcare & Transportation
Pedro Miguel Gonçalves Afonso	<ul style="list-style-type: none"> Advanced Management Program through Universidade Católica Portuguesa Graduate in IT Engineering and Computers from IST 	<ul style="list-style-type: none"> Infrastructures and Managed Services Director of various Novabase Group companies <u>Formerly:</u> <ul style="list-style-type: none"> CEO and Promoter of DTV Research Executive Director of Novabase, Video Solutions Division

¹ Professional activities performed in the past five years, namely in terms of positions at other companies or the company itself (article 289 of the Commercial Companies Code).

20. Regular and significant family, professional or business relationships of members, as applicable, of the Board of Directors, General and Supervisory Board and Executive Board of Directors with shareholders to whom a qualified shareholding exceeding 2% of voting rights may be attributed.

These do not exist. Some shareholders with qualified holdings are directors themselves.

21. Organizational structure and functional chart relating to the division of powers among the various boards, committees and/or departments within the company, including information on the scope of the delegation of powers, particularly with regard to the delegation of day-to-day management of the company.

Novabase was organized into three business areas on 31 December 2013:

- Novabase Business Solutions¹
- Novabase Infrastructures and Managed Services²
- Novabase Venture Capital³

¹ Corresponding to the company NOVABASE Business Solutions - Soluções de Consultoria, Desenvolvimento, Integração, Outsourcing, Manutenção e Operação de Sistemas de Informação, S.A.

² Corresponding to the company NOVABASE IMS-Infrastructures & Managed Services S.A.

³ Corresponding to the company NOVABASE Capital – Sociedade de Capital de Risco, S.A.

Novabase has a business model which includes the existence of executives responsible for the main sectors, the respective specialized products and services and the various competencies.

The sectors in 2013 were as follows:

- *Energy & Utilities*
- *Financial Services*
- *Government, Healthcare & Transportation*
- *Telecoms & Media*

Novabase SGPS⁴ / Novabase Services⁵

Novabase SGPS and Novabase Services control the central functional areas: *Human Resources, Finance & Administration, IT, Marketing & Communication* and *Legal*. Novabase SGPS directly controls the investor relations function, including the Investor Relations Office.

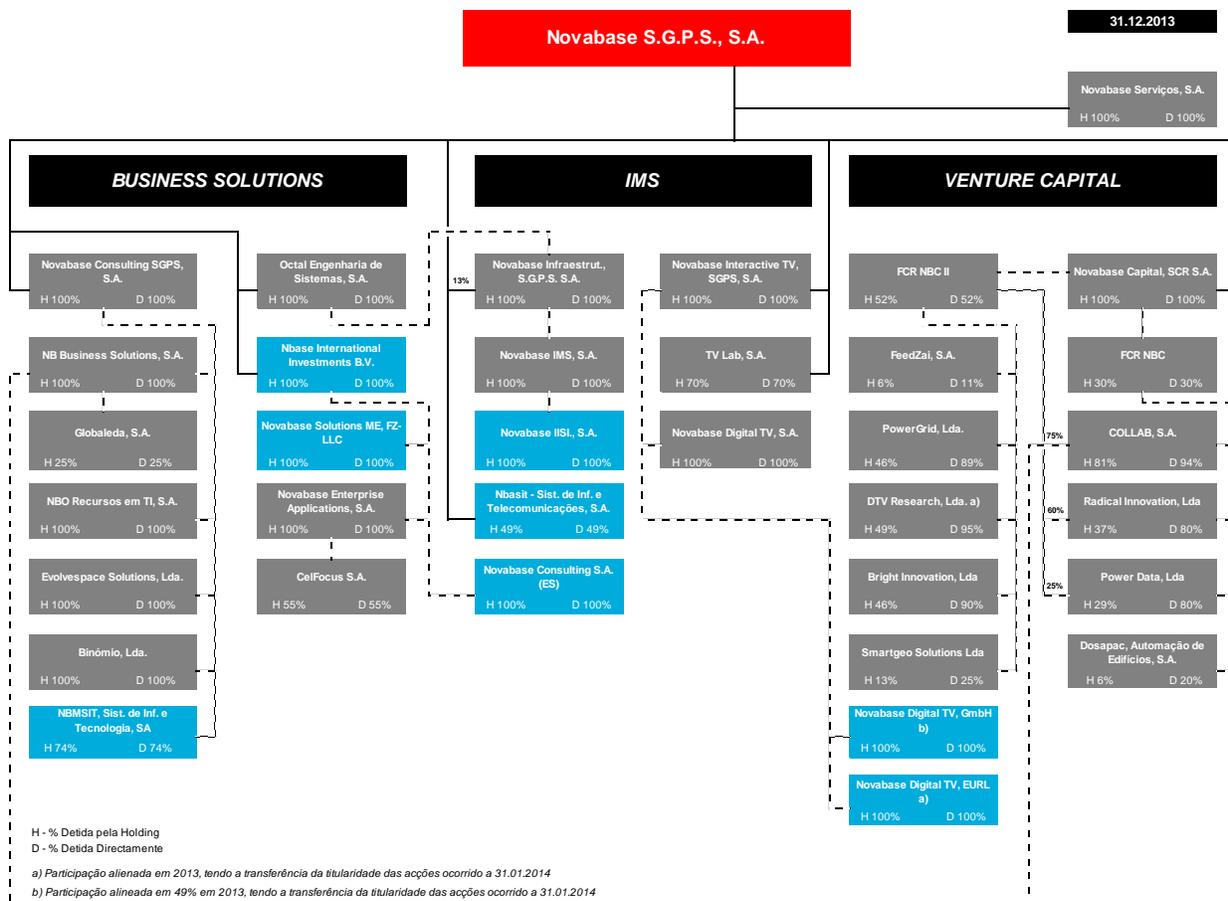
Information on the Investor Relations Office can be found in point 55 of this report.

Organizational Chart

Each of the aforementioned organizational units corresponds to a company or a group of companies. The attached organizational chart includes all the companies within the consolidation perimeter of Novabase.

⁴ NOVABASE – Sociedade Gestora de Participações Sociais, S.A.

⁵ NOVABASE SERVIÇOS - Serviços de Gestão e Consultoria, S.A.



As mentioned in point II. A) 15. in light of trends in best corporate governance practices in accordance with rules and recommendations issued by the CMVM, and taking into account Novabase's experiences since its admission to trading on the NYSE *Euronext Lisbon* regulated market, shareholders at the General Meeting of Shareholders of 12 April 2007 approved an Anglo-Saxon corporate governance model that includes a Board of Directors with an Auditing Committee and a statutory auditor. In this model, the company has kept the option of continuing to delegate the day-to-day running of the company to an Executive Committee. After the General Shareholders' Meeting of 28 April 2009, two specialized committees were created within the Board of Directors: a Board of Directors Performance Assessment Committee and a Corporate Governance Assessment Committee.

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.

Under the terms of article 14 of Novabase's articles of association, a Board of Directors with full and exclusive representation powers is responsible for managing the company's business.

The Board of Directors has general powers to act in pursuit of the company's corporate and business interests, within the confines of the law, the articles of association and the decisions of the General Meeting of Shareholders and, in particular, to:

- a) Acquire, encumber and sell any rights or movable property as well as to acquire, encumber and sell immovable property, whenever it is deemed appropriate for the company;
- b) Take out loans and carry out any other financing operations in the interest of the company, under such terms and conditions that it deems fit;
- c) Appoint representatives of the company;
- d) Delegate powers to its members;
- e) Hire employees, set their conditions of employment and exercise disciplinary power;
- f) Represent the company in and out of court, as plaintiff or defendant, file lawsuits, and make admissions, compromise in them and withdraw from them, and engage in arbitration;
- g) Open, operate and close any of the company's bank accounts, deposit and withdraw money, issue, accept, draw and endorse cheques, bills and promissory notes, invoice statements and any other securities;
- h) Decide on investments in the capital of other companies or on participating in other businesses;
- i) Run the company's businesses and carry out any acts and transactions relating to the corporate purpose that do not fall within the jurisdiction of other company bodies;

Under the terms of its regulations, the Board of Directors is responsible for setting a policy for reporting irregularities in compliance with goals laid out in this regard by law, by applicable regulations or by the General Meeting of Shareholders.

The Board of Directors' bylaws and regulations also state that it may delegate to one director certain specific management duties or the execution of the Board of Directors' decisions, recording the delegated powers in the minutes, and may also delegate the day-to-day running of the company to an Executive Committee. The Board of Directors shall establish the executive committee's powers in the everyday running of the company, delegating to it, when necessary, all the powers that are not forbidden by article 407 of the Commercial Companies Code.

Pursuant to the provisions of article 407 of the Commercial Companies Code, the Board of Directors may not delegate the following:

- a) Selection of the Chairman of the Board of Directors;
- b) Co-option of directors;;
- c) Requests to call general meetings;
- e) Drawing up of annual reports and accounts;
- f) Decide that Novabase may provide collateral, personal guarantees and security in rem;
- g) Change of registered office and capital increases;

- h) Deliberate projects to merge, divide and transform Novabase;
- i) Approval of strategy; and
- j) Definition of the Group's corporate structure.

Under these terms, the Executive Committee is responsible for the day-to-day running of the company, and may perform all actions required to this end, respecting the powers of the Board of Directors with regard to actions which must be submitted for its approval. The Executive Committee defines the company's current organizational structure, appoints employees to perform management duties in the corporate boards of this structure and manages all of the company's operating areas.

In accordance with the delegation of powers approved by the Board of Directors, the performance of all actions required for the day-to-day running of the company has been delegated to Novabase's Executive Committee, including all powers needed or expedient for pursuing the company's corporate purpose and conducting its business, within the confines of the law, namely:

- a) Carry out the annual business plans and corresponding budgets after their approval by Novabase's Board of Directors;
- b) Approve changes to the budget, except when their cumulative impact on the company's consolidated net profit is expected to exceed €1 (one) million in the financial year;
- c) Approve and carry out the company's short, medium and long-term organic development and investment plans, and identify and make investments in existing or new business areas of the company and its affiliates, by means of a budget approved by Novabase's Board of Directors and/or, in the absence of this, provided that (i) individually, they do not exceed €1 (one) million; and (ii) together, €5 (five) million in a given financial year; or (iii) in the case of R&D (research and development) investments or investments with co-funding, covered by applicable tax incentives or subsidies, up to a combined amount of €20 (twenty) million per financial year;
- d) Acquire, encumber and sell holdings in other companies, provided these transactions' general guidelines fall within the annual business plans and respective budgets, or, otherwise, with the prior approval of Novabase's Board of Directors;
- e) Manage holdings in other companies, including affiliates, namely by appointing their representatives on corporate boards and laying out guidelines for these representatives' activities, together with approving and reorganizing these holdings according to the annual business plans, or by prior decision approved by Novabase's Board of Directors;
- f) Notwithstanding legal provisions and formalities, buy and sell treasury shares within the framework and limits of the decision of the General Meeting of Shareholders;
- g) Opening, transacting and closing bank accounts;
- h) Approve short and medium-term financing agreements (12-36 months), including those which increase overall indebtedness, provided that their value is €5 (five) million or less per transaction, or cumulatively €20 (twenty) million per financial year, or of any amount with the prior approval of Novabase's Board of Directors. The Executive Committee will furnish the Board of Directors with an updated debt schedule each month;
- i) Grant medium and short-term loans (and/or shareholder loans) to affiliates for cash-on-hand and other purposes allowed by law, up to the amount of €20 (twenty) million per financial year, or in any amount with the prior approval of Novabase's Board of Directors.;
- j) Acquire, sell and/or encumber company assets, individually up to €1 (one) million, or cumulatively up to €5 (five) million per financial year;

- k) Take or give in lease, and manage the use of, immovable property allocated to the business of the company and/or its affiliates, partially or in whole, in accordance with the budget approved by Novabase's Board of Directors or, apart from a budget, up to a combined annual amount of €1 (one) million;
- l) Manage and coordinate all of the company's operating and business support areas, including but not limited to Human Resources, Finance and Administration, Marketing and Communication, Information Systems, Legal, Organizational Development and Investor Relations, excluding internal auditing boards if/when they exist;
- m) Recruit and dismiss employees, define human resources and occupational health and safety policies, define and implement plans for training, levels, categories, remuneration terms/conditions and other bonuses or salary supplements;
- n) Perform standard activities involving powers as an employer, including but not limited to disciplinary authority and the application of legally admissible employee penalties;
- o) Order/determine the presentation, negotiation and contracting of any supplies of goods and/or services by the company and/or its affiliates within the scope of their corporate purpose, individually up to €20 (twenty) million and/or (i) without a binding obligation of any kind exceeding 15 years; (ii) without terms/conditions deemed of considerable financial, legal and/or commercial risk, attributable to Novabase's Executive Committee, by those in the organization responsible for monitoring or otherwise assisting in the control of this risk;
- p) Contract goods and services of any kind and by any means, as needed to pursue the corporate purpose, up to the amount of €1 (one) million per transaction, or in any amount with the prior approval of Novabase's Board of Directors or associated with the transactions referred to in o);
- q) Take part in incorporated joint ventures and European Economic Interest Groupings, enter into consortium and equity partnership agreements, and establish or take part in any other forms of temporary or permanent association between companies and/or private or public entities, except when their purpose is to participate in projects whose anticipated turnover for the company exceeds €20 (twenty) million;
- r) Represent the company in and out of court, as plaintiff or defendant, including the instituting, contesting and lodging of appeals in any legal or arbitration proceedings, as well as confessing, withdrawing from or coming to terms in any proceedings and engagement in arbitration. The Executive Committee must furnish information on any proceedings involving the company whose amount is equal to or exceeds €1 (one) million; and
- s) Appoint representatives to perform specific acts or categories of acts, defining the scope of their respective powers.

In view of the above, no powers were delegated in 2013 involving matters where the Board of Directors must ensure that the company acts in accordance with its objectives, namely: i) definition of the company's strategy and general policies; ii) definition of the corporate structure of the group; and iii) decisions taken that are considered to be strategic due to the amounts, risk and particular characteristics involved.

Under the terms of the Executive Committee's regulations, its Chairman is responsible for assigning positions and responsibilities to all of its members, and for establishing and monitoring goals.

On 31 December 2013, the Executive Committee's members had the following positions and responsibilities:

Luís Paulo Cardoso Salvado	CEO / CHRO / Business Solutions Competencies / Venture Capital ¹ / Celfocus ² / IT Contracting / Business Design / Corporate Development / Investor Relations
Alvaro José da Silva Ferreira	Energy & Utilities / Telecoms & Media / Africa
Francisco Paulo Figueiredo Moraes Antunes	CRO / CFO / CLO / CIO / International Task Force
Nuno Carlos Dias dos Santos Fórneas	CMO / Financial Services
Maria do Carmo do Brito Palma	Government, Healthcare & Transportation
Pedro Miguel Gonçalves Afonso	Infrastructures and Managed Services

¹ Director Rogério dos Santos Carapuça performs executive duties in the area by delegation of powers

² Director João Nuno da Silva Bento performs executive duties in the area by delegation of powers

The Executive Committee may sub-delegate the exercising of delegated powers to one or more of its members. The committee or any two of its members may also appoint representatives with the powers deemed appropriate, with the signature of just one of its members in the case of legal proxy.

b) Operation

Under the terms of Novabase's articles of association, the Board of Directors shall meet whenever it is summoned by its chairperson or by two other directors. It must meet at least once a month.

The regulations of the Board of Directors have a similar rule stating that the board will hold ordinary meetings once per month and extraordinary meetings whenever called by its Chairman or by two of its members.

The Board of Directors cannot function without a majority of its active members present; under urgent circumstances, the Chairman may waive this majority when it can be achieved via postal or proxy voting.

One or more members of the board may participate via teleconferencing, when duly recorded in the minutes. In this case, directors attending remotely via teleconferencing are considered present at the meeting.

Except when a qualified majority is required by law, the decisions of the Board of Directors are made by simple majority. The Chairman of the Board of Directors has the casting vote in the event of a tie.

Members of the Board of Directors may not vote on issues where they have a conflict of interest with Novabase, whether directly or through third parties.

While being obliged to inform the Chairman of the Board of Directors about the conflict of interest, the board member in question may participate in the meeting where the issue will be discussed, but without the ability to vote.

Unless decided otherwise, this member may be asked to give an opinion, but without the ability to vote.

Directors who fail to attend over one third of the meetings held in a financial year, without justification approved by the Board of Directors, shall be considered permanently absent, as is the case for executive directors who fail to attend, without justification approved by the Board of Directors, over one fifth of Executive Committee meetings in the same period.

22. Existence and location of operating regulations, as applicable, of the Board of Directors, General and Supervisory Board and Executive Board of Directors.

The regulations of the Board of Directors and Executive Committee are available at Novabase's website.

23. Number of meetings held and attendance of each member, as applicable, of the Board of Directors, General and Supervisory Board and Executive Board of Directors.

Board of Directors	
Number of meetings: 12	
Member	Attendance (%)
Rogério Santos Carapuça	100.00
Luís Paulo Cardoso Salvado	100.00
José Afonso Oom Ferreira de Sousa	100.00
Pedro Miguel Quinteiro Marques Carvalho	100.00
João Nuno da Silva Bento	100.00
Álvaro José da Silva Ferreira	66.66
Joaquim Sérvulo Rodrigues	91.66
Luís Fernando de Mira Amaral	91.66
Manuel Alves Monteiro	100.00
Francisco Paulo Figueiredo Morais Antunes	100.00
João Luís Correia Duque	91.66
Nuno Carlos Dias dos Santos Fórneas	83.33
Paulo Jorge de Barros Pires Trigo	91.66
Maria do Carmo do Brito Palma	75.00
Pedro Miguel Gonçalves Afonso	100.00

Executive Committee	
Number of meetings: 38	
Member	Attendance (%)
Luís Paulo Cardoso Salvado	100.00
Álvaro José da Silva Ferreira	86.84
Francisco Paulo Figueiredo Morais Antunes	100.00
Nuno Carlos Dias dos Santos Fórneas	94.74
Maria do Carmo do Brito Palma	100.00
Pedro Miguel Gonçalves Afonso	100.00

24. The corporate bodies responsible for assessing the performance of executive members.

The Board of Directors Performance Assessment Committee is the company board responsible for assessing the Executive Committee's performance. Under the terms of its regulations, this committee has the following powers: (i) Assist the Board of Directors in the assessment of its overall performance; (ii) Assess the performance of the Executive Committee with respect to how it has been conducting Novabase's annual plan and budget passed by the Board of Directors at the start of each year, together with the degree of success in achieving their corresponding goals; (iii) Assess the performance of the Board of Directors' other specialized committees, namely the Auditing Committee, Corporate Governance Assessment Committee and its own performance. To carry out its duties, the Assessment Committee asks other committees for a self-evaluation of their own performance, and submits an annual written evaluation report on the performance of the Board of Directors and of these committees before the date of the Board of Directors' approval of the annual report and accounts.

On 31 December 2013, the Board of Directors Performance Assessment Committee was comprised of the following members: Rogério dos Santos Carapuça (Chairman), Luís Paulo Salvado, Luís Mira Amaral, José Afonso Oom Ferreira de Sousa, Joaquim Sérvulo Rodrigues and Pedro Miguel Quintero Marques de Carvalho.

In addition to the assessment method described above, and prior to the establishment of this Board of Directors Performance Assessment Committee, the activity of executive directors was monitored continuously by non-executive directors, in collaboration with the Chairman of the Board of Directors, who is responsible for providing information regarding the company's business required to ensure monitoring of the activity of the executive directors. This monitoring of executive directors by non-executive directors continues to be a current practice at Novabase.

25. The pre-established criteria for assessing the performance of executive members.

The performance assessment of directors (including executive directors) takes into account the organization's performance in the year in question, measured by the net profits generated, and is aimed at correlating the remuneration's variable cash component with the responsibility and performance of each director in particular (as stated in point 69.).

26. Availability of each member, as applicable, of the Board of Directors, General and Supervisory Board and Executive Board of Directors, indicating positions held simultaneously at other companies, both in and outside of the group, and other relevant activities performed by the members of these boards over the year.

Director (availability)	Group companies	Other companies and activities
Rogério Santos Carapuça (Part time)	<ul style="list-style-type: none"> • Chairman of the Board of Directors • Novabase Business Solutions S.A. • Novabase Capital S.A. • Collab • Chairman of the Board of Directors Performance Assessment Committee • Chairman of the Board of Directors Performance Assessment Committee 	<ul style="list-style-type: none"> • Member of the Faculty Council of the UNL Faculty of Sciences and Technologies • Chairman of the Portuguese Association for the Development of Communications (APDC)
Luís Paulo Cardoso Salvado (Full time)	<ul style="list-style-type: none"> • Novabase Consulting SGPS, S.A. • Novabase Serviços S.A. • Novabase Business Solutions S.A. • Member of the Board of Directors Performance Assessment Committee • Member of the Corporate Governance Assessment Committee 	<ul style="list-style-type: none"> • Member of the Board of HNB – SGPS, S.A.
José Afonso Oom Ferreira de Sousa (Part time)	<ul style="list-style-type: none"> • Member of the Board of Directors Performance Assessment Committee • Member of the Corporate Governance Assessment Committee 	<ul style="list-style-type: none"> • Member of the Board of HNB – SGPS, S.A. • Director of Fundação Maria Dias Ferreira • Director of QSM – Investimentos e

		<p>Consultadoria, S.A..</p> <ul style="list-style-type: none"> • Director of Xistroban – Imobiliária, S.A. • Director of Aprove – Investimentos e Projectos Imobiliários, S.A. • Managing partner of S2i – Sociedade de Investimento Imobiliário, Lda.
<p>Pedro Miguel Quinteiro Marques Carvalho</p> <p>(Part time)</p>	<ul style="list-style-type: none"> • Member of the Board of Directors Performance Assessment Committee 	<ul style="list-style-type: none"> • Managing partner of LX Gourmet Falcão Blanco – Produtos Alimentares de Qualidade, Lda. • Non-executive director of Feedzai – Consultadoria e Inovação Tecnológica, S.A. • Sole manager of MQC – Investimentos Imobiliários, Lda. • Non-executive director of Muzzley, S.A.
<p>João Nuno da Silva Bento</p> <p>(Full time)</p>	<ul style="list-style-type: none"> • Celfocus, S.A. • Novabase Business Solutions, S.A. • TVLAB, S.A. • Novabase Middle East 	<ul style="list-style-type: none"> • Member of the Board of HNB – SGPS, S.A.
<p>Álvaro José da Silva Ferreira</p> <p>(Full time)</p>	<ul style="list-style-type: none"> • NBO, S.A. • Novabase Enterprise Applications, S.A. • Novabase Business Solutions, S.A. • Novabase Infraestructuras e Integración de Sistemas Informáticos, S.A. • NBASIT • NBMSIT 	<ul style="list-style-type: none"> • Member of the Board of HNB – SGPS, S.A. • Director of Groovesnore – Investimentos Imobiliários, Lda.

<p>Joaquim Sérvulo Rodrigues (Part time)</p>	<ul style="list-style-type: none"> • Member of the Board of Directors Performance Assessment Committee • Member of the Corporate Governance Assessment Committee 	<ul style="list-style-type: none"> • Chairman of the executive committee of the board of directors of Es Tech Ventures, SGPS, S.A. • Chairman of the Executive Committee of ES Venture, SCR, S.A. • Executive director of Bica da Sapataria - Empreendimentos Agrícolas e Gestão, S.A. • Director of Watson Brown • Director of PVCi-SCR. • Director of Military Commercial Technologies, Inc. • Director of ES Contact Center, S.A. • Director of ES Capital – S.C.R., S.A. • Director of Oceanlix, Pty • Director of Outsystems, S.A. • Director of Ynvisible, S.A. • Director of SafetyPay, Inc. • Director of Bridges Worldwide Holding, SGPS, S.A. • Director of Nutrigreen, S.A.
<p>Luís Fernando de Mira Amaral (Part time)</p>	<ul style="list-style-type: none"> • Chairman of the Auditing Committee • Member of the Board of Directors Performance Assessment Committee 	<ul style="list-style-type: none"> • CEO of Banco BIC Português • SPI Director
<p>Manuel Alves Monteiro (Part time)</p>	<ul style="list-style-type: none"> • Member of the Auditing Committee • Member of the Corporate Governance 	<ul style="list-style-type: none"> • Non-executive director of CIN, SGPS

	Assessment Committee	<ul style="list-style-type: none"> Member of the General and Supervisory Board of EDP
<p>Francisco Paulo Figueiredo Morais Antunes</p> <p>(Full time)</p>	<ul style="list-style-type: none"> Novabase Interactive TV Novabase Consulting SGPS, S.A. Novabase Serviços Novabase Enterprise Applications Novabase Business Solutions S.A. Collab, S.A. Octal, S.A. Novabase Digital TV, S.A. TVLab, S.A. Novabase IMS Novabase Infraestruturas SGPS Novabase Digital TV GmbH NBASIT NB EURL Evolvespace Solutions, Lda. Novabase Capital NBMSIT NB Novabase Infraestructuras e Integración de Sistemas Informáticos, SA 	<ul style="list-style-type: none"> Managing partner of Commstock, Lda.
<p>João Luís Correia Duque</p> <p>(Part time)</p>	<ul style="list-style-type: none"> Member of the Auditing Committee Member of the Corporate Governance Assessment Committee 	<ul style="list-style-type: none"> Chairman of the Board of Directors of IDEFE – Instituto para o Desenvolvimento e Estudos Económicos President of the Higher Institute of Economics and Management (ISEG)

<p>Nuno Carlos Dias dos Santos Fórneas</p> <p>(Full time)</p>	<ul style="list-style-type: none"> • Novabase Serviços • Novabase Business Solutions S.A. • Novabase Infraestruturas SGPS • Novabase Consulting, S.A. (Spain) • Binómio 	
<p>Paulo Jorge de Barros Pires Trigo</p> <p>(Full time)</p>	<ul style="list-style-type: none"> • Novabase Enterprise Applications • Celfocus • Novabase Sistemas de Información 	
<p>Maria do Carmo do Brito Palma</p> <p>(Full time)</p>	<ul style="list-style-type: none"> • Novabase Consulting SGPS • Novabase Business Solutions • Octal • Binómio 	<ul style="list-style-type: none"> • Portuguese Association for the Development of Communications (APDC) commissioner for the area of government and community bodies
<p>Pedro Miguel Gonçalves Afonso</p> <p>(Full time)</p>	<ul style="list-style-type: none"> • Novabase Interactive TV • Novabase Digital TV • Novabase IMS • Novabase Infraestruturas SGPS 	

c) Committees within the managing or supervisory board and managing directors

27. Committees created within, as applicable, the Board of Directors, General and Supervisory Board and Executive Board of Directors, and location of operating regulations.

The committees created within the Board of Directors are the Executive Committee, Auditing Committee, Board of Directors Performance Assessment Committee and Corporate Governance Assessment Committee.

The regulations of these committees are available at Novabase's website.

In accordance with the law and Novabase articles of association, supervision of the company shall be the responsibility of the Auditing Committee, elected by the General Meeting and composed of 3 directors, one of whom shall be its Chairman. The Auditing Committee was thus created to ensure

compliance with legal provisions and the articles of association, as opposed to the other committees referred to above, which were created to cope with specific needs of managing the company's business.

Members of the Auditing Committee are appointed at the same time as members of the Board of Directors. The proposed lists for the latter must indicate which members will become part of the Auditing Committee, and its respective chairman.

28. Composition, if applicable, of the executive committee and/or identification of managing director(s).

The following figure shows the Executive Committee's composition on 31 December 2013.

Luís Paulo Cardoso Salvado
Álvaro José da Silva Ferreira
Francisco Paulo Figueiredo Moraes Antunes
Nuno Carlos Dias dos Santos Fórneas
Maria do Carmo do Brito Palma
Pedro Miguel Gonçalves Afonso

29. Powers of each of the committees created, and summary of activities carried out in exercising these powers.

Executive Committee – The scope of the Executive Committee's powers is described in point 21 above.

The Executive Committee sets the dates or frequency of its ordinary meetings, and holds extraordinary meetings whenever called by its Chairman or by two of its members.

This committee cannot function without a majority of its active members present; under urgent circumstances, the Chairman may waive this majority, with approval of this decision at the Executive Committee's next meeting.

Notwithstanding the above, postal and proxy voting is permitted, although no member of the Executive Committee may represent more than another member of the committee.

Along these lines, one or more members of the Executive Committee may attend remotely via videoconferencing or conference call, so long as the meeting minutes specify this whenever it occurs.

It should also be noted that the Chairman of the Board of Directors is called to Executive Committee meetings under the same terms as its members, and is always entitled to attend Executive Committee meetings without voting rights.

The Executive Committee makes decisions by a majority vote; its Chairman has a casting vote.

Rules involving conflicts of interest apply to the Executive Committee. In fact, Executive Committee members are required to notify the Chairman of the Executive Committee of any potential conflicts of interest with Novabase, whether directly or through third parties, involving issues under discussion and voting. In such cases, the members in question may not exercise their voting rights in decisions on issues with potential conflicts of interest.

All the information requested by the various corporate boards was supplied by the Novabase executive directors in a timely and suitable fashion.

The Chairman of the Novabase Executive Committee is responsible for submitting the minutes of the Executive Committee meetings to the Chairman of the Board of Directors and Chairman of the Auditing Committee. In addition, the Chairman of the Board of Directors may attend Executive Committee meetings, without voting rights, and also receives the respective meeting notices for this purpose (in accordance with the Executive Committee's internal regulations). The Chairman of the Auditing Committee is informed of the agenda in the meeting minutes.

In 2013, in performing its duties, the Executive Committee strengthened the focus on international growth, upheld the leadership position in the domestic market, further differentiated key offerings and helped to develop Novabase's teams and leaders.

2013 saw 18% growth in the international business, which now accounts for 34% of the entire business. In Africa, in addition to gradually winning market share in Angola and Mozambique, the company was able to advance its position in these markets, thereby facilitating future access to larger-sized projects. Moreover, primarily through its affiliate Celfocus, the segment of products and services for telecommunications operators in the EMEA region saw international growth exceeding 50% through key projects in Ghana, the United Kingdom, Qatar and Turkey.

Novabase upheld its leadership position in the domestic market by competing for major business opportunities. Margin losses in the contracting market were offset by differentiating key offerings. The focus on Design Thinking and Business Design methods was strengthened by developing and evolving new products and services, and in the actual project life cycle through the Novabase "DO" methodology. To encourage innovation and share knowledge, a number of initiatives were developed, including quarterly editions of Tonic magazine, the Speakers' Corners and Tech battles, as well as Techweek and TED Express.

From the standpoint of strengthening teams and leadership capacity, 170 recent university graduates were hired through the Novabase Academy, leadership was renewed through several areas and the multi-year Leadership and Coaching program was accelerated and intensified through initiatives such as the Leadership Gym, Talent Gym, CEO Time and Open Talks.

At the end of the year, the assets of Digital TV/SIP (System-in-Package solutions) were sold, thereby ending the plan in place to incubate this business in the Venture Capital area and allow the freed-up resources to be used to develop and internationalize Novabase's core business.

Throughout 2013, the Executive Committee had in-depth discussions and reflections on the major strategic challenges currently faced by Novabase. The conclusions of this work are essential in developing the company's medium-term business, and are reflected in the guidance announced to the market.

Finally, executive management monitored the stock performance of Novabase's shares which, minus shareholder remuneration, increased 39%.

Auditing Committee: The information on the powers of the Auditing Committee and the activities carried out in exercising these powers is described in section III.b) below.

Board of Directors Performance Assessment Committee As mentioned in point 24, the Board of Directors Performance Assessment Committee has the following competencies, as per the respective regulations: (i) Assist the Board of Directors in the assessment of its overall performance; (ii) Assess the performance of the Executive Committee with respect to how it has been conducting Novabase's annual plan and budget passed by the Board of Directors at the start of each year, together with the degree of success in achieving their corresponding goals; (iii) Assess the performance of the Board of Directors' other specialized committees, namely the Auditing Committee, Corporate Governance Assessment Committee and its own performance. To carry out its duties, the Assessment Committee asks other committees for a self-evaluation of their own performance, and submits an annual written evaluation report on the performance of the Board of Directors and of these committees before the date of the Board of Directors' approval of the annual report and accounts.

On 31 December 2013, the Board of Directors Performance Assessment Committee was comprised of the following members: Rogério dos Santos Carapuça (Chairman), Luís Paulo Salvado, Luís Mira Amaral, Joaquim Sérvulo Rodrigues, José Afonso Oom Ferreira de Sousa and Pedro Miguel Quinteiro Marques de Carvalho.

In addition to the assessment method described above, and prior to the establishment of this Board of Directors Performance Assessment Committee, the activity of executive directors was monitored continuously by non-executive directors, in collaboration with the Chairman of the Board of Directors, who is responsible for providing information regarding the company's business required to ensure monitoring of the activity of the executive directors. This monitoring of executive directors by non-executive directors continues to be a current practice at Novabase.

The Board of Directors Performance Assessment Committee holds ordinary meetings twice per year⁶, on a date and at a location set by its Chairman, and whenever called by the Chairman, at its own initiative or at the request of any of its members.

This committee may not operate unless duly attended or represented by a majority of members; any member may be represented at meetings by any other member via letter addressed to the Chairman. However, no member of the Board of Directors Performance Assessment Committee may represent more than one other member at the same time.

Members may attend Board of Directors Performance Assessment Committee meetings via teleconferencing, and may vote by post.

Decisions are made by a majority vote, and the Chairman has a casting vote.

The Board of Directors Performance Assessment Committee met once in 2013, which was considered sufficient to evaluate the work of the Board of Directors and specialized committees in

⁶ In 2013, the Board of Directors Performance Assessment Committee believed that a single meeting was sufficient, as mentioned below in this point, with no need for a second meeting during the year to formally comply with the obligation of the respective internal regulations.

2013. This meeting was held on 21 March 2013. Prior to this meeting, the Executive and Auditing Committee self-assessment reports were prepared and then distributed among the committee's members. The Chairman of the Board of Directors was present (without voting rights) at most of the Executive Committee's meetings, as entitled under the terms of the Board of Directors' regulations, thereby allowing him to see and evaluate its operation. The members of the Board of Directors Performance Assessment Committee unanimously agree that the work and results obtained by the Executive and Auditing Committee are highly positive. The respective reports fully describe the activities and results obtained.

The composition of the Executive Committee was changed on 26 September 2013 following the extraordinary General Meeting of Shareholders dated 25 September 2013 (which appointed two new directors). The purpose of this change was to align the responsibilities of each executive director to organizational refinements already approved. The Board of Directors Performance Assessment Committee believes that these changes were appropriate, reinforcing the dynamics of the Executive Committee and the focus of two Novabase SGPS directors on managing the affiliate Celfocus.

The Board of Directors also functioned appropriately during 2013, with its meetings divided into two different groups at the proposal of its Chairman, unanimously approved by all members: meetings to deal with current topics, and meetings in workshop format. In the (longer) workshop format meetings, the strategic and organizational proposal prepared by the Executive Committee was analysed, discussed and approved.

In turn, the non-executive directors held specific meetings to analyse this strategic and organizational proposal separately to better contribute to the Board of Directors' discussions.

The Corporate Governance Assessment Committee held its two scheduled annual meetings, with suitable functioning and results obtained. These are described later in this chapter in a specific section on this committee's work.

Corporate Governance Assessment Committee: In turn, pursuant to its regulations, the Corporate Governance Assessment Committee has the following powers: (i) Constantly assess the corporate governance model, internal rules and procedures regarding Novabase's structure and governance, and the adequacy of the Novabase Group's principles and practices of conduct vis-à-vis legal, regulatory and statutory provisions and recommendations, standards and international and national best practices involving corporate governance; (ii) Propose to the Board of Directors – which in turn may convey this proposal to the General Meeting of Shareholders, if applicable – changes to Novabase's corporate governance model deemed relevant for the ongoing refinement of the company's corporate governance practices; (iii) Provide each year to the Board of Directors a proposed text for the Corporate Governance Report to disseminate throughout the company as an integral part of each year's Annual Report and Accounts. This report – drawn up according to CMVM recommendations on format and content – offers conclusions on Novabase's degree of compliance with legal, regulatory and statutory provisions, together with rules, recommendations, standards and international and national best practices involving corporate governance.

On 31 December 2013, the Corporate Governance Assessment Committee was comprised of the following members: Rogério dos Santos Carapuça (Chairman), Luís Paulo Salvado, João Luís Correia Duque, Manuel Alves Monteiro, João Nuno Bento, Joaquim Sérvulo Rodrigues and José Afonso Oom Ferreira de Sousa.

The Corporate Governance Assessment Committee holds ordinary meetings twice per year, on a date and at a location set by its Chairman, and whenever called by the Chairman, at its own initiative or at the request of any of its members.

This committee cannot function unless the majority of its members are present or duly represented. Any member may be represented at meetings by any of the other members through a letter addressed to the chairman. However, no member of the Corporate Governance Assessment Committee may represent more than one other member at the same time.

Meeting attendance via videoconferencing and postal voting are allowed.

Decisions are made by a majority vote, and the Chairman has a casting vote.

The Corporate Governance Assessment Committee met twice in 2013 - on 21 March and 26 September 2013.

In its first meeting, the Corporate Governance Assessment Committee analysed and approved the corporate governance report for 2012 and recommended to the Board of Directors that it be approved.

The Corporate Governance Assessment Committee's second meeting was dedicated to discussing two main topics: comparative analysis of two corporate governance codes (CMVM and IPCG codes), which can be adopted alternatively after the entry into force of CMVM Regulation no. 4/2013. Following this analysis, the Corporate Governance Assessment Committee recommended to the Board of Directors that the new 2013 version of the CMVM code be adopted.

The Corporate Governance Assessment Committee also discussed the issue of oversight of the affiliate Celfocus, which the Executive Committee wishes to be managed more autonomously. This discussion laid the groundwork for the same topic addressed later by the Board of Directors.

III. SUPERVISION

a) Composition

30. Identification of supervisory body (Audit Board, Auditing Committee or General and Supervisory Board) in the model adopted.

Since it has adopted the Anglo-Saxon corporate governance model, Novabase has an Auditing Committee.

31. Composition, as applicable, of the Audit Board, Auditing Committee, General and Supervisory Board or Financial Matters Committee, stating the minimum and maximum number of members, term of office, number of full members, inauguration date and end date of each member's term of office, in accordance with the articles of association (reference may be made to the point where this information is already found in the report per no. 18).

Article 8 of the company's articles of association states that members of the Auditing Committee are elected by the General Meeting of Shareholders for three-year terms, subject to re-election one or

more times, and that these members shall keep their positions during their respective terms of office until the appointment of new members.

Novabase articles of associations further establish that the supervision of the company shall be the responsibility of the Auditing Committee, elected by the General Meeting and composed of 3 directors, one of whom shall be its Chairman.

On 31 December 2013, the Auditing Committee had the following three full members:

Luís Fernando de Mira Amaral
Manuel Alves Monteiro
João Luís Correia Duque

The information on each Auditing Committee member's inauguration date and term of office end date is the same as that provided for the Board of Directors for each of these members, and is found in point 17 above.

32. Identification, as applicable, of the members of the Audit Board, Auditing Committee, General and Supervisory Board or Financial Matters Committee considered to be independent under the terms of article 414, paragraph 5 of the Commercial Companies Code (reference may be made to the point where this information is already found in the report per no. 19).

Member of the Auditing Committee	Independence ¹
Luís Fernando de Mira Amaral	Yes.
Manuel Alves Monteiro	Yes.
João Luís Correia Duque	Yes.

¹ Under the terms of article 414, paragraph 5 of the Commercial Companies Code, but also under the relevant criteria for independence for the purposes of point 18.1. of the Annex to CMVM Regulation no. 4/2013.

In addition, all of the members of the Auditing Committee comply with the incompatibility rules in article 414-A, paragraph 1 of the Commercial Companies Code.

In addition, the Chairman and other members of the Auditing Committee are adequately capable of carrying out their duties.

33. Professional qualifications, as applicable, of the members of the Audit Board, Auditing Committee, General and Supervisory Board or Financial Matters Committee, and other

relevant background information (reference may be made to the point where this information is already found in the report per no. 21).

Information on the professional qualifications and other relevant background information of the members of the Auditing Committee are found in point 19 above.

b) Operation

Auditing Committee: Comprised of independent non-executive members of the Board of Directors appointed by the General Meeting of Shareholders, the Auditing Committee is responsible for supervising company management and compliance with the law and articles of association, and for issuing an opinion on management's annual report and accounts. Its supervisory powers ensure the independence and quality of company audits in accordance with the best international standards. It also ensures the efficacy of the company's internal control system and monitors the company's fulfilment of principles and best practices involving corporate governance.

This Committee operates within the scope of the Board of Directors and has the following duties:

- a) Propose, at the General Meeting of Shareholders, the appointment of the Statutory Auditor;
- b) Monitor the Statutory Auditor's independence, particularly with regard to the provision of additional services;
- c) Oversee the review of accounts and other company accounting documents, namely the accounting policies and valuation criteria adopted by Novabase, so that these documents lead to a correct appraisal of the assets and results;
- d) Prepare an annual report on its oversight activities, and issue an opinion on the Annual Report and Accounts and proposals submitted by management;
- e) Collaborate with the Board of Directors in selecting external auditors and determining the respective remuneration, as well as supervise these auditors' work, including verification of the existence of suitable conditions for providing external auditing services and receipt of the respective reports, assessing the external auditor on an annual basis;
- f) Ensure the existence of sufficient internal control mechanisms to understand and manage the inherent risks of Novabase's activities;
- g) Monitor the efficacy of the risk management system, internal control system and internal auditing system;
- h) Recommend the adoption of policies and procedures for achieving the goals established in point (g) above to the Board of Directors, and to suggest how these mechanisms may be improved;
- i) Alert the Board of Directors and other corporate boards, depending on the circumstances, to any situations in the company which may be regarded as anomalous, should they exist;
- j) Monitor the preparation and disclosure of financial information;
- k) Take whatever decisions it deems necessary, informing Novabase's *Chief Executive Officer* (CEO) and *Chief Financial Officer* (CFO) accordingly, with respect to information about any irregular practices which it receives from shareholders, Novabase employees or others, to the department created specifically for this purpose;
- l) Prepare an annual report, to be submitted to the ordinary General Meeting of Shareholders, describing its activity in the previous financial year and its conclusions;

- m) Receive information and conclusions from procedures used by Novabase's internal auditing and compliance areas, regardless of their hierarchical relationship with the company's executive management;
- n) Comply with other competencies and duties provided for by law and the memorandum of association;
- o) Prepare reports, define policies and guidelines, create recommendations, implement procedures and execute the necessary measures to fulfil the provisions of its internal Regulations, national legal and regulatory provisions, recommendations issued by the Portuguese Securities Market Commission, and standards which may be imposed under legislation passed by competent authorities of the European Union concerning the powers and responsibilities of the Auditing Committee as part of the corporate governance principles adopted by Novabase;
- p) Verify the accuracy of the books, accounting records and their supporting documentation;
- q) Verify, when deemed appropriate and in the manner deemed suitable, the extent of cash and inventories of any kind of goods or amounts belonging to the company or received by the company as a guarantee, deposit or other security;
- r) Call the General Meeting of Shareholders, when not done so accordingly by its chairperson;

and

Hire the services of experts to assist one or several of its members in the performance of their duties; the hiring and remuneration of such experts must take into account the importance of the matters entrusted to them and the company's financial position.

In addition, since 31 March 2011, the Auditing Committee has performed duties involving preliminary assessments of the business deals to be carried out between the company and the owners of qualified holdings or entity relationships with the former, as envisaged in Article 20 of the Securities Code. The Auditing Committee's duties in this regard are described in point 91.

The Auditing Committee's internal regulations, available at Novabase's website, also detail some general duties and responsibilities, such as participating in the meetings of the Board of Directors and the General Meeting of Shareholders, or maintaining confidentiality with regard to facts and information disclosed to Auditing Committee members during the performance of their duties, along with duties and responsibilities involving the following specific matters: (i) external auditing; (ii) provision and disclosure of financial information; and (iii) internal auditing, complaints and compliance.

It held the compulsory number of meetings in 2013 as required by the articles of association and made all examinations of the accounts that it saw fit as part of its duties. It conducted analyses and made suggestions as deemed necessary.

The Auditing Committee holds ordinary meetings at least once every two months, or whenever deemed necessary by its Chairman or requested by one of its members. The Chairman of the Auditing Committee is responsible for convening and running its meetings, and has a casting vote.

The decisions of the Auditing Committee are made by a majority of votes cast.

In carrying out its duties, the Auditing Committee may, whenever deemed necessary, request meetings with the Chairman of the Board of Directors, with the CFO (the director responsible for the financial function), with the Board of Directors or with the Executive Committee.

The Auditing Committee may also convene, at its own initiative in carrying out its duties, any management staff, employees or consultants at Novabase, together with external auditors or the Statutory Auditor, to attend, partially or in whole, any of its meetings, to meet individually with any of its members or to provide all information deemed necessary by the Auditing Committee.

34. Existence and location of operating regulations, as applicable, of the members of the Audit Board, Auditing Committee, General and Supervisory Board or Financial Matters Committee (reference may be made to the point where this information is already found in the report per no. 24).

The regulations of the Auditing Committee are available at Novabase's website.

35. Number of meetings held and attendance at each meeting, as applicable, of the members of the Audit Board, Auditing Committee, General and Supervisory Board or Financial Matters Committee (reference may be made to the point where this information is already found in the report per no. 25).

Auditing Committee:	
Number of meeting: 10	
Member	Attendance (%)
Luís Fernando de Mira Amaral	100
Manuel Alves Monteiro	80
João Luís Correia Duque	100

36. Availability of each member, as applicable, of the Audit Board, Auditing Committee, General and Supervisory Board or Financial Matters Committee, indicating positions held simultaneously at other companies, both in and outside of the group, and other relevant activities performed by the members of these boards over the year (reference may be made to the point where this information is already found in the report per no. 26).

This information is found in point 26 of this report.

c) Powers and duties

37. Description of procedures and criteria applicable to the supervisory board's involvement in hiring the external auditor for additional services.

A procedure is in place by which all of the various auditing services are subject to the prior approval of the Auditing Committee. The procedure includes the submission of a proposal, by the Board of Directors to the Auditing Committee, to use the external auditor for the services in question, accompanied by information justifying this. The Auditing Committee must then approve the use of

the auditor before the respective agreement between the company and the approved external auditor is signed.

Among other aspects, the Auditing Committee's evaluation of the proposal submitted by the Board of Directors weighs up the auditor's guarantee of independence in fulfilling its professional obligations and the functional advantages in using the proposed external auditor.

38. Other functions of the supervisory boards and, if applicable, of the Financial Matters Committee.

The powers of the Auditing Committee are described in section III.b) of this report.

In addition to the duties of overseeing the auditing of the company's accounts and accounting documents and those involving the use of the external auditor for services, of particular note, among other aspects described in more detail in section III.b), are the duties performed within the scope of risk management and internal control systems, the system for reporting irregularities and the signing of agreements between the company and qualified shareholders.

IV. STATUTORY AUDITOR

39. Identification of the statutory auditor and partner statutory auditor representing it.

Statutory Auditor The statutory auditor is responsible for examining the company's accounts (specifically, performing the duties laid out in article 420 (1) c), d), e) and f) of the Commercial Companies Code), together with supervisory duties involving the ongoing pursuit of the company's corporate purpose. On 31 December 2013, Novabase's acting statutory auditor was PricewaterhouseCoopers & Asociados - SROC, represented by Jorge Manuel Santos Costa, and with César Abel Rodrigues Gonçalves as substitute statutory auditor.

40. Number of consecutive years that the statutory auditor has performed duties at the company and/or group.

The statutory auditor has performed auditing duties for Novabase for 12 consecutive years. However, with the function of statutory auditor, it has performed these duties for 9 consecutive years.

41. Description of other services provided by the statutory auditor to the company.

In 2013, the external auditor did not provide other professional services to the company.

The statutory auditor is also Novabase's external auditor, and has provided other professional services to companies in the Novabase Group, as described in point 46.

V. EXTERNAL AUDITOR

42. Identification of external auditor designated for the purposes of article 8 and the partner statutory auditor representing it in fulfilling these duties, together with the respective CMVM registry number.

On 31 December 2013, Novabase's acting statutory auditor was PricewaterhouseCoopers & Associados – SROC, Lda., registered with the Portuguese Securities Market Commission ("CMVM") as auditor no. 9077, represented by its partner Jorge Manuel Santos Costa.

43. Number of years that the external auditor and the partner statutory auditor representing it in fulfilling these duties have performed these duties consecutively for the company and/or group.

The external auditor identified above has performed duties for Novabase for 12 consecutive years. As stated in point 44, the partner currently representing the external auditor and statutory auditor has performed duties for Novabase since May 2010.

44. Policy and frequency for rotating the external auditor and statutory auditor representing it in fulfilling these duties.

The duties of statutory auditor and external auditor are performed by the same entity at Novabase.

Novabase has no formal policy for rotating the external auditor and partner representing it. Instead, it uses the following practice:

PricewaterhouseCoopers & Associados – SROC, Lda. has acted as Novabase's external auditor since 2002.

Since the partner responsible for statutory audits has provided services to Novabase since 2003 (as a representative of Belarmino Martins, SROC), under Article 54 of Decree-Law No. 224/2008 of 20 November, once seven years had passed in relation to the start of these services (in May 2010), the current partners were appointed to oversee and directly perform Novabase's statutory audits, under the above terms.

Moreover, since recommendation no. III.1.3. of the CMVM Corporate Governance Code previously in force stated that the auditor should be rotated after three terms when the corporate boards have a three-year term of office, like Novabase, in 2012 Novabase's Auditing Committee weighed up the external auditor's conditions for independence and the advantages and costs involved in keeping or replacing the auditor.

Along these lines, the following were taken into account:

a) The abilities, qualifications and professional experience of the current external auditor, along with its detailed internal knowledge of the various companies of the Novabase Group and the

sectors in which they do business, compared to the comparable characteristics of other accredited auditing firms contacted;

b) The fact that the partner responsible for auditing services must be replaced every seven years, the ethical standards applicable to statutory auditors and the powers assigned by the Auditing Committee itself (which is fully comprised of independent members, with proper training to perform their duties and knowledge of accounting and auditing) already ensured a very high degree of external auditor independence;

c) That the European Commission Recommendation of 16 May 2002 does not provide for any rotation of the external auditor, but only consideration of the extent to which the prolonged participation of other members of the auditing team beyond the partner responsible may compromise its independence, and that the necessary safeguarding measures be taken to reduce this risk to an acceptable level (which the aspects referred to in the above item seem to already largely address);

d) That the reform proposed by the European Commission to make the rotation of the external auditor mandatory has not been implemented;

e) That some experiences in other European jurisdictions (e.g. Spain) imposing the mandatory rotation of the external auditor at the end of a given time period were ultimately abandoned;

f) That a change to the external auditor may involve costs to adapt information systems and communication methods, and costs involving time or the recovery of previously drawn up documents, among others;

g) That in view of the status quo of the global, European and Portuguese economies, prudence is needed in weighing up the consequences of changing methods and procedures in companies' daily routines.

In view of all of the above, the Auditing Committee issued a specific opinion to keep the external auditor for at least one more term (corresponding to the one currently still in progress).

45. Board responsible for assessing the external auditor, and frequency of assessment.

The Auditing Committee is responsible for assessing the external auditor, which is done each year.

In the performance of its functions, which is evaluated, the external auditor must verify the implementation of remuneration policies and systems of the corporate boards and the efficiency and functioning of internal control mechanisms, and report any shortcomings to the company's supervisory board.

46. Identification of work other than auditing done by the external auditor for the company and/or companies controlled by it, internal procedures for approving the hiring of these services and reasons for doing so.

In 2013, the external auditor provided professional services to issue a statement from the statutory auditor on verifying amounts disclosed in the billing report to the Portuguese National Agency for Public Procurement (ANCP) for two companies belonging to the group. These services were provided because the validation of billing statements by the company's statutory auditor is a mandatory ANCP requirement.

Under the terms of the internal regulations of Novabase's Auditing Committee, this Committee and the external auditors review the scope, planning and resources to be used in the provision of auditing services and/or other services that they are allowed to provide.

47. Annual remuneration paid by the company, and/or by legal persons controlled by the company or part of its group, to the auditor and to other natural or legal persons belonging to the same network, with percentage breakdown for the following services (for the purposes of this information, the concept of "network" is that defined in European Commission Recommendation No C (2002) 1873, of 16 May):

	€/ %
By the company	
Statutory auditing services (€)	48,249 / 31.90%
Compliance assurance services (€)	
Tax consulting services (€)	
Services other than statutory auditing	
By entities belonging to the group	
Statutory auditing services (€)	101,751 / 67.27%
Compliance assurance services (€)	
Tax consulting services (€)	
Services other than statutory auditing	1,250 / 0.83%

C. INTERNAL ORGANIZATION

I. Articles of association

48. Rules applicable to amendment of the company's articles of association; 245-A, paragraph 1, sub-paragraph h).

Constitutive quorum for the General Meeting of Shareholders

When amendments to the articles of association are under consideration, the General Meeting of Shareholders can only decide on first notice if shareholders having stock corresponding to at least one-third of the share capital are present or represented. This requirement does not apply on second notice, and the General Meeting of Shareholders can then decide on any matter, regardless of how many shareholders are present.

Deliberating quorum for the General Meeting of Shareholders

When amendments to the articles of association are under consideration, the General Meeting of Shareholders decides by a two-thirds majority of the votes cast.

However, should shareholders representing at least half the share capital be present or represented on second notice, the decision on amendments to the memorandum and articles of association can be taken by an absolute majority of votes cast, and a two-thirds majority is not required.

II. Reporting of irregularities

49. Means and policy for reporting irregularities at the company.

In compliance with the CMVM Recommendations published in the 2007 Corporate Governance Code, and in view of fostering a culture of responsibility and compliance, Novabase has adopted a system for reporting irregularities (known as "SPI") that may occur within its Group. Any report of irregularities made through SPI is directed to the Auditing Committee, which will appoint a person in charge of SPI to manage the reports received. The person in charge of SPI must act independently and autonomously (notwithstanding responsibility to the Auditing Committee for proper compliance with his/her duties) and will be subject to confidentiality requirements. This system also observes the requirements in the Corporate Governance Code of the CMVM currently in force.

According to the implemented system, employees and other Novabase stakeholders have access to a direct and confidential channel for reporting to the Auditing Committee any practice that appears to be improper or irregular in any way, whatever it may be, which has occurred within the Novabase Group, regardless of any blame that may be attributed, and which may impact the financial statements or the information sent to the CMVM, or that may cause serious damage to Novabase or its stakeholders (employees, customers, partners and shareholders).

Reporting of irregular practices occurring within the Novabase Group by Novabase employees when they have such knowledge is a duty, regardless of the source of the practice or the person who has performed it.

The apparent irregularity must be reported in a secure and confidential manner to the person in charge of SPI, the independent member of the Auditing Committee Manuel Alves Monteiro, in two different manners:

- to the private e-mail address: m.a.monteiro.novabase@gmail.com; and
- by posted letter to Manuel Alves Monteiro, marked "Confidential", to the address: Av. D. João II, Lote 1.03.2.3., Parque das Nações, 1998-031 Lisbon

Such reports will be processed by the person in charge of SPI according to the following procedure:

- i) receipt and preliminary analysis of the report of the irregular practice;
- ii) judgement of the consistency of the report received (with destruction of all inconsistent reports, the Auditing Committee being responsible for this destruction, subsequent to a proposal from the person in charge of SPI);
- iii) investigation/report/archiving; and
- iv) final forwarding.

Before proceeding to the final forwarding of the reports, the person responsible for SPI takes account of the reports for statistical purposes and maintains a record of the reports that exclusively covers the following aspects: (i) date on which the report was received; (ii) essence of the facts reported, eliminating all information that permits identification of any physical persons; and (iii) date on which the investigation was concluded.

Once the investigation has been concluded, reports with an underlying probability of an irregular practice are forwarded by the Auditing Committee to the Board of Directors so that it can take appropriate measures.

Whenever the report of irregular practices results in evidence of the practice of a crime or serious disciplinary infraction, the Auditing Committee must recommend that the company forwards the matter to (i) Novabase internal bodies for due process and (ii) to external investigation bodies, namely the police or the public prosecutor, in order to ascertain responsibilities.

General rules of conflict of interest apply to the decisions to be approved by the Auditing Committee or by the Board of Directors regarding reports made within the scope of SPI.

Whatever the circumstance, the confidentiality of the report will be guaranteed if so requested by its author, and the personal data of the physical persons involved will be protected, while any action taken against the person who has made the report will be considered a serious offence.

This policy is detailed at the Novabase website (www.novabase.pt) in the IR section.

In this way, Novabase complies with the provisions of the Commercial Companies Code. Its system has been approved by the Portuguese Data Protection Authority (CNPD) through authorization no. 4494/2009.

III. Internal control and risk management

50. Persons, boards or committees responsible for internal auditing and/or implementation of internal control systems.

The Auditing Committee, whose duties are described in section B III.b) of this report, is responsible for internal auditing.

Given the importance of a structured risk management model to the business, together with market regulatory requirements, the company's Board of Directors has been tasked with establishing risk management objectives, and implementing and monitoring a suitable internal control and risk management process, working towards its efficacy.

51. Explanation (with possible inclusion of organizational chart) of relationships of hierarchical and/or functional dependence vis-à-vis other company boards or committees.

The position of *Chief Risk Officer* ("CRO") has been created at Novabase. Internal auditing areas and areas that ensure compliance with norms applicable to the company (compliance services) report to the CRO with regard to risk prevention and management. The CRO is responsible for reporting to the Chairman of the Board of Directors, with meetings at least once per quarter between the Chairman of the Board of Directors, CRO and Auditing Committee. Director Francisco Paulo Figueiredo Morais Antunes holds the position of CRO.

The Auditing Committee, as an inspection body, monitors the activity of the external auditors, as well as that of the internal auditors, assessing annual internal auditing plans, obtaining information about the actions performed by this team and providing an opinion regarding their conclusions.

In this context, this committee also has powers involving the assessment of sufficient internal control mechanisms in order to understand and manage the inherent risks of Novabase's activities, suggesting policies and procedures to the Board of Directors to achieve these goals and refine these mechanisms.

52. Existence of other functional areas with risk control powers.

Novabase also has an Internal Auditing team responsible for conducting monitoring actions and improving internal control procedures essentially associated with the Group's central service areas, always in accordance with the strategic goals laid out in the integrated risk management model. Periodic, focused internal audits are thus performed, covering all of Novabase's affiliates.

53. Identification and description of the major types of risk (economic, financial and legal) to which the company is exposed in pursuing its business activity.

Below is a description of some of the risks analysed by the company which deserve attention due to their relevance and business impact.

As regards credit risk, although it is focused on major customers and its credibility is above average, Novabase has internally developed a customer credit risk analysis system that includes

categorization prior to the presentation of a work proposal, involving the reality of the potential risk and associating the hierarchical approval level suited to it subsequent to that categorization.

As regards legal risk, potential problems with customers and employees are the most probable. These risks are part of the internal control system in terms of project management, relationships with outside entities and internal departmental processes. Procedures have been defined to streamline the prior analysis of all contracts and other legal processes by the legal department, thereby minimizing potential future sources of risk. In addition, the status of current legal proceedings is regularly monitored, with an analysis of their potential financial impacts.

Some of the Group's business areas are exposed to exchange risk (primarily EUR/USD), which is analysed and hedged through an exchange management policy based on "natural *hedging*", or using the exchange derivatives market or even exchange options.

Novabase takes a conservative, prudent stance in managing its exchange risks, with the speculative use of derivatives forbidden.

Where project risk management is concerned, Novabase has a project qualification methodology which analyses various specific parameters. Once the risk of the project has been ascertained, it is assigned to a project manager with the appropriate seniority. A number of qualifying training courses for project managers have been pursued in recent years. It should also be mentioned that there is a methodology in place that involves conducting internal project audits with the appropriate frequency. A system of ceilings is in place, by which authorization of proposals must be validated by a supervisor and the maximum ceiling requires authorization by the Board itself. There is a procedure for centrally validating, sending and filing proposals, which is revised by Novabase's legal department at the contract level. This department must issue its opinion before any proposal is sent to a customer.

Since Novabase does business in the area of Information Technology, this system has identified the following main risks and corresponding risk factors: (i) risk that the solutions developed may become obsolete relatively fast, due to the market trend of adopting their base technologies or changes in customers' business needs and investment priorities; (ii) risk that a proposed solution may prove unsuitable in terms of the choices made or the timing of the development of new solutions, due to the incorrect forecasting of technology trends or trends in our customers' business sectors impacting their information systems needs.

With these risks in mind, the teams tied to Novabase's primary markets analyse the industry in order to detect current trends and promote the development of internal skills to address these trends. In turn, the teams from Novabase's various competencies control typical risks in the IT sector within their areas, such as technology obsolescence, the risk that solutions may not be suitable, and the *timing* of the development and proposal of new solutions not being right for the market.

54. Description of process for identifying, assessing, monitoring, controlling and managing risks.

The company has a working model – safeguarding the company's worth and encouraging transparency in its corporate governance – based on detecting and anticipating potential risks and risk factors, so as to manage them in a timely manner, via the delegation of responsibilities and

appropriate internal communication channels in line with the company's strategic goals for assuming risks as defined under this system.

Under its non-delegable powers of defining the company's overall policies and strategy, the Board of Directors is responsible for defining Novabase's strategic objectives in the area of risk assumption, in accordance with the company's needs and business activities.

In addition, in the area of medium and long-term strategic planning, the Board of Directors is responsible for analysing risk, and does so regularly in relation to the annual operations plan and whenever potential businesses and markets are being evaluated, measuring each potential risk's impact and likelihood of occurrence.

This system's efficiency is due to the instituted internal procedure, which reinforces the communication channels between the Group's various departments and decision-making bodies, thereby allowing communication and information on various system components, and potential internal control problems to be analysed, and detecting potential risks in real time.

Novabase also has an Internal Auditing team responsible for conducting monitoring actions and improving internal control procedures essentially associated with the Group's central service areas, always in accordance with the strategic goals laid out in the integrated risk management model. Periodic, focused internal audits are thus performed, covering all of Novabase's affiliates.

In 2013, the risk management and internal control model implemented allowed the risks and risk factors mentioned above to be identified, effectively helping to prevent them.

55. Main elements of the company's internal control and risk management systems regarding the process of disclosing financial information (article 245-A, paragraph 1, sub-paragraph m).

The Board of Directors is responsible for ensuring disclosure of accurate financial information that truthfully reflects the Group's situation at any given moment, in compliance with the norms issued by the applicable regulatory entities at any given moment.

As regards the quality of the financial information that is publicly disclosed by the Investor Relations Department, it should be pointed out that it is the result of a financial *reporting* process that is ensured by the central services areas of the Group, subject to the internal control system of the Group and monitored through the aforementioned methods. Nevertheless, this information is also subject to analysis and approval by the relevant bodies, namely the Executive Committee and the Board of Directors.

IV. Investor Support

56. Department responsible for investor support, composition, duties, information provided and contact information.

Novabase is particularly focused on its presence in the capital market. The Investor Relations Office is responsible for representing Novabase in its dealings with the CMVM and investors, while promoting contact with private and institutional, foreign and Portuguese investors.

The office provides information through Novabase's website (www.novabase.pt). Since 2002

Novabase has had a dedicated investor relations area on its company website at www.novabase.pt. Investors have access to a number of *links* containing information of interest to their profile. In terms of financial information, they have access to Annual Reports and Accounts for previous years, the Financial Calendar, reserved information, information on the composition and powers of the company's Corporate Boards, the names and e-mail addresses of the analysts covering the security, together with the *price target*, the market performance of Novabase's shares, Novabase's shareholders, a space reserved for the General Meetings of Shareholders for convening meetings and posting preparatory information for General Meetings of Shareholders, the form for postal votes and electronic voting (available since 2006), a Corporate Governance space in which Novabase publishes this report, CMVM Regulation No. 4/2013 on the Governance of Listed Companies and Corporate Governance Code, approved in 2013, and the procedure for reporting irregularities, frequently asked questions, and the contact details of Novabase's Investor Relations Office.

A summary of the decisions is published on the Novabase website and in the CMVM information disclosure system immediately after the General Meeting of Shareholders.

At its company website, Novabase maintains documents with content corresponding to extracts from the minutes, including information on the number of people present, number of shareholders and meeting agendas. Voting results have also been provided since 2010. Novabase has also established the necessary mechanisms to ensure that the above are disclosed as quickly as possible, and always within the 5 days following the General Meeting of Shareholders.

On its website, Novabase keeps a collection of information on meetings held over the past three years, including the number of people present, number of shareholders represented, meeting agendas and decisions taken.

The following information, available for at least 5 years, is published in Portuguese and English on Novabase's website: a) The company, public company status, headquarters and remaining data provided for in Article 171 of the Commercial Companies Code; b) Articles of Association; c) Credentials of the members of the Board of Directors and the Market Liaison Officer; d) Investor Assistance Unit – its functions and access tools; e) Accounts Reporting documents; f) Half-Yearly Calendar on Company Events, published in the beginning of each semestre and including, among other information, general meetings and annual, semestre and quarterly reports and accounts.

57. Identification of the market relations representative.

María Gil Marín

Market and Investor Relations

Phone: +351 213 836 300

Fax: +351 213 836 301

email: investor.relations@novabase.pt

Address: Av. D. João II, Lote 1.03.2.3., Parque das Nações, 1998-031 Lisbon, Portugal

58. Information on proportion and amount of time to respond to information requests submitted in the year or pending from previous years.

On 31 December 2013, Novabase had no pending information requests. Its average response time was 24 hours. 114 information requests were received in 2013.

V. Website

59. Address(es).

Novabase's website is available at the following address: www.novabase.pt

60. Location where information on the company, public company status, headquarters and remaining data provided for in Article 171 of the Commercial Companies Code is available.

This information is available on the page and links related to notices to the CMVM:

<http://www.novabase.pt/pt/Novabase/Investidores/ComunicadosACMVM/Pages/ComunicadosACMVM.aspx>

61. Location of the articles of association and operating regulations of boards and/or committees.

This information is available at the following pages and links:

Articles of association

<http://www.novabase.pt/pt/Novabase/Pages/Estatutos.aspx>

Regulations

<http://www.novabase.pt/pt/Novabase/Pages/OrgaosSociais.aspx>

62. Location of information on the identities of corporate board members, market relations representative, investor support office or equivalent, their respective duties and contact information.

This information is available at the following pages and links:

Corporate board members

<http://www.novabase.pt/pt/Novabase/Pages/OrgaosSociais.aspx>

Identification of the investor relations representative.

<http://www.novabase.pt/pt/Pages/Contactos.aspx>

63. Location of accounting documents (which should remain available for at least five years) and the bi-annual corporate events calendar published at the start of each half-yearly period, including general meetings of shareholders and disclosure of annual, half-yearly and quarterly results, if applicable.

This information is available at the following pages and *links*:

Accounting information

<http://www.novabase.pt/pt/Cresce/Investidores/RelatoriosContas/Pages/RelatoriosContas.aspx>

Finance agenda

<http://www.novabase.pt/pt/Cresce/Investidores/AgendaFinanceira/Pages/AgendaFinanceira.aspx>

64. Location of meeting notices for the general meeting of shareholders and all related preparatory and subsequent information.

This information on the general meetings of shareholders is available at the following pages and *links*:

<http://www.novabase.pt/pt/Cresce/Investidores/AssembleiasGerais/Pages/AssembleiasGerais.aspx>

65. Location of a historical record of the resolutions passed at the company's General Meetings of Shareholders, share capital and voting results referring to the previous three years

This information on the general meetings of shareholders is available at the following pages and links:

<http://www.novabase.pt/pt/Cresce/Investidores/AssembleiasGerais/Pages/AssembleiasGerais.aspx>

D. REMUNERATION

I. Responsibility for determining remuneration

66. Responsibility for determining the remuneration of corporate boards, members of the executive committee or managing director and managers of the company.

The Remuneration Committee decides upon the remuneration of corporate board members. More detail is provided in point 67 below.

It is important to point out that only the members of Novabase's Board of Directors and the Statutory Auditor are considered managers, within the meaning of Article 248-B (248.^o-B) of the Securities Code; as such, there is no separate information to be disclosed in this regard.

II. Remuneration committee

67. Composition of the remuneration committee, with identification of the natural or legal persons hired to give it support, and statement on the independence of each member and advisor.

The Remuneration Committee members for the three-year period of 2012-2014 were decided in the Annual General Meeting of 03 May 2012. Francisco Luís Murteira Nabó presides over the Remuneration Committee, with Pedro Rebelo de Sousa and João Quadros Saldanha belonging to it as well.

All of the members of this committee are independent from the Board of Directors.

The Remuneration Committee acts with complete autonomy, and does not employ any natural or legal person to support it in performing its duties.

68. Knowledge and experience of the members of the remuneration committee in remuneration policy issues.

Remuneration Committee		
Member	Academic qualifications	Work experience
Francisco Luís Murteira Nabó	<ul style="list-style-type: none">• Graduate in Economics from Instituto Superior de Ciências Económicas e Financeiras• Masters in Management from AESE (University of Barcelona).• Honorary Doctorate from the Macau University of Science	<p>Member of several boards of directors, including:</p> <ul style="list-style-type: none">• Chairman of the Board of Directors and CEO of Portugal Telecom, SGPS, S.A.• Member of the Board of Directors of Banco

	and Technology	Espírito Santo; <ul style="list-style-type: none"> Chairman of Galp Energia
Pedro Rebelo de Sousa	<ul style="list-style-type: none"> Graduate in Law from Universidade Clássica de Lisboa Specialization (post-graduation) in Commercial and Corporate Law from Universidade Pontifícia Católica, Brazil Masters in Business Administration, Getúlio Vargas Foundation – Business Administration School, São Paulo, Brazil 	Member of the board of directors at several financial institutions, including: <ul style="list-style-type: none"> Chairman and CEO of BFB CitiBank Banif Caixa Geral de Depósitos Cimpor among others.
João Quadros Saldanha	<ul style="list-style-type: none"> Graduate in Mining Engineering, Mining Planning from IST MBA from Universidade Nova de Lisboa 	Member of the board of directors at several companies, including: <ul style="list-style-type: none"> IAPMEI – I.P. Empordef, SGPS, S.A. OGMA - S.A. Pleiade, SGPS, S.A.

III. Remuneration structure

69. Description of the remuneration policy of the board of directors and the supervisory board, as provided for in Article 2 of Law 28/2009 of 19 June.

Attached to this report is a statement with regard to the remuneration policy laid out in Law 28/2009 of 19 June.

70. Information on the way the remuneration is structured so as to allow aligning the interests of the members of the board of directors with the long-term interests of the company as well as how it is based on the performance assessment and how it discourages excessive risk assumption.

The variable portion in cash of directors' remuneration is determined by the Remuneration Committee with a view to aligning this portion with the organization's performance in each year in question, measured by the net profits generated, and correlates with the responsibility and

performance of each director in particular. A proper balance is also ensured between the fixed and variable portions of these remunerations.

As regards the stock option plan comprising the variable stock option component of directors' remuneration – and as a means of aligning the directors' interests with those of the company – at the start of the 2012-2014 term, the members of the Board of Directors were awarded a number of options as defined by the Remuneration Committee, under the variable remuneration stock options component for the years in question, in accordance with the table in point 77.

As described in greater detail in point 74 of this report, attributed options may be exercised in blocks, corresponding to 1/3 of all options, on each anniversary of their attribution date, while unexercised options may be exercised on their subsequent maturity date.

As such, the variable component paid to directors does not exclusively serve Novabase's long-term interests.

However, the variable portion of the remuneration paid through the stock option plan is fully aligned with these long-term interests when the options are not exercised until their last maturity date, i.e. 3 years after the commencement of the directors' terms of office, which must always occur for at least 1/3 of the options attributed.

Furthermore, as also described in point 74 of this report, the strike price of the options allotted to the directors elected at the General Meeting of Shareholders of 03 May 2012 was €2.19 per share. Exercised options are settled via *net share settlement* from Novabase's portfolio using the following formula:

No of shares = No. of options exercised x (TP – *Strike*) / TP

where TP (or take-up price) and *Strike* have the meanings described in point 74.

In this way, since options should only be exercised when the company's performance is positive, as reflected by the share price on the date of exercising the options, this variable remuneration component is dependent on the continued positive performance of the company through this exercise date.

In addition, shares acquired through the exercising of options may not be sold or encumbered for one year (50% of the total shares acquired).

In this way, Novabase believes that a substantial part of the variable remuneration of the company's directors aligns their interests with the long-term interests of the company, although not exclusively so.

Moreover, the fact that a significant amount of the options to allot shares are being deferred over time discourages excessive risk assumption by directors.

Similarly, 1/6 of the variable remuneration in cash, which is deferred over three years and is conditional upon positive company performance during this time period, also serves the company's long-term interests and discourages excessive risk assumption.

Finally, it is noteworthy that the company has no knowledge of contracts celebrated by Members of the Board of Directors with the company or third parties that have the effect of mitigating the risk inherent in the variability of the remuneration established for them by the company.

71. Reference, if applicable, to the existence of a variable remuneration component and information on potential impact of performance assessment on this component.

As mentioned in the previous point, there is a variable cash component as well as a variable stock option component.

The variable portion in cash of directors' remuneration is determined by the Remuneration Committee with a view to aligning this portion with the organization's performance in each year in question, measured by the net profits generated, and correlates with the responsibility and performance of each director in particular. As such, the performance assessment does have an impact on this remuneration component. A proper balance is also ensured between the fixed and variable portions of these remunerations.

72. The deferred payment of the remuneration's variable component and the relevant deferral period;

The variable remuneration in cash paid in 2013 corresponds to 50% of the amount allocated for 2012 in 2013, and 1/6 of the amount allocated for 2011 in 2012. The remaining 50% of the amount allocated for 2012 in 2013 is subject to deferred payments in the following 3 years (2014, 2015 and 2016) in equal parts (corresponding to 1/6 of each year's total), conditional upon positive company performance during this time period.

Furthermore, as regards the stock option plan comprising the variable stock option component of directors' remuneration (described in greater detail in point 74. of this report), attributed options in 2012 may be exercised in blocks, corresponding to 1/3 of all options, on each anniversary of their attribution date, while unexercised options may be exercised on their subsequent maturity date. In addition, shares acquired through the exercising of options may not be sold or encumbered for one year (50% of the total shares acquired).

Furthermore, as also described in point 74 of this report, the strike price of the options allotted to the directors elected at the General Meeting of Shareholders of 03 May 2012 was €2.19 per share. Exercised options are settled via *net share settlement* from Novabase's portfolio using the following formula:

No of shares = No. of options exercised x (TP – *Strike*) / TP

where TP (or take-up price) and *Strike* have the meanings described in point 74.

In this way, since options should only be exercised when the company's performance is positive, as reflected by the share price on the date of exercising the options, this variable remuneration component is dependent on the continued positive performance of the company through this exercise date.

73. Criteria providing the basis for variable remuneration in shares and the executive directors' keeping of these shares, the signing of agreements involving these shares (i.e. hedging agreements) or the transfer of risk, the respective limit and its relationship to the amount of total annual remuneration.

There is no remuneration through the direct allocation of shares.

However, under paragraph 5 of the 2012-2014 Stock Option Plan (described in detail in point 74 below), some executive directors participating in this plan acquired Novabase shares in May 2013.

Under the terms of the plan, shares acquired through the exercising of options may not be sold or encumbered for one year (50% of the total shares acquired).

The company has no information regarding the signing of contracts involving these shares, namely hedging or risk transfer contracts.

74. Criteria whereon the allocation of variable remuneration on options is based as well as its deferral period and take-up price;

To date, the Novabase General Meeting of Shareholders has approved five plans for options to allot, subscribe for and/or purchase shares, namely:

- 1st Plan was universal, offering stock options to employees and members of the Board of Directors of Novabase and other companies in the Novabase Group (2000-2002 Plan), passed in the General Meeting of Shareholders of 22 May 2001;
- 2nd Plan for Options to Subscribe and/or Purchase Novabase Stock for the years 2003 to 2005 (2003-2005 Plan), passed in the General Meeting of Shareholders of 29 April 2003, also a universal plan, offering stock options to employees and members of the Board of Directors of Novabase and other companies in the Novabase Group;
- 3rd Stock Options Plan (2006-2008 Plan), passed in the General Meeting of Shareholders of 20 April 2006, covering only the directors of some of the Novabase Group companies, namely those directors who in large part manage these companies, as well as those persons who hold an important position in any company of the Novabase Group on the basis of an employment contract.
- 4th Plan for Options to Allot Shares (2009-2011 Plan) passed in the General Meeting of Shareholders of 28 April 2009, covering only the directors of Novabase SGPS;
- 5th Plan for Options to Allot Shares (2012-2014 Plan) passed in the General Meeting of Shareholders of 03 May 2012, covering the directors of Novabase SGPS and employees with supervisory positions at Novabase and at other companies that are legally controlled by Novabase or part of the Novabase Group (hereinafter called "supervisory positions").

The time periods for exercising the first four plans have already expired, and there are no active stock options that can be exercised. The plans implemented by Novabase have sought and still seek to promote investment in the company by employees and/or members of the Board of Directors of the company and other companies in the Novabase Group, with a view to pooling efforts towards developing the company's business activity, achieving its goals and sharing the company's strong growth potential with staff regardless of their professional category.

The 5th Plan for Options to Allot Shares, in effect from 2012-2014, covers the directors of Novabase SGPS and supervisory positions.

This Plan for Options to Allot Shares involves ordinary Novabase shares as a performance bonus for participants.

The options are allotted by way of decision of Novabase's Remuneration Committee (in the case of directors) and Board of Directors (in the case of supervisory positions), which will meet for this purpose within 60 days of the commencement of duties. The options may be exercised in phases at three points in time. The first can be exercised on 25 May of the year following that in which the first annual component is attributed, and the other two on the same day (or on the first subsequent working day) in the following months of May, and in blocks corresponding to 1/3 of the number of options attributed. Unexercised options may be exercised on their subsequent maturity dates, although they will automatically expire if not exercised on the last maturity date of 25 May 2015.

Each participant may benefit only once from the options under this plan, which will occur in the year in which they commence their management duties.

The options' strike price is defined before the date of attribution. It should, as a rule, be the arithmetical average of the prices, weighted by the respective volumes, of the transactions of Novabase shares at sessions of the NYSE *Euronext Lisbon* regulated market occurring in the ninety days preceding the participant's commencement of duties, with any necessary adjustment under the terms of the plan. The strike price of the options allotted under the 5th Plan was €2.19 per share.

Under the terms of the plan, exercised options are settled via net share settlement from Novabase's portfolio.

Once the participant notifies the company of his/her intention to exercise options on each of the scheduled dates, the number of shares to allot to this participant (rounded down) is determined by the formula:

$$\text{No of shares} = \text{No. of options exercised} \times (\text{TP} - \text{Strike}) / \text{TP}$$

where:

TP or take-up price = arithmetical average of the prices, weighted by the respective volumes, of the transactions of Novabase's shares at sessions of the *Euronext Lisbon* occurring in the ninety days preceding the vesting date.

The total number of options attributed under the 5th Plan may under no circumstances exceed the total number of options attributed under the 4th Plan which, in turn, is limited to the total number of options attributed under the 3rd Plan. Pursuant to this 3rd Plan, the shares corresponding to the options attributed but not yet exercised under this third 2006-2008 Stock Option Plan could at no time exceed 8% of the total volume of shares representing Novabase's share capital at the time, for the three Annual Loyalty Components comprising the 3rd Plan.

Novabase's Remuneration Committee (in the case of directors) and Board of Directors (in the case of supervisory positions) are responsible for selecting participants in the 5th Plan.

As a rule, changes to strike and take-up prices are not authorized. Whenever financial transactions with potentially relevant impacts on Novabase's share value occur, these prices may be adjusted under the terms of the plan, but only to offset these transactions' effects, subject to the prior authorization and validation of the Remuneration Committee and/or Board of Directors, as applicable.

The total number of recipients of the plan is nine directors.

The shares to be allotted are ordinary shares, without special incentives for exercising options beyond the *strike* and take-up conditions.

Implementation of Plans:

In 2001 the first phase of the current Stock Option Plan was implemented, and by 25 May 2001, 55,964 subscription options for Novabase shares had been exercised, which corresponded to 47.6% of the options attributed and exercisable on that date. The options were exercised by means of an increase in capital decided upon for that purpose on 1 June 2001. Of the 55,964 shares subscribed, 45,043 were subscribed at €8.50, and the remaining 10,921 at €10.40.

In 2002 and 2003, due to the performance of the capital markets, none of the options provided for in the Stock Option Plan were exercised.

In 2004, under the Stock Option Plan and the Stock Subscription and/or Purchase Option Plan, 150,743 subscription options for Novabase shares were exercised on 25 May 2004, corresponding to 11.9% of the options attributed and exercisable on that date. The options were exercised by means of an increase in capital decided upon for the purpose, whose public recording and corresponding commercial registry occurred on 28 May 2004. The 150,743 shares were subscribed and paid up at the unit price of €4.96.

In 2005, under the Stock Option Plan and the Stock Subscription and/or Purchase Option Plan, 319,058 subscription options for Novabase shares were exercised on 25 May 2005, corresponding to 8.9% of the options attributed and exercisable on that date. The options were exercised by means of an increase in capital decided upon for the purpose, whose public recording and corresponding commercial registry occurred on 01 June 2005. Of the total 319,058 shares, 314,971 were subscribed and paid up at the unit price of €4.96, and the remaining 4,087 shares were subscribed and paid up at the unit price of €5.87.

In 2006, under the Stock Option Plan and the Stock Subscription and/or Purchase Option Plan, 2,675,629 subscription options for Novabase shares were exercised on 25 May 2006, corresponding to 48% of the options attributed and exercisable on that date. The options were exercised by means of an increase in capital decided upon for the purpose, whose public recording and corresponding commercial registry occurred on 01 June 2006. Of the total 2,675,629 shares, 2,634,308 were subscribed and paid up at the unit price of €4.96, 38,755 shares were subscribed and paid up at the unit price of €5.87, while the remaining 2,566 shares were subscribed and paid up at the unit price of €6.10.

In 2007, under the Stock Option Plan and the Stock Subscription and/or Purchase Option Plan, 23,169 subscription options for Novabase shares were exercised on 25 May 2007, corresponding to 1% of the options attributed and exercisable on that date (active options). All 23,169 options were subscribed for at the unit price of €4.91 (resulting from the adjustment to the unit price of €4.96, as explained below). The Board of Directors elected to sell treasury shares in lieu of an increase in capital in order to exercise attributed options.

In 2008, under the Stock Option Plan and the Stock Subscription and/or Purchase Option Plan, 10,974 subscription options for Novabase shares were exercised on 25 May 2008, corresponding to 1% of the options attributed and exercisable on that date (active options). All 10,974 options were subscribed at the unit price of €4.09. The Board of Directors elected to sell treasury shares in lieu of an increase in capital in order to exercise attributed options.

In 2009, under the Stock Option Plan and the Stock Subscription and/or Purchase Option Plan, 10,974 subscription options for Novabase shares were exercised on 25 May 2009, corresponding to

1% of the options attributed and exercisable on that date (active options). All 10,974 options were subscribed at the unit price of €4.09. The Board of Directors elected to sell treasury shares in lieu of an increase in capital in order to exercise attributed options.

In 2009, under the 4th Plan, a total of 1,959,720 options were allotted to Novabase directors participating in the Plan.

On 25 May 2010, the maturity date was reached for Batch 1 (equalling one third of the total) of the options allotted to each participant under the 4th Plan; no options were exercised on this date.

On 25 May 2011, the maturity date was reached for Batch 2 (equalling another third of the total) of the options allotted to each participant under the 4th Plan; no options were exercised on this date.

On 25 May 2012, the maturity date was reached for Batch 3 (equalling all of the options under the terms of the 4th Plan) of the 4th Plan; no options were exercised on this date.

After the Novabase General Meeting of Shareholders held on 03 May 2012, 1,959,720 options were attributed to directors under the 5th Plan.

On 25 May 2013, the maturity date was reached for Batch 1 (equalling one third of the total) of the options allotted to each participant under the 5th Plan, with 251,027 options being exercised and 59,842 Novabase shares being purchased.

75. The main factors and reasons for any annual bonus scheme and any other non-financial benefits;

Except for the stock option plan's corresponding variable remuneration component, there is no annual bonus scheme or any other non-financial benefits.

In 2013, an additional amount of €17,616 was paid to the members of the Board of Directors in meal allowances.

There are no relevant amounts of non-monetary benefits considered as remuneration and not covered by the previous situations.

76. Main characteristics of supplementary early retirement or pension schemes for directors, and date on which they were approved by the general meeting of shareholders, in individual terms.

There is no supplementary pension or early retirement schemes for Novabase directors.

IV. Disclosure of remuneration

77. Indication on the amount concerning the annual remuneration paid collectively or individually to members of the managing boards of the company, including fixed and variable remuneration and as to the latter, mentioning the different components that gave rise to same.

Since 2003, Novabase has complied with the CMVM recommendation regarding disclosure of the remunerations of the members of the Board of Directors individually. In this report, Novabase discloses the remuneration received by each member of the Board of Directors and Auditing Committee in 2013, pursuant to the provisions of Law no. 28/2009 and CMVM Regulation no. 4/2013.

By unanimous decision of the Remuneration Committee, fixed remuneration components were set for members of the Novabase Board of Directors in 2013, along with annual variable remuneration, as shown in the chart below.

These remunerations are distributed among the members of the Board of Directors in accordance with the breakdown stipulated by the Remuneration Committee, whereby the (i) independent non-executive directors and one non-executive, non-independent director (Joaquim Sérvulo Rodrigues) earn only a fixed cash remuneration and (ii) the executive directors (together with certain non-executive, non-independent directors taking on management responsibilities in the Group) earn a fixed portion in cash, a variable portion in cash and a variable portion based on stock options. This remuneration is shared among the directors as indicated in the chart below, in accordance with the responsibilities assumed by them at Novabase, and as indicated by the Remuneration Committee.

The remuneration of non-executive, non-independent directors who assume management responsibilities in the Group includes a variable component. The performance of remunerated duties by these members of the Board of Directors allows Novabase to continue to leverage their extensive know-how acquired as company founders (in some cases) and accumulated over more than 20 years, especially since these directors continue to play key management roles in the Group.

The variable portion in cash of directors' remuneration is determined with a view to aligning this portion with the organization's performance in the year in question, measured by the net profits generated, and correlates with the responsibility and performance of each director in particular. A proper balance is also ensured between the fixed and variable portions of these remunerations. The variable remuneration in cash paid in 2013 corresponds to just 50% of the variable remuneration in cash component due for 2012. The remaining 50% of this component is subject to deferred payments in the following 3 years (2014, 2015 and 2016) in equal parts (corresponding to 1/6 of each year's total), conditional upon positive company performance during this time period.

As regards the stock option plan comprising the variable stock option component of directors' remuneration, at the start of the 2012-2014 term, the members of the Board of Directors were awarded a number of options as defined by the Remuneration Committee, under the variable remuneration stock options component for the years in question.

In the Remuneration Committee meeting of 30 May 2012, it was resolved to offer 1,959,720 options under the 2012-2014 variable remuneration stock options component in force at the Novabase Group, to be distributed among the six executive directors, Chairman of the Board of Directors and members of the Board of Directors, according to the following chart:

Director	Fixed annual remuneration (€)	Annual variable remuneration in cash paid in 2013 (€) ⁷	Total partial (Fixed+ variable in cash paid in 2013) (€)	Variable in cash paid in 2013 /Partial Total (%)	Deferred annual variable remuneration (€) ⁸	Variable remuneration # options@ €2.19 2012-2014
Luís Paulo Cardoso Salgado	€265,300.00	€179,775.00	€445,075.00	40.39%	€103,550.00	342,310 options
Álvaro José da Silva Ferreira	€260,610.00	€179,775.00	€440,385.00	40.82%	€103,550.00	342,310 options
Francisco Paulo Figueiredo Moraes Antunes	€140,700.00	€71,983.00	€212,683.00	33.85%	€41,500.00	136,920 options
Nuno Carlos Dias dos Santos Fórneas	€170,800.00	€116,833.00	€287,633.00	40.61%	€67,300.00	222,500 options
Maria do Carmo do Brito Palma	€33,300.00		€33,300.00	15.30%		
Pedro Miguel Gonçalves Afonso	€33,300.00		€33,300.00	18.32%		
Executives Total	€904,010.00	€548,366.00	€1,452,376.00	37.76%	€315,900.00	1,583,180 options
Total	53.60%	55.64%	54.36%		53.27%	80.79%
Rogério dos Santos Carapuça ⁹	€185,710.00	€125,850.00	€311,560.00	40.39%	€72,500.00	239,620 options
José Afonso Oom Ferreira de Sousa	€15,862.00	€35,942.00	€51,804.00	69.38%	€20,700.00	68,460 options
Pedro Miguel Quinteiro Marques Carvalho	€15,862.00	€35,942.00	€51,804.00	69.38%	€20,700.00	68,460 options
João Nuno da Silva Bento ⁹	€260,610.00	€179,775.00	€440,385.00	40.82%	€103,550.00	342,310 options
Joaquim Sérvulo Rodrigues	€15,862.00		€15,862.00			
Luís Fernando de Mira Amaral	€39,424.00		€39,424.00			
Manuel Alves Monteiro	€39,424.00		€39,424.00			
João Luís Correia Duque	€38,896.38		€38,896.38			
Paulo Jorge de Barros Pires Trigo ⁹	€170,800.00	€59,625.00	€238,834.00	28.49%	€59,625.00	196,830 options
Non-executive total	€782,450.38	€437,134.00	€1,219,584.38	35.84%	€277,075.00	376,540 options
Total	46.40%	44.36%	45.64%		46.73%	19.21%
TOTAL	1,686,460.38	€985,500.00	€2,671,960.38	25.29%	€592,975.00	1,959,720 options

⁷ The amount shown is the total amount paid to each director in 2013: 50% of the total amount allocated in 2013 for 2012, plus 1/6 of the total amount allocated in 2012 for 2011 and 1/6 of the amount allocated in 2011 for 2010. The remaining 50% of the amount allocated in 2013 for 2012 will be paid in the next three years (2014, 2015 and 2016) in equal portions, corresponding to 1/6 of the total value in each year, conditional upon the company's positive performance over this period.

⁸ Amounts allocated in 2013 for 2012 but deferred to the next three years. Deferred amounts also exist for amounts allocated in 2012 for 2011 and allocated in 2011 for 2010 in accordance with the criteria disclosed in the Corporate Governance Reports from the respective years.

⁹ Performs executive duties at the Novabase Group companies referred to in point 26

As described in greater detail in point 74. of this report, attributed options in 2013 may be exercised in blocks, corresponding to 1/3 of all options, on each anniversary of their attribution date, while unexercised options may be exercised on their subsequent maturity date. In addition, shares acquired through the exercising of options may not be sold or encumbered for one year (50% of the total shares acquired).

Furthermore, as also described in point 74 of this report, the strike price of the options allotted to the directors elected at the General Meeting of Shareholders of 03 May 2012 was €2.19 per share. Exercised options are settled via *net share settlement* from Novabase's portfolio using the following formula:

$$\text{No of shares} = \text{No. of options exercised} \times (\text{TP} - \text{Strike}) / \text{TP}$$

where TP (or take-up price) and strike have the meanings described in point 74.

In this way, since options should only be exercised when the company's performance is positive, as reflected by the share price on the date of exercising the options, this variable remuneration component is dependent on the continued positive performance of the company through this exercise date.

In 2013, an additional amount of €17,616 was paid to the members of the Board of Directors in meal allowances.

There are no relevant amounts of non-monetary benefits considered as remuneration and not covered by the previous situations.

78. Amounts paid on any basis by other companies in a group or controlling relationship or exercising control over the company

Novabase directors are paid exclusively by this entity, and do not receive additional remuneration of any kind from other companies that are controlled by or part of the Novabase Group, nor from any company exercising control over Novabase. However, in 2013, due to the duties performed by Paulo Trigo and by executive directors Carmo Palma and Pedro Afonso in the Group before being appointed directors of Novabase SGPS, respectively, in the General Meeting of Shareholders dated 03 May 2012 and the Extraordinary General Meeting of Shareholders dated 25 September 2013, the following amounts were paid by Group companies:

Director	Fixed annual remuneration (€)	Variable annual remuneration (€)	Deferred annual variable remuneration (€)
Paulo Jorge de Barros Pires Trigo		8,409.00 ¹	
Maria do Carmo do Brito Palma	73,363.50	19,271.00	
Pedro Miguel Gonçalves Afonso	17,893.75		21,912.00 ²
TOTAL	€91,257.25	€27,680.00	€21,912.00

¹ Variable remuneration deferred in 2012 for 2011

² Amount assumed at the time of the director's hiring. Allocated in 2013 and deferred to the next three years.

79. Remuneration paid in the form of a share in the profits and/or the payment of bonuses and the rationale behind the act of awarding such bonuses and/or share in profits.

In 2013 no additional remuneration was awarded in the form of profit sharing and/or payment of bonuses.

80. Compensation paid or owed to former executive directors in relation to early contract termination.

No compensations were paid, nor are any compensations owed, to former executive directors as a result of their duties no longer being performed in 2013.

81. Annual amount of remuneration received, collectively and individually, by members of the company's supervisory boards, for the purposes of Law no. 28/2009 of 19 June.

The remuneration of members of the Auditing Committee is detailed in point 77 of this report.

82. Remuneration of the Chairman of the General Meeting of Shareholders

The Chairman of the General Meeting of Shareholders is paid according to attendance in the amount of €1,000 (one thousand euros) per meeting. In 2013, two such amounts were paid.

V. Agreements with implications on remuneration

83. Envisaged contractual restraints for compensation owed for undue dismissal of executive directors and its relation to the remunerations' variable component;

There are no contractual restraints for compensation owed for undue dismissal of executive directors, as per legal rules.

Pursuant to Article 403 (5) of the Commercial Companies Code, if the dismissal lacks justified grounds, the director is entitled to compensation for damages incurred by the means specified in his/her contract or under the general terms of the law; this compensation may not exceed the remuneration he/she would presumably receive through the end of his/her appointed term.

In Novabase's opinion, since management positions are remunerated, with a mandatory legal ceiling on compensation for dismissal without due cause, and given the protection of expectations principle which must be observed, there is no justification for contractual restraints that reduce the maximum legal compensation amount to a director with legal proof of damages incurred, when the dismissal occurs due to his/her inadequate performance without justified grounds.

Similarly, in view of the mandatory legal ceiling on compensation for undue dismissal, there is absolutely no foreseeable advantage in establishing contractual restraints to directors' compensation in the event of consensual termination of duties.

84. Reference to the existence and description, including amounts, of agreements between the company and members of the board of directors and administrators under Article 248-B (3) of the Securities Code that provide for compensation in the event of resignation, termination without just cause or termination of the employment relationship following a change in the company's control. (Article 245-A, paragraph 1, sub-paragraph I).

No such agreements exist.

VI. Stock or stock option plans

85. Identification of plan and respective recipients.

5th Plan for Options to Allot Shares (2012-2014 Plan) passed in the General Meeting of Shareholders of 03 May 2012, covering the directors of Novabase SGPS and employees with supervisory positions at Novabase and at other companies that are legally controlled by Novabase or part of the Novabase Group (hereinafter called "supervisory positions").

The Plans implemented by Novabase have sought and still seek to promote investment in the company by employees and/or members of the Board of Directors of the company and other companies in the Novabase Group, with a view to pooling efforts towards developing the company's business activity, achieving its goals and sharing the company's strong growth potential with staff regardless of their professional category.

The 5th Plan for Options to Allot Shares, in effect from 2012-2014, covers the directors of Novabase and supervisory positions.

This Plan for Options to Allot Shares involves ordinary Novabase shares as a performance bonus for participants.

86. Description of plan (eligibility conditions, inalienability of shares clauses, criteria regarding share prices and the price for exercising options, time frame during which options can be exercised, characteristics of the shares or options to be attributed, existence of incentives to acquire shares and/or exercise options).

The options are allotted by way of decision of Novabase's Remuneration Committee (in the case of directors) and Board of Directors (in the case of supervisory positions), which will meet for this purpose within 60 days of the commencement of duties. The options may be exercised in phases at three points in time. The first can be exercised on 25 May of the year following that in which the first annual component is attributed, and the other two on the same day (or on the first subsequent working day) in the following months of May, and in blocks corresponding to 1/3 of the number of options attributed. Unexercised options may be exercised on their subsequent maturity dates, although they will automatically expire if not exercised on the last maturity date of 25 May 2015.

Each participant may benefit only once from the options under this plan, which will occur in the year in which they commence their management duties.

The options' *strike* price is defined before the date of attribution. It should, as a rule, be the arithmetical average of the prices, weighted by the respective volumes, of the transactions of Novabase shares at sessions of the *Euronext Lisbon* regulated market occurring in the ninety days preceding the participant's commencement of duties, with any necessary adjustment under the terms of the plan. The strike price of the options allotted under the 5th Plan was €2.19 per share.

Under the terms of the plan, exercised options are settled via *net share settlement* from Novabase's portfolio.

Once the participant notifies the company of his/her intention to exercise options on each of the scheduled dates, the number of shares to allot to this participant (rounded down) is determined by the formula:

No of shares = No. of options exercised x (TP – *Strike*) / TP

where:

TP or take-up price = arithmetical average of the prices, weighted by the respective volumes, of the transactions of Novabase's shares at sessions of the *Euronext Lisbon* occurring in the ninety days preceding the vesting date.

The total number of options attributed under the 5th Plan may under no circumstances exceed the total number of options attributed under the 4th Plan which, in turn, is limited to the total number of options attributed under the 3rd Plan. Pursuant to this 3rd Plan, the shares corresponding to the options attributed but not yet exercised under this third 2006-2008 Stock Option Plan could at no time exceed 8% of the total volume of shares representing Novabase's share capital at the time, for the three Annual Loyalty Components comprising the 3rd Plan.

Novabase's Remuneration Committee (in the case of directors) and Board of Directors (in the case of supervisory positions) are responsible for selecting participants in the 5th Plan.

As regards the shares attributed under the 5th Plan, these cannot be sold or encumbered by participants for a period of one year from their respective date of attribution due to the exercising of these options, with the exception of 50% of all shares attributed on said date.

The shares acquired under the plan are ordinary shares, granting the same rights as Novabase's other ordinary shares.

No incentives (beyond the conditions described above) are given to acquire shares and/or exercise options.

87. Option rights given for the acquisition of shares (stock options) for which the company's employees and workers are the beneficiaries.

Only the supervisory positions included in the 5th Plan referred to above are eligible for plans to allot shares.

88. Control mechanisms provided for in a possible employee investment scheme in which voting rights are not directly exercised by them (article 245-A, paragraph 1, sub-paragraph e).

There are no specific employee investment schemes in which voting rights are not directly exercised by them.

E. TRANSACTIONS WITH RELATED PARTIES

I. Control mechanisms and procedures

89. Mechanisms implemented by the company to control transactions with related parties (using the concept defined in IAS 24 for this purpose).

In addition to the rules laid out in the Commercial Companies Code for the signing of agreements between the company and its directors, Novabase has established Internal Regulations on Transactions with Qualified Shareholders, described in more detail in point 91 of this report.

Other transactions with related parties are controlled and disclosed under the terms of internationally accepted and applicable rules and standards for accounting and financial reporting.

90. Transactions subject to control during the reporting year.

Transactions subject to control under the terms described above are shown in point 10 of this report, with their locations shown in point 92.

91. Description of the procedures and criteria applicable to the supervisory body when same provides preliminary assessment of the business deals to be carried out between the company and the owners of qualifying holdings or entity-relationships with the former, as envisaged in Article 20 of the Securities Code.

Pursuant to Recommendation No. IV.1.2 of the Corporate Governance Code, significant business deals with qualified shareholders, or with entities in any way related to them, pursuant to Article 20 of the Securities Code, must be subject to the prior opinion of the supervisory board. Further, there is the recommendation that the procedures and criteria required to define the relevant level of significance of these deals and other conditions must be established by the supervisory board. In practical terms, this recommendation is almost fully reiterated by recommendations V.1 and V.2 of the current CMVM Corporate Governance Code.

Taking these norms into account, on 31 March 2011, Novabase approved Internal Regulations on Transactions with Qualified Shareholders, to which major company business deals with qualified shareholders are subject.

Business deals of this sort include transactions by the company, by entities in a control or group relationship or entities within its consolidation perimeter, with qualified shareholders, or with entities related to them pursuant to Article 20 of the Securities Code.

Significant business deals also include: (i) those that are not part of the day-to-day business of the company, of shareholders or of entities related to them pursuant to Article 20 of the Securities Code, and revolving around a single matter, with a cumulative combined total equal to or greater than, in a given financial year, half-year or quarter, €50,000 (fifty thousand euros), even when the amount of

each individual transaction does not exceed this amount; or (ii) those not carried out in normal market conditions.

In the above cases, Novabase's Board of Directors, Executive Committee and bodies, committees and individuals in the Novabase Group with authorization to approve the transaction in question must notify the company's Auditing Committee as soon as possible, and never less than 5 days from the transaction's occurrence, of their intention to approve the transaction.

Such notification to Novabase's Auditing Committee must include the following: (a) identification of the body, committee or individual in the Novabase Group making the notification, together with the Novabase Group entity under which said body, committee or individual operates or is found; (b) parties to the transaction; (c) scheduled transaction date; (d) economic and financial terms of the transaction, and its total amount, which must always be specified, even if only an estimate; (e) reason for transaction between the Novabase Group and the entity in question; (f) reason for transaction specifically with customer or supplier in question.

Once the above notification has been received, the Auditing Committee must issue its approval or disapproval of the transaction as soon as possible.

In issuing its opinion, the Auditing Committee must bear in mind whether the business deal in question will be carried out under normal market conditions for similar transactions, whether it is part of the company's day-to-day business and whether the principle of equal treatment of Novabase Group customers/suppliers will be respected, together with grounds justifying the transaction when digressions to these principles occur, i.e. the need to pursue a higher company interest.

In either case, the Auditing Committee must give immediate notification to Novabase's Board of Directors of any prior opinion issued.

II. Items related to the business

92. Location of accounting documents with access to information on transactions with related parties, in accordance with IAS 24 or, alternatively, a reproduction of this information.

This information is available in the 2013 Consolidated Accounts, an integral part to the Annual Report and Accounts, in Note 40 of the Notes to the Consolidated Financial Statements.

PART II - EVALUATION OF CORPORATE GOVERNANCE

1. Corporate governance code adopted

Identification of the corporate governance code to which the company is subject, or has voluntarily decided to be subject to, under the terms and for the purposes of article 2 of these Regulations.

The publicly accessible location of the texts of the corporate governance codes to which the issuer is subject should also be indicated (article 245-A, paragraph 1, sub-paragraph I).

With the entry into force of CMVM Regulation no. 4/2013, the use of governance codes other than the CMVM Code became admissible, with no need for prior assessment by this supervisory authority. Under the terms of the new legal regulatory framework, Novabase carefully analysed and reflected on the various possible alternatives, and concluded that all of the available solutions provide a set of recommendations suited to implementing good corporate governance practices.

However, in this analysis, Novabase specifically bore in mind that the new CMVM Governance Code essentially maintains the corporate governance principles that have been promoted in the various versions of the CMVM recommendations on this matter over time and, furthermore, the alternative existing solutions have not been fully put to the test.

As such, Novabase believes it should uphold the continuity and stability of its corporate governance model and practices, which have proven to be so well suited to its needs. Consequently, it has chosen to adopt the new CMVM Governance Code. This option also has the clear advantage of providing a high degree of comparability between current and past corporate governance practices at Novabase.

Finally, since the corporate governance reporting model in Annex I to CMVM Regulation no. 4/2013 referred to above is largely aligned with the recommendations in the new CMVM Governance Code, the adoption of the latter will facilitate investors' ability to assess the corporate governance decisions made by Novabase.

The current CMVM Governance Code is available at www.cmvm.pt.

2. *Analysis of compliance with corporate governance code adopted*

Under the terms of article 245-A, paragraph 1, sub-paragraph o), a statement should be included on the degree of compliance with the corporate governance code to which the issuer is subject, specifying any parts of this code from which it deviates, and the reasons for doing so.

The information presented should include the following for each recommendation:

- a) Information to gauge compliance with the recommendation, or reference to the point in the report where the issue is described in more detail (chapter, title, point, page);*
- b) Justification for any failure to comply or partial compliance;*
- c) In the event of non-compliance or partial compliance, identification of any alternative means used by the company to achieve the same goal as the recommendation.*

	Recommendation	Fulfilment	Remarks
	I. Voting and Corporate Control		
1	I.1. Companies shall encourage shareholders to attend and vote at general meetings and shall not set an excessively large number of shares required for the entitlement of one vote, and implement the means necessary to exercise the right to vote by mail and electronically.	Yes	Point 12
2	I.2. Companies shall not adopt mechanisms that hinder the passing of resolutions by shareholders, including fixing a quorum for resolutions greater than that provided for by law.	Yes	Point 14
3	I.3. Companies shall not establish mechanisms intended to cause mismatching between the right to receive dividends or the subscription of new securities and the voting right of each common share, unless duly justified in terms of long-term interests of shareholders.	Yes	Points 12 and 13
4	I.4. The company's articles of association that provide for the restriction of the number of votes that may be held or exercised by a sole shareholder, either individually or in concert with other shareholders, shall also foresee for a resolution by the General Assembly (5 year intervals), on whether that statutory provision is to be amended or prevails – without super quorum requirements as to the one legally in force – and that in said resolution, all votes issued be counted, without applying said restriction..	Yes	Point 5

5	I.5. Measures that require payment or assumption of fees by the company in the event of change of control or change in the composition of the Board and that which appear likely to impair the free transfer of shares and free assessment by shareholders of the performance of Board members, shall not be adopted.	Yes	Point 4
II. SUPERVISION, MANAGEMENT AND OVERSIGHT			
II.1. SUPERVISION AND MANAGEMENT			
6	II.1.1. Within the limits established by law, and except for the small size of the company, the board of directors shall delegate the daily management of the company and said delegated powers shall be identified in the Annual Report on Corporate Governance.	Yes	Point 21
7	II.1.2. The Board of Directors shall ensure that the company acts in accordance with its objectives and shall not delegate its responsibilities as regards the following: i) define the strategy and general policies of the company, ii) define business structure of the group iii) decisions considered strategic due to the amount, risk and particular characteristics involved.	Yes	Point 21
8	II.1.3. The General and Supervisory Board, in addition to its supervisory duties supervision, shall take full responsibility at corporate governance level, whereby through the statutory provision or by equivalent means, shall enshrine the requirement for this body to decide on the strategy and major policies of the company, the definition of the corporate structure of the group and the decisions that shall be considered strategic due to the amount or risk involved. This body shall also assess compliance with the strategic plan and the implementation of key policies of the company.	n/a	
9	II.1.4. Except for small-sized companies, the Board of Directors and the General and Supervisory Board, depending on the model adopted, shall create the necessary committees in order to: a) Ensure a competent and independent assessment of the performance of the executive directors and its own overall	Yes	Point 29

	<p>performance, as well as of other committees;</p> <p>b) Reflect on the system structure and governance practices adopted, verify its efficiency and propose to the competent bodies, measures to be implemented with a view to their improvement.</p>		
10	<p>II.1.5. The Board of Directors or the General and Supervisory Board, depending on the applicable model, should set goals in terms of risk-taking and create systems for their control to ensure that the risks effectively incurred are consistent with those goals.</p>	Yes	Point 50
11	<p>II.1.6. The Board of Directors shall include a number of non-executive members ensuring effective monitoring, supervision and assessment of the activity of the remaining members of the board.</p>	Yes	Point 18
12	<p>II.1.7. Non-executive members shall include an appropriate number of independent members, taking into account the adopted governance model, the size of the company, its shareholder structure and the relevant free float.</p> <p>The independence of the members of the General and Supervisory Board and members of the Audit Committee shall be assessed as per the law in force. The other members of the Board of Directors are considered independent if the member is not associated with any specific group of interests in the company nor is under any circumstance likely to affect an exempt analysis or decision, particularly due to:</p> <p>a) Having been an employee at the company or at a company holding a controlling or group relationship within the last three years;</p> <p>b) Having, in the past three years, provided services or established commercial relationship with the company or company with which it is in a control or group relationship, either directly or as a partner, board member, manager or director of a legal entity;</p> <p>c) Being paid by the company or by a company with which it is in a control or group relationship besides the remuneration arising from the exercise of the functions of a board member;</p> <p>d) Living with a partner or a spouse, relative or any first degree next of kin and up to and including the third degree of collateral affinity of board members or natural persons that are direct and indirectly holders of</p>	Yes	Point 18

	e) qualifying holdings; Being a qualifying shareholder or representative of a qualifying shareholder.		
13	II.1.8. When board members that carry out executive duties are requested by other board members, said shall provide the information requested, in a timely and appropriate manner to the request.	Yes	Point 29
14	II.1.9. The Chair of the Executive Board or of the Executive Committee shall submit, as applicable, to the Chair of the Board of Directors, the Chair of the Supervisory Board, the Chair of the Audit Committee, the Chair of the General and Supervisory Board and the Chair of the Financial Matters Board, the convening notices and minutes of the relevant meetings.	Yes	Point 29
15	II.1.10. If the chair of the board of directors carries out executive duties, said body shall appoint, from among its members, an independent member to ensure the coordination of the work of other non-executive members and the conditions so that said can make independent and informed decisions or to ensure the existence of an equivalent mechanism for such coordination.	n/a	
II.2. SUPERVISION			
16	II.2.1. Depending on the applicable model, the Chair of the Supervisory Board, the Audit Committee or the Financial Matters Committee shall be independent in accordance with the applicable legal standard, and have the necessary skills to carry out their relevant duties.	Yes	Point 32
17	II.2.2. The supervisory body shall be the main representative of the external auditor and the first recipient of the relevant reports, and is responsible, inter alia, for proposing the relevant remuneration and ensuring that the proper conditions for the provision of services are provided within the company.	Yes	Section B.III.b) and Point 37
18	II.2.3. The supervisory board shall assess the external auditor on an annual basis and propose to the competent body its dismissal or termination of the contract as to the provision of their services when there is a valid basis for said	Yes	Report from the Auditing Committee (attached)

	dismissal.		
19	II.2.4. The supervisory board shall assess the functioning of the internal control systems and risk management and propose adjustments as may be deemed necessary.	Yes	Points 50 and 51
20	II.2.5. The Audit Committee, the General and Supervisory Board and the Audit Board shall decide on the work plans and resources concerning the internal audit services and services that ensure compliance with the rules applicable to the company (compliance services), and should be recipients of reports made by these services at least when it concerns matters related to accountability, identification or resolution of conflicts of interest and detection of potential improprieties.	Yes	Points 50 and 51
II.3. REMUNERATION SETTING			
21	II.3.1. All members of the Remuneration Committee or equivalent should be independent from the executive board members and include at least one member with knowledge and experience in matters of remuneration policy.	Yes	Point 67
22	II.3.2. Any natural or legal person that provides or has provided services in the past three years, to any structure under the board of directors, the board of directors of the company itself or who has a current relationship with the company or consultant of the company, shall not be hired to assist the Remuneration Committee in the performance of their duties. This recommendation also applies to any natural or legal person that is related by employment contract or provision of services with the above.	Yes	Point 67
23	II.3.3. A statement on the remuneration policy of the management and supervisory bodies referred to in Article 2 of Law No. 28/2009 of 19 June, shall also contain the following: a) Identification and details of the criteria for determining the remuneration paid to the members of the governing bodies; b) Information regarding the maximum potential, in individual terms and in aggregate form, to be paid to members of corporate bodies, and identify the circumstances whereby these	Yes	Remuneration policy statement (Annex)

	d) maximum amounts may be payable; Information regarding the enforceability or unenforceability of payments for the dismissal or termination of appointment of board members.		
24	II.3.4. Approval of plans for the allotment of shares and/or options to acquire shares or based on share price variation to board members shall be submitted to the General Meeting. The proposal shall contain all the necessary information in order to correctly assess said plan.	Yes	Point 74
25	II.3.5. Approval of any retirement benefit scheme established for members of corporate members shall be submitted to the General Meeting. The proposal shall contain all the necessary information in order to correctly assess said system.	n/a	
III. REMUNERATION			
26	III.1. The remuneration of the executive members of the board shall be based on actual performance and shall discourage taking on excessive risk.	Yes	Point 70
27	III.2. The remuneration of non-executive board members and the remuneration of the members of the supervisory board shall not include any component whose value depends on the performance of the company or of its value.	Partial	The remuneration of non-executive, non-independent directors who assume management responsibilities in the Group includes a variable component. The continued performance of remunerated duties by these non-independent, non-executive members of the Board of Directors allows Novabase to continue to leverage their extensive know-how acquired as company founders and accumulated over more than 20 years, especially since these directors continue to play key management roles in the Group, although without executive functions, thereby soundly justifying the said remuneration.
28	III.3. The variable component of remuneration shall be reasonable overall in relation to the fixed	Partial	The relative importance of directors' variable and fixed remuneration

	component of the remuneration and maximum limits should be set for all components.		components is shown in the table in point 77. At this time, the relative importance of the variable component in options compared to other components cannot be determined with absolute certainty. Moreover, the limit established for the variable component in options (limit determined based on prior plan for options to allot shares) is described in point 86. Regarding the fixed and variable cash components, considering the objective of these remuneration components, no strict limits have been set for these.
29	III.4. A significant part of the variable remuneration should be deferred for a period not less than three years, and the right of way payment shall depend on the continued positive performance of the company during that period.	Yes	Point 70
30	III.5. Members of the Board of Directors shall not enter into contracts with the company or with third parties which intend to mitigate the risk inherent to remuneration variability set by the company.	Yes	Point 70
31	III.6. Executive board members shall maintain the company's shares that were allotted by virtue of variable remuneration schemes, up to twice the value of the total annual remuneration, except for those that need to be sold for paying taxes on the gains of said shares, until the end of their mandate.	Yes	Point 70
32	III.7. When the variable remuneration includes the allocation of options, the beginning of the exercise period shall be deferred for a period not less than three years.	Partial	As described in point 70 of this report, attributed options in 2012 may be exercised in blocks, corresponding to 1/3 of all options, on each anniversary of their attribution date, while unexercised options may be exercised on their subsequent maturity date. In this manner, only a portion of the options' exercising is deferred for three years. However, Novabase believes that the number of attributed options with deferred exercising is quite substantial; thereby fulfilling the intended goals of the recommendation for deferral, while simultaneously addressing the

			company's medium-term interests.
33	<p>III.8. When the removal of board member is not due to serious breach of their duties nor to their unfitness for the normal exercise of their functions but is yet due to inadequate performance, the company shall be endowed with the adequate and necessary legal instruments so that any damages or compensation, beyond that which is legally due, is unenforceable.</p>	Partial	<p>NOVABASE considers that the scope of the CMVM recommendation only covers cases of dismissal of directors without just cause.</p> <p>Within this context, currently there are no commitments to provide the directors of NOVABASE with any indemnification or compensation as a result of the dismissal, save for any indemnification or compensation rights granted by law.</p> <p>However, and although the understanding does not necessarily seem to result from the content of the recommendation, the CMVM has already declared, in its latest report on the governance of listed companies, that the recommendation of the previous CMVM Governance Code that corresponds to this recommendation III.8 sought to avoid that the management grants itself benefits that were applicable even in situations of dismissal of directors for inadequate performance. Thus, even if there are no contracts establishing obligations of indemnification or compensation, the recommendation would require that the management is somehow prevented from undertaking such commitments in the future.</p> <p>If the same reasoning is applicable for the current recommendation, NOVABASE has no mechanisms implemented that guarantee the full adoption of this recommendation, if it is read as described above.</p> <p>Nonetheless, NOVABASE understands that, taking into account the interests at stake, it is not justified and would have limited utility to establish any limitations on indemnification or compensation payable in these situations in addition to the limitations already conferred by the general law, in</p>

			particular taking into account the provisions of article 403 of the Portuguese Companies Code.
IV. AUDITING			
34	IV.1. The external auditor shall, within the scope of its duties, verify the implementation of remuneration policies and systems of the corporate boards as well as the efficiency and effectiveness of the internal control mechanisms and report any shortcomings to the supervisory board of the company.	Yes	Point 45
35	IV.2. The company or any entity with which it maintains a control relationship shall not engage the external auditor or any entity with which it finds itself in a group relationship or that incorporates the same network, for services other than audit services. If there are reasons for contracting such services - which must be approved by the supervisory board and explained in its Annual Report on Corporate Governance - said services should not exceed more than 30% of the total value of services rendered to the company.	Yes	Points 46 and 47
36	IV.3. Companies shall support auditor rotation after two or three terms whether four or three years, respectively. Its continuance beyond this period must be based on a specific opinion of the supervisory board that explicitly considers the conditions of auditor's independence and the benefits and costs of its replacement.	Yes	Point 44
V. CONFLICTS OF INTEREST AND RELATED PARTY TRANSACTIONS			
37	V.1. The company's business with holders of qualified shareholdings or entities with which they are in any type of relationship pursuant to article 20 of the Portuguese Securities Code, shall be conducted during normal market conditions.	Yes	Point 91
38	V.2. The supervisory or audit board shall establish procedures and criteria that are required to define the relevant level of significance of business with holders of qualified shareholdings - or entities with which they are in any of the relationships described in article 20, paragraph 1, of the Securities Code – thus the	Yes	Point 91

	realization of significant relevant business is dependent upon prior opinion of that body.		
VI. INFORMATION			
39	VI.1. Companies shall provide, via their websites in Portuguese and English, access to information on their progress and current state in an economic, financial and governance context.	Yes	Points 59 to 65
40	VI.2. Companies shall ensure the existence of an investor support and market liaison contact, which responds to requests from investors in a timely fashion, while keeping record of the submitted requests and their processing.	Yes	Point 56

3. Other information

The company should provide any additional information or items not addressed in the above points and relevant to understanding the governance model and practices used.

No relevant items exist for this purpose.

ANNEXES:

Auditing Committee Report

Remuneration Committee Report

Report from the Audit Committee





Report on the Activity of the Audit Committee in 2013

A. Scope

The current members of the Audit Committee were elected on the General Meeting of Novabase on May 3, 2012 for the triennium 2012-2014 and are also part of the composition of the Board of Directors of the group, as non-executive members, qualified as independent members pursuant the terms set forth by the law and regulations in force, and further fulfilling the requirements established in the law – notably no. 5 of article 414 of the Companies Code.

The current Audit Committee is composed by:

Luis Mira Amaral (Chairman)

João Luís Correia Duque (Member) and

Manuel Alves Monteiro (Member)

B. Activities of the Committee

Within the scope of powers established in its internal regulation, as well as in article 423-F of the Companies Code, in 2013 the Audit Committee carried out the following activities:

1. Supervision of the quality of the financial information disclosed

The Audit Committee closely monitored the monthly accounts of the company, having the opportunity to analyse and debate the deviations and relevant issues, personally and regularly with the CFO.

The meetings held with the external auditors allowed not only to address the issues identified by them and classified as relevant, the validation of the reasonableness of the criteria adopted by the company, but also the adequacy of the procedures in place to ensure the production of financial information with the desired quality.

With the close relationship maintained with the CFO and the Management, the Committee also assessed the existence of issues not yet recognized in the accounts, which might have a potential material impact. No situations worthy of note in this area were detected.



An analysis of the transactions carried out between related parties was also made, and the level of reasonableness of the same was assessed.

2. Appointment of the External Auditors, assessment of independence and performance & supervision of the audit work

The external auditors in office were appointed by this Committee for the 2012-2014 term-of-office.

The evaluation of the external auditors is an exercise performed on a yearly basis by the Committee, taking into account various factors, with a highlight to the performance of the work executed on the previous financial year, as well as the evolution of said performance when compared to previous financial years. Based on the assessment carried out in the first half of 2013, it was considered that the external auditors have made use of a high level of knowledge about the company's operations, maintaining their objectivity. The external auditors have also been deepening, in an exempt manner, the issues that are reported to the Committee, which is perceived as a positive feature.

A meeting between the Committee and the external auditors was promoted for debate on the audit plan for the financial year, aiming to identify the most efficient and safe way to allow both parties to fulfil their responsibilities, thus ensuring the Committee that the plan to be followed by the Auditors is the most suitable.

The works carried out by auditors who would potentially fall under the "non audit services" policy were analysed, and there was no need to issue a prior opinion by the Committee, given that the nature of the services provided fell within in the scope of audit services.

3. Appraisal of the effectiveness of the internal control, risk management & internal auditing systems

Considering the relevance it assumes in the role of the Committee, as well as in the business continuity, the theme of risk and internal control deserves special attention by the Audit Committee of Novabase. Meetings with the Chief Risk Officer ("CRO") are promoted to allow debate on the company's perspectives with regards to the identification, classification and management of the risks faced.

In parallel, the Committee considers relevant to the good performance of its duties to know the internal systems with greater detail, thus inferring potential disruptions in the defined processes that may impact this area. For this purpose, regular meetings are scheduled with the different internal teams of the company with direct or indirect responsibility for the effectiveness of the internal control system in place.

In the 2013 financial year, meetings were held with all the responsible members of the financial areas as well as of the Human Resources and Internal IT Systems areas. The



agenda of these meetings also focused on the theme of risk and internal control within the intense internationalization framework the company is facing.

The Committee analyzed and evaluated the Code of Conduct and Ethics in force, considering that the same is appropriate for its purposes.

As is the annual practice of the Committee, the internal audits plan was reviewed, the actions taken were analyzed, and the conclusions were discussed with the person responsible for each process. The Committee also evaluates with a rigorous mindset the plan of actions defined for the following financial year.

Keeping the focus on one of the main potential sources of risks – the development of the business abroad - a meeting was promoted with the executive committee member responsible for the Africa market, promoting the sharing of knowledge on the stage of the business and on the procedures in place to identify and mitigate risks, in such a complex geography.

In conclusion, the Committee considers it obtains a very comprehensive and enriching view of the internal control procedures and of their effectiveness in the detection and control of risks, enabling the Audit Committee a high level of comfort in the evaluation of the topic.

4. “Whistleblowing” System

The company has a system in place for the reporting of irregularities, and this system is publicly disclosed. In 2013 no communications were received by the system. Considering that it is a useful tool, the Committee suggested to the management that a greater internal disclosure of the system is made through the electronic channels that are available.

5. Other topics in the agenda

Still within the annual agenda set forth for 2013, the following topic was pursued:

Self-Assessment carried out in the first quarter, with further discussion of the findings with the Chairman.

In compliance with the Corporate Governance Code of the CMVM, the Audit Committee confirms that in the pursuit of its activities it has not come across with any constraints that may restrict its activity as a supervisory body.

C. Future goals to be pursued

Since the knowledge of the Committee towards the company is consolidated and its internal procedures are stabilized, the Committee intends to look into the following issues in 2014:

- Build close and regular relationships with the Executive Committee and other managers of the company, assuring a high level of sharing of information;



- Promote regular meetings with the persons responsible for internal areas, for purposes of monitoring the internal control procedures in place;
- Assess the suitability of the policy pursued by the company in light of the new European guidelines regarding fiscal transparency;
- Undertake a special focus on the analyses of the adequacy of the company's structure to the internationalization process currently under way;
- Give special attention to hot topics that traditionally accompany financial reporting, with emphasis on revenue, internal transfer pricing and derivatives and other financial products;

In general, the Audit Committee will maintain a very special attention on other elements and factors which contribute to the sustainability of the company and the profitability of its businesses, contributing towards the efforts of creating sustainable value for stakeholders and shareholders in particular.

D. Conclusion

In pursuing its mission, the Audit Committee concludes that:

- The management of Novabase acts with high levels of rigor and transparency, which reflect on the quality of the managing information issued, on the working conditions of those with the mission of auditing, controlling and supervising, and on the attention it gives to the monitoring and mitigation of the risks affecting the company and its businesses;
- Novabase is audited on a capable, professional and independent manner, and the company's external audit receives the necessary and sufficient information for issuing an opinion worthy of trust by the shareholders and the market.

The Audit Committee

Luís Mira Amaral (Chairman)

João Luís Correia Duque

Manuel Alves Monteiro



Lisbon, March 11, 2014

Report from the Remuneration Committee



Report from the Remunerations Committee for the 2013 financial year and Recommendations for the Remuneration Policy for the 2014 financial year

The Remunerations Committee (RC) of Novabase SGPS held three meetings in 2013. The first meeting was held on February 26, 2013, the second on May 27, 2013 and the third on October 15, 2013. All the meeting were held at the company's registered offices.

This Remunerations Committee (RC) is composed by Mr. Francisco Luis Murteira Nabo (Chairman) and by the members Mr. Pedro Rebelo de Sousa and Mr. João Quadros Saldanha. All members were present at the abovementioned meetings.

The work of the RC was guided by the terms of the remuneration policies approved by the General Meeting of Shareholders of April 20, 2006. These policies were reinforced for the 2009-2011 and 2012-2014 terms-of-office of the corporate bodies by decision of the shareholders voting at General Meetings of Shareholders.

This report summarizes the decisions of the Remunerations Committee during 2013 and includes the annual declaration of the Remunerations Committee on the remuneration policy of the management and supervisory bodies of the company.

PART I Remunerations Committee Report for the 2013 Financial Year

Prior note:

To avoid any doubts raised in previous years, the Remunerations Committee clarifies that the decisions regarding variable remunerations mentioned in this report relate to decisions made by the RC in 2013 and, therefore, such decision were made with reference to the directors performance in 2012.

After this clarification, below is a summary of the decisions made by the RC in the three meetings held in 2013.

At the meeting held on February 26, 2013 the RC resolved on the following:

The RC report for the 2012 financial year

The RC discussed and unanimously approved its report for the 2012 financial year and the recommendations for the remuneration policy for the 2013 financial year to be submitted to the General Meeting of Shareholders.

At the meeting held on May 27, 2013 the RC resolved on the following:

1. The remuneration for the 2013 financial year of the members of the board of the General Meeting of Shareholders of Novabase SGPS

The committee unanimously approved to maintain the usual attribution to the Chairman of the board of the General Meeting of Shareholders, Mr. António Manuel de Carvalho Ferreira Vitorino, of a remuneration corresponding to an attendance fee per General Meeting of Shareholders made. It was also unanimously approved to maintain the attendance fee in the amount of 1000 (one thousand) euros. It was further unanimously approved to maintain the attendance fee per General Meeting of Shareholders attributed to the Secretary of the board of the General Meeting of Shareholders, Ms. Maria José Santana, in the amount of 750 (seven hundred and fifty) euros. These amounts were the same as those established for the previous financial year.

2. Fixed remuneration of the Executive Directors of Novabase SGPS for the 2013 financial year

Given the difficult moment that the Portuguese economy is currently facing and the high dependence of Novabase's turnover on the national market, and notwithstanding the growth obtained in the international business (and further taking into account the results obtained in 2012), it was unanimously approved to maintain the fixed remunerations of the executive directors of Novabase SGPS for the 2012 financial year, without any change, except in the following situation.

- Increase the fixed remuneration of the executive director Paulo Jorge de Barros Pires Trigo to an annual gross amount of 170,800 (one hundred and seventy thousand and eight hundred) euros to be paid in 12 equal monthly instalments with effects as of May 1, 2013. This change was the only one made in the fixed remunerations of the members of the executive committee and was due to the outstanding performance of this director in 2012 and also because, considering that Paulo Jorge de Barros Pires Trigo is the most recent member of the executive committee, it makes sense that at this stage, after having delivered performance, he has this level of remuneration. This amendment corresponds to an increase of 8.9% in the fixed remuneration of this director compared to the preceding financial year.

The fixed remunerations of the other members of the executive committee remained unchanged.

3. Fixed remuneration of Novabase SGPS's non-executive directors for the 2013 financial year

For the same reasons described above, the RC unanimously decided to maintain unchanged the fixed remunerations of the non-executive directors compared to the preceding financial year.

4. Attribution of the cash component of the variable remuneration of the Directors of Novabase SGPS, related to performance in the 2012 financial year.

The variable remuneration of the directors of Novabase SGPS continued to be composed by two components: one in cash to be defined by the RC after the approval of each financial year accounts, according to the company's and each board member performance in that financial year, and one in the form of stock options over Novabase SGPS shares. As there was no decisions to be made on the stock options component, the RC addressed the attribution of the cash component regarding the performance in the 2012 financial year, as follows:

- Given the increase in the company's net profits in 2012 financial year to 7,906,430 (seven million, nine hundred and six thousand, four hundred and thirty) euros, the RC decided to establish in 1,185,965 (one million, one hundred and eighty five thousand, nine hundred and sixty five) euros the amount to be attributed this year to the members of the board of directors as a whole, as the cash component of the variable remuneration. This amount represents an increase in respect of the amount attribution for 2011 that is proportional to the increase in the net profits.
- Also given the contribution of the directors in 2012, the RC unanimously attributed the amount of 207,100 (two hundred and seven thousand and one hundred) euros to each of the executive directors Luis Paulo Cardoso Salvado (CEO), João Nuno da Silva Bento and Álvaro José da Silva Ferreira, 134,600 (one hundred and thirty four thousand and six hundred) euros to the executive director Nuno Carlos Filipe dos Santos Fórneas, 119,250 (one hundred and nineteen thousand, two hundred and fifty) euros to the executive director Paulo Jorge Pires Trigo, 83,000 (eighty three thousand) euros to the executive director Francisco Paulo Figueiredo Morais Antunes, 145,000 (one hundred and forty five thousand) euros to the Chairman of the Board of Directors Rogério dos Santos Carapuça, and 41,400 (forty-one thousand and four hundred) euros to each of the board members José Afonso Oom Ferreira de Sousa and Pedro Miguel Quinteiro Marques de Carvalho.
- All the independent directors and the non-executive director Joaquim Sérvulo Rodrigues do not have a variable component in their remuneration.

5. On the method of payment of the variable remuneration.

It was also unanimously decided to pay, this year, only half of the amount attributed to each director as variable remuneration, deferring the remaining 50% for payment in the following three years (2014, 2015 and 2016). In each of these years 1/3 of the second half of the amount now attributed shall be paid, depending on the positive performance of the company during such periods, in line with what was decided and applied in 2011 and 2012.

At the meeting held on October 15, 2013 the RC resolved on the following:

1. Fixed remuneration for the 2013 financial year of the two new Executive Directors of Novabase SGPS appointed at the Extraordinary General Meeting of Shareholders of September 25, 2013.

Considering that the Extraordinary General Meeting of Shareholders of September 25, 2013 appointed two new Directors of Novabase SGPS for the current term-of-office, Ms. Maria do Carmo do Brito Palma and Mr. Pedro Miguel Gonçalves Afonso and that, at the meeting of the Board of Directors subsequently held on September 26, 2013, these two directors were appointed as members of the Executive Committee, the Remunerations Committee established the remuneration of these Executive Directors for the months until completion of the 2013 financial year., i.e., from October 1, 2013 to December 31, 2013, as follows:

- The fixed remuneration of the Executive Director Maria do Carmo do Brito Palma was established in an annual gross amount of 133,200 (one hundred and thirty-three thousand and two hundred) euros. In 2013 only three instalments were paid, referring to the months of October, November and December, in the monthly gross amount of 11,100 euros.
- The fixed remuneration of the Executive Director Pedro Miguel Gonçalves Afonso was established in an annual gross amount of 133,200 (one hundred and thirty-three thousand and two hundred) euros. In 2013 only three instalments were paid, referring to the months of October, November and December, in the monthly gross amount of 11,100 euros.

Finally it was noted that in the 2013 financial year no payments were made in relation to dismissal or agreement for termination of duties of directors.

PART II

Declaration of the Remunerations Committee on the Remuneration Policy of the Corporate Bodies

Given the experience of the committee in the year now ended, the committee believes that the general principles guiding the remuneration of the management bodies of Novabase, as approved by the shareholders on April 20, 2006 and further confirmed on April 28, 2009, on May 5, 2010, on May 3, 2012 and on May 3, 2013 correspond to a good practice and therefore should be maintained.

The most relevant principles already supported by the RC on its annual declaration submitted to the General Meeting of Shareholders held on April 28, 2009, for the 2009-2011 term-of-office of the corporate bodies, and further confirmed at the General Meeting of Shareholders held on May 3, 2012 for the 2012-2014 term-of-office, are:

- a. Allocation to the non-executive independent directors exclusively of a fixed remuneration. The attribution of this remuneration to the non-executive independent directors is aligned with the Company's interests in ensuring independence of such directors in the performance of their duties.
- b. Allocation to the remaining directors, as determined in each case by the Remunerations Committee, of a fixed component only or of a fixed component and a variable component.
- c. The attribution of a variable component should consider the alignment of

these directors with the interests of shareholders, in the short and medium and long terms, therefore making it advisable the attribution of a twofold component.

- d. The first part of the variable component should be attributed annually and consist of a component in cash, and should be directly related to the company's performance in the year ended, assessed for instance in terms of the net profit obtained, and also related to the responsibility and performance of each director in particular.
- e. The Remunerations Committee may determine the payment of only half of the amount attributed to each director as variable remuneration in cash, and deferring the remaining 50% for payment within the next three years. In each of these years, 1/3 of the second half of the attributed amount may be paid, depending on the positive performance of the company during such periods. (The Remunerations Committee has in fact been applying this principle)
- f. The second part of the variable component should have as an objective to align the directors with the stock performance of the company in the triennium, and mechanisms may be established in order to defer the payment of a significant part of this component for a period of not less than three years, and this payment may be made dependent on the positive performance of the company during such period. It is further possible that this component takes the form of a stock options plan which should be approved by shareholders at a General Meeting of Shareholders, together with the corresponding regulation. The remunerations committee would in that case apply such regulation, determining for each director the number of options to be received.
- g. The members of the board of the General Meeting of Shareholders shall have an attendance fee remuneration only.
- h. The remuneration of the chartered accountant of the company, in accordance with the good market practices and an adequate performance of the relevant duties, is defined by the Board of Directors after proposal submitted by the Audit Committee.

Considering that the policy, which general guidelines were summarised above, was reaffirmed at the General Meeting of Shareholders of May 3, 2012, for the 2012-2014 term-of-office, and that, according to our view, it has been working well, this committee recommends to the General Meeting of Shareholders that no changes are made to the policy for the 2014 financial year, considering that this year is the last year of the current term-of-office.

Lisbon, February 5, 2013

The Remunerations Committee

Francisco Luis Murteira Nabo (Chairman)

Pedro Rebelo de Sousa (Member)

João Quadros Saldanha (Member)

Accounts



**Consolidated Financial Statements
for the year ended 31 December 2013**

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

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I. CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2013

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

Consolidated Statement of Financial Position as at 31 December 2013

(Amounts expressed in thousands of Euros)

	Note	31.12.13	31.12.12
Assets			
Non-Current Assets			
Property, plant and equipment	7	6,120	7,101
Intangible assets	8	32,095	31,660
Investments in associates	9	961	855
Financial assets at fair value through profit or loss	10	1,256	1,731
Deferred income tax assets	11	14,901	12,249
Other non-current assets	40	4,868	-
Total Non-Current Assets		60,201	53,596
Current Assets			
Inventories	12	8,925	4,474
Trade and other receivables	14	87,975	92,489
Accrued income	15	12,421	10,035
Income tax receivable		2,236	2,057
Derivative financial instruments	16	514	216
Other current assets	17	4,470	5,782
Financial assets held for trading	18	5,015	9,855
Cash and cash equivalents	19	32,942	40,452
Total Current Assets		154,498	165,360
Assets for discontinued operations		-	-
Total Assets		214,699	218,956
Equity			
Share capital	20	15,701	15,701
Treasury shares	20	(295)	(371)
Share premium	20	43,560	43,560
Reserves and retained earnings	21	23,756	33,481
Profit for the year		7,510	7,906
Total Equity attributable to owners of the parent		90,232	100,277
Non-controlling interests	22	11,522	10,613
Total Equity		101,754	110,890
Liabilities			
Non-Current Liabilities			
Borrowings	23	14,031	11,287
Provisions	24	4,386	2,436
Deferred income tax liabilities	11	100	100
Other non-current liabilities	25	70	70
Total Non-Current Liabilities		18,587	13,893
Current Liabilities			
Borrowings	23	7,353	5,246
Trade and other payables	26	61,764	59,755
Income tax payable		89	916
Derivative financial instruments	16	77	34
Deferred income and other current liabilities	27	24,755	27,902
Total Current Liabilities		94,038	93,853
Liabilities for discontinued operations		320	320
Total Liabilities		112,945	108,066
Total Equity and Liabilities		214,699	218,956

THE ACCOUNTANT

THE BOARD OF DIRECTORS

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

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

Consolidated Statement of Profit and Loss and Other Comprehensive Income for the year ended 31 December 2013

(Amounts expressed in thousands of Euros)

	Note	12 M *	
		31.12.13	31.12.12
Sales	5	78,282	74,280
Services rendered	5	138,548	137,795
Cost of sales	12	(67,165)	(65,126)
External supplies and services	28	(54,441)	(52,228)
Employee benefit expense	29	(79,808)	(75,936)
Other gains/(losses) - net	30	(556)	(725)
Depreciation and amortisation	31	(5,731)	(5,757)
Operating Profit		9,129	12,303
Finance income	32	3,253	4,731
Finance costs	33	(3,900)	(4,721)
Share of (loss)/profit of associates	34	73	(176)
Profit Before Income Tax		8,555	12,137
Income tax expense	35	693	(2,376)
Profit for the Year		9,248	9,761
Other comprehensive income for the year		-	-
Total comprehensive income for the year		9,248	9,761
Profit attributable to:			
Owners of the parent		7,510	7,906
Non-controlling interests	22	1,738	1,855
		9,248	9,761
Total comprehensive income attributable to:			
Owners of the parent		7,510	7,906
Non-controlling interests	22	1,738	1,855
		9,248	9,761
Earnings per share			
attributable to owners of the parent (Euros per share)			
Basic earnings per share	36	0.24 Euros	0.26 Euros
Diluted earnings per share	36	0.24 Euros	0.26 Euros

12 M * - period of 12 months ended

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

Consolidated Statement of Changes in Equity for the year ended 31 December 2013

(Amounts expressed in thousands of Euros)

	Note	Attributable to owners of the parent						Non-controlling interests	Total Equity
		Share capital	Treasury shares	Share premium	Legal reserves	Stock options reserves	Reserves and retained earnings		
Balance at 1 January, 2012		15,701	(490)	43,560	2,505	1,407	29,945	9,811	102,439
Total comprehensive income for the year		-	-	-	-	-	7,906	1,855	9,761
Transactions with owners									
Dividends	21, 22	-	-	-	-	-	(920)	(900)	(1,820)
Legal reserve	21	-	-	-	537	-	(537)	-	-
Treasury shares movements	20	-	119	-	-	-	584	-	703
Share-based payments (a)	20	-	-	-	-	(1,459)	1,459	-	-
Share-based payments	20, 29	-	-	-	-	182	-	-	182
Change in consolidation universe	22	-	-	-	-	-	-	66	66
Foreign currency translation reserve		-	-	-	-	-	(222)	(219)	(441)
Transactions with owners		-	119	-	537	(1,277)	364	(1,053)	(1,310)
Changes in ownership interests in subsidiaries that do not result in a loss of control									
Transactions with non-controlling interests		-	-	-	-	-	-	-	-
Balance at 31 December, 2012		15,701	(371)	43,560	3,042	130	38,215	10,613	110,890
(a) Transfer of the balance of share options fully vested.									
Balance at 1 January, 2013		15,701	(371)	43,560	3,042	130	38,215	10,613	110,890
Total comprehensive income for the year		-	-	-	-	-	7,510	1,738	9,248
Transactions with owners									
Dividends	21, 22	-	-	-	-	-	(18,483)	-	(18,483)
Legal reserve	21	-	-	-	98	-	(98)	-	-
Treasury shares movements	20	-	76	-	-	-	387	-	463
Share-based payments	20, 29	-	-	-	-	196	-	-	196
Foreign currency translation reserve		-	-	-	-	-	(433)	(398)	(831)
Transactions with owners		-	76	-	98	196	(18,627)	(398)	(18,655)
Changes in ownership interests in subsidiaries that do not result in a loss of control									
Transactions with non-controlling interests		-	-	-	-	-	702	(431)	271
Balance at 31 December, 2013		15,701	(295)	43,560	3,140	326	27,800	11,522	101,754

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

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

Consolidated Statement of Cash Flows for the year ended 31 December 2013

(Amounts expressed in thousands of Euros)

	Note	12 M *	
		31.12.13	31.12.12
Cash flows from operating activities			
Cash receipts from customers		215,143	222,111
Cash paid to suppliers and employees		(204,138)	(192,143)
Cash generated from operations		11,005	29,968
Income taxes received / (paid)		(1,469)	855
Other operating proceeds / (payments)		(2,189)	3,000
		(3,658)	3,855
Net Cash generated from operating activities		7,347	33,823
Cash flows from investing activities			
Receipts:			
Proceeds on disposal of subsidiaries and associates		2,283	82
Loan repayments received from associates		498	295
Transactions with non-controlling interests	21	251	-
Proceeds on disposal of financial assets held for trading	18	15,000	-
Proceeds on disposal of property, plant and equipment		46	1
Interest received		820	1,023
		18,898	1,401
Payments:			
Acquisition of subsidiaries and associates		(224)	(782)
Loans granted to associates		(4,009)	(4,024)
Transactions with non-controlling interests	21	(151)	-
Purchases of financial assets held for trading	18	(10,015)	(10,000)
Purchases of property, plant and equipment		(1,755)	(985)
Purchases of intangible assets		(3,406)	(2,821)
		(19,560)	(18,612)
Net Cash used in investing activities		(662)	(17,211)
Cash flows from financing activities			
Receipts:			
Proceeds from borrowings		9,568	4,000
Capital contribution by non-controlling interests (i)		2,350	1,521
		11,918	5,521
Payments:			
Repayments of borrowings		(4,806)	(4,088)
Dividends paid	21, 22	(18,483)	(1,820)
Payment of finance lease liabilities		(1,551)	(1,731)
Interest paid		(1,249)	(1,132)
		(26,089)	(8,771)
Net Cash used in financing activities		(14,171)	(3,250)
Cash, cash equivalents and bank overdrafts at beg. of year	19	40,452	27,157
Net increase / (decrease) of cash, cash equivalents and bank overdrafts		(7,486)	13,362
Effect from exchange rate fluctuations on cash held		(24)	(67)
Cash, cash equivalents and bank overdrafts at end of year	19	32,942	40,452

12 M * - period of 12 months ended

(i) In 2013: FCR NB Capital Inovação e Internacionalização. In 2012: FCR NB Capital Inovação e Internacionalização (EUR 1,500 thousand) and NBMSIT (EUR 21 thousand).

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

NOVABASE S.G.P.S., S.A.
Notes to the Consolidated Financial Statements
for the year ended 31 December 2013

1. General information

Novabase, Sociedade Gestora de Participações Sociais, SA (hereunder referred to as Novabase or Group), with its head office in Av. D. João II, Lote 1.03.2.3, Parque das Nações – 1998-031 Lisboa - Portugal, holds and manages financial holdings in other companies as an indirect way of doing business, being the Holding Company of Novabase Group.

Novabase's activity is structured around six industries - Telecoms & Media, Financial Services, Government & Healthcare, Energy & Utilities, Aerospace & Transportation and Manufacturing & Services.

Novabase's activity is aggregated into 3 business areas:

(i) **Business Solutions (BS)** - This area of Novabase incorporates a number of competencies with technology, management, design and business expertise.

(ii) **Infrastructures & Managed Services (IMS)** - This area of Novabase focuses its engineering and consulting expertise in Information and Communication Technologies (ICT) to design, plan and deploy complex infrastructures as well as transform, manage, operate and optimize these assets through comprehensive projects such as outsourcing services. During 2011, and for the purpose of developing and focusing its growth on services and expanding internationally, IMS restructured its offer by consolidating its areas of Intelligent Infrastructures and IT Management solutions. Now with just one IMS Solutions portfolio, it still specializes in engineering solutions and IT management, but focusing on ongoing services for operations, maintenance and management, in particular areas involving infrastructure outsourcing.

(iii) **Venture Capital (VC)** - This area develops a corporate venture capital activity throughout Novabase Capital, Sociedade de Capital de Risco, S.A., which has as main purpose to identify and support Portuguese ICT business projects, in early development or expanding, with high value potential and synergies with Novabase. Novabase Capital has ownership in three venture capital funds: FCR Novabase Capital, FCR Novabase Capital Inovação e Internacionalização and FCR IStart I (the first two managed by Novabase Capital).

Novabase is listed on the Euronext Lisbon.

The share capital is represented by 31,401,394 shares (2012: 31,401,394 shares), and all shares have a nominal value of 0.5 Euros each.

These consolidated financial statements were approved for issue by the Board of Directors on March 27, 2014. In the opinion of the Board of Directors these financial statements fairly present the Group operations, as well as its financial position, financial performance and cash flows.

These financial statements will be approved in the General Meeting of Shareholders.

2. Significant accounting policies

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

2.1. Basis of preparation

The consolidated financial statements of Novabase have been prepared in accordance with International Financial Reporting Standards - IFRS, as adopted by the European Union (EU) as at 31 December 2013.

Standards and interpretations that became effective at 1 January 2013:

• **IAS 1 (amendment)**, 'Presentation of financial statements'. This amendment changes the disclosure of items presented in other comprehensive income (OCI), requiring entities to separate items in OCI on whether or not they may be recycled to profit or loss in the future and the related tax amount if OCI items presented before tax. This amendment had only as impact on the Group financial statements the change of name of the Statement of comprehensive income to Statement of profit and loss and other comprehensive income.

• **IAS 12 (amendment)**, 'Income taxes'. This amendment requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. The amendments also incorporate into IAS 12 the guidance previously contained in SIC 21, which is accordingly withdrawn. This amendment had no impact on the Group's financial statements.

• **IAS 19 (revised 2011)**, 'Employee benefits'. This amendment makes significant changes to the recognition and measurement of defined benefit pension expense and termination benefits and to the disclosures for all employee benefits. Actuarial gains and losses are recognised immediately, and only in OCI (no corridor approach allowed). Finance cost for funded benefit plans are calculated on a net funding basis. Termination benefits qualify for recognition only when the employee has no future-service obligation. This amendment had no impact on the Group's financial statements.

• **Annual improvements to IFRSs 2009 – 2011**. The 2009-2011 annual improvements affects: IFRS 1 (second adoption of IFRS 1 and exemptions), IAS 1 (presentation of additional financial statements when a change of accounting policy is mandatory or voluntary), IAS16 (classification of spare parts and servicing equipment when the definition of PP&E is met), IAS 32 (tax impact classification when related to transactions involving equity or dividends) and IAS 34 (exemption of total assets and liabilities disclosure by segment). These improvements have been applied by the Group, as applicable.

- **IFRS 1 (amendment)**, 'First time adoption of IFRS'. This amendment creates an additional exemption when an entity that has been subject to severe hyperinflation presents financial statements in accordance with IFRSs for the first time. The other change refers to the replacement of references to a fixed date with "the date of transition to IFRS" for retrospective adoption exemptions. This amendment had no impact on the Group's financial statements.
- **IFRS 1 (amendment)**, 'First time adoption of IFRS – government loans'. This amendment clarifies how a first-time-adopter would account for a government loan with a below-market rate of interest when transitioning to IFRS. It also adds an exception to the retrospective application of IFRS, giving the same relief that was granted to existing preparers in 2009. This amendment had no impact on the Group's financial statements.
- **IFRS 7 (amendment)**, 'Disclosures - offsetting financial assets and liabilities'. This amendment is part of the IASB offsetting project which introduces new disclosure requirements about entity's right of set-off (assets and liabilities), amounts offset, and the effects of these in the credit exposure. This amendment had no impact on the Group's financial statements.
- **IFRS 13 (new)**, 'Fair value measurement and disclosure'. IFRS 13 aims to improve consistency by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. This amendment had no impact on the Group's financial statements.
- **IFRIC 20 (new)**, 'Stripping costs in the production phase of a surface mine'. This interpretation refers to the accounting of overburden waste removal costs in the production phase of a surface mine, as an asset, considering that the waste removal generates two potential benefits: immediate extraction of mineral resources and improved access to further quantities of mineral resources to be extracted in the future. This interpretation had no impact on the Group's financial statements.

The Group's consolidated financial statements have been prepared in the assumption of the continuity of operations, based on the historical cost convention except for 'Financial assets at fair value through profit or loss', 'Derivative financial instruments' and 'Financial assets held for trading', which are measured at its fair value (notes 10, 16 and 18).

The preparation of financial statements in conformity with the accounting policies referred above requires the use of certain critical estimates and assumptions which impact on the reported values for assets and liabilities, and for income and expenses presented for the year. Nevertheless the Management usage of its best judgement at the time of the decision, the final results can differ from the estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

The Board of Directors believes that the estimates and assumptions adopted do not bear significant risks from which can result material adjustments to assets and liabilities value.

2.2. Consolidation

The consolidated financial statements, as of 31 December 2013, include assets, liabilities and results of the Group companies, understood as Novabase and its subsidiaries and associates, which are presented in note 6.

(1) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

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

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date, regardless of the probability of occurring. Subsequent changes to the fair value of the contingent consideration do not affect goodwill (except those made up to 12 months from the date of acquisition).

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

(2) Transactions with non-controlling interests

Non-controlling interests corresponds to the proportionate share of the recognised amounts of acquiree's identifiable assets acquired and liabilities and contingent liabilities assumed, which are not directly or indirectly attributable to Novabase. Transactions with non-controlling interests are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

In any transaction with non-controlling interests, the difference between any consideration paid and the carrying amount of the relevant share acquired is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control or significant influence, any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as a financial asset.

(3) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted by the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The Group's share of its associates' post-acquisition profits or losses is recognised in the statement of profit or loss and other comprehensive income, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed when necessary to ensure consistency with the policies adopted by the Group.

2.3. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is the responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Committee, delegated by the Board of Directors.

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

The Group's activity is monitored in 3 distinct segments, Business Solutions, IMS and Venture Capital. For the purpose of preparing this information, Novabase S.G.P.S. (company that includes the top management of the Group) and Novabase Serviços (company that includes the Group's shared services) are considered as part of the Business Solutions operating segment.

2.4. Foreign currency translation

(1) Functional and presentation currency

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

(2) Transactions and balances

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

Translation differences on non-monetary financial assets such as equities held at fair value through profit or loss are recognised in the consolidated statement of profit and loss and other comprehensive income as part of the fair value gain or loss. Translation differences on monetary items, such as equities classified as available-for-sale financial assets, are included in reserves in equity.

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

Euro foreign exchange reference rates (x foreign exchange units per 1 Euro)	Rate on		Average rate	
	31.12.13	31.12.12	2013	2012
• Angolan Kwanza (AOA)	138.6644	131.2330	133.3224	125.9079
• Mozambican Metical (MZN)	41.3041	40.4226	38.5227	38.3279
• US Dollar (USD)	1.3791	1.3262	1.3252	1.2870
• Emirati Dirham (AED)	-	-	4.8657	4.7372
• British Pound (GBP)	0.8337	0.8140	0.8472	0.8120

(3) Group companies

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

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

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other currency instruments, are taken to shareholders' equity. When a foreign operation is sold, such exchange differences are recognised in the statement of profit and loss and other comprehensive income as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2.5. Property, plant and equipment

Property, plant and equipment comprise mainly buildings and other constructions (construction works done in 'Edificio Caribe', the Company's headquarter, and in the facilities of the logistics unit), basic and transport equipment. Property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items (purchase price and all the expenses supported direct or indirectly to bring the asset to its current condition).

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit and loss and other comprehensive income during the financial period in which they are incurred.

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

	<u>N.º of years</u>
• Buildings and other constructions	3 to 50
• Basic equipment	3 to 4
• Transport equipment	4
• Tools and utensils	4
• Furniture, fittings and equipment	3 to 10

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount, and are included in profit or loss.

2.6. Intangible assets

(1) Goodwill

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

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

Goodwill is allocated to cash-generating units for the purpose of impairment testing. Each of those cash-generating units represents the Group's investment in each operating segment in which Novabase operates: Business Solutions, IMS and Venture Capital. Additionally, for the purpose of impairment tests of Goodwill not allocated to those cash-generating units, the Group identified cash generating units at the level of each subsidiary/associate acquired.

(2) Internally generated intangible assets

Investigation expenses in the search of new technical and scientific knowledge are recorded in the statement of profit and loss and other comprehensive income as and when incurred. Development expenses are accounted as intangible fixed assets when: i) it is technically feasible to complete the asset or process; ii) Group is able to complete its development and intends to do so; iii) market viability is assured and iv) its cost can be reliably measured.

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

Amortisation is calculated using the straight-line method, for periods between 3 to 10 years. Impairment of internally generated assets in progress is tested at the reporting date.

(3) Industrial property and other rights

Industrial property and other rights are shown at historical cost. These assets have a finite useful life and are recognised at cost less accumulated amortisation for a period of 10 years. Amortisation is calculated using the straight-line method to allocate the cost of the industrial property and other rights over their estimated useful lives.

(4) Work in progress

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

2.7. Financial assets and liabilities

The financial assets and liabilities are recognised in the date of the negotiation or contract, except if there is a contractual or legal stipulation in contrary, saying that the rights and obligations related with the amounts transacted are transferred to a different date. In this case, the relevant date is the last.

In the initial moment, the financial assets and liabilities are recognised by their fair value. The fair value is the amount that a determined asset or liability can be transferred or paid between entities both knowing and interested in doing the transaction. In the contracted date, the fair value is usually the amount of the transaction.

These assets are derecognised when i) contractual rights to receive cash flows have expired, ii) the Group has transferred substantially all risks and rewards of ownership or iii) nevertheless, maintains a part but not substantially all the risks and rewards of ownership, the Group has transferred the control of the assets.

The fair value is based in current bid prices, or in valuation methods and techniques (if the market for the financial asset is not active). A market is considered active if regular transactions occur.

The Group classifies its financial assets in the following categories: (i) financial assets at fair value through profit or loss, (ii) loans and receivables, (iii) available-for-sale financial assets and (iv) financial assets held for trading. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and reassesses that classification at each reporting date.

(1) Financial assets and liabilities at fair value through profit or loss

A financial asset or financial liability at fair value through profit or loss is a financial asset that, at the time of initial recognition, is managed and its performance evaluated on a fair value basis, in accordance with a documented risk or investment management. Information about the group is provided internally to key elements in the Group management on that basis. The fair value is calculated using the method of discounted cash flows, with the changes in fair value recognised in profit or loss in the period in which they occur.

(2) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable. Loans and receivables are subsequently measured at amortised cost accordingly to the effective interest method. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables are included in the current assets in 'Trade and other receivables' and 'Accrued income' headings and in non-current assets in 'Other non-current assets' heading.

(3) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that: (i) the Group intends to maintain for undetermined period of time, (ii) are designated in this category in the moment of initial recognition or (iii) are not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of it within 12 months of the end of the reporting period.

Investments are initially recognised at fair value. When the medium term expectations point to a significant decline in the fair value of the security below its cost, an impairment loss is recognised in the statement of profit and loss and other comprehensive income.

Unrealised gains and losses arising from changes in the fair value of non-monetary securities classified as available-for-sale are recognised in equity. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in profit or loss as gains and losses from investment securities. Dividends on available-for-sale equity instruments are recognised in the statement of profit and loss and other comprehensive income under 'Finance income' heading, when the Group's right to receive payments is established.

The fair values of listed investments are based on current market prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes the fair value by using valuation techniques. These techniques include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and option pricing models refined to reflect the issuer's specific circumstances.

(4) Financial assets held for trading

A financial asset held for trading is an asset that is acquired with the purpose of being sold in the short term. Gains and losses arising from changes in the fair value are included in profit or loss in the period in which they occur.

2.8. Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and depreciation and are tested annually for impairment. Assets that are subject to amortisation and depreciation are reviewed for impairment on an annual basis or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are allocated by segment, given that it is at this level that management monitors its return on investment.

2.9. Impairment of financial assets

The Group assesses at each reporting date whether there is objective evidence that a financial or a group of financial assets is impaired.

(1) Available-for-sale financial assets

In the case of equity instruments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the instruments are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity and recognised in the statement of profit and loss and other comprehensive income. Impairment losses on equity instruments recognised in profit or loss are not reversed through profit or loss, unless if, in a subsequent period, the amount of the impairment loss decreases by any event occurred after the date in which it was recognised.

(2) Trade receivables, other debtors and other financial assets

In the case of other financial assets that show objective impairment evidence, their present value is determined, and an impairment loss (which is considered the difference between the asset's present value of estimated future cash flows and the carrying amount) is recognised in the statement of profit and loss and other comprehensive income. Several indicators are used to identify if there is objective evidence of impairment, such as:

- (i) the Group is not able to collect amounts according to the original terms of the receivables;
- (ii) the Group is not able to collect amounts due over 6 months;
- (iii) significant financial difficulties of the debtor;
- (iv) it becomes probable that the debtor will enter bankruptcy or other financial reorganization.

The amount of the impairment allowance is measured as the difference between the asset's present value of estimated future cash flows, discounted at the financial asset's original effective interest rate, and its carrying amount and is recognised in the statement of profit and loss and other comprehensive income within 'Other gains/(losses) - net'. The carrying amount of the asset is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the same allowance account. Subsequent recoveries of amounts previously written off are credited against 'Other gains/(losses) - net' in the statement of profit and loss and other comprehensive income.

2.10. Inventories

Inventories include merchandise, raw materials and subsidiary goods and are stated at the lower of cost and net realisable value. Cost is determined using the weighted average cost method.

The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.11. Trade and other receivables

Trade and other receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less impairment losses.

2.12. Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

2.13. Share capital

Ordinary shares are classified as equity.

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

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

2.14. Borrowings

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

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

Interest costs on borrowings are included in the statement of profit and loss and other comprehensive income under 'Finance costs' heading.

2.15. Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of profit and loss and other comprehensive income, except to the extent that it relates to items recognised directly in equity. The current income tax charge is calculated on the basis of profit before income tax, adjusted according to the tax laws enacted at the reporting date.

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

Deferred income tax is determined using tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

2.16. Employee benefits

Bonus

The Group recognises a liability and an expense for bonuses, based on a formula that takes into consideration the profit attributable to the Company's employees after certain adjustments.

Obligations for vacation, vacation subsidy and Christmas subsidy

In accordance with Portuguese legislation, employees have, annually, the right to receive two months of salary, for a vacation period and a vacation subsidy, right earned in the previous year to its settlement. The employees also have, annually, the right to a Christmas subsidy, which is earned over the year and paid each December. These obligations are recorded in the respective period in which the right is earned, regardless its payment date.

Stock options

The Group rewards the services rendered by some employees through an equity-settled stock option plan. The fair value of the services received is recognised as cost in the statement of profit and loss and other comprehensive income against an increase in equity, over the vesting period. The amount registered as cost represents the fair value of the stock option attributed, estimated based only on market conditions. Acquisition conditions, different from market conditions, were used to estimate the number of options vested at the end of acquisition period. At each reporting date, the entity revises its estimates of the number of options expected to become exercisable, and recognises the impact of the revision to original estimates in profit or loss, with a corresponding adjustment to equity.

2.17. Provisions

Provisions are recognised at the reporting date when: i) the Group has a present legal or constructive obligation as a result of past events; ii) it is probable that an outflow of resources will be required to settle the obligation and; iii) the amount has been reliably estimated. Provisions for restructuring include all liabilities to be paid, namely employee termination payments. These provisions do not include any estimated future operating losses or estimated profits from the disposal of assets.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Note 24 gives information about the type of provisions.

2.18. Trade and other payables

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

2.19. Revenue recognition

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

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group and when specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(a) Sales of goods

Sales of goods are recognised when a Group entity has delivered products to the customer, the customer has accepted the products and collectability of the related receivables is reasonably assured.

Software products are usually sold without a right of return. However, if there is any chance of return, accumulated experience is used to estimate and provide for such returns at the time of sale.

(b) Sales of services

Revenue from consulting projects, classified as "time and materials" is recognised in the accounting period in which the services are rendered.

Revenue from consulting projects, classified as "fixed contract" ("turn key") is recognised under the percentage-of-completion method based on total costs already incurred as a percentage of total estimated costs to be incurred until the end of the project, prepared by each project manager. According to this method, 'Accrued income' and 'Deferred income and other current liabilities' headings are adjusted in order to reflect the accurate result of each project at the end of each reporting period.

Revenue from outsourcing and maintenance projects is recognised linearly over the period of the contract, where there are no significant and specific activities foreseen.

(c) Dividend income

Dividend income is recognised when the right to receive payment is established.

2.20. Subsidies

Government subsidies are recognised at fair value, when there is high likelihood that the subsidy will be received and the Group fulfils all the requirements to receive it.

Non-refundable subsidies to finance development projects are recorded as a liability at the reporting date, in 'Deferred income and other current liabilities' heading and are recognised in profit or loss of each period by the useful life of the financed assets.

Operating subsidies are aimed to recovering the costs, incurred and recorded, with training initiatives and projects of research of new technological and scientific knowledge, and are recognised in the statement of profit and loss and other comprehensive income as the related expenses are incurred, regardless of when the subsidy is received.

2.21. Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are expensed on a straight-line basis over the period of the lease.

Lease contracts for tangible assets where the Group has substantially all the risks and benefits of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased asset and the present value of the minimum lease payments. Each lease payment is allocated between liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are recorded under liabilities (current and non-current). The interest element of the finance cost is expensed over the lease period so as to produce a constant periodic rate of interest on the remaining balance of liability for each period. Tangible assets acquired under finance leases are depreciated over the shorter of the useful life and the lease term.

2.22. Dividend distribution

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

2.23. Comparatives

The consolidated financial statements for the year ended 31 December 2013 are comparable in all material aspects with the year 2012, and no changes in accounting policies have occurred when compared to those used for preparation of the financial statements of the previous year, presented for comparative effects.

3. Financial risk management policy

The Group's activities expose it to a variety of financial risks, namely, Foreign exchange risk, Cash flow and fair value interest rate risk, Credit Risk, Liquidity risk and Capital management risk.

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

a) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk, mainly arising from U.S. Dollar exposure, since some subsidiaries perform transactions in this currency.

The finance department is responsible for the tracking of the exchange rate of the currency mentioned above, in order to reduce the impact of the fluctuation in consolidated results. The group uses derivative financial instruments to hedge certain risk exposures (see note 16).

The table below summarises the Group's exposure to foreign currency exchange rate risk at 31 December based on Group's financial assets and liabilities at carrying amounts, categorised by currency:

At 31 December 2012	Euro	Dollar	Other	Total
Assets				
Financial assets at fair value through profit or loss	1,731	-	-	1,731
Trade and other receivables	75,057	9,130	7,015	91,202
Accrued income	9,692	-	343	10,035
Derivative financial instruments	216	-	-	216
Financial assets held for trading	9,855	-	-	9,855
Cash and cash equivalents	36,863	431	3,158	40,452
	133,414	9,561	10,516	153,491
Liabilities				
Other non-current liabilities	70	-	-	70
Borrowings	16,533	-	-	16,533
Trade and other payables	53,920	3,220	2,615	59,755
Derivative financial instruments	34	-	-	34
Deferred income and other current liabilities	26,297	-	1,605	27,902
	96,854	3,220	4,220	104,294
At 31 December 2013	Euro	Dollar	Other	Total
Assets				
Other non-current assets	4,868	-	-	4,868
Financial assets at fair value through profit or loss	1,256	-	-	1,256
Trade and other receivables	63,900	6,603	13,832	84,335
Accrued income	11,593	-	828	12,421
Derivative financial instruments	514	-	-	514
Financial assets held for trading	5,015	-	-	5,015
Cash and cash equivalents	27,857	91	4,994	32,942
	115,003	6,694	19,654	141,351
Liabilities				
Other non-current liabilities	70	-	-	70
Borrowings	21,384	-	-	21,384
Trade and other payables	53,754	3,928	4,082	61,764
Derivative financial instruments	77	-	-	77
Deferred income and other current liabilities	21,594	-	3,161	24,755
	96,879	3,928	7,243	108,050

The Group uses a sensitivity analysis technique that measures the estimated changes in profit or loss and shareholders' equity of either an instantaneous 10% strengthening or weakening in Euro against all other currencies, from the rates applicable at 31 December 2013, for each class of financial instrument with all other variables held constant. This analysis has illustrative purposes only, as in practice market rates rarely change alone.

Under this assumption, with a 10% strengthening or weakening of Euro against all exchange rates, profit before income tax would have increased or decreased, respectively, by EUR 1,518 thousand in 2013 (2012: EUR 1,264 thousand).

b) *Cash flow and fair value interest rate risk*

The Group's interest-rate risk arises from finance investments in banks and bonds, and borrowings. Finance investments in banks and bonds are short term. Borrowings issued at variable rates expose the Group to cash flow interest-rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. During 2013, 26% of the Group's borrowings were issued at fixed rates; all of the borrowings were denominated in Euros.

The Group uses a sensitivity analysis technique that measures the estimated changes in profit or loss and shareholders' equity of either an instantaneous increase or decrease of 0.5% (50 basis points) in market interest rates, from the rates applicable at 31 December 2013, for each class of financial instrument with all other variables held constant. This analysis has illustrative purposes only, as in practice market rates rarely change alone. The sensitivity analysis is based on the following assumptions:

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

Under these assumptions, an increase or decrease of 0.5% in market interest rates, would impact respectively in an increase or decrease of profit before income tax of approximately EUR 83 thousand, in 2013 and in an increase or decrease, respectively, of approximately EUR 159 thousand, in 2012.

c) *Credit Risk*

Credit risk is managed, simultaneously, on business units' level, for the amounts of outstanding trade and other receivables, and on Group basis, for financial instruments. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions. For banks and financial institutions, only independently well rated parties are accepted. Credit risk management of trade and other receivables is based in credit limits, taking into account the financial position of the customer and past experience.

At 31 December 2013, the 60 customers with greater balances of the Group represented approximately 81% of the total balance (2012: 80%).

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

	31.12.13	31.12.12
Portugal	65%	77%
Germany	1%	1%
Spain	2%	3%
Rest of Europe	3%	2%
Asia	2%	3%
Middle East	3%	2%
Africa	24%	12%
	<u>100%</u>	<u>100%</u>

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

	31.12.13	31.12.12
Telecommunications	36%	46%
Consumer electronics	3%	7%
Financial Services	19%	20%
Transport	2%	3%
Public Administration	16%	5%
Information Technology	12%	15%
Energy	9%	2%
Aeronautics	2%	1%
Other	1%	1%
	<u>100%</u>	<u>100%</u>

The table below shows the ratings attributed by Moody's Investors Services to the financial institutions with whom the Group has higher balances at 31 December 2013 (excluding financial institutions where net balance is negative):

	31.12.13	31.12.12
Ba3	28,190	43,626
B1	4,961	-
(*) Entity without rating	-	5,026
	<u>33,151</u>	<u>48,652</u>

(*) In late September 2012, this entity had a rating of "BBB-" attributed by Fitch. Thereafter, this agency ceased to attribute rating by decision of the bank.

d) *Liquidity risk*

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

Management monitors rolling forecasts of the Group'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, a regular monitoring is made to the maturity concentration of borrowings and liabilities of the Group.

The plafond's of borrowings and factoring contracted by the Group are shown in the table below:

	Borrowings			Factoring
	Euro	Dollar	Kwanza	Euro
Banco Espírito Santo (BES)	7,000	2,500	-	-
Banco BPI (BPI)	8,250	-	-	-
Banco Santander Totta (Santander)	7,350	-	-	-
Barclays Bank (Barclays)	5,000	1,500	-	-
Banco Espírito Santo Espanha (BESSA)	750	-	-	-
Banco de Fomento de Angola (BFA)	-	-	200,000	-
Banco Popular (Popular)	3,700	-	-	-
Banco BNP Paribas (BNP Paribas)	-	-	-	5,000
Banco BIC (BIC)	3,000	-	-	-
	<u>35,050</u>	<u>4,000</u>	<u>200,000</u>	<u>5,000</u>

e) *Capital management risk*

The Group's objectives when managing capital, which is a broader concept than 'equity' in the consolidated statement of financial position, are:

- (i) To safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders;
- (ii) To maintain a solid capital structure to support the development of its business;
- (iii) To maintain an optimal capital structure to reduce the cost of capital.

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

	31.12.13	31.12.12
Operating Profit	9,129	12,303
Total Equity	101,754	110,890
Return on Capital	9.0 %	11.1 %

The Group has the objective to maintain ROC above the cost of capital (measured by WACC - weighted average cost of capital), which allows the Group to add value. The Group's WACC in 2013 is around 10.4% (2012: 10.7%). In 2013, the objective was not achieved because of the financial and economic crisis.

4. Critical accounting estimates and judgements

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

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

a) *Analysis of impairment of goodwill*

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

b) *Financial instruments measured at fair value*

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

c) *Income taxes and deferred taxes*

The Group is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes and the use of deferred tax assets and liabilities. Deferred tax assets and liabilities were determined based on tax legislation currently in effect for the Group's companies, or on legislation already published for future application. Changes in the tax legislation may influence the value of deferred taxes.

The Group recognises deferred tax assets related to tax incentives obtained under SIFIDE based on estimates. The final amount of these tax incentives is only known in future years based on the approval by the competent body of the Group's applications to these incentives. The amount of tax credits not yet approved reach EUR 2,045 thousand (2012: EUR 3,626 thousand).

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

d) *Revenue recognition*

Revenue recognition in respect of "turn key" projects is made by Management recurring to analysis and estimates of the current and future developments of consulting projects in place. These projections could have a different development in the future, from the present estimates performed by Management. Eventual changes in the estimates would be reflected under 'Accrued income' and 'Deferred income and other current liabilities' headings in the statement of financial position and under 'Services rendered' in the statement of profit and loss and other comprehensive income.

e) *Warranties risk*

The Group recognises a provision for warranties when the underlying products or services are sold. These provisions are established using historical information of nature, frequency and average costs of warranty claims. Any changes to estimates will impact the financial statements of the following year, under 'Provisions' in liabilities and 'Other gains/(losses) - net' in profit or loss.

f) *Valuation allowance for impairment of trade and other receivables*

Management maintains a valuation allowance for impairment of trade and other receivables, in order to reflect the estimated losses that result from clients' inability to make the required payments. When assuming the adequacy of an allowance for doubtful accounts, Management bases its estimates on the ageing of accounts receivable balances and historical write off experience, customer credit worthiness and changes in customer payment terms. If the customer's financial conditions deteriorate, actual write off's might be higher than expected.

g) *Inventory impairment*

The Group is exposed to inventory impairment as the result of changes in economic environment, due to operating in a very dynamic market. To manage this risk, the Group monitors market developments, as a way to identify the possible impact of those changes in its business.

h) *Bonus*

The Group recognises on a monthly basis an estimate for bonus and other variable remunerations, which considers the theoretical amounts agreed with employees, the monitoring of the expected objective's achievement rates and the general situation of the Company's business. The variable remuneration of the elements of the Board of Directors is set by the Remuneration Committee based on the evaluation of the previous year performance. Therefore, the cost estimate for the current exercise booked under 'Trade and other payables' heading, is prepared based on the Management's best estimate to the performance of the current year, where the actual final outcome is only known in the following exercise, after the Remuneration Committee's deliberation. More information about the Shareholders' remuneration can be found in the point regarding Remuneration, included in the Corporate Governance Report, which is an integral part of the Consolidated Annual Report.

5. Segment information

The companies considered in each operating segment are presented in note 6. For the purpose of preparing this information, Novabase S.G.P.S. and Novabase Serviços are considered as part of the Business Solutions segment.

	Business Solutions	IMS	Venture Capital	NOVABASE
At 31 December 2012				
Total segment Sales and services rendered	164,850	120,059	15,046	299,955
Inter-segment Sales and services rendered	66,891	18,280	2,709	87,880
Sales and services rendered	97,959	101,779	12,337	212,075
Depreciation and amortisation	(3,699)	(1,486)	(572)	(5,757)
Operating profit/(loss)	8,986	4,816	(1,499)	12,303
Finance costs – net	152	(300)	158	10
Share of (loss)/profit of associates (note 34)	(135)	-	(41)	(176)
Income tax expense	(989)	(1,408)	21	(2,376)
Profit/(Loss) from operations	8,014	3,108	(1,361)	9,761
Other information:				
(Provisions) / Provisions reversal	(62)	(3,171)	(72)	(3,305)

	Business Solutions	IMS	Venture Capital	NOVABASE
At 31 December 2013				
Total segment Sales and services rendered	176,458	117,617	25,240	319,315
Inter-segment Sales and services rendered	74,149	19,173	9,163	102,485
Sales and services rendered	102,309	98,444	16,077	216,830
Depreciation and amortisation	(3,760)	(1,298)	(673)	(5,731)
Operating profit/(loss)	7,430	2,820	(1,121)	9,129
Finance costs – net	(476)	628	(799)	(647)
Share of (loss)/profit of associates (note 34)	-	-	73	73
Income tax expense	579	(613)	727	693
Profit/(Loss) from operations	7,533	2,835	(1,120)	9,248
Other information:				
(Provisions) / Provisions reversal	(3,070)	1,093	396	(1,581)

6. Companies included in consolidation

The companies consolidated by full method, as at 31 December 2013, were the following:

Holding company and Subsidiaries	Head Office	Share capital 31.12.13	% Interest held	
			31.12.13	31.12.12
Parent company:				
Novabase S.G.P.S., S.A.	Lisbon - Portugal	€ 15,700,697	-	-
Business Solutions:				
Novabase Business Solutions, S.A.	Lisbon - Portugal	€ 3,466,000	100.0%	100.0%
NBO Recursos em TI, S.A.	Lisbon - Portugal	€ 50,000	100.0%	100.0%
Novabase Consulting SGPS, S.A.	Lisbon - Portugal	€ 11,629,475	100.0%	100.0%
Novabase E.A., S.A.	Lisbon - Portugal	€ 150,000	100.0%	100.0%
CellFocus, S.A.	Lisbon - Portugal	€ 100,000	55.0%	55.0%
Nbase International Investments B.V.	Amsterd. - Netherl.	€ 1,220,800	100.0%	100.0%
Novabase Solutions Middle East FZ-LLC	Dubai - UAE	€ 699,670	100.0%	100.0%
Octal - Engenharia de Sistemas, S.A.	Lisbon - Portugal	€ 3,000,000	100.0%	100.0%
Evolvespace Solutions, Lda.	Lisbon - Portugal	€ 5,000	100.0%	100.0%
Binómio, Lda.	Amadora - Portugal	€ 2,626	100.0%	100.0%
NBMSIT, Sist. de Inf. e Tecnol., S.A.	Maputo - Mozambique	8,235,000 MZN	74.0%	74.0%
IMS:				
Novabase Infraestruturas, SGPS, S.A.	Lisbon - Portugal	€ 50,000	100.0%	100.0%
Novabase IMS Infr. & Manag. Services, S.A.	Lisbon - Portugal	€ 70,500	100.0%	100.0%
Novabase Sistemas de Informacion, S.A.	Madrid - Spain	€ 1,000,000	100.0%	100.0%
Novabase Infr. Integracion S. Inf., S.A.	Madrid - Spain	€ 120,202	100.0%	100.0%
(i) NBASIT-Sist. de Inf. e Telecomunic., S.A.	Luanda - Angola	47,500,000 AOA	49.4%	49.4%
Novabase Interactive TV SGPS, S.A.	Lisbon - Portugal	€ 278,125	100.0%	100.0%
Novabase Digital TV E.S. Tel. Inter., S.A.	Lisbon - Portugal	€ 250,000	100.0%	100.0%
(ii) TVLab, S.A.	Lisbon - Portugal	€ 1,312,920	70.0%	100.0%
Venture Capital:				
Novabase Capital SGCR, S.A.	Lisbon - Portugal	€ 2,500,000	100.0%	100.0%
(iii) COLLAB – Sol. I. Com. e Colab., S.A.	Lisbon - Portugal	€ 61,333	81.0%	76.9%
FCR NB Capital Inovação e Internacionalização	-	€ 11,360,000	51.6%	51.6%
(iv) Novabase Digital TV Technologies GmbH	Munich - Germany	€ 25,000	51.0%	100.0%
(iv) Novabase Digital TV, EURL	Caen - France	€ 10,000	-	100.0%
Novabase Shared Services:				
Novabase Serviços, S.A.	Lisbon - Portugal	€ 250,000	100.0%	100.0%

- (i) The Group has the power to govern the financial and operating policies of this company, therefore this financial holding was included in the consolidation by full method.
- (ii) The company TV Lab was merged with the company Techno Trend GmbH, resulting in the reduction of the % of interest held by the Group.
- (iii) In the end of 2013, the Group acquired 4.1% of shares in Collab.
- (iv) In the end of 2013, the Group sold to General Satellite group 100% of Novabase Digital TV, EURL, 49% of Novabase Digital TV, GmbH and 100% of DTV Research, Lda.

The companies consolidated using the equity method, as at 31 December 2013, were the following:

Associates (see note 9)	Head Office	Share capital 31.12.13	% Interest held		Equity 31.12.13	Results 31.12.13
			31.12.13	31.12.12		
Fundo Capital Risco NB Capital	Lisbon - Portugal	€ 7,142,857	30.0%	30.0%	3,076	243
(i) Novabase Atlântico, SI, S.A.	-	-	-	60.0%	-	-
(i) Globaleda, S.A.	P. Delg. - Portugal	€ 300,000	25.1%	12.0% unavailable info	-	unavailable info
(ii) TechnoTrend GmbH	Erfurt - Germany	€ 5,263,320	-	50.0%	-	-

- (i) In September 2013, Fundo Capital Risco NB Capital sold its 40% stake in the company Globaleda to Novabase Business Solutions. At the end of Q4 2013, Novabase Atlântico has been dissolved as a result of its merger by incorporation into Globaleda. In virtue of this merger and simultaneous operation of share capital reduction, Novabase Business Solutions' shareholding in Globaleda has decreased to 25.1% of the respective share capital (see note 9).
- (ii) The company Techno Trend GmbH was merged by incorporation into the company TV Lab.

7. Property, plant and equipment

	31.12.13			31.12.12		
	Cost	Accumulated depreciation	Net book value	Cost	Accumulated depreciation	Net book value
Buildings and other constructions	4,295	2,195	2,100	4,212	1,791	2,421
Basic equipment	8,116	6,092	2,024	7,976	5,468	2,508
Transport equipment	3,987	2,661	1,326	4,446	2,980	1,466
Tools and utensils	-	-	-	60	49	11
Furniture, fittings and equipment	1,730	1,066	664	1,619	929	690
Other tangible assets	14	8	6	11	6	5
	<u>18,142</u>	<u>12,022</u>	<u>6,120</u>	<u>18,324</u>	<u>11,223</u>	<u>7,101</u>

During 2012, movements in property, plant and equipment were as follows:

	Balance at 01.01.12	Acquisitions / increases	Write off's	Transfers	Change in consolidation universe	Exchange differences	Balance at 31.12.12
<i>Cost:</i>							
Buildings and other constructions	4,212	-	-	-	-	-	4,212
Basic equipment	7,919	876	(811)	(7)	5	(6)	7,976
Transport equipment	4,863	717	(1,182)	-	67	(19)	4,446
Tools and utensils	49	-	-	11	-	-	60
Furniture, fittings and equipment	1,577	47	-	(4)	-	(1)	1,619
Other tangible assets	8	3	-	-	-	-	11
	<u>18,628</u>	<u>1,643</u>	<u>(1,993)</u>	<u>-</u>	<u>72</u>	<u>(26)</u>	<u>18,324</u>
<i>Accumulated depreciation:</i>							
Buildings and other constructions	1,388	403	-	-	-	-	1,791
Basic equipment	4,569	1,491	(592)	(2)	4	(2)	5,468
Transport equipment	2,865	1,145	(1,064)	-	42	(8)	2,980
Tools and utensils	23	19	-	7	-	-	49
Furniture, fittings and equipment	778	157	-	(5)	-	(1)	929
Other tangible assets	5	1	-	-	-	-	6
	<u>9,628</u>	<u>3,216</u>	<u>(1,656)</u>	<u>-</u>	<u>46</u>	<u>(11)</u>	<u>11,223</u>

During 2013, movements in property, plant and equipment were as follows:

	Balance at 01.01.13	Acquisitions / increases	Write off's	Transfers	Change in consolidation universe	Exchange differences	Balance at 31.12.13
<i>Cost:</i>							
Buildings and other constructions	4,212	83	-	-	-	-	4,295
Basic equipment	7,976	1,558	(31)	-	(1,381)	(6)	8,116
Transport equipment	4,446	1,014	(1,446)	-	-	(27)	3,987
Tools and utensils	60	-	-	1	(61)	-	-
Furniture, fittings and equipment	1,619	136	(14)	(1)	(8)	(2)	1,730
Other tangible assets	11	3	-	-	-	-	14
	<u>18,324</u>	<u>2,794</u>	<u>(1,491)</u>	<u>-</u>	<u>(1,450)</u>	<u>(35)</u>	<u>18,142</u>
<i>Accumulated depreciation:</i>							
Buildings and other constructions	1,791	404	-	-	-	-	2,195
Basic equipment	5,468	1,371	(30)	-	(714)	(3)	6,092
Transport equipment	2,980	1,019	(1,323)	-	-	(15)	2,661
Tools and utensils	49	11	-	1	(61)	-	-
Furniture, fittings and equipment	929	155	(13)	(1)	(3)	(1)	1,066
Other tangible assets	6	2	-	-	-	-	8
	<u>11,223</u>	<u>2,962</u>	<u>(1,366)</u>	<u>-</u>	<u>(778)</u>	<u>(19)</u>	<u>12,022</u>

Buildings and other constructions includes construction works in the net amount of EUR 1,852 thousand made in the Group's headquarter and in the facilities of the logistics unit. These construction works are being depreciated over the estimated period of lease of such facilities.

Depreciation is included in 'Depreciation and amortisation' heading in the statement of profit and loss and other comprehensive income (note 31).

The balance of 'Industrial property and other rights' heading is analysed as follows:

Business	Amortisation period	Company	Cost	Accumulated amortisation	Net book value
(i) ATX Projects	10 years	Novabase Business Solutions	8,295	8,015	280
(ii) SAP Logística	6 years	Novabase Serviços	465	465	-
(iii) Software SCADA	5 years	Novabase Business Solutions	750	525	225
(iv) SAP HCM	6 years	Novabase Serviços	292	184	108
(v) Other			1,331	1,026	305
			<u>11,133</u>	<u>10,215</u>	<u>918</u>

- (i) Amount paid to Espírito Santo Group, for the acquisition of a service contract, over a period between 6 to 10 years.
(ii) Management information system (mySAP) for the Group internal use.
(iii) Management and control platform for wind power production.
(iv) Management information system (mySAP), new HR solution - Human Capital Management, for the Group internal use.
(v) This balance refers mainly to computer software licences.

'Internally generated intangible assets' include the cost of projects for software development, as well as the cost of projects for products development in specific areas.

The amount with research and development recognised as a cost, related to the main research projects, reached EUR 7.8 Million (2012: EUR 7.4 Million).

Impairment tests were performed on 'Work in progress' and it was concluded there is no impairment.

Movements in goodwill were as follows:

	31.12.13	31.12.12
Balance at 1 January	25,335	25,086
Change in consolidation universe	(3)	-
Goodwill arising from the acquisition of new subsidiaries	-	249
Balance at 31 December	<u>25,332</u>	<u>25,335</u>

Movements in goodwill impairment were as follows:

	31.12.13	31.12.12
Balance at 1 January	(1,619)	(1,619)
Balance at 31 December	<u>(1,619)</u>	<u>(1,619)</u>

Impairment tests for goodwill

Goodwill is allocated to the Group's Cash-Generating Units (CGUs) identified according to operating segments.

	31.12.13	31.12.12
Business Solutions	14,862	14,862
IMS	8,851	8,854
	<u>23,713</u>	<u>23,716</u>

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

	Business Solutions	IMS
Discounted rate (pre tax)	13.7%	13.7%
Perpetual growth rate	2.0%	2.0%
Annual growth rate of turnover	5.0%	2.0%

The application of the previously described method generates a recoverable amount (determined by value in use) of assets that exceeds its carrying amount, concluding therefore that there is no need for an impairment charge to the goodwill allocated to the Cash-Generating Units.

A reasonably possible change in the key assumptions on which Management has based its determination of the recoverable amount wouldn't cause the carrying amount to exceed its recoverable amount.

9. Investments in associates

	% Interest held				Amount	
	% Holding		% held directly		31.12.13	31.12.12
	31.12.13	31.12.12	31.12.13	31.12.12		
Fundo Capital Risco NB Capital (notes 6 and 34)	30.0%	30.0%	30.0%	30.0%	911	838
(i) Novabase Atlântico, SI, S.A. (notes 6 and 34)	-	60.0%	-	60.0%	-	-
(i) Globaleda, S.A.	25.1%	12.0%	25.1%	40.0%	50	-
Ent. Comerc. Prod. Mobilidade Eléctrica	-	33.3%	-	33.3%	-	17
(ii) TechnoTrend GmbH (note 6)	-	50.0%	-	50.0%	-	-
					961	855

- (i) In September 2013, Fundo Capital Risco NB Capital sold its 40% stake in the company Globaleda to Novabase Business Solutions. At the end of Q4 2013, Novabase Atlântico has been dissolved as a result of its merger by incorporation into Globaleda. In virtue of this merger and simultaneous operation of share capital reduction, Novabase Business Solutions' shareholding in Globaleda has decreased to 25.1% of the respective share capital.
- (ii) The company Techno Trend GmbH was merged by incorporation into the company TV Lab.

10. Financial assets at fair value through profit or loss

	% Interest held				Amount	
	% Holding		% held directly		31.12.13	31.12.12
	31.12.13	31.12.12	31.12.13	31.12.12		
(i) FCR IStart I	10.0%	6.0%	10.0%	6.0%	300	90
(ii) Feedzai, Lda	5.7%	5.7%	11.1%	11.1%	403	403
(iii) Powergrid, Lda	45.8%	45.8%	88.9%	88.9%	401	950
(iv) DTV Research, Lda	-	49.0%	-	95.0%	-	190
(v) Bright Innovation, Lda	46.4%	46.4%	90.0%	90.0%	23	23
Smartgeo Solutions, Lda	12.9%	-	25.0%	-	1	-
Radical Innovation, Lda	37.0%	-	80.0%	-	6	-
Power Data, Lda	29.4%	-	80.0%	-	3	-
Other					119	75
					1,256	1,731

- (i) Venture Capital Fund established in 2011, focused on creating proofs-of-concept and prototypes and developing intellectual property and business models. This Fund is managed by Espírito Santo Ventures.
- (ii) Company dedicated to developing solutions for processing large volumes of data in real time, acquired by FCR NB Capital Inovação e Internacionalização. This Fund has a significant influence on Feedzai.
- (iii) Company acquired by FCR NB Capital Inovação e Internacionalização, focused on developing an application platform for SmartGrids.
- (iv) Company sold to the General Satellite group together with 100% of the company Novabase Digital TV, EURL and 49% of the company Novabase Digital TV GmbH (see note 6).
- (v) Company specializing in incubator projects in the area of Information and Communication Technologies (ICT) and integrated services, supported by a multi-channel IT platform, held by FCR NB Capital Inovação e Internacionalização.

Novabase does not have the power to control or influence (significantly) the financial and operating policies of the companies held by FCR NB Capital Inovação e Internacionalização, therefore they were not considered subsidiaries or associates.

The valuation of these companies was performed based on the discounted cash flow method, using a 5 year business plan forecasted by Management, with the following key assumptions:

	Feedzai	Powergrid
Discounted rate	12.7%	12.7%
Perpetual growth rate	1.3%	1.3%
Annual growth rate of turnover	21.3%	56.5%

Movements in this heading were as follows:

	<u>31.12.13</u>	<u>31.12.12</u>
Balance at 1 January	1,731	755
Acquisitions	54	653
Change in acquisition cost	210	-
Disposals	(190)	-
Profit or loss charge (see notes 32 and 33)	(549)	323
Balance at 31 December	<u>1,256</u>	<u>1,731</u>

11. Deferred income tax assets and liabilities

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The following amounts were determined after its offsetting:

	<u>31.12.13</u>	<u>31.12.12</u>
Deferred tax assets		
To be recovered within 12 months	1,614	1,833
To be recovered after more than 12 months	13,287	10,416
	<u>14,901</u>	<u>12,249</u>
Deferred tax liabilities		
To be recovered within 12 months	-	-
To be recovered after more than 12 months	100	100
	<u>100</u>	<u>100</u>

The movement in the deferred income tax assets was as follows:

	<u>31.12.13</u>	<u>31.12.12</u>
Balance at 1 January	12,249	12,387
Change in consolidation universe	-	15
Exchange differences	(16)	(7)
Profit or loss charge (see note 35)	2,668	(146)
Balance at 31 December	<u>14,901</u>	<u>12,249</u>

The movement in the deferred income tax liabilities was as follows:

	<u>31.12.13</u>	<u>31.12.12</u>
Balance at 1 January	100	100
Profit or loss charge (see note 35)	-	-
Balance at 31 December	<u>100</u>	<u>100</u>

The movement in deferred tax assets during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	<u>Tax Losses</u>	<u>Tax Incentives</u>	<u>Provisions / Adjustments</u>	<u>Total</u>
Balance at 1 January 2012	2,904	7,690	1,793	12,387
Profit or loss charge	(1,612)	801	665	(146)
Change in consolidation universe	15	-	-	15
Exchange differences	(7)	-	-	(7)
Balance at 31 December 2012	1,300	8,491	2,458	12,249
Profit or loss charge	(581)	2,963	286	2,668
Exchange differences	(16)	-	-	(16)
Balance at 31 December 2013	<u>703</u>	<u>11,454</u>	<u>2,744</u>	<u>14,901</u>

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

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

	Tax Losses	Tax Incentives	Provisions / Adjustments	Total
No later than 1 year	-	407	-	407
Between 1 and 2 years	89	2,084	-	2,173
Between 2 and 3 years	-	2,677	-	2,677
Between 3 and 4 years	90	2,272	-	2,362
Between 4 and 5 years	286	1,969	-	2,255
Between 5 and 6 years	65	2,045	-	2,110
Over 6 years	173	-	-	173
With no defined date	-	-	2,744	2,744
	<u>703</u>	<u>11,454</u>	<u>2,744</u>	<u>14,901</u>

12. Inventories

	31.12.13	31.12.12
Merchandise	9,195	4,868
Finished products	47	37
Raw materials, subsidiary goods and consumables	165	168
	<u>9,407</u>	<u>5,073</u>
Inventory impairment	(482)	(599)
	<u>8,925</u>	<u>4,474</u>

Movements in inventory impairment are analysed as follows:

	31.12.13	31.12.12
Balance at 1 January	599	574
Impairment (see note 30)	275	208
Impairment reversal (see note 30)	(245)	(135)
Write off's	(147)	(48)
Balance at 31 December	<u>482</u>	<u>599</u>

The cost of inventories recognised as expense and included in 'Cost of sales' and 'External supplies and services' headings amounted to EUR 78,460 thousand (2012: EUR 73,062 thousand).

13. Financial instruments by category

At 31 December 2012	Loans and receivables	Assets/liabilit. at fair value through P&L	Other financial liabilities	Non-financial assets/ liabilities	Total
Assets					
Financial assets at fair value through profit or loss	-	1,731	-	-	1,731
Trade and other receivables	91,202	-	-	1,287	92,489
Accrued income	10,035	-	-	-	10,035
Derivative financial instruments	-	216	-	-	216
Other current assets	-	-	-	5,782	5,782
Financial assets held for trading	-	9,855	-	-	9,855
Cash and cash equivalents	40,452	-	-	-	40,452
	<u>141,689</u>	<u>11,802</u>	<u>-</u>	<u>7,069</u>	<u>160,560</u>
Liabilities					
Other non-current liabilities	-	-	70	-	70
Borrowings	-	-	16,533	-	16,533
Trade and other payables	-	-	59,755	-	59,755
Derivative financial instruments	-	34	-	-	34
Deferred income and other current liabilities	-	-	27,902	-	27,902
	<u>-</u>	<u>34</u>	<u>104,260</u>	<u>-</u>	<u>104,294</u>

At 31 December 2013	Loans and receivables	Assets/liabilit. at fair value through P&L	Other financial liabilities	Non-financial assets/ liabilities	Total
Assets					
Other non-current assets	4,868	-	-	-	4,868
Financial assets at fair value through profit or loss	-	1,256	-	-	1,256
Trade and other receivables	84,335	-	-	3,640	87,975
Accrued income	12,421	-	-	-	12,421
Derivative financial instruments	-	514	-	-	514
Other current assets	-	-	-	4,470	4,470
Financial assets held for trading	-	5,015	-	-	5,015
Cash and cash equivalents	32,942	-	-	-	32,942
	<u>134,566</u>	<u>6,785</u>	<u>-</u>	<u>8,110</u>	<u>149,461</u>
Liabilities					
Other non-current liabilities	-	-	70	-	70
Borrowings	-	-	21,384	-	21,384
Trade and other payables	-	-	61,764	-	61,764
Derivative financial instruments	-	77	-	-	77
Deferred income and other current liabilities	-	-	24,755	-	24,755
	<u>-</u>	<u>77</u>	<u>107,973</u>	<u>-</u>	<u>108,050</u>

The following table shows the Group's financial assets and financial liabilities that are measured at fair value according with the following hierarchy levels:

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

	31.12.13			31.12.12		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets at fair value						
Financial assets at fair value through profit or loss	-	-	1,256	-	-	1,731
Derivative financial instruments	-	514	-	-	216	-
Financial assets held for trading	-	5,015	-	-	9,855	-
	<u>-</u>	<u>5,529</u>	<u>1,256</u>	<u>-</u>	<u>10,071</u>	<u>1,731</u>
Financial liabilities at fair value						
Derivative financial instruments	-	77	-	-	34	-
	<u>-</u>	<u>77</u>	<u>-</u>	<u>-</u>	<u>34</u>	<u>-</u>

14. Trade and other receivables

	31.12.13	31.12.12
Trade receivables	77,309	84,442
Allowance for impairment of trade receivables	(4,434)	(4,809)
	<u>72,875</u>	<u>79,633</u>
Prepayments to suppliers	503	448
Employees	125	114
Value added tax	3,012	725
Receivables from related parties (note 40)	4,788	4,407
Financial investments disposal	67	67
Disposal of Digital TV international business	2,478	-
Receivables from financed projects	2,963	3,912
Capital subscribers of FCR NB Capital Inovação e Internacionalização	-	2,350
Other receivables	4,547	4,954
Allowance for impairment of other receivables	(3,383)	(4,121)
	<u>15,100</u>	<u>12,856</u>
	<u>87,975</u>	<u>92,489</u>

The fair value of 'Trade and other receivables' balance approximates its carrying amount.

The carrying amount of this heading plus the balance of 'Accrued income' (see note 15) represents the maximum exposure to credit risk.

The ageing analysis of the carrying amounts of trade receivables is as follows:

	<u>31.12.13</u>	<u>31.12.12</u>
Carrying amount of receivables not due	44,802	47,138
Carrying amount of receivables not impaired		
Past due for less than 6 months	22,763	24,956
Past due for more than 6 months	5,309	7,449
Carrying amount of receivables due and not impaired	<u>28,072</u>	<u>32,405</u>
Carrying amount of receivables impaired		
Past due for less than 6 months	100	1,738
Past due for more than 6 months	4,335	3,161
Carrying amount of receivables due and impaired	<u>4,435</u>	<u>4,899</u>
	<u>77,309</u>	<u>84,442</u>

80% of trade receivables that are neither past due nor impaired is owed by entities with which there is no past experience of default, although might have had some punctual delay in the invoices payment. The remaining 20% are distributed by nearly 325 entities with an average balance of EUR 56 thousand, that the credit department has no information that leads to suppose that there is a high risk of default.

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

	<u>Trade receivables</u>		<u>Other receivables</u>		<u>Total</u>	
	<u>31.12.13</u>	<u>31.12.12</u>	<u>31.12.13</u>	<u>31.12.12</u>	<u>31.12.13</u>	<u>31.12.12</u>
Balance at 1 January	4,809	2,854	4,121	3,661	8,930	6,515
Change in consolidation universe	-	7	-	-	-	7
Impairment (note 30)	2,805	2,180	234	525	3,039	2,705
Impairment reversal (note 30)	(2,703)	(157)	(735)	(55)	(3,438)	(212)
Exchange differences	(25)	-	(4)	(10)	(29)	(10)
Write off's	(452)	(75)	(233)	-	(685)	(75)
Balance at 31 December	<u>4,434</u>	<u>4,809</u>	<u>3,383</u>	<u>4,121</u>	<u>7,817</u>	<u>8,930</u>

15. Accrued income

	<u>31.12.13</u>	<u>31.12.12</u>
- Ongoing projects	10,483	9,026
- Other accrued income	1,938	1,009
	<u>12,421</u>	<u>10,035</u>

16. Derivative financial instruments

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

	<u>Assets</u>		<u>Liabilities</u>	
	<u>31.12.13</u>	<u>31.12.12</u>	<u>31.12.13</u>	<u>31.12.12</u>
- Forward foreign exchange contracts	514	216	77	34
	<u>514</u>	<u>216</u>	<u>77</u>	<u>34</u>

The Group is exposed to foreign exchange risk in sales and purchases in various currencies, primarily with respect to the U.S. Dollar. The financial instruments used to manage this exchange risk are the forward foreign exchange contracts, which are used based on the receipt and payment dates agreed with third parties, in order to fix the exchange rate associated with these transactions. The nature of the hedged risk is the exchange variation registered in transactions denominated in foreign currencies.

The fair value is classified as a non-current asset or liability if the remaining maturity is more than 12 months and as a current asset or liability if the maturity is less than 12 months. In 2013, the derivative financial instruments were classified as current assets and liabilities. Since the group does not meet all the requirements to qualify as hedging instruments, these were classified as trading derivatives. Gains and losses arising from fair value variations were recognised in profit or loss.

At 31 December 2013, the Group had forward foreign exchange contracts of EUR Call / USD Put with the notional amount of USD 26,082,865 and forward foreign exchange contracts of EUR Put / USD Call with the notional amount of USD 9,809,856.

17. Other current assets

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

	<u>31.12.13</u>	<u>31.12.12</u>
- Hardware and software maintenance	85	96
- Subcontracts	1,568	1,982
- Rents	223	183
- Software licensing	134	346
- Consulting	310	947
- Other prepayments	2,150	2,228
	<u>4,470</u>	<u>5,782</u>

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

18. Financial assets held for trading

	<u>31.12.13</u>	<u>31.12.12</u>
National bonds	5,015	9,855
	<u>5,015</u>	<u>9,855</u>

This amount relates to bonds issued by Banco Espírito Santo, S.A. with a settlement value of EUR 5,015 thousand.

The fair value of this heading is based in current bid prices.

19. Cash and cash equivalents

With reference to the consolidated statement of cash flows, the detail and description of **Cash, cash equivalents and bank overdrafts** is analysed as follows:

	<u>31.12.13</u>	<u>31.12.12</u>
- Cash	16	34
- Short term bank deposits	32,926	40,418
Cash and cash equivalents	<u>32,942</u>	<u>40,452</u>
- Overdrafts	-	-
	<u>32,942</u>	<u>40,452</u>

The fair value of 'Cash and cash equivalents' balance approximates its carrying amount.

The carrying amount of this heading represents the maximum exposure to credit risk.

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

The share capital at 31 December 2013, fully subscribed and paid of 15,700,697 Euros, is represented by 31,401,394 shares with a nominal value of 0.5 Euros each.

	Number of shares (thousands)	Share capital	Treasury shares	Share premium	Total
Balance at 1 January 2012	31,401	15,701	(490)	43,560	58,771
Treasury shares transferred	-	-	119	-	119
Balance at 31 December 2012	31,401	15,701	(371)	43,560	58,890
Treasury shares transferred	-	-	76	-	76
Balance at 31 December 2013	31,401	15,701	(295)	43,560	58,966

'Treasury shares' heading reflects the number of shares held by the Group at its nominal value.

According to legislation in force, by deliberation of the General Meeting of Shareholders held on 12 April 2007, the purchase of treasury shares by Novabase S.G.P.S. is permitted up to a maximum of 10% of its share capital.

At 31 December 2012, Novabase S.G.P.S. held 742,316 treasury shares, representing 2.36% of its share capital.

During 2013, the Company transferred 152,362 shares at the average price of 3.04 Euros, 50,382 of which were used for the settlement of acquisitions to non-controlling interests, 42,138 as bonuses to employees, and 59,842 for the settlement of the exercised options under the terms of the Stock Options Plan in force.

At 31 December 2013, Novabase S.G.P.S. held 589,954 treasury shares, representing 1.88% of its share capital.

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

Stock options

At 31 December 2013, one stock options plan is in force (2012-2014 Plan), approved in Shareholders General Meeting of 3 May 2012, which covers only the shareholders of Novabase S.G.P.S..

This stock options plan is based on granting stock options over Novabase ordinary shares, as a performance bonus for participants of the plan.

The stock options granted have as only condition for its acquisition, the permanency of the employee in the dates defined in the plan, and automatically expire whenever the employee stops working in any of the Group companies.

Under the terms of the plan, exercised options are settled through the attribution of treasury shares held by Novabase (net share settlement).

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

	31.12.13		31.12.12	
	Average exercise price per share	Options (thousands)	Average exercise price per share	Options (thousands)
Balance at 1 January		1,960		1,960
Expired		-	4.04	(1,960)
Granted		-	2.19	1,960
Exercised	2.837	(251)		-
Balance at 31 December		1,709		1,960

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

Expiry date	Exercise price	Options (thousands)	
		31.12.13	31.12.12
2015	2.19	1,709	1,960
		<u>1,709</u>	<u>1,960</u>

In the statement of profit and loss and other comprehensive income, under 'Employee benefit expense' heading, was booked a cost of EUR 196 thousand (2012: EUR 182 thousand, of which EUR 131 thousand referring to this Plan) - see note 29.

21. Reserves and retained earnings

According to legislation in force, Portuguese based companies that integrate Novabase Group are required to transfer a minimum of 5% of annual net profit to legal reserves until this balance reaches at least 20% of the share capital. This reserve cannot be distributed to shareholders, though it may be used to absorb losses carried forward or to increase share capital.

In the Annual General Meeting of Shareholders held on May 2013, it was approved the payment to shareholders of an amount of EUR 3,140 thousand, corresponding to 0.10 Euros per share. The payment occurred in June, 2013.

In the Extraordinary General Meeting of Shareholders held on September 25, 2013, it was approved the distribution to the shareholders of reserves and retained earnings in the amount of EUR 15,701 thousand, corresponding to 0.50 Euros per share. The payment occurred in October, 2013.

	31.12.13	31.12.12
Payment to shareholders	18,483	920
Remuneration of the treasury shares held by the Company	358	22
	<u>18,841</u>	<u>942</u>

In 2013, the Group performed transactions with non-controlling interests (NCI), with the following impact (see notes 6 and 40):

	31.12.13		
	Acquisition/ disposal cost	Payments to/ proceeds from NCI	Impact on Consolidated Equity
Acquisition of 4.076% in Collab	(151)	(104)	(47)
Merger of Techno Trend GmbH into TV Lab	422	(327)	749
	<u>271</u>	<u>(431)</u>	<u>702</u>

In the operations described above, since they were transactions with non-controlling interests in subsidiaries already controlled by the Group that did not generate changes in control, the Economic Entity Model Method was applied, and the difference between the acquisition cost and the net assets value was booked in Equity, in the total amount of EUR 702 thousand. The non-controlling interests decreased by EUR 431 thousand.

22. Non-controlling interests

	31.12.13	31.12.12
Balance at 1 January	10,613	9,811
Transactions with non-controlling interests (see note 21)	(431)	-
(*) Change in consolidation universe	-	66
Dividends paid by Celfocus to non-controlling interests	-	(900)
Foreign currency translation differences for foreign operations	(398)	(219)
Profit attributable to non-controlling interests	1,738	1,855
Balance at 31 December	<u>11,522</u>	<u>10,613</u>

(*) In 2012, NBMSIT was established.

23. Borrowings

	31.12.13	31.12.12
Non-current		
Bank borrowings	13,024	10,270
Finance lease liabilities	1,007	1,017
	<u>14,031</u>	<u>11,287</u>
Current		
Bank borrowings	6,202	4,195
Finance lease liabilities	1,151	1,051
	<u>7,353</u>	<u>5,246</u>
Total borrowings	<u><u>21,384</u></u>	<u><u>16,533</u></u>

The periods in which the current bank borrowings will be paid are as follows:

	31.12.13	31.12.12
6 months or less	3,237	2,289
6 to 12 months	2,965	1,906
	<u>6,202</u>	<u>4,195</u>

The maturity of non-current bank borrowings is as follows:

	31.12.13	31.12.12
Between 1 and 2 years	4,701	3,831
Between 2 and 5 years	8,323	5,912
Over 5 years	-	527
	<u>13,024</u>	<u>10,270</u>

The effective interest rates at the reporting date were as follows:

	31.12.13	31.12.12
Bank borrowings	5.325%	5.532%

Gross finance lease liabilities – minimum lease payments:

	31.12.13	31.12.12
No later than 1 year	1,386	1,392
Between 1 and 5 years	1,338	1,331
	<u>2,724</u>	<u>2,723</u>
Future finance charges on finance leases	(566)	(655)
Present value of finance lease liabilities	<u>2,158</u>	<u>2,068</u>

The present value of finance lease liabilities is analysed as follows:

	31.12.13	31.12.12
No later than 1 year	1,151	1,051
Between 1 and 5 years	1,007	1,017
	<u>2,158</u>	<u>2,068</u>

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

- Total Equity/Total Assets $\geq 20\%$
- Total Equity/Total Assets $\geq 35\%$; Net Debt/EBITDA < 2.5 ; Net Debt/Total Equity < 0.5
- Net Debt/EBITDA < 2
- Net Debt/EBITDA ≤ 2 ; EBIT/Interest paid ≥ 3 ; Total Equity/Total Assets $\geq 25\%$
- Consolidated Total Equity/Consolidated Total Assets $\geq 40\%$

24. Provisions

Movements in provisions are analysed as follows:

	Warranties	Legal Claims	Other Risks and Charges	Total
Balance at 1 January 2012	901	240	580	1,721
Additional provisions (note 30)	165	-	1,876	2,041
Reversals (note 30)	(319)	-	(983)	(1,302)
Exchange differences	-	-	(24)	(24)
Balance at 31 December 2012	747	240	1,449	2,436
Additional provisions (note 30)	45	472	3,009	3,526
Reversals (note 30)	(147)	-	(1,429)	(1,576)
Balance at 31 December 2013	645	712	3,029	4,386

Provisions balance includes, among others, the following matters:

Warranties - Liabilities related with third parties subcontracts in the supply of hardware for the TV business, to cover the clients' warranty period. Cash outflows relative to such liabilities occurs in the moment the guarantee is exercised.

Legal claims - Responsibility with indemnities to third parties related with the legal processes in progress. The payment of this liability depends on the conclusion of the referred legal actions (see note 41).

Other risks and charges - Refers mainly to responsibilities with costs to be incurred with possible contractual penalties relative to ongoing projects.

25. Other non-current liabilities

	31.12.13	31.12.12
Acquisition of financial interest in Binómio	70	70
	70	70

This heading refers to the contingent consideration for the acquisition of Binómio, Lda.

The due date of these liabilities is as follows:

	31.12.13	31.12.12
Between 1 and 2 years	-	-
Between 2 and 5 years	70	70
	70	70

26. Trade and other payables

	31.12.13	31.12.12
Trade payables	21,117	22,405
Remunerations, vacations and vacation subsidy	8,481	8,045
Bonus	9,127	9,619
Ongoing projects	4,849	4,147
Value added tax	7,198	7,129
Social security contributions	1,839	2,049
Income tax withholding	1,488	1,508
Employees	277	201
Prepayments from trade receivables	756	14
Acquisition of financial interests to related parties (note 40)	-	205
Acquisition of financial interest in Evolvespace Solutions	-	151
Acquisition of financial interest in FCR Istart I	72	-
Other accrued expenses	6,282	4,068
Other payables	278	214
	61,764	59,755

The fair value of 'Trade and other payables' balance approximates its carrying amount.

The maturity of these liabilities is as follows:

	<u>31.12.13</u>	<u>31.12.12</u>
No later than 1 year	61,764	59,755
	<u>61,764</u>	<u>59,755</u>

27. Deferred income and other current liabilities

	<u>31.12.13</u>	<u>31.12.12</u>
Research and development subsidies	4,960	6,202
Consulting projects	19,795	21,700
	<u>24,755</u>	<u>27,902</u>

At 31 December 2013, the Group expect to comply with the relevant conditions to receive the following financial incentives for research and development:

	<u>Contracted amount</u>	<u>Acum. received amount</u>
Subsidies:		
- NSRF - Incentive Scheme for Research and Technological Development (R&D)	4,768	3,034
- Other subsidies	2,799	1,541
	<u>7,567</u>	<u>4,575</u>

28. External supplies and services

	<u>31.12.13</u>	<u>31.12.12</u>
Subcontracts	27,382	26,942
Supplies and services		
Commissions and consultancy fees	7,578	8,227
Transportation, travel and accommodation expenses	7,566	6,627
Rents	4,390	3,907
Specialized services	1,563	1,819
Freight	728	469
Advertising and promotion	861	542
Water, electricity and fuel	930	1,010
Communications	991	929
Insurance	406	408
Utensils, office supplies and technical documentation	257	275
Other supplies and services	1,789	1,073
	<u>27,059</u>	<u>25,286</u>
	<u>54,441</u>	<u>52,228</u>

29. Employee benefit expense

	<u>31.12.13</u>	<u>31.12.12</u>
Board members remuneration	4,858	5,281
Salaries and wages	61,836	58,410
Social security charges	10,637	10,173
Stock options granted (note 20)	196	182
Other personnel expenses	2,281	1,890
	<u>79,808</u>	<u>75,936</u>

Average number of personnel, by business unit, is detailed as follows:

	<u>31.12.13</u>	<u>31.12.12</u>
Business Solutions	1,571	1,428
IMS	426	602
Venture Capital	65	66
Novabase Shared Services	108	98
	<u>2,170</u>	<u>2,194</u>

30. Other gains/(losses) - net

	<u>31.12.13</u>	<u>31.12.12</u>
(*) Gains on financial investments disposal (see notes 6 and 10)	293	-
Impairment and impairment reversal of trade and other receivables (note 14)	399	(2,493)
Impairment and impairment reversal of inventories (note 12)	(30)	(73)
Warranties provision (note 24)	102	154
Legal claims provision (note 24)	(472)	-
Provisions for other risks and charges (note 24)	(1,580)	(893)
Operating subsidies	57	-
(**) Compensation paid to Novabase - Electronic School Card	-	2,697
Other operating income and expense	675	(117)
	<u>(556)</u>	<u>(725)</u>

(*) Disposal of the Digital TV/SIP business assets.

(**) Compensation paid to Novabase by the Minister of Education and Science, for unilateral cancellation of the contract for acquiring the services and goods necessary for the infrastructure of the Electronic School Card system for public schools grades 5 to 9 of the basic and secondary education system.

31. Depreciation and amortisation

	<u>31.12.13</u>	<u>31.12.12</u>
<i>Property, plant and equipment (note 7):</i>		
Buildings and other constructions	404	403
Basic equipment	1,371	1,491
Transport equipment	1,019	1,145
Tools and utensils	11	19
Furniture, fittings and equipment	155	157
Other tangible assets	2	1
	<u>2,962</u>	<u>3,216</u>
<i>Intangible assets (note 8):</i>		
Internally generated intangible assets	1,881	661
Industrial property and other rights	888	1,880
	<u>2,769</u>	<u>2,541</u>
	<u>5,731</u>	<u>5,757</u>

32. Finance income

	<u>31.12.13</u>	<u>31.12.12</u>
Interest received	965	1,032
Positive exchange differences	2,211	3,140
Fair value of financial assets adjustment (note 10)	-	550
Other financial gains	77	9
	<u>3,253</u>	<u>4,731</u>

33. Finance costs

	31.12.13	31.12.12
Interest expenses		
- Borrowings	(1,013)	(744)
- Finance lease liabilities	(392)	(466)
- Other interest	(41)	(14)
Bank guarantees charges	(134)	(114)
Bank services	(265)	(225)
Negative exchange differences	(1,456)	(2,902)
Fair value of financial assets adjustment (note 10)	(549)	(227)
Other financial costs	(50)	(29)
	<u>(3,900)</u>	<u>(4,721)</u>

34. Share of (loss)/profit of associates

	31.12.13	31.12.12
Fundo Capital Risco NB Capital (note 9)	73	(41)
Novabase Atlântico, SI, S.A. (note 9)	-	(135)
	<u>73</u>	<u>(176)</u>

35. Income tax expense

Novabase and its subsidiaries with head offices in Portugal are subject to Corporate Income Tax at the nominal rate of 25%, which can be increased by a Municipal Surcharge up to a maximum rate of 1.5% of taxable income, resulting in a total tax rate of 26.5%. Additionally, taxable income exceeding EUR 1,500 thousand and up to 7,500 thousand is subject to a State Surcharge at the rate of 3%, and the part of taxable income exceeding EUR 7,500 thousand is subject to a State Surcharge at the rate of 5%.

For the purpose of determining the deferred income tax assets, Novabase used the rate of 23%, taking into account the publication of Law No. 2/2014, of 16 January, which amends the corporation tax rate from 1 January 2014. The impact of this change resulted in a cost of EUR 238 thousand.

Since 1 January 2009, Novabase is being taxed in Corporate Income Tax under the Special Taxation Regime for Groups of Companies (Group taxation relief). For taxation purposes, this group includes companies detained in 90% or more by Novabase S.G.P.S. which comply with the further requirements under article 69º and following of the Corporate Income Tax Code.

This heading is analysed as follows:

	31.12.13	31.12.12
Current tax	1,975	2,230
Deferred tax on temporary differences (note 11)	(2,668)	146
	<u>(693)</u>	<u>2,376</u>

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average rate applicable to profits of the consolidated entities as follows:

	31.12.13	31.12.12
Profit before income tax	8,555	12,137
Income tax expense at nominal rate (25%)	2,139	3,034
Tax benefit on the net creation of employment for young and long term unemployed people	(373)	(410)
Provisions and amortisations not considered for tax purposes	70	207
Recognition of tax on the events of previous years	146	151
Associates' results reported net of tax	(18)	(37)
Autonomous taxation	(232)	718
Losses in companies where no deferred tax is recognised	136	(15)
Expenses not deductible for tax purposes	(158)	(80)
Differential tax rate on companies located abroad	(9)	110
Research & Development tax benefit	(3,221)	(1,991)
Municipal surcharge and State surcharge	249	280
Adjustment for income tax rate	238	-
Impairment of Special Payment on Account, tax losses and withholding taxes	340	409
Income tax expense	<u>(693)</u>	<u>2,376</u>

36. Earnings per share**Basic**

Basic earnings per share is calculated by dividing the profit attributable to owners of the parent by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Company and held as treasury shares (note 20).

Diluted

Diluted earnings per share is calculated by adjusting the average weighted number of ordinary shares outstanding to assume the conversion of all dilutive potential ordinary shares. Novabase has just one type of dilutive potential ordinary shares: stock options. A calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares). The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of all the stock options.

Earnings per share are analysed as follows:

	<u>31.12.13</u>	<u>31.12.12</u>
Weighted average number of ordinary shares in issue	30,765,201	30,599,151
Stock options adjustment	367,289	-
Adjusted weighted average number of ordinary shares in issue	<u>31,132,490</u>	<u>30,599,151</u>
Profit attributable to owners of the parent	7,510	7,906
Basic earnings per share (Euros per share)	<u>0.24 Euros</u>	<u>0.26 Euros</u>
Diluted earnings per share (Euros per share)	<u>0.24 Euros</u>	<u>0.26 Euros</u>

37. Dividends per share

The amounts paid in 2013 and 2012 reached EUR 18.841 thousand (0.60 Euros per share), which corresponds to a regular dividend in the amount of EUR 3,140 thousand (0.10 Euros per share) and to an extraordinary remuneration of shareholders in the amount of EUR 15,701 thousand (0.50 Euros per share), and EUR 942 thousand (0.03 Euros per share), respectively. These amounts differ from the ones shown in the consolidated statement of cash flows due to the remuneration of the treasury shares held by the Company, which remained in Novabase (note 21). In respect to the year 2013, the Board of Directors will propose to the Annual General Meeting of Shareholders of 2014, the payment of 0.20 Euros per share, that is, a total amount of EUR 6,280 thousand. These financial statements do not reflect this dividend payable.

38. Commitments

The financial commitments not included in the consolidated statement of financial position related with bank guarantees provided to third parties for ongoing projects, are detailed as follows:

	<u>Bank</u>	<u>31.12.13</u>	<u>31.12.12</u>
Novabase S.G.P.S., S.A.	BPI	1,450	1,516
Novabase E.A., S.A.	BES	17	17
Novabase Business Solutions, S.A.	BPI	458	488
Novabase Business Solutions, S.A.	BES	2,879	3,041
Novabase Business Solutions, S.A.	BCP	100	-
Novabase Serviços, S.A.	BES	390	390
CelFocus, S.A.	BES	112	112
COLLAB – Sol. I. Com. e Colab., S.A.	BES	4	12
Octal - Engenharia de Sistemas, S.A.	BCP	438	438
Octal - Engenharia de Sistemas, S.A.	BES	154	208
Novabase IMS Infr. & Manag. Services, S.A.	BES	6,485	6,287
Novabase IMS Infr. & Manag. Services, S.A.	BCP	127	3
Novabase IMS Infr. & Manag. Services, S.A.	BPI	273	282
Novabase IMS Infr. & Manag. Services, S.A.	BTA	300	-
Novabase Digital TV E.S. Tel. Inter., S.A.	BCP	238	237
Novabase Digital TV E.S. Tel. Inter., S.A.	BES	10	230
Novabase Consulting Espanha, S.A.	BESSA	75	27
NBASIT-Sist. de Inf. e Telecomunic., S.A.	BFA	357	-
NBASIT-Sist. de Inf. e Telecomunic., S.A.	BMA	377	-
Binómio, Lda.	BES	5	5
		<u>14,249</u>	<u>13,293</u>

Novabase Capital has an option to acquire all the units held by IAPMEI in Fundo Capital de Risco NB Capital, and may exercise this option at any time after 31 December 2008, under the conditions set in Article 21 of Fund by law.

Novabase Capital has also an option to acquire all the units held by FINOVA in FCR NB Capital Inovação e Internacionalização, and may exercise this option at any time after 30 September 2015, under the conditions set in Article 21 of Fund by law.

Fundo Capital de Risco NB Capital entered into a sale and purchase promise-agreement for the sale of its 20% stake in Dosapac, by the amount of EUR 491 thousand. The promised-agreement (definitive) shall be mandatorily concluded by 03/31/2014.

Fundo Capital de Risco NB Capital has the following put options until June, 2017 (if this period is not extended by two additional years):

- 55% of the share capital of Power Data at the price determined by an independent Chartered Accountant, applicable in the event of dissolution or liquidation of the Fund;
- 20% of the share capital of Radical Innovation at the price determined by an independent Chartered Accountant, applicable in the event of dissolution or liquidation of the Fund.

FCR NB Capital Inovação e Internacionalização has the following put options until October, 2021:

- 88.89% of the share capital of PowerGrid at the price determined by an independent Chartered Accountant, in the case of dissolution or liquidation of the Fund;
- 90% of the share capital of Bright Innovation at the price determined by an independent Chartered Accountant, in the case of dissolution or liquidation of the Fund;
- 25% of the share capital of Power Data at the price determined by an independent Chartered Accountant, applicable in the event of dissolution or liquidation of the Fund;
- 60% of the share capital of Radical Innovation at the price determined by an independent Chartered Accountant, applicable in the event of dissolution or liquidation of the Fund;
- 25% of the share capital of Smartgeo Solutions at the price determined by an independent Chartered Accountant, at any time after 15 January 2015.

In 2013, the Group had the following grouped credit line contracted:

Group of companies	Plafond
Novabase IMS; Novabase Digital TV	2.5 M USD

There are commitments resulting from operating leases. At 31 December 2013, these obligations refers mainly to the leases of 'Edifício Caribe', the Company's headquarter and of the facilities of the logistics unit. The minimum lease payments under these operating lease liabilities amounts to EUR 8,238 thousand (2012: EUR 8,862 thousand).

39. Net Cash

With reference to the Board of Directors' Report, the detail and description of **Net Cash** is analysed as follows:

	31.12.13	31.12.12
Cash (note 19)	16	34
Short term bank deposits (note 19)	32,926	40,418
Financial assets held for trading (note 18)	5,015	9,855
Treasury shares held by the Company (*)	1,540	1,707
Non-current bank borrowings (note 23)	(13,024)	(10,270)
Current bank borrowings (note 23)	(6,202)	(4,195)
	<u>20,271</u>	<u>37,549</u>

(*) The share price in the Stock Exchange in the last tradable day of 2013 was 2.61 Euros (2012: 2.30 Euros).

40. Related-party transactions

For reporting purposes, related-party considers subsidiaries, associates, shareholders with management influence and key elements in the Group management.

i) Key management compensation

	31.12.13	31.12.12
Salaries and other short-term employee benefits	4,858	5,281
Stock options granted (note 29)	196	182
	<u>5,054</u>	<u>5,463</u>

ii) Acquisition and merger of financial interests with related parties (note 21)

	31.12.13	31.12.12
Acquisitions to former shareholders of Collab	(151)	-
Merger of Techno Trend GmbH into TV Lab	422	-
	<u>271</u>	<u>-</u>

iii) Balances arising from acquisitions of financial interests to related parties (former shareholders)

	Non-current		Current (note 26)		Total	
	31.12.13	31.12.12	31.12.13	31.12.12	31.12.13	31.12.12
Novabase A.C.D.	-	-	-	40	-	40
SAF	-	-	-	32	-	32
Novabase International Solutions B.V.	-	-	-	133	-	133
	<u>-</u>	<u>-</u>	<u>-</u>	<u>205</u>	<u>-</u>	<u>205</u>

iv) Other balances with related parties

	Non-current		Current (note 14)	
	31.12.13	31.12.12	31.12.13	31.12.12
Loan to NB Digital TV GmbH	-	-	2,800	-
Loan to Globaleda, S.A.	-	-	784	1,023
Loan to Powergrid, Lda	2,050	-	-	550
Loan to DTV Research, Lda	-	-	1,182	1,310
Loan to Bright Innovation, Lda	1,477	-	-	1,477
(*) Loan to SmartGeo Solutions, Lda	99	-	-	-
(*) Loan to Radical Innovation, Lda	994	-	-	-
(*) Loan to Power Data, Lda	248	-	-	-
Loans to other shareholders	-	-	22	47
	<u>4,868</u>	<u>-</u>	<u>4,788</u>	<u>4,407</u>

(*) New investments made by FCR NB Capital Inovação e Internacionalização.

41. Contingencies

- Court procedure brought by the company CES - Comércio de Equipamentos de Escritório, S.A. against Novabase IMS, under which the plaintiff claims (i) the restitution of equipment and furniture that was installed in the premises of the co-defendant of the subsidiary of Novabase and that belongs to it and (ii) the payment of an indemnisation for the damages it suffered to be determined at the time of enforcement of the decision. Under the same proceedings, Novabase's subsidiary in question filled a reply and a counterclaim in the amount of approximately EUR 176 thousand regarding amounts unlawfully paid to the plaintiff. The preliminary hearing has already taken place. The procedure awaits scheduling of the final hearing.
- Court procedure brought by the company Digisat – Digital Satélite, Lda., under which Novabase Digital TV is co-Defendant and has presented its reply. The Court requested the Plaintiff to rectify the terms of the claim in order to clarify the action value (approximately EUR 40 thousand) and the amount of the claim (approximately EUR 100 thousand). The action awaits the pronouncement of the Plaintiff, meanwhile the Plaintiff's lawyer has renounced his power of attorney. To this effect, court procedure is suspended by Judge's Orders as of June 24, 2008. Should the suspension continue for a period in excess of one year due to negligence of the parties in promoting its continuance the procedure will be deemed interrupted. Within two years of interruption of the procedure it will be considered deserted, thereby terminating without any further action. There is no order of the Judge, yet.
- The company Qimonda Portugal S.A. has filed for insolvency, whereby NBO has claimed credits in the amount of approximately EUR 980 thousand corresponding to the unpaid invoices and compensation for breach of prior notice for termination of contract. General Creditors Assembly has voted the Recovery Plan for the company and process is in place to start making payments to creditors.
- Six court procedures brought by former collaborators of the company Novabase Digital TV claiming payment of credits due referring to the years they were in service prior to 2012. They petitioned the Court to recognize the existence of a formal employment contract rather than a services agreement and have petitioned the Company to be condemned to the payment of credits in an amount totalling EUR 250 thousand. Procedures are pending a ruling on final trial date.
- Corrections project brought by DGCI – Direcção Geral de Contribuições e Impostos (Portuguese Tax Authority) against former Novabase A.C.D. (merged into Novabase Business Solutions S.A. in 2009), to the tax profit assessed concerning the years 2003, 2004 and 2005, with an estimated impact of EUR 3,534 thousand to the taxable income and EUR 1,060 thousand on the income tax. Novabase presented reply and a counterclaim, with solid arguments to the base of all the proposed corrections, and therefore considered a provision of EUR 383 thousand concerning the risk of an income tax potential adjustment. In 2011 the Tax Authority reviewed the amount to approximately EUR 140 thousand and the provision was reduced. In 2012, Novabase has filed opposition about the decision of Tax Authority (TA) to arbitration Court. In 2013, the arbitration Court decided in favour of Novabase, and the TA didn't appeal. Novabase is awaiting for the TA to regularize the liquidation notes previously issued.

42. Additional information requested by law

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

- (i) In addition to all operations described in the notes above, as well as in the Management's Report, there are no other operations considered relevant which are not already contained either in the consolidated statement of financial position or its annex;
- (ii) The total remuneration paid to the Chartered Accountant in 2013 was 151,250 Euros (2012: 151,000 Euros), of which 150,000 Euros correspond to legal accounts audit services, while the remaining 1,250 Euros, relate to the issue of a statement on the verification of values reported in billing reports;
- (iii) Note 40 of the Notes to the Consolidated Financial Statements includes all the related parties' disclosures, in accordance with the International Financial Reporting Standards.

43. Events after the reporting period

The Board of Directors has approved an amendment to the shareholding earnings policy, under which the Board of Directors will propose to the General Meeting of Shareholders an annual payment of at least 30% of Novabase's Group consolidated net profit recorded in each financial year. As a result, Novabase will propose to the Annual General Meeting of Shareholders of 2014 the distribution of 6,280,278.80 Euros to shareholders, which is equal to 83.62% of the consolidated net profit and represents a dividend of 20 euro cents per share.

44. Note added for translation

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

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II. SUPERVISORY BOARD AND AUDITORS REPORT IN RESPECT OF THE CONSOLIDATED FINANCIAL INFORMATION

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Audit Committee

Opinion of the Audit Committee on the Consolidated Financial Information

Dear Shareholders,

Pursuant to the law, the mandate from our shareholders and the provisions of Article 423-F, Item g) of the Portuguese Company Code and nº of Article 508-D of the same code, we now present a brief summary of our supervisory activities, together with our opinion on the Annual Report and Consolidated Financial Statements presented by the Novabase SGPS, SA Board of Directors for the year ending 31 December 2013.

Over the course of the period ended December 31, 2013, the Audit Committee held 10 formal meetings and several informal meetings to supervise the following:

- Company management, in terms of compliance with the law, the memorandum of association and other regulations in force, as well as in relation to management activities, policies pursued and the transparency, diligence and credibility of conduct;
- The efficacy of risk management systems and internal control and auditing activities; and
- Mechanisms, procedures and activities employed in preparing and disclosing financial information and reviewing the accuracy of the accounting documentation and accounting policies used by the Company, to ensure that these entail an accurate assessment of the Company's financial status and results.



Audit Committee

Under the powers given to us, we have confirmed that:

- The Consolidated Annual Report accurately, clearly and fully reflects the most significant aspects of the Company's business and financial situation; similarly, all existing risks of both an operational and financial nature have been duly identified; and
- The Consolidated Financial Statements and corresponding Annex truly and fairly reflect the Company's financial situation.

Therefore, in light of the information received from the Board of Directors and the Company's various departments, together with the conclusions of the Statutory Auditors Report of the Limited Review Report which deserved our agreement, it is our opinion that:

- The Annual Report be approved;
- The Consolidated Financial Statements be approved.

Lisbon, March 27th 2014

The Audit Committee

Luis Mira Amaral (Chairman)

Manuel Alves Monteiro (Member)

João Luís Duque (Member)



Audit Report for Statutory and Stock Exchange Regulatory Purposes on the Consolidated Financial Information

(Free translation from the original in Portuguese)

Introduction

1 As required by law, we present the Audit Report for Statutory and Stock Exchange Regulatory Purposes on the financial information included in the Directors' Report and in the attached consolidated financial statements of Novabase, SGPS, SA., comprising the consolidated statement of financial position as at December 31, 2013, (which shows total assets of Euros 214.699 thousand and total shareholder's equity of Euros 101.754 thousand including non-controlling interests of Euros 11.522 thousand and a net profit of Euros 7.510 thousand), the consolidated statement of profit and loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and the corresponding notes to the accounts.

Responsibilities

2 It is the responsibility of the Company's Board of Directors (i) to prepare the Directors' Report and the consolidated financial statements which present fairly, in all material respects, the financial position of the Company and its subsidiaries, the consolidated results and the consolidated comprehensive income of their operations, the changes in consolidated equity and the consolidated cash flows; (ii) to prepare historic financial information in accordance with International Financial Reporting Standards as adopted by the European Union and which is complete, true, up-to-date, clear, objective and lawful, as required by the Portuguese Securities Market Code; (iii) to adopt appropriate accounting policies and criteria; (iv) to maintain appropriate systems of internal control; and (v) to disclose any significant matters which have influenced the activity, financial position or results of the Company and its subsidiaries.

3 Our responsibility is to verify the financial information included in the financial statements referred to above, namely as to whether it is complete, true, up-to-date, clear, objective and lawful, as required by the Portuguese Securities Market Code, for the purpose of issuing an independent and professional report based on our audit.

Scope

4 We conducted our audit in accordance with the Standards and Technical Recommendations issued by the Institute of Statutory Auditors which require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. Accordingly, our audit included: (i) verification that the Company and its subsidiaries' financial statements have been appropriately examined and, for the cases where such an audit was not carried out, verification, on a sample basis, of the evidence supporting the amounts and disclosures in the consolidated financial statements and assessing the reasonableness of the estimates, based on the judgements and criteria of the Board of Directors used in the preparation of the consolidated financial statements; (ii) verification of the consolidation operations and the utilization of the equity method; (iii) assessing the appropriateness of the accounting principles used and their

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Inscrita na lista das Sociedades de Revisores Oficiais de Contas sob o nº 183 e na CMVM sob o nº 9077*

disclosure, as applicable; (iv) assessing the applicability of the going concern basis of accounting; (v) assessing the overall presentation of the consolidated financial statements; and (vi) assessing the completeness, truthfulness, accuracy, clarity, objectivity and lawfulness of the consolidated financial information.

5 Our audit also covered the verification that the information included in the Directors' Report is consistent with the financial statements as well as the verification set forth in paragraphs 4 and 5 of Article 451^o of the Companies Code.

6 We believe that our audit provides a reasonable basis for our opinion.

Opinion

7 In our opinion, the consolidated financial statements referred to above, present fairly in all material respects, the consolidated financial position of Novabase, SGPS, SA. as at December 31, 2013, the consolidated results and the consolidated comprehensive income of its operations, the changes in consolidated equity and the consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union and the information included is complete, true, up-to-date, clear, objective and lawful.

Report on other legal requirements

8 It is also our opinion that the information included in the Directors' Report is consistent with the consolidated financial statements for the year and that the Corporate Governance Report includes the information required under Article 245-A of the Portuguese Securities Market Code.

March 27, 2014

PricewaterhouseCoopers & Associados
- Sociedade de Revisores Oficiais de Contas, Lda.
Registered in the Comissão do Mercado de Valores Mobiliários with no. 9077
represented by:

Jorge Manuel Santos Costa, R.O.C.

III. SECURITIES ISSUED BY THE COMPANY AND OTHER GROUP COMPANIES, HELD BY BOARD MEMBERS

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DETAIL ON SECURITIES ISSUED BY THE COMPANY AND OTHER GROUP COMPANIES, HELD BY BOARD MEMBERS OF NOVABASE S.G.P.S. AND OF OTHER GROUP COMPANIES

	Share Capital	Total Number of Shares	Number of shares held by Board Members at 31.12.12	Transactions	Number of shares held by Board Members at 31.12.13	% of shares held by Board Members at 31.12.13
Novabase S.G.P.S., S.A.	15,700,697 €	31,401,394	12,257,490	(7,048,208)	5,221,102	16.6%
José Afonso Oom Ferreira de Sousa			2,514,997	(2,512,276)	2,721	0.0%
Pedro Miguel Quinteiro Marques de Carvalho			2,170,679	108,333	2,279,012	7.3%
Luís Paulo Cardoso Salvado			2,079,592	(2,065,990)	13,602	0.0%
João Nuno da Silva Bento			1,899,799	(1,200,000)	699,799	2.2%
Rogério dos Santos Carapuça			1,884,787	108,333	1,993,120	6.3%
Álvaro José da Silva Ferreira			1,519,074	(1,505,472)	13,602	0.0%
Nuno Carlos dos Santos Fórneas			122,757	0	122,757	0.4%
Paulo Jorge de Barros Pires Trigo			50,000	18,864	68,864	0.2%
Maria do Carmo do Brito Palma (a)			N/A	0	11,820	0.0%
Manuel Fernando Macedo Alves Monteiro			9,000	0	9,000	0.0%
Luís Fernando de Mira Amaral			6,305	0	6,305	0.0%
João Luís Correia Duque			500	0	500	0.0%
NBASIT - Sist. Inf. e Telecomunicações, S.A.	47,500,000 AOA	100,000	800	0	800	0.8%
Álvaro José da Silva Ferreira			400	0	400	0.4%
Francisco Paulo Figueiredo Morais Antunes			200	0	200	0.2%
Luís Paulo Cardoso Salvado			200	0	200	0.2%
CelFocus, S.A.	100,000 €	100,000	2	0	2	0.0%
Paulo Jorge de Barros Pires Trigo			1	0	1	0.0%
José Afonso Oom Ferreira de Sousa			1	0	1	0.0%
COLLAB – Sol. I. Com. e Colab., S.A.	61,333 €	61,333	3,750	0	3,750	6.1%
Pedro Cabrita Quintas			3,750	0	3,750	6.1%
Manchete, S.A. (b)	150,000 €	150,000	37,501	0	0	0.0%
M ^a de Fátima da Silva Rebelo			37,501	0	N/A	-
FeedZai, S.A.	108,068 €	10,806,750	5,649,000	0	5,649,000	52.3%
Nuno Jorge da Cruz Sebastião			1,749,500	0	1,749,500	16.2%
Paulo Jorge Pimenta Marques			1,724,750	0	1,724,750	16.0%
Pedro Gustavo Santos Rodrigues Bizarro			1,724,750	0	1,724,750	16.0%
Pedro Miguel Quinteiro Marques de Carvalho			450,000	0	450,000	4.2%
PowerGrid, Lda	450,000 €	450,000	50,000	0	50,000	11.1%
Nelson David Ferreira Teodoro			50,000	(50,000)	0	-
Vitor Manuel Spinola Prisca			0	50,000	50,000	11.1%
Dosapac, Automação de Edifícios, S.A.	50,000 €	50,000	35,000	0	35,000	70.0%
José da Conceição Martins da Mota			35,000	0	35,000	70.0%
Bright Innovation, Lda	25,000 €	25,000	2,500	0	2,500	10.0%
Patrícia Delgado Tavares Nunes G. Costa			2,500	0	2,500	10.0%
NBMSIT, Sist. de Inf. e Tecnol., S.A.	8.235.000 MZN	27,450	7,137	0	4,941	18.0%
Lucas Fazine Chacine			4,941	0	4,941	18.0%
Henrique Álvaro Cepeda Gamito Junior (c)			2,196	0	N/A	-
DTV Research, Lda (d)	200,000 €	200,000	10,000	0	10,000	5.0%
Pedro Miguel Gonçalves Afonso			10,000	(10,000)	0	0.0%
Humberto João da Silva dos Santos Abel			0	10,000	10,000	5.0%
Power Data, Lda (e)	10,000 €	10,000	0	2,000	2,000	20.0%
Vitor Manuel Spinola Prisca			N/A	2,000	2,000	20.0%
Radical Innovation, Lda (e)	10,000 €	10,000	0	2,000	2,000	20.0%
Patrícia Delgado Tavares Nunes G. Costa			N/A	2,000	2,000	20.0%
Smartgeo Solutions Lda (e)	5,000 €	5,000	0	3,750	3,750	75.0%
Sandra Maria Loureiro Bernardo			N/A	1,000	1,000	20.0%
Pedro Manuel Gonçalves Reino			N/A	1,000	1,000	20.0%
Victor José Luz Ramos			N/A	1,000	1,000	20.0%
Nuno Miguel Sousa			N/A	250	250	5.0%
Carlos Eduardo Vieira Caçador			N/A	250	250	5.0%
João Negrão Antunes			N/A	250	250	5.0%

(a) Became part of the Corporate Boards.

(b) Financial holding disposed in 2013.

(c) Ceases to belong to the Corporate Boards.

(d) Financial holding disposed in 2013. Formally, the shares were transferred only at 01/31/2014.

(e) Company incorporated in 2013.

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STATEMENT OF COMPLIANCE

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

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Statement of the Board of Directors
(Free translation from the original version in Portuguese)

Under the terms of sub-paragraph c) paragraph 1 of article 245 of the Portuguese Securities Code, the undersigned, as members of the Board of Directors of Novabase S.G.P.S., S.A., below identified declare that to the best of their knowledge:

(i) the information contained in the management report, the annual accounts, the Auditors' Report and all other accounting documentation required by law or regulation, regarding the year ended 31 December 2013, was prepared in compliance with the applicable accounting standards and gives a true and fair view of the assets and liabilities, financial position and results of Novabase S.G.P.S., S.A. and the companies included in the consolidation perimeter; and

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

Lisbon, March 27, 2014

Rogério dos Santos Carapuça
(Non-Executive Member, Chairman of the Board of Directors)

Luís Paulo Cardoso Salvado
(Executive Member, Chairman of the Executive Committee - CEO)

José Afonso Oom Ferreira de Sousa
(Non-Executive Member)

Pedro Miguel Quinteiro Marques de Carvalho
(Non-Executive Member)

João Nuno da Silva Bento
(Executive Member, Member of the Executive Committee)

Álvaro José da Silva Ferreira
(Executive Member, Member of the Executive Committee)

Joaquim Manuel Jordão Sérvulo Rodrigues
(Non-Executive Member)

Luís Fernando de Mira Amaral
(Non-Executive Member, Independent, Chairman of the Audit Committee)

Manuel Fernando de Macedo Alves Monteiro
(Non-Executive Member, Independent, Member of the Audit Committee)

Francisco Paulo Figueiredo Morais Antunes
(Executive Member, Member of the Executive Committee - CFO)

João Luís Correia Duque
(Non-Executive Member, Independent, Member of the Audit Committee)

Nuno Carlos Dias dos Santos Fórneas
(Executive Member, Member of the Executive Committee)

Paulo Jorge de Barros Pires Trigo
(Non-Executive Member)

Maria do Carmo do Brito Palma
(Executive Member, Member of the Executive Committee)

Pedro Miguel Gonçalves Afonso
(Executive Member, Member of the Executive Committee)

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