

# NOVABASE

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## **REPORT AND ACCOUNTS**

### **1st half 2023**

- Management Report
- Consolidated Financial Statements
- Annexes to the Management Report
  - I. Corporate Bodies
  - II. Information concerning Stakes held by Members of the Board of Directors and Supervisory Bodies
  - III. Management Transactions
  - IV. Own Shares Transactions
- Condensed Consolidated Accounts
- Statement of Compliance

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# NOVABASE

# **NEXT-GEN**

## **IT SERVICES COMPANY**

# 1H23

## CONSOLIDATED RESULTS

# 1H23 Outlook



**Chairman and CEO**

## Message from Luís Paulo Salvado

“Novabase’s first half 2023 results validate the successful execution of our strategy and our ability to capitalize on the current market conditions.

Global turnover has increased by 17%, driven by a remarkable growth of 33% in our international operations, which now account for nearly two-thirds of our business.

EBITDA and Net Income have grown by 10% and 4% respectively, influenced by larger-scale internationalization, wage inflation, and investments in key offerings.

The first half was also marked by a Public Offer for the Acquisition of our own shares, with the purchase of 11% of the capital and the payment of a dividend of €0.42 per share. Together, these operations represented an investment of €28 million,

placing our net cash position at €17 million. Discounting the previous effect, operations generated €6 million during this period.

The outlook for this year continues to be shrouded in considerable uncertainty, and we have been witnessing a deterioration in expectations. While we cannot predict what will happen in the market, we trust in the value of our team, to whom I extend my gratitude for their dedication and hard work.”

# 1H23 in Review

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## Next-Gen: 2019+ Strategy Execution

### Next-Gen delivers strong 1H with outstanding international growth

Next-Gen grew organically at double-digit YoY, and international business grew strongly, with revenues up 36%. Profitability near the two-digit goal, despite the still delivery challenges in ME.

Next-Gen focused on Cognitive, Digital and Agile DevOps offers to propel its growth strategy, while working on its talent engine.

## Value Portfolio: 2019+ Strategy Execution

### Value Portfolio continues to grow

Value Portfolio turnover grew at double-digit YoY, and *IT Staffing* profitability grew more than 20% YoY.

Value Portfolio is well positioned for sustained growth and to generate further value.

Press Zone

### Novabase in the News<sup>1</sup>

- **Partnership with MATRXXX Software** | Celfocus and MATRXXX have joined forces to launch an AI solution for 5G monetization.
- **Digital Talent Ecosystem** | Neotalent launched a talent management platform using blockchain and AI.
- **Sponsorship of Banking Transformation Summit, FutureNet World and Total Telecom Congress** | Celfocus continues to support international reference events focused on topics impacting digital economy and next-gen technology innovation.
- **Sponsorship of FST12** | Celfocus is once again the sponsor of the FST Lisboa<sup>2</sup>.
- **Building up an employer branding** | Novabase is invested in attracting the best talent, engaging in multiple initiatives at universities and job fairs, e.g. FISTA23<sup>3</sup>, SINFO 30, JEEC 2023<sup>4</sup> and Jobshop 2023, to name a few.
- **Equity Partnership in Celfocus** | Within the scope of Celfocus's business development plan, a process will be initiated that will culminate in the acquisition of a minority percentage of the share capital of Celfocus by a group of employees of Novabase Group with operational leadership responsibilities.
- **Novabase launched a Public Offer for the acquisition of own shares** | As a result, Novabase acquired 3,558,550 shares (11.33% of its share capital) and reduced its share capital by cancelation of the shares acquired in the context of the Offer.
- **Novabase paid 0.42 €/share** | The commitment to pay a total of 1.50 €/share to shareholders in 2019-2023 horizon, under 2019+ Strategy, was fulfilled.

<sup>1</sup> Until this presentation date.

<sup>2</sup> Formula Student team of University of Lisbon's Instituto Superior Técnico.

<sup>3</sup> Forum of ISCTE School of Technology and Architecture.

<sup>4</sup> Engineering & Tech Talks.

# Financial Highlights



## 1H23 Performance

### Strong 1H with excellent international growth

- Turnover increased 17% YoY, with Next-Gen representing 73%
- 65% of Turnover is generated outside Portugal, with Next-Gen growing internationally at high double-digit, +36% YoY
- Europe & ME target markets account for 96% of NG's International Ops
- # Next-Gen Top Tier clients grew 11% YoY
- EBITDA increased 10% YoY, leveraged by Next-Gen
- Net Profit of 4.1 M€, +4% YoY
- Net Cash position of 17.4 M€
- Talent Pool of 2160 employees
- Total Shareholder Return of 18% in 1H23

# Key Figures



Turnover

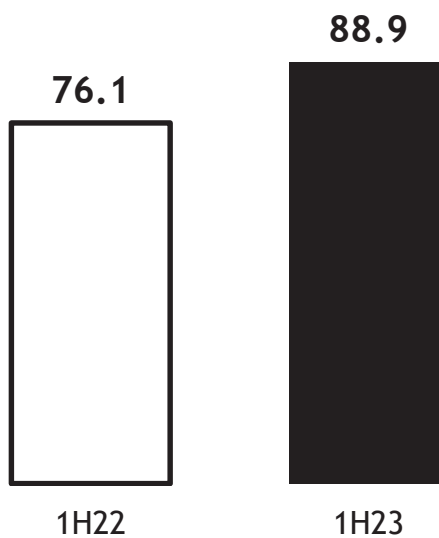
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## Turnover increased 17% YoY, with Next-Gen representing 73%

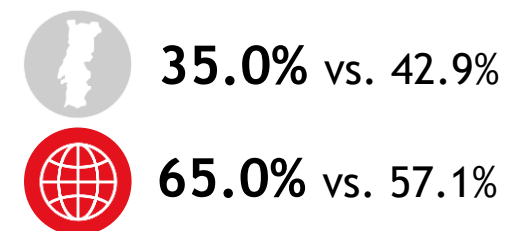
Driven by both Next-Gen and *IT Staffing* businesses.

International business grew strongly, with revenues up 33% YoY.

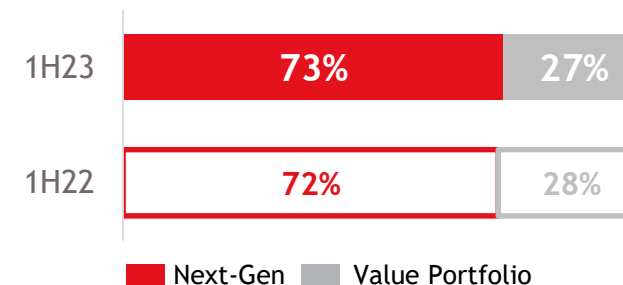
Turnover



Breakdown by Geography (%) <sup>(1)</sup>



Breakdown by Segment (%)



(1) Turnover by Geography is computed based on the location of the client where the project is delivered.

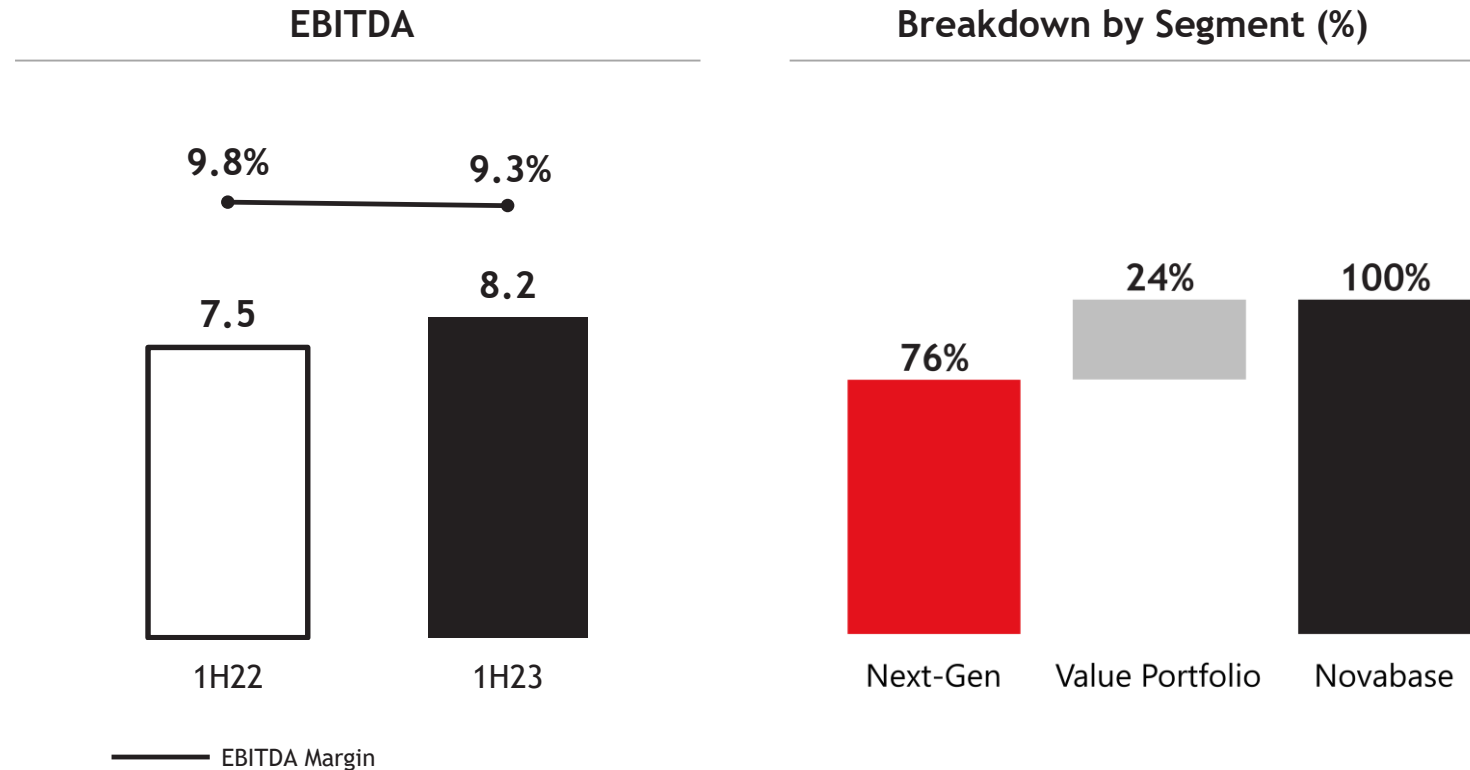
# Key Figures



EBITDA

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EBITDA increased 10% YoY, leveraged by Next-Gen



# Key Figures

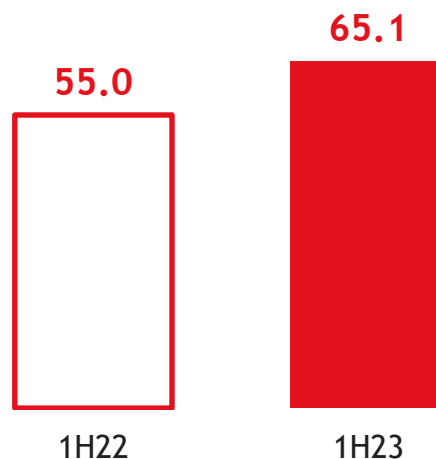


## Next-Gen Segment

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**Next-Gen  
Turnover grew  
organically by  
18% YoY**

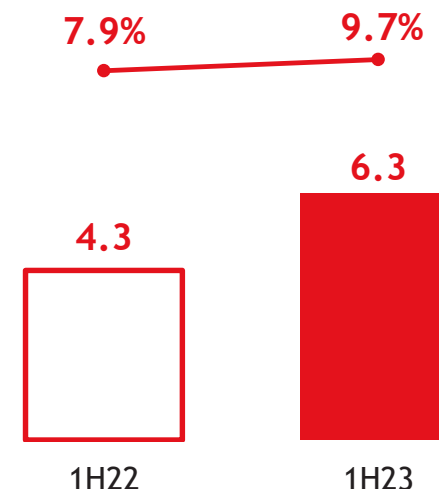
Turnover



**EBITDA up 17% YoY,  
Vs. 5.4 M€ in adj.  
1H22 <sup>(1)</sup>**

International scale-up costs, wage inflation, delivery challenges in ME, and investments in key offerings pressured profitability.

EBITDA



(1) Shared Services merge with Celfocus (NG) recorded in August 2022. Shared Services EBITDA in 1H22, included in Value Portfolio, was 1.0 M€.

EBITDA Margin

# Key Figures



**Next-Gen Segment**

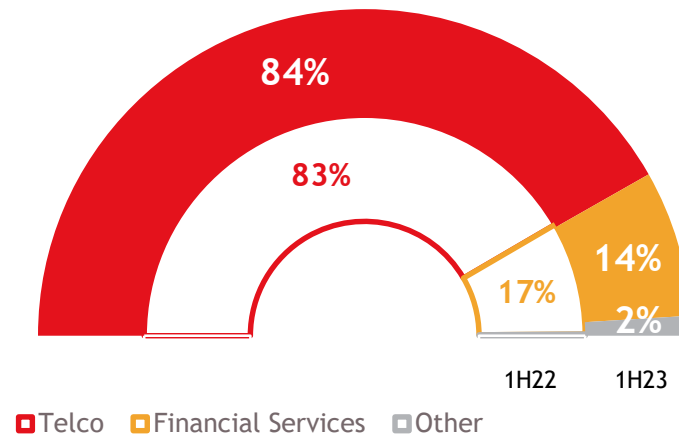
NOVABASE

## New half-year record high in international Revenues

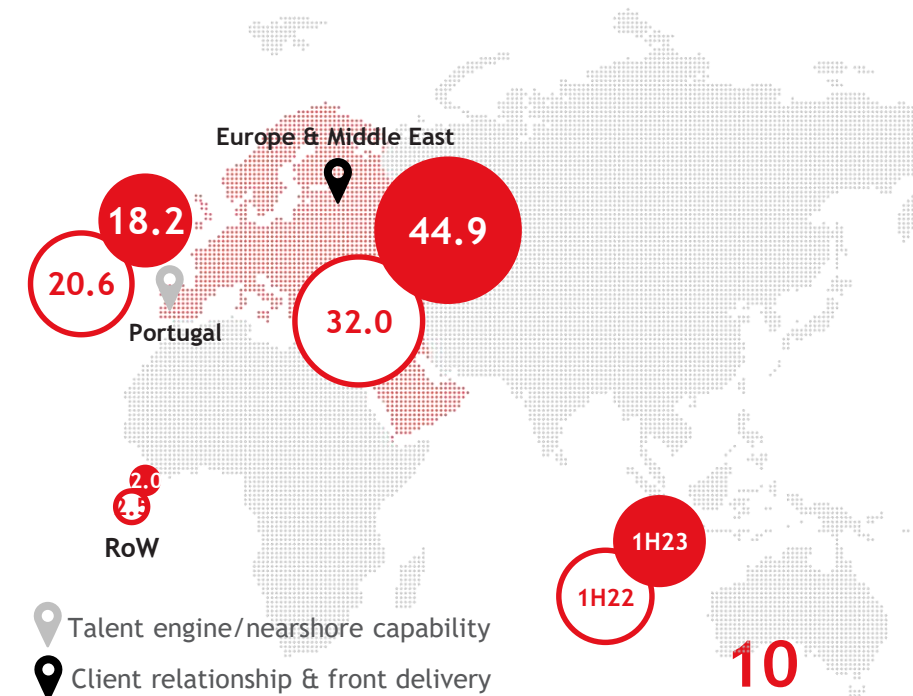
Entry into new clients of other industries with strategic offers, but still Telco dominance. International Turnover showed an outstanding 36% growth YoY and stands for 72% of Next-Gen's Turnover.

Target markets of Europe & ME totalled 96% of the segment's international Ops, +40% YoY.

Revenue by Industry (%)



Revenue by Geography



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# Key Figures



## Next-Gen Segment

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## # Top Tier clients grew 11% YoY...

... as a result of commercial wins in new flagship clients with Cognitive, Digital and DevOps offerings.

Top Tier clients <sup>(1)</sup>



% of Revenues from Top Tier clients <sup>(1)</sup>



Total number of clients in 1H23 increased to 117 (109 in 1H22).

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

# Key Figures



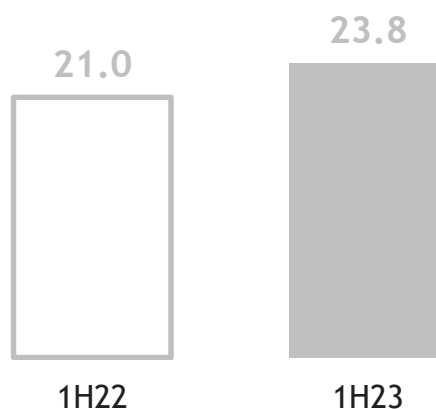
## Value Portfolio Segment

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### Value Portfolio Turnover grew 13% YoY

Mainly driven by international operations (+22% YoY).

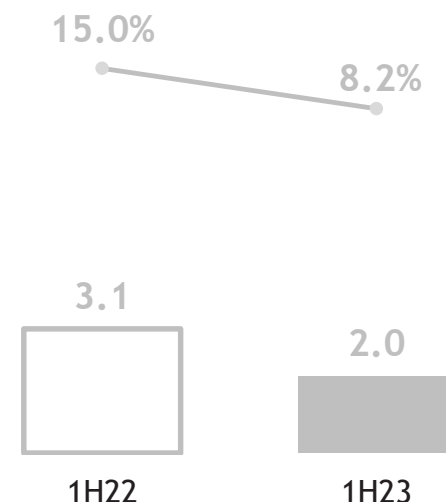
Turnover



### EBITDA of 2.0 M€, Vs. 2.1 M€ in adj. 1H22 <sup>(1)</sup>

*IT Staffing* <sup>(2)</sup> EBITDA grew 22% YoY but central structure negatively impacted profitability.

EBITDA



(1) Shared Services merge with Celfocus (NG) recorded in August 2022. Shared Services EBITDA in 1H22, included in Value Portfolio, was 1.0 M€.

(2) Most relevant business of Value Portfolio.

EBITDA Margin

# Key Figures



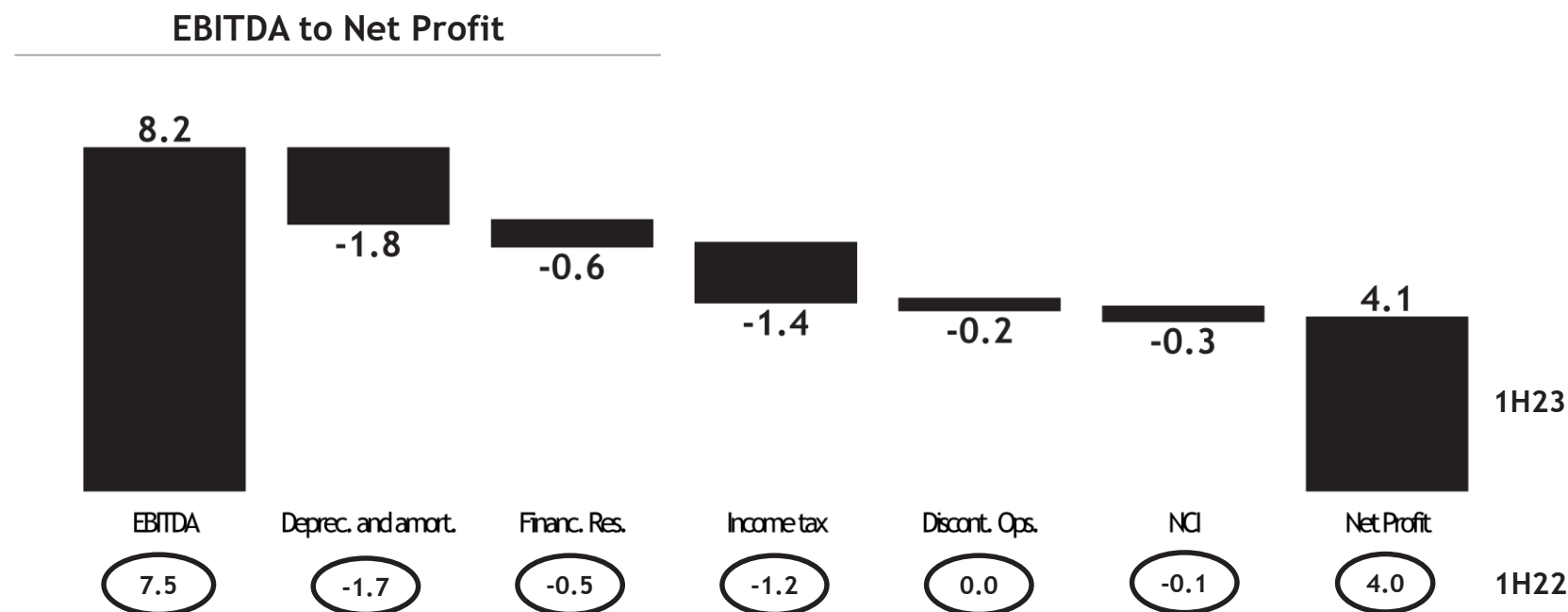
## EBITDA to Net Profit

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## Net Profit of 4.1 M€, +4% YoY

Net Profit increased as a result of higher EBITDA, partially offset by lower Financial Results and Discontinued Operations Results, and higher D&A and Income Tax.

Total EPS reached 0.15 € (0.13 € in 1H22).



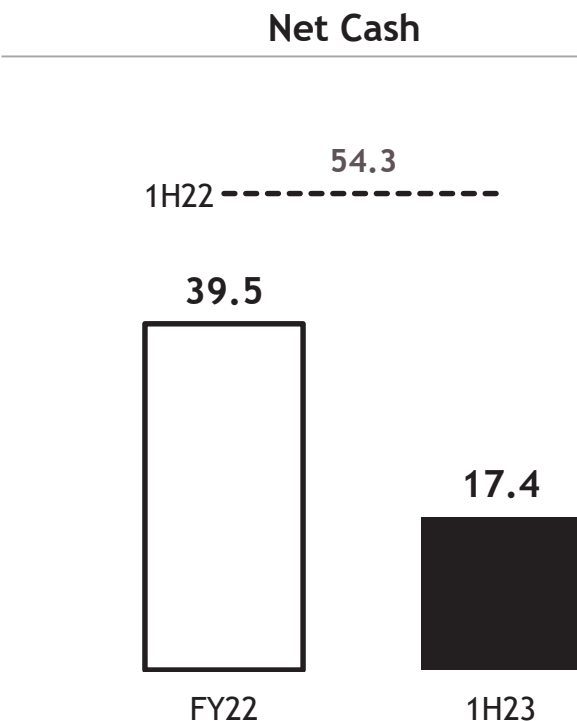
# Key Figures



## Net Cash

## Net Cash position of 17.4 M€

Cash generation of 6.0 M€ in 1H23, excluding the cash outflows from shareholder remuneration (10.8 M€) and acquisition of own shares in the context of the Public Offer (17.3 M€).



Considering the last 12 months, payments related to shareholder's remuneration initiatives amounted to 41.1 M€.

2.9 M€ of Net Cash refers to Non-Controlling Interests (Vs. 3.2 M€ in FY22).

# Key Figures

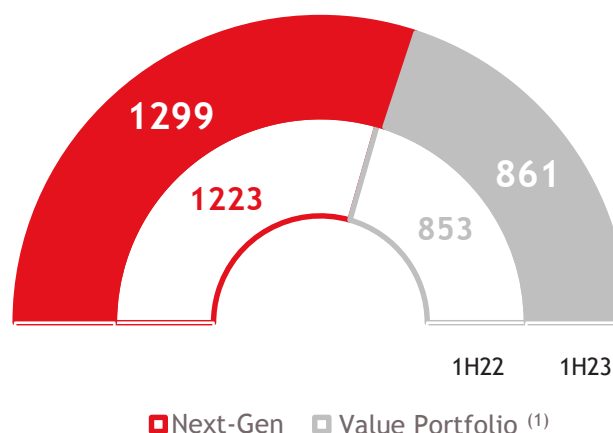


## Talent

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## Talent Pool of 2160 employees

Average number of Employees



- (1) Value Portfolio including shared services team of 54 employees in 1H22, absorbed by Celfocus (Next-Gen's main company) in 2022.
- (2) Determined by the formula: number of leaves at the employee's initiative ÷ average number of employees, for the Trailing 12 Months.

Talent pool grew 4% YoY (2076 in 1H22).

Breakdown by segment, shows a 2% increase YoY LFL <sup>(1)</sup> in Next-Gen, which represents 60% of Total, in line with the strategic objectives.

TTM attrition rate <sup>(2)</sup> of Next-Gen dropped to 14.4% (21.5% in 1H22), in a downward trend since 1H22, as a result of proactive management of our pool and evolving market context.

# Key Figures



## Stock Market

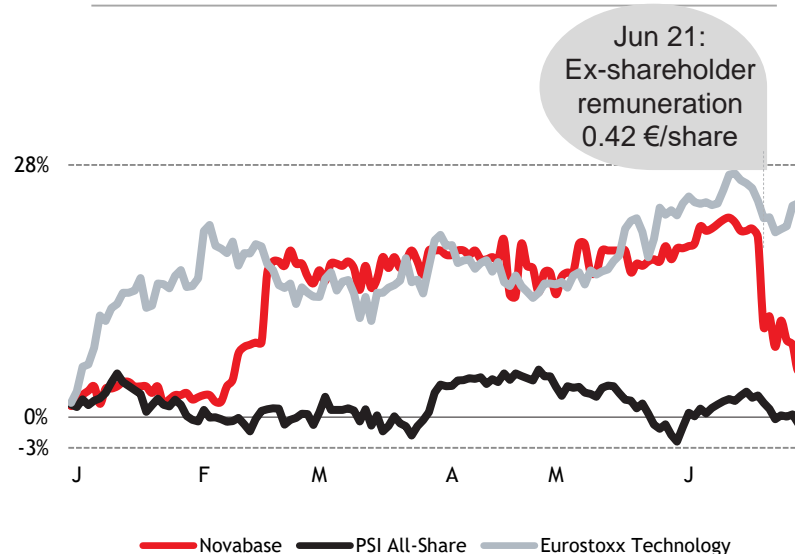
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## TSR of 18% in 1H23

Main stock markets performed well in 1H23 ending on a high note in June, despite investor's concerns over rising interest rates, slowing economic growth and persistently high inflation.

NBA stock price increased 8% in 1H23 (or 18% adjusting the shareholder remuneration), whilst EuroStoxx Technology Index increased 25% and PSI All-Share Index decreased 0.3%.

### Novabase and the Market



- (1) Expressed by the Board of Directors under the terms of Strategy Update 2019+.
- (2) The GMS held on 24 May also approved a share capital reduction by cancellation of 1,315,207 own shares, but it was not completed by the end of June 2023.

In 1H23 Novabase launched a Public Offer over own shares, creating an additional remuneration opportunity for shareholders. As a result, Novabase acquired 3,558,550 shares for 4.85 €/share.

Also in this period, Novabase paid 0.42 €/share to shareholders, thus fulfilling the intention to pay a total of 1.50 €/share in 2019-2023 <sup>(1)</sup>.

Excluding shares acquired in the context of the Offer (cancelled afterwards to reduce share capital), Novabase acquired 18k shares in 1H23, and holds 2,065,207 own shares <sup>(2)</sup> (7.42% of its share capital) at 30 June 2023.

Average price target disclosed by Novabase's analysts is 5.75 €. Average upside is 31%.

Market Cap at the end of 1H23 is 122.0 M€, with a ttm Price to Sales of 0.76x.



## Main risks and uncertainties

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### Persistent inflation, rising interest rates and geopolitical instability

Novabase is exposed to several financial risks as well as operational and business risks, detailed in 2022 Report and Accounts, which are monitored and mitigated throughout the year.

During the first half of 2023 we have witness a deterioration in market conditions. By one hand, the persistent inflation and rising interest rates, which touch all aspects of an entity's business, including increasing costs, namely wages. By the other hand, the Russian invasion of Ukraine and the imposition of international sanction continue to have a pervasive economic impact.

Although global market conditions have affected market confidence, Novabase considers that there were no material changes during the first six months of 2023 that could significantly change the assessment of the risks to which the Group is exposed to.

However, in order to provide useful information to the users of this Report, we highlight the main changes in this period:

#### ▪ Interest rate risk

Group's exposition to this risk increased due to the negotiation of two new floating-rate loans and to the renegotiation of the term of the headquarters' lease contract, considering the current market conditions, where interest reference rates have been increasing, and are currently at the highest level since 2001. The covenants associated to new bank borrowings are the ratio Net Debt/ EBITDA  $\leq 3.5x$ . The Group considers that compliance with this covenant is ensured.

#### • Liquidity risk

The Group's liquidity reserve decreased this semester due to the payment of the shareholder remuneration and acquisition of own shares in the context of the Public Offer. Despite that, the Group continues to maintain a solid cash position and to finance itself through cash flows generated by its operations, having sufficient undrawn financing facilities to service its operating activities and ongoing investments.



## Main risks and uncertainties

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### Talent competition, delivery challenges in ME and uncertainty in main target-markets

- **Talent retention risk**

Recruitment and talent retention continue to be a top priority and one of the main challenges currently. Nonetheless several news of layoffs in the first months of 2023 in IT market, and an apparent cooling compared to 2022, the demand for IT competencies continues to outstrip supply. Still, Novabase managed to increase its talent pool and decrease its attrition rate this semester, as a result of proactive management and policies aimed at retaining talent.

- **Delivery risk**

The delivery challenges in the Middle East due to the fast international expansion of Next-Gen segment in 2022 causing delays in some projects, continued to exist in the first semester and are expected to maintain in the second half of 2023, as previously anticipated.

- **Strategic and contextual risks**

Despite the geopolitical and macroeconomic

context, Novabase registered no impacts at the level of demand, and was able to capitalize on the current market conditions. Companies have been awakening to the digital world, especially since the COVID-19 pandemic, so decisions to cut or delay investments in this area are usually the last to come. The Group continues well positioned to increase its revenues through its differentiated and innovative technological offers.

Novabase's main target-markets are going through a difficult context and the outlook continue to be surrounded by great uncertainty, particularly with regard to the duration of the war in Europe and the continuation of interest rate hikes by the ECB, with possible consequences in the contraction of demand and economic slowdown.



**In compliance with  
ESMA guidelines**

## Alternative Performance Measures

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

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

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

The detail and breakdown of Net Cash, as well as the reconciliation in 1H23 and prior period, is analysed in the table below.

	FY22	1H23
Cash and cash equivalents	40,617	28,136
Treasury shares held by the Company <sup>(1)</sup>	8,272	9,046
Bank borrowings - Non-Current	(5,200)	(12,824)
Bank borrowings - Current	(4,200)	(6,947)
<b>Net Cash (Euro thousands)</b>	<b>39,489</b>	<b>17,411</b>

	FY22	1H23
Treasury shares held by the Company	2,047,413	2,065,207
Closing price @ last tradable day (€)	4.040	4.380
<b>Treasury shares held by the Company (Euro thousands)</b>	<b>8,272</b>	<b>9,046</b>

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

# NEXT-GEN IT SERVICES COMPANY



## Company Information

**Novabase SGPS, S.A.**  
Euronext code: PTNBA0AM0006  
Registered in TRO of Lisbon and  
Corporate Tax Payer no. 502.280.182  
Share Capital: 795,829.11 €  
Head Office: Av. D. João II, 34,  
1998-031 Lisbon - PORTUGAL



## Investors Relations

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**Chief Investors Officer**  
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Fax: +351 213 836 301  
[investor.relations@novabase.com](mailto:investor.relations@novabase.com)  
  
Report available on website:  
[www.novabase.com](http://www.novabase.com)



## Next Events

**2023 Full Year Results (tbd)**

# NOVABASE

**Consolidated Statement of Financial Position  
as at 30 June 2023**

	30.06.23	31.12.22
	(Thousands of Euros)	
<b>ASSETS</b>		
Tangible assets	1,645	1,918
Intangible assets	11,970	11,935
Right-of-use assets	8,983	3,253
Financial investments	14,309	13,961
Deferred income tax assets	8,757	8,826
Other non-current assets	1,526	1,706
Total Non-Current Assets	47,190	41,599
Inventories	-	-
Trade debtors and accrued income	54,652	55,528
Other debtors and prepaid expenses	11,109	10,866
Derivative financial instruments	74	763
Cash and cash equivalents	28,136	40,617
Total Current Assets	93,971	107,774
Assets for continuing operations	141,161	149,373
Assets for discontinued operations	-	268
Total Assets	141,161	149,641
<b>EQUITY</b>		
Share capital	835	32,971
Treasury shares	(62)	(2,150)
Share premium	226	226
Reserves and retained earnings	27,324	16,436
Net profit	4,125	8,917
Total Shareholders' Equity	32,448	56,400
Non-controlling interests	11,546	10,827
Total Equity	43,994	67,227
<b>LIABILITIES</b>		
Bank borrowings	12,824	5,200
Lease liabilities	7,851	1,114
Provisions	3,061	3,047
Other non-current liabilities	291	363
Total Non-Current Liabilities	24,027	9,724
Bank borrowings	6,947	4,200
Lease liabilities	1,694	2,737
Trade payables	4,304	7,015
Other creditors and accruals	33,523	36,503
Derivative financial instruments	77	260
Deferred income	25,448	20,007
Total Current Liabilities	71,993	70,722
Total Liabilities for cont. operations	96,020	80,446
Total Liabilities for discount. operations	1,147	1,968
Total Liabilities	97,167	82,414
Total Equity and Liabilities	141,161	149,641
Net Cash	17,411	39,489

**Consolidated Income Statement  
for the period of 6 months ended 30 June 2023**

	30.06.23	30.06.22	Var. %
	(Thousands of Euros)		
<b>CONTINUING OPERATIONS</b>			
<i>Operating income</i>			
Services rendered	88,911	76,073	
Supplementary income and subsidies	56	69	
Other operating income	73	99	
	89,040	76,241	
<i>Operating expenses</i>			
External supplies and services	(28,043)	(22,535)	
Employee benefit expense	(52,859)	(46,510)	
(Provisions) / Provisions reversal	(14)	418	
Net impairm. losses on financ. assets	311	87	
Other operating expenses	(193)	(228)	
	(80,798)	(68,768)	
<b>Gross Net Profit (EBITDA)</b>	8,242	7,473	10.3 %
Depreciation and amortisation	(1,753)	(1,690)	
<b>Operating Profit (EBIT)</b>	6,489	5,783	12.2 %
Financial results	(552)	(482)	
<b>Net Profit before taxes (EBT)</b>	5,937	5,301	12.0 %
Income tax expense	(1,361)	(1,191)	
<b>Net Profit from continuing operations</b>	4,576	4,110	11.3 %
<b>DISCONTINUED OPERATIONS</b>			
<b>Net Profit from discount. operations</b>	(190)	6	-3266.7 %
Non-controlling interests	(261)	(133)	
<b>Attributable Net Profit</b>	4,125	3,983	3.6 %
<b>Other information :</b>			
Turnover	88,911	76,073	16.9 %
EBITDA margin	9.3 %	9.8 %	
EBT % on Turnover	6.7 %	7.0 %	
Net profit % on Turnover	4.6 %	5.2 %	

**Results Information by SEGMENTS**  
for the period of 6 months ended 30 June 2023

(Thousands of Euros)

	Value Portfolio	Next-Gen	NOVABASE
<i>CONTINUING OPERATIONS</i>			
Turnover	23,776	65,135	88,911
Gross Net Profit (EBITDA)	1,953	6,289	8,242
Depreciation and amortisation	(163)	(1,590)	(1,753)
Operating Profit (EBIT)	1,790	4,699	6,489
Financial results	(162)	(390)	(552)
Net Profit / (Loss) before Taxes (EBT)	1,628	4,309	5,937
Income tax expense	(238)	(1,123)	(1,361)
Net Profit / (Loss) from cont. operations	1,390	3,186	4,576
<i>DISCONTINUED OPERATIONS</i>			
Net Profit from discontinued operations	(190)	-	(190)
Non-controlling interests	(261)	-	(261)
Attributable Net Profit / (Loss)	939	3,186	4,125
Other information :			
EBITDA % on Turnover	8.2%	9.7%	9.3%
EBT % on Turnover	6.8%	6.6%	6.7%
Net profit % on Turnover	3.9%	4.9%	4.6%

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## **ANNEXES TO THE MANAGEMENT REPORT**

### **1st half 2023**

#### **I. CORPORATE BODIES**

In accordance with the resolutions of the 2021 and 2022 Novabase's General Meetings, held on 25 May and 24 May, respectively, Novabase's corporate bodies and Remuneration Committee for the 2021/2023 term of office have the following composition:

##### **BOARD OF DIRECTORS**

**Chairman and Director with delegated powers:** Luís Paulo Cardoso Salvado

**Director with delegated powers:** Álvaro José da Silva Ferreira

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

**Director with special responsibilities** (responsible for the logistics, finance and tax and legal areas): Francisco Paulo Figueiredo Moraes Antunes<sup>1</sup>

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

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

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

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

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

##### **OFFICERS OF THE GENERAL MEETING**

**Chairman:** António Manuel da Rocha e Menezes Cordeiro

**Secretary:** Catarina Maria Marante Granadeiro

##### **AUDIT BOARD**

**Chairman:** Álvaro José Barrigas do Nascimento

**Member:** Fátima do Rosário Piteira Patinha Farinha

**Member:** João Luís Correia Duque

**Deputy:** Manuel Saldanha Tavares Festas

##### **STATUTORY AUDITOR**

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

**Deputy:** Maria Cristina Santos Ferreira

##### **REMUNERATIONS COMMITTEE**

**Chairman:** Francisco Luís Murteira Nabo

**Member:** Pedro Miguel Duarte Rebelo de Sousa

**Member:** João Francisco Ferreira de Almada e Quadros Saldanha

At the meeting of the Board of Directors of Novabase, held on 25 May 2021, it was resolved to appoint the secretary of Novabase for the 2021/2023 term of office, in accordance with the following terms:

##### **COMPANY'S SECRETARY**

**Effective:** Marta Isabel dos Reis da Graça Rodrigues do Nascimento

**Deputy:** Diogo Leónidas Ferreira da Rocha

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

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

The shareholding of each of these members of the Corporate Bodies corresponds to the last position notified to the Company with reference to 30 June 2023 or a previous date. The functions of each of these Corporate Bodies are described in Annex I of this Report.

Holders	No. shares	% share capital and voting rights
Pedro Miguel Quinteiro Marques de Carvalho	2,097,613	7.53%
Manuel Saldanha Tavares Festas	74,986	0.27%
Francisco Paulo Figueiredo Moraes Antunes	30,335	0.11%
María del Carmen Gil Marín	23,001	0.08%
João Luís Correia Duque	500	0.00%
Luís Paulo Cardoso Salvado <sup>(1)</sup>	1	0.00%
Álvaro José da Silva Ferreira <sup>(1)</sup>	1	0.00%
José Afonso Oom Ferreira de Sousa <sup>(1)</sup>	1	0.00%
Rita Wrem Viana Branquinho Lobo Carvalho Rosado	0	0.00%
Madalena Paz Ferreira Perestrelo de Oliveira	0	0.00%
Benito Vázquez Blanco	0	0.00%
Álvaro José Barrigas do Nascimento	0	0.00%
Fátima do Rosário Piteira Patinha Farinha	0	0.00%
KPMG & Associados - S.R.O.C., represented by Susana de Macedo Melim de Abreu Lopes	0	0.00%
Maria Cristina Santos Ferreira	0	0.00%
	<b>Total</b>	<b>2,226,438</b>
		<b>8.00%</b>

<sup>(1)</sup> Luís Paulo Cardoso Salvado, Álvaro José da Silva Ferreira and José Afonso Oom Ferreira de Sousa are shareholders of HNB - S.G.P.S., S.A., where they hold management positions. HNB - S.G.P.S., S.A. held 11,438,851 shares representing 41.08% of Novabase's share capital and respective voting rights at 30 June 2023.

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

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

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

### III. MANAGEMENT TRANSACTIONS

(Under the terms of European Union market abuse regulation)

During the first half of 2023, there were no transactions carried out by the persons falling under the scope of article 447 of the Portuguese Commercial Companies Code.

#### IV. OWN SHARES TRANSACTIONS

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

At 31 December 2022, Novabase held 2,047,413 own shares, representing 6.52% of its share capital, from which 962,194 shares, representing 3.06% of the share capital, were held through Novabase Consulting S.G.P.S., S.A..

During the first half of 2023, Novabase acquired on the market 17,794 own shares, in the context of the own shares buy-back programme ("Buy-back Programme"), at the average net price of 4.169 Euros.

Additionally, Novabase acquired 3,558,550 shares for 4.85 Euros per share following the Public Offer over own shares, which were cancelled within the scope of a share capital reduction.

It should also be noted that Novabase S.G.P.S., S.A. acquired 212,194 shares from Novabase Consulting S.G.P.S., S.A. for 4.85 Euros per share in the first half of the year.

At 30 June 2023, Novabase held 2,065,207 own shares, representing 7.42% of the share capital. It is further informed that of this total, 750,000 shares, representing 2.69% of the share capital, were held through Novabase Consulting S.G.P.S., S.A..

The Company's Buy-Back Programme, started on 29 September 2021 and that meanwhile suspended following the publication by the Company on 16 February 2023 of the preliminary announcement for a public tender offer over own shares, was concluded on 27 April 2023.

At 30 June 2023, the nominal value of all shares representing the share capital of Novabase was 0.03 Euros (31 December 2022: 1.05 Euros), as a result of the share capital reduction approved by the Extraordinary General Meeting of Shareholders held on 13 March 2023.

It is further noted that Novabase completed, although after 30 June 2023, the reduction of the share capital through cancellation of 1,315,207 own shares, in compliance with the resolutions taken by the Annual General Meeting of 24 May, and following the acquisition of 212,194 own shares by Novabase S.G.P.S. from Novabase Consulting S.G.P.S., S.A..

Own shares transactions carried out on the stock exchange during the first half of 2023 are detailed below:

Transaction	Date	Location	No. shares	Price per share (€)
Acquisition	02/01/2023	Euronext Lisbon	400	4.080
Acquisition	03/01/2023	Euronext Lisbon	100	4.090
Acquisition	03/01/2023	Euronext Lisbon	692	4.090
Acquisition	04/01/2023	Euronext Lisbon	300	4.130
Acquisition	09/01/2023	Euronext Lisbon	100	4.180
Acquisition	09/01/2023	Euronext Lisbon	150	4.160
Acquisition	09/01/2023	Euronext Lisbon	100	4.130
Acquisition	09/01/2023	Euronext Lisbon	300	4.120
Acquisition	09/01/2023	Euronext Lisbon	176	4.130
Acquisition	09/01/2023	Euronext Lisbon	674	4.130
Acquisition	09/01/2023	Euronext Lisbon	100	4.100
Acquisition	10/01/2023	Euronext Lisbon	51	4.170
Acquisition	10/01/2023	Euronext Lisbon	99	4.170
Acquisition	10/01/2023	Euronext Lisbon	1,400	4.100
Acquisition	11/01/2023	Euronext Lisbon	200	4.180
Acquisition	11/01/2023	Euronext Lisbon	200	4.180
Acquisition	11/01/2023	Euronext Lisbon	100	4.180
Acquisition	12/01/2023	Euronext Lisbon	700	4.190
Acquisition	12/01/2023	Euronext Lisbon	200	4.190
Acquisition	12/01/2023	Euronext Lisbon	300	4.190
Acquisition	16/01/2023	Euronext Lisbon	7	4.180
Acquisition	16/01/2023	Euronext Lisbon	187	4.200
Acquisition	16/01/2023	Euronext Lisbon	113	4.200
Acquisition	17/01/2023	Euronext Lisbon	1,000	4.200
Acquisition	17/01/2023	Euronext Lisbon	700	4.200
Acquisition	17/01/2023	Euronext Lisbon	10	4.180
Acquisition	17/01/2023	Euronext Lisbon	200	4.180
Acquisition	19/01/2023	Euronext Lisbon	142	4.180
Acquisition	19/01/2023	Euronext Lisbon	358	4.180

Transaction	Date	Location	No. shares	Price per share (€)
Acquisition	20/01/2023	Euronext Lisbon	150	4.180
Acquisition	20/01/2023	Euronext Lisbon	282	4.180
Acquisition	20/01/2023	Euronext Lisbon	1,218	4.180
Acquisition	24/01/2023	Euronext Lisbon	295	4.180
Acquisition	24/01/2023	Euronext Lisbon	98	4.180
Acquisition	24/01/2023	Euronext Lisbon	232	4.180
Acquisition	24/01/2023	Euronext Lisbon	150	4.150
Acquisition	25/01/2023	Euronext Lisbon	300	4.120
Acquisition	26/01/2023	Euronext Lisbon	662	4.140
Acquisition	27/01/2023	Euronext Lisbon	100	4.140
Acquisition	30/01/2023	Euronext Lisbon	400	4.150
Acquisition	31/01/2023	Euronext Lisbon	300	4.120
Acquisition	01/02/2023	Euronext Lisbon	28	4.150
Acquisition	01/02/2023	Euronext Lisbon	472	4.150
Acquisition	02/02/2023	Euronext Lisbon	141	4.120
Acquisition	02/02/2023	Euronext Lisbon	159	4.150
Acquisition	03/02/2023	Euronext Lisbon	1,000	4.150
Acquisition	03/02/2023	Euronext Lisbon	147	4.140
Acquisition	03/02/2023	Euronext Lisbon	453	4.140
Acquisition	03/02/2023	Euronext Lisbon	200	4.140
Acquisition	06/02/2023	Euronext Lisbon	200	4.140
Acquisition	06/02/2023	Euronext Lisbon	100	4.140
Acquisition	09/02/2023	Euronext Lisbon	125	4.130
Acquisition	13/02/2023	Euronext Lisbon	500	4.320
Acquisition	14/02/2023	Euronext Lisbon	250	4.360
Acquisition	15/02/2023	Euronext Lisbon	300	4.380
Acquisition	15/02/2023	Euronext Lisbon	323	4.340
Acquisition	16/02/2023	Euronext Lisbon	150	4.380

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# CONDENSED CONSOLIDATED ACCOUNTS

1st half 2023

(Unaudited)

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

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These condensed consolidated interim financial statements does not include all the notes of the type normally included in an annual financial statements. Accordingly, these condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2022 and any public announcements made by NOVABASE during the interim reporting period.

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**I. CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**for the period of 6 months ended 30 June 2023**

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

## Condensed Consolidated Interim Statement of Financial Position as at 30 June 2023

(Amounts expressed in thousands of Euros)

	Note	30.06.23	31.12.22
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	6	10,628	5,171
Intangible assets	7	11,970	11,935
Financial assets at fair value through profit or loss	28	14,309	13,961
Deferred tax assets	8	8,757	8,826
Other non-current assets	26 iii)	1,526	1,706
<b>Total Non-Current Assets</b>		<b>47,190</b>	<b>41,599</b>
<b>Current Assets</b>			
Trade and other receivables	9	53,177	54,366
Accrued income		6,217	6,095
Income tax receivable		1,450	1,970
Derivative financial instruments	28	74	763
Other current assets		4,917	3,963
Cash and cash equivalents	10	28,136	40,617
<b>Total Current Assets</b>		<b>93,971</b>	<b>107,774</b>
Assets from discontinued operations	27	-	268
<b>Total Assets</b>		<b>141,161</b>	<b>149,641</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Share capital	11	835	32,971
Treasury shares	11	(62)	(2,150)
Share premium	11	226	226
Reserves and retained earnings	12	27,324	16,436
Profit for the period		4,125	8,917
Total Equity attributable to owners of the parent		32,448	56,400
Non-controlling interests	13	11,546	10,827
<b>Total Equity</b>		<b>43,994</b>	<b>67,227</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Borrowings	14	20,675	6,314
Provisions	15	3,061	3,047
Other non-current liabilities		291	363
<b>Total Non-Current Liabilities</b>		<b>24,027</b>	<b>9,724</b>
<b>Current Liabilities</b>			
Borrowings	14	8,641	6,937
Trade and other payables	16	37,767	43,153
Income tax payable		60	365
Derivative financial instruments	28	77	260
Deferred income and other current liabilities	17	25,448	20,007
<b>Total Current Liabilities</b>		<b>71,993</b>	<b>70,722</b>
Liabilities from discontinued operations	27	1,147	1,968
<b>Total Liabilities</b>		<b>97,167</b>	<b>82,414</b>
<b>Total Equity and Liabilities</b>		<b>141,161</b>	<b>149,641</b>
THE CERTIFIED ACCOUNTANT		THE BOARD OF DIRECTORS	

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

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

## Condensed Consolidated Interim Statement of Profit or Loss for the period of 6 months ended 30 June 2023

(Amounts expressed in thousands of Euros)

	Note	6 M *	
		30.06.23	30.06.22
<b>Continuing operations</b>			
Services rendered	4	88,911	76,073
External supplies and services	18	(28,043)	(22,535)
Employee benefit expense	19	(52,859)	(46,510)
Net impairment losses on trade and other receivables	9	311	87
Other gains/(losses) - net	20	(78)	358
Depreciation and amortisation		(1,753)	(1,690)
<b>Operating Profit</b>		<b>6,489</b>	<b>5,783</b>
Finance income	21	506	542
Finance costs	22	(1,058)	(1,005)
Share of loss of associates		-	(19)
<b>Earnings Before Taxes (EBT)</b>		<b>5,937</b>	<b>5,301</b>
Income tax expense	23	(1,361)	(1,191)
<b>Profit from continuing operations</b>		<b>4,576</b>	<b>4,110</b>
<b>Discontinued operations</b>			
Results from discontinued operations	27	(190)	6
<b>Profit for the period</b>		<b>4,386</b>	<b>4,116</b>
<b>Profit attributable to:</b>			
Owners of the parent		4,125	3,983
Non-controlling interests	13	261	133
		<b>4,386</b>	<b>4,116</b>
<b>Earnings per share from continuing and discontinued operations attributable to owners of the parent (Euros per share)</b>			
<b>Basic earnings per share</b>			
From continuing operations	24	0.16 Euros	0.13 Euros
From discontinued operations	24	(0.01) Euros	Zero Euros
<b>From profit for the period</b>	24	<b>0.15 Euros</b>	<b>0.13 Euros</b>
<b>Diluted earnings per share</b>			
From continuing operations	24	0.15 Euros	0.13 Euros
From discontinued operations	24	(0.01) Euros	Zero Euros
<b>From profit for the period</b>	24	<b>0.14 Euros</b>	<b>0.13 Euros</b>

**6 M \* - 6-month period ended**

THE CERTIFIED ACCOUNTANT

THE BOARD OF DIRECTORS

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

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

## Condensed Consolidated Interim Statement of Comprehensive Income for the period of 6 months ended 30 June 2023

(Amounts expressed in thousands of Euros)

Note	6 M *	
	30.06.23	30.06.22
Profit for the period	4,386	4,116
Other comprehensive income for the period		
Items that may be reclassified to profit or loss		
Exchange differences on foreign operations, net of tax	(605)	313
Other comprehensive income for the period	(605)	313
Total comprehensive income for the period	<u>3,781</u>	<u>4,429</u>
Total comprehensive income attributable to:		
Owners of the parent	3,820	4,143
Non-controlling interests	(39)	286
	<u>3,781</u>	<u>4,429</u>
6 M * - 6-month period ended		

THE CERTIFIED ACCOUNTANT

THE BOARD OF DIRECTORS

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

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

## Condensed Consolidated Interim Statement of Changes in Equity for the period of 6 months ended 30 June 2023

(Amounts expressed in thousands of Euros)

	Note	Attributable to owners of the parent						Non-controlling interests	Total Equity
		Share capital	Treasury shares	Share premium	Legal reserves	Stock options reserves	Exch. dif. on foreign operations		
Balance at 1 January 2022		54,638	(1,217)	226	3,140	216	(5,164)	13,749	75,949
Profit for the period		-	-	-	-	-	-	3,983	4,116
Other comprehensive income for the period	12, 13	-	-	-	-	-	160	153	313
Total comprehensive income for the period		-	-	-	-	-	160	286	4,429
<b>Transactions with owners</b>									
Share capital reduction	11, 12	(21,667)	579	-	-	-	-	7,585	(13,503)
Dividends and reserves paid	12, 25	-	-	-	-	-	-	-	-
Treasury shares movements	11, 12	-	(416)	-	-	-	-	(1,094)	(1,510)
Share-based payments	12	-	-	-	-	139	-	-	139
Change in consolidation perimeter	13	-	-	-	-	-	-	-	-
Transactions with owners		(21,667)	163	-	-	139	-	6,491	(14,874)
<b>Changes in ownership interests in subsidiaries that do not result in a loss of control</b>									
Transactions with non-controlling interests	12, 13	-	-	-	-	-	-	-	-
Balance at 30 June 2022		32,971	(1,054)	226	3,140	355	(5,004)	24,223	65,504
Balance at 1 January 2023		32,971	(2,150)	226	3,140	784	(5,111)	26,540	67,227
Profit for the period		-	-	-	-	-	-	4,125	4,386
Other comprehensive income for the period	12, 13	-	-	-	-	-	(305)	(300)	(605)
Total comprehensive income for the period		-	-	-	-	-	(305)	4,125	3,781
<b>Transactions with owners</b>									
Share capital reduction	11, 12	(32,136)	2,214	-	(2,952)	-	-	32,874	-
Dividends and reserves paid	12, 25	-	-	-	-	-	-	(10,827)	(10,827)
Treasury shares movements	11, 12	-	(126)	-	-	-	-	(17,207)	(17,333)
Share-based payments	12	-	-	-	-	388	-	-	388
Change in consolidation perimeter	13	-	-	-	-	-	-	758	758
Transactions with owners		(32,136)	2,088	-	(2,952)	388	-	4,840	(27,014)
<b>Changes in ownership interests in subsidiaries that do not result in a loss of control</b>									
Transactions with non-controlling interests	12, 13	-	-	-	-	-	-	-	-
Balance at 30 June 2023		835	(62)	226	188	1,172	(5,416)	35,505	43,994

THE CERTIFIED ACCOUNTANT

THE BOARD OF DIRECTORS

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

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

## Condensed Consolidated Interim Statement of Cash Flows for the period of 6 months ended 30 June 2023

(Amounts expressed in thousands of Euros)

	Note	6 M *	
		30.06.23	30.06.22
<b><i>Cash flows from operating activities</i></b>			
<b>Net cash from operating activities</b>		<b>7,321</b>	<b>854</b>
<b><i>Cash flows from investing activities</i></b>			
<i>Proceeds:</i>			
Sale of subsidiaries	27	220	-
Sale of associates and other participated companies		-	19
Sale of property, plant and equipment		5	5
Interest received		81	7
Dividends received	21	-	3
		<u>306</u>	<u>34</u>
<i>Payments:</i>			
Acquisition of subsidiaries	27	(215)	-
Acquisition of property, plant and equipment	6	(159)	(230)
Acquisition of intangible assets	7	(66)	(103)
		<u>(440)</u>	<u>(333)</u>
<b>Net cash used in investing activities</b>		<b>(134)</b>	<b>(299)</b>
<b><i>Cash flows from financing activities</i></b>			
<i>Proceeds:</i>			
Proceeds from borrowings	14	12,471	-
		<u>12,471</u>	<u>-</u>
<i>Payments:</i>			
Repayment of borrowings	14	(2,100)	(2,700)
Dividends and reserves paid and share capital reductions	12, 25	(10,827)	-
Payment of lease liabilities	14	(1,330)	(1,315)
Interest paid		(566)	(336)
Purchase of treasury shares	11, 12	(17,338)	(1,510)
		<u>(32,161)</u>	<u>(5,861)</u>
<b>Net cash used in financing activities</b>		<b>(19,690)</b>	<b>(5,861)</b>
<b>Cash and cash equivalents at 1 January</b>	10	<b>40,620</b>	<b>68,433</b>
<b>Net increase (decrease) of cash and cash equivalents</b>		<b>(12,503)</b>	<b>(5,306)</b>
<b>Effects of change in consolidation perimeter</b>	27	<b>(3)</b>	<b>-</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>		<b>24</b>	<b>(158)</b>
<b>Cash and cash equivalents at 30 June</b>	10	<b>28,138</b>	<b>62,969</b>

6 M \* - 6-month period ended

THE CERTIFIED ACCOUNTANT

THE BOARD OF DIRECTORS

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

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

## Selected Notes to the Condensed Consolidated Interim Financial Statements for the period of 6 months ended 30 June 2023

### 1. General information

Novabase, Sociedade Gestora de Participações Sociais, S.A., with head office in Av. D. João II, 34, Parque das Nações, 1998-031 Lisbon, Portugal, holds and manages financial holdings in other companies as an indirect way of doing business, being the Holding Company of Novabase Group. Novabase Group (hereinafter referred to as Novabase Group, Group or Novabase) refers to Novabase S.G.P.S., S.A. and the companies included in the respective consolidation perimeter, which are detailed and disclosed in note 6 in the consolidated financial statements of the 2022 Annual Report (see also note 5).

Novabase's activity is aggregated into 2 operating segments:

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

(ii) **Value Portfolio (VP)** - This area of Novabase, where the Neotalent commercial brand operates, develops activities of IT consulting and services of IT Staffing. It also develops a venture capital activity through Novabase Capital, S.C.R., S.A..

Novabase is listed on the Euronext Lisbon.

The share capital is represented by 27,842,844 shares (31.12.22: 31,401,394 shares), with all shares having a nominal value of 0.03 Euros each (31.12.22: 1.05 Euros). At 30 June 2023, Novabase held 2,065,207 own shares representing 7.42% of its share capital (31.12.22: 2,047,413 own shares representing 6.52% of the share capital).

These condensed consolidated interim financial statements were approved and authorized for issue by the Board of Directors on 21 September 2023.

### 2. Significant accounting policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2022, as described in those financial statements, except for the adoption of new standards, amendments and interpretations, effective at 1 January 2023 (see note 2.2.). The accounting standards, amendments and interpretations recently issued, but not yet effective, can also be analysed in note 2.2..

As mentioned in note 3 - Financial risk management policy in the consolidated financial statements of the 2022 Annual Report, the Group is exposed to several risks as a result of its normal activity, which are monitored and mitigated throughout the year. During the first six months of 2023, there were no material changes that could significantly change the assessment of the risks to which the Group is exposed to (for further information, please refer to Management Report, which is an integral part of this Condensed Consolidated Report and Accounts). Similarly, the Group has not identified significant changes on its exposure to climate-related and other emerging risks, since the last annual reporting period up until 30 June 2023.

#### 2.1. Basis of preparation

The condensed consolidated interim financial statements for the period of six months ended 30 June 2023 have been prepared in accordance with IAS 34 - 'Interim financial reporting'. These condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2022, which have been prepared in accordance with IFRS's, as adopted by the European Union (EU).

These consolidated financial statements were prepared and structured to present fairly the Group's operations, as well as its financial position, financial performance and cash flows. Focusing on the relevance of information, the financial statements include essentially an explanation of the significant events and transactions for an understanding of the major changes to the financial position and performance of the Group since the last annual financial report. Some of the notes from the 2022 Annual Report are omitted because no changes occurred, or they are not materially relevant for an understanding of the interim financial statements.

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

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

These condensed financial statements are presented in thousands of Euros (EUR thousand), rounded to the nearest thousand, except otherwise stated.

These financial statements have not been audited.

## 2.2. IASB new standards and amendments or IFRIC interpretations

### New standards, amendments to existing standards and interpretations that became effective at 1 January 2023

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

Standard, amendment or interpretation	Brief description	Issued in	Effective date
<b>Amendment to IAS 1</b> - 'Disclosure of accounting policies'	The amendment to IAS 1 requires companies to disclose their material accounting policy information rather than their significant accounting policies. To provide guidance on how to apply the concept of materiality to accounting policy disclosures, the IASB also amended IFRS Practice Statement 2 - 'Making Materiality Judgements'.	12/Feb/21	1/Jan/23
<b>Amendment to IAS 8</b> - 'Definition of accounting estimates'	This amendment introduces the definition of accounting estimates and clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates.	12/Feb/21	1/Jan/23
<b>Amendment to IAS 12</b> - 'Deferred tax related to assets and liabilities arising from a single transaction'	This amendment clarifies how companies account for deferred tax on transactions such as leases and decommissioning obligations.	7/May/21	1/Jan/23

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

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

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

Standard, amendment or interpretation	Brief description	Issued in	Effective date
<b>Amendment to IFRS 16</b> - 'Lease liability in a sale and leaseback'	This amendment introduces guidelines for the subsequent measurement of lease liabilities in a sale and leaseback transaction that qualify as a sale in accordance with IFRS 15.	22/Sep/22	1/Jan/24
<b>Amendment to IAS 1</b> - 'Classification of liabilities as current or non-current'	This amendment clarifies on the classification of liabilities as current or non-current balances depending on entity's right to defer its settlement for at least twelve months after the reporting period.	23/Jan/20	1/Jan/24 <sup>(1)</sup>
<b>Amendment to IAS 1</b> - 'Non-current liabilities with covenants'	This amendment clarifies that covenants that an entity is required to comply with on or before the reporting date would affect classification as current or non-current, even if the covenant is only assessed after the entity's reporting date.	31/Oct/22	1/Jan/24
<b>Amendment to IAS 12</b> - 'International Tax Reform: Pillar Two Model Rules'	This amendment constitutes the IASB's response to stakeholders' concerns about the potential implications of the imminent implementation of the OECD's Global Anti-Base Erosion (GloBE) rules on the accounting for income taxes.	23/May/23	1/Jan/23 <sup>(2)</sup>
<b>Amendments to IAS 7 and IFRS 7</b> - 'Supplier Finance Arrangements'	The amendments require an entity to make qualitative and quantitative additional disclosures about its supplier finance arrangements.	25/May/23	1/Jan/24
<b>Amendment to IAS 21</b> - 'Lack of exchangeability'	This amendment contains guidance to specify when a currency is exchangeable, and how to determine the exchange rate when it is not.	15/Aug/23	1/Jan/25

<sup>(1)</sup> The effective date of this amendment, issued in January 2020 and partially amended in October 2022, has been postponed by one year for annual periods beginning on or after 1 January 2024, as a result of the COVID-19 pandemic.

<sup>(2)</sup> Companies can benefit from the temporary exception immediately but are required to provide the disclosures for annual reporting periods beginning on or after 1 January 2023.

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

### 3. Critical accounting estimates and judgements

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

The critical accounting estimates and judgments made in preparing these condensed consolidated interim financial statements are the same as those applied to the consolidated financial statements for the year ended 31 December 2022.

### 4. Segment information

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

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

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

The companies considered in each operating segment are presented in note 6 in the consolidated financial statements of the 2022 Annual Report. For the purposes of segment reporting, Novabase S.G.P.S., S.A. (company including the Group's top management) and, until its merger into Celfocus, S.A., Novabase Serviços, S.A. (company including the Group's shared services) are considered to be an integral part of the Value Portfolio segment.

During 2022 Novabase Serviços, S.A. merged into Celfocus, S.A., company in the Next-Gen segment. Given that this merger was only recorded in August 2022, the comparative information disclosed below still shows Value Portfolio segment including the shared services. In order to provide useful information to the users of the financial statements, information on this subsidiary's contribution to revenues and key performance indicators in the 1st half of 2022, included in the Value Portfolio, is provided here: i) Sales and services rendered - external customers: EUR 9 thousand; ii) Operating Profit: EUR +69 thousand; and iii) Profit from continuing operations: EUR +2 thousand.

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

	Value Portfolio	Next-Gen	Novabase
<b>1st half of 2022</b>			
(i) Total segment revenues	26,222	55,277	81,499
Sales and services rendered - inter-segment	5,197	229	5,426
Sales and services rendered - external customers	21,025	55,048	76,073
Operating Profit	2,010	3,773	5,783
Finance results	(131)	(332)	(463)
Share of loss of associates	(19)	-	(19)
Income tax expense	(832)	(359)	(1,191)
Profit from continuing operations	1,028	3,082	4,110
Profit from discontinued operations (note 27)	6	-	6
<b>Other information:</b>			
Depreciation and amortisation	(1,139)	(551)	(1,690)
(Provisions) / Provisions reversal	61	357	418
Net impairment losses on trade and other receivables	(57)	144	87
	Value Portfolio	Next-Gen	Novabase
<b>1st half of 2023</b>			
(i) Total segment revenues	27,546	66,771	94,317
Sales and services rendered - inter-segment	3,770	1,636	5,406
Sales and services rendered - external customers	23,776	65,135	88,911
Operating Profit	1,790	4,699	6,489
Finance results	(162)	(390)	(552)
Income tax expense	(238)	(1,123)	(1,361)
Profit from continuing operations	1,390	3,186	4,576
Profit from discontinued operations (note 27)	(190)	-	(190)
<b>Other information:</b>			
Depreciation and amortisation	(163)	(1,590)	(1,753)
(Provisions) / Provisions reversal	-	(14)	(14)
Net impairment losses on trade and other receivables	44	267	311

(i) Net of intra-segment revenues (in the 1st half of 2022: EUR 7,006 thousand, of which EUR 2,170 thousand in Value Portfolio and EUR 4,836 thousand in Next-Gen, and in the 1st half of 2023: EUR 5,148 thousand, of which EUR 222 thousand in Value Portfolio and EUR 4,926 thousand in Next-Gen).

As part of the control of the strategic plan execution, Management monitors Turnover by geography, based on the location of the client where the project is delivered, being this geographical criterion also used for the disaggregation of revenue in investors presentations.

Sales and services rendered by geography are analysed as follows:

	Value Portfolio	Next-Gen	Novabase	Total %
<b>1st half of 2022</b>				
Sales and services rendered - external customers	21,025	55,048	76,073	100.0%
Portugal	12,086	20,560	32,646	42.9%
Europe and Middle East	7,919	32,026	39,945	52.5%
Rest of the World	1,020	2,462	3,482	4.6%
	Value Portfolio	Next-Gen	Novabase	Total %
<b>1st half of 2023</b>				
Sales and services rendered - external customers	23,776	65,135	88,911	100.0%
Portugal	12,882	18,236	31,118	35.0%
Europe and Middle East	9,784	44,860	54,644	61.5%
Rest of the World	1,110	2,039	3,149	3.5%

## 5. Companies included in consolidation

During the 1st half of 2023, the following changes occurred in the Novabase Group consolidation perimeter:

### Sale of companies / holdings:

At the end of the first quarter, the Group sold its 74.0% stake in NBMSIT, Sist. de Inf. e Tecnol., S.A., the Mozambican subsidiary whose activity had been discontinued since late 2019, following the sale agreement of the GTE Business to VINCI Energies Portugal, S.G.P.S., S.A.. The sale generated a loss of EUR 190 thousand (see note 27).

## 6. Property, plant and equipment

The amounts presented under 'Property, plant and equipment' heading comprise own assets and right-of-use assets. The movement in the net book value of property, plant and equipment, during the 1st half of 2023, was as follows:

	Buildings and other constr.	Basic equipment	Transport equipment	Furniture, fit. and equip.	Other tangible assets	Total
Cost	27,792	8,603	1,862	1,823	12	40,092
Accumulated depreciation	(25,070)	(7,196)	(1,043)	(1,600)	(12)	(34,921)
<b>Net book value at 31 December 2022</b>	<b>2,722</b>	<b>1,407</b>	<b>819</b>	<b>223</b>	<b>-</b>	<b>5,171</b>
<b>1st half of 2023</b>						
Net book value at 1 January	2,722	1,407	819	223	-	5,171
Acquisitions / increases	6,445	156	586	3	-	7,190
Write-offs / disposals	-	(4)	(7)	-	-	(11)
Depreciation	(1,114)	(331)	(244)	(33)	-	(1,722)
<b>Net book value at the end of the period</b>	<b>8,053</b>	<b>1,228</b>	<b>1,154</b>	<b>193</b>	<b>-</b>	<b>10,628</b>
Cost	34,237	8,691	2,213	1,820	12	46,973
Accumulated depreciation	(26,184)	(7,463)	(1,059)	(1,627)	(12)	(36,345)
<b>Net book value at 30 June 2023</b>	<b>8,053</b>	<b>1,228</b>	<b>1,154</b>	<b>193</b>	<b>-</b>	<b>10,628</b>

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

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

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

	Buildings and other constr.	Transport equipment	Total
Cost	24,373	1,787	26,160
Accumulated depreciation	(21,939)	(968)	(22,907)
<b>Net book value at 31 December 2022</b>	<b>2,434</b>	<b>819</b>	<b>3,253</b>
<b>1st half of 2023</b>			
Net book value at 1 January	2,434	819	3,253
Acquisitions / increases	6,445	586	7,031
Write-offs	-	(7)	(7)
Depreciation	(1,050)	(244)	(1,294)
<b>Net book value at the end of the period</b>	<b>7,829</b>	<b>1,154</b>	<b>8,983</b>
Cost	30,818	2,169	32,987
Accumulated depreciation	(22,989)	(1,015)	(24,004)
<b>Net book value at 30 June 2023</b>	<b>7,829</b>	<b>1,154</b>	<b>8,983</b>

Acquisitions of rights-of-use assets of 'Buildings and other constructions' comprise the extension of the term of the lease contract of 'Edificio Caribe', Novabase's headquarters, in the amount of EUR 6,429 thousand, and the remeasurement of an existing contract dependent on an index or rate in the amount of EUR 16 thousand.

Acquisitions and write-offs of right-of-use assets of 'Transport equipment' are part of the usual renewal of the Group's fleet.

Information on the movements that occurred during the period in lease liabilities related to these right-of-use assets, namely, interest expense and lease payments, can be found in note 14.

## 7. Intangible assets

The movement in the net book value of intangible assets, during the 1st half of 2023, was as follows:

	Intern. gener. intang. assets	Ind. prop. and other rights	Work in progress	Goodwill	Total
Cost	2,961	388	231	11,501	15,081
Accumulated amortisation	(2,777)	(369)	-	-	(3,146)
<b>Net book value at 31 December 2022</b>	<b>184</b>	<b>19</b>	<b>231</b>	<b>11,501</b>	<b>11,935</b>
<b>1st half of 2023</b>					
Net book value at 1 January	184	19	231	11,501	11,935
Acquisitions / increases	-	-	66	-	66
Amortisation	(21)	(10)	-	-	(31)
<b>Net book value at the end of the period</b>	<b>163</b>	<b>9</b>	<b>297</b>	<b>11,501</b>	<b>11,970</b>
Cost	2,961	388	297	11,501	15,147
Accumulated amortisation	(2,798)	(379)	-	-	(3,177)
<b>Net book value at 30 June 2023</b>	<b>163</b>	<b>9</b>	<b>297</b>	<b>11,501</b>	<b>11,970</b>

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

## 8. Deferred tax assets

Deferred taxes are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities, and when the deferred tax assets and liabilities relate to the same tax authority. The deferred tax liability offset at 30 June 2023 amounts to EUR 950 thousand (31.12.22: EUR 926 thousand).

The movement in deferred tax assets was as follows:

	30.06.23	31.12.22
Balance at 1 January	8,826	9,443
Profit or loss charge	(69)	(617)
<b>Balance at the end of the period</b>	<b>8,757</b>	<b>8,826</b>

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

	<b>Tax Credits</b>	<b>Provisions / Adjustments</b>	<b>Total</b>
<b>Balance at 1 January 2022</b>	8,782	661	9,443
Profit or loss charge	374	(991)	(617)
<b>Balance at 31 December 2022</b>	9,156	(330)	8,826
Profit or loss charge	(20)	(49)	(69)
<b>Balance at 30 June 2023</b>	9,136	(379)	8,757

## 9. Trade and other receivables

	<b>30.06.23</b>	<b>31.12.22</b>
Trade receivables	49,058	50,227
Impairment allowance for trade receivables	(623)	(794)
	48,435	49,433
Financial holdings disposal (note 27)	-	215
Capital subscribers of FCR Novabase Capital +Inovação	1,898	1,898
Value added tax	2,132	2,084
Receivables from financed projects	1,036	1,412
Prepayments to suppliers	153	40
Employees	75	12
Other receivables	264	310
Impairment allowance for other receivables	(816)	(1,038)
	4,742	4,933
	53,177	54,366

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

	<b>Trade receivables</b>		<b>Other receivables</b>		<b>Total</b>	
	<b>30.06.23</b>	<b>31.12.22</b>	<b>30.06.23</b>	<b>31.12.22</b>	<b>30.06.23</b>	<b>31.12.22</b>
<b>Balance at 1 January</b>	794	901	1,038	1,058	1,832	1,959
Impairment	122	295	-	-	122	295
Impairment reversal	(211)	(380)	(222)	(20)	(433)	(400)
Exchange differences	(82)	29	-	-	(82)	29
Write-offs	-	(51)	-	-	-	(51)
<b>Balance at the end of the period</b>	623	794	816	1,038	1,439	1,832

## 10. Cash and cash equivalents

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

	<b>30.06.23</b>	<b>31.12.22</b>
Cash	19	34
Short-term bank deposits	28,119	40,586
Cash and cash equivalents at the end of period	28,138	40,620
Impairment allowance for short-term bank deposits	(2)	(3)
Cash and cash equivalents	28,136	40,617

The evolution of 'Cash and cash equivalents' in the period includes the payment of dividends and the distribution of free reserves to shareholders, in the total amount of EUR 10,827 thousand (see note 12).

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

	30.06.23	31.12.22
Balance at 1 January	3	2
Impairment (note 22)	1	3
Impairment reversal (note 21)	(2)	(2)
Balance at the end of the period	2	3

## 11. Share Capital, share premium and treasury shares

	No. Shares (thousands)	Share capital	Treasury shares	Share premium	Total
Balance at 1 January 2022	31,401	54,638	(1,217)	226	53,647
Share capital reduction	-	(21,667)	578	-	(21,089)
Treasury shares purchased	-	-	(1,511)	-	(1,511)
Balance at 31 December 2022	31,401	32,971	(2,150)	226	31,047
Share capital reduction	(3,558)	(32,136)	2,214	-	(29,922)
Treasury shares purchased	-	-	(126)	-	(126)
Balance at 30 June 2023	27,843	835	(62)	226	999

The 1st half of 2023 was marked by a Public Offer ("Offer") for the Acquisition of Novabase's own shares. Announced on 16 February, this Offer covered a maximum of 6,280,279 shares, that is 20% of the share capital, by a consideration of 4.85 Euros per share. As a result, Novabase acquired 3,558,550 shares representing 11.33% of its share capital.

During this semester, two share capital reductions were registered:

(a) a reduction of the nominal value of all 31,401,394 shares representing the share capital of Novabase, from 1.05 Euros per share to 0.03 Euros per share (EUR -32,029 thousand), in compliance with the resolutions taken by the Extraordinary General Meeting held on 13 March 2023, with the purpose of release excessive capital for the Offer;

(b) a reduction of share capital through the cancellation of the 3,558,550 own shares acquired in the context of the referred Offer, according to the resolutions taken by the General Meeting held on 24 May 2023.

It is further noted that, up to the end of June, a third reduction of the share capital through cancellation of 1,315,207 own shares was not completed (see note 30), in compliance with the resolutions taken by the Annual General Meeting of 24 May, and following the meanwhile occurred acquisition of 212,194 own shares by Novabase S.G.P.S. to Novabase Consulting S.G.P.S., S.A..

As a result of the share capital reduction referred to in a), 'Treasury shares' caption was adjusted in the amount of EUR 2,107 thousand against reserves (see note 12), to reflect the number of shares held by the Company at the new nominal value after this operation.

At 31 December 2022, Novabase held 2,047,413 treasury shares, representing 6.52% of its share capital, from which 962,194 shares, representing 3.06% of the share capital, were held through Novabase Consulting S.G.P.S., S.A.. During the 1st half of 2023, up to the launch of the Offer, Novabase acquired 17,794 own shares on the stock market, at an average net price of 4.169 Euros, within the scope of the Company's own shares buy-back programme ("Buy-Back Programme"). At 30 June 2023, Novabase held 2,065,207 treasury shares, representing 7.42% of its share capital. From this total, 750,000 shares representing 2.69% of the share capital are held through Novabase Consulting S.G.P.S., S.A..

Finally, the Buy-Back Programme, started on 29 September 2021 and meanwhile suspended on 16 February 2023 following the preliminary announcement of the public offer for acquisition of own shares, was concluded on 27 April, due to having been reached the estimated number of shares required to settle the options granted under the Company's Stock Option Plan, which was the objective of this Programme.

## 12. Reserves and retained earnings

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

	30.06.23	31.12.22
Balance at 1 January	16,436	3,235
Profit for the previous year	8,917	8,706
(*) Share capital reduction (note 11)	29,922	8,026
Payment of dividends / shareholder remuneration	(10,827)	-
Exchange differences on foreign operations	(305)	53
(**) Purchase and sale of treasury shares (note 11)	(17,207)	(4,152)
Share-based payments	388	568
Balance at the end of the period	27,324	16,436

(\*) Corresponds to the amount of the share capital reduction by reduction of the nominal value of all shares representing the share capital aimed at releasing excessive capital for the Offer (EUR 32,029 thousand), plus the related 'Treasury shares' caption adjustment to the new nominal value (EUR -2,107 thousand).

(\*\*) Corresponds to the premium between the acquisition cost and the par value regarding the own shares acquired on the market until the suspension of Novabase's own shares buy-back programme (EUR 55 thousand), and in the context of the Public Offer (EUR 17,152 thousand).

The Annual General Meeting held on 24 May 2023 approved the payment of a dividend per share of 0.10 Euros as related to the total number of shares issued (see note 25). It was also approved the payment to shareholders of EUR 8,909,710.08 thousand, by way of distribution of free reserves, corresponding to 0.32 Euros per share. Thus, the global amount of the distribution to shareholders reached EUR 11,694 thousand, corresponding to 0.42 Euros per share. The payment, occurred in June 2023, totalled EUR 10,827 thousand, with the difference standing for the remuneration of treasury shares held by the Company, which remained in Novabase.

With the payment of the referred amounts, the intention expressed by Novabase's Board of Directors under the terms of the Strategy Update 2019+, to pay to the shareholders a total of 1.50 Euros per share between the period of 2019 and 2023, was deemed as fulfilled.

### 13. Non-controlling interests

	30.06.23	31.12.22
<b>Balance at 1 January</b>	10,827	10,361
Exchange differences on foreign operations	(300)	28
Profit attributable to non-controlling interests	261	438
(*) Change in consolidation perimeter	758	-
<b>Balance at the end of the period</b>	<b>11,546</b>	<b>10,827</b>

(\*) In March 2023 the subsidiary NBMSIT, Sist. de Inf. e Tecnol., S.A. was sold (see notes 5 and 27).

### 14. Borrowings

	30.06.23	31.12.22
<b>Non-current</b>		
Bank borrowings	12,824	5,200
Lease liabilities	7,851	1,114
	<b>20,675</b>	<b>6,314</b>
<b>Current</b>		
Bank borrowings	6,947	4,200
Lease liabilities	1,694	2,737
	<b>8,641</b>	<b>6,937</b>
<b>Total borrowings</b>	<b>29,316</b>	<b>13,251</b>

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

	6 months or less	6 to 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Bank borrowings	2,100	2,100	4,200	1,000	-	9,400
Lease liabilities	1,420	1,317	769	345	-	3,851
<b>At 31 December 2022</b>	<b>3,520</b>	<b>3,417</b>	<b>4,969</b>	<b>1,345</b>	<b>-</b>	<b>13,251</b>
Bank borrowings	3,709	3,238	5,375	7,449	-	19,771
Lease liabilities	1,264	430	1,634	6,217	-	9,545
<b>At 30 June 2023</b>	<b>4,973</b>	<b>3,668</b>	<b>7,009</b>	<b>13,666</b>	<b>-</b>	<b>29,316</b>

The weighted average effective interest rate of bank borrowings at the reporting date is 5.132% (31.12.22: 4.088%). Lease liabilities are presented after discounting the future finance charges, which amounts to EUR 1,745 thousand at 30 June 2023 (31.12.22: EUR 430 thousand). The weighted average incremental borrowing rate used when determining the present value of future lease payments is 4.407% (31.12.22: 2.630%).

During the 1st half of 2023, the Group negotiated two new loans, in the total amount of EUR 12.0 Million, and used EUR 0.5 Million of a short-term credit line. In addition, an increase in the ceiling of a short-term credit line with a financial institution was also negotiated, from EUR 0.5 Million to EUR 5.0 Million. Loan repayments with banking institutions amounted to EUR 2.1 Million (30.06.22: 2.7M€).

The new loans are denominated in Euros and were negotiated at floating rates. Both loans were entered into for a 60-month period, repayable in ten semestral installments, commencing in October 2023. One of the borrowings has the following covenant: ratio Net Debt / EBITDA ≤ 3.5x.

At 30 June 2023, the debt covenants were being complied with, with the exception of the solvability ratio greater than 35% in relation to one of the financing contracts, where the next calculation of the ratio will only take place at 31 December 2023. It should also be noted that Novabase's covenants include the non-reduction of capital in significant amounts, which is why in 2023 Novabase communicated to the banks the capital reduction precedent to the Public Offer, having received their formal consent.

Movements in lease liabilities are as follows:

	30.06.23	31.12.22
Balance at 1 January	3,851	5,800
Increases (i)	7,031	969
Termination of lease contracts	(7)	(41)
Interest expense (ii)	221	276
Lease payments (iii)	(1,551)	(3,153)
Balance at the end of the period	9,545	3,851

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

(ii) Included in 'Finance costs' (see note 22).

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

Note 6 provides information on the right-of-use assets of the Group related to these lease liabilities.

#### (a) Net debt reconciliation

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

	30.06.23	31.12.22
Cash and cash equivalents (amount before impairment losses)	28,138	40,620
Borrowings - repayable within one year (including overdrafts)	(8,641)	(6,937)
Borrowings - repayable after one year	(20,675)	(6,314)
Net debt	(1,178)	27,369

	Cash and cash equivalents	Bank borrow. due within 1 year	Bank borrow. due after 1 year	Lease liabilities due within 1 year	Lease liabilities due after 1 year	Net debt
At 1 January 2022	68,433	(6,800)	(9,400)	(2,783)	(3,017)	46,433
Cash flows	(26,750)	6,800	-	2,877	-	(17,073)
Acquisitions - lease liabilities	-	-	-	-	(969)	(969)
Effect of exchange rate changes	(1,063)	-	-	-	-	(1,063)
Other non-cash movements	-	(4,200)	4,200	(2,831)	2,872	41
At 31 December 2022	40,620	(4,200)	(5,200)	(2,737)	(1,114)	27,369
Cash flows	(12,503)	2,100	(12,471)	1,330	-	(21,544)
Acquisitions - lease liabilities	-	-	-	-	(7,031)	(7,031)
Effect of exchange rate changes	24	-	-	-	-	24
Change in consolidation perimeter	(3)	-	-	-	-	(3)
Other non-cash movements	-	(4,847)	4,847	(287)	294	7
At 30 June 2023	28,138	(6,947)	(12,824)	(1,694)	(7,851)	(1,178)

#### 15. Provisions

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

	30.06.23	31.12.22
Balance at 1 January	3,047	3,391
Charge for the period (note 20)	14	984
Reversals / charge-off (note 20)	-	(1,328)
Balance at the end of the period	3,061	3,047

# 16. Trade and other payables

	30.06.23	31.12.22
Trade payables	4,304	7,015
Remunerations, holiday and holiday and Christmas allowances	15,686	10,993
Bonus	5,705	9,701
Acquisition of financial holdings	-	1,691
Ongoing projects	3,650	4,103
Value added tax	1,358	1,585
Social security contributions	1,601	2,636
Income tax withholding	1,287	1,707
Employees	60	90
Stock options plan	1,624	1,177
Amount to be paid to non-controlling interests	1	2
Prepayments from trade receivables	2	2
Other accrued expenses	2,198	2,155
Other payables	291	296
	<u>37,767</u>	<u>43,153</u>

The decrease of 'Acquisition of financial holdings' caption reflects the settlement of the following amounts: (i) EUR 1,476 thousand of the contingent consideration associated to service hiring guarantees on the acquisition of Celfocus, S.A., which came to an end, and (ii) EUR 215 thousand regarding the consideration for the acquisition of the non-controlling interests of Novabase Digital, S.A. - which preceded the sale of 100% of the GTE Business (see note 27).

# 17. Deferred income and other current liabilities

	30.06.23	31.12.22
Consulting projects	25,243	19,815
Research and development grants	205	192
	<u>25,448</u>	<u>20,007</u>

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

# 18. External supplies and services

	30.06.23	30.06.22
Subcontracts	21,128	17,272
Commissions and consultancy fees	1,150	1,066
Transportation, travel and accommodation expenses	1,983	1,149
Specialised services and rents	2,129	1,465
Advertising and promotion	132	176
Water, electricity and fuel	296	259
Communications	70	138
Insurance	327	174
Utensils, office supplies and technical documentation	556	480
Other supplies and services	272	356
	<u>28,043</u>	<u>22,535</u>

The analysis of the combined value of subcontracts (amounts incurred for services rendered by external entities used by the Group to support projects for clients) and 'Employee benefit expense' (note 19) allows us to conclude that its evolution in 1st half of 2023 followed the revenue growth, staying slightly below. Additionally, there was an increase in spending on travel and accommodation to pre-pandemic levels (June 2019) and an increase in specialised services.

# 19. Employee benefit expense

	30.06.23	30.06.22
Key management personnel compensation (note 26 i)	860	914
Wages and salaries of the employees	42,464	35,725
Employees social security contributions	7,831	6,891
Stock options granted (note 26 i)	835	471
Other employee expenses	869	2,509
	<u>52,859</u>	<u>46,510</u>

The year-on-year increase of 'Employee benefit expense' plus subcontracts (note 18) stood in line with the Turnover growth.

In the semesters ended 30 June 2023 and 2022 the average number of employees of the companies included in the consolidation was 2160 and 2076, respectively.

## 20. Other gains/(losses) - net

	30.06.23	30.06.22
Provisions and provisions reversal for other risks and charges (note 15)	(14)	418
Other operating income and expense	(64)	(60)
	<u>(78)</u>	<u>358</u>

## 21. Finance income

	30.06.23	30.06.22
Interest received	157	11
Foreign exchange gains	237	470
Fair value of financial assets adjustment (note 28)	110	58
Dividends of financial assets	-	3
Reversal of impairment losses on bank balances (note 10)	2	-
	<u>506</u>	<u>542</u>

## 22. Finance costs

	30.06.23	30.06.22
Interest expenses		
- Borrowings	(329)	(114)
- Lease liabilities (note 14)	(221)	(140)
- Other interest	(3)	(4)
Bank guarantees charges	(48)	(8)
Bank services and commissions	(115)	(57)
Foreign exchange losses	(341)	(675)
Fair value of financial assets adjustment (note 28)	-	-
Impairment losses on bank balances (note 10)	(1)	(7)
	<u>(1,058)</u>	<u>(1,005)</u>

## 23. Income tax expense

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

	30.06.23	30.06.22
Earnings before taxes	5,937	5,301
<b>Income tax expense at nominal rate (21% in 2023 and 2022)</b>	<b>1,247</b>	<b>1,113</b>
Autonomous taxation	170	164
Results in companies where no deferred tax is recognised	110	(74)
Expenses not deductible for tax purposes	(556)	(70)
Differential tax rate on companies located abroad	(22)	67
Research & Development tax benefit	-	(778)
Municipal Surcharge and State Surcharge	204	105
Impairment of Special Payment on Account, tax losses and withholding taxes	188	204
Other	20	460
<b>Income tax expense</b>	<b>1,361</b>	<b>1,191</b>
<b>Effective tax rate</b>	<b>22.9%</b>	<b>22.5%</b>

## 24. Earnings per share

	30.06.23	30.06.22
Weighted average number of ordinary shares	27,557,670	30,575,241
Stock options adjustment	961,566	427,541
Adjusted weighted average number of ordinary shares	28,519,236	31,002,782
Profit attributable to owners of the parent	4,125	3,983
Basic earnings per share (Euros per share)	0.15 Euros	0.13 Euros
Diluted earnings per share (Euros per share)	0.14 Euros	0.13 Euros
Profit from continuing operations attributable to owners of the parent	4,315	3,977
Basic earnings per share (Euros per share)	0.16 Euros	0.13 Euros
Diluted earnings per share (Euros per share)	0.15 Euros	0.13 Euros
Profit from discontinued operations attributable to owners of the parent	(190)	6
Basic earnings per share (Euros per share)	(0.01) Euros	-
Diluted earnings per share (Euros per share)	(0.01) Euros	-

## 25. Dividends per share

In the 1st half of 2023, the amount of EUR 2,784 thousand was distributed to shareholders by way of dividends, corresponding to 0.10 Euros per share as related to the total number of ordinary shares issued. This amount differs from the one shown in the Condensed Consolidated Interim Statement of Cash Flows due to the distribution of free reserves also occurred in this period and to the remuneration of treasury shares held by the Company (see note 12).

## 26. Related parties

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

### i) Key management personnel compensation

Remuneration assigned to the Board of Directors and other key management personnel, during the periods ended 30 June 2023 and 2022, are as follows:

	30.06.23	30.06.22
Short-term employee benefits	830	884
Other long-term benefits	30	30
Stock options granted	835	471
	1,695	1,385

The total variable remuneration assigned to the Board of Directors of Novabase S.G.P.S. and other key management elements of the Group, regardless the year of allocation, which payment is deferred, amounts to EUR 407 thousand (31.12.22: EUR 1,095 thousand).

At 30 June 2023, there are current receivable balances outstanding with key management personnel in the amount of EUR 10 thousand (31.12.22: EUR 4 thousand). There are no payable balances at this date (31.12.22: EUR 10 thousand).

### ii) Balances and transactions with related parties

Balances and transactions with related parties are as follows:

	Trade and other receivables		Trade and other payables	
	30.06.23	31.12.22	30.06.23	31.12.22
Associates	-	-	-	-
Other participated companies	-	1	-	-
	-	1	-	-
Impairment allowances for trade and other receivables	-	-		
	-	1		

	Services rendered		Supplementary income		Interest received	
	30.06.23	30.06.22	30.06.23	30.06.22	30.06.23	30.06.22
Associates	-	45	-	-	-	-
Other participated companies	-	-	-	3	7	3
	-	45	-	3	7	3

iii) Other balances with related parties

	Non-current	
	30.06.23	31.12.22
Associates	-	-
Other participated companies		
Loan to Powergrid, Lda.	2,050	2,050
Loan to Bright Innovation, Lda.	1,477	1,477
Loan to Radical Innovation, Lda.	994	994
Loan to Power Data, Lda.	1,242	1,242
Loan to Glarevision, S.A. (note 28, B)	-	180
	5,763	5,943
Impairment allowance for loans to related parties	(4,262)	(4,262)
	1,501	1,681

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

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

## 27. Discontinued operations

On March 2023 the Group sold its 74.0% stake in the Mozambican subsidiary NBMSIT, Sist. de Inf. e Tecnol., S.A. (see note 5) to Lucas Fazine Chacine, director and shareholder of this Company with 18% of the share capital.

The consideration agreed was EUR 5 thousand, to be paid at the signing date of the Agreement, not subject to further price adjustments. On the same date, along with the sale of the financial holding, the subsidiaries Novabase Business Solutions, S.A. and Novabase IMS 2, S.A. recognising the difficulty in collecting the credits held on NBMSIT for services rendered under the Group's previous policy of incentives for entering and developing the Mozambican market, carried out the definitive transfer of credits by an amount of EUR 10 thousand, not being the said transfer subject to any adjustment or reversal due to the effective collection of assigned credits.

Thus, with effect from 1 April 2023, Novabase recorded a loss on the sale in the amount of EUR -190 thousand, which can be analysed as follows: i) Consideration received in cash on the sale of the financial holding: EUR +5 thousand; ii) Carrying amount of net assets sold (including payable balances to the Group companies): EUR +2.915 thousand; iii) Derecognition of Non-controlling interests (note 13): EUR -758 thousand; iv) Loss on the transfer of credits held on NBMSIT (net of cash received): EUR -3.159 thousand; and v) Use of the existing provision (in 'Liabilities from discontinued operations') relating to the Mozambican subsidiary: EUR +807 thousand.

Also worthy of note are the following situations regarding the Group's discontinued operations:

- COLLAB: After the reporting date Novabase was informed by the purchaser of the Third Additional Purchase Price on the sale of Collab, which is not reflected in these condensed interim financial statements (see note 30);
- GTE BUSINESS: The balances receivable and payable of EUR 215 thousand, relating to an amount retained by VINCI Energies Portugal, S.A. and linked to the acquisition by Novabase to minority shareholders of 9.9% of Novabase Digital, S.A. (condition precedent to the business), under the terms of the agreement, were settled (see notes 9 and 16);
- IMS BUSINESS: The amount of EUR 9 thousand, concerning the recovery of debts considered uncollectible under the SPA, was received in the bank account, which was recognised in 'Results from discontinued operations' by the end of 2022.

The cash flows of discontinued operations are as follows:

	30.06.22			
	COLLAB	GTE	IMS	Novabase
Net cash from operating activities	-	(420)	9	(411)
Net cash from investing activities	-	-	-	-
Net cash from financing activities	-	(5)	-	(5)
	-	(425)	9	(416)

	30.06.23			
	COLLAB	GTE	IMS	Novabase
Net cash from operating activities	-	5	9	14
Net cash from investing activities	-	5	-	5
Net cash from financing activities	-	-	-	-
	-	10	9	19

## 28. Fair value measurement of financial instruments

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

- Derivative financial instruments (assets and liabilities) - Refer to the forward foreign exchange contracts ("FX Forwards") used to manage the Group's exposure to foreign exchange risk, which arise from transactions in currencies different from Euro performed by some of the subsidiaries, primarily in U.S. Dollars, but also from the Group's presence in several markets, namely in Angola. Although contracted to hedge foreign exchange risks according to the Group's financial risk management policies, changes in fair value of these derivatives are included in the consolidated statement of profit or loss, since the instruments do not comply with all the requirements of IAS 39 to qualify for hedge accounting.
- Financial assets at fair value through profit or loss - This category includes certain interests of the Group in companies mainly held through its Venture Capital Funds, NB Capital Inovação e Internacionalização and Novabase Capital +Inovação, and the participation units held in FCT - Labour Compensation Fund (the full list of these assets can be found in note 10 in the consolidated financial statements of the 2022 Annual Report).

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

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

At 30 June 2023 and 31 December 2022, the Group's financial assets and financial liabilities measured and recognised at fair value on a recurring basis are as follows:

	30.06.23			31.12.22		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial assets at fair value</b>						
Financial assets at fair value through profit or loss	776	-	13,533	746	-	13,215
Derivative financial instruments	-	74	-	-	763	-
	<u>776</u>	<u>74</u>	<u>13,533</u>	<u>746</u>	<u>763</u>	<u>13,215</u>
<b>Financial liabilities at fair value</b>						
Derivative financial instruments	-	77	-	-	260	-
	<u>-</u>	<u>77</u>	<u>-</u>	<u>-</u>	<u>260</u>	<u>-</u>

The Group did not measure any financial assets or financial liabilities at fair value on a non-recurring basis as at 30 June 2023.

The Group also has a number of financial instruments which are not measured at fair value in the statement of financial position. At 30 June 2023, the fair values of these instruments are not materially different to their carrying amounts, since the interest receivable / payable is either close to current market rates or the instruments are short-term in nature.

### A. Valuation techniques

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

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

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

The following table presents the movements in Level 3 instruments for the half-year ended 30 June 2023:

	30.06.23	31.12.22
Balance at 1 January	13,215	12,925
Acquisitions	208	87
Disposals	-	(63)
Net fair value adjustments (notes 21 and 22)	110	266
Balance at the end of the period	13,533	13,215

Acquisitions in the 1st half of 2023 refer to the investment in Glarevision, S.A., following the conversion of quasi-equity supplementary payments, plus interest, into equity (see note 26, iii).

Net fair value adjustments of Level 3 instruments recorded in the period refer to an appreciation of the investment in FCR Istart I. The positive fair value adjustment was recognised in profit or loss and included in 'Finance income' (see note 21).

There were no transfers between the Levels 3 and 2 for the purposes of fair value measurement in the 1st half of 2023. There were also no changes made to any of the valuation techniques applied as of 31 December 2022.

The quantitative information about the significant unobservable inputs used in Level 3 fair value measurement of Feedzai, S.A., the main asset in this category representing approximately 85% of these instruments at 30 June 2023, as well as the relationship of some of those unobservable inputs to fair value (for illustrative purposes only) is set out below. No changes were made to the inputs used in Feedzai's valuation at 30 June 2023, as the Group considered that no material changes occurred in the 1st half of 2023, that could significantly affect the inputs used in the valuation. The inputs will be evaluated/reviewed with reference to 31 December 2023.

	Feedzai
Discount rate (post-tax)	13.7%
Perpetual growth rate	0.5%
Annual average growth rate of turnover	32.6%

According to sensitivity analyses performed, a possible increase or decrease of 1 percentage point in WACC would result in a Feedzai's fair value change of approximately EUR -870 thousand and EUR +1,023 thousand, respectively. As for a possible increase or decrease of 0.5 percentage point in the perpetual growth rate implicit in the calculation of the Terminal Value of the valuation, with all other variables held constant, would result in a fair value change of approximately EUR +345 thousand and EUR -319 thousand, respectively.

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

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

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

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

## 29. Contingencies

Towards 31 December 2022, the following changes occurred in the judicial processes:

- In the ongoing lawsuit in the Ghana High Circuit Court - Commercial Division, filed by Rhema Systems Associates Ltd, Novabase's partner in Ghana, for the payment of amounts that it considers to be due for profit sharing in the scope of some business contracts signed with customers, in the global amount of USD 1,568,801.76, the judicial process has been resumed as the mediation procedure initiated by the parties ended without any agreement being reached. The judicial procedure is pending decision by the Court on existing requests from the parties prior to the presentation of defence.

Additionally, following a claim filed by Novabase Neotalent S.A. against Ambisig S.A. for payment of overdue invoices in the amount of 112,004.20 Euros, plus interest, the defendant was served and filed opposition, under which a counterclaim in the amount of 98,759.32 Euros was made. Neotalent answered the counterclaim on 13 January 2023, and the case is awaiting further proceedings.

## 30. Events after the reporting period

After 30 June 2023 and up to the date of issue of this report, the following material events occurred:

### ▪ Share Capital Reduction

On 5 July it was registered before the Lisbon Commercial Registry Office a share capital reduction through the cancellation of 1,315,207 own shares, in compliance with the resolutions taken by the Annual General Meeting held on 24 May 2023, and following the acquisition of 212,194 own shares by Novabase S.G.P.S. to Novabase Consulting S.G.P.S., S.A.. As a result of the registration of said operation, the share capital of Novabase was reduced to 795,829.11 Euros, being represented by 26,527,637 ordinary shares with a nominal value of 0.03 Euros each.

### ▪ Third Additional Purchase Price for the sale of COLLAB, S.A.

In July 2023, the Third (and final) Additional Purchase Price for the sale of COLLAB, S.A., considered as a contingent asset in the 2022 Annual Report, was determined in the amount of EUR 236 thousand. The adjustment to the gain on the sale to be recognised in the second half of 2023 is estimated in EUR 183 thousand.

### ▪ Exercise of 1,050 thousand stock options

In July 2023, 1,050 thousand stock options, corresponding to the total options over Novabase shares outstanding as at 31 December 2022, were exercised, from which 450 thousand options were attributed in 2021 and 600 thousand options were attributed in 2022. The average exercise price per share was 4.813 Euros. The options exercised resulted in the payment to the managing directors and directors with special duties of a total amount of EUR 1,800 thousand and in the allotment of 373,919 ordinary shares, which will be retained by Novabase for a 3-year period, according to the terms and conditions of the Stock Options Plan Regulation. The impact in profit or loss, to be recognised in the 2nd half of 2023, is estimated in approximately EUR 176 thousand, with the difference to the cash outflow standing for the annulment of the liability of EUR 1,624 thousand (see note 16).

## 31. Note added for translation

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

## **II. SECURITIES HELD BY CORPORATE BODIES**

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

	Share capital	Total number of shares / quotas	No. shares / quotas held by corporate bodies at 31.12.22	Transactions	No. shares / quotas held by corporate bodies at 30.06.23	% held by corporate bodies at 30.06.23
<b>Novabase S.G.P.S., S.A.</b>	<b>835,285 €</b>	<b>27,842,844</b>	<b>13,665,289</b>	<b>0</b>	<b>13,665,289</b>	<b>49.1%</b>
HNB - S.G.P.S., S.A. <sup>(a)</sup>			11,438,851	0	11,438,851	41.1%
Pedro Miguel Quinteiro Marques de Carvalho			2,097,613	0	2,097,613	7.5%
Manuel Saldanha Tavares Festas			74,986	0	74,986	0.3%
Francisco Paulo Figueiredo Morais Antunes			30,335	0	30,335	0.1%
María del Carmen Gil Marín			23,001	0	23,001	0.1%
João Luís Correia Duque			500	0	500	0.0%
Luís Paulo Cardoso Salvado			1	0	1	0.0%
Álvaro José da Silva Ferreira			1	0	1	0.0%
José Afonso Oom Ferreira de Sousa			1	0	1	0.0%
Benito Vázquez Blanco			0	0	0	0.0%
Rita Wrem Viana Branquinho Lobo Carvalho Rosado			0	0	0	0.0%
Madalena Paz Ferreira Perestrelo de Oliveira			0	0	0	0.0%
Álvaro José Barrigas do Nascimento			0	0	0	0.0%
Fátima do Rosário Piteira Patinha Farinha			0	0	0	0.0%
KPMG & Associados - S.R.O.C., represented by						
Susana de Macedo Melim de Abreu Lopes			0	0	0	0.0%
Maria Cristina Santos Ferreira			0	0	0	0.0%
<b>NBASIT - Sist. Inf e Telecomunicações, S.A.</b>	<b>47,500,000 AOA</b>	<b>100,000</b>	<b>800</b>	<b>0</b>	<b>800</b>	<b>0.8%</b>
Álvaro José da Silva Ferreira			400	0	400	0.4%
Luís Paulo Cardoso Salvado			200	0	200	0.2%
Francisco Paulo Figueiredo Morais Antunes			200	0	200	0.2%

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

Novabase reports in the above table the securities held directly by members of the board of directors and supervisory bodies of the Company or by the persons closely associated to them.

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# STATEMENT OF COMPLIANCE

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

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

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

(i) the information contained in the condensed consolidated interim financial statements and all other accounting documentation required by law or regulation, regarding the period of six months ended 30 June 2023, was prepared in compliance with the applicable accounting standards and gives a true and fair view of the assets and liabilities, financial position and results of Novabase S.G.P.S., S.A. and the companies included in the consolidation perimeter; and

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

Lisbon, 21 September 2023

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

Álvaro José da Silva Ferreira  
Director with delegated powers

Francisco Paulo Figueiredo Morais Antunes  
Director with special responsibilities

María del Carmen Gil Marín  
Director with special responsibilities

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

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

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

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

Benito Vázquez Blanco  
Non-Executive member of the Board

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