

**ANNUAL
REPORT 2023**



**MANAGEMENT
REPORT**

NOVABASE

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CHAIRMAN AND CEO'S MESSAGE

Dear Shareholders,

In 2023, NOVABASE achieved significant progress in the execution of its strategy, as mirrored in the reports we now disclose.

Turnover increased by 10% and EBITDA by 19%. Net Profit reached €47m, surging by 428%, driven by a capital gain of €40m from the divestiture of the Neotalent business.

It's important to mention that we take great pride in Neotalent's remarkable journey over its 25-year existence, creating exceptional value for all stakeholders. This disposal also allows us to focus our energies and resources on the development of Next-Gen.

Net Cash was €68m, marking an uplift of €28m, inclusive of the disbursement of €17m in the Buyback Offer over own shares and €11m in shareholder's remuneration.

Total shareholders return was 42%, reflecting a robust strategic and operational performance.

Within the Next-Gen segment, international operations expanded by 13%, accounting for 69% of total Turnover, with the UK and Germany emerging as the main markets. EBITDA escalated by 39%, benefiting from the operational stabilization in the Middle East. The cost per employee rose by 11%, showing a stronger value proposition amidst the current competition for specialized expertise in the tech sector.

The 2023 guidance, outlined in the Strategy Update 2019+, was not fully achieved. Anticipating this scenario, we launched a Buyback Offer over own shares in the first half, creating an additional opportunity for shareholder remuneration.

Given the current cash position, the Board of Directors proposes to the General Meeting of shareholders a payment of €1.79 per share, with the option for the beneficiary shareholder to receive payment in kind.

As 2023 marks the final year of the term, it's also important to take stock of this period:

- In the second half of 2021, we initiated a shift in Next-Gen to give it more focus and competitiveness. Today, its strategy is clearer and more differentiated, and, after a reorganization carried out in 2023, we have a structure and processes more aligned with the critical success factors of this strategy. As a result, the company has also become more attractive to talent.
- Over the last 3 years, this business has grown organically by 46%, making NOVABASE larger today than at the beginning of the term, more than offsetting the reduction resulting from the sale of the Neotalent business.
- With the direct involvement of the top leadership, we made significant progress in initiatives to strengthen the sustainability of our business. This positive evolution is reflected in the environmental, social, and governance (ESG) indicators and has led to the definition of new multi-year objectives, which can be consulted in this document.
- Total shareholder return was 92%, clearly above the 13% and 26% of the PSI All-Share and EuroStoxx Tech indices, respectively.

These achievements are dedicated to the entire team at NOVABASE, whose talent and committed efforts made them possible.

For 2024, despite ongoing uncertainty as the prevailing variable, we trust in our team's capacity to implement the defined strategy.

Luís Salvado

HIGHLIGHTS 2023

ACTIVITY

2019+ STRATEGY EXECUTION

NOVABASE: SUCCESSFUL TRANSFORMATION

Full achievement of the shareholder remuneration target, while, as expected, slower achievement of the operational target for 2019-2023, conditioned by delays in inorganic growth and the complexity of the period (COVID-19 and geopolitical conflicts).

NEXT-GEN: STRONG PERFORMANCE, FULLY ORGANICALLY

Next-Gen grew double-digit year-on-year, with international revenues up 13%. Profitability close to the two-digit target, showing a recovery in the Middle East projects with delivery challenges in 2022.

Equity Partnership in Celfocus completed in 2023, with the acquisition of a minority percentage of the share capital of that company by a group of employees of NOVABASE Group with operational leadership responsibilities.

Next-Gen focused on international expansion, particularly in the areas of Cognitive and Analytics, while successfully developing its talent engine.

VALUE PORTFOLIO: SALE OF IT STAFFING BUSINESS

NOVABASE continued to successfully deliver on its strategy, with the sale of the IT Staffing Business to Conclusion Group B.V., for a Price to Sales 2022 multiple of 1.31x, subject to adjustments.

This transaction allows for additional remuneration for NOVABASE shareholders while enabling the Company to focus all its resources on Next-Gen business.

PRESS ZONE

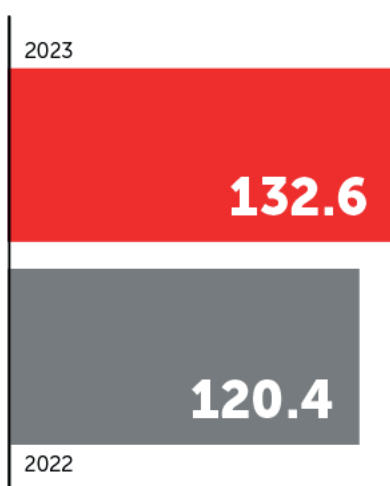
- Partnership with MATRIXX Software | Celfocus and MATRIXX have joined forces to launch an AI solution for 5G monetization.
- Award at the Glotel Awards Ceremony | Celfocus and Vodafone won at the 2023 World Communication Awards hosted by Telecoms.com.
- Sponsorships of Banking Transformation Summit, FutureNet World, Total Telecom Congress and Network Now | Celfocus supported several international reference events focused on topics impacting digital economy and next-gen technology innovation.
- Building an 'Employer Brand' | NOVABASE is invested in attracting the best talent, engaging in multiple initiatives at universities and job fairs, e.g. ISCTE Forum School of Technology and Architecture 23, SINFO 30, Engineering & Tech Talks 2023 at IST and Jobshop 2023, among others.
- Equity Partnership in Celfocus | NOVABASE opened the share capital of Celfocus to a group of key employees of NOVABASE Group, aimed at aligning shareholder value.
- Sale of IT Staffing Business | NOVABASE sold its IT Staffing Business to Conclusion Group for €51.1m, subject to adjustments.
- Launch of Public Offer for the acquisition of own shares | 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 per share to shareholders | The commitment to pay a total of €1.50 per share in 2019-2023 horizon, under 2019+ Strategy, was fully fulfilled.

HIGHLIGHTS 2023

FINANCIAL HIGHLIGHTS

AMOUNTS IN EURO MILLIONS (€m), EXCEPT OTHERWISE STATED
2022 RESTATED (NOT INCLUDING NEOTALENT)

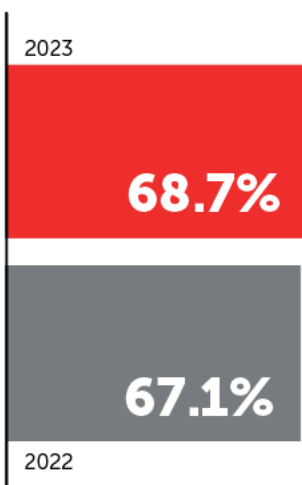
TURNOVER



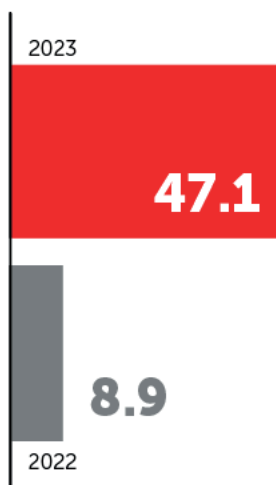
EBITDA



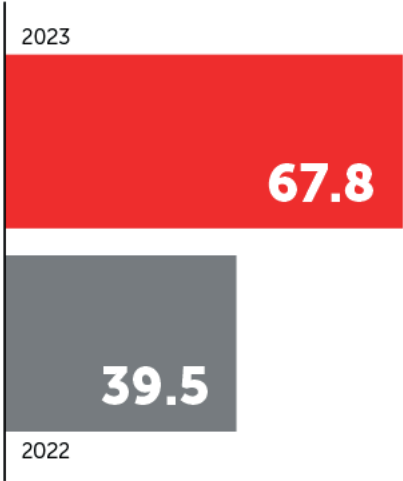
INTERNATIONAL BUSINESS (%)



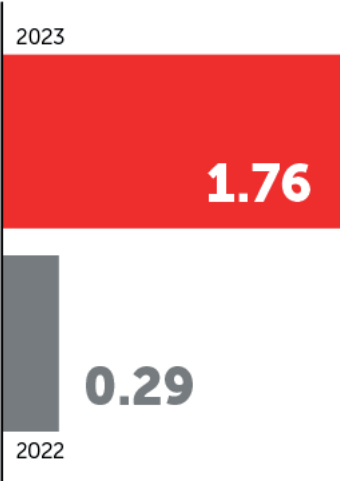
NET PROFIT



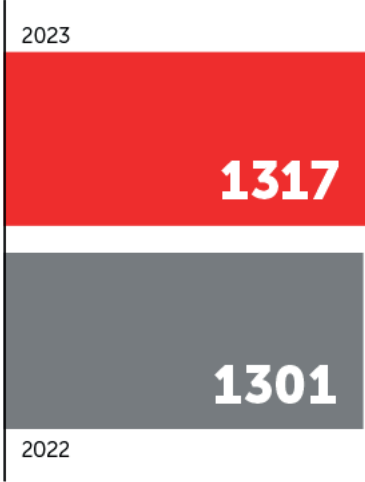
NET CASH



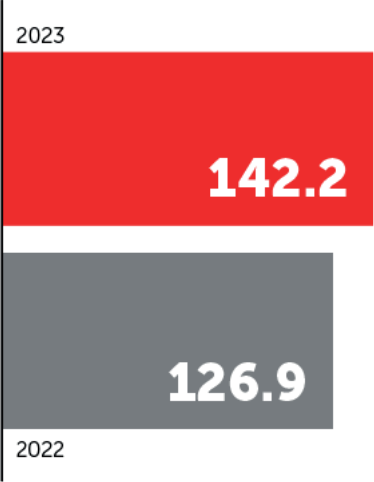
EPS (€/SHARE)



TALENT POOL (AVERAGE #)



MARKET CAPITALIZATION



CORPORATE GOVERNANCE

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

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

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

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

In addition, in the General Meeting of Shareholders held on 24 May 2022, directors Benito Vázquez Blanco and Francisco Paulo Figueiredo Morais Antunes were elected. On 2 June 2022, the Board of Directors decided to grant certain special responsibilities to director Francisco Paulo Figueiredo Morais Antunes, pursuant to and for the purposes of article 407, paragraph 1 of the Commercial Companies Code. The activities of these managing directors are supervised by the non-executive directors.

Moreover, NOVABASE has a general meeting board elected for three-year terms of office, along with a Remuneration Committee appointed by the General Meeting of Shareholders to establish the remuneration of each corporate board member, in accordance with the Remuneration Policy passed by the General Meeting of Shareholders on 25 May 2021. The Company also designates a secretary and respective substitute, under the terms of article 446-A of the Commercial Companies Code, to perform the duties established by law.

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

FINANCIAL AND STOCK PERFORMANCE

RELEVANT INFORMATION

SALE OF IT STAFFING BUSINESS (NEOTALENT)

- On 12 October 2023, NOVABASE entered into a sale and purchase agreement with Conclusion Group B.V. for its IT Staffing Business through the disposal of all the shares held in Novabase Neotalent S.A., corresponding to 95.003% of the shares representing the respective share capital, which holds the entire share capital of Novabase Neotalent España, S.A.U..
- The agreed initial purchase price was €49.4m, subject to certain adjustments as foreseen in the Agreement, to which a potential earn-out of up to €0.95m may be accreted, depending on full compliance with the Transitional Services Agreement ("TSA") also entered into on the same date.
- The sale was substantially completed by the end of November, after verification of the relevant conditions precedent under the Agreement.
- On 18 December the buyer paid €51.1m, comprising certain adjustments to the initial price. The final price is still subject to positive or negative adjustments, resulting from the final calculation of price mechanisms clauses in the Agreement.
- As a result, NOVABASE recorded, with reference to 30 November 2023, a gain on the sale of IT Staffing Business in the amount of €39.8m, above the range of €26m to €33m of estimated capital gain disclosed, but still subject to adjustments.

KEY FIGURES

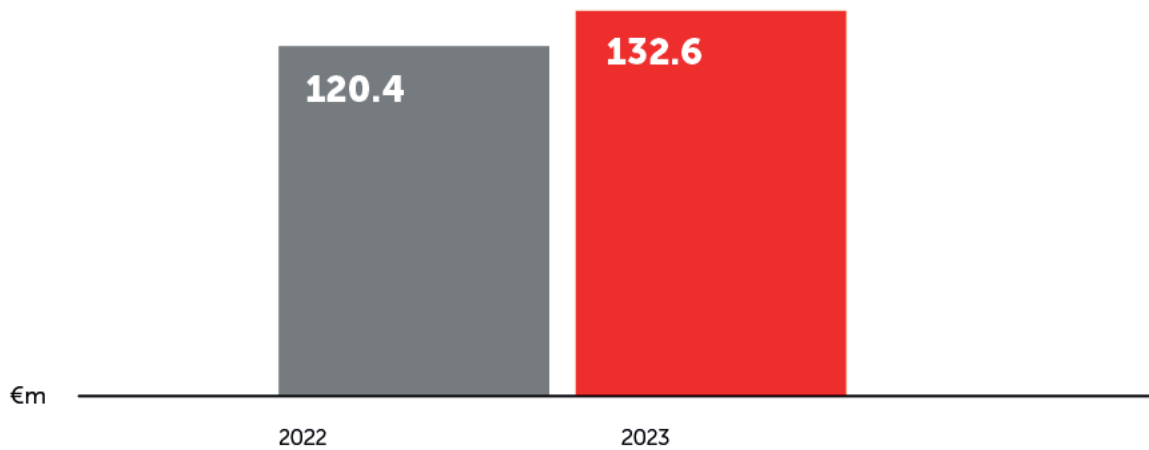
Following the sale of Neotalent, the comparatives of profit or loss were restated in order to present continuing operations separately from discontinued operations.

TURNOVER

Turnover grew 10% YoY

Growth driven by Next-Gen's international business which increased 13% YoY.

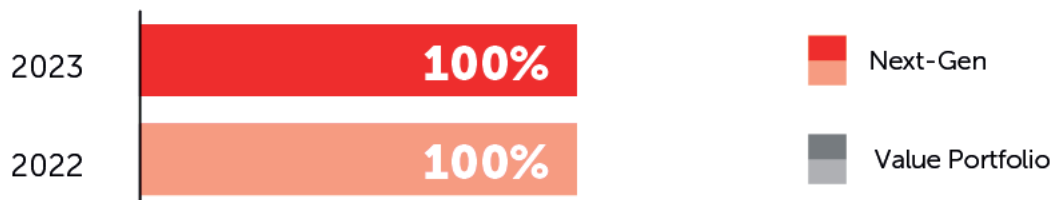
TURNOVER



BREAKDOWN BY GEOGRAPHY (%) ⁽¹⁾



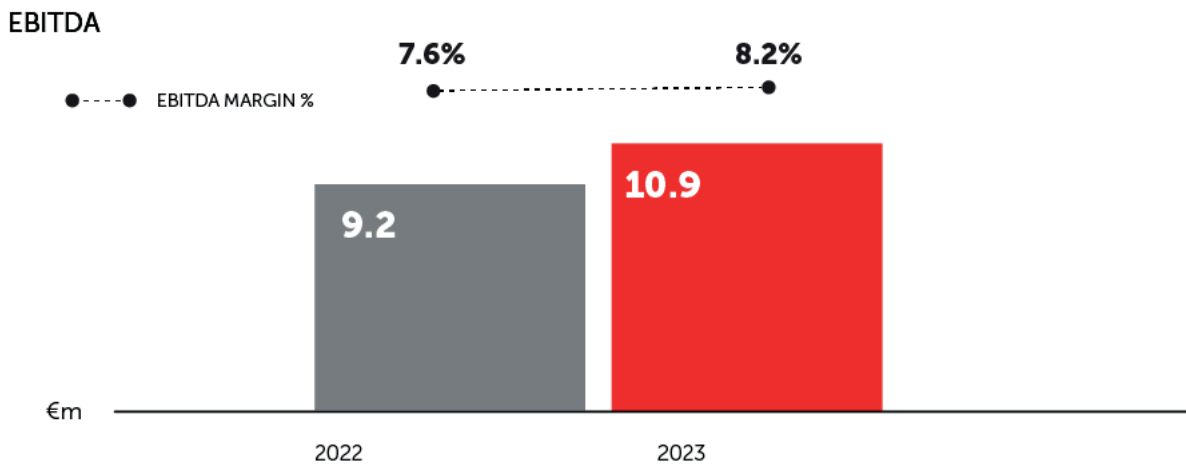
BREAKDOWN BY SEGMENT (%) ⁽²⁾



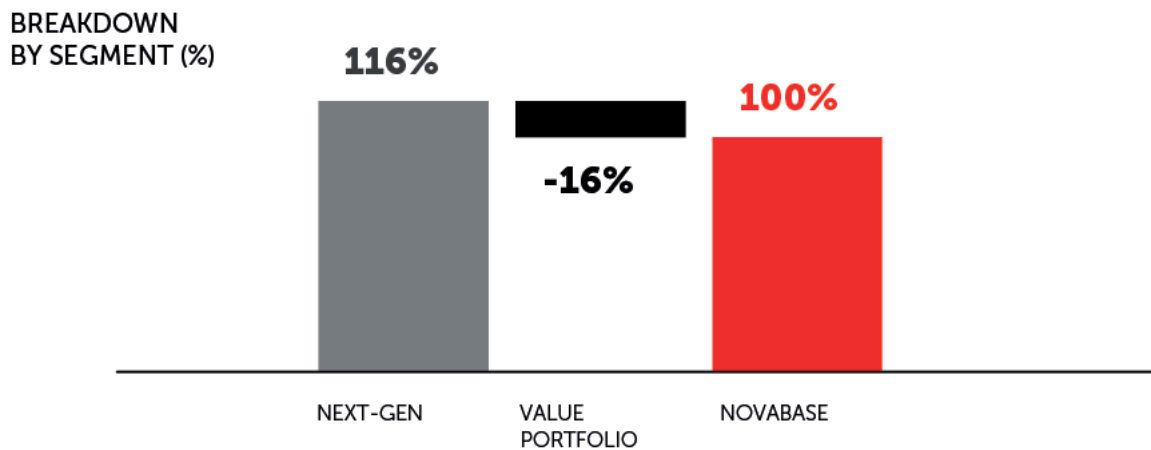
⁽¹⁾ Computed based on the location of the client where the project is delivered.

⁽²⁾ The breakdown by segment of Turnover (%) reflects the exit of the IT Staffing activity, following the sale of Neotalent (Value Portfolio) to Conclusion Group B.V. by the end of 2023.

EBITDA
EBITDA increased 19% YoY



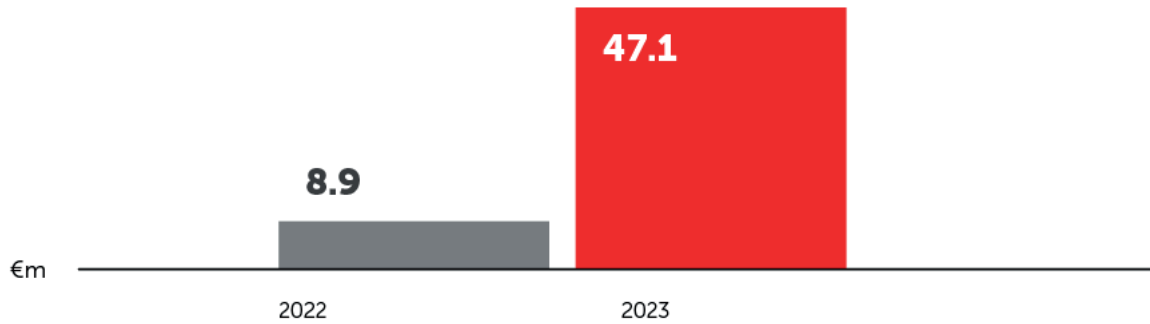
EBITDA is an Alternative Performance Measure (APM) used by NOVABASE to evaluate the profitability of the business and the capacity to generate resources through its operating activities. EBITDA is defined as Operating Profit excluding Amortisation and Depreciation and any non-operating costs that may occur (for example restructuring costs). The Operating Profit is the item of the Consolidated Statement of Profit or Loss, which is an integral part of this Consolidated Report and Accounts, more directly reconcilable and more relevant to this APM.



NET PROFIT

Net Profit of €47.1m

NET PROFIT

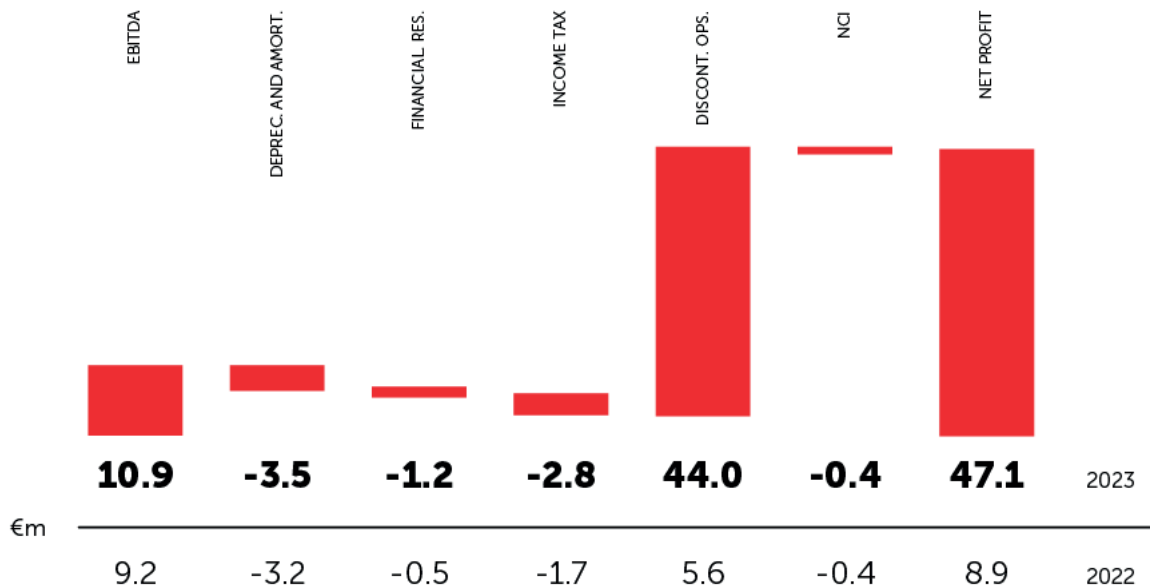


Total Earnings per Share reached €1.76 (€0.29 in 2022).

EBITDA TO NET PROFIT

Net Profit of €47.1m, surging by the capital gain on the sale of Neotalent

EBITDA TO NET PROFIT



Financial Results declined €0.7m YoY due to higher interests and a lower level of re-evaluations in the Venture Capital Funds portfolio.

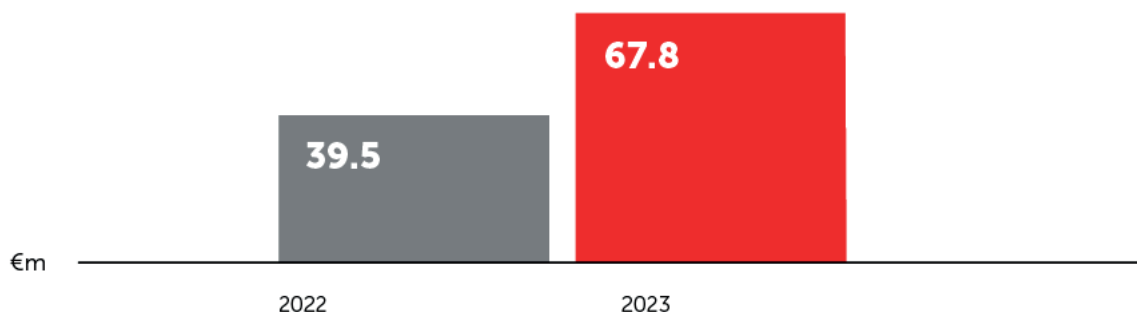
Change in Corporate Income Tax of -€1.1m YoY related to SIFIDE R&D tax incentives.

Discontinued Operations increased €38.4m YoY, fundamentally due to the capital gain of IT Staffing Business disposal, amounting to €39.8m.

NET CASH

Record high Net Cash position of €67.8m

NET CASH



NOVABASE presents a solid Net Cash position to support Next-Gen growth and shareholder remuneration.

In 2023, a cash generation of €5.3m was recorded, excluding the cash inflow of €51.1m from IT Staffing Business disposal, and the cash outflows of €10.8m from shareholder remuneration and €17.3m related to the acquisition of own shares in the context of the Public Offer.

From the €67.8m of Net Cash, €3.3m refers to Non-controlling interests (versus €3.2m in 2022).

Given the cash inflow from the sale of IT Staffing Business and the strong performance in 2023, the Board of Directors will propose to the next General Meeting of Shareholders a remuneration of up to €1.79 per share.

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

	AMOUNTS EXPRESSED IN €K	2022	2023
	Cash and cash equivalents	40,617	80,314
	Treasury shares held by the Company ⁽¹⁾	8,272	3,529
	Bank borrowings - Non-current	(5,200)	(8,587)
	Bank borrowings - Current	(4,200)	(7,475)
	Net Cash	39,489	67,781
	Treasury shares held by the Company	2,047,413	658,461
	Closing Price @ last tradable day (€)	4.040	5.360
	Treasury shares held by the Company	8,272	3,529

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

CAPITAL EXPENDITURE

Capex of €1.4m

CAPEX amounted to €1.4m in 2023 (€1.0m in 2022) and is divided into two parts:

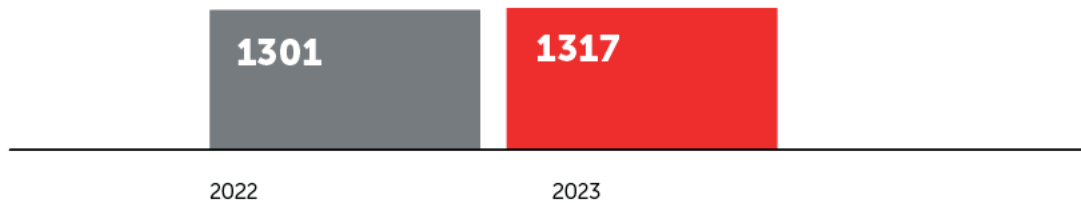
- Work in progress, in the amount of €0.9m, related to development of projects; and
- Property, plant and equipment (excluding right-of-use assets), in the amount of €0.4m, referring essentially to basic equipment for the operations.

CAPEX is an Alternative Performance Measure (APM) used by NOVABASE to analyse how much of its cash flow is being invested in fixed assets necessary to maintain or increase the operational capacity of the business. CAPEX is defined as payments related to the acquisition of property, plant and equipment and intangible assets, disclosed as investment activities in the Consolidated Statement of Cash Flows, which is an integral part of this Consolidated Report and Accounts.

TALENT

Talent pool of 1317 employees

AVERAGE NUMBER OF EMPLOYEES ⁽¹⁾



Despite the competition for tech talent, NOVABASE was able to maintain its pool of specialists, recording a slight increase compared to the same period of last year (+1%).

⁽¹⁾ Excluding IT Staffing representing 811 employees in 2022.

SEGMENT INFORMATION

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

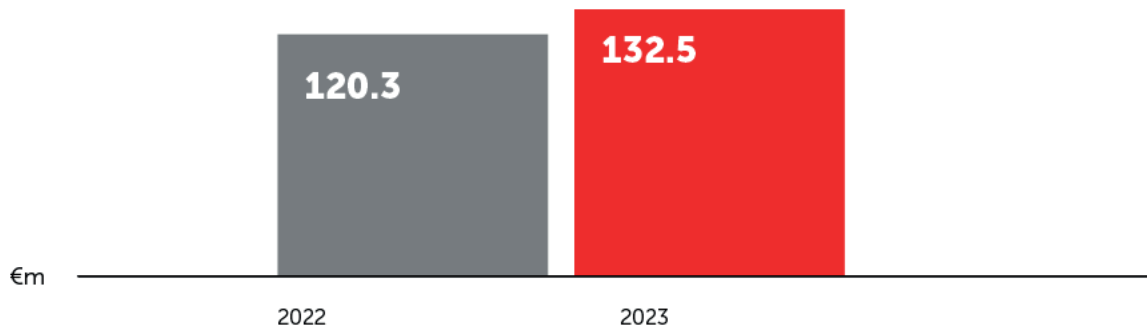
NEXT-GEN: NOVABASE's core segment, which operates under the Celfocus commercial brand according to NOVABASE's brand architecture. It develops an IT activity with technological offers that tend to be more advanced and targeted mainly to the Financial Services and Telecommunications industries and to the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

VALUE PORTFOLIO: Segment including the venture capital activity developed through Novabase Capital, S.C.R., S.A.. It also developed a consultancy activity and provided IT Staffing services, under the Neotalent commercial brand, which was discontinued in 2023. For reporting purposes, Value Portfolio segment includes the Group's holding.

- **NEXT-GEN**

Next-Gen's Topline grew at double-digit, +10% YoY

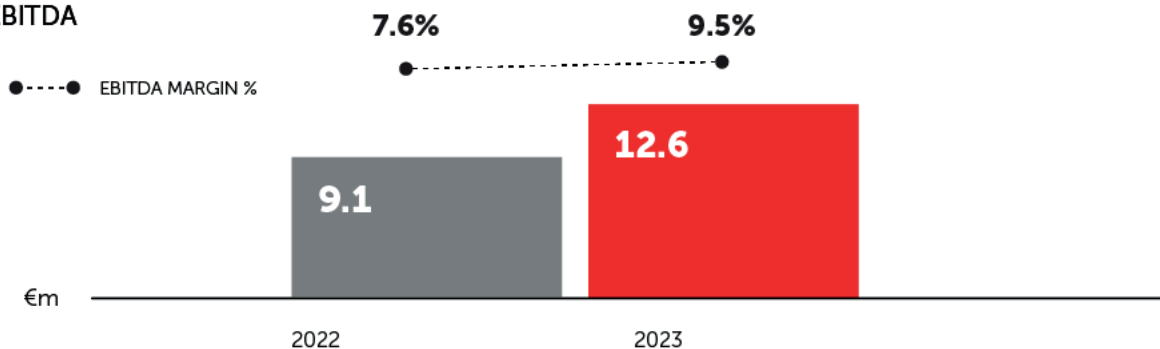
TURNOVER



Growth was fully organic.

Next-Gen's EBITDA rose 39% YoY

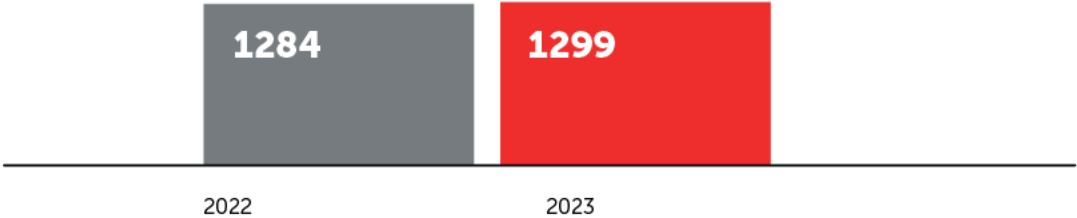
EBITDA



Profitability was positively impacted by the recovery of Middle East margins, despite scale-up costs, wage inflation and investments in key offerings.

Next-Gen’s Talent Pool increased 1% YoY

AVERAGE NUMBER OF EMPLOYEES



TTM attrition rate ⁽¹⁾ of Next-Gen dropped to 11.2% (18.2% in 2022), confirming the downward trend observed, as a result of proactive management of our pool and evolving market context.

Multi-industry approach results emerging

2023 still highlights Telco dominance.

% REVENUES BY INDUSTRY

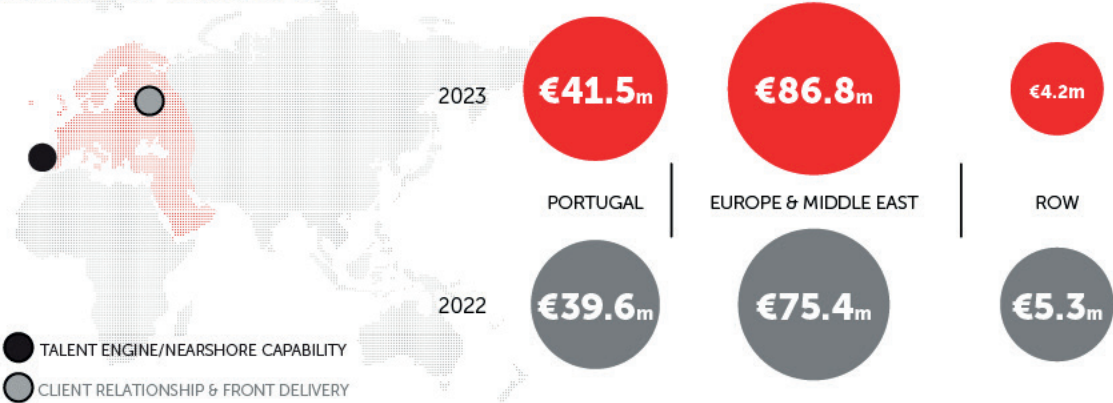


⁽¹⁾ Determined by the formula: number of leaves at the employee’s initiative ÷ average number of employees, for the Trailing Twelve Months.

Double-digit growth in international revenues

International Turnover showed a remarkable 13% growth YoY and stands for 69% of Next-Gen’s Turnover.

REVENUES BY GEOGRAPHY

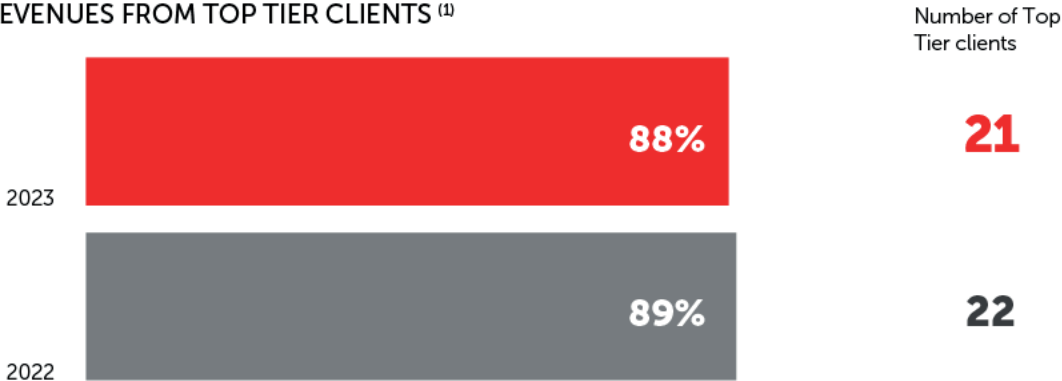


Target markets of Europe & Middle East represented 95% of the segment’s international business, increasing 15% YoY.

Top Tier clients Revenues grew 9% YoY

Growth of the customer base in 2023 and ongoing investments to increase brand awareness and Top Tier client share of wallet.

% REVENUES FROM TOP TIER CLIENTS ⁽¹⁾



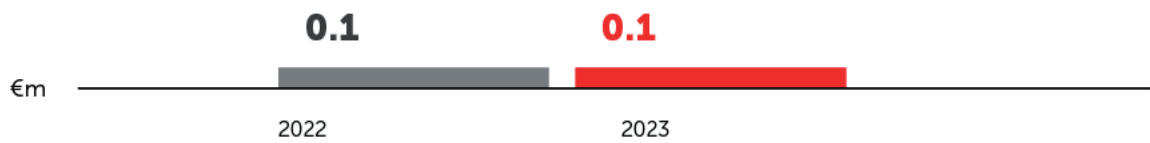
Total number of clients in 2023 increased to 117 (111 in 2022).

⁽¹⁾ Top Tier clients (>€1m) considers the Trailing Twelve Months.

- **VALUE PORTFOLIO**

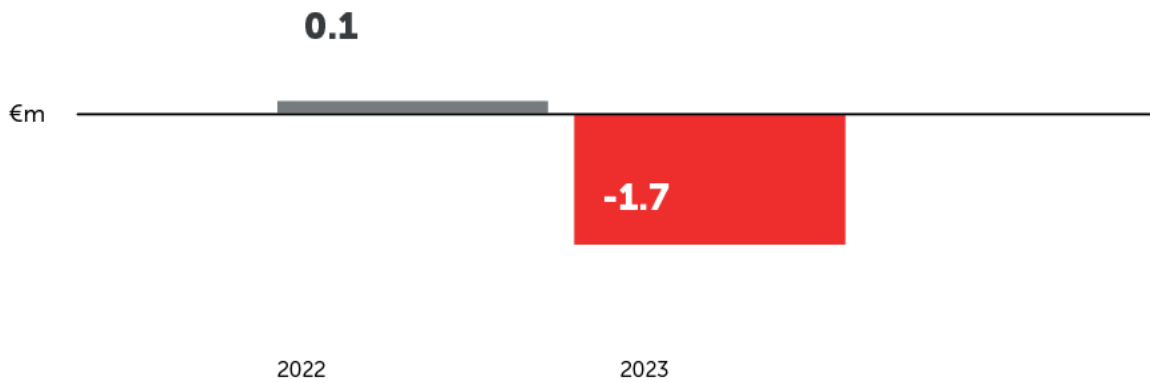
Value Portfolio Turnover of €0.1m

TURNOVER



Value Portfolio EBITDA decreased to -€1.7m

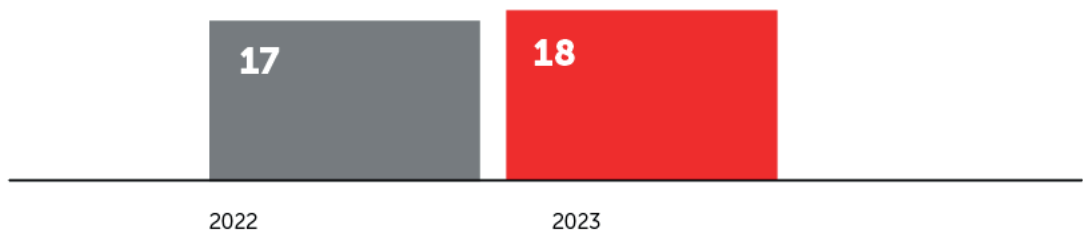
EBITDA



EBITDA was impacted by central structure costs.

Value Portfolio with 18 employees

AVERAGE NUMBER OF EMPLOYEES ⁽¹⁾



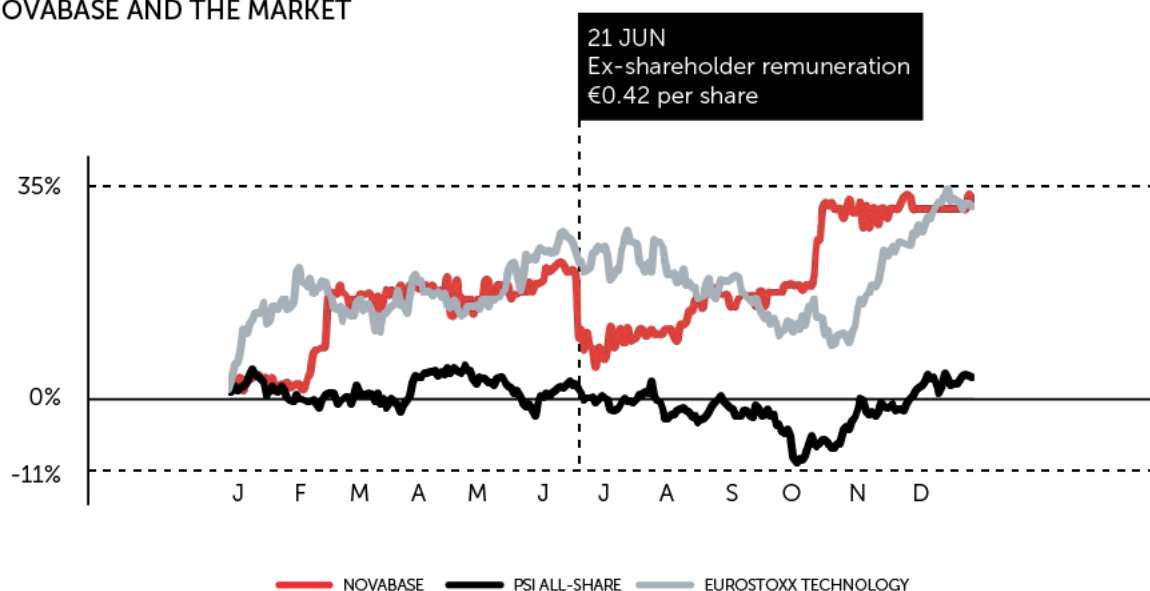
⁽¹⁾ Excluding IT Staffing representing 811 employees in 2022.

STOCK PERFORMANCE

Total Shareholder Return of 42%

NOVABASE stock price increased 33% in 2023 (or 42% adjusting the shareholder remuneration), whilst EuroStoxx Technology Index increased 32% and PSI All-Share Index increased 4%.

NOVABASE AND THE MARKET



In 2023 NOVABASE paid €0.42 per share to shareholders, thus fulfilling the intention to pay a total of €1.50 per share in 2019-2023⁽¹⁾.

In this period, NOVABASE launched a Public Offer over own shares, creating an additional remuneration opportunity for shareholders. As a result, NOVABASE acquired 3,558,550 shares at €4.85 per share.

Excluding shares acquired in the context of the Offer (cancelled to reduce share capital), NOVABASE acquired 18k shares during 2023. As at 31 December 2023, NOVABASE holds 658,461 own shares (2.48% of its share capital).

Market Capitalization at the end of 2023 is €142.2m, with a TTM Price to Sales of 0.79x.

The Board of Directors will propose to the General Meeting of Shareholders to be held on 22 May, a remuneration of up to €1.79 per share.

At the date of issue of this Report, the average price target disclosed by analysts is €6.40. Average upside is 19%.

⁽¹⁾ Expressed by the Board of Directors under the terms of Strategy Update 2019+.

RISKS

• FINANCIAL RISKS

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

In 2023, uncertainty continued to mark the economic and geopolitical landscape. The hike in interest rates that has taken place since July 2022 in the Euro Zone continued until September 2023, with prospects that they will begin to decline in 2024, due to the relief of inflationary pressures. However, the slowdown in the global economy and a second military conflict in 2023 have brought further instability. The war in Ukraine and the risk of escalating the conflict in the Middle East, which would put a lot of pressure on oil supplies, could jeopardise the falling inflation and the inflection of central banks' monetary policy.

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

Foreign exchange risk

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

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

Interest rate risk (cash flows and fair value)

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

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

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

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

Credit risk

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

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

Liquidity risk

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

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

Capital management risk

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

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

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

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

• EMERGING RISKS

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

Cyber-risks

The growing sophistication and integration of technologies increased the companies' exposure to several cyber-risks (such as large-scale cyber-attacks, violation and destruction of data, extortion attempts, etc.), with possible financial, operational and reputational losses. The shift to working from home (WFH) and the geopolitical conflicts led to a significant increase of the exposure to this risk.

According to IBM's "Intelligence Index" annual report released in February 2024, Portugal was considered the fourth European country most affected by cyber-attacks detected in 2023, just after the United Kingdom, Germany and Denmark, responding to 11% of cases.

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

Talent retention risk

NOVABASE's ability for the success of its strategy depends on its ability to attract and retain top talent for each position.

The acceleration of digital transformation and the new labour dynamics since the pandemic, driven by fierce competition for scarce talent, have brought huge challenges to talent management, which translates into an increase in IT wages and increased difficulties in employee attraction, and especially in employee retention.

NOVABASE's human resources policies are aligned to achieve the strategic objectives, having been adapted and reinforced in view of this reality, namely through the adoption of a hybrid work model with 60% of remote work (since 2021), the continuous improvement of benefits and working conditions, a good on-boarding process, investment in training, among others.

Delivery risk

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

- Analysis of each significant commercial proposal in order to reduce possible overselling, considering the available internal capacity;
- Permanent scrutiny of the quality of the team to be allocated to the projects;
- Maintenance of permanent training programmes in technologies (namely in New-Generation information technologies) and project management methodologies.

The Nearshore Agile delivery model that NOVABASE refined in recent years has shown its resilience during and in the post-pandemic.

Strategic and contextual risks

NOVABASE is not immune to the contingencies of the markets in which it operates, still facing the so-called “strategic and context risks”.

The current geopolitical and macroeconomic environment, with the wars in Ukraine and in the Middle East, and a latent threat of recession in Europe, raised the levels of uncertainty and unpredictability. However, the director of the IMF affirmed, in February statements, to be very confident that the global economy is prepared for cuts in interest rates by mid-2024, going in the direction inflation has been going since late 2023. She also pointed out her fear regarding the unpredictability of the duration of the conflict in Gaza, warning that the risk of spillovers go up (if) it goes on.

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

Risks associated with climate change

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

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

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

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

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

OUTLOOK

The main bet and challenge for 2024 is the international expansion, in a year of great uncertainty

The outlook for this year is one of great uncertainty, namely due to the conflicts in Ukraine and Gaza, which may threaten the current decline in inflation and contribute to an increase in the risk of stagnation in economic growth.

The IT Staffing Business disposal by the end of 2023 allowed NOVABASE to focus all its resources on Next-Gen business. In 2024, NOVABASE will continue to focus on the growth of its international operations, particularly in the areas of Cognitive and Analytics.

Despite forecasts of a decline in inflation and interest rates, the uncertainty regarding the duration and risk of escalation of the current geopolitical conflicts makes 2024 a year of great uncertainty and extremely challenging.

SUBSEQUENT EVENTS

The following relevant facts occurred in 2024 up to the date of issue of this Report:

Qualified Holding

On 12 February 2024, NOVABASE disclosed to the market that it has received, from Isatis Investment Classic Blue Fund, the communication of qualified holding, pursuant to which it was informed that the referred Fund holds 5% of NOVABASE's share capital.

Remuneration to shareholders of up to €1.79 per share

On 15 February 2024, NOVABASE announced the intention of its Board of Directors to propose to the 2024 annual General Meeting the payment of a shareholder remuneration of up to €1.79 per share, subject only to possible adjustments due to the final configuration of balance sheet items. This corresponds to the distribution of up to €46.3m to shareholders, an amount equivalent to around 98.4% of the consolidated net profit for 2023.

The same press release informs that the Board of Directors is evaluating the possibility of this remuneration being paid, in whole or in part, in kind, in new NOVABASE shares to be issued for this purpose, of the same category as the existing ones, upon option of the shareholder who expresses this intention to the Company, in accordance with the information to be provided until the Call.

CORPORATE BODIES

OFFICERS OF THE GENERAL MEETING

Chairman

António Manuel da Rocha e Menezes Cordeiro

Secretary

Catarina Maria Marante Granadeiro

BOARD OF DIRECTORS

Chairman

Luís Paulo Cardoso Salvado
(Executive)

Members

Álvaro José da Silva Ferreira
(Executive)

Francisco Paulo Figueiredo Morais Antunes
(Non-executive)

María del Carmen Gil Marín
(Non-executive)

José Afonso Oom Ferreira de Sousa
(Non-executive)

Pedro Miguel Quinteiro Marques de Carvalho
(Non-executive)

Benito Vázquez Blanco
(Non-executive)

Madalena Paz Ferreira Perestrelo de Oliveira
(Non-executive)

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

DELEGATED DIRECTORS

Luís Paulo Cardoso Salvado
Álvaro José da Silva Ferreira

DIRECTORS WITH SPECIAL RESPONSIBILITIES

Francisco Paulo Figueiredo Morais Antunes
María del Carmen Gil Marín

AUDIT BOARD

Chairman

Álvaro José Barrigas do Nascimento

Members

Fátima do Rosário Piteira Patinha Farinha
João Luís Correia Duque

Surrogate

Manuel Saldanha Tavares Festas

STATUTORY AUDITOR

Effective Statutory Auditor

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

Surrogate Statutory Auditor

Maria Cristina Santos Ferreira

REMUNERATION COMMITTEE

Chairman

Francisco Luís Murteira Nabo

Members

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

COMPANY'S SECRETARY

Marta Isabel dos Reis da Graça Rodrigues do Nascimento
Diogo Leónidas Ferreira da Rocha (Surrogate)

PROPOSAL FOR THE ALLOCATION OF RESULTS

Whereas:

1. In the financial year 2023, NOVABASE reported individual net profits of €37,512,116.20;
2. As at 31 December 2023, the Company also has free reserves totalling €31,445,666.27 and retained earnings totalling €1,738,832.28;
3. The distribution of the free reserves contained in this proposal complies with Articles 32 and 33 of the Portuguese Companies Code;
4. On 15 February 2024, the Company's Board of Directors announced that it was looking into the possibility of proposing a resolution to the annual General Meeting whereby shareholders would be given the option to be paid their shareholder remuneration in kind, as an alternative to paying out the full dividend in cash, through the distribution of new NOVABASE shares of the same class as those already in existence, to be issued for this purpose in a share capital increase - this allotment in kind would always be subject to the beneficiary shareholder's option;
5. As a result of this assessment and to promote greater flexibility in terms of shareholder remuneration and contribute to reinforcing the Company's capitalization through the share capital increase to be also presented at annual General Meeting, the Board of Directors has decided to present the current proposal for the allocation of profits.

Therefore, pursuant to the applicable legal and statutory provisions and subject to the approval of the proposals submitted by the Board of Directors for a share capital increase, it is hereby proposed that:

- 1) An amount corresponding to €37,403,968.17, i.e., €1.41 per share relative to the total number of shares representing the share capital, be allotted of the net profit for the year to pay out dividends to shareholders, and the remainder, corresponding to €108,148.03, be transferred to retained earnings;
- 2) An amount of retained earnings, corresponding to €1,591,658.22, be allocated to free reserves, and that the amount of €10,080,502.06 be distributed to shareholders from the free reserves, which, together with the net profit for 2023 to be distributed as stated in the previous paragraph (€37,403,968.17), totals €47,484,470.23, resulting in a gross dividend per share of €1.79;

3) The shareholders have the possibility of opting to receive the dividend set out in the previous paragraph in new shares to be issued by the Company, by subscribing to a share capital increase to be carried out for this purpose. This proposal is therefore subject to the approval of the proposals submitted by this Board of Directors relating to this share capital increase. The terms and conditions for such option are detailed in the annex to the referred proposal of the Board of Directors to the annual General Meeting, disclosed with the notice of general meeting.

Lisbon, 29 April 2024

The Board of Directors

ANNEXES TO THE MANAGEMENT REPORT

LIST OF SHAREHOLDERS WITH QUALIFYING STAKES AS AT 31 DECEMBER 2023

(With the identification of the respective allocation of voting rights in accordance with paragraph 1 of article 20 of the Portuguese Securities Code)

The holdings identified below correspond to the last positions notified to the Company with reference to 31 December 2023 or a previous date.

There are no categories of shares with special rights.

HOLDERS	NO. SHARES	% SHARE CAPITAL AND VOTING RIGHTS
HNB - S.G.P.S., S.A. ⁽¹⁾	11,438,851	43.12%
Pedro Miguel Quinteiro Marques de Carvalho	2,097,613	7.91%
IBI - Information Business Integration, A.G. ⁽²⁾	6,257,430	23.59%
TOTAL	19,793,894	74.62%

⁽¹⁾ The directors José Afonso Oom Ferreira de Sousa, Luís Paulo Cardoso Salvado and Álvaro José da Silva Ferreira are the controlling shareholders and directors of HNB – S.G.P.S., S.A., having entered into a shareholder's agreement concerning the entirety of the share capital of this company.

⁽²⁾ When NOVABASE received communication of this holding, it was informed that José Sancho García is the controlling shareholder of this company, and therefore the corresponding voting rights are attributed to him.

During 2023, NOVABASE did not maintain any significant business relationship with shareholders with qualifying stakes or entities that, as far as the Company is aware, are or were related to them.

INFORMATION CONCERNING STAKES HELD BY MEMBERS OF THE BOARD OF DIRECTORS AND SUPERVISORY BODIES AS AT 31 DECEMBER 2023

(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 31 December 2023 or a previous date. The duties of each of these Corporate Bodies are described in the CORPORATE BODIES section of this Report.

HOLDERS	NO. SHARES	% SHARE CAPITAL AND VOTING RIGHTS
Pedro Miguel Quinteiro Marques de Carvalho	2,097,613	7.91%
Manuel Saldanha Tavares Festas	74,986	0.28%
Francisco Paulo Figueiredo Morais Antunes	30,335	0.11%
María del Carmen Gil Marín	23,001	0.09%
João Luís Correia Duque	500	0.00%
Luís Paulo Cardoso Salvado ⁽¹⁾	1	0.00%
Álvaro José da Silva Ferreira ⁽¹⁾	1	0.00%
José Afonso Oom Ferreira de Sousa ⁽¹⁾	1	0.00%
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%
TOTAL	2,226,438	8.39%

⁽¹⁾ Luís Paulo Cardoso Salvado, Álvaro José da Silva Ferreira and José Afonso Oom Ferreira de Sousa are shareholders of HNB – S.G.P.S., S.A., where they hold management positions. As at 31 December 2023, HNB – S.G.P.S., S.A. held 11,438,851 shares representing 43.12% of NOVABASE's share capital and respective voting rights.

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.

MANAGEMENT TRANSACTIONS

(Under the terms of European Union market abuse regulation)

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

OWN SHARES TRANSACTIONS

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

As 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 2023, NOVABASE acquired on the market 17,794 own shares at the average net price of €4.169, in the context of the own shares buy-back programme ("Buy-Back Programme"). Additionally, NOVABASE acquired 3,558,550 shares at €4.85 per share following the Public Offer over own shares launched at 16 February, which were cancelled within the scope of a share capital reduction.

In 2023, 1,315,207 own shares were cancelled in compliance with the resolutions taken by the General Meeting of 24 May and following the prior acquisition by NOVABASE of 212,194 shares from Novabase Consulting S.G.P.S., S.A..

Also during 2023, NOVABASE transferred the ownership of 91,539 own shares in the settlement of options exercised within the scope of the Company's Stock Option Plan in force, after prior acquisition of these shares from Novabase Consulting S.G.P.S., S.A..

As at 31 December 2023, NOVABASE held 658,461 own shares, representing 2.48% of its share capital, all of them held through Novabase Consulting S.G.P.S., S.A..

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

As at 31 December 2023, the nominal value of all shares representing the share capital of NOVABASE was €0.03 (31 December 2022: €1.05), as a result of the share capital reduction approved by the Extraordinary General Meeting of Shareholders held on 13 March 2023.

Own shares transactions carried out on the stock exchange in 2023, except those acquired in the context of the Public Offer, are detailed as follow:

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

TRANSACTION	DATE	LOCATION	NO. SHARES	PRICE PER SHARE (€)
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
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

	TRANSACTION	DATE	LOCATION	NO. SHARES	PRICE PER SHARE (€)
	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

NON-FINANCIAL STATEMENTS

The topic of Sustainability has gained relevance over the last years as a means of drawing attention to the ever-mounting urgency of fighting climate change, promoting equality, diversity and inclusion and sustainable economic development, through business transparency and ethics.

The digitalization of economies is a global trend that gained great prominence after the COVID-19 pandemic. The NOVABASE Group, as a technology company, plays a critical role in this transformation, contributing not only directly through its business strategy, but also indirectly through its volunteer initiatives to promote more digital inclusion.

Fully aware of global challenges and needs, the NOVABASE Group has aligned itself with the topic of Sustainability, making it part of its strategy and, through its commercial brand Celfocus, has adhered to the ten principles of the United Nations Global Compact (UNGC), assuming its global commitment to a more sustainable future. Furthermore, Celfocus now has a Sustainability Committee as well, supervised by a member of Celfocus' management, to boost its importance in decision-making.



NOVABASE GROUP CONTRIBUTION

In its 2030 Agenda, the United Nations established a set of 17 Sustainable Development Goals (SDGs) on a global scale. During 2023, the NOVABASE Group, within the scope of the technology sector where it does business, evaluated how its current strategy and activities could contribute towards, and more proactively impact, the SDGs.

After an internal assessment, NOVABASE identified six SDGs as priority to its strategy and to which it could contribute more proactively:



4.4

Quality education: NOVABASE, through Celfocus, has implemented a number of volunteer initiatives, in particular the participation in the Technovation Girls programme with mentoring of young female student teams in the development of social sustainability projects. This mentoring is also aimed at helping to attract more women to the areas of Science, Technology, Engineering and Mathematics (“STEM”), thereby making the job market more balanced, and allowing more female talent to be hired.



8.3

Decent work and economic growth: NOVABASE provides a safe and healthy workplace, ensuring that all labour-related practices comply with legal regulations concerning labour, health and safety at all of the locations where it operates.



9.4, 9.5

Industry, innovation and infrastructure: as a technology sector company, NOVABASE aims to persevere with generally more advanced technology offerings targeting the financial services and telecommunications industries.



10.3

Reduced inequalities: reinforcing NOVABASE’s commitment to developing practices and policies that promote diversity, equality and inclusion at work, we signed the “Portuguese Diversity Charter” in 2023, an initiative of the Portuguese Association for Diversity and Inclusion in partnership with the High Commission for Migration.



12.5, 12.6

Responsible consumption and production: beginning in 2025, NOVABASE will acquire 100% of its electricity from renewable energies at its facilities in Portugal, while simultaneously upholding the principles of a circular economy by promoting recycling and reducing and streamlining resources.



17.16

Partnerships for the goals: NOVABASE is committed to the ten universal principles of the UNGC through Celfocus, which has also become an associate of GRACE – Empresas Responsáveis.

OUR AMBITION FOR SUSTAINABILITY

In order to contribute directly towards the above SDGs, and indirectly to the remaining ones, NOVABASE has set short, medium and long-term goals, divided into three areas: Environmental, Social, and Governance ("ESG").

- ENVIRONMENTAL

ENVIRONMENTAL	2023	2027T	2030T	2035T
100% transition to completely electric or hybrid vehicles by 2035	58%	70%	>90%	100%
100% transition to renewable energy consumption	35%	100%	100%	100%
Reduce carbon emissions per employee originating from business travel and emissions associated with employee commuting (t/CO2 per employee)	0.72	-10% vs. 2023	-25% vs. 2023	-35% vs. 2023

- 100% TRANSITION TO COMPLETELY ELECTRIC OR HYBRID VEHICLES BY 2035

With a view to reducing its direct greenhouse gas emissions (Scope 1), NOVABASE is committed to transitioning to completely electric or hybrid vehicles by 2035, in line with environmental concerns and global sustainability trends.

This initiative reflects a growing awareness on the importance of being less dependent on fossil fuels and the environmental impact tied to their use. The use of electric and hybrid vehicles not only demonstrates a commitment to technological innovation, but also to ecological responsibility, which is crucial towards mitigating climate change and pollution.

- 100% TRANSITION TO RENEWABLE ENERGY CONSUMPTION

Reducing Scope 2 emissions is also a priority for NOVABASE. Along these lines, NOVABASE plans to transition to 100% renewable energy consumption in the coming years, as demonstrated by the respective Guarantee of Origin Certificates, underscoring the Group's growing concerns of reducing the consumption of fossil fuels and preserving the environment.

With this commitment, NOVABASE thus aims to include its value chain in its ecological responsibility as well, combining technological innovation with energy efficiency, and aligning its strategic vision with its stakeholders.

- REDUCE CARBON EMISSIONS ORIGINATING FROM BUSINESS TRAVEL AND EMISSIONS ASSOCIATED WITH EMPLOYEE COMMUTING

The goal of reducing carbon emissions originating from business travel by NOVABASE employees, according to Scope 3, is yet another company commitment to sustainability. NOVABASE will continue to use its Nearshore Agile delivery model whenever possible. In addition, NOVABASE will work daily with its customers to help them in the transition to a more digital reality with low carbon emissions.

- SOCIAL

SOCIAL	2023	2027T	2030T	2035T
Celfocus e-NPS	23	>25	>30	>35
Employee diversity training	13%	60%	70%	>70%
Volunteer hours	47	700	1200	>1200

- CELFOCUS E-NPS

The Celfocus Employee Net Promoter Score (e-NPS) is used by NOVABASE to evaluate the satisfaction of its employees. This metric provides fundamental insights on employee well-being and commitment, and critical aspects for NOVABASE’s business sustainability. The e-NPS thus plays a crucial role at NOVABASE, since it not only reflects the satisfaction of its employees, but also allows it to gauge the NOVABASE Group’s corporate social responsibility. Monitoring positive progress in this metric is therefore important.

- EMPLOYEE DIVERSITY TRAINING

NOVABASE views the training of its employees as a fundamental aspect of their development and competitiveness in today’s labour market. Constant fast-paced technology advancements and changing business models demand ongoing employee training, making this essential for NOVABASE.

NOVABASE embraces the management of diversity, equality and inclusion as an integral part of its global strategy, and thus as building blocks that are universal to all processes of talent management at our organization. This commitment applies to all companies belonging to the group, and to all regions.

Diversity training at NOVABASE is of the utmost importance as an essential means of leveraging an environment that remains inclusive and embraces differences.

Reinforcing NOVABASE’s commitment to developing practices and policies that promote diversity, equality and inclusion at work, we signed the “Portuguese Diversity Charter” in May 2023, an initiative of the Portuguese Association for Diversity and Inclusion in partnership with the High Commission for Migration.

- VOLUNTEER HOURS

Social responsibility to the community is also a key point in the evolution of NOVABASE and its employees. As such, NOVABASE has created new social responsibility initiatives as part of its “Acting with a Purpose” programme. Through these initiatives, we want to promote the NOVABASE Group’s commitment to our community and our desire to give back, by supporting worthy causes and amplifying positive social changes.

- GOVERNANCE

GOVERNANCE	2023	2027T	2030T	2035T
Significant cyber-security breaches	0	0	0	0
Supplier ESG assessment	0%	>80%	>90%	>90%
Employee ethics training	60%	>80%	>90%	>90%

- CYBER-SECURITY

Mounting technology integration and sophistication have heightened companies' exposure to various types of cyber-risk, with potential financial, operational and reputation losses.

Over the years, NOVABASE has been reinforcing measures to mitigate this risk, monitored directly by the Chief Information Security Officer, namely by investing in procedural and technological controls and training on best remote work practices and cybercrime awareness for employees.

As a player geared towards the values of IT, NOVABASE works proactively to protect data and promote cyber-security values, being fully dedicated to mitigating cyber-risks, by monitoring procedural and technological controls and investing in employee awareness on cybercrime.

NOVABASE is dedicated to embracing this stance towards data protection and cyber-risks as it develops digital transformation solutions for its customers.

As a means of commitment to the issue of cyber-security, NOVABASE, through its commercial brand Celfocus, keeps certifications in ISO/IEC 27001 (Information Security) and ISO/IEC 27701 (Private Information) as a top priority.

Thus, and in line with this commitment, NOVABASE's goal in the coming years is to have no major shortcomings in cyber-security.

- SUPPLIER ESG ASSESSMENT

Every NOVABASE Group employee is required to take on a personal commitment of integrity. Likewise, on the part of its suppliers, NOVABASE expects and demands a high standard in environmental, social and ethical conduct rooted in policies, codes and practices recognized by the market.

NOVABASE has implemented a process that sets rules to be followed by its suppliers at the time of signing and executing a service provision agreement between them and NOVABASE. As such, all NOVABASE areas that hire suppliers implement this procedure, making them aware of the Service Provider Regulations while still in the contractual negotiation phase, subsequently ensuring that these regulations are followed by service providers at the time of performing the service, and taking the necessary measures if this does not occur.

Prior to the start of service provision, the individual in charge of the contracted service guarantees that the supplier has filled out all required documentation, stating its commitment to fulfilling the Service Provider Regulations, Code of Ethics, Partner

and Supplier Corruption Prevention Policy, national and community legislation and regulations in force concerning environmental issues (product and service conformity, emissions control and waste management) and social issues such as minimum wage, working hours, and the minimum legal age for the performance of work.

NOVABASE will continue to monitor its suppliers and evaluate them annually, reinforcing the policies currently in effect whenever necessary and so justified. In addition, starting in 2024, NOVABASE will begin a sustainability assessment of its top tier⁽¹⁾ suppliers based on all existing suppliers, together with all new ones.

The evaluation will be done by means of an ESG questionnaire aligned with new European reporting standards that will soon enter into force, with the goal of obtaining a response rate for the various years as shown in the above table. The evaluation results will then be analysed, and all suppliers classified as "high risk" will be subject to an action plan aimed at improving their rating, with a maximum reevaluation period of 12 months.

With this annual assessment of ESG issues, NOVABASE aims to align its ESG goals with the entire value chain, including suppliers.

- **EMPLOYEE ETHICS TRAINING**

Business ethics have a truly significant weight at the NOVABASE Group. The training of its employees on topics involving business ethics, such as preventing corruption and the code of ethics, is critical for sustainable success and integrity. With this type of training, we aim to uphold a corporate culture which prioritizes ethical values, positively influencing decisions and the daily behaviour of NOVABASE's employees. By emphasizing the importance of honesty, transparency and responsibility, employees become more aware of the impacts of their actions not only within the company, but also in the market and community at large.

With a clear understanding of what constitutes inappropriate behaviour and the internal policies for reporting and managing such incidents, NOVABASE's employees are better prepared to avoid potential ethical offences.

In recent years, NOVABASE has implemented various measures aimed at contributing more towards issues involving sustainability, whether through internal initiatives or annual training of its employees.

¹Top-tier suppliers are defined as those whose goods or services would affect NOVABASE's activities if they discontinued their supply or operation in an unexpected manner. These suppliers provide services in the areas of technology, law, security and talent.

PART I – INFORMATION ON POLICIES

A. INTRODUCTION | THE NOVABASE GROUP

Pursuant to article 508-G of the Commercial Companies Code, as amended by Decree Law no. 89/2017 of 28 July, which transposed Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014 into Portuguese legislation, and article 29-G (1d) of the Securities Code, as amended by Law no. 99-A/2021 of 31 December, NOVABASE explains in this document the “information for a sufficient understanding of the developments, performance, position and impact of the group’s activities, at minimum with regard to environmental, social and employee-related issues, equality between men and women, non-discrimination, respect for human rights and fighting corruption and attempted bribery” in relation to the NOVABASE Group for the year ended 31 December 2023.

B. BUSINESS MODEL

This information is described in Part I, Letter B., Section II. “ADMINISTRATION AND SUPERVISION (Board of Directors, Executive Board of Directors and General and Supervisory Board)” from the 2023 Corporate Governance Report.

C. MAIN RISK FACTORS

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

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

Additional information on NOVABASE’s internal control and risk management can be found in Part I, Letter C., Section III. “Internal Control and Risk Management” of the 2023 Corporate Governance Report.

D. IMPLEMENTED POLICIES

i. Environmental

NOVABASE has implemented an Environmental Management System (ISO 14001) as part of its Integrated Management System (Quality, Environment, Occupational Health and Safety). The Integrated Management System is governed by a policy which has been incorporated into NOVABASE’s vision and values and aligned with the needs of stakeholders. Internal and external audits are done annually, the latter by certifying entities. As in 2022, no non-conformities were found in 2023.

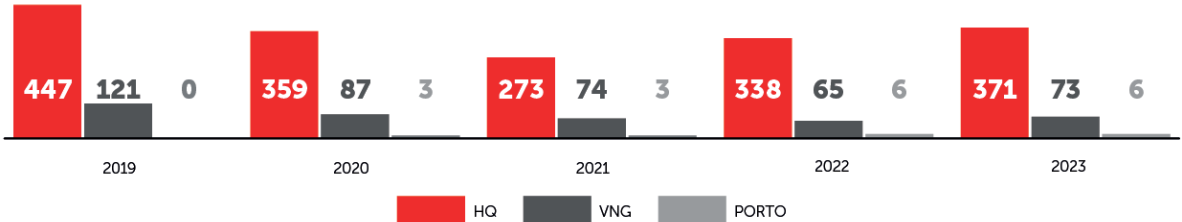
NOVABASE has a policy which identifies environmental and safety requirements to be met for the acquisition/provision of goods and services.

NOVABASE monitors a number of indicators: consumption of electricity, thermal energy,

water, diesel and gas; recycling of plastic, cardboard, paper and glass; and the emission of greenhouse gases.

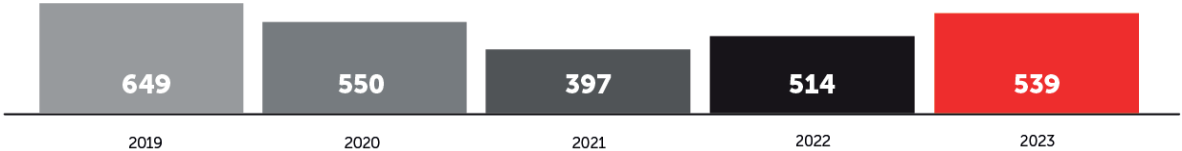
Despite keeping the hybrid work model as in previous years, the average number of employees at the company’s headquarters saw an increase. This is highlighted by the following indicators:

ELECTRICITY CONSUMPTION (MW/H)



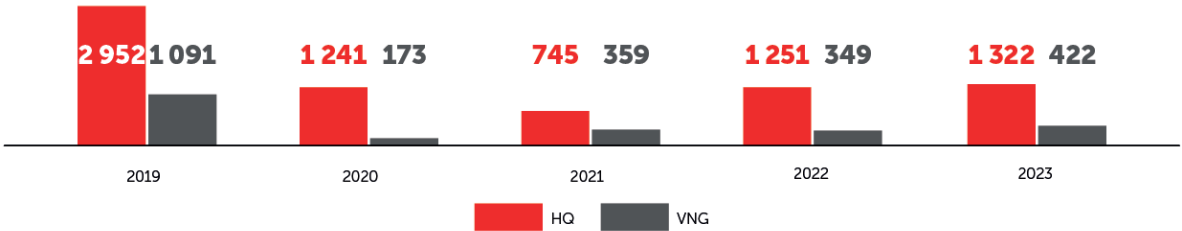
Measures implemented: Centralized Management System to control operating times, replacement of all fluorescent lighting with LED lighting.

THERMAL ENERGY CONSUMPTION (MW)



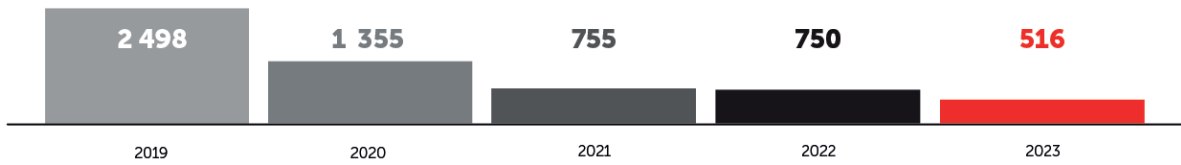
Measures implemented: Centralized Management System to control operating times of the climate control system. Last year, we implemented thermal insulation for heat exchangers, and thermal insulation for primary circuit accessories (valves, filter and picking) of the substation of the thermal plant.

WATER CONSUMPTION (M³)



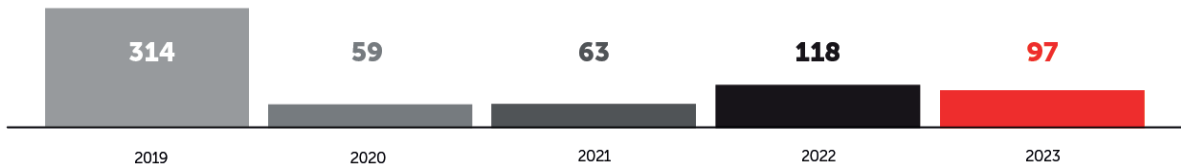
Measures implemented: decreased water flow and installation of regulating valves in faucets.

CONSUMPTION OF REAMS OF PAPER (KG)



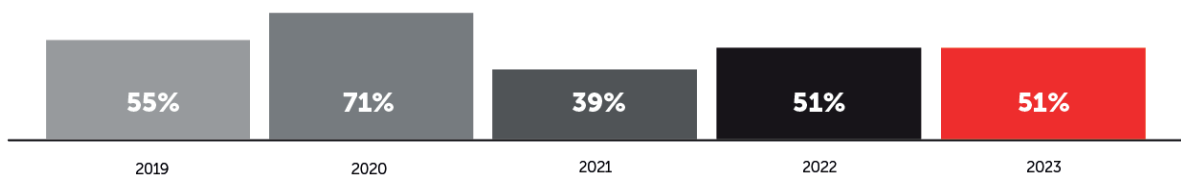
Measures implemented: awareness on decreasing the use of paper. Identification of suppliers who send hardcopy invoices, followed by a request for electronic billing.

PLASTIC PRODUCTION (KG)

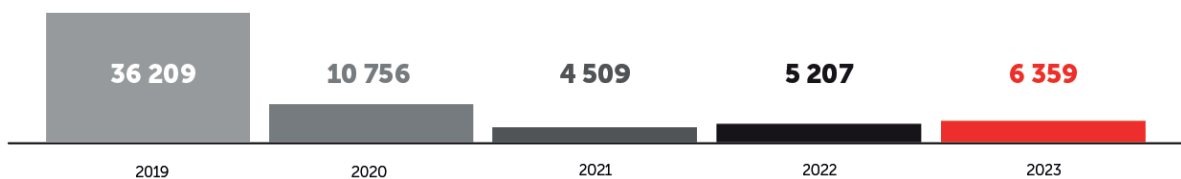


In the last quarter of the year, it was decided to end the use of daily plastic bottles. We made glass bottles available again in the meeting rooms, while also making glass cups available for common use in all of the break rooms. We were also able to wrap up the year with a decrease in the consumption of plastic.

RECYCLING RATE

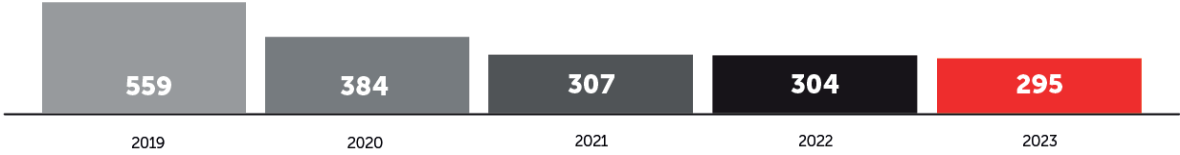


QUANTITY OF WASTE (KG)



With regard to emissions:

EMISSIONS FLEET (t/CO₂)

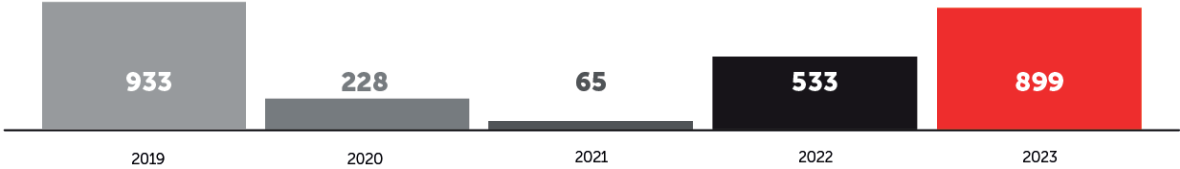


NOVABASE has less-polluting vehicles in its fleet, this year with the acquisition of an additional 94 plug-in hybrid vehicles and four electric vehicles.

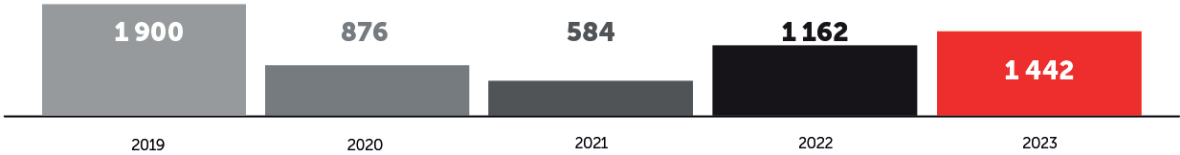
As shown in the following table, our fleet currently has a total of 184 plug-in hybrid vehicles, more than twice the previous year, and 20 electric vehicles.

VEHICLE TYPE	2019	2020	2021	2022	2023
Hybrid	0	0	1	1	1
Plug-in Hybrid	19	21	46	90	184
Electric	4	3	9	16	20

EMISSIONS AIR TRAVEL (t/CO₂)



EMISSIONS (t/CO₂)



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

ii. Social and Fiscal

NOVABASE has implemented a number of measures aimed at well-being and a balance between the professional, family and personal lives of its employees. Some noteworthy measures include: general health appointments, at no charge, twice per week, osteopathy appointments, psychology appointments, at no charge, to help all those in need (with guaranteed anonymity), healthy breakfast in partnership with “Celeiro”.

NOVABASE implemented the “Second Life” programme for equipment at the end of its professional life, allowing NOVABASE Group employees to use this equipment at home. 109 pieces of equipment were sold in 2023.

In 2023, we participated in the following welfare initiatives:

- Celfocus
 - “Zero Waste Policy”: meaning that any material sent or given to the people of Celfocus should have a utility and useful life beyond the time denoted. Being useful and reusable is a matter of principle.

iii. Employees and Gender Equality and Non-Discrimination

At NOVABASE, we believe in equal opportunities and mutual respect regardless of each individual’s ethnicity, gender, religion, beliefs, social background or sexual orientation. These differences which characterize us, and a variety of perspectives, tend to enhance the quality of decision-making processes, providing greater intellectual and cultural richness and a more accurate reflection of reality and of those involved. NOVABASE embraces the management of diversity, equality and inclusion as an integral part of its global strategy, and thus as building blocks that are universal to all processes of talent management at our organization. This commitment applies to all companies belonging to the group, and to all regions. NOVABASE also defends the need to boost awareness on policies for the integration of women, and the eradication of any obstacles that may breach the principle of equal opportunities and non-discrimination based on sex and gender. Professional growth should be valued based on the skills, capacities and knowledge of our people, regardless of their sex, gender or identity. Reinforcing NOVABASE’s commitment to developing practices and policies that promote diversity, equality and inclusion at work, we signed the “Portuguese Diversity Charter” in May 2023, an initiative of the Portuguese Association for Diversity and Inclusion in partnership with the High Commission for Migration. In this context, the main aspects, documents, practices and processes in place at the NOVABASE Group, which it believes have an impact on non-financial issues relevant to the Group (namely involving the environment, society, labour, gender equality, non-discrimination, human rights and the fight against corruption), are listed below:

- Equality plan: presents a set of measures, based on internal analyses and diagnostics, aimed at promoting equal treatment and opportunities between men and women, and eliminating any discrimination based on sex, gender or identity;
- NOVABASE’s business and the conduct of its employees are governed by applicable law in relevant jurisdictions, and by NOVABASE’s Code of Conduct (published at its corporate website), an internally approved document in effect at the Group since 2011 aimed at guiding the conduct of NOVABASE’s professionals through values cultivated

- by the Group in its customer and interpersonal relations;
- In 2019, a specific procedure was implemented on how to act in the event of workplace harassment, a conduct which NOVABASE considers to be unacceptable;
- The company's business is managed in accordance with the Integrated Management System. NOVABASE's companies are audited by its financial auditors; its certifications in quality (ISO 9001), environmental management (ISO 14001) and occupational health and safety (ISO 45001) are renewed each year after internal and external audits, the latter conducted by certifying entities;
- The company regularly monitors customer and employee satisfaction with company services and other issues of interest to the management;
- In compliance with Law no. 93/2021 of 20 December and the Portuguese Corporate Governance Institute's recommendations regarding the governance of listed companies, and in view of fostering a culture of responsibility and compliance, NOVABASE has adopted a whistleblowing system for reporting irregularities (known as "SPI") that may occur within its Group;
- The company also has "Internal Regulations on Business Dealings with Qualified NOVABASE, S.G.P.S., S.A. Shareholders" in effect.

All of the above practices address the legal and regulatory requirements applicable to NOVABASE's business, including:

- Council of Ministers Resolution no. 20/2112 of 8 March 2012, which requires the mandatory adoption of an equality plan by all entities in the state corporate sector, with a view to achieving equal treatment and equal opportunities between men and women, eliminating discrimination and reconciling personal, family and professional life;
- This obligation was extended to listed companies through Law no. 62/2017 of 1 August, which passed the scheme for equal representation between men and women in the managing and supervisory boards of entities from the corporate public sector and listed companies. Article 7 of this law establishes the obligation to prepare annual equality plans "aimed at effectively achieving equal treatment and equal opportunities between men and women, eliminating gender discrimination and reconciling personal, family and professional life";
- Article 5 (1) of Law no. 62/2017 also requires listed companies to have quotas representing both genders of 20% (beginning on the first elective General Meeting of Shareholders held after 1 January 2018) and 33.3% (beginning on the first elective General Meeting of Shareholders held after 1 January 2020) vis-à-vis all executive and non-executive directors comprising the managing boards;
- Sub-section III and Sub-section IV, articles 23 through 65 of the Labour Code, which give relevance to the topic of gender equality through general positions on equality and non-discrimination, the prohibition of harassment, and equality and non-discrimination according to gender and parenthood.

The Portuguese parliament has also issued a number of recommendations to the government in this regard:

- Resolution no. 116/2012 of 13 July, recommending that it take family support measures to reconcile personal life with professional life;
- Resolution no. 260/2017 of 30 November, recommending measures to ensure actual compliance with working hours and the reconciliation of work with family life.
- Through Law no. 60/2018 of 21 August, the Portuguese parliament passed measures promoting wage equality between men and women for the same work or work of equal value, through four types of information, evaluation and correction mechanisms, which entered into force on 21 February 2019.

We believe that diversity in our corporate boards helps to improve NOVABASE's performance and competitiveness. As such, we are committed to the following policy:

- Compliance with Law no. 62/2017 of 1 August, since gender diversity provides different management styles and complementary approaches;
- With regard to age, there must be a balance between experience and maturity and the youth and energy needed for the fast-paced innovation of our highly dynamic sector (Information Technologies);
- With regard to qualifications and education, in addition to areas associated with technology, various other areas of knowledge must also be represented, in view of the mounting importance of multidisciplinary in team performance.

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

The IT sector continues to be predominantly male. At the NOVABASE Group, this indicator has remained stable in recent years. In 2023, the distribution of men and women was 68% and 32%, respectively.

In August 2023, NOVABASE unveiled a new version of its Gender Equality and Diversity Plan, in which it identified the measures and practices implemented in 2023 and defined measures and practices to be developed in 2023/2024. In 2023, these included the following:

- Signing of the Portuguese Diversity Charter, an initiative of the Portuguese Association for Diversity and Inclusion in partnership with the High Commission for Migration.
- Participation in the Technovation Girls programme with mentoring of young female student teams in the development of social sustainability projects.
- Internal and external communication of work done in the Technovation Girls programme, giving visibility to the goals and results achieved by the teams.
- Celebration of days with symbolic meaning in the context of diversity.
- Promotion and monitoring of the use of inclusive language in all aspects of internal and external communication.
- Use of inclusive language, without gender or any other type of discrimination, when

- writing job opportunities.
- Establishment of a partnership with Valor T, an employment agency for disabled persons.
- Establishment of a partnership with the Salvador Association.
- Establishment of partnership with IEPF (Institute for Employment and Vocational Training).
- Access to the programme of PWN Lisbon – Professional Women’s Network, namely “breakfasts” with role models, and training/workshops in the area of individual development for women with high potential, at starting and intermediate career levels.
- Launch, analysis and dissemination, to all people, of the Celfocus People Survey.
- Expansion of the flex benefits plan with equipment needed for remote work.
- Participation in programmes and initiatives with external entities, such as PWIT – Portuguese Women in Tech.
- Initiatives for sharing knowledge and/or discussion forums on inclusive work practices, with a focus on mental health.
- Creation of an Interview Techniques course and training sessions for the first group of ten people.

iv. Human Rights

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

v. Anti-Corruption and Attempted Bribery

Council of Ministers Resolution no. 37/2021 of 6 April passed the 2020-2024 National

Anti-Corruption Strategy, which calls all sectors, including the private corporate sector, to be part of a joint anti-corruption effort primarily focused on the prevention of corruptive phenomena.

According to this strategy, companies must take on a central role in promoting and defending ethical relationships between the public and private sectors, as well as business relationships within the private sector, a place where the phenomenon of corruption also occurs.

The adoption and implementation of regulatory compliance programmes at companies have been cited as a means of greater private sector engagement in fighting corruption, particularly when aimed at preventing and cracking down on practices against company standards, against the company or through the company from failing to adopt them.

In accordance with the General Scheme for Preventing Corruption, NOVABASE, with a view to preventing, detecting and punishing acts of corruption and related offences committed against or through the company, has adopted and implemented a Regulatory Compliance Programme that includes:

- i. Prevention Plan for the Risks of Corruption and Related Offences;
- ii. Code of Conduct;
- iii. Training Programme; and
- iv. Whistleblowing Channel.

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

ii. Code of Conduct
The Code of Conduct describes the behaviours, principles and values that everyone must have while doing their jobs, such as: acting with integrity, using ethical and proper behaviour, repudiating any act of corruption or related offence, making informed decisions and complying with legal and regulatory obligations.

The Code of Conduct is for everyone who works with or for NOVABASE, namely employees, subcontractors, suppliers and partners.

iii. Training programme
NOVABASE has created a training programme with the following goals:

- To provide information to all of its stakeholders and demystify the legal concept of the crime of corruption and other related offences;
- To define the role of NOVABASE and its employees in fighting corruption;
- To identify specific situations of corruption;
- To identify best practices in running its business as a means of preventing and fighting corruption; and

- To provide the necessary information and guidance so that its employees know how to act in specific situations of corruption.

iv. Whistleblowing Channel

With a view to fostering a culture of responsibility and compliance, NOVABASE has adopted, in accordance with applicable legal and regulatory provisions, a system for reporting irregularities (known as "SPI") that may occur within its Group.

The SPI was established to receive and handle reports of any irregularities that may occur within the Group's companies, pursuant to article 21 of the Securities Code, observing the principles of confidentiality and non-retaliation with regard to whistleblowers¹ and third parties assisting or related to them.

The reporting of irregularities through the SPI is directed to the Chairperson of the Audit Board, with the Audit Board designating the entity or person who will follow up on communications received ("Head of SPI").

The Chairperson of the Audit Board, the members of the Audit Board (in charge of receiving complaints) and the Head of SPI must act under criteria of independence, impartiality, confidentiality, data protection and secrecy, and ensure that there are no conflicts of interest.

Under the system implemented, whistleblowers have access to a direct and confidential channel for reporting to the Audit Board any potential irregularities occurring within the NOVABASE Group.

¹ Under the definition found in article 5 of Law no. 93/2021 of 20 December.

PART II – INFORMATION ON STANDARDS AND GUIDELINES FOLLOWED

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

- NOVABASE's business and the conduct of employees and professionals are governed by applicable law in relevant jurisdictions, and by NOVABASE's Code of Conduct (published at its corporate website), an internally approved document in effect at the Group since 2011 aimed at guiding the conduct of NOVABASE's professionals through values cultivated by the Group in its customer and interpersonal relations;
- The company's business is managed in accordance with the Integrated Management System (Quality, Environment, Occupational Health and Safety);
- NOVABASE's companies are audited by its financial auditors; its certifications in quality (ISO 9001), environmental management (ISO 14001) and occupational health and safety (ISO 45001) are renewed each year after internal and external audits, the latter conducted by certifying entities;
- The company regularly monitors customer satisfaction, along with its employees' and professionals' satisfaction with company services and other issues of interest to the management.

In compliance with the Portuguese Corporate Governance Institute's recommendations regarding the governance of listed companies, and in view of fostering a culture of responsibility and compliance, NOVABASE has adopted a whistleblowing system for reporting irregularities (known as "SPI") that may occur within its Group. Any report of irregularities made through the SPI is directed by employees or other stakeholders to the Chairperson of the Audit Board specifically designated for this purpose. Furthermore, this whistleblowing system used by NOVABASE and described herein also includes an internal whistleblowing channel, accessible by non-employees as well, as provided for by law and by recommendation II.2.4. of the IPCG Corporate Governance Code. Additional information on reporting irregularities through NOVABASE's SPI can be found in the document "Reporting Irregularities" (available in the institutional area of the website).

- The company also has "Internal Regulations on Business Dealings with Qualified NOVABASE, S.G.P.S., S.A. Shareholders" in effect.

EUROPEAN TAXONOMY

As in previous years, in light of Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014 and Article 29-G(1)(d) of the Securities Code, as amended by Law 99-A/2021 of 31 December, NOVABASE is subject to the publication of non-financial information (chapter 8 of this document), and is also covered by Article 8 of the European Union Taxonomy Regulation (EU2020/852, hereinafter referred to as the "Taxonomy Regulation").

The Taxonomy Regulation defines criteria for considering an activity environmentally sustainable. This regulation is key to achieving carbon neutrality by 2050, as defined by the European Commission.

The Taxonomy is organized into three components:

1. Activities that make a significant contribution ("SC") to one or more of the six EU climate objectives, as detailed in Articles 10 to 15 of the Taxonomy Regulation (1. Mitigation of climate change; 2. Adaptation to climate change; 3. Sustainable use and protection of water and marine resources; 4. Transition to a circular economy; 5. Pollution prevention and control; 6. Protection and restoration of biodiversity and ecosystems);
2. Does Not Significantly Harm ("DNSH") any of the climate objectives under Article 17 of the Taxonomy Regulation (climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, protection and restoration of biodiversity and ecosystems);
3. Comply with the Minimum Social Safeguards ("MSS"), in accordance with Article 18 of the Taxonomy Regulation.

Taking the Climate Delegated Act into account, NOVABASE has analysed all the activities eligible for the Taxonomy that could fit into the IT services market, where NOVABASE operates. To this end, NOVABASE provides the following information:

- Its "eligible" activities, based on the list of environmentally sustainable economic activities defined by the Taxonomy;
- Its activities "aligned" with the three Taxonomy components mentioned above;
- Disclosure of activities aligned with the Taxonomy in terms of amount and percentage of Turnover (revenues from green activities), OpEx (operating costs for green activities) and CapEx (investments in green activities).

TURNOVER

ACTIVITIES ELIGIBLE FOR TAXONOMY

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

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

Turnover corresponds to the total sales coming from the above-mentioned Taxonomy-eligible economic activities, as defined in point 1.1.1. of Annex I to Commission Delegated Regulation (EU) 2021/2178. Thus, the eligible numerator corresponds to the share of turnover coming from MAC 8.1 and MAC 8.2 eligible activities. The denominator corresponds to the Group's total turnover in 2023, the value of which can be reconciled with the consolidated financial statements in the Annual Report 2023, Consolidated Financial Statements.

Turnover: Proportion of turnover from products or services associated with Taxonomy-aligned economic activities - Template of Annex II to Commission Delegated Regulation (EU) 2021/2178

TURNOVER	2023		Substantial contribution criteria							DNSH criteria ("Does Not Significantly Harm")							Taxonomy-aligned proportions of turnover, 2022	Category (enabling activity)	Category (transitional category)	
	Code	Absolute turnover	Proportion of turnover	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards				
		(€)	%	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T	
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
...		0	0%																	
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%																	
Of which, enabling			0%	0%	0%	0%	0%	0%	0%									E		
Of which, transitional			0%	0%																T
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
				EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL											
8.1. Data processing, hosting and related activities	MAC 8.1	46 690 618	35%		N/EL	N/EL	N/EL	EL	N/EL											
8.2. Data-driven solutions for GHG emissions reductions	MAC 8.2	1 299 973	1%	EL	N/EL	N/EL	N/EL	EL	N/EL								0%			
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned) (A.2.)		47 990 590	36%														0%			
Total (A.1.+A.2.)		47 990 590	36%																	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Turnover of Taxonomy-non-eligible activities (B)		84 565 410	64%																	
Total (A+B)		132 556 000	100%																	

OPERATING EXPENSES (OPEX)

Eligible operating expenses correspond to the portion that is related to the assets and economic activities defined by the taxonomy, incorporating all non-capitalized direct costs from research and development (R&D) activities, costs arising from the acquisition for production of economic activities aligned with the taxonomy and with individual measures that enable the transformation of the activities in question into low-carbon activities or that enable reductions in greenhouse gas emissions.

- MAC 6.15. Infrastructure enabling low-carbon road transport and public transport: Construction, modernisation, maintenance and operation of infrastructure that is required for zero tailpipe CO₂ operation of zero-emissions road transport, as well as infrastructure dedicated to transshipment, and infrastructure required for operating urban transport.

The amount used for the calculation in the table corresponds to the average electricity costs for charging electric and plug-in hybrid cars at the Group's facilities during 2023 and 2022.

OpEx: Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities - Template of Annex II to Commission Delegated Regulation (EU) 2021/2178

OPEX	2023			Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")						Taxonomy-aligned proportions of turnover, 2022	Category (enabling activity)	Category (transitional category)	
	Code	OpEx	Proportion of turnover	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems				Minimum safeguards
		(€)	%	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
...		0	0%																
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1.)		0	0%																
Of which enabling																			
Of which, transitional																			
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL										
6.15. Infrastructure enabling low-carbon road transport and public transport	MAC 6.15	104 893	4%	EL		N/EL	EL	N/EL	N/EL								3%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)		104 893	4%																
Total (A.1.+A.2.)		104 893	4%																
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities (B)		2 561 850	96%																
Total (A+B)		2 666 746	100%																

CAPITAL EXPENDITURES (CAPEX)

An assessment was done of the NOVABASE Group's economic activities, which concluded that those eligible for Taxonomy for the Group are the following:

- MAC 6.5. Transport by motorbikes, passenger cars and light commercial vehicles: Purchase, financing, renting, leasing and operation of vehicles designated as category M1, N1, both falling under the scope of Regulation (EC) No. 715/2007 of the European Parliament and of the Council, or L (2- and 3-wheel vehicles and quadricycles) (NACE codes: H.49.32, H.49.39 and N.77.11);
- MAC 7.4. Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings): Installation, maintenance and repair of charging stations for electric vehicles in buildings and parking spaces attached to buildings (NACE codes: F.42, F.43, M.71, C.16, C.17, C.22, C.23, C.25, C.27 or C.28).

The value used to calculate the numerator corresponds to the amount invested by the Group in electric and hybrid vehicles during the years under analysis (2022 and 2023). No new vehicle charging stations were installed in either 2022 or 2023, so the figures associated with activity 7.4 described above are not taken into account. The denominator considered was the Group's total gross investment in 2023 (and the same period of the previous year), as presented in Note 7, "Property, Plant and Equipment", and Note 8, "Intangible Assets", removing the amount relating to Right-of-Use Assets relating to the building, in the Annual Report 2023, Consolidated Financial Statements.

CapEx: Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities - Template of Annex II to Commission Delegated Regulation (EU) 2021/2178

CAPEX	2023			Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")						Taxonomy-aligned proportions of turnover, 2022	Category (enabling activity)	Category (transitional category)		
	Code	CapEx	Proportion of turnover	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems				Minimum safeguards	
		(€)	%	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T	
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
6.5. Transport by motorbikes, passenger cars and light commercial vehicles	MAC 6.5	1 789 595	50%	Y	Y	N/EL	Y	N/EL	N/EL		Y	N/A	Y	Y	N/A	Y				
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1.)		1 789 595	50%	Y	Y	N/EL	Y	N/EL	N/EL											
Of which enabling																				
Of which, transitional																				
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)			0%																	
			0%																	
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)																				
Total (A.1.+A.2.)		1 789 595	50%														19%			
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
CapEx of Taxonomy-non-eligible activities (B)		1 790 139	50%														81%			
Total (A+B)		3 579 733																		

FINANCIAL STATEMENTS



* Restated

**CONSOLIDATED
STATEMENT OF
FINANCIAL
POSITION**

AMOUNTS EXPRESSED IN THOUSANDS OF EUROS	31.12.23	31.12.22
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	12,781	5,171
Intangible assets	9,264	11,935
Financial assets at fair value through profit or loss	13,879	13,961
Deferred tax assets	6,945	8,826
Other non-current assets	1,466	1,706
TOTAL NON-CURRENT ASSETS	44,335	41,599
CURRENT ASSETS		
Trade and other receivables	41,827	54,366
Accrued income	3,514	6,095
Income tax receivable	1,670	1,970
Derivative financial instruments	246	763
Other current assets	3,388	3,963
Cash and cash equivalents	80,314	40,617
TOTAL CURRENT ASSETS	130,959	107,774
Assets from discontinued operations	1,373	268
TOTAL ASSETS	176,667	149,641
EQUITY AND LIABILITIES		
EQUITY		
Share capital	796	32,971
Treasury shares	(20)	(2,150)
Share premium	226	226
Reserves and retained earnings	27,449	16,436
Profit for the year	47,058	8,917
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	75,509	56,400
Non-controlling interests	11,587	10,827
TOTAL EQUITY	87,096	67,227
LIABILITIES		
NON-CURRENT LIABILITIES		
Borrowings	18,383	6,314
Provisions	3,269	3,047
Other non-current liabilities	2,749	363
TOTAL NON-CURRENT LIABILITIES	24,401	9,724
CURRENT LIABILITIES		
Borrowings	9,436	6,937
Trade and other payables	32,413	43,153
Income tax payable	455	365
Derivative financial instruments	112	260
Deferred income and other current liabilities	20,972	20,007
TOTAL CURRENT LIABILITIES	63,388	70,722
Liabilities from discontinued operations	1,782	1,968
TOTAL LIABILITIES	89,571	82,414
TOTAL EQUITY AND LIABILITIES	176,667	149,641

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

AMOUNTS EXPRESSED IN THOUSANDS OF EUROS

12 M *

31.12.23

31.12.22 ⁽¹⁾

CONTINUING OPERATIONS		
Services rendered	132,556	120,399
External supplies and services	(46,760)	(45,141)
Employee benefit expense	(73,945)	(66,668)
Net impairment losses on trade and other receivables	(156)	193
Other gains/(losses) - net	(766)	405
Depreciation and amortisation	(3,468)	(3,224)
OPERATING PROFIT	7,461	5,964
Finance income	1,700	2,120
Finance costs	(2,915)	(2,542)
Share of loss of associates	-	(69)
EARNINGS BEFORE TAXES (EBT)	6,246	5,473
Income tax expense	(2,822)	(1,727)
Profit from continuing operations	3,424	3,746
DISCONTINUED OPERATIONS		
Profit from discontinued operations	44,031	5,609
PROFIT FOR THE YEAR	47,455	9,355
PROFIT ATTRIBUTABLE TO:		
Owners of the parent	47,058	8,917
Non-controlling interests	397	438
	47,455	9,355
EARNINGS PER SHARE FROM CONTINUING AND DISCONTINUED OPERATIONS ATTRIBUTABLE TO OWNERS OF THE PARENT (EUROS PER SHARE):		
BASIC EARNINGS PER SHARE		
From continuing operations	0.11 Euros	0.11 Euros
From discontinued operations	1.65 Euros	0.18 Euros
FROM PROFIT FOR THE YEAR	1.76 Euros	0.29 Euros
DILUTED EARNINGS PER SHARE		
From continuing operations	0.11 Euros	0.11 Euros
From discontinued operations	1.60 Euros	0.18 Euros
FROM PROFIT FOR THE YEAR	1.71 Euros	0.29 Euros

12 M * - 12-month period ended

⁽¹⁾ Restated in accordance with the explanation in notes 2.24, 2.25 and 38 of the Notes to the Consolidated Financial Statements.

**CONSOLIDATED
STATEMENT OF
COMPREHENSIVE
INCOME**

AMOUNTS EXPRESSED IN THOUSANDS OF EUROS

12 M *

31.12.23

31.12.22

PROFIT FOR THE YEAR	47,455	9,355
Other comprehensive income		
Items that may be reclassified to profit or loss		
Exchange differences on foreign operations, net of tax	(928)	81
OTHER COMPREHENSIVE INCOME FOR THE YEAR	(928)	81
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	46,527	9,436
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
Owners of the parent	46,593	8,970
Non-controlling interests	(66)	466
	46,527	9,436

12 M * - 12-month period ended

AUDIT BOARD AND STATUTORY AUDITOR REPORTS

**REPORT AND OPINION OF THE AUDIT BOARD ON THE CONSOLIDATED FINANCIAL
STATEMENTS OF NOVABASE – SOCIEDADE GESTORA DE PARTICIPAÇÕES SOCIAIS, S.A.
FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2023**

To the Shareholders,

INTRODUCTION

In compliance with the Law and for the purposes of paragraph g) of article 420 of the Portuguese Companies Code and the Company's bylaws, the Audit Board hereby presents for appreciation its Report on the supervising activity that was carried out and issues its Opinion on the Management Report and Consolidated Financial Statements of Novabase – Sociedade Gestora de Participações Sociais, S.A. for the financial year ended on 31 December 2023.

ACTIVITIES CARRIED OUT

Supervision of the Company

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

During the year, the Audit Board met six times and the respective meetings were formally recorded in minutes. At these meetings there was an attendance of 100% by the Chairman and Fátima Farinha and 83% by João Duque.

Additionally, the Audit Board participated in the Board of Directors meeting that approved the Management Report and the Consolidated Financial Statements for the financial year 2023.

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

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

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

Communication of irregularities

The Audit Board declares that during the financial year 2023 it has not received, through the means defined for this purpose, any communication of irregularities.

Related Party Transactions

During the 2023 financial year, no related party transactions, in accordance with the regulation in force, were submitted to assessment by the Audit Board.

Independence of the External Auditor

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

RESPONSIBILITY STATEMENT

Pursuant to paragraph 1/c) of article 29-G of the Portuguese Securities Code, applicable by virtue of paragraph 1/a) of article 8 of the CMVM Regulation no. 1/2023 of 26 April (Information Duties), we hereby declare that, to the best of our knowledge and belief, the aforementioned financial statements were prepared in accordance with the International Financial Reporting Standards, as adopted by the European Union, giving a true and appropriate view of the assets and liabilities, financial position and results of Novabase - Sociedade Gestora de Participações Sociais, S.A. and the companies included in the consolidation perimeter, and the management report faithfully describes the evolution of the business, performance and position of Novabase - Sociedade Gestora de Participações Sociais, S.A. and the companies included in the consolidation perimeter, containing an adequate description of the main risks and uncertainties which they face.

OPINION

The Audit Board analysed the Management Report and the Consolidated Financial Statements for the 2023 financial year, which comprise the Consolidated Statement of Financial Position as at 31 December 2023, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows, as well as the accompanying notes, which were prepared in accordance with the International Financial Reporting Standards, as adopted in the European Union.

Within its duties the Audit Board has analysed the Legal Certification of Accounts and the Audit Report on the Consolidated Financial Information for the 2023 financial year,

prepared by the Statutory Auditor, document which does not present any reservation and with which the Audit Board agrees.

The Audit Board further analysed the Corporate Governance Report for the 2023 financial year, which is attached to the Management Report prepared by the Board of Directors in compliance with the CMVM Regulation no. 4/2013 (Corporate Governance of Listed Companies), and the Audit Board certifies that it includes all the elements referred to in article 29-H of the Portuguese Securities Code.

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

- There are no objections to the approval of the Management Report for the 2023 financial year;
- There are no objections to the approval of the Consolidated Financial Statements for the 2023 financial year.

Lisbon, 29 April 2024

The Audit Board

Álvaro José Barrigas do Nascimento - Chairman

Fátima do Rosário Piteira Patinha Farinha – Member

João Luís Correia Duque - Member



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STATUTORY AUDITORS' REPORT and AUDITORS' REPORT

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

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of **Novabase, Sociedade Gestora de Participações Sociais, S.A.** (the Group), which comprise the consolidated statement of financial position as at December 31, 2023 (showing a total of 176,667 thousand euros and total equity of 87,096 thousand euros and a profit for the year attributable to owners of the parent of 47,058 thousand euros), the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and the accompanying notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of **Novabase, Sociedade Gestora de Participações Sociais, S.A.** as at December 31, 2023 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA) and further technical and ethical standards and guidelines as issued by Ordem dos Revisores Oficiais de Contas (the Portuguese Institute of Statutory Auditors). Our responsibilities under those standards are further described in the "Auditors' Responsibilities for the Audit of the Consolidated Financial Statements" section below. We are independent of the entities that comprise the Group in accordance with the law and we have fulfilled other ethical requirements in accordance with the Ordem dos Revisores Oficiais de Contas' code of ethics.

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



Key audit matters

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

Revenue recognition (Euro 132,556 thousand)

See Note 5 to the consolidated financial statements

The Risk

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

The recognition of such projects overtime in accordance with the applicable accounting policy, as described in Note 2.18 (a), involves qualitative factors such as estimated billing, costs to be incurred, including contingency values for contractual risks, which justify that the revenue recognition has been considered a key audit matter.

Our response to the identified risk

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

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



Recoverability of deferred tax assets (Euro 6,945 thousand)

See Note 10 to the consolidated financial statements which describes the amount of deferred tax assets related to tax benefits arising from Research and Development projects presented under the SIFIDE incentive scheme.

The Risk

Deferred tax assets recorded by management are based on its best estimate of the timing and future amounts required for their recovery, using assumptions that require judgment, as mentioned in Notes 2.14 and 4 (c).

The materiality of the amounts recognized in the financial statements and the degree inherent to the judgment justify that the recoverability of deferred tax assets has been considered as a key audit matter.

Our response to the identified risk

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

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



Disposal of the IT Staffing business (capital gain of Euro 39,760 thousand)

See Notes 6, 38 and 40 to the consolidated financial statements

The Risk

During the year ended December 31, 2023, the Group sold the IT Staffing business through the sale of all the shares held in Novabase Neotalent, S.A. This transaction resulted in a capital gain of Euro 39,760 thousand. The Group considered the operation as a discontinued operation and the comparative information has been restated accordingly.

This transaction is a key audit matter given the materiality of the impacts on the consolidated financial statements and management's judgment in estimating the final price of the transaction.

Our response to the identified risk

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

- We have obtained and analysed the supporting documentation of the transaction, namely the Share Sale and Purchase Agreement and the Transitional Service Agreement;
- We have obtained and analysed the communications between the Group and the buyer regarding the price adjustment, as established in the Share Sale and Purchase Agreement;
- We have assessed the bases and assumptions considered by the Board of Directors in determining the transaction price, with regard to the estimate of future adjustments to the price. We have validated the calculations underlying this estimate and inquired the Group's legal advisors about the interpretation of the requirements set out in the Share Sales and Purchase Agreement;
- We have analysed the appropriate identification of the assets and liabilities sold;
- We have assessed any liabilities that should be recorded or disclosed as a result of representations and warranties granted to the buyer;
- We tested the mathematical accuracy of the capital gain from the transaction;
- We have assessed compliance with the criteria for classifying these operations as discontinued;
- We have assessed the potential impact of currency translation reserves recorded in the financial statements and respective disclosure; and,
- We have assessed the adequacy of the respective disclosures in the financial statements including the contingent consideration relating to the earn-out, in accordance with the applicable accounting standards.



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

Management is responsible for:

- the preparation of consolidated financial statements that give a true and fair view of the Group's consolidated financial position, financial performance and the consolidated cash flows, in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union;
- the preparation of the consolidated management report, the corporate governance report, the consolidated non-financial information and the remunerations' report, in accordance with applicable laws and regulations;
- designing and maintaining an appropriate internal control system to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error;
- adoption of accounting policies and criteria that are appropriate in the circumstances; and
- assessing the Group's ability to continue as a going concern, and disclosing, as applicable, the matters that may cast significant doubt about the Group's ability to continue as a going concern.

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

Auditors' responsibilities for the audit of the consolidated financial statements

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

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

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;



- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and the events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion;
- communicate with those charged with governance, including the supervisory body, regarding among other matters, the planned scope and timing of the audit, and significant audit findings including any significant deficiencies in internal control that we identify during our audit;
- determine, from the matters communicated with those charged with governance, including the supervisory body, those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes their public disclosure; and,
- provide the supervisory body with a statement that we have complied with the relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

On the consolidated management report

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



On the corporate governance report

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

On the consolidated non-financial information

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

On the remunerations' report

Pursuant to article 26-G, nr. 6, of the Securities Code, we inform that the Group has included in the corporate governance report in a separate chapter the remunerations' report with the information defined in paragraph nr. 2 of that article.

On the European Single Electronic Format (ESEF)

The consolidated financial statements of Novabase, Sociedade Gestora de Participações Sociais, S.A. for the year ended December 31, 2023 have to comply with the applicable requirements established by the European Commission Delegated Regulation 2019/815 of December 17, 2018 (ESEF Regulation).

Management is responsible for the preparation and presentation of the annual report in accordance with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements, included in the annual report, have been prepared in accordance with the requirements of the ESEF Regulation.

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

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

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



On the additional matters provided in article 10 of the Regulation (EU) 537/2014

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

- We were first appointed as auditors of the Group in the shareholders general assembly held on April 29, 2015 for a first mandate from 2015 to 2017. We were appointed as auditors of the Group in the shareholders general assembly held on May 10, 2018 for a second mandate from 2018 to 2020. We were appointed as auditors of the Group in the shareholders general assembly held on May 25, 2021 for a third mandate from 2021 to 2023.
- Management as confirmed to us that they are not aware of any fraud or suspicion of fraud having occurred that has a material effect on the financial statements. In planning and executing our audit in accordance with ISA we maintained professional skepticism, and we designed audit procedures to respond to the possibility of material misstatement in the consolidated financial statements due to fraud. As a result of our work, we have not identified any material misstatement of the consolidated financial statements due to fraud.
- We confirm that the audit opinion we issue is consistent with the additional report that we prepared and delivered to the supervisory body of the Group on April 29, 2024.
- We declare that we have not provided any prohibited services as described in article 5 of the Regulation (EU) 537/2014 of the European Parliament and of the Council, of April 16, 2014, and we have remained independent of the Group in conducting the audit.

April 29, 2024

SIGNED ON THE ORIGINAL

KPMG & Associados

Sociedade de Revisores Oficiais de Contas, S.A.

(nr. 189 and registered at CMVM with the nr. 20161489)

represented by

Susana de Macedo Melim de Abreu Lopes

(ROC nr. 1232 and registered at CMVM with the nr. 20160843)