

Relevant information

Results 1H23

Lisbon, 28 July 2023

Novabase – Sociedade Gestora de Participações Sociais, S.A., under the terms and for the purposes of article 17 of Regulation (EU) no. 596/2014 of the European Parliament and of the Council and article 29.º- Q of the Portuguese Securities Code, discloses today to the market the results regarding the 1st half of 2023, whose essential features are included in the presentation attached.

Any questions about the information disclosed herein can be sent to investor.relations@novabase.com.

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Novabase – Sociedade Gestora de Participações Sociais, SA
Company issuing shares admitted to trading on a regulated market
Registered Office: Av. D. João II, nº 34, Parque das Nações, 1998-031 Lisboa
Share Capital: € 795,829.11
Lisbon Commercial Registry Office registration and legal person number 502.280.182

NOVABASE

Privileged Information

NEXT-GEN

IT SERVICES COMPANY

1H23

CONSOLIDATED RESULTS

July 28, 2023

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- **Comparative information (1H22) in this presentation shows Value Portfolio segment including Shared Services, as its merger with Celfocus (Next-Gen segment) in 2022 was recorded in August 2022. The contribution of Shared Services to Turnover and EBITDA in 1H22, included in Value Portfolio, is disclosed here: Turnover 0 M€ and EBITDA 1.0 M€. Throughout this presentation LFL comparisons are included, as well as additional commentary whenever useful.**
- Financial reporting terms used in this Report are mostly in accordance with International Financial Reporting Standards (IFRS) but will include certain non-IFRS financial measures of our performance (APMs). APMs used by Novabase are intended to provide additional information, more comprehensive and relevant to users, and are applied consistently in all periods reflected in this release. Reconciliation of each of these APMs to its most directly comparable IFRS financial measure can be found in the end of this Report. All amounts in this presentation are expressed in million Euros, except otherwise stated. The financial information here reported is unaudited.
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1H23 Outlook



Chairman and CEO

Message from Luís Paulo Salvado

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

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

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

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

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

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

1H23 in Review

Next-Gen: 2019+ Strategy Execution

Next-Gen delivers strong 1H with outstanding international growth

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

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

Value Portfolio: 2019+ Strategy Execution

Value Portfolio continues to grow

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

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

Press Zone

Novabase in the News¹

- **Partnership with MATRIX Software** | Celfocus and MATRIX have joined forces to launch an AI solution for 5G monetization.
- **Digital Talent Ecosystem** | Neotalent launched a talent management platform using blockchain and AI.
- **Sponsorship of Banking Transformation Summit, FutureNet World and Total Telecom Congress** | Celfocus continues to support international reference events focused on topics impacting digital economy and next-gen technology innovation.
- **Sponsorship of FST12** | Celfocus is once again the sponsor of the FST Lisboa².
- **Building up an employer branding** | Novabase is invested in attracting the best talent, engaging in multiple initiatives at universities and job fairs, e.g. FISTA23³, SINFO 30, JEEC 2023⁴ and Jobshop 2023, to name a few.
- **Equity Partnership in Celfocus** | Within the scope of Celfocus's business development plan, a process will be initiated that will culminate in the acquisition of a minority percentage of the share capital of Celfocus by a group of employees of Novabase Group with operational leadership responsibilities.
- **Novabase launched a Public Offer for the acquisition of own shares** | As a result, Novabase acquired 3,558,550 shares (11.33% of its share capital) and reduced its share capital by cancelation of the shares acquired in the context of the Offer.
- **Novabase paid 0.42 €/share** | The commitment to pay a total of 1.50 €/share to shareholders in 2019-2023 horizon, under 2019+ Strategy, was fulfilled.

¹ Until this presentation date.

² Formula Student team of University of Lisbon's Instituto Superior Técnico.

³ Forum of ISCTE School of Technology and Architecture.

⁴ Engineering & Tech Talks.

Financial Highlights



1H23 Performance

Strong 1H with excellent international growth

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

Key Figures



Turnover

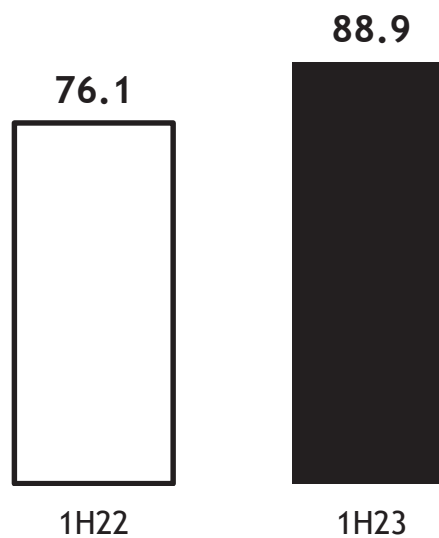
NOVABASE

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

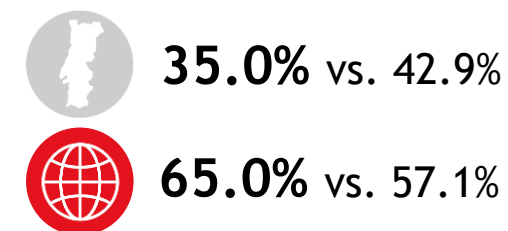
Driven by both Next-Gen and *IT Staffing* businesses.

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

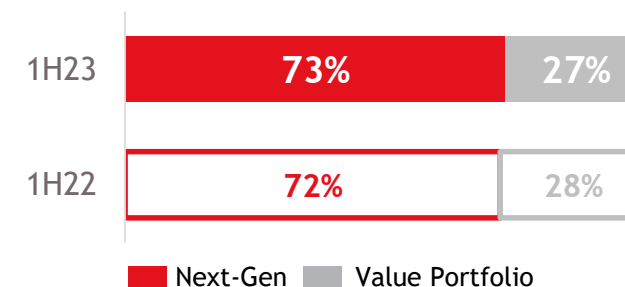
Turnover



Breakdown by Geography (%) ⁽¹⁾



Breakdown by Segment (%)



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

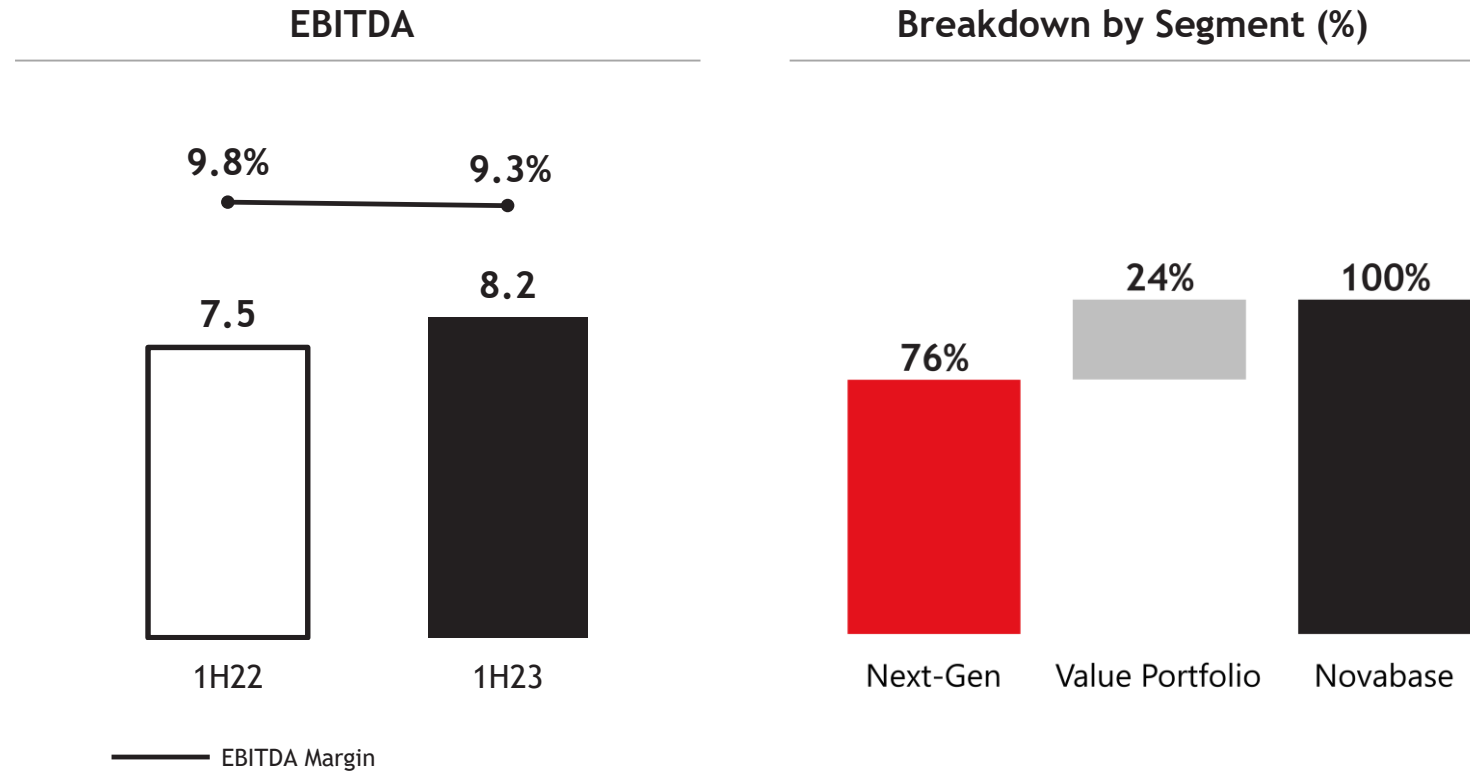
Key Figures



EBITDA

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EBITDA increased 10% YoY, leveraged by Next-Gen



Key Figures

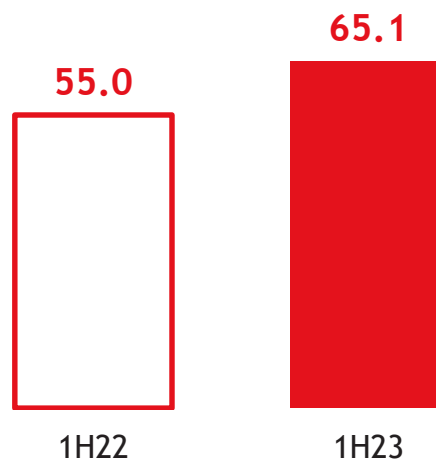


Next-Gen Segment

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

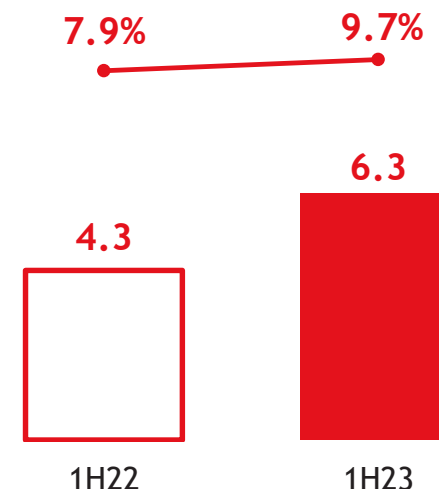
Turnover



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

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

EBITDA



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

EBITDA Margin

Key Figures



Next-Gen Segment

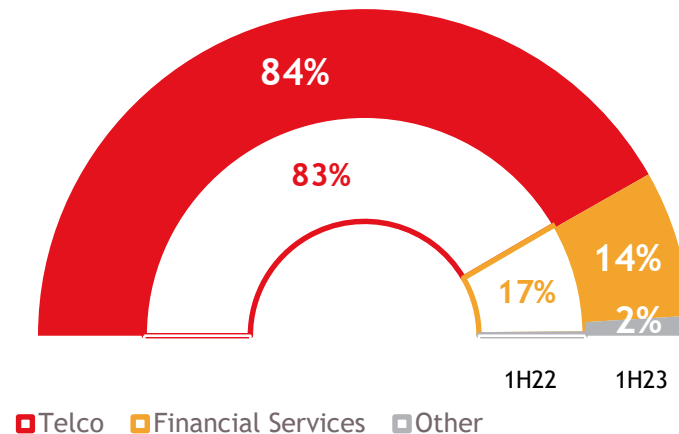
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New half-year record high in international Revenues

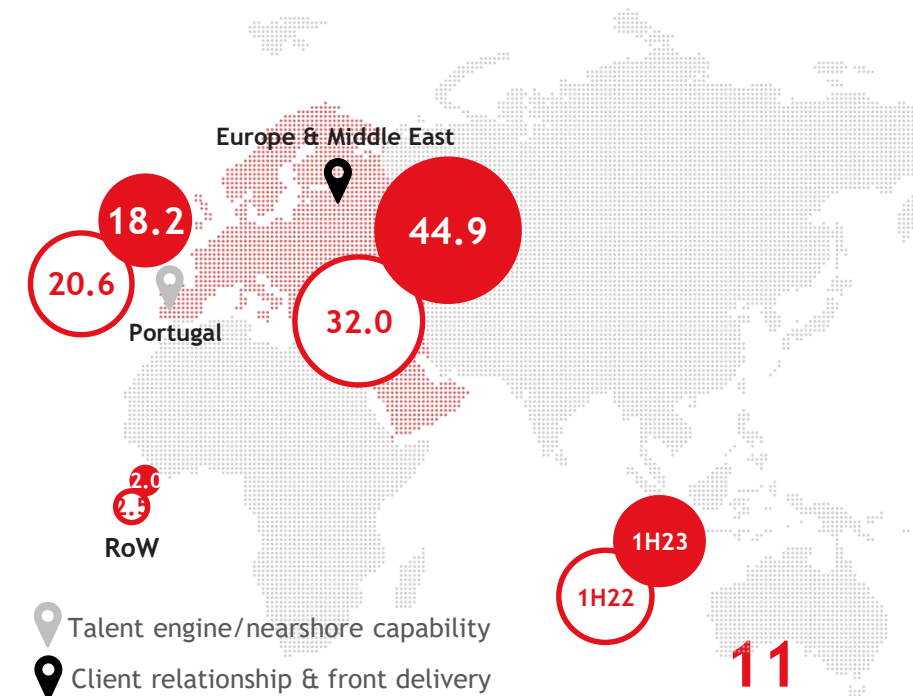
Entry into new clients of other industries with strategic offers, but still Telco dominance. International Turnover showed an outstanding 36% growth YoY and stands for 72% of Next-Gen's Turnover.

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

Revenue by Industry (%)



Revenue by Geography



Key Figures



Next-Gen Segment

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Top Tier clients grew 11% YoY...

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

Top Tier clients ⁽¹⁾



% of Revenues from Top Tier clients ⁽¹⁾



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

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

Key Figures



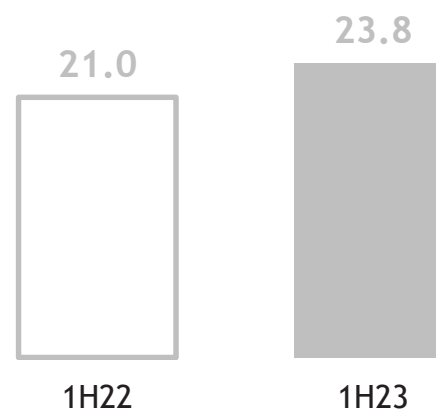
Value Portfolio Segment

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Value Portfolio Turnover grew 13% YoY

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

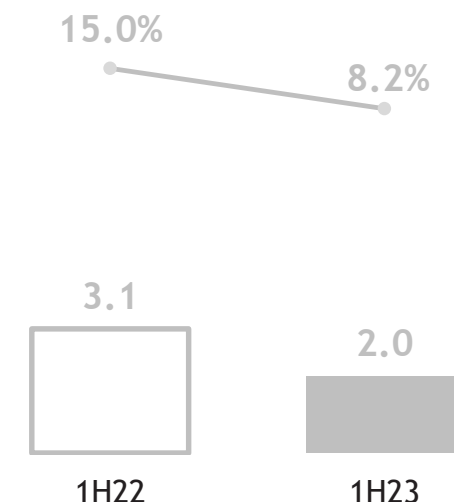
Turnover



EBITDA of 2.0 M€, Vs. 2.1 M€ in adj. 1H22 ⁽¹⁾

IT Staffing ⁽²⁾ EBITDA grew 22% YoY but central structure negatively impacted profitability.

EBITDA



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

(2) Most relevant business of Value Portfolio.

Key Figures



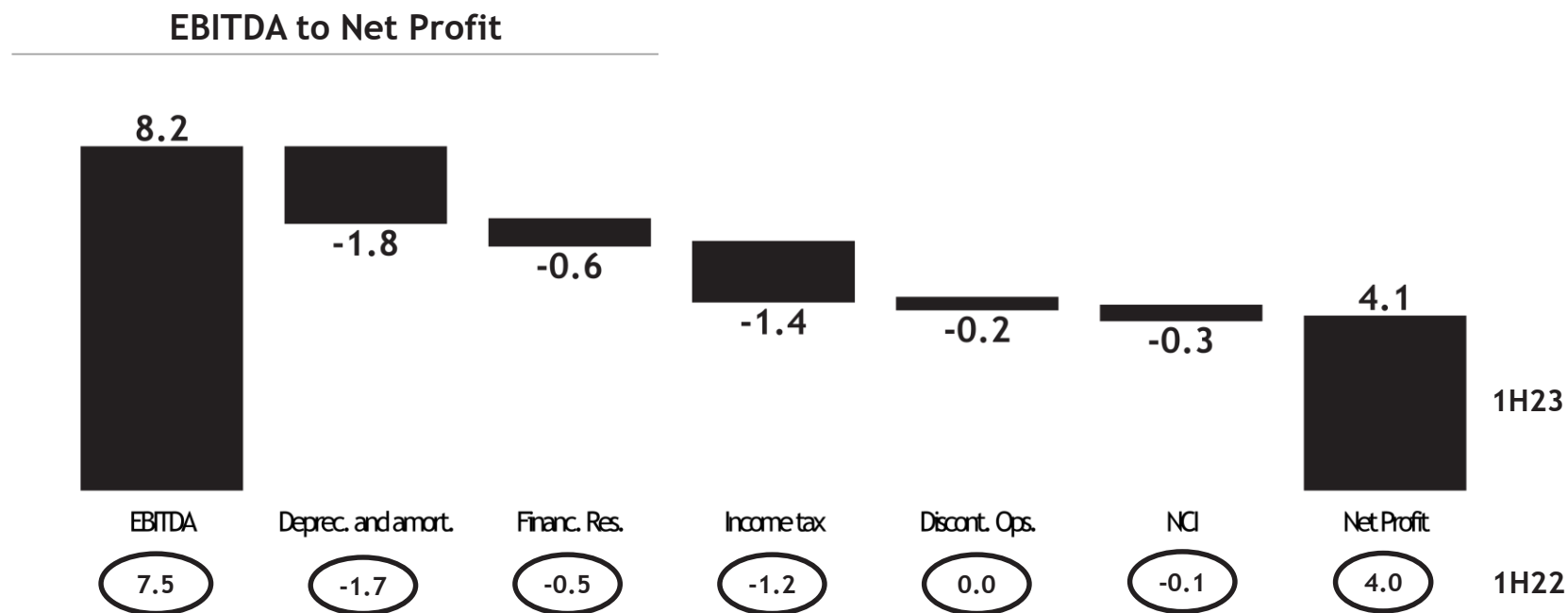
EBITDA to Net Profit

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Net Profit of 4.1 M€, +4% YoY

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

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



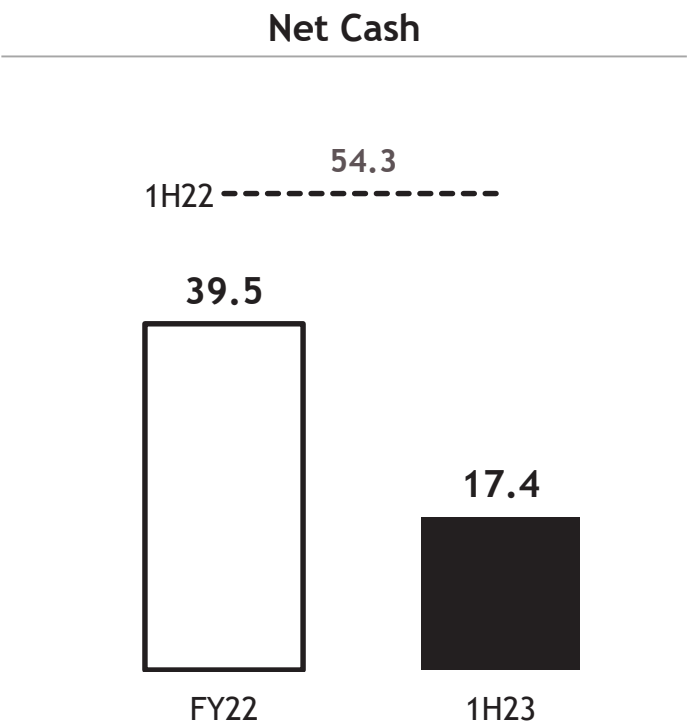
Key Figures



Net Cash

Net Cash position of 17.4 M€

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



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

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

Key Figures

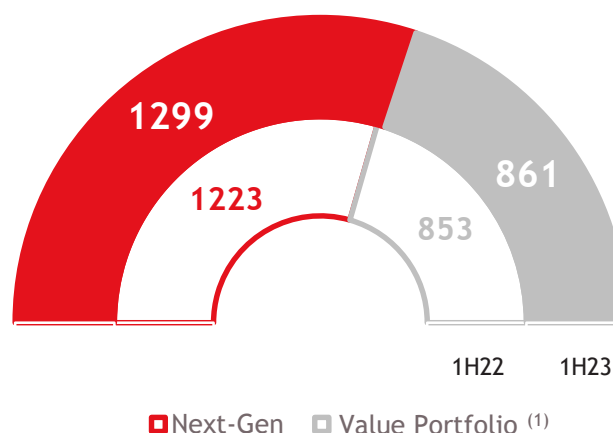


Talent

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Talent Pool of 2160 employees

Average number of Employees



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

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

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

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

Key Figures



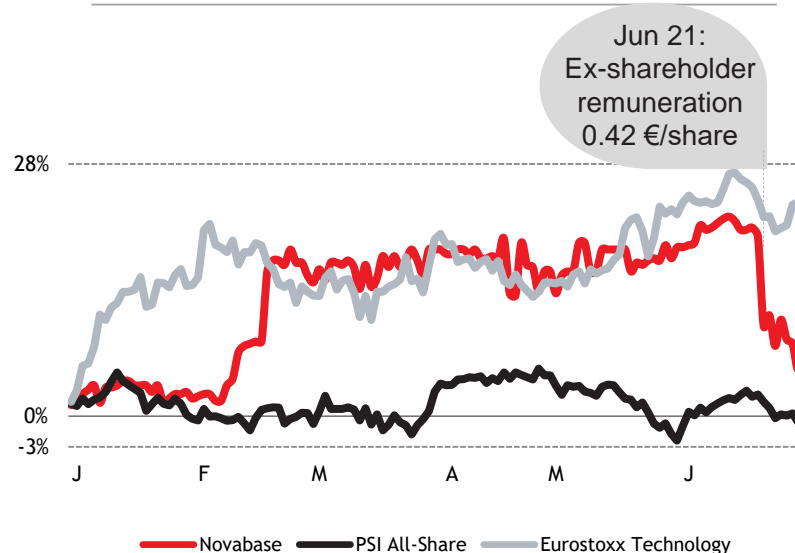
Stock Market

TSR of 18% in 1H23

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

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

Novabase and the Market



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

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

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

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

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

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



**In compliance with
ESMA guidelines**

Alternative Performance Measures

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

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

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

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

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

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

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

NEXT-GEN IT SERVICES COMPANY



Company Information

Novabase SGPS, S.A.
Euronext code: PTNBA0AM0006
Registered in TRO of Lisbon and
Corporate Tax Payer no. 502.280.182
Share Capital: 795,829.11 €
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Next Events

2023 Full Year Results (tbd)

NOVABASE

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

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

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

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

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

(Thousands of Euros)

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