

Relevant information

Trading Update 3M22

Lisbon, 5 May 2022

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 first three months 2022, whose essential features are included in the presentation attached.

In addition, it is further informed that a webcast on these results will be held today, at 5:30pm Lisbon time (GMT+1). More information about registration can be found at www.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 Lisbon
Share Capital: € 54.638.425,56
Lisbon Commercial Registry Office registration and legal person number 502.280.182

NOVABASE

Privileged Information

NEXT-GEN
IT SERVICES COMPANY

3M22

TRADING UPDATE

May 5, 2022

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3M22 Outlook



Chairman and CEO

Message from Luís Paulo Salvado

“The performance in 1st quarter of 2022 is clearly positive and reflect a good strategy execution. The 14% growth in Turnover should be highlighted, with special emphasis on the Value Portfolio segment, with an increase of 24%.

We reinforced the team with 16% more specialists, contributing to our growth sustainability. Given the fierce competition for technological talent, this is the biggest challenge for all companies competing in this area.

In the Next-Gen segment we won new flagship clients and consolidated our position in current Top Tier clients. This was possible thanks to the high level of specialisation of our offerings, namely in the Cognitive and

Digital spaces.

The Value Portfolio segment performed remarkably well and is ideally positioned to benefit from the strong demand in the market.

Sadly, we are living through a war in Europe with tragic consequences and there is great uncertainty about how the situation will develop. Despite this context, we will maintain the execution of the strategy, believing in our team’s capability to overcome the challenges that lie ahead.”

3M22 in Review

Next-Gen:
2019+
Strategy
Execution

Next-Gen reports solid, sustained growth

Next-Gen focused on Cognitive, Digital and Agile DevOps offers to propel its organic growth strategy.

Business wins in flagship clients are taking place.

Value Portfolio:
2019+
Strategy
Execution

Value Portfolio reports strong post COVID-19 recovery in Q1 2022 Turnover

A remarkable first-quarter, with Turnover growing at high double-digit YoY.

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

Press Zone

Novabase in the News¹

- **Finalist for the AIOps Award** | Celfocus is nominated as the best operations solution incorporating AI functionality at FutureNet World 2022.
- **Partnership with Vodafone for Mobile Magazine** | To discuss the potential of AI use cases for Digital TV (explore www.mobile-magazine.com).
- **Showcasing our eSign solution in Ireland** | Adopted by Banking and Telco references worldwide, Celfocus digital signature solution was promoted in Ireland, in collaboration with AICEP Portugal Global.
- **Celebrating #24 years** | Neotalent, the Novabase Company dedicated to the *IT Staffing* business, celebrated its anniversary this January.
- **Building up an employer branding** | In Q1 alone, Novabase engaged in multiple initiatives in Portugal, from north to south: SEI'22 at Minho University, FISTA22², Employability Week at Polytechnic of Setúbal, SINFO 29, SET³ and JEEC 2022 - Engineering & Tech Talks at IST, S2E⁴ at Polytechnic of Leiria and UAlg Careers Fair, among others.
- **Nominations for HR Portugal 2022 awards** | Celfocus is in the final race in the Academies/Training, Onboarding and Innovation and People Management categories.
- **Acting with a purpose** | Novabase has come together to donate funds, collect goods and give people work time to volunteer, with #standwithukraine initiative. Additionally, our teams have made available to participate in the welcoming and integration of Ukrainian refugees in the geographies we operate in.
- **Empowering female talent** | Neotalent is the main sponsor of Nova School of Business and Economics young women volleyball team.
- **Novabase left PSI⁵ as of 18 March** | Due to the Index' new requirement of market cap free float lower limit of 100 M€.

¹ Until this presentation date.
² Forum of ISCTE School of Technology and Architecture.
³ Business and Technology Week.
⁴ Employment and Entrepreneurship Week.
⁵ Referred to as PSI20 until 18 March 2022.

Financial Highlights

Double-digit growth

- Turnover grew by 14% YoY, with Next-Gen representing 73%
- 58% of Turnover is generated outside Portugal
- Europe & ME accounts for 93% of Next-Gen's International Turnover
- 87% of Next-Gen Revenues captured from Top Tier clients
- Solid Net Cash position of 55.5 M€
- Next-Gen Talent pool increased 17% YoY
- Shareholder remuneration of 0.43 €/share to be voted upon next GMS



3M22 Performance

Key Figures

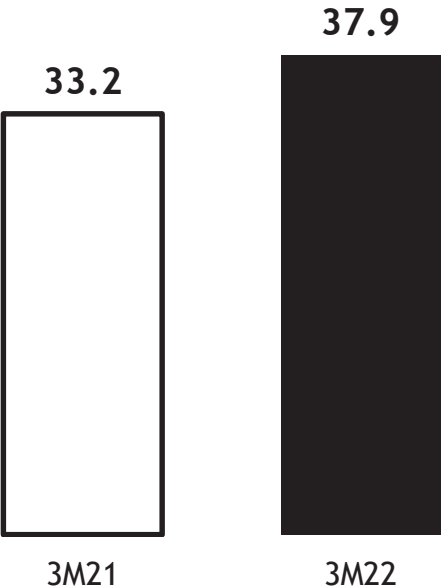
Turnover grew 14% YoY, with Next-Gen representing 73%

No relevant impacts observed in 3M22 due to the COVID-19 pandemic nor Ukraine’s conflict, both in Next-Gen and in Value Portfolio segments.

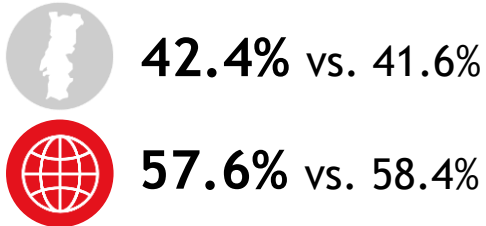


Turnover

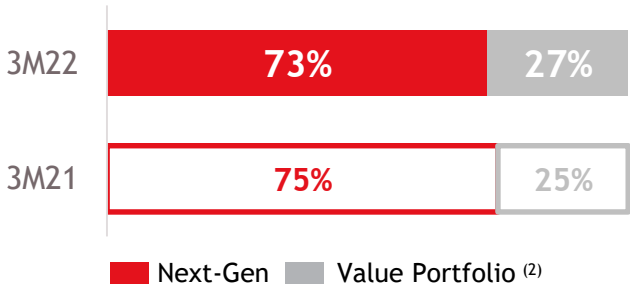
Turnover



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.

(2) Value Portfolio includes holding / shared services.

Key Figures

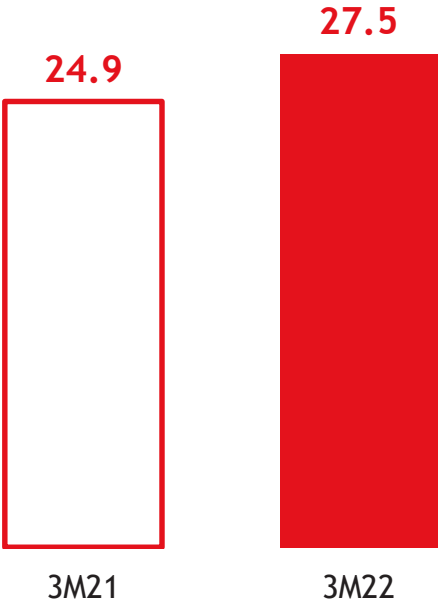
Next-Gen logs double-digit topline growth, +11% YoY

Fully organic growth.

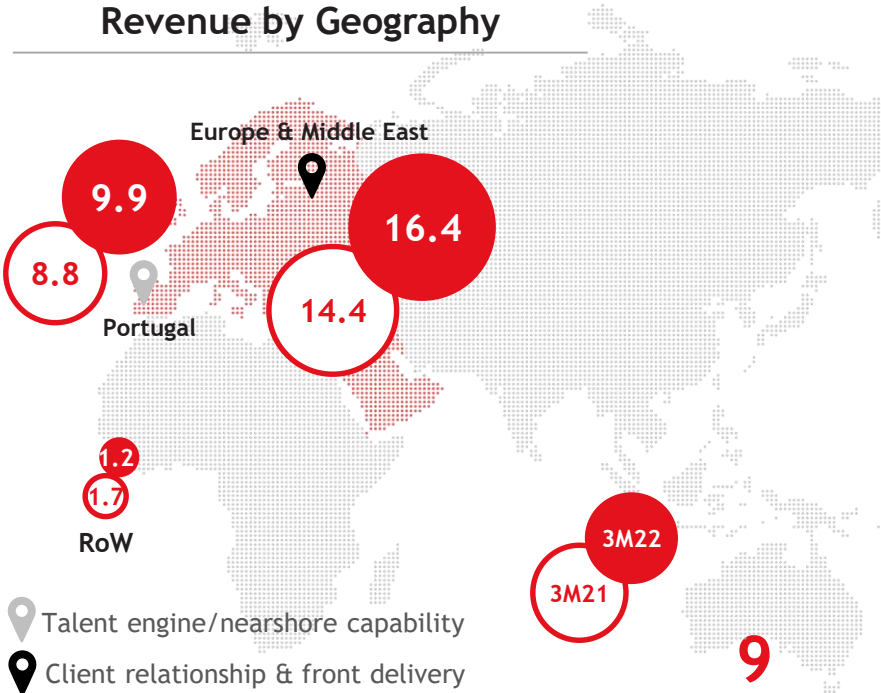
International Turnover grew 9% YoY and stands for 64% of Next-Gen total Turnover.

Target markets of Europe & ME reached 93% of the segment’s international operations, increasing 14% YoY, while exposure to Africa continued to decline (-33% YoY).

Turnover



Revenue by Geography



Next-Gen Segment

Key Figures

Multi Industry approach, but telecom dominance

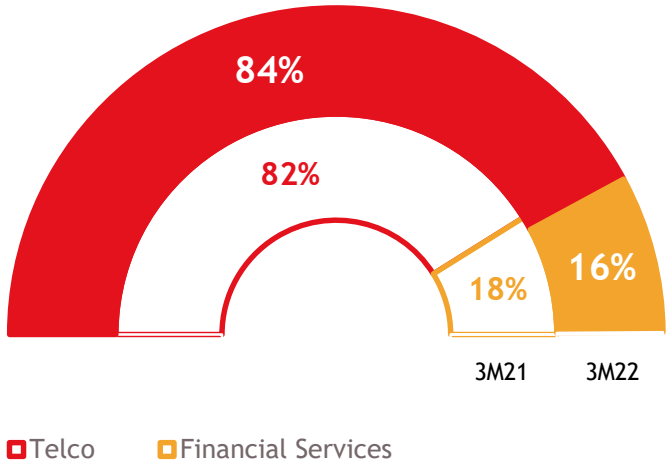
Top Tier clients Revenues grew by 19% YoY

Next-Gen focused on building long-term relationships and in winning new clients committed to digital.

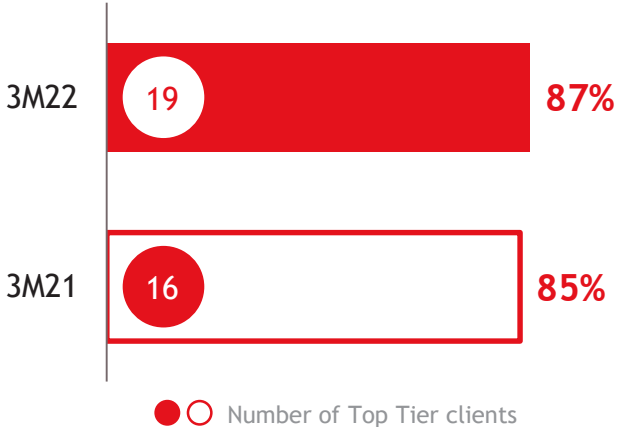


Next-Gen Segment

Revenue by Industry (%)



% of Revenues from Top Tier clients ⁽¹⁾



Total number of clients in 3M22 increased to 110 (109 in 3M21).

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

Key Figures

Value Portfolio fully recovered with a 24% growth YoY in Turnover

Despite some ‘base effect’ due a 1Q21 affected by COVID-19 and lockdowns, the *IT Staffing* business delivered a remarkable first-quarter, exceeding the pre-pandemic 3M20 record high (+12%).

41% of Value Portfolio Turnover was generated outside Portugal.



Value Portfolio Segment

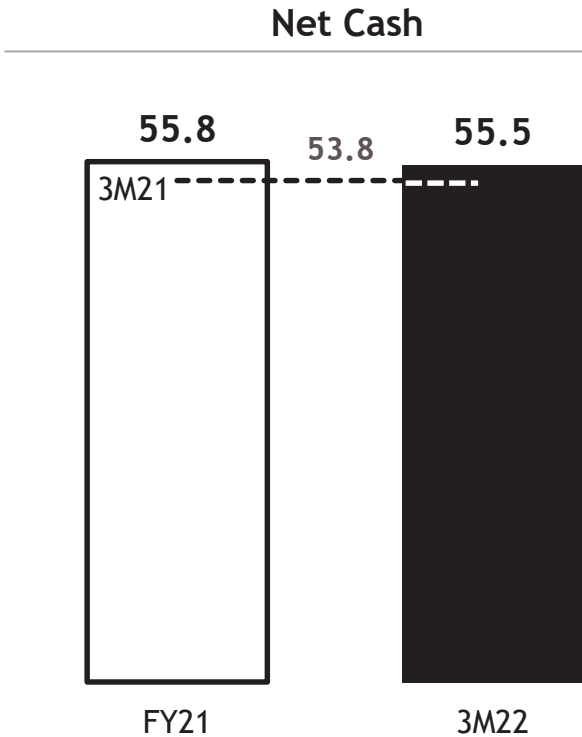
Key Figures



Net Cash

Solid Net Cash position of 55.5 M€...

... to accommodate upcoming shareholder’s remuneration commitments and to support strategic initiatives.



Net Cash in line with the FY21 level and 1.7 M€ up YoY, primarily driven by operating activities.

3.0 M€ of Net Cash refers to Non-Controlling Interests (Vs. 3.1 M€ in FY21).

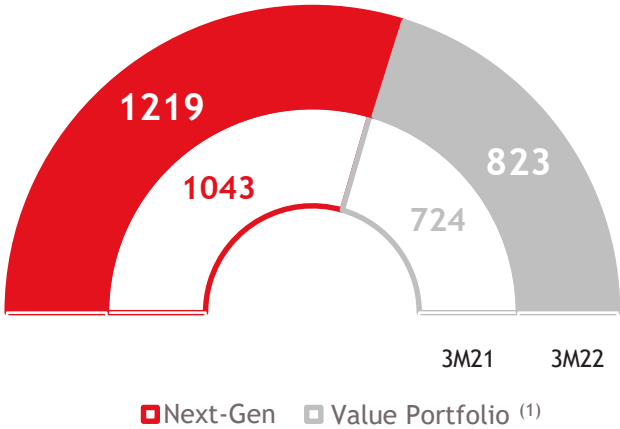
Key Figures



Talent

Talent Pool increased 16% YoY and 9% in the Quarter

Average number of Employees



Talent pool of 2042 employees in 3M22 (Vs. 1767 in 3M21 and 1866 in FY21).

The breakdown by segment shows a 17% growth in Next-Gen, in line with the strategic bet to enhance our talent base.

TTM attrition rate (2) of Next-Gen is 22.2% (Vs. 12.7% in 3M21). This evolution reflects both the correction of the abnormally low value in 3M21 (which incorporates some COVID-19 effects) and the new labour market dynamics driven by fierce competition for scarce talent.

(1) Including holding / shared services representing 72 employees in 3M22 (79 in 3M21).
 (2) Determined by the formula: number of leaves at the employee's initiative ÷ average number of employees, for the Trailing 12 Months.

Key Figures



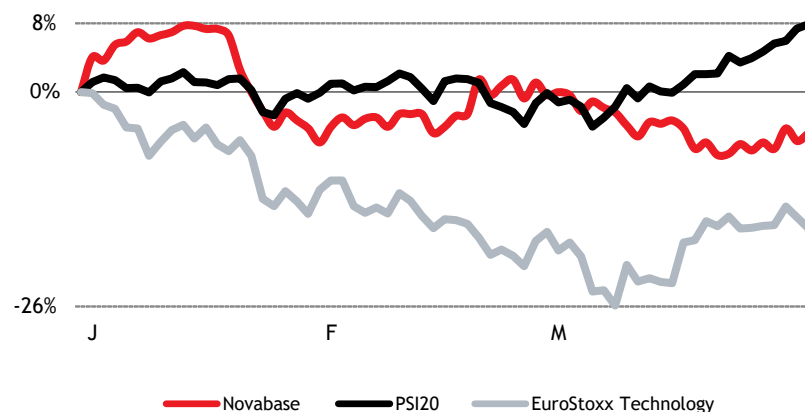
Stock Market

0.43 €/share remuneration to be voted upon

The Board proposed to the 2021 GMS a shareholder remuneration of 0.43 €/share, just over half of the amount yet to be paid until 2023 according to the Strategy 2019+ commitment.

NBA price decreased 5% in 3M22 - following the stock markets corrections worldwide, probably reflecting the situation in Ukraine - even so, less than the EuroStoxx Technology Index 17% loss, whilst PSI increased 8%.

Novabase and the Market



Novabase left PSI on 18 March, where it was trading since 23 March 2020, as a result of the new lower limit of market capitalization' free float requirement of 100 M€.

The average price target disclosed by Novabase's analysts is 6.35 €, with unanimous recommendation to buy. Average upside is 31%.

Novabase acquired 108k shares in 3M22 under the buy-back programme. At 31 March 2022, Novabase holds 807,495 own shares (2.57% of its share capital).

Market Capitalisation at the end of 3M22 is 152.6 M€, with a ttm Price to Sales of 1.10x.

Free Float Velocity ⁽¹⁾ was 29% (35% in 3M21).

(1) Considering a free float of 35% in 3M22 and 40% in 3M21, calculated according to Euronext criteria.

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.

The caption "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 3M22 and prior period, is analysed in the table on the right.

This APM and all its components contain no estimates or judgments made by Management.

	FY21	3M22
Cash and cash equivalents	68,431	66,828
Treasury shares held by the Company ⁽¹⁾	3,581	3,924
Bank borrowings - Non-Current	(9,400)	(9,100)
Bank borrowings - Current	(6,800)	(6,200)
Net Cash (Euro thousands)	55,812	55,452

	FY21	3M22
Treasury shares held by the Company	699,480	807,495
Closing price @ last tradable day (€)	5.120	4.860
Treasury shares held by the Company (Euro thousands)	3,581	3,924

(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.



**In compliance with
ESMA guidelines**

NEXT-GEN IT SERVICES COMPANY



Company Information

Novabase SGPS, S.A.
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Registered in TRO of Lisbon and
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Next Events

General Meeting of Shareholders
May 24 (3 pm GMT+1)

Roadshows
Kepler Autumn Conference:
September 13-15 (tbc)

Results 6M22
July 29 (after market closure)

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