Relevant information

Trading Update 9M22

Lisbon, 10 November 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 a trading update regarding the first nine months 2022, whose essential features are included in the presentation attached.

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

IT SERVICES COMPANY
9M22
TRADING UPDATE
November 10, 2022
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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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9M22 in Review

Next-Gen continues to grow

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 reports a notable growth

A remarkable 9M22, with Turnover growing at high double-digit YoY.

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

Novabase in the News

- **Best Digital Transformation Program Award** | Celfocus was recognised at the Middle East Telecoms World Conference, in partnership with solutions by stc, Jawwy.
- **AlOps Award** | Celfocus was shortlisted as finalist in ‘Best operations solution incorporating AI functionality’ at FutureNet World 2022.
- **Partnership with PcVue** | Neotalent Spain was recognised as a reseller and certified system integrator partner.
- **Celfocus eSign solution showcased in Ireland** | With AICEP Portugal Global.
- **Certifications by APCER** | Celfocus has obtained ISO/IEC 27001 (Information Security) and ISO/IEC 27701 (Privacy) certifications.
- **2022 Wellbeing Awards by Workwell** | Celfocus won the ‘Healthiest Company’.
- **Sponsorship of Arch Summit, Cordacon and Total Telecom Congress** | Celfocus supported international reference events focused on topics impacting the digital economy, next-gen technology innovation, and telecoms market.
- **Building up an employer branding** | Novabase engaged in multiple initiatives, e.g. FISTA22, SINFO 29, SET and JEEC 2022 at IST, and UAlg Careers Fair, among others.
- **Acting with a purpose** | Novabase has come together to donate funds, collect goods and give people work time to volunteer, with #standwithukraine initiative.
- **Social responsibility** | Neotalent donated more than 100 baskets of goods to CASA, a Portuguese association that supports the homeless and families in need.
- **Empowering female talent** | Neotalent is the main sponsor of Nova School of Business and Economics young women volleyball team.
- **Sponsorship of FST11** | Celfocus is the main sponsor of IST team’s first vehicle with autonomous and non-autonomous capabilities.
- **Novabase left PSI as of 18 March** | Due to the Index’ new requirement of market cap free float lower limit of 100 M€.
- **Novabase pays 0.43 €/share to shareholders** | Following the operation to reduce the Company’s share capital from 54.6 million euros to 33.0 million euros.

1 Until this presentation date.
2 Forum of ISCTE School of Technology and Architecture.
3 Business and Technology Week.
4 Engineering & Tech Talks.
Financial Highlights

9M22 Performance

Growth across businesses

• Turnover grew 11% YoY, with Next-Gen representing 72%
• 58% of Turnover is generated outside Portugal
• Europe & ME accounts for 92% of Next-Gen’s International Turnover
• # Next-Gen Top Tier clients grew 28% YoY
• Solid Net Cash position of 40.8 M€, after 0.43 €/share payment
• Talent Pool increased 14% YoY
• Total Shareholder Return of -9% in 9M22
Turnover grew 11% YoY, with Next-Gen representing 72%

No relevant impacts observed in 9M22 due to the COVID-19 pandemic nor Ukraine’s conflict, both in Next-Gen and in Value Portfolio segments.

Turnover Breakdown by Segment (%)

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<thead>
<tr>
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<th>9M21</th>
<th>9M22</th>
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<tbody>
<tr>
<td>Next-Gen</td>
<td>75%</td>
<td>72%</td>
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<tr>
<td>Value Portfolio</td>
<td>25%</td>
<td>28%</td>
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Turnover Breakdown by Geography (%)

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<th>9M21</th>
<th>9M22</th>
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<td></td>
<td>42.3% vs. 43.2%</td>
<td>57.7% vs. 56.8%</td>
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(1) Turnover by Geography is computed based on the location of the client where the project is delivered.
Next-Gen Turnover grew 7% YoY

Fully organic growth.

International Turnover grew 8% YoY and stands for 63% of Next-Gen total Turnover. Target markets of Europe & ME represented 92% of the segment’s international operations, increasing 11% YoY, while exposure to Africa continued to decline (-14% YoY). Despite ME Turnover growth (+28% YoY), significant delivery challenges causing delays in revenue recognition are being addressed.

<table>
<thead>
<tr>
<th>Turnover</th>
<th>9M21</th>
<th>9M22</th>
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<tbody>
<tr>
<td>76.7</td>
<td></td>
<td>81.9</td>
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<table>
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<th>Revenue by Geography</th>
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<tbody>
<tr>
<td>Europe &amp; Middle East</td>
</tr>
<tr>
<td>Portugal</td>
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<tr>
<td>RoW</td>
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</table>

Talent engine/nearshore capability
Client relationship & front delivery
Entry into new clients of other industries with strategic offers.

Multi Industry approach, with Telco dominance

... as a result of commercial victories that have been taking place.

Top Tier clients Revenues grew 11% YoY.

Top Tier clients Revenues grew 28% YoY...

% of Revenues from Top Tier clients

9M22: 89%
9M21: 88%

Total number of clients in 9M22 of 112 (115 in 9M21).

(1) Top Tier clients (>1 M€) considers the Trailing 12 Months.
Value Portfolio grew at high double-digit in Turnover, +24% YoY

Remarkable growth mainly driven by international operations. 43% of Value Portfolio Turnover was generated outside Portugal.
Solid Net Cash position of 40.8 M€, after 0.43 €/share payment

To support strategic initiatives and shareholder’s remuneration commitments.

Cash use of 0.8 M€ in the last 12 months, excluding the 13.1 M€ cash outflow from the shareholder remuneration.

3.1 M€ of Net Cash refers to Non-Controlling Interests (in line with FY21).
**Talent Pool increased 14% YoY**

- Talent pool reached 2095 employees in 9M22 (Vs. 1832 in 9M21 and 1866 in FY21).
- Next-Gen talent pool grew 10% YoY, excluding the shared services team absorbed by Celfocus, Next-Gen’s main company, in 2022.
- TTM attrition rate (2) of Next-Gen is 19.4%, below the 20.4% in 9M21.

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**Average number of Employees**

- Talent pool reached 2095 employees in 9M22 (Vs. 1832 in 9M21 and 1866 in FY21).
- Next-Gen talent pool grew 10% YoY, excluding the shared services team absorbed by Celfocus, Next-Gen’s main company, in 2022.
- TTM attrition rate (2) of Next-Gen is 19.4%, below the 20.4% in 9M21.

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(1) Including shared services team of 61 employees in 9M21.
(2) Determined by the formula: number of leaves at the employee's initiative ÷ average number of employees, for the Trailing 12 Months.
TSR of -9% in 9M22

Main stock markets impacted by the war in Ukraine, inflationary pressures and volatility on the global financial markets.

NBA stock price decreased 17% in 9M22, whilst the PSI All-Share Index lost 4% and EuroStoxx Tech Index plummeted 35%.

Novabase paid 0.43 €/share in Q3 to shareholders (1), following the Company’s share capital reduction.

The average price target disclosed by Novabase’s analysts is 6.40 €, with unanimous recommendation to buy. Average upside is 50%.

Novabase acquired 347k shares in 9M22. At 30 September 2022, Novabase holds 1,046,294 own shares (3.33% of its share capital).

Market Capitalisation at the end of 9M22 is 133.8 M€, with a ttm Price to Sales of 0.89x. Free Float Velocity (2) was 22% (30% in 9M21).

(1) 0.42 €/share yet to be paid until 2023 according to the Strategy 2019+ commitment.
(2) Considering a free float of 35% in both periods, calculated according to Euronext criteria.
Alternative Performance Measures

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 9M22 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.

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<thead>
<tr>
<th></th>
<th>FY21</th>
<th>9M22</th>
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<tr>
<td>Cash and cash equivalents</td>
<td>68,431</td>
<td>47,643</td>
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<tr>
<td>Treasury shares held by the Company (1)</td>
<td>3,581</td>
<td>4,457</td>
</tr>
<tr>
<td>Bank borrowings - Non-Current</td>
<td>(9,400)</td>
<td>(7,000)</td>
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<tr>
<td>Bank borrowings - Current</td>
<td>(6,800)</td>
<td>(4,320)</td>
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<tr>
<td>Net Cash (Euro thousands)</td>
<td>55,812</td>
<td>40,780</td>
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<tr>
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<th>FY21</th>
<th>9M22</th>
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<tr>
<td>Treasury shares held by the Company</td>
<td>699,480</td>
<td>1,046,294</td>
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<td>Closing price @ last tradable day (€)</td>
<td>5.120</td>
<td>4.260</td>
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<tr>
<td>Treasury shares held by the Company (Euro thousands)</td>
<td>3,581</td>
<td>4,457</td>
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(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

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<tr>
<td>Novabase SGPS, S.A.</td>
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<tr>
<td>Euronext code: PTNBA0AM0006</td>
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<td>Registered in TRO of Lisbon and Corporate Tax Payer no. 502.280.182</td>
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<td>Share Capital: 32,971,463.70 €</td>
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<th>Investors Relations</th>
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<tbody>
<tr>
<td>María Gil Marín</td>
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<td>Chief Investors Officer</td>
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<td>Tel. +351 213 836 300</td>
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<td>Fax: +351 213 836 301</td>
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<tr>
<td><a href="mailto:investor.relations@novabase.com">investor.relations@novabase.com</a></td>
</tr>
<tr>
<td>Report available on website: <a href="http://www.novabase.com">www.novabase.com</a></td>
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<th>Next Events</th>
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<td>2022 Full Year Results (tbd)</td>
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