

Relevant Information

Lisbon, 25th July 2019

The Board of Directors of Novabase – Sociedade Gestora de Participações Sociais, S.A. (“Novabase” or “Company”) hereby informs, 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 248-A of the Portuguese Securities Code, that, at its meeting held today, it has resolved to approve an update to the strategy for the years of 2019 and following years (“Strategic Update 2019+”), whose essential features are included in the presentation attached. It has also been approved the half-yearly financial information regarding the 1st semester of 2019, whose main highlights are also in the presentation.

At the meeting of the Board of Directors it was resolved, by proposal of the Executive Committee, that, in light of the framework of the Strategic Update 2019+, the shareholder remuneration policy currently in force at Novabase– of yearly distribution of an amount corresponding to, at least, 30% of Novabase’s group consolidated net income recorded in each fiscal year – will cease to apply. The aim of this change is to ensure flexibility to optimize the allocation of the available financial resources, at the service of the 2019+ Strategic Update’s initiatives. However, given the initial cash position in the company’s balance sheet and the goal of placing the growth ambition within a sustainable risk range, shareholder remuneration proposals in order to distribute surplus funds may be made. In addition, general rules arising from the law and the articles of association of Novabase will always apply in this matter.

Novabase also informs that it was resolved by the Board of Directors to request to the Chairman of the General Meeting the convening of a Shareholders’ General Meeting to resolve, notably, on the following:

1. A proposal to distribute to the shareholders reserves and retained earnings in the total amount of € 11,304,501.84 (eleven million, three hundred and four thousand, five hundred and one euros and eighty four euro cents), corresponding to € 0.36 (thirty six euro cents) per share.

María Gil Marín
Chief Investors Officer
Tel.: +351 21 3836300
Fax.: +351 21 3836301

investor.relations@novabase.pt

Novabase – Sociedade Gestora de Participações Sociais, SA
Sociedade Aberta
Sede: Av. D. João II, nº 34, Parque das Nações, 1998-031 Lisboa
Capital Social:€ 15,700,697

Número de matrícula na Conservatória do Registo Comercial de Lisboa e pessoa coletiva 502.280.182

2. A proposal to reduce the capital in the amount of € 4,396,195.16 (four million, three hundred and ninety six thousand, one hundred and ninety five euros and sixteen euro cents) with the attribution of €0.14 (fourteen euro cents) per share to the shareholders, followed by a capital increase by incorporation of share issuance premiums in the amount of € 43,333,923.72 (forty three million, three hundred and thirty three thousand, nine hundred and twenty three euros and seventy two euro cents). After these operations, the share capital of Novabase will be set at € 54,638,425.56 (fifty four million, six hundred and thirty eight thousand, four hundred and twenty five euros and fifty six cents) represented by shares with the nominal value of €1.74 (one euro and seventy four euro cents) each.
3. A proposal of a Stock Options Plan to the members of the Board of Directors of Novabase and employees of Novabase or other companies of the Novabase Group, concerning up to 10% of the Company's current share capital.
4. A proposal for a Own Shares Buyback Programme for the purposes of complying with the settlement obligations of the options to be granted under the aforementioned Stock Options Plan, in case it is approved, under which shares may be purchased up to an amount of 10,000,000 euros (ten million euros).

The notice for the General Meeting and preparatory documentation of the same will be disclosed within the legal deadlines, once the date for said general meeting is set.

In addition, it is further informed that a webcast on the 2019+ Strategic Update and the financial information regarding the 1st semester of 2019 will be held today, at 17 pm Lisbon time (GMT+1). More information can be found at www.novabase.pt.

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Disclaimer

This presentation includes sector and forward-looking statements involving uncertainties that could cause actual data to differ materially from those indicated.

These statements relate only to this date of presentation, and Novabase assumes no obligation to update the information or to notify in the event that any question changes or is identified as incorrect, except when required by law or specific regulation.

Thus, neither Novabase, nor any of its subsidiaries, its administrators, members of the other corporate bodies or employees, make any declaration or commitment on the accuracy or completeness of the information and do not assume, therefore, any type of obligation or responsibility.

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. Reconciliation of each of these non-IFRS financial measures to its most directly comparable IFRS financial measure can be found in the earnings release which is posted on the investor relations section of our website.

This presentation is provided for informational purposes only and does not constitute a document for the offer of securities, and its distribution or use by any person or entity is forbidden without prior authorization from Novabase.

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Agenda

- **Strategy Update Novabase 2019+**
- **Highlights 6M2019**

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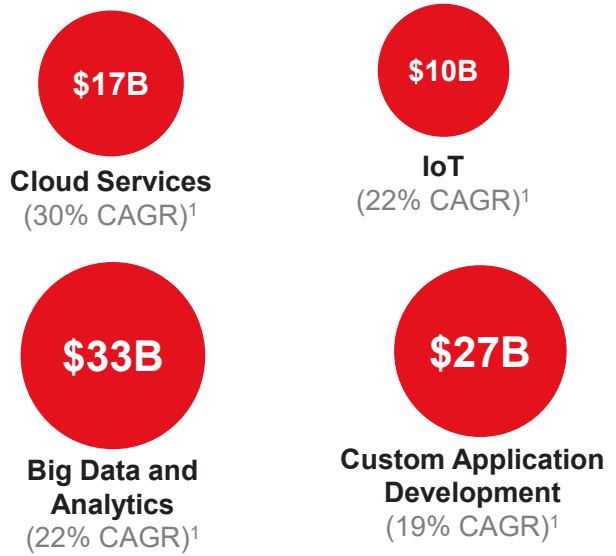
NEXT-GEN
IT SERVICES
COMPANY

NOVABASE

Great potential in the Next-Gen IT space

Next-Gen IT opportunities in Digital and Cognitive ...

Total spend in technologies 2018

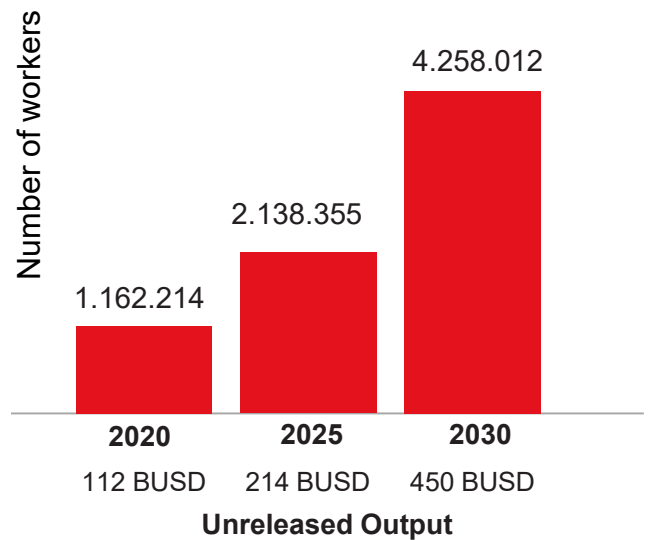


High growth in Next-Gen IT creating huge opportunities worldwide

... stalled by talent shortages

Unrealized business potential due to workforce shortage in the most developed economies (2020-2030)

Technology Labour Deficit



(1) CAGR 2018-2013
Sources: Leading Strategic Consultant analysis through IDC, Gartner and Expert Interviews. 2018 State of European Tech Report - Atomico

The opportunity is for those who can deliver

The lack of IT resources in the market is a great opportunity for those who know how to attract, retain and train IT talent and master emerging technologies.

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NOVABASE Leverage points



Talent pool

Portugal is a great source that doesn't absorb all the available talent for domestic IT needs



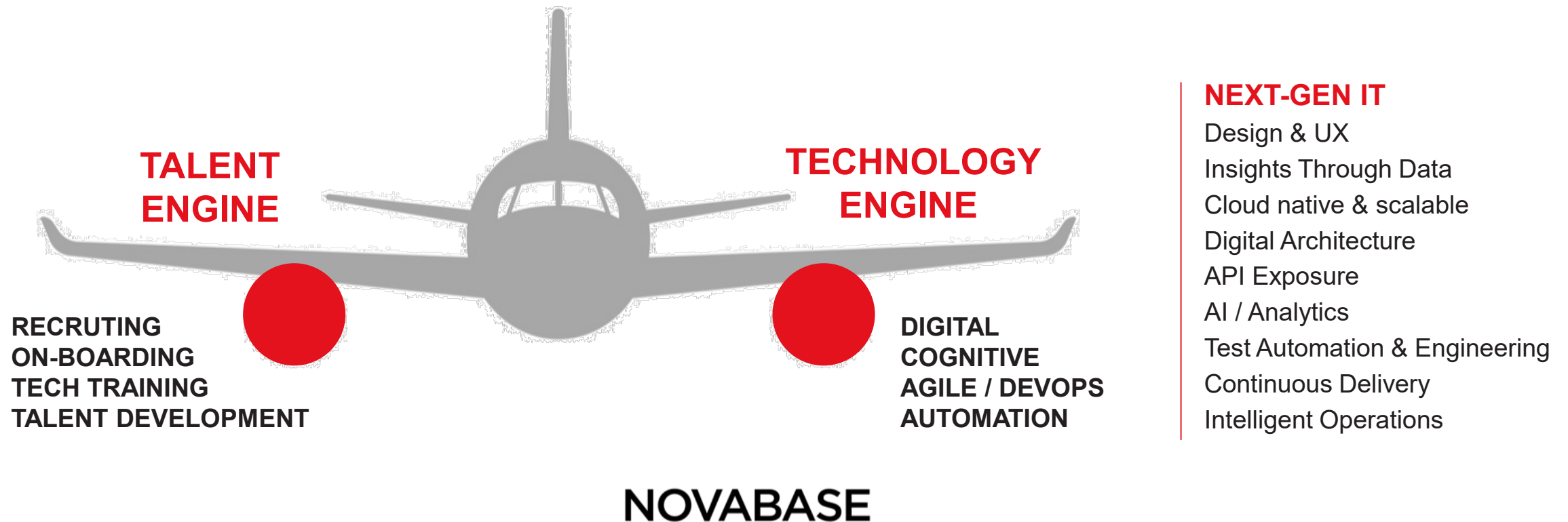
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Already a leader

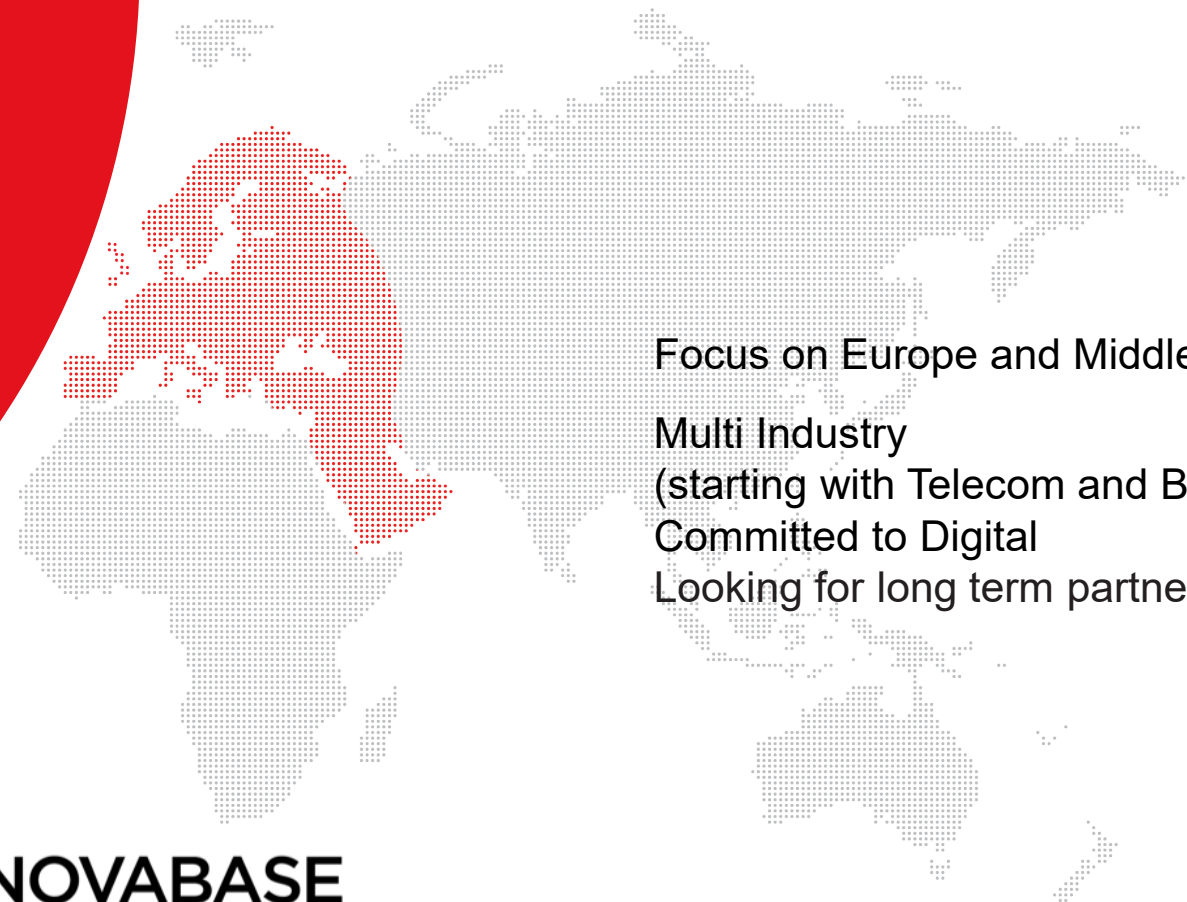
Novabase is the domestic leader – highly capable of attracting and retaining the most valuable IT talent

A new positioning to capture the future

Novabase is propelled by great talent and technology



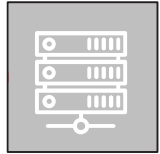
**We target
clients with
ambition to
transform**



Focus on Europe and Middle East
Multi Industry
(starting with Telecom and Banking)
Committed to Digital
Looking for long term partnerships

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Our transformation already started



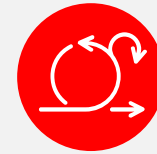
Divestment of non core Business

HW & related services



Wave of new digital products

Creation of digital focused, customer centric solutions



Adoption of new delivery models

Use of Agile development in project implementations



Accelerate International Expansion

Exposure to international clients on high value markets



wizzio
by NOVABASE

>10% of business delivered in Agile

>50% of Revenue outside of Portugal
(of which 69% in Europe)

Where we are⁽¹⁾

Initiate reporting with two operating segments

Turnover: **148.7 M€**

International: **54.4%**

EBITDA: **10.3 M€** (6.9%)

NET Cash: **62 M€**

Next-Gen

Turnover: **76.6 M€**

72.4 % International

EBITDA: **3.5 M€**

4.5%

**Value
Portfolio**

Turnover: **72.1 M€**

35.5% International

EBITDA: **6.8 M€**

9.5%

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NEXT-GEN SEGMENT

To become a relevant player in a fast growing and sizable space

- Leading position to **source scarce talent in Portugal** and deploy in **advanced projects focused in Europe & Middle East**
- Strong track record in Nearshore Agile, already active in **Telco and Financial Services**.

VALUE PORTFOLIO SEGMENT

To fund growth in Next-Gen

- **Hands-on management** approach with proactive analyses of **strategic partnerships**
- **Consolidated businesses** with IT offers for **Government, Healthcare, Transportation and Energy sectors, IT Staffing and Venture Capital**.

(1) 12M2018 accounts. Include the transition to IFRS 15 with a one-time impact on Turnover and EBITDA (+6.5 MEur in Turnover 12M18 and +2.1MEur in EBITDA 12M18).

Our ambition in big numbers

Bulk of Transformation until 2021

Next-Gen

x2 Turnover 2023 vs. 2018

- Through M&A and organic growth
- >90% international business in 2023
- Long term client relationships with few large accounts

Double-digit EBITDA margin in 2023

Value Portfolio

Generate funds to support Next-Gen growth

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Board of Directors to be extended with new executive member focused on Next-Gen

Executive
Board Members



João Nuno Bento
Chief Executive Officer



Francisco Antunes
*Chief Financial Officer &
Chief Legal Officer*



Álvaro Ferreira
Chief Operating Officer Value Portfolio



María Gil
*Chief Operating Officer Value Portfolio
Chief Investors Officer &
Chief Information Security Officer*



Paulo Trigo
(subject to proposal and approval @
Shareholders General Meeting)
Chief Operating Officer Next-Gen

Commitment to NBA Stock value creation

Focused on increasing visibility

Full disclosed half year reports enhanced with **quarterly trading updates**, with **two P&L segments** (Value Portfolio and Next-Gen)

Open webcasts to communicate relevant information

Proactive relation with capital market stakeholders (sell-side, buy-side,...)

Driven through value alignment

Management alignment through **stock option plan** supported by **share buyback** programme to be proposed and approved @ Shareholders General Meeting

Committed to shareholder remuneration

Dividends-policy cancelled by the Board in order to **support growth in the Next-Gen segment...**

But expected shareholder remuneration of 1.5 €/sh in 2019-2023⁽¹⁾ due to **initial cash position** and the rationale of **sustainable growth & risk - return** for this transformation

Compelling Equity Story

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(1) Including values paid from 01.01.2019 (0.15 €/sh paid in 03.06.2019 and 0.50 €/sh to be proposed to the Shareholders General Meeting in 2019).

Investment Highlights

- **NOVABASE TO BECOME NEXT-GEN IT SERVICES COMPANY**
 - PRIMARY GOAL IS ACCELERATING GROWTH IN NEXT-GEN TO DOUBLE TURNOVER WITH DOUBLE DIGIT OPERATING MARGINS BY 2023
 - VALUE CAPTURE THROUGH SOURCING SCARCE TALENT IN PORTUGAL AND DEPLOYING IT IN ADVANCED PROJECTS IN EUROPE & MIDDLE EAST
 - ACTIVE M&A STRATEGY TO ENHANCE CLIENT ACCESS
- **BULK OF TRANSFORMATION WILL OCCUR UNTIL 2021**
- **PROFITABLE VALUE PORTFOLIO TO FUND TRANSFORMATION**
- **INCREASED VISIBILITY WITH INVESTORS**
- **RETURN OF ANY EXCESS FUNDS TO SHAREHOLDERS**

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AGENDA

- Strategy Update Novabase 2019+
- **Highlights 6M2019**

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RELEVANT INDICATIONS

In the context of the new strategy for 2019+, Novabase reorganised its activities in 2019 in **two new operating segments (Next-Gen and Value Portfolio)**. Therefore, the YoY information was restated for reporting and comparability purposes.

As of 1 January 2019, **Novabase adopted IFRS16 – Leases**, and has **not restated comparative** information, as provided by the standard. The main impacts of the adoption are disclosed in this presentation.

HIGHLIGHTS

6M19 positive performance: solid starting point for strategy 2019+

Total Turnover with **8% growth** YoY led by **Next-Gen segment (+14% YoY)**

66% of Next-Gen Turnover generated **outside Portugal**

EBITDA increased 52% YoY, **13%** excluding the positive effect of IFRS16

Net Profit increased **16%** YoY

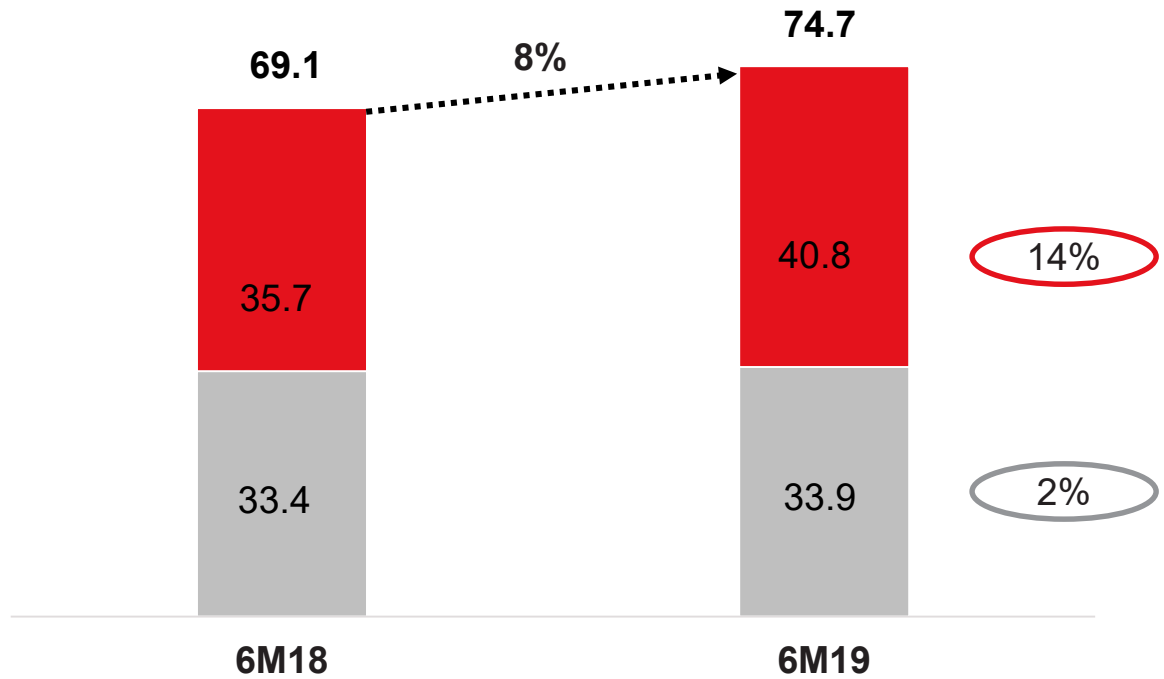
Net Cash of **55.7 M€**

Talent pool of **2247** employees

Market capitalization at the end of 6M19 of **75.4 M€** implying a **ttm Price to Sales** of **0.48x**

TURNOVER (M€)

8% growth YoY led by Next-Gen segment (+14% YoY)



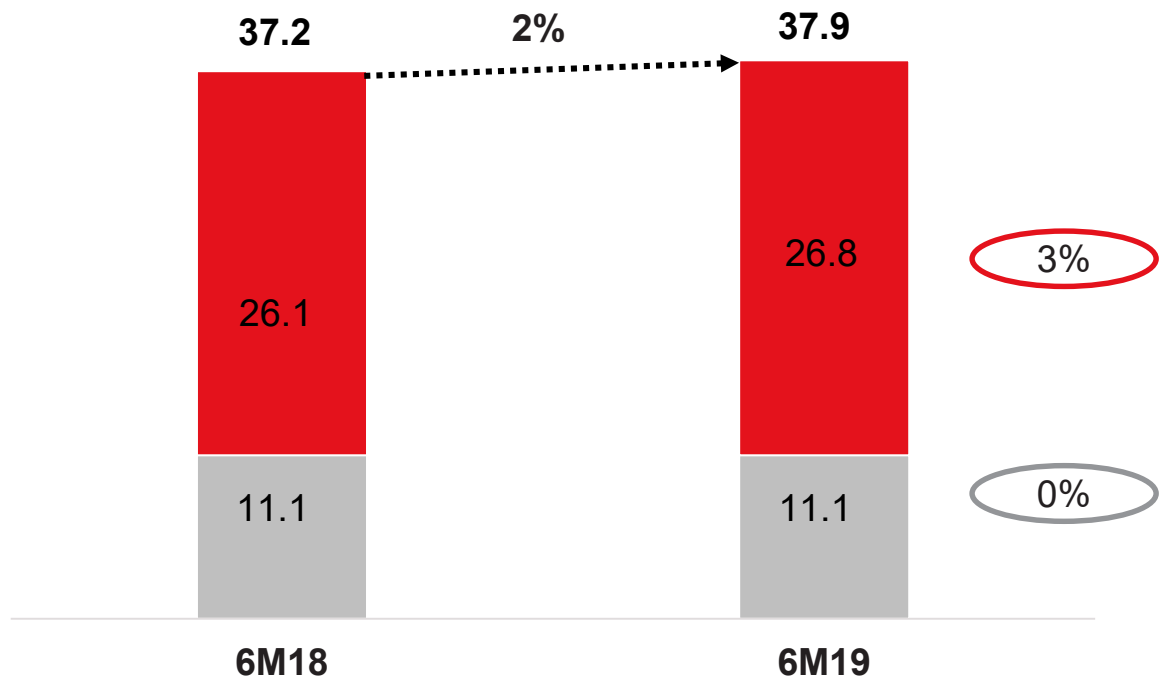
Next-Gen representing 55% of Total Turnover in 6M19 vs. 52% in 6M18.

Domestic Turnover registered a 15% growth YoY.

- Next-Gen Segment
- Value Portfolio Segment
- Segment growth rate 6M19 vs. 6M18

INTERNATIONAL TURNOVER (M€)

2% growth YoY led by Next-Gen segment (+3% YoY)



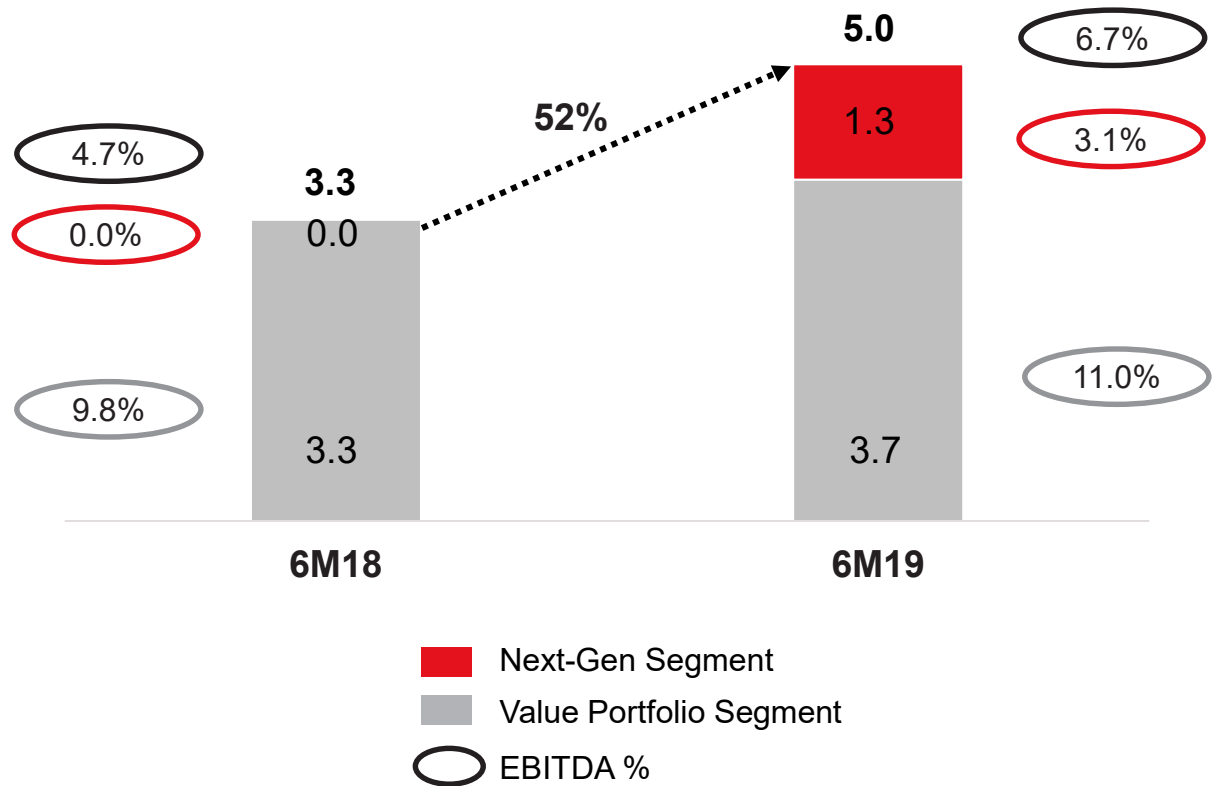
66% of Next-Gen Turnover is generated outside Portugal, while in the Value Portfolio segment the international Turnover represents 33% of its total Turnover.

Europe & ME accounting for 92% of Next-Gen international business vs. 82% in 6M18.

- Next-Gen Segment
- Value Portfolio Segment
- Segment growth rate 6M19 vs. 6M18

EBITDA (M€)

EBITDA increased 13%, excluding the positive effect of IFRS16⁽¹⁾



EBITDA margin increased 30 BPS, excluding IFRS16⁽¹⁾.

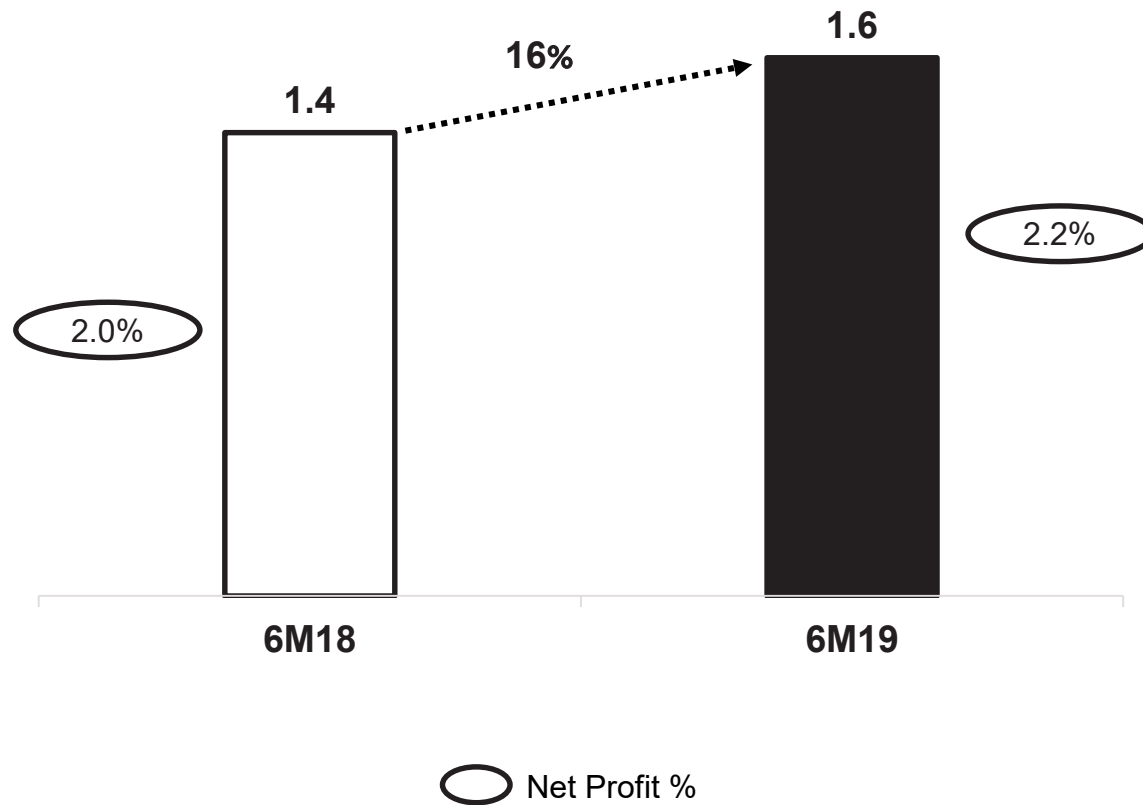
Positive evolution of Next-Gen performance YoY, with 2.1% EBITDA margin in 6M19 excluding IFRS16.

Resilient performance in Portfolio Value Segment with 8.5% EBITDA margin excluding IFRS16.

(1) Positive effect of IFRS16 in 6M19 EBITDA of 1.3 M€ (0.4 M€ in Next-Gen and 0.9 M€ in Value Portfolio).

NET PROFIT (M€)

Net Profit increased 16% YoY



From **EBITDA to Net Profit**, to highlight:

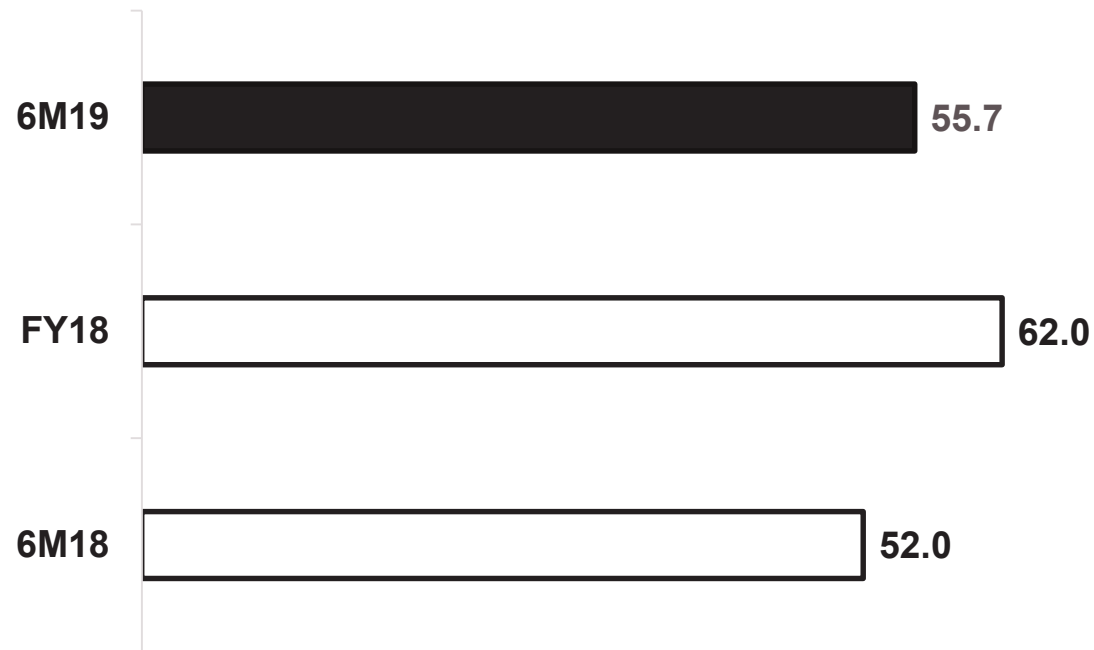
- **Depreciation expense increasing 57% YoY**, due to the entry into force of IFRS16⁽¹⁾;
- **Financial results⁽¹⁾ evolving favourably** (+0.8 M€ compared to 6M18), especially due to the improvement in foreign exchange differences;
- **Non-controlling interests** of -0.6 M€ (Vs. 0.5 M€ in 6M18), revealing a **positive evolution** of the results of subsidiaries focused on **Next-Gen international expansion**.

Earnings per share (**EPS**) in 6M19 reached **0.05 euros per share**.

(1) Negative effect of IFRS16 in 6M19 of 1.1 M€ in depreciation expense and 0.1 M€ in financial results.

NET CASH (M€)

Net Cash of 55.7 M€



Net Cash generation of 9.2 M€ in the last twelve months excluding shareholders remuneration and the payment of dividends to Non-controlling interests:

On June 3, 2019, Novabase **paid** its shareholders a total amount of **4.7 M€** (0.15 €/share) and **0.8 M€** to Non-controlling interests on December 2018.

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Average Number of Employees

Talent pool of 2247 employees in 6M19



■ Next-Gen Segment
■ Value Portfolio Segment (1)

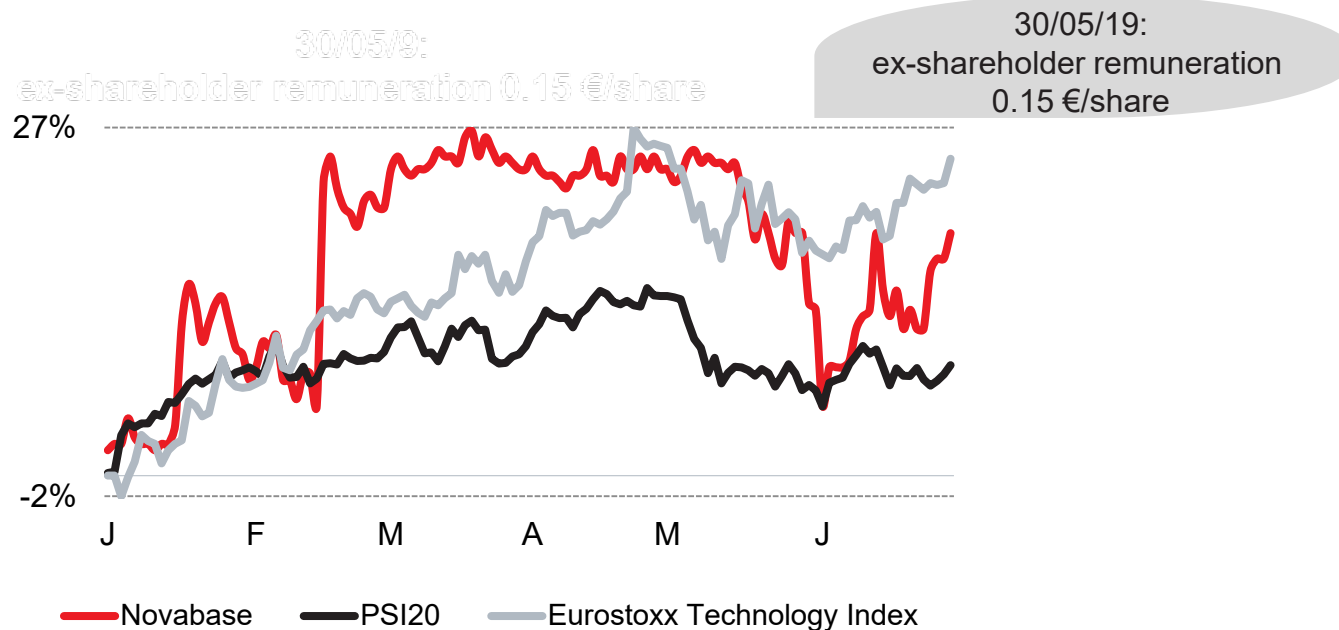
● Talent pool increased **10% YoY** (2044 in 6M18).

● **Novabase Academy** Program, the company's initiative focused on selecting and developing **best talent from universities**, contributed with 70 recent graduates in 6M19.

(1) Including holding / shared services representing 89 employees in 6M19

NBA STOCK PERFORMANCE

Novabase share price increased 19% during 6M19



PSI20 Index increased 9% and **EuroStoxx Technology** Index 25%.

Market capitalization at the end of 6M19 of **75.4 M€** implying a ttm **Price to Sales** of **0.48x**.

Rotation in 6M19 represented **5%** of the share capital with 1.6 million shares traded (vs. 9% in 6M18).

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Alternative Performance Measures (APMs)

In compliance with ESMA/2015/141en issued by European Securities and Markets Authority.

APMs used by Novabase are intended to provide additional information, more comprehensive and relevant to users, regarding the position and financial performance of the company. These APMs are applied consistently in all periods reflected in this release.

Net Cash

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 ability to meet its 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 6M19 and prior period, is analysed as follows:

	6M18	6M19
Cash and cash equivalents	50,786	55,281
Investment securities - Non-current	11,841	7,742
Investment securities - Current	1,907	1,233
Treasury shares held by the Company (*)	1,024	904
Bank borrowings - Non-current	(8,429)	(4,156)
Bank borrowings - Current	(5,166)	(5,273)
Net Cash	51,963	55,731

(*) Is 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:

	6M18	6M19
Treasury shares held by the Company (thousands)	376.611	376.611
Closing price on the last tradable day (€)	2.720	2.400
Treasury shares held by the Company (EUR thousand)	1,024	904

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

EBITDA

EBITDA provides information on the company's ability to generate resources through its operations, without taking into account the financial effects, taxes and other non-operational items, assisting in the analysis of the business performance.

Operating profit (EBIT) is simultaneously the item of the consolidated income statement more directly reconcilable and more relevant to this APM. Given that EBITDA is directly identifiable from the referred financial statement, no reconciliation is presented here.

The detail and breakdown of EBITDA is analysed as follows: EBIT - Depreciation and amortization - Restructuring costs

This APM includes a component that may require the use of estimates and judgments made by Management on future results ("Restructuring costs"). For the periods presented in this release, this item is null.

APMs used by Novabase are Net Cash and EBITDA.

Consolidated Statement of Financial Position as at 30 June 2019

	30.06.19	31.12.18
	(Thousands of Euros)	
ASSETS		
Tangible assets	2,069	10,235
Intangible assets	16,102	16,065
Right-of-use assets	9,127	-
Financial investments	4,536	4,120
Investment securities	7,742	7,680
Deferred income tax assets	10,037	10,048
Other non-current assets	1,743	1,644
Total Non-Current Assets	51,356	49,792
Inventories	30	33
Trade debtors and accrued income	41,529	45,727
Other debtors and prepaid expenses	12,803	11,865
Derivative financial instruments	20	26
Investment securities	1,233	1,198
Cash and cash equivalents	55,281	63,614
Total Current Assets	110,896	122,463
Assets for continuing operations	162,252	172,255
Assets for discontinued operations	-	-
Total Assets	162,252	172,255
EQUITY		
Share capital	15,701	15,701
Treasury shares	(188)	(188)
Share premium	43,560	43,560
Reserves and retained earnings	1,983	3,016
Net profit	1,644	4,737
Total Shareholders' Equity	62,700	66,826
Non-controlling interests	14,297	13,754
Total Equity	76,997	80,580
LIABILITIES		
Bank borrowings	4,156	6,294
Finance lease liabilities	-	7,066
Lease liabilities	7,634	-
Provisions	7,852	8,252
Other non-current liabilities	1,317	990
Total Non-Current Liabilities	20,959	22,602
Bank borrowings	5,273	4,959
Finance lease liabilities	-	1,361
Lease liabilities	3,175	-
Trade payables	4,876	5,469
Other creditors and accruals	32,091	34,930
Derivative financial instruments	7	24
Deferred income	18,811	22,267
Total Current Liabilities	64,233	69,010
Total Liabilities for cont. operations	85,192	91,612
Total Liabilities for discont. operations	63	63
Total Liabilities	85,255	91,675
Total Equity and Liabilities	162,252	172,255
Net Cash	55,731	62,000

Consolidated Income Statement for the period of 6 months ended 30 June 2019

	30.06.19	30.06.18	Var. %
	(Thousands of Euros)		
CONTINUING OPERATIONS			
Sale of goods	320	115	
Cost of goods sold	(255)	(83)	
Gross margin	65	32	103.1 %
Other income			
Services rendered	74,415	68,960	
Supplementary income and subsidies	85	189	
Other operating income	213	398	
	74,713	69,547	
	74,778	69,579	
Other expenses			
External supplies and services	(23,740)	(26,112)	
Employee benefit expense	(46,239)	(40,562)	
(Provisions) / Provisions reversal	397	250	
Net impairm. losses on financ. assets	143	428	
Other operating expenses	(356)	(315)	
	(69,795)	(66,311)	
Gross Net Profit (EBITDA)	4,983	3,268	52.5 %
Restructuring costs	-	-	
Operating Gross Net Profit	4,983	3,268	52.5 %
Depreciation and amortisation	(2,039)	(1,299)	
Operating Profit (EBIT)	2,944	1,969	49.5 %
Financial results	(150)	(924)	
Gain on net monetary position	127	172	
Net Profit before taxes (EBT)	2,921	1,217	140.0 %
Income tax expense	(655)	(277)	
Net Profit from continuing operations	2,266	940	141.1 %
DISCONTINUED OPERATIONS			
Net Profit from discont. operations	-	-	
Non-controlling interests	(622)	475	
Attributable Net Profit	1,644	1,415	16.2 %
Other information:			
Turnover	74,735	69,075	8.2 %
EBITDA margin	6.7 %	4.7 %	
EBT % on Turnover	3.9 %	1.8 %	
Net profit % on Turnover	2.2 %	2.0 %	

**Consolidated Income Statement by SEGMENTS
for the period of 6 months ended 30 June 2019**

(Thousands of Euros)

	Value Portfolio	Next-Gen	NOVABASE
Sale of goods	125	195	320
Cost of goods sold	(124)	(131)	(255)
Gross margin	1	64	65
Other income			
Services rendered	33,804	40,611	74,415
Supplementary income and subsidies	85	-	85
Other operating income	174	39	213
	34,063	40,650	74,713
	34,064	40,714	74,778
Other expenses			
External supplies and services	(5,507)	(18,233)	(23,740)
Employee benefit expense	(25,156)	(21,083)	(46,239)
(Provisions) / Provisions reversal	397	-	397
Net impairm. losses on financ. assets	138	5	143
Other operating expenses	(208)	(148)	(356)
	(30,336)	(39,459)	(69,795)
Gross Net Profit (EBITDA)	3,728	1,255	4,983
Depreciation and amortisation	(1,482)	(557)	(2,039)
Operating Profit (EBIT)	2,246	698	2,944
Financial results	(28)	(122)	(150)
Gain on net monetary position	127	-	127
Net Profit / (Loss) before Taxes (EBT)	2,345	576	2,921
Income tax expense	(665)	10	(655)
Non-controlling interests	68	(690)	(622)
Attributable Net Profit / (Loss)	1,748	(104)	1,644
Other information :			
Turnover	33,929	40,806	74,735
EBITDA	3,728	1,255	4,983
EBITDA % on Turnover	11.0%	3.1%	6.7%
EBT % on Turnover	6.9%	1.4%	3.9%