

Relevant information

Trading Update 9M19

Lisbon, 7 November 2019

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 248-A of the Portuguese Securities Code, discloses today to the market a Trading Update regarding the first nine months of 2019, whose essential features are included in the presentation attached.

In addition, it is further informed that a webcast on this Trading Update will be held today, at 5 pm Lisbon time (GMT+1). More information can be found at www.novabase.pt.

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Novabase – Sociedade Gestora de Participações Sociais, SA

Public Company

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Share Capital: € 54,638,425.56

Lisbon Commercial Registry Office registration and legal person number 502.280.182

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Privileged Information

9M19

**TRADING
UPDATE**

November 7, 2019

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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.
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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.
- 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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9M19 Outlook



CEO

Message from João Nuno Bento

"Welcome to our first Quarterly Trading Update!"

As promised last July, we are initiating a new posture towards the Market. Over the next quarters we will continue to work focused on creating more visibility and addressing a larger number of potential investors and analysts.

Since the release of the H1 Results we have been focused on executing our Strategy:

- The General Meeting of Shareholders held on September approved all the Management proposals. We now have a new Executive Board Member (COO for the Next-Gen segment) and a new Stock Options Plan;*
- Next-Gen is starting to set the foundations for the Talent Engine and beginning to screen the market for M&A opportunities;*
- Value Portfolio entered into a sale agreement for the GTE Business with VINCI Energies, at a 2018 Sales multiple which may exceed x1;*

- Last but not the least, Novabase celebrated its 30th birthday in a very emotional event, gathering Employees and Alumni.*

Meanwhile, we were able to deliver some interesting numbers for the 9M19:

- Turnover increased 10% YoY, with Next-Gen leading at 17% YoY;*
- Next-Gen represents now 54% of total Turnover, scaling up from the 50% registered 12 months ago;*
- International Turnover continues to shift from RoW to Europe and ME;*
- In terms of Cash, we were able to maintain a good record despite the pressure coming from growth;*
- Talent Pool increased 9%, in line with Turnover;*
- From 1 January until 30 September, Total Shareholder Return was 49%.*

We are very happy with these first 9 months in terms of Top Line execution and we are confident to bring you a solid set of results in the FY disclosure next February.

Thank You All for your support!"

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What's New

NEW STRATEGY LAUNCHED

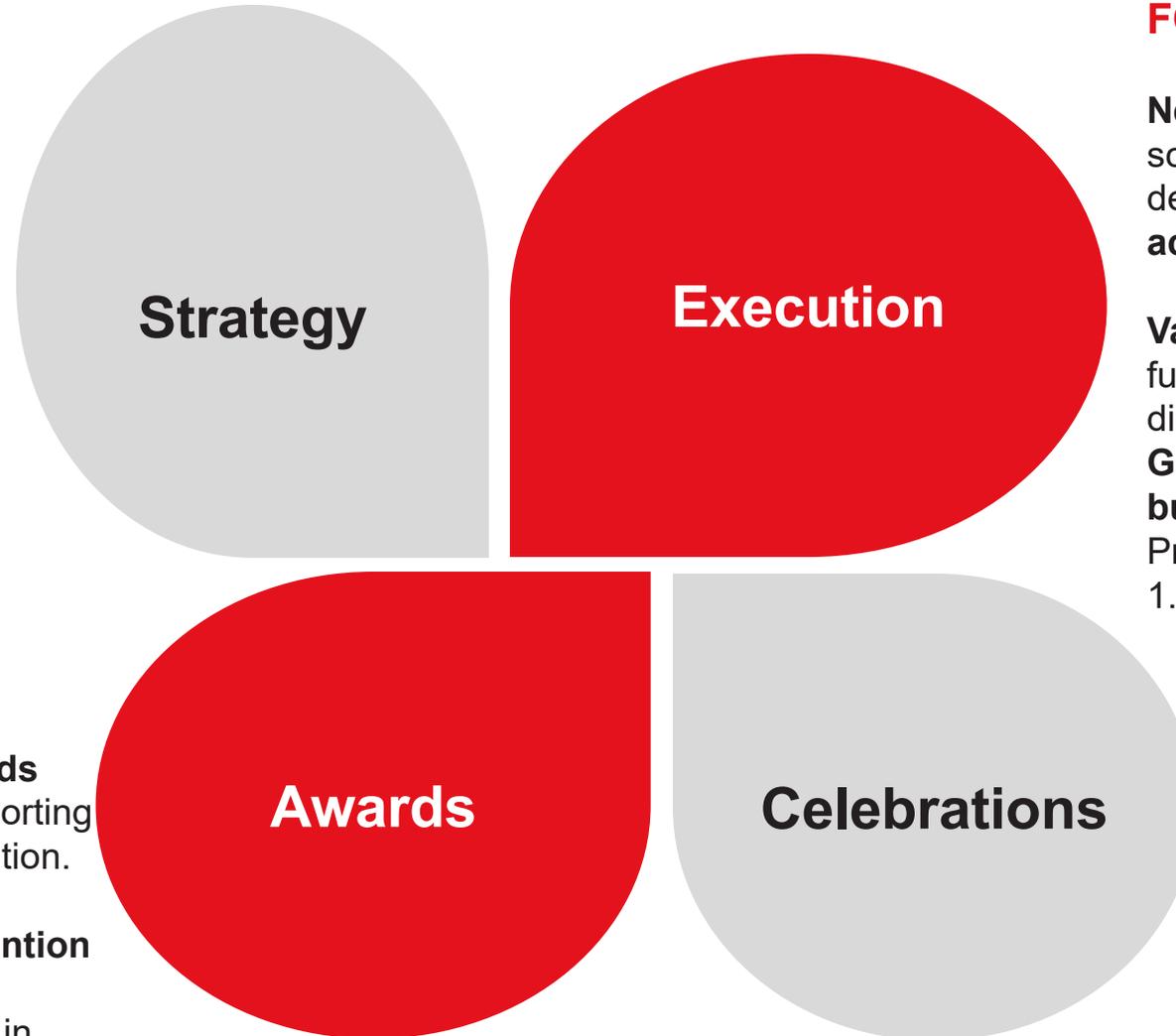
Approved by the Board and communicated to the market in July 2019.

General Meeting of Shareholders held on September 26 voted for a **new executive Board Member** to lead Next-Gen Segment, a **Stock Options plan** and a Share Buy-back program, and an **extraordinary remuneration** of 0.5 €/share.

NEXT-GEN HONOURED!

The **FinTech & RegTech Global Awards** recognized **Symetria®** as the best reporting and compliance data management solution.

Celfocus awarded an honourable mention at the **World Agility Forum** for the consistent dedication and collaboration in implementing **agile transformation** initiatives.



FOCUS ON TRANSFORMATION

Next-Gen working on **growth** through scaling up its **Talent engine** & developing structures to **enlarge access to international clients**.

Value Portfolio generating value to fund growth in Next-Gen: recent disclosure of the **sale of “the Government, Transport and Energy business”** to VINCI Energies for a Price to Sales 2018 multiple of 0.94x-1.03x (subsequent event to 9M19).

HAPPY BIRTHDAY TO US!

2019 is the year we **celebrate 30 years** of success and transformation. For this special occasion, the first Alumni party was held, bringing together current and former employees.

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Relevant Information



**Subsequent Event
to 9M19**

Sale of Government, Transport and Energy Business

- Novabase entered into a **sale and purchase agreement with VINCI Energies Portugal** for the sale of its “Application and Data Analytics” business for the Government, Transport and Energy (“GTE Business”);
- The GTE Business currently employs almost 400 employees and represents a turnover of 35 M€ in 2018;
- The purchase and sale will take place in the coming months, subject to the verification of several conditions precedent, namely non-opposition of the Portuguese Competition Authority (“Autoridade da Concorrência”);
- The **agreed purchase price is €33 million**, to be paid on the completion date and subject to any eventual adjustments as foreseen in the sale and purchase agreement;
- Depending on the final performance of the GTE Business in the financial year of 2019, it may be added a **potential earn-out of €3 million to the agreed purchase price.**

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Financial Highlights

9M19 performance: **Positive start for strategy 2019+ !**

- **Turnover increased 10% YoY**, led by Next-Gen segment (+17% YoY)
- **63% of Next-Gen Turnover** is generated **outside Portugal**
- **Solid Net Cash position** of 50.8 M€
- **Talent Pool** increased 9% YoY, reaching **2252 employees**
- **Total Shareholder Return of 49%** since the beginning of the year

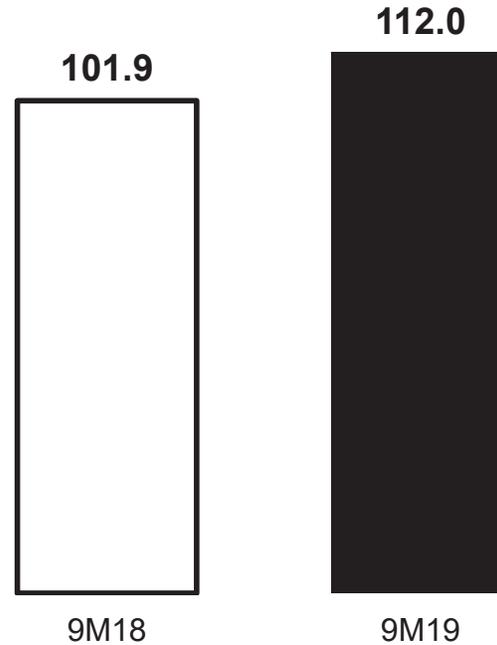
Key Figures



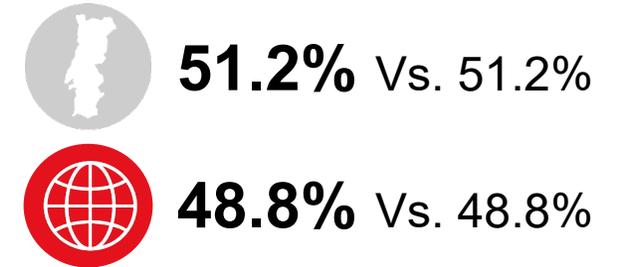
Turnover

Turnover with 10% growth YoY, led by Next-Gen segment

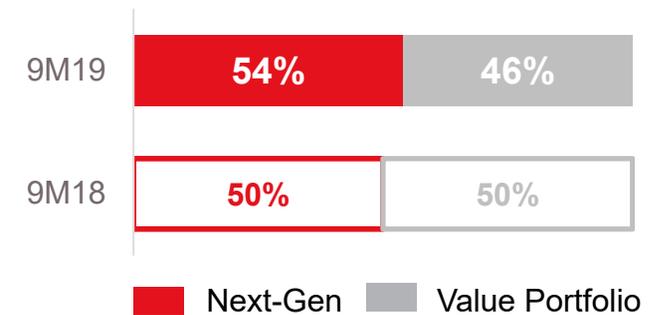
Turnover



Breakdown by Geography (%) *



Breakdown by Segment (%)



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* The Turnover by Geography in the 9M19 was computed based on the executed project geography instead of the invoiced client geography, with the 9M18 restated.

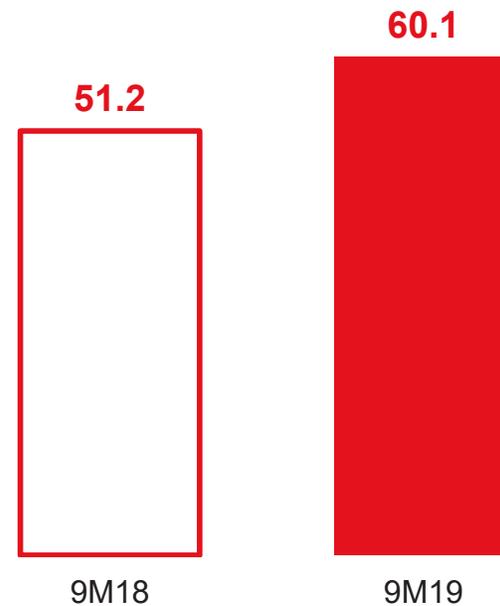
Key Figures



Next-Gen Segment

Next-Gen grows by double-digit in Turnover, +17% YoY

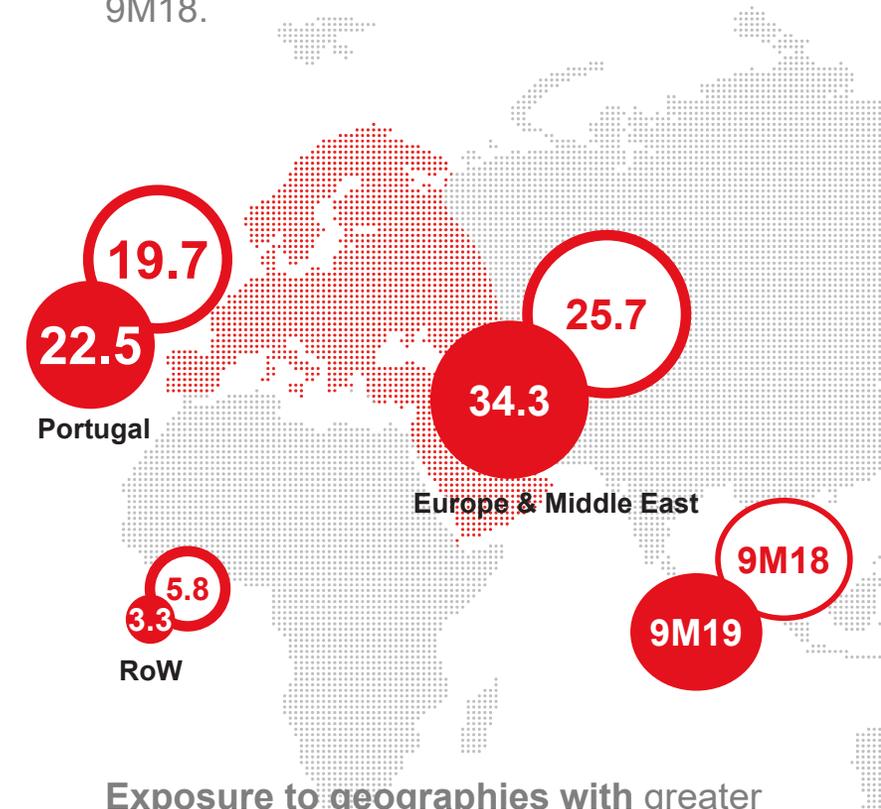
Turnover



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International Turnover grows 19% YoY

63% of Next-Gen Turnover generated outside Portugal, with Europe & ME accounting for 91% of it, vs. 81% in 9M18.



Exposure to geographies with greater volatility decreased by 31% YoY.

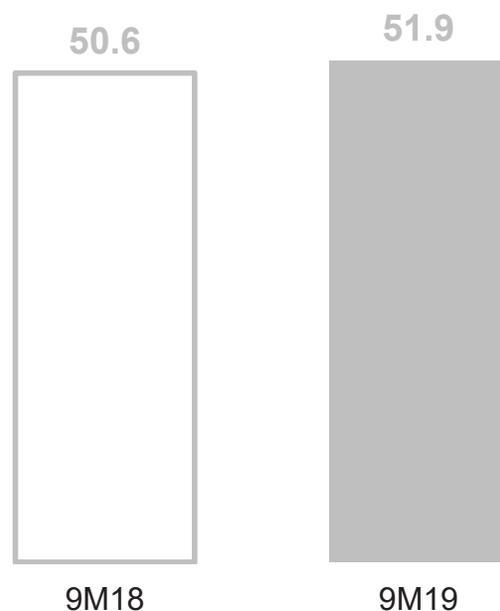
Key Figures



Value Portfolio Segment

Value Portfolio Turnover grows 2% YoY

Turnover



Mainly fostered by **domestic growth**, that represents **7% YoY**.

In terms of **geographic mix**, **33%** of **Value Portfolio** Turnover is generated **outside Portugal**.

Note: 9M19 still not affected by the disclosed sale of the Government, Transport and Energy business to VINCI Energies.

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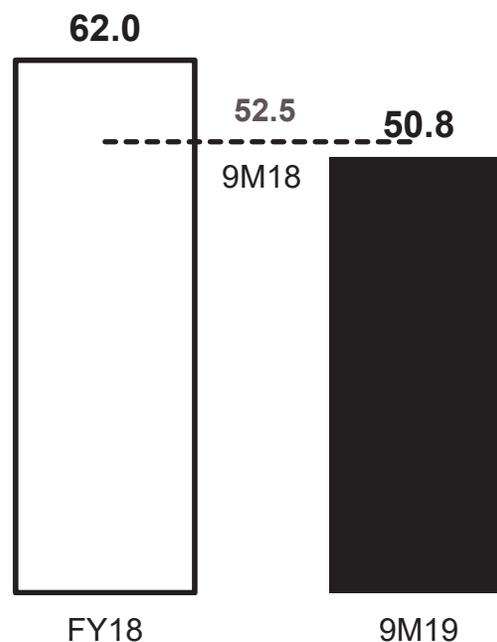
Key Figures



Net Cash

Net Cash position of
50.8 M€

Net Cash



Net Cash generation of 4.3 M€ in the last 12 months excluding shareholders remuneration and the payment of dividends to Non-controlling interests:

- **4.7 M€** (0.15 €/share) to **Shareholders**, paid in June 2019;
- **1.4 M€ to Non-Controlling Interests**, paid in December 2018 and September 2019.

Note: From the 50.8 M€, 14.8 M€ refers to Non-controlling interests.

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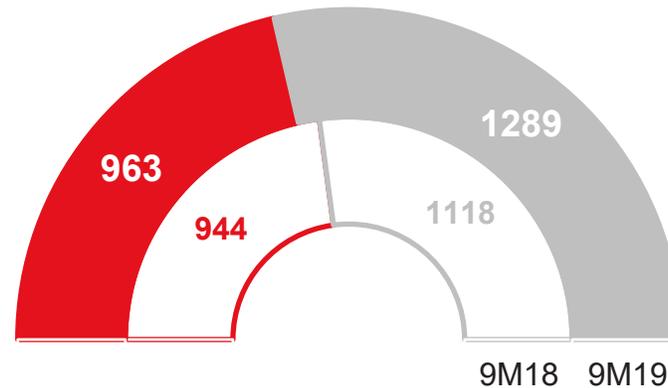
Key Figures



Talent

Talent Pool of 2252 employees in 9M19

Average number of Employees



- Next-Gen
- Value Portfolio (1)

(1) Including holding / shared services representing 88 employees in 9M19 (86 in 9M18).

Talent pool increased 9% YoY (2062 in 9M18).

Turnover per Consultant increased 15% YoY in the **Next Gen** segment.

Novabase Academy Program, the company's initiative focused on selecting and developing **best talent from universities**, contributed with 106 recent graduates in 9M19.

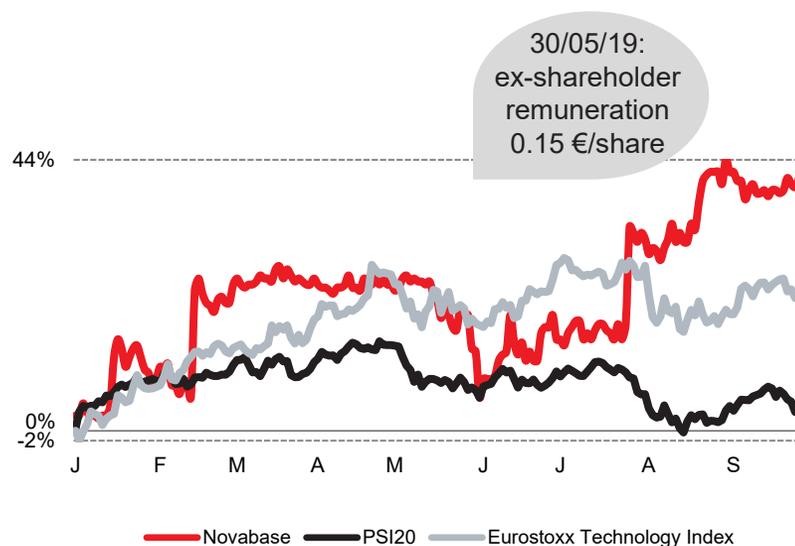
Key Figures

Novabase TSR of 49% in 9M19



Stock Market

Novabase and the Market



Novabase share price increased 42% in 9M19, while PSI20 Index increased 5% and EuroStoxx Technology Index, 23%.

In the 9M19, a gross dividend in the amount of 4.7 M€ (0.15 €/share) was paid to Shareholders.

Additionally, the GM of Shareholders held on 26 September 2019, approved proposals that represent a total extraordinary distribution to shareholders of 0.50 €/share.

Market Capitalization at the end of 9M19 is 89.8 M€, implying a ttm Price to Sales of 0.59x.

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APMs

Alternative Performance Measures



In compliance with
ESMA/2015/141en

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 9M19 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.

	FY18	9M19
Cash and cash equivalents	63,614	58,494
Investment securities - Non-Current	7,680	3,501
Investment securities - Current	1,198	858
Treasury shares held by the Company ⁽¹⁾	761	1,077
Bank borrowings - Non-Current	(6,294)	(7,650)
Bank borrowings - Current	(4,959)	(5,512)
Net Cash (Euro thousands)	62,000	50,768

	FY18	9M19
Treasury shares held by the Company (thousands)	376.611	376.611
Closing price @ last tradable day (€)	2.020	2.860
Treasury shares held by the Company (Euro thousands)	761	1,077

(1) 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.

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About NOVABASE



NEXT-GEN IT SERVICES COMPANY

Company Information

Novabase SGPS, S.A.
Public Company
Euronext code: PTNBA0AM0006
Registered in TRO of Lisbon and
Corporate Tax Payer no.
502.280.182
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Report available on website:
www.novabase.pt

Next Release

2019 Full Year Results
Thursday, February 20, 2020

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