

Relevant information

Results 6M22

Lisbon, 29 July 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 six 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 5:00pm 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 Lisboa
Share Capital: € 32,971,463.70
Lisbon Commercial Registry Office registration and legal person number 502.280.182

NOVABASE

Privileged Information

NEXT-GEN

IT SERVICES COMPANY

6M22

CONSOLIDATED RESULTS

July 29, 2022

Disclaimer

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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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6M22 Outlook



Chairman and CEO

NOVABASE

Message from Luís Paulo Salvado

“The first half of 2022 shows healthy demand and good momentum, allowing us to deliver the seventh consecutive quarter of growth.

Key indicators recorded a sound performance, with Revenues increasing nearly 13%, the EBITDA margin rising to 9.8% and Net Profit growing 22%.

In the Next-Gen segment, Top Tier Clients business was up by 14% and we started serving new flagship clients with Cognitive, Digital and DevOps offerings.

The Value Portfolio segment performed remarkably well, showing a significant increase of 23% in top-line and +240 bps in EBITDA margin, profiting from the strong market demand.

During this period, we continued to invest in

sustainable business growth in line with our strategy.

This means first and foremost being able to compete successfully for talent, given its current shortage. It is therefore noteworthy that we have again managed to expand Novabase team by 15%, reaching over 2,000 employees.

The development of highly differentiated offerings and the opening of new commercial fronts in target markets are other examples of the bets we have been making.

Since February, the world has been experiencing inflationary pressures and volatility on the financial markets. Although the business environment is getting more unpredictable, we rely on the resilience and adaptability of our team to keep us on course.”

6M22 in Review

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Next-Gen: 2019+ Strategy Execution

Next-Gen reports 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 1H 2022

A remarkable first-half, exceeding pre-pandemic levels, 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

- **Best Digital Transformation Program Award** | Celfocus was recognised at the Middle East Telecoms World Conference, in partnership with solutions by stc, Jawwy.
- **AIOps 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** | In collaboration with AICEP Portugal Global.
- **Certifications by APCER** | Celfocus has obtained ISO/IEC 27001 (Information Security) and ISO/IEC 27701 (Privacy) certifications.
- **2022 Welbeing Awards by Workwell** | Celfocus won the ‘Healthiest Company’.
- **Building up an employer branding** | Novabase engaged in multiple initiatives, e.g. FISTA22², SINFO 29, SET³ and JEEC 2022⁴ 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



6M22 Performance

Positive performance across businesses

- Turnover grew nearly 13% YoY, with Next-Gen representing 72%
- 57% of Turnover is generated outside Portugal
- Europe & ME accounts for 93% of Next-Gen's International Turnover
- Top Tier clients Next-Gen Revenues grew 14% YoY
- EBITDA increased 19% YoY
- Net Profit of 4.0 M€, +22% YoY
- Solid Net Cash position of 54.3 M€
- Talent Pool expanded 15% YoY to over 2,000 employees
- NBA stock price down 5% in 6M22 amid market pessimism

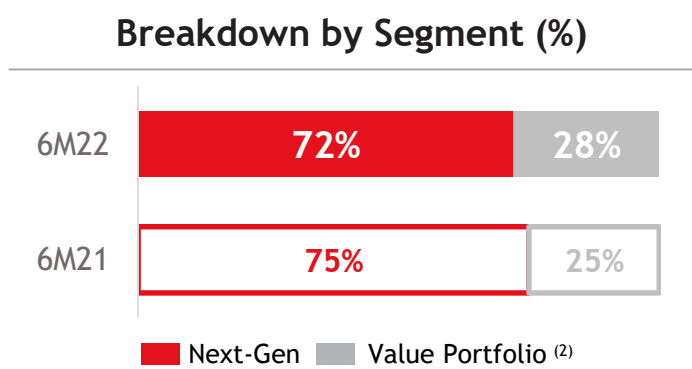
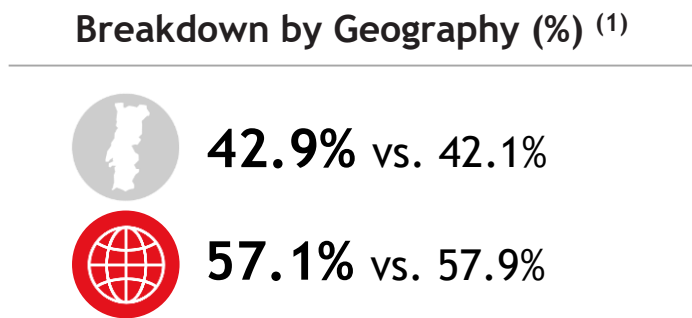
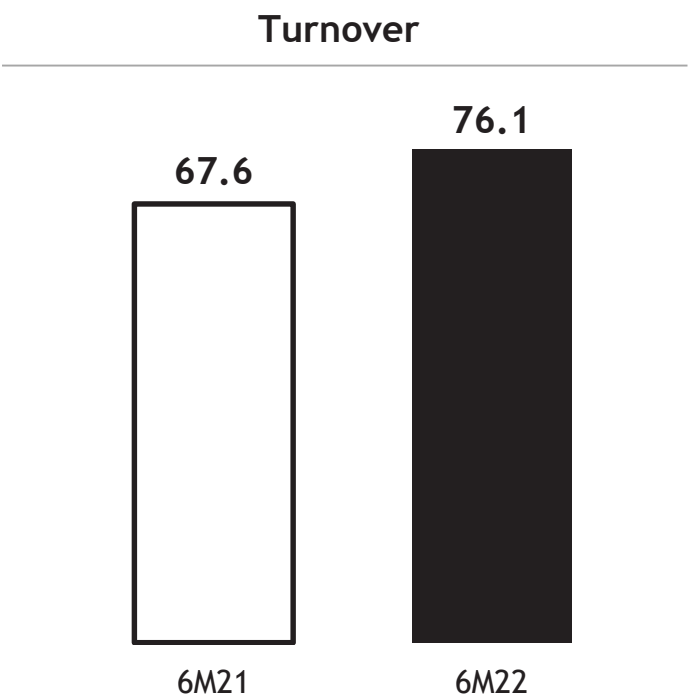
Key Figures

Turnover grew nearly 13% YoY, with Next-Gen representing 72%

No relevant impacts observed in 6M22 due to the COVID-19 pandemic nor Ukraine’s conflict, both in Next-Gen and in Value Portfolio segments.



Turnover



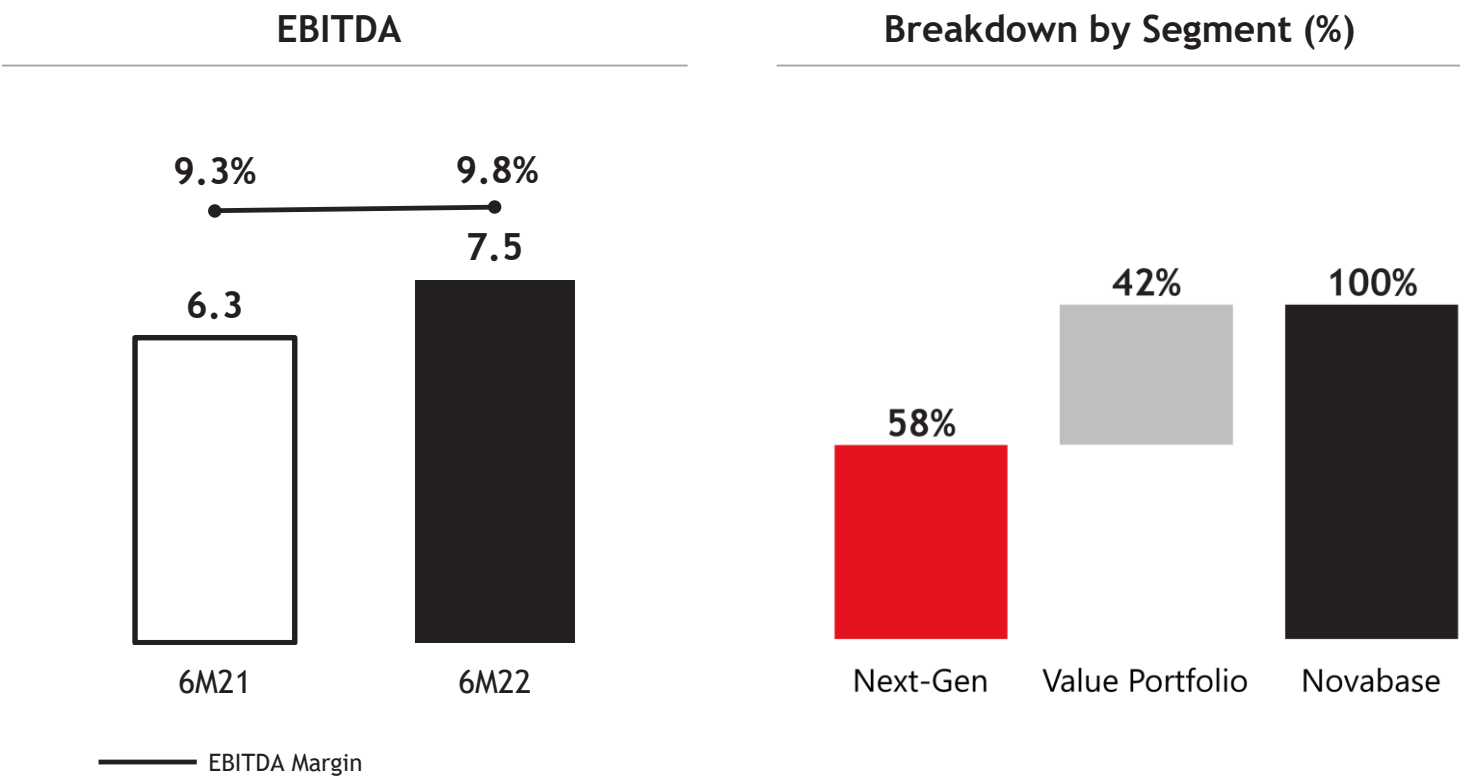
(1) Turnover by Geography is computed based on the location of the client where the project is delivered.
(2) Value Portfolio includes holding / shared services.

Key Figures



EBITDA

EBITDA increased 19% YoY



Key Figures



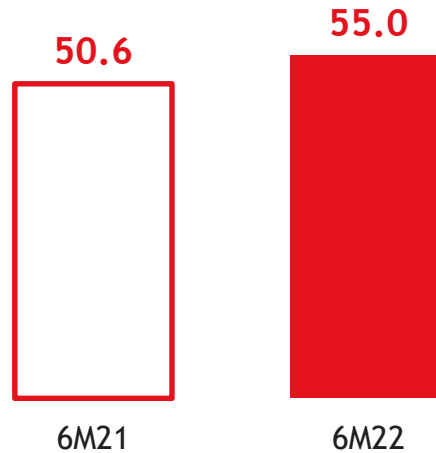
Next-Gen Segment

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**Next-Gen
Turnover grew 9%
YoY...**

Fully organic growth.

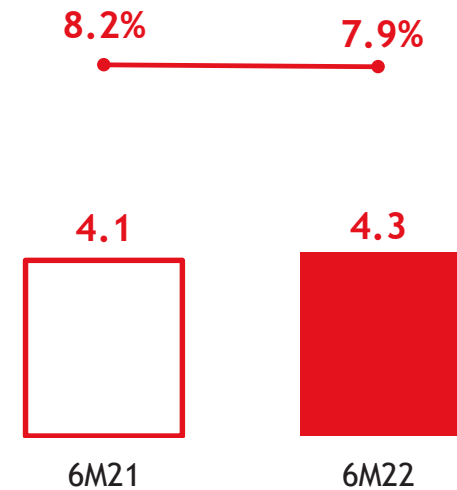
Turnover



**... with EBITDA up 5%
YoY**

Continued investment in strategic and talent initiatives.

EBITDA



EBITDA Margin

Key Figures

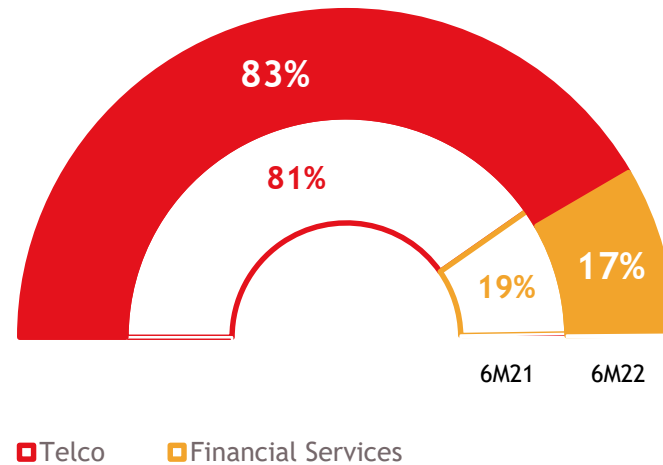
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Multi Industry approach, with telecom dominance

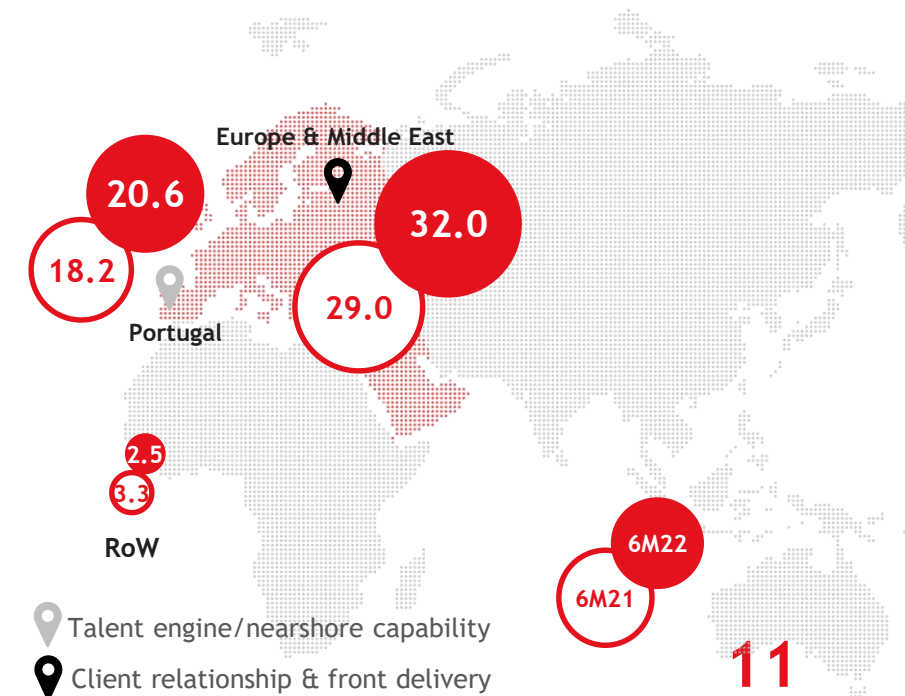
International Turnover grew 7% YoY and stands for 63% of Next-Gen total Turnover.

Target markets of Europe & ME represented 93% of the segment's international operations, increasing 10% YoY, while exposure to Africa continued to decline (-27% YoY).

Revenue by Industry (%)



Revenue by Geography



Next-Gen Segment

Key Figures

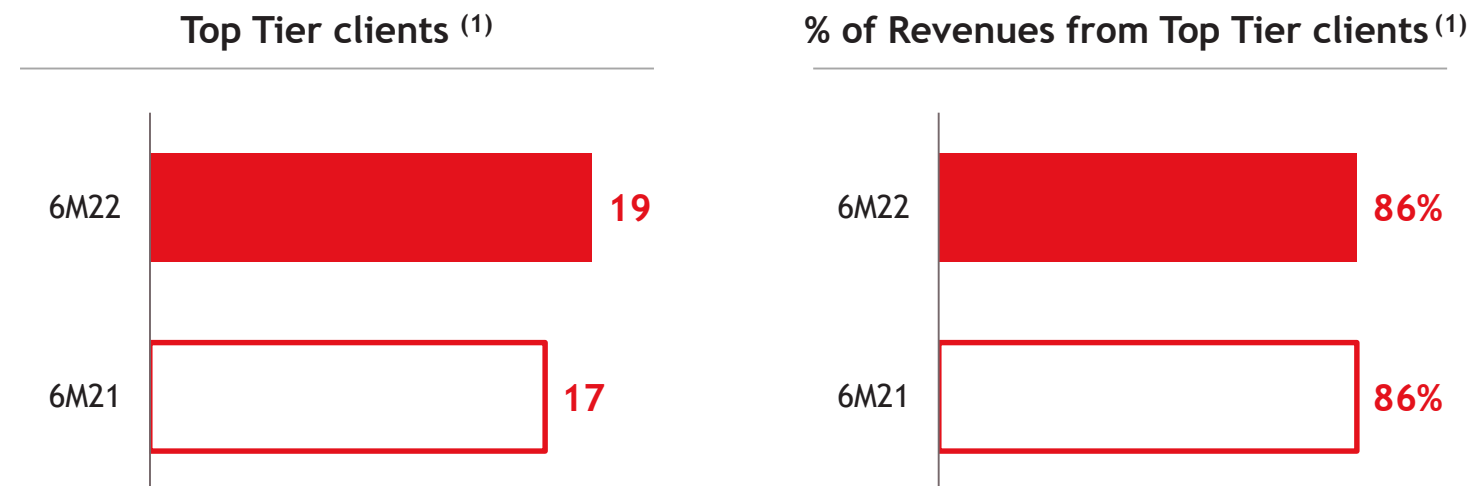


Next-Gen Segment

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Top Tier clients Revenues grew 14% YoY

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



Total number of clients in 6M22 of 109 (114 in 6M21).

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

Key Figures

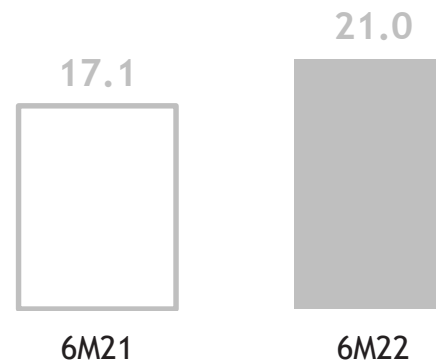


Value Portfolio Segment

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Value Portfolio grew double-digit in Turnover, +23% YoY...

Turnover

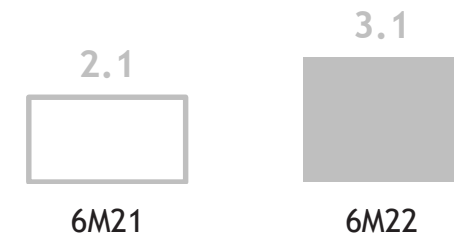


... and increased EBITDA margin by 240 bps

Remarkable performance of the *IT Staffing* business, fuelled by strong demand.

EBITDA

12.6% 15.0%



EBITDA Margin

Key Figures



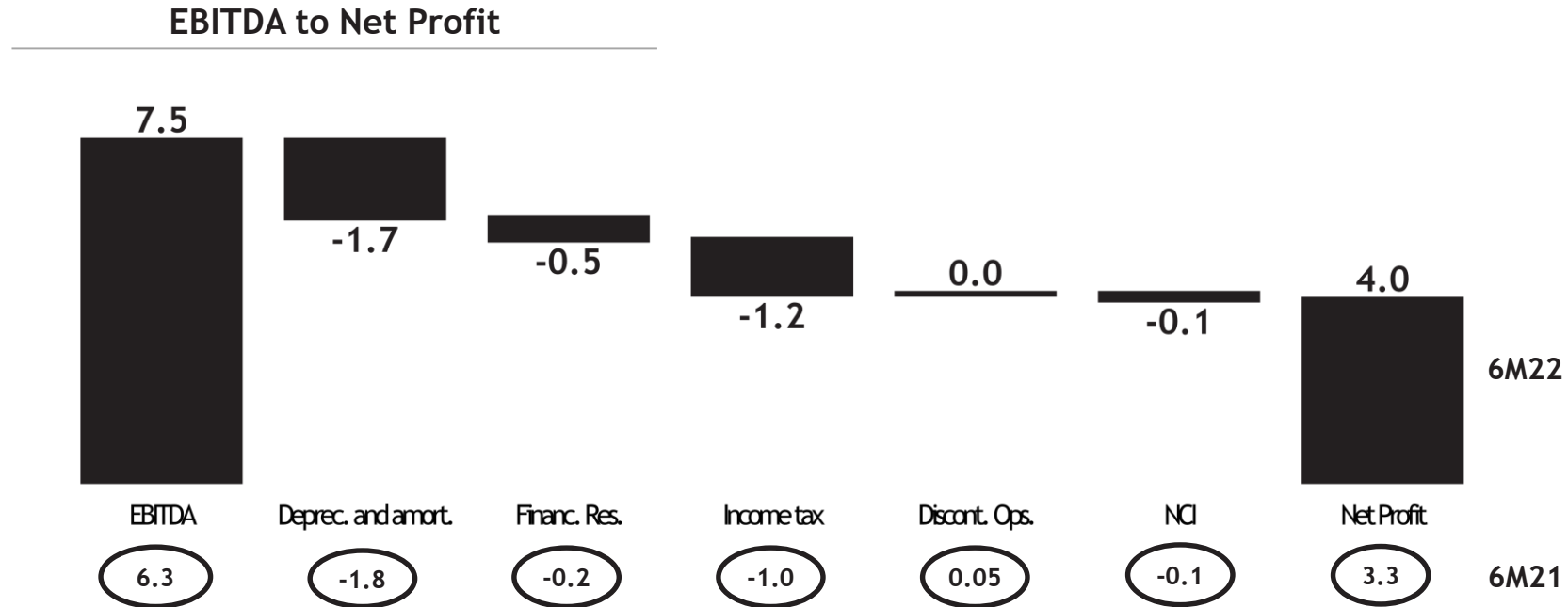
EBITDA to Net Profit

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Net Profit of 4.0 M€, +22% YoY

Net Profit entirely from Continuing Operations.

Total EPS reached 0.13 € (0.11 € in 6M21).



Key Figures

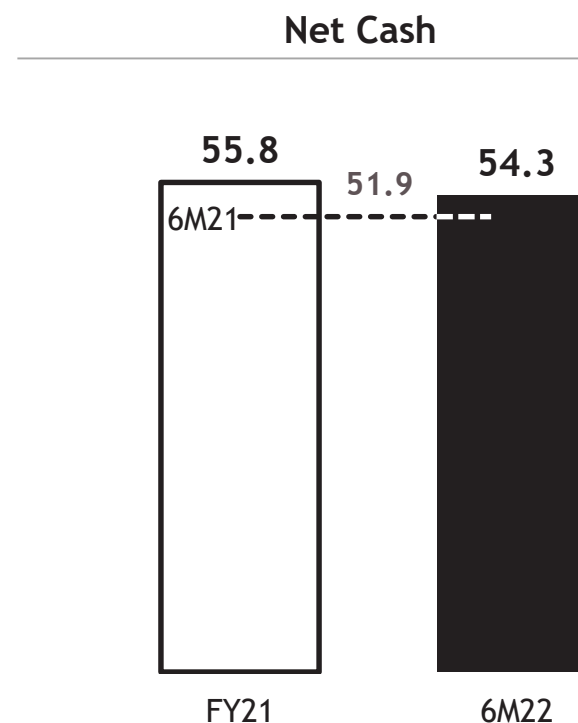


Net Cash

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Solid Net Cash position of 54.3 M€...

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



Net Cash in line with the FY21 level and 2.4 M€ up YoY, primarily driven by operating activities.

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

Net Cash in 6M22 does not yet reflect the 13.1 M€ cash outflow from the shareholder remuneration approved by the 2021 GMS (paid on July 27).

Key Figures

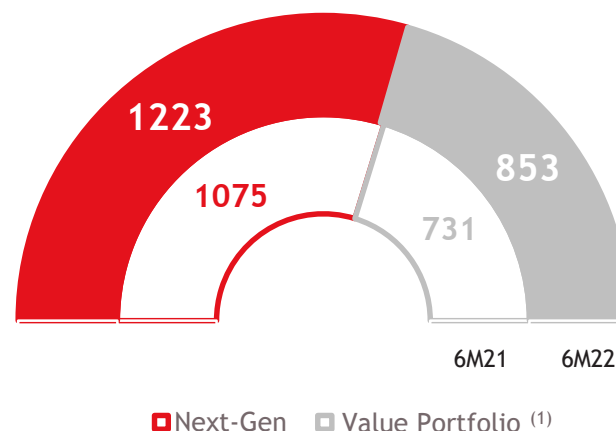


Talent

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Talent Pool expanded 15% YoY to over 2,000 employees

Average number of Employees



Talent pool reached 2076 employees in 6M22 (Vs. 1806 in 6M21 and 1866 in FY21).

TTM attrition rate ⁽²⁾ of Next-Gen is 21.5% (Vs. 15.7% in 6M21). This evolution reflects both the correction of the low value in 6M21 (which still incorporates some COVID-19 effects) and the new labour market dynamics driven by fierce competition for scarce talent.

- (1) Including holding / shared services representing 69 employees in 6M22 (78 in 6M21).
- (2) Determined by the formula: number of leaves at the employee's initiative ÷ average number of employees, for the Trailing 12 Months.

Key Figures



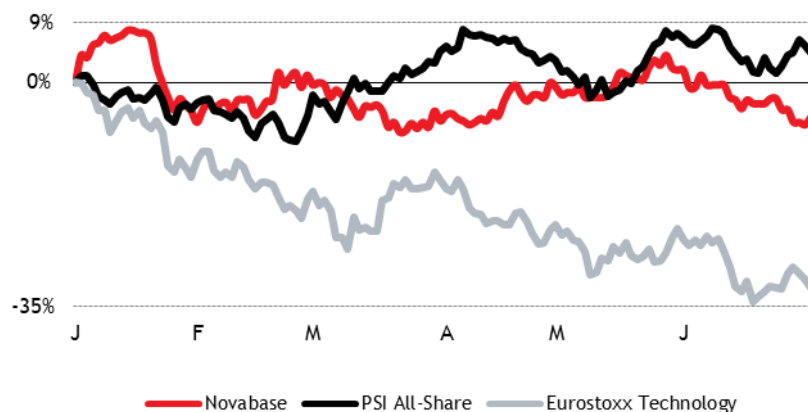
Stock Market

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NBA stock price down 5% amid market pessimism

The main stock markets plunged in 1H22 as the war in Ukraine fuelled inflationary pressures and volatility on the global financial markets. NBA stock price decreased 5% in 6M22, whilst the EuroStoxx Technology Index plummeted 32%.

Novabase and the Market



The GMS in May, 24 approved 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.

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

Novabase acquired 305k shares in 6M22 under the buy-back programme. At 30 June 2022, Novabase holds 1,003,988 own shares (3.20% of its share capital).

Market Capitalisation at the end of 6M22 is 152.0 M€, with a ttm Price to Sales of 1.08x.

Free Float Velocity ⁽¹⁾ was 26% (33% in 6M21).

(1) Considering a free float of 35% in 6M22 and 40% in 6M21, calculated according to Euronext criteria.



**In compliance with
ESMA guidelines**

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 6M22 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	6M22
Cash and cash equivalents	68,431	62,960
Treasury shares held by the Company ⁽¹⁾	3,581	4,859
Bank borrowings - Non-Current	(9,400)	(7,300)
Bank borrowings - Current	(6,800)	(6,200)
Net Cash (Euro thousands)	55,812	54,319

	FY21	6M22
Treasury shares held by the Company	699,480	1,003,988
Closing price @ last tradable day (€)	5.120	4.840
Treasury shares held by the Company (Euro thousands)	3,581	4,859

(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
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Next Events

Roadshows
Kepler Autumn Conference:
September 13-15

Trading Update 9M22
November 10 (after market closure)

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Consolidated Statement of Financial Position as at 30 June 2022

	30.06.22	31.12.21
	(Thousands of Euros)	
ASSETS		
Tangible assets	1,823	1,996
Intangible assets	11,890	11,873
Right-of-use assets	3,925	4,844
Financial investments	13,848	13,775
Deferred income tax assets	9,783	9,443
Other non-current assets	1,527	1,997
Total Non-Current Assets	42,796	43,928
Inventories	7	7
Trade debtors and accrued income	49,545	42,456
Other debtors and prepaid expenses	12,547	10,210
Derivative financial instruments	57	16
Cash and cash equivalents	62,960	68,431
Total Current Assets	125,116	121,120
Assets for continuing operations	167,912	165,048
Assets for discontinued operations	440	396
Total Assets	168,352	165,444
EQUITY		
Share capital	32,971	54,638
Treasury shares	(1,054)	(1,217)
Share premium	226	226
Reserves and retained earnings	18,731	3,235
Net profit	3,983	8,706
Total Shareholders' Equity	54,857	65,588
Non-controlling interests	10,647	10,361
Total Equity	65,504	75,949
LIABILITIES		
Bank borrowings	7,300	9,400
Lease liabilities	2,009	3,017
Provisions	2,973	3,391
Deferred income tax liabilities	456	-
Other non-current liabilities	406	2,120
Total Non-Current Liabilities	13,144	17,928
Bank borrowings	6,200	6,800
Lease liabilities	2,763	2,783
Trade payables	4,509	4,508
Other creditors and accruals	48,383	33,363
Derivative financial instruments	160	71
Deferred income	23,736	19,711
Total Current Liabilities	85,751	67,236
Total Liabilities for cont. operations	98,895	85,164
Total Liabilities for discount. operations	3,953	4,331
Total Liabilities	102,848	89,495
Total Equity and Liabilities	168,352	165,444
Net Cash	54,319	55,812

Consolidated Income Statement for the period of 6 months ended 30 June 2022

	30.06.22	30.06.21	Var. %
	(Thousands of Euros)		
CONTINUING OPERATIONS			
Operating income			
Services rendered	76,073	67,644	
Supplementary income and subsidies	69	52	
Other operating income	99	53	
	76,241	67,749	
Operating expenses			
External supplies and services	(22,535)	(20,080)	
Employee benefit expense	(46,510)	(41,187)	
(Provisions) / Provisions reversal	418	77	
Net impairm. losses on financ. assets	87	(66)	
Other operating expenses	(228)	(215)	
	(68,768)	(61,471)	
Gross Net Profit (EBITDA)	7,473	6,278	19.0 %
Depreciation and amortisation	(1,690)	(1,798)	
Operating Profit (EBIT)	5,783	4,480	29.1 %
Financial results	(482)	(223)	
Net Profit before taxes (EBT)	5,301	4,257	24.5 %
Income tax expense	(1,191)	(975)	
Net Profit from continuing operations	4,110	3,282	25.2 %
DISCONTINUED OPERATIONS			
Net Profit from discount. operations	6	46	-87.0 %
Non-controlling interests	(133)	(51)	
Attributable Net Profit	3,983	3,277	21.5 %
Other information :			
Turnover	76,073	67,644	12.5 %
EBITDA margin	9.8 %	9.3 %	
EBT % on Turnover	7.0 %	6.3 %	
Net profit % on Turnover	5.2 %	4.8 %	

Results Information by SEGMENTS
for the period of 6 months ended 30 June 2022

(Thousands of Euros)

	Value Portfolio	Next-Gen	NOVABASE
<i>CONTINUING OPERATIONS</i>			
Turnover	21,025	55,048	76,073
Gross Net Profit (EBITDA)	3,149	4,324	7,473
Depreciation and amortisation	(1,139)	(551)	(1,690)
Operating Profit (EBIT)	2,010	3,773	5,783
Financial results	(150)	(332)	(482)
Net Profit / (Loss) before Taxes (EBT)	1,860	3,441	5,301
Income tax expense	(832)	(359)	(1,191)
Net Profit / (Loss) from cont. operations	1,028	3,082	4,110
<i>DISCONTINUED OPERATIONS</i>			
Net Profit from discontinued operations	6	-	6
Non-controlling interests	(133)	-	(133)
Attributable Net Profit / (Loss)	901	3,082	3,983
Other information :			
EBITDA % on Turnover	15.0%	7.9%	9.8%
EBT % on Turnover	8.8%	6.3%	7.0%
Net profit % on Turnover	4.3%	5.6%	5.2%