

Relevant information

Trading Update 9M21

Lisboa, 4 November 2021

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 2021, 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 pm Lisbon time (GMT). More information about registration can be found at www.novabase.pt.

María Gil Marín

Chief Investors Officer

Phone: +351 21 3836300

Fax.: +351 21 3836301

investor.relations@novabase.com

Novabase – Sociedade Gestora de Participações Sociais, SA

Public Company

Registered Office: Av. D. João II, nº 34, Parque das Nações, 1998-031 Lisboa

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

NOVABASE

9M21

TRADING UPDATE

November 4, 2021

NOVABASE

Disclaimer

- This presentation includes sector and forward-looking statements involving risks and uncertainties that could cause actual data to differ materially from those expressed or implied by such statements. The risks and uncertainties, which have increased as a result of the Covid-19 pandemic, relate to factors that are beyond Novabase' ability to control or estimate precisely, and include but are not limited to, general economic conditions, actions taken by governmental authorities to address Covid-19 effects and their impacts over the economy, credit markets, among others.
- Statements in this release relate only to this presentation date. Except when required by law or specific regulation, Novabase assumes no obligation to update the information or to notify in the event that any matter stated herein changes or becomes inaccurate. 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 (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.

9M21 Outlook



Chairman and CEO

Message from Luís Paulo Salvado

“Novabase recorded a solid performance on the year's first 9 months, confirming last quarters' trend.

Turnover touched a double-digit increase, fuelled by a 17% growth in Next-Gen's Europe and Middle East operations. Value Portfolio maintained its recovery trajectory, reaching almost the same volume as last year.

The ability to win new clients and to enlarge our specialised talent pool are both critical to the successful execution of our strategy.

During Q3 we acquired new first-tier clients in Germany and in the UK, reflecting our offerings' competitiveness.

We have also succeeded in growing global headcount by 5% - and by 15% in Next-Gen - despite the increasingly fierce competition for talent. This is an enduring and tough challenge, and one that we are fully engaged with.

The bolt-on M&A initiative has proved hard, especially in post-Covid. We will evaluate alternative acquisitions that could leverage our capabilities and fast-track our strategy.

Since the beginning of the year Novabase's share price has soared nearly 50%, mirroring the consistent results and acknowledging the value of our assets.”

NOVABASE

9M21 in Review

Next-Gen with great momentum...

... and on a strong operational course.

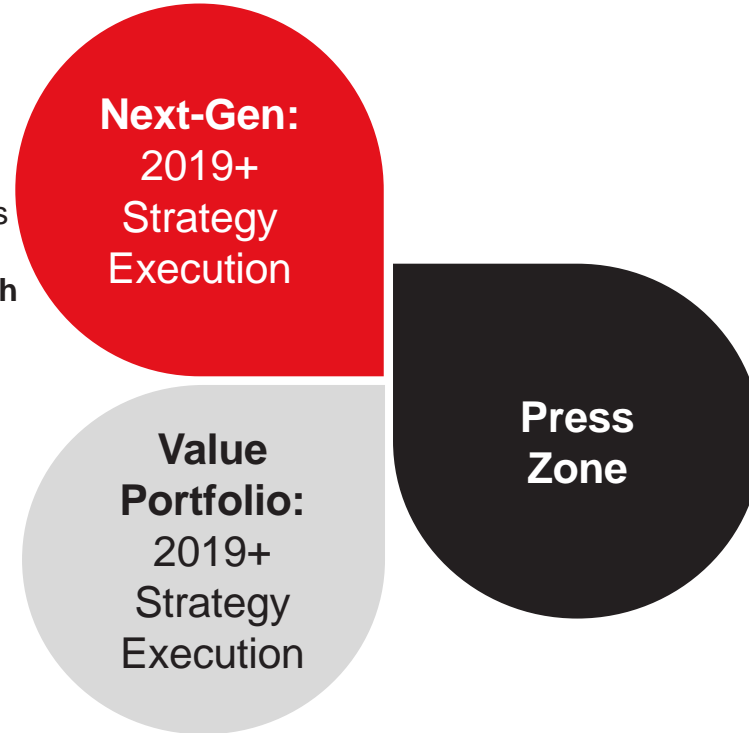
Current portfolio is performing well, benefitting from a focus on resilient sectors and larger-sized customers.

While M&A initiatives are delayed, **Next-Gen** is making good progress with the Transformation and **continues to thrive in its organic growth strategy**.

Value Portfolio's continues the recovery trend observed since Q1...

... with Q3 LfL Turnover already in positive terrain, as a promising sign that indicates 2021 can be a year of recovery after the pandemic impacts (mainly in the Spanish market).

As global economies continue to open, **Value Portfolio is well positioned for continued growth and to generate further value to fund Next-Gen strategy**.



Novabase in the News ⁽¹⁾

- **Novabase has a new brand architecture** || www.novabase.com.
- **Celfocus with eyes set on talent** || Celfocus engaged in multiple initiatives, e.g. SINFO tech conference and SET - Business and Technology Week, with one goal: having the best by its side.
- **Neotalent's New Digital Talent Ecosystem** || A R&D project using AI and blockchain, in partnership with ISCTE and IPN.
- **Trust – before and after Covid** ⁽²⁾ || Luís Paulo Salvado's opinion article on the findings of the Edelman Trust Barometer.
- **Novabase once again at PWIT** || Novabase is one of the sponsors of Portuguese Women in Tech.
- **Innovative talent** || The Human Resources Portugal magazine distinguished Novabase as the most innovative company in managing people for the 3rd year in a row.
- **Bankinter's Digital Home Loans by Celfocus** || Celfocus was chosen to deploy a pioneer digital home loan solution.
- **Santander Portugal chooses Celfocus eSign** || The solution will be used in all processes of collecting digital signatures.
- **New corporate bodies for the 2021/2023** || The new executive team comprises Luís Salvado, Álvaro Ferreira and María Gil Marín.
- **PWN Lisbon partnered with Novabase** || Aiming at promoting female talent and increase its representation in the STEM ⁽³⁾ areas.
- **Celfocus was awarded for Agility in Service Design & Delivery** || At the World Agility Forum Gala 2021.
- **Celfocus launched Social Responsibility Programme** || The initiative is focused on helping Technology reach everyone by partnering institutions that develop programmes in tech literacy and tech inclusion, and giving its employees time to support the causes that matter to them through volunteer work.

(1) Until this presentation date.

(2) Executive Digest magazine no. 178 of January 2021.

(3) Science, Technology, Engineering and Mathematics.

Covid-19



**In compliance with
ESMA guidelines**

Update on impacts

2021 began under a wave of new infections by Covid-19. Portugal witnessed the worsening of the pandemic crisis at the beginning of the year, **but as of the middle of the 2nd quarter, the pandemic situation started to improve.**

The Group's Pandemic Task Force continued to support the operations, while taking all necessary health measures to protect the entire community. The **evolution of the pandemic is continuously monitoring**, and implementation of new measures is / will be carried out whenever necessary.

There was **no material impact on the direct operating conditions during 9M21**. Our Nearshore Agile Delivery Model enabled customer operations to continue seamlessly and smoothly.

The successful experience of working remotely was decisive for the deployment of a **new hybrid working model**: Novabase's employees may **work remotely 60%** of their

time. This policy brings the **flexibility** that we consider **a strategic imperative** for attracting and retaining talent.

In terms of financial impacts, no relevant negative Covid-19 effects were observed. Next-Gen is actually thriving in its organic growth and Value Portfolio continues the recovery trend observed since Q1, after experiencing some covid-effects especially over 2H20.

Other impacts include delays in the M&A initiatives and challenges in winning new clients, due to travel restrictions during great part of the 9M21. Nevertheless, observing the **commercial victories** during this period and **the pandemic context evolution**, we are **optimistic looking ahead**.

Despite the **circumstances remain uncertain**, the results attained so far and the robust liquidity position reinforce **Novabase's sureness** in the ability to deliver another year of strong performance.

NOVABASE

Financial Highlights

9M21 performance: **Strong dynamics midway the strategic path!**

- **Turnover grew by 10% YoY**, with Next-Gen representing $\frac{3}{4}$ of Total
- **57% of Turnover is generated outside Portugal**, with **Next-Gen growing at double-digits, +16%**
- **Europe & ME accounts for 90% of Next-Gen's International Turnover**
- **88% of Next-Gen Revenues captured from Top Tier clients**
- **Solid Net Cash position of 54.6 M€**
- **Next-Gen Talent Pool increased 15% YoY**
- **NBA price soared by 47% in 9M21**, outperforming the reference indexes
- **No relevant impacts booked in 9M21 due to Covid-19 pandemic**

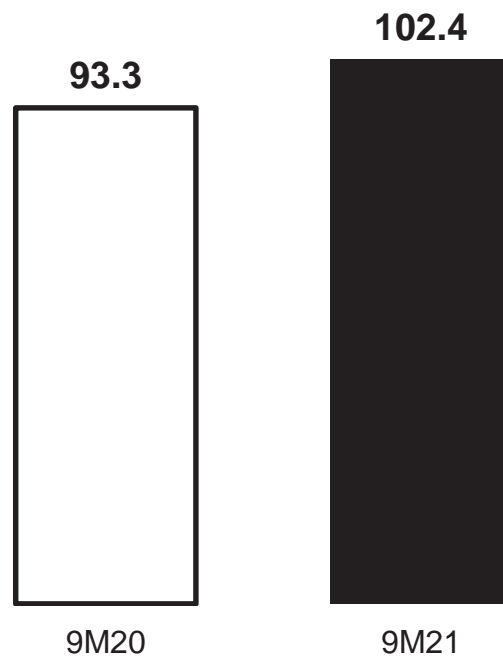
Key Figures



Turnover

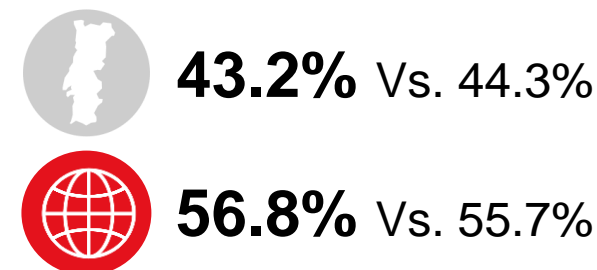
Turnover grew by 10% YoY, with Next-Gen representing $\frac{3}{4}$ of Total

Turnover

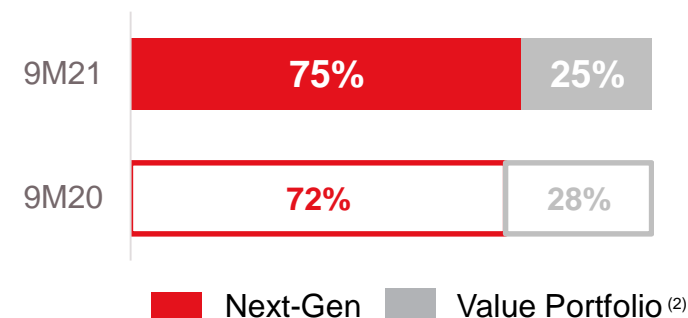


No relevant impacts observed in 9M21 due to the Covid-19 pandemic, both in Next-Gen and in Value Portfolio segments.

Breakdown by Geography (%) ⁽¹⁾



Breakdown by Segment (%)



NOVABASE

(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

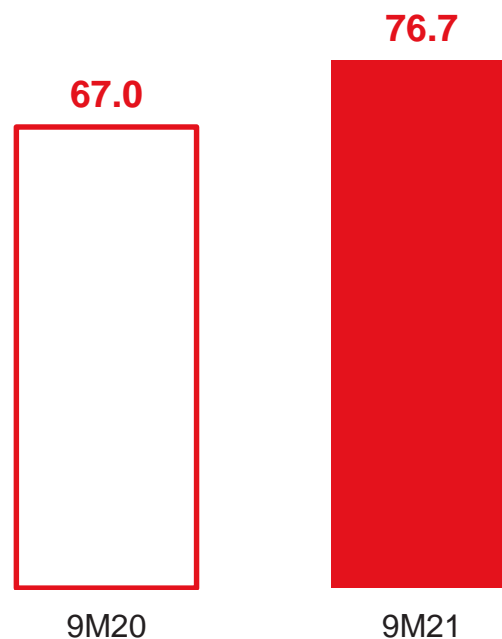


Next-Gen
Segment

Next-Gen logs double-digit, fully organic, Topline growth, +14% YoY...

... following a remarkable Q3, growing above 20%.

Turnover

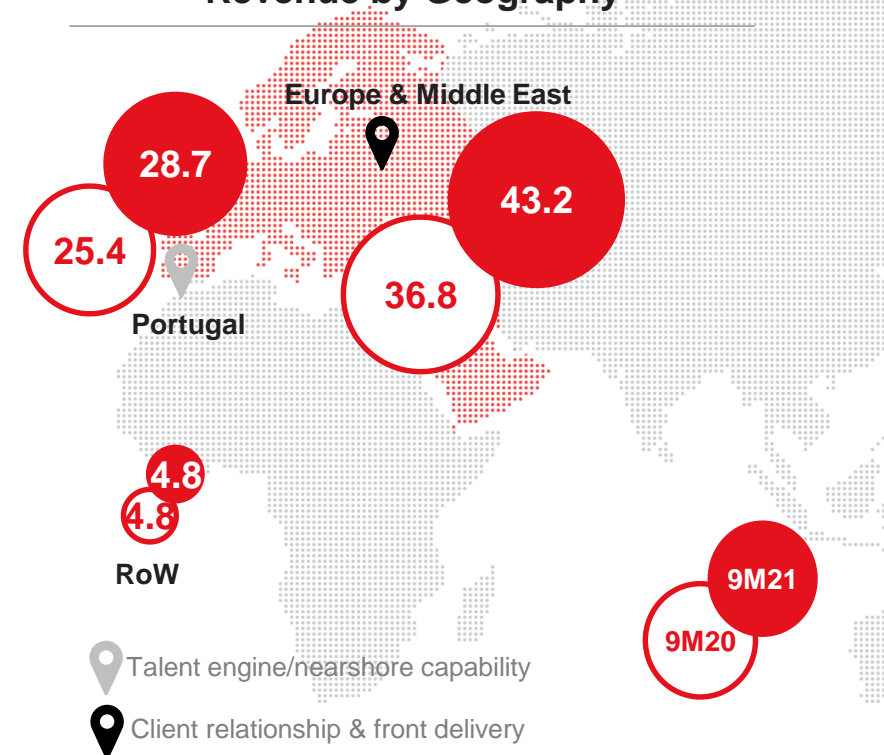


NOVABASE

Next-Gen international Turnover grew 16% YoY standing for 63% of the total Next-Gen Turnover in 9M21.

Operations in Europe & ME – which account for 90% of this segment's international business (89% in 9M20) – **increased 17% YoY**. Exposure to Africa declined by 9% YoY.

Revenue by Geography



Key Figures

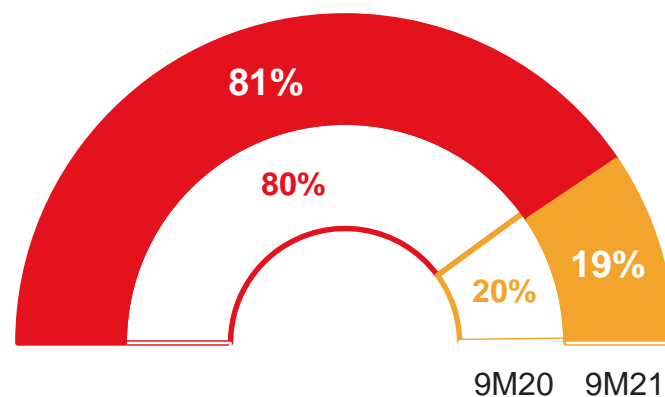


Next-Gen Segment

Next-Gen focused on Telco in 9M21

Working on its Multi Industry approach, delayed due to the pandemic.

% of Revenues by Industry



■ Telco ■ Financial Services

NOVABASE

Top Tier clients Revenues grew by 17% YoY

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

% of Revenues from Top Tier clients ⁽¹⁾



Total number of clients in 9M21 increased to 115 (109 in 9M20).

(1) Top Tier clients (>1 M€) considers the Trailing 12 months. 11

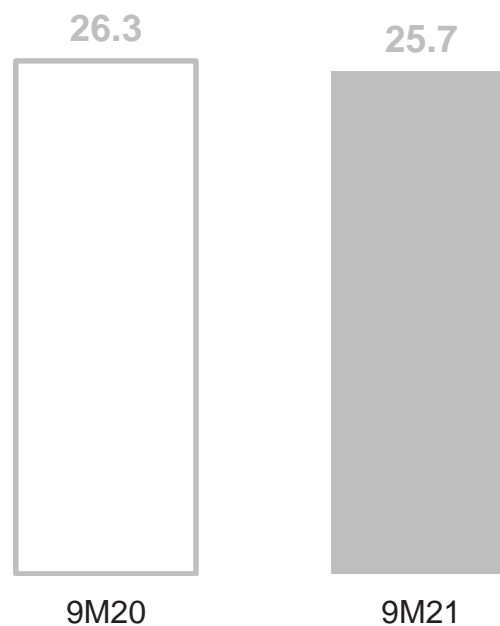
Key Figures



**Value Portfolio
Segment**

**Value Portfolio's
Q3 LfL Turnover
was up by 5%...**

Turnover



NOVABASE

... confirming the **recovery trend** observed since Q1, but 9M21 still below YoY (-2%).

Evenly Q3 LfL growth in both **domestic (+5%)** and **international markets (+6%)**.

39% of Value Portfolio Turnover is generated **outside Portugal**.

Key Figures

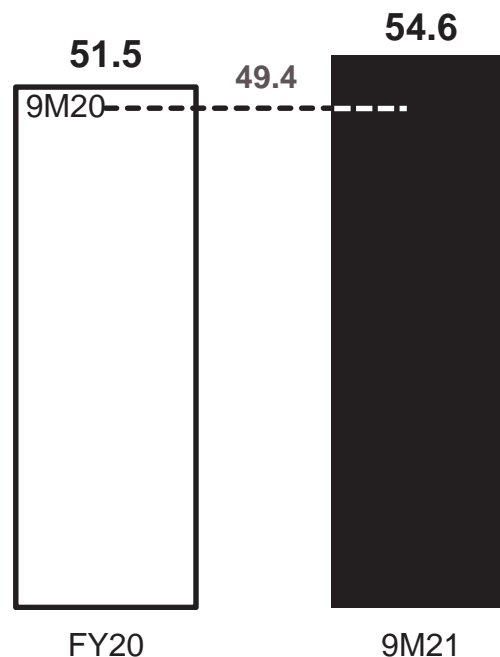


Net Cash

Cash generation of 3.1 M€ in 9M21

Solid Net Cash position of 54.6 M€ to support investments in 2019+ Strategy and face the Covid-19 pandemic context.

Net Cash



NOVABASE

Primarily driven by solid net cash provided by **operating activities and effective working capital management**.

Cash generation in 9M21 already includes a **1.0 M€ payment to NCI**, as a result of amounts released following the share capital reduction of Novabase Capital I&I venture capital Fund.

Net Cash **allocated to Non-controlling Interests** amounts to **2.9 M€** (Vs. 4.3 M€ in FY20).

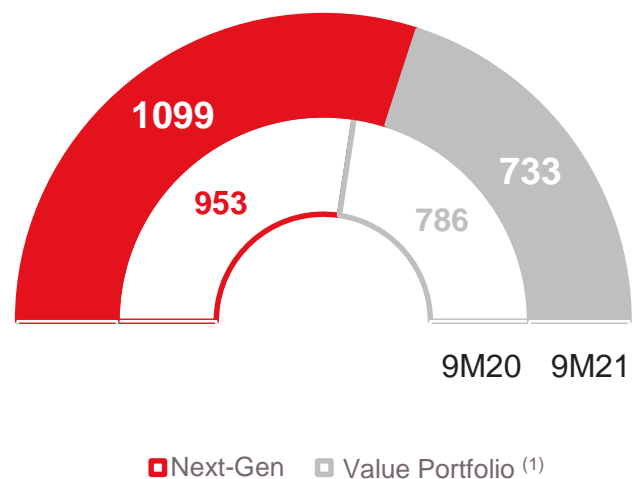
Key Figures



Talent

Talent Pool of 1832 employees in 9M21

Average number of Employees



- (1) Including holding / shared services representing 77 employees in 9M21 (83 in 9M20).
(2) Is determined by the formula: number of leaves at the employee's initiative ÷ average number of employees.

Talent pool increased 5% YoY (1739 in 9M20). The breakdown by segment shows a 15% growth in Next-Gen, which already represents 60% of Total, in line with the strategic objectives.

Next-Gen Turnover per employee in line with 9M20 figure.

Annualised attrition rate ⁽²⁾ of Next-Gen is 22.8% in 9M21 (11.1% in 9M20), reflecting both a correction to the abnormally low values recorded in 2020 and the new labour dynamics driven by fierce competition for scarce talent.

Key Figures



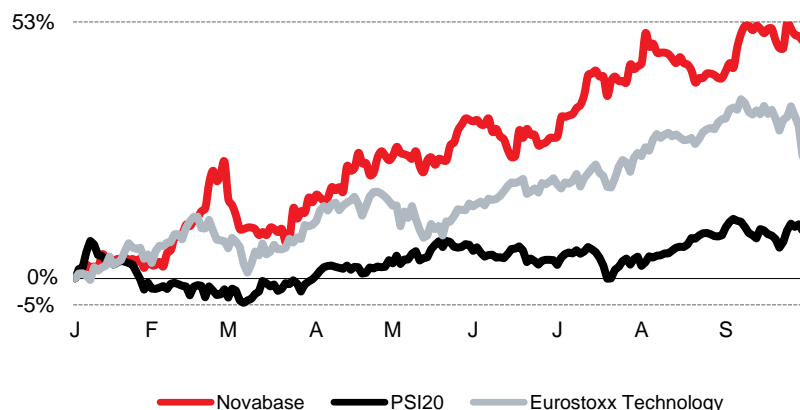
Stock Market

NBA price soared by 47% in 9M21, clearly above the reference indexes...

... PSI20 and EuroStoxx Technology, which increased 11% and 24%, respectively.

Novabase is in the main index of the Lisbon stock exchange for the 2nd consecutive year.

Novabase and the Market



NOVABASE

In 2021 no amounts were distributed to shareholders, due to the context of uncertainty regarding the Covid-19 pandemic. **According to Strategic Update 2019+** commitment, **0.85 €/share** are yet to be paid.

The average price target disclosed by Novabase's analysts is **5.75 €**, with unanimous recommendation to buy. The average upside is 22%.

Market Capitalization at the end of 9M21 is **147.9 M€**, implying a **ttm Price to Sales** of 1.21x.

Free Float **Velocity** ⁽¹⁾ represented 30% (38% in 9M20).

(1) Considering a free float of 35% in 9M21 and 40% in 9M20, calculated according to Euronext criteria.

APMs



**In compliance with
ESMA guidelines**

Alternative Performance Measures

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 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 9M21 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.

| | FY20 | 9M21 |
|--|---------------|---------------|
| Cash and cash equivalents | 71,929 | 69,708 |
| Treasury shares held by the Company ⁽¹⁾ | 2,172 | 3,187 |
| Bank borrowings - Non-Current | (16,200) | (11,200) |
| Bank borrowings - Current | (6,400) | (7,050) |
| Net Cash (Euro thousands) | 51,501 | 54,645 |

| | FY20 | 9M21 |
|---|--------------|--------------|
| Treasury shares held by the Company | 676,611 | 676,706 |
| Closing price @ last tradable day (€) | 3.210 | 4.710 |
| Treasury shares held by the Company (Euro thousands) | 2,172 | 3,187 |

(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.

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
Share Capital: 54,638,425.56 €
Head Office: Av. D. João II, 34,
1998-031 Lisbon - PORTUGAL

Investors Relations

María Gil Marín
Chief Investors Officer
Tel. +351 213 836 300
Fax: +351 213 836 301
investor.relations@novabase.com

Report available on website:
www.novabase.com

Next Events

Roadshows:
JB Capital Spain and Portugal Equity
Conference 2021: November 9

2021 Full Year Results (tbd)

NOVABASE

NOVABASE