

## **Noventiq reports very strong results for Q4 FY2022, including 59% constant currency turnover growth and 61% reported gross profit growth**

**31 May 2023, London, UK** - Noventiq (LSE:NVIQ), the global digital transformation and cybersecurity solutions and services provider, announces unaudited key operating highlights for the fourth quarter and full FY2022 ending 31 March 2023.

### **Q4 AND FY2022 BUSINESS HIGHLIGHTS**

- Delivered record turnover of \$1.6 billion for the 12 months to 31 March 2023, an increase of 40% in USD, and 52% in constant currency. This represents approximately \$500 million incremental turnover over the prior year, and includes record turnover of \$480.7 million for the fourth quarter, an increase of 46% in USD, and 59% in constant currency.
- Gross profit in the fourth quarter was \$52.6 million, an increase of 61.1% in USD. For the 12 months to 31 March 2023 gross profit was \$176.3 million, an increase of 50.7% in USD. In Q4, the company implemented a change in accounting policy under IAS 8 which impacted Gross Profit by \$15.2 million in Q4, and \$58.7 million in FY22. Adjusting for this, gross profit was \$67.7 million in Q4, and \$235 million for FY22.
- Adjusted EBITDA was \$32.5 million for the 12 months to 31 March 2023. Adjusted EBITDA in the fourth quarter was \$11.6 million, reflecting a margin on gross profit of 22.1%.
- The company exceeded all key elements of its business outlook for the full year provided on 28<sup>th</sup> February. This was driven by broad based geographic turnover growth, with double-digit increases across all 4 regions in FY22, including strength in India.
- Expanded geographic footprint, establishing presence in 8 new countries this year.
- Broad based strength with double or triple-digit growth across the three segments. Services turnover growth was 109% in FY22, which represented 41% share of gross profit. Hardware turnover growth was 185%, and Software & Cloud turnover growth was 29% in FY22.
- Recurring turnover was 69% in FY22, with growth of 41% in USD year-over-year.
- Destination for talent, with 6,400 people, up 70% year-over-year overall, and up 81% in Services.
- Enhancing Microsoft capabilities and expanding in existing and new geographies.
- Investment in growth based on capabilities related to key vendors including AWS, Apple, Google.
- Continued investment and execution of M&A strategy with 7 transactions announced in FY2022 enhancing skills, capabilities and geographic presence.
- The company recently communicated its intention to list on Nasdaq through a business combination with Corner Growth Acquisition Corp.
- The company will conduct a conference call/webcast in the coming days with more details on Noventiq's business momentum and its recent BCA signing with Corner Growth, as well as its business outlook for the new fiscal year.

**Hervé Tessler, Global CEO at Noventiq, said:**

“Our exceptional performance this year is a testament to the relevance of our strategy, and the strength of our team. We have incredible momentum in the business, and I am proud that we have delivered above the business outlook for the year that we outlined on our last call. We have invested and transformed our business at unprecedented pace and scale as we expanded our competitive reach and capabilities into thriving new markets. I want to thank our 6,400 talented people around the world, whose agility, and unwavering commitment to delivering for our customers makes us the partner of choice for digital transformation in the high growth markets where we operate.”

**Jacques Guers, Chairman of the Board of Directors at Noventiq, noted:**

“It has been a truly extraordinary year for our business and we have made significant progress against our long-term strategic objectives. I am very proud of the record results that Noventiq has delivered, and with the continued execution discipline in the context of a very dynamic market. As we look ahead to the exciting opportunities for our business with the proposed U.S. listing, we remain laser focused on creating value for all of our stakeholders including our customers, our people, our shareholders, our partners and the communities we operate within.”

**Key financial metrics**

	FY2022*	FY2021	%	Q4 2022	Q4 2021	%
<b>Turnover (\$000)</b>	1,570,623	1,125,138	40%	480,748	328,174	46%
<b>Recurring turnover %</b>	69%	68%		69%	64%	

**Turnover by business line (\$000)**

	FY2022*	FY2021	%	Q4 2022	Q4 2021	%
Software & Cloud	1,295,034	1,007,000	29%	394,439	281,169	40%
IT Services	168,064	80,388	109%	49,719	30,737	62%
Hardware	107,257	37,695	185%	36,590	16,268	125%

	FY2022*	FY2021	%	Q4 2022	Q4 2021	%
<b>Gross profit (\$000)</b>	176,277	116,942	51%	52,575	32,633	61%

**Gross profit by business line (\$000)**

	FY2022*	FY2021	%	Q4 2022	Q4 2021	%
Software & Cloud	85,321	70,263	21%	21,686	13,034	66%
IT Services	71,653	39,648	81%	24,112	15,970	51%
Hardware	19,304	7,032	175%	6,777	3,630	87%

## Turnover by region (\$000)

	FY2022*	FY2021	%	Q4 2022	Q4 2021	%
APAC	797,924	569,067	40%	260,671	173,471	50%
EMEA	362,485	251,358	44%	109,289	73,683	48%
RoE**	196,459	146,168	34%	52,622	30,858	71%
LATAM	239,196	209,385	14%	60,773	61,838	(2%)
ICO elimination	(25,441)	(50,839)	(50%)	(2,607)	(11,676)	(77%)

Reported growth. Unaudited results.

\*12 Months ended 31 March 2023

\*\*Rest of Eurasia

## BUSINESS REVIEW

Noventiq reported record turnover of \$1,570.6M for the 12 months to 31 March 2023, an increase of 52% in constant currency, and well above the prior business outlook of “at least 45%” growth. Gross margin for the year was 15% excluding the impact of changes in accounting policy under IAS 8, compared to the prior business outlook which also excluded IAS 8, of “above the range of 13 to 14%”. Adjusted EBITDA was \$32.5M, representing approximately 14% of gross profit excluding the impact of changes in accounting policy under IAS 8, compared to the prior business outlook of “low double-digit” margin on gross profit. Including the impact of IAS 8, adjusted EBITDA margin on gross profit was 18.4%.

For the 12 Months to 31 March 2023:

**Geographic Turnover** – The company delivered broad based strength, both organically and due to recent acquisitions. APAC was particularly strong with 40.2% growth year-over-year, predominantly driven by our business in India. Growth was strong in all regions, including EMEA 44.2%, RoE 34.4%, and LATAM 14.2%.

**Services** – Services remains a key element of the company’s growth strategy, with continued momentum. Turnover was \$168M, with growth of 109.1% year over year. Services now represents 10.7% of group turnover, and contributes 40.6% of total Gross Profit. Services growth reflects the impact of acquisitions, as well as strong organic growth.

**Software & Cloud** – Turnover from Software & Cloud was \$1.3B, up 28.6% year-over-year.

**Hardware** - Hardware turnover was \$107M, with growth of 185% year-over-year.

## Profitability

Gross Profit for the 12 Months to 31 March 2023 was \$176.3M. Gross profit growth was 50.7%, which exceeded turnover growth for the year. A key contributor to the growth was the strength of the Services business.

Adjusted EBITDA for the 12 Months to 31 March 2023 was \$32.5M. Adjusted EBITDA margin, Gross Profit based, was 18.4%. Adj. EBITDA reflects the significant investments the company is making for future growth. These investments include people, motivation and retention, continued company diversification into Services, corporate governance, systems such as CRM, ERP and digital platforms.

## Other selected financial events

The board has continued to evaluate options designed to ensure that the significant fundamental value of Noventiq is properly reflected by the market. On 4th May 2023, the company announced its intention to list on Nasdaq through a business combination with Corner Growth Acquisition Corp. [Business Combination Agreement](#).

The company will conduct a conference call/webcast in the coming days with more details on Noventiq's business momentum and its recent BCA signing with Corner Growth, as well as its business outlook for the new fiscal year.

On 9th February 2023, the company signed a letter of intent [[Letter of Intent](#)] to proceed with a potential business combination with Corner Growth Acquisition Corp. to maximise and leverage significant opportunities within the U.S. investment market.

Further to the announcement on 24<sup>th</sup> January 2023 of its intention to re-domicile the company from Cyprus to the Cayman Islands: [Re-domiciliation](#), shareholders approved all resolutions in relation to the transaction at the general meeting held on the 15<sup>th</sup> February 2023: [GM Result 15 Feb 2023](#).

Based on the growing significance of its Services business which now represents 10.7% of turnover for the 12 months to 31 March 2023, the company has reviewed the presentation of financial reporting for comprehensibility and transparency on an ongoing basis. In the fourth quarter, the company applied IAS 8 "Accounting policies, Changes in Accounting Estimates and Errors" to reclassify Services related direct costs into cost of sales. The company considers that the change leads to a more accurate presentation of the performance of the Group. This change impacted Gross Profit by \$15.2M in Q4, and \$58.7M for the 12 Months to 31 March 2023.

Starting from Q1 (for the three Months to 30 June 2023):

- The company will refer to the current year, for 12 Months to 31 March 2024 as FY2024. This aligns to the company's peer group.
- The company will report the non-IFRS metric "Gross revenue" which is defined as gross amounts billed to customers on all product categories during the reporting period, regardless of role in the delivery process – as principal or as agent. This will replace the previously disclosed metric of "Turnover", and will not result in any financial impact.

Noventiq provides a factsheet of key metrics by quarter, which the company believes is helpful for investors. [Noventiq results and presentations](#)

Further details of all financial events can be found in the investor relations section of Noventiq.com.

## Balance sheet and liquidity

The Cash position as at 31 March 2023 was \$135 million.

## M&A

Noventiq's M&A strategy augments the 3-dimensional growth strategy, and the company has been active over the past few years with a specific focus on key strategic objectives.

During the 12 Months to 31 March 2023, Noventiq announced 7 acquisitions. These acquisitions help strengthen Noventiq's positioning as a leader in digital transformation and cybersecurity, and will also help

the company to grow in different capabilities and expand to new territories in Middle East, India, the Eastern European regions, and beyond. Notable acquisitions include:

- **Seven Seas Technology (June 2022):** Noventiq significantly bolstered its Middle East presence through the acquisition of Seven Seas Technology, which is a leading system integrator and Information and Communications Technology (ICT) solution provider in the UAE. In partnership with major technology vendors such as Microsoft, HPE and Cisco the company provides medium and large enterprises with collaborative, multi-cloud strategies. SST has 15 Gold competencies with Microsoft, as well as several advanced specialisations. SST's 300+ ICT trained and certified professionals serve large and medium businesses across a number of sectors including civil aviation, government, oil & gas, banking & finance, hospitality, healthcare, education and retail.
- **Makronet (Sept 2022):** The acquisition of the leading Turkish Microsoft Cloud Solution Provider (CSP) partner by Noventiq represents a significant addition to Softline's business in Turkey and the MEA region. It contributes to two dimensions of Noventiq's three-dimensional growth strategy: geographical expansion, and strengthening sales channel capabilities with Makronet's own unique platform MyAdmin, which is globally awarded by Microsoft. This solution, which simplifies and optimises customers' management and operations of CSP assets, complements Noventiq's own ActivePlatform to further digitally transform customers' ecosystems. In addition to Microsoft's cloud solutions, they also offer Software Asset Management (SAM) services and General Data Protection Regulation (GDPR) security services and managed services. Makronet has almost 1,000 cloud customers in Turkey.
- **Value Point Systems (October 2022):** Value Point Systems (VPS) is an Indian digital infrastructure and cybersecurity solutions & services with more than 1,200 employees, and over 2,000 local customers. This acquisition accurately represents Noventiq's strategy and vision for this market: "Investing in India, for India". Noventiq will strengthen its global cybersecurity proposition with the skills of VPS' Security Operation Centre (SOC) – including the cybersecurity integration capabilities and a sophisticated cybersecurity consultancy offering. VPS' SOC is one of the industry's leading SOCs in India.
- **Saga Group (November 2022):** Noventiq signed an agreement to acquire the majority of Serbian software and digital solutions leader Saga Group, bringing 400 people to Noventiq's team. Saga Group, which has operations in more than 25 countries, will contribute to Noventiq's growth in Central and Eastern Europe strengthening Noventiq's position in markets such as Serbia, Montenegro, Bosnia and Herzegovina, and North Macedonia. This transaction also helps Noventiq to reinforce its global portfolio as Saga Group is an advanced partner of Oracle and Cisco, as well as Microsoft, DELL, Hewlett Packard Enterprise, Juniper, VMWare, and others. Saga Group has built an impressive portfolio of proprietary digital products, including its own IP for digital banking, *Fintense* – created by Saga's subsidiary NF Innova –, which is an omnichannel digital banking platform. Saga's other own solutions are, *Weaver*, a sophisticated AI smart assistant; and *Selecta*, a next generation AI-powered CRM platform – these two platforms are created and owned by Intellya, another of Saga Group's subsidiaries. The deal to close the acquisition of Saga Group and its subsidiaries was announced on February 2023.
- **G7 CR Technologies (December 2022):** Headquartered in Bengaluru, G7 CR Technologies is considered India's leading Managed Services Provider for Azure-based cloud solutions offering services from advisory to migration, implementation, security and optimization, among others. G7 CR is also a significant player in the market for Microsoft products. This means that Noventiq will strengthen its capability for delivering services for Microsoft Azure migrations and support through the acquisition of G7 CR Technologies. Microsoft's Azure business is historically growing globally at



40-60% every year. This transaction represents the fourth acquisition of Noventiq in India, and the second acquisition in this market in the third quarter of 2022, which once again highlights the company's goal on continuing to invest in India, for India.

The company continues to have a strong pipeline of deals.

## **Microsoft**

Noventiq, a globally managed partner of Microsoft, has strengthened its collaboration with the company and aims to further expand their partnership in various international markets. With extensive experience spanning over 25 years, Noventiq has successfully worked alongside Microsoft, catering to diverse customer segments including SMBs and large organizations in both private and public sectors. Presently, Noventiq operates as a Licensing Solutions Provider and Cloud Solutions Provider in over 35 countries. The company holds esteemed affiliations such as membership in the Microsoft Intelligent Security Association, recognition as a Microsoft Azure Expert Managed Services Provider, and possesses twelve Advanced Specializations from Microsoft. Additionally, Noventiq proudly retains 5 out of 6 Microsoft solutions partner designations. Their commitment and expertise have been acknowledged through multiple Partner of the Year awards in 2022.

## **ESG**

Noventiq remains committed to advancing and integrating ESG principles throughout its operations, which is a key component of the company's overall strategy. Its primary focus is on fostering an environment that promotes individual growth and prosperity. This dedication to its employees has been acknowledged through the attainment of *Great Place To Work* certification in numerous markets where Noventiq operates, including India, Colombia, Costa Rica, Argentina, Peru, among other countries. Furthermore, Noventiq has consistently demonstrated its commitment to upholding fundamental rights and human dignity both within and outside the workplace. This includes the implementation of crucial diversity and inclusion policies that hold significant importance for the company's leadership team.

As part of its ESG strategy, Noventiq is driven by the goal of ensuring environmentally responsible and sustainable development across the company. It continuously seeks opportunities to mitigate the climate impact of its operations. Additionally, Noventiq has established a robust framework for maintaining ethical standards and compliance in all the markets it operates in.

## **Partnership with Annamrita Foundation in India**

Noventiq India re-aligned its partnership with the Annamrita Foundation, formerly known as ISKCON Food Relief Foundation which provides midday meals to schools across India. Employees from Noventiq, Embee, and Umbrella Infocare Mumbai offices volunteered to serve midday meals to the students of K.M.S. Parel Marathi Primary School in Mumbai. This gesture is a reflection of Noventiq India's pledge to feed 500 school children for a year with a substantial contribution towards the cause.

## **#EarthDay activity in India**

Team Noventiq India collectively contributed towards the planting of trees to support farmers through the #TaxFreeTrees campaign, initiated by Sankalp Taru, an IT-enabled NGO, spreading greenery and helping people earn tax rebates.

As a part of the Active Noida initiative, Team Noventiq India also participated in the #WorldEarthDayRun, a marathon event, which is an opportunity for the community to come together and celebrate sustainability for the planet while focusing on fitness and health.

## **Growing the environment with IPNA Foundation in Argentina**

Noventiq team gathered together to plant trees in a deforested land. Among the initiatives developed by Noventiq LATAM teams, one project they had put into place was focused on reducing

environmental impact of deforestation. The team in Noventiq Argentina partnered with the IPNA Foundation, Therapeutic Educational Center for people with disabilities based to go to a deforested area and plant a few Bauhinia forficata trees, commonly known as Brazilian orchid tree which have multiple benefits for the environment including the protection of the microclimate.

### **Reforestation with Fundación Al verde Vivo in Colombia**

In Noventiq Colombia, a reforestation day was carried out with the Fundación Al verde Vivo as part of the project "one million and a half trees to recover the upper basin of the Bogotá river"; as carbon footprint offset to mitigate climate change.

The company published its ESG statement that can be read here: <https://noventiq.com/about/esg>

### **Awards**

During the 12 Months to 31 March 2023, Noventiq received multiple awards for its dedication towards its customers and vendor-partners:

- **Frost & Sullivan 2022 Latin American Product Leadership Award to Noventiq** - Noventiq was applauded by Frost & Sullivan for supporting unified communications & collaboration, digital transformation and hybrid work with its Total Voice solution. Last February Noventiq announced that Frost & Sullivan had recognized Noventiq with the 2022 Latin American Product Leadership Award.
- **2022 Gartner Magic Quadrant** - Noventiq was recognised as a 'Visionary' in the 2022 Gartner Magic Quadrant for SAM Managed Services.
- **VARIndia Star Nite 2022 Best Services & Solutions Partner Award to Noventiq** - Noventiq India was recognised as Best Services & Solutions Partner at the VARIndia Star Nite Awards 2022, considered the DNA of the Indian IT Channel, the Star Nite Awards. Noventiq's subsidiaries Embee and Umbrella Infocare bagged the Best Solution Partner and Best Cloud Solution Partner Awards, respectively
- **Microsoft Partner of the Year** - Noventiq took home three major awards at Microsoft's annual Inspire conference 2022. Noventiq was selected for the prestigious awards for its outstanding work building digital infrastructure with businesses in Vietnam, Cambodia and India. Microsoft recognised Noventiq Vietnam and Noventiq Cambodia with the Partner of the Year Award, an annual prize where Microsoft awards its partners for their excellence in innovation and implementation of Microsoft's solutions. Noventiq subsidiary Embee, acquired by the company in 2021, was also recognised with the Microsoft India Area Award 2022 – MWP Partner of the Year.
- **Kaspersky** Outstanding partner of the year award 2022 for Noventiq Vietnam
- **Apple** Authorised Reseller – Malaysia and Philippines

### **Business outlook**

The company will conduct a conference call/webcast in the coming days with more details on Noventiq's business momentum and its recent BCA signing with Corner Growth, as well as its business outlook for the new fiscal year.

### **Additional Information**

Noventiq's related supporting materials can be accessed in the Investor Relations section of Noventiq.com. These include a factsheet of key metrics by quarter, which the company believes is helpful for investors.



Following the notification on 23 February 2023 of the Company name change to Noventiq Holdings plc, the Company confirmed the stock market TIDMs, effective 3 March 2023, as “NVIQ”, and “NVNQ”. The Company’s ISIN, SEDOL, and CUSIP numbers remain unchanged and the Company’s Legal Entity Identifier (LEI) remains 984500985DEC92D98C87. Shareholdings are unaffected by the change of name. Existing share certificates should be retained as they will remain valid for all purposes and no new share certificates will be issued.

## Results conference call

An investor webcast will be held on 31<sup>st</sup> May 2023 at 8:00am UK time. Noventiq will announce key operating highlights for Q4 and FY2022 ending 31 March 2023.

A livestream of the investor call will be available and can be accessed here:

[Noventiq - Q4 FY2022 Trading update](#)

## About Noventiq

Noventiq is a leading global solutions and services provider in digital transformation and cybersecurity, headquartered in London. Noventiq enables, facilitates and accelerates the digital transformation of its customers' businesses, connecting over 75,000 organisations from all industries with hundreds of best-in-class IT vendors, and delivering its own services and solutions.

Noventiq delivered a turnover of approximately \$1.6B for the 12 Months to 31 March 2023. Noventiq's 6,400 employees work in almost 60 countries throughout Asia, Latin America, Europe, The Middle East and Africa - with a focus on markets with significant growth potential.

Additional information about the company can be found here: <https://noventiq.com/investor-relations>

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## Important Notices

*The financial results set out in this release are sourced from the Group’s management accounts for Q4/YTD FY2022, Q4/YTD FY2021, and are unaudited. The "constant currency" metric excludes the effect of foreign currency exchange rate fluctuations by translating the current period revenues into U.S. dollars at the weighted average exchange rates of the prior period of comparison.*

*This document may constitute or include forward-looking statements. Forward looking statements are statements that are not historical facts and may be identified by words such as “plans”, “targets”, “aims”,*



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