

Consolidated Results 12M18

Privileged Information

February 14, 2019

Highlights:

Turnover: 148.7 M€	(139.7 M€ in 12M17)
EBITDA: 10.3 M€	(10.9 M€ in 12M17)
Net Profit: 4.7 M€	(4.8 M€ or 2.1 M€ without Disc. Operations in 12M17)
Net Cash: 62.0 M€	(56.8 M€ in 12M17)

Message from CEO João Nuno Bento



"With great satisfaction and pride in the work done by the entire Novabase team in 2018, I wish to address our shareholders specifically, as well as the market in general.

After a difficult first half of the year in operational terms, efforts to recover in the second half have allowed the Company to meet its annual targets.

Our profitability was restored without jeopardizing the investments in intellectual property and internationalization efforts.

In the fourth quarter, we successfully contained the effects on profitability of an international project experiencing losses (as mentioned in the previous disclosure of results), while several other international projects were seeing robust performance, thereby offsetting these effects.

Overall, the 2018 results have exceeded our expectations, with Net Profit and Cash Generation going far beyond these expectations.

It is important to clarify that the 2018 results have been positively impacted by the new model for recognising revenue with the entry into force of standard IFRS 15. Even without this effect we have achieved the goals laid out for our annual Guidance.

Cash Generation saw outstanding performance at 10.7 M€, minus 5.5 M€ distributed in dividends and non-controlling interests. Novabase's balance sheet remains very strong, allowing us to keep various strategic options on the table. In view of this, we will propose a dividend payment of €0.15 per share at the 2019 General Meeting of Shareholders, corresponding to a nearly 100% payout and yield of around 7%.

At the time of announcing these results, Novabase's Executive Committee and Board of Directors are conducting a strategic review with regard to the company's future, which will be announced to the market in due time.

In closing, I would like to reaffirm the management team's commitment to creating sustained value for the company and, as a result, for all of its shareholders."

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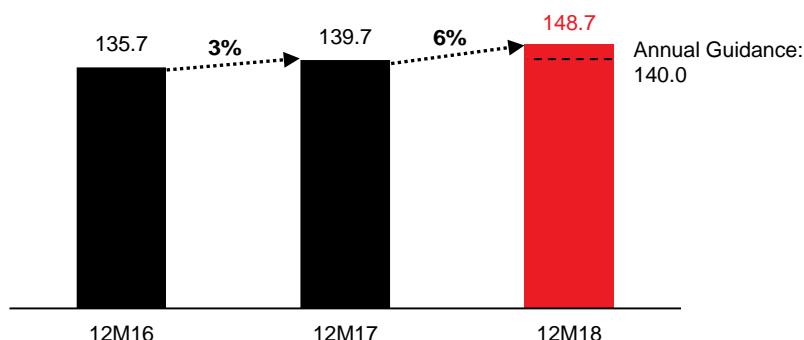
Novabase SGPS, S.A.
 Public Company - Euronext code: NBA.AM
 Registered in TRO of Lisbon and Corporate Tax Payer nº 502.280.182 - Share Capital: 15,700,697.00 € -
 Head Office: Av. D. João II, 34, 1998-031 Lisbon - PORTUGAL

1. Key Indicators Evolution

As of 1 January 2018, Novabase adopted IFRS 9 - Financial Instruments and IFRS 15 - Revenue from contracts with customers, and has not restated comparative information, as provided by the standards, with the cumulative effect of the initial application recognised in Equity at 1/1/18.

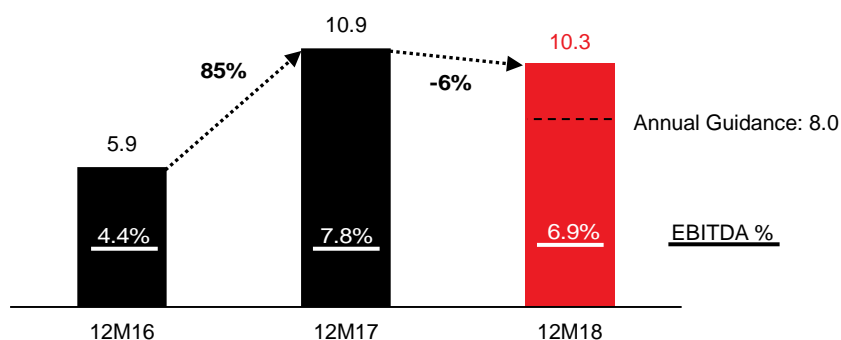
Turnover (M€)

Evolution of Turnover positively impacted by the recognition in 2018 of 6.5 M€, in accordance with IFRS 15. Even so, excluding this effect, Turnover stood above the annual Guidance by 2%.



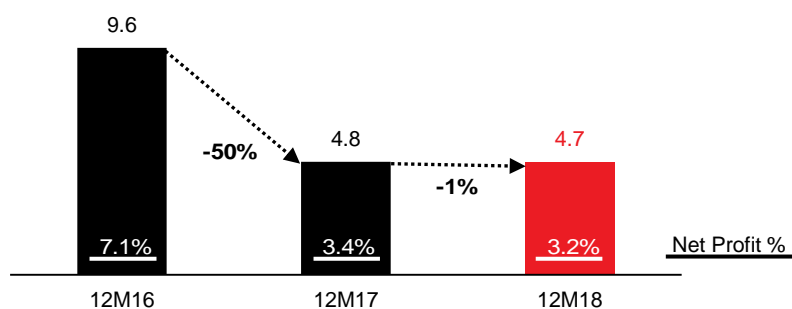
EBITDA (M€)

EBITDA in line with the annual Guidance, excluding the positive effect of IFRS 15 amounting to 2.1 M€ (+2% in value and nil percentage points).



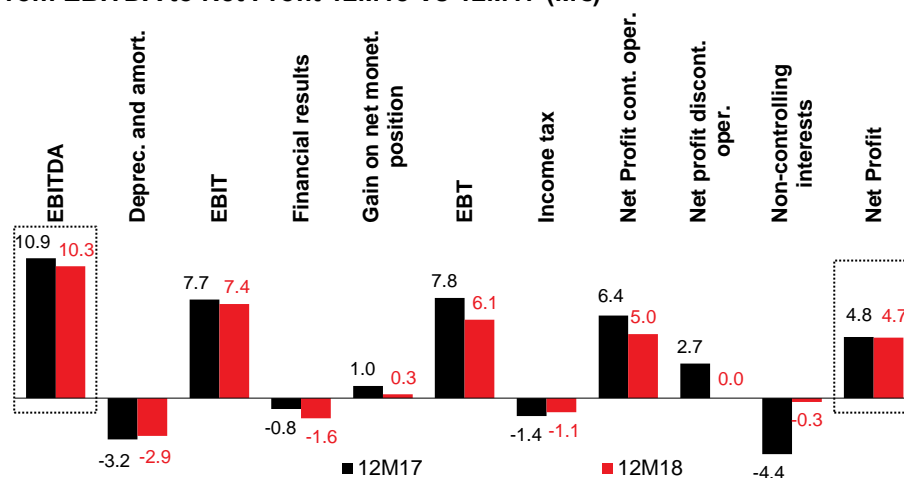
Net Profit (M€)

Net Profit increased 47% YoY, excluding one-off effects recorded in 2017 and 2018, of the adjustment to the gain on sale of the IMS Business and IFRS 15 (net of tax), respectively.



Earnings per share (EPS) in 12M18 reached 0.15 euros per share, in line with the EPS from the previous year of 0.15 euros per share.

From EBITDA to Net Profit 12M18 Vs 12M17 (M€)



The Amortizations and the Financial Results were negative in 4.5 M€, an increase of 0.4 M€ compared to the same period of last year.

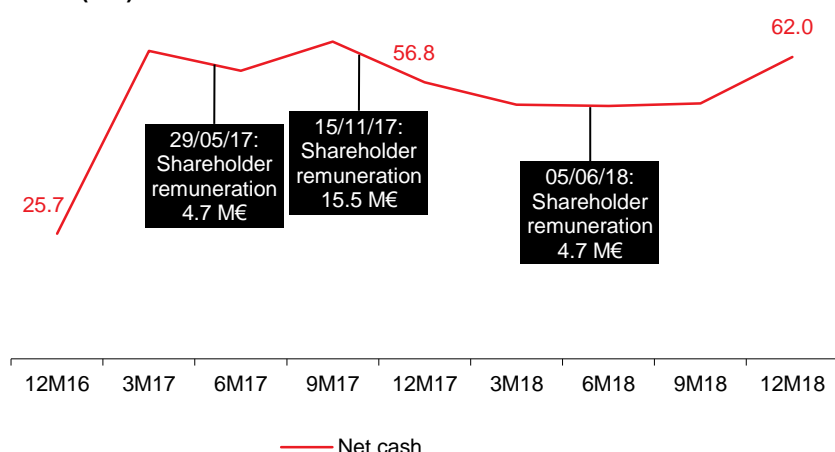
The gain on the net monetary position, amounting to 0.3 M€, derives from the application of IAS 29 to the financial statements of the subsidiary in Angola, after this economy being considered as a hyperinflationary economy in accordance with that standard since December 2017. The 2018 computed gain considers an inflation rate of 18.6% in Angola.

Results from discontinued operations in 12M18 are nil, which compares with 2.7 M€ in 12M17, value that corresponds fully to the adjustment on the gain generated by the sale of the IMS business, resulting from the final calculation of working capital and net debt, as established in the purchase and sale agreement.

Non-controlling interests in 12M18 amounted to -0.3 M€, which compares to -4.4 M€ in 12M17. This variation is mainly due to the evolution of the results of subsidiaries focused on international expansion.

Net Cash (M€)

Cash generation of 5.2 M€ includes the payment of dividends and a significant release of working capital.



In the 12M18, Novabase shows a positive evolution in cash generation. Novabase ended the 12M18 with 62.0 M€ in net cash, which compares to 56.8 M€ in the 12M17.

On June 5, 2018, Novabase paid its shareholders a total amount of 4.7 M€ (0.15 €/share). Additionally, on December 2018, the amount of 0.8 M€ was paid to Non-controlling interests.

2. Short Summary of the Activity

The 2018 results were in line with expectations in terms of Turnover and EBITDA. In effect, the year was marked by a second half in which we observed an acceleration of the activity, and a recovery in terms of profitability, which had been penalized in the first months of the year due to operational difficulties limited to an international project in the BS area.

Compared to the same period of last year, Turnover increased by 6% (or 2%, excluding the impact of the change in the accounting policy on revenue recognition), with the international business accounting for 54% of the total. Europe continues to lead as the major market, with operations in this geography rising to 69% of non-domestic activity.

EBITDA decreased by 6% YoY, to 10.3 M€. It is worth noting that the Guidance included the anticipation of costs, by means of R&D investment, associated to a strategy of transformation of the business model. Net Profit reached 4.7 M€, a 47% increase over the previous year if we exclude the one-off effects of 2018 and 2017 (impact of IFRS 15 and correction of the gain on sale of the IMS Business, respectively).

Towards the Guidance, and excluding the positive effects of the IFRS 15 adoption, this year's results are above in Turnover (+2%) and in EBITDA (+2% in value and same EBITDA margin).

The year of 2018 marks the beginning of a new cycle in the Novabase Group, with João Nuno Bento taking over the chair of the executive committee for the mandate corresponding to the 2018-2020 triennium. João Nuno Bento replaces Luís Paulo Salvado as CEO, at a time when Novabase has a strategic reflection in course.

We highlight in 2018:

- The Symetria product was chosen by multiple Financial Institutions as a reporting tool for Banco de Portugal's new Credit Responsibility Central. This solution simplifies reporting and compliance obligations by ensuring that obligations are met under the new regulatory framework, while also providing risk management and analysis tools;
- Novabase was the company in charge of developing account opening system with authentication by video call for two Portuguese Banks, using Wizzio. We recall that this Digital Platform, developed by the Financial Services area of Novabase, was presented at the 2017 Web Summit;
- Novabase developed the solution that supports the Escola 360 project, whose objective is to centralize in a single platform all the modules of management of pre-school, basic and secondary school students, within the scope of the new paradigms for Education resulting from Digital Transformation in course.

Given the importance of Talent in technological innovation process, Novabase has taken several initiatives aimed at enhancing People and Knowledge.

On the one hand, Novabase has hired 152 university graduates in 2018, through its Novabase Academy Program. Since its creation in 2006, more than 1500 young people have been hired under the Novabase Academy, which has also been held in two more countries outside of Portugal.

Evolution anticipated in the Management plans for 2018.

João Nuno Bento has been appointed Novabase Chief Executive Officer (CEO) and Luís Paulo Salvado remains as Chairman of the Board of Directors.

Novabase strengthens its position as a key player with a portfolio of innovative solutions, addressing the challenges of digital transformation.

Several initiatives aimed at strengthening Talent and innovation.

On the other hand, and in addition to this program, Novabase now has strong ties with universities and scientific ecosystems, with strategic partnerships and involvement in numerous joint initiatives. To highlight, in this period:

- Novabase joined the Data Science Portugal group by supporting the meetups promoted by this community of Data Science enthusiasts. The goal is to share knowledge on topics such as Data Science, Machine Learning and Artificial Intelligence;
- Novabase was the main sponsor of IMSHARE, the largest Portuguese conference on data management and analysis. With four speakers on the panel, Novabase shared over the three-day conference, knowledge on topics such as Security, IOT and AI, among others;
- Novabase Academy was at FCT-UNL's Hackathon, where about 15 teams worked 24 hours straight with the goal of developing projects focused on desktop, web and mobile platforms;
- Novabase is on the list of companies that are part of the Instituto Superior Técnico Network of Partnerships, a program whose objective is to coordinate the actions of the institution with some of the more relevant organizations of the Portuguese business community;
- Additionally, Novabase participated in the APDC Congress, where it has presented its partnership with Instituto Superior Técnico (IST) in the definition and creation of the programmatic contents of a new Machine Learning course.

With regard to the promotion of the offerings, Novabase participated in the Receivables Finance International (RFlx) conference, in the context of the "Intelligent Receivables - The Rise of AI" panel and presented its Rely solution. The RFlx, held in London, is one of the the world's main event in the area of banking, that bring together financial institutions, companies and specialists for an in-depth discussion about the industry's future.

Also, Novabase once again supported the Web Summit 2018, considered one of the world's most important events in entrepreneurship, technology and innovation. The company's focus this year was its Financial Services offering, with emphasis on the Wizzio product.

VC area strengthens its portfolio in 2018 with innovative technology-based SME's, in an investment totaling 0.5 M€.

In the Venture Capital area, the most recently Venture Capital Fund 'Novabase Capital +Inovação', established at the end of last year, made its first investments. VC invested during 2018 in the companies Probely, Lda., a company focused on cybersecurity, in CBTalents Global, S.A., a startup specialised in the international recruitment of IT professionals, and in Aixel Technologies, S.A., a Portuguese start-up that developed FIBERCLOUD, a network management platform for the global market.

These investments were made through the Lisbon 2020, COMPETE (included in the National Strategic Reference Framework - QREN) and COMPETE 2020 programs, with co-funding from the ERDF.

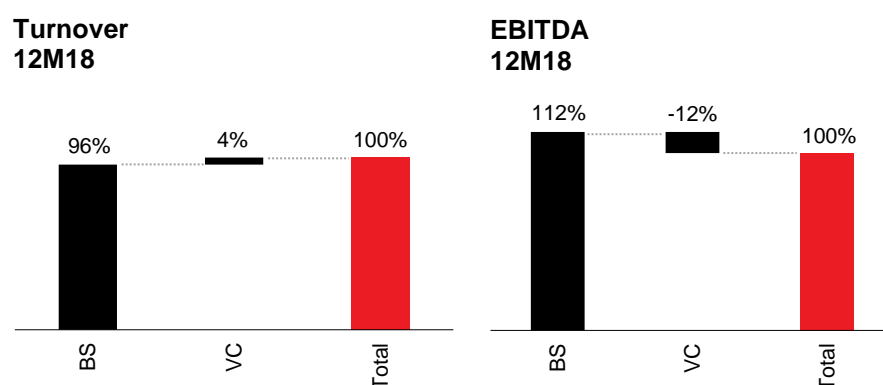


Novabase remains in the Euronext Tech 40 index, which brings together European companies that stand out for innovation.

In terms of awards and distinctions, it is also worth noting that Novabase was distinguished by the British embassy's Department for International Trade (DIT) with the International Expansion Award for its investments in the United Kingdom.

Finally, we also highlight in 2018, that Novabase was again distinguished as an innovative European company by Euronext, to join the Tech 40, an index which distinguishes European listed companies for their focus on innovation and development. The companies that integrate this restricted group have access to a special roadshows program and greater visibility in some world reference events in the sector.

The percentage breakdown of Turnover and EBITDA by the different businesses, in the 12M18, is as follows:



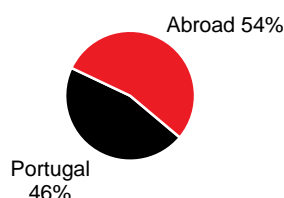
From the total Turnover, 80.9 M€ were generated outside Portugal, which compares to 75.5 M€ registered in 12M17.

It is to be noted that the total Turnover for 12M18 includes 6.5 M€ by the entry into force of the international accounting standard IFRS 15, however, the International Turnover ratio does not change significantly if we exclude this impact (53%).

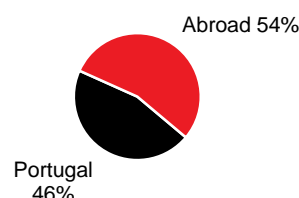
Europe was the continent with greater expression in 12M18, contributing with 55.6 M€ for the total Turnover, a 7% increase over the previous year.

Evolution of international business reflects Novabase's strategy to limit its activity in geographies with greater volatility.

Turnover by geography 12M17



Turnover by geography 12M18



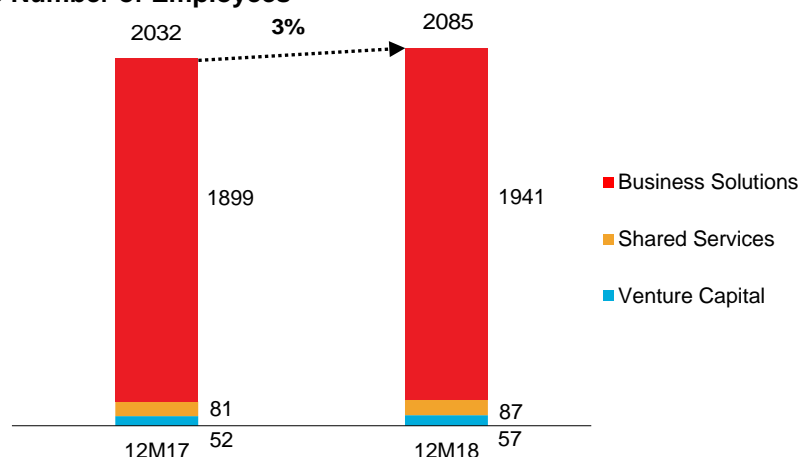
Europe consolidate its leadership as the major market, accounting for 69% of international business.

Business outside Portugal generated in the Business Solutions area remained in 54% of the respective Turnover (54% in 12M17) and in the Venture Capital area increased to 66% (60% in 12M17).

Novabase had on average, in the 12M18, 2085 employees, which represents an increase of 3% compared to the 12M17 (2032).

Average number of employee's breakdown by business area, during 12M18, was as follows:

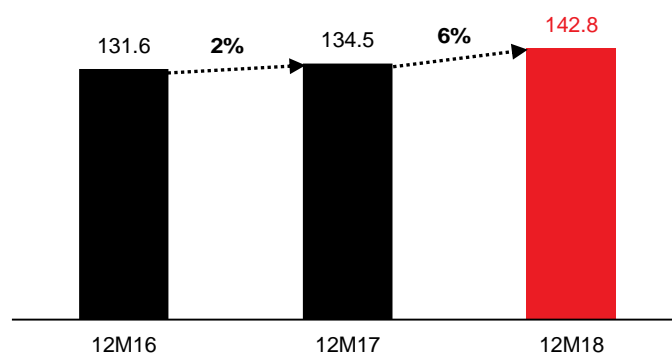
Average Number of Employees



Worthy of note is that international employees represent 11% of the total number in 12M18 (231), a growth of 9% YoY, in line with Novabase's focus on markets outside Portugal.

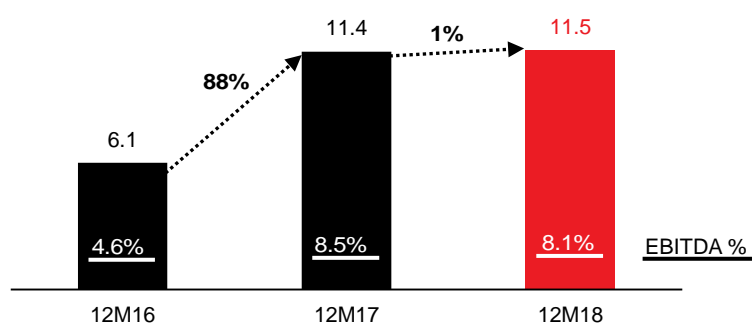
2.1. Business Solutions (BS)

Turnover Business Solutions (M€)



Evolution of BS aligned with expectations, registering a recovery and acceleration of activity in the second half of the year.

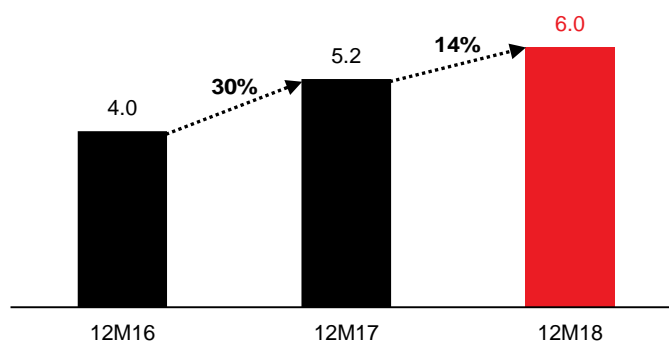
EBITDA Business Solutions (M€)



Excluding the positive effect of adopting IFRS 15 in 2018, BS Turnover would have been 136.3 M€, with an EBITDA of 9.4 M€.

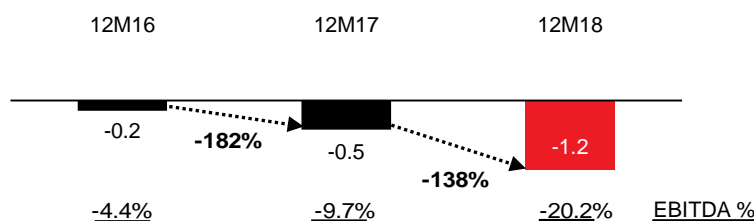
2.2. Venture Capital (VC)

Turnover Venture Capital (M€)



Evolution of VC mainly reflects the investment in marketing and international sales structure of one of its subsidiaries.

EBITDA Venture Capital (M€)



3. Stock Performance

Novabase share price in 2018 lost 34%, comparing to a 12% loss in the PSI20 Index and an 11% loss in the EuroStoxx Technology Index.

The annual review of the composition of the PSI20 Index, in March 2018, established the exit of Novabase as of March, 19, where it was trading since March 20, 2017.

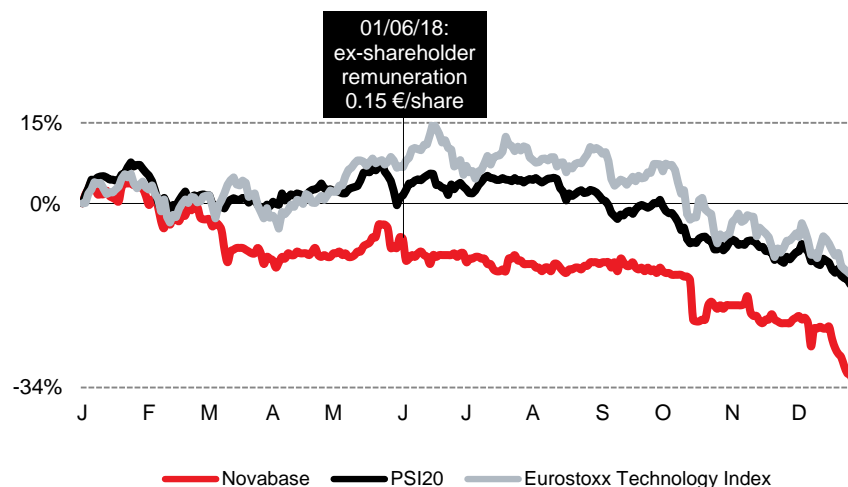
On April 2018, Euronext has once again chosen Novabase to join the Tech 40, an index which distinguishes European listed companies for their focus on innovation and development.

In this period, a dividend of 0.15 €/share was distributed.

The Board of Directors will propose to the General Meeting of Shareholders to be held on May 7, the distribution of dividends in the amount of 4.7 M€, corresponding to 0.15€ per share.

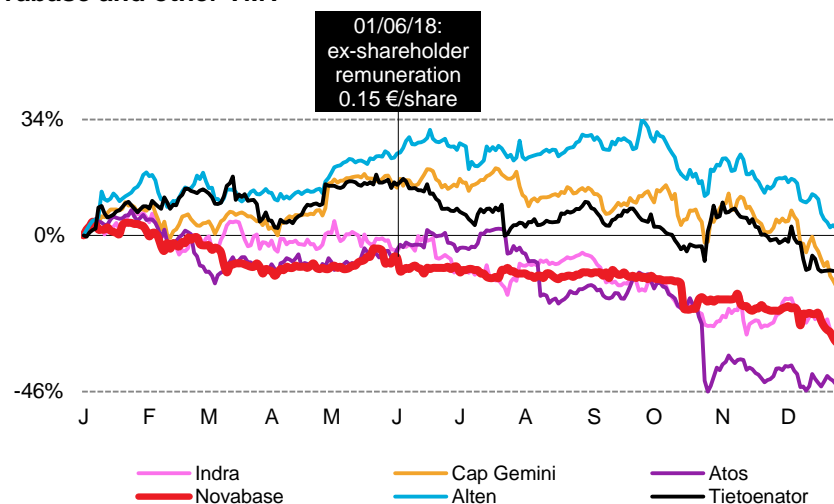
Dividend proposal corresponds nearly to a 100% payout and yield of around 7%.

Novabase and the Market



The evolution of Novabase share prices compared to other companies in the IT sector in Europe, in 12M18, was as follows:

Novabase and other TMT



Novabase presents a Price to Sales multiple of 0.50x, which represents a discount of 46% compared to the average of TMT companies (source: Reuters, ttm values at 08/02/2019).

36% is the average upside according to the research who cover Novabase.

The average price target disclosed by the research who cover Novabase is 2.75 euros.

Rotation in 12M18 represented 12% of the capital and 3.8 million shares were traded, 2.2 times lower than the values recorded in 12M17 (rotation of 26% of the capital and 8.2 million shares traded).

Summary	2014	2015	2016	2017	2018
Minimum price (€)	2.090	2.070	1.879	2.480	2.020
Maximum price (€)	4.100	2.619	2.490	3.639	3.170
Volume weighted average price (€)	3.183	2.350	2.145	3.136	2.815
Last tradable day price (€)	2.214	2.114	2.490	3.049	2.020
Nr. of shares traded (millions)	5.9	5.7	2.8	8.2	3.8
Market cap. in the last day (M€)	69.5	66.4	78.2	95.7	63.4

4. Outlook 2019

The 2018 results are positive, being aligned with the goals laid out for the year and incorporated in the Guidance of Turnover and EBITDA (+2% in both cases, after excluding the accounting effects of the IFRS 15 adoption).

The international business accounts for 54% of the total activity, with Europe consolidating its position as the major market, having increased its weight to 69%. In this period, EBITDA margin was 6.9% and Net Profit reached 3.2%. The Cash position evolved favourably, with a generation of 5.2 M€ in the year.

In 2018, Novabase reaffirmed the priority of business adequacy, especially in relation to investments to enable skills in higher-quality more sustainable areas.

Indeed, Novabase is currently concluding a period of strategic reflection, and in due time the main guidelines will be released.

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 12M18 and prior periods, is analysed as follows:

	12M16	12M17	12M18
Cash and cash equivalents	35,703	56,136	63,614
Held-to-maturity invest. / Investment securities - Non-current (*)	4,859	7,713	7,680
Held-to-maturity investments / Investment securities - Current (*)	4,441	7,353	1,198
Treasury shares held by the Company (**)	21	1,148	761
Bank borrowings - Non-current	(13,907)	(10,563)	(6,294)
Bank borrowings - Current	(5,376)	(4,963)	(4,959)
Net Cash	25,741	56,824	62,000

(*) The Group adopted IFRS 9 on 1/1/2018 in accordance with the modified retrospective approach, and therefore the amounts of the comparative period are not restated. Accordingly, the amounts currently shown in the caption "Investment securities" in the comparative are shown under the heading "Held-to-maturity investments".

(**) 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:

	12M16	12M17	12M18
Treasury shares held by the Company (thousands)	8.615	376.611	376.611
Closing price on the last tradable day (€)	2.490	3.049	2.020
Treasury shares held by the Company (EUR thousand)	21	1,148	761

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 31 December 2018

	31.12.18	31.12.17
	(Thousands of Euros)	
ASSETS		
Tangible assets	10,235	10,019
Intangible assets	16,065	17,162
Financial investments	4,120	3,110
Held-to-maturity investments	-	7,713
Investment securities	7,680	-
Deferred income tax assets	10,048	10,448
Other non-current assets	1,644	3,256
Total Non-Current Assets	49,792	51,708
Inventories	33	46
Trade debtors and accrued income	45,727	61,642
Other debtors and prepaid expenses	11,865	7,323
Derivative financial instruments	26	18
Held-to-maturity investments	-	7,353
Investment securities	1,198	-
Cash and cash equivalents	63,614	56,136
Total Current Assets	122,463	132,518
Assets for continuing operations	172,255	184,226
Assets for discontinued operations	-	-
Total Assets	172,255	184,226
EQUITY		
Share capital	15,701	15,701
Treasury shares	(188)	(188)
Share premium	43,560	43,560
Reserves and retained earnings	3,016	3,722
Net profit	4,737	4,774
Total Shareholders' Equity	66,826	67,569
Non-controlling interests	13,754	13,597
Total Equity	80,580	81,166
LIABILITIES		
Bank borrowings	6,294	10,563
Finance lease liabilities	7,066	6,274
Provisions	8,252	10,369
Other non-current liabilities	990	744
Total Non-Current Liabilities	22,602	27,950
Bank borrowings	4,959	4,963
Finance lease liabilities	1,361	1,944
Trade payables	5,469	5,616
Other creditors and accruals	34,930	36,581
Derivative financial instruments	24	-
Deferred income	22,267	25,103
Total Current Liabilities	69,010	74,207
Total Liabilities for cont. operations	91,612	102,157
Total Liabilities for discount. operations	63	903
Total Liabilities	91,675	103,060
Total Equity and Liabilities	172,255	184,226
Net Cash	62,000	56,824

Consolidated Income Statement for the year ended 31 December 2018

	31.12.18	31.12.17	Var. %
	(Thousands of Euros)		
CONTINUING OPERATIONS			
Sale of goods	894	159	
Cost of goods sold	(848)	(31)	
Gross margin	46	128	-64.1 %
<i>Other income</i>			
Services rendered	147,829	139,563	
Supplementary income and subsidies	329	1,558	
Other operating income	825	919	
	148,983	142,040	
	149,029	142,168	
<i>Other expenses</i>			
External supplies and services	(53,844)	(51,201)	
Employee benefit expense	(86,468)	(82,155)	
(Provisions) / Provisions reversal	2,902	6,433	
Other operating expenses	(1,320)	(4,330)	
	(138,730)	(131,253)	
Gross Net Profit (EBITDA)	10,299	10,915	-5.6 %
Restructuring costs	-	-	
Operating Gross Net Profit	10,299	10,915	-5.6 %
Depreciation and amortization	(2,940)	(3,210)	
Operating Profit (EBIT)	7,359	7,705	-4.5 %
Financial results	(1,553)	(838)	
Gain on net monetary position	308	955	
Net Profit before taxes (EBT)	6,114	7,822	-21.8 %
Income tax expense	(1,100)	(1,382)	
Net Profit from continuing operations	5,014	6,440	-22.1 %
DISCONTINUED OPERATIONS			
Net Profit from discount. operations	-	2,696	-100.0 %
Non-controlling interests	(277)	(4,362)	
Attributable Net Profit	4,737	4,774	-0.8 %
Other information:			
Turnover	148,723	139,722	6.4 %
EBITDA margin	6.9 %	7.8 %	
EBT % on Turnover	4.1 %	5.6 %	
Net profit % on Turnover	3.2 %	3.4 %	

Consolidated Income Statement by SEGMENTS for the year ended 31 December 2018

(Thousands of Euros)

	Business Solutions	Venture Capital	NOVABASE
Sale of goods	894	-	894
Cost of goods sold	(848)	-	(848)
Gross margin	46	-	46
Other income			
Services rendered	141,879	5,950	147,829
Supplementary income and subsidies	327	2	329
Other operating income	604	221	825
	142,810	6,173	148,983
	142,856	6,173	149,029
Other expenses			
External supplies and services	(49,785)	(4,059)	(53,844)
Employee benefit expense	(83,176)	(3,292)	(86,468)
(Provisions) / Provisions reversal	2,878	24	2,902
Other operating expenses	(1,273)	(47)	(1,320)
	(131,356)	(7,374)	(138,730)
Gross Net Profit (EBITDA)	11,500	(1,201)	10,299
Depreciation and amortization	(2,456)	(484)	(2,940)
Operating Profit (EBIT)	9,044	(1,685)	7,359
Financial results	(1,572)	19	(1,553)
Gain on net monetary position	308	-	308
Net Profit / (Loss) before Taxes (EBT)	7,780	(1,666)	6,114
Income tax expense	(1,382)	282	(1,100)
Non-controlling interests	(800)	523	(277)
Attributable Net Profit / (Loss)	5,598	(861)	4,737
Other information :			
Turnover	142,773	5,950	148,723
EBITDA	11,500	(1,201)	10,299
EBITDA % on Turnover	8.1%	-20.2%	6.9%
EBT % on Turnover	5.4%	-28.0%	4.1%