



## Consolidated Results 3M16

### Privileged Information

May 12, 2016

### Highlights:

**Turnover: 47.1 M€**  
(54.1 M€ in 3M15)

**EBITDA: 4.2 M€**  
(4.0 M€ in 3M15)

**Net Profit: 1.7 M€**  
(1.9 M€ in 3M15)

**Net Cash: 16.3 M€**  
(11.3 M€ in 12M15)

## Message from the Chairman and CEO Luís Salvado



"The 1st quarter's results reflect Novabase's goals and strategic options for 2016.

International business represents more than half of the total, 56% of which in Europe. The services were responsible for almost 90% of total activity, surpassing the 50% in the business of Infrastructures & Managed Services.

Turnover decreased by 13%, in line with the objective to limit our exposure to emerging markets and, in the domestic market, due to the discontinuation of some no differentiated offers.

As a result, and despite some contraction of the total activity, EBITDA rose in absolute terms and in margin to 8.9%. Net Profit fell 12%, penalized by non-controlling interests. The cash continued its positive trend, with 5 M€ generated in the quarter.

We'll maintain focused on internationalization and continue to limit activity in the geographies that are more exposed to the instable prices of energy raw materials. Even given the uncertainty felt in the markets where we operate, we're committed to achieve the goals set for the year."

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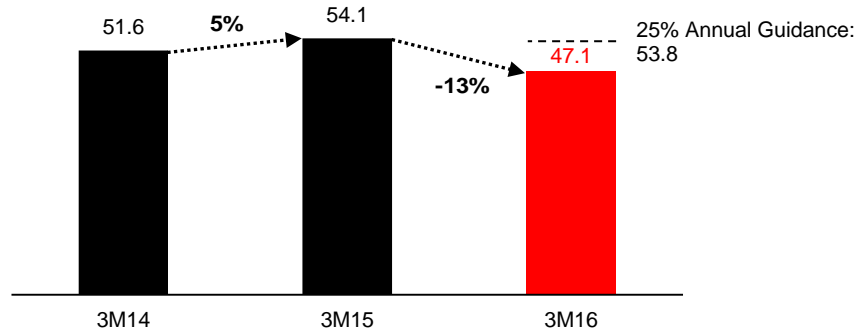
Novabase SGPS, S.A.  
Public Company . Euronext code: NBA.AM .  
Registered in TRO of Lisbon and Corporate Tax Payer nº 502.280.182 . Share Capital: 15,700,697.00 € .  
Head Office: Av. D. João II, 34, 1998-031 Lisbon - PORTUGAL



## 1. Key Indicators Evolution

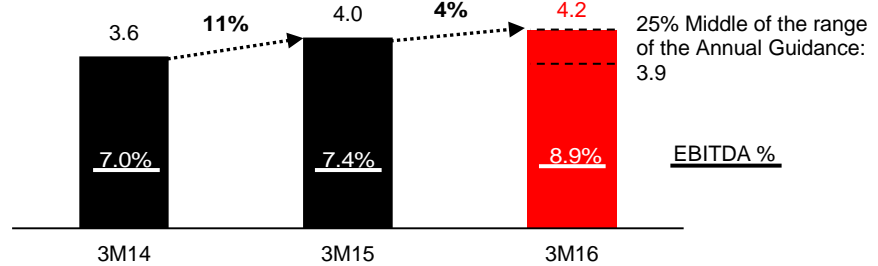
### Turnover (M€)

Turnover decreases 13% YoY, and is below the annual Guidance (-12%), with significant impact on IMS area, due to our strategy to limit the exposure to emerging markets.

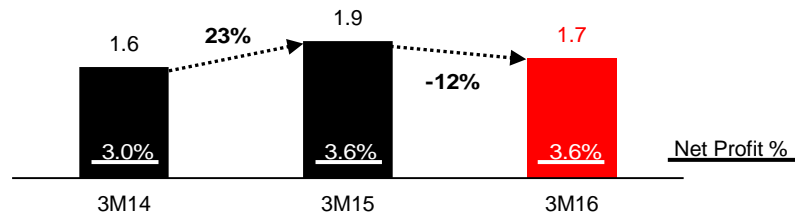


### EBITDA (M€)

EBITDA presents a 4% growth YoY and is in the upper limit of the range of the annual Guidance.



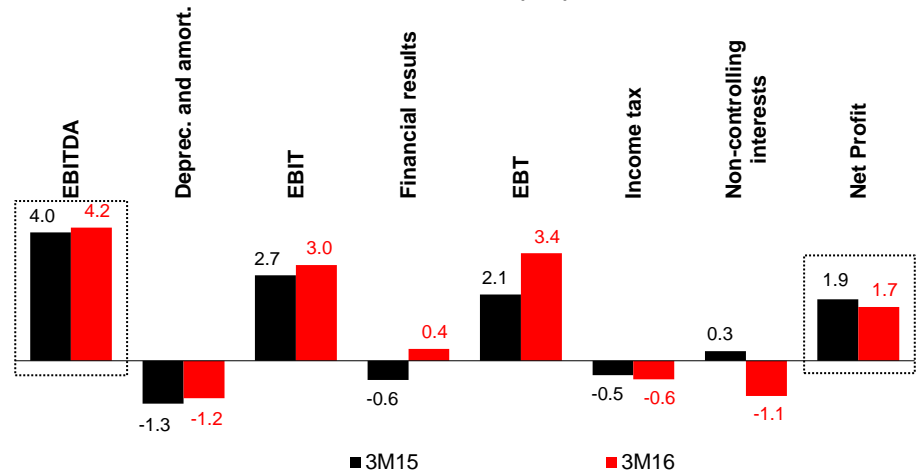
### Net Profit (M€)



Earnings per share (EPS) in 3M16 reached 0.05 euros per share, registering a decrease of 12% towards the EPS from the previous year of 0.06 euros per share.



### From EBITDA to Net Profit 3M16 Vs 3M15 (M€)

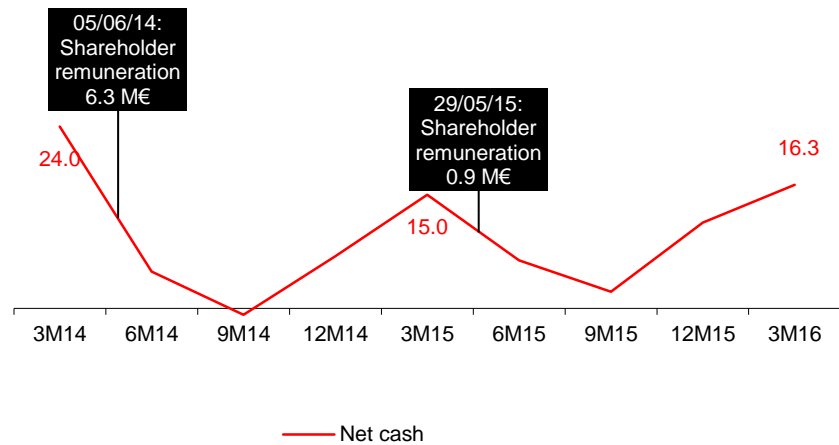


The Financial Results were positive in 0.4 M€, an increase of 1.0 M€, fundamentally based on the evolution of the financial instruments used to reduce the exposure to exchange rate risk.

Non-controlling interests in 3M16 amounted to -1.1 M€, which compares to 0.3 M€ in 3M15. This variation is mainly due to evolution of the results of international subsidiaries.

### Net Cash (M€)

Cash generation of 5.0 M€ in the first quarter of 2016, with release of working capital.



In the 3M16, Novabase shows a positive evolution in cash generation. Novabase ended the 3M16 with 16.3 M€ in net cash, which compares to 11.3 M€ in the 12M15.



## 2. Short Summary of the Activity

International activity exceeds domestic business and services rise to 86% of the total.

The first quarter of 2016 was marked by the good results in terms of internationalization and specialization of the offerings, with the weight of the international activity accounting for 52% of the total, above the annual goal of 45%, and with the growth in the weight of services, which now represents 86% of the total business.

Novabase opens First Case Management Competency Centre in Portugal.

Compared to the same period of last year, Turnover decreased by 13%, due to the limitation of our exposure to some emerging markets where we operate, in line with the strategic options anticipated in the end of last year, however achieving an operating improvement, with the EBITDA rising 4%. Towards the Guidance, the results of the first quarter of 2016 were below on Turnover, and in the upper limit of the EBITDA range.

Highlights include the opening of the first Case Management Competency Centre in Portugal, in the first quarter of 2016. All of the work in Novabase's Case Management Competency Centre will be done using Design Thinking, an innovative methodology that Novabase uses in its projects, and within 5 years, is expected this space to have more than 100 dedicated employees. This Centre brings to the market a streamlined case management solution, and is aligned with Novabase's internationalization and specialization of the offerings strategic options.

Novabase IMS receives international certifications.

To highlight also that Novabase IMS has successfully completed the certification process for its IT Service Management (ISO 20000) and Information Security Management (ISO 27001) Systems for the domestic and international markets. These recently-acquired certifications are part of Novabase's service quality standards policy, and open new doors for the company, positioning it among the world's biggest players in the sector.



With regard to distinctions, highlight the Winner's Circle Excellence award, which was given by Cisco to Novabase IMS, in Miami. Likewise, Novabase IMS received the distinction of Cisco Commercial Partner of the Year, at the Cisco Partner Summit 2016 held in San Diego, USA. The IMS is thus recognized as the largest partner in Portugal and in the region of southern Europe as well in the Commercial segment, one of the leading sectors for Cisco.

Novabase enters US market with the Watson of IBM.

Additionally, Novabase was highlighted in the IBM PartnerWorld Leadership Conference 2016 in Orlando, USA, being the only Portuguese company that has created technology based on IBM's Watson supercomputer - the most advanced in the world and one of the keys to enter the "cognitive era" with artificial intelligence. This is a milestone in the history of Novabase, because it is a direct entry into the United States with our own solution, and comes to recognize the work done by our Financial Services area.

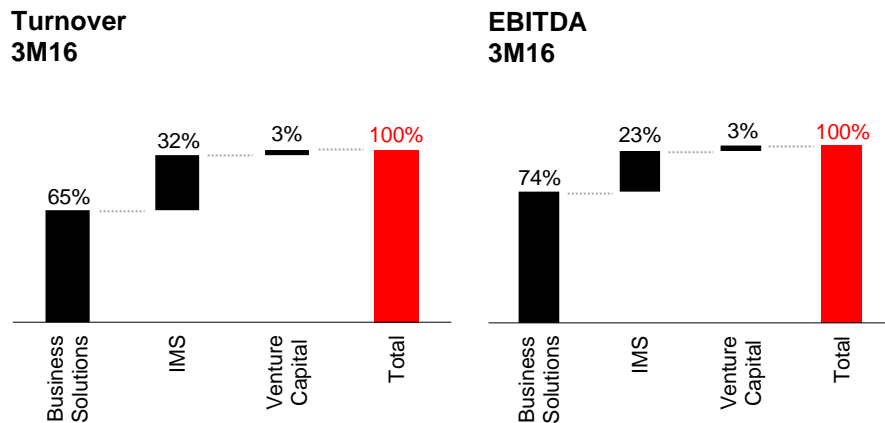
In the Venture Capital area, Collab has been mentioned in the "Magic Quadrant for Customer Engagement Centre 2015" of Gartner, the world's foremost opinion-maker in market analysis and research in the area of technology, being the only company who successfully moved up in the areas of "execution capacity" and "future vision".



World reference events reflect Novabase's focus on innovation and provide excellent showcases for the dissemination of its offerings.

Finally, highlight that Celfocus was in attendance at Mobile World Congress 2016, the world's biggest mobile technology fair, showcasing the latest novelties of its omni-channel solution for telecommunications operators. Novabase was also present with its Rely solution in the RFlx conferences, the world's main event in the area of factoring, that bring together financial institutions, technology innovators, companies and specialists for an in-depth discussion on the industry's future.

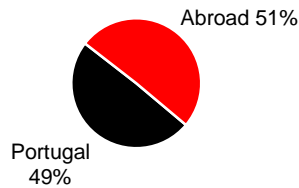
The percentage breakdown of Turnover and EBITDA by the different businesses, in the 3M16, is as follows:



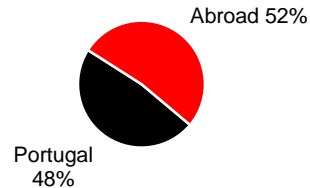
The weight of services in 3M16 rose to up 5/6 of the total, one of the greatest values recorded in the last years, in line with Novabase strategic goal to increase the added value of its offerings.

From the total Turnover, 24.5 M€ were generated outside Portugal, which compares to 27.4 M€ registered in 3M15.

**Turnover by geography 3M15**



**Turnover by geography 3M16**



Europe was the continent with greater expression in 3M16, representing 56% of international business.

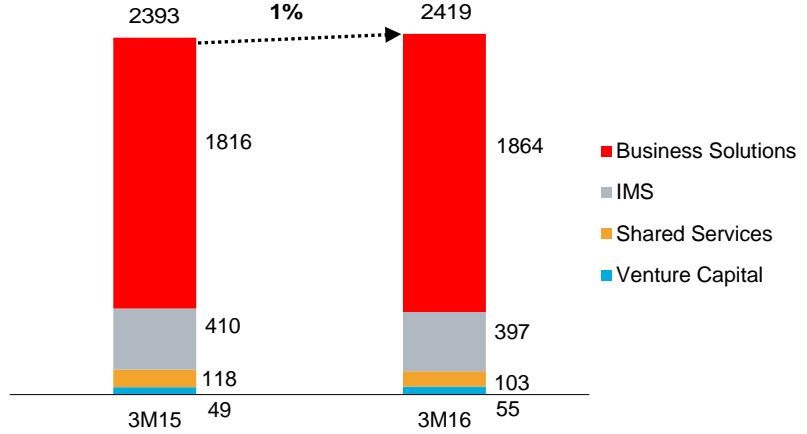
Business outside Portugal generated in the Business Solutions area increased to 60% of the respective Turnover (57% in 3M15). In the IMS business area, the international business in 3M16 decreased to 37% (42% in 3M15) and in the Venture Capital area decreased to 38% (64% in 3M15).

Novabase had on average, in the 3M16, 2419 employees, which represents an increase of 1% compared to the 3M15 (2393).



Employee breakdown by business area, in 3M16, is as follows:

**Average Number of Employees**



11% growth in the average number of international employees, in line with Novabase' focus on markets outside Portugal.

**Average Number of Employees by geography 3M15**

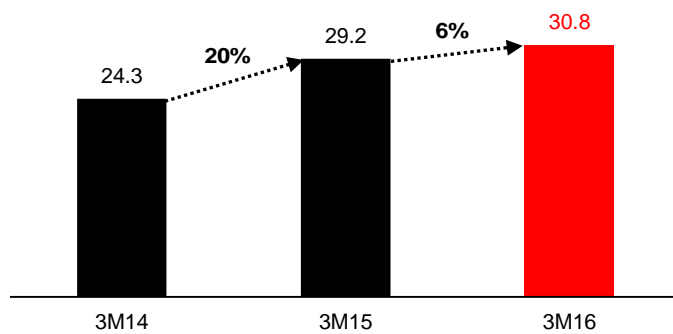


**Average Number of Employees by geography 3M16**



**2.1. Business Solutions**

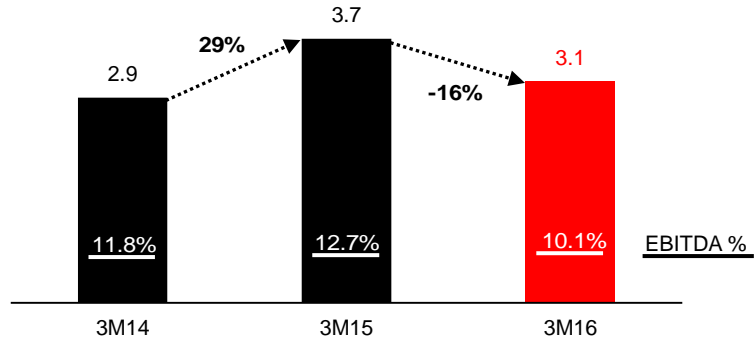
**Turnover Business Solutions (M€)**



BS evolution reflects the continuation of international growth (+10%).

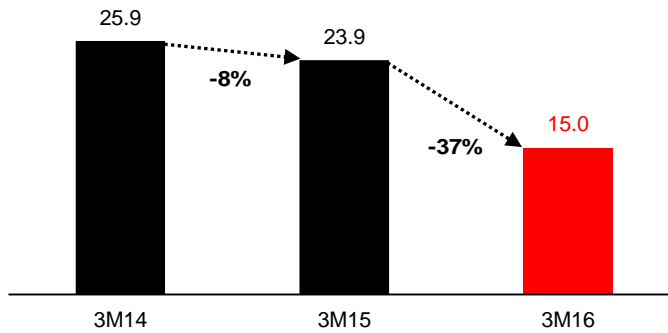


**EBITDA Business Solutions (M€)**



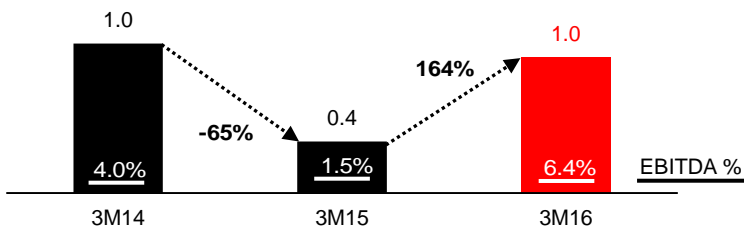
**2.2. Infrastructures & Managed Services**

**Turnover IMS (M€)**



IMS evolution results from the strategy to limit the exposure to emerging markets and, in Portugal, from the exit of lower value added projects. However, this area should be analysed for longer time periods.

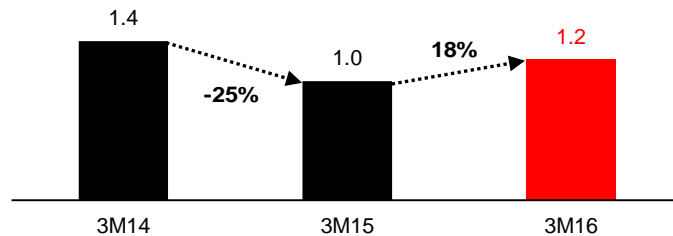
**EBITDA IMS (M€)**





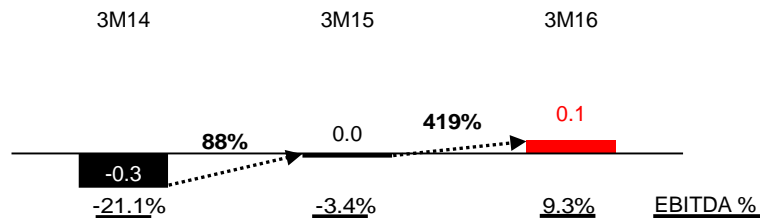
## 2.3. Venture Capital

### Turnover Venture Capital (M€)



VC area with marginal significance. However, this area should be analysed for longer time periods.

### EBITDA Venture Capital (M€)



## 3. Stock Performance

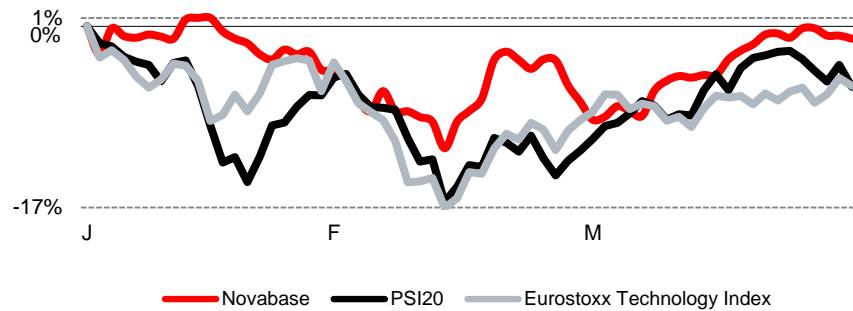
Novabase share price in 3M16 lost 1%, comparing to a 6% loss in the PSI20 Index and a 5% loss in the EuroStoxx Technology Index.

Up to the date of issue of this report, it was approved in the General Meeting of Shareholders held on May 3, 2016, the distribution of dividends to the shareholders in the amount of 3.8 M€, corresponding to 0.12€ per share. The payment of these dividends will occur on May 16, 2016.





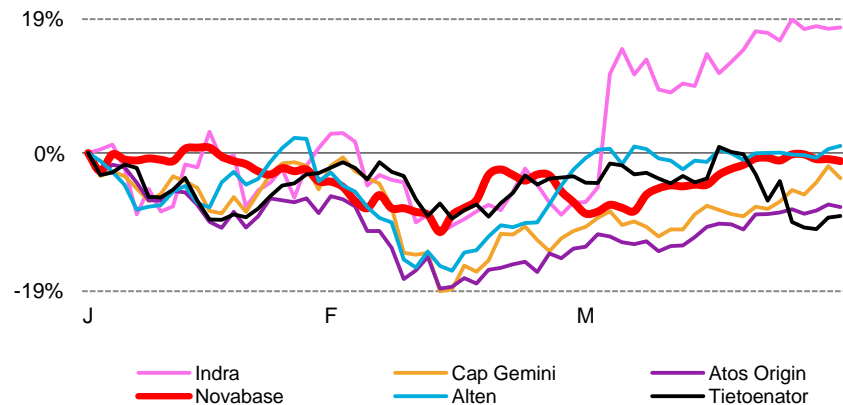
## Novabase and the Market



The evolution of Novabase share prices compared to other companies in the IT sector in Europe, in 3M16, was as follows:

## Novabase and other TMT

In the end of the first quarter of 2016, Novabase presented a Price to Sales multiple of 0.28x and a Price to Earnings multiple of 8.63x, which represents a discount of 72% and 50%, respectively, compared to the average of other companies in the sector in Europe (source: Reuters, ttm values at 31/03).



Average upside of 38%, according to the analysts who cover Novabase.

The average price target disclosed by the analysts who cover Novabase is 2.88 euros.

Rotation in 3M16 represented 2% of the capital and 0.7 million shares were traded, below the values in 3M15 (rotation of 4% of the capital and 1.3 million shares traded).

Summary	1Q16	4Q15	3Q15	2Q15	1Q15
Minimum price (€)	1.879	2.070	2.100	2.310	2.170
Maximum price (€)	2.130	2.319	2.535	2.619	2.580
Volume weighted average price (€)	2.000	2.190	2.329	2.414	2.337
Closing price at the end of the Quarter (€)	2.090	2.114	2.148	2.500	2.360
Nr. of shares traded	651,101	958,535	573,164	2,848,400	1,344,259
Market cap in the last day (M€)	65.6	66.4	67.5	78.5	74.1



## 4. Outlook 2016

The 1st quarter's results reflect our strategic options for 2016: focus on internationalization, adjusted to the specific risks of the several geographies where we operate.

International business accounts for 52% of total Turnover, 56% of which in Europe, and the weight of services increased to 86%. EBITDA margin rose to 8.9%, given the target for specialized offerings with greater added value.

For this year, we reaffirm the goal of sustainable international growth. Despite the uncertainty in some of the markets where we operate and the continuing challenging conditions in the domestic market, we are committed to compliance with the Guidance for FY16:

- Turnover of 215 M€, more than 45% of which outside Portugal
- EBITDA between 14 and 17 M€


**Consolidated Statement of Financial Position  
as at 31 March 2016**

	31.03.16	31.12.15
	(Thousands of Euros)	
<b>Assets</b>		
Tangible assets	9,611	9,704
Intangible assets	28,655	29,304
Financial investments	3,749	3,786
Held-to-maturity investments	6,247	4,554
Deferred income tax assets	15,859	16,352
Other non-current assets	7,478	7,478
<b>Total Non-Current Assets</b>	<b>71,599</b>	<b>71,178</b>
Inventories	4,274	2,824
Trade debtors and accrued income	91,790	109,332
Other debtors and prepaid expenses	14,553	14,001
Derivative financial instruments	105	168
Held-to-maturity investments	1,804	845
Cash and cash equivalents	26,120	24,293
<b>Total Current Assets</b>	<b>138,646</b>	<b>151,463</b>
<b>Total Assets</b>	<b>210,245</b>	<b>222,641</b>
<b>Equity</b>		
Share capital	15,701	15,701
Treasury shares	(16)	(6)
Share premium	43,560	43,560
Reserves and retained earnings	20,996	14,792
Net profit	1,691	7,425
<b>Total Shareholders' Equity</b>	<b>81,932</b>	<b>81,472</b>
Non-controlling interests	8,368	8,194
<b>Total Equity</b>	<b>90,300</b>	<b>89,666</b>
<b>Liabilities</b>		
Bank borrowings	13,511	14,387
Finance lease liabilities	4,994	5,247
Provisions	10,486	11,497
Other non-current liabilities	271	271
<b>Total Non-Current Liabilities</b>	<b>29,262</b>	<b>31,402</b>
Bank borrowings	4,416	3,992
Finance lease liabilities	1,564	1,576
Trade payables	11,871	17,038
Other creditors and accruals	38,673	41,186
Derivative financial instruments	203	160
Deferred income	33,956	37,621
<b>Total Current Liabilities</b>	<b>90,683</b>	<b>101,573</b>
<b>Total Liabilities</b>	<b>119,945</b>	<b>132,975</b>
<b>Total Equity and Liabilities</b>	<b>210,245</b>	<b>222,641</b>
Net Cash	16,311	11,338

**Consolidated Income Statement  
for the period of 3 months ended 31 March 2016**

	31.03.16	31.03.15	Var. %
	(Thousands of Euros)		
<b>CONTINUING OPERATIONS</b>			
Sale of goods	6,673	12,217	
Cost of goods sold	(5,338)	(11,411)	
<b>Gross margin</b>	<b>1,335</b>	<b>806</b>	<b>65.6 %</b>
<b>Other income</b>			
Services rendered	40,391	41,906	
Supplementary income and subsidies	127	130	
Other operating income	335	302	
	<b>40,853</b>	<b>42,338</b>	
	<b>42,188</b>	<b>43,144</b>	
<b>Other expenses</b>			
External supplies and services	(14,809)	(16,257)	
Employee benefit expense	(23,848)	(23,243)	
Provisions reversal	946	562	
Other operating expenses	(299)	(178)	
	<b>(38,010)</b>	<b>(39,116)</b>	
<b>Gross Net Profit (EBITDA)</b>	<b>4,178</b>	<b>4,028</b>	<b>3.7 %</b>
Restructuring costs	-	-	
<b>Operating Gross Net Profit</b>	<b>4,178</b>	<b>4,028</b>	<b>3.7 %</b>
Depreciation and amortization	(1,177)	(1,349)	
<b>Operating Profit (EBIT)</b>	<b>3,001</b>	<b>2,679</b>	<b>12.0 %</b>
Financial results	376	(604)	
<b>Net Profit before taxes (EBT)</b>	<b>3,377</b>	<b>2,075</b>	<b>62.7 %</b>
Income tax expense	(583)	(454)	
<b>Net Profit from continuing operations</b>	<b>2,794</b>	<b>1,621</b>	<b>72.4 %</b>
<b>DISCONTINUED OPERATIONS</b>			
<b>Net Profit from discount. operations</b>	<b>-</b>	<b>-</b>	
Non-controlling interests	(1,103)	306	
<b>Attributable Net Profit</b>	<b>1,691</b>	<b>1,927</b>	<b>-12.2 %</b>
<b>Other information:</b>			
Turnover	47,064	54,123	-13.0 %
Gross margin from sales %	20.0 %	6.6 %	
EBITDA margin	8.9 %	7.4 %	
EBT % on Turnover	7.2 %	3.8 %	
Net profit % on Turnover	3.6 %	3.6 %	



**Consolidated Income Statement by SEGMENTS  
for the period of 3 months ended 31 March 2016**

(Thousands of Euros)

	<b>Business Solutions</b>	<b>IMS</b>	<b>Venture Capital</b>	<b>NOVABASE</b>
Sale of goods	-	6,673	-	<b>6,673</b>
Cost of goods sold	-	(5,338)	-	<b>(5,338)</b>
<b>Gross margin</b>	<b>-</b>	<b>1,335</b>	<b>-</b>	<b>1,335</b>
<b>Other income</b>				
Services rendered	30,848	8,308	1,235	<b>40,391</b>
Supplementary income and subsidies	86	41	-	<b>127</b>
Other operating income	158	147	30	<b>335</b>
	<b>31,092</b>	<b>8,496</b>	<b>1,265</b>	<b>40,853</b>
	<b>31,092</b>	<b>9,831</b>	<b>1,265</b>	<b>42,188</b>
<b>Other expenses</b>				
External supplies and services	(9,174)	(5,120)	(515)	<b>(14,809)</b>
Employee benefit expense	(18,976)	(4,249)	(623)	<b>(23,848)</b>
(Provisions) / Provisions reversal	350	600	(4)	<b>946</b>
Other operating expenses	(183)	(108)	(8)	<b>(299)</b>
	<b>(27,983)</b>	<b>(8,877)</b>	<b>(1,150)</b>	<b>(38,010)</b>
<b>Gross Net Profit (EBITDA)</b>	<b>3,109</b>	<b>954</b>	<b>115</b>	<b>4,178</b>
Depreciation and amortization	(791)	(235)	(151)	<b>(1,177)</b>
<b>Operating Profit (EBIT)</b>	<b>2,318</b>	<b>719</b>	<b>(36)</b>	<b>3,001</b>
Financial results	(686)	1,081	(19)	<b>376</b>
<b>Net Profit / (Loss) before Taxes (EBT)</b>	<b>1,632</b>	<b>1,800</b>	<b>(55)</b>	<b>3,377</b>
Income tax expense	(177)	(457)	51	<b>(583)</b>
Non-controlling interests	(419)	(682)	(2)	<b>(1,103)</b>
<b>Attributable Net Profit / (Loss)</b>	<b>1,036</b>	<b>661</b>	<b>(6)</b>	<b>1,691</b>
Other information :				
<b>Turnover</b>	30,848	14,981	1,235	<b>47,064</b>
<b>EBITDA</b>	3,109	954	115	<b>4,178</b>
<b>EBITDA % on Turnover</b>	10.1%	6.4%	9.3%	<b>8.9%</b>
<b>EBT % on Turnover</b>	5.3%	12.0%	-4.5%	<b>7.2%</b>