

# ACCOUNTS

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# **REPORT AND ACCOUNTS - 1<sup>ST</sup> HALF 2016**

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## Consolidated Results 6M16

### Privileged Information

July 28, 2016

### Highlights:

**Turnover: 105.7 M€**  
(112.9 M€ in 6M15)

**EBITDA: 7.2 M€**  
(7.7 M€ in 6M15)

**Net Profit: 2.8 M€**  
(3.5 M€ in 6M15)

**Net Cash: 8.2 M€**  
(11.3 M€ in 12M15)

## Message from the Chairman and CEO Luís Salvado



"The results of the 1st half are aligned with the strategic guidelines set for 2016. Operations in Europe continued to grow and accounts for 57% of the international business. By segment, 60% of the Business Solutions area activity is already outside Portugal.

As previous disclosed, and as a result of the discontinuation of some offers that added lower value and our policy to limit the exposure to emerging markets, Turnover and EBITDA decreased by 6% and 7%, respectively. Net Profit fell 20%, reflecting, via non-controlling interests, the positive performance of international operations.

In Business Solutions area, profitability was constrained by the domestic market. On the other hand, the increased incorporation of services and focus on more differentiated solutions positively impacted the profitability in Infrastructures & Managed Services area.

In the 2nd half we will strengthen restrictions on activity in geographies with higher pressure of currency depreciation, maintaining internationalization as our first priority. Despite the new risks and uncertainties that have arisen in international markets, we remain committed to achieve the goals set for the year."

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Report available on website :  
[www.novabase.pt](http://www.novabase.pt)

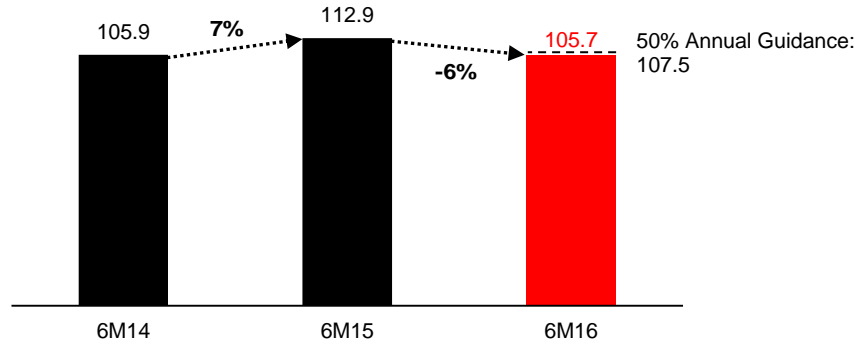
Novabase SGPS, S.A.  
Public Company . Euronext code: NBA.AM .  
Registered in TRO of Lisbon and Corporate Tax Payer nº 502.280.182 . Share Capital: 15,700,697.00 € .  
Head Office: Av. D. João II, 34, 1998-031 Lisbon - PORTUGAL



## 1. Key Indicators Evolution

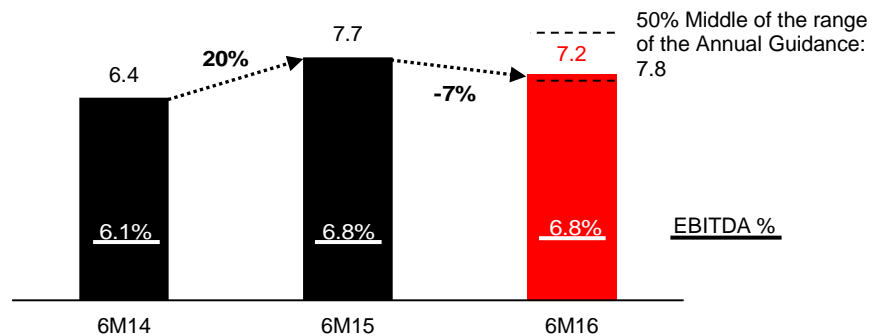
### Turnover (M€)

Turnover decreases 6% YoY, and is below the annual Guidance (-2%), due to our strategy to limit the exposure to emerging markets, with significant impact on IMS area.



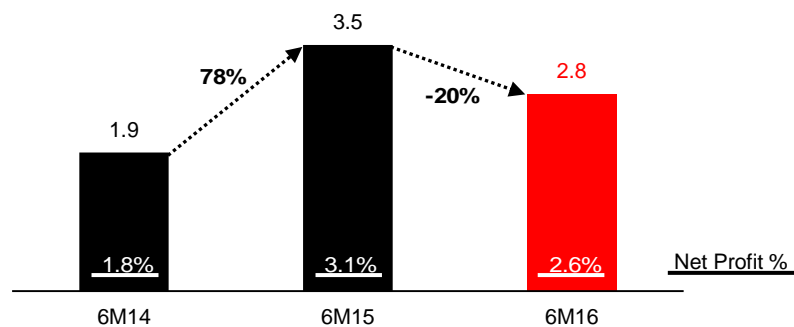
### EBITDA (M€)

EBITDA within the range of the annual Guidance, decreases 7% YoY.



### Net Profit (M€)

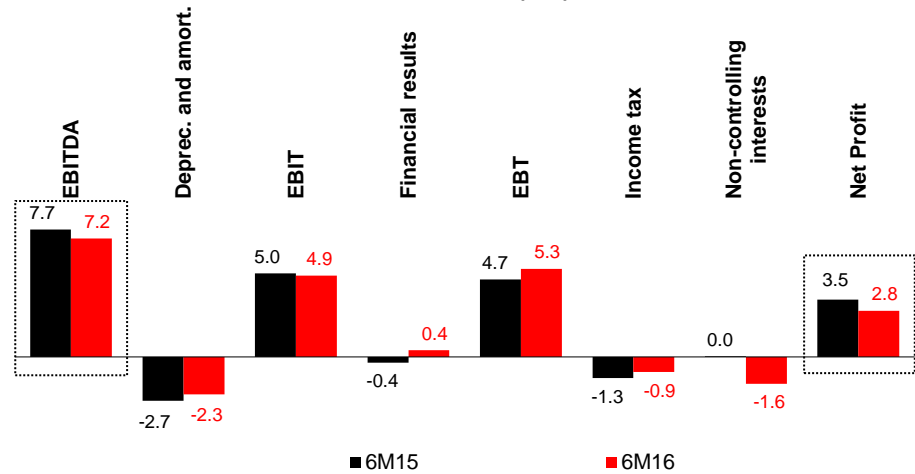
Evolution of Non-controlling interests penalizes Net Profit.



Earnings per share (EPS) in 6M16 reached 0.09 euros per share, registering a decrease of 20% towards the EPS from the previous year of 0.11 euros per share.



### From EBITDA to Net Profit 6M16 Vs 6M15 (M€)

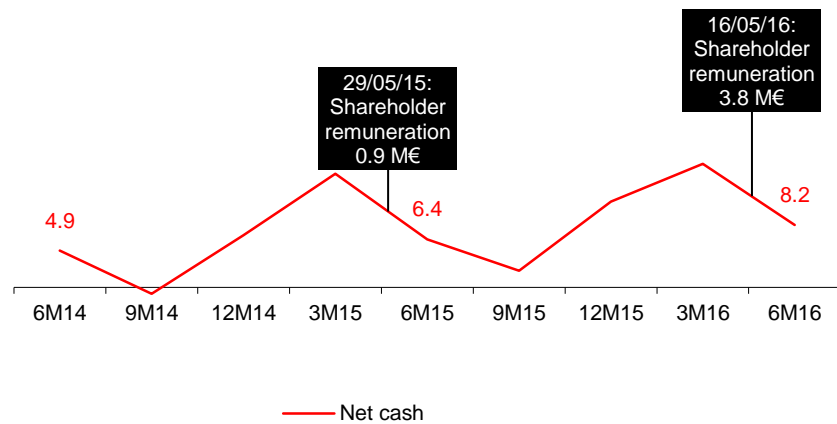


The Financial Results were positive in 0.4 M€, an increase of 0.8 M€, fundamentally based on the evolution of the financial instruments used to reduce the exposure to foreign exchange risks.

Non-controlling interests in 6M16 amounted to -1.6 M€, which compares to 0.04 M€ in 6M15. This variation is mainly due to the positive evolution of the results of international subsidiaries.

### Net Cash (M€)

Cash generation of 1.9 M€ in 6M16, excluding the payment of dividends to Shareholders and Non-controlling interests.



In the 6M16, Novabase shows a negative evolution in cash generation.

Novabase ended the 6M16 with 8.2 M€ in net cash, which compares to 11.3 M€ in the 12M15. However, considering the last 12 months, we observe a positive trend, with a generation of 1.9 M€.

On May 16, 2016, Novabase paid its shareholders a total amount of 3.8 M€ (0.12€/share). Additionally, on May 2016, occurred the payment of 1.2 M€ to Non-controlling interests.



## 2. Short Summary of the Activity

International activity in line with the annual goal of 45% and services responsible for 5/6 of the total business.

The first half of 2016 was marked by the good results in terms of internationalization and specialization of the offerings, reflecting the strategic goals set for the year, with the weight of the international activity accounting for 46% of the total Turnover, and services representing 83% of total business.

Compared to the same period of last year, Turnover decreased by 6%, due to the limitation of our exposure to some emerging markets where we operate, according to the strategic options anticipated in the end of last year, however achieving an EBITDA margin of 6.8%, equal to the one recorded in the 6M15. Towards the Guidance, the results of the first half of 2016 were in line on Turnover and within the EBITDA range.

Novabase opens First Case Management Competency Centre in Portugal.

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 differentiation 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.

Still in regard to innovative solutions, in the 2nd quarter of 2016, Novabase GTE Business Solutions' Healthcare Insight solution was in the spotlight at the third edition of Healthcare Excellence 2016, where the ten project finalists were presented, and the best three in terms of improving patient services received distinctions.

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". To mention also that Collab won "App Throwdown" at SugarCRM's contest, with "Facebook Bot Messenger" app, which took place in San Francisco, USA.

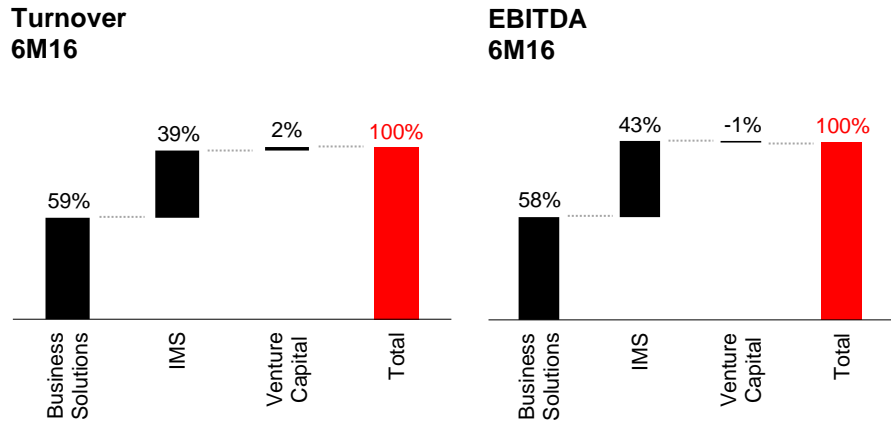




World reference events reflect Novabase's focus on innovation and provide excellent showcases for the dissemination of its offerings.

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.

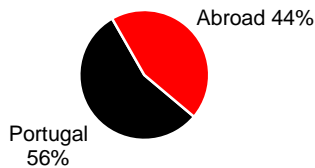
The percentage breakdown of Turnover and EBITDA by the different businesses, in the 6M16, is as follows:



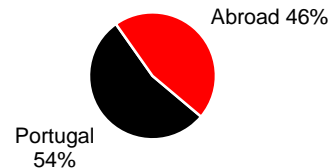
The services rendered represent 83% in 6M16, which compares to 79% in 6M15, in line with Novabase strategic goal to increase the added value of its offerings.

From the total Turnover, 48.5 M€ were generated outside Portugal, which compares to 50.1 M€ registered in 6M15.

**Turnover by geography 6M15**



**Turnover by geography 6M16**



Europe was the continent with greater expression in 6M16, rising to 57% of international business.

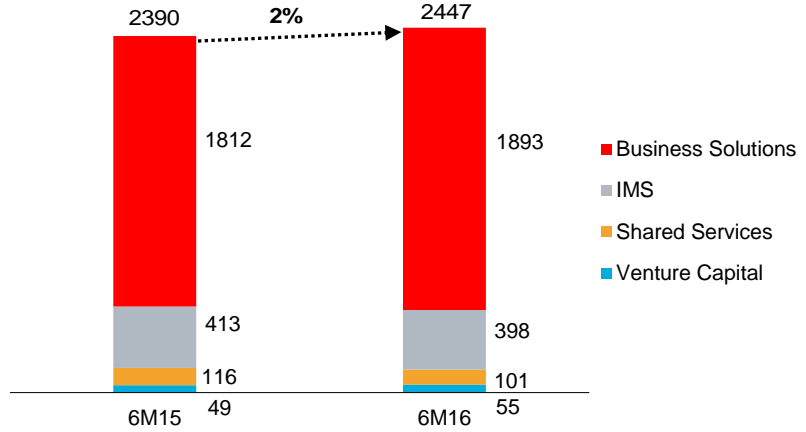
Business outside Portugal generated in the Business Solutions area increased to 60% of the respective Turnover (54% in 6M15). In the IMS business area, the international business in 6M16 decreased to 26% (33% in 6M15), due to the strategy to limit the exposure to emerging markets, and in the Venture Capital area decreased to 34% (61% in 6M15).

Novabase had on average, in the 6M16, 2447 employees, which represents an increase of 2% compared to the 6M15 (2390).



Employee breakdown by business area, in 6M16, is as follows:

**Average Number of Employees**



13% growth in the average number of international employees, in line with Novabase' focus on markets outside Portugal.

**Average Number of Employees by geography 6M15**

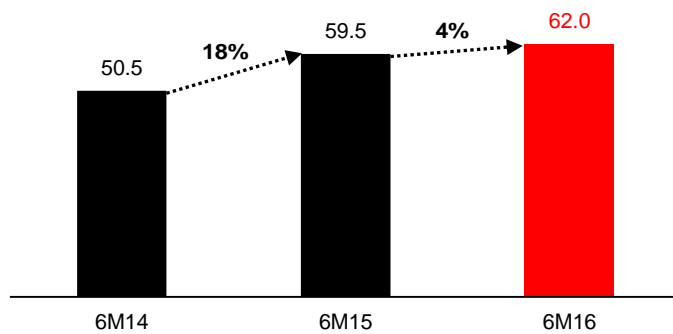


**Average Number of Employees by geography 6M16**



**2.1. Business Solutions**

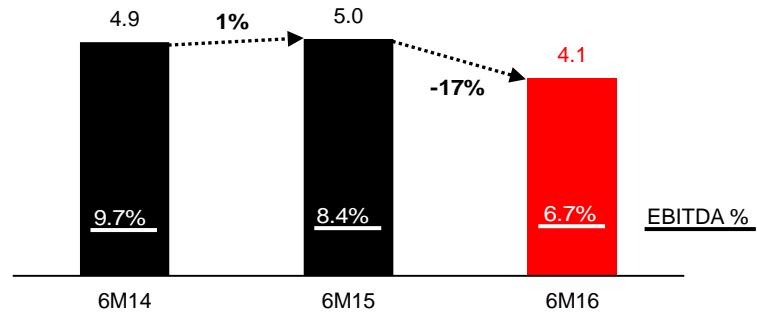
**Turnover Business Solutions (M€)**



BS evolution reflects the continuation of international growth (+15%) and the pressure in the domestic market.

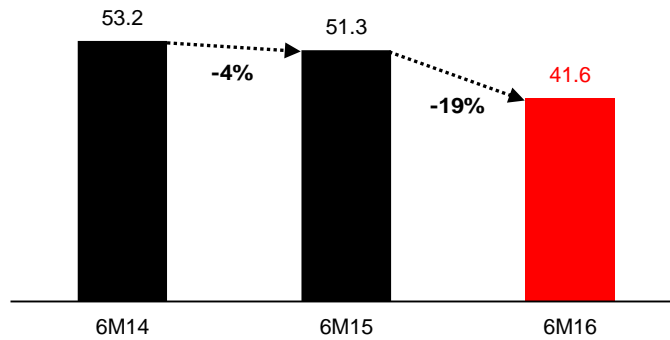


**EBITDA Business Solutions (M€)**



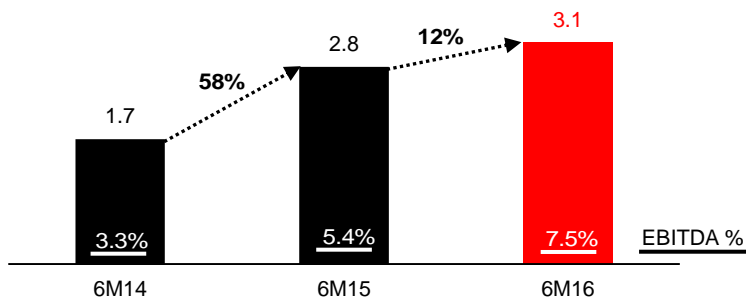
**2.2. Infrastructures & Managed Services**

**Turnover IMS (M€)**



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

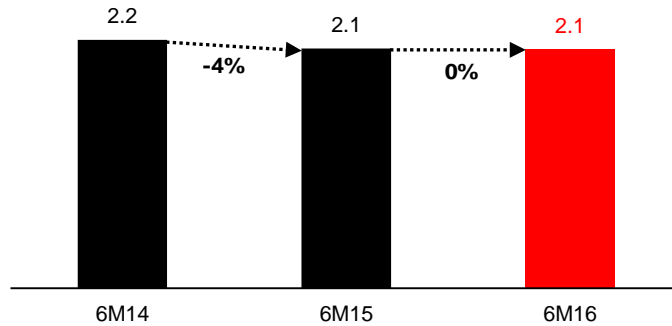
**EBITDA IMS (M€)**





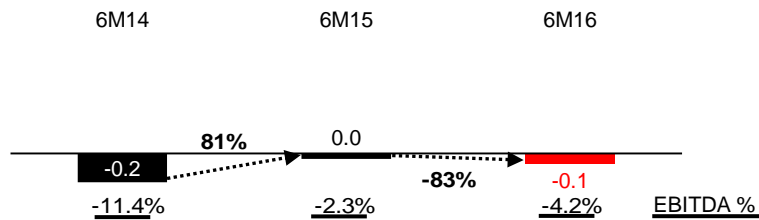
### 2.3. Venture Capital

#### Turnover Venture Capital (M€)



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

#### EBITDA Venture Capital (M€)



### 3. Stock Performance

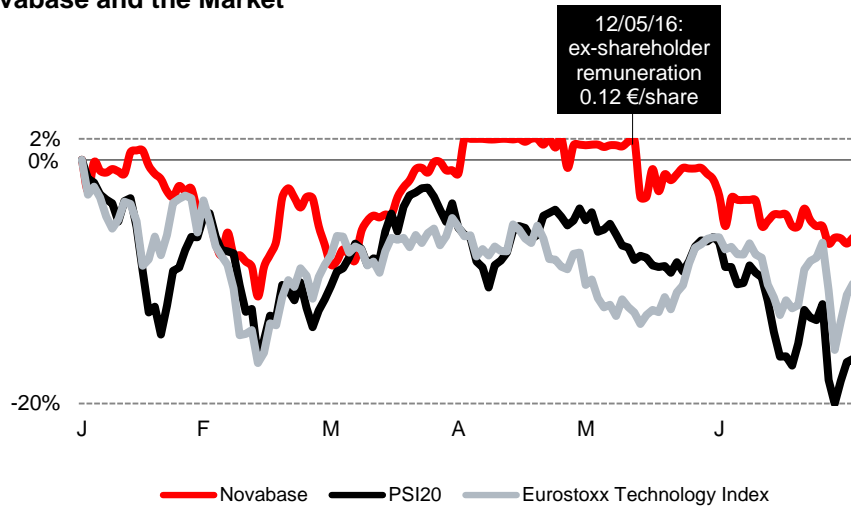
Excluding the shareholder remuneration, Novabase share price would have registered a depreciation of 1%.

Novabase share price in 6M16 lost 6%, comparing to a 16% loss in the PSI20 Index and a 10% loss in the EuroStoxx Technology Index.

In this period, a dividend of 0.12€/share was distributed.

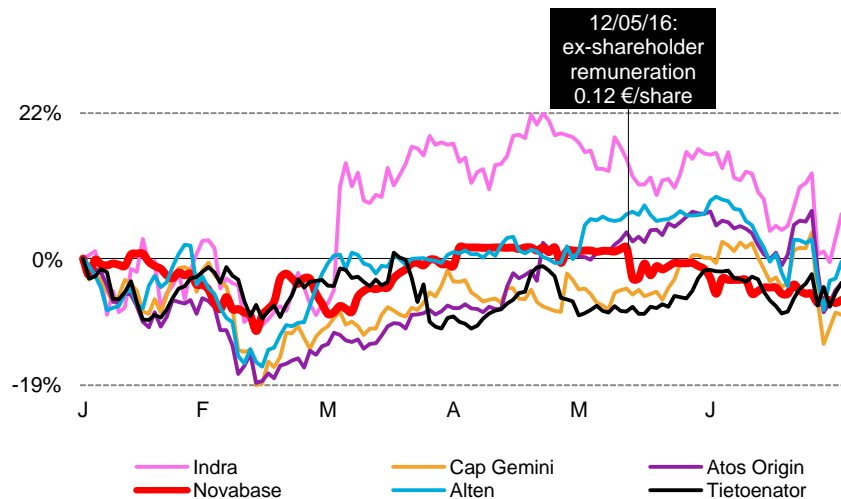


### Novabase and the Market



The evolution of Novabase share prices compared to other companies in the IT sector in Europe, in 6M16, was as follows:

### Novabase and other TMT



In the end of the second quarter of 2016, Novabase presented a Price to Sales multiple of 0.28x and a Price to Earnings multiple of 8.60x, which represents a discount of 71% and 47%, respectively, compared to the average of other companies in the sector in Europe (source: Reuters, ttm values at 30/06).

Average upside of 43%, according to the analysts who cover Novabase.

The average price target disclosed by the analysts who cover Novabase is 2.83 euros.

Rotation in 6M16 represented 3% of the capital and 1.1 million shares were traded, below the values in 6M15 (rotation of 13% of the capital and 4.2 million shares traded).

Summary	2Q16	1Q16	4Q15	3Q15	2Q15
Minimum price (€)	1.970	1.879	2.070	2.100	2.310
Maximum price (€)	2.150	2.130	2.319	2.535	2.619
Volume weighted average price (€)	2.063	2.000	2.190	2.329	2.414
Closing price at the end of the Quarter (€)	1.980	2.090	2.114	2.148	2.500
Nr. of shares traded	441,436	651,101	958,535	573,164	2,848,400
Market cap in the last day (M€)	62.2	65.6	66.4	67.5	78.5



## 4. Outlook 2016

The results of this semester reflect the strategic options set for 2016: focus on internationalization taking into account the specific risks of the geographies where we operate.

International business accounts for 46% of the total Turnover, with Europe consolidating its position as the leading market, contributing with 57%. The weight of services amounted to 83%. EBITDA margin for this period was 6.8%, due to the positive impact of the specialized offerings with greater added value in the IMS business, thereby offsetting the pressure felt in the domestic market in the Business Solutions area.

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€



## 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 6M16 and prior periods, is analysed as follows:

	6M14	6M15	6M16
Cash and cash equivalents	20,911	19,588	18,572
Held-to-maturity investments - Non-current	-	4,409	6,337
Held-to-maturity investments - Current	-	-	4,492
Treasury shares held by the Company (*)	204	30	17
Bank borrowings - Non-current	(10,677)	(12,790)	(16,277)
Bank borrowings - Current	(5,583)	(4,883)	(4,915)
<b>Net Cash</b>	<b>4,855</b>	<b>6,354</b>	<b>8,226</b>

(\*) 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:

	6M14	6M15	6M16
Treasury shares held by the Company (thousands)	57.006	11.957	8.615
Closing price on the last tradable day (€)	3.580	2.500	1.980
Treasury shares held by the Company (EUR thousand)	204	30	17

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": costs related to specific processes implemented with the aim to improve the competitiveness of the operations). 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 30 June 2016**

	30.06.16	31.12.15
	(Thousands of Euros)	
<b>Assets</b>		
Tangible assets	9,607	9,704
Intangible assets	28,302	29,304
Financial investments	3,758	3,786
Held-to-maturity investments	6,337	4,554
Deferred income tax assets	15,753	16,352
Other non-current assets	7,478	7,478
<b>Total Non-Current Assets</b>	<b>71,235</b>	<b>71,178</b>
Inventories	1,551	2,824
Trade debtors and accrued income	108,719	109,332
Other debtors and prepaid expenses	16,033	14,001
Derivative financial instruments	24	168
Held-to-maturity investments	4,492	845
Cash and cash equivalents	18,572	24,293
<b>Total Current Assets</b>	<b>149,391</b>	<b>151,463</b>
<b>Total Assets</b>	<b>220,626</b>	<b>222,641</b>
<b>Equity</b>		
Share capital	15,701	15,701
Treasury shares	(4)	(6)
Share premium	43,560	43,560
Reserves and retained earnings	16,069	14,792
Net profit	2,776	7,425
<b>Total Shareholders' Equity</b>	<b>78,102</b>	<b>81,472</b>
Non-controlling interests	7,868	8,194
<b>Total Equity</b>	<b>85,970</b>	<b>89,666</b>
<b>Liabilities</b>		
Bank borrowings	16,277	14,387
Finance lease liabilities	4,752	5,247
Provisions	10,091	11,497
Other non-current liabilities	-	271
<b>Total Non-Current Liabilities</b>	<b>31,120</b>	<b>31,402</b>
Bank borrowings	4,915	3,992
Finance lease liabilities	1,772	1,576
Trade payables	11,114	17,038
Other creditors and accruals	44,697	41,186
Derivative financial instruments	59	160
Deferred income	40,979	37,621
<b>Total Current Liabilities</b>	<b>103,536</b>	<b>101,573</b>
<b>Total Liabilities</b>	<b>134,656</b>	<b>132,975</b>
<b>Total Equity and Liabilities</b>	<b>220,626</b>	<b>222,641</b>
Net Cash	8,226	11,338

**Consolidated Income Statement  
for the period of 6 months ended 30 June 2016**

	30.06.16	30.06.15	Var. %
	(Thousands of Euros)		
<b>CONTINUING OPERATIONS</b>			
Sale of goods	18,449	23,444	
Cost of goods sold	(14,978)	(20,884)	
<b>Gross margin</b>	<b>3,471</b>	<b>2,560</b>	<b>35.6 %</b>
<i>Other income</i>			
Services rendered	87,213	89,471	
Supplementary income and subsidies	223	277	
Other operating income	579	667	
	<b>88,015</b>	<b>90,415</b>	
	<b>91,486</b>	<b>92,975</b>	
<i>Other expenses</i>			
External supplies and services	(37,611)	(39,064)	
Employee benefit expense	(47,061)	(46,526)	
Provisions reversal	913	796	
Other operating expenses	(572)	(491)	
	<b>(84,331)</b>	<b>(85,285)</b>	
<b>Gross Net Profit (EBITDA)</b>	<b>7,155</b>	<b>7,690</b>	<b>-7.0 %</b>
Restructuring costs	-	-	
<b>Operating Gross Net Profit</b>	<b>7,155</b>	<b>7,690</b>	<b>-7.0 %</b>
Depreciation and amortization	(2,251)	(2,654)	
<b>Operating Profit (EBIT)</b>	<b>4,904</b>	<b>5,036</b>	<b>-2.6 %</b>
Financial results	405	(351)	
<b>Net Profit before taxes (EBT)</b>	<b>5,309</b>	<b>4,685</b>	<b>13.3 %</b>
Income tax expense	(910)	(1,266)	
<b>Net Profit from continuing operations</b>	<b>4,399</b>	<b>3,419</b>	<b>28.7 %</b>
<b>DISCONTINUED OPERATIONS</b>			
<b>Net Profit from discount. operations</b>	<b>-</b>	<b>-</b>	
Non-controlling interests	(1,623)	43	
<b>Attributable Net Profit</b>	<b>2,776</b>	<b>3,462</b>	<b>-19.8 %</b>
<b>Other information:</b>			
Turnover	105,662	112,915	-6.4 %
Gross margin from sales %	18.8 %	10.9 %	
EBITDA margin	6.8 %	6.8 %	
EBT % on Turnover	5.0 %	4.1 %	
Net profit % on Turnover	2.6 %	3.1 %	





**Consolidated Income Statement by SEGMENTS**  
**for the period of 6 months ended 30 June 2016**

(Thousands of Euros)

	<b>Business Solutions</b>	<b>IMS</b>	<b>Venture Capital</b>	<b>NOVABASE</b>
Sale of goods	104	18,345	-	<b>18,449</b>
Cost of goods sold	(69)	(14,909)	-	<b>(14,978)</b>
<b>Gross margin</b>	<b>35</b>	<b>3,436</b>	<b>-</b>	<b>3,471</b>
<b>Other income</b>				
Services rendered	61,888	23,221	2,104	<b>87,213</b>
Supplementary income and subsidies	182	41	-	<b>223</b>
Other operating income	317	201	61	<b>579</b>
	<b>62,387</b>	<b>23,463</b>	<b>2,165</b>	<b>88,015</b>
	<b>62,422</b>	<b>26,899</b>	<b>2,165</b>	<b>91,486</b>
<b>Other expenses</b>				
External supplies and services	(20,767)	(15,888)	(956)	<b>(37,611)</b>
Employee benefit expense	(37,495)	(8,387)	(1,179)	<b>(47,061)</b>
(Provisions) / Provisions reversal	305	712	(104)	<b>913</b>
Other operating expenses	(322)	(236)	(14)	<b>(572)</b>
	<b>(58,279)</b>	<b>(23,799)</b>	<b>(2,253)</b>	<b>(84,331)</b>
<b>Gross Net Profit (EBITDA)</b>	<b>4,143</b>	<b>3,100</b>	<b>(88)</b>	<b>7,155</b>
Depreciation and amortization	(1,483)	(465)	(303)	<b>(2,251)</b>
<b>Operating Profit (EBIT)</b>	<b>2,660</b>	<b>2,635</b>	<b>(391)</b>	<b>4,904</b>
Financial results	(824)	1,175	54	<b>405</b>
<b>Net Profit / (Loss) before Taxes (EBT)</b>	<b>1,836</b>	<b>3,810</b>	<b>(337)</b>	<b>5,309</b>
Income tax expense	(193)	(818)	101	<b>(910)</b>
Non-controlling interests	(795)	(918)	90	<b>(1,623)</b>
<b>Attributable Net Profit / (Loss)</b>	<b>848</b>	<b>2,074</b>	<b>(146)</b>	<b>2,776</b>
Other information :				
<b>Turnover</b>	61,992	41,566	2,104	<b>105,662</b>
<b>EBITDA</b>	4,143	3,100	(88)	<b>7,155</b>
<b>EBITDA % on Turnover</b>	6.7%	7.5%	-4.2%	<b>6.8%</b>
<b>EBT % on Turnover</b>	3.0%	9.2%	-16.0%	<b>5.0%</b>

## Annex I - Management Report

### 30 June 2016

### Qualifying Holdings and Shareholding Structure

List of Shareholders with Qualifying Stakes (under the terms of paragraph 4 of Article 448º of the Portuguese Commercial Companies Code and Article 16º of the Portuguese Securities Code - 'CVM')

Shareholder	Number of Shares	% Share capital with voting rights
HNB - SGPS, SA <sup>1</sup>	8,321,019	26.50%
R.S.C. Invest, SGPS, SA <sup>2</sup>	235,000	0.75%
Pedro Miguel Quinteiro Marques de Carvalho	2,289,068	7.29%
Rogério dos Santos Carapuça	1,079,122	3.44%
João Nuno da Silva Bento <sup>1</sup>	485,637	1.55%
Álvaro José da Silva Ferreira <sup>1</sup>	50,282	0.16%
Luís Paulo Cardoso Salvado <sup>1</sup>	50,282	0.16%
José Afonso Oom Ferreira de Sousa <sup>1</sup>	10,057	0.03%
<b>Number of shares attributable to signatories of the Novabase Shareholders' Agreement (under the terms of article 20, paragraph 1 of the Securities Code)</b>	<b>12,520,467</b>	<b>39.87%</b>
<b>Partbleu, Sociedade Gestora de Participações Sociais, SA</b>	<b>3,180,444</b>	<b>10.13%</b>
<b>Maria Manuela de Oliveira Marques</b>	<b>1,043,924</b>	<b>3.32%</b>
<b>Fernando Fonseca Santos</b>	<b>1,575,020</b>	<b>5.02%</b>
Fundo de Investimento Mobiliário Aberto Santander Ações Portugal	1,535,399	4.89%
Fundo de Investimento Mobiliário Aberto Poupança Ações Santander PPA	71,135	0.23%
<b>Santander Asset Management - Soc. Gestora de Fundos de Investimento Mobiliário, SA (under the terms of article 20, paragraph 1 of the Securities Code)</b>	<b>1,606,534</b>	<b>5.12%</b>
Caixagest Ações Portugal	<sup>3</sup>	1.91%
Caixagest PPA	<sup>3</sup>	0.14%
<b>Caixagest — Técnicas de Gestão de Fundos, SA (under the terms of article 20, paragraph 1 of the Securities Code)</b>	<b>646,288</b>	<b>2.06%</b>
<b>IBIM2 Limited</b>	<b>1,610,145</b>	<b>5.13%</b>
<b>Total</b>	<b>22,182,822</b>	<b>70.64%</b>

<sup>1</sup> José Afonso Oom Ferreira de Sousa, Luís Paulo Cardoso Salvado, Álvaro José da Silva Ferreira and João Nuno da Silva Bento are the only shareholders of HNB - SGPS, S.A., having signed a shareholder's agreement for all of this company's share capital.

<sup>2</sup> R.S.C. INVEST, SGPS, S.A. is controlled by Rogério dos Santos Carapuça.

<sup>3</sup> When Novabase was notified of this holding, it was informed that the funds identified above were managed by Caixagest – Técnicas de Gestão de Fundos, S.A., however it was not disclosed the actual number of shares held by each fund.

The holdings identified above correspond to the last positions notified to the Company with reference to a date before 30 June 2016.



**Information concerning stakes held in the company by members of the board of directors and supervisory boards (under the terms of paragraph 5 of Article 447<sup>o</sup> of the Portuguese Commercial Companies Code)**

Holders <sup>1</sup>	Number of Shares	% Share capital with voting rights
José Afonso Oom Ferreira de Sousa <sup>2</sup>	10,057	0.03%
Pedro Miguel Quinteiro Marques de Carvalho	2,289,068	7.29%
Luís Paulo Cardoso Salvado <sup>2</sup>	50,282	0.16%
Francisco Paulo Figueiredo Morais Antunes	30,335	0.10%
Paulo Soares de Pinho (member of the Supervisory Board)	0	0.00%
Maria de Fátima Piteira Patinha Farinha (member of the Supervisory Board)	0	0.00%
Nuno Miguel Dias Pires (member of the Supervisory Board)	0	0.00%
KPMG & Associados – SROC, represented by Paulo Alexandre Martins Quintas Paixão (effective Statutory Auditor)	0	0.00%
Maria Cristina Santos Ferreira (surrogate Statutory Auditor)	0	0.00%
	<b>2,379,742</b>	<b>7.58%</b>

<sup>1</sup> The shareholding of each of these members of the corporate and supervisory board corresponds to the last position notified to the Company in reference to a date before 30 June 2016.

<sup>2</sup> José Afonso Oom Ferreira de Sousa and Luís Paulo Cardoso Salvado (along with Álvaro José da Silva Ferreira and João Nuno da Silva Bento) are shareholders of HNB - SGPS, S.A., where they hold management positions. HNB - SGPS, S.A. holds 8,321,019 shares representing 26.50% of Novabase's share capital and respective voting rights.



## **Annex II - Management Report**

**30 June 2016**

### **Management Transactions**

Under the terms of paragraphs 6 and 7 of Article 14<sup>o</sup> of the Portuguese Securities Market Commission – CMVM – Regulation n.º 5/2010, Novabase informs that there were no management transactions in the 1st half of 2016.



## Annex III - Management Report

### 30 June 2016

#### Own Shares Transactions

(Under the terms of section d) of paragraph 5 of Article 66º of the Portuguese Commercial Companies Code)

Transaction	Date	Location	# Shares	€ Share price
Acquisition	08/03/2016	Euronext Lisbon	118	1.979
Acquisition	08/03/2016	Euronext Lisbon	949	1.979
Acquisition	08/03/2016	Euronext Lisbon	15,419	1.980
Acquisition	08/03/2016	Euronext Lisbon	253	1.980
Acquisition	08/03/2016	Euronext Lisbon	3,261	1.980
Disposal	06/04/2016	Over-the-Counter	8,086	2.150
Disposal	06/04/2016	Over-the-Counter	1,797	2.150
Disposal	06/04/2016	Over-the-Counter	13,459	2.150

At 31 December 2015, Novabase S.G.P.S. held 11,957 own shares, representing 0.04% of its share capital.

Own shares acquisitions were performed because they were considered as best interest to society.

The 23,342 own shares disposed were used for the settlement of bonuses to employees.

At 30 June 2016, Novabase S.G.P.S. held 8,615 own shares, representing 0.03% of its share capital.

During the period, Novabase S.G.P.S. shares always had a nominal value of € 0.5.

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**Condensed Consolidated Accounts**  
**1st half 2016**  
(Unaudited)

**NOVABASE S.G.P.S., S.A.**

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**I. CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**for the period of 6 months ended 30 June 2016**

# NOVABASE S.G.P.S., S.A.

## Condensed Consolidated Interim Statement of Financial Position as at 30 June 2016

(Amounts expressed in thousands of Euros)

	Note	<u>30.06.16</u>	<u>31.12.15</u>
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	6	9,607	9,704
Intangible assets	6	28,302	29,304
Investments in associates		582	621
Financial assets at fair value through profit or loss		3,176	3,165
Held-to-maturity investments		6,337	4,554
Deferred income tax assets	7	15,753	16,352
Other non-current assets	20	7,478	7,478
<b>Total Non-Current Assets</b>		<u><b>71,235</b></u>	<u><b>71,178</b></u>
<b>Current Assets</b>			
Inventories		1,551	2,824
Trade and other receivables	8	78,254	94,519
Accrued income		37,733	21,592
Income tax receivable		2,372	2,479
Derivative financial instruments		24	168
Other current assets		6,393	4,743
Held-to-maturity investments		4,492	845
Cash and cash equivalents	9	18,572	24,293
<b>Total Current Assets</b>		<u><b>149,391</b></u>	<u><b>151,463</b></u>
<b>Total Assets</b>		<u><b>220,626</b></u>	<u><b>222,641</b></u>
<b>Equity</b>			
Share capital		15,701	15,701
Treasury shares		(4)	(6)
Share premium		43,560	43,560
Reserves and retained earnings		16,069	14,792
Profit for the period		2,776	7,425
Total Equity attributable to owners of the parent		<u>78,102</u>	<u>81,472</u>
Non-controlling interests	11	7,868	8,194
<b>Total Equity</b>		<u><b>85,970</b></u>	<u><b>89,666</b></u>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Borrowings	12	21,029	19,634
Provisions	13	10,091	11,497
Other non-current liabilities		-	271
<b>Total Non-Current Liabilities</b>		<u><b>31,120</b></u>	<u><b>31,402</b></u>
<b>Current Liabilities</b>			
Borrowings	12	6,687	5,568
Trade and other payables	14	55,805	58,200
Income tax payable		6	24
Derivative financial instruments		59	160
Deferred income and other current liabilities		40,979	37,621
<b>Total Current Liabilities</b>		<u><b>103,536</b></u>	<u><b>101,573</b></u>
<b>Total Liabilities</b>		<u><b>134,656</b></u>	<u><b>132,975</b></u>
<b>Total Equity and Liabilities</b>		<u><b>220,626</b></u>	<u><b>222,641</b></u>

THE CERTIFIED ACCOUNTANT

THE BOARD OF DIRECTORS

The accompanying notes are an integral part of these condensed consolidated interim financial statements

# NOVABASE S.G.P.S., S.A.

## Condensed Consolidated Interim Statement of Profit and Loss for the period of 6 months ended 30 June 2016

(Amounts expressed in thousands of Euros)

	Note	6 M *		3 M *	
		30.06.16	30.06.15	30.06.16	30.06.15
<b>Continuing Operations</b>					
Sales	5	18,449	23,444	11,776	11,227
Services rendered	5	87,213	89,471	46,822	47,565
Cost of sales		(14,978)	(20,884)	(9,640)	(9,473)
External supplies and services		(37,611)	(39,064)	(22,802)	(22,807)
Employee benefit expense		(47,061)	(46,526)	(23,213)	(23,283)
Other gains/(losses) - net	15	1,143	1,249	34	433
Depreciation and amortisation		(2,251)	(2,654)	(1,074)	(1,305)
<b>Operating Profit</b>		<b>4,904</b>	<b>5,036</b>	<b>1,903</b>	<b>2,357</b>
Finance income	16	2,159	4,330	814	2,766
Finance costs	17	(1,716)	(4,489)	(766)	(2,340)
Share of loss of associates		(38)	(192)	(19)	(173)
<b>Profit Before Income Tax</b>		<b>5,309</b>	<b>4,685</b>	<b>1,932</b>	<b>2,610</b>
Income tax expense	18	(910)	(1,266)	(327)	(812)
Profit from continuing operations		4,399	3,419	1,605	1,798
<b>Discontinued operations</b>					
Profit from discontinued operations		-	-	-	-
<b>Profit for the period</b>		<b>4,399</b>	<b>3,419</b>	<b>1,605</b>	<b>1,798</b>
<b>Profit attributable to:</b>					
Owners of the parent		2,776	3,462	1,085	1,535
Non-controlling interests	11	1,623	(43)	520	263
		4,399	3,419	1,605	1,798
<b>Earnings per share</b>					
<b>attributable to owners of the parent (Euros per share)</b>					
<b>Basic earnings per share</b>					
From continuing operations	19	0.09 Euros	0.11 Euros	0.03 Euros	0.05 Euros
From discontinued operations	19	Zero Euros	Zero Euros	Zero Euros	Zero Euros
<b>Basic earnings per share</b>	19	<b>0.09 Euros</b>	<b>0.11 Euros</b>	<b>0.03 Euros</b>	<b>0.05 Euros</b>
<b>Diluted earnings per share</b>					
From continuing operations	19	0.09 Euros	0.11 Euros	0.03 Euros	0.05 Euros
From discontinued operations	19	Zero Euros	Zero Euros	Zero Euros	Zero Euros
<b>Diluted earnings per share</b>	19	<b>0.09 Euros</b>	<b>0.11 Euros</b>	<b>0.03 Euros</b>	<b>0.05 Euros</b>

6 M \* - period of 6 months ended

3 M \* - period of 3 months ended

THE CERTIFIED ACCOUNTANT

THE BOARD OF DIRECTORS

## NOVABASE S.G.P.S., S.A.

### Condensed Consolidated Interim Statement of Comprehensive Income for the period of 6 months ended 30 June 2016

(Amounts expressed in thousands of Euros)

Note	6 M *		3 M *	
	30.06.16	30.06.15	30.06.16	30.06.15
<b>Profit for the period</b>	4,399	3,419	1,605	1,798
<b>Other comprehensive income for the period</b>				
Exchange differences on foreign operations	<u>(3,754)</u>	<u>(4,374)</u>	<u>(1,634)</u>	<u>(4,561)</u>
<b>Other comprehensive income for the period</b>	<u>(3,754)</u>	<u>(4,374)</u>	<u>(1,634)</u>	<u>(4,561)</u>
<b>Total comprehensive income for the period</b>	<u><b>645</b></u>	<u><b>(955)</b></u>	<u><b>(29)</b></u>	<u><b>(2,763)</b></u>
<b>Total comprehensive income attributable to:</b>				
Owners of the parent	386	461	(114)	(888)
Non-controlling interests	<u>259</u>	<u>(1,416)</u>	<u>85</u>	<u>(1,875)</u>
	<u><b>645</b></u>	<u><b>(955)</b></u>	<u><b>(29)</b></u>	<u><b>(2,763)</b></u>

**6 M \* - period of 6 months ended**

**3 M \* - period of 3 months ended**

THE CERTIFIED ACCOUNTANT

THE BOARD OF DIRECTORS

# NOVABASE S.G.P.S., S.A.

## Condensed Consolidated Interim Statement of Changes in Equity for the period of 6 months ended 30 June 2016

(Amounts expressed in thousands of Euros)

Note	Attributable to owners of the parent						Non- controlling interests	Total Equity	
	Share capital	Treasury shares	Share premium	Legal reserves	Stock options reserves	Reserves and retained earnings			
<b>Balance at 1 January, 2015</b>	15,701	(29)	43,560	3,140	154	24,311	12,431	99,268	
Restatement accordingly IAS 8	-	-	-	-	-	(5,680)	(576)	(6,256)	
<b>Restated Balance at 1 January, 2015</b>	15,701	(29)	43,560	3,140	154	18,631	11,855	93,012	
Profit for the period	-	-	-	-	-	3,462	(43)	3,419	
Other comprehensive income for the period	-	-	-	-	-	(3,001)	(1,373)	(4,374)	
Total comprehensive income for the period	-	-	-	-	-	461	(1,416)	(955)	
<b>Transactions with owners</b>									
Dividends	10, 11	-	-	-	-	(936)	(412)	(1,348)	
Treasury shares movements		-	(141)	-	-	(525)	-	(666)	
Share-based payments - stock options exercise		-	164	-	(170)	6	-	-	
Share-based payments		-	-	-	16	-	-	16	
Transactions with owners		-	23	-	(154)	(1,455)	(412)	(1,998)	
<b>Changes in ownership interests in subsidiaries that do not result in a loss of control</b>									
Transactions with non-controlling interests		-	-	-	-	-	-	-	
<b>Balance at 30 June, 2015</b>		15,701	(6)	43,560	3,140	-	17,637	10,027	90,059
<b>Balance at 1 January, 2016</b>		15,701	(6)	43,560	3,140	-	19,077	8,194	89,666
Profit for the period		-	-	-	-	2,776	1,623	4,399	
Other comprehensive income for the period		-	-	-	-	(2,390)	(1,364)	(3,754)	
Total comprehensive income for the period		-	-	-	-	386	259	645	
<b>Transactions with owners</b>									
Dividends	10, 11	-	-	-	-	(3,767)	(585)	(4,352)	
Treasury shares movements		-	2	-	-	9	-	11	
Transactions with owners		-	2	-	-	(3,758)	(585)	(4,341)	
<b>Changes in ownership interests in subsidiaries that do not result in a loss of control</b>									
Transactions with non-controlling interests		-	-	-	-	-	-	-	
<b>Balance at 30 June, 2016</b>		15,701	(4)	43,560	3,140	-	15,705	7,868	85,970

THE CERTIFIED ACCOUNTANT

THE BOARD OF DIRECTORS

The accompanying notes are an integral part of these condensed consolidated interim financial statements

# NOVABASE S.G.P.S., S.A.

## Condensed Consolidated Interim Statement of Cash Flows for the period of 6 months ended 30 June 2016

(Amounts expressed in thousands of Euros)

	Note	6 M *		3 M *	
		30.06.16	30.06.15	30.06.16	30.06.15
<b>Cash flows from operating activities</b>					
Net Cash generated / (used) in operating activities		<b>4,390</b>	<b>6,205</b>	<b>(1,554)</b>	<b>(3,651)</b>
<b>Cash flows from investing activities</b>					
Receipts:					
Proceeds on disposal of subsidiaries and associates		73	1,265	56	1,265
Loan repayments received from associates		-	36	-	36
Proceeds on disposal of property, plant and equipment		10	6	9	-
Interest received		442	201	320	103
		<u>525</u>	<u>1,508</u>	<u>385</u>	<u>1,404</u>
Payments:					
Acquisition of subsidiaries and associates		-	(72)	-	(72)
Loans granted to associates		-	(1,000)	-	(1,000)
Settlement of derivatives		-	(1,906)	-	(917)
Purchases of financial assets held for trading		(4,717)	(4,468)	(2,551)	(238)
Purchases of property, plant and equipment		(795)	(795)	(409)	(476)
Purchases of intangible assets		(174)	(444)	(170)	(248)
		<u>(5,686)</u>	<u>(8,685)</u>	<u>(3,130)</u>	<u>(2,951)</u>
Net Cash used in investing activities		<b>(5,161)</b>	<b>(7,177)</b>	<b>(2,745)</b>	<b>(1,547)</b>
<b>Cash flows from financing activities</b>					
Receipts:					
Proceeds from borrowings		4,989	9,000	3,994	9,000
		<u>4,989</u>	<u>9,000</u>	<u>3,994</u>	<u>9,000</u>
Payments:					
Repayments of borrowings		(2,117)	(6,420)	(725)	(4,394)
Dividends paid	10, 11	(4,976)	(1,341)	(4,976)	(1,341)
Payment of finance lease liabilities		(520)	(558)	(262)	(291)
Interest paid		(553)	(565)	(291)	(308)
Purchase of treasury shares		(40)	(778)	-	(778)
		<u>(8,206)</u>	<u>(9,662)</u>	<u>(6,254)</u>	<u>(7,112)</u>
Net Cash (used) / generated in financing activities		<b>(3,217)</b>	<b>(662)</b>	<b>(2,260)</b>	<b>1,888</b>
Cash, cash equivalents and bank overdrafts at beg. of period	9	<u>24,293</u>	<u>20,714</u>	<u>26,120</u>	<u>22,590</u>
Net decrease in cash, cash equivalents and bank overdrafts		<u>(3,988)</u>	<u>(1,634)</u>	<u>(6,559)</u>	<u>(3,310)</u>
Effect from exchange rate fluctuations on cash held		<u>(1,733)</u>	<u>(648)</u>	<u>(989)</u>	<u>(848)</u>
Cash, cash equivalents and bank overdrafts at end of period	9	<u>18,572</u>	<u>18,432</u>	<u>18,572</u>	<u>18,432</u>
6 M * - period of 6 months ended					
3 M * - period of 3 months ended					

THE CERTIFIED ACCOUNTANT

THE BOARD OF DIRECTORS

The accompanying notes are an integral part of these condensed consolidated interim financial statements



**NOVABASE S.G.P.S., S.A.**  
**Selected Notes to the Condensed Consolidated Interim Financial Statements**  
**for the period of 6 months ended 30 June 2016**

**1. General information**

Novabase, Sociedade Gestora de Participações Sociais, SA (hereunder referred to as Novabase or Group), with its head office in Av. D. João II, 34, Parque das Nações, 1998-031 Lisbon, Portugal, holds and manages financial holdings in other companies as an indirect way of doing business, being the Holding Company of Novabase Group.

Novabase is listed on the Euronext Lisbon.

These condensed consolidated interim financial statements were approved for issue by the Board of Directors on July 25, 2016. In the opinion of the Board of Directors these financial statements fairly present the Group operations, as well as its financial position, financial performance and cash flows.

**2. Significant accounting policies**

These condensed consolidated interim financial statements for the period of six months ended 30 June 2016 have been prepared in accordance with IAS 34, 'Interim financial reporting'. The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2015, which have been prepared in accordance with IFRSs, as adopted by the European Union (EU).

These financial statements are presented in thousands of euros (EUR thousand).

These financial statements have not been audited.

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2015, as described in those financial statements. No standard or interpretation that became effective in this period is material for the Group.

Taxes on income in this interim period were accrued using the tax rate that would be applicable to expected total annual earnings for the year 2016.

**3. Critical accounting estimates and judgements**

The preparation of interim financial statements requires Management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant estimates and judgments made are the same as those that applied to the consolidated financial statements for the year ended 31 December 2015.

**4. Seasonality**

The activity of Business Solutions and IMS is usually lower in 3rd quarter due to holiday period.

## 5. Segment information

	<b>Business Solutions</b>	<b>IMS</b>	<b>Venture Capital</b>	<b>NOVABASE</b>
<b>At 30 June 2015</b>				
Total segment Sales and services rendered	87,675	59,223	2,407	149,305
Inter-segment Sales and services rendered	28,138	7,953	299	36,390
Sales and services rendered	59,537	51,270	2,108	112,915
Depreciation and amortisation	(1,780)	(731)	(143)	(2,654)
Operating profit/(loss)	3,197	2,030	(191)	5,036
Finance costs – net	62	(605)	384	(159)
Share of loss of associates	-	-	(192)	(192)
Income tax expense	(891)	(346)	(29)	(1,266)
Profit/(Loss) from operations	2,368	1,079	(28)	3,419
<b>Other information:</b>				
(Provisions) / Provisions reversal	480	312	4	796
<b>At 30 June 2016</b>				
Total segment Sales and services rendered	87,423	45,886	2,492	135,801
Inter-segment Sales and services rendered	25,431	4,320	388	30,139
Sales and services rendered	61,992	41,566	2,104	105,662
Depreciation and amortisation	(1,483)	(465)	(303)	(2,251)
Operating profit/(loss)	2,660	2,635	(391)	4,904
Finance costs – net	(824)	1,175	92	443
Share of loss of associates	-	-	(38)	(38)
Income tax expense	(193)	(818)	101	(910)
Profit/(Loss) from operations	1,643	2,992	(236)	4,399
<b>Other information:</b>				
(Provisions) / Provisions reversal	305	712	(104)	913

## 6. Property, plant and equipment and intangible assets

During the periods ended at 30 June 2016 and 30 June 2015, the movements in the net book value of property, plant and equipment and intangible assets, were as follows:

	<b>Property, plant and equipment</b>	<b>Intangible assets</b>
<b>Net book value at 1 January 2015</b>		
Acquisitions / increases	5,570	30,663
Write-offs / disposals	1,303	444
Exchange differences	(126)	-
Depreciation and amortisation	(16)	-
	(1,160)	(1,494)
<b>Net book value at 30 June 2015</b>	<b>5,571</b>	<b>29,613</b>
<b>Net book value at 1 January 2016</b>		
Acquisitions / increases	9,704	29,304
Write-offs / disposals	1,229	174
Exchange differences	(228)	-
Depreciation and amortisation	(23)	-
	(1,075)	(1,176)
<b>Net book value at 30 June 2016</b>	<b>9,607</b>	<b>28,302</b>

**7. Deferred income tax assets and liabilities**

The movement in the deferred income tax assets was as follows:

	<b>30.06.16</b>	<b>31.12.15</b>
<b>Balance at 1 January</b>	16,352	17,228
Exchange differences	(428)	(833)
Profit or loss charge	(171)	(43)
<b>Balance at the end of the period</b>	<u>15,753</u>	<u>16,352</u>

The movement in deferred tax assets during the period, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	<b>Tax Losses</b>	<b>Tax Incentives</b>	<b>Provisions / Adjustments</b>	<b>Total</b>
<b>Balance at 1 January 2015</b>	2,371	12,570	2,287	17,228
Profit or loss charge	2,455	(2,703)	205	(43)
Exchange differences	(833)	-	-	(833)
<b>Balance at 31 December 2015</b>	3,993	9,867	2,492	16,352
Profit or loss charge	(930)	458	301	(171)
Exchange differences	(428)	-	-	(428)
<b>Balance at 30 June 2016</b>	<u>2,635</u>	<u>10,325</u>	<u>2,793</u>	<u>15,753</u>

**8. Trade and other receivables**

	<b>30.06.16</b>	<b>31.12.15</b>
Trade receivables	76,998	93,503
Allowance for impairment of trade receivables	(6,012)	(5,763)
	<u>70,986</u>	<u>87,740</u>
Prepayments to suppliers	695	982
Employees	167	128
Value added tax	3,850	3,240
Receivables from related parties (note 20)	15	15
Financial investments disposal	67	67
Receivables from financed projects	1,511	1,537
Other receivables	4,307	4,166
Allowance for impairment of other receivables	(3,344)	(3,356)
	<u>7,268</u>	<u>6,779</u>
	<u>78,254</u>	<u>94,519</u>

Movements in allowances for impairment of trade and other receivables are analysed as follows:

	<b>Trade receivables</b>		<b>Other receivables</b>		<b>Total</b>	
	<b>30.06.16</b>	<b>31.12.15</b>	<b>30.06.16</b>	<b>31.12.15</b>	<b>30.06.16</b>	<b>31.12.15</b>
<b>Balance at 1 January</b>	5,763	4,488	3,356	4,059	9,119	8,547
Impairment	748	2,296	-	67	748	2,363
Impairment reversal	(401)	(851)	-	(716)	(401)	(1,567)
Exchange differences	(91)	(170)	(12)	(54)	(103)	(224)
Write-offs	(7)	-	-	-	(7)	-
<b>Balance at the end of the period</b>	<u>6,012</u>	<u>5,763</u>	<u>3,344</u>	<u>3,356</u>	<u>9,356</u>	<u>9,119</u>

**9. Cash and cash equivalents**

With reference to the consolidated statement of cash flows, the detail and description of **Cash, cash equivalents and bank overdrafts** is analysed as follows:

	<u>30.06.16</u>	<u>31.12.15</u>
- Cash	20	18
- Short term bank deposits	18,552	24,275
Cash and cash equivalents	<u>18,572</u>	<u>24,293</u>
- Overdrafts	-	-
	<u>18,572</u>	<u>24,293</u>

**10. Reserves and retained earnings**

In the General Meeting of Shareholders held on May, 2016, it was approved the distribution to the shareholders of reserves and retained earnings in the amount of EUR 3,768 thousand, corresponding to 0.12 Euros per share. The payment occurred in May, 2016.

	<u>30.06.16</u>	<u>30.06.15</u>
Payment to shareholders	3,767	936
Remuneration of the treasury shares held by the Company	1	6
	<u>3,768</u>	<u>942</u>

**11. Non-controlling interests**

	<u>30.06.16</u>	<u>31.12.15</u>
<b>Balance at 1 January</b>	8,194	11,855
(*) Change in consolidation universe	-	9
(**) Distribution of dividends to non-controlling interests	(585)	(1,036)
Exchange differences on foreign operations	(1,364)	(3,615)
Profit attributable to non-controlling interests	1,623	981
<b>Balance at the end of the period</b>	<u>7,868</u>	<u>8,194</u>

(\*) In 2015, Celfocus UK was established.

(\*\*) In 2016, Celfocus distributed dividends to its shareholders. In 2015, NBASIT (Angola) and Celfocus distributed dividends to its shareholders, from which EUR 5 thousand are still to be settled - see note 14.

**12. Borrowings**

	<u>30.06.16</u>	<u>31.12.15</u>
<b>Non-current</b>		
Bank borrowings	16,277	14,387
Finance lease liabilities	4,752	5,247
	<u>21,029</u>	<u>19,634</u>
<b>Current</b>		
Bank borrowings	4,915	3,992
Finance lease liabilities	1,772	1,576
	<u>6,687</u>	<u>5,568</u>
Total borrowings	<u>27,716</u>	<u>25,202</u>

The periods in which the current bank borrowings will be paid are as follows:

	<u>30.06.16</u>	<u>31.12.15</u>
6 months or less	1,961	1,744
6 to 12 months	2,954	2,248
	<u>4,915</u>	<u>3,992</u>

The maturity of non-current bank borrowings is as follows:

	<u>30.06.16</u>	<u>31.12.15</u>
Between 1 and 2 years	4,744	4,079
Between 2 and 5 years	10,233	8,808
Over 5 years	1,300	1,500
	<u>16,277</u>	<u>14,387</u>

The effective interest rates at the reporting date were as follows:

	<u>30.06.16</u>	<u>31.12.15</u>
Bank borrowings	3.140%	3.080%

Gross finance lease liabilities – minimum lease payments:

	<u>30.06.16</u>	<u>31.12.15</u>
No later than 1 year	2,019	1,865
Between 1 and 5 years	4,992	5,563
	<u>7,011</u>	<u>7,428</u>
Future finance charges on finance leases	(487)	(605)
Present value of finance lease liabilities	<u>6,524</u>	<u>6,823</u>

The present value of finance lease liabilities is analysed as follows:

	<u>30.06.16</u>	<u>31.12.15</u>
No later than 1 year	1,772	1,576
Between 1 and 5 years	4,752	5,247
	<u>6,524</u>	<u>6,823</u>

### 13. Provisions

Movements in provisions are analysed as follows:

	<b>Warranties</b>	<b>Legal Claims</b>	<b>Restructuring</b>	<b>Other Risks and Charges</b>	<b>Total</b>
<b>Balance at 1 January 2015</b>	166	65	1,403	8,260	9,894
Additional provisions	237	-	-	5,807	6,044
Reversals / utilisations	(204)	(15)	(1,343)	(2,878)	(4,440)
Exchange differences	-	-	-	(1)	(1)
<b>Balance at 31 December 2015</b>	199	50	60	11,188	11,497
Additional provisions	2	-	-	101	103
Reversals / utilisations	(89)	-	(60)	(1,359)	(1,508)
Exchange differences	-	-	-	(1)	(1)
<b>Balance at 30 June 2016</b>	<u>112</u>	<u>50</u>	<u>-</u>	<u>9,929</u>	<u>10,091</u>

**14. Trade and other payables**

	<b>30.06.16</b>	<b>31.12.15</b>
Trade payables	11,114	17,038
Remunerations, vacations and vacation and Christmas subsidies	12,770	9,522
Bonus	5,560	8,691
Ongoing projects	11,858	5,088
Value added tax	3,000	5,910
Social security contributions	1,405	2,067
Income tax withholding	1,483	1,571
Amount to be paid to non-controlling interests - see note 11	5	630
Employees	343	217
Prepayments from trade receivables	6	72
Other accrued expenses	7,722	7,273
Other payables	539	121
	<u>55,805</u>	<u>58,200</u>

**15. Other gains/(losses) - net**

	<b>30.06.16</b>	<b>30.06.15</b>
Impairment and impairment reversal of trade and other receivables	(347)	(227)
Impairment and impairment reversal of inventories	(85)	48
Warranties provision	87	25
Legal claims provision	-	15
Provisions for other risks and charges	1,258	935
Other operating income and expense	230	453
	<u>1,143</u>	<u>1,249</u>

**16. Finance income**

	<b>30.06.16</b>	<b>30.06.15</b>
Interest received	406	196
Positive exchange differences	1,667	2,010
Fair value of financial assets adjustment	84	1,014
Gain on disposal of financial assets (*)	-	1,110
Other financial gains	2	-
	<u>2,159</u>	<u>4,330</u>

(\*) Partial sale of the investment in Feedzai, Lda.

**17. Finance costs**

	<b>30.06.16</b>	<b>30.06.15</b>
Interest expenses		
- Borrowings	(324)	(348)
- Finance lease liabilities	(138)	(158)
- Other interest	(18)	(47)
Bank guarantees charges	(49)	(81)
Bank services	(106)	(124)
Negative exchange differences	(1,081)	(1,936)
Fair value of financial assets adjustment	-	(1,795)
	<u>(1,716)</u>	<u>(4,489)</u>

**18. Income tax expense**

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average rate applicable to profits of the consolidated entities as follows:

	<u>30.06.16</u>	<u>30.06.15</u>
Profit before income tax	5,309	4,685
<b>Income tax expense at nominal rate (21% in 2016 and 2015)</b>	1,115	984
Tax benefit on the net creation of employment for young and long term unemployed people	(164)	(138)
Recognition of tax on the events of previous years	(12)	(33)
Associates' results reported net of tax	8	40
Autonomous taxation	414	428
Losses in companies where no deferred tax is recognised	(183)	(17)
Expenses not deductible for tax purposes	172	(224)
Differential tax rate on companies located abroad	(65)	(377)
Research & Development tax benefit	(429)	501
Municipal surcharge and State surcharge	49	85
Impairment of Special Payment on Account, tax losses and withholding taxes	5	17
<b>Income tax expense</b>	<u>910</u>	<u>1,266</u>
<b>Effective tax rate</b>	17.1%	27.0%

**19. Earnings per share**

	<u>30.06.16</u>	<u>30.06.15</u>
Weighted average number of ordinary shares in issue	31,387,775	31,312,232
Stock options adjustment	-	-
Adjusted weighted average number of ordinary shares in issue	<u>31,387,775</u>	<u>31,312,232</u>
Profit attributable to owners of the parent	2,776	3,462
Basic earnings per share (Euros per share)	0.09 Euros	0.11 Euros
Diluted earnings per share (Euros per share)	0.09 Euros	0.11 Euros
Profit from continuing operations attributable to owners of the parent	2,776	3,462
Basic earnings per share (Euros per share)	0.09 Euros	0.11 Euros
Diluted earnings per share (Euros per share)	0.09 Euros	0.11 Euros
Profit from discontinued operations attributable to owners of the parent	-	-
Basic earnings per share (Euros per share)	-	-
Diluted earnings per share (Euros per share)	-	-

**20. Related-party transactions**

For reporting purposes, related-party considers subsidiaries, associates, shareholders with management influence and key elements in the Group management.

## i) Key management compensation

	<u>30.06.16</u>	<u>30.06.15</u>
Wages and other short-term employee benefits	2,228	2,207
Stock options granted	-	16
	<u>2,228</u>	<u>2,223</u>

## ii) Other balances with related parties

	<u>Non-current</u>		<u>Current (note 8)</u>	
	<u>30.06.16</u>	<u>31.12.15</u>	<u>30.06.16</u>	<u>31.12.15</u>
Loan to Powergrid, Lda	2,050	2,050	-	-
Loan to Bright Innovation, Lda	1,477	1,477	-	-
Loan to SmartGeo Solutions, Lda	99	99	-	-
Loan to Radical Innovation, Lda	994	994	-	-
Loan to Power Data, Lda	248	248	-	-
Loan to City Pulse, Lda	2,410	2,410	-	-
Loan to Livian Technologies, Lda	2,492	2,492	-	-
Loans to other shareholders	-	-	15	15
	<u>9,770</u>	<u>9,770</u>	<u>15</u>	<u>15</u>
Provisions for loans granted to related parties	<u>(2,292)</u>	<u>(2,292)</u>	<u>-</u>	<u>-</u>
	<u>7,478</u>	<u>7,478</u>	<u>15</u>	<u>15</u>

**21. Contingencies**

Given the disclosed in the annual financial statements for the year 2015, the significant changes in the judicial processes are the following:

- The plaintiff Digisat Lda was liquidated and closed whereby was terminated the procedure procedure which Novabase Digital TV was co-Defendant.
- OCTAL S.A is defendant in two actions challenging the regularity and legality of the dismissal of two employees, on grounds of just cause, and they argue the regularity and fairness of the dismissal, wanting to be reinstated or alternatively that Octal pays them a compensation in the amount determined according to applicable law. The lawsuits are valued respectively EUR 37 thousand and EUR 10 thousand. Preliminary hearing at the Court is scheduled for 18th October in both suits.

**22. Events after the reporting period**

No events worthy of note happened until the date of conclusion of this report.

**23. Note added for translation**

These financial statements are a translation of financial statements originally issued in Portuguese. In the event of discrepancies, the Portuguese language version prevails.



**II. SECURITIES ISSUED BY THE COMPANY AND OTHER GROUP COMPANIES, HELD BY BOARD MEMBERS**

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**DETAIL ON SECURITIES ISSUED BY THE COMPANY AND OTHER GROUP COMPANIES, HELD BY BOARD MEMBERS OF NOVABASE S.G.P.S.**

	Share Capital	Total Number of Shares / Quotas	Number of Shares / Quotas held by Board Members at 31.12.15	Transactions	Number of Shares / Quotas held by Board Members at 30.06.16	% held by Board Members at 30.06.16
<b>Novabase SGPS, S.A.</b>	<b>15,700,697 €</b>	<b>31,401,394</b>	<b>10,700,761</b>	<b>0</b>	<b>10,700,761</b>	<b>34.1%</b>
José Afonso Oom Ferreira de Sousa			10,057	0	10,057	0.0%
Pedro Miguel Quinteiro Marques de Carvalho			2,289,068	0	2,289,068	7.3%
Luís Paulo Cardoso Salvado			50,282	0	50,282	0.2%
Francisco Antunes			30,335	0	30,335	0.1%
HNB - SGPS, SA (a)			8,321,019	0	8,321,019	26.5%
<b>NBASIT - Sist. Inf e Telecomunicações, S.A.</b>	<b>47,500,000 AOA</b>	<b>100,000</b>	<b>400</b>	<b>0</b>	<b>400</b>	<b>0.4%</b>
Francisco Paulo Figueiredo Morais Antunes			200	0	200	0.2%
Luís Paulo Cardoso Salvado			200	0	200	0.2%
<b>CelFocus, S.A.</b>	<b>100,000 €</b>	<b>100,000</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>0.0%</b>
José Afonso Oom Ferreira de Sousa			1	0	1	0.0%
<b>FeedZai, S.A.</b>	<b>150,855 €</b>	<b>18,444,594</b>	<b>225,001</b>	<b>0</b>	<b>225,001</b>	<b>1.2%</b>
Pedro Miguel Quinteiro Marques de Carvalho			225,001	0	225,001	1.2%

(a) José Afonso Oom Ferreira de Sousa and Luís Paulo Cardoso Salvado are shareholders of this company.

Novabase reports as directors the company HNB - S.G.P.S., S.A. and the board members of the Company.

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# **STATEMENT OF COMPLIANCE**

(Unaudited)

**NOVABASE S.G.P.S., S.A.**

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**Statement of the Board of Directors**  
**(Free translation from the original version in Portuguese)**

Under the terms of sub-paragraph c) paragraph 1 of article 245 of the Portuguese Securities Code, the undersigned, as members of the Board of Directors of Novabase S.G.P.S., S.A., below identified declare that to the best of their knowledge:

(i) the information contained in the condensed consolidated interim financial statements and all other accounting documentation required by law or regulation, regarding the period of six months ended 30 June 2016, was prepared in compliance with the applicable accounting standards and gives a true and fair view of the assets and liabilities, financial position and results of Novabase S.G.P.S., S.A. and the companies included in the consolidation perimeter; and

(ii) the interim management report faithfully states the evolution of the businesses, of the performance and of the position of Novabase S.G.P.S., S.A. and the companies included in the consolidation perimeter, containing namely an accurate description of the main risks and uncertainties which they face.

Lisbon, July 25, 2016

Luís Paulo Cardoso Salvado  
Chairman and CEO

Francisco Paulo Figueiredo Morais Antunes  
CFO

José Afonso Oom Ferreira de Sousa  
Non-Executive member of the Board

Pedro Miguel Quinteiro Marques de Carvalho  
Non-Executive member of the Board

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