

Accounts



REPORT AND ACCOUNTS - 1ST QUARTER 2015

I - Management Report

- 1. Key Indicators Evolution**
- 2. Short Summary of the Activity**
- 3. Stock Performance**
- 4. Outlook 2015**

II - Consolidated Financial Statements

III - Condensed Consolidated Accounts



Consolidated Results 3M15

Privileged Information

May 7, 2015

Highlights:

Turnover: 54.1 M€

(51.6 M€ in 3M14)

EBITDA: 4.0 M€

(3.6 M€ in 3M14)

Net Profit: 1.9 M€

(1.6 M€ in 3M14)

Net Cash: 15.0 M€

(6.9 M€ in 12M14)

Message from the Chairman and CEO Luís Salvado

"The 1st quarter results confirm the success of the international expansion and reflect a good execution in our key strategic goals.

For the first time in Novabase's history, international business exceeded the business in Portugal. The international operations expanded 52%, strongly driven by the growth in Europe, representing this market over half of non-domestic activity.

The services maintained their upward trajectory and, due to a 23% growth, accounted for 77% of the total business.

In profitability indicators, we recorded an 11% increase in EBITDA and a 23% growth in Net profit. The cash position evolution was also positive, with a generation of 8 M€ in the quarter.

Despite the uncertainty prevailing in some of the markets where we operate, we are confident in complying with the goals set for 2015."

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Report available on website :
www.novabase.pt

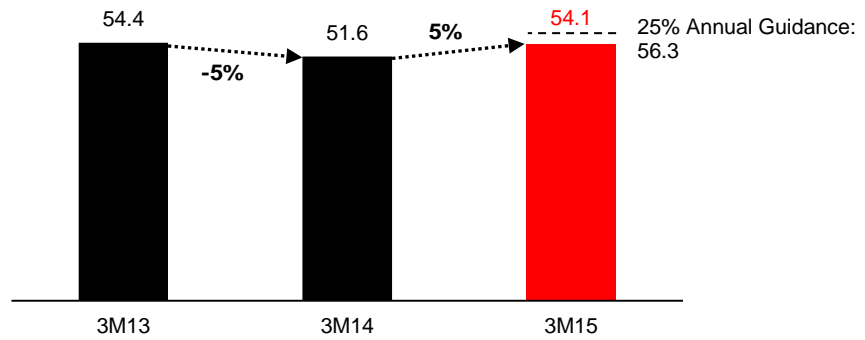
Novabase SGPS, S.A.
Public Company - Euronext code: NBA.AM
Registered in TRO of Lisbon and Corporate Tax Payer nº 502.280.182 - Share Capital: 15,700,697.00 €
Head Office: Av. D. João II, 34, 1998-031 Lisbon - PORTUGAL



1. Key Indicators Evolution

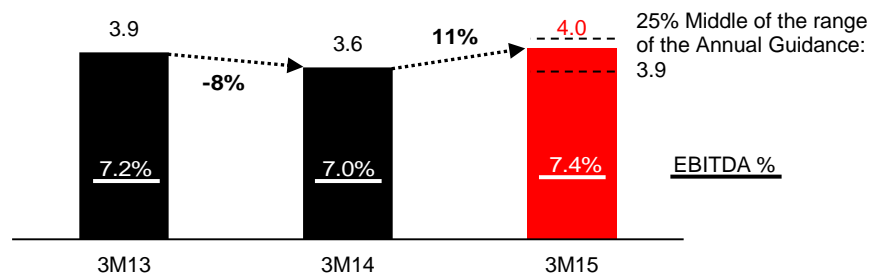
Turnover (M€)

Turnover in line with the annual Guidance, rise 5% YoY. Highlighting the significant international growth, despite the contraction of business in Portugal.



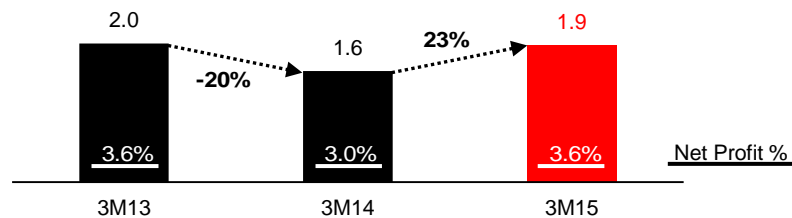
EBITDA (M€)

EBITDA within the range of the annual Guidance, and registering an 11% growth, YoY.



Net Profit (M€)

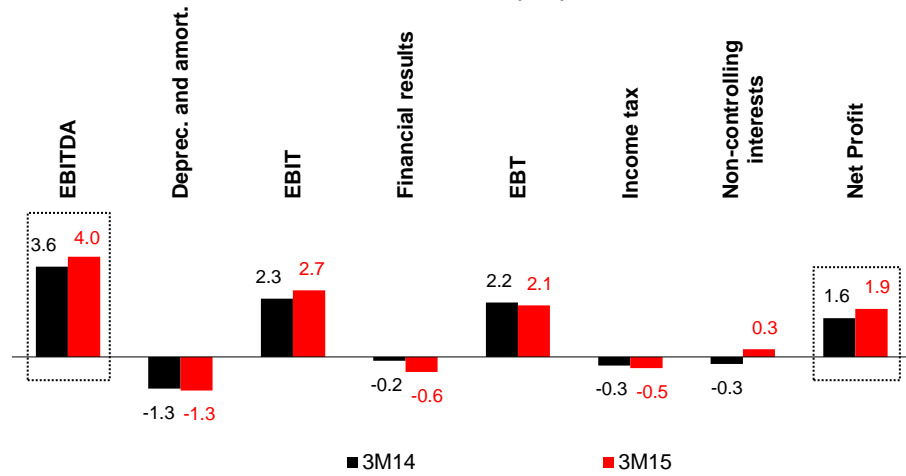
Profitability improved as a result of the measures adopted in the end of 2014.



Earnings per share (EPS) in 3M15 reached 0.06 euros per share, registering an increase of 21% towards the EPS from the previous year of 0.05 euros per share.



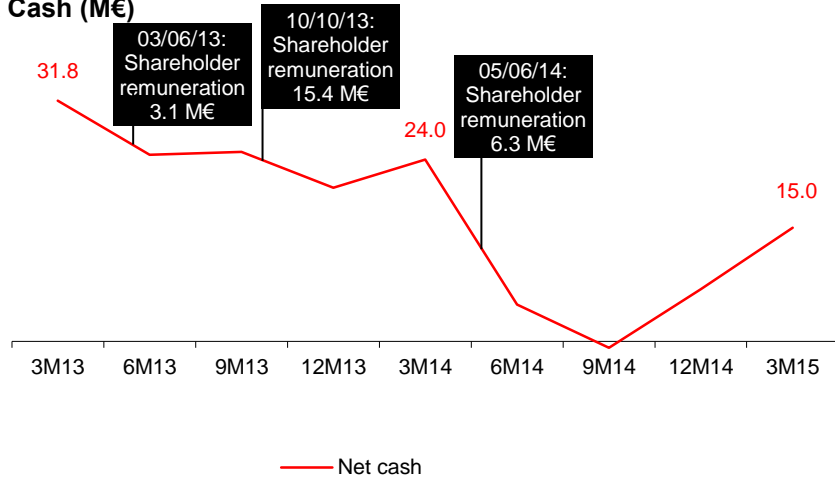
From EBITDA to Net Profit 3M15 Vs 3M14 (M€)



The Financial Results reached a net negative value of 0.6 M€, a decrease of 0.4 M€ compared to the same period of last year, especially due to the foreign exchange differences recorded.

Non-controlling interests in 3M15 amounted to 0.3 M€, which compares to -0.3 M€ in 3M14. This variation is mainly due to evolution of the results of international subsidiaries.

Net Cash (M€)



Cash generation of 8.1 M€ in the first quarter of 2015, with release of working capital.

In the 3M15, Novabase shows a positive evolution in cash generation. Novabase ended the 3M15 with 15.0 M€ in net cash, which compares to 6.9 M€ in the 12M14.



2. Short Summary of the Activity

International Turnover exceeds, for the 1st time, the domestic business.

The first quarter of 2015 was marked by a significant increase in international activity, which for the first time in the history of Novabase, surpassed the business in Portugal.

Overall, compared to the same period of last year, Turnover increased by 5%, due to the significant 52% growth in the international business, which now accounts for 51% of the total business (above the annual goal of 40-45%). The services continued to rise and its weight is now 77% of the total activity. It was also registered an operational improvement, with EBITDA increasing by 11%, which already reflects the measures implemented in late 2014 (restructuring aiming to improve competitiveness in the domestic operations and freeing resources to the effort of internationalization).

Given the Guidance, the results of the first quarter of 2015 were in line on Turnover (-4%), and within the range of the EBITDA (+4% in value and +0.6 percentage points, comparing to the middle of the range).

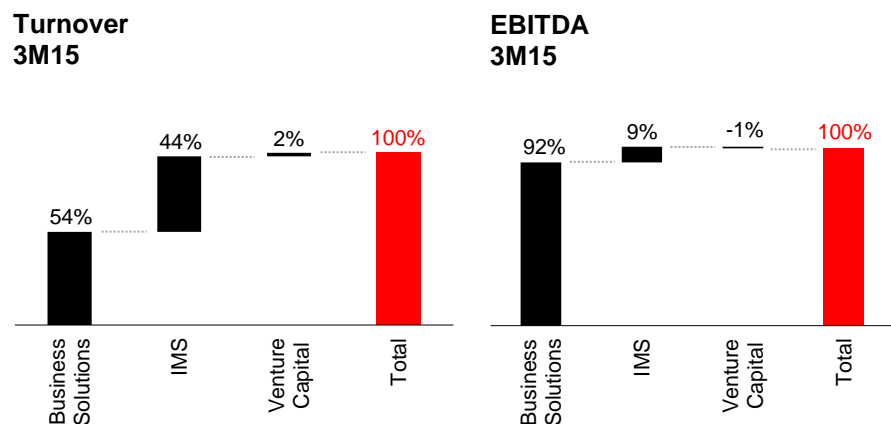
Highlights include the opening of the new office and logistics area of Novabase, in Talatona, in the first quarter of 2015. This move was due to Novabase's high growth in Angola and will meet our current needs in Angola and support anticipated growth in the coming years.

With regard to new partnerships, Novabase IMS is since the beginning of 2015, Gold partner of EMC, the Storage and Backup market leader in Portugal. Novabase Angola also became Silver partner of EMC, thanks to the focus on internationalization.

Also worthy of note, is the distinction of Novabase with the 2014 Innovation Partner award from IBM, at the National Business Partners' Conference, which acknowledges the work being done by our Financial Services area.

Additionally, highlight that Novabase was honored with an "Excellence at Work" award, in the category "large companies" with more than 1,000 employees, which distinguish best practices in managing people at companies, by surveying employees. This result rewards Novabase ongoing focus on its culture and in developing people.

The percentage breakdown of Turnover and EBITDA by the different businesses, in the 3M15, is as follows:





23% rise in services, in line with Novabase strategic orientation to increase the added value of its offers.

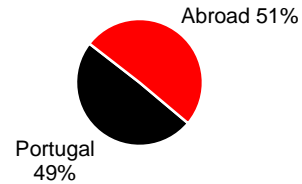
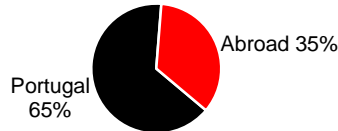
Of the overall Turnover generated in 3M15, the services rendered represent 77%, which compares to 66% in 3M14.

Of the 54.1 M€ Turnover, 51% is generated outside Portugal, that is 27.4 M€, which compares to 18.0 M€ registered in 3M14.

Turnover by geography 3M14

Turnover by geography 3M15

International Turnover increased by 52%, reflecting the enhancement of the international expansion strategy.

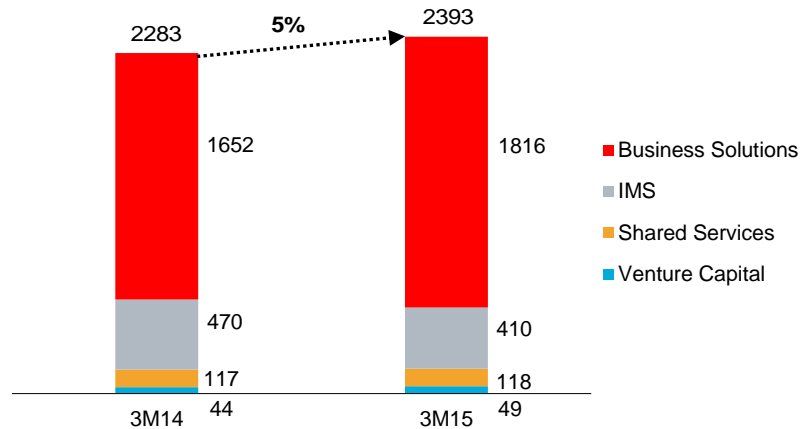


The growth of international activity was observed in all three business areas. Business outside Portugal generated in the Business Solutions area increased to 57% of the respective invoicing (36% in 3M14). In the IMS business area, the international business in 3M15 increased to 42% (33% in 3M14) and in the Venture Capital area increased to 64% (41% in 3M14).

Novabase had on average, in the 3M15, 2393 employees, which represents an increase of 5% compared to the 3M14 (2283).

Employee breakdown by business area, in 3M15, is as follows:

Average Number of Employees



Average number of employees increased due to international expansion strategy and services growth. Worthy of note is the recruitment of 102 new university graduates through Novabase Academy program.

Average Number of Employees by geography 3M14

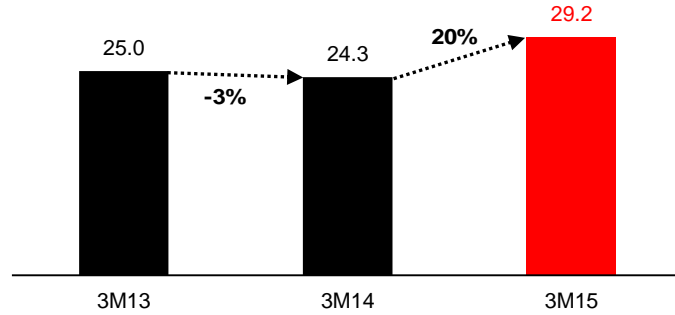
Average Number of Employees by geography 3M15





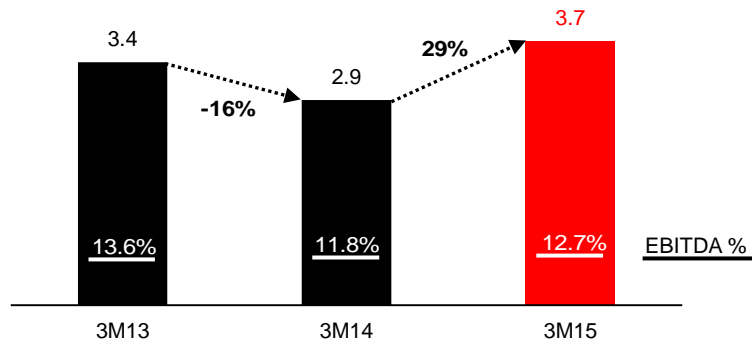
2.1. Business Solutions

Turnover Business Solutions (M€)



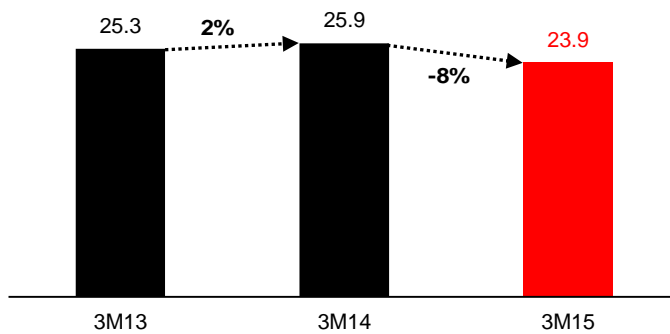
BS evolution is mainly due to the significant international growth (+89%).

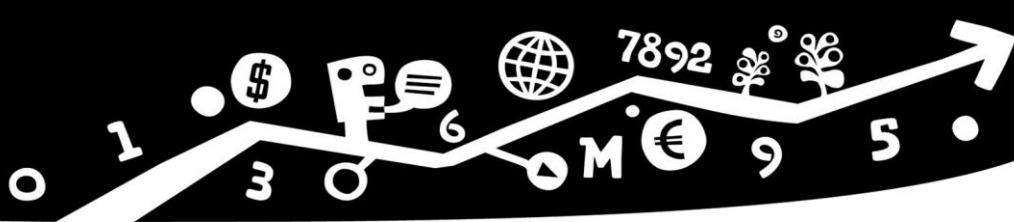
EBITDA Business Solutions (M€)



2.2. Infrastructures & Managed Services

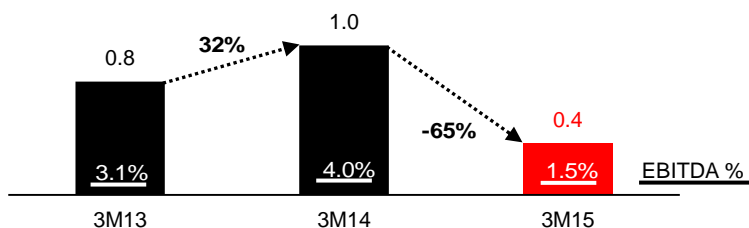
Turnover IMS (M€)





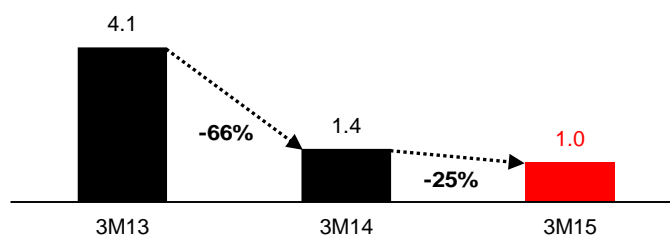
EBITDA IMS (M€)

IMS evolution reflects the strong pressure on prices in the domestic market and the costs associated to the international expansion strategy. This area should be analysed for longer time periods.



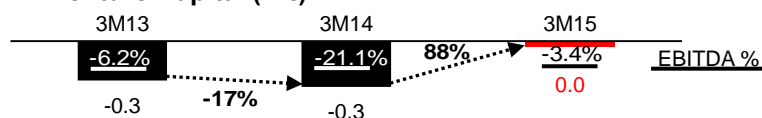
2.3. Venture Capital

Turnover Venture Capital (M€)



VC area with marginal significance. Evolution typical of the development stage of the investments of the Funds.

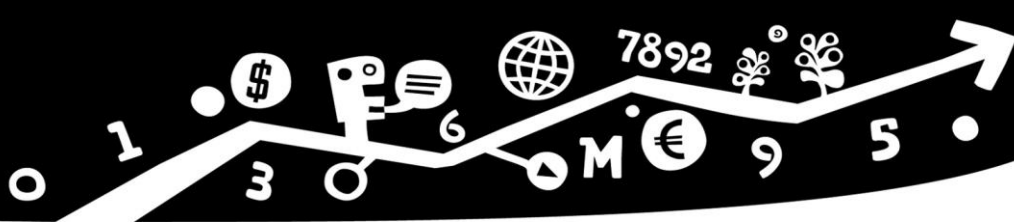
EBITDA Venture Capital (M€)



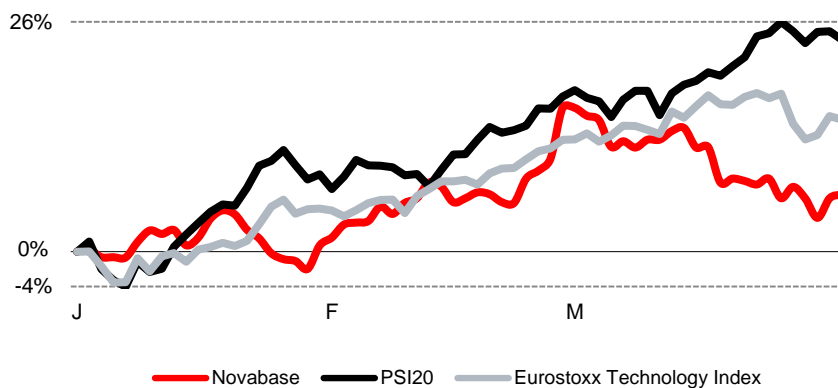
3. Stock Performance

Novabase share price in 3M15 gained 7%, comparing to a 24% gain in the PSI20 Index and a 15% gain 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 April 29, 2015, the distribution of dividends to the shareholders in the amount of 0.9 M€, corresponding to 0.03€ per share. The payment of these dividends will occur on May 29, 2015.



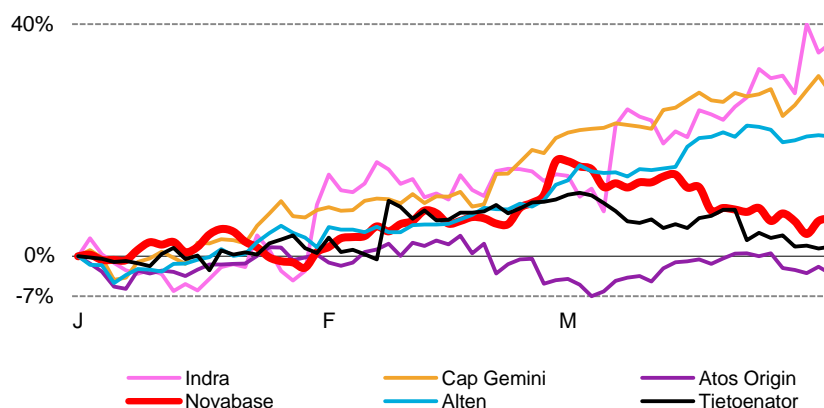
Novabase and the Market



The evolution of Novabase share prices compared to other companies in the IT sector in Europe, in 3M15, was as follows:

Novabase and other TMT

In the end of the first quarter of 2015, Novabase presented a Price to Sales multiple of 0.33x and a Price to Earnings multiple of 25.35x, which represents a discount of 65% and 13%, respectively, compared to the average of other companies in the sector in Europe (source: Reuters, ttm values at 31/03).

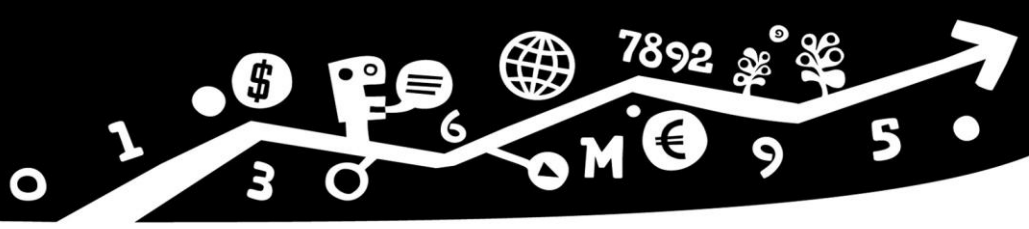


Average upside of 19.7%, according to the analysts who cover Novabase.

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

Rotation in 3M15 represented 4% of the capital and 1.3 million shares were traded, below the values in 3M14 (rotation of 6% of the capital and 1.9 million shares traded).

Summary	1Q15	4Q14	3Q14	2Q14	1Q14
Minimum price (€)	2.170	2.090	2.421	3.551	2.790
Maximum price (€)	2.580	2.530	3.520	4.100	3.940
Volume weighted average price (€)	2.337	2.165	3.089	3.892	3.447
Closing price at the end of the Quarter (€)	2.360	2.214	2.421	3.580	3.920
Nr. of shares traded	1,344,259	1,324,176	1,417,140	1,283,056	1,898,155
Market cap in the last day (M€)	74.1	69.5	76.0	112.4	123.1



4. Outlook 2015

The results of the first quarter of 2015 reflect the success of international expansion and of the execution of our main strategic orientations. Turnover increased, strongly driven by the international business, which now accounts for 51% of total business. Likewise, the weight of services increased to 77%. EBITDA grew by 11%, as a result of the measures implemented in the end of 2014 for the improvement of operating competitiveness.

Novabase is confident in the goals set for 2015, despite the uncertainty in some of the markets where it operates.

**Consolidated Statement of Financial Position
as at 31 March 2015**

	31.03.15	31.12.14
	(Thousands of Euros)	
Assets		
Tangible assets	5,428	5,570
Intangible assets	30,053	30,663
Financial investments	3,077	2,415
Deferred income tax assets	17,100	17,228
Other non-current assets	7,770	7,770
Total Non-Current Assets	63,428	63,646
Inventories	5,528	4,943
Trade debtors and accrued income	93,528	103,821
Other debtors and prepaid expenses	15,994	17,242
Derivative financial instruments	838	88
Financial assets held for trading	4,168	-
Cash and cash equivalents	22,606	20,714
Total Current Assets	142,662	146,808
Assets for continuing operations	206,090	210,454
Assets for discontinued operations	-	-
Total Assets	206,090	210,454
Shareholders' Equity		
Share capital	15,701	15,701
Treasury shares	(29)	(29)
Share premium	43,560	43,560
Reserves and retained earnings	27,039	24,493
Net profit	1,927	3,112
Total Shareholders' Equity	88,198	86,837
Non-controlling interests	12,890	12,431
Total Equity	101,088	99,268
Liabilities		
Bank borrowings	7,195	8,376
Finance lease liabilities	1,380	1,613
Provisions	2,874	3,638
Other non-current liabilities	70	70
Total Non-Current Liabilities	11,519	13,697
Bank borrowings	4,732	5,561
Trade payables	17,894	21,849
Other creditors and accruals	39,950	39,092
Derivative financial instruments	2,219	1,323
Deferred income	28,688	29,664
Total Current Liabilities	93,483	97,489
Total Liabilities for cont. operations	105,002	111,186
Total Liabilities for discont. operations	-	-
Total Liabilities	105,002	111,186
Total Equity and Liabilities	206,090	210,454
Net Cash	14,982	6,903

**Consolidated Income Statement
for the period of 3 months ended 31 March 2015**

	31.03.15	31.03.14	Var. %
	(Thousands of Euros)		
Sale of goods	12,217	17,430	
Cost of goods sold	(11,411)	(15,445)	
Gross margin	806	1,985	-59.4 %
Other income			
Services rendered	41,906	34,120	
Supplementary income and subsidies	130	61	
Other operating income	302	602	
	42,338	34,783	
	43,144	36,768	
Other expenses			
External supplies and services	(16,257)	(12,080)	
Employee benefit expense	(23,243)	(21,970)	
Provisions reversal	562	1,949	
Other operating expenses	(178)	(1,039)	
	(39,116)	(33,140)	
Gross Net Profit (EBITDA)	4,028	3,628	11.0 %
Depreciation and amortization	(1,349)	(1,280)	
Operating Profit (EBIT)	2,679	2,348	14.1 %
Financial results	(604)	(157)	
Net Profit before taxes (EBT)	2,075	2,191	-5.3 %
Income tax expense	(454)	(345)	
Non-controlling interests	306	(284)	
Attributable Net Profit	1,927	1,562	23.4 %
Other information:			
Turnover	54,123	51,550	5.0 %
Gross margin from sales %	6.6 %	11.4 %	
EBITDA margin	7.4 %	7.0 %	
EBT % on Turnover	3.8 %	4.3 %	
Net profit % on Turnover	3.6 %	3.0 %	

**Consolidated Income Statement by SEGMENTS
for the period of 3 months ended 31 March 2015**

(Thousands of Euros)

	Business Solutions	IMS	Venture Capital	NOVABASE
Sale of goods	19	12,198	-	12,217
Cost of goods sold	(2)	(11,409)	-	(11,411)
Gross margin	17	789	-	806
Other income				
Services rendered	29,159	11,700	1,047	41,906
Supplementary income and subsidies	120	9	1	130
Other operating income	264	38	-	302
	29,543	11,747	1,048	42,338
	29,560	12,536	1,048	43,144
Other expenses				
External supplies and services	(8,159)	(7,597)	(501)	(16,257)
Employee benefit expense	(18,220)	(4,443)	(580)	(23,243)
(Provisions) / Provisions reversal	617	(62)	7	562
Other operating expenses	(96)	(72)	(10)	(178)
	(25,858)	(12,174)	(1,084)	(39,116)
Gross Net Profit (EBITDA)	3,702	362	(36)	4,028
Depreciation and amortization	(944)	(335)	(70)	(1,349)
Operating Profit (EBIT)	2,758	27	(106)	2,679
Financial results	(750)	148	(2)	(604)
Net Profit / (Loss) before Taxes (EBT)	2,008	175	(108)	2,075
Income tax expense	(397)	(51)	(6)	(454)
Non-controlling interests	(171)	440	37	306
Attributable Net Profit / (Loss)	1,440	564	(77)	1,927
Other information :				
Turnover	29,178	23,898	1,047	54,123
EBITDA	3,702	362	(36)	4,028
EBITDA % on Turnover	12.7%	1.5%	-3.4%	7.4%
EBT % on Turnover	6.9%	0.7%	-10.3%	3.8%

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Condensed Consolidated Accounts
1st quarter 2015
(Unaudited)

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

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INDEX

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS for the period of 3 months ended 31 March 2015	5
• Condensed Consolidated Interim Statement of Financial Position as at 31 March 2015	6
• Condensed Consolidated Interim Statement of Profit and Loss and Other Comprehensive Income for the period of 3 months ended 31 March 2015	7
• Condensed Consolidated Interim Statement of Changes in Equity for the period of 3 months ended 31 March 2015	8
• Condensed Consolidated Interim Statement of Cash Flows for the period of 3 months ended 31 March 2015	9
• Selected Notes to the Condensed Consolidated Interim Financial Statements for the period of 3 months ended 31 March 2015	10
Note 1. General information	10
Note 2. Significant accounting policies	10
Note 3. Critical accounting estimates and judgements	10
Note 4. Seasonality	10
Note 5. Segment information	11
Note 6. Property, plant and equipment and intangible assets	11
Note 7. Deferred income tax assets and liabilities	12
Note 8. Trade and other receivables	12
Note 9. Cash and cash equivalents	13
Note 10. Non-controlling interests	13
Note 11. Borrowings	13
Note 12. Provisions	14
Note 13. Trade and other payables	14
Note 14. Other gains/(losses) - net	14
Note 15. Income tax expense	15
Note 16. Earnings per share	15
Note 17. Related-party transactions	15
Note 18. Contingencies	16
Note 19. Events after the reporting period	16
Note 20. Note added for translation	16

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CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
for the period of 3 months ended 31 March 2015

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

Condensed Consolidated Interim Statement of Financial Position as at 31 March 2015

(Amounts expressed in thousands of Euros)

	Note	<u>31.03.15</u>	<u>31.12.14</u>
Assets			
Non-Current Assets			
Property, plant and equipment	6	5,428	5,570
Intangible assets	6	30,053	30,663
Investments in associates		802	871
Financial assets at fair value through profit or loss		2,275	1,544
Deferred income tax assets	7	17,100	17,228
Other non-current assets	17	7,770	7,770
Total Non-Current Assets		<u>63,428</u>	<u>63,646</u>
Current Assets			
Inventories		5,528	4,943
Trade and other receivables	8	75,659	91,645
Accrued income		25,569	22,047
Income tax receivable		2,788	2,223
Derivative financial instruments		838	88
Other current assets		5,506	5,148
Financial assets held for trading		4,168	-
Cash and cash equivalents	9	22,606	20,714
Total Current Assets		<u>142,662</u>	<u>146,808</u>
Assets for discontinued operations		-	-
Total Assets		<u>206,090</u>	<u>210,454</u>
Equity			
Share capital		15,701	15,701
Treasury shares		(29)	(29)
Share premium		43,560	43,560
Reserves and retained earnings		27,039	24,493
Profit for the period		1,927	3,112
Total Equity attributable to owners of the parent		<u>88,198</u>	<u>86,837</u>
Non-controlling interests	10	12,890	12,431
Total Equity		<u>101,088</u>	<u>99,268</u>
Liabilities			
Non-Current Liabilities			
Borrowings	11	8,575	9,989
Provisions	12	2,874	3,638
Deferred income tax liabilities	7	-	-
Other non-current liabilities		70	70
Total Non-Current Liabilities		<u>11,519</u>	<u>13,697</u>
Current Liabilities			
Borrowings	11	5,709	6,418
Trade and other payables	13	55,674	59,117
Income tax payable		1,193	967
Derivative financial instruments		2,219	1,323
Deferred income and other current liabilities		28,688	29,664
Total Current Liabilities		<u>93,483</u>	<u>97,489</u>
Liabilities for discontinued operations		-	-
Total Liabilities		<u>105,002</u>	<u>111,186</u>
Total Equity and Liabilities		<u>206,090</u>	<u>210,454</u>

THE 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 and Other Comprehensive Income for the period of 3 months ended 31 March 2015

(Amounts expressed in thousands of Euros)

	Note	3 M *	
		31.03.15	31.03.14
Sales	5	12,217	17,430
Services rendered	5	41,906	34,120
Cost of sales		(11,411)	(15,445)
External supplies and services		(16,257)	(12,080)
Employee benefit expense		(23,243)	(21,970)
Other gains/(losses) - net	14	816	1,573
Depreciation and amortisation		(1,349)	(1,280)
Operating Profit		2,679	2,348
Finance income		1,564	332
Finance costs		(2,149)	(472)
Share of loss of associates		(19)	(17)
Profit Before Income Tax		2,075	2,191
Income tax expense	15	(454)	(345)
Profit for the period		1,621	1,846
Other comprehensive income for the period		-	-
Total comprehensive income for the period		1,621	1,846
Profit attributable to:			
Owners of the parent		1,927	1,562
Non-controlling interests	10	(306)	284
		1,621	1,846
Total comprehensive income attributable to:			
Owners of the parent		1,927	1,562
Non-controlling interests	10	(306)	284
		1,621	1,846
Earnings per share			
attributable to owners of the parent (Euros per share)			
Basic earnings per share	16	0.06 Euros	0.05 Euros
Diluted earnings per share	16	0.06 Euros	0.05 Euros

3 M * - period of 3 months ended

THE ACCOUNTANT

THE BOARD OF DIRECTORS

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

Condensed Consolidated Interim Statement of Changes in Equity for the period of 3 months ended 31 March 2015

(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		
Balance at 1 January, 2014	15,701	(295)	43,560	3,140	326	27,800	11,522	101,754
Total comprehensive income for the period	-	-	-	-	-	1,562	284	1,846
Transactions with owners								
Share-based payments	-	-	-	-	27	-	-	27
Foreign currency translation reserve	-	-	-	-	-	(127)	(69)	(196)
Transactions with owners	-	-	-	-	27	(127)	(69)	(169)
Changes in ownership interests in subsidiaries that do not result in a loss of control								
Transactions with non-controlling interests	-	-	-	-	-	-	-	-
Balance at 31 March, 2014	15,701	(295)	43,560	3,140	353	29,235	11,737	103,431
Balance at 1 January, 2015	15,701	(29)	43,560	3,140	154	24,311	12,431	99,268
Total comprehensive income for the period	-	-	-	-	-	1,927	(306)	1,621
Transactions with owners								
Share-based payments	-	-	-	-	12	-	-	12
Foreign currency translation reserve	-	-	-	-	-	(578)	765	187
Transactions with owners	-	-	-	-	12	(578)	765	199
Changes in ownership interests in subsidiaries that do not result in a loss of control								
Transactions with non-controlling interests	-	-	-	-	-	-	-	-
Balance at 31 March, 2015	15,701	(29)	43,560	3,140	166	25,660	12,890	101,088

THE 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 3 months ended 31 March 2015

(Amounts expressed in thousands of Euros)

		3 M *	
	Note	31.03.15	31.03.14
<i>Cash flows from operating activities</i>			
Net Cash generated / (used) in operating activities		9,067	(1,578)
<i>Cash flows from investing activities</i>			
Receipts:			
Proceeds on disposal of subsidiaries and associates		-	2,079
Loan repayments received from associates		-	3,343
Proceeds on disposal of financial assets held for trading		-	5,015
Proceeds on disposal of property, plant and equipment		6	-
Interest received		98	429
		104	10,866
Payments:			
Purchases of financial assets held for trading		(4,230)	(5,019)
Purchases of property, plant and equipment		(319)	(309)
Purchases of intangible assets		(196)	(285)
		(4,745)	(5,613)
Net Cash generated / (used) in investing activities		(4,641)	5,253
<i>Cash flows from financing activities</i>			
Receipts:			
Proceeds from borrowings		-	100
		-	100
Payments:			
Repayments of borrowings		(2,026)	(1,483)
Payment of finance lease liabilities		(267)	(337)
Interest paid		(257)	(386)
		(2,550)	(2,206)
Net Cash used in financing activities		(2,550)	(2,106)
Cash, cash equivalents and bank overdrafts at beg. of period	9	20,714	32,942
Net increase in cash, cash equivalents and bank overdrafts		1,876	1,569
Effect from exchange rate fluctuations on cash held		-	(10)
Cash, cash equivalents and bank overdrafts at end of period	9	22,590	34,501

3 M * - period of 3 months ended

THE ACCOUNTANT

THE BOARD OF DIRECTORS

NOVABASE S.G.P.S., S.A.
Selected Notes to the Condensed Consolidated Interim Financial Statements
for the period of 3 months ended 31 March 2015

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 April 29, 2015. 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 three months ended 31 March 2015 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 2014, 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 2014, as described in those financial statements. A number of standards and interpretations became effective in this period and are not 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 2015.

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 2014.

4. Seasonality

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

5. Segment information

	Business Solutions	IMS	Venture Capital	NOVABASE
At 31 March 2014				
Total segment Sales and services rendered	38,651	31,908	1,584	72,143
Inter-segment Sales and services rendered	14,372	6,037	184	20,593
Sales and services rendered	24,279	25,871	1,400	51,550
Depreciation and amortisation	(873)	(336)	(71)	(1,280)
Operating profit/(loss)	2,003	711	(366)	2,348
Finance costs – net	(340)	125	75	(140)
Share of loss of associates	-	-	(17)	(17)
Income tax expense	68	(403)	(10)	(345)
Profit/(Loss) from operations	1,731	433	(318)	1,846
Other information:				
(Provisions) / Provisions reversal	668	726	555	1,949
At 31 March 2015				
Total segment Sales and services rendered	43,043	28,547	1,173	72,763
Inter-segment Sales and services rendered	13,865	4,649	126	18,640
Sales and services rendered	29,178	23,898	1,047	54,123
Depreciation and amortisation	(944)	(335)	(70)	(1,349)
Operating profit/(loss)	2,758	27	(106)	2,679
Finance costs – net	(750)	148	17	(585)
Share of loss of associates	-	-	(19)	(19)
Income tax expense	(397)	(51)	(6)	(454)
Profit/(Loss) from operations	1,611	124	(114)	1,621
Other information:				
(Provisions) / Provisions reversal	617	(62)	7	562

6. Property, plant and equipment and intangible assets

During the periods ended at 31 March 2015 and 31 March 2014, the movements in the net book value of property, plant and equipment and intangible assets, were as follows:

	Property, plant and equipment	Intangible assets
Net book value at 1 January 2014		
Acquisitions / increases	6,120	32,095
Write-offs / disposals	647	285
Exchange differences	(45)	-
Depreciation and amortisation	(6)	-
	(582)	(698)
Net book value at 31 March 2014		
	6,134	31,682
Net book value at 1 January 2015		
Acquisitions / increases	5,570	30,663
Write-offs / disposals	477	196
Exchange differences	(98)	-
Depreciation and amortisation	22	-
	(543)	(806)
Net book value at 31 March 2015		
	5,428	30,053

7. Deferred income tax assets and liabilities

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

	31.03.15	31.12.14
Balance at 1 January	17,228	14,901
Exchange differences	5	(1)
Profit or loss charge	(133)	2,328
Balance at the end of the period	17,100	17,228

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

	31.03.15	31.12.14
Balance at 1 January	-	100
Profit or loss charge	-	(100)
Balance at the end of the period	-	-

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:

	Tax Losses	Tax Incentives	Provisions / Adjustments	Total
Balance at 1 January 2014	703	11,454	2,744	14,901
Profit or loss charge	1,669	1,116	(457)	2,328
Exchange differences	(1)	-	-	(1)
Balance at 31 December 2014	2,371	12,570	2,287	17,228
Profit or loss charge	234	(64)	(303)	(133)
Exchange differences	5	-	-	5
Balance at 31 March 2015	2,610	12,506	1,984	17,100

8. Trade and other receivables

	31.03.15	31.12.14
Trade receivables	72,585	86,262
Allowance for impairment of trade receivables	(4,626)	(4,488)
	67,959	81,774
Prepayments to suppliers	770	684
Employees	198	640
Value added tax	3,034	4,725
Receivables from related parties (note 17)	118	799
Financial investments disposal	67	67
Receivables from financed projects	2,752	2,889
Other receivables	4,118	4,126
Allowance for impairment of other receivables	(3,357)	(4,059)
	7,700	9,871
	75,659	91,645

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

	Trade receivables		Other receivables		Total	
	31.03.15	31.12.14	31.03.15	31.12.14	31.03.15	31.12.14
Balance at 1 January	4,488	4,434	4,059	3,383	8,547	7,817
Impairment	134	577	-	681	134	1,258
Impairment reversal	(4)	(144)	(717)	(52)	(721)	(196)
Exchange differences	8	(23)	15	47	23	24
Write-offs	-	(356)	-	-	-	(356)
Balance at the end of the period	4,626	4,488	3,357	4,059	7,983	8,547

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:

	31.03.15	31.12.14
- Cash	25	15
- Short term bank deposits	22,581	20,699
Cash and cash equivalents	22,606	20,714
- Overdrafts	(16)	-
	<u>22,590</u>	<u>20,714</u>

10. Non-controlling interests

	31.03.15	31.12.14
Balance at 1 January	12,431	11,522
(*) Change in consolidation universe	-	16
Dividends paid by Celfocus to non-controlling interests	-	(1,394)
Foreign currency translation differences for foreign operations	765	590
Profit/(loss) attributable to non-controlling interests	(306)	1,697
Balance at the end of the period	<u>12,890</u>	<u>12,431</u>

(*) In 2014, Celfocus Turquia was established.

11. Borrowings

	31.03.15	31.12.14
Non-current		
Bank borrowings	7,195	8,376
Finance lease liabilities	1,380	1,613
	<u>8,575</u>	<u>9,989</u>
Current		
Bank borrowings	4,732	5,561
Finance lease liabilities	977	857
	<u>5,709</u>	<u>6,418</u>
Total borrowings	<u>14,284</u>	<u>16,407</u>

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

	31.03.15	31.12.14
6 months or less	2,372	3,203
6 to 12 months	2,360	2,358
	<u>4,732</u>	<u>5,561</u>

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

	31.03.15	31.12.14
Between 1 and 2 years	4,123	4,556
Between 2 and 5 years	3,072	3,820
	<u>7,195</u>	<u>8,376</u>

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

	31.03.15	31.12.14
Bank borrowings	5.098%	5.007%

Gross finance lease liabilities – minimum lease payments:

	31.03.15	31.12.14
No later than 1 year	1,303	1,184
Between 1 and 5 years	1,825	2,059
	<u>3,128</u>	<u>3,243</u>
Future finance charges on finance leases	(771)	(773)
Present value of finance lease liabilities	<u>2,357</u>	<u>2,470</u>

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

	31.03.15	31.12.14
No later than 1 year	977	857
Between 1 and 5 years	1,380	1,613
	<u>2,357</u>	<u>2,470</u>

12. Provisions

Movements in provisions are analysed as follows:

	Warranties	Legal Claims	Restructuring and Charges	Other Risks and Charges	Total
Balance at 1 January 2014	645	712	-	3,029	4,386
Additional provisions	108	-	1,403	756	2,267
Reversals / utilisations	(587)	(647)	-	(1,781)	(3,015)
Balance at 31 December 2014	166	65	1,403	2,004	3,638
Additional provisions	101	-	-	681	782
Reversals / utilisations	(15)	(15)	(792)	(724)	(1,546)
Balance at 31 March 2015	<u>252</u>	<u>50</u>	<u>611</u>	<u>1,961</u>	<u>2,874</u>

13. Trade and other payables

	31.03.15	31.12.14
Trade payables	16,917	20,992
Remunerations, vacations and vacation and Christmas subsidies	10,565	8,939
Bonus	10,021	7,843
Ongoing projects	5,051	4,837
Value added tax	2,426	5,878
Social security contributions	1,332	2,040
Income tax withholding	1,146	1,680
Employees	366	320
Prepayments from trade receivables	828	820
Acquisition of financial interest in FCR Istart I	72	72
Other accrued expenses	6,791	5,529
Other payables	159	167
	<u>55,674</u>	<u>59,117</u>

14. Other gains/(losses) - net

	31.03.15	31.03.14
Impairment and impairment reversal of trade and other receivables	587	8
Impairment and impairment reversal of inventories	3	109
Warranties provision	(86)	534
Legal claims provision	15	289
Provisions for other risks and charges	43	1,009
Other operating income and expense	254	(376)
	<u>816</u>	<u>1,573</u>

15. 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:

	31.03.15	31.03.14
Profit before income tax	2,075	2,191
Income tax expense at nominal rate (23% in 2014, 21% in 2015)	436	504
Tax benefit on the net creation of employment for young and long term unemployed people	(69)	(86)
Provisions and amortisations not considered for tax purposes	-	16
Recognition of tax on the events of previous years	(111)	(100)
Associates' results reported net of tax	4	4
Autonomous taxation	184	226
Losses in companies where no deferred tax is recognised	61	(20)
Expenses not deductible for tax purposes	(28)	194
Differential tax rate on companies located abroad	(89)	9
Research & Development tax benefit	-	(484)
Municipal surcharge and State surcharge	49	31
Impairment of Special Payment on Account, tax losses and withholding taxes	17	51
Income tax expense	454	345

16. Earnings per share

	31.03.15	31.03.14
Weighted average number of ordinary shares in issue	31,344,388	30,811,440
Stock options adjustment	46,795	623,204
Adjusted weighted average number of ordinary shares in issue	31,391,183	31,434,644
Profit attributable to owners of the parent	1,927	1,562
Basic earnings per share (Euros per share)	0.06 Euros	0.05 Euros
Diluted earnings per share (Euros per share)	0.06 Euros	0.05 Euros

17. 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

	31.03.15	31.03.14
Wages and other short-term employee benefits	1,193	1,332
Stock options granted	12	27
	1,205	1,359

ii) Other balances with related parties

	Non-current		Current (note 8)	
	31.03.15	31.12.14	31.03.15	31.12.14
Loan to Globaleda, S.A.	-	-	103	784
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	1,410	1,410	-	-
Loan to Livian Technologies, Lda	1,492	1,492	-	-
Loans to other shareholders	-	-	15	15
	7,770	7,770	118	799

18. Contingencies

Given the disclosed in the annual financial statements for the year 2014, the significant changes in the judicial processes are the following:

- The company Qimonda Portugal S.A. has filed for insolvency, whereby NBO has claimed credits in the amount of approximately EUR 980 thousand corresponding to the unpaid invoices and compensation for breach of prior notice for termination of contract. General Creditors Assembly has voted the Recovery Plan for the company and process is in place to start making payments to creditors. Of the total amount claimed, Quimonda has paid a total amount of EUR 487 thousand in accordance to the amounts accepted and payment terms agreed upon in creditors assembly.

19. Events after the reporting period

Novabase informed in May, that the amounts concerning the allocation of the 2014 financial year profits will be paid on 29 May 2015, in the following value per share: 0.03 Euros (gross amount).

20. 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.