



Consolidated Results 6M17

Privileged Information

July 27, 2017

Highlights:

Turnover: 72.4 M€
(64.1 M€ in 6M16)

EBITDA: 5.4 M€
(4.1 M€ in 6M16)

Net Profit: 3.9 M€
(2.8 M€ in 6M16)

Net Cash: 59.2 M€
(25.7 M€ in 12M16)

Message from the Chairman and CEO Luís Salvado



"The results from the first half of the year bear out the success of our internationalization strategy, and are in line with the goals laid out for the year.

60% of our business is now done outside of Portugal. International Turnover was up 15%, with Europe accounting for around two thirds of non-domestic business.

EBITDA and Net Profit were up 33% and 41%, respectively.

Cash also saw extremely positive progress, generating 33 M€ in the past six months, benefiting from proceeds from the sale of the Infrastructures & Managed Services business. In the past 12 months, 51 M€ of Cash was generated.

The first half of the year was also marked by Novabase's return to the PSI20, the Euronext Lisbon's main index. This re-entry strengthens our stock's visibility and liquidity. During the same time period, Novabase almost quadrupled its transaction volume over the previous year, with its stock price up 29%.

Through the end of the year, we will keep our strategic focuses, namely reinforced investments in R&D and more selectivity in the offerings with which we work. Despite ongoing uncertainties in the markets where we do business, we remain confident in the targets laid out for 2017."

INVESTOR RELATIONS OFFICE:
Maria Gil Marín
Tel. +351 213 836 300
Fax: +351 213 836 301
investor.relations@novabase.pt

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

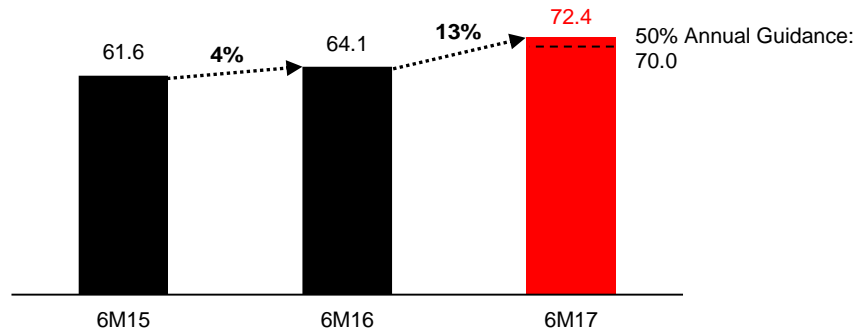


1. Key Indicators Evolution

Turnover and EBITDA comparatives were restated, and do not include the Infrastructures & Managed Services business, discontinued in 4Q16.

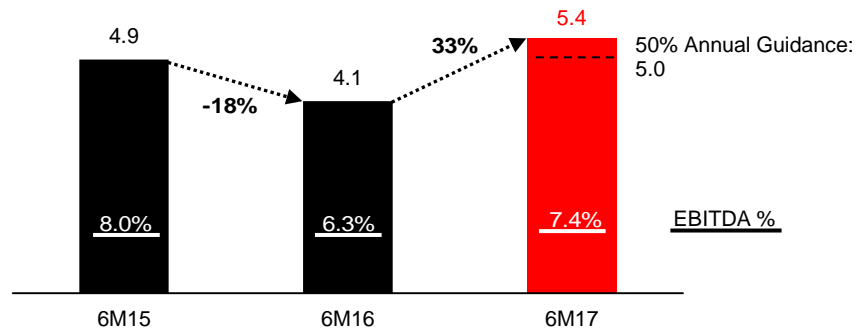
Turnover (M€)

Turnover shows a 13% rise YoY, and is above the annual Guidance (+3%). Highlights include the international growth (15%), in line with the strategic focus.

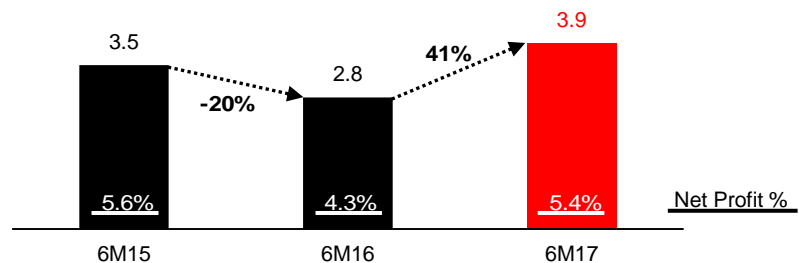


EBITDA (M€)

EBITDA above the annual Guidance (+7%), and registering a 33% growth, YoY.



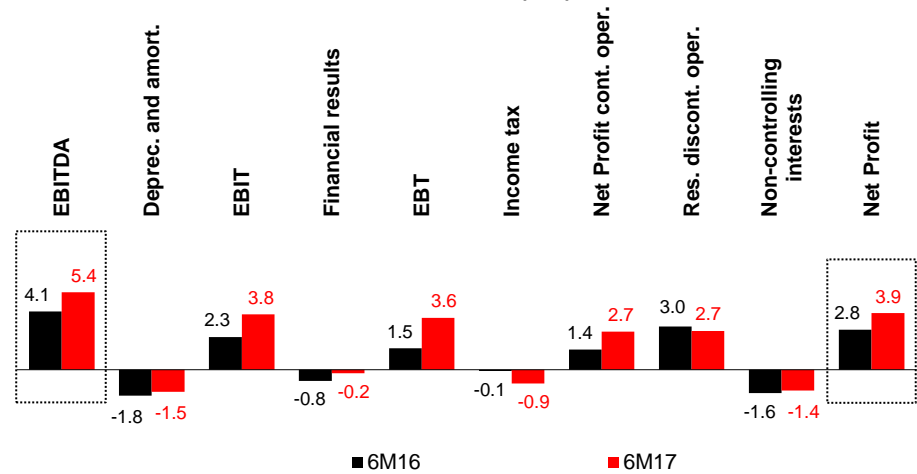
Net Profit (M€)



Earnings per share (EPS) in 6M17 reached 0.13 euros per share, registering an increase of 43% towards the EPS from the previous year of 0.09 euros per share.



From EBITDA to Net Profit 6M17 Vs 6M16 (M€)

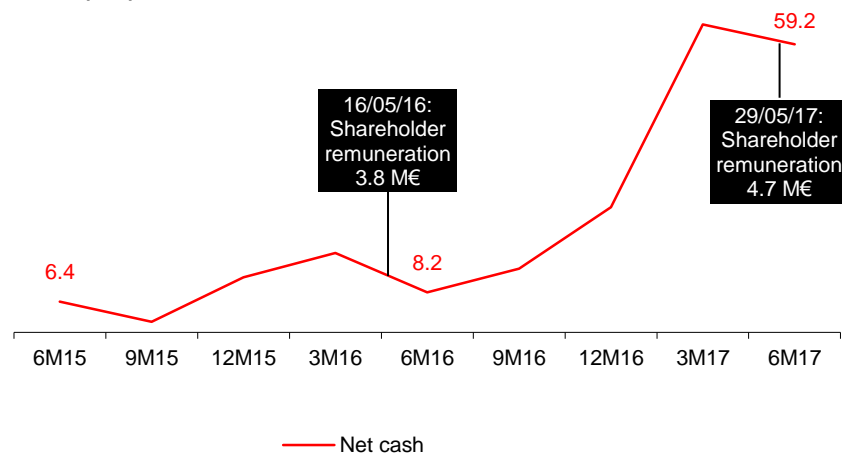


The Financial Results were negative in 0.2 M€, an increase of 0.6 M€, fundamentally due to the increase in the short term bank deposits and held-to-maturity gains compared to the same period of last year.

Results from discontinued operations in 6M17 reached a 2.7 M€ profit (3.0 M€ in 6M16) and correspond to the results attributable to IMS segment. In 6M17, this figure corresponds fully to the adjustment on the gain generated by the sale of the business, resulting from the final calculation of working capital and net debt, as established in the purchase and sale agreement.

Net Cash (M€)

Increase of 33.5 M€ in the cash position, in the first half of 2017.



In the 6M17, Novabase shows a positive evolution in cash generation. Novabase ended the 6M17 with 59.2 M€ in net cash, which compares to 25.7 M€ in the 12M16.

This evolution mainly reflects the cash inflow from IMS Business disposal, in the amount of 41.1 M€. Additionally, on May 29, 2017, Novabase paid its shareholders a total amount of 4.7 M€ (0.15 €/share).



2. Short Summary of the Activity

The first half results are aligned with the expectations laid out for the year, and confirm the sale of the Infrastructures & Managed Services (IMS) business as a crucial step in the repositioning that Novabase has been doing to focus and strengthen its internationalization strategy.

International business shows a 15% rise. Europe maintains its leadership as the major market.

In the new perimeter, Turnover increased by 13%, and the weight of international business grew to 60% of the total. Operations in Europe expanded 13% YoY, and accounts for approximately 2/3 of non-domestic activity. Likewise, an improvement of operating competitiveness was verified, with EBITDA margin rising 33% up to 5.4 M€ and Net Profit reaching 3.9 M€.

Towards the Guidance, the six months of 2017 results stood above both in Turnover (+3%) and EBITDA (+7% in absolute terms and +0.3% in percentage points).

The table below contains the Infrastructures & Managed Services area Turnover and EBITDA in 6M15 and 6M16, which were disregarded from the comparatives to show continuing operations separately from discontinued operations, following the IMS Business sale:

IMS	6M15	6M16
Turnover (M€)	51.270	41.566
International Turnover (M€)	16.668	10.876
EBITDA (M€)	2.761	3.100

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

In the first year-half, highlights include that Novabase was once again the platinum sponsor of the Receivables Finance International 2017 (RFI) conference, held in London. The RFI conferences are the main event in the area of factoring, gathering banks, financial institutions, companies and specialists for an in-depth discussion on the financial industry's future.

Also, Celfocus was in attendance at the Mobile World Congress, considered the telecommunications sector's most important trade show on a worldwide scale, with its Celfocus Omnichannel solution.

In the Venture Capital area, Collab has been awarded the Gold Award in Global Technology by Associação Portuguesa de Contact Centers (Portuguese Association of Contract Centres). The award was announced at the 13th International Conference of the association, an event that brings together the Portuguese contact centre industry.

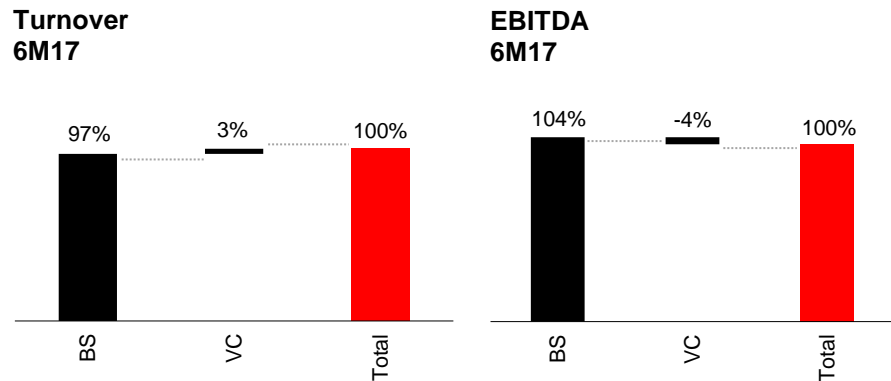


With regard to new partnerships, Novabase has signed a protocol with Instituto Superior Técnico (IST) to join its network of strategic partners. This agreement will allow Novabase to support the transfer of knowledge and innovation, resulting from the research activity of the University to the Industry and vice versa, and fall under Novabase's strategy to specialise its offerings and make them more suitable for the most sophisticated markets.

Highlights also include the re-entry of Novabase to the main index of the Lisbon stock exchange. The return to PSI20 increases the visibility of Novabase and may lead to an increase of the liquidity of its stock, which recorded a 29% appreciation during the first six months.



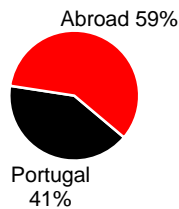
The percentage breakdown of Turnover and EBITDA by the different businesses, in the 6M17, is as follows:



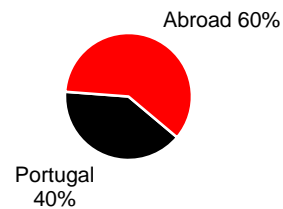
From the total Turnover, 43.4 M€ were generated outside Portugal, which compares to 37.6 M€ registered in 6M16.

This growth confirms the repositioning that Novabase has been operating in recent years to consolidate its internationalization, evolving from a geographic leadership with a broad offer to a strategy of specialised offers to the global market.

Turnover by geography 6M16



Turnover by geography 6M17



Europe was the continent with greater expression in 6M17, accounting for 64% of international business.

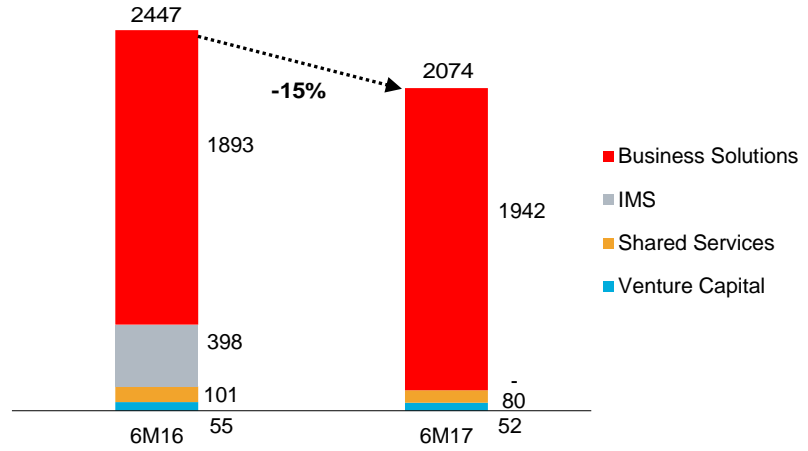
Business outside Portugal generated in the Business Solutions area remained in 60% of the respective Turnover (60% in 6M16) and in the Venture Capital area increased to 62% (34% in 6M16).

Novabase had 2074 employees on average in the 6M17, a decrease of 15% compared to the 6M16 (2447), reflecting the exit of the IMS Business companies employees, sold at the end of 2016.

Average number of employee's breakdown by business area, during 6M17, was as follows:



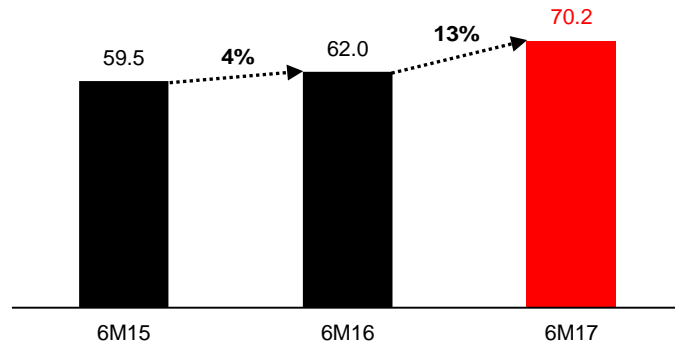
Average Number of Employees



Worthy of note is that international employees represent 10% of the total number in 6M17 (216), and the recruitment of 95 new university graduates through Novabase Academy program.

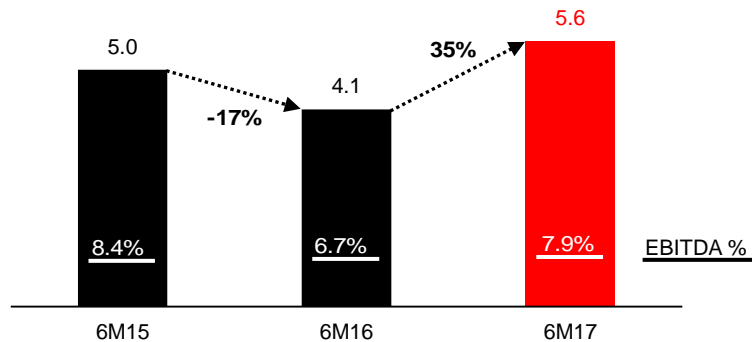
2.1. Business Solutions (BS)

Turnover Business Solutions (M€)



BS evolution reflects top-line growth, both internationally (+14%) and in the domestic market (+12%), and a positive performance of the businesses.

EBITDA Business Solutions (M€)





2.2. Infrastructures & Managed Services (IMS)

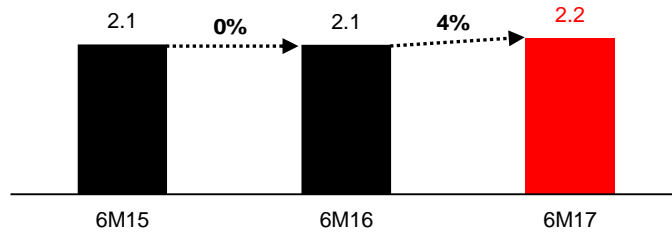
As at October 12, 2016, Novabase has entered into a purchase and sale agreement with VINCI Energies Portugal, SGPS, S.A., to sell its Infrastructures & Managed Services business ("IMS Business"), by the agreed price of 38.365 million euros, which was substantially completed by the end of the year, therefore a gain amounting to 17.6 M€ was recorded in 2016 accounts.

In the first half of 2017, the final calculation of working capital and net debt as established in the purchase and sale agreement took place, and the final price was revised to 41.061 million euros, resulting in an adjustment to the gain generated by the sale of the IMS business in the amount of 2.7 M€.

Final price calculation generated an additional gain of 2.7 M€.

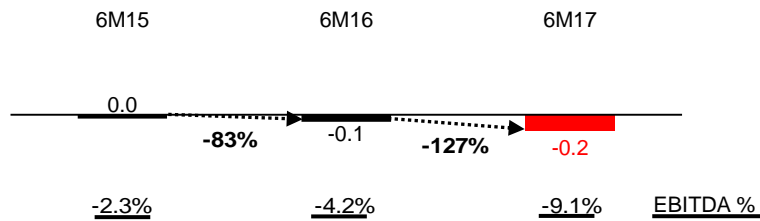
2.3. Venture Capital (VC)

Turnover Venture Capital (M€)



VC area with limited significance, typical of the development stage of its investments.

EBITDA Venture Capital (M€)





3. Stock Performance

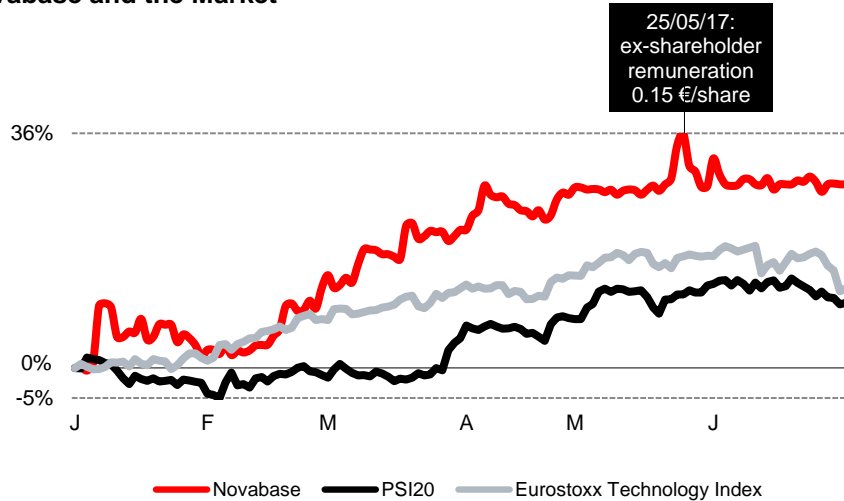
Excluding the shareholder remuneration, the appreciation of Novabase share price would have been 34%.

Novabase share price in 6M17 gained 29%, comparing to a 10% gain in the PSI20 Index and a 12% gain in the EuroStoxx Technology Index.

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

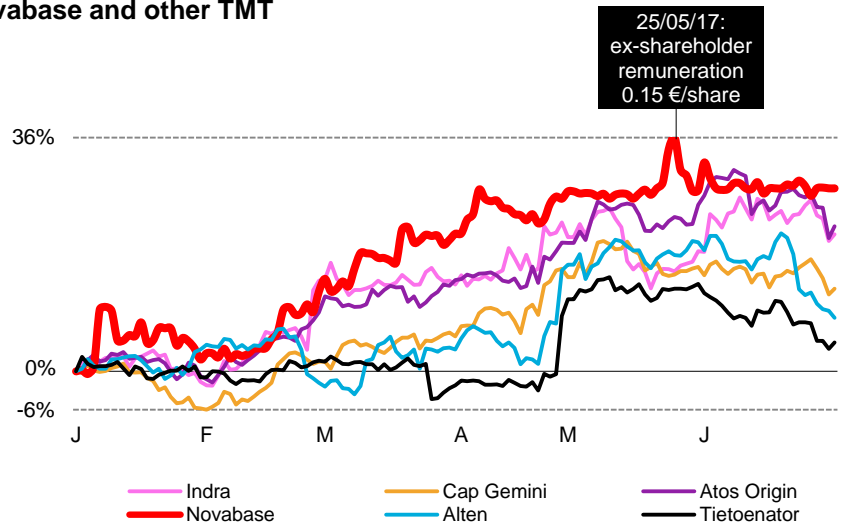
Also to be noted the re-entry of Novabase to the main index of the Lisbon stock exchange, the PSI20, as of March, 20.

Novabase and the Market



The evolution of Novabase share prices compared to other companies in the IT sector in Europe, in 6M17, was as follows:

Novabase and other TMT



In the end of the first half of 2017, Novabase presented a Price to Sales multiple of 0.74x, which represents a discount of 33% compared to the average of other companies in the sector in Europe (source: Reuters, ttm values at 30/06).

9% is the average upside according to the analysts who cover Novabase.

The average price target disclosed by the analysts who cover Novabase is 3.48 euros.



Rotation in 6M17 represented 14% of the capital and 4.3 million shares were traded, about four times higher than the values recorded in 6M16 (rotation of 3% of the capital and 1.1 million shares traded).

Summary	1H15	2H15	1H16	2H16	1H17
Minimum price (€)	2.170	2.070	1.879	1.910	2.480
Maximum price (€)	2.619	2.535	2.150	2.490	3.397
Volume weighted average price (€)	2.389	2.242	2.026	2.220	2.962
Closing price at the end of the period (€)	2.500	2.114	1.980	2.490	3.200
Nr. of shares traded	4,192,659	1,531,699	1,092,537	1,736,117	4,287,838
Market cap in the last day (M€)	78.5	66.4	62.2	78.2	100.5

4. Outlook 2017

These half-year results are in line with the strategic objectives set for the year.

The international activity accounts for 60% of the total business, and Europe consolidates its position as the major market, representing 64% of total. In this period, EBITDA margin was 7.4% and Net Profit reached 5.4%.

Novabase maintains confidence in the goals set for 2017:

- Turnover of 140 M€, more than 60% of which generated abroad
- EBITDA exceeding 10 M€

We reaffirm the priority of sustainable international growth, with focus on the differentiation of our offerings for the most sophisticated markets.



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 6M17 and prior periods, is analysed as follows:

	6M15	6M16	6M17
Cash and cash equivalents	19,588	18,572	67,109
Held-to-maturity investments - Non-current	4,409	6,337	866
Held-to-maturity investments - Current	-	4,492	6,298
Treasury shares held by the Company (*)	30	17	1,205
Bank borrowings - Non-current	(12,790)	(16,277)	(11,532)
Bank borrowings - Current	(4,883)	(4,915)	(4,745)
Net Cash	6,354	8,226	59,201

(*) 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:

	6M15	6M16	6M17
Treasury shares held by the Company (thousands)	11.957	8.615	376.611
Closing price on the last tradable day (€)	2.500	1.980	3.200
Treasury shares held by the Company (EUR thousand)	30	17	1,205

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 2017**

	30.06.17	31.12.16
	(Thousands of Euros)	
ASSETS		
Tangible assets	8,914	8,899
Intangible assets	17,613	18,104
Financial investments	4,800	4,928
Held-to-maturity investments	866	4,859
Deferred income tax assets	9,256	9,545
Other non-current assets	5,132	5,132
Total Non-Current Assets	46,581	51,467
Inventories	65	486
Trade debtors and accrued income	53,680	64,120
Other debtors and prepaid expenses	10,338	48,953
Derivative financial instruments	68	19
Held-to-maturity investments	6,298	4,441
Cash and cash equivalents	67,109	35,703
Total Current Assets	137,558	153,722
Assets for continuing operations	184,139	205,189
Assets for discontinued operations	-	-
Total Assets	184,139	205,189
EQUITY		
Share capital	15,701	15,701
Treasury shares	(188)	(4)
Share premium	43,560	43,560
Reserves and retained earnings	19,546	16,071
Net profit	3,924	9,577
Total Shareholders' Equity	82,543	84,905
Non-controlling interests	8,868	8,151
Total Equity	91,411	93,056
LIABILITIES		
Bank borrowings	11,532	13,907
Finance lease liabilities	5,385	4,990
Provisions	6,876	9,109
Other non-current liabilities	-	-
Total Non-Current Liabilities	23,793	28,006
Bank borrowings	4,745	5,376
Finance lease liabilities	1,531	1,540
Trade payables	5,366	7,242
Other creditors and accruals	32,875	40,178
Derivative financial instruments	1	82
Deferred income	22,417	27,709
Total Current Liabilities	66,935	82,127
Total Liabilities for cont. operations	90,728	110,133
Total Liabilities for discount. operations	2,000	2,000
Total Liabilities	92,728	112,133
Total Equity and Liabilities	184,139	205,189
Net Cash	59,201	25,741

**Consolidated Income Statement
for the period of 6 months ended 30 June 2017**

	30.06.17	30.06.16 *	Var. %
	(Thousands of Euros)		
CONTINUING OPERATIONS			
Sale of goods	1,295	104	
Cost of goods sold	(661)	(69)	
Gross margin	634	35	1711.4 %
<i>Other income</i>			
Services rendered	71,073	63,992	
Supplementary income and subsidies	913	182	
Other operating income	354	378	
	72,340	64,552	
	72,974	64,587	
<i>Other expenses</i>			
External supplies and services	(30,472)	(21,723)	
Employee benefit expense	(43,453)	(38,674)	
Provisions reversal	6,794	201	
Other operating expenses	(470)	(336)	
	(67,601)	(60,532)	
Gross Net Profit (EBITDA)	5,373	4,055	32.5 %
Restructuring costs	-	-	
Operating Gross Net Profit	5,373	4,055	32.5 %
Depreciation and amortization	(1,533)	(1,786)	
Operating Profit (EBIT)	3,840	2,269	69.2 %
Financial results	(246)	(770)	
Net Profit before taxes (EBT)	3,594	1,499	139.8 %
Income tax expense	(938)	(92)	
Net Profit from continuing operations	2,656	1,407	88.8 %
DISCONTINUED OPERATIONS			
Net Profit from discount. operations	2,696	2,992	-9.9 %
Non-controlling interests	(1,428)	(1,623)	
Attributable Net Profit	3,924	2,776	41.4 %
Other information:			
Turnover	72,368	64,096	12.9 %
Gross margin from sales %	49.0 %	33.7 %	
EBITDA margin	7.4 %	6.3 %	
EBT % on Turnover	5.0 %	2.3 %	
Net profit % on Turnover	5.4 %	4.3 %	

* Comparatives were restated to show continuing operations separately from discontinued operations (IMS Business).



Consolidated Income Statement by SEGMENTS
for the period of 6 months ended 30 June 2017

(Thousands of Euros)

	Business Solutions	IMS	Venture Capital	NOVABASE
CONTINUING OPERATIONS				
Sale of goods	1,295	-	-	1,295
Cost of goods sold	(661)	-	-	(661)
Gross margin	634	-	-	634
Other income				
Services rendered	68,880	-	2,193	71,073
Supplementary income and subsidies	903	-	10	913
Other operating income	293	-	61	354
	70,076	-	2,264	72,340
	70,710	-	2,264	72,974
Other expenses				
External supplies and services	(29,301)	-	(1,171)	(30,472)
Employee benefit expense	(42,171)	-	(1,282)	(43,453)
(Provisions) / Provisions reversal	6,788	-	6	6,794
Other operating expenses	(453)	-	(17)	(470)
	(65,137)	-	(2,464)	(67,601)
Gross Net Profit (EBITDA)	5,573	-	(200)	5,373
Depreciation and amortization	(1,352)	-	(181)	(1,533)
Operating Profit (EBIT)	4,221	-	(381)	3,840
Financial results	(126)	-	(120)	(246)
Net Profit / (Loss) before Taxes (EBT)	4,095	-	(501)	3,594
Income tax expense	(676)	-	(262)	(938)
Net Profit / (Loss) from cont. operations	3,419	-	(763)	2,656
DISCONTINUED OPERATIONS				
Net Profit from discontinued operations	-	2,696	-	2,696
Non-controlling interests	(1,615)	-	187	(1,428)
Attributable Net Profit / (Loss)	1,804	2,696	(576)	3,924
Other information :				
Turnover	70,175	-	2,193	72,368
EBITDA	5,573	-	(200)	5,373
EBITDA % on Turnover	7.9%	-	-9.1%	7.4%
EBT % on Turnover	5.8%	-	-22.8%	5.0%