

## Reditus' EBITDA increases 50.5% in first nine months of 2017

- **Operating Revenue of EUR 31,5 million (vs. EUR 33,9 million in 9M16)**
- **EBITDA of EUR 3,9 million (vs. EUR 2,6 million in 9M16)**
- **EBITDA margin 12.5% (vs. 7.7% in 9M16)**
- **Income from Continued Operations of EUR 92 thousand (vs. negative EUR 1,4 million in 9M16)**
- **International Sales represent 40% of total (vs. 35% in 9M16)**

### 1. Summary of the Activity

---

The first nine months of 2017 (9M17) show a persistent good performance of the Reditus Group and represent a significant improvement over the same period in 2016 (9M16).

The successful strategy followed by the Group subsequent to the sale of the former subsidiary ROFF, comprising an internal reorganization and a focus on core activities - centred on innovative and higher value added offers – have, together with on-going efforts on rationalization of operating costs and overheads, afforded an increased profitability of the business and explains the positive evolution of the results for the first nine months of the year (9M17).

The Operating Revenue shows a 6.9% decrease to 31,5 million euros - compared to 33,9 million euros in the same period – the improvement in contribution margins of the different Group operations lead to a 50.5% YOY Group EBITDA increase.

The revenue contraction derives mainly from the BPO segment of the Client Services sector, and reflects the term of a large contract from the previous year and which the Group has consistently been replacing for others of equivalent value and increased profitability. We were as a result able to obtain several contracts from within our installed customer base, both new and renewals of existing contracts, and also to acquire new clients, all of which will contribute to better results of the BPO segment through the coming periods.

The IT Consulting and IT Outsourcing sectors were the main contributors to the Group's improved results, showing positive growth in both Revenues and EBITDA, with new clients and renewals of existing contracts in the domestic market.

Revenue for the International sector registered a growth of 5.3% in 9M17, increasing its weight from 35% to 40% relative to the Group's overall Revenue. The strategic commitment to the African market, with a focus on the three geographies where the Group has subsidiaries namely Angola, Mozambique and Equatorial Guinea, has led to a growth in business volume due to the beginning of new projects and to the continuation of those where the Group has already an on-going history.

The Group expects to continue actively searching during the coming months for new international market opportunities in those geographies, as well as for Nearshore projects, with the aim at consolidating its business growth.

EBITDA reached 3,9 million Euros, equivalent to an EBITDA margin of 12.5%, or 4.8 pp above the 7.7% margin reached in the same period of last year.

Net Income from Continued Operations amounted to 92 thousand Euros, an increase of 1,5 million Euros over the same period of the previous year, when a negative value of 1,4 million Euros had been reached.

## 2. Consolidated Indicators

---

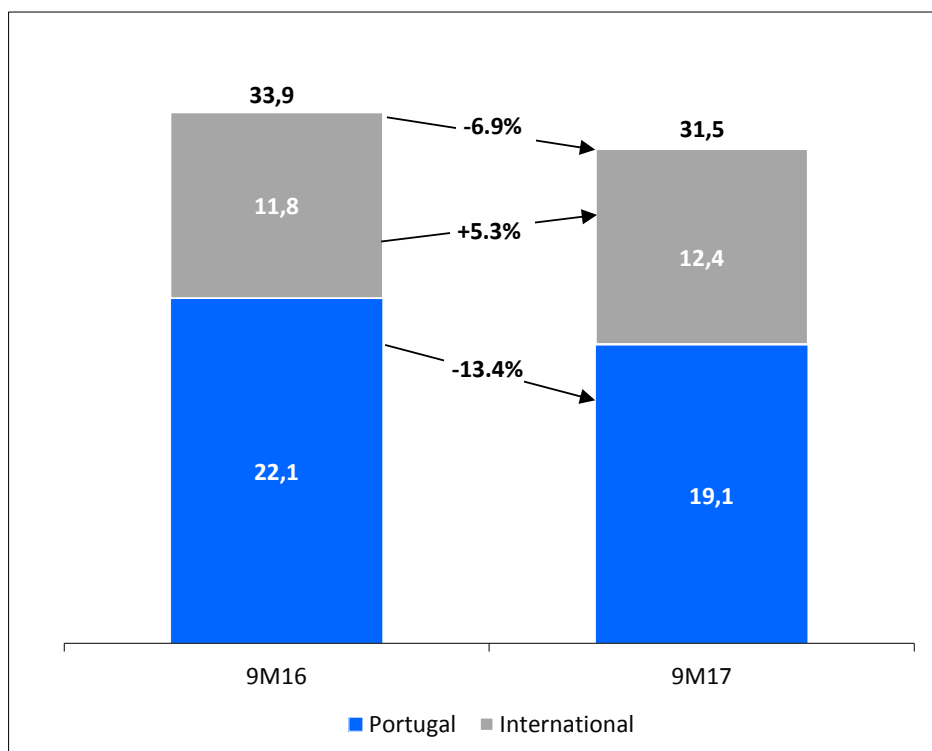
### 2.1. Consolidated Operating Revenues

Consolidated Operating Revenues amounted to 31,5 million Euros in 9M17, against 33,9 million Euros in the same period last year, or a decrease of 6.9%.

Business in the domestic market contracted 13.4% over 9M16, as result of an important reduction in the BPO segment as mentioned in 1. above.

International Sales, namely in the African market where the Group has subsidiaries, achieved a increase of 5.3% relative to 9M16, having seen its weight increase from 35% to 40% of the Group's total Revenues, as previously mentioned.

### Operating Revenues € Millions



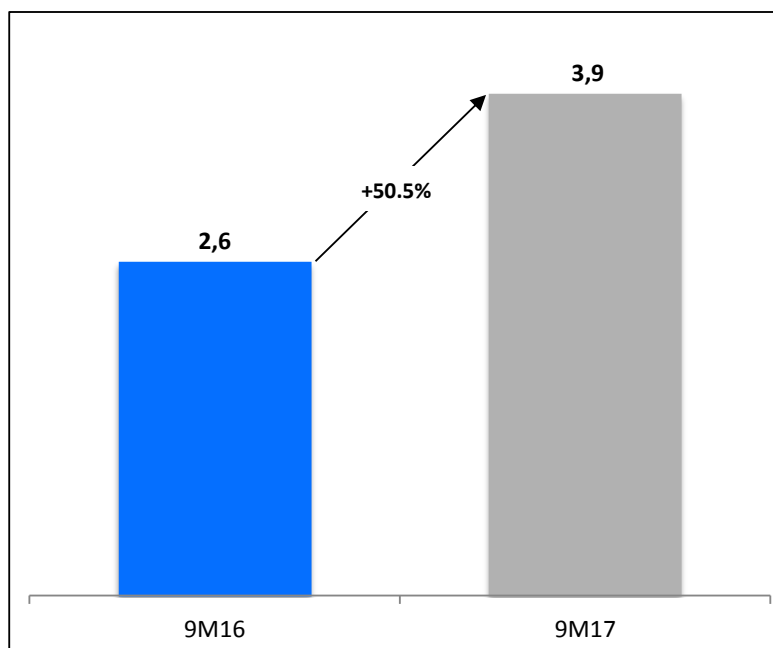
## 2.2. Operating Expenses

Consolidated Operating Expenses, net of Depreciation, Provisions and Adjustments, amounted to 27,6 million Euros in 9M17; this accounts for 87.5% of total Revenue and represents a decrease of 11.7% over 9M16, when they represented 92.3% of total Revenue, mainly due to the rationalization of operating costs and overheads.

## 2.3. Operational Result before Amortizations (EBITDA)

Consolidated EBITDA reached 3,9 million Euros, 50.5% higher than the 2,6 million euros reached in 9M16. The EBITDA margin was 12.5%, or 4.8 pp above the margin of 7.7% achieved in the same period.

**EBITDA**  
€ Millions



#### 2.4. Net Income

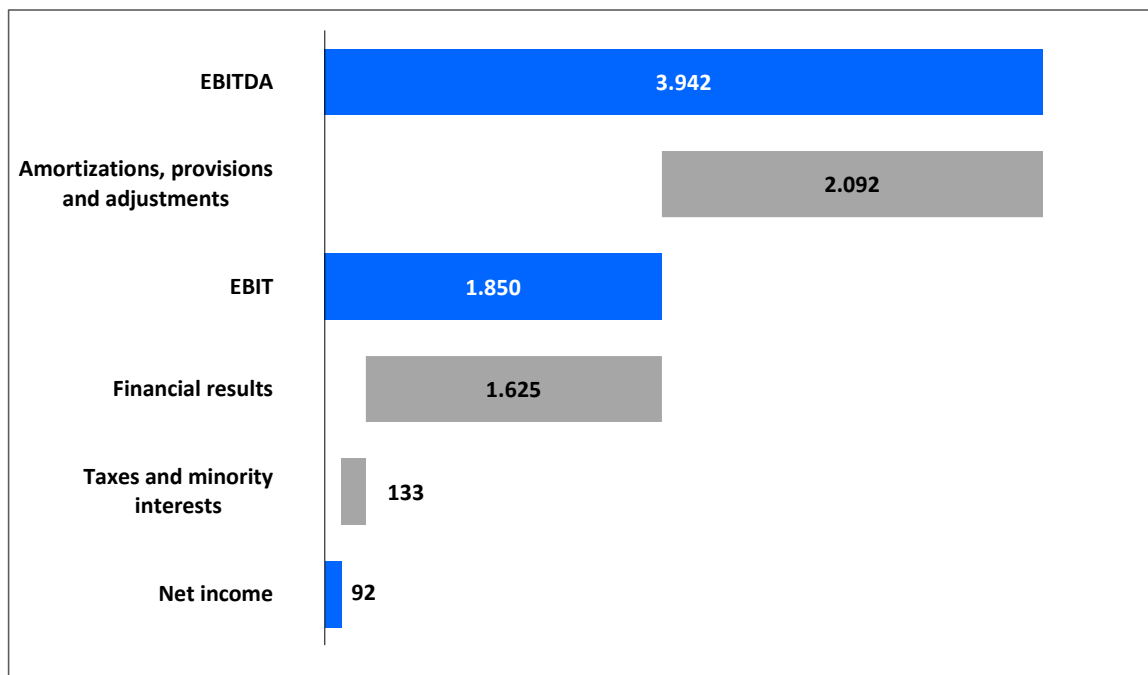
Depreciations, Amortizations, Provisions e Adjustments amounted to 2,1 million Euros in 9M17, an increase of 1.1% over the same period last year.

Operating income (EBIT) was positive with 1,9 million Euros, 267.9% higher than the value reached in 9M16.

Net financial expenses improved 8.9% to 1,6 million Euros in 9M17, reflecting a continuing effort towards the improvement of financing conditions through the renegotiation of all the credit lines.

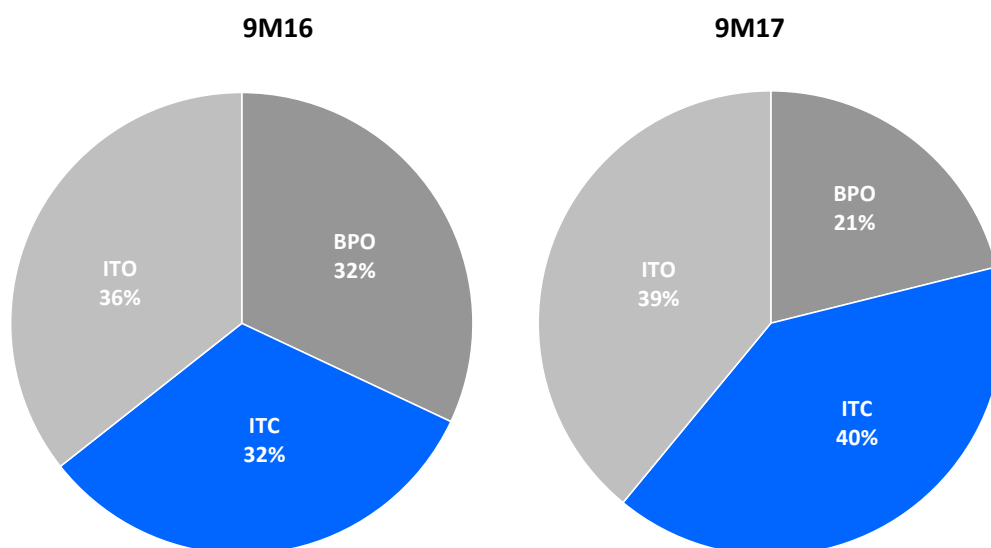
Income from On-Going Operations was positive 9M17 with 92 thousand euros which compares with a negative result of 1,4 million euros in the same period last year, reflecting an improvement derived from the increase in profitability and performance of operations. In terms of the previous Consolidation perimeter, the 9M16 result amounted to 288 thousand euros under the influence of 1,7 million euros relating to the result of the discontinued operations, namely of the former subsidiary ROFF prior to its disposal.

**From EBITDA to Net Income  
€ Thousand**

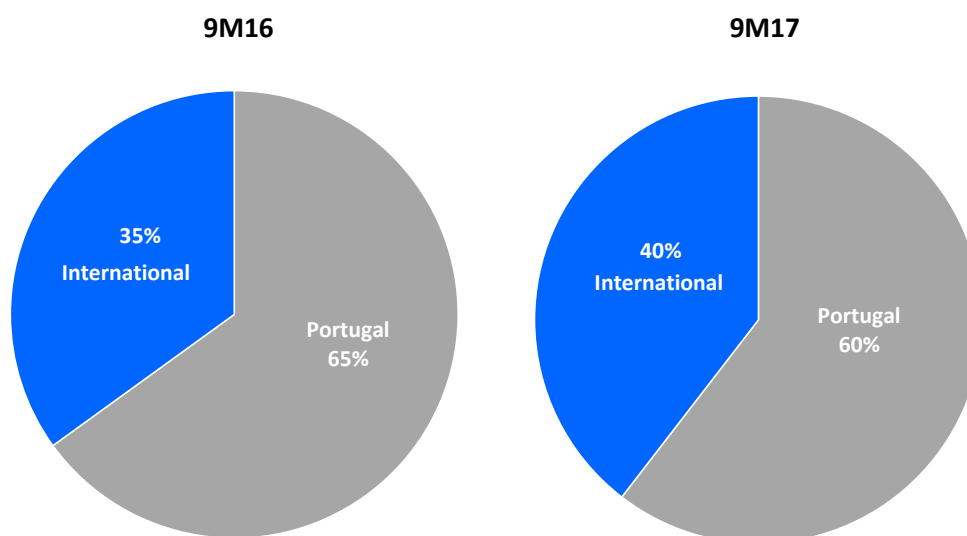


**3. Indicators by Business Sectors**

**Revenue by Business Sector**



## Revenue by Geographic Markets



### 3.1. IT Consulting

*IT Consulting* integrates the business segments of Consulting, Platforms and Applications, and Specialized Outsourcing. This area represented 40% of the Group's total Revenue in 9M17.

The Consulting segment offers consulting, process management, application development / maintenance and management services, business intelligence and applications, open source solutions, and outsourcing services specializing in information technology. Services include the management, administration and support of technology platforms.

Revenues for the ITC area reached 15,3 million Euros in 9M17, growing 28.8% over the same period last year. EBITDA was 278 thousand Euros, a significant increase over the 1,1 million Euros obtained in 9M16, mainly due to the new businesses and to an increased profitability in different projects.

### 3.2. IT Outsourcing

Reditus' *IT Outsourcing* area comprises the IT Infrastructure skills and represented 39% of total revenues in 9M17.

The IT Infrastructure segment offers services, projects and infrastructure solutions for information technology. Services include management, administration and support of technological platforms, based on a logic of liability agreement or of functional outsourcing.

Revenues from this area reached 15,0 million Euros in 9M17, an increase of 14.6% over the same period last year. EBITDA reached 4,7 million Euros or an increase of 12.8% over 9M16, mainly due to a increased performance in the new businesses.

### 3.3. Business Process Outsourcing (BPO)

The *BPO* area provides Contact Center services and business support, developing inbound and outbound services for customer support and retention, mail handling, document preparation, scanning, file custody, credit processing - corporate, mortgage, consumer and automobile, insurance claims - automotive, multi-risk and occupational hazards, processing of credit, debit and student cards, complaint management, among others. This area represented 21% of Reditus' global business in 9M17.

Operating Revenues amounted to 8,1 million euros, a decrease of 31.0% over the same period in the previous year. EBITDA recorded a negative result of 1,1 million euros in 9M17, which compares with a negative result of 432 thousand euros in 9M16. Such result is mainly due to the contractual expiration of a large contract in 2016, which the Group has been gradually replacing with new ones of smaller dimension. Despite the adverse context and strong competition, the Group pursues its strategy of creating differentiated offers and in growing the business with a focus on the profitability of this segment.

## 4. Main Balance Sheet Items

€ Millions			
	30-Sep-2017	31-Dec-2016	Var %
<b>Total Assets</b>	170,4	172,7	-1,3%
Non Current Assets	74,4	72,7	2,3%
Current Assets	96,0	100,0	-4,0%
<b>Equity</b>	32,6	32,4	0,7%
<b>Total Liabilities</b>	137,8	140,3	-1,8%
Non-Current Liabilities	94,8	95,3	-0,6%
Current Liabilities	43,1	45,0	-4,2%
<b>Net Debt</b>	60,7	59,2	2,5%

At the end of 9M17, net bank debt (including loans and lease liabilities, less cash and cash equivalents) was 60,7 million Euros, which compares with 59,2 million Euros at the end of 4Q16, or an increase of 2.5%.

## 5. Stock Market Performance

Share Price Performance



At the end of 9M17, Reditus' share closing price was 0,19 Euros, which compares to 0,24 euros at the beginning of the year.

In terms of liquidity, around 2,0 million Reditus' shares were traded during 9M17, representing a transaction value of 403 thousand euros.

The average number of shares traded daily stood at about 10.125, corresponding to a daily average of approximately 2.065 euros.



## 6. EBITDA by Business Sector

*Unit: thousands of euros*

	30-Sep-2017	30-Sep-2016	YoY %
<b>TOTAL REDITUS</b>			
<b>Operating Revenues</b>	31.535	33.859	-6,9%
Sales	947	812	16,7%
Services Rendered	30.093	32.846	-8,4%
Other Operating Revenues	496	202	145,2%
Operating Expenses (excluding deprec., provisions and adjust.)	27.593	31.241	-11,7%
<b>EBITDA</b>	3.942	2.619	50,5%
EBITDA Margin	12,5%	7,7%	4,8pp
<b>ITC</b>			
<b>Operating Revenues</b>	15.303	11.882	28,8%
Sales	318	105	202,0%
Services Rendered	14.564	11.420	27,5%
Other Operating Revenues	421	357	18,0%
Operating Expenses (excluding deprec., provisions and adjust.)	15.026	13.024	15,4%
<b>EBITDA</b>	278	(1.142)	-124,3%
EBITDA Margin	1,8%	-9,6%	11,4pp
<b>ITO</b>			
<b>Operating Revenues</b>	14.990	13.080	14,6%
Sales	792	785	0,9%
Services Rendered	13.920	12.185	14,2%
Other Operating Revenues	277	109	153,7%
Operating Expenses (excluding deprec., provisions and adjust.)	10.261	8.887	15,5%
<b>EBITDA</b>	4.729	4.192	12,8%
EBITDA Margin	31,5%	32,1%	-0,5pp
<b>BPO</b>			
<b>Operating Revenues</b>	8.104	11.745	-31,0%
Sales	-	17	-100,0%
Services Rendered	8.104	11.728	-30,9%
Other Operating Revenues	-	0	-100,0%
Operating Expenses (excluding deprec., provisions and adjust.)	9.168	12.178	-24,7%
<b>EBITDA</b>	(1.064)	(432)	146,3%
EBITDA Margin	-13,1%	-3,7%	-9,5pp
<b>Other and Intra-group</b>			
<b>Operating Revenues</b>	(6.862)	(2.848)	
Sales	(163)	(95)	
Services Rendered	(6.496)	(2.488)	
Other Operating Revenues	(203)	(265)	
Operating Expenses (excluding deprec., provisions and adjust.)	(6.862)	(2.848)	

**REDITUS, SGPS, SA**  
**CONSOLIDATED INCOME STATEMENT**  
 FOR THE PERIODS ENDED SEPTEMBER 30th, 2017 and SEPTEMBER 30th, 2016  
 (Values expressed in Euros)

	30-Sep-2017	30-Sep-2016
<b>OPERATING REVENUES</b>		
Sales	947.184	811.716
Services rendered	30.092.645	32.845.724
Other operating revenues	495.534	202.057
<b>Total Operating Revenues</b>	<b>31.535.363</b>	<b>33.859.497</b>
<b>OPERATING COSTS</b>		
Inventories consumed and sold	(671.779)	(654.134)
External supplies and services	(10.077.504)	(10.258.856)
Staff costs	(15.591.501)	(19.328.329)
Depreciation and amortisation costs	(2.027.119)	(2.115.650)
Provisions and impairments	(64.831)	-
Other operating costs	(1.252.328)	(999.528)
<b>Total Operating Costs</b>	<b>(29.685.062)</b>	<b>(33.356.497)</b>
<b>Net Operating Income</b>	<b>1.850.301</b>	<b>503.000</b>
<b>FINANCIAL RESULTS</b>		
Net financial costs	(1.625.180)	(1.783.254)
Net losses in associate companies	-	-
<b>Income before taxes</b>	<b>225.121</b>	<b>(1.280.254)</b>
Taxation	1.857	(150.084)
<b>Income before minority interests</b>	<b>226.978</b>	<b>(1.430.338)</b>
Minority interests	(134.845)	(12.089)
<b>Income from continued operations</b>	<b>92.133</b>	<b>(1.442.427)</b>
Income from discontinued operations	-	1.730.712
<b>Net income</b>	<b>92.133</b>	<b>288.285</b>
EBITDA	3.942.251	2.618.650
EBITDA Margin	12,5%	7,7%

**REDITUS, SGPS, SA**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
 FOR THE PERIODS ENDED SEPTEMBER 30th, 2017 and DECEMBER 31st, 2016  
 (Values expressed in Euros)

	30-Sep-2017	31-Dec-2016
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS:</b>		
Tangible Fixed Assets	7.208.741	7.456.886
Investment Properties	1.500.000	1.500.000
Goodwill	41.473.191	41.473.191
Intangible Assets	18.938.286	20.228.928
Advances for Financial Investments	74.707	74.707
Other Financial Investments	4.369.964	1.339.140
Deferred Tax Assets	795.223	606.155
	<u>74.360.112</u>	<u>72.679.007</u>
<b>CURRENT ASSETS:</b>		
Inventories	726.227	532.887
Customer receivables	60.756.918	60.381.289
Other account receivables	6.106.990	16.969.189
Other current assets	26.859.879	19.044.900
Financial assets at fair value	8.713	47.599
Cash and equivalents	1.620.086	3.047.867
	<u>96.078.813</u>	<u>100.023.731</u>
<b>TOTAL ASSETS</b>	<u>170.438.925</u>	<u>172.702.738</u>
<b>EQUITY</b>		
Share Capital	73.193.455	73.193.455
Treasury shares	(1.426.438)	(1.426.438)
Share premium account	9.952.762	9.952.762
Reserves	3.608.430	3.608.430
Retained earnings	(53.766.602)	(50.865.855)
Adjustments in financial assets	(501.763)	(501.763)
Valuation surplus of fixed assets	1.129.470	1.129.470
Consolidated net income for the year	92.133	(2.900.747)
Equity attributable to equity holders of Reditus	<u>32.281.447</u>	<u>32.189.314</u>
Equity attributable to minority interests	318.221	190.653
Total equity	<u>32.599.668</u>	<u>32.379.967</u>
<b>LIABILITIES:</b>		
<b>NON-CURRENT LIABILITIES:</b>		
Loans	51.785.710	54.381.333
Other accounts payable	34.984.647	32.540.810
Deferred tax liabilities	3.845.609	4.001.735
Financial leasing liabilities	4.134.624	4.420.877
	<u>94.750.590</u>	<u>95.344.755</u>
<b>CURRENT LIABILITIES:</b>		
Loans	5.999.086	3.005.126
Suppliers	7.991.511	9.564.203
Other accounts payable	16.021.030	17.243.325
Other current liabilities	12.687.409	14.736.980
Financial leasing liabilities	389.631	428.382
	<u>43.088.667</u>	<u>44.978.016</u>
<b>TOTAL LIABILITIES</b>	<u>137.839.257</u>	<u>140.322.771</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>170.438.925</u>	<u>172.702.738</u>