



# ANNUAL REPORT

CONSOLIDATED  
2017



Inspiring Performance,  
Together.

[www.reditus.pt](http://www.reditus.pt)

## INDEX

<b>PART I – CONSOLIDATED MANAGEMENT REPORT.....</b>	<b>2</b>
CHAIRMAN’S STATEMENT’ .....	2
KEY OPERATING INDICATORS OF THE GROUP .....	3
MAIN EVENTS IN 2017 .....	4
MACROECONOMIC AND SECTORIAL OVERVIEW .....	5
1.1. <i>Macroeconomic Overview</i> .....	5
1.2. <i>Sectorial Overview</i> .....	6
GENERAL OUTLOOK OF THE BUSINESS .....	9
1.3. <i>IT Consulting</i> .....	9
1.4. <i>IT Outsourcing</i> .....	11
1.5. <i>BPO</i> .....	12
1.6. <i>International Area</i> .....	13
QUALITY AND CUSTOMER SATISFACTION.....	14
SOCIAL RESPONSIBILITY AND SUSTAINABILITY .....	17
ECONOMIC AND FINANCIAL ANALYSIS OF THE GROUP.....	18
1.7. <i>Consolidated Operating Income</i> .....	18
1.8. <i>Operating Expenses</i> .....	19
1.9. <i>Operational Result Before Amortizations (EBITDA)</i> .....	19
1.10. <i>Net Income</i> .....	20
1.11. <i>Main Balance Sheet Items</i> .....	21
2. ECONOMIC AND FINANCIAL ANALYSIS BY BUSINESS AREA .....	21
2.1. <i>IT Consulting</i> .....	21
2.2. <i>IT Outsourcing</i> .....	21
2.3. <i>Business Process Outsourcing (BPO)</i> .....	22
OUTLOOK FOR 2018.....	22
STOCK MARKET PERFORMANCE .....	23
ACTIVITIES OF THE NON-EXECUTIVE DIRECTORS.....	23
EARNINGS .....	23
STATEMENT OF CONFORMITY.....	24
ACKNOWLEDGMENTS .....	24
<b>PART II – CONSOLIDATED FINANCIAL STATEMENTS.....</b>	<b>24</b>
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS .....	30
<b>PART III – REPORT ON CORPORATE GOVERNANCE .....</b>	<b>86</b>
<b>PART IV – AUDIT REPORTS .....</b>	<b>134</b>





# ANNUAL REPORT

CONSOLIDATED  
2017



Inspiring Performance,  
Together.

[www.reditus.pt](http://www.reditus.pt)

## PART I – CONSOLIDATED MANAGEMENT REPORT

### 1. Chairman's Statement



Francisco Santana Ramos

Dear Shareholders,

2017 marked the beginning of a three-year program at Reditus, that contemplates not only a range of changes in its organizational structure and operational model, with a view to rationalizing operational and structural costs, but also its investment in key areas.

Reditus' strategy promotes a focus on the Core areas, paying special attention to emerging technologies with high demand in the marketplace and in international geographies, and also aims at reducing business risk through the selection of sustainable, medium to long-term projects, and the increasing value of the services offered.

We experienced in 2017 a significant improvement over the same period of 2016, as evidenced by the positive variation in EBITDA growth, the improvement in Net Results and the growth in international businesses.

In spite of a 6.3% decrease in Operating Income to € 42 million, improvements in the contribution margins of the different Group operations afforded a 76.9% growth in the Group's consolidated EBITDA, which reached 4.9 million Euros against 2.8 million Euros in the same period of the previous year.

The Net Income remained nevertheless negative at 1,6 million Euros, despite representing a positive variation of 1,3 million Euros relative to the previous year. This result was negatively influenced by non-recurring factors, namely Losses relating to Provisions and Impairments amounting of 0,8 million Euros, and Net Present Value of Customer Receivables amounting to 0,8 million Euros.

Revenue for the International Sector registered a growth of 9.9% YOY, with its weight increasing from 39% to 46% relative to the Group's overall Revenue. Such results were obtained with projects developed in the three geographies where the Group has subsidiaries, namely Angola, Mozambique and Equatorial Guinea.

A more focused analysis of the income sources reveals a strong growth in the activities of the *IT Consulting* segment, while revenues in the *IT Outsourcing* segment were stable and the *BPO* segment suffered a contraction. Such contraction 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..

We still have a long road ahead, but the results obtained so far allow us a glimpse of our successful strategy focused on innovation, process optimization and internationalization. We will continue to focus on innovative solutions based on cutting-edge technologies such as, among others, *Cloud*, *Hyper-convergence*, *Robotization (RPA)* and *Artificial Intelligence*, and *IoT (Internet of Things)*.

---

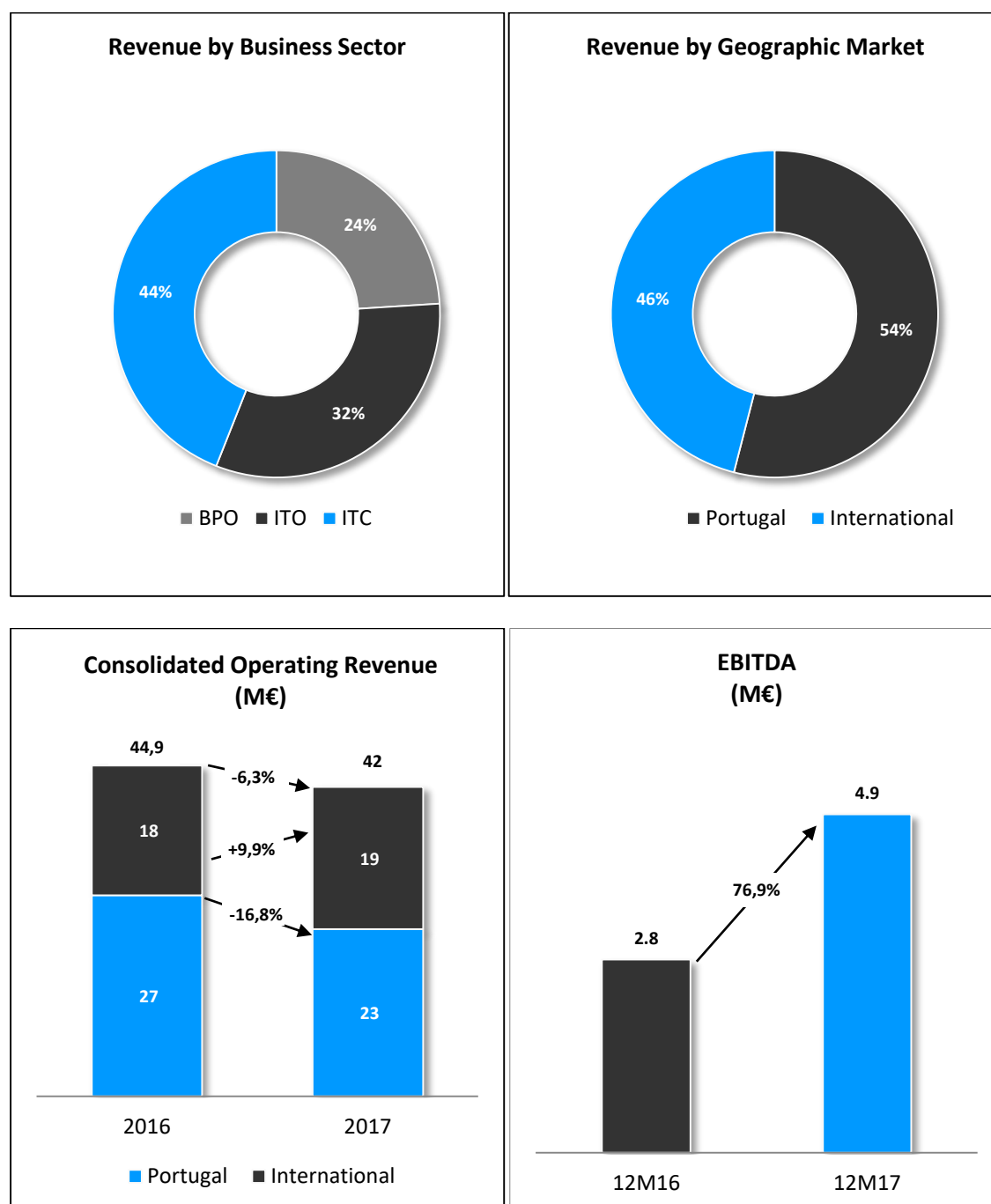
To walk this ambitious road, we will definitely continue to count on the remarkable commitment of a team of professionals who give daily their very best at the service of Reditus, and who are the main contributors to the path of success that we want to pursue.

Francisco Santana Ramos

*Chairman of the Board*



## 2. Key Operating Indicators of the Group



### 3. Main Events in 2017

#### January

- Reditus promotes *Sharepoint Academy* to train consultants specialized in this Microsoft technology, as a way to keep pace with demand arising from portfolio projects.
- Reditus *OutSystems* solution, developed for EDP's "Funciona" (*It Works*) project, is a candidate for the *EDPartners* award, in the "Sharing Best Practices" category.

#### February

- Reditus and OutSystems reinforce their commercial and strategic partnership.

#### March

- Reditus announces the results of the *Customer Satisfaction Enquiry*; clients were "very satisfied" with the services rendered in 2016.
- Reditus reinforces its long-standing partnership with Microsoft, renewing its Gold Partner status.

#### April

- Reditus presents its FY 2016 results, with Operating Revenue reaching 44,9 million euros.
- Reditus renews its ISO 9001 Quality Certification and migrates to the new ISO 9001/2015 standards.

#### May

- Reditus provides *Certification services for Information Privacy Professionals*.
- Reditus presents its *First Quarter Results*.

#### June

- Reditus receives two awards from APCC for the fourth consecutive year, reflecting the recognition of the quality of its *Contact Center services*.

#### July

- Reditus promotes, in Oporto, training sessions for *Certification of Professionals in Information Privacy*.
- Reditus announces 200 job openings in the Client Services unit.

#### August

- Reditus presents its *First Half Year* results.

#### September

- Reditus and BiZZdesign announce a partnership for the portuguese market, offering Solutions which help organizations to manage and speed up their digital transformation

#### October

- Reditus celebrates the *International Contact Center Week*.
- Reditus opens the new Service Center facilities at *Quinta do Lambert*, in Lisbon.

#### November

- Reditus presents its *Third Quarter* results.

## 4. Macroeconomic and Sectorial Overview

### 4.1. Macroeconomic Overview

#### International

According to IMF estimates, the world's Gross Domestic Product (GDP) grew at 3.7% in 2017, adding that it admits that the good moment experienced in 2017 will prevail in 2018 and 2019.

In this favorable context, the European economy grew by 2.5% over the whole of 2017, albeit with a slight deceleration in the last quarter, reflecting the improvement in global economic conditions and the effects of expansionary monetary policies in the Eurozone.

Some risks are identified for the medium term, namely the possibility of a faster-than-expected increase in inflation and interest rates in the advanced economies, as well as the geopolitical tension and institutional crises in some parts of the world. The trade war initiated in early 2018 between the United States and China could have a very negative impact on the global economy.

#### Portugal

Portugal experienced a consolidation of the growth trajectory initiated at the end of 2013 with the economy growing by 2.7% in 2017, 1.2 pp. more than in 2016. This evolution resulted from an increased contribution of domestic demand, mainly reflecting an accelerated investment as the net external demand's contribution was very close to that registered in 2016. Investment increased from 1% in 2016 to almost 10% in 2017. These results also reflect the acceleration of internal consumption, which increased by 2.5%.

The annual rate of inflation was 1.6%, up from 0.9% in the previous year. On the other hand, the unemployment rate fell to 8.9% last year, a decrease of 2.2 pp. compared to 2016 reflecting the good pace of economic growth and the economy's job creation capacity.

Public accounts also showed an improvement with the overall deficit standing at around 3% of GDP, and less than 1% if the non-recurring effects of CGD's capitalization are excluded. The Debt to Product ratio began its expected downward trend.

### 4.2. Sectorial Overview

#### Portuguese ITC Market

The IT market is expected to grow at a compounded annual rate of 3% until 2021, as a result of the asymmetric growth of its sub-segments.

In 2017 and according to a recent review by the market analysts IDC, the traditional IT market fell by 7.9%. Such trend should be maintained through 2021, at an average compounded contraction rate of 7.3%.

On the other hand and in counterpoint, the *accelerator* markets grew 15.2% and are expected to increase 12.1% by 2021, along with those of the *third platform*.

According to IDC the *third platform* (cloud, mobility, social business and big data) grew by 15.7% in 2017 in Portugal, and the market for *innovation accelerators* (IoT-Internet of Things, Robotics, 3D,



among others) increased by 15.2%. These figures reflect a certain lag of the Portuguese market in relation to others more developed in terms of IT, in particular the USA where the *third platform* experienced a slowdown from double-digit to 8 and 9% growth rates. *Second platform* technologies are, on the other hand, expected to fall by 3%.

Following a recent European change in legislation, 75% of the CIOs of the 500 largest domestic Organizations will focus their concerns on the GDPR subject.

According to the same analysts, the technologies associated with the new "*innovation accelerators*" will be responsible for the momentum given to the IT market, resulting in average annual growth rates of 4.8% through 2020. Still according to IDC, by 2020 the *third platform* and *innovation accelerators* will account for 52% of technology spending in Portugal, with 25% of the 500 largest Portuguese Organizations focusing their strategy for competitive differentiation on digital transformation.

This process of *transformation of organizations* will in turn open other opportunities for IT providers, namely in *strategies of governance, security, privacy, agility (DevOps)* and *contracting*, in the *third platform*. In 2019, more than 50% of the largest Portuguese Companies will have a team dedicated to *digital transformation*, and more than half of the organizations will invest in a *Channel* for the distribution and integration of services from large suppliers, with more than 50% of revenues coming from Partners.

## International ITC Market

At the international level, Gartner's analysis indicate that expenditure on Information Technology (IT) will reach 3,000 billion euros in 2018, representing an increase of 4.5% over 2017.

Still according to Gartner, *worldwide software spending* is expected to increase 9.5 percent this year. For 2019 a new 8.4% leap is forecast, to reach 345 billion euros. On the other hand, *devices* are expected to grow 5.6% this year.

IDC estimates that at least 50% of the world's GDP will be *digitalized* by 2021. Growth will be driven by *digitaly-based offerings and operations*, and organizations that are slow to incorporate *digitalization* into their processes and products will be left to compete for only a small share of the market.

According to this analyst, digitalization of the value chains in the diferente economies will lead to a water-down of the boundary between markets and regions, and consequently to an ever broadening spread of the ICT market tendencies.

## Strategic Technologies for 2018

Although in technological terms the world is increasingly global, the adoption of technologies continues to be quite asymmetric with significant delays in face of the differentiated maturity of the markets and the investment capacity of the Organizations. At the international level, Gartner believes

that *certain types of technologies* will have *disruptive potential* both in terms of the global IT market and in terms of its impact on the innovation process of the sectors.

Still according to Gartner, such technologies form the *pillars* of the "*intelligent digital web*" and can be classified into 3 large groups, namely:

- The first three focus on *intelligence everywhere*, or how *data science* technologies are evolving and incorporating *advanced machine learning* and *artificial intelligence* enabling the creation of physical-intelligence and software-based systems, programmed to learn and adapt themselves:
  - *Artificial Intelligence and Machine Learning;*
  - *"Intelligent" Apps;*
  - *Intelligent "Things".*
- The next three focus on the *digital world* and on *how the physical and digital worlds are mingling*:
  - *Virtual Reality;*
  - *Augmented Reality;*
  - *Digital Twin.*
- The last four tendencies are centered on the *interconnection between the platforms and services* required in order to deliver an *intelligent digital web*:
  - *Conversational Systems;*
  - *Applications Web and Services Architecture;*
  - *Digital Technologic Platforms;*
  - *Adaptative Security Architecture.*

## The Portuguese BPO and Contact Center Market

The *BPO market* in Portugal did initiate automation and robotization projects on a relevant scale during 2017, a situation that is directly related to the development of *digital transformation* projects by customers.

In the *Contact Center* market, the previously reported concentration of relevant operations on specialized *human resource management operators* is still a fact, whereby the clients assume the management and evolution components of the business processes.

According to a study by the Portuguese Contact Centers Association (APCC), the contact centers sector generated an annual turnover in Portugal of over € 1 billion in 2017. Such amount is shared between Service Providers (46 %), Small Clients (29%) and Large Clients (25%).

The Contact Center sector employs more than 81,615 people, for a total of 65,000 workplaces located mainly in Lisbon (69%), Porto (11%) and Braga (5%).

For DBK, the sector shows a moderate growth trend of around 3%. This growth is partially due to the increase of services provided to customers abroad, taking advantage of the lower labour costs in Portugal.

Inbound traffic is the main growth driver in the sector. Billings in this segment represent more than 65% of the total sector. The number of outbound calls represents in turn about 20% of the sector total with the remaining allocated to other services, which have seen an increase in market share.

In terms of business sectors, *Telecommunications* and *Media* stand out as the main segments with stronger demand.

Some increases in expenditure and a very aggressive competition had reflexes in the margins obtained, preventing major improvements in the profitability of the sector. Nevertheless and despite the rivalry in the marketplace, increased sales coupled with efforts to contain costs and make structures more flexible should allow for moderate margin growths by the largest companies.

Also according to DBK, the *Portuguese Call Center* market presents considerable development potential, as a result of the ongoing trend of *process outsourcing* by Portuguese corporations and public entities as a means to reduce expenses, flexibilize cost structures and increase service quality.

A broadening scope of services offered, coupled with the improvement of alternative communication channels, especially e-mail and social networks, and the incorporation of technological innovations are among the main trends that will in the short and medium term shape the activity of companies in the sector.

## 5. General Business Outlook

With its strong national and international presence, Reditus provides services and solutions in three main areas, namely *IT Consulting*, *IT Outsourcing* and *Business Process Outsourcing*.

### 5.1. IT Consulting

The *IT Consulting* area integrates the segments of *Applicational Development and Integration*, and *Specialized Outsourcing*. This area of activity represented 4% of Reditus' revenues in 2017.

#### Applicational Development and Integration

The matters associated with the digital transformation of organizations have been a key component of their strategy and remain on their IT agendas as a means to respond to critical business challenges. The so-called *third platform*, such as *Cloud*, *Mobile*, *Social*, *Big Data*, *Internet of Things* or *Agile* development Solutions are still a focus of organizations' interest and objectives.

Throughout 2017, the corporate market maintained the tendency to optimize its processes and render them more flexible, in order to ensure swifter responses to these new business requirements. Taking into account such market needs, Reditus has reinforced its offer in domains such as *Robotization* and *Internet of Things*, and in the development of *Cognitive* and *Mobile Computation* systems.

Accordingly and in what concerns 2018, we will reinforce our market positioning in order to present a solutions offering allowing for:



- Strengthen synergies with partners in their main focus areas, thorough diversification and leveraging of new propositions;
- Leverage and strengthen cross-selling opportunities for services;
- Identify upselling opportunities in the installed customer base, through integrated propositions;
- Replicate successful projects (*RedRecovery, Portal Agents, Auto Inspection*);
- Promote sessions with partners to establish joint business approaches and develop opportunities;
- Propose specific offers to entities and global operators that can leverage such offers with their clients.

Reditus will also continue to promote *Technological Academies* with the aim of providing new graduates with knowledge in new technologies, for their *integration into ongoing projects* and / or in *Specialized Outsourcing*.

### Specialized Outsourcing

Under the current economic environment, *Specialized Outsourcing* is definitely an area of activity with enormous growth potential. The challenges posed by an increasingly competitive global economy require the availability of *highly qualified, outsourced IT professionals*, in order to provide the necessary flexibility and quality enhancement for the Organizations' IT challenges to be successfully overcome.

Under these assumptions, addressing an increasingly qualified *proposition of skills* brings clear benefits in terms of both *billings* and *business growth*, but above all leads to an *enhanced presence at the Customer, increased loyalty* and the benefits that come from it.

We have identified *strategic offer domains*, taking into account not only their *growth potential* but also the *enhanced business potential* that the supply of *specialized and more qualified resources* can bring to the remaining *domains* and *focus areas*. As such, Reditus has established the following guidelines for this offer:

- Repositioning as a key player in OE services;
- Growth in new customers, by "filling space" that already exists;
- Retention and growth throughout the installed base;
- Placement of resources in the international market (Europe);
- Development of synergies between the operational and commercial areas, in order to leverage and enhance business opportunities;
- Increase the chain of value through the leverage of synergies with other supply areas.

## 5.2. IT Outsourcing

The Reditus *IT Outsourcing* area is composed of *IT Infrastructure skills* and represented 32% of total revenues in 2017.

The *IT Infrastructure* segment at Reditus proposes solutions composed of *services* and *projects* focused on *information technology infrastructures* to the market. The services include the *management, administration and support of technological platforms*, in a logic of *liability agreement* or of *functional outsourcing*.

In 2017 Reditus implemented *changes* in its *organizational structure* and *operational model*, *focusing on the competencies* of those responsible for the development of the business in the different portfolio areas, and *consolidated* the *product offering* through the *repositioning of its Technology Services Business Unit*. As a result, *existing areas were merged* and *invested* in areas such as *Cloud, Security, Hyperconvergence and Managed Services*. In this segment, Reditus also established as *priorities* the *reinforcement of its competences*, of *partnership relations* and a focus on *niche areas*.

These priorities were aimed at promoting the *sustainability of its services and solutions* portfolio, *boosting the business volume*, and *aligning the pricing policy with internal costs* with the support of a market benchmark.

The *changes* in the *organizational structure* and the *operational model* implemented during 2017 promoted the focus on internal competencies and business development in the different business areas.

In *domains* considered as *strategic*, Reditus' *line of action* will be developed according to several guidelines:

- *Physical Infrastructures, Systems Management and Data Management*: growth throughout the installed base and canvass medium-sized projects;
- *Hyperconvergence and Cloud*: acquire projects together with manufacturers and partners;
- *Managed Services*: 'nurse' the installed base, raise large projects and address international opportunities;
- Promote sessions with *manufacturers and partners* to define *joint business approaches* and *opportunity development*;
- Aggressively address the *SME market* with a *Full IT Outsourcing* offer, so as to *leverage the Systems Management services* (eg: monitoring);
- Enhance *top-level relationships* with *strategic partners* and *invest on training and certifications* of the Reditus teams.

### 5.3. BPO

The Reditus' area of *Business Process Outsourcing* is composed of the non-technological competencies of the Group, namely in *BPO, Contact Centre* and *Shared Services*, and represented 24% of total revenues in 2017.

In accordance with its 3-year business plan, Reditus successfully undertook in 2017 a diversification of its *BPO and Contact Center customers*, investing in medium-sized projects with potential for transformation. This strategy aimed at reducing the risk of the business, while increasing the value of the services provided.

Customer perception of a *service outsourcing* versus *feature outsourcing* model advantages continues to constitute the major challenge, substantiated on the differentiation between *lower unit cost* vs *lower total cost of operation*.

Reditus has repositioned its *BPO* and *Contact Center* offers, focusing on *added value over price*. This option forced the divestment of low-margin projects, with the *cost of this transformation* being *assumed in 2017*, in an perspective of *investment for the future*. The Company has therefore focused its efforts on the *development of tools for information measurement and disponibility*, on *medium-sized projects for new clients* in the *Health* and *Public Administration* sectors, while maintaining its *commitment* to those where Reditus already has long tradition, namely *Banking*, *Insurance*, *Telecommunications* and *Utilities*.

The investment in customer diversification has led to a *reorganization of the management* and *follow-up* models, in order to ensure '*in the field*' implementation of the *higher added value services vision*. As such, Reditus *reinforced the capabilities of the IT Team* dedicated to this unit, adding to its widely recognized strengths in *IP telephony systems*, *document handling*, *process management and monitoring*, *Robotization* (RPA) and *Artificial Intelligence* components, so as to *leverage the transformation* of current and new projects throughout 2018.

Pursuing the implementation of the 2017-2019 plan, *Reditus will maintain the focus* of its offer on *BPO* and *Contact Center*, in an integrated vision of *business processes management* for its *front and back office clients*. *Combining the technologies available in the market* with its acknowledged *technological capabilities in the development of automation and robotization, workflow and control solutions*, Reditus will continue to *introduce elements of sophistication in its services* and to *share value with its clients and employees*. *Specialized Resources* will continue to be a reality, to be *made available* in response to market needs.

## 5.4 International Area

In 2016, Reditus maintained its commitment to the international markets, namely in African geographies where it has traditionally been active through the local subsidiaries.

The weight of the international area at Reditus grew in 2017, to represent 46% of the total Group revenues against 39% the previous year. With a turnover in excess of 19 million euros, such 9.9% increase is a result of our focus on the international businesses and the sustainability of long-term ITC and ITO projects for several multinationals.

The international activity of Reditus is based on three distinct organizational models, namely through the creation of local offices, the promotion of export activity, and the supply of services in *Nearshoring*, while focusing on carefully selected countries where the Company can bring value and explore opportunities deriving from their respective stages of development.

Noteworthy are the efforts made in the development of several prospects, which resulted in the acquisition of projects for various Public Entities and key multinationals, namely in Industry, Banking, Insurance, Retail, Oil & Gas and Utilities, among others.

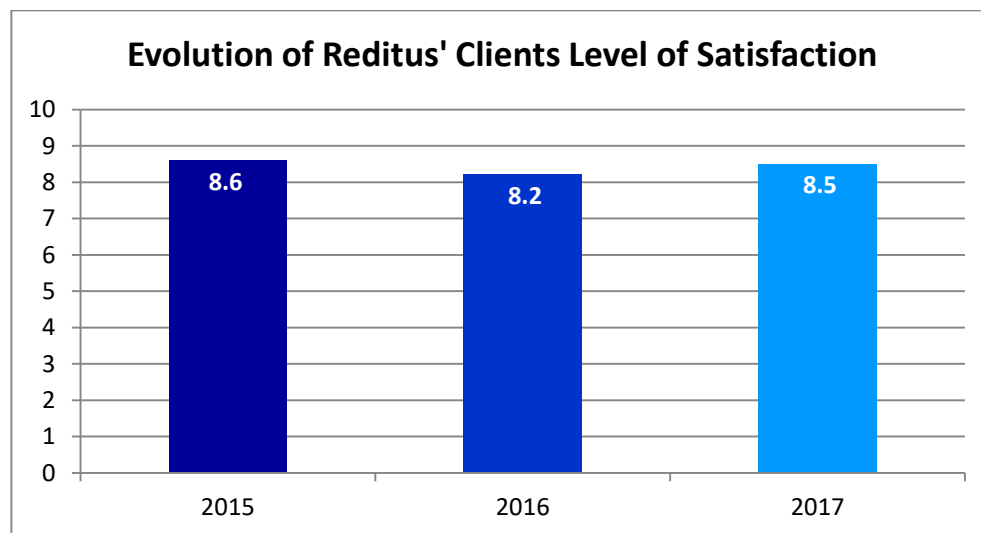


## 6. Quality and Client Satisfaction

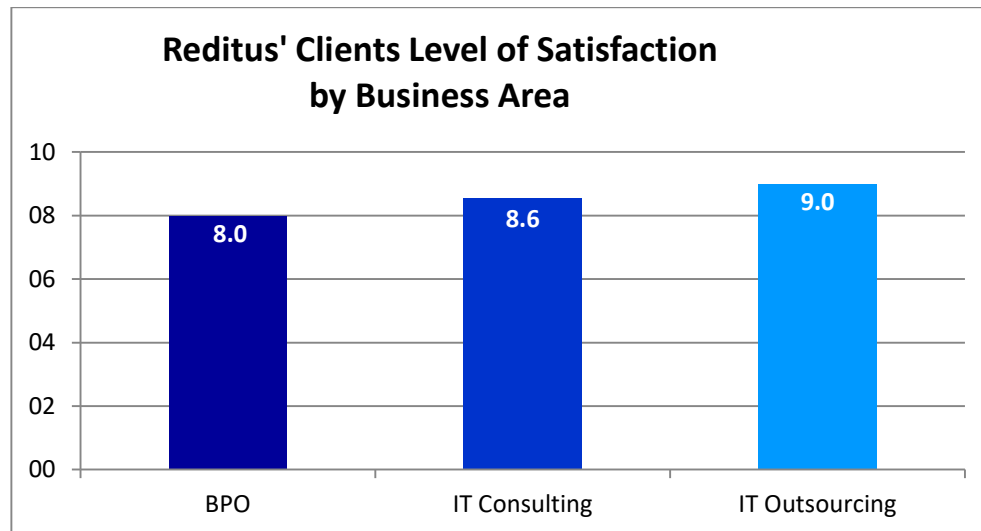
Reditus recognizes the Customer as a key party in the success of its activities. The value generated by Reditus through efficiency improvements to its customers' business, decisively contributes to an increase in their level of satisfaction. The efforts made by the company towards an increasing relationship of trust with both its customers and employees, is certainly not alien to such successes. It is for this reason that Reditus pursued in 2017 a strategy that resulted in maintaining excellent levels of customer satisfaction and efficiency improvements, receiving widespread external recognition as illustrated by the results of its Client Satisfaction Study.

### Client Satisfaction

The results obtained in the latest Satisfaction Studies and Interviews demonstrate that Reditus' Clients maintain high levels of satisfaction with the services provided, and also that the Company has been able to maintain its services at very high levels through consecutive years.



Reditus reached in 2017 a customer satisfaction average level of 8.5 on a scale of 1 (very dissatisfied) to 10 (fully satisfied). This value corresponds to the weighted average of the individual business unit's results.



Reditus' Clients consider as distinctive features against the competition features such as:

- Flexibility and Availability to cope with demands and new requirements;
- Close Relationship and Easy Contact with the project leaders;
- Team Commitment and Competence;
- Service Levels.

### Awards and Certifications

- Reditus renewed in 2017 its Quality Certification according to ISO 9001 and ensured the transition of all its business areas to the new ISO 9001 2015 norms;
- Reditus Business School kept its Certified Training Center status;
- CTT and CTT Espresso lines, managed by Reditus, were awarded at the APCC Best Awards 2017.

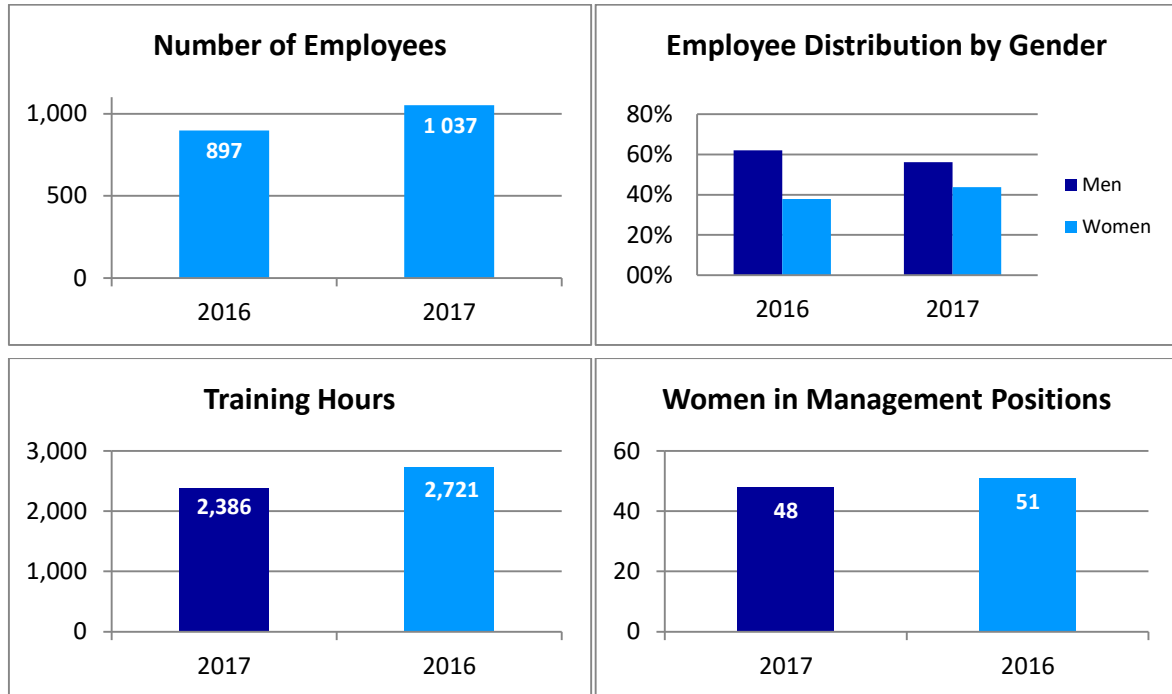
### Internal Improvement Projects

In 2017, Reditus continued to focus on efficiency thorough new projects aimed at supporting its process and cost optimization policies, and pursued the projects initiated in the previous year.

- Continuous improvement of the internal process supporting tools, namely through the in-house development of *open source*-based applications. A key example is the CRM tool, used to support the commercial processes;
- Support for new *BPO e Contact Center* operations through more robust applicational solutions, namely *RedOps*, an integrated, multiplatform tool for 360-degree control of the operations, both from a Client and from an operational perspective. *Real time visualization* and a *business analysis* module have made outsourcing operations monitoring simpler and transparent;
- The *operational project control* and *capacity management* tools was optimized;
- A systematic program to improve the business areas' *management efficiency*.

## 7. Social Responsibility and Sustainability

Reditus continuously pays attention to, and is engaged with the broader society, having ongoing activities aimed at the personal and professional development of its employees, but also at their development as active participants in society, the economy and the environment.



### Employees

- Promoting diversity and equal opportunities for all employees;
- Professional and personal development within and outside Group companies through involvement in ambitious and innovative projects;
- Transparency in performance and evaluation in order to promote a policy of fair rewards and recognition;
- Encouraging employees to be involved in social causes by promoting various initiatives in support of charitable institutions;
- Focus on Training. At the Reditus Business School we provide training for our employees in areas such as personal development, management and administration, company environment, information Technology, and health and safety at work;
- Development of internal initiatives aimed at promoting team spirit, camaraderie and individual competencies;
- Implementation of health and well-being support measures, such as health insurance for employees.

### Society

- Protocols of cooperation with different Schools, aimed at identifying and recruiting young professionals;
- Protocols of support to Social Solidarity Institutions;
- Participation in the International Contact Centers Week.



## Economy

- Adoption of non-aggressive business practices, out of respect for all our stakeholders.

## Environment

- Motivating employees towards environmentally friendly practices;
- Promoting reduced paper consumption;
- Recycling various materials;
- The effective use of water and energy through improved energy management in our buildings and facilities.

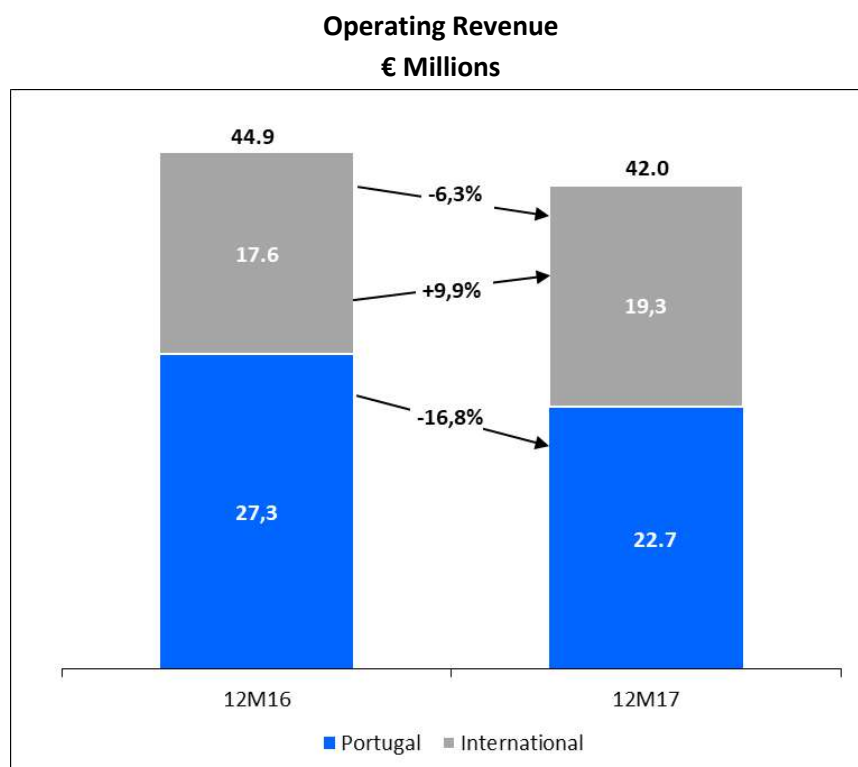
## 8. Economic and Financial Analysis of the Group

### 8.1. Consolidated Operating Revenue

The Consolidated Operating Revenues amounted to 42.0 million euros in 2017, against 44.9 million euros or a decrease of 6.3% over last year.

Business in the domestic market contracted 16.8% over 2016, as a result of major reductions in the BPO segment, in low-margin contracts.

In the international market, namely in African countries where the Group has subsidiaries, revenues have increased 9.9% over 2016, resulting in a weight increase to 46%, from 39% in 2016, of the Group's total revenues.

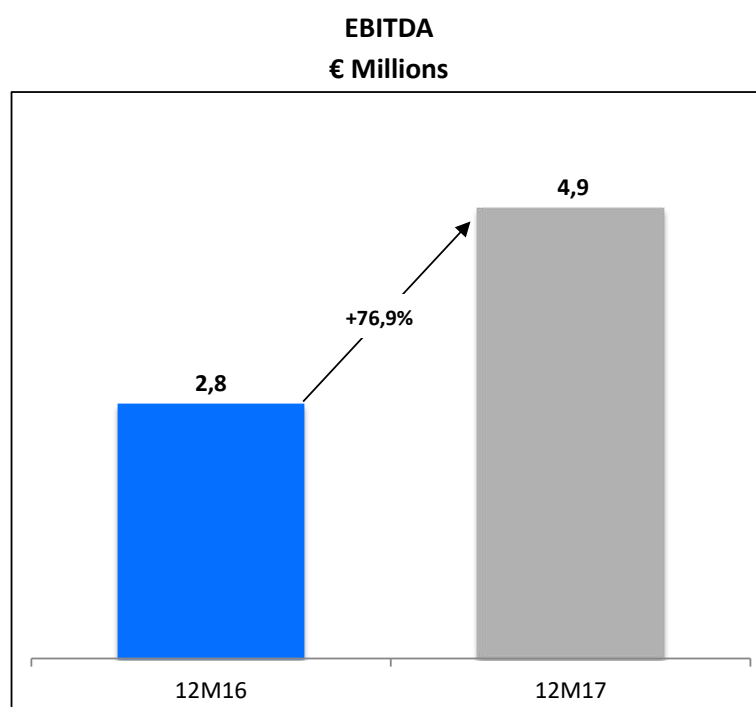


## 8.2. Operating Costs

Consolidated Operating Costs, net of depreciation, provisions and adjustments amounted to 37.2 million euros in 2017 and represented 88.4% of Total Revenue, or 11.8% lower than in 2016 when they accounted for 93.9% of total income, as a result of the implemented rationalization of Operational and Overhead costs.

## 8.3. Operational Result Before Amortizations (EBITDA)

Consolidated EBITDA reached 4.9 million euros em 2017, which compares with 2.8 million euros in 2016, or a 76.9% increase. The EBITDA margin reached 11.6%, or 5.4 pp higher that the 6.1% achieved the previous year.



## 8.4. Net Income

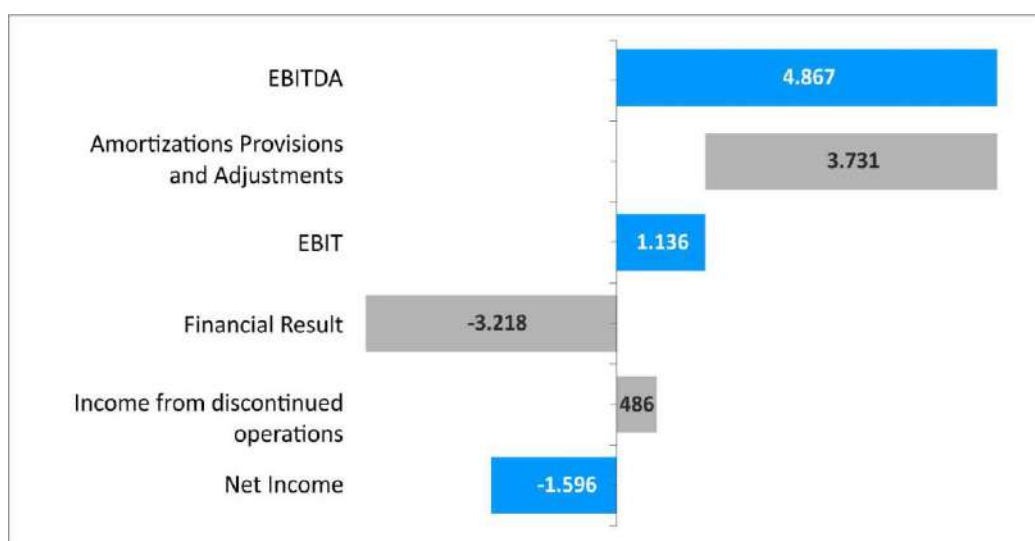
Depreciations, Amortizations, Provisions e Adjustments amounted to 3.7 million euros, an increase of 35.2% from the previous year.

Operating income (EBIT) was positive with 1.1 million euros, against a negative value of 10 thousand euros in 2016.

Net financial expenses recorded a negative performance of 11.6% against 2016, registering 3.2 million euros as the result of a 0.8 million euros charge against the Net Present Value of Customer's Receivables. Purged of this impact, Net Income would have shown an improvement of 0.5 million euros over the previous year.

Results from Continuing Operations were negative by 1.6 million euros in 2017, compared to a negative result of 2.7 million euros in the same period of last year, reflecting an improvement resulting from an increase in profitability and improvements in operational performance.

### From EBITDA to Net Income € Thousands



## 8.5. Main Balance Sheet Items

€ Millions			
	31-12-17	31-12-16	Var %
<b>Total Assets</b>	171.1	172.7	-0.9%
Non Current Assets	87.3	72.7	20.1%
Current Assets	83.9	100.0	-16.1%
<b>Equity</b>	30.9	32.4	-4.6%
<b>Total Liabilities</b>	140.3	140.3	0.0%
Non-Current Liabilities	92.3	95.3	-3.2%
Current Liabilities	48.0	45.0	6.8%
<b>Net Debt</b>	60.7	59.2	2.6%

At the end of 2017, 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 2016, or an increase of 2.6%.

## 9. Economic and Financial Analysis by Business Area

### 9.1. IT Consulting

*IT Consulting* integrates the business segments of Consulting, Platforms and Applications, and Specialized Outsourcing. This area represented 44% of the Group's total Revenue in 2017.

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 23.6 million euros in 2017, growing a strong 29.8% over the previous year. EBITDA amounted to 2.1 million euros, which compares with a negative result of 25,000 euros obtained in 2016 and is mainly due to the new businesses acquired and to an increased profitability in different projects.

## **9.2. IT Outsourcing**

Reditus' *IT Outsourcing* area comprises the IT Infrastructure skills and represented 32% of total revenues in 2017.

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 17.4 million euros in 2017, a decrease of 1% over the previous year. EBITDA reached 3.3 million euros, or a decrease of 13.4% over 2016.

## **9.3. 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 24% of Reditus' global business in 2017.

Operating Revenues amounted to 13.0 million euros, a decrease of 9.6% over the previous year. An improved EBITDA recorded nevertheless a negative result of 486 thousand euros in 2017, which compares with a negative result of 959 thousand euros in 2016 and reflects an improved performance. 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.

## **10. Outlook for 2018**

The economic recovery forecasts affords not only an optimistic view on business opportunities at the national and international levels, but also reveals an increasing competitive intensity coming both from companies with a consolidated presence and from dynamic starts ups with innovative niche solutions.

Reditus will continue to focus on leveraging its presence in installed base accounts and on cross-selling, in view of broadening the scope of collaboration to within the range of our service proposals with the support of a cross-selling sales team. We will seek to foster synergies between the different teams, enhance existing competences and optimize processes in Operations, as well as significantly increase the number of new customers through enhanced commercial actions.

Reditus has also established the objective of growing its business volume, based on a strategy of recovering Market Share in segments where the company has already had a dominant position (Specialized Outsourcing, IT Projects) and of focusing on higher growth segments, anticipating the migration of investment from more traditional areas.

Reditus' commitment to reinforcing its presence in segments that will lead to higher MBVs (Cloud, Managed Services, Specialized Outsourcing, Applicational Development), to reach services contract renewal targets in excess of 90% and to increase the number of multi-year contracts, mainly in the areas of Managed Services and OE, together with a rationalization of operating costs, underlay our aim for a higher rate of return on projects and consequently of the EBITDA rate.

In the area of BPO and Contact Centers Reditus will continue to focus on development, innovation and sophistication of the offer, in order to respond to forecasts of strong market growth.

Strong competition from human resources multinationals will continue to push the margins of the Contact Center business, so the company will focus on value-added models where the unit cost may be higher but the 'cost to serve' is considerably lower.

## 11. Stock Market Performance



At the end of 2017, Reditus' share closing price was 0.12 Euros, which compares to 0.24 euros at the beginning of the year.



In terms of liquidity, around 4.0 million Reditus' shares were traded during the year, representing a transaction value of 701 thousand euros.

The average number of shares traded daily stood at about 16,404 corresponding to a daily average of approximately 2,886 euros.

## 12. Activities of Non-Executive Directors

As described in the Corporate Governance Report, the company has a number of Specialized Committees, which verify and inform on the different strands of strategic and operational support.

Generally speaking, and in addition to monitoring the functioning of these committees in conjunction with members of the Executive Board, the Non-Executive Directors continuously monitor the activities of the company and its branches, both in terms of the operational plan and the economic and financial aspects.

## 13. Net Income

The Consolidated Net Income for the year, after minority interests, was a negative 1,595,931 euros.

## 14. Other Information

### Continuity Plan

The financial statements were prepared under the assumption of a *Going Concern*. The Board, based on the information available at this date in what relates to the future of the Company, considers the Company to have the capability to pursue with its business and the resources necessary for the development of its activity.

Based on the improvement of the operational indicators for this Fiscal Year, when compared with the previous period, a strategic plan was nevertheless developed and aimed at revitalizing and consolidating the financial function and balancing the cash flows through the materialization and implementation of the following ongoing actions during FY2018:

- (i) Restructuring of the group's overall liabilities with negotiation and implementation of a structuring solution;
- (ii) Conversion and rationalization of the real estate stock;
- (iii) Reduction and rationalization of the overhead costs;
- (iv) Reduction and rationalization of the operational costs;
- (v) Implementation of financial models that ensure the currency repatriation from our international markets in the shortest timeframe;
- (vi) Intensification, based on the company's current capabilities of the development of more sophisticated proposals in security products, disaster recovery, 3rd platform (cloud, mobility, social business and big data), virtualization and innovation accelerators (IoT - Internet of Things, Robotics, 3D Printing);

- (vii) Development of management models comprising robotization and artificial intelligence componentes.

### Goodwill Valuation

The ITO and ITC business units were object of valuation by an independent expert with recognized technical ability, in order to test the Goodwill value impairment related to this two areas. The figures presented in the study were supported by the updated Business Plan, according to the Management's best estimates.

## 15. Declaration of Conformity

In accordance with the provisions article 245 (1)(c) of the Portuguese Securities Code, the members of the Company's Board of Directors declare that, to the best of their knowledge, the information contained in the Management Report, Annual Accounts, the Statutory Audit and other accounting documents, has been prepared in accordance with the applicable accounting standards and provides a true and fair account of the assets and liabilities, financial position and income of the Company and the companies included in its consolidation perimeter. They further state that the Management Report faithfully describes the trend of the business activities, the performance and position of the Company, and the companies included in its consolidation perimeter, and contains a description of the principal risks and uncertainties that it faces.

## 16. Acknowledgements

We would like to emphasize the confidence shown in the companies of the Reditus Group by our Clients, our employees' commitment in achieving the goals we have set ourselves, as well as the qualified support of the Audit Committee, Strategy Board, Specialized Committees, Banks, Auditors and other business partners, who have helped with the foundations for the continued sustainability of the Reditus Group.

Alfragide, April 30<sup>th</sup> 2018

***The Board of Directors,***

Eng. Francisco José Martins Santana Ramos - *Chairman*

Eng. José António da Costa Limão Gatta – *Director*

Dr. Fernando Manuel Cardoso Malheiro da Fonseca Santos – *Director*

Dr. Helder Filipe Ribeiro Matos Pereira - *Director*

## PART II – CONSOLIDATED FINANCIAL STATEMENTS

### REDITUS SGPS, SA

#### CONSOLIDATED STATEMENT of FINANCIAL POSITION

ON DECEMBER 31<sup>st</sup>, 2017 AND DECEMBER 31<sup>st</sup>, 2016

(Values expressed in Euros)

	Notas	31-12-17	31-12-16
<b>NON-CURRENT ASSETS:</b>			
Tangible Fixed Assets	7	7,180,334	7,456,886
Investment Properties	8	1,509,000	1,500,000
Goodwill	9	41,473,191	41,473,191
Intangible Assets	10	19,456,979	20,228,928
Advances for Financial Investments	11	-	74,707
	15	11,214,235	-
Other Accounts Receivable	16	1,016,000	-
Other Financial Investments	12	4,381,225	1,339,140
Deferred Tax Assets	13	1,025,767	606,155
		<u>87,256,731</u>	<u>72,679,007</u>
<b>CURRENT ASSETS:</b>			
Inventories	14	370,705	532,887
Customers	15	59,365,220	60,381,289
Other Accounts Receivable	16	5,335,990	16,969,189
Other Current Assets	17	17,636,440	19,044,900
Financial Assets at Fair Value	18	9,649	47,599
Cash and Equivalents	19	1,209,835	3,047,867
		<u>83,927,839</u>	<u>100,023,731</u>
<b>TOTAL ASSETS</b>		<u><b>171,184,570</b></u>	<u><b>172,702,738</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY:</b>			
Share Capital	20	73,193,455	73,193,455
Treasury Shares	20	(1,426,438)	(1,426,438)
Share Premium Account	20	9,952,762	9,952,762
Reserves	20	3,608,430	3,608,430
Retained Earnings	20	(53,766,602)	(50,865,855)
Adjustments in Financial Assets	20	(501,763)	(501,763)
Surplus Valorisation of Fixed Assets	20	1,305,086	1,129,470
Consolidated Net Income for the Year	20	(1,595,931)	(2,900,747)
Equity Attributable to REDITUS Shareholders		<u>30,768,999</u>	<u>32,189,314</u>
Equity Attributable to Minority Holdings	21	<u>131,608</u>	<u>190,653</u>
Total Equity		<u><b>30,900,607</b></u>	<u><b>32,379,967</b></u>
<b>LIABILITIES:</b>			
<b>NON-CURRENT LIABILITIES:</b>			
Loans	22	50,958,763	54,381,333
Other Accounts Payable	23	33,519,708	32,540,810
Deferred Tax Liabilities	13	3,729,996	4,001,735
Financial Leasing Liabilities	24	4,042,512	4,420,877
		<u>92,250,979</u>	<u>95,344,755</u>
<b>CURRENT LIABILITIES:</b>			
Loans	22	6,556,098	3,005,126
Suppliers	25	8,824,684	9,564,203
Other Accounts Payable	23	18,208,386	17,243,325
Other Current Liabilities	26	14,068,670	14,736,980
Financial Leasing Liabilities	24	375,146	428,382
		<u>48,032,984</u>	<u>44,978,016</u>
<b>Total Liabilities</b>		<u><b>140,283,963</b></u>	<u><b>140,322,771</b></u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u><b>171,184,570</b></u>	<u><b>172,702,738</b></u>

The Annex is an integral part of the Consolidated Financial Position Statement as of 31 December 2017 and 31 December 2016.

THE CHARTERED ACCOUNTANT

THE BOARD OF DIRECTORS

## REDITUS SGPS, SA

### CONSOLIDATED INCOME STATEMENT

FOR THE PERIODS ENDED DECEMBER 31st, 2017 and DECEMBER 31st, 2016  
(Values expressed in Euros)

	Notes	31-12-17	31-12-16
<b>OPERATING REVENUE:</b>			
Sales	27	2,148,837	1,713,193
Services Rendered	27	38,990,654	42,476,170
Other Operating Revenues	28	907,884	698,078
<b>Total Operating Revenues</b>		<b>42,047,375</b>	<b>44,887,441</b>
<b>OPERATING COSTS</b>			
Inventories Consumed and Sold	29	(1,747,124)	(1,070,381)
External Supplies and Services	30	(13,679,017)	(15,110,754)
Staff Costs	31	(20,213,518)	(24,124,864)
Depreciation and Amortization Costs	32	(3,015,187)	(2,773,971)
Provisions and Impairments	33	(715,966)	13,469
Other Operating Costs	34	(1,540,468)	(1,830,697)
<b>Total Operating Costs</b>		<b>(40,911,280)</b>	<b>(44,897,198)</b>
<b>Net Operating Income</b>		<b>1,136,095</b>	<b>(9,757)</b>
<b>FINANCIAL RESULTS:</b>			
Net Financial Costs	35	(3,218,254)	(2,883,063)
Net Losses in Associated Companies		-	-
<b>Income Before Taxes</b>		<b>(3,218,254)</b>	<b>(2,883,063)</b>
		<b>(2,082,159)</b>	<b>(2,892,820)</b>
Income Tax	36	434,460	266,577
<b>Income Before Minority Interests</b>		<b>(1,647,699)</b>	<b>(2,626,243)</b>
Minority Interests	21	51,768	(80,044)
<b>Results from Ongoing Operations</b>	37	<b>(1,595,931)</b>	<b>(2,706,287)</b>
Results from Discontinued Operations		-	(194,460)
<b>Net Income</b>		<b>(1,595,931)</b>	<b>(2,900,747)</b>
Attributable to:			
Shareholders of the Parent Company		(1,595,931)	(2,900,747)
Minority Interests	21	(51,768)	80,044
		<b>(1,647,699)</b>	<b>(2,820,703)</b>
Earnings Per Share from Ongoing and Discontinued Operations			
Basic	37	(0.1090)	(0.1982)
Diluted		(0.1090)	(0.1982)
Earnings Per Share from Ongoing Operations			
Basic	37	(0.1090)	(0.1849)
Diluted		(0.1090)	(0.1849)

The annex is an integral part of the Consolidated Income Statement  
for the Periods ended 31 December 2017 and 31 December 2016

THE CHARTERED ACCOUNTANT

THE BOARD OF DIRECTORS

## REDITUS SGPS, SA

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIODS ENDED DECEMBER 31<sup>st</sup>, 2017 and DECEMBER 31<sup>st</sup>, 2016 (Values expressed in euros)

	31-12-17	31-12-16
Consolidated Net Income for the Year (before minority interests)	<u>(1,647,699)</u>	<u>(2,626,243)</u>
Items which will not be reclassified on the results		
Changes in Surplus Valorisation of Fixed Assets (IAS 16, IAS 38)	175,616	-
Consolidated Comprehensive Income	<u>(1,472,083)</u>	<u>(2,626,243)</u>
Attributable to:		
Shareholders of the Parent Company	(1,420,315)	(2,706,287)
Minority Interests	<u>(51,768)</u>	<u>80,044</u>
	<u>(1,472,083)</u>	<u>(2,626,243)</u>

The Annex is an integral part of the Consolidated Comprehensive Income Statement  
for the Periods ended in 31 December 2017 e 2016

THE CHARTERED ACCOUNTANT

THE BOARD OF DIRECTORS



## REDITUS SGPS, SA

### CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIODS ENDED DECEMBER 31<sup>st</sup>, 2017 and DECEMBER 31<sup>st</sup>, 2016 (Values expressed in euros)

	31-12-17	31-12-16
<b>OPERATIONAL ACTIVITIES:</b>		
Receipts from Customers	36,325,679	46,647,056
Payments to Suppliers	(12,887,388)	(12,559,692)
Staff Payments	(15,030,645)	(17,245,164)
Payment / Receipt of Income Tax	(357)	(11)
Other Receipts/(Payments) relating to the Operational Activity	(8,073,737)	(19,642,201)
<b>Cash Flow from Operating Activities (1)</b>	<b>333,552</b>	<b>(2,800,012)</b>
<b>INVESTMENT ACTIVITIES:</b>		
<b>Receipts derived from:</b>		
Financial Investments	2,864,653	19,292,058
Sale of tangible assets	615	45,361
Interest and similar income	33	-
Others	-	44
	<b>2,865,300</b>	<b>19,337,463</b>
<b>Payments relative to:</b>		
Acquisition of Tangible Assets	(338,963)	-
Acquisition of Intangible Assets	-	-
Others	(3,010,000)	(1,290,130)
	<b>(3,348,963)</b>	<b>(1,290,130)</b>
<b>Cash Flow from Investment Activities (2)</b>	<b>(483,663)</b>	<b>18,047,333</b>
<b>FINANCING ACTIVITIES:</b>		
<b>Receipts relating to:</b>		
Loans Received	12,532,378	13,313,185
	<b>12,532,378</b>	<b>13,313,185</b>
<b>Payments relating to:</b>		
Loans Received	(12,769,244)	(15,082,705)
Interest and equivalent costs	(1,943,078)	(2,361,544)
Others	-	(7,711,799)
	<b>(14,712,322)</b>	<b>(25,156,048)</b>
<b>Cash Flow from Financing Activities (3)</b>	<b>(2,179,944)</b>	<b>(11,842,863)</b>
Variation in Cash and Equivalents (4) = (1) + (2) + (3)	(2,330,055)	3,404,458
Effect of Exchange Rate Variations	-	-
Non-Current Assets Held for Sale	-	-
Cash and Equivalent at the Beginning of the Period	2,996,617	(407,841)
Cash and Equivalent at the End of the Period	666,562	2,996,617

## REDITUS SGPS, SA

### NOTES TO THE CONSOLIDATED CASH FLOWS STATEMENTS FOR THE PERIODS ENDED DECEMBER 31<sup>st</sup>, 2017 and December 31<sup>st</sup>, 2016 (Values expressed in euros)

	31-12-17	31-12-16
Cash	120,245	113,036
Bank Deposits	1,089,590	2,934,831
Cash and Equivalents (Balance Sheet)	1,209,835	3,047,867
Overdraft Facilities	(543,273)	(51,250)
Cash and Equivalents (Cash Flow Statement)	666,562	2,996,617

THE CHARTERED ACCOUNTANT

THE BOARD OF DIRECTORS

- a) The item *"Other receipts/payments Relating to Operational Activity"* in the Consolidated Cash Flows Statement has the nature of *payments to the State* (Individual and Collective Income Tax, Social Security, Value Added Tax and Seal), and payments to *Group's Service Providers* (Electronic "Green Receipts").
- b) The item *"Payments Related to - Others"*, classified as *investment activity flows*, refers to an *Escrow Agreement* between the subsidiary Reditus Gestão and GFI Portugal, and *relates to the sale of ROFF - Consultores Independentes, S.A.*
- c) The item *"Payments Related to - Others"*, classified as *financing activity flows*, refers to payments made to the Tax Authorities and to the Social Security under the *Special Program for Reduction of Debt to the State (PERES)*, on which Reditus enrolled in 2016.

**REDITUS, SGPS, SA**  
**CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS EQUITY**  
**FOR THE PERIODS ENDED DECEMBER 31<sup>st</sup>, 2017 and DECEMBER 31<sup>st</sup>, 2016**  
**(Values expressed in euros)**

	Equity Attributable to the Shareholders of the Parent Company										Equity Attributable to Minority Interests	Total Equity
	Share Capital	Treasury Shares	Share Premium Account	Legal Reserves	Other Reserves	Retained Earnings	Adjustments in Financial Assets	Excess Valorisation on Fixed	Consolidated Net Income for FY	Total		
Balance as of 31 December 2016	73,193,455	(1,426,438)	9,952,762	2,040,761	1,567,669	(50,865,855)	(501,763)	1,129,470	(2,900,747)	32,189,314	190,653	32,379,967
Share Capital Increase	-	-	-	-	-	-	-	-	-	-	-	-
(Acquisition) / Sale of Treasury Shares	-	-	-	-	-	-	-	-	-	-	-	-
Application of Results	-	-	-	-	-	(2,900,747)	-	-	2,900,747	-	-	-
Acquisition of Minority Interests (Note 10)	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	(7,277)	(7,277)
Minority Interests for the Period	-	-	-	-	-	-	-	-	-	-	(51,768)	(51,768)
Changes in Surplus Valuation (IAS 16, IAS 38)	-	-	-	-	-	-	-	175,616	-	175,616	-	175,616
Consolidated Net Income for the Fiscal Year	-	-	-	-	-	-	-	-	(1,595,931)	(1,595,931)	-	(1,595,931)
Balance as of 31 December 2017	73,193,455	(1,426,438)	9,952,762	2,040,761	1,567,669	(53,766,602)	(501,763)	1,305,086	(1,595,931)	30,768,999	131,608	30,900,607
Balance as of 31 December 2015	73,193,455	(1,426,438)	9,952,762	2,034,086	1,567,669	(51,122,799)	(501,763)	1,213,436	263,621	35,174,029	671,266	35,845,295
Share Capital Increase	-	-	-	-	-	-	-	-	-	-	-	-
(Acquisition) / Sale of Treasury Shares	-	-	-	-	-	-	-	-	-	-	-	-
Application of Results	-	-	-	6,675	-	256,946	-	-	(263,621)	-	-	-
Acquisition of Minority Interests (Note 10)	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	(560,657)	(560,657)
Minority Interests for the Period	-	-	-	-	-	-	-	-	-	-	80,044	80,044
Changes in Surplus Valuation (IAS 16, IAS 38)	-	-	-	-	-	-	-	(83,966)	-	(83,966)	-	(83,966)
Consolidated Net Income for the Fiscal Year	-	-	-	-	-	-	-	-	(2,900,747)	(2,900,747)	-	(2,900,747)
Balance as of 31 December 2016	73,193,455	(1,426,438)	9,952,762	2,040,761	1,567,669	(50,865,855)	(501,763)	1,129,470	(2,900,747)	32,189,314	190,653	32,379,967

The Annex is an integral part of the Consolidated Statement of Equity Changes for the Periods ended 31 December 2017 and 2016.

THE CHARTERED ACCOUNTANT

THE BOARD OF DIRECTORS

## Notes to the Consolidated Financial Statements

### 1. Activity

Reditus, Sociedade Gestora de Participações Sociais, S.A. is the holding company (parent company) of the Reditus Group and is head-quartered in Lisbon, Avenida 5 de Outubro, nº 125, Loja 2.

Reditus was founded in 1966 under the name of *Reditus - Estudos de Mercado e Promoção de Vendas, SARL* and had as its main activity the supply of specific services, including market research. It evolved into data processing for the Banco de Agricultura, its main stockholder together with the insurance company "A Pátria".

In December 1990, Reditus changed its corporate name and became a *Sociedade Gestora de Participações Sociais* (holding company), with its main activity being the management of shareholdings in other companies as an indirect way of pursuing economic activities.

The Reditus Group operates in three different business areas: *Business Process Outsourcing* (BPO), *IT Outsourcing* (ITO) e *IT Consulting* (ITC).

The activity of the company is not subject to significant seasonality.

Reditus has been listed on Euronext Lisbon (former Stock Exchange of Lisbon and Oporto) since 1987.

These Financial Statements were approved by the Board of Directors on April 30<sup>th</sup>, 2018 and are expressed in euros.

### 2. Most Significant Accounting Policies

#### 2.1 Presentation Basis

The consolidated financial statements of Reditus, SGPS, SA have been prepared on a going concern basis, based on the books and accounting records of the companies included in the consolidation, maintained in accordance with the accounting principles generally accepted in the country of each subsidiary and adjusted during the consolidation process so that the consolidated financial statements comply with international financial reporting standards ("IFRS"), as adopted by the European Union.

The Board considers that, whereas it is appropriate to prepare the financial statements under the assumption of a *Going Concern*, (i) the high level of bank indebtedness and (ii) the continued delay in the repatriation of foreign currency from the African markets, have affected the Company's treasury and hence the timely compliance with its obligations. On Note 14 of the Consolidated Management Report the Board, based on the information available at this date in what relates to the future of the Company, considers the Company to have the capability to pursue with its business and the resources necessary for the development of its

activity, and discloses the measures designed to enable the Group's companies to re-balance their cash flows and increase their financial solidity.

The consolidated financial statements of Reditus, SGPS, SA, presented here, reflect the results of its operations and the financial position of all its subsidiaries (Reditus Group) for the years ended December 31<sup>st</sup>, 2017 and December 31<sup>st</sup>, 2016.

The accounting policies have been applied consistently by all companies throughout the Group and for all the periods presented in the consolidated financial statements.

However and as described in section 2.1.1 below, Reditus adopted the standards, interpretations, amendments and revisions approved (endorsed) by the European Union for the FY ended 31<sup>st</sup> December 2017, with mandatory application in the financial years beginning on or after January 1, 2017. The adoption of these standards and interpretations in 2017 had no significant impact on the Group's accounts.

### **2.1.1 New standards, interpretations and amendments, effective from January 1<sup>st</sup>, 2017**

- **Recognition of Deferred Tax Assets for Unrealized Losses - Amendments to IAS 12 (Regulation 2017/1989 of November 6<sup>th</sup>, 2017)**

This amendment clarifies how to account for deferred tax assets related to debt instruments measured at fair value.

- **Disclosure Initiative - Amendments to IAS 7 (Regulation 2017/1990 of November 6<sup>th</sup>, 2017)**

This amendment requires entities to disclose information about changes in their funding liabilities so that investors can better understand changes in the entity's debt.

- **Annual improvements: cycle 2014-2016 (Regulation 2018/182 of February 7<sup>th</sup>, 2018)**

These improvements include minor amendments to three international accounting standards, one of which is applicable to Financial Years beginning on or after January 1<sup>st</sup>, 2017:

- IFRS 12 Disclosure of Interests in Other Entities

### **2.1.2 New standards, interpretations and amendments, effective for Financial Years started on or after January 1<sup>st</sup>, 2018**

- **IFRS 15: Revenue from Contracts with Clients (Regulation 2016/1905 of September 22<sup>nd</sup>, 2016)**

This new standard applies to contracts for the delivery of products or services, and requires the entity to recognize the revenue when the contractual obligation to deliver goods or provide services is satisfied and for the amount that reflects the consideration that the entity is entitled to, as set out in the "5-step methodology".

This standard will replace IAS 18 - Revenue, IAS 11 - Construction Contracts and the interpretations associated with them, introducing new principles on when and how to recognize revenue, as well as new requirements for presentation and disclosure. The standard



applies to financial years beginning on or after January 1<sup>st</sup>, 2018. These amendments refer to additional indications to be followed for determining the performance obligations of a contract, the time of revenue recognition from a intellectual property license, the revision of indicators for the classification of the principal versus agent relationship, and the new arrangements foreseen to simplify the transition.

Thus and in view of the expected impact and the importance of IFRS 15's implementation, the need for a rigorous implementation and transparency concerning its impact on the financial statements is highlighted.

The standard defines 5 steps to be followed in order to establish the recognition of revenue and cash flows from a contract with a client:

- Identification of a contract with the cliente;
- Identification of the performance obligations;
- Definition of a price for the transaction;
- Relationship between the transaction price and the performance obligations;
- Revenue recognition when, or as, the entity complies with the, or a, performance obligation.

The revenue recognition for service contracts is defined on the basis of the project's completion percentage, taking into account the following conditions: i) it is possible to reliably determine the revenue; (ii) the likely existence of economic benefits; iii) the completion percentage of the transaction can be reliably determined; iv) costs incurred and yet to be incurred to complete the transaction can be reliably segregated.

For projects that include both the transaction of goods and the provision of services, revenue recognition is made over time, since the customer receives and consumes the goods and services simultaneously. Whenever this is not the case, revenue will be recognized according to the performance established for the transaction.

Reditus will adopt IFRS 15 in the consolidated financial statements for the year ended December 31<sup>st</sup>, 2018 using the modified retrospective approach, with cumulative effect of the initial application of the standard, as recognized in the equity on the initial date of application. Reditus will only retroactively apply the standard to contracts that will not have been completed on the date of initial application on January 1<sup>st</sup>, 2018.

• **IFRS 9: Financial Instruments (Regulation 2016/2067 of November 22<sup>nd</sup>, 2016)**

IFRS 9 replaces the requirements of IAS 39 for: (i) the classification and measurement of financial assets and liabilities; (ii) the recognition of impairment on receivables (through the expected loss model); and (iii) the requirements for recognition and classification of hedge accounting. The adoption of this standard also entails: (i) amendments to IAS / IFRS standards and of the interpretations (IFRIC / SIC): IAS 1, IAS 2, IAS 8, IAS 10, IAS 12, IAS 20, IAS 21, IFRS 2, IFRS 3, IFRS 4, IFRS 5, IFRS 7, IFRS 13, IFRIC 2, IFRIC 5, IFRIC 10, IFRIC 12, IFRIC 16, IFRIC 19, SIC 27; and (ii) revocation of IFRIC 9 *Embedded Derivatives Revaluation*.

This standard applies to financial years beginning on or after January 1<sup>st</sup>, 2018.

IFRS 9 replaces the requirements of IAS 39 – Financial Instruments: Recognition and Measurement, and contains a new impairment model on the base of expected credit losses (ECL);

The standard relates to the following subjects: classification and measurement of financial assets and liabilities, recognition of impairment on receivables, and requirements for recognition and classification of hedge accounting.

IFRS 9 establishes principles applicable to financial reporting on financial assets and financial liabilities in order to assess the amounts, timing and degree of uncertainty of an entity's future cash flows.

More detailed disclosures will be required, concerning financial assets as well as risk exposures to which the entity applies hedge accounting.

Reditus will adopt this standard on its mandatory application date and is currently analyzing the qualitative and quantitative impacts resulting from the adoption of this standard.

- **IFRS 16: Leases (Regulation 2017/1986 of October 31<sup>st</sup>, 2017)**

IFRS 16 sets out the principles applicable to the recognition, measurement, presentation and disclosure of leases. The purpose of the standard is to ensure that lessees and lessors provide relevant information in a way that faithfully represents those transactions, revoking IAS 17 - Leases as well as a set of interpretations (SIC and IFRIC), namely: IFRIC 4 – Determination of whether a Agreement Contains a Lease; SIC 15 - Operational Leases - Incentives; and SIC 27 - Evaluation of the Substance of Transactions Involving the Legal Form of a Lease.

This new standard establishes a single model for the accounting of leases by the lessee, eliminating the distinction between operational and financial leases from the lessee's perspective. This standard applies to financial years beginning on or after January 1<sup>st</sup>, 2019 and standard replaces IAS 17 - Leases and its related explanatory notes.

IFRS 16 introduces considerations on how to distinguish service contracts based on the existence of effective control over an asset at the time it becomes available for the lessee's use. It also defines a single accounting model for the lessee, who is obliged to recognize the assets and liabilities for all leases with a duration longer than 12 months, except for low value leases.

The lessee must recognize the use of the respective asset, and the obligations associated to the payments to be made. It shall also recognize the expense and depreciation, in separate lines in the income statement.

Reditus is reviewing all existing lease contracts in order to assess the impact of this standard and does not expect material impacts arising from its application.

- **Revenue from Contracts with Clients – IFRS 15 Clarifications (Regulation 2017/1987 of October 31<sup>st</sup>, 2017)**

These amendments to IFRS 15 have clarified some requirements and provide greater ease in the transition for Entities that are implementing this standard. This standard applies to financial years beginning on or after January 1<sup>st</sup>, 2018.

- **Apply to IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts – Changes to IFRS 4 (Regulation 2017/1988 of November 3<sup>rd</sup>, 2017)**

These changes to IFRS 4 answer worries relating to the implementation of the new Standard on Financial Instruments (IFRS 9) prior to the enforcement of the Standard on Insurance Contracts, which will replace IFRS 4 and which is still under study. This standard applies to financial years beginning on or after January 1<sup>st</sup>, 2018.

**Yearly Improvements: 2014-2016 Cycle (Regulation 2018/182 of February 7<sup>th</sup>, 2018)**

These improvements include minor amendments to three international accounting standards, two of which apply to financial Years beginning on or after January 1<sup>st</sup>, 2018:

- **IFRS 1 - First-time adoption of IFRS**
- **IAS 28 - Investments in Related and Joint Ventures**

**Regulations (new or revised) issued by the “International Accounting Standards Board” (IASB) and interpretations issued by the “International Financial Reporting Interpretation Committee” (IFRIC) and still subject to endorsement by the European Union**

- **Sale or Contribution in the form of Assets between an Investor and its Associated or Joint Venture – Amendment to IFRS 10 and IAS 28**

This amendment clarifies the accounting treatment for transactions when a parent company loses control in a subsidiary by selling all or part of its interest in that subsidiary to an associate or joint venture accounted for using the equity equivalence method. The date of application of the amendment has not yet been defined, and the process of endorsement by the European Union will only begin after confirmation of the date of application of the amendments by the IASB.

- **Classification and measurement of share-based payment transactions - Amendments to IFRS 2**

These changes to IFRS 2 relate to classification and measurement aspects for a number of areas where the guidance in the Standard was not very clear. Applies to annual periods beginning on or after January 1<sup>st</sup>, 2018, being still subject to endorsement by the European Union.

- **Adoption of IFRIC 22: Foreign Currency Transactions and Advance Considerations**

IFRIC 22 establishes the exchange rate to be used in transactions involving an advance consideration paid or received in foreign currency. Applies to annual periods beginning on or after January 1<sup>st</sup>, 2018, being still subject to endorsement by the European Union.

- **Transfer of Investment Properties – Modifications to IAS 40**

The modifications to IAS 40 Investment Properties clarify the requirements related to transfers, from and to, Investment Properties. Applicable to annual periods beginning on or

after January 1<sup>st</sup>, 2018, this new interpretation is still subject to the endorsement process by the European Union.

- **IFRS 14: Regulatory Deferral Accounts**

This standard allows first-time adopters of IFRS to continue recognizing regulatory assets and liabilities in accordance with the policy followed under the previous standard. However and to allow for comparability with entities that already adopt IFRSs and do not recognize regulatory assets / liabilities, such amounts must be disclosed separately in the financial statements. Applicable to annual periods beginning on or after January 1<sup>st</sup>, 2016, but the European Commission has decided not to initiate the process of endorsing this transitional rule and to wait for the final rule, to be issued by the IASB.

- **Adoption of IFRIC 23: Uncertainty over Income Tax Treatments**

This interpretation clarifies how the recognition and measurement requirements of IAS 12 should be applied when there are uncertainties in accounting for income taxes. Applicable to financial years beginning on or after January 1<sup>st</sup>, 2019, this interpretation is still subject to the endorsement process by the European Union.

- **IFRS 17: Insurance Contracts**

IFRS 17 addresses the comparison problem created by IFRS 4, requiring that all insurance contracts be accounted for consistently thereby benefiting both investors and insurance companies. Insurance liabilities are accounted for using current values instead of historical cost. The information is updated regularly, providing more useful information to the users of the financial statements. Applies to financial years beginning on or after January 1<sup>st</sup>, 2021, being still subject to the endorsement process by the European Union.

- **Amendments to IFRS 9: Prepayment Features with Negative Compensation**

This amendment to IFRS 9 allows certain instruments to qualify for measurement at amortized cost or at fair value through other comprehensive income (depending on the business model) even if they do not meet the SPPI test conditions. Applies to annual periods beginning on or after January 1, 2019, being still subject to the endorsement process by the European Union.

- **Amendment to IAS 28: Long-term interests in Related and Joint Ventures**

This amendment clarifies that an entity shall apply IFRS 9 to long-term interests in related and joint ventures in which the Equity Equivalence method is not applicable. These changes apply to financial Years starting on or after January 1, 2019 and are still subject to the endorsement process by the European Union.

## **2.2. Basis for Consolidation**

### **2.2.1. Reference Dates**

The consolidated financial statements include, with reference to December 31<sup>st</sup>, 2017, the assets, liabilities, results and cash flows of the Group companies, which are identified in note 5.

### 2.2.2. Financial Holdings in Group Companies

Holdings in companies in which the Group detains, directly or indirectly, more than 50% of the voting rights at the General Shareholders Assembly, or is able to exercise control over its financial and operating policies (*Control* criteria, as used by the Group) are included in the consolidated financial statements using the full consolidation method. The shares in equity and in the net result of these companies, which correspond to third parties' holdings, are respectively presented in the consolidated balance sheet and in the consolidated income statement under the heading 'Minority Interests'. Subsidiary companies are consolidated from the date on which control is transferred to the Group, being excluded from the consolidation from the date on which the control ends.

The *purchase method* is used to account for acquired subsidiaries. The acquisition cost corresponds to the fair value of the assets received, the shares issued and the liabilities assumed, on the date of acquisition, added of the costs incurred and directly attributable to the acquisition. The acquired identifiable assets, liabilities and contingent liabilities, assumed in a concentration of business activities, are measured initially at their fair value on the date of acquisition, regardless of any minority interests. The acquisition cost excess over the share of the total acquired net identifiable assets' fair value, is recorded as *goodwill*. If the cost of acquisition is less than the fair value of the net assets of the acquired subsidiary, the difference is recognized directly in the results for the period.

Intra-group transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated, unless the transaction provides evidence of impairment for the transferred asset. Whenever considered necessary, the accounting policies of subsidiaries are changed to ensure consistency with the policies adopted by the Group.

All companies included in the consolidation perimeter, identified in note 5, were consolidated using the full consolidation method, since the Group holds the majority of voting rights.

### 2.2.3. Balances and Transactions between Group Companies

Balances and transactions between companies in the Group, and between these and the parent company, are eliminated in the consolidated financial statements.

### 2.2.4. Consistency with the Previous Financial Year

The consolidation methods and procedures applied are consistent with those used for the 2016 Fiscal Year.

### 2.2.5. Changes to the set of Consolidated Companies



During the financial year 2017, one new Company was added to the consolidation perimeter (Note 5).

### 2.3. Segment Reporting

IFRS 8 – *Operating Segments*, has replaced IAS 14 – *Segment Reporting*, establishing the principles for the disclosure of information concerning the operating segments of an entity, which must be presented on the basis of the report prepared for the analysis by the Corporate Management. The application of this financial reporting standard by Reditus Group led to the alteration of the operating segments that were the object of the report.

Three (3) business segments have been identified: *Business Process Outsourcing* (BPO), *IT Outsourcing* (ITO) and *IT Consulting* (ITC).

### 2.4. Investment Properties

Investment properties comprise, in essence, land and buildings held for income, or capital appreciation, or both, and not for use in the production, or supply of goods or services, or for administrative purposes, or for sale in the ordinary course of business.

The Group classifies as investment properties, properties held with the objective of capital appreciation and/or obtaining income.

Investment properties, considered under IAS 40 – *investment Properties*, are investment properties under development, which fulfill the conditions for their fair value to be reliably determined.

Investment properties are stated at their fair value, the building is subject to internal evaluation.

### 2.5. Tangible Fixed Assets

#### 2.5.1. Measurement

Tangible fixed assets are recorded at acquisition cost deducted of the respective accumulated depreciation, except for land and buildings, which are measured using the revaluation model.

The expenses directly attributable to the acquisition of assets (sum of the respective purchase prices with the expenses incurred, directly or indirectly, to convert it to its current condition) are considered as the *cost of acquisition*.

Subsequent costs are added to the book value of the asset, or else recognized as a separate asset, but only in cases where there is a probable, future economic benefit associated with the asset and its cost can be reliably measured. All other service, maintenance and repair costs are recorded in the income statement for the financial period in which they are incurred.

The revaluation value of the land and buildings is based on market values, determined by means of evaluations carried out by independent experts (note 7.3), a procedure that has been adopted in recent years.

The increases in the book value of the land and buildings, as a result of revaluations, are debited to tangible fixed assets. Eventual reductions, which may be compensated by previous revaluations of the same asset, are charged against the respective revaluation reserve, and the remaining reductions are recognized in the income statement.

### 2.5.2. Leasing Contracts

Goods whose use stems from financial leasing contracts, in respect of which the Group substantially assumes all risks and rewards incidental to ownership of the leased assets, are classified as tangible fixed assets.

Assets acquired under leasing, as well as the corresponding liabilities, are recorded using the financial method. According to this method, the cost of the asset is booked under tangible fixed assets and the corresponding liability is booked under liabilities. Depreciation of those goods and the interest included in the value of the rents, are recorded in the results for the year to which they relate.

Leasing contracts are recorded on the date of their inception as assets and liabilities, at the lowest of the fair value of the leased good or the current value of the outstanding lease payments.

Assets acquired under lease are depreciated according to the Group's established policy for tangible fixed assets.

Rents comprise both the financial charge and the financial depreciation of the capital. Charges are allocated to the respective periods during the lease term, so as to result in a constant periodic rate of interest on the remaining debt.

### 2.5.3. Depreciation

Depreciation is calculated on the basis of the acquisition value, using the straight-line method, with duodecimal allocation. The applied annual rates do satisfactorily reflect the economic useful life of the assets.

The estimated useful lives are as follows:

	Years
Buildings and Other Constructions	5
Basic Equipment	3 – 20
Transport Equipment	4
Administrative Equipment	3 – 10
Other Tangible Fixed Assets	10 - 20

## 2.6. Intangible Assets

Intangible assets consist primarily of development costs.

Research expenses, incurred in the search for new technical or scientific knowledge or in the search for alternative solutions, are recognized in the results when they are incurred. Development costs are recognized as intangible assets, when: i) the technical feasibility of a product or process development can be proved, ii) the Group intends, and has the ability to complete their development, iii) commercial viability is ensured and iv) the expense can be reliably measured.

Development costs previously recorded as expenditure are not recognized as an asset in the subsequent period. Development costs that have a finite lifespan and have been capitalized are depreciated from the time of their commercialization, using the straight-line method and over the expected economic benefit period, that does not usually exceed five years.

Expenditures capitalized under this heading include expenditures on direct labor, as well as the expenditures incurred, if applicable, when subcontracting external entities.

Intangible assets developed within the Reditus Group are related to the re-engineering and optimization of processes, to new processes, and to customized computer applications, and are depreciated using the straight-line method.

## 2.7. Goodwill

Goodwill represents the excess of the acquisition cost of the investment in Group companies over the fair value of the identifiable assets and liabilities of these holdings (proportional equity values) at the date of acquisition. If the cost of acquisition is less than the fair value of the net assets of the acquired subsidiary, the difference is recognized directly in results for the period. Before January 1<sup>st</sup>, 2004, Goodwill was amortized over the estimated period of investment recovery, generally ten years, and the depreciation was recorded in the income statement under the heading 'Amortization and Depreciation for the Fiscal Year'. From January 1<sup>st</sup>, 2004 and in accordance with IFRS 3 – *Business Combinations*, the Group suspended the amortization of Goodwill. From that date, Goodwill is subject to annual impairment tests with the corresponding asset values determined at cost less any cumulated impairment losses. Any impairment loss is recorded immediately in period's results.

## 2.8. Asset Impairment

Assets that do not have a defined useful life are not subject to amortization and depreciation, but subject to annual impairment tests. Assets subject to depreciation and amortization are reviewed annually to determine eventual impairment, when events or circumstances indicate that their book value may not be recoverable. Whenever the amount for which an asset is registered exceeds its recoverable amount, an impairment loss is recognized and recorded in the income statement. The recoverable amount is determined as the highest of the net selling price and the utilization value. The net selling price is the amount obtainable from the sale of an asset in an arm's length transaction, less the costs of disposal. Utilization value is the present value of the estimated future cash flows that are expected to derive from the continued use of the asset and from its disposal at the end of its useful life. The recoverable amount is

estimated individually for each asset or, if this is not possible, for the cash-generating unit in which the asset is integrated.

## 2.9. Non-Current Assets Held for Sale

Non-current assets (or discontinued operations) are classified as *held for sale* if the respective value can be realized through its sale, instead of through its continued use. This situation is only considered as fulfilled when:

- (i) the sale is highly probable;
- (ii) the asset is available for immediate sale in its present condition;
- (iii) the management is committed to a disposal plan;
- (iv) it is expected that the sale will materialize within a period of twelve months.

Non-current assets (or discontinued operations), which are classified as *held for sale*, are measured by the lowest of their book value and respective fair value, deducted of the disposal expenses.

Non-current assets held for sale are presented on a dedicated line in the consolidated statement of financial position, and the results of the discontinued operations are presented on a dedicated line in the income statement by type of income, below Income Tax and above Net Result.

When the Group ceases to classify an entity as *held for sale*, the results of that entity's operational components, previously presented in discontinued operational units, are reclassified and included in the income from continuing operational units, for all reported periods.

However, and according to IFRS 5 – paragraph 40 - the amounts reported under assets and liabilities that were classified as *held for sale* in the statement of financial position for the previous period, are not reclassified.

## 2.10. Other Financial Investments

The *other financial investments* item consists of securities and other financial investments.

*Other financial investments* are valued at their market value at the balance sheet date. Actual capital gains and capital losses, resulting from the effective sale of these securities, are recorded in the profit and loss statement for the year in which they occur.

Financial holdings that have undergone permanent reductions in their realizable value have been provisioned.

## 2.11. Deferred Taxes

Deferred taxes are calculated on the basis of the balance sheet liability method, and reflect the temporary differences between the assets and liabilities amount for accounting report

purposes and their respective amount for taxation purposes. However, no deferred taxes are calculated on the differences arising from initial recognition of assets and liabilities in a transaction relating to the concentration of business activities, when these do not affect either the accounting result or the tax result at the time of the transaction.

Deferred tax assets are recognized whenever there is reasonable assurance that future profits will be generated, against which the assets can be utilized. Deferred tax assets are reviewed annually and reduced whenever it is no longer likely that these may be utilized.

Deferred taxes are calculated according to the rate expected to be in force at the time it is expected that the asset or the liability will be realized.

## **2.12. Inventories**

Inventories are recorded at cost or at net realizable value, whichever is lower. Inventory expenditures include all expenses associated with the purchase, but do not include financial expenses. The net realizable value is the estimated selling price under normal business circumstances, deducted of the associated selling costs.

The costing method adopted for the valuation of items removed from warehousing, is their weighted average cost.

## **2.13. Clients and Other Accounts Receivable**

The accounts receivable from Clients and other debtors are recorded at fair value of the underlying transaction that originated them, deducted of possible impairment losses, so that they reflect the net realizable value.

Accounts receivable transferred into 'factoring', with the exception of 'factoring' operations without recourse, are recognized in the balance sheet under the heading 'Other Accounts Payable', until the moment they are collected.

## **2.14. Other Current Assets and Liabilities**

Accrued expenses, deferred expenses, accrued income and deferred income are recorded under these headings, so that the expenses and income can be accounted for in the period to which they relate, regardless of the date of payment or collection.

## **2.15. Cash and Cash Equivalents**

The amounts included under cash and cash equivalents correspond to cash at hand, cash at banks, term deposits and other treasury instruments, which can be withdrawn with less than three months notice, and are subject to a negligible risk of change in value.

For the purposes of cash flow statement, the item "Cash and cash equivalents" is deducted of the bank overdrafts included in the consolidated statement of financial position under the heading of "Loans".

## 2.16. Share Capital

Ordinary shares are classified under shareholders' equity.

Costs directly attributable to the issue of new shares or options are shown as a deduction, net of tax, from the amount received as a result from this issue. Expenses directly attributable to the issue of new shares or options for the acquisition of a business are included in the acquisition cost, as part of the purchasing price.

When the company or its subsidiaries acquire shares in the parent company, the amount paid is deducted from the total equity attributable to shareholders, and presented as *treasury shares* until the date on which these are cancelled, reissued or sold. When such shares are subsequently sold or reissued, the amount received is again included in the equity attributable to shareholders.

## 2.17. Bank Loans and Overdrafts

Loans are initially recognized at fair value, net of incurred transaction costs. Loans are subsequently stated at amortized cost; any difference between the receipts (net of transaction costs) and the value payable is recognized in the income statement over the loan period, using the effective rate method.

Loans are classified as current liabilities, unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date, in which case they are classified as non-current liabilities.

Interest expenditures relating to loans received are recorded under the heading *net financing costs* in the income statement.

## 2.18. Suppliers and Other Accounts Payable

Accounts payable to suppliers and other creditors are recorded at their nominal value, to the extent that these are due in the short-term.

## 2.19. Provisions and Contingent Liabilities

Provisions are included in the balance sheet whenever:

- (i) The Group has a current legal or constructive obligation resulting from a past event;
- (ii) It is likely that a reasonably estimable reduction of resources incorporating economic benefits will be required to settle the obligation, and;
- (iii) Its value can be reliably estimated. Provisions are reviewed at the balance sheet date and adjusted to reflect the best current estimate. In case it ceases to be likely that a reduction of resources incorporating economic benefits will be required to settle the obligation, the provision is reversed.



When any of these conditions is not fulfilled, the Group discloses the event as a contingent liability, unless the likelihood of a cash outflow is remote.

## 2.20. Revenue and Accrual

Revenue is recorded in the income statement, and includes the amounts invoiced on the sale of products and provision of services, net of Value-Added Tax (VAT) and discounts, after eliminating intra-group transactions.

Revenue derived from the sale of products is recognized in the consolidated income statement when the risks and benefits associated with the ownership of the assets are transferred to the buyer, and the revenue amount can be reasonably quantified.

Revenue derived from the provision of services is recognized in the consolidated income statement in reference to the completion stage of the service provision at the balance sheet date.

The suppliers of the represented brands support the warranties for sold equipment.

Financial interests and revenues are recognized in accordance with the accrual principle and according to the applicable effective interest rate.

Expenses and revenues are accounted for in the period to which they relate, regardless of the date of their payment or receipt. Expenses and revenues, whose actual value is not known, are estimated.

Under the headings 'Other Current Assets' and 'Other Current Liabilities' are reported revenue and expenses relating to the current fiscal year, but for which the collections and expenditures will only take place in the future, as well as expenditures and collections that have already taken place, but for which the revenue and expenses will only be recorded, according to their respective values, in future fiscal years' income statements.

## 2.21. Income Tax

Income tax for the fiscal year is calculated based on the taxable income of companies included in the consolidation and includes deferred taxation.

The current income tax is calculated based on the taxable income of the companies included in the consolidation, in accordance with the taxation rules in force at the registered office location of each individual Group company.

Deferred taxes are calculated on the basis of the balance sheet liability method, and reflect the temporary differences between the assets and liabilities amount for accounting report purposes and their respective amount for taxation purposes.

## 2.22. Conversão cambial

### Functional and Reporting Currency

The elements included in the financial statements of each of the Group's entities are measured using the currency of the economic environment in which the entity operates ("functional currency"). The consolidated financial statements are reported in Euros, which is the functional and reporting currency of the parent company.

## Transactions and Balances

Transactions in currencies other than Euros are translated into functional currency using the exchange rates at the date of transactions. Foreign exchange gains or losses, resulting from the settlement of transactions or else from the conversion, at the exchange rate on the balance sheet date, of monetary assets and liabilities denominated in a currency other than Euro, are recognized in the income statement, except when deferred in equity if they qualify as cash flow hedges.

## Group Companies

The income and financial position statements of all the Group's entities that have a functional currency different from the reporting currency, are converted into the reporting currency as follows:

- The assets and liabilities in each balance sheet are converted at the exchange rate in effect on the date of the financial statements, and the respective exchange differences are recognized as separate items in equity under the heading currency translation reserves.
- Revenue and expenditures in each income statement are converted at the average exchange rate for the reporting period, unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case revenue and expenditures are converted at the exchange rates in effect on the dates of the individual transactions.

### 2.23. Subsequent Events

Events occurring after the closing date, up to the date of approval of the financial statements by the Board of Directors, that provide additional information about conditions that existed at the balance sheet date, are reflected in the financial statements. Events occurring after the closing date and that are indicative of conditions that arose after the balance sheet date are disclosed, if considered relevant, in the notes to the financial statements.

## 3. Financial Risk Management / Accounts Receivable / Accounts Payable:

All operations performed with financial instruments require prior approval by the Executive Board, which defines the specifics of each transaction and approves the relevant documents.

The financial risk management for Reditus' Group companies is controlled centrally, through the Financial Director's Office and in accordance with the policies adopted by the Executive Board. The Financial Directorate identifies, evaluates, and reports to the Executive Board for approval, the elements for analysis of each individual operation. The Executive Board is responsible for defining general principles of risk management, as well as exposure limits.

The Group's activities involve exposure to financial risks, in particular: (i) market risk - primarily relating to interest rates and exchange rates, which are respectively associated with the risk of changing market interest rates' impact on financial assets and liabilities and on income, and the risk of financial assets and liabilities' fair value fluctuation as a result of changes in foreign exchange rates (ii) liquidity risk - the risk of eventual problems in meeting the obligations

associated with financial liabilities, and (iii) credit risk - the risk that its debtors will fail to meet their financial obligations.

## INTEREST RATE RISK MANAGEMENT

Reditus Group's exposure to market risks lies essentially in its debt, which is exposed to interest rate risks.

In the context of variable rate loans, the Reditus Group follows the evolution of the markets and, whenever considered necessary, may resort to contracting interest rate derivative financial instruments to hedge cash flows associated with future payments of interest. This has the effect of converting variable interest rate loans to fixed interest rate loans, while the unpredictability of financial markets is analyzed in line with the Group's risk management policy.

Considering the interest rates applied on December 31<sup>st</sup>, 2017, a variation of the reference rate of 0.5% would have the following annual impact:

	Sensitivity Analysis	Variation Charges
Increase	0.50%	287,574
Decrease	-0.50%	-287,574

## EXCHANGE RATE RISK MANAGEMENT

The Reditus Group operates primarily in markets where the common functional currency is the Euro. It is nevertheless exposed to exchange rate risks in US dollars (USD) with regard to operations in Angola, even though that risk is mitigated by the fact that the major contracts have been awarded in Euros. The value of the USD balances in customer's due accounts on December 31<sup>st</sup>, 2017 is USD 408,148. The euro exchange rate on December 31<sup>st</sup>, 2017 was 0.83470.

The debt contracted by the Reditus Group is entirely denominated in Euros, and the Group did not take out financial instruments to hedge against interest rate changes.

## LIQUIDITY RISK MANAGEMENT

Liquidity risk management involves maintaining cash and bank deposits at a sufficient level, the feasibility of floating debt consolidation by means of an adequate level of open credit lines, and the capacity to liquidate market positions. Related to the underlying business dynamics, the Group's Treasury aims at keeping the floating debt's flexibility by maintaining the available credit lines.

The Group manages the liquidity risk by contracting and maintaining lines of credit with national financial institutions, which allows immediate access to funds.

The liquidity of the interest-bearing financial liabilities, as well as the liquidity inherent in the financial and operating lease contracts, and in interest-bearing liabilities, will result in the following cash flows:

2017	Capital in debt 31-12-2017	Loans	Leased Assets	Operating lease
Payments up to 1 year	7,770,678	6,556,098	375,146	839,435
Payments between 1 and 5 years	48,091,731	44,726,700	1,699,846	1,665,185
Payments over 5 years	8,574,729	6,232,063	2,342,666	0
	<b>64,437,138</b>	<b>57,514,861</b>	<b>4,417,658</b>	<b>2,504,620</b>

## COUNTERPART CREDIT RISK MANAGEMENT

As regards to third parties' debts resulting from the current activity of the Reditus Group, the credit risk results primarily from the possibility of "defaults" by those third parties. This is significantly mitigated by the nature and solidity of the Clients that make up almost the entire Group's Client portfolio.

Balance	31.12.2017	Past Due	Due	
			Up to 1 Year	+ 1 Year
Clients	70,579,455	15,899,608	3,245,320	51,434,527

Amounts due for over 12 months relate basically to those receivable from public entities based in the African continent, namely Angola, whereby the current market context implies difficulties in the export of capitals due to the lack of foreign currency reserves; the Board nevertheless has the expectation of receiving these amounts in total.

The Group policy in terms of counterparty risk is also governed by an analysis of the technical capacity, competitiveness, credit rating and exposure to each of the counterparties, thus avoiding significant concentrations of credit risk and not allowing for relevant risk of default from the counterparty, whereas no dedicated guarantees are common for this type of operation.

In addition and in relation to special or strategic projects Reditus endeavours to negotiate foreign currency receipts through certified lines of exporter credit, using the credit insurance of COSEC-Companhia de Seguros de Crédito, SA and lines contracted with Financial Institutions / International Private Funds to finance these types of projects, in order to receive the funds directly in Portugal.

This last policy was applied in the case of projects for the Angolan Armed Forces, which involves several Angolan public entities. The balance of receivables for this project represents 85% of the Group's total accounts receivables.

Monitoring risks, both relating to price and volume as well as to credit, requires quantification in measures associated with risk exposures that can be adjusted by means of market operations. The Central Financial Direction performs this quantification.

## 4. Significant Accounting Estimates and Judgments

The preparation of consolidated financial statements requires from Management a number of judgments and estimates, with an impact in what income, expenses, assets, liabilities and disclosures are concerned. The financial information hereby reported includes therefore items that are influenced by the application of those estimates and judgments, as a reflection of the Group's accounting policies.

The estimates above mentioned are determined by management judgments, which are in turn based on the best available information, on the knowledge of present events, and on the activities that the Group expects to develop in the future. Thus, the use of estimates and assumptions represents a risk that may lead to adjustments in future periods.

The Board of Directors considers that the choices made are appropriate and that the consolidated financial information adequately represents the Group's financial position and the results of its transactions, in all materially relevant aspects.

The main items influenced by estimates and judgments are the following:

- (i) Tangible and intangible fixed assets (useful lives);
- (ii) Goodwill impairment;
- (iii) Impairment on accounts receivable;
- (iv) Impairment on prototypes;
- (v) Provisions;
- (vi) Income tax;
- (vii) Revenue recognition;
- (viii) Deferred tax assets arising from tax losses carried forward.

#### **(i) Tangible and Intangible Fixed Assets (useful lives estimation)**

Depreciation / amortization is calculated using the straight-line method on the cost of acquisition, beginning with the month in which the asset is available for utilization. The depreciation / amortization rates reflect our best knowledge of their estimated useful life. The assets' residual values and their respective useful lives are reviewed and adjusted whenever deemed necessary.

#### **(ii) Goodwill Impairment**

Goodwill impairment tests are performed annually by external experts, in accordance with IAS 36 – *Impairment of Assets*. The identified cash-flow generating units are the following business units:

- ITO
- ITC

The recoverable amounts from the cash flow generating units were calculated according to their value in use. These calculations require the use of estimates.

#### **(iii) Impairment on Accounts Receivable**

Impairment losses for doubtful debts are based on the Group's assessment of the likelihood of the accounts receivable balances' recovery. This assessment is based on the default period, the client's credit history, and the deterioration in the credit rating of the main clients. Should

the clients' financial condition deteriorate, the impairment losses might be higher than expected.

**(iv) Impairment on Prototypes**

Prototypes represent the internal development of marketable products, in the form of re-engineered administrative processes, new administrative processes or customized computer applications, whose recognition is recorded over the estimated useful life's duration. All prototypes have documentary support and reflect an estimate about their ability to generate cash flows in future fiscal years. In addition to a systematic amortization whenever there is evidence of impairment, the prototypes are still subject to impairment tests carried out by external experts.

**(v)** The Group exercises considerable judgment in the measurement and recognition of *provisions*. Judgment is necessary in order to assess the success probability in case of litigation. Provisions are made when the Group anticipates that ongoing lawsuits will result in cash outflows, loss is likely, and can be reasonably estimated. Due to the uncertainties inherent in the assessment process, actual losses may be different from those originally estimated in the provisions. These estimates are subject to adjustment as new information becomes available. Revisions to the estimates of such losses may impact future results.

**(vi) Income Tax**

The Group determines *income taxes* through the application of estimates arising from the current tax legislation, in particular adjustments for non tax-deductible expenditures and also adjustments required on securities and financial investments. These calculations demand the use of estimates.

**(vii) Revenue Recognition**

The recognition of revenue by the Group includes analysis and estimates by Management, in what concerns the completion stage of ongoing projects as on the date of the financial information, which might have a future development different from the one budgeted to date.

**(viii) Deferred Tax Assets arising from Tax Losses Carried Forward**

The Group accounts for deferred tax assets on the basis of the tax losses existing at the balance sheet date, and the calculation of their recovery. These calculations require the use of estimates.

## **5. Companies comprised in the Consolidation**

On December 31<sup>st</sup>, 2017 the Group Companies included in the consolidation and their respective headquarters, share capital and proportion of share capital held, were the following:

Company Name	Headquarters	Consolidation Method	Actual Equity Share	
			2017	2016
Reditus SGPS, SA	Lisboa	Integral	Mãe	Mãe
Reditus Gestão, SA	Lisboa	Integral	100	100
Reditus Imobiliária, SA	Lisboa	Integral	100	100
Reditus Business Solutions, S.A.	Lisboa	Integral	100	100
ALL2IT Infocomunicações, S.A.	Lisboa	Integral	100	100
Reditus Business Security, S.A.	Lisboa	Integral	100	100
Reditus Consulting, S.A.	Lisboa	Integral	100	100
Ogimatech Portugal - Consultoria Empresarial e Institucional, SA	Lisboa	Integral	100	100
G.Consult Angola - Consultoria e Desenvolvimento, Lda	Angola	Integral	80	80
Ogimatech - Consultoria Empresarial e Institucional, Lda	Angola	Integral	95	95
Tora - Sociedade Imobiliária, S.A	Lisboa	Integral	100	100
Reditus Business Products	Lisboa	Integral	100	100
SolidNetworks Business Consulting	Arruda dos Vinhos	Integral	95	95
Reditus Guinea Ecuatorial, S.A	Malabo	Integral	60	60
Reditus Networks Innovation, Lda.	Arruda dos Vinhos	Integral	100	100
Job Value, S.A	Arruda dos Vinhos	Integral	77.5	77.5
Reditus Consulting Moçambique, Limitada.	Moçambique	Integral	100	100
Reditus CIS, Limitada. a)	Lisboa	Integral	100	100

- a) Reditus Consultancy Information Security, Lda., was established in July 2017, with the objective of providing computer management and consulting services, mainly focused on innovation and training in new technologies and information systems, with special emphasis on management of telecommunications networks, collaborating with the other Reditus Group companies, to whom it will provide services in these areas.

Reditus assumes that there are no significant restrictions on accessing or using any assets and in settling liabilities of the group. It should be noted that the Group controls all the investees.

## 6. Segment Information

Reditus Group's Business Segments were established according to the respective type of business, differentiating the various offers that Reditus proposes and provides to its clients:

**Segment ITC (IT Consulting):** comprises the business areas of Consulting, Platforms and Applications, and Specialized Outsourcing. This 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.

**Segment ITO (IT Outsourcing):** comprises the IT Infrastructure skills. This 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.

**Segment BPO (Business Process Outsourcing):** includes the skills in BPO, Contact Center and Shared Services. This segment provides services in the areas of 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.



Reditus Group furthermore operates in the international markets with the aforementioned offers, resulting in an internationalization that is transversal to the three operational segments above identified. The international activity is based on distinct organizational models, through the creation of local offices, the promotion of export activity and the provision of services in neashore.

On December 31<sup>st</sup>, 2017 and December 31<sup>st</sup>, 2016 the results by business segment were as follows:

### December 31<sup>st</sup>, 2017

	2017					
	ITO	ITC	BPO	Total	Adjustments	Consolidated
<b>Operating revenues:</b>						
External sales of products and	987,744	1,161,093	-	2,148,837	-	2,148,837
Intra-network sales of products and merchandise	169,831	-	-	169,831	(169,831)	-
Provision of external services	9,869,116	20,193,439	11,251,893	41,314,448	(2,323,794)	38,990,654
Provision of intra-network services	5,631,534	1,833,066	1,825,045	9,289,645	(9,289,645)	-
Other external operating revenue	502,863	270,423	-	773,286	134,598	907,884
Other intra-network operational revenue	268,144	163,244	-	431,388	(431,388)	-
Total operating revenues	17,429,232	23,621,265	13,076,938	54,127,435	(12,080,060)	42,047,375
<b>Operational expenses:</b>						
Inventories consumed and sold	(964,372)	(822,394)	-	(1,786,766)	39,642	(1,747,124)
Supplies and Services External	(9,328,224)	(9,803,984)	(6,584,830)	(25,717,038)	12,038,021	(13,679,017)
Staff Costs	(3,041,318)	(10,309,999)	(6,862,201)	(20,213,518)	-	(20,213,518)
Depreciation and amortization Costs	(1,143,529)	(1,037,012)	(834,646)	(3,015,187)	-	(3,015,187)
Provisions and Impairment Losses	(234,723)	(474,560)	(6,683)	(715,966)	-	(715,966)
Other Operating Costs and Losses	(861,402)	(565,994)	(115,469)	(1,542,865)	2,397	(1,540,468)
Total Operating Expenses	(15,573,568)	(23,013,943)	(14,403,829)	(52,991,340)	12,080,060	(40,911,280)
Operational profits	1,855,664	607,322	(1,326,891)	1,136,095	0	1,136,095
Financial results						(3,218,254)
Income before taxes						(2,082,159)
Income tax						434,460
Profit from continuing operations						(1,647,699)

### December 31<sup>st</sup>, 2016

	2016					
	ITO	ITC	BPO	Total	Adjustments	Consolidated
<b>Operating revenues:</b>						
External sales of products and	1,043,991	708,832	18,391	1,771,214	(58,021)	1,713,193
Intra-network sales of products and merchandise	107,962	3,904	-	111,866	(111,866)	-
Provision of external services	14,945,629	14,355,248	13,973,509	43,274,386	(798,216)	42,476,170
Provision of intra-network services	1,246,369	2,273,239	481,014	4,000,622	(4,000,622)	-
Other external operating revenue	254,500	230,131	572	485,203	212,875	698,078
Other intra-network operational revenue	-	621,492	-	621,492	(621,492)	-
Total operating revenues	17,598,451	18,192,846	14,473,486	50,264,783	(5,377,342)	44,887,441
<b>Operational expenses:</b>						
Inventories consumed and sold	(879,902)	(128,428)	(62,051)	(1,070,381)	-	(1,070,381)
Supplies and Services External	(7,237,580)	(6,782,068)	(6,264,131)	(20,283,779)	5,173,025	(15,110,754)
Staff Costs	(4,698,294)	(10,651,356)	(8,783,021)	(24,132,671)	7,807	(24,124,864)
Depreciation and amortization Costs	(1,224,870)	(794,550)	(754,551)	(2,773,971)	-	(2,773,971)
Provisions and Impairment Losses	20,161	(3,690)	(3,002)	13,469	-	13,469
Other Operating Costs and Losses	(1,047,820)	(655,658)	(323,729)	(2,027,207)	196,510	(1,830,697)
Total Operating Expenses	(15,068,305)	(19,015,750)	(16,190,485)	(50,274,540)	5,377,342	(44,897,198)
Operational profits	2,530,146	(822,904)	(1,716,999)	(9,757)	-	(9,757)
Financial results						(2,883,063)
Income before taxes						(2,892,820)
Income tax						266,577
Profit from continuing operations						(2,626,243)

On December 31<sup>st</sup>, 2017 and December 31<sup>st</sup>, 2016, Assets and Liabilities by business segments were as follows:

## December 31<sup>st</sup>, 2017

	2017				Total
	ITO	ITC	BPO	Total	
Net asset	120,948,040	44,751,068	5,485,462	171,184,570	171,184,570
Liability	44,397,666	62,877,054	33,009,243	140,283,963	140,283,963
Other information:					
Year investment on tangible assets (Note 7)	16,773	133,021	5,477	155,271	155,271
Year investment on intangible assets (Note 10)	9,933	236,495	1,668,682	1,915,110	1,915,110

## December 31<sup>st</sup>, 2016

	2016				Total
	ITO	ITC	BPO	Total	
Net asset	126,461,853	40,394,556	5,846,328	172,702,738	172,702,738
Liability	51,950,435	51,936,745	36,435,591	140,322,771	140,322,771
Other information:					
Year investment on tangible assets (Note 7)	9,855	93,020	2,691	105,566	105,566
Year investment on intangible assets (Note 10)	82,786	76,994	62,084	221,864	221,864

On December 31<sup>st</sup>, 2017 and December 31<sup>st</sup>, 2016, Assets and Liabilities by business segments and segregated by geographic areas were as follows:

## December 31<sup>st</sup>, 2017

	Portugal	Europe	Rest of the World	Consolidated
<b>Sales</b>				
BPO	-	-	-	-
IT Outsourcing	1,120,616	34,068	2,891	1,157,575
IT Consulting	1,161,093	-	-	1,161,093
Cancellation	(169,831)	-	-	(169,831)
	<u>2,111,878</u>	<u>34,068</u>	<u>2,891</u>	<u>2,148,837</u>
<b>Services rendering</b>				
BPO	13,076,938	-	-	13,076,938
IT Outsourcing	8,858,681	310,262	6,331,707	15,500,650
IT Consulting	9,406,253	192,264	12,427,988	22,026,505
Cancellation	(11,613,439)	-	-	(11,613,439)
	<u>19,728,433</u>	<u>502,526</u>	<u>18,759,695</u>	<u>38,990,654</u>
<b>Other Operating Income</b>				
Extra income	381,578	-	-	381,578
Operating subsidies	145,554	-	-	145,554
Other Operating Income and Earnings	<u>380,752</u>	<u>-</u>	<u>-</u>	<u>380,752</u>
	<u>907,884</u>	<u>-</u>	<u>-</u>	<u>907,884</u>

The services provided in the *Rest of the World* totaled € 4,957,031 for the *IT Outsourcing segment* and € 12,227,384 for the *IT Consulting segment* in Angola.

## December 31<sup>st</sup>, 2016

	Portugal	Europe	Rest of the World	Consolidated
<b>Sales</b>				
BPO	6,953	11,438	-	18,391
IT Outsourcing	1,063,708	66,039	22,206	1,151,953
IT Consulting	116,646	-	596,090	712,736
Cancellation	(169,887)	-	-	(169,887)
	<u>1,017,420</u>	<u>77,476</u>	<u>618,296</u>	<u>1,713,192</u>
<b>Services rendering</b>				
BPO	13,015,904	1,438,619	-	14,454,523
IT Outsourcing	6,000,971	2,206,453	7,984,574	16,191,998
IT Consulting	11,115,123	57,590	5,455,773	16,628,487
Cancellation	(4,518,241)	-	(280,597)	(4,798,838)
	<u>25,613,758</u>	<u>3,702,662</u>	<u>13,159,750</u>	<u>42,476,169</u>
<b>Other Operating Income</b>				
Extra income	421,125	-	-	421,125
Operating subsidies	10,836	-	-	10,836
Other Operating Income and Earnings	<u>266,116</u>	<u>-</u>	<u>-</u>	<u>266,116</u>
	<u>698,077</u>	<u>-</u>	<u>-</u>	<u>698,077</u>

## 7. Tangible Fixed Assets

### 7.1. Movements under the items Tangible Fixed Assets and the respective Amortizations:

#### Gross Assets

#### December 31<sup>st</sup>, 2017

	Gross Assets				
	Balance 31-12-2016	Increases and Revaluations	Scraps and Disposals	Corrections and Transf.	Balance 31-12-2017
Real Estate and Natural Resources	2,685,250	-	-	-	2,685,250
Buildings and other Cosntructions	5,906,916	12,273	-	(181,978)	5,737,211
Basic Equipment	4,110,843	137,922	(22,895)	-	4,225,871
Transportations Equipment	1,106,075	-	(99,783)	6,546	1,012,838
Administrative Equipment	3,889,204	3,587	(7,991)	(6,745)	3,878,055
OtherTangible Fixed Assets	2,915,865	1,490	-	-	2,917,355
Tangible Fixed Assets Underway	-	-	-	-	-
	20,614,152	155,271	(130,668)	(182,177)	20,456,580

### December 31<sup>st</sup>, 2016

	Gross Assets				
	Balance 31-12-2015	Increases and Revaluations	Scraps and Disposals	Corrections and Transf.	Balance 31-12-2016
Real Estate and Natural Resources	3,045,465	-	(360,215)	-	2,685,250
Buildings and other Cosntructions	7,542,109	0	(1,635,193)	-	5,906,916
Basic Equipment	4,118,399	15,884	(23,439)	-	4,110,843
Transportations Equipment	1,112,201	39,765	(45,890)	-	1,106,075
Administrative Equipment	3,848,337	49,918	-	(9,051)	3,889,204
OtherTangible Fixed Assets	2,915,865	-	-	-	2,915,865
	22,582,376	105,566	(2,064,738)	(9,051)	20,614,153

### Acummulated Depreciation:

### December 31<sup>st</sup>, 2017

	Cummulated Depreciations				
	Balance 31-12-2016	Increases	Disposals	Corrections and Transf.	Balance 31-12-2017
Buildings and other Constructions	1,673,968	116,400	-	(127,820)	1,662,549
Basic Equipment	3,918,696	109,081	(19,908)	-	4,007,869
Transportation Equipment	1,000,321	23,694	(99,783)	6,546	930,778
Administrative Equipment	3,698,895	100,729	(6,696)	(5,979)	3,786,949
Other Tangible Fixed Assets	2,865,386	22,715	-	-	2,888,101
	13,157,267	372,619	(126,387)	(127,253)	13,276,246

### December 31<sup>st</sup>, 2016

	Cumulated Depreciations				
	Balance 31-12-2015	Increases	Disposals	Corrections and Transf.	Balance 31-12-2016
Buildings and other Constructions	2,051,571	137,447	(518,543)	3,494	1,673,968
Basic Equipment	3,819,040	117,054	(17,398)	-	3,918,696
Transportation Equipment	1,019,772	25,322	(44,773)	-	1,000,322
Administrative Equipment	3,580,762	119,945	-	(1,812)	3,698,895
Other Tangible Fixed Assets	2,825,648	39,738	-	-	2,865,386
	<b>13,296,793</b>	<b>439,505</b>	<b>(580,714)</b>	<b>1,682</b>	<b>13,157,267</b>

## 7.2 Leased Assets

The Group holds leased assets that are used in its operational activities. At the end of the contract, the Group may exercise the option to purchase these assets at less than their market value. Lease payments do not include any amount relating to contingent rents.

Follows a description of the assets acquired under leasing and their respective net values:

	Gross Value	Cumulated Depreciation	Net Value
Buildings	6,017,250	1,302,868	4,714,382
IT Equipment	117,548	110,762	6,786
Vehicles	112,055	82,827	29,228
	<b>6,246,853</b>	<b>1,496,456</b>	<b>4,750,397</b>

## 7.3 Revaluations

The Group registers real estate allocated to operational activities in accordance with the revaluation model, whereby the assessments are conducted by independent specialist entities; the last valuation, conducted by Aguirre Newman Portugal, is dated December 31<sup>st</sup>, 2016.

On December 31<sup>st</sup>, 2017, Reditus owned property in Alfragide (land and building).

The value of the Group's real estate on December 31<sup>st</sup>, 2017 is as follows:

2017	Acquisition value	Revaluation Value	Value of Works	Cumulated Depreciation	Fair Value
Building in Alfragide (land included)	6,017,250	2,135,755	205,201	1,643,406	6,714,799
Others	64,256			19,143	45,113
	<b>6,081,506</b>	<b>2,135,755</b>	<b>205,201</b>	<b>1,662,549</b>	<b>6,759,913</b>

2016	Acquisition value	Revaluation Value	Value of Works	Cumulated Depreciation	Fair Value
Building in Alfragide (land included)	6,017,250	2,135,755	205,201	1,532,744	6,825,461
Others	51,984			13,405	38,579
	<b>6,069,234</b>	<b>2,135,755</b>	<b>205,201</b>	<b>1,546,149</b>	<b>6,864,041</b>

## 8. Investment Properties

The independent fractions 'Q', 'R' and 'S' of the Ogimatech Building located at Rua do Pólo Norte and Alameda dos Oceanos (Lisbon) is Reditus' only real estate classified as investment property. It was appraised by PAFHD CSD Real Estate Consulting Group by the same "*investment return*" method, leading to a fair value of € 1,509,000 and resulting in a € 9,000 increase in fair value, following the *discounted cash flow* method.

Costs incurred with investment properties in use, namely maintenance and repairs (condominium) generate an economic benefit of the same amount (expenses re-invoiced to the tenant) both of which are recognized in the income statement for the year to which they refer and amount to 84,789 euros.

## 9. Goodwill

During the periods ending on December 31<sup>st</sup>, 2017 and on December 31<sup>st</sup>, 2016 the movements in goodwill were as follows:

	31-12-17	31-12-16
Balance at the beginning of the Period	41,473,191	41,473,191
Impairments recognized in the period	-	-
Balance at the end of the Period	41,473,191	41,473,191
<u>Net accounting value:</u>		
Balance at the beginning of the Period	41,473,191	41,473,191
Balance at the end of the Period	41,473,191	41,473,191

	Gross Value 31/12/2016	Increases	Scraps	Corrections and Transf.	Gross Value 31/12/2017
Goodwill	42,948,413				42,948,413
Impairments	(1,475,222)				(1,475,222)
	<b>41,473,191</b>				<b>41,473,191</b>

The detail of Goodwill by segment on December 31<sup>st</sup>, 2017 and December 31<sup>st</sup>, 2016 was as follows:

	31-12-17	31-12-16
ITC	6.417.901	6.417.901
ITO	32.293.998	32.293.998
Tora	2.761.292	2.761.292
	<b>41.473.191</b>	<b>41.473.191</b>

## 9.1 Goodwill – Impairment Test

Goodwill was subject to impairment evaluation by the *discounted cash flow method* conducted by an independent, external expert. In this context, a value analysis of the following business areas was carried out:

- ITO
- ITC

The forthcoming 5 years, i.e. until 2022, were projected for each business area and taking into consideration the Business Plan established by the management of the Group / Company(ies), the prospects of the concerned sector and macroeconomic considerations. A discount rate of 7,74% was used (for ITO and ITC), constructed using the market Beta, a market risk premium, the average cost of debt and the current *gearing* of the Group. The nominal perpetual growth rate used was 2.0%.

The financial projections are based on the best knowledge at the time and the estimates of the activities that will be implemented, necessarily based on the budgets and business plans approved by the Group's Board of Directors. The quantification of these projections' assumptions was based on market data, historical data and the Group's past experience, supplemented by estimating the impact which specific actions would have in the strategies adopted by each cash-generating unit. However, such assumptions may be affected by changes in facts and circumstances unforeseen at the time of quantification of assumptions.

The value of Tora's Goodwill was allocated to both segments and divided according to their individual goodwills, the same criteria having been used for its assessed value and for its operational assets and liabilities. Tora's allocation percentages were 62% for ITO and 38% for ITC.

Line of Business	Evaluation Amount	Goodwill	Total Assets Current Liabilities From Func.	Valuation of areas on accounts	Difference
	(1)	(2)	(3)	(4) = (2) + (3)	(5) = (1) - (4)
ITO	84.206.521	34.009.588	48.318.161	82.327.749	1.878.772
ITC	57.983.225	7.463.602	8.730.325	16.193.927	41.789.297

The following assumptions were used for the Operating Revenue growth:

### ITO

The ITO sector should register a CAGR (Compound Annual Growth Rate) between 2017 and 2022 of 36.7%, based on the following assumptions:

- The development of a project in the African market that involves the construction of two



data centres and the installation of SAP software. The version chosen will feature several modules, including human resources and logistics management, inventory management and management and maintenance of clients' technical infrastructures;

- Development of an international project involving the deployment of a data center, the development of facilities and equipment registry, the implementation of a disaster recovery and redundancy system, four communications control centers and a workflow and document management platform;
- Focus on developing structures to deliver managed service to organizations in Portugal and abroad;
- Focus on platforms for cloud models infrastructures and migration services, high criticality projects with significant impact on the organizations' policies and processes;
- Development of products related to Enterprise Content Management (ECM) Software
- Strengthen the presence in the Security Services area;
- Development of more sophisticated offerings in security products, disaster recovery, cloud / virtualization.

## ITC

Operating income is expected to have a CAGR of 16.4% between 2017 and 2022, resulting primarily from:

- Development and consolidation of Reditus' presence in the African countries where it operates, focusing in the Oil, Retail, energy, water, telecommunications, financial and public sectors;
- Expansion to new rapidly developing markets in (with opening of new branches);
- Innovation on products and services, especially those based on the Cloud;
- Continuous development of knowledge academies and protocols with customers and universities to accelerate the training of consultants in technologies where there is greater lack of resources;
- Offer services with higher added value.

It is the belief of the Board of Directors that the effect of any deviations that may occur in the major assumptions on which the amounts that can be recovered from the cash-generating units are based will not imply, in any material respects, any impairment to the respective goodwill.

With regard to the discount rate and the perpetual growth rate, sensitivity tests were performed because these assumptions are key elements in the determination of future cash flows and consequently the assessment of possible impairment of goodwill. It was found that the updating of future cash flows of each business unit would still prove to be higher than the carrying amount in the balance on December 31<sup>st</sup> if discount rates with a 0,25% variation, or perpetual growth rates with 0.15% variation were used.

## 10. Intangible Assets

## 10.1 Movements under item Other Intangible Assets and respective Amortizations

During the 2017 and 2016 accounting years, the movement in the intangible assets' value and the respective accumulated amortization and impairment losses were as follows:

### Gross Assets

#### December 31<sup>st</sup>, 2017

	Gross Assets					
	Balance on 31-12-2016	Perimeter Changes	Accruals	Scraps and Disposals	Corrections and Transfers	Balance on 31-12-2017
Development Projects	13,038,017		1,661,152	-	-	14,699,169
Industrial Property	13,711,571		-	-	-	13,711,571
Computer Software	1,650,533		31,008	-	-	1,681,541
Other intangible assets	22,976,955		222,950	-	-	23,199,905
Intangible assets underway	219,539		-	-	-	219,539
	<b>51,596,614</b>	<b>-</b>	<b>1,915,110</b>	<b>-</b>	<b>-</b>	<b>53,511,724</b>

#### December 31<sup>st</sup>, 2016

	Gross Assets					
	Balance on 31-12-2015	Perimeter Changes	Accruals	Scraps and Disposals	Corrections and Transfers	Balance on 31-12-2016
Development Projects	13,038,017		-	-	-	13,038,017
Industrial Property	13,711,571		-	-	-	13,711,571
Computer Software	1,428,669		221,864	-	-	1,650,533
Other intangible assets	23,155,896		-	-	(178,942)	22,976,955
Intangible assets underway	219,538		-	-	-	219,539
	<b>51,553,692</b>	<b>-</b>	<b>221,864</b>	<b>-</b>	<b>(178,942)</b>	<b>51,596,614</b>

### Cumulated Amortizations

#### December 31<sup>st</sup>, 2017

	Cumulated Amortizations					
	Balance on 31-12-2016	Perimeter Changes	Accruals	Scraps and Disposals	Corrections and Transfers	Balance on 31-12-2017
Development Projects	11,618,134		642,385	-	-	12,260,519
Industrial Property	11,883,361		609,403	-	-	12,492,765
Computer Software	1,394,741		129,429	-	-	1,524,170
Other intangible assets	6,471,449		1,261,351	-	44,490	7,777,291
	<b>31,367,686</b>	<b>-</b>	<b>2,642,568</b>	<b>-</b>	<b>44,490</b>	<b>34,054,745</b>

#### December 31<sup>st</sup>, 2016

	Cumulated Amortizations					Balance on 31-12-2016
	Balance on 31-12-2015	Perimeter Changes	Accruals	Scraps and Disposals	Corrections and Transfers	
Development Projects	11,199,061		419,073	-	-	11,618,134
Industrial Property	11,273,959		609,403	-	-	11,883,361
Computer Software	1,288,588		106,152	-	-	1,394,741
Other intangible assets	5,227,121		1,199,838	-	44,491	6,471,449
	<b>28,988,729</b>	<b>-</b>	<b>2,334,466</b>	<b>-</b>	<b>44,491</b>	<b>31,367,686</b>

## 10.2 Prototypes

The net amount under item "Development Projects" totaled, as of December 31<sup>st</sup>, 2017, 2,438,650 euros and mainly concerns expenses incurred with prototypes, which consist of internal development of products that will allow the Group to obtain future economic benefits.

In the course of the accounting year 2017, RBS developed two prototypes related to the management of the BPO and infrastructure areas, called "RBPA - Reditus Business Process Automation", which has the objective of defining methodologies and designing and developing tools to improve performance in the execution of business processes, which are currently analyzed and worked by teams of operators, and "Coliseum", which is an innovative solution allowing for the integrated management of Members, Enclosures, Ticketing and Sporting and Cultural Events, the value of capitalized expenses amounted to 1,661,152 euros.

During the 2014 fiscal year, the company ALL2IT developed three prototypes regarding document management, scanning, and called "RedDoc", "Reditus Scan", and the "CRM", whose purpose is the use of client-relationship software with users, Customer Relationship Management, in order to strengthen the company's relationship with its clients / suppliers and, at the same time, using an advanced reporting tool, the value of capitalized expenses amounted to 665,842 euros.

The expenses incurred with the projects developed were prior to the start of the various services awarded to Reditus in the national and international market. These prototypes have a lifespan of 5 years, taking into account the average duration of contracts already concluded with customers.

The value of the prototypes per business segment is as follows:

	Capitalized Expenditure	Cumulated Amortization	Net Value
BPO	2,777,709	1,004,901	1,772,808
ITO	2,095,366	1,429,524	665,842
	<b>4,873,075</b>	<b>2,434,425</b>	<b>2,438,650</b>

The table below details the prototypes:

Designation	Capitalized Expenditure	Cummulated Amortization	Net Value
Archives	1,116,557	1,004,901	111,656
REDDOC – Mail management and Document management	224,409	179,527	44,882
REDDOC II – Mail management and Document management	363,558	218,135	145,423
REDMED – Hospital management	260,799	208,639	52,160
REDSCAN - Digitalization	376,313	301,050	75,263
REDSCAN II - Digitalization	619,031	371,418	247,612
CRM	251,257	150,754	100,503
Coliseum 2017	510,275	-	510,275
RBPA	1,150,877	-	1,150,877
<b>Total</b>	<b>4,873,075</b>	<b>2,434,425</b>	<b>2,438,650</b>

### 10.3 Industrial Property

The details as on December 31<sup>st</sup>, 2017 are:

	Net Value on 31 Dec 2017	Net Value on 31 Dec 2016
Tora a)	1,218,806	1,828,209
	<b>1,218,806</b>	<b>1,828,209</b>

- a) This value results from the contract signed in 2004 between Tora, Millennium BCP and Reditus. Resulting from the valuation of the contract, in 2005 an intangible asset amounting to 13,711,571 euros was registered in Tora, to be amortized over 10 years. When Reditus SGPS purchased Tora on December 2010 this asset was also acquired, which was assessed on the basis of future cash flows; such assessment was the basis for establishing the useful life of this intangible, or nine years from that date.

### 10.4 Other Intangible Assets

The details as on December 31<sup>st</sup>, 2017 are:

	Net Value on 31 Dec 2017	Net Value on 31 Dec 2016
Partblack Customer Database a)	-	343,913
Partblack Synergies/cross-selling b)	4,247,669	4,905,860
Tora Acquisition c)	10,621,323	10,863,548
Other	553,662	392,184
	<b>15,422,614</b>	<b>16,505,505</b>

- a) The intangible asset in question stems from the access provided to the Panda products' client database. Reditus absorbed the value of this client database upon the acquisition of Partblack at the end of the FY 2009. The development of the 'Security Services' business was transferred to subsidiaries of Reditus Gestão promoting a particularly diversified range of products in this area, notably 'Safend', 'Symantec', 'Checkpoint', 'M86 Security' and 'McAfee'. The area of 'Security Services' was significantly enhanced

on January 2014, through a partnership agreement with BSPI, distributor of the 'SOPHOS' brand of products (globally recognised as a software leader in this area) in the European Union and Africa. The useful lifetime estimate at the time of acquisition (9 years) was kept and in 2017 the corresponding amortisation was recorded. The whole client database value was hence recognised in 2017;

- b) Upon acquisition of Partblack at the end of FY 2009, focus was placed on the synergies and potential for '*cross selling*', or the sale of new products to the same clients and sale of the same products to new clients. A useful lifetime of 15 years was determined, which was maintained as of December 31<sup>st</sup>, 2017, while the corresponding amortization was registered for the current fiscal year. Considering both intangible assets, the estimated revenue growth will have a 15% CAGR from 2017 to 2024 and a 2% increase thereafter. This growth is based on the development of a national and international strategy in the area of '*Security Services*' with a wide range of products, as mentioned in the previous paragraph. Since Reditus is in 2017 already present in several target geographies such growth expectations, in terms of the range and interconnection of the products offered as well as the geographical scope, lend increased credibility to the growth forecasts for the area of '*Security Services*';
- c) Based on the margins generated by contracts with Millennium BCP, with a 12% yearly revenue growth until 2021, and 2% thereafter. Such growth is based on the perspectives opened according to the Group's updated Business Plan. This amount has been deducted from Tora's present industrial property assets (note 11.3).

## 11. Financial Investments

The balance amounted to 74,707 Euros on December 31<sup>st</sup>, 2016 and referred to a down payment for investment in the company *Liscongro*, which was settled in 2017.

## 12. Other Financial Investments

On December 31<sup>st</sup>, 2017 this item, whose balance amounts to 4,383,225 Euros, includes mainly:

- 5,000 euros referring to shares in the company LISGRAN;
- 4,300,000 euros related to the Escrow Agreement between Reditus Gestão and GFI Portugal, resulting from the disposal of ROFF – Consultores Independentes, S.A.;
- Work Compensation Fund;

Financial investments are valued at their cost price.

## 13. Deferred Tax Assets and Liabilities

The details of the deferred tax assets and liabilities on December 31<sup>st</sup>, 2017 and on December 31<sup>st</sup>, 2016, in accordance with the temporary differences that generated them, are as follows:

	ASSETS		LIABILITIES			
	31 Dec 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016
Adjustments a)	283,304	283,423	-	-	283,304	283,423
Deferrable Tax Losses b)	742,464	322,732	-	-	742,464	322,732
Revaluation reserves c)	-	-	324,411	326,186	(324,411)	(326,186)
Other d)	-	-	3,405,585	3,675,549	(3,405,585)	(3,675,549)
<b>Net Deferred Tax Asset / (Liability)</b>	<b>1,025,767</b>	<b>606,155</b>	<b>3,729,996</b>	<b>4,001,735</b>	<b>(2,704,229)</b>	<b>(3,395,580)</b>

a) These adjustments relate primarily to losses in fair value of securities and financial investments;

b) The tax losses carried forward as as follows:

	FY of Tax Loss	Last Year for Deduction	Remaining Tax Loss	Deduction Value
	2016	2028	1 543 357	322 852
	2017	2029	1 862 088	419 612
			<b>3,405,445</b>	<b>742,464</b>

c) The value relative to the revaluation reserves relates to the revaluation of the Reditus building in Alfragide, to the extent that a part of the amortizations will not be tax deductible;

d) Corresponds to the intangible assets generated after the acquisitions of Partblack and Tora, the amortizations of which will not be tax deductible.

## 14. Inventories

On December 31<sup>st</sup>, 2017 and December 31<sup>st</sup>, 2016, the *inventories* were composed as follows:

	31-12-17	31-12-16
Product in progress		128,476
Goods	639,363	673,069
Inventory impairment	(268,658)	(268,658)
	<b>370,705</b>	<b>532,887</b>

## 15. Clients

On December 31<sup>st</sup>, 2017 and December 31<sup>st</sup>, 2016 the “*Client accounts*” were composed as follows:

	31-12-17	31-12-16
No Current Customers:		
Extra-Community customers	11,214,235	
	<b>11,214,235</b>	-
Current Customers:		
National customers	7,026,353	6,425,874
Intra-Community customers	105,179	133,430
Extra-Community customers	54,734,068	56,008,944
Clients impairment	(2,500,380)	(2,186,960)
	<b>59,365,220</b>	<b>60,381,289</b>

The item “Clients” includes 1,847,950 Euros of invoices transferred to factoring (see note 22).

Extra-communitary client balances refer mostly to clients in the African market, namely in Angola, Mozambique and Equatorial Guinea.

Reditus has client projects in Angola related to the execution of technology and software services, communications and security systems and supply of goods in the scope of technological projects, of which the following activities should be highlighted: data center infrastructure, communications control centers, software platform, development of a redundant disaster recovery system, preventive and corrective maintenance, and training in technological systems.

The above mentioned projects refer in particular to the client *Angolan Armed Forces* and are comprised in an amount of 62,7 million euros, which in 2017 was included in the credit *plafond* established to cover credit risks associated with the export of goods, equipment and services of Portuguese origin to the Republic of Angola, thus allowing to receive in Portugal and in euros an amount equivalent to 85% of the aforementioned dues, the main steps of the process comprising:

- The amount above refers to a technology and software services project, which was considered *strategic* and approved by Presidential dispatch in the last quarter of 2016 and subsequently published in the *Diário da República de Angola*.
- Following this determination, the Ministry of Finance of Angola notified the Ministry of Finance of Portugal through COSEC - *Companhia de Seguros de Créditos, SA* regarding the prioritization of the project in the first quarter of 2017 and requested inclusion of the same in the aforementioned credit line.
- COSEC officially notified the acceptance by the Portuguese Ministry of Finance of the inclusion of this project in the credit line. Reditus suggested a *banking syndicate* constituted by Portuguese banques to negotiate the terms and conditions of the financing, which prepared a *financing proposal* and respective *term sheet* that was subsequently negotiated between the parties and approved at the end of July 2017.
- The successive versions of the *financing contract* were subsequently negotiated between the parties, culminating with its approval already in 2018, and the *final version was sent*



for signature by the banking syndicate in February 2018, which will at this time being formalized by the competent entities of the Republic of Angola.

- At this stage the administrative conditions precedent to the financial disbursement by the banking syndicate are being fulfilled, and Reditus estimates that the first installments will be disbursed very soon, according to the estimated financial calendar:

Estimated Period	Euros
2018 year	30,035,625
1st semester 2019	16,597,500
2nd semester 2019	6,661,875
	<u>53,295,000</u>

Impairment losses on accounts receivable are deducted from the corresponding asset.

The Reditus Group has been classifying its clients in 3 categories:

**Class A** - Ministries, with the exception of Health and Education, and Government agencies.

**Class B** - Local authorities, the Ministry of Health and its associated government agencies and the Ministry of Education and its associated government agencies.

**Class C** - Remaining entities.

In general terms and with the exception of clientes in Angola, which treatment has been previously mentioned, the following rates are being applied for the recognition of impairment losses related to client's receivables:

Category	Debt due between 180 and 270 days	Debt due between 271 and 365 days	Debt due between 366 and 540 days	Debt due between 541 and 720 days	Debt due more 721 days
A	0%	0%	50%	75%	100%
B	0%	50%	75%	100%	100%
C	50%	75%	100%	100%	100%

## 16. Other Accounts Receivable

On December 31<sup>st</sup>, 2017 and December 31<sup>st</sup>, 2016 the item "other accounts receivable" was composed as follows:

	31-12-17	31-12-16
<b>Non-Current</b>		
Parroute a)	1,016,000	0
	<b>1,016,000</b>	<b>0</b>
<b>Current</b>		
State and other Public Entities	1,180,561	1,509,202
Other shareholders	770,683	122,848
Advances to suppliers b)	0	167,492
	<b>1,951,244</b>	<b>1,799,542</b>
Other Debtors		
<i>Personal debts</i>	337,601	350,770
<i>Dinovang</i>	0	125,840
<i>Deposits</i>	32,855	33,453
<i>Parroute a)</i>	2,574	1,502,574
<i>GFI c)</i>	0	6,020,000
<i>Roff d)</i>	0	2,815,280
<i>P2020 e)</i>	408,250	408,250
<i>Amounts related to Phase III</i>	301,835	209,433
<i>Internationalization</i>	187,394	812,491
<i>Other debtors Diverse</i>	2,114,238	2,891,555
	<b>3,384,746</b>	<b>15,169,647</b>
	<b>5,335,990</b>	<b>16,969,189</b>

- a) The item *Other Accounts Receivable – Non-Current* relates to an advance payment in the amount of 1,500,000 euros made in 2013, on account of a purchase option agreement relating to the company *Strong Approach*. The purchase option was not exercised by the subsidiary ALL2IT and the reimbursement of the advance payment has now been requested;

An agreement for reimbursement of the advance payment amount mentioned above was reached on November 30<sup>th</sup>, 2017, which comprises a deduction of 10% and full amortization of the remaining during the period comprised between December 2019 and December 2028;

This amount was discounted as of December 31<sup>st</sup>, 2017, and an impairment of the remaining 10% (€ 150,000) was registered.

- b) Eligible incentive amount for our accepted application to the *Portugal 2020* program

The Reditus Group's debit balances are shown in the following maturity chart:

Balance	31-12-17	Past Due	Due	
			Up to 1 year	+ 1 Year
Other debtors	3,384,746	337,601	2,206,638	840,507



## 17. Other Current Assets

On December 31<sup>st</sup>, 2017 and December 31<sup>st</sup>, 2016 the item *other current assets* was composed as follows:

	31-12-17	31-12-16
Debtors by increase of income		
Other increase of income a)	15,719,209	17,107,385
	<u>15,719,209</u>	<u>17,107,385</u>
Expenses to be acknowledged		
Obras	0	0
Rents	11,153	56,131
Other expenses to acknowledge b)	1,906,078	1,881,384
	<u>1,917,231</u>	<u>1,937,515</u>
	<b><u>17,636,440</u></b>	<b><u>19,044,900</u></b>

- a) The item “other accrued income” includes an amount of approximately 14,1 million euros related to the completion percentage of *technological consulting services* and *technological applications* projects developed in the African markets, namely 11,9 million euros in Angola, 0,7 million euros in Mozambique and 1,4 million euros in Equatorial Guinea, according to IAS11 - Construction Contracts. The revenue recognition for these projects is based on the estimated incurred costs, compared with the estimated total project expenditure;

Such services were performed within the period 2015 to 2017 and, taking into account that the clientes are mainly public entities, we await the respective budget allocation by the responsible official entities in order to be able to issue the corresponding invoices.

- b) Other costs include mainly deferrals on fees charged in advance, which will be regularized as services are being supplied to the clients.

## 18. Financial Assets Fair Value

On December 31<sup>st</sup>, 2017 and December 31<sup>st</sup>, 2016, this item was composed as follows:

	31-12-17	31-12-16
Millenniumbcp Shares	1,578,082	1,607,627
Investment Funds	0	9,741
Impairment	(1,568,433)	(1,569,769)
	<b><u>9,649</u></b>	<b><u>47,599</u></b>

The Millennium BCP share price on December 31<sup>st</sup>, 2017 was 0,2048 euros (1,0710 euros on December 31<sup>st</sup>, 2016).

## 19. Cash and Cash Equivalents

On December 31<sup>st</sup>, 2017 and December 31<sup>st</sup>, 2016, this item was composed as follows:

	31-12-17	31-12-16
Bank Deposits	1,089,590	2,934,831
Cash	120,245	113,036
	<b>1,209,835</b>	<b>3,047,867</b>

## 20. Equity

On December 31<sup>st</sup>, 2017 and December 31<sup>st</sup>, 2016, this item was (before minority interests) composed as follows

### 2017

	Balance on 31-12-2016	Application Results 2016	Net Income for the Year	Others	Balance on 31-12-2017
Capital	73,193,455				73,193,455
Own Shares	(1,426,438)				(1,426,438)
Issue premiums	9,952,762				9,952,762
Legal Reserve	2,040,761				2,040,761
Other Reserves	1,567,669				1,567,669
Income carried forward	(50,865,855)	(2,900,747)			(53,766,602)
Financial Assets adjustments	(501,763)				(501,763)
Fixed Assets evaluation surplus	1,129,470			175,616	1,305,086
Consolidated net income in fiscal year	(2,900,747)	2,900,747	(1,595,931)		(1,595,931)
	<b>32,189,314</b>		<b>(1,595,931)</b>	<b>175,616</b>	<b>30,768,999</b>

### 2016

	Balance on 31-12-2015	Application Results 2015	Net Income for the Year	Others	Balance on 31-12-2016
Capital	73,193,455				73,193,455
Own Shares	(1,426,438)				(1,426,438)
Issue premiums	9,952,762				9,952,762
Legal Reserve	2,034,086	6,675			2,040,761
Other Reserves	1,567,669				1,567,669
Income carried forward	(51,122,799)	256,944			(50,865,855)
Financial Assets adjustments	(501,763)			0	(501,763)
Fixed Assets evaluation surplus	1,213,436			(83,966)	1,129,470
Consolidated net income in fiscal year	263,621	(263,621)	(2,900,747)		(2,900,747)
	<b>35,174,029</b>		<b>(2,900,747)</b>	<b>(83,966)</b>	<b>32,189,314</b>

The share capital of Reditus is 73,193,455 euros, fully subscribed and paid in cash, represented by 14,638,691 shares each with a nominal value of 5 euros.

On December 31<sup>st</sup>, 2012, Reditus SGPS owned 255,184 of its own shares (*treasury shares*), representing 1.743% of the share capital. This remained unchanged in the FY 2017.

In accordance with the applicable legislation, the Company is obliged to transfer to *Legal Reserves* at least 5% of the annual net profit, until it reaches a minimum of 20% of the share capital. This reserve is not distributable to shareholders, but may be used to absorb losses after all other reserves have been exhausted, or be incorporated into equity.

The *other reserves* item as of December 31<sup>st</sup>, 2017 and 2016 includes a distributable reserve of 1,567,669 euros. This reserve may be used to absorb losses or be incorporated into equity

## 21. Minority Interests

On December 31<sup>st</sup>, 2017 and December 31<sup>st</sup>, 2016 minority interests were represented as follows

	% Minority Interests		Balance Valuation		Assigned Results	
	31-12-17	31-12-16	31-12-17	31-12-16	31-12-17	31-12-16
Ogimatech - Consult Empresarial e Institucional	5%	5%	18,467	54,687	(36,220)	22,850
Solidnetworks	5%	5%	35,360	36,228	6,409	1,945
Reditus Guinea Ecuatorial, S.A	40%	40%	71,335	91,956	(20,621)	57,020
Job Value	23%	23%	6,446	7,782	(1,336)	(1,771)
			<b>131,608</b>	<b>190,653</b>	<b>(51,768)</b>	<b>80,044</b>

## 22. Loans

On December 31<sup>st</sup>, 2017 and December 31<sup>st</sup>, 2016 the loans obtained were composed as follows:

	31-12-17	31-12-16
<b>Non-Current</b>		
Bank Loans	50,958,763	54,360,001
Commercial paper	0	21,333
	<b>50,958,763</b>	<b>54,381,333</b>
<b>Current Assets</b>		
Bank Loans	4,143,530	1,730,665
Bank Overdrafts	543,273	51,250
Commercial paper	21,345	73,962
Secured current accounts	0	196,934
Factoring	1,847,950	952,314
	<b>6,556,098</b>	<b>3,005,126</b>
	<b>57,514,861</b>	<b>57,386,459</b>

On December 31<sup>st</sup>, 2017 the deadlines for loans obtained were as follows:

	Total	Less than 1 year	Between 1 and 5 years	More than 5 years
Bank Loans	55,102,293	4,143,530	44,726,700	6,232,063
Bank Overdrafts	543,273	543,273		
Commercial paper	21,345	21,345		
Factoring	1,847,950	1,847,950		
	<b>57,514,861</b>	<b>6,556,098</b>	<b>44,726,700</b>	<b>6,232,063</b>

The average yield on loans, including other financing expenses, is as follows:

	31-12-17	31-12-16
Bank Loans	2.86%	4.22%
Bank Overdrafts	10.00%	6.60%
Secured current accounts		7.00%
Factoring	6.25%	6.25%

Existing guarantees in the various loans are:

- Loans from Novo Banco with outstanding amounts of 2,092,172 euros, 5,618,360 euros, 991,600 euros and 1,105,634 euros are guaranteed by 4<sup>th</sup> degree pledge of 104,428 Reditus SGPS shares and 100,000 Reditus Gestão shares. They have an interest rate of 2.75%, and a clause that allows the bank to request an early reimbursement, total or partial, in case any one of the reference shareholders Miguel Maria de Sá Pais do Amaral, Fernando Manuel Cardoso Malheiro Fonseca Santos António Maria de Mello Silva César Menezes and José António da Costa Limão Gatta should transfer a number of shares in the groups' capital greater than 5% of their respective present holdings; and by the declarant Vicente Moreira Rato, as the Estate's caretaker of the late Frederico Moreira Rato representing its 170,000 shares holding, to third parties other than the aforementioned shareholders, until July 2018; as of July 2018 such shares may be sold without restrictions.
- Loan from Banco Efisa, with an outstanding amount of 7,287,256 euros, with an interest rate of 3.50%, guaranteed by the assignment of a client contract invoices and has a clause that allows the bank to request an early reimbursement, total or partial, in case any one of the reference shareholders Miguel Maria de Sá Pais do Amaral, the Estate of the late Frederico José Appleton Moreira Rato, António Maria de Mello Silva César Menezes, Fernando Manuel Cardoso Malheiro Fonseca Santos, José António da Costa Limão Gatta and Rui Miguel de Freitas e Lamego Ferreira should not maintain 80% of their individually held investment at the date of the contract's signature;
- Loans from Caixa Económica Montepio Geral, with outstanding amounts of 4,597,866 Euros and 10,000,000 Euros, an interest rate of 2.75% and guaranteed by the assignment of a client contract invoices;
- Loans from Deutsche Bank, with outstanding amounts of 277,178 euros and 89,918 euros, both with an interest rate of 4.50 % and guaranteed by the assignment of a client contract invoices;



- Loan from Millennium BCP, with an outstanding amount of 19,625,000 euros, guaranteed by a pledge of 502,747 shares in Millennium BCP and 10,900,000 shares of Reditus Gestão, SA.

## 23. Other Accounts Payable

On December 31<sup>st</sup>, 2017 and December 31<sup>st</sup>, 2016 the item “other accounts payable” was composed as follows:

	31-12-17	31-12-16
<b>Non-Current</b>		
State and Other Public Entities	33,519,708	32,540,810
	<u>33,519,708</u>	<u>32,540,810</u>
<b>Current</b>		
Other shareholders	59,066	714,155
State and Other Public Entities	13,577,380	12,329,575
Other Creditors	<b>4,571,940</b>	<b>4,199,595</b>
FACCE a)	3,000,000	3,000,000
Solidnetworks	0	50,000
Other	<u>1,571,940</u>	<u>1,149,595</u>
	<u>18,208,386</u>	<u>17,243,325</u>
	<b><u>51,728,094</u></b>	<b><u>49,784,135</u></b>

- a) On September 2011, a shareholders' agreement was concluded between Reditus SGPS, SA and *PME Investimentos – Sociedade de Investimento, SA*, acting as management company for the *Fundo Autónomo de Apoio à Concentração e Consolidação de Empresas* (Autonomous Fund for the Support of Merger and Consolidation of Cooperations) which has pledged to invest 3 million euros in the capital of Reditus, SA. The agreement grants Reditus a purchase option for the shares held by FACCE, which can be exercised at any time from October 1<sup>st</sup>, 2011 thru December 31<sup>st</sup>, 2016, and a put option to FACCE, which can be exercised at any time from September 30<sup>th</sup>, 2016 through December 31<sup>st</sup>, 2018, reason for which Reditus has reclassified the liability. The amount of 3 million euros has therefore been classified as a *liability*.

### 23.1 The State and other Public Entities

On December 31<sup>st</sup>, 2017 and December 31<sup>st</sup>, 2016, debit and credit balances with the State and other Public Entities were as follows:

	31-12-17	31-12-16
<b>Balance Debtors</b>		
IRC - Receivable	7,446	607,007
IRC - Payment on Account	80,374	82,424
Withholding tax without income	1,058,551	783,111
VAT - Receivable	34,190	36,660
	<b>1,180,561</b>	<b>1,509,202</b>

	31-12-17	31-12-16
<b>Creditors Balances</b>		
<b>Non-Current</b>		
Social Security - installment plan	18,735,785	17,243,519
VAT - installment plan	3,779,097	3,240,398
Joint - installment plan	11,004,825	12,056,893
	<b>33,519,708</b>	<b>32,540,810</b>

<b>Current</b>		
IRC - Payable	32,087	44,102
IRS	882,045	646,763
VAT - Payable	5,935,306	3,697,625
VAT - Payable - installment plan	1,448,416	854,658
Other taxes	47,089	40,792
Contribution for Social Sec	1,358,933	4,237,941
Contribution for Social Sec - installment plan	2,500,524	1,836,232
Joint Taxes - installment plan	1,372,980	971,463
	<b>13,577,380</b>	<b>12,329,575</b>
	<b>47,097,088</b>	<b>44,870,386</b>

Liabilities to the State and other public entities are divided into the current debt relative to the current months and paid in subsequent months, the outstanding debts, and the responsibilities that are being settled in installments. The latter are as follows:

	31-12-17	31-12-16
Finance - installment plan	17,605,319	17,123,411
Social Security - installment plan	21,236,309	19,079,752
	<b>38,841,628</b>	<b>36,203,163</b>

The interest rate on the installment payment plans is 4,0%.

On December 31<sup>st</sup>, 2017 the Tax arrears amounted to 23,677,006 euros and the Social Security arrears to 22,233,354 euros. Proposals for payment in installments for the majority of the entire debt were submitted and approval has already been granted to almost all of these, with the agreed payments being met.

At the same time, a proposal for payment in installments called 'SIREVE' was proposed for subsidiary companies, which were approved by IAPMEI on July 2013, January 2015 and September 2017. The subsidiary companies have been complying with the payment plans, as well as paying current tax obligations. The guarantees provided as collateral for these agreements include the *business establishment* and *shares* of the subsidiary companies, according to valuations conducted by the Tax Authority. The Group has also joined the PERES program in 2016.

On December 31<sup>st</sup>, 2017, installment payment terms for the SIREVE and PERES plans were as follows:

	Total	Less than 1 year	Between 1 and 5 years	More than 5 years
Contribution for Social Sec - installment plan	21,236,309	2,500,524	7,704,764	11,031,022
VAT - installment plan	5,227,513	1,448,416	2,132,416	1,646,681
IRS/IRC/Joint - installment plan	12,377,806	1,372,980	5,539,695	5,465,130
	<b>38,841,628</b>	<b>5,321,920</b>	<b>15,376,875</b>	<b>18,142,833</b>

Guarantees provided by Reditus Group for other payment agreements are as follows:

- Reditus Business Solutions – Loan agreements on client receivables, shares and business establishment of the company, as valued by the Tax Authority
- Reditus Business Solutions - Guarantee originally issued to suspend the litigation, in the meantime won by the company, but not yet returned by the IGFSS (litigation is closed). The IGFSS has informed that it will proceed with the cancellation of said guarantee;;
- Reditus Consulting - Loan agreements on client receivables;
- ALL2IT - Loan agreements on client receivables
- Ogimatech - Company shares, as valued by the Tax Authority;
- Reditus SGPS - Company shares, as valued by the Tax Authority;
- Tora - Company shares, as valued by the Tax Authority.

## 24. Leasing Liabilities

On December 31<sup>st</sup>, 2017 and December 31<sup>st</sup>, 2016 the breakdown of assets financed by liabilities was as follows:

	31-12-17	31-12-16
<b>Non-Current Assets</b>		
Buildings	4,012,325	4,352,897
Administrative Equipment	13,476	27,301
Vehicles	16,710	26,610
IT Equipment	0	14,069
	<u>4,042,512</u>	<u>4,420,877</u>
<b>Current Assets</b>		
Buildings	340,260	333,299
Administrative Equipment	12,789	12,034
Vehicles	8,030	44,267
IT Equipment	14,068	38,781
	<u>375,146</u>	<u>428,382</u>
	<b><u>4,417,658</u></b>	<b><u>4,849,259</u></b>

The average interest rate in leasing contracts was 4.15%.

The maturities of for leasing contract liabilities are as follows:

	Capital in debt 31/12/2017	Capital in debt 31/12/2016
Payments up to 1 year	375,146	428,382
Payments between 1 and 5 years	1,699,846	1,808,808
Payments over 5 year	2,342,666	2,612,069
	<u>4,417,658</u>	<u>4,849,259</u>

## 25. Suppliers

On December 31<sup>st</sup>, 2017 and December 31<sup>st</sup>, 2016 the item “Suppliers” was composed as follows:

	31-12-17	31-12-16
Suppliers, Current Account	8,370,576	9,061,620
Suppliers, titles to pay	203,176	219,106
Supplier, invoices in rec. and conf.	250,932	283,477
	<u>8,824,684</u>	<u>9,564,203</u>

Suppliers’ balance refers to both current operations and those payable within the agreed terms.

## 26. Other Current Liabilities

On December 31<sup>st</sup>, 2017 and December 31<sup>st</sup>, 2016 the item “Other Current Liabilities” was composed as follows:

	31-12-17	31-12-16
Creditors by additions		
Compensations to be paid to persone	1,795,910	1,750,718
External supplies and services	3,215,786	2,873,195
	<u>5,011,696</u>	<u>4,623,913</u>
Compensations to be acknowledged		
Early invoicing b)	2,929,356	2,851,926
Ongoing projects c)	6,127,618	7,261,141
	<u>9,056,974</u>	<u>10,113,067</u>
	<b><u>14,068,670</u></b>	<b><u>14,736,980</u></b>

- a) The balance of the remuneration payable to staff refers to the estimate of paid vacation and vacation subsidies, to be paid in 2018;
- b) The balance of this item refers essentially to invoices issued in advance, for down payments relating to long-term contracts with different clients, which are amortized in monthly twelfths.
- c) The value refers essentially to the *Data Centre* and *SAP-ERP solution* implementation project in Angola. The project is recognized according to the completion percentage method, and the amount refers to invoices not yet recognized as revenue.

## 27. Revenue from Sales and Services Provided

On December 31<sup>st</sup>, 2017 and December 31<sup>st</sup>, 2016, this item was composed as follows:

Sales	31-12-17	31-12-16
BPO		18,391
IT Outsourcing	1,157,575	1,151,953
IT Consulting	1,161,093	712,736
Disposals	(169,831)	(169,887)
	<b>2,148,837</b>	<b>1,713,193</b>

Services rendering	31-12-17	31-12-16
BPO	13,076,938	14,454,523
IT Outsourcing	15,500,650	16,191,998
IT Consulting	22,026,505	16,628,487
Disposals	(11,613,439)	(4,798,838)
	<b>38,990,654</b>	<b>42,476,170</b>

## 28. Other Operating Revenue and Income

On December 31<sup>st</sup>, 2017 and December 31<sup>st</sup>, 2016, this item was composed as follows:

Other Operating Income	31-12-17	31-12-16
Extra income	381,578	421 125
Operating subsidies	145,554	10 836
Other Operating Income and Earnings	380,752	266,117
	<b>907,884</b>	<b>698,078</b>

## 29. Inventories Consumed and Sold

On December 31<sup>st</sup>, 2017 and December 31<sup>st</sup>, 2016, this item was composed as follows:

	31-12-17	31-12-16
Initial balance inventories	532,887	255,084
Purchase	1,584,942	1,348,184
Final balance inventories	370,705	532,887
Consumptions	<b>1,747,124</b>	<b>1,070,381</b>

## 30. External Supplies and Services

On December 31<sup>st</sup>, 2017 and December 31<sup>st</sup>, 2016, this item was composed as follows:

	31-12-17	31-12-16
Subcontracts	2,540,410	2,118,496
Fees	3,654,437	4,220,238
Transports, travel and stays and representation expen:	865,555	670,299
Leases and rentals	1,476,959	1,514,866
Specialized jobs	1,814,899	3,181,837
Communication	292,281	408,671
Water, electricity and fuels	337,272	351,447
Advertising and marketing	320,135	331,073
Vigilance and security	81,171	72,789
Maintenance and repair	190,367	213,723
Bank expenses	129,899	355,021
Tools and utensils quick wear	50,675	47,970
Office Supplies	28,932	26,913
Insurance	206,382	224,887
Litigation and notary	112,938	106,403
Cleaning, hygiene and confort	100,719	111,015
Stages	657,297	632,050
Other supplies and services	818,689	523,055
	<b>13,679,017</b>	<b>15,110,754</b>

### 31. Staff Costs

On December 31<sup>st</sup>, 2017 and December 31<sup>st</sup>, 2016, this item was composed as follows:

	31-12-17	31-12-16
Staff compensation	16,325,363	20,008,348
Expenses on compensation	3,065,519	3,341,133
Compensation of Social Bodies	268,168	275,906
Insurence, Work Accidents and Professional Diseases	37,254	55,580
Other Staff Costs	517,214	443,897
	<b>20,213,518</b>	<b>24,124,864</b>

On December 31<sup>st</sup>, 2017 and December 31<sup>st</sup>, 2016 the average number of employees by business segment was as follows::

	31-12-17	31-12-16
BPO	557	417
IT Outsourcing	201	223
IT Consulting	225	202
Support Areas	55	55
	<b>1,037</b>	<b>897</b>



## 32. Amortizations and Depreciations

The item “Depreciation and Amortisation costs” for the fiscal years ending on December 31<sup>st</sup>, 2017 and December 31<sup>st</sup>, 2016 was as follows:

	31-12-17	31-12-16
<b>Tangible Fixed Assets</b>		
Buildings and Other Constructions	116,400	137,447
Basic Equipment	109,081	117,054
Transport equipment	23,694	25,322
Administrative equipment	100,729	119,943
Other tangible fixed assets	22,715	39,739
	<u>372,619</u>	<u>439,505</u>
<b>Other Intangible Assets</b>		
Development projects	642,385	419,073
Industrial Property	609,403	609,403
Computer programs	129,429	106,152
Other intangible assets	1,261,351	1,199,838
	<u>2,642,568</u>	<u>2,334,466</u>
	<u><b>3,015,187</b></u>	<u><b>2,773,971</b></u>

## 33. Provisions and Impairment Losses

The item “Provisions and Impairment Losses” for the fiscal years ending on December 31<sup>st</sup>, 2017 and December 31<sup>st</sup>, 2016 was as follows:

	Balance on 31-12-2016	Non-current assets held for sale	Perimeter Change	Reinforcement	Reductions	Corrections and Transf.	Balance on 31-12-2017
Tangible fixed assets (Note 7)							0
Intangible assets (note 10)							0
Inventories (note 15)	268,658						268,658
Clients (note 16)	2,186,960			423,778	(49,934)	(60,424)	2,500,380
Other doubtful debtors (note 17)	1,956,340			342,122		(863,364)	1,435,098
	<u><b>2,455,618</b></u>	<b>0</b>	<b>0</b>	<b>765,900</b>	<b>(49,934)</b>	<b>(923,789)</b>	<u><b>2,769,038</b></u>

In 2017, Reditus used impairment losses amounting to 923,789 euros and relating to BCCM in the *Customers and other Debtors* items.

	Balance on 31-12-2015	Non-current assets held for sale	Perimeter Change	Reinforcement	Reductions	Corrections and Transf.	Balance on 31-12-2016
Tangible fixed assets (Note 7)							
Intangible assets (note 10)							
Inventories (note 15)	268,658						268,658
Clients (note 16)	2,197,289			10,359	(23,828)	3,140	2,186,960
Other doubtful debtors (note 17)	1,956,340						1,956,340
	<b>4,422,287</b>	<b>0</b>	<b>0</b>	<b>10,359</b>	<b>(23,828)</b>	<b>3,140</b>	<b>4,411,958</b>

### 34. Other Operating Costs and Losses

On December 31<sup>st</sup>, 2017 and December 31<sup>st</sup>, 2016, this item was composed as follows:

	31-12-17	31-12-16
Taxes and fees	162,313	221,430
Corrections previous fiscal years	1,017,981	736,910
Other	360,174	872,357
	<b>1,540,468</b>	<b>1,830,697</b>

### 35. Financial Results

The financial results for the fiscal years ending on December 31<sup>st</sup>, 2017 and December 31<sup>st</sup>, 2016 were as follows:

	31-12-17	31-12-16
<b>Financial Expenses and Losses</b>		
Supported interests		
Loans	1,690,660	1,620,501
Leasing contracts	101,054	242,837
Factoring	65,769	64,840
Default and compensatory	555,261	710,779
Net Present Value	821,858	
Other	519	339
	<u>3,235,121</u>	<u>2,639,296</u>
Bank services	0	0
Foreign exchange losses	30,109	14,693
Other financial expenses	130,167	237,412
	<u>160,276</u>	<u>252,105</u>
	<u><b>3,395,397</b></u>	<u><b>2,891,401</b></u>
<b>Financial Income and Gains</b>		
Obtained Interest	1,128	45
Foreign exchange gains	175,537	8,289
Other financial gains	478	4
	<u><b>177,143</b></u>	<u><b>8,338</b></u>
<b>Financial Result</b>	<u><b>(3,218,254)</b></u>	<u><b>(2,883,063)</b></u>

### 36. Income Taxes

On December 31<sup>st</sup>, 2017 and December 31<sup>st</sup>, 2016, this item was composed as follows:

	31-12-17	31-12-16
Current tax	1,113,404	1,142,825
Deferred tax	<u>(1,547,864)</u>	<u>(1,409,402)</u>
	<u>(434,460)</u>	<u>(266,577)</u>

	31-12-17	31-12-16
<b>Income before taxes</b>	(2,082,159)	(2,892,820)
Taxes to the rate	(437,253)	(607,492)
Amortizations and provisions not accepted to taxati	1,314,447	3,350
Fines, compensatory interests	163,066	28,952
Corrections regarding the previous year	123,293	45
(Excess)/estimative insuf. tax	-	195
Autonomous Taxation	144,301	300,196
Rate	63,220	36,641
Acknowledgment of deferred taxes	(1,547,864)	(1,409,402)
Other	(257,669)	1,380,939
<b>Tax on fiscal year income</b>	<b>(434,460)</b>	<b>(266,577)</b>

### 37. Net Result by Share

	31-12-17	31-12-16
<b>Earnings:</b>		
Earnings attributable to majority shareholders for the calculation for the calculation of the net result by share (net profit of the financial year)	(1,595,931)	(2,900,747)
Profit from discontinued operations for the calculation of the profit by share of discontinued operations	-	(194,460)
Profit for calculation of the profit by share from continuing operations	<u>(1,595,931)</u>	<u>(2,706,287)</u>
<b>Number of shares:</b>		
Weighed average number of shares for calculation of the basic and diluted net profit by share	<u>14,638,691</u>	<u>14,638,691</u>
Effect of the additional actions generated by the incentive plan for employees	-	-
Weighed average number of shares for calculation of the diluted net profit by share	<u>14,638,691</u>	<u>14,638,691</u>
<b>Earnings per share from continuing operations:</b>		
Basic	(0.1090)	(0.1849)
Diluted	(0.1090)	(0.1849)
<b>Earnings per share from discontinued operations:</b>		
Basic	-	0.0133
Diluted	-	0.0133
<b>Earning per share</b>		
Basic	(0.1090)	(0.1982)
Diluted	(0.1090)	(0.1982)

### 38. Commitments

As of December 31<sup>st</sup>, 2017 the financial commitments of the Reditus Group's companies that are not listed on the balance sheet in respect to bank guarantees, are as follows (in addition to those mentioned in notes 22 and 23):

Payable to	Origin	Values (Euros)
Several Clients	Good fulfillment of contract obligations	557,178
Several Suppliers	Good fulfillment of contract obligations	56,199
		<b>613,377</b>

### 39. Contingencies

In the scope of fiscal inspections made by the Tax Authority (hereinafter AT), a few potentially contingent situations have been identified, which were contested by the Company to the AT under the form of costless claims and of hierarchical appeals, or to the Courts of Law under the form of judicial reviews, for which decisions are still pending. The total amount of taxes claimed by the AT is 2,800,000 euros, although the Reditus' Board of Directors and its Advisors believe there is a high probability of these processes being favorably ruled, thus it is very unlikely the payment will actually be made.

The situations regarding each company are indicated below:

- **Reditus SGPS:** The company was notified to proceed to corrections in the IRC (Company Income Tax) for the years from 2005 to 2007, and received an additional VAT settlement claim relating to 2009:
  - (i) The IRC settlement for 2004 does not relate to tax payable but reflects the corrections of subsequent fiscal years. The Company awaits the outcome of the judicial review it presented in relation to the settlement for 2005, as the applicant was not given the cause during the hierarchical appeal. The hierarchical appeals the Company presented in relation to the settlements regarding the fiscal years of 2006 and 2007 were partially accepted, and the only question remaining regarding these two fiscal years is related to the deferral of losses from previous fiscal years, as this question depends on the result of the review to the IRC of 2005.
  - (ii) In relation to the VAT settlement of 2009, the claim presented was partially accepted, and a hierarchical appeal was issued against the dismissed portion.
- **InterReditus**, in the meantime merged by incorporation with Reditus Business Solutions, was subject to IRC and VAT fiscal inspections regarding the fiscal years 1997 and 1998. The claims and hierarchical appeals presented by the Company against the settlements executed by the AT were dismissed by the Revenue Office, and the Company proceeded to claims in the Tax Law Court of Lisbon, invoking the prescription of the debts in question. These claims were dismissed, the Company subsequently appealed to the Central Administration Court, and is awaiting the result of these appeals. Pending the decision of the Courts, which should have caused the suspension of the collection processes, the Revenue Office executed credit seizures to obtain the payment of the values in question of about 1 million euros, which must be returned in

case the court rules for the Company, as is expected;

- **Redware**, in the meantime merged by incorporation with Reditus Business Solutions, was notified to proceed to VAT corrections regarding the fiscal years 2004 and 2005. The Company determined the corrections were not correct, since this would have represented a double collection and presented claims and hierarchical appeals regarding the settlements executed by the AT. The hierarchical appeals were dismissed, and the Company presented judicial reviews of the additional settlements and is awaiting the respective outcome;
- **Reditus Gestão**: The Company was notified to proceed to VAT corrections for the fiscal years 2008 and 2009. The Company considers the corrections to be incorrect and presented claims regarding the settlements executed by the AT. As the claims were partially dismissed, the Company presented a hierarchical appeal of the Tax Office's decision, and is now awaiting the respective outcome;
- **Tora**: Within the legal terms, Tora requested the Minister of Finance that the Company should maintain the right to deduction of fiscal losses relating to the fiscal years 2005 to 2009, regardless of the fact that there was a change of more than 50% in the shareholders composition of the share capital. Considering that there were economic reasons justifying the maintenance of such right to deduction of the losses and considering that the change in the shareholders composition did not have as objective an abusive advantage of such right to the deduction of losses, the Company has always considered the deferral of the request to be likely, thus around 1,375,000 Euros were deducted from the taxable profits in 2010 and 2011. Later, through an Inspection Report, the AT corrected almost all the tax loss deferrals relating to the fiscal years from 2005 to 2009, and notified the Company that the request for maintenance of the deferrals had been dismissed due to the changes in equity ownership. Tora has legally appealed against the correction of the tax loss deferrals, with the litigation now taking place in the Tax Law Court of Lisbon and the Central Administration Court (South), and simultaneously presented a hierarchical appeal against the decision of dismissing the request for the maintenance of the tax loss deferrals due to the change in equity ownership. The company currently awaits the outcome of this litigation, and considers a favorable ruling to be likely.
- **Tora**: The AT notified the Company of its decision not to accept a VAT deduction regarding to a business executed in 2004. The Company did not agree with this decision and presented an impoundment to the Tax Law Court of Lisbon. The impoundment was denied, and the Company appealed to the Central Administration Court (South), which denied the appeal. The Company is considering new actions, in order to to recover the aforementioned amount.

## 40. Related Parties

The balances as of December 31<sup>st</sup>, 2017 and December 31<sup>st</sup>, 2016 together with the transactions carried out with related companies excluded from the consolidation in the fiscal years ended December 31<sup>st</sup>, 2017 and December 31<sup>st</sup>, 2016 are the following:

### BALANCES:

	31-12-17			
	Clients	Other accounts <sup>a)</sup> to receive	Other accounts to pay	Suppliers
AHS Investimentos SGPS, S.A.	9,607	-	-	-
Parroute SGPS a)	6,097	1,352,574	-	13,806
Companhia das Quintas, S.A.	1,636	-	-	822
Lanifos - Soc Financiamento, Lda	396	-	-	-
Portuvinus - Wine & Spirits, S.A.	-	-	-	7,000
	17,736	1,352,574	-	21,628

- a) The item *Parroute* relates to an advance payment amounting to 1,500,000 euros and is explained in note 16 a).

	31-12-16			
	Clients	Other accounts <sup>a)</sup> to receive	Other accounts to pay	Suppliers
AHS Investimentos SGPS, S.A.	9,607	-	-	-
Parroute SGPS	7,675	1,500,000	-	15,384
Companhia das Quintas, S.A.	1,636	-	-	822
Lanifos - Soc Financiamento, Lda	6,396	-	-	-
Portuvinus - Wine & Spirits, S.A.	-	-	-	7,000
	25,315	1,500,000	-	23,206

### TRANSACTIONS:

There were *no transactions with related parties* in 2017 or 2016.

In the fiscal year ended December 31<sup>st</sup>, 2017 no variable component of Directors' remuneration was paid, nor under the heading of termination of mandate. The fixed remuneration component was as follows:

	31/12/2017	31/12/2016
Francisco Santana Ramos	120 000	120 000
Helder Matos Pereira	110 000	110 000
	230 000	230 000

## 41. Operating Leases

On December 31<sup>st</sup>, 2017 and December 31<sup>st</sup>, 2016, this item was composed as follows:

Amounts identified as expense:	31-12-17	31-12-16
Minimal payments of the operating lease Instalations/Equipments	944,889	995,358

Amounts identified as expense:	31-12-17	31-12-16
Minimal payments of renting of vehicles	532,070	519,508

On December 31<sup>st</sup>, 2017 the minimum non-cancellable lease payments are as follows:

Responsibilities undertaken:	31-12-17	31-12-16
up to 1 year	839,435	845,336
between 1 and 5 years	1,665,185	1,728,735
more than 5 years	-	-
	2,504,620	2,574,070

There are no contingent rents.

## 42. Remuneration Paid to Auditors

The total remuneration paid to the Statutory Auditors and other entities belonging to the same network for services to companies in the Reditus Group, amounted to 100,400 euros on December 31<sup>st</sup>, 2017, discriminated as indicated below:

	31-12-17	31-12-16
<b>Independent auditor services</b>		
BDO & Asociados, SROC	50,400	50,000
Auren Auditores & Asociados, SROC	50,000	51,400
	100,400	101,400

## 43. Post Balance Sheet Date Events

No events occurred after the balance sheet date, which may have a material impact on the financial statements herewith presented.



## PART III – REPORT ON CORPORATE GOVERNANCE

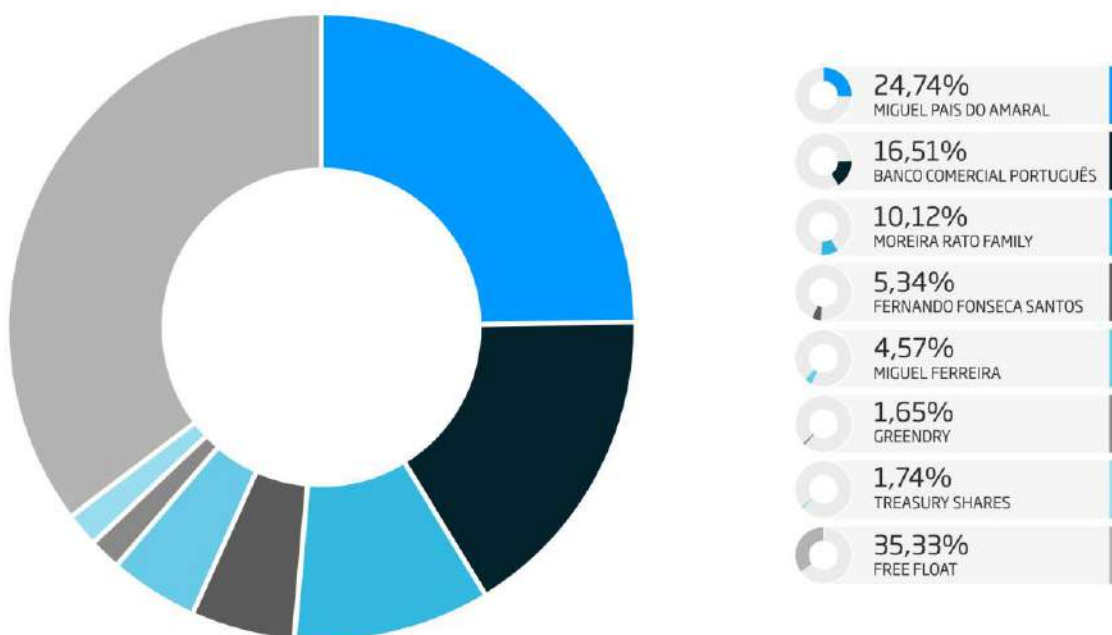
### PART I - MANDATORY INFORMATION ABOUT SHAREHOLDER STRUCTURE, CORPORATE ORGANISATION AND GOVERNANCE

#### A. SHAREHOLDER STRUCTURE

##### I. Capital Structure

**1. Capital structure (share capital, number of shares, distribution of capital by shareholders, etc.), including indication of the shares not admitted to trading, different categories of shares, its inherent rights and obligations, and percentage of capital that each category represents (Art. 245-A, paragraph 1, subheading a)).**

On December 31<sup>st</sup>, 2017 the share capital was 73,193,455 euros, fully subscribed and paid up in cash, represented by 14,638,691 shares with an individual nominal value of 5 (five) euros.



All shares are all titled and nominative, having been automatically converted from ‘bearer’ into ‘nominative’ shares on November 6<sup>th</sup>, 2017 by Interbolsa - Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, SA, according to nº 5 of the Law 123/201, dated September 25<sup>th</sup>.

The rights and obligations inherent to all shares are equal. All shares are admitted to trading.

**2. Restrictions on the transferability of stock, such as clauses of consent to their disposal or restrictions on the ownership of stock (Art. 245-A, paragraph 1, subheading b)).**

The Company's articles of incorporation do not provide for any restriction on the transfer or ownership of shares

**3. Number of treasury shares, percentage of share capital, and corresponding proportion of the voting rights attached to the treasury shares (Art. 245-A, paragraph 1, subheading a)).**

On December 31<sup>st</sup>, 2017 Reditus SGPS held 255,184 treasury shares in its portfolio, representing 1.743% of the share capital.

**4. Relevant agreements to which the company is a party and which may come into effect, may be amended or may expire, in the event of a change in the control of the company following a takeover bid, as well as the respective effects, unless, by reason of their nature, the disclosure of the same is seriously detrimental to the company, or except where the company is specifically obliged to disclose such information pursuant to other legal imperatives (Art. 245-A, paragraph 1, subheading j)).**

The Company has no knowledge of any significant agreements that may enter into force, be amended or expire in the event of a change in the control of the company.

**5. Rules to which the renewal or revocation of defensive measures are subject, in particular those providing for the limitation of the number of votes likely to be held or used by a single shareholder, individually or in coordination with othershareholders.**

The company has not adopted defensive measures, in particular those providing for the limitation of the number of votes likely to be held or used by a single shareholder, individually or in coordination with other shareholders.

**6. Shareholder agreements that are known to the company and may result in restrictions on the transfer of securities or voting rights (Art. 245-A, paragraph 1, subheading g)).**

The company is unaware of the existence of any shareholders' agreements.

## II. Shareholders and Bondholders

**7. Identification of natural or legal entities that, directly or indirectly, are shareholders of qualifying holdings (Art. 245-A, paragraph 1, subheadings c) and d) and Art. 16), with a detailed indication of the percentage of the capital and votes attributable, and the source and causes of attribution.**

The table below indicates the qualifying holdings in the share capital of Reditus SGPS, SA on December 31<sup>st</sup>, 2017:

Shareholder	Nº of Shares	% Share Capital	% Voting Rights
<b>Miguel Maria de Sá Pais do Amaral</b>			
Directly	0	0.00%	0.00%
Through Courical Holding SGPS (controlled by the shareholder)	1,382,027	9.44%	9.61%
Through AHS Investimentos, SGPS, S.A. (controlled by the shareholder)	2,239,177	15.30%	15.57%

<b>Total attributable</b>	<b>3,621,204</b>	<b>24.74%</b>	<b>25.18%</b>
<b>Millennium BCP, S.A.</b>			
Directly	2,417,411	16.51%	16.80%
<b>Total attributable</b>	<b>2,417,411</b>	<b>16.51%</b>	<b>16.80%</b>
<b>URCOM - Urbanização e Comércio, SA</b>			
Directly	0	0.00%	0.00%
Through Lisorta, Lda (controlled by the shareholder)	1,210,124	8.27%	8.41%
Through Vicente Moreira Rato (manager of the company)	271,316	1.85%	1.89%
<b>Total attributable</b>	<b>1,481,440</b>	<b>10.12%</b>	<b>10.30%</b>
<b>Fernando Manuel Cardoso Malheiro da Fonseca Santos</b>			
Directly	782,135	5.34%	5.44%
<b>Total attributable</b>	<b>782,135</b>	<b>5.34%</b>	<b>5.44%</b>
<b>Rui Miguel de Freitas e Lamego Ferreira</b>			
Directly	0	0.00%	0.00%
Through Inventum DUE, Lda (controlled by the shareholder)	668,831	4.57%	4.65%
<b>Total attributable</b>	<b>668,831</b>	<b>4.57%</b>	<b>4.65%</b>

#### 8. Indication of the number of shares and bonds held by members of the management and supervisory bodies.

Under the terms and for the purposes of Article 447 of the CSC, in particular the respective paragraph 5, the number of shares held by the members of the management and supervisory bodies of Reditus, as well as all its acquisitions or ownership disposals by reference to the fiscal year 2017, are as follows:

The Board of Directors	2017 Transactions		Nº of Shares in 2017		
	Purchases	Sales	Direct	Indirect	Total
Miguel Pais do Amaral	0	0	0	3,621,204	3,621,204
José António da Costa Limão Gatta	0	1,476,131	0	3,869	3,869
Fernando Manuel Fonseca Santos	0	0	782,135	0	782,135
Francisco José Martins Santana Ramos	0	0	0	0	0
Helder Filipe Ribeiro Matos Pereira	0	0	0	0	0

The members of the Audit Committee, composed by Dr. Armando Jorge de Carvalho Costa e Silva, Dr. Luis Henriques de Lancastre de Lima Raposo, Eng. Nuno Miguel Pereira Domingues de Figueiredo Carvalhosa and Dr. Jerónimo Manuel Cabral Kokpe Túlio (substitute) did not hold any shares or bonds on December 31<sup>st</sup>, 2017 nor did they conduct during 2017 any transactions regarding such securities.

In what concerns bonds, Reditus SGPS does not have bonds listed in the market.

#### 9. Special powers of the Board of Directors, in particular regarding the decisions on a capital increase (Art. 245-A, paragraph 1, subheading i)).

The Board of Directors is empowered to, by means of a simple resolution, increase the share capital through cash entries, in one or more issues, up to a maximum of one hundred and twenty million euros (Article 6 of the Company's articles of incorporation).

Since the creation of the Company (1990), the corresponding articles of incorporation make it possible to increase the share capital, by means of cash entries, in one or more issues, through a simple resolution by the Board of Directors, with only the maximum amount to be deliberated by the Board of Directors having been increased from time to time. There is no expiration date for the Board of Directors to exercise such right.

This prerogative has been used only once by the Board of Directors, namely to increase the capital from 44,630,250 euros to 51,557,265 euros, as a means to finance Reditus' growth by acquisitions strategy, and was decided during a Board Meeting held on July 2<sup>nd</sup>, 2010.

In March 2011, a further capital increase amounting to 21,636,190 euros was made, through a Public Offering.

#### **10. Information about the existence of significant relationships of a commercial nature between holders of qualifying holdings and the Company.**

During 2016, there were no significant relationships of a commercial nature between holders of qualifying holdings and the Company.

### **B. GOVERNING BODIES AND COMMITTEES**

#### **I. GENERAL ASSEMBLY**

##### **a) Composition of the Board of the General Assembly\***

*\*through the reference year*

#### **11. Details and identification of the Board of the General Assembly's members and respective mandate (beginning and end)**

During the FY 2017 the Board of the General Assembly was composed as follows:

11.1 Up to the General Assembly held on May 31<sup>st</sup>, 2017, with a second session on July 13<sup>th</sup>, 2017:

Members of the General Assembly's Board	Category
Diogo de Campos Barradas Lacerda Machado	Chairman
Francisco Xavier Damiano de Bragança van Uden	Deputy Chairman
Maria Isabel Saraiva Rodrigues Abrantes Gonçalves	Secretary

11.2 As from July 13<sup>th</sup>, 2017 the new composition has been:

Members of the General Assembly's Board	Category
Pedro Miguel Patrício Raposo	Chairman
Duarte Maria de Almeida e Vasconcelos Calheiros	Deputy Chairman
Leila Catarina de Matos Cardigos Leitão Grácio	Secretary

The new General Assembly Board members were elected in the General Assembly initiated on May 31<sup>st</sup>, 2017 and concluded on July 13<sup>th</sup>, 2017.

#### **b) Exercising Voting Rights**

**12. Restrictions on voting rights, such as limitations to the exercise of voting rights dependent on the ownership of a number or percentage of shares, deadlines imposed for the exercise of voting rights, or systems of entitlement coupons with a patrimonial nature (Art. 245-A, paragraph 1, subheading f)).**

In accordance with the provisions of article 9 of the Articles of Incorporation, the General Assembly is composed of any shareholders holding a number of shares that confer the right to at least one vote, and each share is entitled to one vote.

Shareholders wishing to attend and take part in the General Assembly must provide proof of such quality, up to three working days before the respective meeting, by means of a document issued by the registering or by the depository entity, attesting to the quantity of shares held on that date and also of their locking-up.

There exist no shares which do not entitle to voting rights, or which establish a limit to the number of votes that may be cast by a single shareholder or by related shareholders.

There are no rules on constitutive and decision-making quorums, and the General Assembly is held in accordance with the rules laid out in the Portuguese Companies Code.

Shareholders may be represented by any person at the General Assembly and a simple, signed letter of representation addressed to the Chairman of the General Assembly and delivered by hand, mail or email, and received up until the day before the meeting, constitutes sufficient proof of the mandate, with no legal certification being required.

In accordance with the provisions of Article 10 of the Articles of Incorporation, Reditus' shareholders with voting rights may exercise these by correspondence, under the terms and conditions expressed in the summons to the General Assembly. Shareholders shall, up until the third business day prior to the date of the General Assembly, send a registered letter with acknowledgement of receipt to the Company headquarters, addressed to the Chairman of the General Assembly, marked on the outside and stating "vote by correspondence", and indicating the General Assembly to which it relates. The letter should contain the identification of the voter, indicating the Shareholder's full name or company name, and specifically state its vote in respect of each of the respective agenda items. The identification of the voter shall be signed and the signatory shareholder, if an individual, should attach a copy of his/her identity card, or of an equivalent document issued by the competent authority of the European Union, or of his/her passport, or, in case of a legal entity, affix the appropriate seal and state the capacity of the signing person. In addition to the identification of the voter, the aforementioned letter shall also contain a certificate issued by the registering or the depository entity, demonstrating the legitimacy to exercise the voting rights.

Reditus provides, through its institutional website, [www.reditus.pt](http://www.reditus.pt), a template for the exercising voting rights by correspondence at General Assemblies.

In accordance with of Article 10, paragraph 3, of the Reditus' Articles of Incorporation, any letters containing votes by correspondence must be received at the Company no later than the third business day before the date of the General Meeting.

Exercising the right to vote by electronic means is not provided for as the Company considers that, taking into account its shareholder structure and the limited free-float, the participation of Shareholders in General Assemblies is fully ensured by means of its mechanisms for the vote by correspondence and by representation.

**13. Indication of the maximum percentage of voting rights that may be exercised by a single shareholder or shareholders that find themselves in any of the relationships identified in paragraph 1 of Art. 20<sup>th</sup>.**

There is no maximum percentage of voting rights that may be exercised by an individual shareholder, or by shareholders that may be in any of the relationships identified in paragraph 1 of Art. 20<sup>th</sup>.

**14. Identification of shareholders' resolutions that, according to the rules of procedure, may only be taken with a qualified majority, in addition to those legally laid down, and indication of those majorities.**

There are no shareholder resolutions that, according to the rules of procedure, can only be taken with a qualified majority, in addition to those that are legally provided for.

## **II. ADMINISTRATION AND SUPERVISION**

*(Board of Directors, Executive Board of Directors and General and Supervisory Board)*

**a) Composition \***

\*throughout the reference year

**15. Identification of the Model of Government Adopted**

Reditus adopts the one-tier model that integrates the following governing bodies elected by the General Assembly: the Board of Directors, the Audit Committee and the Statutory Auditor.

**16. Statutory rules on procedural requirements and materials applicable to the appointment and replacement of members, as applicable, of the Board of Directors, Executive Board of Directors and of the General and Supervisory Board (Art. 245-A, paragraph 1, subheading h))**

Reditus' Articles of Incorporation do not foresee any special rules governing the appointment and replacement of members of the Board of Directors and the Executive Board of Directors. Such matters are only subject to the General Law.

**17. Composition, as applicable, of the Board of Directors, Executive Board of Directors and of the General and Supervisory Board, indicating the statutory minimum and maximum number of members, statutory duration of the mandate, the number of effective members, the date of the first appointment and the date of expiry of term of office of each member**

Pursuant to article 13 of the Articles of incorporation, the Board of Directors is composed of three to eleven members, elected by the General Assembly every three years.

The Board of Directors performing its duties for the 2017-2019 mandate initially comprised five members and is currently composed of the following:

- Francisco José Martins Santana Ramos
- Helder Filipe Ribeiro Matos Pereira
- José António da Costa Limão Gatta
- Fernando Manuel Cardoso Malheiro da Fonseca Santos

On December 2017, Eng Miguel Maria de Sá Pais do Amaral tendered his resignation from the Board, which became effective on January 31<sup>st</sup>, 2018.

The Board of Directors may delegate the day-to-day management of the Company to one or more Directors or to an Executive Board consisting of two to five Directors, with the Board of Directors remaining responsible for selecting its Chairman.

For the current Board of Directors mandate, no Executive Board has been appointed and therefore the former remained in functions until the first meeting of the Board of Directors elected on May 31<sup>st</sup>, 2017 i.e. until July 5<sup>th</sup>, 2017.

**18. Differentiation of non-executive and executive members of the Board of Directors and, in respect of non-executive members, the identification of members who can be considered independent, or, where applicable, identification of the independent members of the General and Supervisory Board.**

The Board of Directors includes an appropriate number of non-executive members who ensure the effective capacity of monitoring, supervision, control and evaluation of the activity of the executive members, particularly taking into account Reditus' shareholder structure and free float. Thus, on December 31<sup>st</sup>, 2017, two of the then five members of the Reditus' Board of Directors were Executive Directors.

The table below shows the composition of the Board of Directors on December 31<sup>st</sup>, 2017, identifying its executive and non-executive members:

Members	Category
Miguel Maria de Sá Pais do Amaral	Non-Executive
Francisco José Martins Santana Ramos	Executive
Helder Filipe Ribeiro Matos Pereira	Executive
José António da Costa Limão Gatta	Non-Executive
Fernando Manuel Fonseca Santos	Non-Executive

**19. Professional qualifications and other relevant curricular elements of each member, as applicable, of the Board of Directors, the General and Supervisory Board and Executive Board of Directors**



The members of the Board of Directors have the following academic qualifications and professional experience:

**Francisco José Martins Santana Ramos** has been a member of the Reditus SGPS Board of Directors since July 2009 and has held the position of Chief Executive Officer (CEO) since July 2012. He is Chairman of the Reditus SGPS Board of Directors since October 31, 2014. He holds positions of responsibility at AHS Investimentos SGPS, SA. He has previously held management positions with Explorer Investments SGPS, Argos Soditic, S.A., Apamilux Imagem Corporativa, S.A., Anodil, S.A., Comporcer, McKinsey & Company, Royal Dutch / Shell and Aprofabril, S.A. He graduated in Civil Engineering from the Instituto Superior Técnico in Lisbon and has a Master's degree in Business Administration from the Universidade Nova de Lisboa.

**Helder Filipe Ribeiro Matos Pereira** has been a member of the Reditus SGPS Board of Directors since December 2012 and holds the position of Chief Finance Officer (CFO). He was Executive Director of Construtora do Tâmega SGPS and Construtora do Tâmega, S.A., Projecol, S.A. and its branches, General Manager of Finertec SGPS and a director and manager of its branches, Adviser to the Chairman of the Board of Brandia SGPS, CFO / Corporate Controller at Netjets Europe (NTA, S.A. and Executive Jet, S.A.) and Audit Manager at Ernst & Young. He holds a degree in Management and Business Administration with specialization in Financial Management from the Instituto Superior de Gestão (ISEG) in Lisbon, with a post-graduate degree in Executive Management at the Economic Science and Entrepreneurship Post-Graduation School of the Universidade Católica Portuguesa.

**José António da Costa Limão Gatta** has been a member of the Reditus Board of Directors since 2000. He is the President of ELAO SGPS (since 1998) and Giessen Beteiligungs KG (since 1995), and member of the Board of Nemotek Technologie, S.A. (since 2010). He has held executive and management positions with Nemotek Technologie S.A. (2011-2013), Caléo S.A. (1997-2010), Scorpion Group Ltd (1994-2008), Giessen Management GmbH (1988-1995), Coors Ceramics Europe Ltd. (1986-1987), General Electric Ceramics Inc (1984-1986), 3M Electrical Laboratories GmbH (1980-1984). He started his career in 1978 at ITT Europe-Int'l Telecommunications Centre as a Software Engineer. He graduated in Electrical Engineering from the Military Academy in Lisbon and is a member of the Order of Engineers.

**Fernando Manuel Cardoso Malheiro da Fonseca Santos** has been a member of the Reditus Board of Directors since 2000. He was recently a member of the Board of Directors of Geocapital- Investimentos Estratégicos, S.A., BAO - Banco Ocidental de África, S.A. and of Moza Banco S.A.. Before his collaboration with the Reditus Group, he held the positions of Chairman of the Audit Committee at Crédito Predial Português (1992-1993), Director of several holding companies (1988-1992) and of the ANOP (1976), Adviser to the Secretary of State for Social Communication in the Presidency of the Council of Ministers (1976). He practised law in Luanda (1972-1975) and at the IPE (Instituto de Participações do Estado) (1977-1987) in Lisbon. He has a Law degree from the Faculty of Law at Lisbon University.

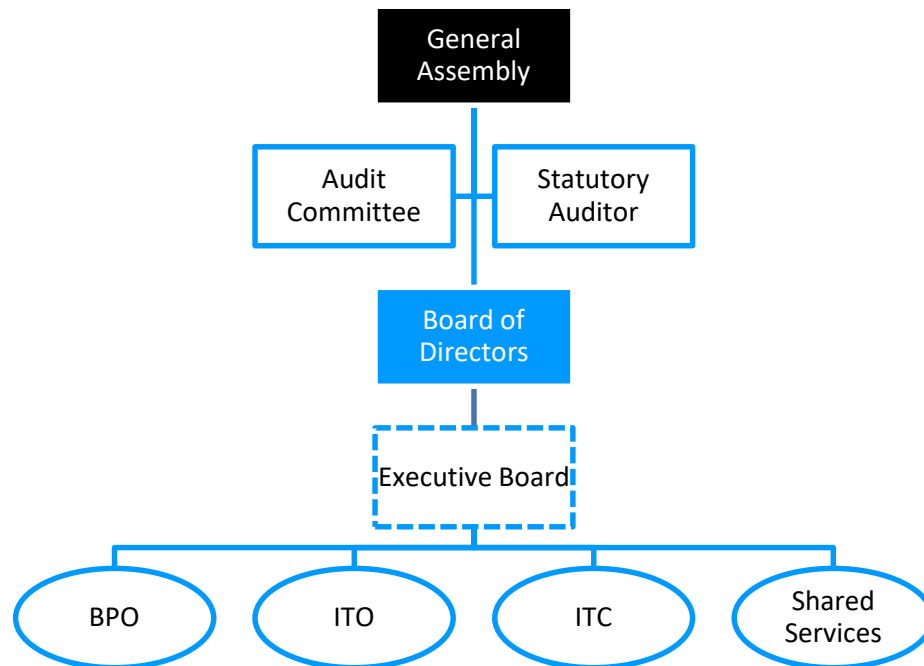
**20. Family, professional or regular and significant commercial relationships of the members, as applicable, of the Board of Directors, the General and Supervisory Board and Executive Board of Directors with shareholders to whom qualifying holdings exceeding**



**2% of the voting rights are attributed.**

Do not exist. One of the shareholders with qualifying holdings is also a Board member.

**21. Organisation charts or functional maps showing the division of responsibilities between the different company bodies, commissions and/or departments of the company, including information about delegation of responsibilities, in particular with regard to delegation of the day-to-day administration of the company.**



Within the framework of the corporate governance models authorized by the Portuguese Companies Code, Reditus has adopted the one-tier model that integrates as company bodies the General Assembly, the Board of Directors, the Audit Committee and the Statutory Auditor.

The Reditus Group is structured in four business units: BPO, IT Consulting, IT Outsourcing and Shared Services.

Shared services include the functional areas of support to Group management: Marketing and Communication, Accounting, Treasury, Payables and Receivables, Revenue Assurance, Risk, Legal, Purchasing and Logistics, Human Resources, IT, Quality, Investor Relations, and Planning and Management Control.

The management of each business activity is ensured in accordance with the principles of management autonomy and with the criteria and guidelines that are derived from the annual budget for each area, which is reviewed and approved annually by the respective areas and by the Reditus Board of Directors. The strategic, operational and investment guidelines for the various businesses are defined in the Annual Budget, and its control is ensured on a permanent basis, within the framework of a management control system conducted by the Directors of the Group.

Reditus SGPS, S.A. is the holding company of the Group and is responsible for the strategic development and overall management of the different business areas.

## Corporate Bodies and Other Committees - Competences

**General Assembly** – is the highest-level body of the Company and is comprised of all shareholders. This corporate body meets at least once a year to approve the annual report and accounts, the proposal for the application of results and the report of the Compensation Committee, and also to assess the performance of the Board of Directors and the Audit Committee.

**Board of Directors** - is the body responsible for managing the activities of the Company, under the terms established in the Portuguese Companies Code and in the Articles of Incorporation, namely undertaking to:

- Acquire, mortgage and dispose of any titles, or fixed and non-fixed assets, whenever it is considered advantageous for Reditus;
- Obtain loans and perform any other credit operations in the interest of Reditus, under the terms and conditions it deems appropriate;
- Grant Powers of Attorney on behalf of Reditus, with powers of any scope or extent;
- Establish objectives and management policies for the Company and for the Group;
- Delegate powers in its members, under the terms established in the Articles of Incorporation;
- Designate the Company Secretary and the respective delegate;
- Recruit staff, establish their contractual conditions and exercise the respective disciplinary authority;
- Represent Reditus in and out of court, as plaintiff or defendant, propose legal actions and acknowledge, desist or acquiesce in them, and commit to arbitration agreements;
- Open, move and cancel any Reditus bank accounts, deposit and withdraw money, issue, accept, draw and endorse checks, bills of exchange and promissory notes, invoice statements, and any other debt securities;
- Decide on the participation in the capital of other companies or on the involvement in other businesses;
- Manage the business of Reditus and perform all acts and operations with regard to the corporate object, that do not fall within the scope of competencies allocated to other corporate bodies.

The Board of Directors may delegate the day-to-day management of the company to one or more directors, or to an Executive Board consisting of two to five directors, with the Board of Directors remaining responsible for selecting the Chairman of the Executive Board (Article 13, paragraph 2 of the Articles of Incorporation).

The Board of Directors shall meet whenever convened by its Chairman or any other two Directors, and can only adopt resolutions when the majority of its members are present or represented (Article 13, paragraph 7 of the Articles of Incorporation).

At its first meeting, the Board of Directors shall elect from among its members the respective Chairman, and if so chooses, up to two Deputy Chairmen (Article 13, paragraph 8 of the Articles of Incorporation).

Any Director may be represented by another Director, at any Board meeting, upon presentation of a representations letter to the Chairman (Article 13, paragraph 9 of the Articles of Incorporation).

The table below indicates the composition of the Board of Directors as well as the responsibilities and areas of its members during the Fiscal Year 2017:

Members	Responsibilities	Areas
Miguel Pais do Amaral	Board Member	Monitoring and assessment of corporate management
Francisco Santana Ramos	Chairman/ CEO	Board coordination, oversight of the Commercial activities and the International Management, coordination of the Executive Board, until 2017/7/5, in accordance with the applicable regulations
Helder Matos Pereira	Board Member/CFO	Financial, HR, Management Planning and Control, CRM, Revenue Assurance, Assets
José António Gatta	Board Member	Monitoring and assessment of corporate management
Fernando Fonseca Santos	Board Member	Monitoring and assessment of corporate management

Pursuant to article 407, paragraph 4 of the Portuguese Companies Code, the responsibilities that may not be reassigned by the Board of Directors are as follows:

- Co-optation of Board Members;
- Requests to convene the General Assembly;
- Preparation of Annual Reports and Accounts;
- Issue of pledges and personal or real guarantees by the Company;
- Change of Headquarters and Capital Increases;
- Resolutions on mergers, de-mergers or modifications to the Corporate Structure

In accordance with article 407, paragraphs 3 and 4 of the Portuguese Companies Code, and article 13, paragraph 2 of the Articles of Incorporation, the Board of Directors elected for the 2014-2016 period has delegated day-to-day management of the company to an Executive Board.

**Executive Board** - is the body responsible for the day-to-day management of the company, holding all powers of decision and representation necessary and/or convenient for the exercise of the activity that constitutes the company's corporate objective, the delegation of which is not prohibited by law, namely the implementation of the objectives and of management

policies for the company, the preparation of the annual financial and activity plans, the management of the company's business, the establishment of the human resources policies for the Company and for the Reditus Group.

The members of the Executive Board until July 5, 2017 and their respective responsibilities were:

Members	Responsibilities
Francisco José Martins Santana Ramos	Chairman / CEO
Helder Filipe Ribeiro Matos Pereira	Member / CFO

According to the Executive Board rules, meetings of this body shall be convened by its Chairman, either on his initiative or at the request of another two of its members, and it shall meet at least once a month. Meetings shall be convened at three day's notice via email, although they may be scheduled with another notice period and by other means, provided that all its members have agreed the set date. The Executive Board may take no resolutions unless the majority of its members are present.

The Executive Board rulings are decided by a simple majority of votes. In the event of a tied vote, the Chairman shall have the casting vote.

The Chairman of the Executive Board has shared the agendas and the proceedings of the respective meetings with the Chairman of the Board with the Chairman of the Audit Committee.

The Executive Directors have, when requested by other Board Members, provided in a timely and appropriate manner, all information requested.

**Audit Committee** - is the body responsible for overseeing the business of the company in accordance with Article 16 of the Reditus Articles of Incorporation, with particular responsibility for:

- Overseeing the management of the company and ensure the observance of the law and of the Articles of Incorporation;
- Verifying the accuracy of the financial reporting documentation prepared by the Board of Directors and overseeing the respective audit;
- Preparing annually a report on its oversight activities, and issuing a statement of opinion on the annual report, the accounts and the proposals presented by the Board;
- Overseeing the process of preparation and dissemination of financial information;
- Monitoring the effectiveness of the risk management and control systems;
- Proposing to the General Assembly the appointment of the Statutory Auditor;
- Supervising and evaluating the performance of the External Auditor;
- Convening the General Assembly whenever the respective Chairman fails in his duties

to do so;

- Receiving any communication of irregularities presented by shareholders, employees of the company or others.

The Audit Committee is the company's main interlocutor and the first recipient of reports from the Statutory Auditor, whose activity it monitors and supervises. This Committee indicates the Statutory Auditor, proposes the respective remuneration and ensures that they are provided, within the Company, with adequate conditions for the provision of their services.

The Audit Committee is responsible for proposing the termination of its activities to the General Assembly, should justifiable reasons occur.

The Audit Committee has its own rules of operation, which govern its organization and activities.

**Statutory Auditor** - the supervision of the company rests with the Audit Committee and a Statutory Auditor, in accordance with article 15 of the Reditus' Articles of Incorporation. The current Statutory Auditor of Reditus is *Auren Auditores & Associados, SROC, SA*, represented by Dr Vítor Manuel Leitão Ladeiro.

**Committee on Risk Analysis, Sustainability, Internal and Financial Control** - this committee has the following charter:

- Assist the Board of Directors with issues related to the establishment and follow-up of risk management and internal control systems, and evaluate the effectiveness of these systems;
  - Assess and monitor risks and the sustainable development of the Reditus Group;
  - Identify potential conflicts of interest related with the Company activity;
- Assist the Board of Directors in complying with the legal and regulatory rules of the securities market applicable to the Reditus or to the members of its Board of Directors, and continually assess the degree of compliance with these standards;
- Assist the Board of Directors with monitoring and supervising the financial and accounting policies of Reditus and with the disclosure of financial results, in conjunction with the activity developed by the Audit Committee and by the Statutory Auditor, arranging for and requesting the necessary information;
- Analyze the economic and financial situation, taking into account the current situation and future prospects with regard to aspects that are likely to influence and enhance the activity of the Reditus Group.

The Committee on Risk Analysis, Sustainability, Internal and Financial Control was composed of the following members on December 31<sup>st</sup>, 2017: Francisco Santana Ramos, Helder Matos Pereira and José António Gatta.

**Appointments and Assessments Committee** – this committee has the following scope:

- Identify potential candidates for Boards Members (in particular when it is necessary to fill a position left vacant) or for other senior positions;
- Propose to the Board of Directors the members to be appointed for the Executive Board;
- Determine the criteria for assessing the performance of the Executive Directors.
- Assess the performance of the members of the Executive Board, in order for the Remuneration Committee to establish the variable component of their remuneration;
- Communicate to the Remuneration Committee the performance assessment criteria considered in the Executive's assessment and the respective results;
- Analyze and present proposals and recommendations, in the name of the Board of Directors, regarding remuneration and other compensation for the members of the Board of Directors.

On December 31<sup>st</sup>, 2017 the Appointments and Assessments Committee consisted of the following members: Fernando Fonseca Santos and José António Gatta.

**Corporate Governance and Social Responsibility Committee** - this committee has the following competences:

- Keep the Board of Directors and the Executive Board informed and updated concerning legal and regulatory changes in terms of corporate governance;
- Follow-up on the application of corporate governance standards within the Reditus Group;
- Follow-up on the preparation of the Management Report, specifically with regard to the chapter dedicated to Corporate Governance;
- Submit a proposal to the Board of Directors concerning a Code of Conduct model, upon request or in case it is deemed appropriate;
- Promote the application of best practices in Corporate Governance, Social Responsibility and Sustainability within the Reditus Group;
- Assess the performance of the Executive Board Members and the existing Reditus' committees, including an auto-assessment, exclusively concerning the fulfillment and the application of the Corporate Governance standards;
- Promote corporate identity and culture.

On December 31, 2017 the Corporate Governance and Social Responsibility Committee was composed of the following members: Fernando Fonseca Santos and José António Gatta.

**Committee on International and Strategic Planning** - this committee has the following duties:

- Assist the Board of Directors in establishing the organizational and operational structure of the Reditus Group;
- Assist the Board of Directors in establishing, implementing and evaluating the Group's

strategy with regard to matters of (i) diversification of businesses and investments; (ii) preparation of strategic plans; (iii) policies for growth and internationalization of the Reditus Group;

- Propose to the Executive Board measures concerning the technical and administrative organization of the Company, as well as internal operating standards, particularly concerning staff and their remuneration;

On December 31<sup>st</sup>, 2017 the Committee on International and Strategic Planning consisted of the following members: Francisco Santana Ramos, Helder Matos Pereira and José António Gatta.

**Operational Committee** – this committee has the following duties:

- Monitor the execution of, and provide operational support for implementing the resolutions of the Board of Directors and the Executive Board, whenever requested;
- Coordinate the operational activities of the different companies of the Group, whether or not integrated in business units;
- Assist the Board of Directors and the Executive Board in establishing their operational procedures;
- Facilitate the Members of the Board and its Committees' access to information.

On December 31<sup>st</sup>, 2017 the Operational Committee consisted of the following members: Francisco Santana Ramos, Helder Matos Pereira, Miguel Pais do Amaral and José António Gatta.

## **b) Operation**

**22. Availability and location where the Rules of Procedure can be consulted, as applicable, of the Board of Directors, the General and Supervisory Board and the Executive Board of Directors:**

The Rules of Procedure for the Board of Directors, the Executive Board and the Audit Committee are available and may be consulted on the company's website:

<http://www.reditus.pt/pt-pt/investidores/governo-das-sociedades/estatutos-e-regulamentos>.

**23. Number of meetings held and attendance level of each member, as applicable, of the Board of Directors, the General and Supervisory Board and the Executive Board at the meetings held:**

There were 10 meetings of the Board of Directors throughout the FY 2017 and the attendance of its members, either personally or through representation, reached 100%.

The Executive Board normally met once a week.

The management and supervisory bodies draft the minutes of their meetings, and attendees are able to have a summary of their interventions inscribed into the minutes.

**24. Corporate bodies competent to carry out the performance assessment of the Executive Directors:**

The Appointments and Assessments Committee conducts the performance assessment of the Executive Directors.

**25. Predetermined criteria for assessing performance of the Executive Directors.**

The pre-determined measurable criteria for performance assessment of the Executive Directors consider the actual growth of the company which is measured by a combined weighting of consolidated net profit, EBITDA and annual changes in the share price. These criteria take as reference the relevance of the areas of executive management that make up the duties of each Board Member, and the number of years in office.

**26. Availability of each member, as applicable, of the Board of Directors, the General and Supervisory Board and Executive Board of Directors, showing the positions held simultaneously in other companies within and outside the group, and other relevant activities performed by the members of those bodies during the fiscal year.**

**Miguel Maria de Sá Pais do Amaral**

a) Positions in companies of the Reditus Group:

- Member of the Board of Directors  
Reditus, Sociedade Gestora de Participações Sociais, S.A.

b) Positions in other companies:

- Chairman of the Board of Directors  
AHS Investimentos SGPS, SA Companhia das Quintas SGPS, SA  
Alfacompetição - Automóveis e Cavalos de Competição, SA  
Companhia das Quintas SGPS, S.A.  
Edge Capital SGPS, S.A.  
Edge International Holdings – SGPS, S.A.  
Edge Properties SGPS, S.A.  
Hemera Energías Renovables España, SLU  
Leya Global S.A.  
Leya S.A.  
Leya SGPS S.A.  
Media Capital SGPS, S.A.  
QIH S.A.  
Quifel Natural Resources S.A.



Quifel Natural Resources SGPS S.A.  
Quinta da Fronteira, S.A.  
Quinta de Pancas Vinhos S.A.  
Topbuilding - Investimentos Imobiliários S.A.  
Uksa Portugal, S.A.

- Member of the Board of Directors  
Greypart SGPS, SA  
PARTBLEU SGPS, SA
- Chairman of the Management Board  
BIOBRAX – Energias Renováveis Portugal, Lda
- Company Manager  
Ageiridge - Compra e Venda de Imóveis, Lda  
Ageiron - Compra e Venda de Imóveis, Lda  
Ask4green, Lda  
Brio - Produtos de Agricultura Biológica, Lda  
Diana - Sociedade de Promoção e Investimentos Imobiliários, Lda  
Dreams Corner, Lda  
Edge Brokers, Lda  
Edge RM, Lda  
Edge SVCS, Lda  
Edge vs Prestação de Serviços, Lda  
Henergy - Energias Renováveis, Lda.  
Ixilu - Compra e Venda de Imóveis, Lda  
LANIFOS - Sociedade de Financiamentos, Lda  
Neutripromo - Compra e Venda de Imóveis, Lda  
Ngola Ventures, Lda.  
Polistock - Sociedade Agro-Pecuária Unipessoal Lda.  
Quartztown Lda  
Situavox, Lda.  
Sociedade AGRO-FLORESTAL Serra da Pousada Lda.
- Director  
Global Publishing Group BV  
Phillips Park Investment Corporation  
Phillips Park LLC

#### **Francisco José Martins Santana Ramos**

a) Positions in companies of the Reditus Group:

- Chairman of the Board of Directors  
Reditus, Sociedade Gestora de Participações Sociais, S.A.  
Reditus Gestão, S.A
- Member of the Board of Directors

ALL2IT Infocomunicações, S.A.

Reditus Business Security, S.A.

Reditus Imobiliária, S.A.

Ogimatech, S.A.

Tora, S.A.

b) Positions in other companies:

- None

#### **Helder Filipe Ribeiro Matos Pereira**

a) Positions in companies of the Reditus Group:

- Member of the Board of Directors

Reditus, Sociedade Gestora de Participações Sociais, S.A.

ALL2IT Infocomunicações, S.A.

Reditus Gestão, S.A.

Reditus Imobiliária, S.A.

Reditus Business Solutions, S.A.

Reditus Consulting, S.A.

Reditus Business Products, SA

Reditus Networks Innovation, Lda.

SolidNetworks – Business Consulting, Lda.

b) Positions in other companies:

- Company Manager

Portugal Rentals, Lda.

EuroDingue, Lda.

Silversnail, Lda.

Tradecomp II, Lda.

#### **José António da Costa Limão Gatta**

a) Positions in companies of the Reditus Group:

- Member of the Board of Directors

Reditus, Sociedade Gestora de Participações Sociais, S.A.

b) Positions in other companies:

- Chairman of the Board of Directors

ELAO, SGPS, S.A.

Giessen Beteiligungs KG (Munich, Germany)

- Member of the Board of Directors

Nemotek Technologie S.A. (Rabat, Morocco)

#### **Fernando Manuel Cardoso Malheiro da Fonseca Santos**

a) Positions in companies of the Reditus Group:

- Chairman of the Board of Directors

ALL2IT Infocomunicações, S.A.

- Member of the Board of Directors

Reditus, Sociedade Gestora de Participações Sociais, S.A.

b) Positions in other companies:

- **None.**

The executive directors expressed maximum availability for performing their duties and achievement of the established goals and this has been confirmed by their physical attendance at meetings of the Board of Directors and Executive Board, while in functions, and the work within the Reditus Group.

The non-executive directors have expressed the availability required for performing their duties and for achievement of the established goals. This availability has been confirmed by their physical attendance at meetings of the Board of Directors and the work performed within Reditus.

#### **c) Committees within the Management or Supervisory bodies and Managing Directors**

##### **27. Identification of committees created within, as applicable, the Board of Directors, the General and Supervisory Board and the Executive Board and a location where the operating regulations can be viewed.**

In accordance with the best practices of corporate governance and as a means to improve the operational efficiency of its Board of Directors, Reditus SGPS (holding company) has, in addition to the Executive Board (up to July 5<sup>th</sup>, 2017), established five specialized committees for monitoring or assisting the Board of Directors and the Executive Board:

- Committee on Risk Analysis, Sustainability, Internal and Financial Control;
- Appointments and Assessments Committee;
- Committee on Corporate Governance and Social Responsibility;
- Committee on Strategic and International Planning;
- Operational Committee.

Rules of Operation only exist for the Executive Board, which can be viewed at the company's website. The remaining five specialized committees do not have rules of operation.

The Rules of Operation for the Executive Board is available at:

[http://www.reditus.pt/sites/default/files/files/regulamento\\_ce\\_reditus\\_sgps\\_10\\_07\\_2012.pdf](http://www.reditus.pt/sites/default/files/files/regulamento_ce_reditus_sgps_10_07_2012.pdf)

## **28. Composition, if applicable, of the Executive Board and/or identification of Managing Director(s).**

The members of the Executive Board, up to its extinction on July 5, 2017, were:

- Francisco José Martins Santana Ramos
- Helder Filipe Ribeiro Matos Pereira

## **29. Description of the responsibilities of each established committee and a summary of the activities conducted in their fulfilment.**

The responsibilities of the Specialized Committees are described in paragraph 21 of this report.

### **III. SUPERVISION**

*(Audit Committee, Supervisory Committee or General and Supervisory Board)*

#### **a) Composition\***

\*throughout the reference year

## **30. Identification of the Supervisory Body corresponding to the adopted model.**

The company has as its supervisory body the Audit Committee, having adopted the one-tier system from within the corporate governance models authorised by the Portuguese Companies Code.

## **31. Composition, as applicable, of the Audit Committee, the Supervisory Board, the General and Supervisory Board or the Committee for Financial Affairs, indicating the minimum and maximum statutory number of members, statutory term of office, number of permanent members, date of the first appointment and end of mandate date for each member and reference may be made to the paragraph in the report where this information is already provided pursuant to paragraph 17.**

Pursuant to Article 15 of the Reditus' Articles of Incorporation, the Audit Committee consists of a chairman, two effective members and a substitute, elected by the General Assembly every three years.

At the General Shareholders' Meeting held on May 31<sup>st</sup>, 2017, the following individuals were elected to Audit Committee for the three-year period 2017-2019: Dr António Pedro Valente da

Silva Coelho, Chairman, Dr Luis Manuel Cunha Dias Miguel, Member, Dr Luis Henriques de Lancastre de Lima Raposo, member and Dr José António Baptista Marques Pereira, Substitute.

Later, in August and September 2017 the Chairman Dr António Pedro Valente da Silva Coelho, the Member Dr Luis Manuel Cunha Dias Miguel and the Substitute Dr José António Baptista Marques Pereira, tendered their resignations.

The vacancies were filled with a new election by the shareholders at a General Assembly held on November 30<sup>th</sup>, 2017, at which the following individuals were elected for the remaining of the three-year period (2017-2019): Dr Armando Jorge de Carvalho Costa e Silva, Chairman, Eng Nuno Miguel Pereira Domingues de Figueiredo Carvalhosa, Member and Dr Jerónimo Manuel Cabral Kokpe de Figueiredo Túlio, Substitute.

Thus, as of December 31<sup>st</sup>, 2017, the Audit Committee was constituted as follows:

Chairman: Dr Armando Jorge de Carvalho Costa e Silva;

Members: Dr Luis Henriques de Lancastre de Lima Raposo and Eng Nuno Miguel Pereira Domingues de Figueiredo Carvalhosa;

Substitute: Dr Jerónimo Manuel Cabral Kokpe de Figueiredo Túlio

The following is the date of the respective first appointments and date of the term of office:

Member	1 <sup>st</sup> Appointment	Term
Armando Jorge de Carvalho Costa e Silva	2017	2019
Luís Henriques de Lancastre de Lima Raposo	2017	2019
Nuno Miguel Pereira Domingues de Figueiredo Carvalhosa	2017	2019
Jerónimo Miguel Cabral Kokpe de Figueiredo Túlio	2017	2019

**32. Identification, as applicable, of the members of the Audit Committee, the Supervisory Board, the General and Supervisory Board or the Committee for Financial Affairs, who consider themselves independent pursuant to Article 414, paragraph 5 CSC and reference may be made to the paragraph in the report where this information is already provided pursuant to paragraph 18.**

Every member of the Audit Committee is subject to the rules of incompatibility foreseen in Article 414-A, paragraph 1 of the Portuguese Companies Code.

**33. Professional qualifications as applicable of each member of the Audit Committee, the Supervisory Board, the General and Supervisory Board or the Committee for Financial Affairs, and other relevant professional information, and reference may be made to the paragraph in the report where this information is already provided, pursuant to paragraph 21.**

The members of the Audit Committee have the following academic qualifications and professional experience:

**Armando Jorge de Carvalho Costa e Silva**, Chairman of Reditus' Audit Committee, is presently advisor to the Board of *TAP – Transportes Aéreos Portugueses, SGPS, SA* for Corporate Governance matters. He has previously been responsible for Legal Affairs, Human Resources, Purchasing and Quality at *Construtora do Tâmega, SGPS, SA*, where he headed the restructuring and debt renegotiation process leading to PER approval for several group companies, being later appointed to the Board as a Non-Executive Director. He was formerly also Board Member at *Rádio Televisão Portuguesa, SA* and *Imprensa Nacional – Casa da Moeda, SA*. He has been a Legal Advisor to diferente public and private entities, namely Chief of Staff to the Prime Minister's Deputy.

**Luis Henriques de Lancastre de Lima Raposo**, Member of Reditus' Audit Committee, is presently Managing Director of *LLR Contact Consultadoria Lda* and involved in consulting for wholesale at *Grupo Pão de Açúcar* and *Grupo Jerónimo Martins*, and Retail at *BMG Nice Man Expo*, was formerly Board Advisor to *Grupo Web Lab Tecnologias de Informação S.A.*, Board Member at *Construlink Tecnologias de Informação S.A.* (presently *Gatewit*), and *DataScout Tecnologias de Informação S.A.*, Managing Director of *Planeta Brasil Import e Export Vestuario Lda*, *Icook-Organização de Eventos Lda*, and Deputy Managing Director at *Leitão e Irmão - Joalheiros da Coroa*.

**Nuno Miguel Pereira Domingues de Figueiredo Carvalhosa**, Member of Reditus' Audit Committee is presently Managing Director at *Barents Capital*. He formerly held different positions at *PT-Comunicações*, namely Marketing Director of the *Wholesale Business Unit*, Head of the *Client Service Improvement Project* and Chief of Staff to the CEO. He was also Executive Board Member at *ZON-TV Cabo* and *NOS-Comunicações*.

## **b) Operation**

**34. Availability and location where the operating regulations can be consulted, as applicable, of the Board of Directors, the Audit Committee, the General and Supervisory Board or the Committee for Financial Affairs and reference may be made to the paragraph in the report where this information is already provided pursuant to paragraph 22.**

The Rules of Operation for the Audit Committee can be consulted on the company's website.

**35. Number of meetings held and attendance level of each member, as applicable, of the Supervisory Board, the Audit Committee, the General and Supervisory Board and the Committee for Financial Affairs and reference may be made to the paragraph in the report where this information is already provided pursuant to paragraph 23.**

Meetings of the Audit Committee are convened and run by its chairman and are held every three months. In addition to the regular meetings, the Audit Committee may meet whenever convened by its Chairman or by its other two members.

The Audit Committee members attended all convened meetings.

**36. Availability of each member as applicable, of the Supervisory Board, the Audit Committee, the General and Supervisory Board and the Committee for Financial Affairs, showing the positions held simultaneously in other companies within and outside the**

**group and other relevant activities performed by the members of those bodies during the fiscal year and reference may be made to the paragraph in the report where this information is already provided, pursuant to paragraph 26.**

Information on positions held by the Audit Committee members is available in point 33.

The Supervisory Board members demonstrated to have the availability required for the performance of their duties and to achieve the established goals. This availability has been confirmed by their attendance at meetings of the Audit Committee and the work performed within Reditus.

### **c) Responsibilities and Roles**

#### **37. Description of procedures and criteria applicable to the intervention by the supervisory body for purposes of hiring additional services to the external auditor.**

According to Article 420, nr. 2, subheading b) of the Portuguese Companies Code, it is the Audit Committee who proposes to the Shareholders in General Assembly the election of the Statutory Auditor.

Services, apart from the audit services, rendered to the Company by the Statutory Auditor and by any related entity, or which integrates the same business partnership, are subject to previous approval from the Audit Committee.

The Board of Directors presents a proposal to the Audit Committee with the basis for hiring the aforementioned services from the Auditor, and the Audit Committee must express its authorization, before the corresponding contract is entered between the Company and the Statutory Auditor.

The Audit Committee appraises the proposal of the Board of Directors considering the independence of the Statutory Auditor in the fulfillment of its professional duties and the Auditor's competences for rendering such services, namely its experience and its knowledge of the Company.

Additionally, although it is admissible to contract services different from audit services with the Statutory Auditor, this shall always be considered as an exception. During the FY 2017, no additional services were contracted with the Statutory Auditor.

#### **38. Other roles of the supervisory bodies and if applicable of the Committee for Financial Affairs.**

The responsibilities of the Audit Committee are detailed in paragraph 21 of this report.

The Statutory Auditor oversees the implementation of the remuneration policies and systems, the efficiency and operation of the internal control mechanisms and is required to report any significant shortcomings to the company's Audit Committee. The Statutory Auditor also verifies the report Corporate Governance, pursuant to the applicable law.

#### IV. STATUTORY AUDITOR

**39. Identification of the Statutory Auditor and the Partner who represents it.**

The independent auditing firm of *Auren Auditores & Associados – SROC, SA*, represented by Dr Victor Manuel Leitão Ladeiro, is the Statutory Auditor for the Company and also ensures the *External Auditor* functions.

**40. Consecutive number of years in which the Statutory Auditor provides services for the company and/or group**

The Statutory Auditor has been providing services since his nomination on May 31<sup>st</sup>, 2017, for the three-year period 2017-2019.

**41. Description of other services provided by the Statutory Auditor to the Company.**

Auren Auditores & Associados – SROC, SA did not provide any services other than Statutory Audit to the Company.

#### V. EXTERNAL AUDITOR

**42. Identification of the appointed External Auditor pursuant to Article 8 and statutory auditor partner who represents him in the fulfillment of these duties as well as the respective CMVM (Portuguese Securities Market Commission) registration number.**

The External Auditor of Reditus and at the same time Statutory Auditor, is Auren Auditores & Associados - SROC, SA registered in the Order of Certified Public Accountants under No. 123 and registered with the CMVM (Portuguese Securities Market Commission) under No. 20161441, represented by Dr Victor Manuel Leitão Ladeiro.

**43. Consecutive number of years in which the External Auditor and his responsible Partner provide services for the company and/or the group.**

The external auditor has been providing services to the Group's Subsidiary companies for 12 consecutive years.

**44. Policy and frequency of rotation of the External Auditor and responsible Partner who represents it in the fulfillment of such duties.**

Following the entry into force on January 1<sup>st</sup>, 2016 of the new Statute of the Order of Statutory Auditors, approved by the Law no. 140/2015, dated September 7<sup>th</sup>, and the Legal Regime of Audit Supervision, approved by the Law No 148/2015, dated September 9<sup>th</sup>, resulting from the Directive 2014/56/EU of the European Parliament and of the Council dated April 16<sup>th</sup>, 2014, amending Directive 2006/43/EC concerning specific requirements for the statutory audit of annual and consolidated accounts of public interest entities, and ensuring the partial fulfillment of Regulation (EU) no. 537/2014 of the European Parliament and of the Council dated April 16<sup>th</sup>, 2014, the rotation of the external auditor has been taken in consideration for the appointment



of the corporate bodies for the 2017-2019 mandate, with the first time election of Auren Auditores & Asociados, SROC, SA as Statutory Auditors and External Auditor.

**45. Definition of the entity in charge of the assessment of the External Auditor, and frequency of such assessment.**

The Audit Committee assesses annually the External Auditor's performance and, should relevant causes occur, proposes his termination to the General Assembly.

**46. Identification of tasks, other than auditing, performed by the external auditor for the company and/or companies with which it is in a controlling relationship, as well as internal procedures for the approval of contracting such services, stating the reasons for such contracts.**

During the FY2017 no tasks, other than auditing, were carried out by the External Auditor.

**47. Annual remuneration paid by the company, and/or by legal entities in a controlling relationship, or from the group to the auditor and other natural or legal persons belonging to the same network, together with details of the proportion for the following services (for purposes of this information, the network concept derives from the European Commission Recommendation No. C (2002) 1873, dated May 16<sup>th</sup>):**

Auditors	Services	31-12-2017	31-12-2016
Auren Auditores & Asociados, SROC*	Statutory audit	50.000	51.400
BDO & Asociados, SROC*	Statutory audit	50.400	50.000
<b>Total</b>		<b>100.400</b>	<b>101.400</b>

\* BDO & Asociados, SROC performs statutory audit services for the individual Reditus Group's companies and Auren Auditores & Asociados, SROC performs statutory audit services for Reditus SGPS individually, as well as for the consolidated Reditus Group.

## C. INTERNAL ORGANIZATION

### I. Articles of Incorporation

**48. Applicable rules for amendment of the articles of incorporation (Article 245 -A, paragraph 1, subparagraph h).**

There are no rules for amending the articles of incorporation other than those deriving from the relevant applicable law.

### II. Reporting irregularities

#### **49. Means and policy on reporting irregularities, which may have occurred in the company.**

Reditus Group shareholders, members of the corporate bodies, employees, service providers, clients and suppliers may report any irregularities identified, which they are aware of, or have strong suspicions of, in order to prevent or stop irregularities which may cause serious damage to Reditus.

The communication of irregular practices is addressed to the Audit Committee, which chooses a person from within the Internal Audit Unit as responsible to manage the communications received. This communication must be made in writing, sent to the electronic address *irregularidades@reditus.pt*, and contain all the elements and information that the author disposes of and deems necessary for the evaluation.

Besides the referred email address, Reditus employees also dispose of another, direct and confidential channel, through the *Reditus Intranet*, where they can report to the Internal Audit Unit any financial or accounting irregularities.

Any complaint addressed to the Internal Audit Committee will be maintained strictly confidential and the originator of the complaint will remain anonymous.

The person in charge of the Internal Audit Unit shall evaluate the situation described and decide on, or propose, to the Audit Committee and to the Executive Board the corrective measures which, according to each specific case, is deemed as appropriate.

### **III. Internal Control and Risk Management**

#### **50. Individuals, bodies or committees responsible for internal audit and/or implementation of internal control systems.**

Taking into account current market conditions, the Reditus Board of Directors has been paying increasing attention to the development and improvement of the mechanisms and procedures of internal control and risk management, in strategic, operational, economic and financial terms, in order to better manage the risk inherent to the Reditus Group's operations and ensure the effective operation of the internal control systems.

Within this framework and given the evolution of good Corporate Governance practices in compliance with the rules and recommendations issued by the CMVM (Portuguese Securities Market Commission), the Board of Directors approved at a meeting held on May 31<sup>st</sup>, 2011, the creation of a Committee for Risk Analysis, Sustainability, Financial and Internal Control.

The Reditus Group is subject to a wide range of risks that can have a negative impact on its activity. All these risks are properly identified, assessed and monitored, and it is the responsibility of the different departments within the company to manage them, with special emphasis on the Risk Committee and the on the Committee for Risk Analysis, Sustainability, Financial and Internal Control.

The Risk Committee (integrated into the Financial Department of the Group) has the mission of effective detection of risks related to the company's operations.

This Committee reports to Dr Helder Matos Pereira, Group CFO and is responsible for reporting on these matters to the Committee for Risk Analysis, Sustainability, Financial and Internal Control.

The Risk Committee has developed and improved the efficiency of its risk management model, fostering the communication channels between the various business areas, the Unit itself and the Committee for Risk Analysis, Sustainability, Financial and Internal Control, in order to anticipate and identify risks, thus enabling their timely management.

In a first phase the person in charge of the project identifies the typical risks associated with their business namely: (i) excessive concentration of projects in a small number of clients; (ii) the establishment of unbalanced ceilings and investments in terms of services to be provided and operational requirements; (iii) strict contractual penalties for delays or breaches of established goals with clients, delays on delivery dates agreed with the clients, extension of payment terms, and other burdensome conditions; (iii) quick obsolescence of custom-developed IT solutions, (iv) lack of understanding of, or mismatch with client needs, or with market requirements.

In a second phase, the Committee assesses operational risks and identifies risks of a financial nature, namely credit, foreign currency and cash-flow risks.

All investments or new business of a certain dimension are subject to prior approval by the Committee for Risk Analysis, Sustainability, Financial and Internal Control.

It is worth mentioning that the Risk Committee, in coordination with the Committee for Risk Analysis, Sustainability, Financial and Internal Control, ensures the match and the control of the risks associated with potential transactions, with the strategy and risk profile pre-established for Reditus.

It is the responsibility of the Committee for Risk Analysis, Sustainability, Financial and Internal Control, together with the Risk Committee, to perform the different actions required for monitoring and evaluating the efficiency of the mechanisms and internal control procedures, as well as to implement improvements in these mechanisms and procedures, paying attention to its suitability to the strategy outlined in the risk management model.

Within this framework, the Commission and the Risk Committee are basically governed by the following principles:

- Identification of operational risks arising from the Group's operations;
- Identification of risks which have financial impact on the Group;
- Assessment of the implementation level of internal controls;
- Establishment, together with the various departments, of corrective measures for the mechanisms and procedures of internal control and risk management;
- Monitoring and assessment of the information processing system;
- Compliance of business operations with the strategy outlined for the Group.

The Risk Committee has a methodology for qualifying projects, through the analysis of certain parameters for identification and assessment of the consequences and of the probability of risk occurrence, for each potential transaction.

This methodology has enabled to anticipate and mitigate any negative impacts resulting from the occurrence of certain situations in identified risks.

The External Auditor verifies the efficiency and operation of the internal control mechanisms within the framework of his work of statutory auditing, and reports any significant shortcomings to the Audit Committee.

**51. Demonstration, including by means of an organization chart, of the relationships of hierarchical and/or functional dependence relating to other bodies or committees of the company.**

The Board of Directors and the Audit Committee acknowledge the importance of the systems of risk management and internal control for the Company, fostering the human and technological conditions required for the establishment of an adequate control environment, commensurate with the risks of the activities.

The Board of Directors ensures, through the Risk Committee, the creation and operation of internal control and risk management systems. The Audit Committee supervises the effectiveness of those systems and assesses them in their meetings.

Both the management and the supervisory bodies have access to the reports and opinions issued by the Risk Committee, assessing the functioning and adequacy of the implemented internal control and risk management systems to the company's needs.

**52. Existence of other working areas with expertise in risk control.**

There are no other operational areas responsible for risk control, other than those identified in paragraph 50.

**53. Identification and description of the main types of risks (economic, financial and legal) to which the company is exposed in the course of its activities.**

The Reditus Group is exposed to various risks arising from its activities and the following are the main risk factors, with relevance and impact on the business:

**Counterpart credit risk** - the counterpart credit risk results primarily from the possibility of client default, either because of temporary liquidity problems, or of long-term systemic difficulties.

The management policy for counterpart credit risk consists in the analysis of the technical capabilities and financial exposure of each counterpart. Considering the nature and robustness of the Clients that make up the large majority of the Group's Client portfolio, the risk of counterparty default is significantly mitigated.

**Risk associated with interest rates** - the interest rate risk arises mostly from loans that are indexed to a benchmark interest rate.

The management of risks associated with interest rates is conducted through sensitivity analysis to changes in interest rates, namely to *Euribor*.

**Foreign exchange risk** - the foreign exchange risk is associated with of the Reditus Group's operations abroad.

Currently, the largest exposure to foreign exchange risk results from fluctuations between the U.S. Dollar and the Euro, stemming from operations in Africa. The general policy calls for Reditus to enter major contracts denominated in euros, thus minimizing the impact of currency fluctuations.

**Risks of legal nature** - the main legal risks are linked to potential problems with clients and employees. These risks are managed through the internal control system, which has a methodology for qualifying projects through the analysis of certain parameters for assessment of the impact and probability of occurrence of risks for each potential business. The internal legal department reviews all contracts and other legal instruments, in order to mitigate potential future risks.

#### **54. Description of the identification, assessment, monitoring, control and risk management processes.**

This information is provided in paragraph 50.

#### **55. Main elements of the internal control and risk management systems implemented in the company, in relation to the financial reporting process (Article 245-A, paragraph 1, subheading m)).**

It is the responsibility of the Board to ensure proper disclosure of financial information, which faithfully represents the situation of the Group at any time, in compliance with the regulations issued by the regulatory entities applicable at any time.

The annual financial information is disclosed only after being reviewed by the Statutory Auditor and by the Audit Committee. The annual financial information, as well as the information relating to the interim periods is disclosed only after authorized by the Board of Directors, which conducts the corresponding preliminary validation tests.

The Audit Committee supervises the preparation and disclosure of the financial information; within this scope, the Audit Committee has held periodic process review meetings with the Board members, the Statutory Auditor and the staff responsible for accounting, planning and management control.

### **IV. Investor Relations**

#### **56. Service responsible for investor support, its composition, duties, information provided by these services and contacts.**

Reditus has an Office of Investor Relations, responsible for the adequate interface with shareholders, financial analysts and regulatory authorities of the capital markets, namely the CMVM (Portuguese Securities Market Commission) and Euronext Lisbon.

It is this department's responsibility to promote an ongoing and permanent contact with the market, complying with the principle of shareholder equality and preventing differences in the access to information by investors, providing in accordance with the law any information requested, or that may somehow contribute to a greater transparency and participation in the life of the Company.

Reditus offers a wide range of information through its website: [www.reditus.pt](http://www.reditus.pt). The aim is to open the company to investors, analysts and the general public, providing permanent access to relevant and updated information. Information pertaining to the company's activities, as well as information specifically aimed at investors, may thus be viewed on-line and is available in Portuguese and English, though the site's "Investors" section. The available information includes the Presentation of Results, Privileged Information and other reports for the CMVM, Accounts and Reporting, the Financial Calendar, the Shareholder structure, the Corporate Bodies and the stock market performance of Reditus' shares.

Information may be requested by phone, or through the website ([www.reditus.pt](http://www.reditus.pt)).

Given the company's dimension, the Investor Relations office is composed only by the representative for market relations, who may be contacted at:

**Address:**

Estrada do Seminário, 2 Reditus House, P-2614-522 Alfragide

**Telefone** - (+351) 214 124 100

**Fax** - (+351) 214 124 198

**E-mail** - [accionistas@reditus.pt](mailto:accionistas@reditus.pt)

**Site** - [www.reditus.pt](http://www.reditus.pt)

**57. Company's Representative for Market Relations:**

Dr. José Andrade e Sousa

**Telefone** - (+351) 214 124 100

**Fax** - (+351) 214 124 199

**Telemóvel** - (+351) 914 798 237

**E-mail** - [accionistas@reditus.pt](mailto:accionistas@reditus.pt)

**58. Information about the number of, and the response time to, requests for information received during the year, or outstanding from previous years.**

Requests for information addressed to the Office were responded within a maximum of two working days.

<b>V. Internet Site</b>
-------------------------

**59. Address(es).**

Reditus' website is available at: [www.reditus.pt](http://www.reditus.pt)

**60. The location of information about the firm, the public company status, the headquarters and other items, as mentioned in Article 171 of the Portuguese Companies Code.**

In the Reditus website, within the <<Investors>> tab, a <<Corporate Governance>> tab exists, which contains information concerning the corporation, its public company status, its headquarters, and other items indicated in Article 171 of the Portuguese Companies Code.

**61. Location where the Articles of Incorporation and working regulations of the bodies and/or committees are posted.**

In the Reditus website within the <<Investors>> tab, a <<Corporate Governance>> tab exists, which contains the <<Articles of incorporation and Regulations>> tab, and inside this last tab the Articles of Incorporation, as well as the following regulations, can be found:

- Board of Directors Regulations;
- Executive Board Regulations;
- Audit Committee Regulations.

**62. Location for information on the identity of the members of the corporate bodies, the representative for market relations, the Investor Support Office or equivalent structure, their roles and contact information.**

In the Reditus website within the <<Investors>> tab, there is a <<Corporate Bodies>> tab containing the composition of the corporate bodies.

On the other hand, in the Reditus website within the <<Investors>> tab, there is an <<Investor Support Office>> tab containing the information posted regarding the identity of the representative for market relations, as well as contact information and roles.

**63. Location of financial statements, which should be accessible for at least five years, as well as the half-year calendar of corporate events, disclosed at the beginning of each semester, including among others, General Assemblies, disclosure of yearly, half-year and, if applicable, quarterly accounts.**

In the Reditus website, in the tab identified as <<Investors>>, there is a tab regarding <<Report and Accounts>>, where accounting documentation, which will remain accessible during ten years, are disclosed.

On the other hand, in the Reditus website within the <<Investors>> tab, there is an <<Events Calendar>> tab where information is posted regarding the bi-annual calendar of corporate events.

**64. Location where the General Assembly convening notice is posted along with all the corresponding preparatory and subsequent information.**

In the Reditus website within the <<Investors>> tab, there is a <<Proposals and Convening Notices for General Meetings>> tab where the convening notice, the proposed resolutions and the minutes of the General Assembly meetings are posted.

**65. Location of historical records containing the resolutions passed at the company's General Assemblies, the share capital represented and the voting results, covering the previous three years.**

In the Reditus website within the <<Investors>> tab, there is a <<Proposals and Convening Notices for General Assemblies>> tab, containing the historical record of convening notices, agendas and resolutions passed at General Assemblies, as well as information on the share capital represented and the voting results for the respective meetings, covering the previous ten years.

## **D. REMUNERATION**

### **I. Determining Responsibility**

#### **66. Guidelines regarding the responsibility for determining the remuneration of company officers, members of the Executive Board or Managing Director, and Company Directors.**

The Reditus' General Assembly appoints the members of the Remuneration Committee, which is responsible for establishing remunerations and for presenting the annual declaration on remunerations policies of the management and supervisory bodies members. The Remuneration Committee is in charge of presenting and proposing to shareholders the principles of the remuneration policy of the corporate bodies and of establishing the corresponding remunerations. Furthermore, the proposed declaration is object of evaluation and decision by the shareholders at the annual General Assembly.

The aforementioned declaration on remuneration policies includes all of the company's Directors (as per the provisions of paragraph 3 of article 248-B of the Portuguese Securities Code), since it is the understanding of the Reditus' Board of Directors that it only extends to the members of the company's management and supervisory bodies.

### **II. Remuneration Committee**

#### **67. Composition of the Remuneration Committee, including names of natural or legal persons hired to provide support and a statement on the independence of each member and advisors.**

The Remuneration Committee is composed by the Chairman and Vice-Chairman of the General Assembly, respectively Dr Pedro Miguel Patrício Raposo e Dr Duarte Maria de Almeida e Vasconcelos Calheiros and by Dr José Maria Franco O'Neill all of whom are independent from the Board of Directors.

The Remuneration Committee works with full autonomy, not having hired any natural or legal persons to assist in carrying out its duties

#### **68. Knowledge and experience of the members of the Remuneration Committee on remuneration policy.**

The members of the Remuneration Committee have the adequate and necessary knowledge to reflect, handle and decide on all subjects concerning remuneration policies.

All members of the Remuneration Committee have academic degrees and extensive professional experience, performing duties as members of management bodies in several



entities, including financial institutions, public-listed companies, law firms, hence consolidating relevant practical knowledge regarding remuneration policies, performance evaluation systems and related matters.

### **III. Remuneration Structure**

#### **69. Description of the remuneration policy of the management and supervisory bodies pursuant to Article 2 of Law No. 28/2009 of June 19.**

According to Article 18, paragraph 1 of the Articles of Incorporation, the members of the Board of Directors' remuneration is established by a Remuneration Committee composed of three members elected every three years by the General Assembly.

At the General Assembly held in May 2017 the criteria applied for establishing the remuneration of members of the Board of Directors for the FY 2017 were approved. These criteria include a combination of relevance of each Board Member's executive duties and the number of years of effective exercise of those roles in the company.

Regarding the variable remuneration of the members of the Executive Board, this is established by the combined weighing of consolidated net result, EBITDA and the annual increase in the price of shares, while the percentage of overall profits allocated to the Board Members' remuneration must not exceed ten percent, according to the provisions of Article 18, paragraph 3 of the Articles of Incorporation.

The non-executive Directors have not been remunerated during the FY 2017.

The members of the Audit Committee are not remunerated for their functions.

The company's articles of incorporation provide for, in Article 18, paragraph 3, that the salaries of members of the Board of Directors may be either fixed or partially include a percentage of the profits for the Fiscal Year, while the percentage of overall profits allocated to the Directors must not exceed ten percent.

Reditus does not have any incentive program with share options.

It is the Remuneration Committee's concern that bonuses for the Board of Directors take into account not only the fiscal year's performance, but also adequate sustainability of profits in subsequent fiscal years.

The members the Board of Directors have not entered into any contracts, with the company or with third parties, in view of mitigating the risk inherent in fluctuations of the remuneration established by the Company.

Reditus does not provide for any compensation in case of dismissal or resignation of Board Members.

#### **70. Information on how remuneration is structured in a way to match the interests of members of the Board of Directors with the long-term interests of the company as well as on how performance assessment is based and discourages excessive risks.**

Variable remuneration of the Executive Board members, when in functions, is determined by the Remunerations Committee and is aimed at aligning the variable component part of each Executive's remuneration with the corresponding Company's performance for the fiscal year, which is measured considering the relationship between the consolidated net result, the EBITDA and the annual evolution of shares quotation, and is also related to the responsibilities and to the performance of each individual Director.

Variable remuneration depends on the positive performance of the Company, and the variable remuneration limits (10% of the net result) aims mainly at discouraging excessive risk-taking, stimulating the pursuit of an adequate risk management strategy.

**71. Reference, if applicable, to the existence of a variable remuneration component and information about possible impact of performance assessment on this component.**

The variable component of the Executive Board members' remuneration is determined by the Remunerations Committee, aiming to align the variable component part of Executive's remuneration with the Company's performance, which is measured considering the relation between the consolidated net result, the EBITDA and the annual evolution of shares quotation, and is also related to the responsibility and performance of each individual Executive. The performance evaluation thus impacts this remuneration component. An adequate balance between the fixed and variable components of such remunerations is also ensured.

**72. Payment deferral of the variable remuneration component, mentioning the period of deferral.**

Reditus implemented the procedures required for adopting a policy of deferring payment of the variable remuneration component, as can be verified in the last statements on the remuneration policy by the members of the Board of Directors and the Supervisory bodies of Reditus.

However there has been so far no deferral on the payment of the aforementioned variable remunerations since, for the past 5 fiscal years, the conditions on which payments were dependent have not been fulfilled.

**73. Criteria that underlie the allocation of variable remuneration in shares as well as on the maintenance, by executive directors of these shares, on any eventual signing of contracts relating to these shares, namely *hedging contracts or of risk transfer, the respective ceiling and its relationship to the amount of the total annual remuneration.***

The Company does not have in place any remuneration measures, which allow for the allocation of shares and/or any other incentive mechanism comprising shares.

The members the Board of Directors have not entered into any contracts, with the company or with third parties, in view of mitigating the risk inherent in fluctuations of the remuneration established by the Company.

**74. Criteria that underlie the allocation of variable remuneration in options and showing the deferral period and the exercise / strike price.**

The Company does not have in effect any remuneration measures allowing for the allocation of rights to purchase stock options.

**75. Main parameters and grounds for any annual bonus system and any other non-cash benefits.**

This information is provided in paragraph 69.

**76. Main characteristics of complementary pension or early retirement systems for board members and the date that they were approved by the general meeting of shareholders, in individual terms.**

There are no pensions schemes or early retirement programs for Board Members.

**IV. Remuneration Disclosure**

**77. Indication of the annual remuneration earned on aggregate and individually by members of the company's board of directors, from the company including fixed and variable remuneration and regarding this, mentioning the different underlying components.**

Pursuant to Law No. 28/2010 of June 19, below follows the remuneration received by individual members of the Board of Directors:

<b>Executives</b>	<b>230.000</b>
Francisco Santana Ramos	120.000
Helder Matos Pereira	110.000
<b>Non-Executives</b>	<b>0</b>
Miguel Pais do Amaral	0
José António Gatta	0
Fernando Fonseca Santos	0

In 2017, no variable remuneration component was paid to the Board of Directors.

The fixed remuneration paid to the Executive Board members during the fiscal year ended on December 31<sup>st</sup>, 2017 amounted to 230,000 euros

**78. Amounts paid, for any reason whatsoever by other companies in a control or group relationship or which are subject to common control.**

The remuneration of the Board members was paid by Reditus Business Solutions.

**79. Remuneration paid in the form of profit sharing and/or bonus payments and the reasons why such bonuses and/or profit sharing were granted.**

Remuneration paid in the form of profit sharing and/or bonus payments are described in paragraph 69 and are part of the variable component as bonuses, taking into account the directors' performance, in view of the proposed goals. For the past 5 fiscal years, the conditions on which depended the payment of variable remuneration, have not been fulfilled.

**80. Compensation paid or owed to former executive directors regarding the termination of their duties during the year.**

No compensation has been paid or was due to former Executive Board Members regarding termination of service during the 2016 fiscal year.

**81. Indication of the annual remuneration earned on aggregate and individually by members of the company's supervisory board of directors pursuant to Law No. 28/2009 of June 19.**

The members of the Audit Committee do not receive any remuneration for their functions.

**82. Details of the Chairman of the General Assembly's remuneration, in the reference year.**

The Chairman of the General Assembly does not receive any remuneration for his/her functions.

<b>V. Agreements with Implied Remuneration</b>
--

**83. Contractual limitations provided for any compensation to be paid upon dismissal without just cause of a director, and its relationship with the variable component of the remuneration.**

There are no contractual limitations for compensation to be paid to a Board Member upon dismissal without just cause, this matter being subject to the relevant laws.

**84. Reference to the existence and description with details of the amounts involved, of agreements between the company and members of the board of directors and officers, as per paragraph 3 of Article 248.-B of the Portuguese Securities Code, providing for compensation in case of dismissal without just cause or termination of employment following a change of company control. (Article 245-A, paragraph 1, subheading I)).**

There are no agreements between the Company and members of the Board of Directors and Officers, in the sense of Article 248-B, paragraph 3 of the Portuguese Securities Code, providing for compensation in case of resignation, dismissal without just cause or termination of employment following a change in control of the Company.

<b>VI. Allocation of shares plans or stock options</b>
--

**85. Plan name and its recipients.**

The Company does not have in effect any remuneration measures, which allow for the allocation of shares and/or of any other incentive program with shares.

**86. Plan details (terms of allocation, clauses forbidding transfer of shares, criteria on the share price and the exercise price of the options, the period during which the options may be exercised, types of shares or options to be allocated, existence of incentives for purchasing shares and/or exercise options).**

Not applicable.

**87. Option rights allocated for purchasing shares ('stock options') that benefit employees and collaborators of the company.**

Not applicable.

**88. Control mechanisms provided for any system of employee participation in the capital to the extent that voting rights are not exercised directly by them (Article 245-A, paragraph 1, subparagraph e).**

Not applicable

## **B. TRANSACTIONS WITH RELATED PARTIES**

### **I. Control mechanisms and procedures**

**89. Mechanisms implemented by the Company for purposes of monitoring transactions with related parties (for this purpose pls. refer to the concept resulting from IAS 24).**

Transactions of significant importance with qualified shareholders, or any related entities, pursuant to Article 20 of the Portuguese Securities Code, are submitted to preliminary approval of the Audit Committee. This body establishes the necessary procedures and criteria for the definition of the relevance of such transactions, which are described in paragraph 91.

**90. Indication of the transactions, which were subject to control in the reference year.**

During FY 2017 there were no transactions between the company and qualified shareholders, or any related entities pursuant to Article 20 of the Securities Code, which were subject to control by the Audit Committee.

**91. Description of the applicable procedures and criteria for intervention by the supervisory body for the purpose of preliminary assessment of the transactions to take place between the company and qualified shareholders or entities that have any relationship with them, pursuant to Article 20 of the Portuguese Securities Code.**

The transactions of significant importance with qualified shareholders or any related entities, pursuant to Article 20 of the Portuguese Securities Code, are submitted for preliminary approval by the Audit Committee.

Transactions considered to be significantly important are those that are not part of the current activities of the company or of its qualified shareholders, or entities with which they are in one of the situations listed in Article 20 of the Portuguese Securities Code.

In turn and in view of the provisions of Article 246, paragraph 3, subheading c) of the Portuguese Securities Code, are further considered as transactions with significant importance those that significantly affect the financial position or the performance of the company.

All transactions between, on the one hand the Company, and on the other the qualified shareholders or entities with which they are in one of the situations listed in Article 20 of the Portuguese Securities Code, are identified in the Notes to the Consolidated Financial Statements of the Annual Report and Accounts.

## II. Elements Relating to the Transactions

**92. Indication of the location of the financial statements where information is available on transactions with related parties, pursuant to IAS 24, or alternatively the reproduction of such information.**

The main elements of businesses with related parties, pursuant to IAS 24, including the transactions and operations between the Company and the qualified shareholders and related entities, are described in the Annexes to the financial statements of the 2016 Report and Accounts.

## PART II - EVALUATION OF CORPORATE GOVERNANCE

### 1. Name of the Corporate Governance Code adopted

**The Corporate Governance Code to which the company is subject or has decided to voluntarily submit should be indicated, pursuant to and for the purposes of Article 2 of this Regulation.**

**The location where the texts of the corporate governance codes are available to the public to which the issuer is subject (Article 245-A, paragraph 1, subheading p)) should be indicated.**

Within the framework of the corporate governance models authorised by the Portuguese Companies Code, Reditus has adopted the one-tier model that integrates as company bodies the General Assembly, the Board of Directors, the Audit Committee and the Statutory Auditor.

The texts of the corporate governance rules are available on the company website and were also made public through the CMVM's (Portuguese Securities Market Commission) website.

## 2. Analysis of compliance with the adopted Corporate Governance Code

Reditus believes that, notwithstanding the failure to fully comply with the recommendations of CMVM, as explained in detail in the table below, the extent of adoption of the recommendations is quite broad and thorough.

The table below lists the CMVM's recommendations laid down in that code, specifying whether they were or were not fully adopted and the location in this report where these are described in greater detail.

Recommendation	Information on adoption	Description in the report
<b>I. VOTING AND COMPANY CONTROL</b>		
<b>I.1.</b> Companies should encourage their shareholders to attend and vote at general meetings, namely by not setting an excessively high number of shares required to have the right to one vote and implementing the essential means to exercise the right to vote by mail and electronically.	<b>Partially adopted</b> The exercise of one's voting rights by electronic means is not provided because the Company believes, taking into account its shareholder structure and low distribution of shares that the participation of its shareholders in general meetings through votes submitted by mail and the mechanisms of representation is completely assured.	<b>Paragraph 12</b>
<b>I. 2.</b> Companies should not adopt mechanisms, which hinder the approval of resolutions by its shareholders, namely setting a higher resolution quorum than provided by law.	<b>Adopted</b>	<b>Paragraphs 14 and 48</b>
<b>I.3.</b> Companies should not establish mechanisms, which have the effect of causing discrepancy between the right to receive dividends or to subscribe new securities and the voting rights for each common share, unless properly substantiated in the light of the long-term interests of shareholders.	<b>Adopted</b>	<b>Paragraph 12</b>

<p><b>I.4.</b> The Articles of Incorporation which provide for limiting the number of votes that may be held or exercised by a single shareholder, individually or together with other shareholders, shall also provide that at least every five years it will be subject to determination by the general meeting the amendment or keeping that statutory provision - without super quorum requirements compared to the one legally in effect - and that in said resolution, all votes issued are counted without said limitation in force.</p>	<p><b>Not applicable</b></p>	<p><b>Paragraph 12</b></p>
<p><b>I.5.</b> Measures which have the effect of requiring payments or assuming charges by the company in the event of change of control or change in the composition of the Board and which appear likely to impair the free transferability of shares and the free assessment by the shareholders of the performance of members of the Board should not be adopted.</p>	<p><b>Adopted</b></p>	<p><b>Paragraph 4</b></p>
<p><b>II. SUPERVISION, MANAGEMENT AND AUDITING</b></p>		
<p><b>II.1. SUPERVISION AND MANAGEMENT</b></p>		
<p><b>II.1.1.</b> Within the limits established by law and unless the company is of small size, the board of directors shall delegate the daily management of the company and the delegated duties should be identified in the Annual Report on Corporate Governance.</p>	<p><b>Adopted</b></p>	<p><b>Paragraph 21</b></p>
<p><b>II.1.2.</b> The Board of Directors should ensure that the company acts in accordance with its goals and should not delegate its duties, namely with regard to: i) defining the strategy and general policies of the company; ii) defining the corporate structure of the group; iii) decisions that must be considered strategic due to the amounts, risks or their special features.</p>	<p><b>Adopted</b></p>	<p><b>Paragraph 21</b></p>



<p><b>II.1.3.</b> The General and Supervisory Board, in addition to exercising the supervisory powers that are entrusted to it, must assume full responsibility to the corporate governance level by which the statutory provision or by equivalent means, the obligation of this body to comment on the strategy and major company policies must be established, setting the corporate structure of the group and the decisions that must be considered strategic due to the amounts or risks. This body should also assess compliance with the strategic plan and the implementation of key company <u>policies</u>.</p>	<p><b>Not applicable</b></p> <p>This recommendation is not applicable due to the corporate governance model adopted by Reditus.</p>	<p><b>Paragraph 15</b></p>
<p><b>II.1.4.</b> Unless the company is of small size, the Board of Directors and the General and Supervisory Board, according to the model adopted, shall create such committees that may be required to:</p> <ul style="list-style-type: none"> <li>a) Ensure a competent and independent assessment of the performance of executive directors and their overall performance as well as of other existing committees;</li> <li>b) Reflect on system structure and governance practices adopted, check its effectiveness and propose to the relevant bodies measures to be implemented towards their improvement.</li> </ul>	<p><b>Adopted</b></p>	<p><b>Paragraph 21</b></p>
<p><b>II.1.5.</b> The Board of Directors or the General and Supervisory Board, depending on the model, should set goals in terms of risk-taking and create systems for their control to ensure that the risks actually incurred are consistent with those <u>goals</u>.</p>	<p><b>Adopted</b></p>	<p><b>Paragraphs 50 to 55</b></p>
<p><b>II. 1.6.</b> The Board of Directors must include number of non-executive members to ensure effective capacity for monitoring, supervision and assessment of activities of the other members of the board.</p>	<p><b>Adopted</b></p>	<p><b>Paragraph 18</b></p>

<p><b>II. 1.7.</b> Among the non-executive directors there should be a balanced proportion of independent members, taking into account the governance model adopted, the size of the company, its shareholder structure and the respective free float.</p>	<p><b>Not Adopted</b></p>	<p><b>Paragraph 18</b></p>
<p>The independence of the members of the General and Supervisory Board and the members of the Audit Committee is assessed in accordance with applicable law and as to the other members of the Board of Directors, a person is considered independent when he/she is not associated with any specific interest group in the company nor under any circumstance likely of affecting his/her capacity of unbiased analysis or decision, namely by virtue of:</p> <ul style="list-style-type: none"> <li>a. Having been an employee of the company or a company with which he/she is in a control or group relationship, in the past three years;</li> <li>b. Having in the past three years provided services or established significant business relationship with the company or company with which he/she is in a control or group relationship, either directly or as a partner, director, manager or officer of a legal entity;</li> <li>c. Being a beneficiary of remuneration paid by the company or by a company with which he/she is in a control or group relationship, besides the remuneration arising from the exercise of the duties of a director;</li> <li>d. Living in a common law marriage or being a spouse, relative or kin in line of descent to the third degree, including in a collateral line, of board members or natural persons who are directly or indirectly qualified shareholders;</li> </ul> <p>Being a qualified shareholder or representative of a qualified shareholder.</p>		
<p><b>II.1.8.</b> The directors performing executive duties shall, when requested by other Board Members, provide in a timely and appropriate manner, the information requested.</p>	<p><b>Adopted</b></p>	<p><b>Paragraph 21</b></p>

<p><b>II. 1.9.</b> The chairman of the board of executive directors or Executive Board shall provide, as applicable, to the Chairman of the Board of Directors, the Chairman of the Supervisory Board, the Chairman of the Audit Committee, the Chairman of the General and Supervisory Board and the Chairman of the Commission for Financial Affairs, the convening notices and minutes of the respective meetings.</p>	<p><b>Adopted</b></p>	<p><b>Paragraph 21</b></p>
---	-----------------------	----------------------------

<p><b>II.1.10.</b> If the Chairman of the Board of Directors has executive duties, this body should appoint from among its members, an independent director to ensure the coordination of the works of other non-executive members and the conditions so that these may make decisions in an independent and informed manner or find an equivalent mechanism to ensure such coordination.</p>	<p><b>Partially Adopted</b></p>	<p><b>Paragraph 21</b></p>
	<p>The Board of Directors appointed his member, Mr. José Gatta, although not considered independent, to ensure the coordination of the work of other non-executive and executive directors.</p>	

## II.2. SUPERVISION

<p><b>II. 2.1.</b> Depending on the applicable model, the Chairman of the Supervisory Board, the Audit Committee or the Commission for Financial Affairs should be independent in accordance with the applicable legal criterion and be adequately capable to exercise the respective duties.</p>	<p><b>Adopted</b></p>	<p><b>Paragraph 32</b></p>
	<p>The Chairman of the Audit Committee, Dr Armando Jorge de Carvalho Costa e Silva is independent and qualified for these functions.</p>	

<p><b>II. 2.2.</b> The supervisory body should be the main partner of the external auditor and the first recipient of his reports, and be responsible namely to propose the respective remuneration and to ensure that within the company, the appropriate conditions for provision of services are provided.</p>	<p><b>Adopted</b></p>	<p><b>Paragraphs 32 and 33</b></p>
---	-----------------------	------------------------------------

<p><b>II.2.3.</b> The supervisory board shall assess the external auditor annually and propose to the competent body his dismissal or termination of the provision of services contract whenever there is just cause for this purpose.</p>	<p><b>Adopted</b></p>	<p><b>Paragraph 45</b></p>
--	-----------------------	----------------------------

<p><b>II.2.4.</b> The supervisory body must assess the operation of internal control and risk management systems and propose any adjustments that may be required.</p>	<p><b>Adopted</b></p>	<p><b>Paragraph 21</b></p>
--	-----------------------	----------------------------

<p><b>II.2.5.</b> The Audit Committee, the General and Supervisory Board, and the Supervisory Board must rule on the work plans and the resources for internal audit services and the services that ensure compliance with the rules applicable to the company (compliance services) and should receive the reports conducted by these services at least when matters at issue are related to accountability or resolution of conflicts of interest and to the detection of potential wrongdoings.</p>	<p><b>Adopted</b></p>	<p><b>Paragraph 51</b></p>
--	-----------------------	----------------------------

### II.3. REMUNERATIONS SETTING

<p><b>II.3.1.</b> All members of the Remuneration Committee or equivalent should be independent of the executive members of the board of directors and include at least one member with knowledge and experience in matters of remuneration policy.</p>	<p><b>Adopted</b></p>	<p><b>Paragraphs 67 and 68</b></p>
---	-----------------------	------------------------------------

<p><b>II. 3.2.</b> Any natural or legal person who provides or has provided in the past three years, services to any entity within the facilities of the board of directors, the actual company's management or who has a current relationship with the company or consultants for the company should not be hired to assist the Remuneration Committee in performing its functions. This recommendation also applies to any natural or legal person who is in a relationship by virtue of an employment contract or provision of services.</p>	<p><b>Adopted</b></p>	<p><b>Paragraph 67</b></p>
---	-----------------------	----------------------------

<p><b>II.3.3.</b> The declaration on the board and supervisory bodies members remunerations policy referred by article 2 of Law 28/2009, June 19, should contain, additionally:</p> <p>a) Identification and explanation of the criteria for determining the remuneration to be paid to members of the corporate bodies;</p> <p>b) Information on the potential maximum amount in individual terms and the potential maximum amount in aggregate terms, to be paid to members of corporate bodies and identification of the circumstances under which these maximum amounts may be due;</p> <p>d) Information regarding the enforceability or unenforceability of payments for the dismissal or termination of appointment of directors.</p>	<p><b>Partially Adopted</b></p>	<p><b>Paragraph 69</b></p>
<p><b>II. 3.4.</b> The proposal concerning approval of plans for the allocation of shares and/or purchase of stock options or based on variations in the share prices to members of corporate bodies must be submitted to the General Meeting. The proposal should contain all the necessary elements for a correct assessment of the plan.</p>	<p><b>Not applicable</b></p>	<p><b>Paragraph 85</b></p>
<p><b>II. 3.5.</b> The proposal concerning approval of any system of retirement benefits established for members of the corporate bodies must be submitted to the General Meeting. The proposal should contain all the elements necessary for a proper assessment of the system.</p>	<p><b>Not applicable</b></p>	<p><b>Paragraph 76</b></p>
<p><b>III. REMUNERATIONS</b></p>		
<p><b>III.1.</b> The remuneration of executive members of the board of directors must be based on actual performance and discourage excessive <u>risk-taking</u>.</p>	<p><b>Adopted</b></p>	<p><b>Paragraphs 69 and 70</b></p>
<p><b>III.3.</b> The variable component of remuneration should be reasonable in relation to the fixed component of remuneration and ceilings should be set for all components.</p>	<p><b>Not Adopted</b></p>	<p><b>Paragraph 69</b></p>
<p>The company has not determined maximum ceilings for all remuneration components</p>		

<p>III.2. The remuneration of non-executive members of the board of directors and the remuneration of the members of the supervisory board shall not include any component whose amount depends on the <u>performance of the company or of its value.</u></p>	<p><b>Adopted</b></p>	<p><b>Paragraphs 69 and 70</b></p>
<p>III.4. A significant portion of the variable remuneration should be deferred for a period of no less than three years, and the right to receive it should depend on the continued positive performance of the company during that period.</p>	<p><b>Not applicable</b></p>	<p><b>Paragraph 72</b></p>
<p>III.5. The members of the Board of Directors should not enter into any contracts with the company or third parties, which have the effect of mitigating the risk inherent in the fluctuation of their remuneration set by the Company</p>	<p><b>Adopted</b></p>	<p><b>Paragraph 73</b></p>
<p>III.6. Until the end of their mandate, executive directors must hold the company's shares that they have obtained by virtue of variable remuneration schemes, up to twice the amount of the total annual remuneration, except those that must be sold in order to pay <u>for capital-gain taxes</u> of . . . .</p>	<p><b>Not applicable</b></p>	<p><b>Paragraph 73</b></p>
<p>III.7. When the variable remuneration includes stock options; the start of the exercise period must be deferred for a period of no less than three years.</p>	<p><b>Not applicable</b></p>	<p><b>Paragraph 74</b></p>
<p>III.8. When the dismissal of a board member is not due to serious breach of his duties nor to unfitness for the normal exercise of his duties, but still attributable to poor performance, the company should be endowed with adequate and necessary legal instruments so that any damages or compensation, beyond the legally due, cannot be demanded.</p>	<p><b>Not Adopted</b></p>	<p><b>Paragraph 83</b></p>

#### IV. AUDITING

**IV.1.** The external auditor must, within the scope of his duties, verify the implementation of remuneration policies and systems of the corporate bodies, the efficiency and operation of the internal control mechanisms and report any shortcomings to the company's supervisory board.

**Adopted**

**Paragraphs  
38 and 50**

**IV.2.** The company or any entities maintaining a controlling relationship with it should not hire the external auditor, or any entities, which are in the same group or are part of the same network, for services other than audit services. If there are reasons for hiring such services - which must be approved by the supervisory board and explained in its Annual Report on Corporate Governance - they should not amount to more than 30% of the total value of services rendered to the company.

**Adopted**

**Paragraphs  
46 and 47**

**IV.3.** The companies should promote the rotation of auditors after two or three terms depending on if these are of four or three years respectively. Its continuance beyond this period must be based on a specific opinion by the supervisory board, which specifically considers the conditions of auditor independence and the benefits and costs of replacement.

**Adopted**

**Paragraph  
44**

#### V. CONFLICT OF INTEREST AND TRANSACTIONS WITH RELATED PARTIES

**V.1.** Transactions between the company and qualified shareholders or entities that are in a relationship with them, pursuant to Article 20 of the Portuguese Securities Code shall be carried out under normal market conditions.

**Adopted**

**Paragraph  
92**

<b>V.2.</b> The supervisory or monitoring body must establish procedures and criteria required to define the relevant importance level of transactions with qualified shareholders – or with entities in any of the relationships provided for in paragraph 1 of Article 20 of the Portuguese Securities Code – the transactions of significant importance being <u>dependent on prior approval of said body.</u>	<b>Adopted</b>	<b>Paragraph 89</b>
---	----------------	---------------------

## VI. INFORMATION

<b>VI.1.</b> Companies should provide through its web sites in Portuguese and English, access to information about its evolution and its current reality in economic, financial and governance terms.	<b>Adopted</b>	<b>Paragraphs 59 to 65</b>
---	----------------	----------------------------

<b>VI.2.</b> Companies should ensure the existence of an investor support office and permanent contact with the market, responding to requests from investors in a timely manner and a registry of requests submitted and the handling that was given should be maintained.	<b>Adopted</b>	<b>Paragraphs 56 to 58</b>
---	----------------	----------------------------

### 3. Other information

The company should provide any additional elements or information that, if not found expressed in the preceding paragraphs, are relevant to understanding the model and governance practices adopted.

Reditus does not have any elements or additional information relevant to understanding the model and governance practices adopted.



## PART IV – AUDIT REPORTS

### Legal Certification and Audit Report of Consolidated Accounts

*(Introduzir Relatório em Inglês, prestando atenção a que Conselho Fiscal deve ser traduzido como Audit Committee)*



4

#### CERTIFICAÇÃO LEGAL DAS CONTAS E RELATÓRIO DE AUDITORIA SOBRE A INFORMAÇÃO FINANCEIRA CONSOLIDADA

##### RELATO SOBRE A AUDITORIA DAS DEMONSTRAÇÕES FINANCEIRAS CONSOLIDADA

###### Opinião

Auditámos as demonstrações financeiras consolidadas anexas da **Reditus, Sociedade Gestora de Participações Sociais, S.A.**, (o Grupo) que compreendem a demonstração da posição financeira consolidada em 31 de dezembro de 2017 (que evidencia um total de 171.184.570 euros e um total de capital próprio de 30.900.607 euros, incluindo um resultado líquido consolidado atribuível ao Grupo negativo de 1.595.931 euros), a demonstração dos resultados consolidados, a demonstração consolidada do rendimento integral, a demonstração consolidada das alterações no capital próprio e a demonstração dos fluxos de caixa consolidados relativos ao ano findo naquela data, e as notas anexas às demonstrações financeiras consolidadas que incluem um resumo das políticas contabilísticas significativas.

Em nossa opinião, as demonstrações financeiras consolidadas anexas apresentam de forma verdadeira e apropriada, em todos os aspetos materiais, a posição financeira consolidada da **Reditus, Sociedade Gestora de Participações Sociais, S.A.**, em 31 de dezembro de 2017 e o seu desempenho financeiro e fluxos de caixa consolidados relativos ao ano findo naquela data de acordo com as Normas Internacionais de Relato Financeiro (IFRS) tal como adotadas na União Europeia.

###### Bases para a opinião

A nossa auditoria foi efetuada de acordo com as Normas Internacionais de Auditoria (ISA) e demais normas e orientações técnicas e éticas da Ordem dos Revisores Oficiais de Contas. As nossas responsabilidades nos termos dessas normas estão descritas na secção "Responsabilidade do auditor pela auditoria das demonstrações financeiras consolidadas" abaixo. Somos independentes das entidades que compõem o Grupo nos termos da lei e cumprimos os demais requisitos éticos nos termos do código de ética da Ordem dos Revisores Oficiais de Contas.

Rua Frederico do Sávieiro 6, 3º A  
1300-509 Lisboa / Portugal  
Tel / Fax: +351 213 602 500 / 01  
auren.lisboa@auren.pt

AUREN AUDITORES

AUREN AUDITORES & ASSOCIADOS, SROC, S.A.  
Inscrição O R O C n.º 123 Registo C. M. V. M. n.º 6158 Matrícula C. R. C. Lisboa n.º 12772 Capital: € 75 000 NIF/NAT: 503 373 865

**Reditus, Sociedade Gestora de Participações Sociais, S.A**  
**Certificação Legal das Contas e Relatório de Auditoria das Contas Consolidadas**

2



Estamos convictos de que a prova de auditoria que obtivemos é suficiente e apropriada para proporcionar uma base para a nossa opinião.

**Incerteza material relacionada com a continuidade**

Conforme se encontra divulgado na nota 2.1 Bases de Apresentação das Notas às Demonstrações Financeiras Consolidadas, o elevado nível de endividamento bancário e o atraso continuado no repatriamento das divisas do mercado africano tem limitado a liquidez de tesouraria do Grupo, condicionando o cumprimento atempado das suas obrigações com terceiros.

Por outro lado, na nota 14. Outras Informações – Plano de Continuidade do Relatório Consolidado de Gestão da responsabilidade da Administração do Grupo estão divulgadas as medidas concretas que já se encontram em curso e que consideram que permitem reequilibrar os fluxos de tesouraria do Grupo, realizar os seus ativos e liquidar os seus passivos no âmbito normal da sua atividade.

Considerando as provas de auditoria recolhidas sobre a informação da evolução favorável das medidas em curso, a nossa opinião não é modificada com respeito à adequada utilização do pressuposto da continuidade na preparação das demonstrações financeiras do Grupo.

**Ênfase**

Conforme divulgado na nota 15 das notas às demonstrações financeiras consolidadas, a rubrica de clientes inclui o montante de cerca de 56.500.000 euros a receber de entidades Angolanas, que representam cerca de 33% do ativo do Grupo e 183% do capital próprio. Face ao contexto da economia Angolana, cujas dificuldades no repatriamento têm dificultado o recebimento deste valor, referente a faturas emitidas entre 2013 e 2017, o Grupo tem vindo a negociar a sua liquidação através do plafond protocolado para cobertura de riscos de crédito à exportação de bens, equipamentos e serviços de Portugal para Angola, com cobertura de seguro de crédito da COSEC- Companhia de Seguro de Créditos, SA., sendo convicção da Administração que desses créditos, cerca de 30.000.000 euros, serão recebidos ainda no decorrer de 2018.

A nossa opinião não é modificada em relação a esta matéria.

**Matérias relevantes de auditoria**

As matérias relevantes de auditoria são as que, no nosso julgamento profissional, tiveram maior importância na auditoria das demonstrações financeiras consolidadas do ano corrente. Essas matérias foram consideradas no contexto da auditoria das demonstrações financeiras consolidadas como um todo, e na formação da opinião, e não emitimos uma opinião separada sobre essas matérias.

Considerámos na auditoria as seguintes matérias relevantes:



**Reditus, Sociedade Gestora de Participações Sociais, S.A**  
**Certificação Legal das Contas e Relatório de Auditoria das Contas Consolidadas**

3

Matéria relevante de auditoria	Síntese da resposta de auditoria
<b>1. Imparidade do Goodwill</b>	
<p>Divulgações relacionadas com a avaliação do Goodwill apresentadas nas notas 2.7 e 4 das Notas às Demonstrações Financeiras Consolidadas.</p> <p>Conforme divulgado na nota 9, em 31 de dezembro de 2017, o valor líquido contabilístico do Goodwill ascendia a cerca de 41.500.000 euros, representando 24 % do total do ativo</p> <p>Devendo o Goodwill ser sujeito a testes de imparidade anuais, ou caso haja indícios de imparidade, o Grupo recorreu a uma entidade independente para efetuar um relatório de avaliação. Este estudo foi efetuado com base num conjunto de estimativas e pressupostos assentes em previsões económicas e de mercado efetuadas pela Gestão.</p> <p>Assim, a verificação dos cálculos e pressupostos subjacentes às avaliações efetuadas no âmbito da imparidade do Goodwill constitui uma matéria relevante de auditoria.</p>	<p>No âmbito da nossa auditoria efetuámos, entre outros, os seguintes procedimentos:</p> <ul style="list-style-type: none"> <li>- Obtenção do relatório independente de avaliação do Goodwill;</li> <li>- Confirmação da idoneidade, competência e independência da entidade que efetuou o relatório;</li> <li>- Entendimento do modelo de imparidade utilizado;</li> <li>- Validação dos cálculos, analisando com espírito crítico os pressupostos utilizados, no que concerne à verificação da taxa de custo médio de capital;</li> <li>- Confirmação de que o valor obtido no relatório de avaliação do Goodwill é superior ao montante registado nas demonstrações financeiras a 31 de dezembro de 2017;</li> <li>- Verificação e consistência das divulgações efetuadas nas demonstrações financeiras consolidadas.</li> </ul>
<b>2. Reconhecimento do rédito</b>	
<p>Conforme divulgado nas notas 2.20 e 4 do Anexo às Demonstrações Financeiras Consolidadas, o reconhecimento do rédito associado a projetos plurianuais, requer análises e estimativas por parte do órgão de gestão no que concerne à fase de acabamento dos projetos em curso à data da informação financeira,</p> <p>Uma vez que este tipo de contratos representa uma parte significativa da atividade do Grupo, a sua análise e validação constitui uma matéria relevante de auditoria.</p>	<p>Analisámos a política de reconhecimento do rédito adotada pelo Grupo tendo em conta as normas aplicáveis.</p> <p>Os nossos procedimentos de auditoria incluíram, entre outros, os seguintes:</p> <ul style="list-style-type: none"> <li>- Análise dos procedimentos de controlo instituídos, relacionado com o processo de reconhecimento do rédito;</li> <li>- Análise crítica das estimativas e pressupostos efetuados pelo órgão de gestão em relação à faturação e gastos a incorrer face aos contratos;</li> <li>- Realização de procedimentos substantivos analíticos e testes aos mapas de suporte ao apuramento dos registos contabilísticos;</li> <li>- Avaliação da adequação das divulgações efetuadas nas demonstrações financeiras consolidadas.</li> </ul>
<b>3. Exposição internacional</b>	
<p>Conforme divulgado no Relatório consolidado de Gestão, o Grupo desenvolve a sua atividade</p>	<p>Os nossos procedimentos de auditoria incluíram, entre outros, os seguintes:</p>



4

**Reditus, Sociedade Gestora de Participações Sociais, S.A.**  
**Certificação Legal das Contas e Relatório de Auditoria das Contas Consolidadas**

<p>em diversas geografias. No exercício de 2017, as operações fora de Portugal (essencialmente no mercado africano) representaram cerca de 54% do total do rédito consolidado.</p> <p>Conforme referido na nota 3 do Anexo às Demonstrações Financeiras Consolidadas, esta exposição internacional origina riscos para o Grupo, nomeadamente risco cambial e risco de liquidez.</p> <p>Os valores a receber sobre entidades públicas Angolanas, onde o contexto de mercado pressupõe dificuldades no repatriamento de capitais, ascendem a cerca de 56 500 000 euros (33% do Ativo consolidado), pelo que consideramos esta área uma matéria relevante de auditoria.</p>	<ul style="list-style-type: none"> <li>- Validação do grau de exposição a geografias de elevado risco cambial e de liquidez, nomeadamente ao nível de imparidades;</li> <li>- Análise da documentação e dos elementos trocadas entre as entidades envolvidas no sentido de avaliarmos sobre a boa prossecução dos projetos em curso;</li> <li>- Verificação da conversão cambial das demonstrações financeiras das subsidiárias das referidas geografias;</li> <li>- Análise do plano de tesouraria para 2018, e seguintes</li> <li>- Avaliação da adequação das divulgações efetuadas nas demonstrações financeiras consolidadas.</li> </ul>
<p><b>4. Auditoria a Grupos - componentes auditadas por outros auditores</b></p> <p>A revisão legal das contas das empresas pertencentes ao perímetro de consolidação das contas da Reditus, SGPS, referidas na nota 5 do Anexo às Demonstrações Financeiras Consolidadas, é assegurada por outra sociedade de revisores oficiais de contas (ROC), pelo que consideramos esta situação uma matéria relevante de auditoria.</p>	

Conforme preconizado pela ISA 600 "Auditoria a Grupos", deve ser obtida prova de auditoria suficiente e apropriada sobre as demonstrações financeiras do Grupo, pelo que efetuámos diversos procedimentos de auditoria, de entre os quais salientamos:

- Estabelecimento de plano de auditoria do Grupo, com instruções de trabalho para o desenvolvimento da auditoria ao Grupo;
- Reuniões com o ROC das componentes no início, durante e após a comunicação das matérias relevantes, obtendo esclarecimentos e consultado papéis de trabalho para as referidas matérias, e
- Obtenção das Certificações Legais de Contas emitidas pelo ROC.

**Outras matérias**

As demonstrações financeiras da Reditus, Sociedade Gestora de Participações Sociais, S.A. relativas ao ano findo em 31 de dezembro de 2016 foram auditadas por outro auditor que expressou uma opinião sem reservas e com uma ênfase sobre a alienação da participada ROFF SA, ocorrida naquele exercício.

**Responsabilidades do órgão de gestão e do órgão de fiscalização pelas demonstrações financeiras consolidadas**

O órgão de gestão é responsável pela:

**Reditus, Sociedade Gestora de Participações Sociais, S.A**  
**Certificação Legal das Contas e Relatório de Auditoria das Contas Consolidadas**

- preparação de demonstrações financeiras consolidadas que apresentem de forma verdadeira e apropriada a posição financeira do conjunto de empresas incluídas na consolidação e o seu desempenho financeiro consolidado e os seus fluxos de caixa consolidados de acordo com as Normas Internacionais de Relato Financeiro (IFRS) tal como adotadas na União Europeia;
- elaboração do relatório de gestão, incluindo o relatório de governo societário, nos termos legais e regulamentares aplicáveis;
- criação e manutenção de um sistema de controlo interno apropriado para permitir a preparação de demonstrações financeiras consolidadas isentas de distorção material devida a fraude ou erro;
- a adoção de políticas e critérios contabilísticos adequados nas circunstâncias; e
- a avaliação da capacidade do Grupo de se manter em continuidade, divulgando, quando aplicável, as matérias que possam suscitar dúvidas significativas sobre a continuidade das atividades.

O órgão de fiscalização é responsável pela supervisão do processo de preparação e divulgação da informação financeira do Grupo.

**Responsabilidades do auditor pela auditoria das demonstrações financeiras consolidadas**

A nossa responsabilidade consiste em obter segurança razoável sobre se as demonstrações financeiras consolidadas como um todo estão isentas de distorções materiais devido a fraude ou erro, e emitir um relatório onde conste a nossa opinião. Segurança razoável é um nível elevado de segurança, mas não é uma garantia de que uma auditoria executada de acordo com as ISA detetará sempre uma distorção material quando exista. As distorções podem ter origem em fraude ou erro e são consideradas materiais se, isoladas ou conjuntamente, se possa razoavelmente esperar que influenciem decisões económicas dos utilizadores tomadas com base nessas demonstrações financeiras.

Como parte de uma auditoria de acordo com as ISA, fazemos julgamentos profissionais e mantemos ceticismo profissional durante a auditoria e também:

- identificamos e avaliamos os riscos de distorção material das demonstrações financeiras consolidadas, devido a fraude ou a erro, concebemos e executamos procedimentos de auditoria que respondam a esses riscos, e obtemos prova de auditoria que seja suficiente e apropriada para proporcionar uma base para a nossa opinião. O risco de não detetar uma distorção material devido a fraude é maior do que o risco de não detetar uma distorção material devido a erro, dado que a fraude pode envolver conluio, falsificação, omissões intencionais, falsas declarações ou sobreposição ao controlo interno;
- obtemos uma compreensão do controlo interno relevante para a auditoria com o objetivo de conceber procedimentos de auditoria que sejam apropriados nas circunstâncias, mas não para expressar uma opinião sobre a eficácia do controlo interno do Grupo;
- avaliamos a adequação das políticas contabilísticas usadas e a razoabilidade das estimativas contabilísticas e respetivas divulgações feitas pelo órgão de gestão;
- concluimos sobre a apropriação do uso, pelo órgão de gestão, do pressuposto da continuidade e, com base na prova de auditoria obtida, se existe qualquer incerteza material relacionada com acontecimentos ou condições que possam suscitar dúvidas significativas sobre a capacidade do Grupo para dar continuidade às suas



atividades. Se concluirmos que existe uma incerteza material, devemos chamar a atenção no nosso relatório para as divulgações relacionadas incluídas nas demonstrações financeiras ou, caso essas divulgações não sejam adequadas, modificar a nossa opinião. As nossas conclusões são baseadas na prova de auditoria obtida até à data do nosso relatório. Porém, acontecimentos ou condições futuras podem levar a que o Grupo descontinue as suas atividades:

- avaliamos a apresentação, estrutura e conteúdo global das demonstrações financeiras consolidadas, incluindo as divulgações, e se essas demonstrações financeiras representam as transações e acontecimentos subjacentes de forma a atingir uma apresentação apropriada;
- obtemos prova de auditoria suficiente e apropriada relativa à informação financeira das entidades ou atividades dentro do Grupo para expressar uma opinião sobre as demonstrações financeiras consolidadas. Somos responsáveis pela orientação, supervisão e desempenho da auditoria do Grupo e somos responsáveis finais pela nossa opinião de auditoria;
- comunicamos com os encarregados da governação, incluindo o órgão de fiscalização, entre outros assuntos, o âmbito e o calendário planeado da auditoria, e as conclusões significativas da auditoria incluindo qualquer deficiência significativa de controlo interno identificado durante a auditoria;
- das matérias que comunicamos aos encarregados da governação, incluindo o órgão de fiscalização, determinamos as que foram as mais importantes na auditoria das demonstrações financeiras consolidadas do ano corrente e que são as matérias relevantes de auditoria. Descrevemos essas matérias no nosso relatório, exceto quando a lei ou regulamento proibir a sua divulgação pública;
- declaramos ao órgão de fiscalização que cumprimos os requisitos éticos relevantes relativos à independência e comunicamos todos os relacionamentos e outras matérias que possam ser percecionadas como ameaças à nossa independência e, quando aplicável, as respetivas salvaguardas.

A nossa responsabilidade inclui ainda a verificação da concordância da informação constante do relatório de gestão com as demonstrações financeiras consolidadas, e as verificações previstas nos números 4 e 5 do artigo 451.º do Código das Sociedades Comerciais.

#### **RELATO SOBRE OUTROS REQUISITOS LEGAIS E REGULAMENTARES**

##### **Sobre o relatório de gestão**

Dando cumprimento ao artigo 451.º, n.º 3, al. e) do Código das Sociedades Comerciais, somos de parecer que o relatório de gestão foi preparado de acordo com os requisitos legais e regulamentares aplicáveis em vigor, a informação nele constante é concordante com as demonstrações consolidadas financeiras auditadas e, tendo em conta o conhecimento e apreciação sobre o Grupo, não identificámos incorreções materiais.

##### **Sobre o relatório de governo societário**

Dando cumprimento ao artigo 451.º, n.º 4 do Código das Sociedades Comerciais, somos de parecer que o relatório de governo societário inclui os elementos exigíveis à Entidade nos termos do artigo 245º-A do Código dos Valores Mobiliários, não tendo sido identificadas



**Reditus, Sociedade Gestora de Participações Sociais, S.A.**  
**Certificação Legal das Contas e Relatório de Auditoria das Contas Consolidadas**

7

incorreções materiais na informação divulgada no mesmo, cumprindo o disposto nas alíneas c), d), f), h), i) e m) do referido artigo.

**Sobre a informação não financeira prevista no artigo 508.º-G do Código das Sociedades Comerciais**

Dando cumprimento ao artigo 451.º, n.º 6 do Código das Sociedades Comerciais, informamos que o Grupo incluiu no seu relatório de gestão a demonstração não financeira prevista no artigo 508.º-G do Código das Sociedades Comerciais.


**Sobre os elementos adicionais previstos no artigo 10º do regulamento (UE) n.º 537/2014**

Dando cumprimento ao artigo 10.º do Regulamento (UE) n.º 537/2014 do Parlamento Europeu e do Conselho, de 16 de abril de 2014, e para além das matérias relevantes de auditoria acima indicadas, relatamos ainda o seguinte:

- Fomos nomeados auditores da Reditus, Sociedade Gestora de Participações Sociais, S.A pela primeira vez na assembleia geral de acionistas realizada em 31 de maio de 2017, mantendo-nos em funções até à presente data.
- O órgão de gestão confirmou-nos que não tem conhecimento da ocorrência de qualquer fraude ou suspeita de fraude com efeito material nas demonstrações financeiras. No planeamento e execução da nossa auditoria de acordo com as ISA mantivemos o ceticismo profissional e concebemos procedimentos de auditoria para responder à possibilidade de distorção material das demonstrações financeiras consolidadas devido a fraude. Em resultado do nosso trabalho não identificámos qualquer distorção material nas demonstrações financeiras consolidadas devido a fraude.
- Confirmamos que a opinião de auditoria que emitimos é consistente com o relatório adicional que preparámos e entregámos ao órgão de fiscalização do Grupo em 2 de maio de 2018.
- Declaramos que não prestámos quaisquer serviços proibidos nos termos do artigo 77.º, n.º 8, do Estatuto da Ordem dos Revisores Oficiais de Contas e que mantivemos a nossa independência face à Entidade durante a realização da auditoria.

Lisboa, 4 de maio de 2018

**AUREN Auditores & Associados, SROC, S.A.**  
(Inscrita no Registo de Auditores da CMVM sob o nº 8158)  
Representada por:



Victor Manuel Leitão Ladeiro (R.O.C. nº 651)

## **Audit Committee Report and Opinion**

### **Introduction**

In compliance with legal and statutory provisions, the Audit Committee of Reditus SGPS, S.A. hereby submits the report of its activities in the FY 2017 and the opinion about the Management Report and other consolidated accounting documents of Reditus SGPS, S.A. submitted by the Board of Directors.

### **Supervision of the Company**

The Audit Committee, during the fiscal year under review, in compliance with their supervisory duties, monitored the company's management and development of their transactions.

The Audit Committee, as part of its activity, in strict compliance with its legal obligations, assessed the accounting policies and valuation criteria used in preparation of financial information, which it deemed appropriate and also monitored the risk management system and effectiveness of the internal control system, not having had constraints whatsoever in conducting their activity. The Audit Committee has always received from the Board of Directors the collaboration requested, as well as from those employees in charge of accounting, treasury and legal services.

The Audit Committee also monitored the activity of the Statutory Auditor, supervising the work carried out and its findings, in order to safeguard his independence and to assess his performance.

The Audit Committee examined the Consolidated Management Report and the Consolidated Financial Statements for the year ended December 31<sup>st</sup>, 2017 which include the consolidated statements of financial position, consolidated profit and loss statement, consolidated statements of comprehensive income, cash flows and changes in equity and corresponding notes, the fiscal year ended on that date, prepared in accordance with International Financial Reporting Standards, as adopted by the European Union.

The Audit Committee also reviewed the Report on Corporate Governance for the FY 2017, prepared by the Board of Directors, which is annexed to the Management Report, verifying that it was prepared in compliance with Regulation 4 /2013 (Governance of Listed Companies) as issued by the CMVM (Portuguese Securities Market Commission) and that it includes, among others, the elements listed in Article 245-A of the Portuguese Securities Code.

Lastly, it analyzed and agreed with the Legal Certification of Accounts and Audit Reports on these consolidated financial statements, prepared by the Statutory Auditor.

### **Declaration of compliance**

Under Article 245, paragraph 1, subheading c) of the Portuguese Securities Code, the members of the Audit Committee declare that, to the best of their knowledge, the information contained in the Management Report and other documents of accountability was prepared in accordance with applicable accounting standards, providing a true and fair view of the assets and liabilities, financial position and profits and cash flows of the Company and the companies included in the consolidation scope. Also it is their understanding that the Management Report accurately



reflects the development of transactions, performance and position of the Company and the companies included in the consolidation scope and contains a description of the main risks and uncertainties they face.

### **Opinion**

In view of the foregoing, the Supervisory Board is of the opinion that the conditions are met for the General Assembly of Reditus, SGPS, S.A., to approve the Management Report and the Consolidated Accounts for the 2017 Fiscal Year.

Alfragide, May 4<sup>th</sup>, 2018

### **The Audit Committee,**

Dr. Armando Jorge de Carvalho Costa e Silva – President

Dr. Luis Henriques de Lancastre de Lima Raposo – Member

## PORTUGAL

### SEDE

Av. 5 de Outubro, 125, loja 2  
1050-052 Lisboa

### ESCRITÓRIOS CENTRAIS

Estrada do Seminário, 2  
Edifício Reditus  
2614-522 Alfragide

### REDITUS

Sociedade Gestora de Participações Sociais, SA

Sociedade Aberta | Sede: Av. 5 de Outubro, 125, loja 2  
1050-052 Lisboa

Capital Social: 73.193.455,00 Euros

Matriculada na C.R.C. de Lisboa com o número único de matrícula  
de Pessoa Colectiva nº 500 400 997



[www.reditus.pt](http://www.reditus.pt)