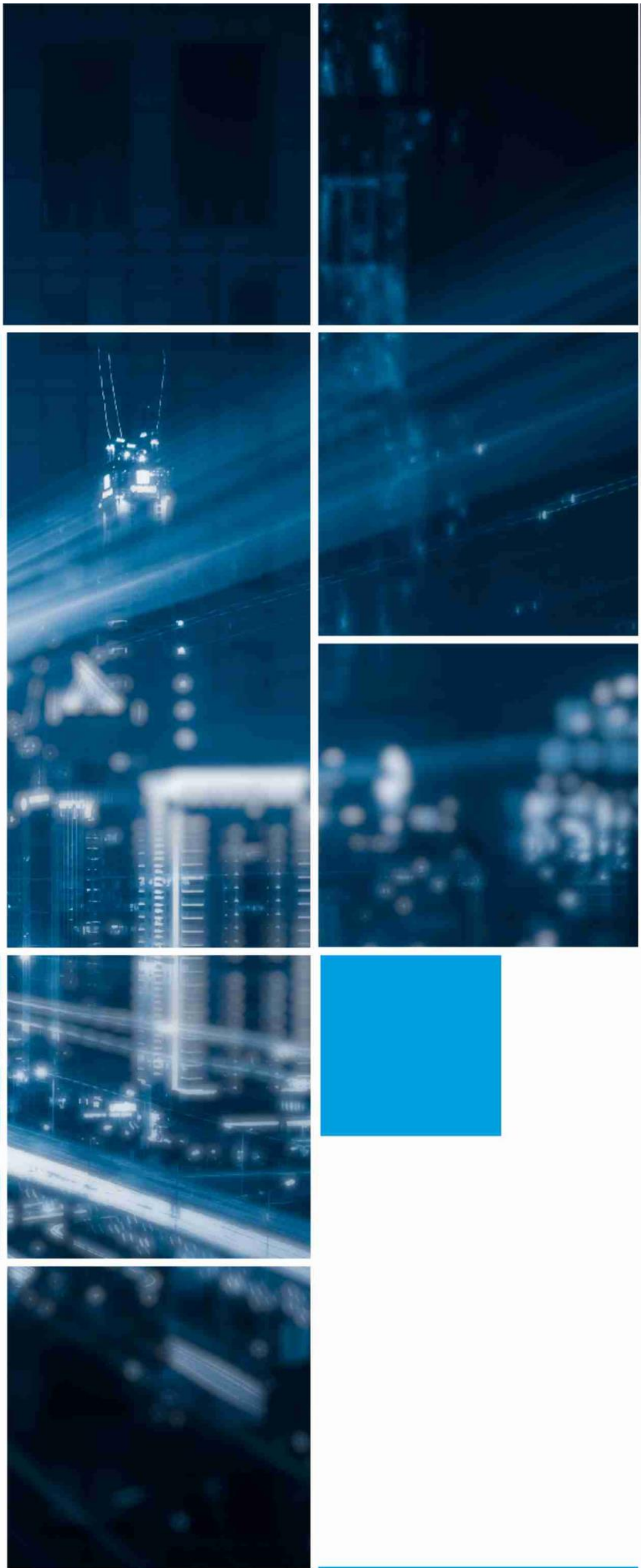

ANNUAL **REPORT** CONSOLIDATED

2019

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PART I – CONSOLIDATED MANAGEMENT REPORT

1. Message from the Chairman

Francisco Santana Ramos

Dear Shareholders,

We have been implementing a series of measures over the past few years, in order to adapt our organizational structure and fine-tune the Reditus operational model, focusing on the business areas with the greatest potential and market attractiveness.

The successeful strategy implementation, namely in what concerns the internal reorganization and the focus on core activities has, together with the recovery of the economy, the implementation of digital transformation projects by companies and the Brexit effect, opened up opportunities throughout the year for various areas of Reditus' business activities.

The operational indicators for the Reditus Group registered a positive evolution compared to the previous period, as may be seen from the positive variation recorded in the EBITDA margin and in the Net Income. Despite an EBITDA reduction of 0.5 million Euros in 2019, compared to the same period of the previous year, to 4,0 million euros, we have been able to increase the EBITDA margin, which reached 16.3%. This represents an improvement of 2.4 p.p. and 4.7 p.p., compared respectively to 2018 and 2017.

Net Income reached a positive 49 thousand Euros, which means a positive variation of 3.01 million Euros over to the same period last year. Such result was achieved through the implementation of a policy of expenditure rationalization, namely concerning personnel costs, supply and external services and financial charges.

Operating Income decreased by 24.8% to 24.4 million Euros, vs. 32.4 million Euros in the previous year. This income reduction results from decreases in all the company's 3 business segments and results from the defined strategy of focusing in the development of projects with increased added value.

The ITO segment has seen a reduction of 20.3%, slightly above the remaining areas, and is mainly a reflection of a decrease in international projects and of a focus on higher added value projects. Such strategy led to a drop in the segment's revenues, but on the other hand influenced positively its EBTIDA and EBITDA margin.

The IT Consulting segment also suffered a 13% reduction in revenues. Its EBITDA and EBITDA margin, despite decreasing, remained positive at respectively 1.04 M€ and 6.4%.

The BPO segment has also seen a 13.0% revenue reduction, with its EBITDA and EBITDA margin remaining positive at respectively 542 K€ and 5.2%.

Revenue for the International sector in 2019 decreased by 34.8% compared to 2018, with a reduction from 41% to 35% of its weight in relation to the Group's overall revenue. With a turnover exceeding 8.5 million Euros, this sector continues to reflect Reditus' commitment to its businesses in international geographies and the sustainability of its long-term projects in the ITC and ITO segments.

Despite the economic recovery and the Group's good operating results, the final period of the year revealed new challenges. The pandemic outbreak of COVID 19 at the end of the year came however to curb the high expectations this Board had for the 2020 fiscal year.

On the basis of the forecasted GDP reduction for the various European countries, Reditus' business objectives must necessarily be re-framed in the light of such new reality. While aware of the consequences of the new business and social realities, Reditus will nevertheless continue to focus on the profitability and sustainability of its operations and in the search for new customers through the development of new product offerings and inroads into new market segments.

The economic and operational difficulties of corporations, marked by the limitations on circulation and on the opening of commercial spaces in a traditional model of offer, do nevertheless reveal a range of opportunities for Information Technology suppliers, also in client service segments, namely in the areas of customer support and retention.

In terms of Information Technologies, Reditus believes that corporations will review their plans and redefine their business processes, forcing an acceleration of digital transformation processes, which will leverage the business opportunities for IT companies in general.

Aware of this new reality, Reditus will commit to propositions that should reinforce its presence in the installed and cross-selling customer base, while fostering synergies between the different teams, enhancing existing skills and optimizing operational processes, as well as significantly increase the number of new customers as a result from the commercial alignment across the business segments.

With a major reduction in face-to-face contact points with their Customers, large organizations depend increasingly on their BPO and Contact Centers for interaction. For this reason, Reditus will greatly focus on its BPO and Contact Center services, combining the Group's technological capabilities with its widely recognized expertise in the management and transformation of our Customers' business processes.

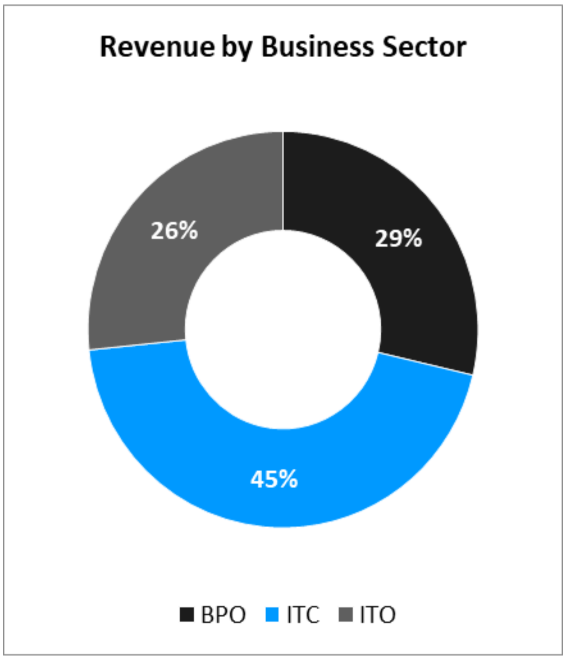
Reditus will maintain its efforts in innovation and technological development, in order to keep moving up in the sector's value chain and to deliver new solutions to current and future Customers, while maintaining high quality levels with costs that are globally adjusted to the business and the market.

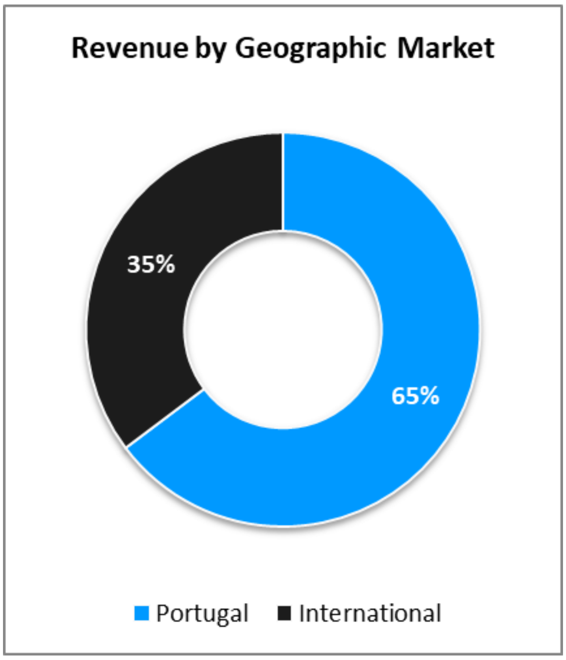
We would also like to thank our Shareholders for all the support we have received, and our employees for the commitment and dedication that have allowed us to keep providing the market with services and solutions of excellence.

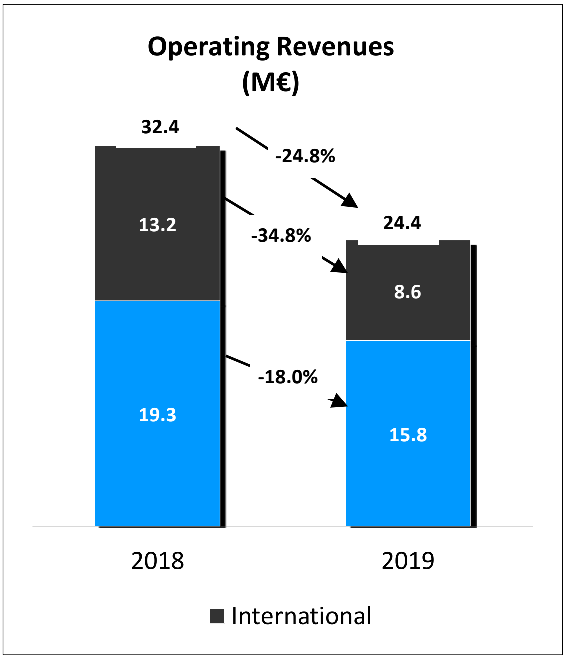
Francisco Santana Ramos

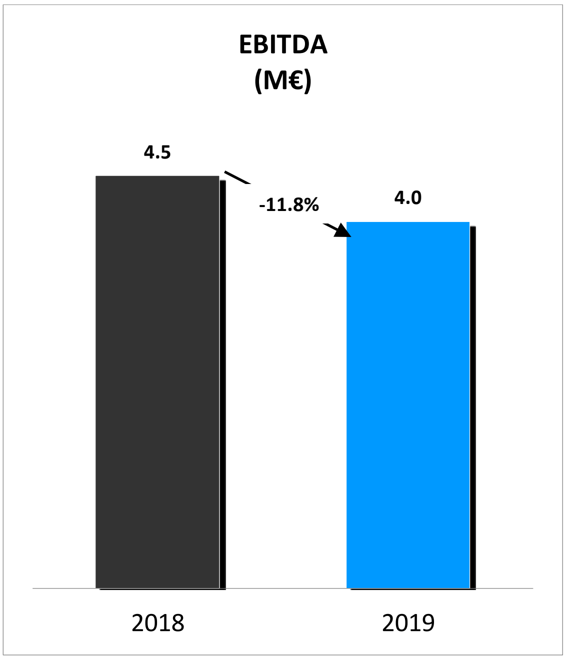
Chairman of the Board of Directors

2. Main Group Operational Indicators









3. Major Events in 2019

May

- Presentation of FY 2018 Results
- Reditus receives APCC's Best Awards for the 6th consecutive year, in the categorias Distribution & Logistics and Banking
- Presentation of 1st Quarter 2019 Results
- Annual General Shareholders Meeting

August

- Presentation of 1st Half 2019 Results

September

- Reditus celebrates the Internacional Contact Center Week.

November

- Presentation of 3rd Quarter 2019 Results

4. Macroeconomic and Sectorial Framework

4.1. Macroeconomic Background

International economy

After a temporary recovery in the first quarter, the euro-area GDP slowed again in the second quarter (from 0.4% to 0.2%, in a chain-weight basis), and did not recover the pace of growth through the end of the year. This deceleration was particularly noticeable in the main economy of the eurozone, Germany, which presented a slowdown throughout the year led by a decline of its industrial sector. Year-on-year growth in the Eurozone stood at 1.2% in the first half (against 1.9% in 2018 as a whole), with the deceleration persisting throughout the summer and autumn of 2019. The divergence between the industrial and service sectors has been evident in the eurozone and, whereas the pace of growth in the industrial gross added value has slowed significantly since the beginning of 2018, it has maintained a sustained, albeit more moderate level, for the service sector. In terms of expenditure, the contribution of domestic demand to GDP growth remained relatively stable, whereas the contribution of net exports was weak and showed a worse performance in the second half of the year. Employment growth in the euro area has remained robust, but has shown some deceleration in more export-oriented industries.

In the USA, GDP maintained a robust growth rate in the first half (2.5% year-on-year), although below that recorded in 2018 (2.9% for the whole year) and maintained a reasonable performance throughout the second half of the year. After some disturbance at the beginning of the year resulting from the closure of public services and the deterioration of consumer confidence, private consumption sustained the activity growth, in a context of a persistently positive situation in the labor market. The economic growth has nevertheless been affected by the increase in tariffs with China and by the climate of uncertainty resulting from the possibility of additional protectionist measures. Business investment remained weak and export performance was weaker than in 2018.

Among the emerging market economies with larger importance for Portuguese foreign trade, the continued and gradual deceleration of the Chinese economy stands out. Economic growth was affected by increased trade tensions, but benefited from monetary and budgetary stimulus measures, even so limited by the need to contain the debt of economic agents, in particular due to the high level of indebtedness of non-financial companies. In Brazil, economic activity continued to be significantly affected by uncertainties surrounding the economic policies and GDP growth remained weak throughout the year. Angola showed a poor performance, resulting from the level of oil prices and the lack of economic diversification.

Portuguese economy

The Portuguese economy registered a slight deceleration in economic activity, from a growth of 2.4% in 2018 to 2.2% in 2019, despite the external Portuguese economy's environment having become less favorable throughout 2019.

World trade decelerated throughout 2018 and during 2019, reflecting interrelated causes such as the announcement and adoption of protectionist measures by the United States and China and the prevalence of high levels of political uncertainty, coupled with the context of a lengthening global economic cycle. The slowdown in exports and industry also occurred in Portugal, similarly to what happened in some of our main trading partners. In contrast, the services sector remained relatively immune, which allowed for a continued favorable evolution in the labor market and an unemployment rate that fell to historically low levels. In short, the slight deceleration of activity in 2019 reflects a continued dynamism in domestic demand – of which the acceleration of GFCF across all institutional sectors should be highlighted - and a slower growth in exports.

Inflation remained particularly low in 2019, mainly due to the continuation of an expansionary monetary policy and to relatively controlled prices for oil and many raw materials. The Portuguese State's accounts showed a globally positive trajectory, with a deficit converging to a balanced situation and a continued downward trend of Public Debt as a percentage of GDP.

4.2. Sectorial Framework

The Portuguese ICT market

According to IDC, the domestic Information Technology market grew by 2.2% to 8,240 million Euros in 2019, with an expected compound annual growth of 1.5% through 2022. This evolution is however the result of an asymmetric growth in its sub-segments. On the one hand, the traditional IT market shows a recessive trend that will continue until 2021 and, on the other hand and in contrast, the accelerator markets will grow in tune with those of the third platform, at an average rate above 7%.

Always according to IDC, the third platform (*cloud, mobility, social business* and *big data*) grew 15.7% in 2017 in Portugal and the market for innovation accelerators (*IoT*-Internet of Things, *Robotics, 3D Printing,* among others) has seen a 15.2% increase. According to the same market analysts, *3rd platform* technologies and *innovation accelerators* will be responsible for almost 2/3 of the domestic ICT market, which will represent business opportunities in excess of 5,000 million Euros.

The third platform and innovation accelerators should represent 52% of the total Portuguese technology expenditure in 2020, with 25% of all corporations having ongoing digital transformation projects.

This transformation process of organizations will in turn open up other opportunities for IT suppliers, namely in terms of governance, security, privacy, agility (DevOps) and contracting strategies on the third platform. The largest Portuguese corporations will consequently have teams dedicated to digital transformation, and more than half of the organizations will commit to the Channel for the distribution and integration of services from major suppliers, with more than 50% of their revenues deriving from their Partners.

The international ICT market

At an International level, Gartner's research indicates that spending on Information Technology (IT) has reached 3,8 million euros in 2019, which represents a of 3.2% growth compared to 2018.

Gartner also estimates growth for the EMEA region, but to a lesser extent. According to this analyst, spending on Information Technology (IT) in the EMEA region increased by 2%, reaching 973 billion Dollars (about 864 billion Euros) in 2019.

Also according to Gartner, the EMEA IT market has been stagnant and the growth seen is largely due to the increase in the Euro against the US dollar exchange rate. Also according to this analyst, IT spending in the region will remain stagnant until the uncertainity surrounding Brexit is resolved.

Gartner points to a fall in the computer market in 2019, after a 9.1% decline in 2018. Smartphone growth also slowed down, from 4.7% growth in 2018 to a 1.1% drop in 2019.

According to Gartner, global software spending increased 8.4% in 2019, to 345 billion Euros.

According to IDC, such growth was driven by digital-based offerings and Operations and it is estimated that by 2022 at least 60% of global GDP will be digitized, whereby the organizations that linger in the incorporation of *digital* into their processes and products will only be able to compete for a small share of the market.

Also according to same analyst, digitization of the economies' value chains will lead to weaken boundaries between markets and regions and, consequently, to an increasing generalization of ICT market trends.

Strategic Technologies

IDC's estimates on the contribution of *digital* to global GDP make us realize that, despite its asymmetries, technological globalization is a reality with an increasing impact on the competitiveness of organizations, regardless of their size, sector of activity or geographic market of intervention

This is a trend and a distinctive sign for young corporations, which are already born within a very competitive technological environment and from which they develop their competitive advantages, but also for others with processes supported in less technologically advanced environments but whose competitiveness depends on their ability to implement swift digital transformation processes.

IDC predicts that by 2023 more than half (52%) of global GDP will derive from digitally transformed corporations. This technological evolution process will be leveraged by a range of technologies such as *Distributed Cloud*, *Artificial* Intelligence (AI), *edge computing, hyperagile* and *voice controlled user interfaces*, among others, that IDC places on the 3rd platform level and Gartner considers to be the basis of the *"smart digital network"*.

In recent years, technological trends have centered on the concept of a *smart digital networks*, in which *smart devices* provide *smart services* everywhere. According to Gartner and although this digital grid continues to be important, the 2020 trends are structured around the concept of *people-centric smart spaces*, which imply an analysis of how technologies affect people and the spaces frequented by them. These trends do not however exist in isolation but are rather supported by technologies, so corporations must decide on the most adequate technological combinations. Among the most relevant technologies, *Multicloud, Artificial Intelligence, Blockchain, Edge Computing* and *agile tools for software development* can be highlighted.

Hyper-Automation – Hyper-Automation corresponds to a state of organizational development in which corporations combine *Artificial Intelligence* with *Machine Learning* to quickly identify and automate their business processes, through the use of various tools and technologies. In addition to the development of tasks, Hyper-Automation extends to functions such as *research, analysis, design, automation, measurement, monitoring* and *reassessment*, without relying on human decisions and actions, as was the case with automation.

Multiexperience - Multiexperience replaces *people with technological knowledge* with *technology with knowledge of people*. In this trend, the traditional idea of a computer evolves from a single point of interaction to include *multisensoric* and *multitouch interfaces*, such as *wearable devices* and *advanced computer sensors*. Multiexperience *moves through the human senses*, creating a *richer and more immersive experience* that can evolve into an *environmental experience*.

Democratization – Through Democratization, users have *easy* and *low-cost access* to technical or business knowledge. It focuses on four main areas - *applicational development, data & analysis, design* and *knowledge* - and is often called "citizen access", which has led to the emergence of *citizen data scientists*, *citizen programmers* and more. This technological trend provides advice, takes action and expands the user experience. It can also reduce the timeline and increase resources for a given project.

Human Augmentation - Human Augmentation means the use of technology and science to *enhance a person's cognitive and physical experiences*. This is no longer a concept, but the introduction of computers has added a new dimension to it. The technology is now about to evolve further, allowing for the *incorporation of superhuman capabilities*, such as an *implant that connects the human brain directly to a computer* or to an *exoskeleton device* that offers *superhuman strength*. Gartner estimates that in the very short term IT organizations will extend BYOD (Bring Your Own Device) policies to BYOE (Bring Your Own Enhancement) for incorporating *increased humans* into the workforce.

Empowered Edge – Through Edge Computing, *information processing* and *data collection and delivery* become *closer to the information sources*. Information latency is reduced through the maintenance of local and distributed traffic. This includes all technologies in the Internet of Things (IoT). Empowered Edge examines how these devices widen and form the basis for smart spaces, bringing important applications and services closer to devices and the people. According to Gartner, there will be 20 times more smart devices in Edge Computing than in conventional IT functions by 2023.

Multicloud - IDC predicts a trend for corporations to adopt *hybrid* or *multicloud integrated tools and strategies* over the next four or five years. The *integration of public cloud technologies* will be the *starting point for this distributed cloud model*. To this end, multicloud service providers will initially focus on merging their own public cloud offerings with customers' locations and peripherals, providing customers an *easier deployment and management* across multiple platforms.

Autonomous Things - Autonomous Things are *physical devices* that *use AI to automate functions previously performed by humans.* They can present themeselves in a variety of forms, such as *small drones or autonomous ships* and *cars*. They are currently mostly used in closed environments, such as mines or warehouses, but will eventually *evolve into more open spaces*.

Blockchain, encryption and security – Blockchain investments are growing at a rapid pace, with IDC estimating investments of US $ 11.7 billion by 2022. This is a trend that will lead businesses to progressively participate in multiple blockchain networks to securely accommodate transaction data or as a component in applications, requiring high real-time performance and a connection to other data sources.

Encryption, more specifically *penetrating cryptography*, will cover all platforms including databases, applications, file systems, APIs and system logs, among others. IDC believes that by 2022, 50 percent of all server platforms will have some kind of penetrating encryption embedded in their operating environments and that, in conjunction with artificial intelligence, will have a major impact on cyber security for enterprises and organizations.

Artificial Intelligence Security – The growth in *AI* solutions and of potential attack points through *IoT devices* and *interconnected services* creates a *security challenge,* in terms of protecting systems and data, improving defense systems and proactively identifying attacks through the use of IA.

The Portuguese Contact Center Market

The Portuguese *Contact Center* market is covered by up to 37 companies and represents a turnover of around 800 million Euros.

The sector presents a low degree of maturity when compared to other European markets, with growth rates of 12% and 8% respectively, for 2018 and 2019.

In spite of showng a slight reduction in growth, DBK estimates that the sector will continue to show attractive growth rates of around 6% in the coming years. The launch of services associated with new technologies will also contribute to this growth.

The attractiveness of the Portuguese market led to the emergence of small companies, as well as the entry of multinationals into the local market. Its structure is nevertheless highly concentrated, with the 5 largest companies having a 72% and the 10 largest a 88% market share. This reality tends to worsen, as a result of operations led by the larger players.

As far as the Portuguese Contact Center market is concerned, we continue to assist to an increasing trend in a strategy of outsourcing a range of activities by the corporations. This externalization trend grew from 53% to 78% between 2017 and 2018, resulting from cost reduction policies and the need to easily access resources with specific skills. Such policy also leads to a concentration of relevant operations with operators specialized in the management of human resources, whereby clients assume the management and the evolution of business processes components.

In geographic terms, operations are concentrated mainly in the Lisbon region (43%); Porto (12.5%); and Coimbra (5%). Coimbra replaced Braga as the third most relevant district in what concerns *Contact Center* operations.

Inbound call traffic is the main growth driver of the sector. The invoicing in This segment’s turnover represents, with 500 million Euros, more than 67% of the sector’s total. Outbound call traffic represents on the other hand about 20% of the total of the sector’s total, with the remaining being allocated to other services, which have shown a tendency of market share growth.

According to the *Portuguese Association of Contact Centers*, the Telecommunications, Media and Financial sectors stand out as the segments of activity with the largest demand and are worth 46% of total revenues, followed by Insurance and Retail with 18% of the total.

The increase in a range of costs and the very aggressive competitive practices had not only a negative impact in the achievable margins, but also prevented a significant improvement in the sector's profitability. However and despite such competition, the increase in sales volume along with endeavours to propose new services and support technologies, new models for adding value to services and for making structures more flexible, allow us to anticipate a moderate increase in the margins for the largest suppliers.

The broadening of the services offered and the improvement of alternative communication channels, especially e-mail and social networks, together with the incorporation of technological innovations with a view to improving customer's experience in line with trend forecasts, represent the main tendencies that will shape the activity of the sector players in the short and medium term.

5. Business Overview

With a strong national and international presence, Reditus offers services and solutions in three main sectors: *IT Consulting, IT Outsourcing* and *Business Process Outsourcing*.

5.1. *IT Consulting*

The *IT Consulting* sector integrates the *Applicational Development & Integration* and *Specialized Outsourcing* segments.

Applicational Development & Integration

Reditus broadened its offering in the *IT Consulting* and IT Outsourcing segments in 2019, which are seen as those with the greatest growth potential given the group's market positioning and the business prospects.

The aspects associated with the digital transformation of organizations have been a reference in the strategy of companies and will continue to mark their IT agendas, in order to answer critical business challenges. 3rd platform technologies such as *Cloud, Mobile, Social, Big Data, IoT (Internet of Things)* or *Agile Development* solutions continue to be at the center of organizations' interests and objectives.

The area of *Application Development and Integration* saw its market positioning and visibility strengthened during 2019 through the development of projects in reference clients, which comprised solutions from *Enterprise Content Management, Analytics, Costumer Engagement* and *Business Solutions*.

We have assisted throughout the year to an increase in demand for such type of services, aimed at optimizing and rendering organizational processes more flexible, while responding quickly to new business requirements.

Reditus intends to present a range of solutions in 2020 that should:

- Leverage and reinforce cross-selling opportunities in the offer of services;
- Identify upsell opportunities in the installed base, through integrated offers;
- Propose specific solutions to entities and global operators, who may in turn leverage such offerings with their own customers.

Specialized Outsourcing

The challenges posed by an increasingly competitive global economy require ever-increasing technological competences. The shortfall in qualified technical resources on one side, and tighter budgets on the other, present increasing challenges to organizations.

Reditus has been investing in the development of differentiating solutions, through the outsourcing of highly qualified resources.

Thus and as part of a strategy aimed at enhancing market share recovery, we privileged the strengthening of synergies with leading partners, while favouring the placement of resources with higher qualifications due to their ability to generate higher margins and to generate a positive differentiation in face of the competition.

Such approach allowed us to identify strategic areas of supply, by taking into account not only their growth but also the business potentials; Reditus will therefore continue such efforts in 2020, in its path of affirmation as a key player in *SO* services with increased specialization and added value.

5.2. *IT Outsourcing*

This business sector of Reditus offers *IT Infrastructure Solutions*, composed of services and projects focused on information technology infrastructures. The services include the management, administration and support of technological platforms, in a logic of performance responsibility or functional outsourcing contracts.

The focus on *Managed Services* at customers' facilities and on *Assistance and Maintenance Services*, particularly in support of *International Partner contracts*, were the activities showing highest rates of growth. Specifically for the contracts with International Partners, a revenue growth in excess of 40% was achieved.

Reditus focused on the *segmentation of accounts* in line with our services propositions in 2019, so as to assess their true potential and to allow for the development of *marketing and communication actions* targeted at the areas to be developed. This approach furthered the focus on *internal competencies* and on the *business development* for the different offering areas, and as a result we reinforced the focus on *Managed Services, Monitoring, Hyper-Convergence* and *Cloud-Based services* in the *Infrastructures* segment

Reditus focused on the segmentation of accounts by offering areas in 2019, so as to better assess their potential and to allow for the development of dedicated marketing and communication actions specific to those to be developed. Such approach led to a focus on *internal competencies* and *business development* for the different áreas. Thus, the offers for *Managed Services, Monitoring, Hyper-Convergence* and *Cloud-based services* were reinforced in the *Infrastructures* segment.

In the areas considered strategic Reditus will maintain its line of action, with minor adjustments to the various guidelines, namely in:

- Maintenance of the installed base and canvass medium / large projects in managed services, in order to optimize resources and teams;
- Development of opportunities via international partners;
- Aggressively addressing the SME market with a *Full IT Outsourcing* offer, to leverage the Systems Management services;
- Strengthening top-level relationships with strategic partners;
- Focusing on training and certifications of the Reditus teams.

5.3. BPO

The *BPO* sector aggregates the non-technological competencies of the Reditus Group, namely *Business Process Outsourcing, Contact Center* and *Shared Services.*

The *Business Process Outsourcing* and *Contact Center* markets have reached a remarkable maturity, which results in a greater complexity of existing projects on the side of the service provider with the aim of making them friendlier for the users of such services.

In 2019 and in addition to the renewal of several *outsourcing* contracts there came up for bids, the market was also marked by an increase in the Public Administration's commitment to the outsourcing of services. This dynamic was followed by Reditus, which has succeeded in attracting new Customers and projects for this business unit.

In a scenario of full employment, personnel *hiring* presented added challenges to the sector in 2019. The contact channels with potetial candidates also continue to evolve, with a predominance othe use of social networks.

Such reality forced us to reinforce *employee retention and motivation models* in order to increase retention rates, but also to *redesign the training and integration models* for new employees.

The sophistication of business support processes and systems continues to be a major factor towards the improvment of the quality, efficiency and standardization of services, with the help of automation and robotisation techniques.

The BPO segment continued the path of increasing profitability and, consequently, of its economic sustainability. In a context of a significant increase in operating costs, Reditus was able to balance project profitability by increasing operational efficiency and focusing on the development of new businesses, which allowed it to attract new reference Customers. The widely recognized quality of the delivered services led to a ramarkable growth in the Customer installed base.

2019 also marks a period of stability in the Client Services management structure, after the changes in the previous three years. The focus was placed on the Selection and Recruitment team, as well as on the training structures specific to this Unit.

The implementation of *Robotic Process Automation (RPA)* in Contact Center and BPO operations started in 2019 and will become a commodity. As a result of the investments made in the last three years, Reditus entered 2019 with several robotization processes already in production, both in the *replacement of the human* and in the supply of *self-service IVR (Interactive Voice Response),* using *Natural Language Processing (NLP).*

There is still a fine line differentiating *outsourcing of people* and *outsourcing of services*, which leads to these two concepts being sometimes mixed-up and to value destruction in this market in Portugal. Both are valid models of outsourcing, but they should not be confused. Reditus will continue to focus on offering *service outsourcing solutions*, promoting an internal culture of innovation and sophistication not only in terms of offer, but also in terms of constantly evolving ongoing projects.

We will in 2020 strengthen our strong focus on people, including on hiring, on innovation in training formats, on retention and on motivation. We shall continue to invest in the Information Technology component associated with business processes, using our own tools and market standards, in order to dispose at all times of the best solution for our Customers.

5.4 International

Reditus maintained its commitment to the international market, particularly in the African geographies where it has traditionally operated through its subsidiaries.

The international area of Reditus in 2019 kept its relevance in terms of the Group's overall operational revenues, although its weight has been reduced from 41% to 35%, compared to the previous year. With a turnover in excess of 8,5 million Euros, it continues to reflect the commitment of Reditus to its business in international geographies and the sustainability of long-term ITC and ITO projects for various Organizations.

The international activity of Reditus is based on three distinct organizational models, namely through the creation of local delegations, the promotion of export activity, and the provision of services in nearshore, focusing on carefully selected countries where the company can bring value and explore opportunities arising from their level of development.

It is important to highlight the efforts made by Reditus in the development of the various opportunities, by obtaining projects from various Public Entities and multinational companies with special emphasis on the geography of Angola, among others, namely in *Oil & Gas, Banking, Insurance* and *Utilities*.

6. Quality and Customer Satisfaction

To increase the level of satisfaction of its Customers, the whole value generated by Reditus contributes in a decisive way to improving the efficiency of its clients' business. All the whole efforts made by the company towards developing the relationships with its customers and employees on the basis of trust are certainly not alien to that fact. Reditus kept a focus on upgrading its performance thoughout 2019, in order to maintain high levels of customer satisfaction, efficiency improvements and external recognition.

Customer Satisfaction

The changes implemented in the organizational structure and in the operational model, specializing in business segments, afforded a real development of priority activities and a more efficient management of partnerships.

Such changes made it possible to more adequately respond to customer requirements who, in our opinion, chose in 2019 to privilege suppliers with the capacity and flexibility to provide solutions that are tailorable to ever-evolving business requirements and incorporate the ability to respond to an increasingly demanding optimization of costs.

The results of Reditus' *Customer Satisfaction Surveys* reveal high satisfaction levels for the services provided. This is highly relevant and rewarding for the Group and means it has been able to maintain service standards at a very high level, along several years.

The areas showing higher satisfaction levels are in line with the goals previously set by Reditus in its business strategy for the different business segments, namely

- The competence, quality and professionalism of team members;
- The true partnership relations Reditus establishes with the client, namely it availability, flexibility and ability to respond to new challenges;
- The organizational and planning capabilities, together with the methodologies;
- And the Communication, namely in the áreas of feedback and reporting.

When analyzing the level of satisfaction by business area, we can highlight *Training, IT Consulting, Support and Engineering,* and *Managed Services,* with levels of satisfaction between 7.5 and 9.5, immediately followed by *Contact Center* and *BPO Services* with high satistaction levels above 7.5, all out of a maximum of 10.

This analysis also reveals the need to continue working to homogenize customer satisfaction levels throughout all the business segments, namely with regard to communicational aspects.

Awards and Certifications

- Reditus kept its Quality certification in ISO 9001:2015 for all segments of the group's businesses;
- Reditus Business School continues to be a certified training entity, providing added value to the betterment of employees and of services provided;
- Certification of CTT, CTT Expresso and Millennium BCP Contact Center operations with the APCC's Seal of Quality, recognized as the reference for excellence of operations;
- The CTT and CTT Expresso lines, managed by Reditus, were once again honored at the APCC Best Awards 2019;
- The Millennium BCP customer service line, managed by Reditus, also received an awarded at the same event.

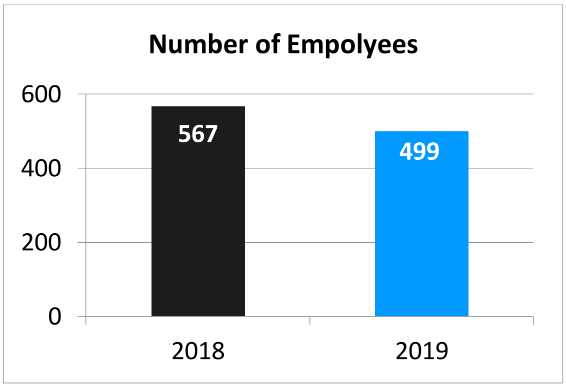
Internal improvement projects

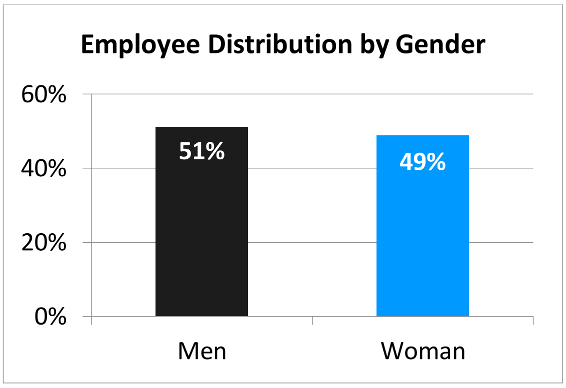
Reditus remains focused on efficiency, having developed projects with the objective of optimizing processes and costs together with the follow-up on the projects started in the previous year, namely:

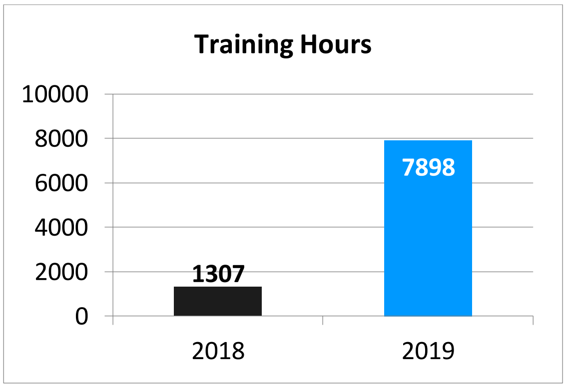
- Implementation of *general data protection regulation (GDPR)* compliance policies, including the *definition of the policies and their implementation*, the *training*, the *survey of data collection*, *data treatment and management*, and the *evaluation and improvement of control mechanisms*;
- Optimization of *project operational control* and *capacity management tool*;
- Systematic program for *improvment of management efficiency* in the business segments.

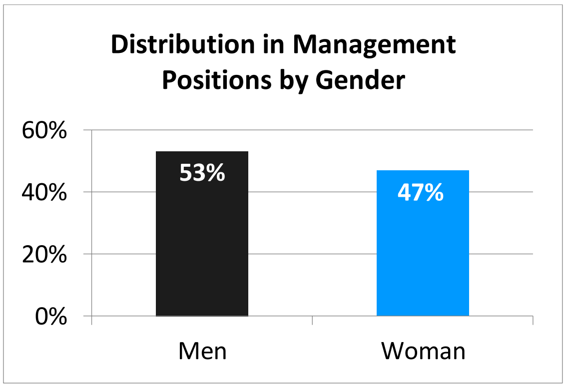
7. Social Responsibility and Sustainability

Reditus maintains an attitude of permanent attention and involvement with society, developing actions aimed at the development of its employees as individuals and as professionals, but also as an active part of society, the economy and the environment.









Employees

- Promotion of diversity and equal opportunities of all employees;
- Professional and personal development inside and outside the Group companies, through their involvement in ambitious and innovative projects;
- Transparency in performance and evaluation, in order to promote a fair recognition and reward policy;

- Encouragement of employees' involvement in social causes, through the promotion of various initiatives to support solidarity institutions;
- Focus on training. Through Reditus Business School, we promote the training of our employees in areas such as personal development, management and administration, business environment, IT, and health and safety at work;
- Development of internal initiatives aimed at promoting team spirit, camaraderie and personal skills;
- Implementation of measures to support health and wellbeing, such as health insurance for employees.

Society

- Cooperation protocols with various educational institutions, for the recruitment and hiring of young professionals;
- Protocol of support to several Social Solidarity Institutions;
- International Contact Center Week celebration.

Economy

- Adoption of non-predatory practices in business, with respect for all our stakeholders.

Environment

- Employee motivation for ecological practices;
- Promoting the reduction of paper consumption;
- Recycling of various materials;
- The efficient use of water and energy through better energy management in our buildings and facilities.

8. Group Economic and Financial Analysis

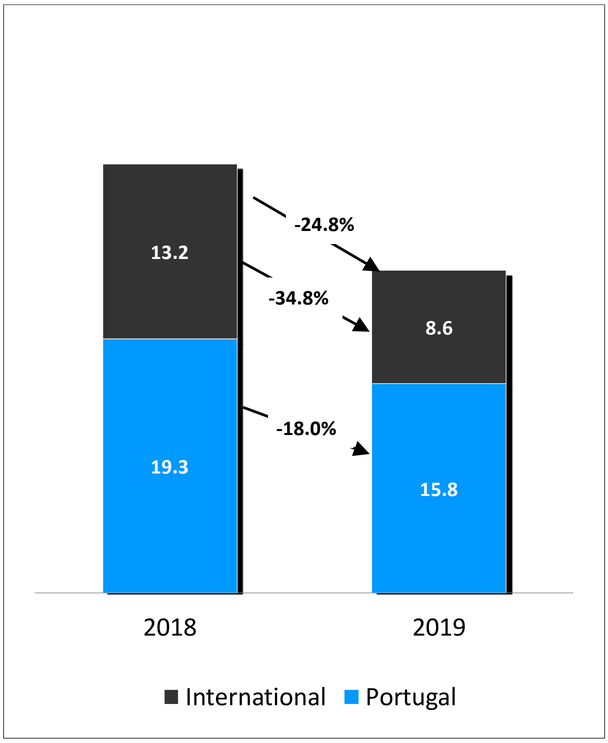
8.1. Consolidated Operating Income

Operating Income amounted to 24,4 million Euros in 2019, compared to 32,40 million Euros in the same period of the previous year, representing a decrease of 24.8%.

In the domestic market, sales declined by 18,0% compared to 2018, reflecting significant downturns in all segments with particular emphasis on ITO and BPO.

The international market, in particular the African market where the Group has subsidiaries and despite a 31.7% reduction in revenue compared to 2018, continues to represent about 35% of the Group's turnover.

Operating Revenues
€ Millions

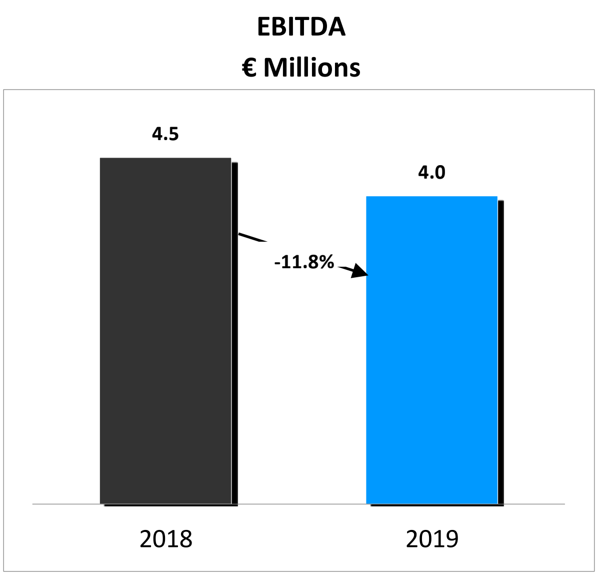


8.2. Operating Expenses

Consolidated Operating Expenses, net of amortizations, provisions and impairment losses, totaled 20,4 million Euros in 2019, representing 83,7% of total Revenue and a decrease of 27.9% over 2018, in which had reached 86.1% of the Revenue, as a result of the persistent implementation of rationalization measures on operating and structure costs previously identified, and in line with the new reality of the group's businesses.

8.3. Operating Income Before Depreciation (EBITDA)

Consolidated EBITDA reached 4,0 million Euros in 2019, which compares with 4,5 million Euros in 2018 and representing a 11.8% decrease. The EBITDA margin reached 16.3%, 2.4 pp above the 13.9% margin achieved in the previous year.



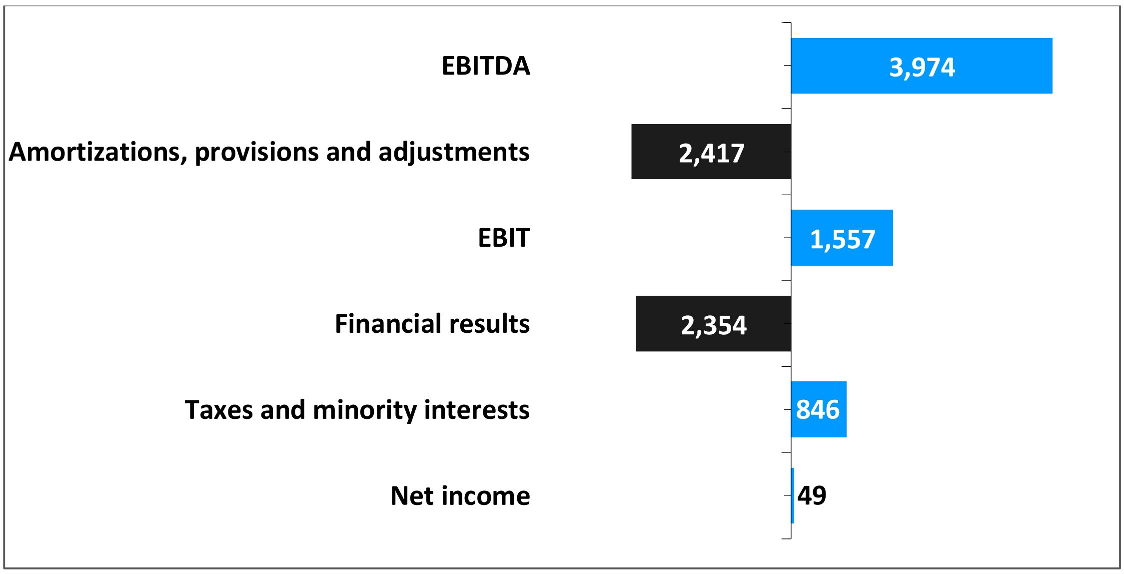
8.4. Net Income

Depreciation, Amortization, Provisions and Adjustments amounted to 2.4 million euros in 2019, a idecrease of 38.7% over the previous year.

Operating Income (EBIT) was positive at 1,56 million Euros, against a positive result of 0.56 million Euros obtained in 2018.

Financial Results improved by 30.9% compared to 2018, reaching 2,4 million Euros, and were negatively affected by the Net Present Value of customer receivables amounting to 0.287 million euros.

Income from Continuing Operations was positive by 0.04 million euros in 2019, compared to a negative result of 3.0 million Euros in the previous year.



8.5. Main Balance Sheet Items

€ Milllions

	31-Dec-19	31-Dec-2018 Restated	Var %
Total Assets	163.2	157.6	3.6%
Non Current Assets	94.2	91.2	3.3%
Current Assets	69.0	66.4	3.9%
Equity	15.4	15.4	0.5%
Total Liabilities	147.8	142.2	3.9%
Non-Current Liabilities	36.1	92.9	-61.1%
Current Liabilities	111.6	49.3	126.3%
Net Debt	58.8	59.2	-0.7%

At the end of 2019, net bank debt (including loans, financial lease liabilities, less cash and cash equivalents) stood at 58.8 million Euros, compared with 59.2 million Euros at the end of 4Q18, ie a reduction of 0.7%.

9. Economic and Financial Analysis by Business Area

9.1. IT Consulting

The *IT Consulting* segment integrates the *Consulting, Platforms & Applications*, and *Specialized Outsourcing* areas. This segment accounted for 45% of the Group's total revenues in 2019.

IT Consulting offers *consulting, process management, application development / maintenance and management, business intelligence & applications, open source solutions* and *specialized outsourcing services* in information technology. The services include *management, administration* and *support* of technological platforms.

Revenues from the ITC unit reached 16.3 million Euros in 2019, a decrease of 13.0% compared to the previous year. EBITDA amounted to 1.0 million Euros, which compares with a positive result of 2.98 million Euros in 2018.

9.2. IT Outsourcing

Reditus' *IT Outsourcing* area is comprised of *IT Infrastructure* competencies and accounted for 26% of total revenues in 2019.

IT Infrastructure offers to the market i*nfrastructue services, projects* and *solutions* for *information technologies*. The services include the *management, administration* and *support of technological platforms*, though contracts of *responsibility* or of *functional outsourcing*.

This area's revenue amounted to 9.7 million Euros in 2019, a decrease of 20.3% over the previous year. EBITDA reached 2.39 million Euros, which represents a 1.44 million Euros increase over 2018.

9.3. Business Process Outsourcing (BPO)

The *BPO* segment encompasses the supply of *Contact Center* and *business support services*, developing activities such as *customer service* and *customer loyalty*, both *inbound* and *outbound*, *mail handling, document preparation, digitization, archive custody, credit handling* for *housing, business, personal* and *automobile, automobile claims, multi-risk* and *industrial accident management, debit card, credit card* and *university card processing, claims management,* among others. This area accounted for 29% of Reditus' total business in 2019.

Operating revenue amounted to 10.4 million Euros, a decrease of 13.0% over last year. In 2019, EBITDA posted a positive result of 0.542 million Euros, compared to a positive result of 0.578 million Euros in 2018. In the context of strong competition, the Group pursues its strategy of *creating differentiated offers*, growing business with a *focus on profitability* in this segment and *focus on projects with more favorable margins*.

10. Outlook for 2020

Continuity Plan

The Board considers that: i) the high level of bank indebtedness and; ii) the continued delay in the repatriation of foreign exchange from the African market, has limited the treasury of the Entity and of the participated companies in the financial years of 2018 and part of 2019, impairing the timely fulfillment of its obligations and, even though as of this date the obtention of the resources necessary for the full settlement of such obligations is not fully ensured, the Board will pursue the measures included in the global restructuring plan indicated below, in order to ensure their timely fulfillment.

These very consolidated financial statements have nevertheless been prepared on the basis of an on-going concern' principle, and on the assumption that the Entity and its subsidiaries are able to maintain their activity in view of a positive assessment, at the present date, on the results of the ongoing implementation of measures aimed at achieving a financial balance and at obtaining the resources necessary to carry on its activities.

We emphasize that a strategic plan was developed in regard of the vectors below, and its implementation started in 2018, with the aim of revitalizing and solidifying the financial function and balancing the cashflows, which completion shall be materialized during the year 2020:

(i) Restructuring of the group's global liabilities, namely bank debt, with implementation of an ongloing structuring solution based on 7-year agreements and partial debt reduction;
(ii) Renegotiation of the tax liabilities, with implementation of medium and long term installment agreements based on a period of 12.5 years, under the existing legal mechanisms;
(iii) Conversion and rationalization of the real estate stock, converting this stock into income assets;
(iv) Implementation of financial models aimed at ensuring the repatriation of foreign exchange from the international market, particularly with regard to public sector customers from

African countries such as Angola, through the credit insurance line signed between Portugal and Angola to cover the risks of domestic exports of goods, services and equipment and whose payment will be guaranteed in Portugal and in Euros,

(v) Negotiation with international clients for their payments in Portugal, in Euros or USD, namely regarding services provided to clients in the *Oil & Gas* sector;

(vi) Reduction of central overhead costs, based on the ongoing implementation of rationalization measures such as the renegotiation of the group's insurance conditions, car-fleet reduction and adequacy, communications, facilities, among others;

(vii) Reduction of personnel overhead costs, through the ongoing implementation of centralization measures and restructuration of the remuneration policies;

(viii) Development of management models based on the introduction of robotization and artificial intelligence componentes, aimed at a reduction and rationalization of operating costs and at an uplift in efficiency through the implementation of continuous improvement processes;

(ix) Development intensification, on the basis of the Group's current capabilities and on the demands by its main customers, and on the increasingly sophisticated offers 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);

(x) Focus on the profitability and sustainability of Operations, through permanent monitoring and sharing of operational results, combined with innovation in in-house support processes and technologies;

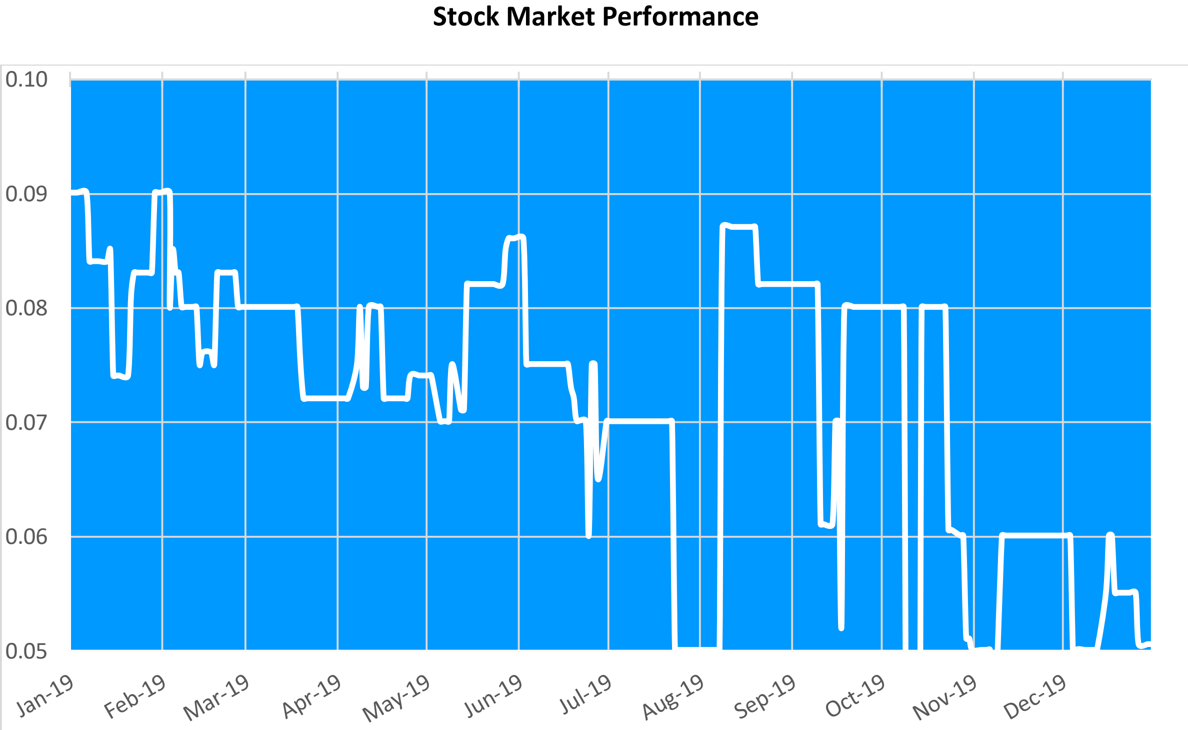
(xi) Business dynamization model designed to recover market share in strategic segments and increase business volume, through the acquisition of new customers via nearshoring and international partnerships.

In addition to the actions planned and carried out within the scope of the aforementioned vectors, the Board, while intending to keep ensuring operational continuity, has undertaken actions aimed at making the Group more resilient to any events that could seriously jeopardize its activity. These incidents may be of natural (extreme weather conditions, earthquakes ...), physical (fire and other emergencies, toxic escape in the vicinity, intrusion, terrorism ...), human (strikes, riots, terrorism, pandemics ...), or information security (theft or loss of information, malware ...) causes.

Thus, and in accordance with the good practices and regulations applicable in particular "ISO 22301:2019, *Security and Resilience Business Continuity Management Systems Requirements*", ISO "31000:2009 *Risk Management Principles and Guidelines*" and "BS 11200: 2014 *Crisis Management Guidance and Good Practice"*, Reditus started the implementation of a *Business Continuity Management System* (i.e., a system composed of policies, resources, processes and procedures to ensure the continuous functioning of the business, or its timely recovery, in the event of the occurrencies likely to disturb the normal course of the activity, be it of natural, physical, human or technological origin).

To this end, the most critical among its processes and services were selected critics, the risks assessed, and an impact analysis (BIA - *Business Impact Assessment*) carried out. On the basis of its results, a ***Business Continuity Plan (PCN)*** was designed that includes actions for emergency response, crisis management and communication, and recovery. This plan also includes the actions resulting from the *Service Continuity Plans* contracted with customers, and is being implemented, tested and adjusted.

11. Sock Market Performance



At the end of 4Q19, the closing price of Reditus shares was set at € 0.05, compared to € 0.09 at the beginning of the year.

In terms of liquidity, around 700 thousand Reditus shares were transacted during 4Q19 representing a transaction value of 49 thousand Euros.

The average daily number of traded shares stood at around 1,517, corresponding to an average daily value of approximately 117 Euros.

12. Activities of Non-Executive Directors

As described in the Corporate Governance Report, there is a set of Specialized Committees that verify and report on the different aspects of strategic and operational support.

In general and in addition to monitoring the functioning of these committees, the Non-Executive Directors, together with the members of the Executive Committee, continuously monitor the activities of the Company and its affiliates, both from an operational and an economical-financial point of view.

13. Net Income

The Consolidated Net Income for the year was, after minority interests, 49,151 Euros.

14. Subsequent Events

We highlight as relevant facts occurred in 2020, until the date of this report:

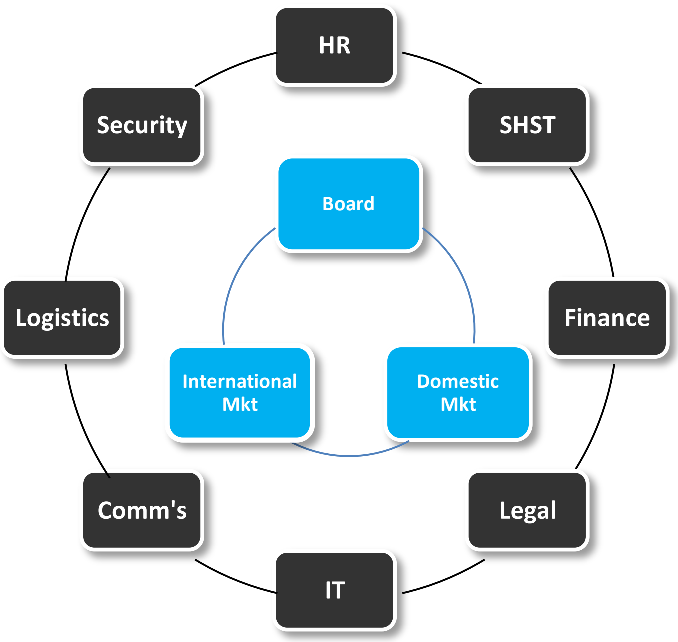
COVID-19

The spread of the SARS-CoV-2 virus, which started in late 2019, quickly reached alarming proportions causing the COVID-19 pandemic.

The impact on the economy, employment and corporations is already very significant and Reditus, although it is among the least affected organizations, is not immune to this type of situation, especially if it lasts for a longer period of time.

Reditus has been monitoring the situation since early 2020, on the basis of information provided by official entities at the international and domestic levels

The Board of Directors constituted a multidisciplinary ad hoc working group under its coordination, and which includes those responsible for the market and support areas (HR, SHST, Finance, Legal, IT, Communication, Logistics and Security) that meets frequently (now daily) in order to assess data on the impact of the crisis at the various levels of the organization (people's health, operations, economic and financial performance, and short and medium term strategy) and to react in a coordinated manner.



***Ad hoc* team for Covid-19**

With the increased risk of contamination by the SARS-CoV-2 virus in Portugal, the Board of Directors activated the PCN (Reditus' *Business Continuity Plan*), whose scenarios include, at least since the Influenza A crisis, the **pandemics** risk.

The actions implemented to this moment, many of which ahead of the recommendations issued and the restrictions imposed by the authorities, have so far proven effective.

15. Declaration of Conformity

Pursuant to article 245, paragraph 1, point 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, the Annual Accounts, the Legal Certification of Accounts and other accounting documents were prepared in accordance with the applicable accounting standards, giving a true and fair view of the assets and liabilities, financial situation and results of the Company and the companies included in the consolidation perimeter. They further state that the Management Report faithfully reflects the evolution of the Company's business, performance and position, and of the companies included in the consolidation perimeter, and includes a description of the main risks and uncertainties they face.

16. Acknowledgments

We emphasize the trust placed by the Clients in the Reditus Group companies, the commitment of our Employees in the pursuit of the objectives we identified, as well as the qualified support of the Audit Committee, the Strategy Council, the Specialized Committees, the Banks, Auditors and other business partners, underpinning the sustainability of the future of the Reditus Group.

Alfragide, 18th May 2020

The Board of Directors,

Eng. Francisco José Martins Santana Ramos – Chairman & CEO

Eng. José António da Costa Limão Gatta – Director

Dr. Fernando Manuel Cardoso Malheiro da Fonseca Santos – Director

Dr. Helder Filipe Ribeiro Matos Pereira – Director & CFO

PART II – CONSOLIDATED FINANCIAL STATEMENTS

REDITUS SGPS, SA
STATEMENT OF CONSOLIDATED FINANCIAL POSITION
AS OF DECEMBER 31st, 2019 AND 2018
(Values in Euros)

	Notes	31-Dec-19	31-Dec-18 Restated
NON-CURRENT ASSETS:			
Tangible Fixed Assets	7	6,599,549	6,831,784
Investment Properties	8	1,509,000	1,509,000
Goodwill	9	38,711,899	38,711,899
Intangible Assets	10	5,567,361	6,249,521
	15	35,928,662	29,927,618
Other Accounts Receivable	16	1,075,874	1,049,458
Other Financial Investments	12	1,884,576	4,982,959
Deferred Tax Assets	13	2,953,496	1,915,349
		94,230,417	91,177,588
CURRENT ASSETS:			
Inventories	14	249,500	204,496
Customers	15	29,692,551	36,989,627
Other Accounts Receivable	16	7,819,482	4,848,986
Other Current Assets	17	29,965,483	23,175,103
Financial Assets at Fair Value	18	7,167	8,112
Cash and Equivalents	19	1,242,532	1,174,596
		-	-
		68,976,715	66,400,920
TOTAL ASSETS		163,207,132	157,578,508
EQUITY AND LIABILITIES			
EQUITY:			
Share Capital	20	14,638,691	14,638,691
Treasury Shares	20	(255,183)	(255,183)
Share Premium Account	20	9,952,762	9,952,762
Reserves	20	4,812,483	4,812,483
Retained Earnings	20	(15,157,388)	(12,107,071)
Surplus Valorisation of Fixed Assets	20	1,215,489	1,260,288
Consolidated Net Income for the Year	20	49,151	(3,050,317)
Equity Attributable to REDITUS Shareholders		15,256,005	15,251,653
Equity Attributable to Minority Holdings	21	191,100	120,326
Total Equity		15,447,105	15,371,979
LIABILITIES:			
NON-CURRENT LIABILITIES:			
Loans	22	31,209,006	49,004,263
Other Accounts Payable	23	26,325,315	38,512,612
Deferred Tax Liabilities	13	918,151	1,045,584
Financial Leasing Liabilities	24	3,961,955	4,324,423
		62,414,427	92,886,882
CURRENT LIABILITIES:			
Loans	22	24,483,333	6,684,427
Suppliers	25	10,204,381	9,437,022
Other Accounts Payable	23	36,472,484	20,694,435
Other Current Liabilities	26	13,823,488	12,137,177
Financial Leasing Liabilities	24	361,914	366,586
		85,345,600	49,319,647
Total Liabilities		147,760,027	142,206,529
TOTAL LIABILITIES AND EQUITY		163,207,132	157,578,508

The Annex is an integral part of the Consolidated Financial Position Statement
as of 31 December 2019 and 31 December 2018.

THE CHARTERED ACCOUNTANT

THE BOARD OF DIRECTORS

REDITUS SGPS, SA
CONSOLIDATED INCOME STATEMENTS
FOR THE YEARS ENDED ON DECEMBER 31st, 2019 AND 2018

(Values in Euros)

	Notes	31-Dec-19	31-Dec-18 Restated
OPERATING REVENUE:			
Sales	26	494,398	532,749
Services Rendered	26	23,555,489	31,021,100
Other Operating Revenues	27	348,328	891,355
Total Operating Revenues		24,398,215	32,445,204
OPERATING COSTS			
Inventories Consumed and Sold	28	(434,609)	(546,589)
External Supplies and Services	29	(8,855,105)	(10,636,020)
Staff Costs	30	(10,746,867)	(15,770,246)
Depreciation and Amortization Costs	31	(1,720,112)	(2,380,597)
Provisions and Impairments	32	(696,914)	(1,564,547)
Other Operating Costs	33	(387,763)	(986,950)
Total Operating Costs		(22,841,370)	(31,884,949)
Net Operating Income		1,556,845	560,255
FINANCIAL RESULTS:			
Net Financial Costs	34	(2,353,674)	(3,405,468)
Net Losses in Associated Companies		-	-
		(2,353,674)	(3,405,468)
Income Before Taxes		(796,829)	(2,845,213)
Income Tax	35	956,898	(210,890)
		-	-
Income Before Minority Interests		160,069	(3,056,103)
Minority Interests	20	(110,918)	5,786
Results from Ongoing Operations	36	49,151	(3,050,317)
Results from Discontinued Operations		-	-
Net Income		49,151	(3,050,317)
Attributable to:		-	-
Shareholders of the Parent Company		49,151	(3,050,317)
Minority Interests	20	110,918	(5,786)
		160,069	(3,056,103)
Earnings Per Share from Ongoing and Discontinued Operations			
Basic	36	0.0034	(0.2084)
Dilluted		0.0034	(0.2084)
Earnings Per Share from Ongoing Operations			
Basic	36	0.0034	(0.2084)
Dilluted		0.0034	(0.2084)

The annex is an intergal part of the Consolidated Income Statement
for the Periods ended 31 December 2019 and 31 December 2018

THE CHARTERED ACCOUNTANT

THE BOARD OF DIRECTORS

REDITUS SGPS, SA

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED ON DECEMBER 31st, 2019 AND 2018

(Values in Euros)

	31-Dec-19	31-Dec-18 Reexpresso
Consolidated Net Income for the Year (before miority interests)	160,069	(3,056,103)
Items which will not be reclassified on the results		
Changes in Surplus Valorisation of Fixed Assets (IAS 16, IAS 38)	(44,799)	(44,798)
Consolidated Comprehensive Income	115,270	(3,100,901)
Attributable to:		
Shareholders of the Parent Company	4,352	(3,095,115)
Minority Interests	110,918	(5,786)
	115,270	(3,100,901)

The Annex is an integral part of the Consolidated Comprehensive Income Statement
for the Periods ended in 31 December 2019 e 2018

THE CHARTERED ACCOUNTANT

THE BOARD OF DIRECTORS

REDITUS SGPS, SA
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEARS ENDED ON DECEMBER 31st, 2019 AND 2018
(Values in Euros)

	Notes	31-Dec-19	31-Dec-18
OPERATIONAL ACTIVITIES:			
Receipts from Customers		16,483,234	30,522,558
Payments to Suppliers		(5,231,389)	(7,060,372)
Staff Payments		(7,553,126)	(9,599,679)
Payment / Receipt of Income Tax		-	(262)
Other Receipts/(Payments) relatiing to the Operational Activity		(2,615,158)	(10,553,050)
Cash Flow from Operating Activities (1)		1,083,561	3,309,194
INVESTMENT ACTIVITIES:			
Receipts derived from:			
Financial Investments		145,148	26,025
Sale of tangible assets		-	18,262
Interest and similar income		-	27
		145,148	44,315
Payments relative to:			
Acquistion of Tangible Assets		(328,389)	(362,727)
Others		(1,882)	(558)
		(330,271)	(363,286)
Cash Flow from Investment Activities (2)		(185,123)	(318,971)
FINANCING ACTIVITIES:			
Receipts relating to:			
Loans Received		8,531,352	15,307,780
		8,531,352	15,307,780
Payments relating to:			
Loans Received		(8,112,022)	(16,143,835)
Interest and equivalent costs		(926,456)	(2,256,884)
		(9,038,478)	(18,400,719)
Cash Flow from Financing Activities (3)		(507,126)	(3,092,939)
Variation in Cash and Equivalents (4) = (1) + (2) + (3)		391,312	(102,716)
Effect of Exchange Rate Variations		-	-
Non-Current Assets Held for Sale		-	-
Cash and Equivalent at the Beginning of the Period	18	563,847	666,562
Cash and Equivalent at the End of the Period	18	955,159	563,846

a) The item "Other receipts / payments related to operating activity" in the Consolidated Statement of Cash Flows has the nature of payments to the State (Individual and Collective Income Tax, Social Security, Value Added Tax and Stamp Duties), and payments to Group service providers (Electronic *Green Receipts*).

REDITUS SGPS, SA
ANNEX TO THE CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31st, 2019 AND 2018
(Values in Euros)

		31-Dec-19	31-Dec-18
Cash		226,394	228,546
Bank Deposits		1,016,137	946,050
Cash and Equivalents (Balance Sheet)		1,242,531	1,174,596
Overdraft Facilities	21	(287,302)	(610,748)
Cash and Equivalents (Cash Flow Statement))	18	955,229	563,848

THE CHARTERED ACCOUNTANT

THE BOARD OF DIRECTORS

REDITUS, SGPS, SA
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31st, 2019 AND 2018

(Values 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 2018	14,638,691	(255,183)	9,952,762	3,244,814	1,567,669	(12,107,071)	-	1,260,288	(3,050,317)	15,251,653	120,326	15,371,979
	-	-	-	-	-	-	-	-	-	-	-	-
Share Capital Increase	-	-	-	-	-	-	-	-	-	-	-	-
(Acquisition) / Sale of Treasury Shares	-	-	-	-	-	-	-	-	-	-	-	-
Application of Results	-	-	-	-	-	(3,050,317)	-	-	3,050,317	-	-	-
Acquisition of Minority Interests (Note 10)	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	(40,144)	(40,144)
Minority Interests for the Period	-	-	-	-	-	-	-	-	-	-	110,918	110,918
Changes in Surplus Valuation (IAS 16, IAS 38)	-	-	-	-	-	-	-	(44,799)	-	(44,799)	-	(44,799)
Consolidated Net Income for the Fiscal Year	-	-	-	-	-	-	-	-	49,151	49,151	-	49,151
	-	-	-	-	-	-	-	-	-	-	-	-
Balance as of 31 December 2019	14,638,691	(255,183)	9,952,762	3,244,814	1,567,669	(15,157,388)	-	1,215,489	49,151	15,256,005	191,100	15,447,105
	-	-	-	-	-	-	-	-	-	-	-	-
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
	-	-	-	-	-	-	-	-	-	-	-	-
Share Capital Increase	-	-	-	-	-	-	-	-	-	-	-	-
(Acquisition) / Sale of Treasury Shares	-	-	-	-	-		-	-		-	-	-
Application of Results	-	-	-	-	-	(1,595,931)	-	-	1,595,931	-	-	-
Acquisition of Minority Interests (Note 10)	-	-	-	-	-	-	-	-	-	-	-	-
Others	(58,554,764)	1,171,255	-	1,204,053	-	55,362,533	501,763	-	-	(315,160)	(5,496)	(320,656)
Minority Interests for the Period	-	-	-	-	-	-	-	-	-	-	(5,786)	(5,786)
Changes in Surplus Valuation (IAS 16, IAS 38)	-	-	-	-	-	-	-	(44,798)	-	(44,798)	-	(44,798)
Consolidated Net Income for the Fiscal Year	-	-	-	-	-	-	-	-	(3,812,965)	(3,812,965)	-	(3,812,965)
Restated 2018 - Tora	-	-	-	-	-	(12,107,071)	-	-	762,648	(11,344,423)	-	(11,344,423)
Balance as of 31 December 2018	14,638,691	(255,183)	9,952,762	3,244,814	1,567,669	(12,107,071)	-	1,260,288	(3,050,317)	15,251,653	120,326	15,371,979

The Annex is an integral part of the Consolidated Statement of Equity Changes for the Periods ended 31 December 2019 and 2018.

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 headquartered in Lisbon, at Avenida 5 de Outubro, n.º 125, loja 2.

Reditus was founded in 1966 under the name of Reditus - Market Research and Sales Promotion, SARL and had as its main activity the provision of specific services, namely market studies, eventually evolving to data processing for the Bank of Agriculture, its main shareholder along with the Insurance Company 'A Pátria'.

In December 1990, Reditus changed its corporate name, becoming a holding company, with its main activity being the management of shareholdings in other companies, as an indirect form of economic activity.

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

The company activity is not subject to significant seasonality.

Reditus is listed on Euronext Lisbon (formerly Lisbon and Porto Stock Exchange) since 1987.

These Financial Statements were approved by the Board of Directors on May 15th, 2019 and are expressed in Euros.

2. Accounting Policies

2.1 Terms & Conditions

The consolidated financial statements of Reditus, SGPS, SA were prepared on a on-going concern basis, based on the accounting books and records of the companies included in the consolidation, maintained in accordance with accounting principles generally accepted in the the consolidated financial statements in accordance with the International Financial Reporting Standards ("IFRS"), as adopted in the European Union.

The Board considers that: i) the high level of bank indebtedness and; ii) the continued delay in the repatriation of foreign exchange from the African market, has limited the treasury of the Entity and of the participated companies in the financial years of 2018 and part of 2019, impairing the timely fulfillment of its obligations and, even though as of this date the obtention of the resources necessary for the full settlement of such obligations is not fully ensured, the Board will pursue the measures included in the global restructuring plan indicated below, in order to ensure their timely fulfillment.

These very consolidated financial statements have nevertheless been prepared on the basis of an 'on-going concern' principle, and on the assumption that the Entity and its subsidiaries are able to maintain their activity in view of a positive assessment, at the present date, on the results of the ongoing implementation of measures aimed at achieving a financial balance and at obtaining the resources necessary to carry on its activities.

We emphasize that a strategic plan was developed in regard of the vectors below, and its implementation started in 2018, with the aim of revitalizing and solidifying the financial function and balancing the cashflows, which completion shall be materialized during the year 2020:

(i) Restructuring of the group's global liabilities, namely bank debt, with implementation of an ongloing structuring solution based on 7-year agreements and partial debt reduction;
(ii) Renegotiation of the tax liabilities, with implementation of medium and long term installment agreements based on a period of 12,5 years, under the existing legal mechanisms;
(iii) Conversion and rationalization of the real estate stock, converting this stock into income assets;
(iv) Implementation of financial models aimed at ensuring the repatriation of foreign exchange from the international market, particularly with regard to public sector customers from African countries such as Angola, through the credit insurance line signed between Portugal and Angola to cover the risks of domestic exports of goods, services and equipment and whose payment will be guaranteed in Portugal and in Euros,
(v) Negotiation with international clients for their payments in Portugal, in Euros or USD, namely regarding services provided to clients in the *Oil & Gas* sector;
(vi) Reduction of central overhead costs, based on the ongoing implementation of rationalization measures such as the renegotiation of the group's insurance conditions, car-fleet reduction and adequacy, communications, facilities, among others;
(vii) Reduction of personnel overhead costs, through the ongoing implementation of centralization measures and restructuration of the remuneration policies;
(viii) Development of management models based on the introduction of robotization and artificial intelligence componentes, aimed at a reduction and rationalization of operating costs and at an uplift in efficiency through the implementation of continuous improvement processes;
(ix) Development intensification, on the basis of the Group's current capabilities and on the demands by its main customers, and on the increasingly sophisticated offers 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);
(x) Focus on the profitability and sustainability of Operations, through permanent monitoring and sharing of operational results, combined with innovation in in-house support processes and technologies;
(xi) Business dynamization model designed to recover market share in strategic segments and increase business volume, through the acquisition of new customers via nearshoring and international partnerships.

In addition to the actions planned and carried out within the scope of the aforementioned vectors, the Board, while intending to keep ensuring operational continuity, has undertaken actions aimed at making the Group more resilient to any events that could seriously jeopardize its activity. These incidents may be of natural (extreme weather conditions, earthquakes ...), physical (fire and other emergencies, toxic escape in the vicinity, intrusion, terrorism ...), human (strikes, riots, terrorism, pandemics ...), or information security (theft or loss of information, malware ...) causes.

Thus, and in accordance with the good practices and regulations applicable in particular "ISO 22301:2019, *Security and Resilience Business Continuity Management Systems Requirements*", ISO "31000:2009 *Risk Management Principles and Guidelines*" and "BS 11200: 2014 *Crisis Management Guidance and Good Practice"*, Reditus started the implementation of a *Business Continuity Management System* (i.e., a system composed of policies, resources, processes and procedures to ensure the continuous functioning of the business, or its timely recovery, in the event of the occurrencies likely to disturb the normal course of the activity, be it of natural, physical, human or technological origin).

To this end, the most critical among its processes and services were selected critics, the risks assessed, and an impact analysis (BIA - *Business Impact Assessment*) carried out. On the basis of its results, a ***Business Continuity Plan (PCN)*** was designed that includes actions for emergency response, crisis management and communication, and recovery. This plan also includes the actions resulting from the *Service Continuity Plans* contracted with customers, and is being implemented, tested and adjusted.

PER - Special Revitalization Plan

As a result of the group's strategic restructuring plan, which has been developed since mid-2018, for the restructuring of its global liabilities, namely banking, tax and operational liabilities, its subsidiary TECHINFOR, SA submitted on October 14th, 2019, a "PER - Special Revitalization Process" process.

The presentation of the present process therefore aims to create conditions for the restructuring and adjustment of its liabilities, providing the company with conditions to achieve the revitalization of the treasury function and the balance of its cashflows, as well as the growth necessary for its recovery.

The company's recovery will be based on its profitability, the adjustment and rationalization of its cost structure and the adequacy of its liabilities to the projected free cashflows, together with the fulfillment of the commitments assumed with all its customers, suppliers and the state, as well as the maintenance of current jobs.

The consolidated financial statements of Reditus, SGPS, SA, now presented, reflect the results of its operations and the financial position of all its subsidiaries (Reditus Group) for the fiscal years ended December 31st, 2019 and December 31st, 2018.

The accounting policies presented were consistently applied by all Group companies and in all periods presented in the consolidated financial statements.

However, as described in section 2.1.1, Reditus adopted for the year ended December 31st, 2019, the standards, interpretations, amendments and revisions approved (endorsed) by the European Union and with mandatory application in the financial years beginning on or after January 1st, 2019. The adoption of these standards and interpretations in 2019 had no significant impact on the Group's accounts.

2.1.1 New standards, interpretations and amendments, with date of entry into force as of January 1st, 2019

- **Amendments to IFRS 9: Características de pagamentos antecipados com contribuição negativa (Regulation 2018/498, of March 22nd, 2018)**
  - This amendment to IFRS 9 now 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 satisfy the conditions of the SPPI test. Applicable to financial years beginning on or after January 1st, 2019.

- **IFRS 16: Leases (Regulation 2017/1986, of October 31st, 2017)**
  - IFRS 16 establishes the principles applicable to the recognition, measurement, presentation and disclosure of leases. The purpose of this standard is to ensure that tenants and landlords provide pertinent information in a way that faithfully represents those transactions. This standard repeals IAS 17 - Leases, as well as a set of interpretations (SIC and IFRIC), namely: IFRIC 4 - Determine if an Agreement Contains a Rental; SIC 15 - Operating Leases - Incentives; and SIC 27 - Evaluation of the Substance of Transactions Involving the Legal Form of a Lease. Applicable to financial years beginning on or after January 1st, 2019.

- **Adoption of IFRIC 23: Uncertainty over Income Tax Treatments (Regulation 2018/1595, of October 23rd, 2018)**
  - 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 1st, 2019.

- **Amendments to IAS 28: Long-term interests in affiliates and joint-ventures (Regulation 2019/237, of February 11th, 2019)**
  - This amendment clarifies that an entity should apply IFRS 9 to long-term interests in affiliates and joint ventures in which the equity equivalence method is not used. Applicable to financial years beginning on or after January 1st, 2019.

- **Amendments to IAS 19: Amendment, Curtailment or Settlement of a Benefit Plan (Regulation 2019/402, of March 13th, 2019)**
  - This amendment requires that an entity shall remeasure the net defined benefit liability (asset) using the current fair value of plan assets and current actuarial assumptions,

(including current market interest rates and other current market prices). Applicable to financial years beginning on or after January 1st, 2019.

- **Annual improvements: cycle 2015-2017 (Regulation 2019/412, of March 14th, 2019)**
  - The improvements include minor amendments to three international accounting standards, as follows
    - **IFRS 3 - Concentration of corporate activities and IFRS 11 - Joint agreements**
    - **IAS 12 – Income Taxes**
    - **IAS 23 - Costs of loans received**

Applicable to financial years beginning on or after January 1st, 2019

The Group implemented the changes with no significant impact on its Consolidated Financial Statements.

2.1.2 New standards, interpretations and changes, with date of entry into force in financial years beginning on or after January 1st, 2020

- **Amendment to references in the conceptual framework in IFRS (Regulation 2019/2075, of November 29th, 2019)**
  - On 29th March 2018, the International Accounting Standards Board issued amendments to references in the conceptual framework in International Financial Reporting Standards. The objective of the amendments is to update existing references in several standards and interpretations to previous frameworks with references to the revised conceptual framework. Each company shall apply the amendments referred to in Article 1, at the latest, as from the commencement date of its first financial year starting on or after 1 January 2020.

- **Amendments to IAS 1 and IAS 8: Definition of 'Material' (Regulation 2019/2104, of November 29th, 2019)**
  - These amendments to IAS 1 and IAS 8 clarify the definition of 'material' to make it easier for companies to make materiality judgements.
  - The definition of "material", an important accounting concept in IFRS, helps entities to decide whether or not the information should be included in the financial statements. The amendments clarify the definition of "material" and the way in which it should be used, by including in its definition guidelines that were until now not part of the IFRS. In addition, the explanations that accompany this definition have been improved. Finally, the changes made ensure that the definition of "material" is consistent across all IFRS. Applicable to financial years beginning on or after January 1st, 2020

- **Amendments to IFRS 9, IAS 39 and IFRS 7: Reforming Major Interest Rate Benchmarks (Regulation 2020/34, of January 15th, 2020)**
  - These amendments to IFRS 9, IAS 39 and IFRS 7 are intended to address the uncertainities arising from the forthcoming discontinuation of the interest rate benchmark, such as the Interbank Offered Rates, and modify the requirements relating to hedge accounting so as to mitigate the potential consequences of the IBOR reform.

- In addition, these Standards have been amended to require additional disclosures explaining how the entity's hedging relationships are affected by the existing uncertainties related to the IBORs reform. These changes correspond to Phase 1 of the IASB project related to the IBORs reform. The IASB is currently working on Phase 2, which will consider additional implications for financial reporting. Applicable to financial years beginning on or after January 1st, 2020.

2.1.3 (New or revised) standards issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC) and not yet endorsed by the European Union

The IASB has furthermore issued the following standards and amendments before the date of these financial statements, which have not yet been endorsed by the EU.

- **Sale or Contribution of Assets between an Investor and its Affiliate or Joint Venture - Amendments to IFRS 10 and IAS 28 (issued by IASB on September 11th, 2014)**
  - 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 affiliate or joint venture, which is accounted for using the equity equivalence method. The date of application of these changes has not yet been defined and the endorsement process by the European Union will only begin after the date when the IASB changes will be applied is confirmed.

- **IFRS 14: Accounting for Regulatory Deferrals (issued by IASB on January 30th, 2014)**
  - This standard allows for first time adopters of IFRSs to continue to recognize regulatory assets and liabilities in accordance with the policy followed under the previous standard. However, and in order to allow for comparability with entities that already adopt IFRS and do not recognize regulatory assets/liabilities, such sums must be disclosed separately in the financial statements. Applicable to financial years beginning on or after January 1st, 2016; the European Commission has however decided not to initiat the process of endorsing this transitional rule but rather to wait for IASB to issue the definitive standard.

- **IFRS 17: Insurance Contracts (issued by IASB on May 18th, 2017)**
  - IFRS 17 solves the comparison problem created by IFRS 4 when requiring that all insurance contracts be accounted for consistently, thus benefiting both investors and insurance companies. Insurance obligations are now accounted for using current values instead of historical cost. The information is now updated regularly, providing more useful information to readers of the financial statements. Applicable to financial years beginning on or after January 1st, 2021; this new standard is still subject to endorsement by the European Union.

- **Amendments to IFRS 3 – Concentrations of Business Activities (issued by IASB on October 22, 2018)**

- These changes to IFRS 3 improve the definition of *concentration of business activity*, helping entities to determine whether a given acquisition actually refers to a business activity or just a set of assets. In addition to the definition change, this amendment provides some additional guidance. Applicable to financial years beginning on or after January 1st, 2020; this new standard is still subject to endorsement by the European Union.

- **Amendments to IAS 1 – Presentation of Financial Statements (issued by IASB on January 23rd, 2020)**
  - These changes to IAS 1 - Presentation of Financial Statements, clarify the requirements that an entity should apply to determine whether a liability is classified as current or as non-current. These changes are in fact just intended to mean a reduction in scope, clarifying the requirements of IAS 1, and not a modification to the underlying principles.

2.2. Consolidation Basis

2.2.1. Reference Dates

The consolidated financial statements include, with reference to December 31st, 2019, the Group's assets, liabilities, results and cash flows, which are presented in note 5.

2.2.2. Financial Interests in Group Companies

Investments in companies in which the Group holds directly or indirectly more than 50% of the voting rights at the General Shareholders' Meeting or has the power to control its financial and operational policies (definition of control used by the Group) have been included in the consolidated financial statements using the full consolidation method. The shareholders' equity and net results of these companies, corresponding to third parties' participations, are presented respectively in the consolidated balance sheet and in the consolidated income statement, under the heading 'Minority interests'. The subsidiaries are consolidated from the date on which control is transferred to the Group and are excluded from consolidation as from the date on which control ends.

In the accounting for acquisition of subsidiaries, the purchase method is used. The acquisition cost corresponds to the fair value of the assets delivered, shares issued and liabilities assumed at the acquisition date, plus expenses directly attributable to the acquisition. The identifiable assets acquired, the liabilities and contingent liabilities assumed in a business combination are initially measured at fair value at the acquisition date, regardless of any minority interests. The excess of the cost of acquisition over the fair value of the group's share of identifiable net assets is recorded as goodwill. If the acquisition cost is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the results for the period.

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

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

2.2.3. Balances and Transactions between Group Companies

Balances and transactions between Group companies and between these and the parent company are canceled in the consolidation.

2.2.4. Consistency with the Previous Exercise

The consolidation methods and procedures have been consistently applied for the 2019 financial year.

2.2.5. Chhanges to the Consolidated Group Companies

There were no changes in the consolidation perimeter during the fiscal year (note 5).

2.3. Report by Segment

IFRS 8 - Operating Segments, replaces IAS 14 - Segment Reporting, establishing the principles for the disclosure of information on the operating segments of an entity, which must be presented based on the report prepared for analysis by the Management Bodies. The application of this financial reporting standard by the Reditus Group led to a change in the operating segments subject to reporting.

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

2.4. Investment Properties

Investment properties essentially comprise land and buildings held for rental 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 property the properties held for the purpose of capital appreciation and / or rental income.

Under IAS 40 - *Investment Property*, are considered as investment Property the investment properties under development, which qualify for their fair value to be reliably determinable.

Investment properties are recorded at fair value, the building being subject to internal valuations.

2.5. Tangible Fixed Assets

2.5.1. Measurement

Tangible fixed assets are recorded at acquisition cost less accumulated amortization, except for land and buildings, which are measured by the revaluation model.

The acquisition cost is considered to comprise the expenses directly attributable to the acquisition of the assets (sum of the respective purchase prices with the costs incurred directly or indirectly to place it in its current state).

Subsequent expenditures are included in the book value of the asset or are recognized as an separate asset, only when it is likely that there will be future economic benefits associated with the asset and when the cost can be reliably measured. All other maintenance, conservation and repair costs are recorded in the income statement during the financial period in which they are incurred.

The value of the revaluation of land and buildings is based on market values determined through 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 land and buildings as a result of revaluations are charged to property, plant and equipment. Reductions that may be offset by prior revaluations of the same asset are translated against the respective revaluation; the remaining reductions are recognized in the income statement.

2.5.2. Financial Leasing Contracts

Assets arising from lease contracts for which the Group assumes substantially all the risks and rewards inherent to the ownership of the leased asset are classified as tangible fixed assets.

Assets acquired under finance leases, as well as the corresponding liabilities, are accounted for using the financial method. Under this method, the cost of the asset is recorded in tangible fixed assets and the corresponding liability is recorded in liabilities. The depreciation of these assets and the interest included in the amount of the rent are recorded in the income statement for the year to which they relate.

Financial lease contracts are recorded at the date of their commencement as assets and liabilities, at the lower of the fair value of the leased asset or the present value of the lease payments due.

Assets acquired under finance leases are amortized in accordance with the policy established by the Group for tangible fixed assets.

The rents are made up of the financial charges and the financial amortization of capital. Charges are registered in the respective periods during the lease term, in order to generate a constant periodic interest rate 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 annual rates applied satisfactorily reflect the economic useful life of the goods.

Estimated useful lives are as follows:

	Years
Buildings and other constructions	50
Basic equipment	3 – 20
Transport equipment	4 – 6
Office equipment	3 – 10
Other tangible fixed assets	10 – 20

2.6. Intangible Assets

Intangible assets consist essentially of development expenses.

Research expenses incurred in the search for new technical or scientific knowledge or in the search for alternative solutions are recognized in results when incurred. Development expenses are recognized as intangible assets when: i) the technical feasibility of the product or process being developed is demonstrated, ii) the Group has the intention and ability to complete its development, iii) the commercial viability is ensured and (iv) its expenditure can be measured reliably.

Development expenses previously recorded as an expense are not recognized as an asset in the subsequent period. Development expenses that have a finite useful life and have been capitalized are amortized from the time of their commercialization, by the straight-line method, during the expected economic benefit period that does not normally exceed five years.

Expenditures capitalized under this heading include expenditures on direct labor as well as expenses incurred on outsourcing with external entities, if applicable.

The intangible assets developed in the Reditus Group are related to the reengineering and optimization of processes, new processes and client oriented computer applications and are amortized by the straight-line method.

The 2018 Financial Statements have been restated, in accordance with IAS 8.

2.7. Goodwill

Goodwill represents the excess of the cost of acquisition of financial holdings in Group companies relative to the fair value of the identifiable assets and liabilities of such investments (proportional amounts of equity) at the date of acquisition. If the acquisition cost is less than the fair value of the net assets of the acquired company, the difference is recognized directly in the results for the year. Until 1st of January 2004, Goodwill was amortized over the estimated period of the investment's recovery, generally 10 years, with depreciation recorded in the income statement under 'Depreciation and Amortization'. As of January 1st, 2004, in accordance with IFRS 3 - Business Combinations, the Group suspended the amortization of Goodwill. As of that date, Goodwill amounts are subject to annual impairment tests, and the corresponding asset values are measured at cost less any accumulated impairment losses. Any impairment loss is recorded immediately in profit or loss for the year.

The 2018 Financial Statements have been restated, in accordance with IAS 8.

2.8. Impairement of Assets

Assets that do not have a defined useful life are not subject to amortization and depreciation and are subject to impairment tests annually. Assets subject to depreciation and amortization are reviewed annually to determine if there were impairments, when events or circumstances indicate that their recorded value may not be recoverable. Whenever the amount for which an asset is recorded is greater than its recoverable amount, an impairment loss is recognized in the income statement. The recoverable amount is the highest of the net selling price and the value in use. The net selling price is the amount that would be obtained with the sale of the asset in a transaction within reach of the parties involved, less expenses directly attributable to the sale. Value in use is the present value of the estimated future cash flows that are expected to arise from the continued use of the asset and its disposal at the end of its useful life. The recoverable amount is estimated for each asset, individually or, if it is not possible, for the cash-generating unit to which the asset belongs.

2.9. Non-current assets held for sale

Non-current assets (or discontinued operations) are classified as held for sale if their value is realizable through their sale, rather than through continued use. This situation is considered to occur only when:

(i) the sale is highly likely;
(ii) the asset is available for immediate sale under its current conditions;
(iii) the management is committed to a plan of sale;
(iv) it is expected that the sale will take place in a period of twelve months.

Non-current assets (or discontinued operations) classified as held for sale are measured at the lower of the book value or their fair value less costs incurred to sell them.

Non-current assets held for sale are presented on a separate line in the consolidated statement of financial position and the results of discontinued operations are presented, in line on the income statement by nature, after income tax and before Net Result.

When the Group ceases to classify a component as held for sale, the results of the operating units of that component previously presented in the discontinued operations are reclassified and included in the income from the continuing operations for all periods presented. However, in accordance with IFRS 5 - paragraph 40 - the amounts presented for assets and liabilities classified as held for sale in the statement of financial position of the previous period are not reclassified.

2.10. Other Financial Investments

The item "Other Financial Investments" consists of securities and other financial investments.

Other financial investments are valued, on the balance sheet date, at market value. The actual capital gains and losses resulting from the sale of these securities are recognized as income for the year in which they occur.

Financial investments that have experienced permanent reductions in realization value are accrued.

2.11. Deferred Taxes

Deferred taxes are calculated based on the liability method of the balance sheet and reflect the temporary differences between the amount of assets and liabilities for accounting purposes and their respective amounts for tax purposes. However, deferred taxes are not calculated on the differences in the initial recognition of assets and liabilities in a transaction related to the concentration of business activities, when they 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 may be used. Deferred tax assets are reviewed annually and reduced whenever they are no longer likely to be used.

Deferred taxes are calculated at the rate that is expected to be in force in the period in which the asset or liability is expected to be realized.

2.12. Inventories

Inventories are recorded at the lower of cost and net realizable value. Inventory expenses include all costs associated with the purchase, not including any financial expenses. Net realizable value is the estimated selling price in accordance with normal business activities, less attributable selling expenses.

The costing method adopted for the valuation of the warehouse exits is the weighted average cost.

2.13. Customers and Other Accounts Receivable

Customers' accounts receivable and other debtors are recorded at the fair value of the underlying transaction that originated them, less any impairment losses, so that they reflect their net realizable value.

Receivables assigned in factoring, with the exception of non-recourse factoring operations, are recognized in the balance sheet under 'Other Accounts Payable' until they are received.

2.14. Other Current Assets and Liabilities

These items include accrued expenses, deferred expenses, accrued income and deferred income so that expenses and income are recorded in the period to which they relate, regardless of the date of their payment or receipt.

2.15. Cash and Cash Equivalents

The amounts included in the cash items and their equivalents correspond to cash values, demand deposits, time deposits and other cash investments that can be immediately mobilized, up to 3 months, with insignificant risk of change in value.

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

2.16. Share Capital

The common shares are classified in equity.

Expenses directly attributable to the issuance of new shares or options are presented as a deduction, net of taxes, to the amount received resulting from this issue. Expenses directly attributable to the issuance of new shares or options for the acquisition of a business are included in the acquisition cost as part of the purchase price.

When the company or its subsidiaries acquire shares of the parent company, the amount paid is deducted from the total shareholders' equity attributable to the shareholders and presented as treasury stock up to the date they are canceled, reissued or sold. When such shares are subsequently sold or reissued, the amount received is again included in equity attributable to shareholders.

2.17. Loans and Overdrafts

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

Loans obtained are classified under 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 it is classified as non-current liabilities.

Interest expense on borrowings is recorded under the item *net cost of financing* in the statement of income.

2.18. Suppliers and Other Accounts Payable

Accounts payable to suppliers and other creditors are recorded at their nominal value, since they are short-term payables.

2.19. Contingent Liabilities and Provisions

Provisions are recorded in the balance sheet whenever:

(i) The Group has a present legal or future obligation resulting from a past event;
(ii) It is probable that a reasonably estimable decrease in resources incorporating economic benefits will be required to settle this obligation and;
(iii) That its value can be reliably estimated. Provisions are reviewed at the balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that a decrease in resources incorporating economic benefits will be required to settle the obligation, the provision is reversed.

When any of these conditions are not fulfilled, the Group discloses the events as contingent liabilities, unless the possibility of an outflow of funds is remote.

2.20. Revenue and Specialization of Exercises

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

Income from the sale of products is recognized in the consolidated income statement when the risks and benefits inherent to the ownership of the assets are transferred to the buyer and the amount of the income can be reasonably quantified.

Income arising from the rendering of services is recognized in the income statement with reference to the stage of completion of the rendering of services at the balance sheet date.

The guarantees of equipment sold are borne by the suppliers of the brands represented.

Interest and financial income are recognized in accordance with the accrual basis and in accordance with the applicable effective interest rate.

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

Expenses and income attributable to the current period and whose expenses and revenues will only occur in future periods, as well as expenses and revenues that have already occurred, but which relate to future periods and which will be allocated to the results of each of these periods, at the corresponding to them, are recorded under 'Other Current Assets' and 'Other Current Liabilities'.

2.21. Taxes on income

The income tax for the year is calculated based on the taxable income of the companies included in the consolidation and considers deferred taxation.

Current income tax is calculated on the basis of the taxable income of the companies included in the consolidation in accordance with the tax rules in force at the place where each group company's head office is located.

Deferred taxes are calculated on the basis of the liability method and reflect the temporary differences between the amount of assets and liabilities for accounting purposes and their respective amounts for tax purposes.

2.22. Currency convertion

Functional and reporting currency

The items included in the financial statements of each of the Group entities are measured using the currency of the economic environment in which the entity operates ("functional currency"). The consolidated financial statements are presented in euros, which is the functional and presentation currency of the parent company.

Transactions and balances

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

Group Companies

The results and financial position of all Group entities that have a functional currency different from their reporting currency are translated into the reporting currency as follows:

- The assets and liabilities of each Balance Sheet are translated at the exchange rate in effect on the date of the Financial Statements, and the respective exchange differences are recognized as a separate component in Shareholders' Equity, in the currency translation reserves;

- The income and expenses of each Income Statement are translated at the average exchange rate of the reporting period, unless the average rate is not a reasonable approximation of the cumulative effect of the rates in effect at the transaction dates, in which case the income and expenses converted by the exchange rates in force on the dates of the transactions.

2.23. Accounting framework for preparation of the financial statements

The 2018 Financial Statements have been restated, in accordance with IAS 8.

Following CMVM's *(Stock Exchange Supervisory Authority)* ruling that the intangible assets recognized by TORA in 2004 should be reclassified, which were related to a commercial representation contract, to goodwill and to deferred tax liabilities, the 2018 financial statements had to be restated during the current year. The Board of Directors has therefore considered that, as these corrections related to previous fiscal years, such restatement should be carried out under Retained Earnings and for the amount recognized to date in intangible assets, goodwill and deferred tax liabilities, having impacted the following items:

EFFECT OF RESTATEMENT 2018	Initial balance	Adjustments	Balance Restated
Non-current asset			
Goodwill	41,473,191	(2,761,292)	38.711.899
Intangible assets	17,238,021	(10,988,500)	6,249,521
Non-current liabilities:			
Deferred Tax Liabilities	3,450,953	(2,450,369)	1,045,584
Equity			
Net profit of the financial year	(3,812,965)	762,648	(3,050,317)
Income carried forward	-	-12,107,071	(12,107,071)

2.24. Subsequent Events

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

3. Financial Risk Management / Accounts Receivable / Accounts Payable

All operations carried out with financial instruments require the prior approval of the Executive Committee, which defines the specificities of each operation and approves the documentation related thereto.

The financial risk management of Reditus and its Group companies is carried out centrally by the Group's Financial Management, in accordance with the policies approved by the Executive Committee. The Financial Directorate identifies, evaluates and submits for approval of the Executive Committee, the elements of analysis of each operation, and the Commitee is responsible for the definition of the general principles of risk management, as well as exposure limits.

The Group's activities entail exposure to financial risks, namely: (i) market risks - mainly interest rates and exchange rates, which are associated, respectively, with the risk of the impact of market interest rate fluctuations in financial assets and liabilities and in the results, and the fluctuation risk on the fair value of financial assets and liabilities as a result of changes in foreign exchange rates, (ii) liquidity risk - the risk that there will be difficulties in meeting associated obligations to financial liabilities, and (iii) credit risks - the risk of its debtors failing to meet their financial obligations.

INTEREST RATE RISK MANAGEMENT

The Reditus Group's exposure to market risks lies primarily in its debt, associated with interest rate risks.

In the context of variable rate financing, the Reditus Group follows market developments, and whenever it deems necessary, it may use the contracting of interest rate derivative financial instruments to cover the cash flows associated with future interest payments, which have the effect of converting variable interest rate loans into fixed interest rate loans; the unpredictability of financial markets is analyzed in line with the Group's risk management policy.

Considering the interest rates practiced on December 31st, 2019, a variation of the reference rate of 0.5% would have the following annual impact:

	Sensitivity Analysis	Variation Charges (€)
Increase	0,50%	278.462
Reduction	- 0,50%	-278.462

EXCHANGE RATE RISK MANAGEMENT

The Reditus Group operates mainly in markets in which the currency and the functional currency is the Euro. However, it is exposed to currency risk in US Dollars (USD) against operations in Angola, although this risk is mitigated by the fact that the main contracts were denominated in Euros. The amount of outstanding US dollar balances as of December 31st, 2019 is USD 511,594. As of December 31st, 2019, the USD / Euro exchange rate was 0.89184.

The debt contracted by the Reditus Group is fully denominated in Euros, and the Group has not contracted interest rate hedging instruments.

LIQUIDITY RISK MANAGEMENT

Liquidity risk management requires the maintenance of cash and bank deposits at a sufficient level, the feasibility of consolidating floating debt through an adequate amount of credit facilities and the ability to liquidate market positions. Related to the dynamics of the underlying business, the Group's treasury aims to maintain the flexibility of floating debt by keeping credit lines available.

The Group manages liquidity risk through the contracting and maintenance of credit lines with national financial institutions, which allow immediate access to funds.

The liquidity of the remunerated financial liabilities, as well as the liquidity inherent to the lease and operational lease contracts and remunerated liabilities, will result in the following monetary flows:

2019	Capital in debt 31 Dec 2019	Loans	Leased Assets	Operating Lease
Payments up to 1 year	25,446,543	24,483,333	361,914	601,297
Payments between 1 and 5 years	15,151,730	12,722,260	1,897,566	531,904
Payments over 5 years	20,551,136	18,486,747	2,064,389	0
	61,149,409	**55,692,340**	**4,323,869**	**1,133,201**

COUNTERPARTY CREDIT RISK MANAGEMENT

Regarding the debts of third parties resulting from the current activity of the Reditus Group, credit risk results essentially from the possibility of defaults of those third parties, a situation significantly mitigated given the nature and solidity of the Customers that constitute almost the totality of the Group's Customers portfolio.

Balance	31-Dec-19	Not due	Due	
			Up tp 1 year	More than 1 year
Clients	65,621,213	2,667,876	709,041	62,234,296

The amounts outstanding for more than one year are essentially receivables from public entities based in the African continent, namely Angola, where the current market context leads to difficulties in the repatriation of monies due to the lack of foreign exchange; our expectation is nevertheless for its full receipt.

The Group's policy in terms of counterparty risk is also governed by the analysis of the technical capacity, competitiveness, credit rating and exposure to each counterpart, avoiding significant concentrations of credit risk, not attributing a significant risk of default to the counterpart, and not demanding any specific guarantees in this type of operations.

In addition, in relation to special or strategic projects, Reditus tries to negotiate the payments in currency, through certified lines of credit to the exporter using the credit insurance of COSEC-*Companhia de Seguros de Crédito, SA* and credit lines contracted with Financial Institutions/International Private Funds to finance this type of projects, in order for the funds to be paid directly in Portugal.

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

The monitoring of both price and volume risks, as well as credit risks, is quantified in measures associated with risk exposures that can be adjusted through market operations. This quantification is carried out by the Central Finance Department.

4. Relevant Accounting Estimates and Judgments

The preparation of consolidated financial statements requires management to make a series of judgments and estimates that have an impact on income, expenses, assets, liabilities and disclosures. The present financial information therefore includes items that are influenced by the estimates and judgments used in applying the Group's accounting policies.

The aforementioned estimates are determined by the management's judgments, which are based on the best information and knowledge of current 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 presents, in an appropriate manner, the financial position of the Group and the result of its transactions in all aspects considered materially relevant.

The main items that are influenced by estimates and judgments are as follows:

(i) Tangible and intangible fixed assets (useful lives);
(ii) Goodwill impairment;
(iii) Impairment on receivables;
(iv) Impairment on prototypes;
(v) Provisions;
(vi) Income tax;
(vii) Revenue recognition;
(viii) Deferred tax assets arising from reportable tax losse.

(i) Tangible and intangible fixed assets / estimated useful lives

Depreciation/amortization are calculated on the basis of acquisition cost using the straight-line method, as of the month in which the asset is available for use. The depreciation/amortization rates practiced reflect the best knowledge about its estimated useful life. The residual values of the assets and the respective useful lives are reviewed and adjusted whenever deemed necessary.

(ii) Goodwill impairment

Goodwill is subject to annual impairment tests carried out by external experts, as defined by IAS 36 - Impairment of Assets, with the Cash Flow Generating Units identified being the following Business Units:

- ITO;
- ITC.

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

(iii) Impairment on receivables

Impairment losses on doubtful accounts are based on the Group's assessment of the probability of recovering the balances of accounts receivable. This evaluation is based on the length of default, the credit history of the customer and the deterioration of the credit situation of the main customers. If clients' financial conditions deteriorate, impairment losses may be higher than expected.

(iv) Impairment on prototypes

The prototypes represent the internal development of marketable products, in the form of reengineering of administrative processes, new administrative processes or customer oriented computer applications, whose recognition is recorded over the estimated useful life. All prototypes are documented and reflect an estimate of their ability to generate cash flows in future years. In addition to systematic amortization, whenever there is evidence of impairment, the prototypes will be subject to impairment tests carried out by external experts.

(v) Provisions

The Group exercises considerable judgment in the measurement and recognition of provisions. Judgment is necessary in order to gauge the success likelihood of that litigation. Provisions are recorded when the Group expects ongoing proceedings to originate outflows, a loss is probable and can reasonably be estimated. Due to the uncertainties inherent in the valuation process, actual losses may differ from those originally estimated in the provision. These estimates are subject to change as new information becomes available. Revisions to estimates of these losses may affect future results.

(vi) Income tax

The Group accounts for Income Taxes based on estimates based on current tax legislation, including adjustments on expenses not recognized by the tax authorities, as well as the necessary adjustments made to securities and financial investments. These calculations require the use of estimates.

(vii) Revenue recognition

The recognition of revenue by the Group includes analyzes and management estimates regarding the phase of completion of on-going projects at the date of the financial information, which may have a future development different from that budgeted at the present date.

(viii) Deferred tax assets arising from reportable tax losses

The Group records deferred tax assets based on the tax losses existing at the balance sheet date and in the calculation of their recovery. These calculations require the use of estimates.

5. Companies Included in the Consolidation

As of December 31st, 2019, the Group companies included in the consolidation and their respective headquarters, share capital and proportion of the capital held, were as follows:

Name	Headquarters	Consolidation Method	Share Capital held	
			2019	2018
Reditus SGPS, SA	Lisbon	Integral	Holding	Holding
Reditus Gestão, SA	Lisbon	Integral	100	100
Reditus Imobiliária, SA	Lisbon	Integral	100	100
Techinfor, S.A. a)	Lisbon	Integral	100	100
ALL2IT Infocomunicações, S.A.	Lisbon	Integral	100	100
Partblack, S.A. b)	Lisbon	Integral	100	100
Reditus Consulting, S.A.	Lisbon	Integral	100	100
G.T.O. Consulting, SA c)	Lisbon	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	Lisbon	Integral	100	100
Reditus Business Products	Lisbon	Integral	100	100
SolidNetworks Business Consulting d)	Arruda dos Vinhos	Integral	100	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.	Mozambique	Integral	100	100
Reditus CIS, Limitada.	Lisbon	Integral	100	100

a) Reditus Business Solutions, S.A. changed its corporate name to Techinfor, S.A., one of the measures of its restructuring process. During the year of 2019, the company entered into a legal revitalization mechanism;

b) Reditus Business Security, S.A. changed its corporate name to Partblack, S.A., one of the measures of its restructuring process;

c) Ogimatech, S.A. changed its corporate name to G.T.O, S.A., one of the measures of its restructuring process;

d) SolidNetworks is now held at 100%;

Reditus understands that there are no significant restrictions to access or use any assets and to settle liabilities of the group. It should be noted that the Group controls all its affiliates.

6. Information by Business Area

The business areas of the Reditus Group were determined by type of business, differentiating the various offers that Reditus proposes and provides to its customers:

ITC Area (IT Consulting): integrates the areas of Consulting, Platforms & Applications, and Specialized Outsourcing. This segment offers the market consulting services, process management, application development / management and maintenance, business intelligence and applications, open source solutions and outsourcing services specializing in information technologies. The services include the management, administration and support of technological platforms.

ITO Area (IT Outsourcing): comprises IT Infrastructure competencies. This segment offers infrastructural IT services, projects and solutions to the market. The services include the management, administration and support of technological platforms, in contracts of responsibility or functional outsourcing.

BPO Area (Business Process Outsourcing): comprise BPO, Contact Center and Shared Services competencies. This segment involves the supply of Contact Center services and business support, developing activities such as customer service and loyalty, inbound and outbound, mail handling, document preparation, digitization, archive custody, home, business, personal & automobile loan treatment, automobile claims management, multi-risk and work accidents, treatment of debit, credit and university cards, claims management, among others.
On the other hand, the Reditus Group operates in international markets with the different offers mentioned above, meaning that internationalization is transversal to the three operational segments identified above. This international activity is based on distinct organizational models, through the creation of local delegations, the promotion of export activity and the supply of services in neashore.

As of December 31st, 2019 and 2018, the results by business area were as follows:

December 31st, 2019

	2019					
	ITO	ITC	BPO	Total	Adjustments	Consolidated
Operating revenues:						
External sales of products and	368,742	125,656	-	494,398	-	494,398
Intra-network sales of products and merchandise	134,056	19,037	-	153,093	(153,093)	-
Provision of external services	2,120,316	11,327,770	10,107,403	23,555,489	-	23,555,489
Provision of intra-network services	6,893,164	4,583,040	372,376	11,848,580	(11,848,580)	-
Other external operating revenue	182,073	160,613	541	343,227	5,101	348,328
Other intra-network operational revenue	31,176	93,968	-	125,144	(125,144)	-
Total operating revenues	9,729,527	16,310,084	10,480,320	36,519,931	(12,121,716)	24,398,215
	-	-	-	-	-	-
Operational expenses:	-	-	-	-	-	-
Inventories consumed and sold	(442,014)	(139,594)	-	(581,608)	146,999	(434,609)
Supplies and Services External	(3,734,872)	(11,921,772)	(5,171,412)	(20,828,056)	11,972,951	(8,855,105)
Staff Costs	(2,987,491)	(2,987,877)	(4,771,578)	(10,746,946)	79	(10,746,867)
Depreciation and amortization Costs	(932,746)	(512,480)	(274,886)	(1,720,112)	-	(1,720,112)
Provisions and Impairment Losses	(480,670)	(148,092)	(68,152)	(696,914)	-	(696,914)
Other Operating Costs and Losses	(178,039)	(216,367)	4,956	(389,450)	1,687	(387,763)
Total Operating Expenses	(8,755,832)	(15,926,182)	(10,281,072)	(34,963,086)	12,121,716	(22,841,370)
	-	-	-	-	-	
Operational profits	973,695	383,902	199,248	1,556,845	0	1,556,845
Financial results						(2,353,674)
Income before taxes						(796,829)
Income tax						956,898
Profit from continuing operations						160,069

December 31st, 2018

	2018					
	ITO	ITC	BPO	Total	Adjustments	Consolidated
Operating revenues:						
External sales of products and	515,226	17,523	-	532,749	-	532,749
Intra-network sales of products and merchandise	146,983	-	-	146,983	(146,983)	-
Provision of external services	5,676,038	13,299,668	12,045,394	31,021,100	-	31,021,100
Provision of intra-network services	5,452,871	4,722,583	-	10,175,454	(10,175,454)	-
Other external operating revenue	311,726	668,898	883	981,507	(90,152)	891,355
Other intra-network operational revenue	106,501	38,782	-	145,283	(145,283)	-
Total operating revenues	12,209,345	18,747,454	12,046,277	43,003,076	(10,557,872)	32,445,204
Operational expenses:						
Inventories consumed and sold	(653,244)	(23,108)	-	(676,352)	129,763	(546,589)
Supplies and Services External	(6,200,547)	(8,850,018)	(6,010,934)	(21,061,499)	10,425,479	(10,636,020)
Staff Costs	(4,108,128)	(6,294,765)	(5,367,353)	(15,770,246)	-	(15,770,246)
Depreciation and amortization Costs	(1,134,615)	(745,402)	(500,580)	(2,380,597)	-	(2,380,597)
Provisions and Impairment Losses	(23,909)	(1,540,135)	(503)	(1,564,547)	-	(1,564,547)
Other Operating Costs and Losses	(304,131)	(595,897)	(89,552)	(989,580)	2,630	(986,950)
Total Operating Expenses	(12,424,574)	(18,049,325)	(11,968,922)	(42,442,821)	10,557,872	(31,884,949)
Operational profits	(215,229)	698,129	77,355	560,255	-	560,255
Financial results						(3,405,468)
Income before taxes						(2,845,213)
Income tax						(210,890)
Profit from continuing operations						(3,056,103)

At December 31st, 2019 and December 31st, 2018, assets and liabilities by business area were as follows:

December 31st, 2019

	2019					
	ITO	ITC	BPO	Total	Adjustments and others	Total
Net asset	107,599,561	43,187,860	12,419,711	163,207,132	-	163,207,132
Liability	53,683,174	50,581,136	43,495,717	147,760,027	-	147,760,027
Other information:	-	-	-	-	-	-
Year investment on tangible assets (Note 7)	16,444	-	8,487	24,931	-	24,931
Year investment on intangible assets (Note 10)	-	99,198	195,752	294,950	-	294,950

December 31st, 2018

	2018					
	ITO	ITC	BPO	Total	Adjustments and others	Total
Net asset	127,721,857	50,389,124	9,421,440	288,431,074	(130,852,566)	157,578,508
Liability	49,792,767	65,590,695	39,497,598	242,851,158	(100,644,629)	142,206,529
Other information:						
Year investment on tangible assets (Note 7)	-	31,606	-	31,606	-	31,606
Year investment on intangible assets (Note 10)	-	73,765	543,840	617,605	-	617,605

7. Tangible Fixed Assets

7.1. Movements in Fixed Assets and Depreciation:

Gross Assets:

December 31st, 2019

	Gross Assets				
	Balance 31-Dec-18	Increases and Revalutations	Scraps and Disposals	Corrections and Transf.	Balance 31-Dec-19
Real Estate and Natural Resources	2,685,250	-	-	-	2,685,250
Buildings and other Cosntructions	5,737,211	-	-	-	5,737,211
Basic Equipment	4,225,871	24,931	-	969	4,251,771
Transportations Equipment	1,027,105	-	-	-	1,027,105
Administrative Equipment	3,884,521	-	-	-	3,884,521
OtherTangible Fixed Assets	2,917,355	-	-	-	2,917,355
	20,477,313	24,931	-	969	20,503,213

December 31st, 2018

	Gross Assets				
	Balance 31-Dec-17	Increases and Revalutations	Scraps and Disposals	Corrections and Transf.	Balance 31-Dec-18
Real Estate and Natural Resources	2,685,250	-	-	-	2,685,250
Buildings and other Cosntructions	5,737,211	-	-	-	5,737,211
Basic Equipment	4,225,871	-	-	-	4,225,871
Transportations Equipment	1,012,838	25,140	(10,873)	-	1,027,105
Administrative Equipment	3,878,055	6,466	-	-	3,884,521
OtherTangible Fixed Assets	2,917,355	-	-	-	2,917,355
	20,456,580	31,606	(10,873)	-	20,477,313

Accumulated depreciation:

December 31st, 2019

	Cummulated Depreciations				
	Balance 31-Dec-18	Increases	Disposals	Corrections and Transf.	Balance 31-Dec-19
Buildings and other Constructions	1,826,349	165,631	-	-	1,991,980
Basic Equipment	4,130,547	41,868	-	-	4,172,415
Transportation Equipment	967,479	19,714	-	-	987,193
Administrative Equipment	3,820,007	20,549	-	-	3,840,556
Other Tangible Fixed Assets	2,901,147	10,373	-	-	2,911,520
	13,645,529	258,135	-	-	13,903,664

December 31st, 2018

	Cummulated Depreciations				
	Balance 31-Dec-17	Increases	Disposals	Corrections and Transf.	Balance 31-Dec-18
Buildings and other Constructions	1,662,549	163,800	-	-	1,826,349
Basic Equipment	4,007,869	122,678	-	-	4,130,547
Transportation Equipment	930,777	63,154	(8,380)	(18,072)	967,479
Administrative Equipment	3,786,949	33,058	-	-	3,820,007
Other Tangible Fixed Assets	2,888,102	13,046	-	-	2,901,147
	13,276,246	395,736	(8,380)	(18,072)	13,645,529

7.2 Assets in Financial Leasing

The Group holds assets under a leasing regime that are related to its operating activity. At the end of the agreement, the Group may exercise the option to purchase such asset at a price lower than its market value. Lease payments do not include any amount related to contingent rent.

Below is presented the composition of the assets acquired under financial leasing and their respective net amounts:

	Gross Value	Cummulated Depreciation	Net Value
Buildings	6,017,250	1,880,517	4,136,733
Vehicles	39,765	33,137	6,627
	6,057,015	**1,913,654**	**4,143,361**

7.3 Revaluations

The Group records the land and buildings related to the operating activity by the revaluation model, and the valuations carried out by independent and specialized entities, the last valuation, performed by Aguirre Newman Portugal, goes back to December 31st, 2016.

On December 31st, 2019, Reditus owned a property in Alfragide (land and building).

The value of the Group's properties at December 31st, 2019 is as follows:

2019	Acquisition value	Revaluation Value	Value of Works	Cummulated Depreciation	Fair Value
Building in Alfragide (land included)	6,017,250	2,135,755	205,201	1,956,943	6,401,262
Others	64,256	0	0	35,037	29,219
	6,081,506	**2,135,755**	**205,201**	**1,991,980**	**6,430,481**

8. Investment properties

The property located on the Rua do Pólo Norte and Alameda dos Oceanos referring to the autonomous fractions of "Q", "R" and "S" (GTO Building), the only property classified as Investment Property, was evaluated by the entity PAFHD Group CSD Real Estate Consulting in

2017 by the same "Income" method, which resulted in a fair value of € 1,509,000, resulting from the valuation, using the *Discounted Cash Flow* mehtod.

Expenses incurred with investment properties in use, such as 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 statement of income for the year to which they refer, amounting to 126.891,25 Euros.

9. Goodwill

During the periods ended December 31st, 2019 and December 31st, 2019, the movement in goodwill was as follows:

	31-Dec-19	31-Dec-2018 Restated
Balance at the beginning of the Period	38,711,899	41,473,191
Impairments recognized in the period	-	-
Balance at the end of the Period	38,711,899	38,711,899
Net accounting value:	-	-
Balance at the beginning of the Period	38,711,899	41,473,191
Balance at the end of the Period	38,711,899	38,711,899

	Gross Value 31-Dec-18	Increases	Scraps	Corrections and Transf.	Gross Value 31-Dec-19
Goodwill	42,948,413	-	-	- 2,761,292.00	40,187,121
Impairments	(1,475,222)	-	-	-	(1,475,222)
	41,473,191	-	-	-	**38,711,899**

The detail of goodwill by segment as of December 31st, 2019 and December 31st, 2018 is as follows:

	31-Dec-19	31-Dec-2018 Restated
ITC	6,417,901	6,417,901
ITO	32,293,998	32,293,998
	38,711,899	38,711,899

9.1 Goodwill – Imparity test

Goodwill was subject to an impairment assessment by the "Discounted Cash-flow" method by an independent external expert. In this context, we analyzed the value of the following business areas:

- ITO
- ITC

For each business area, a 5-year horizon was projected, through 2024, considering the business plan established by the Group/Companies' management(s), the respective sector's performance perspectives, as well as macroeconomic aspects. The discount rate was 11.37% (for ITO and ITC) constructed using the market Beta, a market risk premium, the average debt cost and the Group's current gearing. The nominal growth rate used in perpetuity was 2.0%.

The financial projections are based on the best existing knowledge and on the actions that are expected to be carried out, and consequently based on budgets and business plans duly approved by the Group's Board of Directors. The quantification of the assumptions of these projections was based on market data, historical data and past experience of the Group, complemented by the performance of actions estimated in the strategies adopted for each cash-generating unit. However, such assumptions may be affected by changes in facts and unforeseeable circumstances at the time of quantifying the assumptions.

The assumptions used in the growth of Operatinal Revenue were as follows:

ITO

The ITO area was analyzed based on the following assumptions:

- Develop an integrated management of platforms/operations (HW, SW and consultants);
- Reach economies of scale in managed services (reassess the current technological solution);
- Pursue the development of products related to Enterprise Content Management software (ECM);
- Strengthen the presence in the Security Services area;
- Develop existing solutions as products under the Reditus brand;
- Develop more sophisticated offerings in security, disaster recovery, 3rd plataform *(cloud, mobility, social business* and *big data)*, virtualization e innovation accelerators (*IoT – Internet of Things, Robotics, 3D-Printing*);
- "Reinvent" the product offering with financial products that support new solutions, transferring financial costs to customers;
- Angola:
    - Centralize and racionalize existing operations;
    - Consolidate and invigorate the local presence;
    - Focus in other sectors, such as Enery and Financial, besides reinforcing the presence in the Oil & Gas and public sectors.
- Development of products related to Enterprise Content Management software (ECM);
- Equatorial Guinea:

- Consolidate the local partnership;
- Increase support from Portugal (Sales and e Operations).

ITC

Efforts in the ITC area were based on the following assumptions:

- Consolidate the presence in the docestic market and focus on the largest corporations;
- Maintain the International growth policy into ‘sophisticated’ countries (on the basis of pricing competitivity) abd into less developed markets (on the basis of know- how/ technical capabilities/highly qualified human resources);
- Develop opportunities in the Energy and Public Sectors;
- IT platform allowing for a more eficiente management of consultant’s recruitement and data-base, with the objective of broadening the present offer and increasing profitability;
- Focus on recruitment and training of national employees, who offer *great technical capabilities* and *easy adaptation to new cultures and challenges*;
- Develop opportunities in foreign markets - *nearshoring*;
- Explore partnerships with selected manufacturers and suppliers;
- Focus mainly on the internal offer and regain recognition in the domestic market;;
- Develop and consolidate the presence in Mozambique, focusing on the *energy, water, education, telecommunications* and *public sectors;*
- Consolidate the partnership in Equatorial Guinea, focusing on the *telco, energy* and *public* sectors.

The Board of Directors believes that the effect of any deviations that may occur in the main assumptions, on which the recoverable value of the cash generating units is based, will not imply, in any materially relevant aspects, the impairment of the respective goodwill.

With regard to the discount rate and the growth rate in perpetuity, sensitivity tests were carried out as these assumptions are key elements in determining future cash flows and the consequent assessment of any goodwill impairment; it has been demostrated that the update of the future cash flows for each operating unit would still to be higher than the carrying amount in the accounts as of December 31st, in case discount rates with a variation of 0.25% or growth rates in perpetuity with a variation of 0.15% were used.

10. Intangible Assets

10.1 Movements in Other Intangible Assets and in the respective Amortizations

During the years ended in 2019 and 2018 the movement in the amount of intangible assets, as well as in the respective accumulated amortization and impairment losses, was as follows:

Gross Assets

December 31st, 2019

	Gross Assets					
	Balance on 31-Dec-18	Perimeter Changes	Accruals	Scraps and Disposals	Corrections and Transfers	Balance on 31-Dec-19
Development Projetcs	15,243,009	-	409,281	-	-	15,652,290
Computer Software	1,681,541	-	-	-	-	1,681,541
Other intangible assets	11,001,261	-	-	-	25,433	11,026,694
Intangible assets underway	219,539	-	-	-	-	219,539
	28,145,349	**-**	**409,281**	**-**	**25,433**	**28,580,063**

December 31st, 2018

	Gross Assets					
	Balance on 31-Dec-17	Perimeter Changes	Accruals	Scraps and Disposals	Corrections and Transfers	Balance on 31-Dec-18
Development Projetcs	14,699,169	-	543,840	-	-	15,243,009
Industrial Property	13,711,571	(13,711,571)	-	-	-	-
Computer Software	1,681,541	-	-	-	-	1,681,541
Other intangible assets	23,199,905	(12,272,409)	73,765	-	-	11,001,261
Intangible assets underway	219,539	-	-	-	-	219,539
	53,511,724	**(25,983,980)**	**617,605**	**-**	**-**	**28,145,349**

Accumulated depreciation

December 31st, 2019

	Cummulated Amortizations					
	Balance on 31-Dec-18	Perimeter Changes	Accruals	Scraps and Disposals	Corrections and Transfers	Balance on 31-Dec-19
Development Projects	13,123,478	-	687,767	-	-	13,811,246
Computer Software	1,625,838	-	50,535	-	-	1,676,373
Other intangible assets	7,101,948	-	723,675	-	(345,102)	7,525,084
	21,851,264	**-**	**1,461,977**	**-**	**(345,102)**	**23,012,702**

December 31st, 2018

	Cummulated Amortizations					
	Balance on 31-Dec-17	Perimeter Changes	Accruals	Scraps and Disposals	Corrections and Transfers	Balance on 31-Dec-18
Development Projects	12,260,519	-	862,959	-	-	13,123,478
Industrial Property	12,492,765	(13,102,168)	-	-	609,403	-
Computer Software	1,524,170	-	101,668	-	-	1,625,838
Other intangible assets	7,777,291	(1,893,312)	1,020,234	-	197,735	7,101,948
	34,054,745	**(14,995,480)**	**1,984,861**	**-**	**807,138**	**21,851,264**

10.2 Prototypes

The net value of the item "Development Projects" as of December 31st, 2019 amounts to € 1,841,044 and relates to expenses incurred with prototypes, which consist of the internal development of products that allow for obtaining economic benefits for the Group.

In the 2019 fiscal year, Techinfor developed "*Web portal - Institutional portal*" which consists in the definition of a *content flow and security permissions* that characterize a particular business element, whether only for communication, for archiving, or for integration in an interface with external entities such as: documents, processes, entities. The *elements* are classified and characterized by type of attributes, being possible to treat and handle them according to their characteristics; the *security permissions* consist of a list of types of actions open to a group or a single user, over the typology of the element. The element inherits the security of the typology in which it is inserted and additionally has its own security list. Permission for an element's typology derives from the inherited list, plus its own safety list. The capitalized expenses amounted to 195,752 Euros. SolidNetworks developed the *"Drupal Web Services"* prototype, aimed at increasing its service offering; this prototype is a content management system, a platform that allows for the construction of websites that are dynamic and interactive with the users, in addition to facilitating the updating of pages. The capitalized expenses amounted to 213,529 Euros.

In the 2018 fiscal year, Techinfor had the need to improve current operations and increase the sophistication of the provision of services supplied; tools were developed and implemented that are partially/totally able to replace "human" work, using concepts of robotization and automation; a prototype was also developed, dedicated to the management of the BPO and infrastructure segments and called "RBPA II - Reditus Business Process Automation", which aims to define methodologies, and design and develop tools that enable performance improvement in the execution of business processes; the capitalized expenses amounted to € 543,840.

During the 2017 fiscal year, Techinfor developed two prototypes related to the management of the BPO and Infrastructure segments, called "RBPA - Reditus Business Process Automation" and which aims to define methodologies and design and develop 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 that allows integrated management of Members, Venues, Ticketing and Sports and Cultural Events; the capitalized expenses amounted to 1,328,922 euros.

In fiscal year 2014, ALL2IT developed three prototypes related to document management and digitalization, called "RedDoc", "Reditus Scan", and a "CRM" that aims to use *Customer Relationship Management* software in order to strengthen the company's relationship with its customers and suppliers, while at the same time having analitical cabilities through the use of an advanced reporting tool; the capitalized expenses amounted to € 246,768.

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 by business segment is as follows:

	Capitalized Expenditure	Cummulated Amortization	Net Value
BPO	3,321,548	1,889,785	1,431,763
ITO	2,504,648	2,095,366	409,281
	5,826,196	**3,985,152**	**1,841,044**

The table below details the prototypes:

Designation	Capitalized Expenditure	Cummulated Amortization	Net Value
REDDOC II – Mail management and Document management	363,558	363,558	0
REDSCAN II - Digitalization	619,031	619,031	0
CRM	251,257	251,257	(0)
Coliseum 2017	510,275	204,110	306,165
RBPA	1,150,877	460,351	690,526
RBPA II	543,840	108,768	435,072
Drupal Web Services	213,529		213,529
Web portal-Institutional portal	195,752		195,752
Total	5,826,196	3,985,152	1,841,044

10.3 Industrial property

The 2018 financial statements were restated during the current year, as result of a CMVM ruling that the intangible assets recognized by TORA in 2004 and relating to a commercial representation contract, whose amortization would end in the present fiscal year, should be restated. The Board of Directors has therefore considered that, as these corrections related to previous fiscal years, such restatement should be carried out under Retained Earnings and for the amount recognized to date in Industrial Property.

10.4 Other intangible assets

As of December 31st, 2019, the detail was as follows:

	Net Value on 31-Dec-2019	Net Value on 31-Dec-2018
Synergies/cross-selling Partblack a)	2,940,748	3 594 208
Tora acquisition b)	-	
Other	560,862	260 540
	3,501,610	**3,854,748**

a) At the time of Partblack's acquisition at the end of 2009, the synergies and potential for cross selling, the sale of new products to the same customers and the sale of the same products to new customers, were valued, and a 15-year useful life was established, which still runs on December 31st, 2019 and therefore the corresponding amortization was recorded in the current year. Considering these two intangible assets, the estimated revenue growth will have a CAGR rate of 15% between 2017 and 2024 and growth of 2% after that date. Such growth is based on the development of a domestic and international strategy in the area of *"Security Services",* with a diversified product offer as already mentioned in the previous point. With Reditus present in 2019 in several geographies, we have expectations of growth due both to the breadth and interrelation of available products, and to the geographical coverage, which give added credibility to the growth forecasts for the area of "Security Services";

b) The 2018 Financial Statements have been restated, in accordance with IAS 8; such value had already been deducted from TORA's Industrial Property (note 10.3).

11. Other Financial Investments

As of December 31st, 2018, this ite, which presents a balance of € 1,884,576, includes essentially:

- 5,000 Euros relating to shares of LISGRAN;
- 1,158,128 Euros relating to the Escrow Agreement between Reditus Gestão and GFI Portugal, in the matter of the sale of Roff - Consultores Independentes, SA;
- Work Compensation Fund;

Financial investments are valued at cost.

12. Assets and Liabilities for Deferred Taxes

The detail of deferred tax assets and liabilities at December 31st, 2018 and December 31st, 2017, according to the temporary differences that generated them, is as follows:

	ASSETS		LIABILITIES		NET VALUE	
	31 Dec 19	31 Dec 18	31 Dec 19	31 Dec 18	31 Dec 19	31 Dec 18
Adjustments a)	283,304	283,304	-	-	283,304	283,304
Deferrable Tax Losses b)	2,670,192	1,632,045	-	-	2,670,192	1,632,045
Revaluation reserves c)	-	-	300,594	290,636	(300,594)	(290,636)
Other d)	-	-	617,557	754,948	(617,557)	(754,948)
Net Deferred Tax Asset / (Liability)	**2,953,496**	**1,915,349**	**918,151**	**1,045,584**	**2,035,345**	**869,765**

a) These adjustments relate mainly to losses on the fair value of securities and financial investments;

b) Deferrable tax losses are as follows:

	FY of Tax Loss	Last Year for Deduction	Remaining Tax Loss	Deduction Value
	2016	2028	1,543,871	322,960
	2017	2029	1,948,662	437,792
	2018	2030	4,780,378	871,293
	2019	2031	4,994,890	1,038,147
			13,267,802	**2,670,192**

Techinfor SA resorted in 2019 to a legal revitalization mechanism, whereby it has itself recorded deferred tax assets, which are considered to be recoverable up to 2024 in accordance with the Company's Business Plan.

c) The amount relating to revaluation reserves relates to the revaluation of the Reditus building in Alfragide, where part of the depreciation is not tax deductable;

d) Relates to the intangible assets generated after the acquisition of Partblack, whose amortizations are not fiscally recognized.

13. Inventories

As of December 31st, 2019 and December 31st, 2018, inventories have the following composition:

	31-Dec-19	31-Dec-18
Goods	518,158	473,154
Inventory impairment	(268,658)	(268,658)
	249,500	**204,496**

14. Customer Receivables

As of December 31st, 2019 and December 31st, 2018, the Customer Receivable accounts have the following composition:

	31-Dec-19	31-Dec-18
No Current Customers:		
Extra-Community customers	35,928,662	29,927,618
	35,928,662	**29,927,618**
Current Customers		
National Customers	4,803,207	5,526,109
Intra-Community customers	108,978	82,807
Extra-Community customers	29,182,059	35,353,214
Clients Impairment	(4,401,693)	(3,972,502)
	29,692,551	**36,989,627**

Customer Receivables include 737,735 Euros of invoices assigned to factoring (see note 21).

The balances of non-EU customers refer mainly to customers in the African market, namely Angola, Mozambique and Equatorial Guinea.

Reditus has customer 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 we highlight the following activities: data center infrastructure, control centers communications, software platform, development of disaster recovery with redundancy, preventive and corrective maintenance and training in technological systems.

The amount recognized in the item “Other customers” (Current and Non-Current), includes the sum of 34,096 million Euros, related to an Angolan public entity and resulting from the supply of services, of goods and of equipment in the scope of technological projects initiated in 2009, with billings made in 2013 and still pending receipt. Reditus has projects from clients in Angola, related to the execution of technology and software services, communications and security systems and the supply of goods in the scope of technological projects, of which we highlight the following activities: data center infrastructure, communication control centers, software platform, training, development of a “disaster recovery system”/redundancy system and preventive and corrective maintenance.

The aforementioned projects refer, in particular, to the client *Angolan Armed Forces* (hereinafter FAA), and are part of a total amount of 62,7 million Euros, which was included in the “credit line for credit risk coverage to the export of goods, equipment and services of Portuguese origin to the Republic of Angola ”, thus allowing to receive in Euros, in Portugal, the amount equivalent to 85% of the above value; the main steps of the process are emphasized hereunder:

The above mentioned amount refers to a technology and software services project, which has been considered strategic, was approved by the Court of Auditors and by a Presidential Decree at the end of 2016, and subsequently published in the *Diário da República de Angola* (Official State Bulletin of the Angolan Republic).

Following this approval, the Ministry of Finance of Angola notified the Ministry of Finance of Portugal, via COSEC, regarding the prioritization of the project and requested the inclusion of the same in the aforementioned guaranteed credit line.

COSEC officially notified the acceptance by the Portuguese Ministry of Finance regarding the inclusion of the referred project in the protocolled line. ALL2IT (Reditus) presented a banking syndicate consisting of Portuguese banks to negotiate the terms and conditions of external financing to the Republic of Angola, which prepared a financing proposal whose term sheet was approved at the end of July 2017.

The terms and conditions of the financing contract were subsequently negotiated between the parties, culminating in their approval in the course of 2018.

In the course of the 2018 and 2019 fiscal years, it was necessary to comply with the precedent conditions of the Portugal - Angola financial agreement, such as the specific registration and characterization of the above project in (a) the annual state budget target and (b) in the "PIP - Program of Public Investment" and the general state budget for 2018 and 2019. The inclusion of the project in the PIP and the budget allocation for those years were approved by the competent public bodies.

The amount of external financing and the delegation of powers for the formal procedures of contract signature were approved by the President of the Republic of Angola, by presidential decree published in the Republic's Bulletin at the end of December 2018.

The financing contract under the financial agreement between Portugal - Angola, using COSEC's credit insurance, was signed by the Angolan Finance Minister and the syndicate member banks in June 2019.

The Republic of Angola paid at the end of 2019 (i) 100% of the credit insurance premium, (ii) paid the bank syndicate fees for the external financing operation, and (iii) registered the project in the PIP and the 2020 general State Budget.

Angola provided at that time a *sovereign guarantee* to the Portuguese State, which in turn provided its guarantee, and COSEC finally issued the final policy regarding the operation's credit insurance at the end of 2019.

In the item "Customer Receivables", around 25,072,003 Euros refer to customers under Angolan commercial law.
The Reditus Group, through its subsidiary - TECHINFOR, S.A. - signed three service contracts with an Angolan corporation between 2013 and 2015, referring to the following technological services:

Contract 1:

- Technological services for the implementation of a Disaster Recovery and Redundancy System for 4 communication control centers;
- Development services for a Workflow and Document Management platform.

Contract 2:

- Technological Consulting Services in the areas of Data Centers, Applicational development and Technical Support;
- Services for the Creation of a Facilities and Equipment Registry;

Contract 3

- Design, assembly, implementation, development, and maintenance services for a Security Operational Center;

Regarding the receipt of funds for the above projects mentioned, it is estimated that this will be achieved through:

- Receipts through future disbursements under the protocol line to cover credit risks for the export of Portuguese goods to Angola using COSEC credit insurance, with our expectation that of 26,265,000 Euros (about 25,072,003 Euros after discount) 8,208,677 Euros will be received in the course of 2020..

We estimate that the first installments will be disbursed shortly, according to the following estimated financial calendar:

Estimated Period	Euros
2020 Year	23,240,003
1st Semester 2021	19,065,326
2nd Semester 2021	16,863,336
	59,168,665

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

The Reditus group presently divides customers into 3 categories:

- Class A - Ministries and public bodies, with the exception of Health and Education;
- Class B - Municipalities, the Ministry of Health and dependant public bodies, and the Ministry of Education and dependant public bodies;
- Class C - Other entities.

In general terms, with the exception of Angolan customers whose treatment in this matter was previously mentioned, the following rates are applied for the recognition of impairment of customer 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 than 721 days
A	0%	0%	50%	75%	100%
B	0%	50%	75%	100%	100%
C	50%	75%	100%	100%	100%

15. Other Accounts Receivable

As of December 31st, 2019 and December 31st, 2018, the item "other accounts receivable" is composed as follows:

	31-Dec-19	31-Dec-18
Non-Current		
Parroute a)	1,075,874	1,049,458
	1,075,874	**1,049,458**
Current		
State and Other Public Entities c)	1,542,798	1,233,869
Other Shareolders	272,415	272,415
	1,815,213	1,506,284
Other Debtors		
Personal Debts	167,127	236,386
Deposits	46,645	33,530
Parroute a)	2,574	2,574
P2020 b)	424,008	416,650
GFI - Escrow Account c)	3,000,000	0
Amounts Related to Phase III	422,066	382,531
Internationalization	187,394	187,394
Other Debtors Diverse	1,754,455	2,083,637
	6,004,269	3,342,702
	7,819,482	**4,848,986**

a) *Other accounts receivable - non-current* refers to an advance made in the amount of € 1,500,000 in 2013, against the purchase option agreement for the acquisition of a stake in Strong Approach. The purchase option was not exercised by ALL2IT, and a refund was requested for the amount advanced.

A payment agreement was entered into on November 30th, 2017, for the amount advanced above, deducting a 10% withholding, whose amortization is comprised in the period from December 2019 to December 2028.

The amount of 6,405 Euros was received on December 31st, 2019.

b) Value of the eligible incentive under the application for the Portugal 2020 program;

c) The amount of 3,000,000 Euros refers to a Escrow Agreement between Reditus Gestão and GFI Portugal, related to the sale of Roff - Consultores Independentes, SA, which was transferred from non-current to current and is to be received in during 2020.

d) The amounts under *State and Other Public Entities* are detailed in note 22.1.

The debit balances of the Reditus group have the following maturity map:

Balance	31-Dec-19	Past Due	Due	
			Up to 1 year	+ 1 Year
Other Debtors	6,004,269	167,127	4,814,462	1,022,680

16. Other Current Assets

As of December 31st, 2019 and December 31st, 2018, the item "Other current assets" was composed as follows:

	31-Dec-19	31-Dec-18
Debtors by increase of income		
Other increase of income a)	28,871,607	21,436,050
	28,871,607	21,436,050
Expenses to be acknowledged		
Rents	12,161	25,524
Other expenses to acknowledge b)	1,081,715	1,713,529
	1,093,876	1,739,053
	29,965,483	**23,175,103**

a) The item *"Other income accruals"* includes an amount of approximately 27,5 million Euros and relates to the percentage of completion of projects of technological consultancy and development, and technological applications, being carried out in the African market and including Angola for approximately € 25,4 million, Mozambique for approximately € 0.4 million, and Equatorial Guinea for approximately € 1.7 million, according to *IAS11 - Construction Contracts*. The revenue recognition for these projects is a function of the estimate of incurred expenses versus estimated total expenses of the project.
These services were carried out between 2015 and 2018, and taking into account that they are mostly public entities, we await the respective budgetary allocation and clearance from the responsible official entities, in order to issue our invoices.

b) *Other expenses* essentially include deferrals of prepaid services, which will be recognized as services are provided to customers.

17. Financial Assets Fair Value

As of December 31st, 2019 and December 31st, 2018, this item has the following composition:

	31-Dec-19	31-Dec-18
Millenniumbcp Shares	1,578,082	1,578,082
Impairment	(1,570,915)	(1,569,970)
	7,167	**8,112**

The value of Millennium BCP shares as of December 31st, 2019 was 0.2028 euros (0,2295 euros as of December 31st, 2018).

18. Cash and Cash Equivalents

As of December 31st, 2019 and December 31st, 2018, this item has the following composition:

	31-Dec-19	Restated
Bank Deposits	1,016,138	946,050
Cash	226,394	228,546
	1,242,532	**1,174,596**

19. Equity Capital

As of December 31st, 2019 and December 31st, 2018, this item has the following composition (before minority interests):

2019

	Balance on 31-Dec-18	Application Results 2018	Net Income for the Year	Others	Balance on 31-Dec-19
Capital	14,638,691	0	0	0	14,638,691
Own Shares	(255,183)	0	0	0	(255,183)
Issue premiums	9,952,762	0	0	0	9,952,762
Legal Reserve	3,244,814	0	0	0	3,244,814
Other Reserves	1,567,669	0	0	0	1,567,669
Income carried forward	(12,107,071)	(3,050,317)	0	0	(15,157,388)
Fixed Assets evaluation surplus	1,260,288	0	0	(44,799)	1,215,489
Consolidated net income in fiscal year	(3,050,317)	3,050,317	49,151	0	49,151
	15,251,653	**0**	**49,151**	**(44,799)**	**15,256,005**

2018

	Balance on 31-Dec-17	Application Results 2017	Net Income for the Year	Others	Balance on 31-Dec-18
Capital	73,193,455	0	0	(58,554,764)	14,638,691
Own Shares	(1,426,438)	0	0	1,171,255	(255,183)
Issue premiums	9,952,762	0	0	0	9,952,762
Legal Reserve	2,040,761	0	0	1,204,053	3,244,814
Other Reserves	1,567,669	0	0	0	1,567,669
Income carried forward	(50,865,855)	(2,900,747)	0	41,659,531	(12,107,071)
Financial Assets adjustments	(501,763)	0	0	501,763	0
Fixed Assets evaluation surplus	1,305,086	0	0	(44,798)	1,260,288
Consolidated net income in fiscal year	(2,900,747)	2,900,747	(3,050,317)	0	(3,050,317)
	32,364,930	**0**	**(3,050,317)**	**(14,062,960)**	**15,251,653**

As a result of the General Shareholders Meeting of August 13th, 2018 Reditus has in October 2018 reduced its share capital from EUR 73,193,455.00 to EUR 14,638,691.00.

With the reduction of € 4.00 in the nominal value of each and every one of the 14,638,691 shares in which the share capital is divided, these now have a nominal value of € 1.00. The amount of 55,362,533.00 Euros was allocated to cover losses, the amount of 1,171,254.00 Euros to adjust the value of the treasury shares, and the remaining 1,204,053.00 Euros to create special reserves, Reditus SGPS has since 2012 held 255,184 treasury shares, representing 1.743% of the share capital. This number remained unchanged in 2019.

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

The item "Other reserves" at December 31st, 2019 and 2018 includes a distributable reserve of 1,567,669 Euros. This reserve may be used to absorb losses, or else incorporated into capital.

20. Minority Interests

As of December 31st, 2019 and December 31st, 2018, minority interests were thus represented:

	% Minority Interests		Balance Valuation		Assigned Results	
	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18
Ogimatech - Consult Empresarial e Institucional	5%	5%	144,129	32,388	111,741	13,922
Solidnetworks	5%	5%	0	40,144	0	10,279
Reditus Guinea Ecuatorial, S.A	40%	40%	43,414	43,414	0	(27,921)
Job Value	23%	23%	3,557	4,380	(823)	(2,066)
			191,100	**120,326**	**110,918**	**(5,786)**

21. Loans

As of December 31st, 2019 and December 31st, 2018, the loans obtained had the following composition:

	31-Dec-19	31-Dec-18
Non-Current		
Bank Loans	31,209,006	49,004,263
	31,209,006	49,004,263
Current Assets	0	0
Bank Loans	21,589,111	5,147,002
Bank Overdrafts	287,302	610,748
Commercial paper	549,000	355,000
Secured current accounts	1,320,185	0
Factoring	737,735	571,677
	24,483,333	6,684,427
	55,692,339	**55,688,690**

As of December 31st, 2019, the repayment schedule for the loans is as follows:

	Total	Less than 1 year	Between 1 and 5 years	More than 5 years
Bank Loans	52,798,117	21,589,111	12,722,260	18,486,746
Bank Overdrafts	287,302	287,302	0	0
Commercial paper	549,000	549,000	0	0
Factoring	737,735	737,735	0	0
	55,692,339	**24,483,333**	**12,722,260**	**18,486,746**

The average cost of loans, including other financing costs, is as follows:

	31-Dec-19	31-Dec-18
Bank Loans	2.78%	2.81%
Commercial Papers	10.00%	10.00%
Factoring	4.75%	1.75%

The collateral for the various loans is:

- Loan at Banco Efisa, with an outstanding amount of € 7,863,073, with an interest rate of 3.50%, is guaranteed by the assignment of invoices for a client contract and has a clause allowing the bank to anticipate the due date in case the cumulated shareholding of Miguel Pais do Amaral, the Estate of Frederico José Appleton Moreira Rato, António Maria de Mello Silva César Menezes, José António da Costa Limão Gatta, Fernando Manuel Malheiro da Fonseca Santos and Rui Miguel de Freitas e Lamego Ferreira no longer reaches 80% of the held individually shares at the date of contract signature;
- Loans in the Novo Banco, with the outstanding amounts of € 2,065,345, € 5,586,720, € 986,000 and € 1,104,073 are secured by a 4th degree pledge of 104,428 Reditus SGPS shares and 100,000 Reditus Gestão shares, with a interest rate of 2.75% and which has a clause allowing the bank to request full or partial early repayment if any of the shareholders Miguel Pais do Amaral, Fernando Manuel Cardoso Malheiro Fonseca Santos, António Maria Mello Silva César Menezes, José António da Costa Limão Gatta transfers holdings held by each of them, which represent more than 5% of the Group's capital;
- Loans at Caixa Económica Montepio Geral with amounts in debt of € 4,482,866 and € 9,817,735 and an interest rate of 2.75%, having as collateral the assignment of the invoices relating to a client’s contract;
- Deutsche Bank loans in the amounts of 277,178 Euros and 89,918 Euros, both with a 4.50% interest rate.
- Loan at MillenniumBcp with an outstanding value of € 19,170,000, which is guaranteed by the pledge of 502,747 MillenniumBCP shares and the pledge of 10,900,000 shares of Reditus Gestão, SA.

Joint and several liability of Reditus SGPS on loans:

- On December 31, 2019, Reditus SGPS, was jointly and severally responsible for three loans contracted with Novo Banco, by All2it Infocomunicãoes SA, Partblack SA and Reditus Gestão SA, which as of this date amount respectively to € 986,000, € 290,862 and € 5,586,720;
- In addition, joint and several liability was maintained with Reditus Gestão in Relation to the financing received from Caixa Central de Credito Mutuo, A Banca, Caixa Económica Montepio Geral and Parvalorém, in the amounts of respectively € 875,000, € 277,177, € 4,482,866 and € 86,102.

A global renegotiation of bank liabilities is underway, namely the restructuring of bank debts, in accordance with the principles described above in *Business Continuity*.

22. Other Accounts Payable

As of December 31st, 2019 and December 31st, 2018, the item "Other payables" had the following composition:

	31-Dec-19	31-Dec-18
Non-Current		
State and Other Public Entities	26,325,315	38,512,612
	26,325,315	38,512,612
Current		
Other shareholders	89,792	252,616
State and Other Public Entities	28,252,076	13,351,973
Other Creditors	**8,130,617**	**7,089,846**
FACCE a)	3,000,000	3,000,000
Compensations to be paid b)	4,238,099	3,445,278
Other	892,518	644,568
	36,472,485	20,694,435
	62,797,800	**59,207,047**

a) In September 2011, a shareholder agreement was concluded between Reditus SGPS, SA and PME Investimentos - Sociedade de Investimento, SA, as the management company of the Autonomous Support Fund for Concentration and Business Consolidation, in which this undertook to invest 3 million Euros in the capital of Reditus Gestão, SA. The agreement establishes a purchase option for Reditus of the shares held by FACCE, to be exercised at any time, from October 1st, 2011 until December 31st, 2016, and a put option for FACCE, to be exercised at any time between September 30th, 2016 and December 31st, 2018. In December 2018, a contract was concluded to buy and sell the shares over a period of 6 years wherebuy FACCE maintains its put option. The amount of EUR 3 million was hence resgistered as a liability.

b) This value results from the downsizing strategy initiated in 2018, which was materialized by installment severance agreements entered into with the former employees.

22.1 State and other public entities

As of December 31st, 2019 and December 31st, 2018, the balances of debtors and creditors to the State and Other Public Entities are as follows:

	31-Dec-19	31-Dec-18
Balance Debtors		
IRC - Receivable	454,937	177,196
IRC - Payment on Account	1,686	1,686
Withholding tax without income	1,078,478	1,008,336
VAT - Receivable	7,697	46,651
	1,542,798	**1,233,869**
Creditors Balances		
Non-Current		
Social Security - installment plan	20,351,552	18,195,884
VAT - installment plan	4,476,576	1,343,814
IRS/IRC - Prestacional	1,483,066	5,758,863
Joint - installment plan	14,122	13,214,052
	26,325,315	38,512,612
Current		
IRC - Payable	1,637,620	1,006,315
IRC - A Pagar - prestacional	6,521	0
IRS	512,042	1,281,688
IRS - prestacional	6,393	0
VAT - Payable	2,579,308	2,519,900
VAT - Payable - installment plan	64,226	1,664,742
Other taxes	49,993	202,197
Contribution for Social Sec	3,480,413	1,733,665
Contribution for Social Sec - installment pla	296,920	3,119,008
Joint Taxes - installment plan	19,618,640	1,824,458
	28,252,076	13,351,973
	54,577,391	**51,864,585**

Liabilities to the State and Other Public Entities are divided between current debt, relative to the current months and paid in the subsequent months, the arrears, and the liabilities that are being settled under installment agreements. The latter are as follows:

	31-Dec-19	31-Dec-18
Finance - installment plan	25,669,542	23,805,928
Social Security - installment plan	20,648,472	21,314,891
	46,318,014	45,120,819

The interest rates for the signed installment agreements are 4%.

The arreas as of 31st December 2019 were: a total amount of € 29,620,080 with the Tax Authority and a total amount of € 23,947,694 with the Social Security. Installment plans have been submitted for almost all of the aforementioned due amounts, most of which have in the meantime been approved.

A global renegotiation of liabilities is underway, namely the restructuring of Tax debts, in accordance with the principles described above in *Business Continuity*.

As of December 31st, 2019, the repayment schedule for the installment plans SIREVE and PERES are as follows:

	Total	Less than 1 year	Between 1 and 5 years	More than 5 years
Contribution for Social Sec - installment plan	20,648,473	296,920	6,129,870	14,221,683
VAT - installment plan	4,540,802	64,226	1,451,771	3,024,805
IRS/IRC/Joint - installment plan	21,128,740	19,631,553	486,414	1,010,773
	46,318,014	**19,992,700**	**8,068,055**	**18,257,261**

The guarantees provided by the Reditus Group for the remaining plans are broken down as follows:

- Techinfor - Customer credit agreements, shares and commercial establishment of the company, assessed by the Tax Authoruty (TA);
- Reditus Consulting - Customer credit agreements;
- All2it - Customer credit agreements;
- GTO – Shares, assessed by TA;
- Reditus SGPS – Shares, assessed by TA;
- Tora – Shares, assessed by TA.

23. Liabilities for Financial Leasing

As of December 31st, 2019 and December 31st, 2018, the breakdown by assets financed by liabilities is as follows:

	31-Dec-19	31-Dec-18
Non-Current Assets		
Buildings	3,961,955	4,315,856
Vehicles	0	8,567
	3,961,955	4,324,423
Current Assets		
Buildings	353,346	344,967
Administrative Equipment	0	13,476
Vehicles	8,568	8,143
	361,914	366,586
	4,323,869	**4,691,009**

The terms of the lease liabilities are as follows:

	Capital in debt 31-Dec-19	Capital in debt 31-Dec-18
Payments up to 1 year	361,914	366,588
Payments between 1 and 5 years	1,897,566	1,251,036
Payments over 5 year	2,064,389	3,073,385
	4,323,869	**4,691,009**

24. Suppliers

As of December 31st, 2019 and December 31st, 2018, the item "Suppliers" has the following composition:

	31-Dec-19	31-Dec-18
Suppliers, Current Account	9,950,412	9,177,349
Suppliers, titles to pay	139,281	145,091
Supplier, invoices in rec. and conf.	114,688	114,582
	10,204,381	**9,437,022**

The balance of suppliers refers to current and demandable operations, within the agreed terms. A global renegotiation of liabilities is underway, namely the restructuring of debts to suppliers, in accordance with the principles described above in *Business Continuity*.

25. Other Current Liabilities

As of December 31st, 2019 and December 31st, 2018, the item Other Current Liabilities had the following composition:

	31-Dec-19	31-Dec-18
Creditors by additions		
Compensations to be paid to personnel a)	950,710	1,025,996
External supplies and services	4,604,724	1,928,141
	5,555,434	2,954,137
Compensations to be acknowledged		
Early invoicing b)	2,245,967	3,111,502
Ongoing projects c)	6,022,087	6,071,538
	8,268,054	9,183,040
	13,823,488	**12,137,177**

a) The balance of the *compensation to be paid to personnel* refers to the estimated vacation and holiday subsidies payable in 2020;

b) The balance of this item refers essentially to invoices issued in advance on long-term contracts with several customers, whose amortization is made monthly in twelfths.

c) The value refers essentially to the Data Center Implementation and software platform project in Angola. This project is booked according to the *completion percentage method* and refers to billings not yet recognized as revenue.

26. Revenues from Sales and Services Supplied

As of December 31st, 2019 and December 31st, 2018, this item had the following composition:

Sales	31-Dec-19	31-Dec-18
IT Outsourcing	502,798	662,209
IT Consulting	144,693	17,523
Disposals	(153,093)	(146,983)
	494,398	**532,749**

Services rendering	31-Dec-19	31-Dec-18
BPO	10,479,779	12,045,394
IT Outsourcing	9,013,480	11,128,909
IT Consulting	15,910,810	18,022,251
Disposals	(11,848,580)	(10,175,454)
	23,555,489	**31,021,100**

27. Other Operating Income and Earnings

As of December 31st, 2019 and December 31st, 2018, this item had the following composition:

Other Operating Income	31-Dec-19	31-Dec-18
Extra income	165,952	260,053
Operating subsidies	0	109,913
Other Operating Income and Earnings	182,376	521,389
	348,328	**891,355**

28. Inventories Consummed and Sold

As of December 31st, 2019 and December 31st, 2018, the cost of sales is as follows:

	31-Dec-19	31-Dec-18
Initial balance inventories	204,496	370,705
Purchase	479,613	380,380
Final balance inventories	249,500	204,496
Consumptions	**434,609**	**546,589**

29. External supplies and services

As of December 31st, 2019 and December 31st, 2018, this item had the following composition:

	31-Dec-19	31-Dec-18
Subcontracts	1,098,011	1,269,130
Fees	2,659,321	3,194,321
Transports, travel and stays and representation expen:	285,114	508,564
Leases and rentals	976,969	1,396,738
Specialized jobs	2,060,045	1,674,688
Communication	149,474	178,544
Water, electricity and fuels	262,299	347,540
Advertising and marketing	59,136	201,375
Vigilance and security	53,809	66,811
Maintenance and repair	68,603	181,806
Bank expenses	81,386	112,704
Tools and utensils quick wear	44,283	36,607
Office Supplies	11,211	22,486
Insurance	125,604	145,681
Litigation and notary	79,059	61,307
Cleaning, hygiene and confort	79,847	92,421
Stages	632,566	729,969
Other supplies and services	128,368	415,327
	8,855,105	**10,636,020**

30. Personnel expenses

As of December 31st, 2019 and December 31st, 2018, this item had the following composition:

	31-Dec-19	31-Dec-18
Staff compensation	8,335,969	12,735,288
Expenses on compensation	1,545,719	2,080,816
Compensation of Social Bodies	279,268	293,995
Insurence, Work Accidents and Professional Diseases	77,512	66,455
Other Staff Costs	508,399	593,692
	10,746,867	**15,770,246**

As of December 31st, 2019 and December 31st, 2018, the average number of employees by business area was as follows:

	31-Dec-19	31-Dec-18
BPO	189	314
IT Outsourcing	197	174
IT Consulting	78	43
Support Areas	37	36
	501	**567**

31. Depreciation and amortization

The item "Depreciation and amortization expenses" for the years ended December 31st, 2019 and December 31st, 2018 has the following composition:

	31-Dec-19	31-Dec-18
Tangible Fixed Assets		
Buildings and Other Constructions	165,631	163,800
Basic Equipment	41,868	122,678
Transport equipment	19,714	63,154
Administrative equipment	20,549	33,058
Other tangible fixed assets	10,373	13,046
	258,135	395,736
Other Intangible Assets		
Development projects	687,768	862,959
Industrial Property	0	0
Computer programs	50,534	101,668
Other intangible assets	723,675	1,020,234
	1,461,977	1,984,861
	1,720,112	**2,380,597**

32. Provisions and Losses of Impairment

The item "Provisions and Impairment Losses" for the years ended December 31st, 2019 and December 31st, 2018 has the following composition:

	Balance on 31-Dec-18	Non-current assets held for sale	Perimeter Change	Reinforcement	Reductions	Corrections and Transf.	Balance on 31-Dec-19
Investment Properties (note 8)	92,425			0			92,425
Inventories (note 13)	268,658						268,658
Clients (note 14)	3,972,502			445,250	(5 122)	(10,937)	4,401,693
Other doubtful debtors (note 15)	1,435,098			256,786			1,691,884
	5,768,683	**-**	**-**	**702,036**	**(5,122)**	**(10,937)**	**6,454,660**

	Balance on 31-Dec-17	Non-current assets held for sale	Perimeter Change	Reinforcement	Reductions	Corrections and Transf.	Balance on 31-Dec-18
Investment Properties (note 8)	0	0	0	92,425	0	0	92,425
Inventories (note 13)	268,658	0	0	0	0	0	268,658
Clients (note 14)	2,500,380	0	0	1,472,122	0	0	3,972,502
Other doubtful debtors (note 15)	1,435,098	0	0	0	0	0	1,435,098
	4,204,136	**0**	**0**	**1,564,547**	**0**	**0**	**5,768,683**

33. Other Expenses and Operating Losses

At December 31st, 2019 and 2018, this item had the following composition:

	31-Dec-19	31-Dec-18
Taxes and fees	112,030	202,397
Corrections previous fiscal years	54,951	372,626
Insufficiency of estimation	23,030	31,122
Other	197,752	380,805
	387,763	**986,950**

34. Financial results

The financial results for the years ended December 31st, 2019 and 2018 were as follows:

	31-Dec-19	31-Dec-18
Financial Expenses and Loses		
Supported interests		
Loans	1,535,248	1,818,973
Leasing contracts	104,965	96,807
Factoring	26,263	58,497
Default and compensatory	399,687	492,064
Net Present Value	286,821	848,742
Other	142	17
	2,353,126	3,315,099
Bank services	0	0
Foreign exchange losses	9,743	46,876
Other financial expenses	110,574	105,437
	120,317	152,313
	2,473,443	**3,467,412**
Financial Income and Gains		
Obtained Interest	76,809	33,485
Foreign exchange gains	42,936	28,447
Other financial gains	24	12
	119,769	**61,944**
Financial Result	**(2,353,674)**	**(3,405,468)**

35. Income Taxes

As of December 31st, 2019 and December 31st, 2018 this item had the following composition:

	31-Dec-19	31-Dec-18
Current tax	1,285,118	2,394,035
Deferred tax	(2,242,016)	(2,227,635)
	(956,898)	166,440

	31-Dec-19	31-Dec-18
Income before taxes	(796,829)	(3,652,351)
Taxes to the rate	(167,334)	(766,994)
Amortizations and provisions not accepted to taxati	0	137,897
Fines, compensatory interests	96,249	132,753
Corrections regarding the previous year	47,731	69,690
(Excess)/estimative insuf. tax	10,717	188,901
Autonomous Taxation	141,847	331,593
Rate	70,787	85,724
Other	(1,156,895)	(13,165)
Tax on fiscal year income	(956,898)	166,400

36. Net Income per Share

	31-Dec-19	31-Dec-18
Earnings:		
Earnings attributable to majority shareholders for the calculation for the calculation of the net result by share (net profit of the financial year)	49,151	(3,050,317)
Profit from discontinued operations for the calculation of the profit by share of discontinued operations	-	-
Profit for calculation of the profit by share from continuing operations	49,151	(3,050,317)
Number of shares:		
Weighed average number of shares for calculation of the basic and diluted net profit by share	14,638,691	14,638,691
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	14,638,691	14,638,691
Earnings per share from continuing operations:		
Basic	0.0034	(0.2084)
Diluted	0.0034	(0.2084)
Earnings per share from discontinued operations:		
Basic	-	-
Diluted	-	-
Earning per share		
Basic	0.0034	(0.2084)
Diluted	0.0034	(0.2084)

37. Commitments

As of December 31st, 2019, the financial commitments of the Reditus Group companies that are not included in the balance sheet referring to bank guarantees are as follows (in addition to those already mentioned in notes 21 and 22):

Payable to	Origin	Values (Euros)
Several Clients	Good fulfillment of contract obligations	780,019
Several Suppliers	Good fulfillment of contract obligations	109,691
		889,710

38. Contingencies

In the scope of tax inspections carried out by the Tax Administration (hereinafter referred to as "TA"), some situations of potential contingencies were identified, promptly challenged by the Company with the TA, in the form of graceful appeals and hierarchical appeals, or with the Courts, under the form of judicial appeals, which on this date are pending decision. The total amount of taxes claimed by TA is approximately € 2,800,000, although it is the understanding of the Reditus Board and its advisors that the possibility of these proceedings having an unfavorable outcome is very remote and therefore it is not likely to materialize its payment.

The situations concerning each company are listed below:

- Reditus SGPS: The Company was notified to make corrections in IRC, referring to the years 2005 to 2007 and the years 2013 to 2015, and also received an additional VAT settlement related to 2009:

  (i) The IRC return for 2004 does not involve payable taxes, but is rather reflected in corrections to subsequent years. The Company is awaiting the outcome of the legal challenge it has presented in relation to the 2005 settlement, in the part where it was denied provison in the hierarchical appeal. The hierarchical resources that the Company presented regarding the settlements related to 2006 and 2007 were partially deferred, and the only question that remains open in relation to these two years is related to the loss carryforwards from previous years, result of the appeal against the 2005' IRC.

  (ii) Regarding the VAT settlement of 2009, the complaint was partially accepted, and a hierarchical appeal was filed against the rejected portion.

- InterReditus, which was merged by incorporation into Techinfor, was subject to IRC and VAT tax inspections in respect of the years 1997 and 1998. The complaints and hierarchical appeals filed by the Company against the liquidations made by the TA were rejected and the company filed claims with the Tax Court of Lisbon, invoking the time-expiration of the debts in question. These complaints were dismissed and the company appealed to the Central Administrative Court, awaiting the outcome of these appeals. Pending the decision of the Courts, which should lead to the suspension of the collection procedures, the Finances have made pawned customer receivables to obtain the payment of the involved amounts of approximately 1,0 million Euros, which will have to be returned by the TA if the judgment is favorable to the Company, as is the Company's expectation and understanding.

- Redware, meanwhile merged by incorporation into Techinfor, was notified to proceed with VAT corrections referring to the year 2004. The Company understood that the corrections were not valid, since they would result in double taxation, having filed claims and hierarchical appeals regarding the settlements made by TA. The hierarchical appeals were denied, and the Company deduced judicial challenges from the additional settlements, so that the respective outcome is awaited.

- Reditus Gestão: the Company was notified to make corrections to VAT, with reference to the years 2008 and 2009. The Company considered that the corrections were not valid and presented complaints regarding the settlements made by TA. Once the claims were partially accepted, the Company deduced a hierarchical appeal of the TA's decision, and is awaiting the reply thereto.

- Under the terms of the law, Tora requested the Minister of Finance to maintain the right to deduct tax losses from 2005 to 2009, despite the fact that there was a change in the shareholding composition of more than 50% of the share capital. Considering that there were economic reasons justifying the maintenance of this right to deduct the losses and considering that the alteration of the shareholder composition did not have an objective of an abusive use of this right to deduct the losses, it was always considered as probable the approval of the request, being deducted approximately 1,375,000 Euros to the taxable profits of 2010 and 2011. Subsequently, the TA corrected almost all the losses calculated in the years 2005 to 2009 through an Inspection Report and notified the Company that its request for maintenance of the losses carried forward weas denied, due to the change in ownership of its capital. Tora challenged the correction of tax losses in court, with the terms of the proceedings running before the Tax Court of Lisbon and the Central Administrative Court of the South, and simultaneously filed a hierarchical appeal of the decision to file its request for maintenance of the loss carryforwards due to changes in capital ownership.

  As a result of disregarding tax losses for the years 2005 to 2009, TA notified the company of its rejection of the graceful complaint that had ben filed against the additional tax claim for 2011, and the company filed a hierarchical appeal of such decision. On this date, the company awaits the outcome of these proceedings and considers as probable a decision in its favor.

- Tora: TA notified the Company of its decision not to accept the deduction of VAT, referring to a business carried out in 2004. Not agreeing with this interpretation, the Company filed an objection with the Lisbon Tax Court. As this objection was rejected, the Company appealed to the Central Administrative Court, which dismissed the appeal as unfounded. The Company is analyzing the situation arising from the liquidation made and the rejected deduction, in order to decide on new actions to recover the above amount.

39. Related Parties

The balances as of December 31st, 2019 and December 31st, 2018 and the transactions carried out with other related parties excluded from consolidation in the years ended December 31st, 2019 and 2018 are as follows:

BALANCE:

	31-Dec-19			
	Clients	Other accounts to receive	Other accounts to pay	Suppliers
AHS Investimentos SGPS, S.A.	9,607	-	-	-
Parroute SGPS a)	6,097	1,075,874	-	13,806
Companhia das Quintas, S.A.	1,636	-	-	822
Lanifos - Soc Financiamento, Lda	396	-	-	-
Portuvinus - Wine & Spirits, S.A.	-	-	-	7,000
	17,736	1,075,874	-	21,628

	31-Dec-18			
	Clients	Other accounts 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) Parroute refers to an advance payment made in the amount of € 1,500,000 and is explained in note 15 a).

TRANSACTIONS:

In 2019 and 2018 there were no transactions with related parties.

In the year ended December 31st, 2019, no variable remuneration component was paid to the Board, also not by way of termination of mandate. The fixed component was as follows:

	31-Dec-19	31-Dec-18
Executives		
Francisco Santana Ramos	120,000	120,000
Helder Matos Pereira	110,000	110,000
	230,000	230,000

40. Operational Leases

As of December 31st, 2019 and December 31st, 2018, this item has the following composition:

Amounts identified as expense:	31-Dec-19	31-Dec-18
Minimal payments of the operating lease Instalations/Equipments	734,758	933,122

Amounts identified as expense:	31-Dec-19	31-Dec-18
Minimal payments of renting of vehicles	242,212	463,616

As of December 31st, 2019, the non-cancelable minimum lease payments are as follows:

Responsibilities undertaken:	31-Dec-19	31-Dec-18
up to 1 year	601,297	761,904
between 1 and 5 years	531,904	761,207
more than 5 years	-	-
	1,133,201	1,523,111

There are no contingent rents.

41. Remuneration Attributed to Auditors

The total remuneration received by the auditor and other entities belonging to the same network for his services to the companies of the Reditus Group amounted to 90,660 euros by December 31st, 2019, which are subdivided according to the following:

	31-Dec-19	31-Dec-18
Independent auditor services		
BDO & Associados, SROC	45,660	45,660
Auren Auditores & Associados, SROC	45,000	45,000
	90,660	90,660

42. Events Subsequent to the Balance Sheet Date

There are no events subsequent to the balance sheet date that may have a material impact on the financial statements.

PER - Special Revitalization Plan

As a result of the group's strategic restructuring plan, which has been developed since mid-2018, for the restructuring of its global liabilities, namely banking, tax and operational liabilities, its subsidiary TECHINFOR, SA submitted on October 14th, 2019, a "PER - Special Revitalization Process" process.

The presentation of the present process therefore aims to create conditions for the restructuring and adjustment of its liabilities, providing the company with conditions to achieve the revitalization of the treasury function and the balance of its cashflows, as well as the growth necessary for its recovery.

The company's recovery will be based on its profitability, the adjustment and rationalization of its cost structure and the adequacy of its liabilities to the projected free cashflows, together with the fulfillment of the commitments assumed with all its customers, suppliers and the state, as well as the maintenance of current jobs.

The final plan proposed by the company, which aims to restructure the existing liabilities of the largest operating company in the group - TECHINFOR - representing about 44% of the group's total liabilities, presents a payment plan that respects the class and the graduation of each creditor, thus respecting the principle of equality between all creditors as provided for in article 194 of CIRE; its main assumptions are herewith presented:

- Labor Credits: Grace period of 4 months, followed by repayment of capital in 3 years;
- Public Credits: Repayment of the debt in 12.5 years, with an 80% reduction in accrued interest;
- Collaterized loans: grace period of 6 months on capital, followed by debt repayment equivalent to 17.5% in 6.5 years with increasing installments and payment of 82.5% of the debt in the 84th month. Write-off on accrued interest, future interest, arrears, commissions and other charges;
- Common loans: grace period of 6 months on capital, followed by debt repayment in 6.5 years with increasing installments, and a *haircut* in the order of 82.5%;
- Bank Guarantees: maintenance of present bank guarantees and conditions;
- Common credits from factoring operations: maintenance of credit lines for factoring operations and full compliance with existing maturity dates;

The recovery plan was, after the creditors claimed the credits, voted in favor by the vast majority (approximately 70%) of the creditors and must now be submitted to the Judge for final approval.

The Board of Directors is strongly convinced that this PER process will be approved, and this plan represents the cornerstone and a first step, in order to trigger the entire process of restructuring the global liabilities and consequently the remaining liabilities of the group.

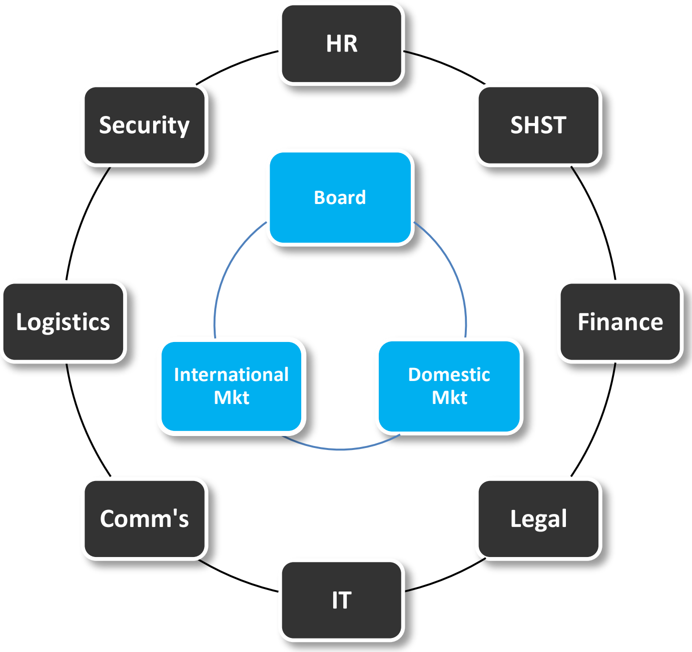
Covid-19

The spread of the SARS-CoV-2 virus, which started in late 2019, quickly reached alarming proportions causing the COVID-19 pandemic.

The impact on the economy, employment and corporations is already very significant and Reditus, although it is among the least affected organizations, is not immune to this type of situation, especially if it lasts for a longer period of time.

Reditus has been monitoring the situation since early 2020, on the basis of information provided by official entities at the international and domestic levels

The Board of Directors constituted a multidisciplinary ad hoc working group under its coordination, and which includes those responsible for the market and support areas (HR, SHST, Finance, Legal, IT, Communication, Logistics and Security) that meets frequently (now daily) in order to assess data on the impact of the crisis at the various levels of the organization (people's health, operations, economic and financial performance, and short and medium term strategy) and to react in a coordinated manner.



***Ad hoc* Team for Covid-19**

With the increased risk of contamination by the SARS-CoV-2 virus in Portugal, the Board of Directors activated the *PCN* (Reditus' *Business Continuity Plan*), whose scenarios include, at least since the Influenza A crisis, the **pandemics** risk.

The actions implemented to this moment, many of which ahead of the recommendations issued and the restrictions imposed by the authorities, have so far proven effective.

We highlight the following timeline:

- March 5 - Communication and operationalization of the *Coronavirus Contingency Plan,* whose objective was to reinforce the prevention actions and define how to act in case of suspicion that any Reditus employee, visitor, client or other person contacted, could be infected. This plan was prepared in line with the content of the *PCN* and in accordance with the recommendations issued in the meantime by the national health authorities.

  In this context, we have immediately:

  - Reinforced and revised the general preventive measures with the reduction of social contact, avoiding meetings and visits; prohibiting travel; promoting the use of means of remote Communication: providing alcoholic-based solutions for hand hygiene.
  - Carried out information and awareness actions for employees, through various means and supports.
  - Established communication channels with other interested parties (namely customers, partners and suppliers);
  - Revised and improved procedures for cleaning workspaces and others;
  - Established isolation areas;
  - Defined reaction procedures for suspected cases;
  - Made available masks and gloves for use where needed;
  - Revised service continuity plans, together with customers.

  This Coronavirus Contingency Plan has been subsequently revised from time to time due to the evolution of the situation, namely the declaration of a *pandemic* and, later, of a *state of emergency*.

- March 9 - Beginning of the physical separation for the most numerous teams, at different sites or service centers. This measure made it possible to further increase the social distance and ensure continuity of service in case it becomes necessary to evacuate any of the sites.

  Repatriation to Portugal of all employees serving abroad.

  Progressive change in work procedures (allowing to reduce the need for travel and for face-to-face contacts).

- March 12 – The move to remote work was initiated, for all employees whose functions would allow it. Almost all the support and management teams were placed in remote work, as well as the teams assigned to the vast majority of services. This process was completed in less than 1 week.

With these measures, Reditus limited the impact of COVID-19 on its activity since it has managed to ensure a continued supply of services to all its customers, with no significant impact in the pace of work or in the profitability of operations.

Despite the slight decrease in global activity resulting from the reduction in the workloads of two clients (one from the insurance sector and the other from the financial sector), the commercial activity remains active and dynamic.

It should be noted that, even if the end of this pandemic cannot be estimated with any certainty, measures are also being taken to reduce costs associated with non-critical activities, reduce and rationalize overheads and review remuneration policies in order to mitigate the consequences of a potential reduction of income.

Based on the above Reditus' Board believes that, despite the pandemic, the main objectives outlined for 2020 will possibly be achieved.

From a strategic point of view, a study has already begun on what may be new reality in the activity, the processes and the market - "the new normal", capitalizing on the lessons already learned and aiming at preparing the organization for a successful future.

Thus, at the date of this report, the Board of Directors considers that it has the necessary resources to maintain the activity, and that the assumption of continuity of operations used in the financial statements now presented remains valid.

PART III – REPORT ON CORPORATE GOVERNANCE

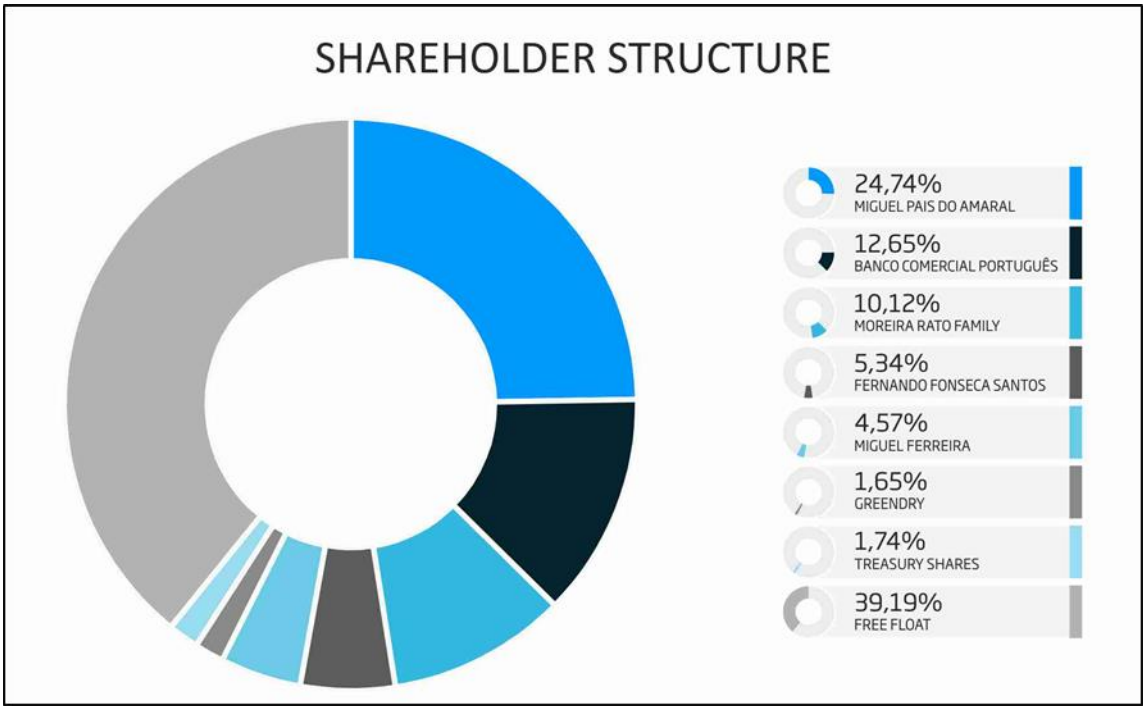
PART I - MANDATORY INFORMATION ABOUT SHAREHOLDER STRUCTURE, CORPORATE ORGANISATION AND GOVERNANCE

A. SHAREHOLDER STRUCTURE

I. Capital Structure

1. 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 31st, 2019 the share capital was 14,638,691 euros, fully subscribed and paid up in cash, represented by 14,638,691 shares with an individual nominal value of 1 (one) euro.



The shares are all titled and nominative.

All rights and duties inherent in all actions are equal. The shares are all 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 31st, 2019 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 other shareholders.

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 31st, 2019:

Shareholder	Nº of Shares	% Share Capital	% Voting Rights
Miguel Maria de Sá Pais do Amaral			
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%
Total attributable	**3,621,204**	**24.74%**	**25.18%**

Millennium BCP, S.A.			
Directly	1,851,848	12.65%	12.87%
Total attributable	**1,851,848**	**12.65%**	**12.87%**
URCOM - Urbanização e Comércio, SA			
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%
Total attributable	**1,481,440**	**10.12%**	**10.30%**
Fernando Manuel Cardoso Malheiro da Fonseca Santos			
Directly	782,135	5.34%	5.44%
Total imputável	**782,135**	**5.34%**	**5.44%**
Rui Miguel de Freitas e Lamego Ferreira			
Directly	0	0.00%	0.00%
Through Inventum DUE, Lda (controlled by the shareholder)	668,831	4.57%	4.65%
Total attributable	**668,831**	**4.57%**	**4.65%**

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 2019, are as followsue:

The Board of Directors	2019 Transactions		Nº of Shares in 2019		
	Purchases	Sales	Direct	Indirects	Total
José António da Costa Limão Gatta	0	0	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, Dr Sónia Maria Soares Aguiar and Dr Diogo Maria d'Orey Manoel (substitute) did not hold any shares or bonds on December 31st, 2019 nor did they conduct during 2019 any transactions regarding such securities

In what concerns to 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 2nd, 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 2019, there were no significant relationships of a commercial nature between holders of qualifying holdings and the Company.

B. GOVERNING BODIES AND COMITTEES

I. GENERAL ASSEMBLY

a) Composition of the Board of the General Assembly

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

During the FY 2019 the Board of the General Assembly was composed as follows:

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

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, 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. 20th.

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. 20th.

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

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 has been composed of the following during the 2019 fiscal year:

- Francisco José Martins Santana Ramos

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

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

For the current Board of Directors mandate and during the 2019 fiscal year, no Executive Committee has been appointed.

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 31st, 2019, the Board of Directors of Reditus included two Executive and two non-Executive members.

The table below shows the composition of the Board of Directors on December 31st, 2019, identifying its Executive and non-Executive members:

Members	Category
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.

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). He has held executive and management positions with Nemotek Technologie S.A. (2010-2013), 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..

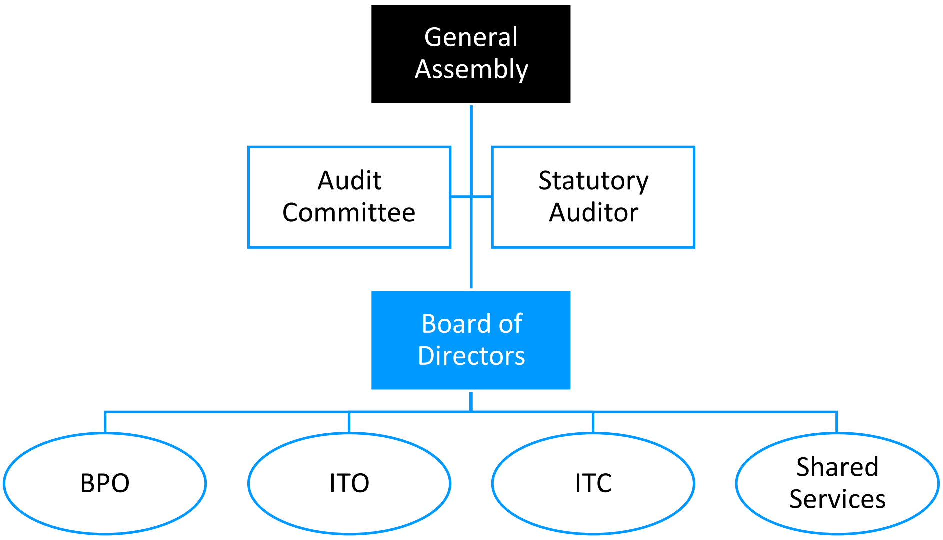
Helder Filipe Ribeiro Matos Pereira has been a member of the Reditus SGPS Board of Directors since December 5th 2012 and holds the position of Chief Finance Officer (CFO). He was Executive Director of Construtora do Tâmega SGPS and Construtora do Tâmega, S.A., Projecol, S.A. and its branches, General 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 Enterpreneurship Post-Graduation School of the Universidade Católica Portuguesa

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 Comittee 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 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 choses, 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 2019 Financial Year:

Members	Responsibilities	Areas
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:

a) Co-optation of Board Members;

b) Requests to convene the General Assembly;

c) Preparation of Annual Reports and Accounts;

d) Issue of pledges and personal or real guarantees by the Company;

e) Change of Headquarters and Capital Increases;

f) Resolutions on mergers, de-mergers or modifications to the Corporate Structure.

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 Víctor 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 31st, 2019: 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 31st, 2019 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 31st, 2019 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 Committee measures concerning the technical and administrative organization of the Company, as well as internal operating standards, particularly concerning staff and their remuneration.

On December 31st, 2019 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 Committee in establishing their operational procedures;
- Facilitate the Members of the Board and its Committees' access to information.

On December 31st, 2019 the Operational Committee consisted of the following members: Francisco Santana Ramos, Helder Matos Pereira 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 four meetings of the Board of Directors throughout the FY 2019 and the attendance of its members, either personally or through representation, reached 100%.

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.

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.
  Partblack, S.A.
  Reditus Imobiliária, S.A.
  GTO, 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.

  Techinfor, 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

  Reditus CIS – Consultancy, information & Security

  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:

- President

  Elao, SGPS, S.A.

  Giessen Beteiligungs KG (Munich, Germany)

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 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.

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

In the current term and during the 2019 fiscal year, the Board of Directors did not delegate its powers, or part of them to an Executive Committee.

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

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 end of the first semester of 2019 the member of the Audit Committee, Dr Nuno Manuel Tavares Belo de Eça Braamcamp resigned from office for personal reasons; he was replaced by Dr Sónia Maria Soares Aguiar at a General Shareholders Meeting held on May 31st, 2019, through the end of the current term.

Thus, as of December 31st, 2019, 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 Dr Sónia Maria Soares Aguiar
- Substitute: Dr Diogo Maria d'Orey Manoel.

With the election of Dr Sónia Maria Soares Aguiar the company complies, in what concerns the Audit Committee, with the regime of balanced representation between women and men provided for and regulated in Law 62/2017, of August 1st.

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

Member	1st Appointment	Term
Armando Jorge de Carvalho Costa e Silva	2017	2019
Luis Henriques de Lancastre de Lima Raposo	2017	2019
Sónia Maria Soares Aguiar	2019	2019
Diogo Maria d'Orey Manoel	2018	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 Acúçar* 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*. He has a degree in Business Management and Organization.

Sónia Maria Soares Aguiar holds a degree in Economics by the University of Évora and a Graduation in Management and Fiscality by the IESFF. She is a Member of the Chartered Accountants Order, has been President APOTEC's Regional Section in Guarda, Trainer and Manager in the Management Consulting area, investment projects and EU-funds. Formerly manager in automobile trade and event organization companies. Presently consultant and financial auditor for real-estate companies.

Diogo Maria d'Orey Manoel has a degree in Law from the Université de Pau et des Pays de l'Adour and from the Universidade Classica de Lisboa. Lawyer registered with the Portuguese Bar Association since 1986. He managed the family business group, headed by "A.T. - Exploration Agro Pecuária, Lda" and was a Director at the "Central Portuguese Agriculture

Association", was founding partner and Director of "Robcork - Valorização de Produtos de Cortiça, SA" until 2011 and member of "Banque Franco Portugaise" between 1990 and 1992. Presently works (since 2014) as a lawyer in the law firm "Barros, Sobral, Gomes & Associados".

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, nº 2, subheading b) of the Portuguese Companies Code, it is the Audit Committee who proposes to the Shareholders meeting at the 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 by 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 fulfilment of its professional duties and the Auditor's competences for providing 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 2019, 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 on 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 31st, 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 fulfilment 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, here 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 14 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 1st, 2016 of the new Statute of the Order of Statutory Auditors, approved by the Law no. 140/2015, dated September 7th, and the Legal Regime of Audit Supervision, approved by the Law No 148/2015, dated September 9th, resulting from the Directive 2014/56/EU of the European Parliament and of the Council dated April 16th, 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 16th, 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 & Associados, 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 FY2019 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 16th):

Auditors	Services	31 Dec 2019	31 Dec 2018
Auren Auditores & Associados, SROC*	Revisão legal de contas	45,000	45,000
BDO & Associados, SROC*	Revisão legal de contas	45,660	45,660
Total		**90,660**	**90,660**

* A BDO & Associados, SROC, SA performs statutory audit services for the individual Reditus Group's companies and Auren Auditores & Associados, 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 Committed, which choses 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, are 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 31st, 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 obsolesce 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, besides 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 review 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: 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>> tab. 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).

Given the company's dimension, the Investor Relations office is composed only by the representative for market relations, who may be contacted at:

Adress:

Estrada do Seminário, 2 Edifício Reditus 2614-522 Alfragide
Telephone - (+351) 214 124 100
Fax - (+351) 214 124 198
E-mail - accionistas@reditus.pt
Website - www.reditus.pt

57. Company's Representative for Market Relations.

Dr José Andrade e Sousa
Telephone - (+351) 214 124 100
Fax - (+351) 214 124 199
Cell phone - (+351) 913 880 114
E-mail - 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.

V. Website

59. Address (es).

Reditus' website is available at 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. All this information is also made available in the CMVM’s site.

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.

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 0'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 2019 the criteria applied for establishing the remuneration of members of the Board of Directors for the FY 2019 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 2019.

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 thiscomponent.

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 19th, below follows the remuneration received by individual members of the Board of Directors:

Executives	230.000
Francisco Santana Ramos	120.000
Helder Matos Pereira	110.000
Non-Executives	**0**
José António Gatta	0
Fernando Fonseca Santos	0

In 2019 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 31st, 2019 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 Executive Board Members was paid by Techinfor, SA.

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 2019 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.

V. Agreements with Implied Remuneration

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, subheadingl)).

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.

VI. Allocation of shares plans or stock options

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.

E. 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 referenceyear.

During FY 2019 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.

Transactions of relevant importance with qualified shareholders or any related entities, pursuant to Article 20 of the Portuguese Securities Code, are submitted to 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 accounting documents where information on business with related parties is available, in accordance with IAS 24, or, alternatively, reproduction of that 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 2019 Report and Accounts.

PART II - EVALUATION OF CORPORATE GOVERNANCE

1. 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. 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
I. VOTING AND COMPANY CONTROL		
I.1. Companies should encourage their shareholders to attend and vote at general meetings, namely by not setting an excessively high number of shares required	**Partially adopted** The exercise of one's voting rights by electronic means is not provided because the Company	**Paragraph 12**

to have the right to one vote and implementing the essential means to exercise the right to vote by mail and electronically.	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.	
I.2. Companies should not adopt mechanisms, which hinder the approval of resolutions by its shareholders, namely setting a higher resolution quorum than provided by law.	**Adopted**	**Paragraphs 14 and 48**
I.3. 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.	**Adopted**	**Paragraph 12**
I.4. 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.	**Not applicable** This recommendation is not applicable since the Articles of Incorporation do not provide for a limitation on the number of votes that may be held or exercised by a single shareholder, whether individually or together with other shareholders.	**Paragraph 12**
I.5. 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.	**Adopted**	**Paragraph 4**

II. SUPERVISION, MANAGEMENT AND AUDITING

II.1. SUPERVISION AND MANAGEMENT

II.1.1. 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.	**Not applicable** Given the small number of Directors, the Board of Directors did not delegate powers to the Executive Committee.	**Paragraph 21**
II.1.2. 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.	**Adopted**	**Paragraph 21**
II.1.3. 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 policies.	**Not Applicable** This recommendation is not applicable due to the corporate governance model adopted by Reditus.	**Paragraph 15**
II.1.4. 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: a) Ensure a competent and independent assessment of the performance of executive directors and their overall performance as well as of other existing committees;	**Adopted**	**Paragraph 21**

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.		
II.1.5. 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 goals.	**Adopted**	**Paragraphs 50 to 55**
II.1.6. 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.	**Adopted**	**Paragraph 18**
II.1.7. 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. 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: **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; **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	**Not Adopted**	**Paragraph 18**

partner, director, manager or officer of a legal entity; **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; **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; **e.** Hold a qualified holding or representative of a shareholder holding qualifying holdings.		
II.1.8. The directors performing executive duties shall, when requested by other Board Members, provide in a timely and appropriate manner, the information requested.	**Adopted**	**Paragraph 21**
II.1.9. 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..	**Not Applicable** The company did not have during the year 2019 Executive Committee.	**Paragraph 21**
II.1.10. 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.	**Parcialmente Adotada** Partially Adopted 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..	**Paragraph 21**

II.2. SUPERVISION		
II.2.1. 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.	**Adopted** The Chairman of the Audit Committee, Dr Armando Jorge de Carvalho Costa e Silva is independent and qualified for these functions.	**Paragraph 32**
II.2.2. 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.	**Adopted**	**Paragraphs 32 and 33**
II.2.3. 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.	**Adopted**	**Paragraph 45**
II.2.4. The supervisory body must assess the operation of internal control and risk management systems and propose any adjustments that may be required.	**Adopted**	**Paragraph 21**
II.2.5. 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.	**Adopted**	**Paragraph 51**
II.3. REMUNERATIONS SETTING		
II.3.1. All members of the Remuneration Committee or equivalent should be independent of the executive members	**Adopted**	**Paragraphs 67 and 68**

of the board of directors and include at least one member with knowledge and experience in matters of remuneration policy.		
II.3.2. 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.	**Adopted**	**Paragraph 67**
II.3.3. The declaration on the board and supervisory bodies members remunerations policy referred by article 2 of Law 28/2009, June 19, should contain, additionally: **a)** Identification and explanation of the criteria for determining the remuneration to be paid to members of the corporate bodies; **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; **d)** Information regarding the enforceability or unenforceability of payments for the dismissal or termination of appointment of directors.	**Partially Adopted** The statement on the remuneration policy for the management and supervision bodies of Reditus submitted to the last Annual General Meeting of Reditus does not specifically contain an indication of the potential amounts required by subparagraph b) of this Recommendation.	**Paragraph 69**
II. 3.4. 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	**Not applicable**	**Paragraph 85**

all the necessary elements for a correct assessment of the plan.		
II. 3.5. 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.	**Not applicable**	**Paragraph 76**
III. REMUNERATIONS		
III.1. The remuneration of executive members of the board of directors must be based on actual performance and discourage excessive risk-taking.	**Adopted**	**Paragraphs 69 and 70**
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 performance of the company or of its value.	**Adopted**	**Paragraphs 69 and 70**
III.3. The variable component of remuneration should be reasonable in relation to the fixed component of remuneration and ceilings should be set for all components.	**Not Adopted** The company has not determined maximum ceilings for all remuneration components	**Paragraph 69**
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	**Not applicable** To date, there isn't any payment deferral of said variable remuneration. However, for the past 5 years, Reditus has implemented the necessary procedures for the adoption of a payment deferral policy of the remuneration variable component, with no practical effect since, in these fiscal years the conditions on which payment was dependent were not fulfilled.	**Paragraph 72**

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.	**Adopted**	**Paragraph 73**
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 for capital-gain taxes of said shares.	**Not applicable** The Company does not have any allocation of shares plans.	**Paragraph 73**
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.	**Not aplicable**	**Paragraph 74**
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.	**Not Adopted** There aren't any contractual limitations for compensation to be paid upon dismissal without just cause of a director, thus the laws on the matter are applicable.	**Paragraph 83**
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	**Adopted**	**Paragraphs 46 and 47**

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.		
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**
V.2. 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 dependent on prior approval of said body.	**Adopted**	**Paragraph 89**
VI. INFORMATION		
VI.1. 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.	**Adopted**	**Paragraphs 59 to 65**
VI.2. Companies should ensure the existence of an investor support office and	**Adopted**	**Paragraphs 56**

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 maintaine.	**to 58**

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

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AUREN AUDITORES & ASSOCIADOS, SROC, S.A.
Inscrição O. R. O. C. n.º 123 Registo C. M. V. M. n.º 20161441 Matrícula C. R. C. Lisboa n.º 12772 Capital: € 75.000 NIF/VAT: 503 373 885

STATUTORY AUDITOR'S REPORT

(FREE TRANSLATION FROM THE ORIGINAL IN PORTUGUESE. IN CASE OF DOUBT THE PORTUGUESE VERSION WILL ALWAYS PREVAIL)

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of **Reditus, Sociedade Gestora de Participações Sociais, S.A.** (the Group), comprised by the consolidated statement of financial position, as at December 31, 2019 (showing a total of million euros 163.207.132 in assets, and a total equity of million euros 15.447.105, including a profit of euros 49.151), the consolidated income statement and the consolidated statement of comprehensive income, the consolidated statements of changes in shareholders equity and the consolidated cash flow statement for the year then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly in all material respects, the consolidated financial position of **Reditus, Sociedade Gestora de Participações Sociais, S.A.** as at 31 December 2019, the consolidated performance of the operations and their cash flows for the full year ended, in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and other technical and ethical standards and recommendations issued by the Institute of Statutory Auditors. Our responsibilities under those standards are described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section below. In accordance with the law we are independent of the Entity and we have fulfilled our other ethical responsibilities in accordance with the ethics code of the Institute of Statutory Auditors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Material uncertainty related to going concern

At the date of our report there is a material uncertainty regarding the assumption of continuity used in the preparation of the financial statements due to the fact in December 31 2019, the current liabilities were higher than current assets.

This financial imbalance is mainly due to the high level of bank indebtedness, as a result of the continued delay in the repatriation of currencies from African markets, where the Group operates, which has limited the Entity's treasury liquidity and its ability to fulfill i) obligations with banking institutions, ii) tax obligations and iii) liabilities to suppliers and employees.

The uncertainty regarding the going concern is disclosed on the Notes to the Financial Statements, note 2.1, where the board of directors recognizes the conditions and events that led to the imbalance, as well as specific measures and negotiations taken in order to solve it, of which we highlight:

- Collection of due amounts from Angolan public sector customers, through the credit insurance line signed between Portugal and Angola that covers the risks of domestic exports of goods, services and equipment with credit insurance coverage of COSEC, having already been fulfilled with all the precedent conditions required in the process;

- Restructuring of the Group's global liabilities, including i) submission of a request for PER (Special Revitalization Process) by one of the most significant subsidiaries which waits approval by a judge, and ii) renegotiation of tax liabilities, with medium and long-term instalment agreements based on a 12.5 year period;

- Cost reduction through ongoing implementation of measures leading to the rationalization of processes and of human resources.

Considering a favorable outcome to these measures, which will contribute to rebalancing the cash flow, the Management believes that the Entity and its subsidiaries will be able to realize their assets and settle their liabilities, within the normal scope of their activity, ensuring the continuity of the Group operations.

Thus, in view of the above and the audit evidence gathered, our opinion is not modified regarding the adequate use of the assumption of continuity in the preparation of the Group financial statements.

Emphasis

As mentioned in the balance sheet and income statement by nature, and detailed in the notes to the financial statements, in note 2.23, the Group restated the 2018 financial statements presented for comparative purposes.

Note 42 of the notes to the financial statement discloses the measures taken by the Management to limit the impact of COVID-19, and its assessment of the situation, according to the available data. Ensuring that the Group will be able to provide their services to all its customers, with no significant change in productivity or in the profitability of operations.

Our opinion is not modified regarding these matters.

Key audit matters

Key audit matters are those that, in our professional judgement, were the most significant in our audit of the current period's consolidated financial statements. We addressed these matters in the context of our audit of the financial statements as a whole, and in forming our opinion thereon. We will not provide a separate opinion on these matters.

Key audit matters to be communicated in our report:

Key Audit Matter	Summary of the Audit Approach
1. Goodwill impairment	
Disclosures related to Goodwill´s evaluation presented in notes 2.7 and 4 of the notes to the consolidated financial statements. As disclosed in note 9, on December 31, 2019, the net book value of goodwill amounted to about 38,7 million euros, representing 24% of the total assets. As Goodwill impairment testing is carried out annually, or in case of impairment evidence, the Group resorted to an independent entity to perform an evaluation report. This study was carried out based on a set of estimates and assumptions of economic and market forecasts made by Management. Thus, the verification of the calculations and assumptions underlying the Goodwill´s impairment assessments constitutes a relevant audit matter.	The audit procedures ~~we have~~ carried out included, among others, the following: - Obtaining an independent evaluation report of the Goodwill; -Verification as to the qualifications, competence and independence of the entity that carried out the report; - Understanding the impairment model used; - Validation and critical analysis of the calculations and assumptions used to estimate the average cost of capital rate; - Confirmation that the value obtained in the evaluation report of Goodwill is higher than the amount booked in the consolidated financial statements at December 31, 2019; - -Assessment of the adequacy of the disclosures made in the consolidated financial statements.
2. Revenue recognition	
As disclosed at notes 2.20 and 4. of the notes to the consolidated financial statements, the revenue recognition associated with multiannual projects requires analyses and estimates by the management about the stage of completion of projects in progress as at the date of financial information.	We analysed the revenue recognition policy adopted by the group, considering the applicable regulations. The audit procedures we have carried out included, among others, the following: - Analysis of internal control procedures in place relating to the process of revenue recognition;

Since this type of project represent a significant part of the group's activity, analysis and validation of its progress is a relevant audit matter.	- Critical analysis of the estimates and assumptions made by management related to billing and expenses incurred by on-going contracts; - Performing of substantive analytical procedures and tests to the figures used to make the accounting entries; -Assessment of the adequacy of the disclosures made in the consolidated financial statements.
3. International Exposure	
As disclosed in the consolidated annual report, the group develops its activity in several countries. In 2019, the operations outside of Portugal (primarily in the African market) represented around 35% of the consolidated revenue. As mentioned in annex note 3, the international exposure increases the group's currency and liquidity risks. The receivables on Angolan public entities with currency repatriation difficulties amounted to around 60 million euros (37% of the consolidated net assets), by which we consider this area a relevant audit matter.	The audit procedures we have carried out included, among others, the following: -Validation of the degree of exposure to high-risk countries, in terms of currency risk and liquidity risk; - Analysis of all documentation and elements exchanged between the entities involved in order to evaluate the ongoing projects; -Validation of currency conversion made in the financial statements of the subsidiaries of such geographies; -Analysis of the Treasury plan for 2020 and following years; -Assessment of the adequacy of the disclosures made in the consolidated financial statements.
4. Group audit - components audited by other auditors	
The statutory audits of the subsidiaries of Reditus, SGPS, SA, as mentioned in note 5 of the annex at consolidated financial statements are carried out by another statutory auditors (ROCs), for what we consider this situation a relevant audit matters.	As recommended by ISA 600 "Auditing Groups", we must obtain sufficient and appropriate audit evidence on the financial statements of the Group,, for what we carry out various audit procedures, among which -Setting up of a Group audit plan, with working instructions for the Group's audit; -Several meetings with the ROC of the subsidiaries at the beginning, during and after the communication of the relevant matters, obtaining clarifications and consulted the working papers; -Obtaining the "Certificações Legais de Contas" issued by the ROC; and

	-Assessment of the adequacy of the disclosures made in the consolidated financial statements.

Responsibilities of management and supervisory body for the consolidated financial statements

Management is responsible for:

- The preparation of the consolidated financial statements, which fairly present the financial position of all entities included the Group, the financial performance and the cash flow of the Group in accordance with the International Financial Reporting Standards IFRS), as adopted by the European Union;
- The preparation of the Management Report, including the Corporate Governance Report, in accordance with the applicable law and regulations;
- Design and maintenance of an appropriate system of internal control that enables the preparation of consolidated financial statements which are free from material misstatement, whether due to fraud or error;
- The adoption of appropriate accounting policies and criteria; and
- The assessment of the Group's ability to continue as a going concern, disclosing when applicable, the events or conditions that may cast significant doubt on the Group's ability to continue its activities.

The Audit Committee is responsible for overseeing the process of preparation and disclosure of the Group´s financial information.

Auditor's responsibilities for the audit of the consolidated financial statements

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion;
- Communicate with those charged with governance, including the Audit Committee, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit;
- Of the matters we have communicated to those in charge of governance, including the Audit Committee, we determine which ones were the most important in the audit of the financial statements of the current year, these being the key audit matters. We describe these matters in our report, except when the law or regulation prohibits their public disclosure;
- Confirm to the Audit Committee that we comply with the relevant ethical requirements regarding independence and communicate all relationships and other matters that may be perceived as threats to our independence and, where applicable, the respective safeguards.

Our responsibility also includes verifying that the information contained in the Management report is consistent with the consolidated financial statements and the verification set forth in paragraphs 4 and 5 of article N° 451 of the Portuguese Company Law.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

On the management report

In compliance with paragraph 3 e) of article N° 451 of the Portuguese Company Law, it is our understanding that the management report has been prepared in accordance with applicable requirements of the law and regulation, that the information included in the Director's report is consistent with the audited consolidated financial statements and, taking into account the knowledge and assessment about the Entity, no material misstatements were identified.

On the Corporate Governance Report

In compliance with paragraph 4 of article N° 451 of the Portuguese Company Law, it is our understanding that the Corporate Governance Report includes all the requirements of article 245°-A of the " Código dos Valores Mobiliários, and no material inaccuracies have found in the information disclosed therein, complying with the items c), d), f), h), i) and m) of the referred article.

Non-financial statements set forth in article 508-G of the Portuguese Company Law

In compliance with paragraph 6 of article N° 451 of the Portuguese Company Law, we hereby inform that the Group include in its management report the non-financial statement set forth in article N° 508-G of the Portuguese Company Law.

Additional information required in article N° 10 of the Regulation (EU) 537/2014

In accordance with article N° 10 of Regulation (EU) 537/2014 of the European Parliament and the Council, of April 16, 2014, and in addition to the key matters referred to above, we also provide the following information:

- We were first appointed auditors of Reditus, Sociedade Gestora de Participações Socials, S.A. at the shareholders General Meeting of May 31, 2017 to the present.
- The management has confirmed to us it has no knowledge of any fraud or suspicions of fraud, with material effect in the financial statements. We have maintained professional skepticism throughout the audit and determined overall responses to address the risks of material misstatement due to fraud in the consolidated financial statement. Based on the work performed, we have not identified any material misstatement in the consolidated financial statements due to fraud.
- We confirm that our audit opinion is consistent with the additional report that was prepared by us and issued to the Group's Audit Committee in May 29, 2020.
- We declare that we did not provide any prohibited non-audit services referred to in paragraph 8 of article N° 77 of the by-laws of the Institute of Statutory Auditors ("Estatuto da Ordem dos Revisores Oficiais de Contas"), and that we remain independent of the Group in conducting the audit.

May 29, 2019
Auren Auditores & Associados, SROC, S.A.
(registered in CMVM n° 8158)

Represented by:
Victor Manuel Leitão Ladeiro

Victor Manuel Leitão Ladeiro
(R.O.C. 651)

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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 2019 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 and in strict compliance with its legal obligations, assessed the accounting policies and valuation criteria used in preparation of the 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 its 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 31st, 2019 which include the consolidated statements of financial position, consolidated profit and loss statement, consolidated statements of comprehensive revenue, cash flows and changes in equity and corresponding notes, for 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 2019, 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 accounting documents was prepared in accordance with the 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 Audit Committee is of the opinion that the conditions are met for the General Assembly of Reditus, SGPS, SA to approve the Management Report and the Consolidated Accounts for the 2019 Fiscal Year.

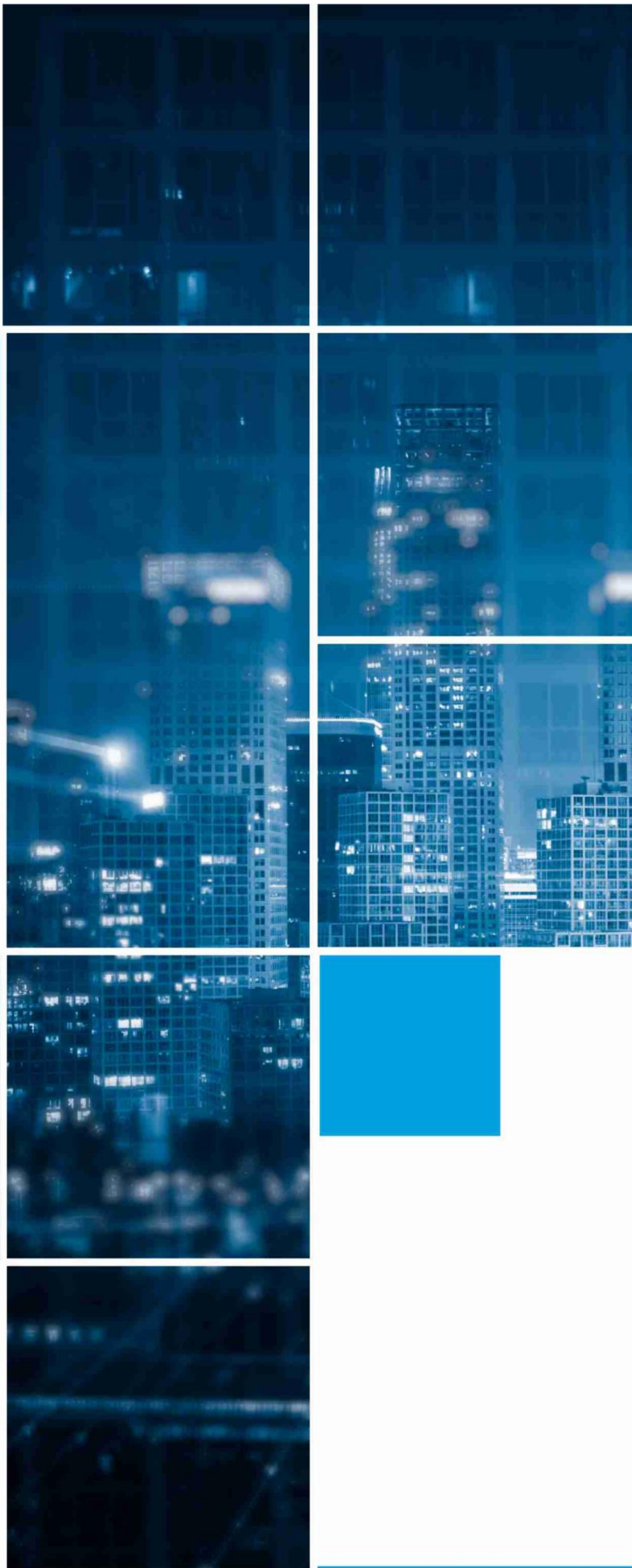
Alfragide, May 29th, 2020

The Audit Committee,

Dr Armando Jorge de Carvalho Costa e Silva – President

Dr Luís Henriques de Lancastre de Lima Raposo – Member

Dr Sónia Maria Soares Aguiar – Member



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Share Capital: 14.638.691,00 Euros
Registered with the Lisbon Commercial Registry Office under
single registration number and Legal Person nº 500 400 997

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