

## Reditus Improves 1<sup>st</sup> Half 2020 Net Income to 168 thousand Euros

- **Net Income of 168 thousand Euros**
- **Operating Revenue of 10,0 million Euros**
- **EBITDA of 1,3 million euros**
- **EBITDA Margin of 12.8%**
- **International Sales represented 25% of total**

### 1. Summary of the Activity

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Bearing in mind the pandemic situation with COVID19 experienced throughout the first half of 2020 (1H20), Reditus pursued its strategy of developing integrated propositions with increased added value, the sustainability of its operations through monitoring and continuous improvement, as well as the development of management models based on the introduction of robotisation components, aimed at increasing project profitability.

Consolidated Net Income reached 168 thousand Euros, a 96.5% improvement over the same period of the previous year.

EBITDA reached 1,3 million Euros in 1H20, which compares with € 2,0 million in the same period last year. This value represents nevertheless a 12.8% EBITDA margin.

During this period, Operating Revenues suffered a 19.1% decrease, reaching 10,0 million Euros against €12,4 million in 1H19.

This Revenue reduction is due to a significant contraction in the ITC sector's activities, as well as to a – albeit smaller – contraction in the ITO sector.

The ITO sector, although suffering a 15.1% contraction, nevertheless registered an improvement in its EBTIDA and also a 2.1 pp increase in the EBITDA margin, with 18.0% against 15,9% in the same period of the previous year. This contraction is a direct result of the present pandemic, which has compromised the conclusion of several export service projects. The Group has on the other hand been developing a strategy to obtain new, smaller but more profitable projects. As a result, new businesses were awarded in this period not only in installed-base customers, renewing existing contracts, but also with new clients.

The drop in Revenues for the *ITC* sector is significant and mostly the reflection of a drop in international projects and of a focus on higher value-added projects. This strategy led to a drop in revenues for the segment in the 1 Half of the current year.

In the International Area, 1H20 Revenues decreased by 42.5% compared to 1H19, reducing its weight relative to the Group's overall revenue from 36% to 25% as a result of the present pandemic and due to the postponement of investment decisions for strategic Public Sector projects, in Portugal but mainly abroad.

In addition, the impact of the COVID19 pandemic is the main justification for the revenue contraction in the *ITC* segment, namely in the international markets such as the African geographies where the group has been operating and where it has been obtaining positive results. In these geographies, the implementation of numerous security and quarantine procedures, of extended lock-downs, the imposition of state of emergency and of calamity measures, have led the group to activate its contingency plan and to take immediate steps for the repatriation of expatriates and the temporary suspension of some projects.

With Revenues in excess of 2,5 million Euros in International Markets, Reditus will definitely maintain its commitment to the business in international geographies and to the sustainability of long-term projects in the area of *ITC* and *ITO* for a range of entities.

For the remaining of 2020 and despite the persisting uncertainty resulting from the on-going public health problems, it is worth noting that new challenges and opportunities began to emerge, for which the Group was prepared, so it expects positive growth with the award and kick-off of some strategic and large-scale projects, in the final contract stages or already awarded, both in the national and international markets. These new opportunities have already started to materialize during the third quarter of the current year and Reditus will, in addition to their implementation, still actively search for opportunities in Nearshore projects.

## 2. Consolidated Indicators

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### 2.1. Net Income

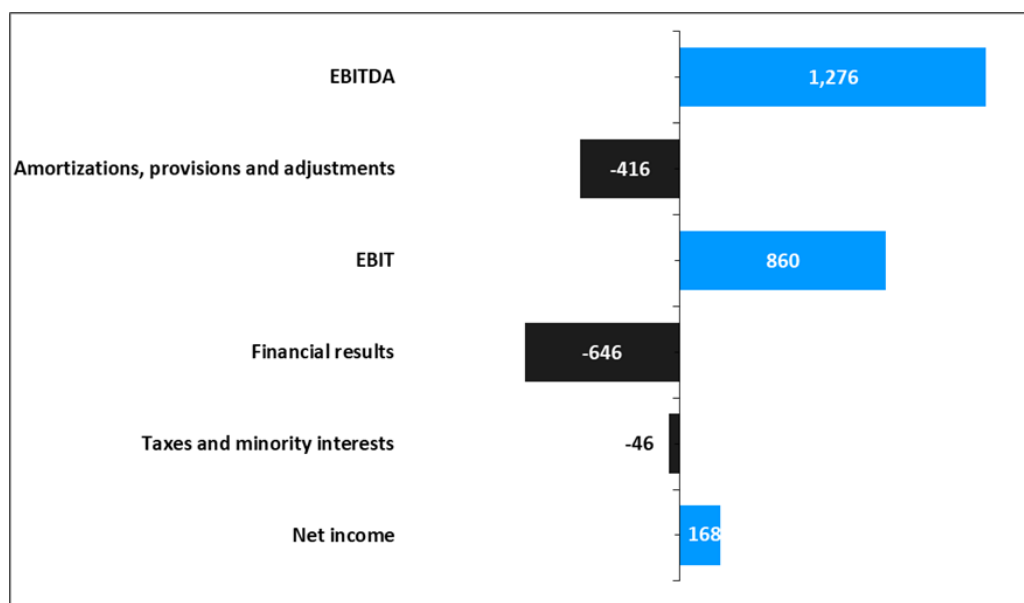
Depreciation, Amortization, Provisions and Adjustments reached 0,4 million Euros in 1H20, a 63.8% decrease from the same period of the previous year.

Operating Income (EBIT) was positive by 0,86 million Euros, compared to 0,9 million Euros in 1H19.

Negative Financial Results decreased 35.1%, to 0,6 million Euros.

The Consolidated Net Income reached 168 thousand Euros in 1H20, an increase of 96.5% from the 86 thousand Euros reached in the same period of the previous year.

### From EBITDA to Net Income € Thousands



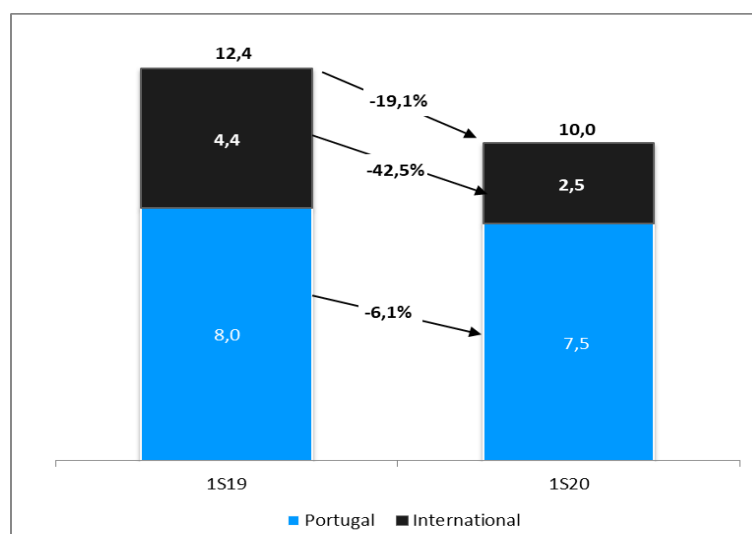
## 2.2. Consolidated Operating Revenues

Consolidated Operating Revenues amounted to 10,0 million Euros in 1H20, against 12,4 million Euros in the same period of the previous year, representing a decrease of 19.1%.

Business in the domestic market contracted 6.1% over 1H19, reflecting retractions namely in the ITC segment.

International Sales, namely in the African market where the Group has subsidiaries, suffered a reduction of 42.5% relative to 1H19, while maintaining its weight relative to the Group's total Revenues.

### Operating Revenue € Millions

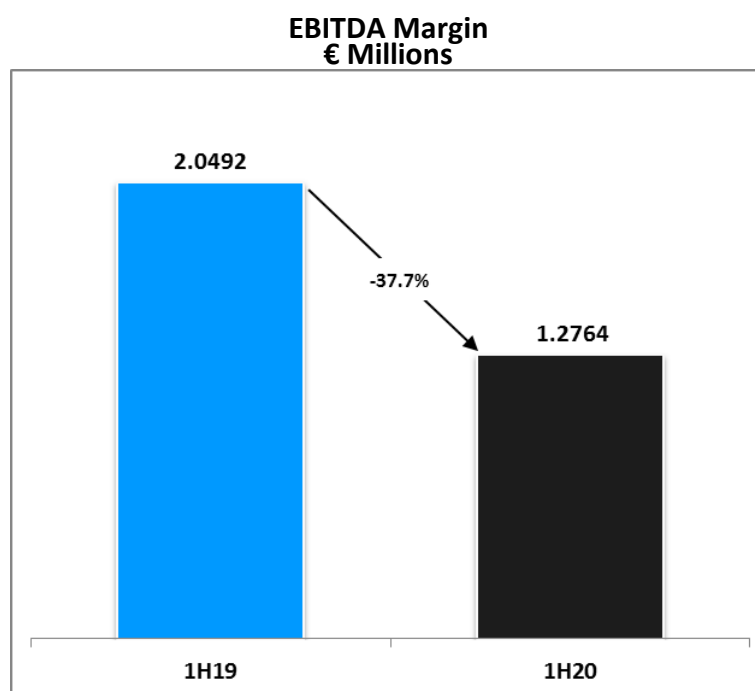


### 2.3. Operating Expenses

Consolidated Operating Expenses, net of Depreciation, Provisions and Adjustments, amounted to 8,7 million Euros in 1H20, representing a decrease of 15.4% over the same period of the previous year and 87.2% of Total Revenue, which compares to 83.4% in 1H19.

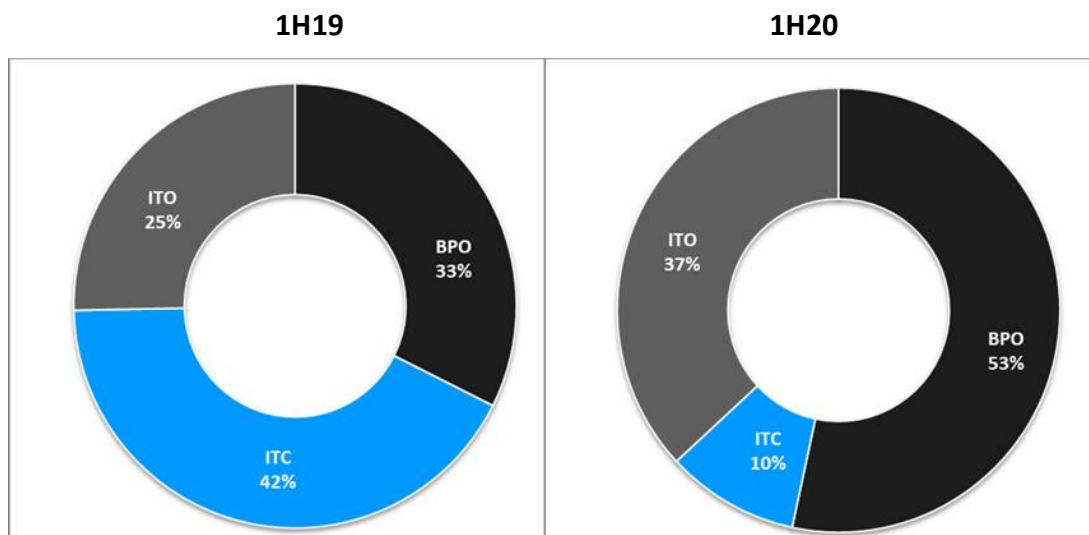
### 2.4. Operational Result before Amortizations (EBITDA)

Consolidated EBITDA reached 1,3 million Euros in 1H20, which compares with € 2,0 million in 1H19. The EBITDA margin was 12.8%, or 3.8 pp below the margin of 16.6% achieved in the same period of the previous year.

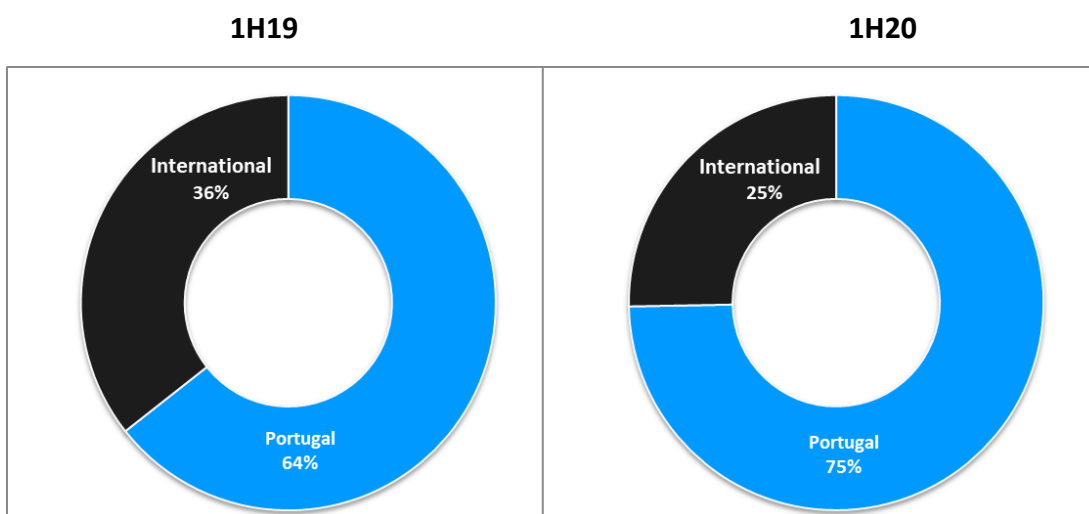


### 3. Indicators by Business Sectors

#### Revenue by Business Sector



#### Revenue by Geographic Markets



#### 3.1. IT Consulting

*IT Consulting* integrates the business segments of Consulting, Platforms and Applications, and specialized Outsourcing. This area represented 10% of the Group's total Revenue in 1H20.

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

### 3.2. IT Outsourcing

Reditus' *IT Outsourcing* sector comprises the IT Infrastructure skills and represented 37% of total revenues in 1H20.

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

Revenues from this area reached 3,7 million Euros in 1H20, a decrease of 15.1% over the same period in the previous year. EBITDA reached 0,7 million Euros, representing a 4.1% decrease from 1H19.

### 3.3. Business Process Outsourcing (BPO)

The *BPO* sector provides Contact Center services and business support, developing inbound and outbound services for customer support and retention, mail handling, document preparation, scanning, file custody, credit processing - corporate, mortgage, consumer and automobile, insurance claims - automotive, multi-risk and occupational hazards, processing of credit, debit and student cards, complaint management, among others. This area represented 53% of Reditus' global business in 1H20.

Operating Revenues amounted to 5,4 million Euros, a decrease of 4.1% from the same period in the previous year. EBITDA was positive by 538 thousand euros, which compares with a positive EBITDA of 789 thousand euros in 1H19.

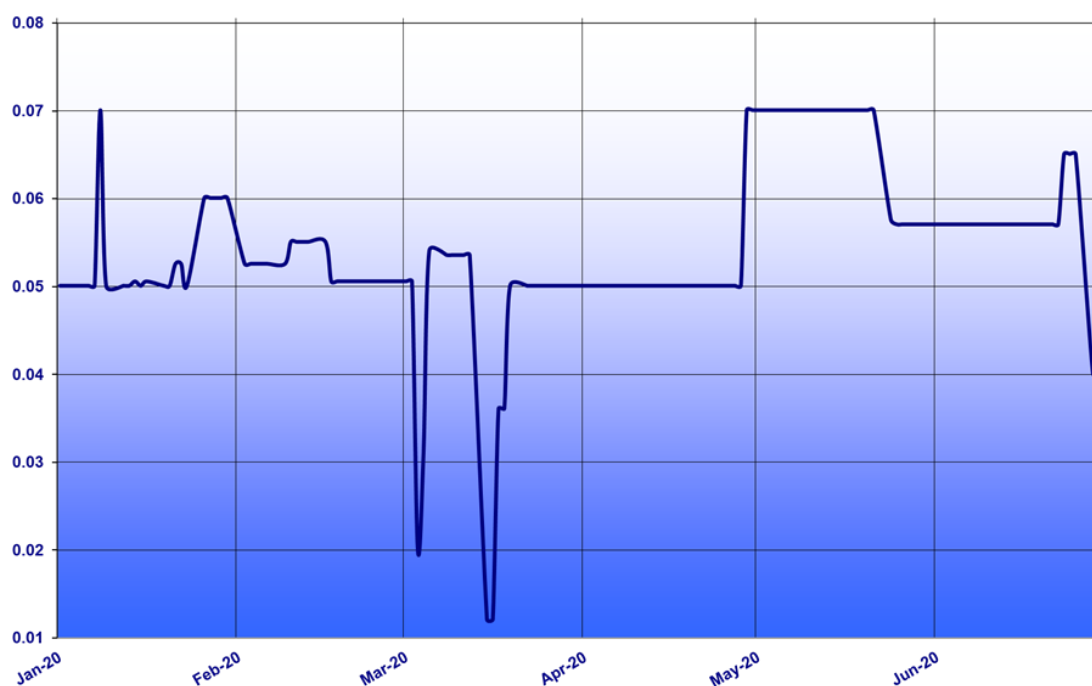
## 4. Main Balance Sheet Items

| € Millions               |           |           |       |
|--------------------------|-----------|-----------|-------|
|                          | 30-Jun-20 | 31-Dec-19 | Var % |
| <b>Total Assets</b>      | 163.0     | 163.2     | -0.1% |
| Non Current Assets       | 94.5      | 94.2      | 0.3%  |
| Current Assets           | 68.5      | 69.0      | -0.6% |
| <b>Equity</b>            | 15.6      | 15.4      | 1.1%  |
| <b>Total Liabilities</b> | 147.4     | 147.9     | -0.3% |
| Non-Current Liabilities  | 61.4      | 62.5      | -1.8% |
| Current Liabilities      | 86.0      | 85.3      | 0.8%  |
| <b>Net Debt</b>          | 58.6      | 58.8      | -0.2% |

At the end of 1H20, net bank debt (including loans and lease liabilities, less cash and cash equivalents) was 58,6 million Euros, which compares with 58,8 million Euros at the end of 2019, or a decrease of 0.2%.

## 5. Stock Market performance

Share Price Performance



At the end of 1H20, Reditus' share closing price was 0.04 Euros, which compares to 0.05 Euros at the beginning of the year.

In terms of liquidity, 135,439 Reditus' shares were traded during the 1H20, representing a transaction value of 6,5 thousand Euros.

The average number of shares traded daily stood at about 1,058, corresponding to a daily average of approximately 51 Euros.

## 6. EBITDA by Business Sector

Unit: thousands of euros

|  | 30-Jun-20 | 30-Jun-19 | YoY %   |
|--|-----------|-----------|---------|
| <b>TOTAL REDITUS</b>   |           |           |         |
| <b>Operating Revenues</b>                                      | 10,008    | 12,366    | -19.1%  |
| Sales  | 363       | 190       | 90.5%   |
| Services Rendered  | 9,574     | 12,078    | -20.7%  |
| Other Operating Revenues                                       | 71        | 97        | -26.3%  |
| Operating Expenses (excluding deprec., provisions and adjust.) | 8,731     | 10,316    | -15.4%  |
| <b>EBITDA</b>  | 1,276     | 2,049     | -37.7%  |
| EBITDA Margin  | 12.8%     | 16.6%     | -3.8pp  |
| <b>ITC</b>   |           |           |         |
| <b>Operating Revenues</b>                                      | 982       | 7,324     | -86.6%  |
| Sales  | -         | 98        | -100.0% |
| Services Rendered  | 934       | 7,111     | -86.9%  |
| Other Operating Revenues                                       | 48        | 115       | -57.8%  |
| Operating Expenses (excluding deprec., provisions and adjust.) | 914       | 6,764     | -86.5%  |
| <b>EBITDA</b>  | 68        | 560       | -87.9%  |
| EBITDA Margin  | 6.9%      | 7.6%      | -0.7pp  |
| <b>ITO</b>   |           |           |         |
| <b>Operating Revenues</b>                                      | 3,727     | 4,389     | -15.1%  |
| Sales  | 363       | 199       | 82.5%   |
| Services Rendered  | 3,280     | 4,150     | -20.9%  |
| Other Operating Revenues                                       | 84        | 40        | 110.5%  |
| Operating Expenses (excluding deprec., provisions and adjust.) | 3,056     | 3,689     | -17.1%  |
| <b>EBITDA</b>  | 671       | 700       | -4.1%   |
| EBITDA Margin  | 18.0%     | 15.9%     | 2.1pp   |
| <b>BPO</b>   |           |           |         |
| <b>Operating Revenues</b>                                      | 5,390     | 5,618     | -4.1%   |
| Sales  | -         | -         | 0.0%    |
| Services Rendered  | 5,359     | 5,618     | -4.6%   |
| Other Operating Revenues                                       | 31        | -         | 0.0%    |
| Operating Expenses (excluding deprec., provisions and adjust.) | 4,853     | 4,828     | 0.5%    |
| <b>EBITDA</b>  | 538       | 789       | -31.9%  |
| EBITDA Margin  | 10.0%     | 14.1%     | -4.1pp  |
| <b>Other and Intra-group</b>                                   |           |           |         |
| <b>Operating Revenues</b>                                      | (92)      | (4,964)   |         |
| Sales  | -         | (107)     |         |
| Services Rendered  | -         | (4,800)   |         |
| Other Operating Revenues                                       | (92)      | (58)      |         |
| Operating Expenses (excluding deprec., provisions and adjust.) | (92)      | (4,964)   |         |



**REDITUS, SGPS, SA**  
**CONSOLIDATED INCOME STATEMENT**  
 FOR THE PERIODS ENDED JUNE 30<sup>th</sup>, 2020 AND JUNE 30<sup>th</sup>, 2019  
 (Values expressed in Euros)

|   | 30-Jun-20          | 30-Jun-19           |
|---|--------------------|---------------------|
| <b>OPERATING REVENUES</b>               |                    |                     |
| Sales                                   | 362,868            | 190,478             |
| Services rendered                       | 9,573,645          | 12,078,489          |
| Other operating revenues                | 71,251             | 96,664              |
| <b>Total Operating Revenues</b>         | <b>10,007,764</b>  | <b>12,365,631</b>   |
| <b>OPERATING COSTS</b>                  |                    |                     |
| Inventories consumed and sold           | (312,299)          | (176,545)           |
| External supplies and services          | (3,481,759)        | (4,418,340)         |
| Staff costs                             | (4,874,672)        | (5,575,333)         |
| Depreciation and amortisation costs     | (385,808)          | (1,084,049)         |
| Provisions and impairments              | (30,282)           | (64,500)            |
| Other operating costs                   | (62,592)           | (146,203)           |
| <b>Total Operating Costs</b>            | <b>(9,147,412)</b> | <b>(11,464,970)</b> |
| <b>Net Operating Income</b>             | <b>860,352</b>     | <b>900,661</b>      |
| <b>FINANCIAL RESULTS</b>                |                    |                     |
| Net financial costs                     | (646,292)          | (996,112)           |
| Net losses in associate companies       | -                  | -                   |
| <b>Income before taxes</b>              | <b>214,060</b>     | <b>(95,451)</b>     |
| Taxation                                | (42,373)           | 277,648             |
| <b>Income before minority interests</b> | <b>171,687</b>     | <b>182,197</b>      |
| Minority interests                      | (3,531)            | (96,643)            |
| <b>Net income</b>                       | <b>168,156</b>     | <b>85,554</b>       |
| <b>EBITDA</b>                           | <b>1,276,442</b>   | <b>2,049,210</b>    |
| <b>EBITDA Margin</b>                    | <b>12.8%</b>       | <b>16.6%</b>        |

**REDITUS, SGPS, SA**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
AS OF JUNE 30<sup>th</sup>, 2020 AND DECEMBER 31<sup>st</sup>, 2019  
(Values expressed in Euros)

|  | 30-Jun-20          | 30-Jun-19          |
|--|--------------------|--------------------|
| <b>ASSETS</b>                                    |                    |                    |
| <b>NON-CURRENT ASSETS:</b>                       |                    |                    |
| Tangible Fixed Assets                            | 6,493,816          | 6,599,549          |
| Investment Properties                            | 1,509,000          | 1,509,000          |
| Goodwill   | 38,711,899         | 38,711,899         |
| Intangible Assets                                | 5,575,138          | 5,567,361          |
| Customer receivables                             | 35,928,662         | 35,928,662         |
| Other Receivables                                | 1,075,874          | 1,075,874          |
| Other Financial Investments                      | 1,896,791          | 1,884,576          |
| Deferred Tax Assets                              | 3,317,769          | 2,953,496          |
|  | <u>94,508,949</u>  | <u>94,230,417</u>  |
| <b>CURRENT ASSETS:</b>                           |                    |                    |
| Inventories                                      | 214,466            | 249,500            |
| Customer receivables                             | 28,728,641         | 29,692,551         |
| Other account receivables                        | 8,017,242          | 7,819,482          |
| Other current assets                             | 30,442,160         | 29,965,483         |
| Financial assets at fair value                   | 7,167              | 7,167              |
| Cash and equivalents                             | 1,130,400          | 1,242,532          |
|  | <u>68,540,076</u>  | <u>68,976,715</u>  |
| <b>TOTAL ASSETS</b>                              | <u>163,049,025</u> | <u>163,207,132</u> |
| <b>EQUITY</b>                                    |                    |                    |
| Share Capital                                    | 14,638,691         | 14,638,691         |
| Treasury shares                                  | (255,183)          | (255,183)          |
| Share premium account                            | 9,952,762          | 9,952,762          |
| Reserves   | 4,812,483          | 4,812,483          |
| Retained earnings                                | (15,108,237)       | (15,157,388)       |
| Valuation surplus of fixed assets                | 1,215,489          | 1,215,489          |
| Consolidated net income for the year             | 168,156            | 49,151             |
| Equity attributable to equity holders of Reditus | 15,424,161         | 15,256,005         |
| Equity attributable to minority interests        | 194,631            | 191,100            |
| Total equity                                     | <u>15,618,792</u>  | <u>15,447,105</u>  |
| <b>LIABILITIES:</b>                              |                    |                    |
| <b>NON-CURRENT LIABILITIES:</b>                  |                    |                    |
| Loans  | 30,638,829         | 31,209,006         |
| Other accounts payable                           | 25,909,178         | 26,325,315         |
| Deferred tax liabilities                         | 918,151            | 918,151            |
| Financial leasing liabilities                    | 3,937,568          | 3,961,955          |
|  | <u>61,403,726</u>  | <u>62,414,427</u>  |
| <b>CURRENT LIABILITIES:</b>                      |                    |                    |
| Loans  | 24,833,276         | 24,483,333         |
| Suppliers  | 10,689,650         | 10,204,381         |
| Other accounts payable                           | 37,563,821         | 36,472,484         |
| Other current liabilities                        | 12,581,455         | 13,823,488         |
| Financial leasing liabilities                    | 358,305            | 361,914            |
|  | <u>86,026,507</u>  | <u>85,345,600</u>  |
| <b>TOTAL LIABILITIES</b>                         | <u>147,430,233</u> | <u>147,760,027</u> |
| <b>TOTAL EQUITY AND LIABILITIES</b>              | <u>163,049,025</u> | <u>163,207,132</u> |