

## EBITDA margin reaches 14.5% in the first quarter of 2018

- **Operating Income of 8.8 million euros (vs. 10.2 million euros)**
- **EBITDA of 1.3 million euros (vs. 1.3 million euros)**
- **EBITDA Margin 14.5% (vs. 12.7%)**
- **Net Income of 119 thousand euros (vs. 109 thousand euros)**
- **International Sales represent 39% of the total (vs. 37%)**

### 1. Activity Summary

---

During the first quarter of 2018 (1Q18), Reditus continued the internal reorganization, adjusting its spending structure to the new reality of the Group, and creating the conditions for the development of integrated, innovative and higher value-added offers, in order to follow the business plan based on the development of its core activities and the profitability of its business.

The results in 1Q18, presented below, are compared with the figures for the first quarter of 2017 (1Q17).

Operating Income amounted to 8.8 million euros in 1Q18, reflecting a 13.8% decrease compared to 1Q17.

In the period under review, there was a contraction of income in relation to the same period of 2017, mainly in the ITO segment, due to a very aggressive and competitive market, and Reditus' strategy of not harming its margins and creating value.

However, in 1Q18 Reditus was able to raise new business in its customer portfolio and renew existing contracts in the domestic market in the segments of IT Consulting and BP Outsourcing.

In the international area, income in 1Q18, despite a decrease of 8.3% over 1Q17, increased its weight relative to the Group's overall income, from 37% to 39%.

For the coming months of 2018, the Group expects positive growth in the domestic market and anticipates the beginning of several projects in the international market, and will continue to actively seek opportunities in Nearshore projects.

EBITDA was 1.3 million euros, equivalent to an EBITDA margin of 14.5%, 1.8 pp above the 12.7% margin reached in the same period of last year.

Consolidated Net Income amounted to 119 thousand euros, an increase of 8.5% over the same period of the previous year.

## 2. Consolidated Indicators

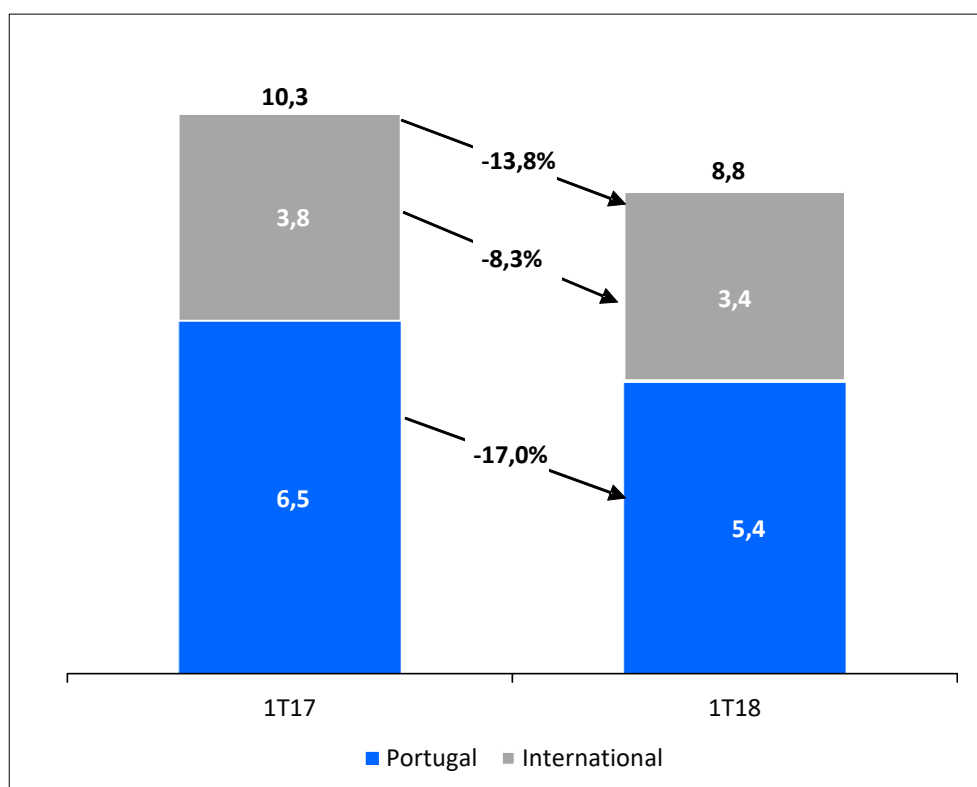
### 2.1. Consolidated Operating Income

Operating Income amounted to 8.8 million euros in 1Q18, compared to 10.2 million euros in the same period of last year, representing a decrease of 13.8%.

In the domestic market, sales fell by 17.0% compared to 1Q17, reflecting significant decreases exclusively in the ITO segment, as already mentioned in point 1. above.

In the international market, especially in the African market where the Group has subsidiaries, there was a decrease in sales of 8.3% over 1Q17, which nevertheless represents an increase in weight compared to the Group's total sales with 39% vs. 37% in 1Q17.

Operating Income  
€ Million

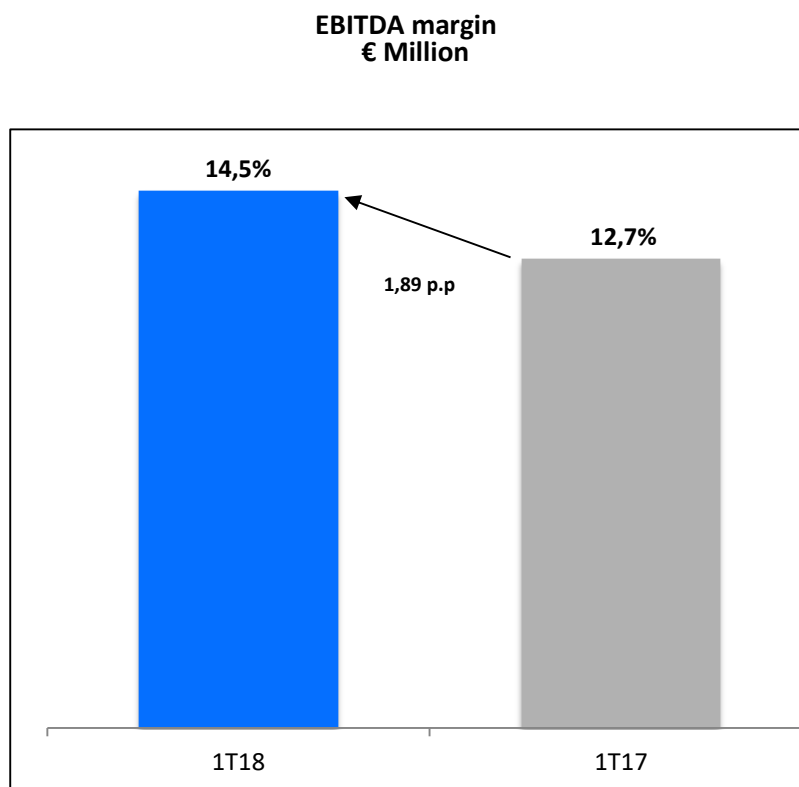


### 2.2. Operating Expenses

Consolidated Operating Expenses, net of depreciation, provisions and impairment losses, totaled 7.6 million euros in 1Q18, representing a decrease of 15.6% over the same period of the previous year and 85% of Total Income vs 87% in 1Q17.

### 2.3. Operating Income before Depreciation and Amortization (EBITDA)

Consolidated EBITDA was 1.3 million euros in 1Q18, compared to 1.3 million euros in 1Q17. The EBITDA margin stood at 14.5%, or 1.8 pp above the 12.7% margin reached in the same period last year.



### 2.4. Net income

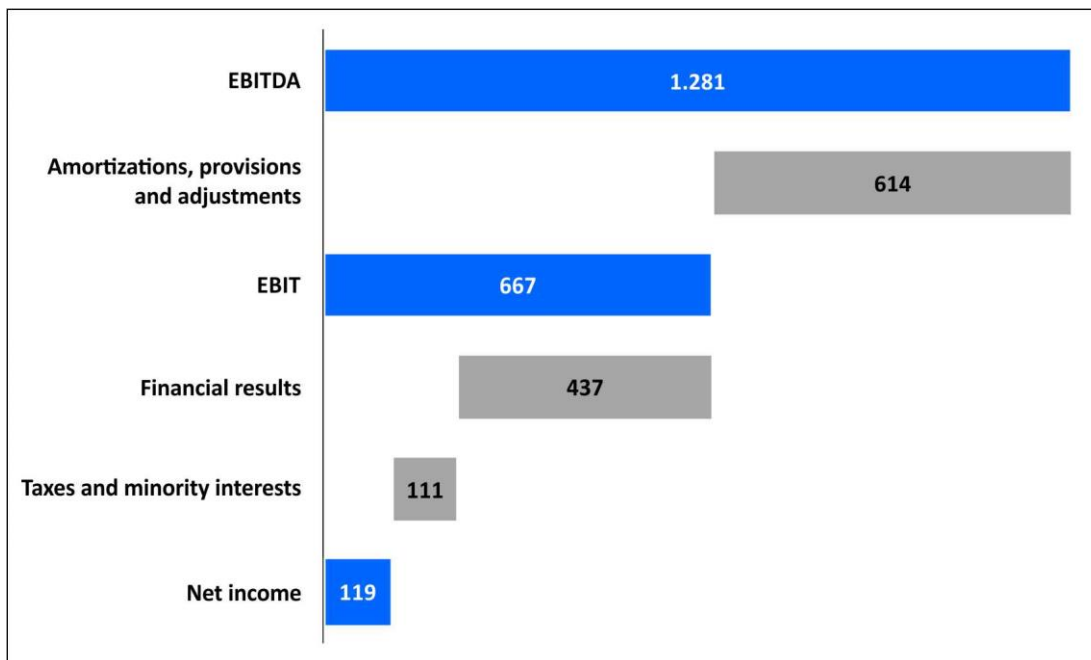
Depreciation, Amortization, Provisions and Adjustments amounted to 0.6 million euros in 1Q18, an increase of 1.1% over the same period of the previous year.

Operating Income (EBIT) was positive at 667 thousand euros, which compares to the positive 690 thousand euros of 1Q17.

The negative financial results decreased by 11.9% to 437 thousand euros, reflecting the company's continued efforts to obtain better financing conditions through the renegotiation of the main credit lines, namely the average pricing.

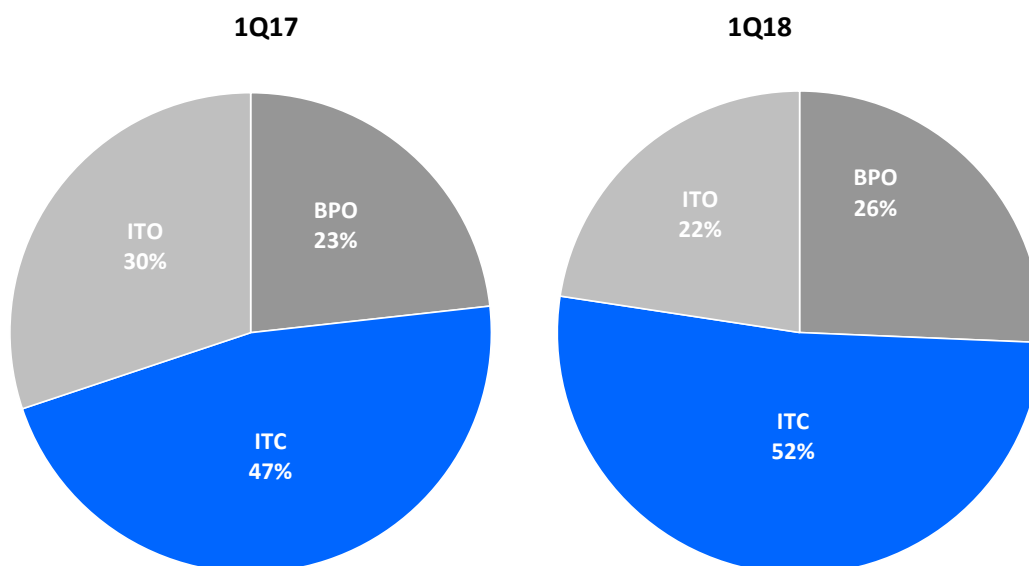
Consolidated Net Income amounted to 119 thousand euros in 1Q18, representing an increase of 8.5% over the result of 109 thousand euros obtained in the same period of 2017.

### From EBITDA to Net Income € Thousand

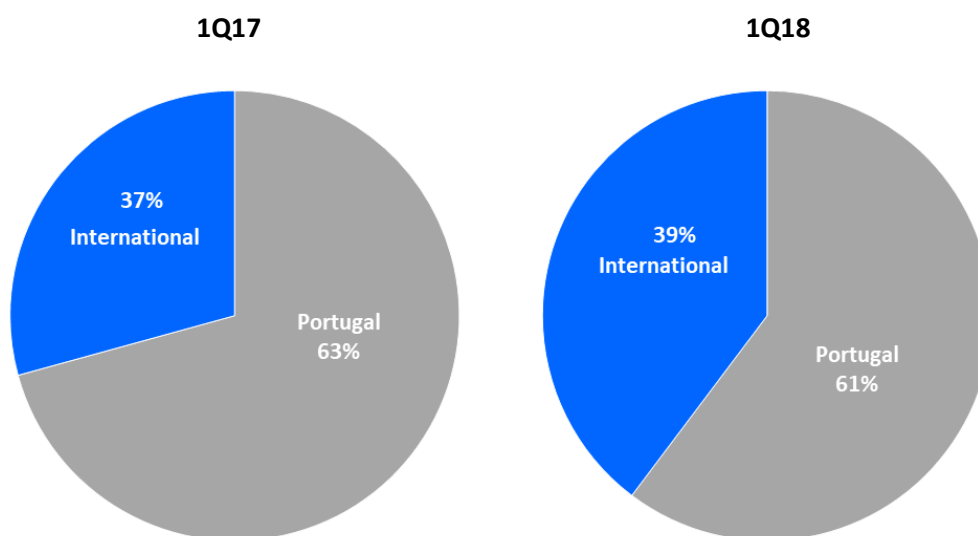


### 3. Indicators by Business Area

#### Revenues by Activity Area



## Revenues by Geographic Market



### 3.1. IT Consulting

IT Consulting area integrates Consulting, Platforms and Applications and Specialized Outsourcing segments. This area accounted for 52% of the Group's total revenues in 1Q18.

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

Revenues from the ITC unit reached 5.6 million euros in 1Q18, a 10.4% increase over the previous year. EBITDA amounted to 640 thousand euros, which compares with a result of 504 thousand euros in 1Q17.

### 3.2. IT Outsourcing

Reditus IT Outsourcing encompasses IT Infrastructure competencies and accounted for 23% of total revenues in 1Q18.

IT Infrastructure segment of Reditus provides the market with infrastructural IT services, projects and solutions. The services include management, administration and support of technological platforms, in a logic of liability contract or functional outsourcing.

Income in this segment was € 2.5 million in 1Q18, a decrease of 25.4% over the same period of last year. EBITDA was 531 thousand euros, a decrease of 19.4% over 1Q17.

### 3.3. Business Process Outsourcing (BPO)

The BPO area involves the provision of Contact Center services and business support, developing activities such as customer service and loyalty, inbound and outbound, mail handling, document preparation, digitization, file custody, credit processing for housing, business, personal and automobile, automobile claims management, multi-risk and industrial accidents, debit card, credit card and university card processing, claims management, among others. This area accounted for 26% of Reditus' total business in 1Q18.

Operating Income amounted to 2.8 million euros, an increase of 9.9% over the same period of last year. EBITDA decreased 18.6% yoy in 1Q18.

## 4. Balance Sheet - Main Items

€ Millions			
	31/03/2018	31/12/2017	Var %
<b>Total Assets</b>	172,4	171,2	0,7%
Non Current Assets	87,1	87,3	-0,2%
Current Assets	85,3	83,9	1,7%
<b>Equity</b>	31,1	30,9	0,5%
<b>Total Liabilities</b>	141,3	140,3	0,7%
Non-Current Liabilities	97,4	92,3	5,6%
Current Liabilities	43,9	48,0	-8,7%
<b>Net Debt</b>	60,0	60,7	-1,2%

At the end of 1Q18, net bank debt (including loans, financial leasing liabilities, net of cash and cash equivalents) was 60.0 million euros, compared to 60.7 million euros at the end of 4Q17, a decrease of 1.2%.

## 5. Stock performance

Reditus Stock Performance



By the end of 1Q18, the closing price of Reditus shares was set at € 0.12, compared to € 0.12 at the beginning of the year.

In terms of liquidity, approximately 595 thousand Reditus shares were transacted during 1Q18, representing a transaction value of 76 thousand euros.

The average daily number of traded shares was approximately 9,593, corresponding to an average daily value of about 1,223 euros.

## 6. EBITDA by Business Area

*Unit: thousands of euros*

	31/03/2018	31/03/2017	Var %
<b>TOTAL REDITUS</b>			
<b>Operating Revenues</b>	8 833	10 248	-13,8%
Sales	65	582	-88,8%
Services Rendered	8 591	9 584	-10,4%
Other Operating Revenues	177	83	114,1%
Operating Expenses (excluding deprec., provisions and adjust.)	7 552	8 950	-15,6%
<b>EBITDA</b>	1 281	1 299	-1,3%
EBITDA Margin	14,5%	12,7%	1,8pp
<b>ITC</b>			
<b>Operating Revenues</b>	5 630	5 100	10,4%
Sales	1	327	-99,7%
Services Rendered	5 498	4 700	17,0%
Other Operating Revenues	131	73	79,5%
Operating Expenses (excluding deprec., provisions and adjust.)	4 991	4 596	8,6%
<b>EBITDA</b>	640	504	26,9%
EBITDA Margin	11,4%	9,9%	1,5pp
<b>ITO</b>			
<b>Operating Revenues</b>	2 457	3 296	-25,4%
Sales	177	305	-41,9%
Services Rendered	2 224	2 940	-24,4%
Other Operating Revenues	56	51	10,2%
Operating Expenses (excluding deprec., provisions and adjust.)	1 927	2 638	-27,0%
<b>EBITDA</b>	531	658	-19,4%
EBITDA Margin	21,6%	20,0%	1,6pp
<b>BPO</b>			
<b>Operating Revenues</b>	2 792	2 541	9,9%
Sales	-	-	
Services Rendered	2 792	2 541	9,9%
Other Operating Revenues	-	-	
Operating Expenses (excluding deprec., provisions and adjust.)	2 680	2 404	11,5%
<b>EBITDA</b>	111	137	-18,6%
EBITDA Margin	4,0%	5,4%	-1,4pp
<b>Other and Intra-group</b>			
<b>Operating Revenues</b>	(2 046)	(689)	
Sales	(113)	(50)	
Services Rendered	(1 923)	(597)	
Other Operating Revenues	(10)	(41)	
Operating Expenses (excluding deprec., provisions and adjust.)	(2 046)	(689)	

**REDITUS, SGPS, SA**  
**CONSOLIDATED INCOME STATEMENT**  
 PERIODS ENDED ON MARCH 31<sup>st</sup>, 2018 AND MARCH 31<sup>st</sup>, 2017  
 (Values in Euros)

	31-03-18	31-03-17
<b>OPERATING REVENUES:</b>		
Sales	65.197	581.833
Services rendered	8.590.879	9.583.632
Other operating revenues	177.119	82.733
<b>Total Operating Revenues</b>	<b>8.833.195</b>	<b>10.248.198</b>
<b>OPERATING COSTS:</b>		
Inventories consumed and sold	(56.118)	(268.147)
External supplies and services	(2.551.819)	(4.090.448)
Staff costs	(4.903.724)	(4.515.369)
Depreciation and amortisation costs	(614.752)	(608.062)
Provisions and impairments	-	-
Other operating costs	(40.181)	(75.703)
<b>Total Operating Costs</b>	<b>(8.166.594)</b>	<b>(9.557.729)</b>
<b>Net Operating Income</b>	<b>666.601</b>	<b>690.469</b>
<b>FINANCIAL RESULTS:</b>		
Net financial costs	(436.545)	(495.747)
Net losses in associate companies	-	-
<b>Income before taxes</b>	<b>(436.545)</b>	<b>(495.747)</b>
	<b>230.056</b>	<b>194.722</b>
Taxation	(64.348)	(35.246)
Income before minority interests	165.708	159.476
Minority interests	(47.065)	(50.120)
Income from continued operations	118.643	109.356
Income from discontinued operations	-	-
<b>Net income</b>	<b>118.643</b>	<b>109.356</b>
<b>EBITDA</b>	<b>1.281.353</b>	<b>1.298.531</b>
<b>EBITDA Margin</b>	<b>14,5%</b>	<b>12,7%</b>

**REDITUS, SGPS, SA**  
**STATEMENT OF CONSOLIDATED FINANCIAL POSITION**  
AS OF MARCH 31<sup>st</sup>, 2018 AND DECEMBER 31<sup>st</sup>, 2017  
(Values in Euros)

	31/03/2018	31/12/2017
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS:</b>		
Tangible Fixed Assets	7 096 547	7 180 334
Investment Properties	1 509 000	1 509 000
Goodwill	41 473 191	41 473 191
Intangible Assets	19 220 032	19 456 979
Advances for Financial Investments	11 214 235	11 214 235
Other Receivables	1 016 000	1 016 000
Other Financial Investments	4 371 416	4 381 225
Deferred Tax Assets	1 183 794	1 025 767
	<u>87 084 215</u>	<u>87 256 731</u>
<b>CURRENT ASSETS:</b>		
Inventories	264 892	370 705
Customer receivables	59 353 360	59 365 220
Other account receivables	5 176 177	5 335 990
Other current assets	18 505 784	17 636 440
Financial assets at fair value	9 649	9 649
Cash and equivalents	2 010 271	1 209 835
	<u>85 320 133</u>	<u>83 927 839</u>
	<u>172 404 348</u>	<u>171 184 570</u>
<b>TOTAL ASSETS</b>		
<b>EQUITY</b>		
Share Capital	73 193 455	73 193 455
Treasury shares	(1 430 759)	(1 426 438)
Share premium account	9 952 762	9 952 762
Reserves	3 612 750	3 608 430
Retained earnings	(55 366 853)	(53 766 602)
Adjustments in financial assets	(501 763)	(501 763)
Valuation surplus of fixed assets	1 305 086	1 305 086
Consolidated net income for the year	118 643	(1 595 931)
Equity attributable to equity holders of Reditus	30 883 321	30 768 999
Equity attributable to minority interests	173 177	131 608
Total equity	<u>31 056 498</u>	<u>30 900 607</u>
<b>LIABILITIES:</b>		
<b>NON-CURRENT LIABILITIES:</b>		
Loans	51 291 714	50 958 763
Other accounts payable	38 547 696	33 519 708
Deferred tax liabilities	3 697 519	3 729 996
Financial leasing liabilities	3 950 661	4 042 512
	<u>97 487 590</u>	<u>92 250 979</u>
<b>CURRENT LIABILITIES:</b>		
Suppliers	6 412 225	6 556 098
Other accounts payable	8 289 595	8 824 684
Other current liabilities	15 404 533	18 208 386
Financial leasing liabilities	13 386 466	14 068 670
Liabilities for disposal	367 441	375 146
	<u>43 860 260</u>	<u>48 032 984</u>
	<u>141 347 850</u>	<u>140 283 963</u>
<b>TOTAL LIABILITIES</b>	<u>141 347 850</u>	<u>140 283 963</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>172 404 348</u>	<u>171 184 570</u>