OREY

PRESS RELEASE

1Q 2017

(Non-Audited accounts)

28 June 2017

1. EXECUTIVE SUMMARY

Sociedade Comercial Orey Antunes, S.A. (“SCOA”, “Orey” or “Grupo Orey”) reached in 1Q17 a positive net income amounting to Euro 49 thousand.

This result, when compared to the same period of the previous year, already reflects the results of the profound reorganization carried out in 2016 with the objectives of (i) de-leveraging the balance sheet by selling non-core assets and reducing debt and debt costs and (ii) improve operational results through a strong cost reduction on the one hand and increase operating revenues on the other. The operating result and EBITDA of the Orey Group in 1Q17 were Euro 1.77 million and Euro 1.40 million, respectively.

The accounts now presented, similar to the end of 2016, have a different consolidation perimeter. For comparison purposes, the accounts for the 1Q16 were adjusted.

The initial results of the restructuring and transformation process have already start to be felt in 1Q17. This process impacted the revenue performance and its drivers as well as the operating and financial costs. In effect, the operating revenues of Orey Group, including the full consolidation of the non-financial companies, reached Euro 21.26 million in 1Q17, having increased 3.3% y.o.y. This performance was based on the sales and service revenues of the non-financial companies: +19.0% y.o.y in 1Q17 to Euro 20.08 million. It should be noted that the contribution of the net financial margin and commissions generated by Orey Financial to the consolidated revenues reached Euro 0.48 million in 1Q17, having declined 29.0% y.o.y. Notwithstanding being a relevant decline, this was the best performance registered since 1Q16. It should be underlined that the Orey Group is confident that the commission trend will continue to improve throughout the upcoming quarters.

During 2016 and early 2017 Orey implemented a reorganizational plan (1) to significantly reduce costs to rebalance the P&L; (2) reposition its commercial offering and (3) implemented new balance sheet structure to the through asset sales and renegotiated terms and conditions of the most important debt facilities, including bonds and bank debt, aimed at increasing maturities and reducing cost of debt. The reorganisation plan also covered other areas, namely extensive contact with Orey Financial customers aimed at re-establishing the commercial relationship and a special focus on initiatives to rejuvenate the commercial team and increase its motivation. Whereas this cost cutting and reorganisation plan is now mostly executed, the focus is now investing on organic growth.

2. BUSINESS REVIEW

At Orey Financial level, it should be noted that assets under management and custody reached Euro 144.36 million (-7.7% y.o.y.), having grown 2.2% when compared to 31 December 2016. The growth in assets under management and custody was mainly driven by the growth of online brokerage AuM's, which reached Euro 50.63 million (+ 5% in 1Q17 compared to Euro 48.17 million at the end of 2016). Also relevant was the growth in the customer base, both in Portugal (+ 3.5% in 1Q17 versus 1Q16 for 4,321 customers) and in Spain (+ 7.1% in 1Q17 compared to 1Q16 for 3,230 clients) demonstrating Orey Financial's ability to retain its customer base while simultaneously attracting new customers. This performance also shows that the strategy of to further invest in the development of the financial activity in Spain is being succeeded. The Group continues to consider this a market with high growth potential.

In terms of Orey Financial's perimeter, net commissions in the 1Q17 reached Euro 0.51 million (-31.0% y.o.y.). This decrease in revenues was mainly due to the activity in Portugal, which continued to decline in 1Q17, as a result of the decline in customer base during 2016. However, it should be noted that activity in Spain already showed a significant growth during the 1Q17.

Euro Thousand

Total Orey Financial	31.Mar.2017	31.Mar.2016	17 vs 16
Assets under Management / Custody	144 363	156 478	-7,7%
Orey Financial Net Commissions*	506	734	-31,0%
Assets under Management / Custody	**31.Mar.2017**	**31.Mar.2016**	**17 vs 16**
Online brokerage	50 625	46 219	9,5%
Investment consulting and discretionary management	58 657	58 763	-0,2%
Real estate investment funds	10 879	12 208	-10,9%
Private equity funds	24 202	24 672	-1,9%
Liability management	0	14 617	-100,0%
Total	**144 363**	**156 478**	**-7,7%**
Online brokerage PT	**31.Mar.2017**	**31.Mar.2016**	**17 vs 16**
Assets under Custody	16 246	17 811	-8,8%
Transaction volumes - CFD e FX	957 126	1 133 667	-15,6%
Net commissions	168	336	-50,0%
# clients	4 321	4 175	3,5%
Online brokerage SP	**31.Mar.2017**	**31.Mar.2016**	**17 vs 16**
Assets under Custody	34 380	28 408	21,0%
Transaction volumes - CFD e FX	1 185 615	420 212	182,1%
Net commissions	204	163	25,2%
# clients	3 230	3 017	7,1%

* Total commissions, including those no directly linked to assets under management / custody

3. FINANCIAL REVIEW

The performance of Orey Group during the year 2016 was marked by the following factors:

(1) The contribution of Orey Financial to consolidated revenues in the 1Q17 reached Euro 0.48 million (Euro 0.45 million in terms of net commissions and net interest margin), and the operating revenues achieved Euro 21.27 million in the first quarter, including sales and services rendered of non-financial companies;

(2) The gross margin and operational result achieved in 1Q17 Euro 6.13 million and Euro 4.36 million, respectively and the operational result benefited from the reduction of operational costs;

(3) Operational costs declined 30,9% y.o.y. in the 1Q17 to Euro 4.36 million, reflecting the reorganisation program implemented at the financial segment and corporate centre and at the non-financial companies;

(4) In 1Q17 Orey registered approximately Euro 283 thousand of reorganisational and restructuring operating costs, mainly related with staff and assets depreciation;

(5) EBITDA achieved in the 1Q17 Euro 1.40 million, and

(6) Net Interest were significantly reduced in result of debt reduction in 2016 and of the change in the terms and conditions of several financial instruments of the Group, namely Best Of, Araras and OTLI bonds.

Euro Thousand

Income Statement	1Q17	1Q16	Y.o.Y
Revenues	20 083	16 876	19,0%
Comissions & Net Interest Margin	485	683	(29,0%)
Other Operating Revenues	699	3 034	(76,9%)
Total Operating Income	**21 267**	**20 593**	**3,3%**
Cost of Goods and Sales	15 107	12 654	19,4%
Comissions paid	33	65	(48,3%)
Gross Margin	**6 127**	**7 874**	**(22,2%)**
Payroll	2 441	3 485	(30,0%)
General Expenses	1 807	2 140	(15,6%)
Marketing	113	142	(20,3%)
Other Operating Costs	-	547	(100,0%)
Total Operating Expenses	**4 361**	**6 314**	**(30,9%)**
Operating Result	**1 766**	**1 560**	**13,2%**
Reestructuring & Non Recurrent Costs	(283)	-	-
Revenues From Equity Method	12	513	(97,7%)
Capital Gains	-	1 143	(100,0%)
Other Non Operating Revenues	244	156	56,5%
Other Non Operating Costs	(334)	(270)	(23,8%)
Non Operating Results	**(362)**	**1 542**	**(123,5%)**
EBITDA	**1 404**	**3 102**	**(54,7%)**
Depreciation	(433)	(469)	7,6%
Provisions	3	(574)	100,6%
Interest	(617)	(1 542)	60,0%
Earnings Before Tax	**357**	**516**	**(30,9%)**
Tax	(157)	(131)	(19,8%)
Non Controlling Interest	151	615	(75,5%)
Net Profit	**49**	**(229)**	**121,4%**

Regarding the consolidated statement of the financial position it should be highlighted that:

(1) In 31 March 2016, total assets amounted Euro 148.14 million, compared to Euro 147.39 million in 31 December, 2016;

(2) The liabilities on the consolidated balance sheet at the end of 1Q17 amounted to Euro 130.74 million. The main funding facility is the Orey Best Of bond, that amounts Euro 28,19 million, included in non-current bond loans;

(3) Regarding this important financial instrument, it should be noted that Orey held in 21 June 2017 a general meeting of bondholders where it was approved an extension of the maturity date until 8 July 2031 and the reduction of interest rate from 3% per year to 1.5% per year. It was also approved the creation of a pledge on 6.3 senior units (quotas) and 7.5 junior units in the Fundo de Investimentos em Direitos Creditórios Não Padronizados Araras, including the Fund's income, to guarantee the interest payment of this bonds line, and;

(4) Orey's equity position at 31 March 2017 was Euro 17.40 million.

4. FINANCIAL STATEMENTS

4.1. CONSOLIDATED STATUTORY STATEMENT OF FINANCIAL POSITION (non-audited accounts)

Euro Thousand

Consolidated Financial Statements	mar-17	Dec-16
Non-current assets		
Tangible fixed assets	11 443	11 399
Investment properties	983	983
Intangible assets	500	543
Goodwill	57 139	57 139
Investments in associated companies	56	94
Other investments	14 234	14 148
Current tax assets	562	599
Deferred tax assets	56	56
Total non-current assets	**84 973**	**84 960**
Current assets		
Inventories	1 157	1 741
Clients	16 872	21 917
Credit	442	636
Deferrals	875	686
Other accounts receivable	38 362	31 493
Other financial assets	73	74
Cash and cash equivalents	5 388	5 882
Total current assets	**63 171**	**62 429**
Total assets	**148 144**	**147 389**
Equity and liabilities		
Equity	12 000	12 000
Share capital	6 486	6 486
Own shares	(324)	(324)
Other changes in equity	107	107
Other Reserves	(734)	(1 653)
Retained earnings	(4 323)	8 871
Net profit	49	(12 793)
Retained earnings	4 144	4 616
Total equity	**17 405**	**17 308**
Non-current liabilities		
Medium and long term debt	7 424	7 477
Bond Loans	39 376	39 599
Non recourse instruments issued by SPV's	27 499	27 499
Provisions	3 549	3 549
Deferred tax liabilities	117	117
Total non-current liabilities	**77 965**	**78 240**
Current liabilities		
Suppliers	15 824	16 543
Other accounts payable	21 787	17 737
Employee benefits	324	324
Short term debt	12 673	13 110
Short term bond loans	-	1 894
Deferrals	334	364
Other financial liabilities	1 832	1 869
Total current liabilities	52 774	51 840
Total liabilities	**130 739**	**130 080**
Total equity and liabilities	**148 144**	**147 389**

4.2. CONSOLIDATED STATUTORY INCOME STATEMENT (non-audited accounts)

Euro Thousand

INCOME STATEMENT	1Q17	1Q16	Y.o.Y
Sales and services rendered	20 148	16 876	19,4%
Net Interest Margin and comissions	452	618	(27,0%)
Other Operating Income	879	2 869	(69,4%)
Operating Revenues	**21 478**	**21 925**	**(2,0%)**
Cost of Goods and Sales	(845)	(848)	0,3%
External supplies and services	(16 237)	(13 684)	(18,7%)
Staff costs	(2 452)	(3 485)	29,6%
Impairment of accounts receivable, net	(11)	(717)	98,5%
Provisions, net	14	143	(90,1%)
Depreciation/amortisation and impairment of investments, net	(433)	(469)	7,6%
Other operating costs	(551)	(900)	38,8%
Operating costs	**(20 515)**	**(19 961)**	**(2,8%)**
Operational Result	**963**	**1 965**	**(51,0%)**
Interest expenses	(627)	(1 544)	59,4%
Interest income	9	1	528,4%
Gains/losses in associated companies	12	1 656	(99,3%)
Financial results	**(606)**	**(1 449)**	**58,1%**
Earnings before taxes	**357**	**516**	**(30,9%)**
Income tax for the period	**(157)**	**(131)**	**(19,8%)**
Net profit for the period	**200**	**385**	**(48,1%)**
Net profit for the period attributable to:			
Equity holders	49	(229)	121,4%
Non-controlling interests	151	615	(75,5%)

4.3. METHODOLOGY FOR PRESENTING STATUTORY ACCOUNTS

In the financial statements of 31 December 2016 Orey Group fully consolidated in its statutory accounts all investments in the non-financial companies held through the private equity fund, Orey Capital Partners Transports and Logistics SCA SICAR (“OCP SICAR”).

Out of the various shareholder agreements implemented and signed in the first half of 2012 with the non-financial groups following Orey's transformation process, which resulted in the implementation of a joint control model, replacing the solitary control that was being adopted by the Group, as of today these agreements are in force only in the subgroups (1) Horizon View, navigation, transport and logistics in Portugal and Spain and (2) Orey Industrial, industrial representations in Portugal. In the sub-groups (1) Lynx, navigation, transport, and logistics in Angola and Mozambique and (2) Orey Safety, naval security, firefighting and individual protection, there are no shareholder agreements in place. Moreover, due to the requirements over the conditions to be reflected in shareholders' agreements so that these holdings can be registered as joint ventures and given that (1) Orey Group decided not to make any changes to the shareholder agreements in force in Horizon View and Orey Industrial; (2) there are no shareholder agreements in effect at Lynx and Orey Safety and (3) the conditions necessary for Lynx to continue to be recorded as an asset held for sale are not valid any longer, all of these holdings were fully accounted for in SCOA's consolidated financial statements. It should be noted that in 2014 and 2015 the Lynx sub-group was recorded as an asset held for sale while Orey Safety was registered as a financial investment. The latter was, at that time, subject to a shareholder's agreement.

Against the backdrop that SCOA fully consolidates these assets in its financial statements and taking into consideration that the positioning of SCOA has recently evolved from a financial holding to an investment holding with relevant financial and non-financial holdings, in 2017 fiscal year SCOA will change the account presentation model, moving from the model used by financial institutions towards the model used by non-financial companies, both in the individual accounts and in the consolidated accounts. This change occurs insofar as the Company understands that, in this manner, its consolidated accounts reflect better the core of its activities and its proper dimension.

Regarding the statutory consolidated accounts, the distressed assets segment consists of two insolvency projects called OP Incrível and A. Araújo. These projects have a duration of more than one year and their return is only possible at the end of the process. Given that these projects are of uncertain return, in accordance with current international regulations, the expenses inherent thereto must be fully recognised as a cost in the year in which they occur and an estimation of the income and margin should be made, thus reflecting the likely return from this business.

Press release available at the institutional website of Orey
www.orey.com

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