

R&A 2017





GABRIEL COUTO

AJUDAMOS A CONSTRUIR O FUTURO

BUILDING THE FUTURE
NOUS AIDONS À CONSTRUIRE L'AVENIR
AYUDAMOS A CONSTRUIR EL FUTURO



ÍNDICE

MESSAGE	4
1. MANAGEMENT REPORT	6
1.1 Macroeconomic and Sectorial Framework	6
1.2 The Company's Performance in 2017	7
1.3 Perspectives for Year 2018	9
1.4 Other Relevant Information	10
1.5 Acknowledgements	10
1.6 Proposal for Appropriation of Results	11
2. ATTACHMENT TO THE BOARD OF DIRECTORS' MANAGEMENT REPORT	12
3. FINANCIAL INFORMATION	13
3.1 Financial Statements	13
3.1.1 Balance Sheet on December 31, 2017	14
3.1.2 Income Statement by Nature at December 31, 2017	16
3.1.3 Cash Flow Statement	17
3.1.4 Statement of Changes in Equity	19
3.2 ANNEX	21
1. Identification of the Entity	21
2. Accounting Framework for the Preparation of Financial Statements	21
3. Main Accounting Policies	22
4. Measurement Bases	27
5. Cash Flows	28
6. Tangible Fixed Assets	29
7. Investment Properties	29
8. Tangible Fixed Assets	30
9. Leases	32
10. Interests in Joint Ventures	33
11. Investments in Associates and Subsidiaries	34
12. Other Financial Investments	35
13. Depreciations of the Period	35

14.	Financial Investments	36
15.	Inventories	36
16.	Construction Contracts	36
17.	Revenue	36
18.	Provisions	37
19.	Income Tax	38
20.	Trade Receivables and Other Receivables.	39
21.	Suppliers, Other Payables and Advances from Clientes	39
22.	Loans Obtained	40
23.	Deferrals	40
24.	Share Capital	40
25.	State and Other Public Entities	41
26.	Gains/Losses Allocated to Subsidiaries, Associates and Joint Ventures	41
27.	Change in Production Inventories	41
28.	Cost of Goods Sold and Materials Consumed	42
29.	Supplies and External Services	43
30.	Expenses with Staff	44
31.	Fair Value Increases / Reductions	44
32.	Other Incomes and Expenses	44
33.	Interest and Similar Expenses	46
34.	Accounts Consolidation	46
35.	Guarantees Provided	46
36.	Foreign Currency Quotations	47
37.	Disclosures Required by Legal Statutes	47
38.	Events After the Balance Sheet Date	47
39.	Date on Which the Financial Statements are Authorized for Issue	47
4.	AUDIT REPORTS	48
4.1	REPORT AND SOLE SUPERVISOR OPINION	48
4.2	LEGAL CERTIFICATION OF ACCOUNTS (Statutory Auditors)	50

PORTFOLIO	2017 — 2018	53
------------------	--------------------	-----------



| MESSAGE

During 2017, the sector's recovery factors were accentuated for production levels more suited to the importance of this activity in the country's overall production.

It is true that the recovery has been greatly boosted by private investment, particularly in housing, commercial and industrial construction, with particular relevance to investment directed to tourism.

Public investment still performed poorly, particularly in some strategic sectors - railways and ports. This delay in the takeover of structural and consensual projects is incomprehensible, both in economic and political terms, and also with a significant level of European funds, jeopardizing the disappearance of Engineering know-how, in particular the most technically developed, which is widely recognized nationally and internationally. For several years, the sector has not trained technicians qualified for projects with highly demanding levels, technically and scientifically, due to the absence of projects with those characteristics and thus we have seen the abandonment of engineers for international companies, of many highly qualified staff or who retired from retirement age.

Gabriel Couto has found abroad, the supply that is lacking in Portugal.

During the year 2017 we were awarded a contract of about USD 85 million in Honduras. It consists of the improvement and extension of a road, about 75 km long, on a pavement with a hydraulic concrete slab, bridge widening and geotechnical works of great size and technical complexity. The work is financed by the European Union through the EIB and CABI (Central American Bank for Economic Integration).

Also in Zambia, Gabriel Couto is developing two projects, one of construction of the sanitation network in the periurban zone of Lusaka, as well as a channel in reinforced concrete for channeling and balance of the rainwater flows, also in the same zone.

In the national market we emphasize the construction of the new factory of Sakthi, by its dimension, architectonic boldness and by the demanding execution period; it is a steel unit, for casting parts to integrate into the models of the main European brands.

In the same way, we conclude during this year, an important commercial venture, the IKEA - Mar Shopping do Algarve.

But our activity has decisively focused more on projects in the area of tourism - hotels, and luxury housing segment, with developments in Lisbon, Sintra and Quinta do Lago in the Algarve.

The volume of works collected in the latter part of 2017, allows us to have a portfolio of works, in the amount of about 178 million euros, which, we are certain, will guarantee a year of 2018 with strong expectations of a significant increase of invoicing, as well as improving the operating margin.

We would like to express our gratitude to all those who have supported us, first and foremost our employees, in particular those who, in distant lands and sometimes in difficult environments, promote not only the knowledge of our company, but also of Portuguese Engineering skills. Likewise, to the banking entities that have supported us, especially in the internationalization effort, as well as to all suppliers.

Finally, a word of recognition to our customers, for the confidence they demonstrate for our company, relying on projects of great importance for their activity, functions and business.



1 | MANAGEMENT REPORT

In accordance with the applicable legal and statutory requirements, we present the Management Report and Accounts that reflect the economic and financial activity of our company during the financial year of 2017.

1.1 MACROECONOMIC AND SECTORIAL FRAMEWORK

The world investment and trade increase was a feature of 2017 which allowed achieving a world economic growth of 2.8%, the fastest since 2011. With even better financial conditions, we expect the world growth to achieve a 3.9% rate in 2018 and 2019, reflecting the emotion levels which point to families and companies levels of confidence historically high, namely in developed economies.

Portugal saw the highest economic growth rate in seventeen years at 2.7%, being domestic demand the main reason for this positive trend. The Portuguese economy has grown more than that of all the countries of the Euro Area, which did not happen since 1999. In 2018 and beyond, there are conditions for the economic activity in Portugal to maintain a strong behavior growing over, but very close to 2%. The following elements will contribute for an external demand positive trend aimed at the Portuguese economy:

expected maintenance of very low interest rates, although rising, in line with the ECB monetary policy guidelines, oil prices above recent minimums and expected to evolve in a restricted manner.

Regarding the Construction sector, 2017 was marked by a strong growth of the main indicators of the housing segment. Licenses issued by Town Halls for Building and rehabilitating housing buildings increased 14.7% and the number of new residential building licenses grew 22.6%, a value corresponding to the highest record of the past 6 years. Along the same lines, cement consumption in the national market increased 13.2%, year on year, being that we have to look back to 2012 to have a year with cement consumption higher than the one from this year.

This positive evolution was also observed in public works, where the total number of contract concluded in 2017 was 38% over the one from the year before. It is the best record of the past six years in terms of public works contracts, exceeded only in 2011.

Most forecasts for Construction evolution in 2018 are favorable, starting with the one from the European Commission which anticipates a 3.2% growth in construction investment and this, despite the issue of the scarce specialized labor which is increasing and is definitely an obstacle to the construction activity.

1.2 THE COMPANY'S PERFORMANCE IN 2017

In 2017, the company totalled 78,1 M€, in sales and service provision, of which 25,2 M€ in the external market (32,2% of the total).

amounts in million euros

Turnover	2017
National	52,9
Exports (Branches	25,2
Mozambique	7,1
Swaziland	0,1
Cape Verde	2,4
Zambia	10,6
Honduras	4,6
Senegal	0,5
Total	78,1

Sales and service provision decreased where compared to the previous year. This situation was the result of the transfer of the production expected for Honduras and Mozambique to year 2018.

Still facing a low public investment in Portugal, results obtained in terms of turnover stem from a bet on the private construction market, including industrial units, logistic infrastructures and hotel units. As relevant works, we must highlight Hotel Vila Galé Sintra, IKEA-Mar Shopping Algarve, Hotel Torel Avantgarde, APDL, Torrestir, Navigator, among others.

The foreign market has maintained a relevant representativeness. In Mozambique, we maintained the construction of important works for ANE – Agência Nacional de Estradas, the Maputo Municipal Council, and the Corredor de Desenvolvimento do Norte (CDN),

among others. In Zambia, we completed an important drainage work for a client for whom we had previously developed high quality works in Mozambique, the Millennium Challenge Account, a development support agency present in several countries which lack infrastructures, namely in Africa. In Cape Verde, we completed the construction of 390 social housing units for the Cape-Verde Ministry of Housing. Honduras is the most recent bet in the Latin American market with the launch of a road infrastructure work in the second semester.

Human Resources

In average, the staff was comprised of 236 workers, of which 34 are posted in different countries where we develop our activity, mainly in Mozambique.

In addition to these national employees, the company employs approximately 750 employees from the different geographic areas where we are working in abroad.

One of the company's concerns is that all employees are given training sessions to reinforce their competences and give them new ones in order to continuously improve the performance and the quality of the work delivered.

Quality, Safety and Environment Policies

The company has Quality, Safety and Environment policies duly set and certified by APCER.

This is one of the company's administration guidelines and commitment as its members are aware of the staff importance as a tool for the company's success.

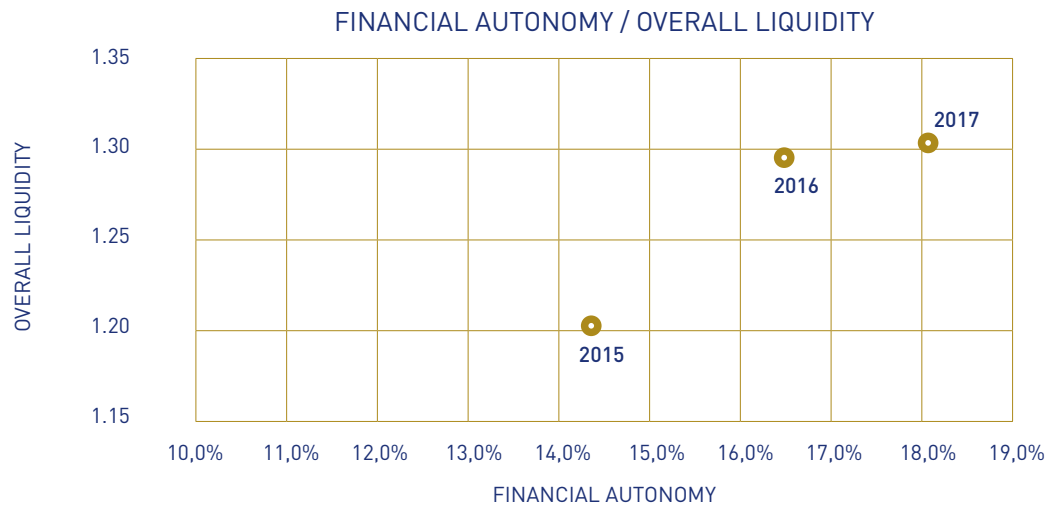
Brief Economic and Financial Analysis

Following the constraints which prevented us from implementing the production foreseen for 2017 in Honduras and Mozambique, we expect these projects to be executed in 2018. In 2017, the sales and service provision volume decreased to 78,1 M€ and Income Before depreciation, funding expenses and taxes decreased to 5,9M€.

Amount in M€)	2015 (Annual)	2016 (Annual)	2017 (Annual)
Income (Turnover)	91,1	91,4	78,1
ME* and Impairments	1,9	-1,6	-0,2
EBITDA	10,6	7,3	5,9
Financial Results	-4,4	-3,5	-3,6
Net Income	2,6	1,6	0,7

*EM: Equity Method

Regarding financial indicators, note the reinforcement of the financial autonomy (18%) and overall liquidity (1.30).



Net tangible fixed assets increased 15.7M€ due to equipment and vehicles revaluation by an external entity which resulted in a 10,9M€ revaluation and as a result of the investment in the Honduras project of 4,6M€.

Relevant Facts after the end of the Financial Year

After the end of the financial year no relevant facts took place that would substantially affect this report.

Situation in terms of State and Social Security

The company has fulfilled all its obligations with the State and Social Security.

1.3 PERSPECTIVES FOR YEAR 2018

The company's perspective for the near future and specifically 2018 is based on its order book.

The order book totals approximately 178 million Eur with a presence on three continents as a result of the internationalization markets diversification strategy.

amounts in M€

Order Book	2017
National	58,6
Exports	120,1
Mozambique	34,0
Swaziland	0,6
Zambia	4,8
Senegal	7,0
Honduras	73,7
Total	178,7

Roads and Infrastructures are the main activity with 124,3 million euros while the civil construction activity is worth approximately 54,4 million euros.

In the end of 2017, beginning of 2018, we were awarded important works in Portugal which will be very relevant in 2018, such as a hotel unit (Hotel Salus), an industrial unit of parts for the aeronautic industry for Lauak Grândola and the rehabilitation of Bairro da Cruz Vermelha for the Lisbon Town Hall. At the international level, it is important to highlight road infrastructural works in Honduras and Senegal and water infrastructures in Zambia. In Mozambique, we made several proposals for important private investors of which we must highlight the mining company Vale that holds the coal mining exploitation of Moatize and the ExxonMobil/Anadarko consortium that holds the concession of gas operation in the Cabo Delgado province.

1.4 OTHER RELEVANT INFORMATION

The company has no branches in the national territory. Abroad, the company has the following branches:

- Construções Gabriel A.S.Couto, S.A. - Zambia branch
- Construções Gabriel A.S.Couto, S.A. - Cape Verde branch
- Construções Gabriel A.S.Couto, S.A. - Swaziland branch
- Construções Gabriel A.S.Couto, S.A. - Mozambique branch
- Construções Gabriel A.S.Couto, S.A. - Honduras branch
- Construções Gabriel A.S.Couto, S.A. - Senegal branch

During the economic period, there was no acquisition or disposal of equity. The entity holds own shares in the amount of 500,000.00€.

No business operations took place between the company and its board members.

These were not granted any loans or advances on the account of profit.

The entity is not exposed to financial risks that might produce relevant and material effects to its financial position and the continuity of its operations. Decisions taken by the management body were based on the rules of prudence and thus the entity believes that the obligations undertaken do not create risks which cannot be supported by the entity.

1.5 ACKNOWLEDGEMENTS

We acknowledge the effort and collaboration of all the Company's Collaborators, Clients, Suppliers and financial institutions which have collaborated with us, as we are aware that without their assistance, the difficulties would have been greater and the performance of lower quality.

We acknowledge the remaining Corporate Bodies and especially the Sole Supervisor and the Chartered Account for their commitment to the company.

Pursuant to the legal and statutory terms, we propose that the net result of 2017 in the amount of 736.988,38 Euros be applied under Retained Earnings.

1.6 PROPOSAL FOR APPROPRIATION OF RESULTS

In accordance to the company's policy for the past years, no profit distribution to shareholders will take place in order to consolidate the company's Equity.

Vila Nova de Famalicão, May 15, 2018

Board of Directors,

2 | ATTACHMENT

TO THE BOARD

OF DIRECTORS' MANAGEMENT REPORT

Participation of the management and supervisory bodies in the share capital of Construções Gabriel A. S. Couto, S.A.

Pursuant and for the purposes of article 447 of the Code of Commercial Companies, the number of shares listed by each holder on December 31, 2017 is as follows:

BOARD OF DIRECTORS:

Carlos Alberto Freitas Couto	93 340 shares
António Gabriel Freitas Couto	93 330 shares
Avelino Jorge da Silva Oliveira	93 330 shares

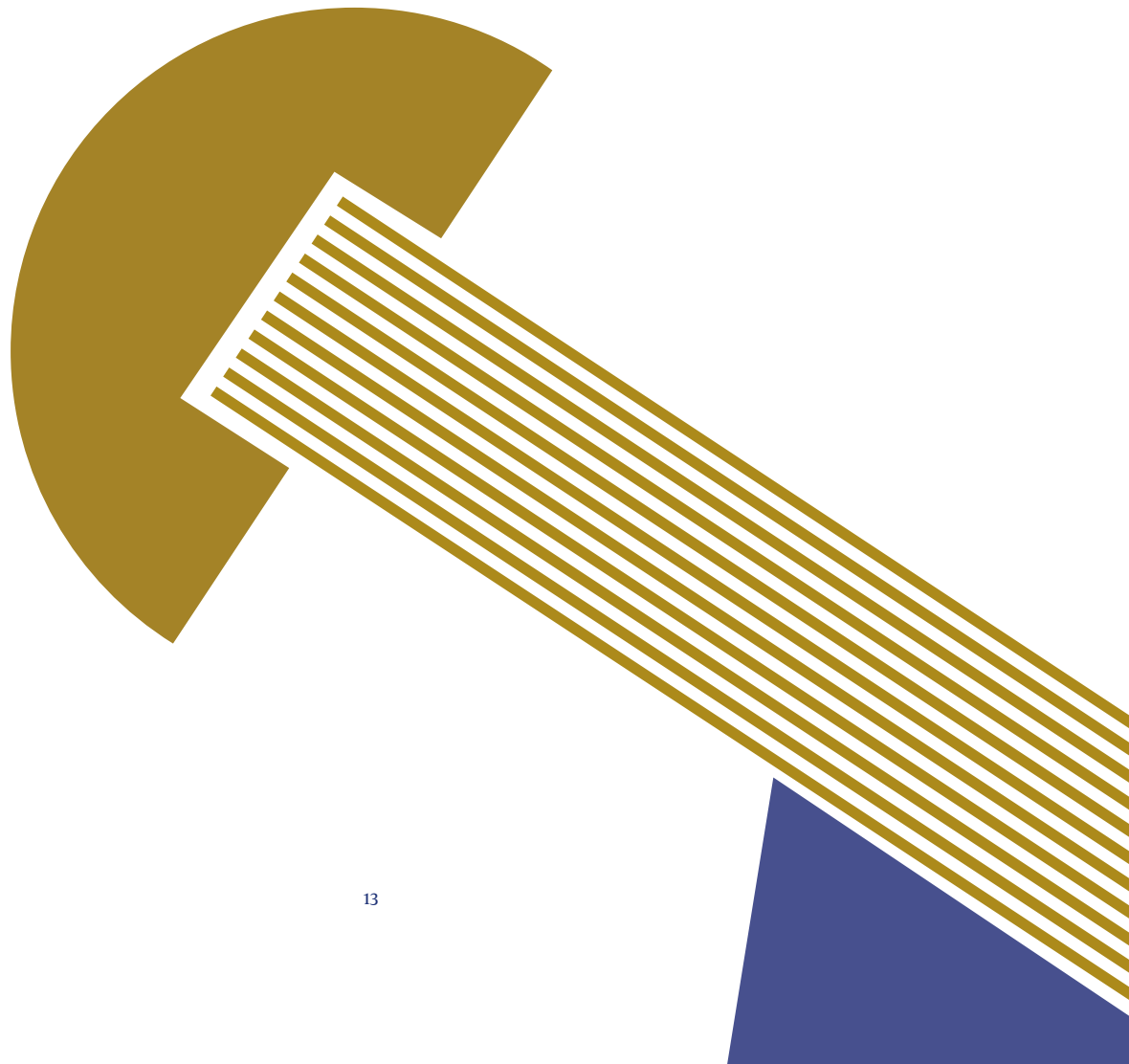
No other member of the Management and Supervisory bodies declared having or having had shares or bonds from CONSTRUÇÕES GABRIEL A. S. COUTO, S.A. in 2017.

Vila Nova de Famalicão, May 15, 2018

Board of Directors,

3 | FINANCIAL INFORMATION

3.1 FINANCIAL STATEMENTS



3.1.1 BALANCE SHEET on December 31, 2017

Euros

ITEM	NOTES	PERIODS	
		2017	2016
ASSETS			
Non-current assets			
Tangible fixed assets	8,9 e 13	20 871 070,63	5 219 107,42
Investment properties	7 e 13	387 500,00	645 500,00
Intangible assets	6 e 13	88 975,22	88 975,22
Financial shareholdings - equity method	11,12 e 14	574 704,07	551 096,39
Other financial investments	11,12 e 14	635 656,77	850 777,76
Assets per deferred taxes	19	59 388,26	29 815,34
		22 617 294,95	7 385 272,13
Current assets			
Inventories	15	3 572 621,28	3 425 541,30
Clients	20	32 710 766,86	54 689 152,45
Advances to suppliers		4 266 587,04	597 468,63
State and other public entities	25	689 966,50	793 059,78
Other accounts receivable	20	25 418 598,32	14 606 444,07
Deferrals	23	380 733,51	274 106,07
Non-current assets held for sale		146,11	--
Cash and bank deposits	5	3 543 328,49	10 962 233,80
		70 582 748,11	85 348 006,10
Total assets		93 200 043,06	92 733 278,23

EQUITY AND LIABILITIES

EQUITY

Subscribed capital	24	5 000 000,00	5 000 000,00
Own shares (parts)		(500 000,00)	(500 000,00)
Legal reserves		1 000 000,00	1 000 000,00
Other reserves		9 610 110,19	9 610 110,19
Results carried forward		7 363 852,48	16 230 819,62
Revaluations surplus	8.2	12 215 281,82	1 265 006,32
Adjustments/other changes in equity		(18 666 394,69)	(18 604 186,10)
		16 022 849,80	14 001 750,03
Net result for the period		736 988,38	1 620 105,37
		16 759 838,18	15 621 855,40
Total equity		16 759 838,18	15 621 855,40

LIABILITIES

Non-current liabilities

Provisions	18	242 276,58	171 119,26
loans obtained	22	9 112 998,41	3 524 430,81
Liabilities per deferred taxes	19	14 528,51	18 342,50
Other payables	21	13 068 584,53	7 686 529,36
		22 438 388,03	11 400 421,93

Current liabilities

Suppliers	21	21 612 045,79	23 521 544,05
Advances from clients	21	17 282 256,95	7 589 549,38
State and other public entities	25	1 862 578,18	2 361 086,51
Loans obtained	22	5 784 410,08	17 471 117,25
Other payablesr	21	7 218 475,62	5 850 476,90
Deferrals	23	242 050,23	8 917 226,81
		54 001 816,85	65 711 000,90
Total liabilities		76 440 204,88	77 111 422,83
Total equity and liabilities		93 200 043,06	92 733 278,23

Certified Accountant

Board of Directors

3.1.2 INCOME STATEMENT

by Nature at December 31, 2017

Euros

REVENUES AND EXPENSES	NOTES	PERIODS	
		2017	2016
Sales and services provided	17	78 142 516,93	91 397 087,71
Operating subsidies		2 982,90	
Gains / losses attributed to subsidiaries, associates and joint ventures	26	83 049,30	(366 384,55)
Change in production inventories	27	15 230,59	25 336,33
Cost of goods sold and materials consumed	28	(13 684 500,13)	(16 955 871,78)
External supplies and services	29	(47 706 016,18)	(60 639 431,46)
Expenses with Staff	30	(10 867 323,75)	(10 934 985,52)
Bad debt expenses (losses / reversals)		(310 649,00)	(1 228 666,41)
Provisions (increases / reductions)	18	(68 911,47)	69 125,54
Fair value increases / reductions	31	--	284 755,39
Other revenues	32	5 196 438,24	7 830 781,10
Other expenses	32	(4 904 107,94)	(2 145 492,68)
Earnings before depreciation, funding expenses and taxes		5 898 709,49	7 336 253,67
Expenses / reversals of depreciation and amortization	6, 7, 8 e 13	(1 104 001,25)	(1 679 997,36)
Operating earnings before depreciation, expenses and taxes		4 794 708,24	5 656 256,31
Interest and similar income obtained	33	148 565,74	175 346,94
Interest and similar expenses paid	33	(3 711 717,50)	(3 743 490,60)
Earnings before taxes		1 231 556,48	2 088 112,65
Income tax of the period	19	(494 568,10)	(468 007,28)
RNet result for the period		736 988,38	1 620 105,37

Certified Accountant

Board of Directors

3.1.3 CASH FLOW STATEMEN

of the Period ending December 31, 2017

Euros

ITEM	NOTES	PERIODS	
		2017	2016
Cash flow of operating activities - direct method			
Receivables from Clients		81 882 034,04	69 059 584,34
Payments to Suppliers		(81 201 265,45)	(76 144 163,93)
Payments to staff		(6 802 284,30)	(6 461 017,16)
Caixa gerada pelas operações		(6 121 515,71)	(13 545 596,75)
Payments / receivables from income tax		(792 842,79)	(713 746,43)
Other receivables / payments		11 244 724,52	7 549 557,95
Cash flow of operating activities (1)		4 330 366,02	(6 709 785,23)
Cash flow of investment activities			
Payments related to:			
Tangible fixed assets		(2 819 227,27)	(521 072,70)
Intangible assets		--	--
Financial investments		--	--
Other assets		--	--
Receivables from::		--	--
Tangible fixed assets		674 300,00	104 500,00
Intangible assets		--	--
Financial investments		--	4 957 028,67
Other assets		--	--
Investment grants		--	--
Interest and similar income		148 565,74	175 346,94
Dividends		56 947,27	32 706,33
Cash flow of investment activities (2)		(1 939 414,26)	4 748 509,24

Cash flow of funding activities

Receivables from:

Loans obtained		31 901 921,13	--
Capital increases and other equity instruments		--	--
Loss coverage		--	--
Donations		--	--
Other funding operations		--	--

Payments related to:

		--	
Loans obtained		(38 000 060,70)	(7 019 071,27)
Interest and similar expenses		(3 711 717,50)	(3 743 490,60)
Dividends		--	--
Capital decreases and other equity instruments		--	--
Other funding operations		--	--

Cash flow of funding activities (3)

(9 809 857,07) (10 762 561,87)

Changes in Cash and Equivalents (1+2+3)

(7 418 905,31) (12 723 837,86)

Effect of changes in exchange rates

-- --

Cash and its Equivalent at the beginning of the period

10 962 233,80 23 686 071,66

Cash and its Equivalent at the end of the period

5 3 543 328,49 10 962 233,80

Certified Accountant

Board of Directors

3.1.4 STATEMENT OF CHANGES IN EQUITY

Statement of Changes in Equity for 2016

ITEMS	NOTES	Equity allocated to parent company shareholders											Minority interests	Total Equity
		Paid in Capital	Own shares (parts)	Other equity instruments	Issuance premiums	Legal reserves	Other reserves	Results carried forward	Adjustments to financial assets	Revaluation surplus	Other changes in equity	Net result for the period	Total	
POSITION AT THE BEGINNING OF 2017	1	5 000 000,00	(500 000,00)	--	--	1 000 000,00	9 610 110,19	18 405 593,02	(22 150 222,16)	1 263 824,81	--	2 562 756,53	15 192 062,39	15 192 062,39
CHANGES DURING THE PERIOD														
First adoption of new accounting references		--	--	--	--	--	--	--	--	--	--	--	--	--
Accounting policies changes		--	--	--	--	--	--	--	--	--	--	--	--	--
Financial statements' exchange differences		--	--	--	--	--	--	--	--	--	--	--	--	--
Realization of revaluation surplus		--	--	--	--	--	--	--	--	--	--	--	--	--
Revaluation surplus		--	--	--	--	--	--	--	--	--	--	--	--	--
Adjustments per deferred taxes		--	--	--	--	--	--	(1 181,51)	--	1 181,51	--	--	--	--
Other changes recognized in the equity		--	--	--	--	--	--	(2 173 591,89)	3 546 036,06	--	--	(2 562 756,53)	(1 190 312,36)	(1 190 312,36)
	2	--	--	--	--	--	--	(2 174 773,40)	3 546 036,06	1 181,51	--	(2 562 756,53)	(1 190 312,36)	(1 190 312,36)
NET RESULT FOR THE PERIOD	3											1 620 105,37	1 620 105,37	1 620 105,37
COMPREHENSIVE RESULT	4=2+3											(942 651,16)	(942 651,16)	(942 651,16)
OPERATIONS WITH EQUITY HOLDERS DURING THE PERIOD														
Capital increases		--	--	--	--	--	--	--	--	--	--	--	--	--
Carrying out issuance premium		--	--	--	--	--	--	--	--	--	--	--	--	--
Distributions		--	--	--	--	--	--	--	--	--	--	--	--	--
Entries to cover losses		--	--	--	--	--	--	--	--	--	--	--	--	--
Other operations		--	--	--	--	--	--	--	--	--	--	--	--	--
	5	--	--	--	--	--	--	--	--	--	--	--	--	--
POSITION AT THE END OF 2016	6=1+2+3+5	5 000 000,00	(500 000,00)	--	--	1 000 000,00	9 610 110,19	16 230 819,62	(18 604 186,10)	1 265 006,32	--	1 620 105,37	15 621 855,40	15 621 855,40

Euros

Statement of Changes in Equity for 2017

Euros

ITEMS	NOTES	Equity allocated to parent company shareholders											Minority interests	Total Equity
		Paid in Capital	Own shares (parts)	Other equity instruments	Issuance premiums	Legal reserves	Other reserves	Results carried forward	Adjustments to financial assets	Revaluation surplus	Other changes in equity	Net result for the period	Total	
POSITION AT THE BEGINNING OF 2017	1	5 000 000,00	(500 000,00)	--	--	1 000 000,00	9 610 110,19	16 230 819,62	(18 604 186,10)	1 265 006,32	--	1 620 105,37	15 621 855,40	15 621 855,40
CHANGES DURING THE PERIOD		--	--	--	--	--	--	--	--	--	--	--	--	--
First adoption of new accounting references		--	--	--	--	--	--	--	--	--	--	--	--	--
Accounting policies changes		--	--	--	--	--	--	--	--	--	--	--	--	--
Financial statements' exchange differences		--	--	--	--	--	--	--	--	--	--	--	--	--
Realization of revaluation surplus		--	--	--	--	--	--	--	--	--	--	--	--	--
Revaluation surplus		--	--	--	--	--	--	--	--	10 950 275,50	--	--	10 950 275,50	10 950 275,50
Adjustments per deferred taxes		--	--	--	--	--	--	--	--	--	--	--	--	--
Other changes recognized in the equity		--	--	--	--	--	--	[8 866 967,14]	[62 208,59]	--	--	[1 620 105,37]	[10 549 281,10]	[10 549 281,10]
NET RESULT FOR THE PERIOD	2	--	--	--	--	--	--	[8 866 967,14]	[62 208,59]	10 950 275,50	--	[1 620 105,37]	400 994,40	400 994,40
COMPREHENSIVE RESULT	3											736 988,38	736 988,38	736 988,38
OPERATIONS WITH EQUITY HOLDERS DURING THE PERIOD	4=2+3											[883 116,99]	[883 116,99]	[883 116,99]
Capital increases		--	--	--	--	--	--	--	--	--	--	--	--	--
Carrying out issuance premium		--	--	--	--	--	--	--	--	--	--	--	--	--
Distributions		--	--	--	--	--	--	--	--	--	--	--	--	--
Entries to cover losses		--	--	--	--	--	--	--	--	--	--	--	--	--
Other operations		--	--	--	--	--	--	--	--	--	--	--	--	--
POSITION AT THE END OF 2017	5													
	6=1+2+3+5	5 000 000,00	(500 000,00)	--	--	1 000 000,00	9 610 110,19	7 363 852,48	(18 604 186,10)	12 215 281,82	--	736 988,38	16 759 838,18	16 759 838,18

3 | ANNEX

TO THE FINANCIAL STATEMENTS

(Amounts in Euros)

1. IDENTIFICATION OF THE ENTITY

- 1.1. Corporate name: Construções Gabriel A. S. Couto, S.A.
- 1.2. Head Office: Rua S. João de Pedra Leital, 1000 — 4770-464 Vila Nova de Famalicão
- 1.3. Type of Activity: Civil construction and public works.
- 1.4. Period covered by the financial statements: 2017

2. ACCOUNTING FRAMEWORK FOR THE PREPARATION OF FINANCIAL STATEMENTS

2.1. Indication of the Accounting Framework for the Preparation of financial statements

The attached financial statements were prepared within the scope of the provisions in force in Portugal and in compliance with Decree-Law no. 158/2009, of July 13, with the wording given by Decree-Law no. 98/2015, of June 2, according to the applicable conceptual structure and accounting and financial reporting standards (NCRF).

As provided for in paragraph 1.4 of the Attachment to Decree-Law no. 158/2009 (republished by Decree-Law no. 98/2015, of June 2), whenever the SNC does not provide answers to specific aspects of transactions or situations faced in terms of accounting or financial reporting, or where the omission in case is so important that its non-fulfillment prevents the goal of being provided information that reports the financial position in an appropriate and truthful manner for the period in question, we will resort to the following items, in the order given and solely to overcome this omission:

- International Accounting Standards (IAS), adopted under Regulation (EC no. 1606/2002 of the European Parliament and Council of July 19;
- International Accounting Standards (IAS) and International Financial Report Standards (IFRS), issued by IASB and corresponding SIC-IFRIC interpretations. No provisions from the SNS were adapted.

2.2. Indication and justification of the SNC provisions which, in exceptional cases, have been adapted and the corresponding effects on the financial statements considering the need for these to give an appropriate and truthful image of the company's assets, liabilities and income.

During the periods covered by these financial statements no SNC provisions were adapted that produced substantially relevant effects and which could undermine the appropriate and truthful image which they must give to the parties interested in the information made available.

2.3. Indication and comment on the balance and income statement accounts whose contents are not comparable to those of the prior period.

The amounts related to the period ending December 31, 2016 included in these financial statements for comparative purposes are presented in a consistent manner for the current period being comparable to the amounts of the period ending December 31, 2017.

3. MAIN ACCOUNTING POLICIES

3.1. Measurement bases used in preparing the financial statements

To prepare the financial statements, the following assumptions were made:

- Going concern assumption

Within the scope of the going concern assumption, the entity assessed the information available and its future expectations considering the entity's ability to proceed with its business. The assessment showed that the business is able to continue its operations.

- Basis of economic periodization (increase)

The Entity recognizes the revenues and the gains as they are generated, regardless of the moment they are collected or paid. The amounts of revenues attributable to the period and not yet collected or paid are recognized under "Debtors on accruals" while the amounts of expenses attributable to the period but not yet paid for are recorded under "Creditors on accruals".

- Materiality and aggregation

The materiality depends on the dimension and nature of the omission or error, assessed within the circumstances around it. Omissions or incorrect reporting of items are materially relevant if, individually or collectively, they are able to influence the economic decisions taken by the users based on the financial statements. An item that is not materially relevant to justify its separated presentation in the financial statements can nevertheless be materially relevant for it to be individually presented in the notes of this annex.

Financial statements result from processing large numbers of transactions or other events that are aggregated into classes according to their nature or function. The final stage in the process of aggregation and classification is the presentation of condensed and classified data, which form line items on the face of the balance sheet, income statement, statement of changes in equity and cash flow statement, or in the notes.

- Compensation

Assets and liabilities, revenues and expenses are not offset, except if required or allowed by a Standard. Thus, the revenue must be measured taking into account the amount of any trade discounts and volume rebates. The entity undertakes other transactions that do not generate revenue but are incidental to the main revenue generating activities. The results

of such transactions are presented, when this presentation reflects the substance of the transaction or other event, by netting any income with related expenses arising on the same transaction.

Gains and losses arising from a group of similar transactions are reported on a net basis, for example, gains and losses from exchange differences or gains and losses from financial instruments held for negotiation. If materially relevant, these gains and losses are reported separately.

-Comparability

Comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements. Comparative information was included for narrative and descriptive information when it was relevant to an understanding of the current period's financial statements, unless a standard allowed or required differently.

Narrative information provided in the financial statements for the previous period(s) continues and which is still relevant in the current period is disclosed again.

The comparison of the information of several periods is ongoing as it helps users allowing them to make economic decisions and assess trend in the financial information to make forecasts.

3.2. Other relevant accounting policies

3.2.1 Tangible fixed assets

Tangible fixed assets are stated at acquisition cost, less the accumulated corresponding depreciations and losses per impairment.

Depreciations are calculated, after the date on which the goods are available to be used, by the straight-line method in accordance to the estimated useful life period for each group of goods.

The depreciation rates used correspond to the following estimated useful life (in years):

Buildings and other constructions	10 a 50
Basic Equipment	3 a 15
Transport Equipment	4 a 10
Office Equipment	4 a 10

3.2.2 Intangible assets

Intangible assets are stated at acquisition cost, less the accumulated corresponding amortizations and losses per accrued impairment.

Amortizations are calculated, after the date on which the goods are available to be used, by the straight-line method in accordance to the estimated useful life period.

3.2.3 Investment properties

Investment properties are comprised of land and buildings whose purpose it to obtain rents and/or the valuation of the capital invested and not to be used in production or the supply of goods or services or for administrative purposes or to be sold during the business current activities.

Investment properties are recorded at their fair value calculated according to the enforceable current prices in the market in question.

Changes in investment properties fair value are recognized directly in the income statement of the financial year under the item change of value in investment properties.

Costs incurred with investment properties used, namely, maintenance, repairs, insurance and taxes on properties (Municipal Tax on Real Estate) are recognized in the income statement of the period concerned.

3.2.4 Leases

Leasing operations are classified as financial or operational leases in accordance to their substance and not their legal form. Financial leases are operations in which the risks and rewards of ownership of an asset are transferred to the lessee. All remaining leasing operations are classified as operational leases.

Operational leases

Payments made pursuant to operational lease contracts are stated in the item expenses of the periods concerned.

Financial leases

Tangible fixed assets acquired under the financial lease regime are stated at their value under the asset and the corresponding responsibility under the liability.

Depreciations of these goods were carried out in accordance to point 3.2.1 and stated under the depreciation expenses of the period.

The part of the capital included in the rents paid is deducted to the amount of the stated responsibility recorded in the liability, being the interests there included accounted for as financing expenses of the period.

3.2.5 Financial Shareholdings – Equity Method

Investments in associates and subsidiaries are recorded using the equity method.

According to the equity method, financial shareholdings are recorded at their acquisition costs, adjusting the amount corresponding to the Group share in the equity variations (including net result) of associates and subsidiaries and dividend received.

An evaluation is made of investments in associates and subsidiaries when there are indications that the asset may be impaired and that impairment losses that are shown to exist in that item are recorded as cost. When impairment losses recognized in prior years no longer exist are reversal object except for the Goodwill.

Financial investments in the group's companies and associates are stated at acquisition cost, being their value adjusted by the equity method later, and at the end of each period, except in situations stated in notes 9 and 10.

3.2.6 Other Financial Investments

Purchases and sales of financial investments are recognized on the dates of the transaction. They are initially stated at acquisition value, which is the fair value of the price paid, including transaction expenses.

The company performs an evaluation when there is evidence that the asset might be in impairment, being the losses per impairment stated as cost under the income account when there is proof that they exist.

3.2.7 Inventories

Merchandises, raw materials and consumables are valued at either acquisition cost or net realizable value, whichever is lower. The cost method used in the movement of raw materials and consumables is the average weighted cost.

Finished products, semi-products and work in progress are valued at either production cost or net realizable value, whichever is lower.

Production costs include the cost of incorporated raw material, direct labour and general manufacturing costs. The cost method is the average cost.

3.2.8 Clients and Other accounts receivables

Debts from "Clients" and "Other Accounts Receivables" are recorded at their nominal value and presented in the balance sheet minus the potential impairment losses recorded under "Impairment losses in Accounts receivable" to reflect their net realizable value. These items, where current, do not include interest as the discount impact is not regarded as substantial.

Impairment losses are recorded following events which indicate in an objective and quantifiable manner that the whole or part of the outstanding debt will not be collected. To this end, the company takes into consideration the market information showing that:

- the counterparty is showing relevant financial difficulties;
- there are important delays in the counterparty's payment;
- it becomes probable that the debtor will go into liquidation or financial restructuring.

Objective proof of impairment for a receivable accounts portfolio can include past experience in terms of collecting, increase of the number of collection delays, as well as changes in the national or local economic conditions related to the collection ability.

3.2.9 Suppliers and Other payables

Debts to Suppliers and Other Payables are recorded at their nominal value given that they usually do not bear interest.

3.2.10 Cash and equivalents

The amounts under Cash and equivalents correspond to cash, bank deposits and term deposits that can be readily released on demand.

3.2.11 Loans

Loans are stated under Liability at their nominal value. Financial charges with interests and similar charges are stated in the income statement in accordance to the accruals basis for the financial year.

3.2.12 Provisions

Provisions are recognized, only and when, the company has a current (legal or implicit) obligation resulting from a past event, being probable that the resolution of that obligation will imply an exit of resources and the amount of the obligation can be reasonably estimated. Provisions are reviewed on the date of each balance sheet date and adjusted in order to reflect the best estimate on that date.

3.2.13 Income tax

The Charge related to «Income tax of the period» represents the sum of current tax plus the deferred tax.

The Current tax is calculated on the basis of the taxable results of the company in accordance with the tax rules in force, while deferred taxes are the temporary differences between the figures for assets and liabilities for the purposes of financial reporting (carrying amount) and the respective amounts for taxation purposes (tax basis).

Assets and liabilities per deferred taxes are calculated and periodically evaluated using the tax rates in force or announced to be in force on the expectable date of the temporary differences.

Assets per deferred taxes are only recognized when it is probable that future tax profits shall be enough for their use or when there are taxable temporary differences that compensate the taxable temporary differences of the reversal period.

At the end of each period, a revision of the deferred tax is performed, being the latter decreased whenever their future use is no longer probable.

Deferred taxes are stated as charge or income of the financial year, except if they are the result of amounts directly recorded under equity, case in which the deferred tax is also stated under the same item.

3.2.14 Construction Contracts

The company records the works revenues, contract by contract, according to the completion percentage method, which is determined as the ratio between incurred costs up to the balance sheet date and total estimated costs of the works. The differences obtained among the values arising from the implementation of the completion percentage to the expected profits and amounts invoiced are recorded under the sub-items “27218 – Construction Contracts” or “2821 - Works Completion %”, included in items “Other receivables” and “Other payables”.

Variations in works due to the revenue agreed upon in the contract are recorded in the financial year income where it is probable that the client approves the amount of revenue arising from the variation claim and that the latter can be measured with reliability.

Claims for costs return not included in the contract price are included in the contract revenue where negotiations are in an advanced phase so that it is probable that the client accepts the claim and it is possible to measure it with reliability.

To meet costs to be incurred during the works guarantee period, the company annually records liabilities to meet such legal obligation, which is determined taking into account the annual production volume and the record of costs incurred in the past with the works in the guarantee period.

When it is probable that the total costs expected in the construction contract exceed the income set in such contract, the loss expected is immediately recorded in the period's income statement.

3.2.15 Contingent assets and liabilities

Contingent assets are not recognised in the company's financial statements, but they are disclosed when it is likely that there will be a future economic inflow.

Contingent liabilities are not recognised in the company financial statements, but they are disclosed.

3.2.16 Impairment

On the date of each report, and whenever an event or change in circumstances is identified that shows that the amount for which the asset is recorded cannot be recovered, an assets impairment assessment is carried out.

Whenever the amount for which the asset is recorded exceeds its recoverable amount, an impairment loss is recorded in the income statement under the item "Impairment of amortizable/depreciable investments (losses/reversals)" or item "account receivables Impairment (losses/reversals)" if it refers to non-depreciable assets. The recoverable amount is the highest between the net sale price and the value in use. The net sale price is the amount which would be obtained with the asset's disposal in a transaction between independent and knowledgeable entities minus the costs directly attributable to the disposal. The value in use is the current value of the estimated future cash flows expected from the continuous use of the asset and its disposal at the end of its useful life. The amount recoverable is determined for each asset, individually or, if not possible, for the unit generating flows to which the asset belongs to.

The reversal of impairment losses recorded in prior financial years is recorded at the time losses per impairment previously recorded no longer exist or decrease. The reversal of impairment losses is recorded in the income statement under the previously mentioned item. The reversal of impairment losses is carried out up to the limit of the amount that would be recorded (net amortization or depreciation) if the impairment loss was not recorded in prior financial years.

4. MEASUREMENT BASES

4.1 Opinions, except those involving estimates which the management body made during the accounting policies application process and which most impacted the amount recorded in the financial statements.

In preparing the financial statements, the company adopted a number of estimates and assumptions that affect the assets, liabilities, income and expenses reported. All estimates and assumptions were made by the management body based on its b

est knowledge of ongoing events and transactions on the date of the financial statements approval.

The most significant accounting estimates reflected in the financial statements include:

- useful life of tangible and intangible fixed assets;
- impairment analyses, namely from accounts receivable.

Estimates were determined based on the best information available on the date of the financial statements preparation and based on the best knowledge and experience from past and/current events. Nevertheless, subsequent situations can take place that are not predictable on that date and that were thus not taken into account in those estimates. Changes to those estimates that occur after the date of the financial statement, will be prospectively corrected in the income statement.

4.2. Main assumptions related to the future and that have a relevant risk of causing substantial adjustment to the registered amounts of assets and liabilities during the following accounting period.

The attached financial statements were prepared on the assumption of continuity of its operations and based on the Company's accounting books and records, and maintained in accordance to the principles generally accepted in Portugal.

4.3. Main uncertainty sources of estimates that have a relevant risk of causing substantial adjustment to the registered amounts of assets and liabilities during the following accounting period.

The future values estimates which were justifiably recorded in the financial statements reflect the Company's predictable evolution within the framework of its strategic plan and information available regarding past events and similar situations from other entities of the sector, being that no relevant change to this framework is foreseeable in the short term that might undermine a relevant rise of materially relevant adjustments in the amounts registered as assets and liabilities the following period.

5. CASH FLOWS

5.1. Comment of the Board of Directors on the amount of relevant balances of cash and cash equivalents not available for use

All cash and cash equivalents balances were available for use.

5.2. Breakdown of amounts recorded in the cash and bank deposits item

(amounts in euros)		
Item	31.12.2016	31.12.2016
Cash	33 945,75	101 525,40
Readily convertible bank deposits	2 070 157,04	1 745 538,71
Term deposit	1 439 225,70	9 115 169,69
Cash and Equivalents	3 543 328,49	10 962 233,80

6. TANGIBLE FIXED ASSETS

During the periods ending December 31, 2016 and 2017, the operations that occurred in the amounts of tangible fixed assets, as well as in the corresponding accumulated depreciations, were as follows:

(amounts in euros)					
Year 2016	Initial balance	increases	disposals / transfers	exchange differences	final balance
Gross amounts					
Computer software	479 052,89	0,00	0,00	0,00	479 052,89
Others	88 975,22	0,00	0,00	0,00	88 975,22
TOTAL	568 028,11	0,00	0,00	0,00	568 028,11
Accrued amortizations					
Computer software	479 052,89	0,00	0,00	0,00	479 052,89
TOTAL	479 052,89	0,00	0,00	0,00	479 052,89
Net Amount	88 975,22				88 975,22

(amounts in euros)					
Year 2017	Initial balance	increases	disposals / transfers	exchange differences	final balance
Gross amounts					
Computer software	479 052,89	0,00	0,00	0,00	479 052,89
Others	88 975,22	0,00	0,00	0,00	88 975,22
TOTAL	568 028,11	0,00	0,00	0,00	568 028,11
Accrued amortizations					
Computer software	479 052,89	0,00	0,00	0,00	479 052,89
TOTAL	479 052,89	0,00	0,00	0,00	479 052,89
Net Amount	88 975,22				88 975,22

7. INVESTMENT PROPERTIES

At December 31, 2016 and 2017, the item "Investment properties" is as follows:

(amounts in euros)						
Item	Year 2016	Sales	Financial year depreciations	Reversal Depreciations	Valuation	Year 2017
Gross Amounts						
Buildings and other constructions	645 500,00	-258 000,00		387 500,00		
Accrued depreciations						
Final balance	0,00				0,00	
Net Amount	645 500,00	-258 000,00	0,00	0,00	0,00	387 500,00

In 2016 the accounting valuation methodology of the elements which are part of investment properties was changed from production cost to fair value which resulted in an increase of valuation of 284.755,39 €.

In 2017, there are no relevant variations in the market value.

8. TANGIBLE FIXED ASSETS

8.1. Gross values and accrued depreciations

During the periods ending December 31, 2016 and 2017, the operations that occurred in the amounts of tangible fixed assets, as well as in the corresponding accumulated depreciations, were as follows:

8.2. Fixed tangible assets expressed in revalued amounts

During this period, the basic and transport equipment were revalued based on the assessment of an independent entity.

During the period there were no revaluations of the Fixed tangible assets. In previous periods revaluations were performed based on the following legal statutes:

Revaluation year	Legal Statutes
1986	Dec.- Law no. 118-B/86, of May 27,
1991	Dec.- Law no. 49/91, of January 25,
1993	Dec. - Law no. 264/92, of November 24,

Discriminative table of revaluations done in the mentioned periods:

Year 2016					(amounts in euros)
Gross amounts	Initial balance	increases	disposals / transfers / write-offs	exchange differences	final balance
Land and natural resources	614 586,91	0,00	0,00	0,00	614 586,91
Buildings and other constructions	4 301 836,70	0,00	0,00	-331 838,07	3 969 998,63
Basic equipment	19 910 632,89	268 733,89	-157 900,00	-2 992 283,01	17 029 183,77
Transport equipment	6 137 430,48	209 139,95	-148 900,00	-935 695,80	5 261 974,63
Office equipment	693 389,04	43 198,86	0,00	-1 046,68	735 541,22
Other fixed tangible assets	42 795,23	0,00	0,00	2 946,90	45 742,13
On-going	0,00	0,00	0,00	0,00	0,00
Advances for investments	184 132,00	0,00	0,00	0,00	184 132,00
TOTAL	31 884 803,25	521 072,70	-306 800,00	-4 257 916,66	27 841 159,29

Accrued depreciations	Initial balance	Reinforcement	Exchange Differences	Write off/ reversals	Final final
Buildings and other constructions	1 443 566,66	116 107,95	-130 625,93	0,00	1 429 048,68
Basic equipment	16 130 846,18	1 253 950,42	-1 832 886,23	0,00	15 551 910,37
Transport equipment	5 366 001,58	294 077,52	-673 330,41	-40 150,00	4 946 598,69
Office equipment	619 040,17	25 898,22	7 170,47	0,00	652 108,86
Other fixed tangible assets	29 863,67	785,61	11 735,99	0,00	42 385,27
TOTAL	23 589 318,26	1 690 819,72	-2 617 936,11	-40 150,00	22 622 051,87
Net Amount					5 219 107,42

Year 2017

(amounts in euros)

Gross amounts	Initial balance	Increases	Disposals / Transfers / write-offs	Exchange differences	Reevaluation	Final final
Land and natural resources	614 586,91	0,00	0,00	0,00	0,00	614 586,91
Buildings and other constructions	3 969 998,63	7 035,61	0,00	36 441,31	0,00	4 013 475,55
Basic equipment	17 029 183,77	4 064 710,77	-2 349 024,57	154 274,63	8 507 198,26	27 406 342,86
Transport equipment	5 261 974,63	2 036 885,23	-171 951,08	210 259,92	2 442 738,87	9 779 907,57
Office equipment	735 541,22	0,00	0,00	-4 859,59	0,00	730 681,63
Other fixed tangible assets	45 742,13	0,00	0,00	-618,15	0,00	45 123,98
On-going	0,00	0,00	0,00	0,00	0,00	0,00
Advances for investments	184 132,00	58 151,03	0,00	0,00	0,00	242 283,03
TOTAL	27 841 159,29	6 166 782,64	-2 520 975,65	395 498,12	10 949 937,13	42 832 401,53

Accrued depreciations	Initial balance	Reinforcement	Exchange Differences	Write off/ reversals	Reevaluation	Final final
Buildings and other constructions	1 429 048,68	121 510,99	17 989,02	0,00	0,00	1 568 548,69
Basic equipment	15 551 910,37	709 207,61	218 870,29	-1 940 411,79	0,00	14 539 576,48
Transport equipment	4 946 598,69	249 490,13	112 760,65	-171 951,08	0,00	5 136 898,39
Office equipment	652 108,86	22 962,76	-1 573,53	0,00	0,00	673 498,09
Other fixed tangible assets	42 385,27	829,76	-405,78	0,00	0,00	42 809,25
TOTAL	22 622 051,87	1 104 001,25	347 640,65	-2 112 362,87	0,00	21 961 330,90
Net Amount	5 219 107,42					20 871 070,63

Item	Historical Costs	Revaluations	Revalued Accounting Amounts
Previous Years Revaluations			
Land and natural resources	189 543,20	132 187,43	321 730,63
Buildings and other constructions	147 355,90	99 572,19	246 928,09
Sub-total	336 899,10	231 759,62	568 658,72
Free Revaluations Year 2017			
Basic equipment	15 327 524,05	8 507 198,26	23 834 722,31
Transport equipment	5 533 337,28	2 442 738,87	7 976 076,15
Sub-total	20 860 861,33	10 949 937,13	31 810 798,46
TOTAL	21 197 760,43	11 181 696,75	32 379 457,18

9. LEASES

9.1 - Financial Leases

The company owns tangible fixed assets included in the Balance sheet through the financial lease regime. At December 31, 2017 the values of those assets were as follows:

(amounts in euros)

Item	Gross Amounts	Depreciations	Net Amount
Basic Equipment	91 244,97	18 025,48	73 219,49
Transport Equipment	389 682,38	151 049,93	238 632,45

9.2 - The liability stated in the Balance sheet regarding financial lease contracts was the following:

amounts in euros)

	Year 2017	Year 2016
In current liabilities	188 408,14	142 843,46
In non-current liabilities	233 927,00	9 384,78
TOTAL	422 335,14	152 228,24

9.3 – Financial Leases

The amount regarding the minimum payment of financial lease contracts is the following:

(amount in euros)	Year 2017
Up to 12 months	188 408,14
Over 12 months	233 927,00

9.4 – Operational Leases

The amount regarding rent payments of operational leases is the following:

(amounts in euros)	Year 2017
Up to 12 months	147 558,30
Over 12 months	240 818,39

10. INTERESTS IN JOINT VENTURES

At December 31, 2017, the jointly controlled companies, integrated by the proportional method and proportion in the said companies were the following:

Name	Shareholding
Vias, Gabriel Couto, Electren - Reabilitação Sistema Mondego, ACE	30,00%
CEGA – Construção Scut dos Açores, ACE	25,00%
CMGE – Construtoras Escolares, ACE	33,33%
Alberto Couto Alves, Construções Gabriel A S Couto, ACE	50,00%
FEAG, ACE	15,00%
Escola FGA, ACE	50,00%
FGC - Ferreira Construções, Gabriel Couto	50,00%

At December 31, 2017, the aggregated amounts, calculated through the joint controlled percentage of the current assets, non-current assets, current liabilities, non-current liabilities, income and charges from the mentioned complementary groups of the company were as follows:

Name	(amounts in euros)						
	Assets non-current	Assets current	Liabilities non-current	Liabilities current	Expenses	Income	Net
Vias, Gabriel Couto, Electren - Reabilitação Sistema Mondego, ACE	0,00	706 992,03	0,00	530 303,57	754,98	0,00	-754,98
CEGA – Construção Scut dos Açores, ACE	0,00	155 453,43	0,00	163 037,15	7 755,88	172,17	-7 583,72
CMGE – Construtoras Escolares, ACE	0,00	216 261,64	0,00	337 906,28	267 055,78	323 280,98	56 225,71
Alberto Couto Alves, Construções Gabriel A S Couto, ACE	0,00	74 801,87	0,00	75 523,61	721,74	0,00	-721,74
FEAG, ACE	88 975,22	20 476,47	0,00	109 451,69	0,00	0,00	0,00
Escola FGA, ACE	0,00	55 058,51	20 084,72	170 628,03	126 040,52	57 702,97	-68 337,55
FGC - Ferreira Construções, Gabriel Couto	0,00	982 916,03	119 006,62	442 338,32	2 159 003,87	2 552 123,47	393 119,61

11. INVESTMENTS IN ASSOCIATES AND SUBSIDIARIES

At December 31, 2017, financial shareholdings in associates were as follows:

Company	Head Office	% Equity	Equity	Net Res.	Year Obs
Comasa-C. Civil e O. Públicas, Lda	V.N. Famalicão	80,00	313 595,37	5 077,07	2017 a)
Abrical-Areias, Brit. e Calcários, Lda	Miranda Douro	50,00	439 867,12	-987,52	2017 a)
Socojol-Eng. Const. Civil, Lda	Mozambique	91,70	b)	b)	b)
Gabriel Couto (Mozambique),SARL	Mozambique	57,00	b)	b)	b)
ParqF-Parques Estac Famalicão	Braga	39,90	219 366,25	91 638,72	2017 a)
AGE – Energias Renováveis, Lda	V.N. Famalicão	50,00	17 306,21	-1 859,59	2017 a)
Mopre – Pré Fabric Betão, Lda	Mozambique	90,00	b)	b)	b)
GCM-Eng e Const Lda	Mozambique	88,04	b)	b)	b)
Bemoz. Lda.	Mozambique	85,00	b)	b)	b)
JV Gabriel Couto A.Carvalho Rosas Const (Moldavia)	Moldavia	33,33	b)	b)	b)
GMCP, Lda	V.N.Famalicão	50,00	b)	b)	b)
GCM Engª Const. Mozambique	Mozambique	88,04	b)	b)	b)

Notes:

The amount of these financial shareholdings is calculated in accordance to the equity method. The amount of shareholdings is evaluated at acquisition cost. These companies have been incorporated but did not start their production activity, being thus inactive.

11.1. There are no remunerations to the Board members of this company, resulting from any of the entities regarded as related parties.

11.2. Operations with related companies

In 2017, transactions between the related companies and the entity were as follows:

(amounts in euros)			
Invested	Sales	Purchases	Others Debts
Comasa-Const. Civil O. Públicas, Lda	0,00	42 744,10	85 180,37

12. OTHER FINANCIAL INVESTMENTS

12.1 Investments in other companies

(amounts in euros)			
Name/Company	%	Amount	Obs
Euroscut-Soc Concessionária da Scut do Algarve, S.A.	---	10,00	b)
Auto-Estradas Norte Litoral – Soc Conc AENL, S.A.	---	1,00	b)
Vialivre, S.A.	3,192	27 500,61	a)
Lamegorenova-Const e Gestão Equipamentos, S.A.	10,200	0,00	a)
Gabriel Couto, SGPS, S.A.	---	1,00	b)
Gabriel Couto Angola, Lda	7,125	7 686,07	b)
Norgarante	---	17 500,00	b)
Catim	---	1 000,00	b)
Banif	---	0,00	b)
Montepio	---	0,00	b)
TOTAL		53 698,68	
Loans granted:			
Gabriel Couto, SGPS, S.A.	---	0,32	b)
AGE – Energias Renováveis, Lda	---	8 653,10	a)
ParqF	---	67 740,50	a)
TOTAL		76 393,92	

Notes: a) the amount of these shareholdings is estimated by the equity method

b) the amount of these shareholdings is estimated by the acquisition method.

12.2 Other financial investments

In 2017, the other financial investments were disposed of..

13. DEPRECIATIONS OF THE PERIOD

(amounts in euros)		
Financial year depreciations	2017	2016
Investment properties	0,00	5 411,18
Fixed tangible assets	1 104 001,25	1 690 819,72
Fixed intangible assets	0,00	0,00
Reversals investment properties	0,00	-16 233,54
TOTAL	1 104 001,25	1 679 997,36

14. FINANCIAL INVESTMENTS

At December 31, 2017 the amount of Financial Investments totalled 1.210.360,84 €, throughout the year, the following movement occurred:

(amounts in euros)					
Investment	Initial balance	Increases	Disposals	Transf/Write-offs/Exc.Dif.	Final balance
In Equity Method Associates	551 096,39		0,00	23 607,68	574 704,07
Other investments in other companies	810 135,36			-174 478,59	635 656,77
Other CGD investments	40 642,40		-40 642,40		0,00
Other financial investments	850 777,76		-40 642,40	-174 478,59	635 656,77
TOTAL	1 401 874,15		-40 642,40	-150 870,91	1 210 360,84

15. INVENTORIES

At December 31, 2017 and 2016, Inventories were as follows:

(amounts in euros)		
Item	2017	2016
Raw materials, subsidiary and consumption materials	1 423 193,29	1 291 343,90
Sub-products and works in progress	293 632,99	271 737,33
Finished and intermediate products	1 846 875,12	1 853 540,19
Goods	8 919,88	8 919,88
TOTAL	3 572 621,28	3 425 541,30

16. CONSTRUCTION CONTRACTS

For the recognition of income or expenses of construction contracts, the completion percentage method was used. Therefore, the income directly related to the work in progress is recognized in the income statement according to its completion percentage, which is determined by the ratio between incurred costs up to the balance sheet date and total estimated costs of the works.

17. REVENUE

At December 31, 2017 and 2016, Sales and service provisions per market were as follows:

(amounts in euros)		
Market	2017	2016
National market		
Sales		
Finished products	2 500,00	0,00
Sub-total	2 500,00	0,00
Service provision	52 853 621,48	56 013 520,98
Sub-total	52 856 121,48	56 013 520,98
Extra-community market		
Service provision	25 286 395,45	35 383 566,73
Sub-total	25 286 395,45	35 383 566,73
Overall Total	78 142 516,93	91 397 087,71

18. PROVISIONS

The operations occurred under Provisions in periods 2017 and 2016, were as follows:

(amounts in euros)		
Provisions	2017	2016
Guarantees to clients		
Initial balance	129 203,02	2 631,42
Increase	1 892,10	98 571,60
Other adjustments		28 000,00
Final balance	131 095,12	129 203,02
Onerous contracts		
Initial balance	41 916,24	230 064,42
Increase	69 013,56	1 994,19
Reversals	1 994,19	169 691,33
Other adjustments	2 245,85	-20 451,04
Final balance	111 181,46	41 916,24
FINAL OVERALL BALANCE	242 276,58	171 119,26

(amounts in euros)

Provisions	2017	2016
Guarantees to clients		
Increase	1 892,10	98 571,60
Onerous contracts		
Increase	69 013,56	1 994,19
Reversals	1 994,19	169 691,33
Final balancel	68 911,47	-69 125,54

19. INCOME TAX

At December 31, 2017 and 2016, Income tax stated could be broken down as follows and 2016 is broken down as follows:

(amounts in euros)

Tax	2017	2016
Current tax	514 005,81	907 015,11
Deferred tax	-19 437,71	-439 007,83
TOTAL	494 568,10	468 007,28

Assets per deferred taxes means provisions and total 59.388,26 €.

Liabilities per deferred taxes means:

(amounts in euros)

Item	2017		2016	
	Assets per deferred taxes	Liabilities per deferred taxes	Assets per deferred taxes	Liabilities per deferred taxes
Provisions	53 809,63		29 815,34	
Revaluation reserves		8 845,99		9 184,36
Financial Gains Profits to be allocated	5 578,63	5 682,52		9 158,14
	59 388, 26	14 528,51	29 815, 34	18 342, 50

20. TRADE RECEIVABLES AND OTHER RECEIVABLES.

Trade receivables and other receivables at December 31, 2017 and 2016 are as follows:

(amounts in euros)		
Item	2017	2016
Clients:		
Cientes current account	32 785 266,13	54 461 577,74
Clients – guarantee retention	14 974,97	6 399,95
Bad debts	1 567 365,98	1 567 365,98
Losses per accrued impairments	-1 656 840,22	-1 346 191,22
TOTAL	32 710 766,86	54 689 152,45
Other accounts receivable:		
Advances to staff	6 164,09	3 125,84
debtors per income increase	18 262 810,50	11 599 806,98
Other debtors	7 149 623,73	3 003 511,25
TOTAL	25 418 598,32	14 606 444,07

21. SUPPLIERS, OTHER PAYABLES AND ADVANCES FROM CLIENTES

At December 31, 2017 and 2016, the amount payable to suppliers, other payables and advances from clients were as follows:

(amounts in euros)		
Item	2017	2016
Suppliers:		
Clients Current suppliers	18 536 448,33	21 157 609,17
Clients Current investment suppliers	0,00	0,0
Suppliers - Bills payable	1 057 228,04	857 704,23
Suppliers - Guarantees retention	0,00	0,0
Suppliers - Invoices pending	2 018 369,42	1 506 230,65
TOTAL	21 612 045,79	23 521 544,05
Other non-current payables:		
Advances from clients	7 657 532,06	4 674 002,97
Other creditors	5 411 052,47	3 012 526,39
TOTAL	13 068 584,53	7 686 529,36
Other current payables:		
Remunerations to be paid	20 062,87	1 792,61
Creditors per accrued expenses	1 377 158,23	1 938 607,31
Other creditors	5 786 825,23	3 879 045,89
Amounts allocated to shareholders	34 429,29	31 031,09
Other operations with shareholders		
TOTAL	7 218 475,62	5 850 476,90
Advances from clients	17 282 256,95	7 589 549,38

22. LOANS OBTAINED

Loans obtained are broken down into Bank Loans, Financial Leases and Other Financial Institutions. At December 31, 2017 and 2016, such amounts were as follows - divided into Current Liability and Non-current Liability:

(amounts in euros)		
Item	2017	2016
In non-current liabilities:		
Bank loans	8 879 071,41	3 389 228,98
Other financial institutions	0,00	125 817,05
Financial leasing	233 927,00	9 384,78
TOTAL	9 112 998,41	3 524 430,81
In Current liabilities:		
Bank loans	5 596 001,94	17 331 949,71
Other financial institutions	0,00	0,00
Financial leasing	188 408,14	139 167,54
TOTAL	5 784 410,08	17 471 117,25

In 2017, the investment of 7,0 MUSD was compensated with its collateral of that same amount in term deposits.

23. DEFERRALS

At December 2017 and 2016, Deferrals were as follows:

Item	2017	2016
In current assets:		
Expenses to be recognized	380 733,51	274 106,07
In current liabilities:		
Income to be recognized	242 050,23	8 917 226,81

24. SHARE CAPITAL

The company share capital is represented by 1.000.000 shares, with a value of 5 euros each, and it is fully paid-up.

25. STATE AND OTHER PUBLIC ENTITIES

Assets and liabilities amounts of State and other public entities were presented as follows in the balance sheets of 2017 and 2016::

(amounts in euros)

Item	2017	2016
In current assets:		
Income statement	604 993,32	126 618,10
Value added tax	84 973,18	666 441,68
TOTAL	689 966,50	793 059,78
In current liabilities:		
Income tax	0,00	356 148,63
Income tax withholding	116 974,10	85 308,77
Remaining taxes - Stamp duty	0,00	69,71
Social Security contributions	1 745 604,08	1 919 559,40
TOTAL	1 862 578,18	2 361 086,51

26. GAINS/LOSSES ALLOCATED TO SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

At December 31, 2017 and 2016, Gains/Losses allocated to subsidiaries, associates and joint ventures were as follows:

Item	2017	2016
Revenues and gains by applying the equity method	87 239,83	60 631,54
Other revenues and gains	6 769,01	422 637,50
Dividends obtained	56 947,27	43 608,44
Expenses and losses by applying the equity method	-1 423,56	-829 708,07
Other expenses and losses	-66 483,25	-63 553,96
TOTAL	83 049,30	-366 384,55

27. CHANGE IN PRODUCTION INVENTORIES

At December 31, 2017 and 2016, the following change was stated in production inventories:

(amounts in euros)		
Item	2017	2016
Finished and intermediate products:		
Final balance	1 846 875,12	1 853 540,19
Stock Adjustment		
Initial balance	1 853 540,19	1 853 540,19
Changes	-6 665,07	0,00
Products and works in progress		
Final balance	293 632,99	271 737,33
Initial balance	271 737,33	246 401,00
Changes	21 895,66	25 336,33
Changes in production inventories	15 230,59	25 336,33

28. COST OF GOODS SOLD AND MATERIALS CONSUMED

The cost of goods sold and materials consumed stated at the end of periods 2017 and 2016 were as follows:

(amounts in euros)		
Item	2017	2016
Goods		
Initial balance	8 919,88	8 919,88
Purchases	0,00	0,00
Final balance	8 919,88	8 919,88
Cost	0,00	0,00
Raw materials, subsidiary and consumption materials		
Initial balance	1 291 343,90	1 735 187,48
Purchases	13 816 349,52	16 512 028,20
Final balance	1 423 193,29	1 291 343,90
Cost	13 684 500,13	16 955 871,78
Cost of goods sold and materials consumed	13 684 500,13	16 955 871,78

29. SUPPLIES AND EXTERNAL SERVICES

At December 31, 2017 and 2016, the amount of supplies and external services stated the amounts in the table below, per items:

(amounts in euros)		
Item	2017	2016
Subcontracts	38 060 638,32	48 311 758,90
Specialized works	1 578 362,17	4 678 051,49
Advertising and propaganda	8 511,68	8 369,63
Monitoring and safety	212 702,13	231 912,87
Fees	67 645,26	96 414,08
Commissions	112,00	173 378,40
Conservation and repair	1 178 569,62	1 436 367,88
Other services	714,39	701,75
Rapid wear tools	529 602,66	127 594,32
Technical books and documents	78 406,87	29 958,16
Office material	44 128,16	75 927,27
Corporate gifts	14 711,50	9 845,36
Cleaning, hygiene and comfort materials	25 053,30	7 021,81
Other materials	435,71	2 865,51
Electricity	144 231,80	133 549,44
Fuel	249 554,53	109 444,34
Water	76 522,08	53 703,59
Oils	745,38	1 312,67
Gas	13 326,19	11 673,81
Travel and accommodation	2 140 014,75	2 094 650,33
Staff transport	9 707,69	0,00
Goods Transport	71 364,62	274 110,02
Other transports	168 991,03	51 109,30
Rents and leases	2 200 724,98	1 872 793,07
Communication	165 422,32	178 555,41
Insurances	439 120,09	485 382,60
Litigation and notaries	60 773,31	11 494,67
Representation expenses	30 046,87	19 367,76
Cleaning. Hygiene and comfort	50 051,72	37 721,94
Other services	85 825,05	114 395,08
TOTAL	47 706 016,18	60 639 431,46

30. EXPENSES WITH STAFF

30.1. The broken down expenses with staff accounted for in periods 2017 and 2016 were as follows:

(amounts in euros)		
Item	2017	2016
Corporate bodies remunerations	281 190,00	279 499,83
Staff remuneration	8 741 391,01	8 688 063,15
Compensations	137 538,30	164 915,37
Charges with remunerations	1 365 000,42	1 284 323,89
Insure for accident at work and occup. dis.	209 433,26	227 608,30
Welfare expenses	102 133,12	227 330,13
Other staff expenses	30 637,64	63 244,85
TOTAL	10 867 323,75	10 934 985,52

30.2. In 2017 the corporate bodies' remunerations were:

Board of Directors	281.190,00 €
--------------------	--------------

The remuneration allocated to the supervisory body was 13.680,00 € in 2017 and 2016.

31. FAIR VALUE INCREASES / REDUCTIONS

At December 31, 2017, due to fair value increase, the company's gain was as follows:

(amounts in euros)		
Item	2017	2016
Gains in investment properties		284 755,39
Losses in financial investments		
TOTAL	0,00	284 755,39

32. OTHER INCOMES AND EXPENSES

In 2017 and 2016 other income and gains and other expenses and losses were as follows pursuant to the following breakdown:

(amounts in euros)

Item	2017	2016
Outros rendimentos:		
Supplementary revenues	2 841 930,04	4 036 471,25
Prompt payment Discounts	89 295,57	12 795,14
Revenues and gains in remaining investments	699 780,96	2 115 187,01
Income and gains Non-financial investments	148 626,69	103 196,84
Interest obtained	403 672,36	303 310,36
Others	1 013 132,62	1 259 820,50
Of which:		
Corrections to previous year report	48 690,56	54 013,44
Others non-specified	35 033,63	33 054,06
Benefits from Contractual Benefits	0,00	863 619,87
Recovery of financial expenditure	116 623,25	309 133,13
Tax estimates surplus	2 506,11	0,00
Others	810 279,07	0,00
TOTAL	5 196 438,24	7 830 781,10
Other expenses:		
Taxes	518 426,43	425 492,15
Prompt payment discounts granted	109 502,36	5 785,52
Default and compensatory interest	35 766,33	11 570,63
Other interest	327 504,81	267 003,51
Foreign exchange losses	1 471 234,70	392 412,87
Other funding expenses and losses	1 106 045,14	374 778,49
Others	1 335 628,17	668 449,51
Of which:		
Corrections to previous years reports	466 534,18	222 533,90
Contractual penalties	13 683,79	178 633,43
TOTAL	4 904 107,94	2 145 492,68

33. INTEREST AND SIMILAR EXPENSES

In 2017 and 2016 Interest and similar expenses were as follows - pursuant to the following breakdown:

(amounts in euros)		
Item	2017	2016
Interest and similar income:		
Interest from funding granted	148 565,74	175 346,94
Foreign exchange losses	0,00	0,00
TOTAL	148 565,74	175 346,94
Interest and similar costs:		
Interest charges	1 616 022,49	1 778 671,77
Exchanges differences related to funding obtained	0,00	211 049,39
Other funding expenses and losses		
Related to funding obtained	2 095 695,01	1 753 769,44
TOTAL	3 711 717,50	3 743 490,60

34. ACCOUNTS CONSOLIDATION

Pursuant to Decree-law no.158/2009, wording given by Decree-Law no. 98/2015, of June 2, the entity is exempted from consolidation since it does not control subsidiaries and those in which its shareholding is higher than 50% of the share capital, they jointly do not exceed the limitations stated in article 7 of the mentioned Decree-law.

35. GUARANTEES PROVIDED

35.1 At December 31, 2017, the amount of bank guarantees and surety bonds provided by the company to third parties was of 61.392.657,43 Euros, (excluding Honduras operation collaterals), among which are the following amounts in foreign currency for work contract guarantees.

Meticais (MZM)	30 869,99 €
American dollars (USD)	20 672 135 €

35.2 To guarantee all short, medium and long term loans, as well as the bank guarantees provided by Banco Santander Totta, the Head office building was encumbered through a mortgage in favour of the bank.

35.3 To guarantee the medium/ long term loan granted by Banco Comercial Português in the initial amount of 2.200.000,00 €, and which on the date of 31/12/2017 is of 76.294,08 €, a rem guarantee was provided through the mortgage of units not sold from the real estate development of Louredo, located in Av^a 25 de Abril, in Vila Nova de Famalicão.

36. FOREIGN CURRENCY QUOTATIONS

On the Balance Sheet date, and for purposes of conversion of the amount originally expressed in foreign currency to euros, the official quotations of December 31, 2017 were used:

Foreign currency quotations

Currency	31.12.2017	31.12.2016
	1 EURO	1 EURO
USD	1,1993	1,0541
New Leu (Romania)	4,659	4,539
Kwanzas (Angola)	185,400	184,475
Meticais (Mozambique)	70,57	74,54
SZL (Swaziland)	14,805	14,457
Zambian Kwacha	11,9972	10,4619
CVE (Cape Verde Escudo)	110,265	110,265
HNL (Honduras Lempiras)	28,3023	---
CFA (Senegal Francs)	655,957	---

37. DISCLOSURES REQUIRED BY LEGAL STATUTES

Pursuant to Decree-Law no. 534/80 of November 7, the entity's payments to the State are up to date.

Pursuant to Decree-Law no. 411/91 of October 17, the entity's payments to the Social Security are up to date.

38. EVENTS AFTER THE BALANCE SHEET DATE

At the moment of preparation of this document, there are no known subsequent events that would significantly modify the financial statements of December 31, 2017.

After the end of the reporting period until the preparation of this attachment, no other facts susceptible of modifying the accounts were recorded.

39. DATE ON WHICH THE FINANCIAL STATEMENTS ARE AUTHORIZED FOR ISSUE

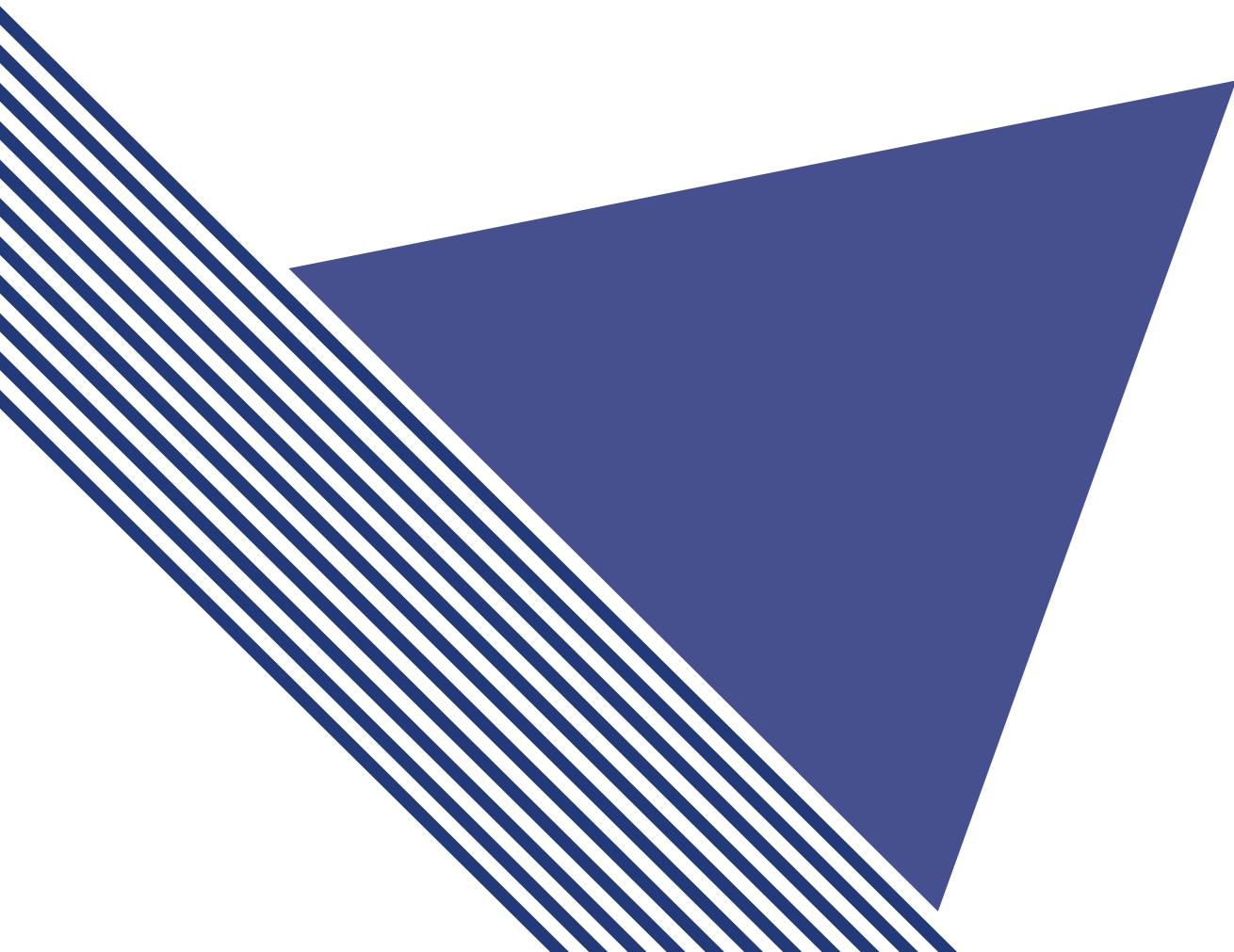
The Financial Statements of the period ending on December 31, 2017 were approved by the Board of Directors and authorized for issue on May 15, 2018.

Certified Accountant

Board of Directors

4 | AUDIT REPORTS

4.1 REPORT AND SOLE SUPERVISOR OPINION



To the shareholders:

Pursuant to the legal and statutory precepts, we submit our Supervisory Report and Opinion on the Management Report, Accounts and Proposals presented by the Board of Directors of the Company CONSTRUÇÕES GABRIEL A.S. COUTO, S.A. related to the financial year of 2017.

1. During the financial year under analysis, we followed the Company's activity as Sole Supervisor and maintained regular contacts with the board of Directors and its collaborators who provided all the information on the issues under analysis and whose collaboration we acknowledge.
2. To our knowledge, there was no situation that would not respect the legal and statutory standards.
3. We analysed the analytical Balance sheet, the Income Statement per Nature and the Statement of Changes in Equity, the Cash Flow Statement, the attachment and the Management Report from the Board of Directors and the Legal Certification of Accounts, which are an integral part of this Report and we agree with the said documents.
4. The accounting policies adopted allow for a correct valuation of the assets and income which are mentioned in note 3 of the annex.

In view of the above, our opinion is that:

- a) the Management Report from the Board of Directors and the accounts of 2017 are to be approved;
- b) the proposal from the Board of Directors related to the appropriation of net Results is to be approved;
- c) the Company's Administration and Supervision general assessment is to be carried out.

Trofa, May 31, 2018

SOLE SUPERVISOR

ARMINDO COSTA, SERRA CRUZ, MARTINS E ASSOCIADOS - Company of Chartered Accountants no. 57

Represented by

António Serra Cruz – Chartered Accountant no. 537

4.2 LEGAL CERTIFICATION OF ACCOUNTS (STATUTORY AUDITORS)

REPORT ON THE FINANCIAL STATEMENTS' AUDIT

Opinion

We have examined the financial statements attached from CONSTRUÇÕES GABRIEL A.S. COUTO, S.A., which include the balance sheet on December 31, 2017 (which stated a total of 93.200.043,06 euros and a total equity of 16.759.838,18 euros, including a net Income of 736.988,38 euros), the Income Statement per Nature, the Statement of Changes in Equity, the Cash Flow Statement related to the year ending on such date and the Attachment which includes a summary of the significant accounting policies.

In our opinion, the attached financial statements truly and fully present, in all material aspects, the financial situation of CONSTRUÇÕES GABRIEL A.S. COUTO, S.A. as at December 31, 2017 and the cash flow related to the year ending on that date, pursuant to the Accounting and Financial Report Standards adopted in Portugal through the Accounting Standardization System.

Bases for the opinion

Our examination was carried out pursuant to the International Audit Standards and remaining standards and technical and ethical guidelines from the Portuguese Institute of Statutory Auditors. Pursuant to the said standards, our responsibilities are described under the section "Responsibilities of the auditor in the financial statements audit" below. Pursuant to the law, we are an independent entity and comply with the remaining ethical requirements pursuant to the Code of Ethics of the Portuguese Institute of Statutory Auditors.

It is our opinion that the evidence provided for the audit is sufficient and appropriate and provides an acceptable basis for the expression of our opinion.

Responsibilities of the management body with regard to the financial statements

The management body is responsible for:

- preparing the financial statements that truly and appropriately present the financial position, financial performance and cash flow of the Entity pursuant to the Accounting and Financial Report Standards adopted in Portugal through the Accounting Standardization System;
- elaboration of the management report pursuant to the legal and regulatory terms applicable;
- creation and update of an appropriate internal control system to allow preparing financial statements with no material distortion due to fraud or error;
- adoption of accounting policies and criteria appropriate to the circumstances; and
- assessment of the Entity according to the going concern principle, being that if applicable, the entity will disclose the matters that might raise significant doubts on the continuity of its activities.

Responsibilities of the auditor with regard to the financial statements audit

Our responsibility is to obtain an acceptable degree of assurance as to whether or not the financial statements contain materially relevant distortions due to fraud or error and issue a report stating our opinion. An acceptable degree of assurance is not a guarantee that the audit performed pursuant to the IAS will detect all material distortions when present. Distortions can be the consequence of fraud or error and are regarded as materially relevant if, individually or collectively, they can be expected to influence economic decisions taken based on the said financial statements.

Pursuant to the IAS, and as part of our audit, we make professional judgements and we are professionally sceptical during the audit and we also:

- identify and assess the risks of material distortions in the financial statements due to fraud or error, design and conduct procedures of audit that answer the said risks and obtain proof of audit that is sufficient and appropriate to base our opinion. The risk of not detecting a material distortion due to fraud is higher than the risk of not detecting a material distortion due to error, as fraud can involve collusion, forgery, intentional omissions, false statements or internal control overlap;
- we analyse and obtain an understanding of the internal control which is relevant to the audit in order to design procedures of audit which are appropriate in the said circumstances, but not to express an opinion on the efficiency of the Entity's internal control;
- we assess the adequacy of the accounting policies used and the reasonability of the accounting estimates made and corresponding disclosures made by the management body;
- we conclude on the adequacy of the use by the management body of the going concern assumption and based on the evidence obtained from the audit we also concluded if there is any material uncertainty related to the events or conditions that might raise significant doubts on the Entity's ability to continue its activities. If we conclude that there is a material uncertainty, we must highlight the related disclosures included in the financial statements in our report or, if the said disclosures are not appropriate, change our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. Nevertheless, future events or conditions may cause the Entity to discontinue its activities;
- assess the financial statements' presentation, structure and global content, including the disclosures and if the said financial statements represent the underlying transactions and events in order to obtain an appropriate presentation; we communicate
- we communicate with the governance officers about the scope, calendar planned for the audit and the significant audit conclusions including any significant internal control deficiency identified during the audit, among other issues.

Our responsibility also includes verifying the consistency of the information present in the management report with the information in the financial statements.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

On the management report

In line with article 451 (3) e) of the Code of Commercial Companies, our opinion is that the management report was prepared in accordance to the applicable legal and regulatory requirements in force, the information within in it is consistent with the audited financial statements, and, considering the knowledge and assessment of the Entity, we did not identify material inaccuracies.

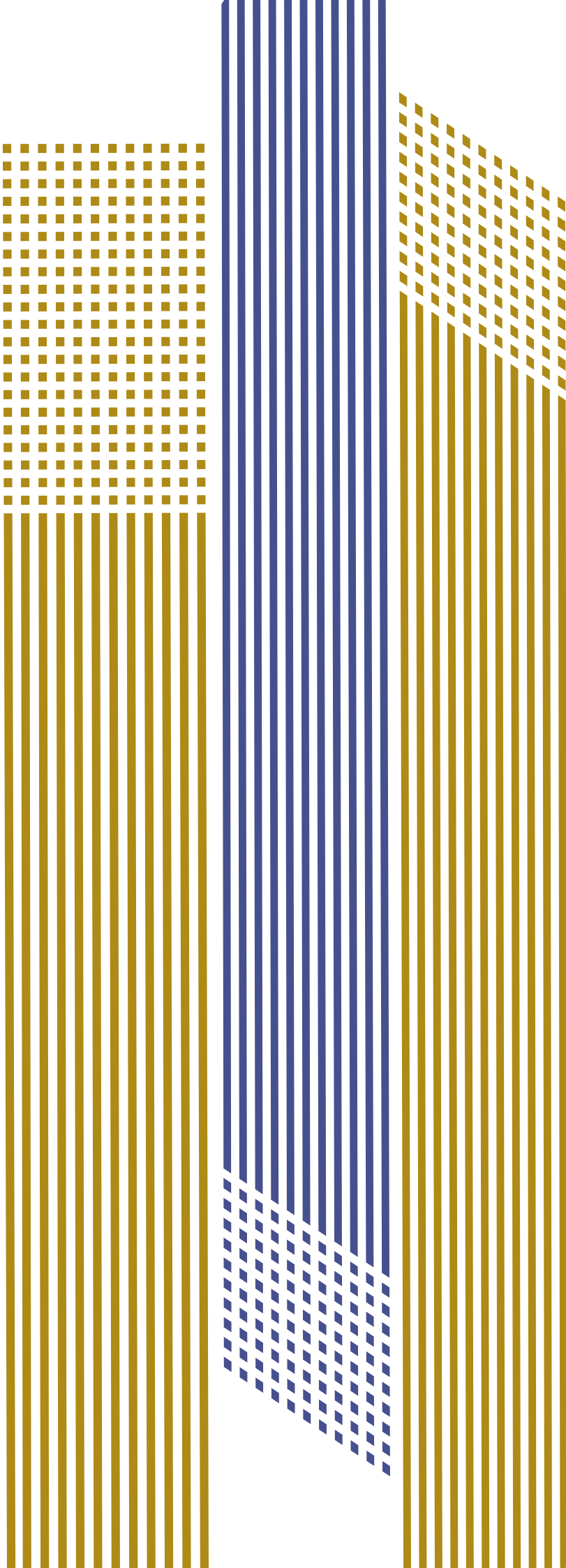
Trofa, May 31, 2018

ARMINDO COSTA, SERRA CRUZ, MARTINS E ASSOCIADOS - SROC

Company of Statutory Auditors] no. 57

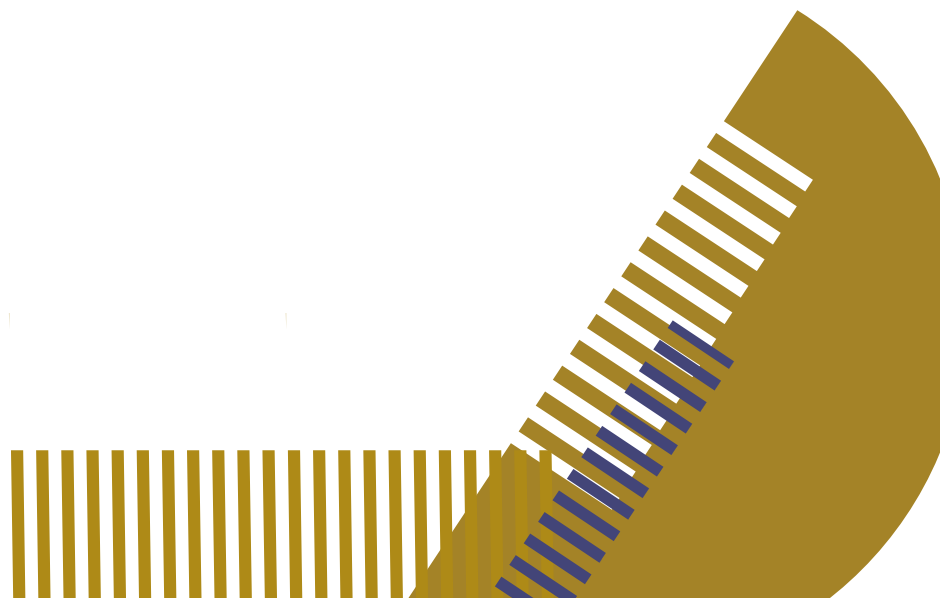
Represented by:

Antonio Serra Cruz - Statutory Auditor no 537



PORTFOLIO

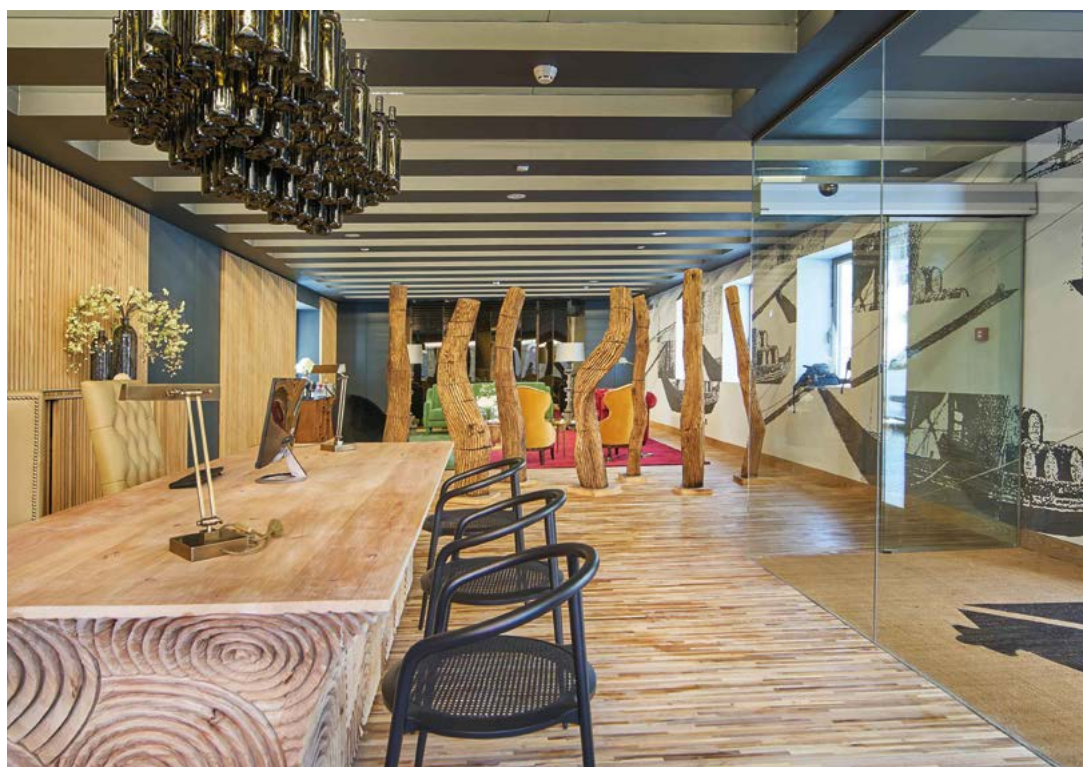
2017 — 2018





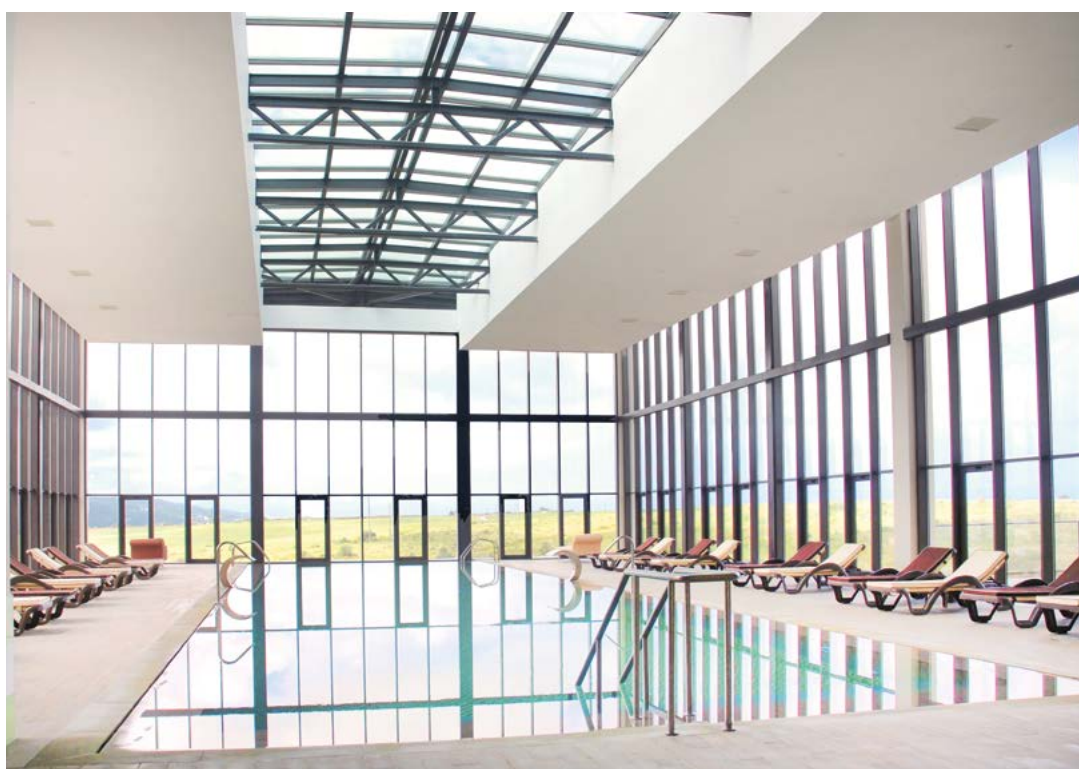
Project: Orthopedic Hospital Sant'Ana (Expansion) - Parede. Lisboa

Client: Santa Casa da Misericórdia de Lisboa



Project: Hotel Torel Avantgarde, Porto

Client: Marec — Hotel Activities, S.A.



Project: Vila Galé Sintra Hotel

Client: Vila Galé Sintra -Tourism Investments and Real Estate S.A.



Project: Sakthi

Client: Sakthi Portugal SP21, S.A



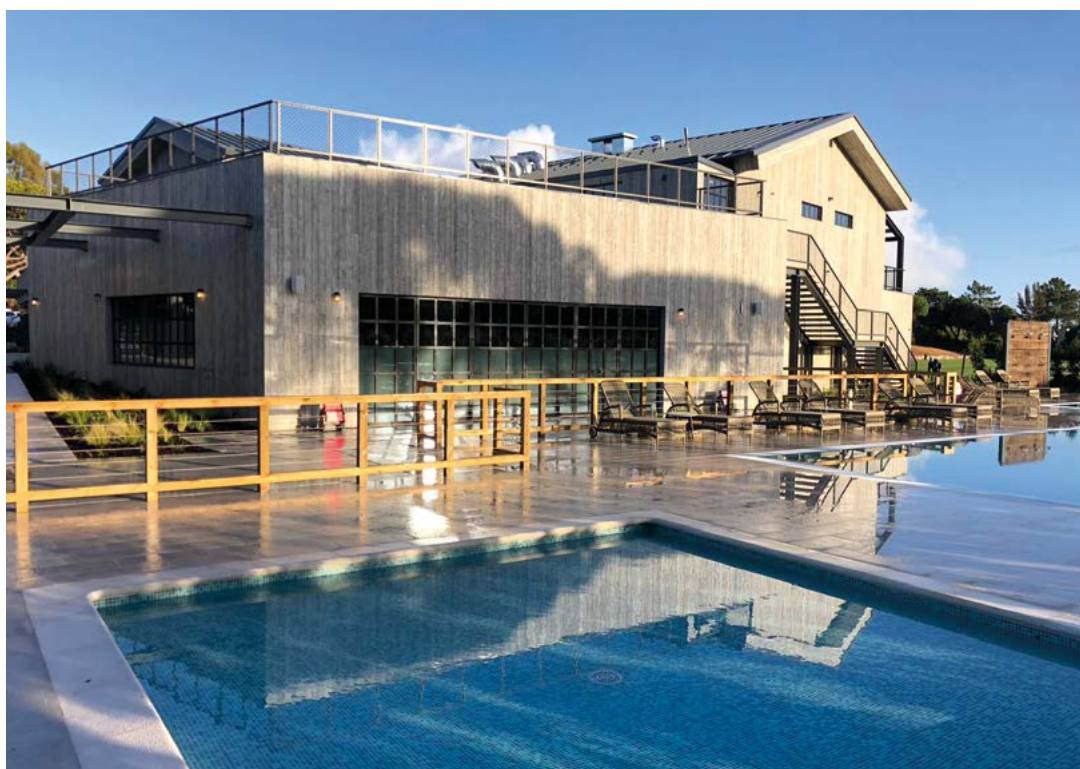
Project: Ikea . Loulé Shopping Center

Client: Ikea Centres Portugal



Project: Logistics Plataforme- Torrestir. Matosinhos

Client: Torrestir — National and International Transportation, S. A



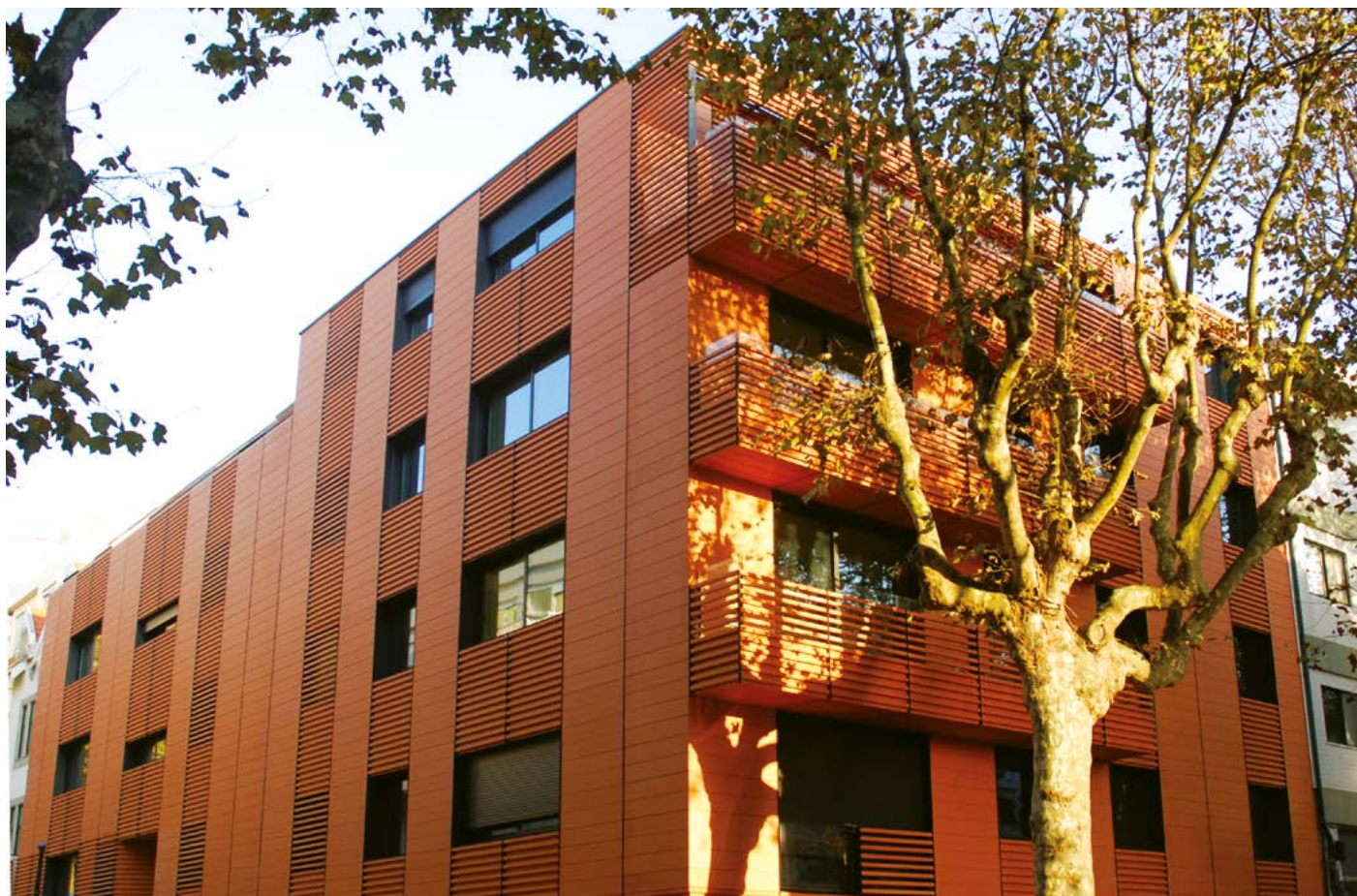
Project: THE CAMPUS — Construction of the Central Building. Quinta do Lago. Algarve

Client: Quinta do Lago — Real Estate and Touristic Projects, S.A.



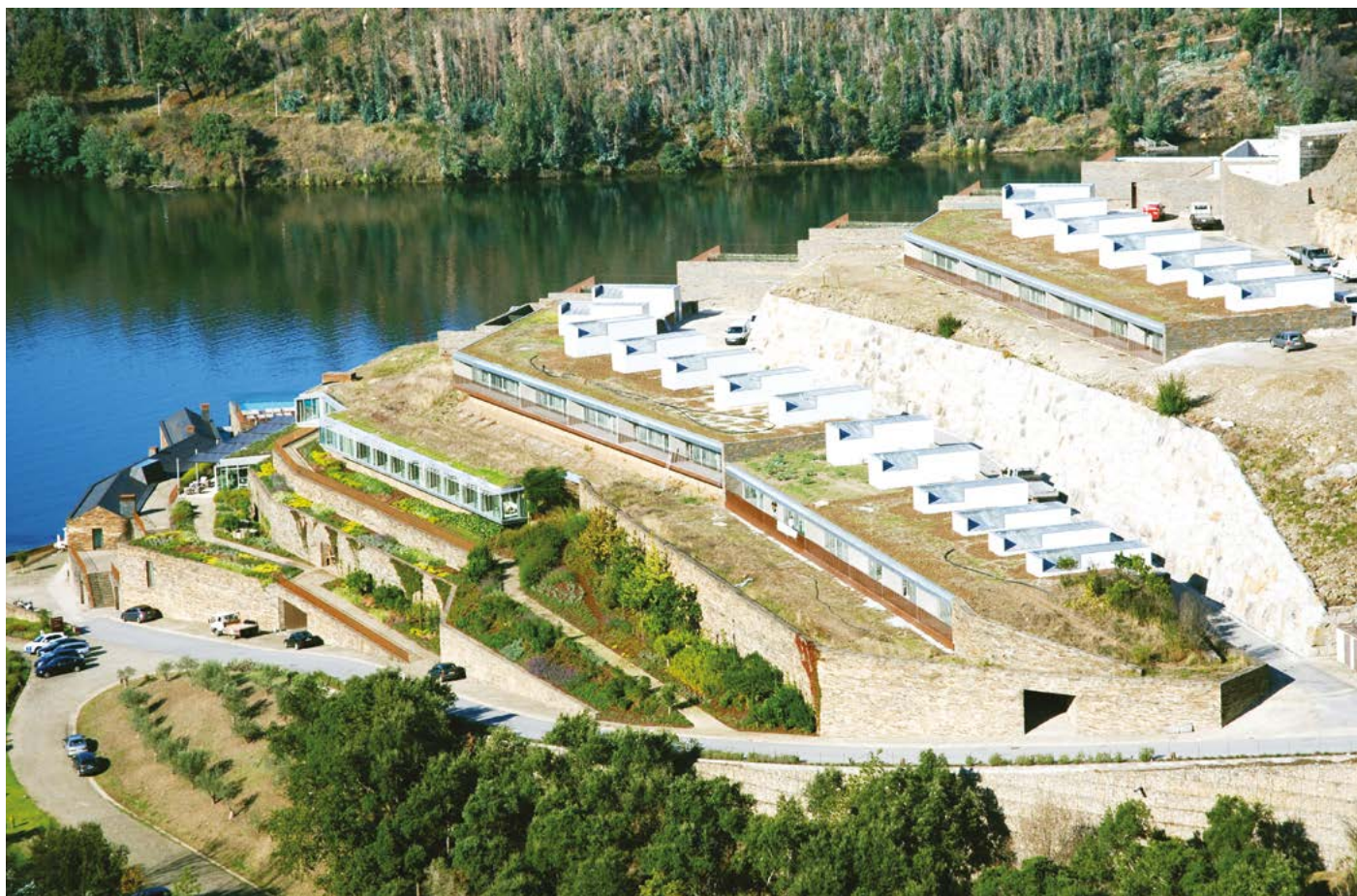
Project: Coindu Industrial Building. Arcos de Valdevez

Client: COINDU



Project: Praia d'Ouro Residence. Porto

Client: ILDS, (Management and Investments)



Project: Rio Douro Hotel — SPA. Castelo de Paiva

Client: SUNNYPLACE VII S.A. Grupo DHM — Discovery Hotel Management,



Project: Rehabilitation of Boavista Neighborhood

Client: Câmara Municipal de Lisboa



Project: Season Constellation (OffLiberdade)

Client: Level Constellation



Project: Longevity Hearth & Wellness Hotel. Alvor

Client: Hotel Salus, S.A.



Project: Infrastructures of Vale Navio Resort. Albufeira

Client: Quinta do Escarpão – Golf and Animation, Tourist Activities, S.A.



Projecto: Construction of the Building Torel. Lisbon

Cliente: WURLITZER , Lda



Project: Construction of the Factory LAUAK. Grândola

Cliente: LAUAK Grândola, S.A.



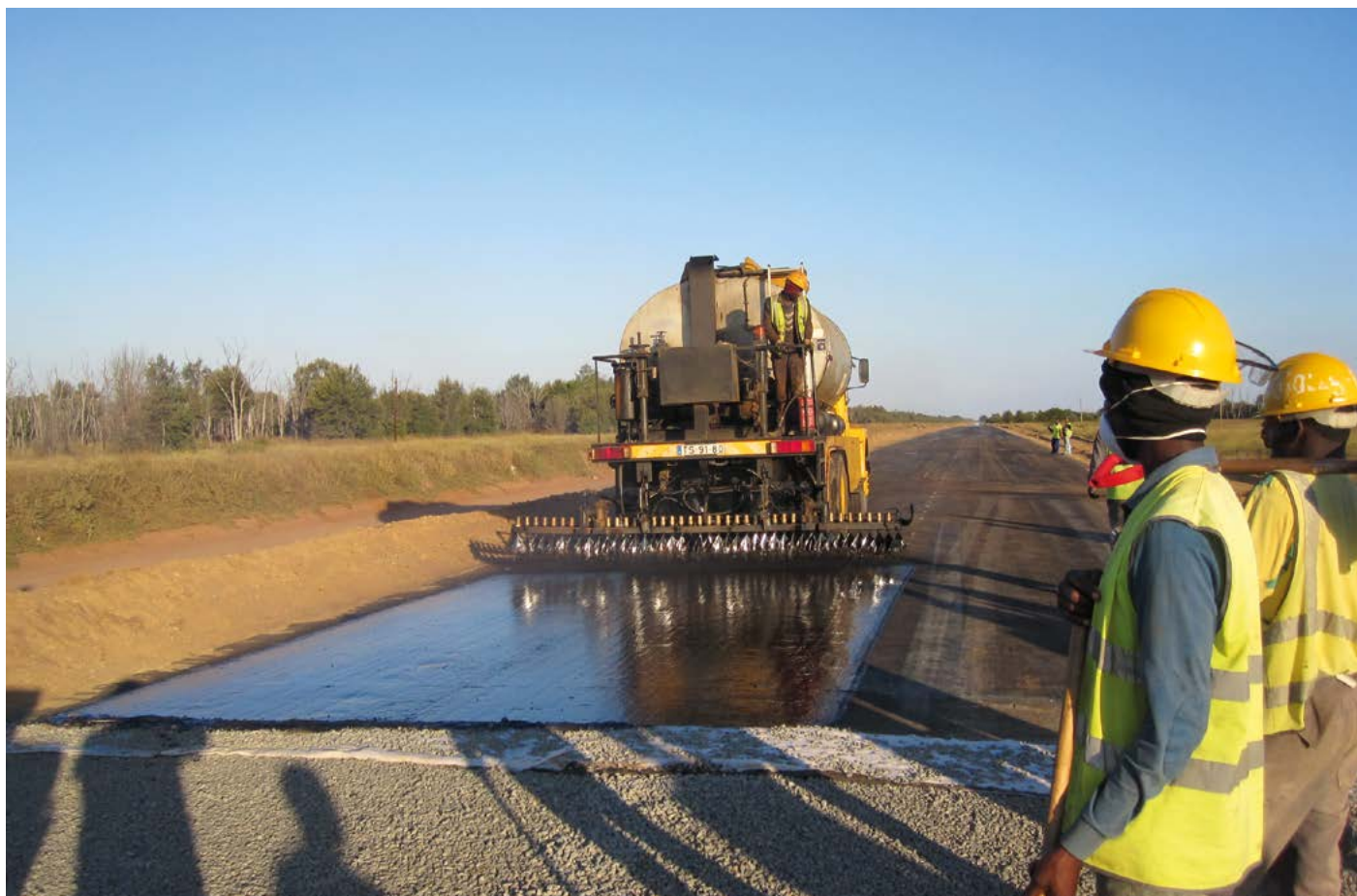
Project: Industrial Unit RACLAC. Vila Nova de Famalicão

Client: RACLAC, S.A.



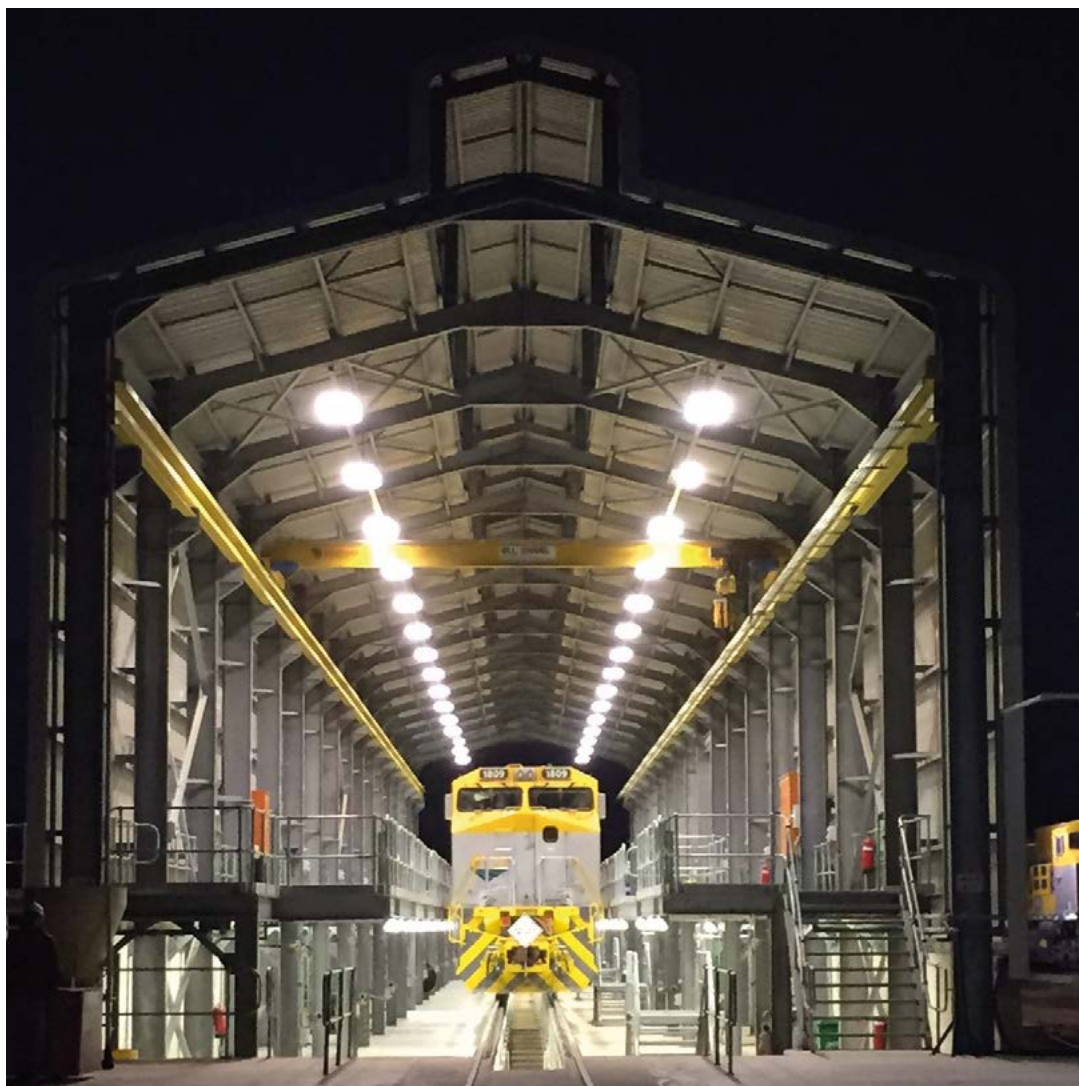
Project: Buildings for 390 Apartments. Palmerejo Grande.Praia, Santiago Island. Cape Verde

Client: State of Cape Verde



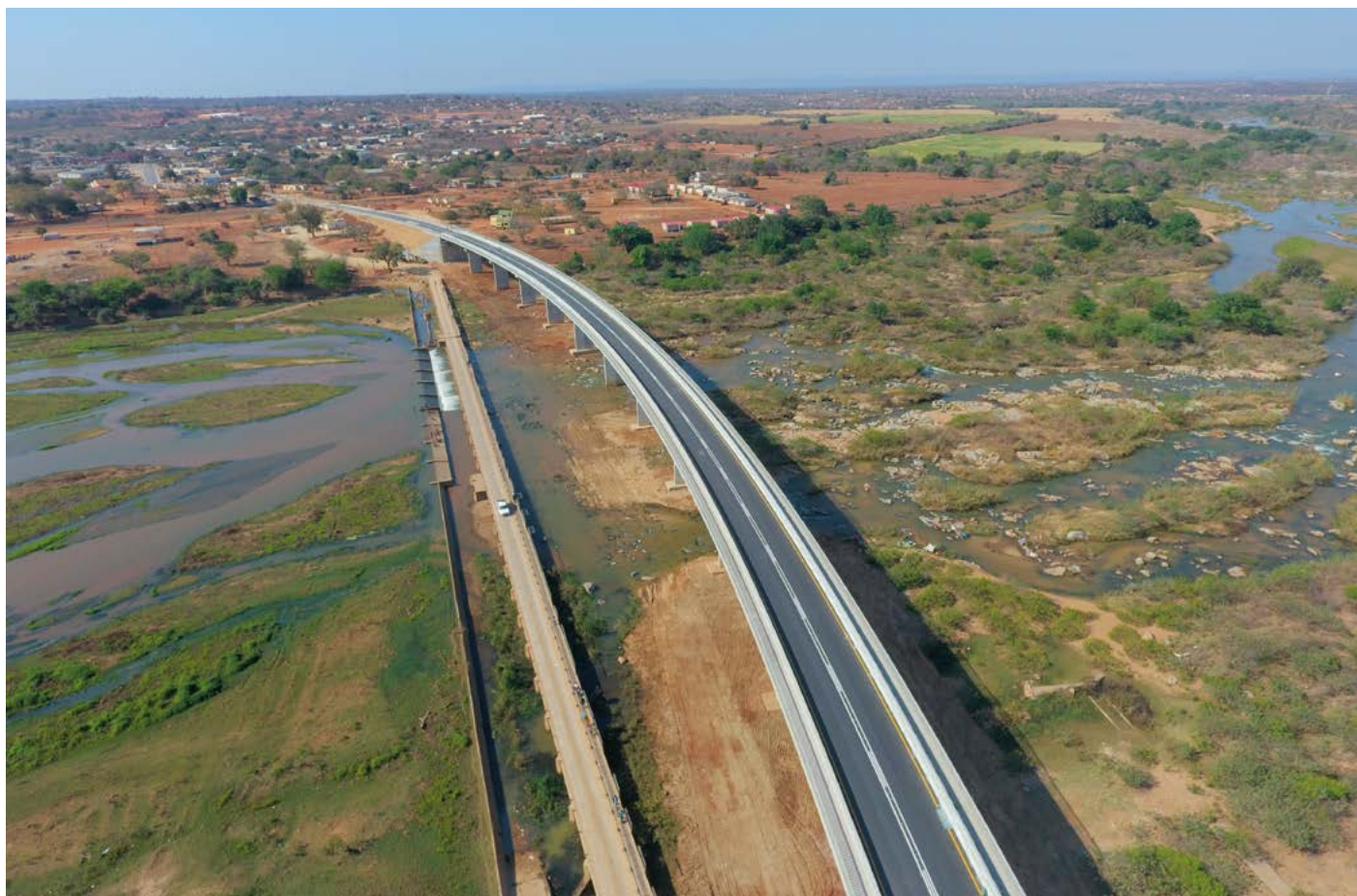
Project: Rehabilitation of N221 Caniçada / Chicualacuala.Gaza State . Mozambique

Client: ANE —(State Road Administration Mozambique)



Project: Contract — MOATIZE NACALA RAILWAY C1020 — SECTION 6&7A
Railway Earthworks, Drainage Services & Maintenance Building

Client: Vale Mozambique Lda



Project: Upgrading St Phillips Road (continuation) and Usutfu River Bridges

Client: European Union and Government of the Kingdom of Swaziland



Project: Construcción de las obras para rehabilitación de la carretera de Occidente Ubicada en el Departamento de Copán, Honduras, C.A. Lote no.1: La Entrada — Santa Rosa de Copán; Lote no.2: La Entrada — Los Ranchos

Client: Secretaría de estado en los Despachos de Infraestructura y Servicios Públicos (INSEP) — Gobierno de la República de Honduras



Project: Construcción de las obras para rehabilitación de la carretera de Occidente Ubicada en el Departamento de Copán, Honduras, C.A. Lote no.1: La Entrada — Santa Rosa de Copán; Lote no.2: La Entrada — Los Ranchos

Client: Secretaría de estado en los Despachos de Infraestructura y Servicios Públicos (INSEP) — Gobierno de la República de Honduras

