

**Appendix 2 – Confirmation of independence**

**Due Date: By return fax or e-mail at reception date or instructions**

**To** : Caballero Auditores S.L. **From:** RSM & Associados-SROC,Lda  
**Telephone** : +34 91 401 15 87 **Date** : 10-01-2018  
**Fax** : +34 91 402 48 54

**Component name(s):** ELSAMEX PORTUGAL – Engenharia e Sistemas de Gestão, SA

I confirm that this firm is compliant with the International Federation of Accountants (IFAC) Code of ethics and the specific code adopted by this firm as a member of RSM International.

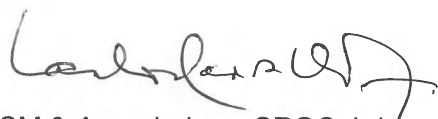
We have considered any matters which may impact on our auditor independence and can confirm that, in our professional judgement, the firm, partners and staff are independent in accordance with the requirements of the IFAC Code of Ethics and the NIA 220.

We have provided no non-audit services to the component or other members of the Group in relation to the period subject to audit.

No member of our audit team has any financial interests in the client.

No one familiar of our audit team member has any financial interests in the client.

We confirm that the independence of the audit partner, the engagement quality control reviewer and manager are not compromised by long association with the client.



RSM & Associados – SROC, Lda.

Represented by Carlos de Jesus Pinto de Carvalho (roc nº 622)

Date: 10-01-2018

## Appendix 5 - Audit Report

**To** : Caballero Auditores S.L.P.

**From:** RSM & Asociados-SROC,Lda

**Fax** : +34 91 402 48 54

**Date** : 28-02-2018

### Component name:

We have completed an audit of the consolidation package of the above component of Elsamex S.A. for the period ended 31<sup>th</sup> December 2017.

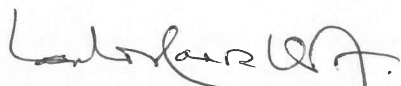
Preparation of the consolidation package is the responsibility of local management. The consolidation package is prepared in accordance with the Generally Accepted Accounting Principles and Group Accounting Policies for the sole purpose of consolidation into the financial statements of *Elsamex S.A. and Subsidiary Companies*. Our responsibility is to conclude for the purpose of inclusion in the consolidated financial statements of *Elsamex S.A. and Subsidiary Companies* whether the consolidation package has been properly drawn up in accordance with the Generally Accepted Accounting Principles, and International Standards of Auditing (ISA) and Group Accounting Policies.

We completed our audit procedures in accordance with the NIAs and the Group Reporting Instructions issued by you on 21<sup>th</sup> December 2017 and in our opinion:

- Group accounting policies and instructions have been complied with and are consistent with the prior year;
- There have been no fundamental breakdowns in internal controls;
- There were no restrictions to the scope of our audit procedures; and
- There were no significant unresolved issues that will affect the Consolidation Package.

In our opinion, the attached Consolidation Package (which is initialled by component management and ourselves – copy attached) has been properly prepared in accordance with the Generally Accepted Accounting Principles and is fairly stated for the purpose of consolidation into the consolidated financial statements of *Elsamex S.A. and Subsidiary Companies*

We can also confirm that we have satisfactorily completed the minimum procedures requested in relation of fraud international regulations and that there are no matters that need to be brought to the attention of the Group Audit Team.



RSM & Asociados – SROC, Lda.

Represented by Carlos de Jesus Pinto de Carvalho (roc nº 622)

Date: 28-02-2018

Appendix 8 Financial Statements  
Component:  
Period: 31st December 2017

EQUITY AND LIABILITIES	2017/12	2016/12
<b>A) EQUITY</b>	<b>1.691.942</b>	<b>1.583.228</b>
<b>A-1) Capital and Reserves.</b>	<b>1.691.942</b>	<b>1.583.228</b>
I. Capital.	350.000	350.000
1. Declared capital.	350.000	350.000
2. (Capital not called on).		
II. Share premium.	-	-
III. Reserves.	1.215.565	1.081.590
1. Legal and statutory.	77.594	77.594
2. Other reserves.	1.137.971	1.003.996
IV. (Shares and holdings in own assets).	(35.000)	(35.000)
II. Results for previous financial years.	53.838	53.838
1. Remainder.	53.838	53.838
1. (Negative results from previous financial years).		
VI. Other shareholder contributions.	-	-
III. Result for the financial year.	107.539	132.800
VIII. (Interim dividend).		
IX. Other net asset instruments.		
<b>A-2) Adjustments through changes in value.</b>		
I. Financial assets available for sale.		
II. Coverage operations.		
III. Other items.		
<b>A-3) Subsidies, donations and legacies received.</b>		
<b>B) NON-CURRENT LIABILITIES</b>	<b>14.710</b>	<b>15.329</b>
I. Long-term provisions.		
1. Obligations through long-term staff provisions.		
2. Environmental actions.		
3. Provisions for restructuring.		
4. Other provisions.		
II Long-term sums owed.	14.710	15.329
1. Debentures and other negotiable securities.		
2. Debts owed to credit institutions.		
3. Creditors through financial leasing.	14.710	15.329
4. Derivatives.		
1. Other financial liabilities.		
III. Debts with group and associated companies in the long term		
1. Long-term debts with group companies.		
1. Participative loans		
IV. Liabilities through Deferred tax.		
<b>C) CURRENT LIABILITIES</b>	<b>477.226</b>	<b>725.615</b>
I. Liabilities tied to held-for-sale non-current assets.		
I. Short-term provisions.		
II. Short-term debts.	8.241	5.669
1. Debentures and other negotiable securities.		
2. Debts owed to credit institutions.		
3. Creditors through financial leasing.	8.241	5.669
4. Derivatives.		
1. Other financial liabilities.		
III. Short-term debts with group and associated companies.		
IV. Trade creditors and other accounts payable.	468.985	719.950
1. Suppliers	226.961	381.905
2. Suppliers, group and associated companies.	65.844	137.179
3. Sundry creditors.	3.064	509
4. Staff (accrued wages and salaries).	72.639	84.536
5. Liabilities through current tax.	36.182	47.362
6. Other debts with Public Authorities.	64.294	68.461
7. Client advances.		
V. Short-term accruals and deferrals.	-	-
<b>TOTAL NET WORTH AND LIABILITIES (A + B + C)</b>	<b>2.183.877</b>	<b>2.324.176</b>

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Appendix 8 Financial Statements

Component:

Period: 31st December 2017

	2017/12	2016/12
<b>A) ONGOING OPERATIONS</b>		
<b>1. Total net turnover.</b>	<b>(1.723.562)</b>	<b>(1.766.169)</b>
a) Sales.		
b) Services provided.	(1.723.562)	(1.766.169)
<b>2. Variation in stock of finished products and in process of manufacture.</b>		
<b>3. Work performed by the company for its assets.</b>		
<b>4. Supplies.</b>	<b>408.557</b>	<b>236.667</b>
a) Goods consumed.		
a) Raw materials and other materials consumed.		
b) Work performed for other companies.	408.557	236.667
c) Deterioration of goods, raw materials and other supplies.		
<b>5. Other operating revenue.</b>	<b>(3.559)</b>	<b>(8.452)</b>
a) Accessory revenue and others arising from current management.	(79)	
b) Operating subsidies incorporated in result for the financial year.	(3.480)	(8.452)
<b>6. Staff costs.</b>	<b>818.641</b>	<b>862.940</b>
a) Wages, salaries, et al.	693.668	732.191
b) Social security costs, et al.	124.973	130.749
c) Provisions.		
<b>7. Other operating expenses.</b>	<b>345.608</b>	<b>433.066</b>
a) External services.	321.303	409.675
b) Taxes.	1.810	4.777
c) Losses, impairment and changes in provision through commercial operations.	14.852	8.963
d) Other operating expenses	7.643	9.650
<b>8. Depreciation of fixed assets.</b>	<b>19.834</b>	<b>26.372</b>
<b>9. Allocation of non-financial fixed asset subsidies and others.</b>		
<b>10. Surplus provisions.</b>	<b>(54.988)</b>	
<b>11. Deterioration and result through disposal of fixed assets.</b>	<b>(15.992)</b>	<b>(4.114)</b>
a) Deterioration and losses.		
b) Results through disposals and others.	(15.992)	(4.114)
<b>12. Other results</b>	<b>53.098</b>	<b>21.106</b>
<b>A.1) OPERATING PROFITS (1+2+3+4+5+6+7+8+9+10+11+12)</b>	<b>(152.343)</b>	<b>(198.583)</b>
<b>13. Financial revenue.</b>	<b>(1)</b>	<b>(795)</b>
a) From stakes in asset instruments.		
a1) In group and associated companies.		
a2) In third parties.		
a) Tradable securities and other financial instruments.	(1)	(795)
a1) Group and associated companies.		
a1) With third-parties	(1)	(795)
<b>14. Financial costs.</b>	<b>516</b>	<b>3.917</b>
a) Through debts with group and associated companies.		
b) Through debts with third parties.	516	3.917
c) Through update to provisions		
<b>15. Changes in fair value on financial instruments.</b>	<b>-</b>	<b>-</b>
a) Negotiation portfolio and others.		
b) Attributed to result for financial year through financial assets available for sale.		
<b>16. Exchange rate differences.</b>	<b>8.106</b>	<b>15.300</b>
<b>17. Deterioration and result through disposal of financial instruments.</b>		
a) Deterioration and losses.		
b) Results through disposals and others.		
<b>A.2) FINANCIAL RESULT (13+14+15+16)</b>	<b>8.622</b>	<b>18.422</b>
<b>A.3) PRE-TAX RESULT (A.1+A.2)</b>	<b>(143.721)</b>	<b>(180.161)</b>
<b>18. Tax on profits.</b>	<b>36.182</b>	<b>47.362</b>
<b>A.4) RESULT FOR FINANCIAL YEAR FROM INTERRUPTED OPERATIONS NET OF TAXES (A.3+17)</b>	<b>(107.539)</b>	<b>(132.800)</b>
<b>B) INTERRUPTED OPERATIONS</b>	<b>-</b>	<b>-</b>
<b>18. Result for financial year from interrupted operations net of taxes.</b>	<b>-</b>	<b>-</b>
<b>A.5) RESULT FOR THE FINANCIAL YEAR (A.4+18)</b>	<b>(107.539)</b>	<b>(132.800)</b>

	Notes	2017/12	2016/12
<b>Year result</b>	<b>3</b>		
<b>Incomes and expenses directly registered in the Equity</b>		<b>143.721</b>	<b>180.161</b>
<b>Due to valuation of financial instruments</b>			
Gain on available-for-sale investments		-	-
Other incomes/expenses		-	-
Gain on cash flow hedges		-	-
Exchange differences arising on translation of foreign operations		-	-
<b>Subsidies and donations</b>		-	-
<b>For profits and actuarial losses and other adjustments</b>		-	-
<b>Tax effect</b>		<b>(36.182)</b>	<b>(47.362)</b>
<b>Total incomes and expenses directly registered in the Equity</b>		<b>107.539</b>	<b>132.800</b>
<b>Transfers (net of any related tax)</b>		-	-
<b>Due to valuation of financial instruments</b>			
Gain on available-for-sale investments		-	-
Other incomes/expenses		-	-
<b>Gain on cash flow hedges</b>		-	-
<b>Subsidies and donations</b>		-	-
<b>Tax effect</b>		-	-
<b>Total transfers to the profit and loss account</b>		-	-
<b>TOTAL INCOMES AND RECOGNIZED EXPENSES</b>		<b>107.539</b>	<b>132.800</b>



	Share Capital	Not edged Share Capital	Share Premium	Reserves	Own shares	Prior year results	Other shareholders re applic.	Year result	Anticipated dividend	Other Equity Instruments	Adjustment as due to value changes	Subsides and donations	TOTAL
Balance as of December 31st, 2016	258,700	-	-	1,081,890	(38,000)	88,838	-	132,800	-	-	-	-	1,583,228
Adjustments due to the criteria changes in 2016 and previous	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments due to errors 2016 and previous	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>ADJUSTED BALANCE AS OF JANUARY 1st, 2017</b>	<b>258,700</b>	<b>-</b>	<b>-</b>	<b>1,081,890</b>	<b>(38,000)</b>	<b>88,838</b>	<b>-</b>	<b>132,800</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,583,228</b>
Total incomes and expenses recognized	-	-	-	-	-	-	-	107,630	-	-	-	-	107,630
Operations with shareholders	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital increases	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital reductions	-	-	-	-	-	-	-	-	-	-	-	-	-
Conversion of financial debts in Equity	-	-	-	-	-	-	-	-	-	-	-	-	-
Distribution of dividends	-	-	-	-	-	-	-	-	-	-	-	-	-
Operations with own shares	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase/reduction of Equity due to business combinations	-	-	-	-	-	-	-	-	-	-	-	-	-
Other operations with shareholders	-	-	-	-	-	-	-	-	-	-	-	-	-
Other changes on Equity	-	-	-	133,976	-	-	-	(132,800)	-	-	-	-	1,176
<b>BALANCE AS OF December 31st, 2017</b>	<b>258,700</b>	<b>-</b>	<b>-</b>	<b>1,215,866</b>	<b>(38,000)</b>	<b>88,838</b>	<b>-</b>	<b>107,630</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,647,934</b>





**ELSAMEX GROUP**  
**REPORTING PACKAGE**  
**2017/12**

**APPENDIX 10**

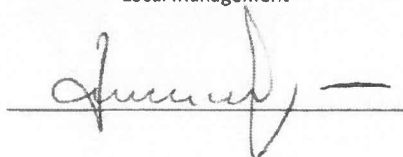
**Component:**  
**AVERAGE STAFF**  
 (Euros)

	Number of employes at year end.			Average number of employees in the exercise
	Man	Female	Total	2017/12
	2017/12	2017/12	2017/12	
Directors and manager	3		3	3
Group manager				
Branch Chief				
Licensed staff	9	2	11	11
Administrative Staff		3	3	3
Comercial staff				
Teleoperator				
Warehouse staff				
Others	4		4	4
	16	5	21	21



ASSETS	2017/12	2018/12
<b>A) NON-CURRENT ASSETS</b>	<b>120.346</b>	<b>129.659</b>
<b>I. Intangible fixed assets</b>	-	-
1. Research and development.		
2. Concessions.		
3. Patents, licences, trade marks and similar.		
4. Goodwill.		
5. IT applications.		
6. Other intangible fixed assets		
<b>II. Tangible fixed assets.</b>	<b>45.800</b>	<b>55.113</b>
1. Land and buildings.		
2. Technical installations and other tangible fixed assets.	45.800	55.113
3. Fixed assets in progress and advances.		
<b>III. Investment Property</b>	-	-
1. Land.		
2. Buildings.		
<b>IV. Investments in group and associated companies in the long term.</b>	<b>74.546</b>	<b>74.546</b>
1. Patrimonial instruments.	74.546	74.546
2. Credits to companies.		
3. Securities representing debt.		
4. Derivatives.		
5. Other financial assets.		
<b>V. Long-term financial investments.</b>	-	-
1. Asset instruments.		
2. Credits to third parties		
3. Securities representing debt		
4. Derivatives.		
5. Other financial assets.		
<b>VI. Deferred tax.</b>	-	-
<b>B) CURRENT ASSETS</b>	<b>2.063.532</b>	<b>2.194.517</b>
<b>I. Held-for-sale non-current assets.</b>		
<b>I. Stock.</b>	-	-
1. Commercial.		
2. Raw materials and other supplies.		
3. Products in progress.		
4. Finished products.		
5. Advances to suppliers		
<b>II. Trade and other receivables.</b>	<b>1.667.495</b>	<b>2.038.812</b>
1. Clients through sales and services provided.	1.119.653	1.357.215
2. Clients, group and parent companies	419.528	535.612
3. Sundry debtors.	30.026	19.231
4. Staff.	14.439	18.809
5. Current tax.	83.850	104.849
6. Other Credits with Public Authorities.	-	3.084
7. Shareholders through disbursements called on	-	-
<b>III. Investments in group and associated companies in the short term.</b>	-	-
1. Asset instruments.		
2. Credits to companies.		
3. Securities representing debt.		
4. Derivatives.		
5. Other financial assets.		
<b>III. Short-term financial investments.</b>	<b>1.375</b>	<b>1.087</b>
1. Asset instruments.		
2. Credits to companies		
3. Securities representing debt.		
4. Derivatives.		
5. Other financial assets.	1.375	1.087
<b>IV. Short-term accruals and deferrals.</b>	<b>10.678</b>	<b>6.376</b>
<b>V. Cash and other equivalent liquid assets.</b>	<b>383.984</b>	<b>148.241</b>
1. Treasury.	383.984	148.241
2. Other equivalent liquid investments		
<b>TOTAL ASSETS (A + B)</b>	<b>2.183.877</b>	<b>2.324.176</b>

Local Management



Audit Firm

