2017 MANAGEMENT REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

NORS

We Know How

2017

"NORS STARTED AN AMBITIOUS PROJECT OF ORGANIZATIONAL TRANSFORMATION IN LATE 2017, BASED ON EFFICIENCY, UNIFORMITY AND STRENGTH OF PROCESSES AND TECHNOLOGY, IN ORDER TO LEVERAGE THE COMPETITIVENESS OF ITS BUSINESS GLOBALLY."

In Presentation of the Management Report

We Know How

TABLE OF CONTENTS

04

NORS GROUP: WE KNOW HOW

18

OPERATION PERFORMANCE

55

PROSPECTS FOR 2018

56

CORPORATE AND MANAGEMENT INFORMATION

66

STATEMENT ON INTERNAL CONTROL OVER FINANCIAL INFORMATION

67

FINANCIAL INFORMATION

130

STATUTORY AUDITOR'S REPORT

PRESENTATION OF THE MANAGEMENT REPORT

RESULTS

Nors achieved a consolidated Net Profit of 17.1 million euros in 2017. This performance is significantly attributed to increasing operating efficiency and reducing the Group's financing costs. In fact, the efforts to optimize cost structures and strict management of working capital have enabled Nors to achieve all the economic and financial objectives set for 2017.

At the operational level, the Group achieved an EBITDA of 52.8 million euros (+28%), due to the combination of several factors, in particular:

- Consolidated turnover of 619 million euros, 12% higher than in 2016;
- Efficiency gains arising from the organizational adjustments made in previous years;
- Record of accounting losses arising from the sale of MasterTest;
- Positive contribution by its subsidiary Ascendum;

At the strategic level, the Group carried out several important actions. In March, it completed the divestment process of MasterTest and, in September, it closed the project to divest itself of operations in Kenya, Tanzania and Uganda, thereby reducing its exposure to African markets.

These steps, coupled with the successful conclusion of divestments on non-strategic real estate assets, led to a very favorable progression of the Group's financial indicators: consolidated net debt increased by a further 42.6 million euros (-26.6%), surpassing the reduction target of 40% set at the beginning of 2016.

TEN YEARS IN BRAZIL

Nors celebrated 10 years of business in Brazil this year. This project, which began in 2007 with the creation of the Auto Sueco Centro Oeste, was a milestone for the development of the Group.

The size and competitiveness of this market, on the one hand, and the demanding business environment in which companies operate on the other, have led the Group to take this challenge seriously.

Today, after ten years, the roots of the Group in Brazil are already quite deep.

> The economic success achieved, the trust of the relationships created and the quality of the organization allow us to expect the ability to fully leverage all the opportunities that the future will surely provide.

In Brazil, the transport equipment business is particularly sensitive to the macroeconomic cycles and the confidence levels of its main agents. After a contraction of 60% during the last three years in the heavy vehicle market in which the Group operates, we witnessed a cycle inflection in the second half of 2017.

In fact, the signs of recovery of the sector are already clear with the Group’s subsidiaries finishing the year with orders for 388 trucks, an increase of 732% compared to December 31, 2016.

THE CORE PROJECT

Nors started an ambitious project of organizational transformation in late 2017, based on efficiency, uniformity and strength of processes and technology, in order to leverage the competitiveness of its business globally.

The "Core Project", as it was called, will include all areas of the Group during the next five years, spurring the potential growth and profitability of each of its companies.

With this project, Nors intends to strengthen its business model by creating a solid foundation for assertively addressing the challenges and opportunities of the current and future context.

NORS

PEOPLE

The formulation of a human resources strategy aligned with the corporate strategy and tailored to the requirements of each business - establishing priorities, objectives and actions, as well as the indicators and the metrics for assessing them - is an important concern for Nors.

During 2017, a set of corporate programs was promoted with the intent of improving the quality of available human resources information as well as their efficient alignment with the management.

On the other hand, the attraction, retention and development of employees was maintained, creating conditions for notable contributions, which correlates with the level of collective performance desired by Nors.

SOCIAL RESPONSIBILITY

Nors is an ethical and sustainable company, committed to an active role in the social ecosystem in which it is inserted.

Its role in the community takes on a number of forms, from the adoption of global norms of conduct, mandatory in all the countries in which it operates, to the respect for the legitimate interests of all its partners and to the sponsorship of programs of cultural patronage and social solidarity.

During 2017, Nors deepened its involvement with the Foundation and Museum of Serralves, maintaining, as well, the longstanding partnership relationships with the third sector institutions supported by the Group.

Tomaz Jervell
Chairman

Tomás Jervell
CEO

THE NORS BRAND

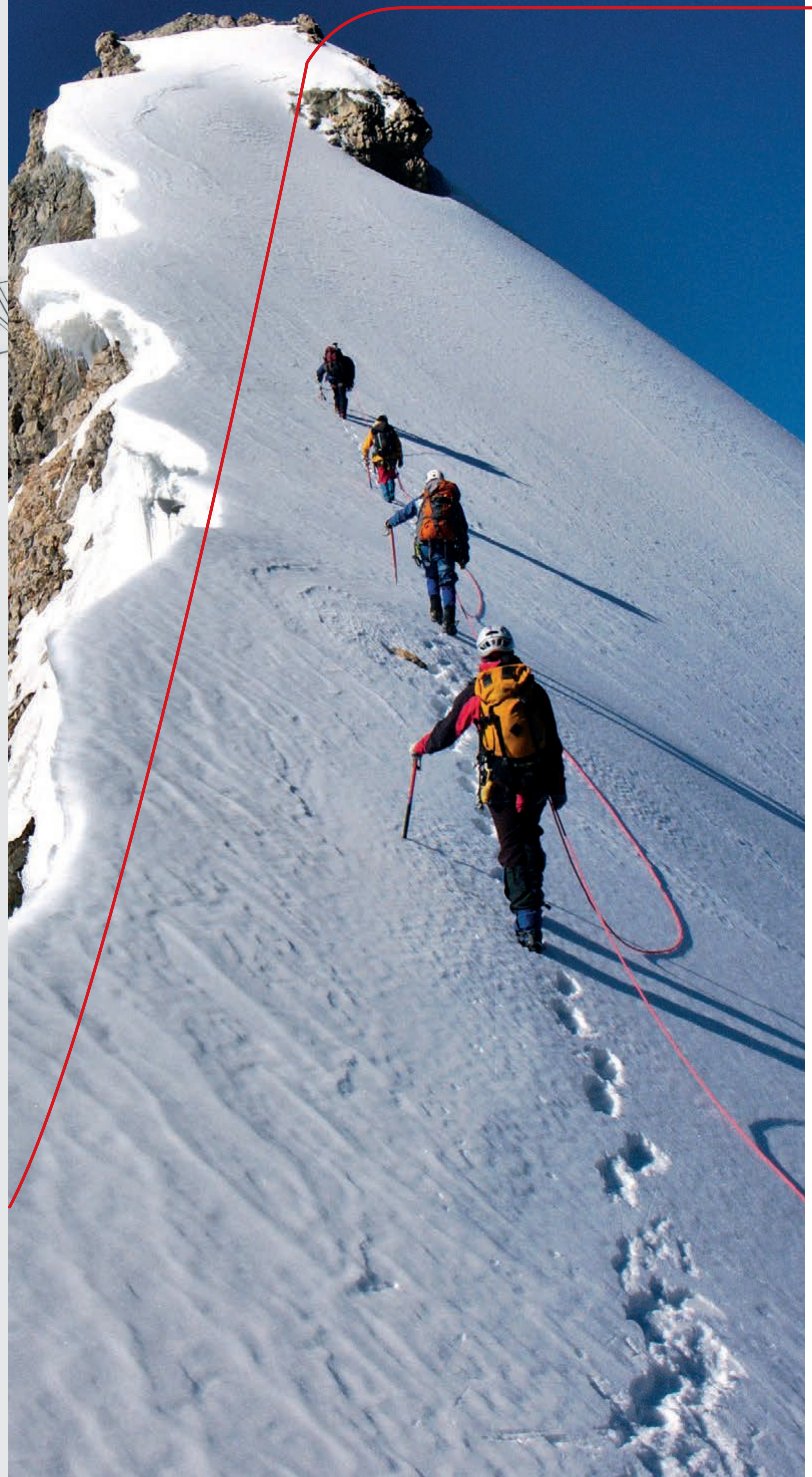
The Nors brand, which will celebrate its five-year anniversary in 2018, is affirmed as a safe value and common denominator to all the diversity that the Group incorporates: its various companies, the multiple business segments in which it operates, the 17 countries where the ever-growing number of brands of products, services and manufacturers it creates and represents, and its more than 3,600 professionals. This unifying power structures and shapes the identity of the Group.

The corporate brand significantly contributed to the recognition and expansion of the Group's reputation, projecting an image of size, dynamism and solidity.

No less important is the fact that the Nors brand - by its logo "We Know How" - has in itself another essential aspect: that of the people and the solutions and services they provide, a human dimension that adds value to the equipment and machines it markets. This is the deeply-held value of the organization, which is thus made tangible, notable and valued.

It is in the proposition of strengthening this value that the Nors brand remains committed, leveraging the added value created by its people, their wishes, knowledge and skills in support of the strength, collective performance and reputation of the Nors Group.

STRATEGIC APPROACH



FINANCIAL RATIOS IN 2017

The year of 2017 was very positive from an economic point of view, with the Group reporting a turnover of 619 million euros, 12% higher than the previous year and reversing the downward trend that began in 2015.

Global performance was nevertheless tempered by the difficult situation in Angola and Brazil, which is still in sharp contrast with the extremely positive performance of the domestic market.

In Angola, the situation continues to be marked by the difficulty of access to foreign exchange, which results in strong restrictions on payments abroad. This context extends to the Group's activity, again imposing a reduction of the market to historically low levels.

In Brazil, there has been a slight improvement in the economic environment throughout the year, which has shown some growth in activity compared to the previous year, but still far below the levels recorded in the recent past.

The overall sales growth reflected an increase in the resulting gross margin. In addition, and once again, it was possible to strengthen profitability with the recovery of impairments in relevant amounts.

This, together with the maintenance of a strict cost control policy (nominal growth is almost entirely explained by the exchange rate effect) and the increase in the contribution of the Ascendum Group (via equity method), led to a significant increase in the Group EBITDA, which amounted to 52.8 million euros versus 41.1 million euros in the previous year.

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CEO

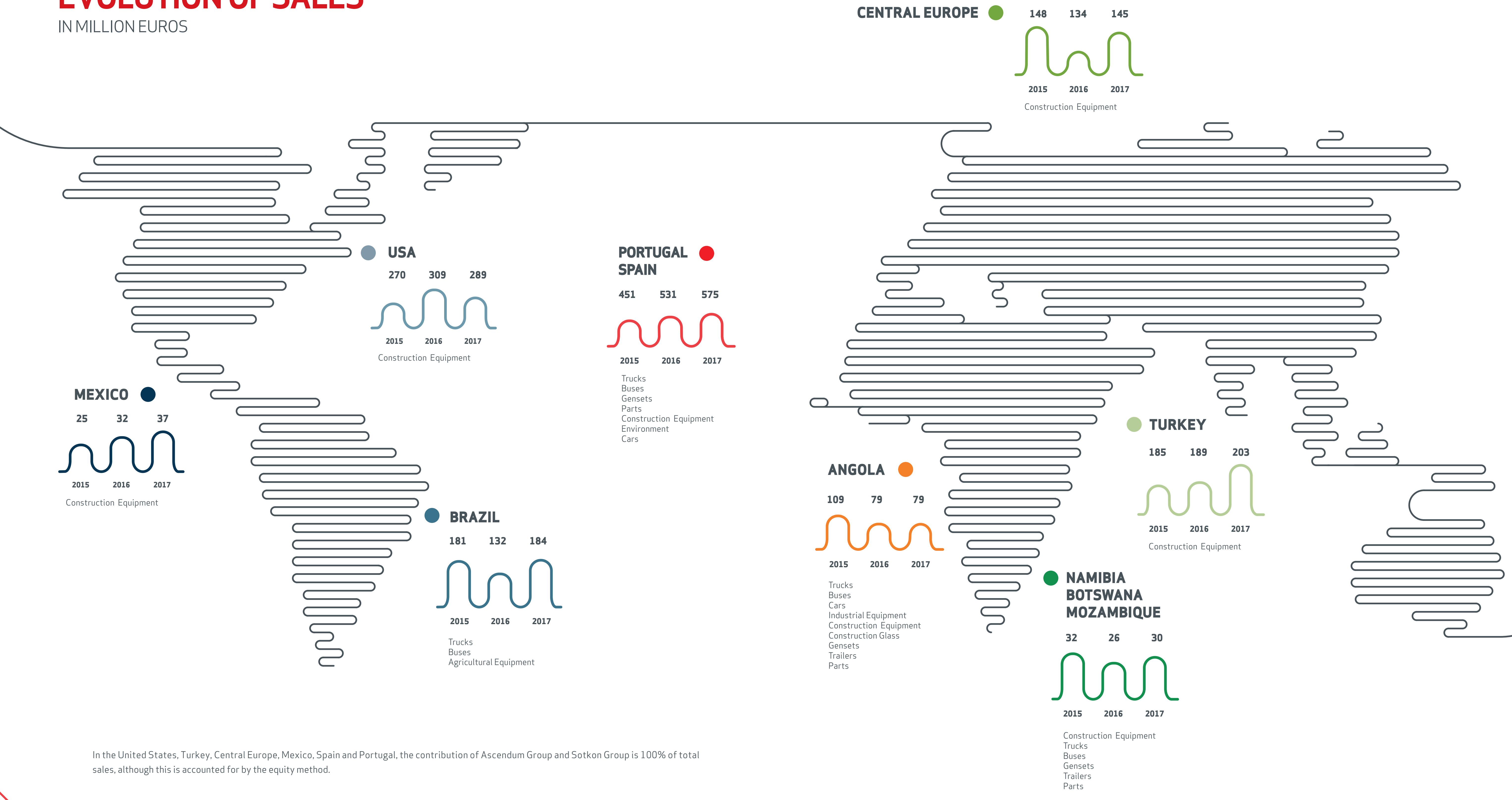
WE MOVE TO MOVE OTHERS

We got used to always being on the move, because that is the nature of our products. And because it's the best way to maintain a relationship with our customers.

We don't know how to keep still.

EVOLUTION OF SALES

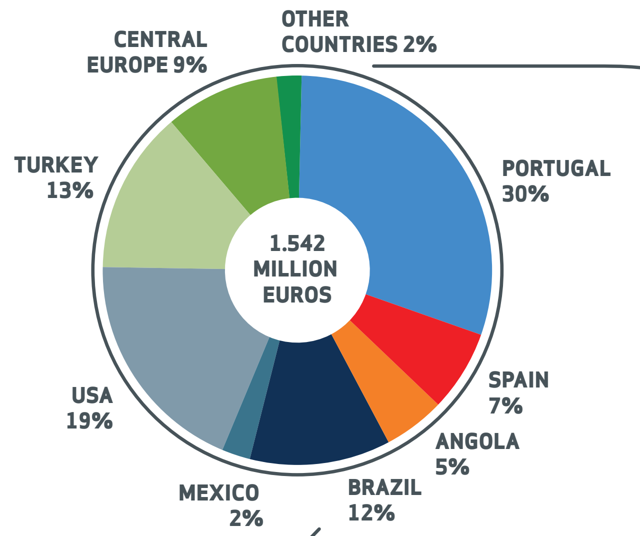
IN MILLION EUROS



In the United States, Turkey, Central Europe, Mexico, Spain and Portugal, the contribution of Ascendum Group and Sotkon Group is 100% of total sales, although this is accounted for by the equity method.

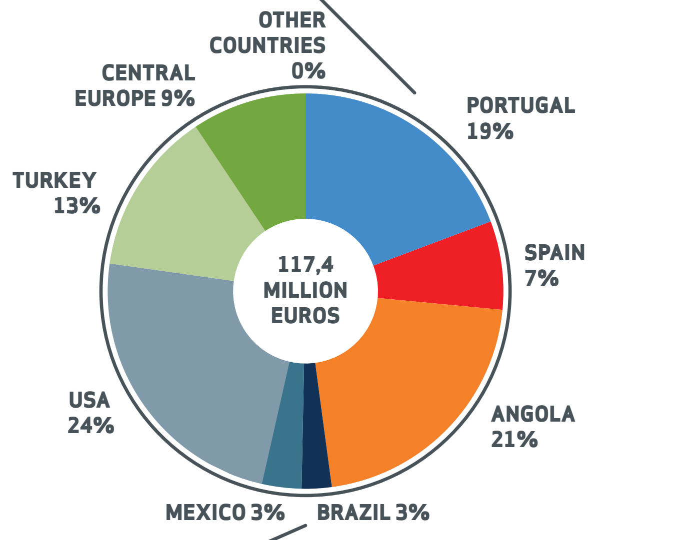
SALES BY COUNTRY

WITH JOINT VENTURES AT 100%



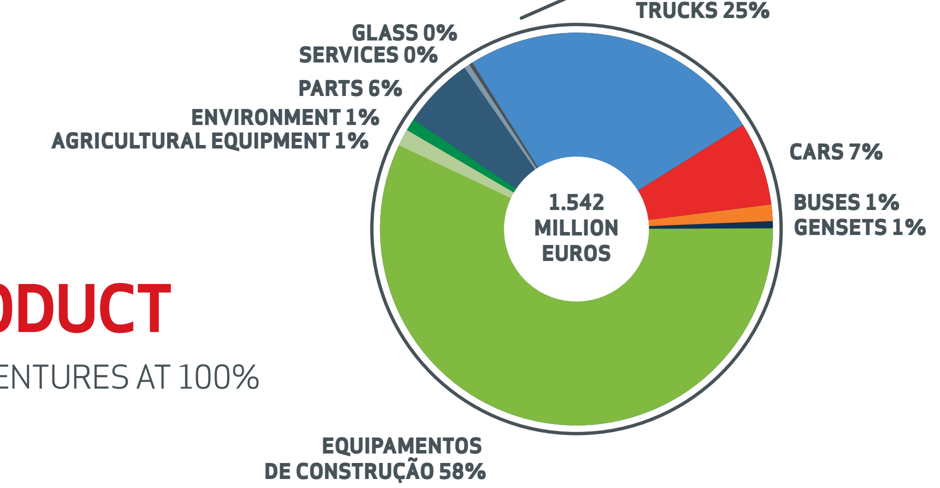
EBITDA BY COUNTRY

WITH JOINT VENTURES AT 100%



SALES BY PRODUCT

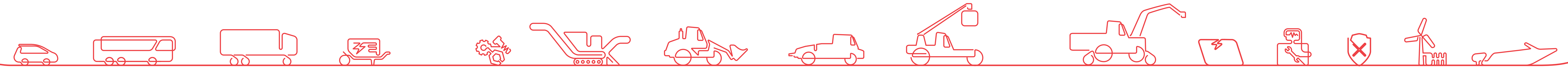
WITH JOINT VENTURES AT 100%



MAIN INDICATORS

Thousands of euros	2017	2016
Aggregated Values		
Turnover[1]	1 541 811	1 430 149
EBITDA	117 432	111 586
Number of employees	3 637	3 749
Consolidated Values		
Turnover[2]	618 895	550 462
EBITDA	52 776	41 109
EBT	27 917	20 183
Number of employees	2 170	2 204
Recurring net income, with non-controlling interests	17 064	11 706
Total assets	530 670	594 508
Equity, with non-controlling interests	178 679	191 181
Net debt[3]	117 463	160 051
Financial autonomy[4]	34%	32%
Net Debt-to-equity[5]	0,66	0,84
Net Debt[3] / EBITDA	2,2	3,9
EBITDA Margin %	8,5%	7,5%
WCN in sales days[6]	19	26
ROI[7]	14,4%	8,9%
ROE[8]	11,1%	6,0%

[1] Sales + provision of services to the same company, aggregating 100% of joint ventures.
[2] Sales + provision of services to the same company, consolidated.
[3] Financing obtained – cash and bank deposits – and ready-for-sale investments
[4] Equity with non-controlled interests / Net asset
[5] Net debt (net borrowing – ready-for-sale investments) / Equity with non-controlled assets
[6] The ratio between balances of [Clients, Inventories, Other receivables, State, Stockholders, Suppliers and Other outstanding balances] / Turnover multiplied by 365 days.
[7] Ebit / Invested capital [Total Equity + obtained funding – cash and cash equivalents- and ready-for-sale investments]
[8] Net income from the parent company's ongoing operations / Equity minus Net Income and non-controlled interests.



Note: in 2017 the presentation of the Group's Profit and Loss Statement was altered, making the Foreign Exchange Differences bellow EBIT. This has an impact on the presentation of the Group's consolidated EBITDA and the Financial Activity Result (previous Financial Result).

STRATEGIC APPROACH

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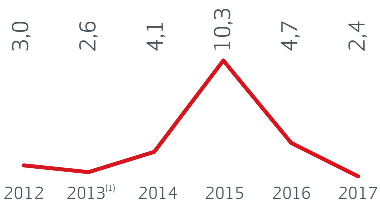
The aforementioned result incorporates a net capital gain of 300 thousands euros in the sale of non-core subsidiaries, with the purpose of concentrating on the main activity and reducing the Group's debt. During the fiscal year, part of the operations on the African continent (including operations in Kenya, Tanzania and Uganda) were sold, as well as the operations of Inspection Centers (MasterTest) and a stake in Banco BPI. The Group also sold some real estate assets, without significant impact in terms of capital gains or losses. These disposals, totaling 30.2 million euros, contributed significantly to the debt reduction from 160.1 million euros in 2016 to 117.5 million euros in 2017.

As a result, the Net Debt / EBITDA ratio also improved sharply to 2.4, which represents the most positive figure in recent years.

NET DEBT / EBITDA 2012 - 2017

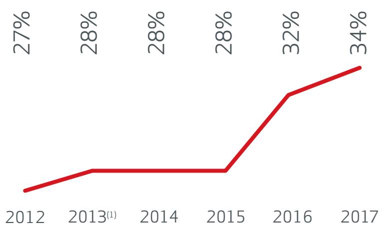


(1) The joint ventures now consolidated using the equity method, whilst up to 2012 they were entered using the proportional method.

Net Profit also rose sharply - from 11.7 million euros in 2016 to 17.1 million euros in 2017 - benefiting not only from the increase in EBITDA but also from a significant reduction in interest rates - of 15 million euros in 2016 to 11 million euros in 2017. This reduction in the financial invoice is also a reflection of a decrease in average debt and a more efficient management of the debt portfolio in the different geographical areas. For this purpose, the Group elected to invest more capital in Brazil's operations, taking into account the high cost differential of debt in that country and in Portugal.

The positive effect of Net Results on shareholders' equity was, however, canceled out by the exchange rate devaluation (real, dollar and Turkish lira). As a result, equity declined from 191 million euros to 179 million euros. Nevertheless, it was possible to improve financial autonomy - from 32% to 34% - due to the decrease in net assets.

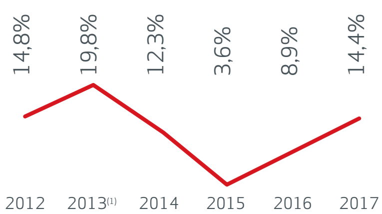
FINANCIAL AUTONOMY 2012 - 2017



(1) The joint ventures now consolidated using the equity method, whilst up to 2012 they were entered using the proportional method.

Lastly, profitability ratios improved, with ROI and ROE increased from 9% to 14% and from 6% to 11%, respectively.

ROI 2012 - 2017



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OBJECTIVES AND FINANCIAL STRATEGY

A management focused on the adjusted control of the cost structure, the continuous reduction of debt and the concentration in core activity will continue to be the dominant theme in 2018.

To this end, the Group will continue to promote the disposal of non-core assets, namely real estate assets that are not related to its operations. At the same time, an even closer scrutiny will be given to capital employed in working capital, applying more sophisticated and more ambitious science-based methodologies.

Current information on the Angolan market does not allow us to expect a normalization of activity in the short term. As for Brazil, it is permissible for the recovery that begun in 2017 to strengthen in 2018, allowing the Group to bolster its results and increase the diversification of contributions by geographical area.

The progress achieved in the balance sheet should enable the Group to remain alert to opportunities that open up a new cycle of growth.

STRATEGIC AGENDA

In 2015, the Group defined the Nors Strategy 2015-2020, which includes its vision and vocation of leadership, as well as Wanted Position 2020.

It is in this instrument of close and continuous monitoring of its business that Nors has defined its three Strategic Pillars of action - Profitability, Consolidation and Leadership - and where the respective strategic guidelines for this timeline are described.

During 2017, continuing the work begun in 2015, the Group was committed to ensuring the continuous monitoring, with periodic internal reporting, of the eight strategic guidelines it had proposed, as a way to implement the defined strategy.

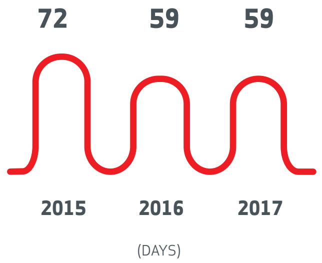
Nors Strategy, as well as the evolution of its compliance, are duly communicated to all Group employees, reinforcing the organization's involvement and commitment in its pursuit.

After 2017, which concluded the first of two cycles of the Nors 2015-2020 Strategy, the degree of execution of each of the strategic guidelines will be shared with stakeholders, always focusing on Wanted Position 2020, in order to assess in which phase the challenges are being addressed.

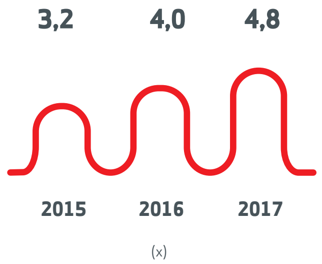
The percentage of implementation of each of the strategic guidelines provides a high degree of confidence that the Group will meet its target for 2020. In addition, each of the objectives set for the guidelines in question shows a very satisfactory performance; consultancy and travel expenses, for example, decreased by 67% and 43%, respectively, compared to 2014.

This also shows the evolution of some Group indicators that were positively impacted by the strategic definition process.[1]

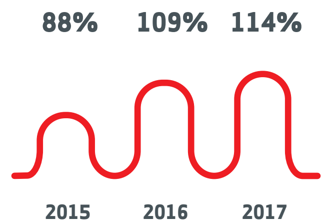
AVERAGE COLLECTION PERIOD



STOCK ROTATION RATE

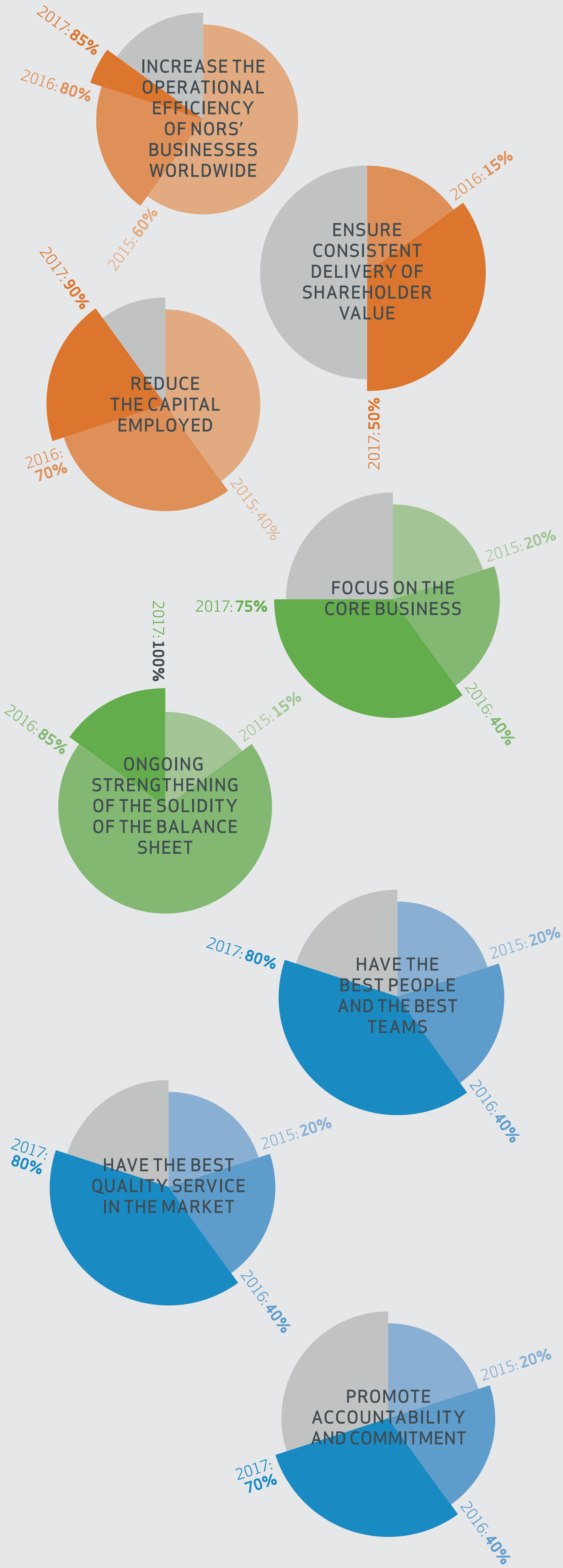


AFTER SALE ABSORPTION RATE



The Group is preparing the beginning of the second cycle of the 2015-2020 Strategy. It will now define which new pillars, guidelines and respective Strategic Objectives to consider in this period and which will be given greater focus, in order to comply with the "Wanted Position 2020" set at the beginning of 2015.

[1] **After Sale Absorption Rate** measures the coverage of indirect costs with the gross margin generated by the After Sales activity. It is calculated by dividing the after-sales gross margin by indirect costs, resulting in a percentage that should ideally be equal to or greater than 100%.



RISKS AND UNCERTAINTIES

INTRODUCTION

Due to its international presence, The Nors Group is subject to a series of risks, both endogenous (quality, human resources, financing) and exogenous (exchange variation, regulation, political instability, economic evolution).

CREDIT RISK

The exposure to risk of default, arising from the commercial and operational activity of the group companies, is managed by departments created specifically for this purpose. These departments apply established procedures and mechanisms for collecting financial and qualitative information that allow for a viable assessment of the ability of the Group's debtors to fulfill their obligations. Each department is responsible for the management of customer accounts and the respective billing.

FOREIGN EXCHANGE RATE RISK

When operating internationally, the Nors Group is exposed to the possibility of recording losses or gains resulting from variations in the exchange rate between the different currencies with which it operates. This risk affects results at the operational level (impact on results and cash flows) and that of capital invested in foreign subsidiaries.

The Group makes occasional use of the forward exchange rate to mitigate part of this risk, particularly in commercial transactions where the purchase and sale currency are not the same. For the management of foreign exchange risk on equity, the Group has insisted on natural hedging strategies.

INTEREST RATE RISK
The interest rate risk takes into consideration the possibility of fluctuations in the amount of the financial charges borne by the group for loans contracted in the countries in which it operates. With the future entry into various markets and different economic environments, the Nors Group obtains a portfolio of loans and investments less sensitive to the increase of the interest rate of certain countries.

In 2014, the Group contracted an interest rate swap to set the Euribor rate to one month. With this hedging instrument, exposure to this risk is thus partially mitigated.

OIL PRICE RISK
The variation in the price of oil affects the economy of some markets where the Group is present and therefore becomes an indicator of risk, namely in the Angolan market.

The significant influence of the oil sector on the Angolan economy creates a risk associated with the economic performance of that country, since it impacts all economic agents directly or indirectly: the State, companies and families. With the price of oil falling steeply in international markets, in a period of less than a year, the Angolan economy saw its tax revenues diminished, as well as the stock of foreign exchange, leading to a decrease in imports and local commerce.

LIQUIDITY RISK
Liquidity risk is defined as the risk of lack of ability to settle or meet obligations within defined time frames and at a reasonable price. The objectives of managing this risk at Nors are mainly three:

- Liquidity: to guarantee access to funds on a permanent, efficient and sufficient basis to cover current payments on the respective due dates, as well as possible requests, even if unscheduled, for funds within the timeframes set for this;

- Security: to minimize the probability of defaulting in the repayment of any application of funds;

- Financial efficiency: to ensure that the Group and the UN/EG maximize the value created and minimize the opportunity cost of holding excess liquidity in the short term.

In general, the responsibility for managing liquidity risk lies with the DAF of the Regions. However, in order to ensure the existence of liquidity in the Group and in the business units, working capital management parameters are defined to maximize the return obtained and minimize the associated opportunity costs in a safe and efficient manner. It should be noted that, in the Nors Group, all existing liquidity surpluses should be applied to the amortization of short-term debt, and the most pessimistic scenario for the maturity analysis of each of the passive financial instruments should be adopted as the basis, in order to minimize the risk associated with these obligations.

On 31 December 2017 and 2016, the Group had a net banking debt of 157.8 million euros and 181.895 million euros, respectively, divided between current and non-current loans (note 20) and cash on hand and bank deposits (note 16) across several banking institutions.

ORGANIZATIONAL STRUCTURE

Ascendum Group and SOTKON Group are joint ventures accounted for using the equity method.

NORS IBERIA
PORTUGAL, SPAIN

Trucks, Buses, Industrial Equipment and Parts

NORS ANGOLA
ANGOLA

Trucks, Buses, Cars, Industrial and Construction Equipment, Parts and Construction Glass

NORS BRAZIL
BRAZIL

Trucks, Buses and Agricultural Equipment

NORS AFRICA
NAMIBIA, BOTSWANA, MOZAMBIQUE

Trucks, Buses, Industrial and Construction Equipment

NORS VENTURES
PORTUGAL

Cars, Environment and Insurance

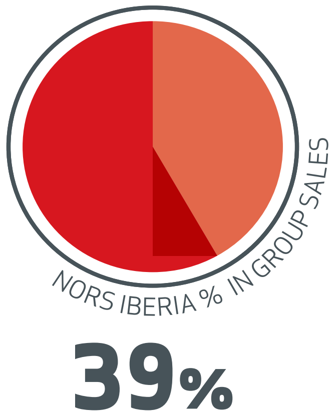
ASCENDUM
PORTUGAL, USA, MEXICO, TURKEY, SPAIN, CENTRAL EUROPE

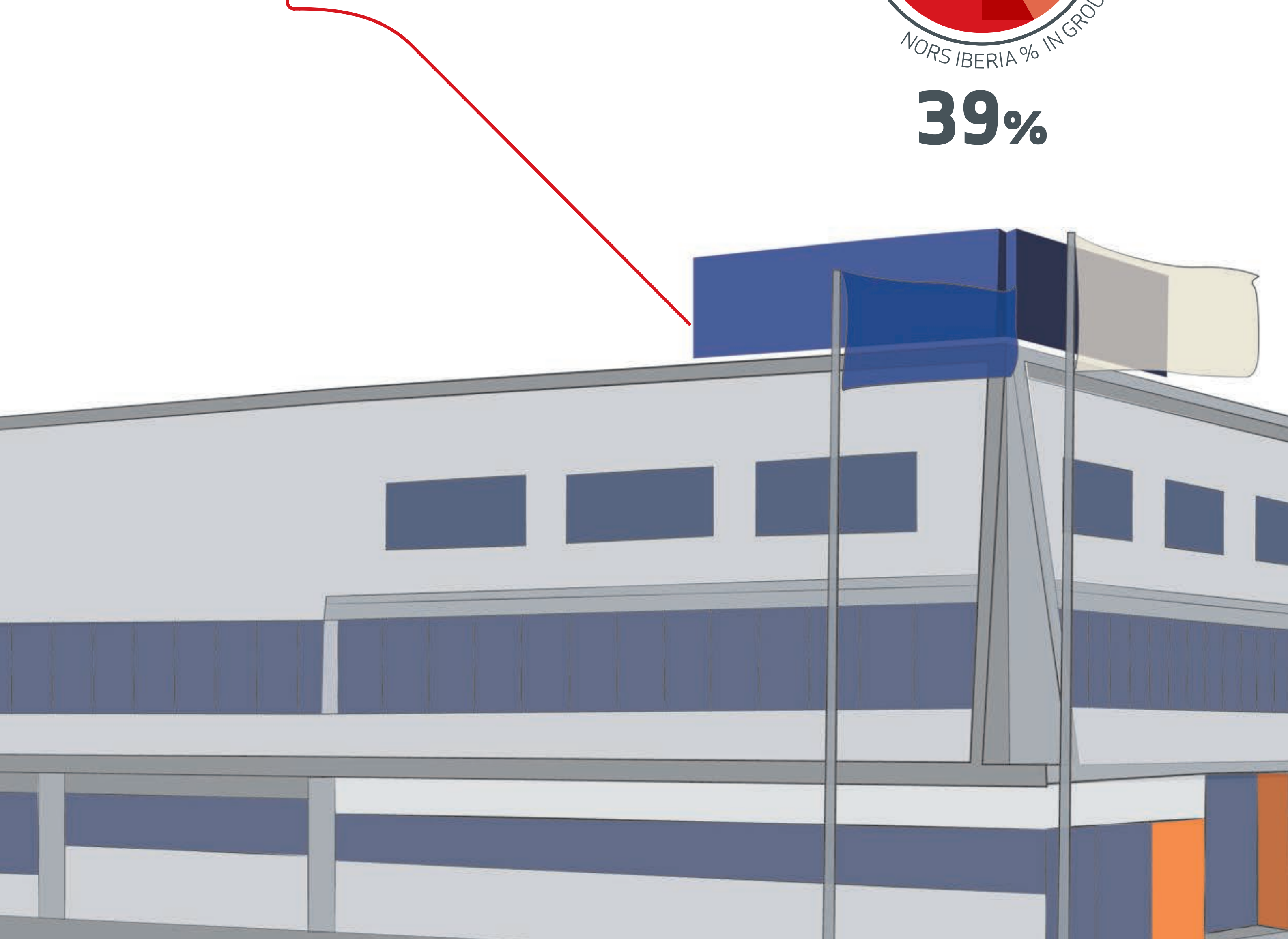
Industrial and Construction Equipment, Trucks, Cars, Agricultural Equipment, Equipment for Airports, Railways, Port Structures and Parts.

NORS IBERIA

PRODUCTS AND BRANDS MARKETED

- Volvo Trucks, Buses and Parts
- Renault Trucks and Parts
- Volvo and Renault After Sales services
- Volvo Penta Engines and Parts
- SDMO Gensets and Parts
- Aftermarket Parts for light vehicles
- Aftermarket Parts for heavy vehicles





OVERVIEW OF THE MARKET

PORTUGAL

The Portuguese economy registered a growth of 2.5% in 2017, which reflects the result of the consolidation process that has been taking place since the exit of the financial assistance program. This increase in economic activity has, as its main drivers, the increase of exports, household consumption and investment.

As for consumer price growth, it is estimated that, in 2017, inflation increased significantly to 1.6%, due to the slight acceleration of unit labor costs and the recovery of the import deflator. A further increase to 2.0% is expected for 2018, in line with what is expected for Eurozone countries. This increase will be justified by the strengthening of external demand directed to the Portuguese economy, by the increase in the marketable productive base for exports and import substitution, as well as by maintaining very low interest rates.

Concerning the labor market, conditions have improved since 2017, during which the unemployment rate reached 8.9%, with successive decreases expected over the next three years.

Although at a progressively lower pace than that achieved in 2017, it is estimated that the growth of the economic activity will continue to reach 2.0% in 2018. Based on the current projections, Portugal's GDP in 2020 is expected to be 4% greater than what it was before the global financial crisis and in line with the growth prospects for the Eurozone countries.

Source:
Fundo Monetário Internacional
Banco de Portugal - Boletim Económico dezembro 2017
Banco BPI - Mercados Financeiros dezembro 2017

SPAIN

In 2017, Spain maintained the level of growth registered in the previous year, which results from a confluence of opposing effects contributing to this final result. On the one hand, this economy saw its export markets strengthened, allowing for a good performance of the trade balance, on the other hand, it had to deal with the adversities related to the political situation of Catalonia. The latter has had damaging effects on domestic demand as well as on tourism-related activities.

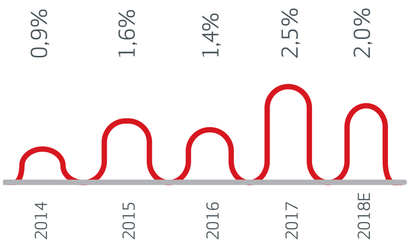
By 2018, it is projected that the economy will register a smaller growth of 2.5%, partly explained by a climate of political uncertainty reminiscent of the situation in Catalonia.

In an economy with historically high unemployment rates, the labor market situation shows a trend of improvement with the indicator declining from 19.6% in 2016 to 17.2% in 2017. The outlook for 2018 confirms the continuation of this trend, with an estimated 15.5%.

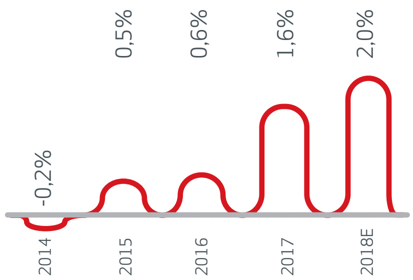
Price growth in the Spanish economy returns to positive values in 2017, ending the deflationary period beginning in 2014. Inflation has been set at 1.9%, with an estimated decrease in 2018 to 1.5%.

Source:
IMF - Global Economic Outlook October 2017
Banco de España - Boletín Económico dezembro 2017

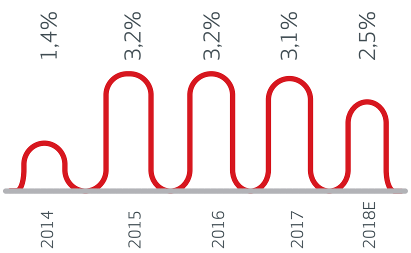
GDP GROWTH RATE IN PORTUGAL



INFLATION RATE IN PORTUGAL



GDP GROWTH RATE IN SPAIN



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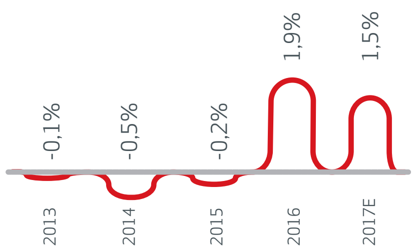


MARKET AND GROUP PERFORMANCE

In 2017, Nors Iberia recorded a consolidated turnover of 241 million euros, representing an increase of 6% when compared to the previous year. The commercial activity in the region has grown consecutively for six years, reporting 117 million euros more in sales in 2017 than in 2012.

In Portugal, the high-end truck market (>16T) grew 7% when compared to 2016, with 4,534 units registered (4,222 in 2016). The total truck market (> 10T) also grew 8% over the previous year, with a total of 4,754 units. The bus market grew 7% when compared to 2016, with 230 registered units (215 in 2016).

Taking into account the total activity of Nors in the truck market in Portugal (Volvo Trucks and Renault Trucks), 1,825 heavy vehicles (trucks and buses, new and used) were delivered in 2017. This total allowed Nors in 2017 to have an aggregate market share of new trucks (Volvo and Renault Trucks) of 28.9% in the segment above 16T and 28.6% in the segment above 10T.

Aftermarket activity in Nors Iberia (Civiparts Portugal, Civiparts Spain, AS Parts and ONEDRIVE) recorded a consolidated sales volume of 64.3 million euros (compared to 61 million euros in 2016), of which 53.6 million euros was made in the national market, again making Nors the largest player in this sector in Portugal for the third consecutive year.

Taking into account all business components managed by the Nors Group companies in Portugal (origin and Aftermarket), more than 95.6 million euros in sales was achieved (compared to 93 million euros in 2016).

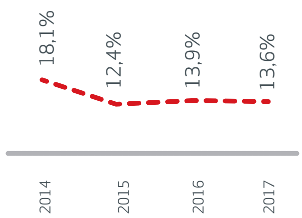
AUTO SUECO PORTUGAL

Auto Sueco reported a turnover of 110 million euros in 2017, representing a growth of 8% over 2016.

Volvo achieved a market share of 13.3% in the truck market above 10T, by selling 632 trucks; 616 in the high range (>16T), equivalent to a market share of 13,6% (13,9% in 2016), and 16 in the medium range (10-16T), with a share of 7.3% (5.3% in 2016). The sale of used trucks totalled 194 units delivered (182 units in 2016). In terms of sales volume, the commercial activity of trucks represented 65.5 million euros, an increase of 13% over 2016.

With regard to buses, Volvo secured a market share of 21.7% in 2017 (30,2% in 2016). The sales volume of commercial bus activity represented 6.3 million euros, a drop of 19% over the previous year.

EVOLUTION OF MARKET SHARE FOR VOLVO HEAVY-DUTY TRUCKS IN PORTUGAL



AutoSueco Galius

In After Sales, the activity in the dealers' own network registered a sales growth of 2% over 2016, with a total volume of 26.5 million euros. This was the second consecutive year of growth, despite the continuous reduction of 10-year rolling stock (a 6% decline in 2017 compared to 2016). This sales growth is also reflected in the rest of the Volvo Dealer Network, which denotes a strategic alignment of the entire network, based on the activity plan recommended annually by the importer. Volvo's Genuine Parts import activity registered a growth of 5% over 2016 in 2017, recovering from the drop that had occurred that year. The Volvo After Sales activity thus secured, in 2017, a performance improvement across the board. This was a critical factor in the sustainability of truck and bus distribution operations.

The import and retail activity of Kohler/SDMO generators and Volvo Penta marine engines for the Portuguese market in 2017 represented a total sales volume of 2.7 million euros (a 55% increase over 2016). The year of 2017 was a year of strong commercial performance, not only in the year itself, but also with excellent prospects for the medium and long term, based on the business portfolio generated for 2018.

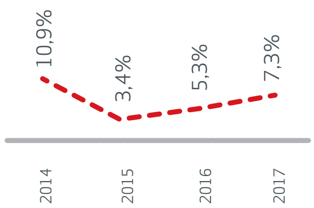
GALIUS

Galius, the importer and distributor of Renault Trucks and parts for the Portuguese market, achieved a turnover of 73 million euros, an increase of 18% compared to 2016.

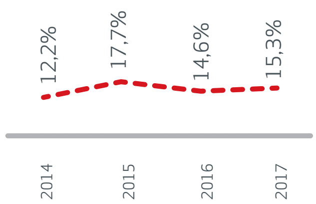
Renault Trucks achieved a market share of 15.3% in the heavy vehicle market in Portugal (> 10T), with 725 units, in a growth record compared to 2016, when it had a total of 626 units, equivalent to a market share of 14.2%. The performance achieved in 2017 represented a market share of 15.3% in the high range (≥16T), compared to 14.6% in 2016, and 14.1% in the mid-range (10-16T), compared to 5.8% in 2016. The turnover of commercial truck activity was 58.8 million euros.

In the After Sales activity, where Galius managed 3 dealerships since January 2017 (with the integration of the Santarém dealer, in addition to the existing ones in Vila do Conde and Castanheira do Ribatejo), the sales volume reached 9.5 million euros, representing a 9% increase over 2016 (with only 2 dealerships). The import of genuine Renault Trucks parts achieved a sales volume of 9 million euros, below the 9.2 million euros achieved in 2016.

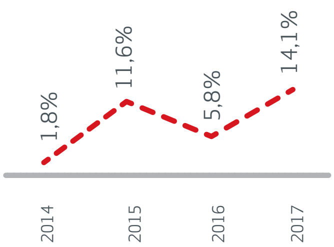
EVOLUTION OF MARKET SHARE FOR VOLVO MEDIUM-DUTY TRUCKS IN PORTUGAL



EVOLUTION OF MARKET SHARE FOR RENAULT HEAVY-DUTY TRUCKS IN PORTUGAL



EVOLUTION OF MARKET SHARE FOR RENAULT MEDIUM-DUTY TRUCKS IN PORTUGAL



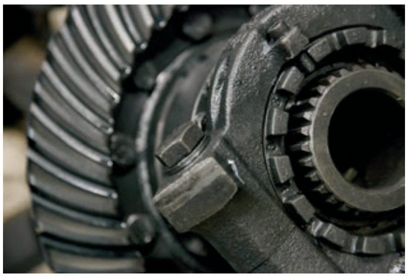
CIVIPARTS PORTUGAL AND CIVIPARTS ESPAÑA

The sales activity of aftermarket parts for heavy vehicles registered a sales volume of 34.5 million euros in 2017 (a growth of 2.4% over 2016).

The turnover in Portugal was 23.8 million euros, representing a 6% decrease compared to the previous year, a penalty that resulted from the continuous reduction in sales to export customers, with an impact of more than 1 million euros. However, this was again offset by the increase in commercial profitability, which increased by 1.0% over 2016. In Spain, commercial activity stood at 10.7 million euros, representing a growth of 26% over the previous year, consolidated by the opening of two new stores (Murcia in January and Galicia in April). Civiparts Spain ended the year with a network of 6 stores nationwide (in Madrid, Barcelona, Valencia and Merida, in addition to the two new stores). This trend of geographic expansion of the company is part of a business development plan defined in 2016 and executed in 2017, with the opening of new stores and the strengthening of the workforce.

In Portugal, the year was marked by the definition and implementation of a reorganization plan, aimed at improving the company's operational efficiency and a more developed business strategy and approach. The full impact of the costs of this plan occurred during the 2017 fiscal year, but the prospect of recovery and gains is already evident in 2018.

In 2017, the Aftermarket Heavy Vehicles Business continued its strategy of reinforcing the network of Top Truck workshops. In Portugal, the Top Truck Workshop Network has a total of 18 workshops and, in Spain, the Civiparts Top Truck Workshop Network consisted of a total of 20 workshops.



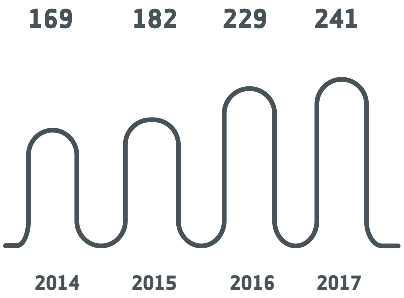
LIGHT VEHICLES AFTERMARKET

In consolidated terms, the aftermarket parts business for cars in the Portuguese market saw its economic position again reinforced in 2017. Aftermarket Cars achieved a sales volume of 29.8 million euros in the domestic market, which represented a growth of 10% over 2016. Wholesale activity (developed by AS Parts) had a sales growth of 11% compared to 2016, and the retail activity (developed by OneDrive) increased by 7% over the previous year. This growth was achieved with the increase of commercial profitability in wholesale activity (an increase of 0.4% over 2016) and retail (an increase of 0.6% compared to 2016).

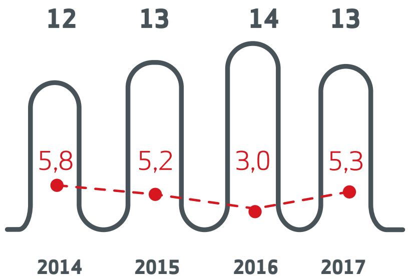
Aftermarket Cars will once again strengthen its position in the national market in 2017 through the business relationship strategy, based on partnerships distributed according to the commercial policy of the companies, with a special focus on the segment of Top Partners - benchmark partners of AS Parts - which reported a sales growth of more than 30% compared to 2016.

The Top Car Workshop Network continued to strengthen its presence in the domestic market, with a sales growth of 24% over 2016 and an increase in the number of workshops to 64 at the end of 2017 (58 in 2016).

NORS IBERIA SALES IN M EUROS



NORS IBERIA EBITDA IN M EUROS AND IN % SALES



The EBITDA of the Iberia Region corresponds to the contribution of operations, management structures and real estate activity directly related to the previous ones. It excludes the costs of the corporate structure of the Holding and contributions via Equity Method. For this reason and the new presentation of exchange rate differences below the EBIT, the historical values were changed accordingly.

MAIN IMPLEMENTED MANAGEMENT ACTIONS

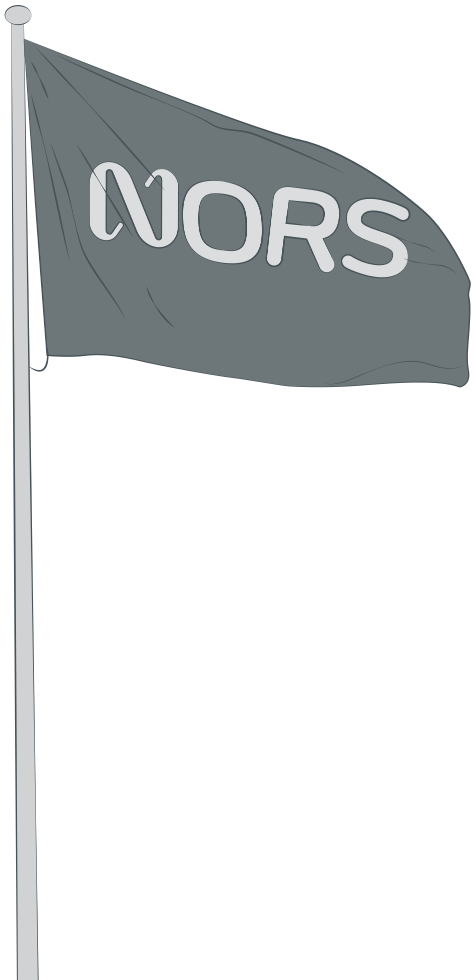
At Nors Iberia, 2017 was a year of consolidation of the management perimeter that resulted from the changes brought about in 2016. That is, it focused on the activity of Auto Sueco Portugal, Galius, Civiparts Portugal, Civiparts Spain, AS Parts and OneDrive.

In line with the strategy defined for the Iberian region, a Market Intelligence and Customer Experience division was created in 2017. This division devotes its activities to the support of companies and businesses, in the scope of market knowledge and customer relationship management. It aims to provide the Region and companies with a better domain of their target market, thereby ensuring improved market prospects, increased sales penetration and increased associated profitability. All this is based on a vision of long-term relationship with all customers.

At Volvo, 2017 was synonymous with stability both in terms of sales of trucks and buses and after-sales, resulting in a year of overall performance improvement in both volumes and profitability. In 2017, the Management of Used Trucks division was created, which, in line with the strategy defined for this product, will manage this offering independently, ensuring a total focus on it. Worthy of note, the business of Volvo Penta generators (Kohler/SDMO brand) and Volvo Penta marine engines recovered from less positive years, achieving encouraging performance levels in 2017 and with a relevant impact on Auto Sueco Portugal's total results.

At Renault Trucks, 2017 was a year of strengthening the retail position in After Sales, through the opening of Galius Santarém, part of Galius' own retail growth strategy. It was also a year marked by the reinforcement of the commercial truck sales team, thus increasing the installed commercial capacity, with the main objectives being to increase the company's customer base and the consequent increase in volume and market share.

At Aftermarket, the project "Otimização da Cadeia Logística do Aftermarket – OCLA" (the Aftermarket Logistics Chain Optimization project), launched in 2016, progressed into the design and integration phase of the Nors Group CORE transformation project. This development will ensure that OCLA is an integral part of the new IT management system for Aftermarket companies, starting in 2019. At Civiparts Portugal, a reorganization plan was developed to enhance operational efficiency and improve the company's commercial performance, through the implementation of Compass, the tool of segmentation and commercial policy of the company. In the Aftermarket Cars, the warehouse of AS Parts of Porto was expanded to double its capacity, growing to almost 6,000 m2 of storage area. This expansion was intended to increase the company's offering in collision repair, ensuring that AS Parts becomes one of the major national players for this segment. The Nors Group's own brand offering, the ALEA brand, continued to grow, with a sales growth of 21% over 2016, representing 3.1% of Aftermarket parts sales in Iberia. In 2017, a decisive step was taken in the consolidation of the new Electronic Identification and Purchase Portal for Nors Group Aftermarket, through its implementation as a unique consultation and work tool for all Aftermarket companies in Iberia.



PROSPECTS FOR 2018

In 2018, the Group is expected to achieve the same positive results reached in 2017 in the Iberian economies, so that it will continue to strengthen its position in the markets of the Region. It will be the first year in which the Region will benefit from the work developed by the Market Intelligence and Customer Experience division, created in 2017, and its consequent integration in supporting the improvement of the commercial performance of the companies.

Auto Sueco Portugal will consolidate its new model of management of used trucks and focus its management on the continuous recovery of its position in the market of new trucks. It will also introduce new offerings in the After Sales business, reinforcing the ability to stand out amongst its competitors. In 2018, Galius will invest in improving its performance in truck sales by strengthening the organizational structure, with the appointment of a fully dedicated Commercial Director. It will continue the improvement of commercial performance in After Sales, as well as the growth of its retail network, through the incorporation of another unit by the end of the year. In the Heavy Vehicles Aftermarket, the year will be dedicated to a full commercial recovery, driven by the investments in restructuring made in Portugal and by the consolidation of investment in retail and HR in Spain. The Aftermarket Business will consolidate its reinforced offer in the collision repair service and will approach new market segments, focusing on smaller customers. The year 2018 will be marked in the Aftermarket of Iberia as the first phase of the aforementioned CORE Project.

EVOLUTION OF SALES BY PRODUCT (QUANTITY AND VALUE)*

QUANTITIES					VALUES IN K EUR			
2014	2015	2016	2017		2014	2015	2016	2017
785	1 074	1 559	1 778	TRUCKS	52 706	69 513	106 430	124 728
31	42	62	57	BUSES	2 917	4 379	7 825	6 310
502	236	123	157	SDMO GENSETS	10 233	5 915	2 065	3 325
6	11	12	18	PENTA	56	187	598	698

*Not all businesses in the region are included. All values and quantities are considered in accordance with the Group's revenue method.

NORS ANGOLA

OVERVIEW OF THE MARKET

In 2017, the Angolan economy was able to reverse the recession of the previous two years, reporting a growth of 1.5%. The partial recovery of oil prices contributed to this result. This does not mean that the country's oil production is progressing as planned by the government; it is considerably below this benchmark (1.63 million barrels per day produced versus the projected 1.76 million barrels per day).

The fiscal consolidation effort in the face of a new cyclical situation, which has led to a reduction of expenditure and investment, has allowed the public finances deficit to recover, with the current balance of -5.1% in 2016 and -4.8% in 2017. It is estimated to be -4.5% in 2018.

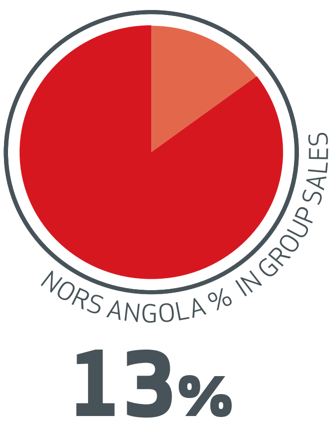
As for price growth in the economy, there was an inflation rate of 30.9% in 2017, a consequence of a restricted access to foreign exchange, resulting in a shortage of goods and services, although lower than in 2016.

An economic growth of 1.6% is forecast for 2018, slightly higher than the previous year, partly due to expectations of an increase in the price of oil in international markets. In this regard, the Angolan government has incorporated in its estimates an average value of 50 dollars per barrel, considered prudent compared to the current price, versus the 46 dollars per barrel that was estimated for 2017.

Source:
FMI World Economic Outlook October 2016
Banco BPI - Mercados Financeiros janeiro 2017

PRODUCTS AND BRANDS MARKETED

- Volvo Trucks, Buses, Cars and Parts
- Trailers
- Volvo Penta Engines and Parts
- SDMO Gensets and Parts
- Volvo, New Holland, SDLG and Grove Construction Equipment
- Aftermarket Parts for light vehicles
- Aftermarket Parts for heavy vehicles
- Construction Glass



MARKET AND GROUP PERFORMANCE

The automobile market (light and heavy vehicles) experienced a significant decrease in Angola in 2017. In light vehicles, the market registered 2,879 units sold, which represented a drop of 50.3% from the previous year. Regarding the heavy vehicle market, the reduction represented 53.39% (110 units sold).

In 2017, the market for machinery and construction equipment also declined compared to the previous year, with 35.5% fewer units sold (325 units in total). This decrease, largely due to the performance registered in the second half of the year, was marked by a drastic reduction in the activity of the main construction companies operating in the Angolan market.

The steep and continuous deterioration of the Angolan economy registered throughout 2017, once again very much associated to the drop of the oil price, led to the stagnation of the GDP, greatly impacting the whole performance of the automobile/ machinery sector.

The Volvo brand ended the year with 48 trucks sold, a negative deviation of 37% compared to 2016, but which nevertheless represents a strengthening of the market share, which increased from 32.2% in 2016 to 43.6%, as well as the sales leadership in the high-end segment.

In terms of Volvo cars, 7 units were sold, compared to 15 in 2016, shifting the market share to 0.24%.

The generator business also underperformed, with 67 units sold, a negative change of 35.6% over 2016.

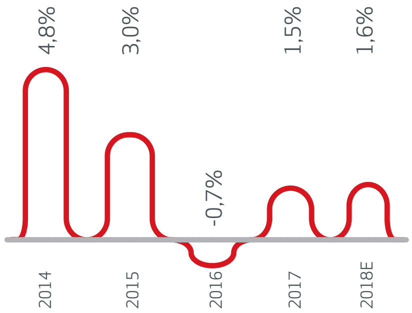
The business of construction machinery reported a total of 51 units sold, representing a market share of 15.9% (compared to 9.3% in the previous year).

After Sales Volvo, which includes light and heavy vehicles, experienced an increase in 2017. In this area of business, the total increase compared to 2016 was 16% in After Sales of light and heavy vehicles, with sales totalling 24.7 million euros, while in the After Sale of construction machinery, it was 23% compared to 2016, reaching 12.7 million euros in 2017.

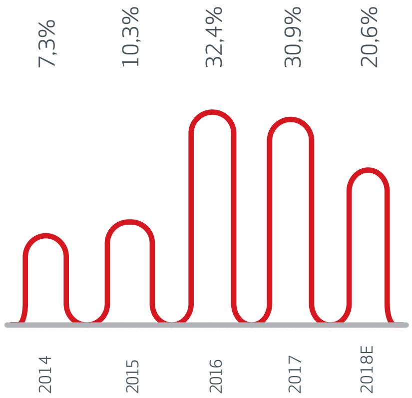
In the Aftermarket Heavy vehicles parts business, turnover increased by 5% over 2016, with sales of 9.2 million euros in Angola. This increase, in contrast to the macroeconomic and market environment of 2017, was mainly due to the expansion of the client portfolio.

In the Aftermarket Light Vehicles Parts business, sales volume decreased by 1% over 2016, reaching a total of 12.7 million euros. Price adjustments brought about by a scenario of greater competitiveness and the difficulty of the regular importation of components, derived from the macroeconomic situation, were the main factors that contributed to these results.

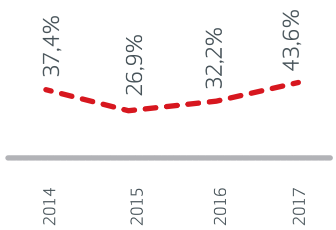
GDP GROWTH RATE IN ANGOLA



INFLATION RATE IN ANGOLA



EVOLUTION OF MARKET SHARE FOR TRUCKS IN ANGOLA

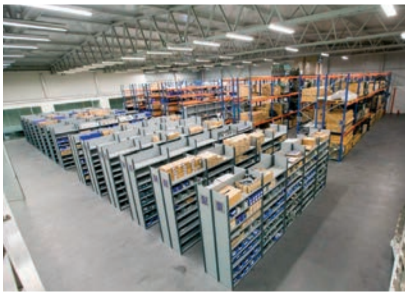


In the business of glass for construction and automotive equipment there was a decrease in sales volume of 21%, to 2.6 million. This result was due to the difficulty of the regular importation of the product, the difficulty of securing foreign exchange and the reduction of the activity of the construction sector, influenced by the country's macroeconomic status.

Overall, in 2017, the Nors Group reported a turnover of 79 million euros in Angola, in line with what it had accomplished in 2016.

MAIN IMPLEMENTED MANAGEMENT ACTIONS

The activity of the different companies in Angola in 2017 was highly conditioned by the well-known limitations of foreign exchange available that significantly influenced our capacity to import and replenish the different products that the Group commercializes in this country. Thus, the highest management priority was to ensure the re-routing of marketed products, with a view to maintaining the operational levels of the different companies, even under the current circumstances.



It should be noted that, despite the difficulties experienced throughout the year, Nors Angola was able to guarantee levels of importation – namely of parts - that ensured on a regular basis, throughout the year, a very satisfactory after sales service and sale of aftermarket parts and construction glass.

Also for trucks and construction equipment, the management priority was to ensure - despite the limited available stock at the start of the year compared to 2016 - an encouraging number of purchases, which allowed, in total terms, Nors Angola to close the year of 2017 with an overall sales result in line with the previous year and above target for that year.

This ability to ensure a satisfactory level of imports and sales coupled with management measures to recover customer and stock impairments, as well as efficiency measures and cost structures of companies, resulted in an EBITDA of 25 million euros in 2017, (+8% compared to the previous year and +46% compared to the target set for 2017), which was extremely positive.

It should also be noted that - despite the known and already mentioned difficulties in securing foreign exchange - in 2017 it was possible to distribute dividends from Auto Sueco Angola for the fiscal year of 2016, as well as to reduce the Group's exposure to this Region, which is a testament to the management's ability in this country, even in the face of an adverse economic and financial scenario.

PROSPECTS FOR 2018

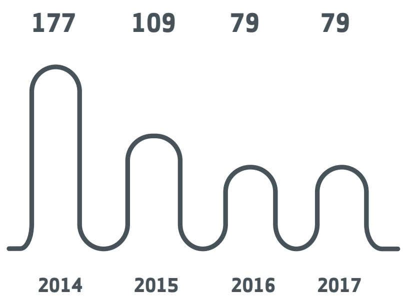
Taking into account the known fragility of the economic situation in Angola, as well as the beginning of a new political cycle in the country, after the presidential elections held at the end of August 2017, the year 2018 will certainly be marked by several decisions in the economic, financial, exchange and tax areas, which will influence the economic environment and the evolution of the markets where the different companies of the Group operate in Angola.

It is very likely that, in the beginning of 2018, there will be more challenges in Angola, due to a foreseeable devaluation of the local currency (kwanza), an increase in inflation and the prolonging of a scenario of foreign currency unavailability that will affect the performance of companies during this period.

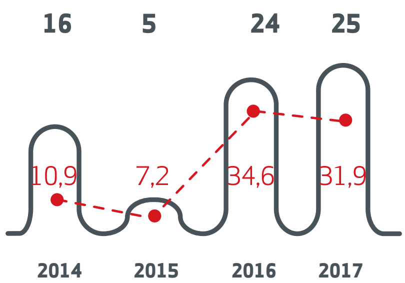
There is, however, the conviction that the measures that will be taken will allow for a gradual economic recovery to begin in Angola, the positive effects of which will begin to emerge during the second half of 2018.

The Group will maintain a full focus on monitoring the situation, a close relationship with its teams and a timely implementation of measures that will permit it to overcome the obstacles that may arise so as to reach in 2018, as in 2016 and 2017, a level of excellence in the current circumstances.

NORS ANGOLA SALES IN M EUROS



NORS ANGOLA EBITDA IN M EUROS AND IN % SALES



The EBITDA of the Angola Region corresponds to the contribution of operations, management structures and real estate activity directly related to the previous ones. It excludes the costs of the corporate structure of the Holding and contributions via Equity Method. For this reason and the new presentation of exchange rate differences below the EBIT, the historical values were changed accordingly.

EVOLUTION OF SALES BY PRODUCT (QUANTITY AND VALUE)*

QUANTITIES					VALUES IN K EUR			
2014	2015	2016	2017		2014	2015	2016	2017
455	140	71	50	TRUCKS	61 054	21 455	12 223	9 063
4	2	2	0	BUSES	861	492	588	0
141	113	15	7	CARS	8 833	9 276	1 061	574
192	99	31	19	TRAILERS	9 481	5 412	1 848	1 284
305	188	104	67	GENSETS	9 333	6 583	4 330	2 236
116	47	51	51	CONSTRUCTION EQUIP.	26 002	9 206	8 298	9 223

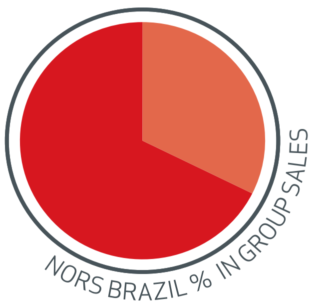
*Not all businesses in the region are included. All values and quantities are considered in accordance with the Group's revenue method.

NORS BRAZIL

PRODUCTS AND BRANDS MARKETED

- Volvo Trucks, Buses and Parts
- CASE Tractors, Harvesters and Parts
- Continental Tyres
- Complementary Products: Insurence, Financing and Consortiuns associated with the sale of vehicles

This unit has two Volvo truck and bus dealers - one in the State of São Paulo (Auto Sueco São Paulo) and another in Mato Grosso, Rondônia and Acre (Auto Sueco Centro Oeste) - as well as, since 2013, Agro New that acts as the dealer of the Case brand for the northern region of the State of São Paulo.



30%

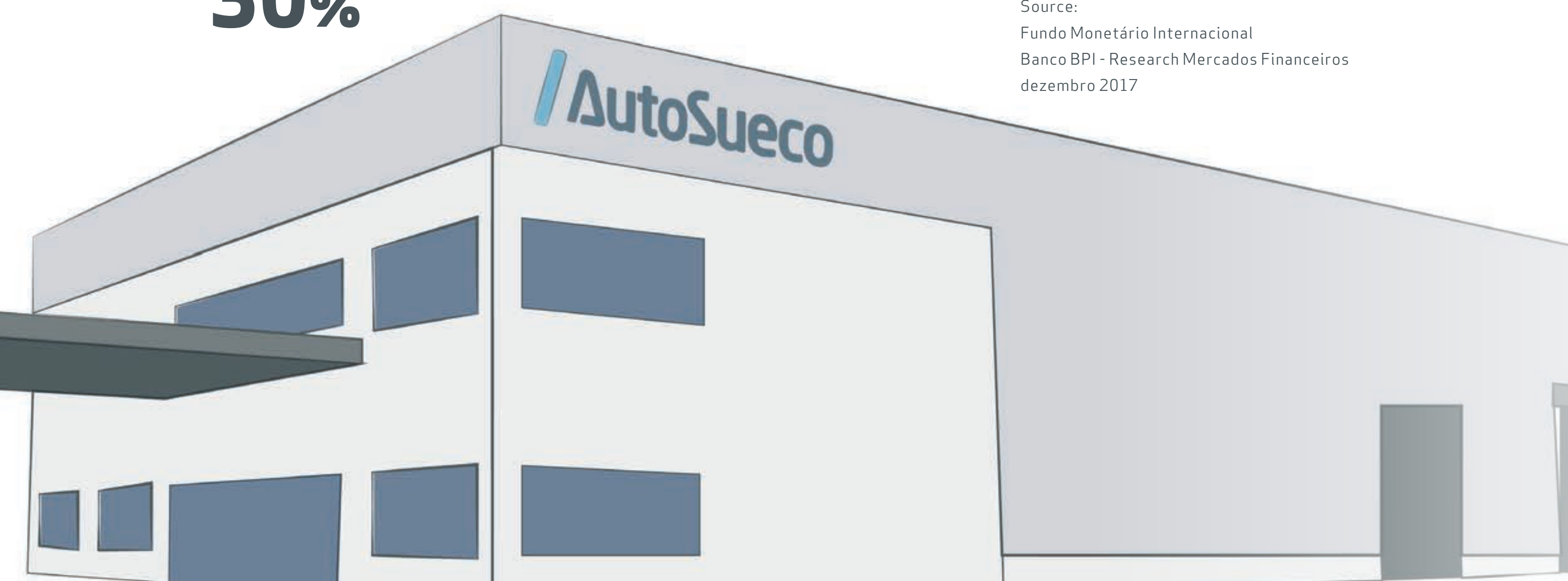
OVERVIEW OF THE MARKET

Estimates of growth for the Brazilian economy indicate an increase in economic activity of 0.7% in 2017, after two consecutive years of decline in the GDP. This inflection is a result of the recovery of the prices of some raw materials, a period of greater political and social stability, as well as the effects associated with the gradual and sustained reduction of the Selic rate. The successive revision movement of the benchmark interest rate, which has been in the recent past of a maximum of 10 years for a period of 15 months, provides a boost to the Brazilian economy as a way of encouraging private investment. This monetary policy trend is expected to be stronger than initially anticipated.

Inflation in 2017 showed a very significant decrease (from 8.7% to 3.7%), although the depreciation of the Brazilian currency during the year made imports more expensive. This evolution has a positive impact on household income, favoring consumption and, consequently, contributing positively to the economic activity of the country.

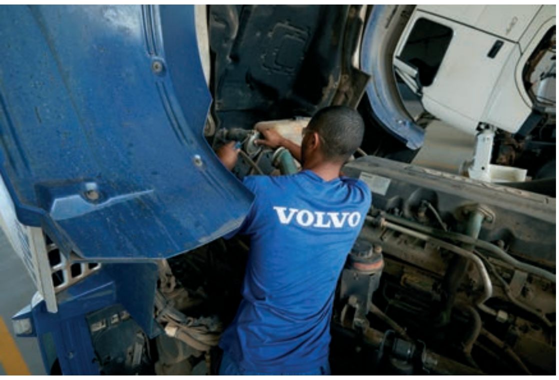
The year of 2018 is seen as more favorable than the previous year, benefiting from the consolidation of a more stable economic and political context, which is reflected in an expected business growth of 1.5% and levels of inflation below 4%. This level of inflation will have a positive impact on households' income with a consequent increase of consumption.

Source:
Fundo Monetário Internacional
Banco BPI - Research Mercados Financeiros
dezembro 2017



MARKET AND GROUP PERFORMANCE

In the year of 2017, the Brazilian market for new trucks above 16T, after 3 years of loss, grew 8.8% globally (-29% in 2016), with a 23.3% and a 6% regression in the MHDV segment (mid-high range).



In the region of Auto Sueco São Paulo (ASSP), the market grew by 13.6% and in the region of Auto Sueco Centro Oeste (ASCO) the increase was 32%.

The Brazilian market for heavy trucks (MHDV and HDV segments), which had fallen by 75% over the three-year period of 2014-2016 and represented a total volume of 29,664 units/year in 2016, went to 32,289 units/year in 2017, still a modest rise but it is an indication of the inflection of the market, which was desired.

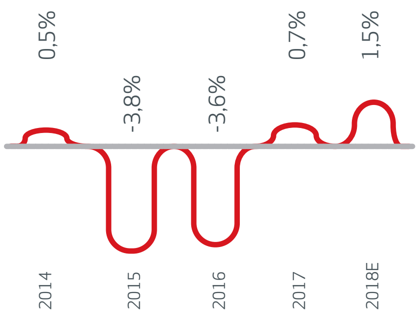
The improvement in the economic situation, the reduction of interest rates and the imperative need for couriers to renew the fleet, after almost three years without any replacement, contributed to this result.

In the case of agricultural machines, the tractor market reported a slight increase of 3% (it had dropped by 25% in 2015 and 13% in 2016), and that of the harvesters contracted by 20% (it had fallen 19% in 2016 and 3% in 2015).

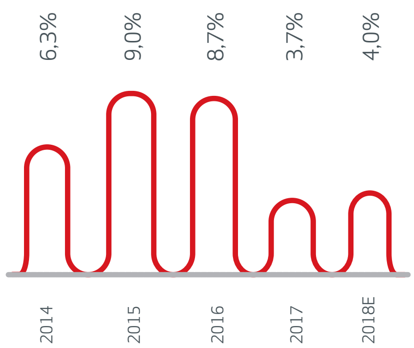
Thus, while the recovery in the truck market was higher than expected (a zero growth was expected), in the case of the agricultural machinery market, the year was disappointing, given the growth prospect of 10% to 15%, the tractor market grew very little and the market for cane harvesters further shrunk by approximately 20%.

Regarding the operations of the Nors Group, Auto Sueco São Paulo commercialized, in 2017, 973 units, corresponding to 728 new trucks, 81 new buses and 164 used trucks. The overall market share was 16.9% (16.6% in 2016) with a share of 3% in the MHDV segment (7.6% in 2016) and 25% in the HDV segment (24.9% in 2016).

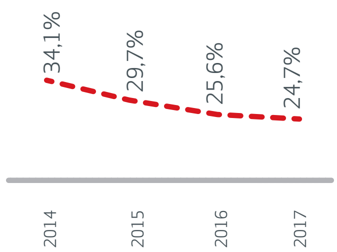
GDP GROWTH RATE IN BRAZIL



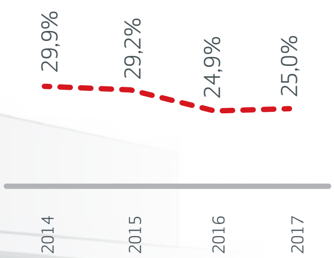
INFLATION RATE IN BRAZIL



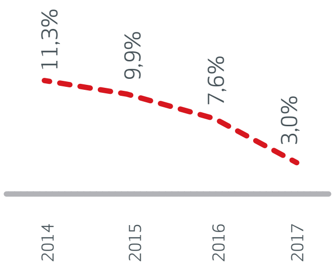
EVOLUTION OF MARKET SHARE FOR HEAVY-DUTY TRUCKS IN CENTRO OESTE



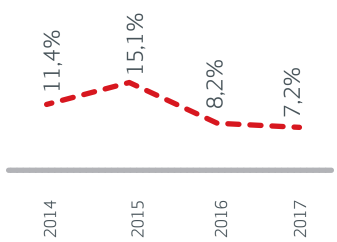
EVOLUTION OF MARKET SHARE FOR HEAVY-DUTY TRUCKS IN SÃO PAULO



EVOLUTION OF MARKET SHARE FOR MEDIUM-DUTY TRUCKS IN SÃO PAULO



EVOLUTION OF MARKET SHARE FOR MEDIUM-DUTY TRUCKS IN CENTRO OESTE



At Auto Sueco Centro Oeste, 412 units were sold, including 338 new trucks, 2 new buses and 72 used trucks. The overall market share was 20.2% (18.9% in 2016) with a 7.2% share in the MHDV segment (8.2% in 2016) and a 24.7% share in the HDV segment (25.6% in 2016), which made it the local market leader for the fourth consecutive year.

Given the market situation, the focus of the Management teams was directed to the supply of products for the commercial area, trying to benefit as much as possible from the return of demand, and also to the increase of turnover in the After Sales activity, focusing on the segment of vehicles older than four years.

The result was very encouraging, with global market shares rising in both companies and with an after-sales turnover also rising by around 7%, which means that the two Nors Group dealerships were the ones which sold most in the After Sales business of the entire Volvo network in Brazil.

A major effort was also made to retain the after-sales gross margins, which, together with similar work done on operational costs, improved the absorption rate at ASSP and maintained its level in ASCO, a company which had already achieved an excellent threshold (up to 120%) in this indicator.

As for Agro New's business, 49 harvesters (29 in 2016), 38 agricultural tractors (33 in 2016) and two different pieces of equipment were sold in a total of 89 equipment, compared to 101 in 2016.

This was an excellent result for harvesters (70% growth) in a market which, as stated before, fell by around 20%, along with a good performance by tractors, where the market grew by only 3%, although there is the conviction that it will be possible to secure an even greater market share in this last segment.

In After Sales, there was a considerable decrease in demand, as a result of the modernization of the harvester fleet that began three years ago, which resulted not only in increasing the productivity of this equipment but also in the consequent reduction of the fleet and its service needs.

Regarding turnover, the Brazil Region had a consolidated sales volume of 180 million euros (excluding direct sales) in 2017, an increase of 42% over 2016 (a 23% increase if the exchange rate is not considered).

MAIN IMPLEMENTED MANAGEMENT ACTIONS

The continuation of the economic downturn in the markets in which Nors Brasil operates has led to the extension of the program to limit the workforce and fixed costs.

The workforce now consists of 621 employees, compared to 620 at the end of 2016, which confirms the commitment to restrict additional hiring, without being influenced by the fact that, in 2017, there was a quantitative and qualitative reinforcement of commercial teams.

In terms of operating costs in the Region, there was a reduction of nearly 5%. This reduction was due to efforts made to limit expenses (even with an inflation rate of 3.7%), as well as the absence of extraordinary circumstances that had been present in the previous fiscal year. Overall, operating costs were lower than in 2016 by 4.3 million reais.

The focus was also on reducing inventories; 2017 concluded with a vehicle stock level well below that of previous years. This improvement was well-evidenced by the evolution of the global stock rotation rate, which increased from 5.9 to 9.8.

Also noteworthy is the credit recovery effort, with the Brazil Region succeeding in improving its average receivables maturity period to 41 days (50 in 2016), while at the same time reducing outstanding balances of accounts receivable.

2017 was the third full year of activity of Norshare Brasil, a shared services structure of the Group, which also made adjustments, managed to reduce operating costs, and, as expected, completed the integration process of backoffice services of Agro New.

Also noteworthy is the increase in capital invested in the Region's companies, by sending funds from the parent company, which shows the Group's continued commitment to business development in Brazil.

This movement allowed the group to continue the adjustment of the financial activity, which began in 2016 and concluded in 2017, and resulted in the reduction of gross debt to approximately 35 million reais (88 at the end of 2016), making it more on par with the current level of the Region and allowing for a reduction of around 50% in financial charges.

As a result of all the efforts made and the improvement in market conditions, the operational EBITDA of the Region, which was close to zero in 2016, increased to 9.7 million reais in 2017.

PROSPECTS FOR 2018

For 2018, the gradual recovery of the truck market is expected to continue over the second half of 2017 and will be bolstered by an improvement in the Brazilian economy.

Growth forecasts point to a recovery in the global truck market, which could reach approximately 15%.

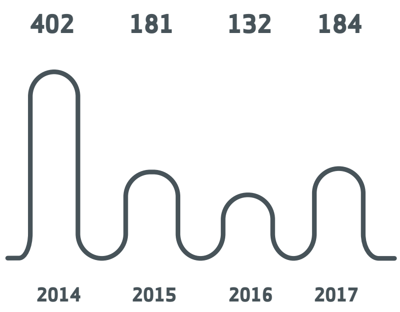
In the agricultural machines market, in terms of tractors, an increase in the market is expected, since, in 2017, it only increased by a modest 3% when an increase of around 15% was expected. Thus, it is possible for the market to grow by about 10%. In the segment of sugar cane harvesters, the increase in current machine productivity and the fleet refurbishment experienced over the last few years results in a very conservative growth perspective, which should be around zero.

On the basis of the above, an increase in the Region's turnover, approximately 10% to 12%, can be expected.

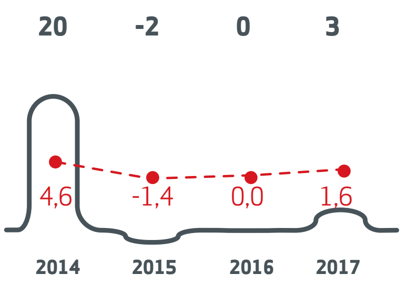
The focus of the Management will be again oriented towards: (1) the improvement of gross margins, especially in the area of sales; (2) the increase in After Sales business through a strong commitment to the segment of older and less seen vehicles in our workshops, and finally; (3) the rationalization of indirect costs, namely those related to the workforce and facilities.

There is great confidence that, with the current cost structure and the expected improvement in the market, particularly in the truck sector, the Brazil Region will possess the necessary conditions to improve its EBITDA, which is expected to reach 26 million reais and to achieve an EBT of 14 million reais, thus achieving a reversal of results reported during the difficult period of 2015-2017.

NORS BRAZIL SALES IN M EUROS



NORS BRAZIL EBITDA IN M EUROS AND IN % SALES



The EBITDA of the Brazil Region corresponds to the contribution of operations, management structures and real estate activity directly related to the previous ones. It excludes the costs of the corporate structure of the Holding and contributions via Equity Method. For this reason and the new presentation of exchange rate differences below the EBIT, the historical values were changed accordingly.

EVOLUTION OF SALES BY PRODUCT (QUANTITY AND VALUE)*

QUANTITIES					VALUES IN K EUR			
2014	2015	2016	2017		2014	2015	2016	2017
2 498	860	598	926	MEDIUM-DUTY TRUCKS	233 963	69 197	47 106	81 162
948	358	160	128	HEAVY-DUTY TRUCKS	53 533	17 547	8 217	7 775
300	402	263	236	USED	15 344	18 577	8 831	8 998
330	122	123	83	BUSES	19 236	6 626	4 766	4 492
100	117	89	89	AGRICULTURAL EQUIP.	12 287	14 910	10 779	14 454

*Not all businesses in the region are included. All values and quantities are considered in accordance with the Group's revenue method.

NORS AFRICA

OVERVIEW OF THE MARKET
NAMIBIA

Namibia's economy once again slowed down in 2017, tracing a recession in the country's economic activity to levels of stagnation (0.8%). This slowdown in the Namibian economy was mainly due to the performance of sectors such as construction, wholesale and retail trade, industry and the public sector. Thus, the marginal growth of GDP is mainly supported by the agricultural and mining sectors.

A slight rebound in GDP growth to 2.5% is forecast for 2018. This improved dynamics of the Namibian economy is based on the recovery of activities linked to trade and a better performance of the mining sector, namely in the extraction of uranium.

The level of consumer prices increased by 6% in 2017, an increase lower than that of the previous year. The inflation estimate for 2018 is again a slight reduction to 5.8%.

Source:
IMF - Global Economic Outlook October 2017
Bank of Namibia - Economic Outlook Update - December 2017

BOTSWANA

Botswana's GDP grew by 4.5% in 2017, thus bolstering the recovery that began in 2016.

The estimated inflation rate for 2017 is 3.7%, within the 3-6% target range set by the Central Bank, which is expected to repeat in 2018. The stabilization of the price level of the economy has been a result of the monetary policy of the Central Bank that, since 2015, has adopted expansionary measures to promote investment through the reduction of the management fee

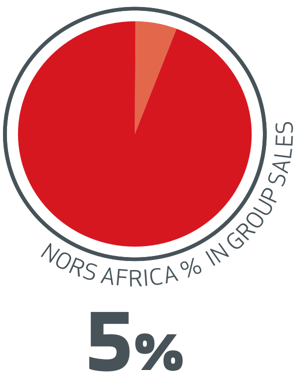
PRODUCTS AND BRANDS MARKETED

Namibia and Botswana

- Volvo Trucks, Buses and After Sales
- Renault Trucks and After Sales
- UD Trucks and After Sales (only Namibia)
- Volvo Penta Industrial Engines After Sales

Mozambique

- Volvo Trucks, Buses and After Sales



For 2018, GDP growth is expected to be around 4.8%, confirming the sustainability of the growth trend of this economy.

Source:
IMF - Global Economic Outlook October 2017

MOZAMBIQUE

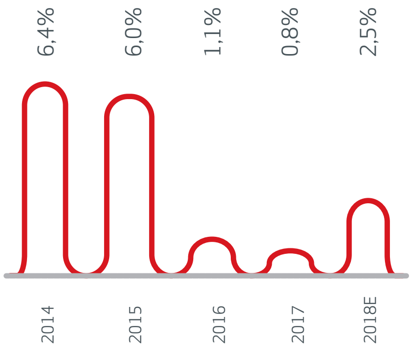
The Mozambican economy grew by 4.7% in 2017, thus beginning a cycle of recovery, after the slowdown in activity over the last two years. This was a result of the development of the primary sector, with a growth of 10% (the sub-activity of fishing experienced an increase of 22.8%), the mining industry grew by 19.4% and the tertiary sector grew by 3.2 %. In this economy the primary sector still contribute a significant share to the GDP (21,4%)

The next few years are expected to consolidate the growth cycle that began in 2017, largely based on the contribution of mining (coal and precious stones), which is expected to increase production. There is, however, a significant degree of uncertainty, of a political nature, since municipal elections are scheduled for October 2018 as well as presidential, legislative and regional elections in 2019. It is also expected that one of the major stimulators of economic growth will be the gas industry.

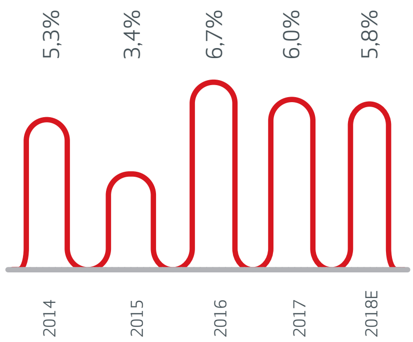
Mozambique's economy is estimated to have grown by 17.5% in 2017, well above the levels of price stabilization, but still demonstrating a corrective behaviour compared to the value reported in 2016 (19. 2%) and at the level that is expected for 2018 (10.5%).

Source:
IMF - Global Economic Outlook October 2017
Banco BPI - Mercados Financeiros dezembro 2017

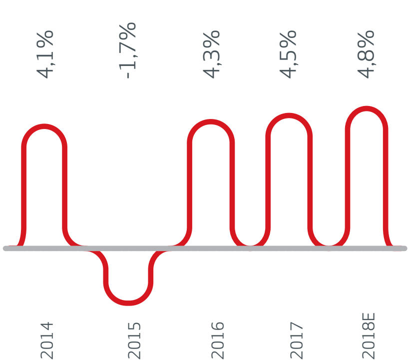
GDP GROWTH RATE IN NAMIBIA



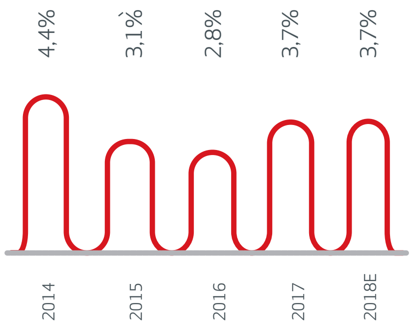
INFLATION RATE IN NAMIBIA



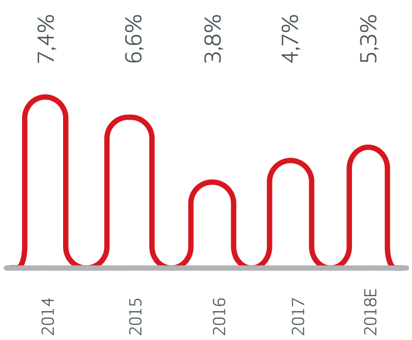
GDP GROWTH RATE IN BOTSWANA



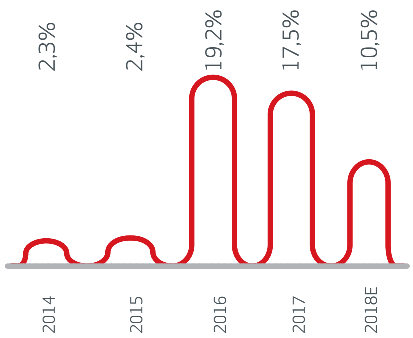
INFLATION RATE IN BOTSWANA



GDP GROWTH RATE IN MOZAMBIQUE



INFLATION RATE IN MOZAMBIQUE



AutoSueco

MARKET AND GROUP PERFORMANCE

In 2017, the markets in which Nors Africa manages the Volvo business presented different behaviors in the growth of the respective economies.

In Botswana, the heavy vehicles market increased by 25.5% (from 220 to 276 units), with Auto Sueco Botswana achieving a greater ratio of improvement in its performance, securing a market share of 13.4% versus the 7.7% attained in 2016.

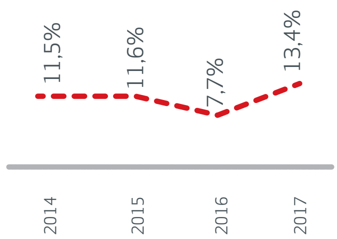
In Namibia, the high-end truck market decreased by 25.8% to 259 units, although Auto Sueco Namibia increased its share by 2.6 percentace points, securing a market share of 20.1% (17.5% in 2016 and 16.3% in 2015) in the sale of Volvo chasses. In 2017, Auto Sueco continued to market UD trucks in the high and mid range, where it achieved a market share of 1.2% and 21.8% (2.6% and 30.9% in 2016), respectively.

In Mozambique - where the third full year of activity was concluded - the truck market is estimated to have reached 134 units, with Auto Sueco Mozambique achieving a market share of 64.2%, making it a clear leader in high-end trucks.

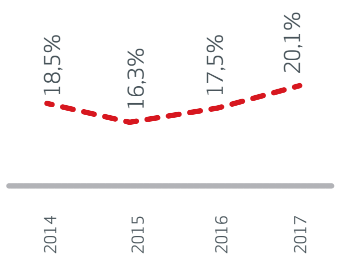
Nors Africa Region's turnover was 30 million euros in 2017, an increase of 15% over 2016.

As for EBITDA, Nors Africa reached 500 thousand euros, thus entering a period of positive profitability.

EVOLUTION OF MARKET SHARE FOR TRUCKS >16T IN BOTSWANA



EVOLUTION OF MARKET SHARE FOR TRUCKS >16T IN NAMIBIA



MAIN IMPLEMENTED MANAGEMENT ACTIONS

The year 2017 was strongly characterized, as in the previous year, by the sale of companies located in the East Region of Africa, namely Kenya, Tanzania and Uganda, which significantly affected their performance and, consequently, of the region. The sale of each of these companies was carried out over the course of the year, and the process was then definitively completed.

Beyond these events, 2017 was also marked by the re-structuring of Auto Sueco Namibia – so as to adjust the cost structure of the company to the current market size, considering the downturn in the market - and the beginning of a recovery process of the activity of Auto Sueco Mozambique, following the adverse macroeconomic environment of this market throughout 2016 and a considerable part of 2017.

In the case of the Auto Sueco Botswana, the Go Live of a new ERP was completed in January, as expected, which allowed this company, as Auto Sueco Mozambique had in 2016, to adopt the different administrative and financial routines of Nors, in pursuit of the stability that the Group has been developing in these areas in its companies in Africa.

Also noteworthy is the reinforcement carried out by the human resources team of Auto Sueco Mozambique, in order to adapt the structure of this company to the challenges anticipated for 2018, as a result of the improvement in the economic climate that is expected to occur in that country.

PROSPECTS FOR 2018

After the conclusion of the sale of the Companies in East Africa in 2018, the Group will concentrate its efforts and actions on the company Auto Sueco Botswana that remains in this region (Region of Africa) and those that will be developed in the future, namely Auto Sueco Botswana, Auto Sueco Mozambique and Auto Sueco Namibia, with the conviction that this focus will enable them to develop to become more sustainable and profitable.

Auto Sueco Namibia will Go Live in January with the new information system, completing a three-year process of equipping all Nors Africa companies with the same system until the start of 2018.

The implementation of this system will allow Auto Sueco Namibia to improve its levels of control and productivity indices, which, combined with the reinforcement of the commercial focus, will allow it to achieve very attractive levels of profitability.

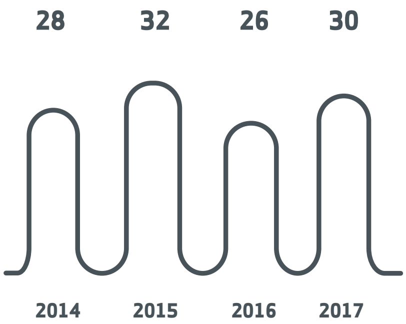
As for Auto Sueco Botswana, a gradual gain in market share, similar to 2017, and a significant increase in After Sales activity are expected, taking into account the increase in the number of vehicles in circulation, due to the recent positive commercial performance.

Regarding to Auto Sueco Mozambique, after strengthening the human resources team at the end of 2017, it plans to open a new After Sales facilities in Beira, which will surely project the company to other billing levels in this area and increase the flow of customers in this market.

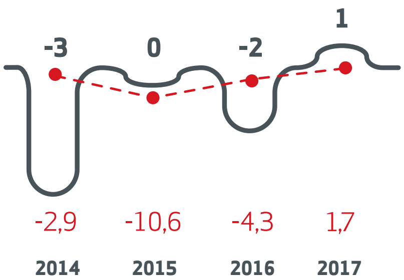
In 2018, there is a clear focus on increasing the efficiency of the Group's companies in these countries and in increasing its profitability, as a result of an increase in sales and after sales activity in Namibia, Botswana and Mozambique.

Lastly and worthy of note is the commitment to identify additional investment opportunities in these countries, in order to diversify the portfolio of products marketed by the Group's companies.

NORS AFRICA SALES IN M EUROS



NORS AFRICA EBITDA IN M EUROS AND IN % SALES



The EBITDA of the Africa Region corresponds to the contribution of operations, management structures and real estate activity directly related to the previous ones. It excludes the costs of the corporate structure of the Holding and contributions via Equity Method. For this reason and the new presentation of exchange rate differences below the EBIT, the historical values were changed accordingly.

EVOLUTION OF SALES BY PRODUCT (QUANTITY AND VALUE)*

QUANTITIES					VALUES IN K EUR			
2014	2015	2016	2017		2014	2015	2016	2017
170	187	274	278	TRUCKS	14 264	16 843	20 737	21 433
53	89	77	20	CONSTRUCTION EQUIP.	4 120	9 687	5 085	1 078
10	12	35	26	TRAILERS	158	250	635	863
3	13	3	0	OTHERS	366	649	35	0

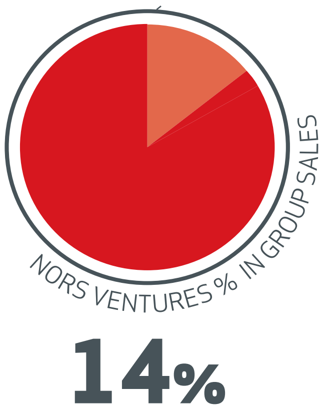
*Not all businesses in the region are included. All values and quantities are considered in accordance with the Group's revenue method.

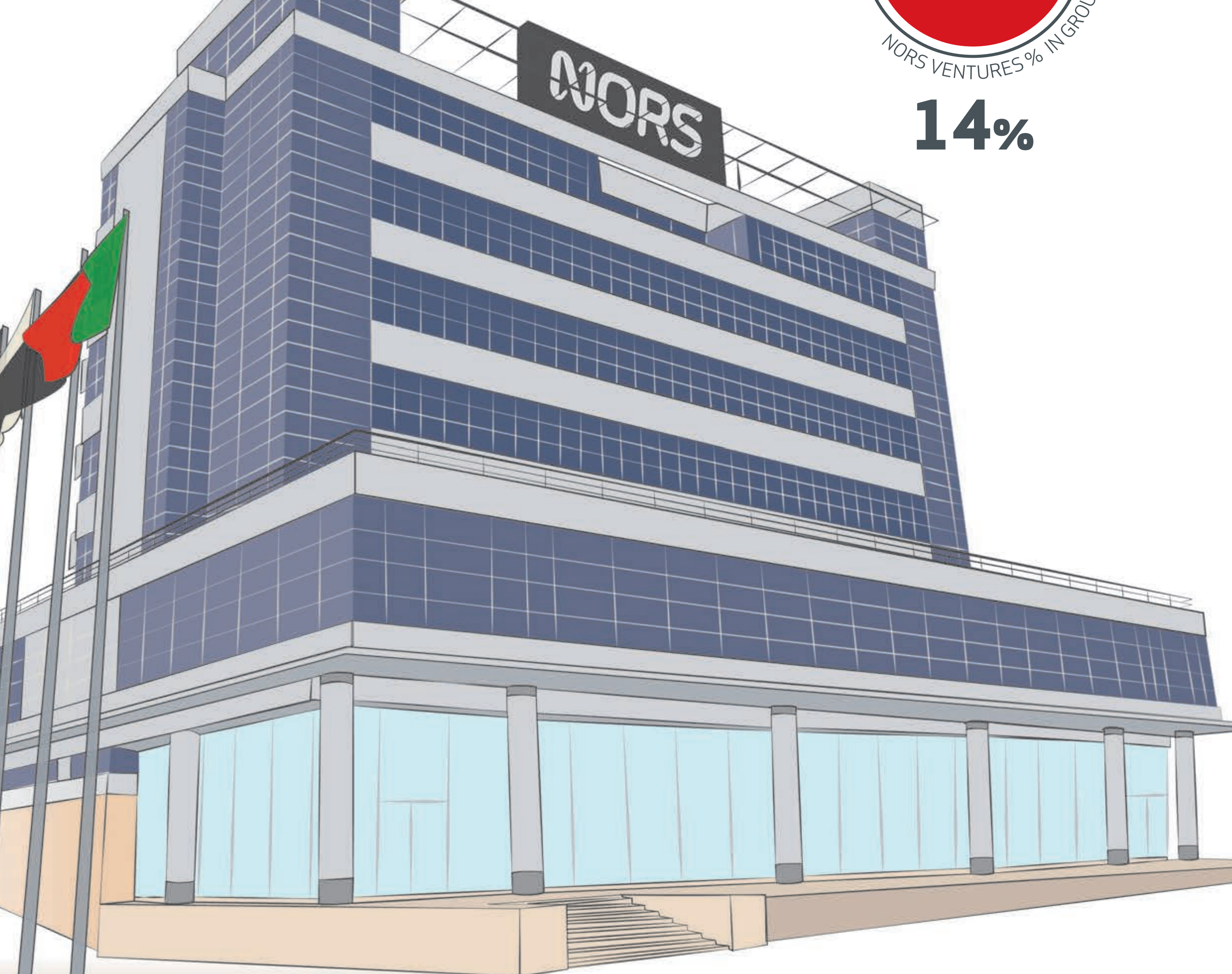
NORS VENTURES

Nors Ventures is a business unit which includes the assets held by the Group that requires a management or holding logic different from that employed in the other regions.

PRODUCTS AND BRANDS MARKETED

- Sale and After Sale of Volvo, Honda, Mazda, and Land Rover cars
- Tyre recycling industry and production of granulated rubber (Biosafe)
- Underground containers for refuse collection (SOTKON - ASFC Group)
- Insurance brokerage (Amplitude)





OVERVIEW OF THE MARKET

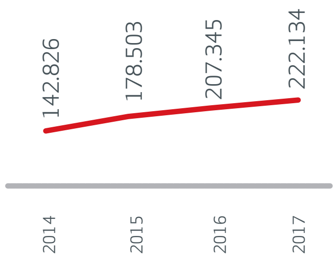
The above mentioned.

CAR BUSINESS

MARKET AND GROUP PERFORMANCE

At the end of 2017, the national car market encompassed 222,134 registered passengers light vehicles, a growth of 7% over 2016.

EVOLUTION OF THE CAR SALES IN PORTUGAL



Auto Sueco Automóveis registered 1,978 units in the four brands represented, being 6% below the figure from 2016 overall, and ending the year with a market share of 0.9%.

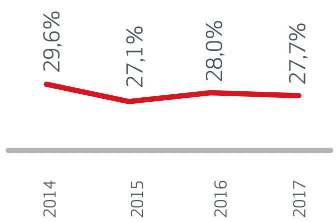
The commercial performance at Auto Sueco Automóveis, the result of different product strategies and product cycles in the brands sold, was exemplary in each brand in the year 2017.

Volvo accounted for about 65% of the company's total volume and ended the year growing by 7% compared to 2016, slightly above the brand's overall growth. Mazda registered a drop of 16% compared to 2016, essentially due to a complicated first quarter with a lack of available-for-sale products. Honda underwent a phase of import transition, which was reflected in the business and sales of the brand in Portugal, falling by 38% compared to 2016 and, finally, Land Rover concluded 2016 with a 13% loss, the result of a series of showroom renovations that lasted almost all of the second half of the year.

The After Sales activity of the company reported a 5% increase over 2016, with growth registered in all the locations where it operates.

Overall, considering the Commercial and After Sales activities, Auto Sueco Automóveis' total sales volume in 2017 was almost in line with that of 2016, with a value of 70.6 million euros.

EVOLUTION OF THE GROUP MARKET SHARE FOR THE VOLVO BRAND



MAIN IMPLEMENTED MANAGEMENT ACTIONS

In 2017, Auto Sueco Automóveis prioritized consolidating itself as a benchmark retail player in the automotive market, following the opportunities offered by the marketed brands, boosting Gaia's new facility and looking for new business opportunities.

In addition, it was considered a priority to seek an increase in After Sales activity as a result of an increase in the newest edition of the car fleet.

In the commercial area, we worked to achieve the correct alignment to take advantage of the opportunities arising from the product plans of the various brands.

In After Sales, the focus was Customer Satisfaction and the organization of the Workshops. Several internal projects were launched with these in mind, including a reorganization project completed in the main workshop in Porto, with a focus on the Volvo brand.

This project resulted in a considerable increase in activity - After Sales in Porto concluded 2017 with an increase of 10% - and simultaneously allowed for a considerable and sustained increase in Customer satisfaction in this location.

In addition, the Project to renovate the Queluz plant was launched in order to prepare it to receive another brand, Jaguar. The work inherent to this project took place during the second half of 2017, with the goal of inaugurating the facility in early 2018.

PROSPECTS FOR 2018

The forecasts for 2018 point to a stable auto market. At Auto Sueco Automóveis, the prospects are for growth, as a result of the product program of the commercialized brands and the increase in volume coming from the new locations and brands.

At the same time, the company's objective is to continue to grow in the After Sales area, either in the workshops, seeking to maximize the volume and productivity of the teams, or in the area of components, seeking to increase the turnover related to external sales. These objectives were chosen, knowing that we will again face a slight decrease in the global car fleet of the represented brands.

In the definition of the main objectives for 2018, three priorities were identified that will form the basis for the strategic pillars of activity.

The first, in the After Sale area, looking for new ways to work and developing new projects in this area.

The second, in the business of used vehicles and in particular of the Remarketing programs of the commercialized brands.

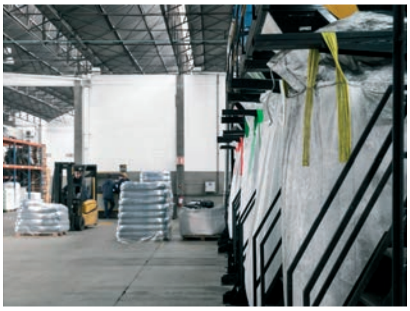
The third and last strategic pillar is Business Development. The objective is to prepare the company on all levels for the next years of activity, aligning how Auto Sueco Automóveis will organize itself with those that are and will be the main trends in the automotive sector and, consequently, the main opportunities to explore.

TIRE RECYCLING, CRUMB RUBBER PRODUCTION AND PRODUCTION OF NEW PRODUCTS DERIVED FROM RECYCLED RUBBER BUSINESS

MARKET AND GROUP PERFORMANCE

In 2017, Biosafe relied, as usual, on its partner, Valorpneu, to obtain all the end-of-life tires it needed for its activities.

In 2017, it registered an 18% growth in sales volume compared to 2016, having exceeded 4 million euros. The processed products increased above average to 26% In spite of this increase, Biosafe still fell short of the desired market share.



The company has successfully pursued a management policy intended to control expenditure, with a result of consolidating revenues. During 2017, the company's export dynamics made its products available in 28 countries, sending 57% of its sales volume to several markets across five continents. In this period, the national market represented the largest volume of invoicing, exports, and most of it was destined for European countries.

MAIN IMPLEMENTED MANAGEMENT ACTIONS

The strategy and entry into new markets has allowed the increase in the number of countries where Biosafe is present, from 20 to 33. The number of active customers has also been increased.

The exploitation of all the installed lines was maintained, effecting an increase of the production and the productivity of each. The crushing, granulating and packaging lines responded to production needs, and the secondary milling line is now the bottleneck of the plant. The dying line has been redesigned and is already active. The casting and extrusion lines have not yet reached the desired load balance.

The SAP computerized management system was also maintained, with significant results in terms of information processing.

Quality certification was also successfully completed in accordance with ISO 9001: 2015.

In order to find new applications for the rubber granulate, Biosafe continued to cooperate with other industrial companies and entities of the Portuguese scientific system.

PROSPECTS FOR 2018

The planned route will be maintained in 2018, with the company focused on geographic expansion, especially on existing processed products and developing new solutions. The study of the processes to improve the overall production, the individual output of the (productive) lines and the factory in general will also be continued. It is now an objective to maintain the quality certification and the preparation of the Environment certification.

BUSINESS OF UNDERGROUND CONTAINERS FOR WASTE DEPOSIT

MARKET AND GROUP PERFORMANCE

In 2017, the Sotkon Group registered a growth in its turnover for the fourth consecutive year, reaching 10 million euros, which represents an increase of about 8% over the previous year.

This performance contributed to the strong growth registered in Portugal, due to the increase in public investment in this sector, boosted by the municipal elections held in October, which allowed Sotkon Portugal to experience one of its best years ever. In the remaining markets, the Group consolidated its business volume, especially in the French and Turkish markets, and was able to continue to develop a new project in Angola, as well as to enjoy the maturity of its distribution network, with a special focus on the markets of Israel, Croatia, Greece and the United Kingdom. On the negative side, the Spanish market continued to perform below expectations, largely limited by the absence of new, relevant investments, although the result for the year is in line with that of the previous year.

MAIN IMPLEMENTED MANAGEMENT ACTIONS

The management activities of the Sotkon Group continued in 2017, based on three strategic pillars: in the development and profitability of the markets where it has a direct presence, in the growth of its distribution network and in the sustained management of its resources, in order to continue consolidating Sotkon as one of the world's leading players in underground container solutions. In 2017, the Group continued to invest in business initiatives that would enable not only greater market penetration in today's markets, but also increase its international presence, including the distribution network. A number of direct marketing actions were carried out, with a broader international spectrum compared to previous years, and a continuous investment in the improvement of the media of the brand and portfolio of branded products, an example being the start of updating of its website - whose completion is scheduled for 2018 - and the implementation of other regular communication tools. Regarding Products and Services, the Research & Development (R & D) department developed a new semi-underground container solution, which enabled the Group to enter into a new segment of products, as well as new Innovative depositories with PAYT (Pay-as-you-throw) access control systems, which will allow the Group to develop a new business model based on the provision of recurring services.

PROSPECTS FOR 2018

Focusing on increasing its commercial network, coupled with a better quality of business support information, has allowed the Sotkon Group to sustainably increase its turnover. The year 2018 will be no exception. The Group started the year with a volume of orders worth approximately 8 million euros, 5.5 million euros in the Portuguese market and 1.7 million euros expected to be gained in 2019. In addition to the consolidated performance of the more mature markets as Portugal, France, Turkey and Israel, next year will be marked by the first sales in India, Ukraine and Lithuania, by the extension of the distribution network to countries like Malta and Tunisia, and by the investment to accelerate the development of the group's presence in the USA. All of these factors contribute positively towards the mounting expectations that 2018 will be another year of growth for Sotkon.

INSURANCE BROKERING BUSINESS

MARKET AND GROUP PERFORMANCE

In 2017, according to data up to the end of the third quarter, total direct insurance in Portugal decreased by 3.9% compared to the value recorded in 2016. Life insurance experienced a reduction of around 9.7%, and the Non-Life Segment registered an increase of about 5.4%, maintaining the growth trajectory identified in 2015. In the Non-Life Segment, growth was sustained in the Work Accidents and Health Branch, with values of approximately 10%.

In 2017, Amplitude Seguros Portugal reported a turnover of 760 thousand euros, continuing to occupy a relevant position in the insurance brokers segment. This result is mainly a consequence of the expansion of the premium portfolio of the domestic business, based on the acquisition of new customers and tariff adjustments occurred in the 2017 annuity, transversal to the Insurance market, namely in the Work Accidents Branch.

Revenues from international partnerships fell by 13% over the same period.

The company recorded a positive trend of overall revenues, with growth of approximately 8% compared to 2016. Total costs were reduced by around 7.5%.

Amplitude Seguros operations in Brazil were discontinued for strategic reasons.

As a result of increased revenues and cost savings, Amplitude reported a positive EBITDA in 2017, amounting to 278 thousand euros.

MAIN IMPLEMENTED MANAGEMENT ACTIONS

Amplitude's activity continued to be guided by total independence from the Insurance Companies and by the continuous analysis of the specific needs of each client, in order to constantly seek the best protection and security solutions offered by the insurance industry.

Administrative processes were developed, namely the installation of modules for the automatic integration of premium receipts and rendering of accounts, via web services, between the business management systems of the Insurance companies and the business support management system of Amplitude, with the objective of improving customer service and increase business productivity.

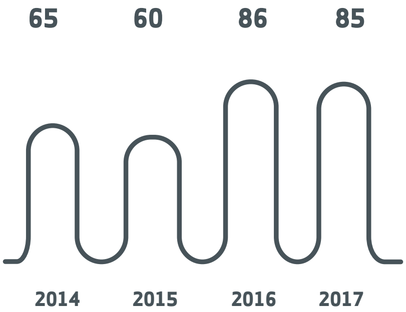
At the communication level, communication and marketing software was acquired to enhance the analysis of the customer database, with a view to boosting new business through upselling and cross-selling of products.

PROSPECTS FOR 2018

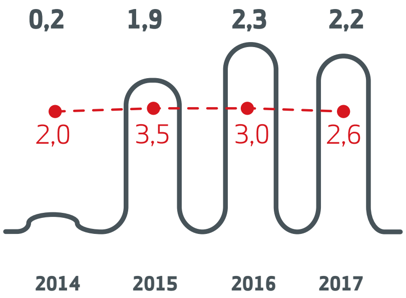
Amplitude Seguros maintains the objective of increasing its turnover and net income. The growth in revenues will have to be achieved through the growth of the new domestic business, supported by the strengthening of the Company's commercial structure, through the reinforcement of the internal commercial area and partnerships.

Amplitude will redouble its efforts on raising new business in the insurance market in general, assuming a total service position as an innovative broker and promoter of value-added proposals focused on the clients and oriented towards providing a superior service.

NORS VENTURES SALES IN M EUROS



NORS VENTURES EBITDA IN M EUROS AND IN % SALES



The EBITDA of the Ventures Region corresponds to the contribution of operations, management structures and real estate activity directly related to the previous ones. It excludes the costs of the corporate structure of the Holding and contributions via Equity Method. For this reason and the new presentation of exchange rate differences below the EBIT, the historical values were changed accordingly.

EVOLUTION OF SALES BY PRODUCT (QUANTITY AND VALUE)*

QUANTITIES					VALUES IN K EUR			
2014	2015	2016	2017		2014	2015	2016	2017
1 424	1 471	2 127	1 945	CARS	31 833	34 318	50 117	48 013
832	763	1 015	854	USED CARS	7 593	6 652	8 962	9 461

*Not all businesses in the region are included. All values and quantities are considered in accordance with the Group's revenue method.

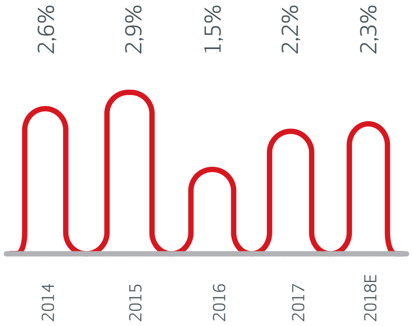
ASCENDUM

PRODUCTS AND BRANDS MARKETED

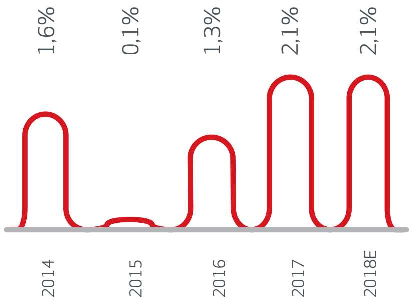
- Volvo and Mitsubishi Cars
- Volvo and Mitsubishi Fuso Trucks
- Construction Equipment by various brands
- Equipment for Airports, Railways, and Port structures

The Ascendum Group is owned 50% by Auto Sueco, Lda. and its main activity is the distribution and marketing of construction equipment and infrastructure equipment, as well as the provision of After Sales service for these products (95% of the revenue in 2017).

GDP GROWTH RATE IN USA



INFLATION RATE IN USA



OVERVIEW OF THE MARKET

The Ascendum Group operates in a variety of countries, including Portugal and Spain. The market overview of these two countries is mentioned in the chapter on Nors Iberia.

USA

The growth of the North American economy was 2.2% in 2017, recovering from the lower performance registered in the same period. This level of activity growth stems from the increase in investment in the energy sector, among others, which occurred in the second half of the year, associated with a lower trade deficit that is related to the decrease in consumption.

The labor market has benefited from a strong recovery, with the unemployment rate being very close to 4% (the lowest recorded in the last 15 years), in an environment of greater confidence in domestic and foreign demand.

It is estimated that, in 2018, the growth of the North American economy will be slightly higher than in the previous year, as a result of the fiscal reform to be implemented, where it is expected to reduce taxes for natural and legal persons. It is expected that the positive effect on consumption and investment will offset the impact of the expected rise in interest rates by the Federal Reserve. Thus, the estimate for the growth of prices in the economy follows a line of maintenance compared to that reported in 2017.

Source:
IMF - Global Economic Outlook October 2017
Banco BPI - Mercados Financeiros dezembro 2017

TURKEY

The Turkish economy recorded a growth of 5.1% in 2017, coupled with a climate of greater confidence of economic drivers, but it is expected to return to a growth of 3.5% in 2017.

This performance stems from a recovery in exports from the Turkish economy, as well as the adoption of a more expansionary fiscal policy.

The rate of inflation increased considerably compared to the price level observed in 2016, as a result of the policy of devaluation of the Turkish Lira, notwithstanding the positive effect achieved in terms of external trade. Price growth is expected to remain above the 5% target set by the Central Bank.

Source:
IMF - Global Economic Outlook October 2017

MEXICO

In Mexico, the year of 2017 was again one of a slowdown in GDP growth, with an expected fall of 0.2 percentage points to 2.1%. Despite this slowdown, the performance of the Mexican economy was better than initially expected, considering the challenges inherent in the renegotiation of NAFTA as well as the natural disasters that occurred. It is expected that, in 2018, the pace of growth of the Mexican economy will lower to 1.9%.

Due to the liberalization of domestic fuel prices, the level of inflation increased to 5.9%, in addition to the devaluation effect on the Mexican Peso.

CZECH REPUBLIC

Ever since the end of the recession in 2013, the Czech economy has been nurturing the process of economic growth, reporting a 3.5% increase in economic activity in 2017. However, a return to levels from 2016 is expected, with a growth of 2.6%.

Consumer price growth remains low, although it increased to 2.3% in 2017 (0.7% in 2016), with a projected inflation rate of 1.8% in 2018.

AUSTRIA

The Austrian economy experienced a gross domestic product increase of 2.3% in 2017, supported by rising consumption, investment and exports. The current expectation is that, in 2018, growth is 1.9%.

Inflation demonstrated an upward trend (from 1.0% in 2016 to 1.6% in 2017), and is expected to continue to rise in 2018 (1.8%).

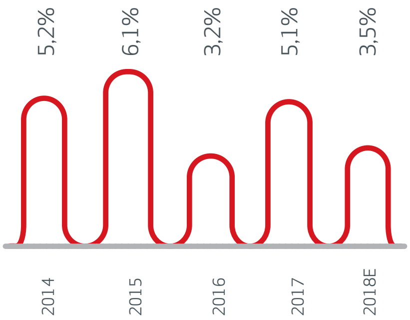
ROMANIA

In 2014, after recovering to levels prior to the international financial crisis, the Romanian GDP grew by 4.8% in 2016, and in 2017, saw an increase in its economic activity by 5.5 %, as a result of the strong impulse of private consumption and exports, which was expected.

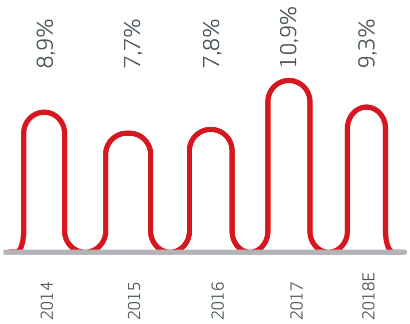
It is expected that the Romanian economy will not repeat this level of growth in the year 2018 and will settle at 4.4%.

In relation to consumer price growth, we can highlight the drop in the deflationary period started in 2015 (-0.6%), which was replaced with a level of inflation of 1.1% in 2017. It is estimated that in 2018, the Romanian economy will register a rise in prices of approximately 3.3%.

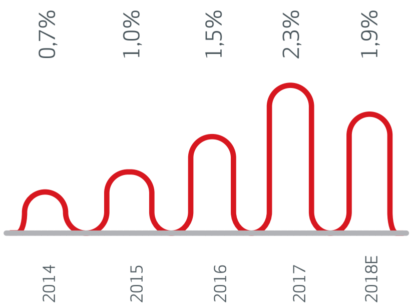
GDP GROWTH RATE IN TURKEY



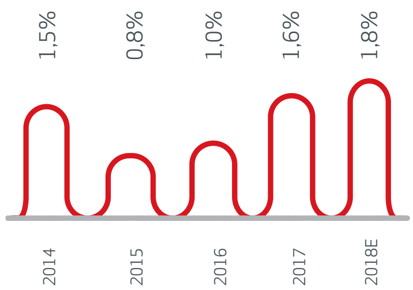
INFLATION RATE IN TURKEY



GDP GROWTH RATE IN AUSTRIA



INFLATION RATE IN AUSTRIA



MARKET AND GROUP PERFORMANCE

The turnover of the Ascendum Group in the Portuguese market increased by 12% compared to 2016, reaching approximately 136 million euros. This increase reflects the recovery of the construction and land movement sectors in relation to previous years, and also helped to remove the financial constraints to which customers are subject.

In Spain, strong economic growth resumed in 2017, consolidating growth rates in the previous three years, based on gross fixed capital formation and good performance of the construction sector.

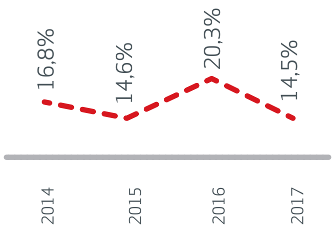
Thus, in 2017, we saw a 56% increase in demand for construction equipment comparable to the portfolio of products sold by Ascendum Maquinaria over the previous year.

The Group's turnover in the Spanish market increased by 28% compared to 2016, reaching 97 million euros in 2017.

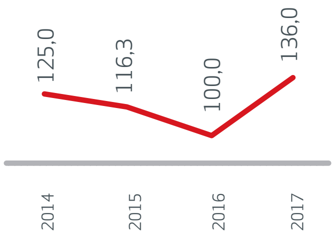
In the US, the Group achieved a turnover of 289 million euros, representing a 7% decrease compared to the 311 million euros registered in 2016, due to the fact that, in recent years, companies have consolidated their fleets of equipment in order to meet the needs of the projects in the portfolio.

In Turkey, as in recent years, activity has been influenced by geopolitical tensions in the Middle East, by the devaluation of the Turkish lira, as well as by high inflation, leading to a demand for construction equipment, comparable to the portfolio of products traded by Ascendum Makina, reported a decrease of approximately 6% compared to 2016. Nonetheless, Ascendum Group Turnover in this market grew by 8% compared to 2016, totalling 204 million euros.

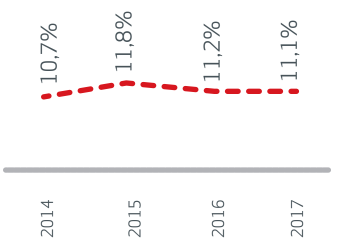
EVOLUTION OF CONSTRUCTION EQUIP. MARKET SHARE IN PORTUGAL



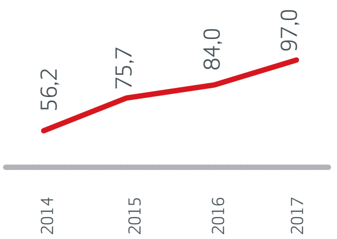
EVOLUTION OF TURNOVER IN PORTUGAL (M€)



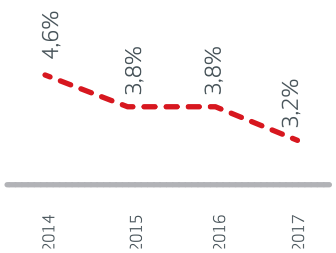
EVOLUTION OF CONSTRUCTION EQUIP. MARKET SHARE IN SPAIN



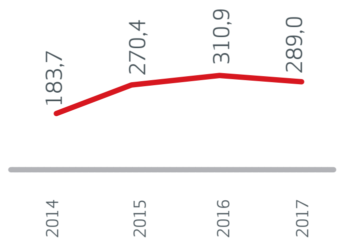
EVOLUTION OF TURNOVER IN SPAIN (M€)



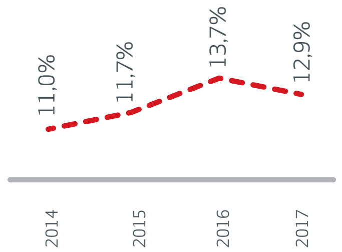
EVOLUTION OF CONSTRUCTION EQUIP. MARKET SHARE IN USA



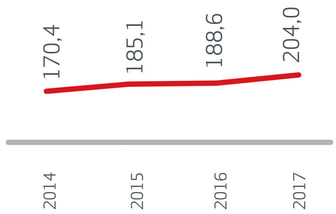
EVOLUTION OF TURNOVER IN USA (M€)



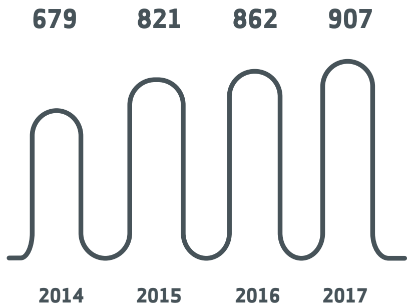
EVOLUTION OF CONSTRUCTION EQUIP. MARKET SHARE IN TURKEY



EVOLUTION OF TURNOVER IN TURKEY (M€)



ASCENDUM GROUP SALES IN M EUROS



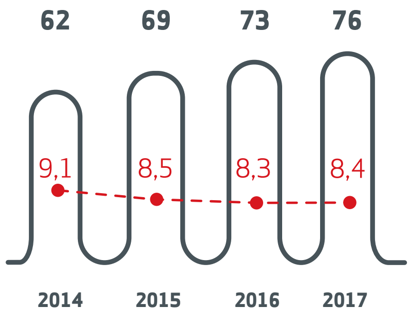
Valores do Grupo a 100%

During 2017, Mexico experienced an expansion of its economy, which contributed to a double-digit growth rate, with a growth rate of 17% compared to 2016 and with a turnover of around 37 million euros. As for the territory in which Ascendum Maquinaria Mexico operates, the number of units sold increased by 14% in 2017 compared to 2016, with demand rising to around 1,439 units.

As far as the Central European operation is concerned, the Ascendum Group achieved a turnover of around 145 million euros, with Austria accounting for 61% of the total turnover, followed by Czech Republic (contributing 19% of total turnover).

In consolidated terms, the Ascendum Group's turnover increased by 5% compared to the previous year to 907 million euros and its EBITDA reached 76 million euros, an increase of around 4% over 2016. Positive performance as demonstrated by the Ascendum Group in 2017, is the result of not only all the efforts made in recent years related to optimizing the structure and consequently improving efficiency levels, but also consolidating its position in the markets in which it operates.

ASCENDUM GROUP EBITDA IN M EUR AND IN % SALES



EVOLUTION OF SALES BY PRODUCT (QUANTITY AND VALUE)*

QUANTITIES					VALUES IN K EUR			
2014	2015	2016	2017		2014	2015	2016	2017
2 414	2 604	2 437	2 438	CONSTRUCTION EQUIP.	641 012	779 803	811 982	860 042
439	536	730	519	CARS	20 406	24 397	28 675	24 038
108	98	146	150	TRUCKS	17 167	16 302	21 746	23 143

*Not included all the Ascendum Group's business.

CONSOLIDATED PERFORMANCE

Thousands of euros	2017	2016
TURNOVER[1]	**618 895**	**550 462**
Impairment of inventories	781	(407)
Impairment of debts receivable	3 828	5 314
Provisions	(98)	(604)
Impairment of non-depreciable/amortizable investments	0	(1 235)
EBITDA[2]	**52 776**	**41 109**
% Turnover	*8,5%*	*7,5%*
Depreciations	(10 113)	(9 985)
EBIT	**42 663**	**31 124**
% Turnover	*6,9%*	*5,7%*
Net exchange differences	(3 961)	4 009
Income from financial activity[3]	(10 785)	(14 951)
INCOME BEFORE TAX	**27 917**	**20 183**
% Turnover	*4,5%*	*3,7%*
NET INCOME, WITH NON-CONTROLLING INTERESTS	**17 064**	**11 706**
% Turnover	*2,8%*	*2,1%*
Non-controlling interests	532	1 690
NET INCOME	**16 532**	**10 015**
% Turnover	*2,7%*	*1,8%*

[1] Sales + services rendered + own work capitalized.
[2] Income before depreciation, financial expenses and taxes.
[3] Costs and gains associated with Group's financing activity itself.

TURNOVER

The Nors Group's business volume stems from a diverse portfolio of geographically dispersed operations, which enables the incorporation and mitigation of different risks associated with unfavorable economic cycles of various regions.

This indicator registered a growth of 12% in 2017, equivalent to 68 million euros. This increase results from a different composition of the contributions by region for the consolidated profit, with more significant contributions of the regions Iberia (+ 6%) and Brazil (+ 40%) compared to that of the other geographical areas.

The volume of business distribution by geography and product is as follows:

TURNOVER BY COUNTRY	2017	% WEIGHT	2016	% WEIGHT	VARIATION M EUR
PORTUGAL	316	51%	306	56%	10
ANGOLA	79	13%	79	14%	1
BRAZIL	184	30%	132	24%	52
SPAIN	11	2%	9	2%	2
OTHER COUNTRIES	30	5%	26	5%	4
TOTAL	**619**		**550**		**68,4**

TURNOVER BY PRODUCT	2017	%	2016	%
TRUCKS	363	59%	302	55%
CARS	84	13%	85	15%
BUSES	17	3%	18	3%
GLASS	3	0%	3	1%
PARTS	93	15%	90	16%
ENVIRONMENT	4	1%	3	1%
CONSTRUCTION EQUIP.	26	4%	24	4%
AGRICULTURAL EQUIP.	20	3%	13	2%
GENSETS	10	2%	11	2%
SERVICES	1	0%	1	0%
TOTAL	**619**		**550**	

GROSS MARGIN

The Group increased the gross margin generated by 11% compared to the previous year, preserving the 21% margin reported in 2015 and 2016.

EBITDA

The Group reported an EBITDA of 52.8 million euros in 2017, an increase of 11.7million euros (28%) compared to that of 2016.

This increase is mainly due to the commercial recovery achieved in Brazil's operations, with a consequent effect on the EBITDA generated, and even in geographical areas such as Angola, where turnover stabilized but yielded higher value. Operations in other African countries also produced a higher EBITDA, due to better commercial performance.

The Group's cost structure remains stable compared to 2016, now more appropriate for the dynamics of the different environments in which it operates.

NET INCOME

The Nors Group ended the year of 2017 with a net income of 17 million euros, representing an increase of 5 million euros (46%) compared to the previous year, after the already remarkable recovery in 2016. Once again, the recent year reinforces the trend of consolidation of the EBITDA recovery, as well as the greater rationalization of resources allocated to the business, which, consequently, due to the reduction in consolidated net debt, yielded considerable savings in financing expenses of 4.2 million euros (it had already been reduced to 4.3 million euros in 2016).

FINANCIAL PERFORMANCE

FINANCIAL PERFORMANCE *Thousands of euros*	**2017**	**2016**
ASSETS	**530 670**	**594 508**
Non-current assets	316 113	344 787
Inventories	92 000	114 649
Customers	70 094	65 766
Other current assets	23 786	28 407
Cash and cash equivalents	28 678	40 898
LIABILITIES	**351 991**	**403 327**
Financial liabilities	186 477	222 793
Provisions	4 397	4 586
Suppliers	85 807	99 149
Other current liabilities	75 310	76 799
EQUITY with non-controlling interests	**178 679**	**191 181**
Capital	30 000	30 000
Global reserves	119 038	136 460
Net Income	16 532	10 015
Non-controlling interests	13 109	14 705
Financial autonomy	33,7%	32,2%

The consolidated assets of the Group amounted to 531 million euros, which, compared to the figure recorded at the end of 2015, corresponds to a reduction of around 11%.

EMPLOYED CAPITAL

In 2017, the Group kept a close watch on the allocation of resources to the businesses it manages in different countries. If the years 2015 and 2016 represented the beginning of a more rationalized effort, with consolidated capital reductions of 7% and 5%, respectively, 2017 achieved an even higher level of efficiency, leading to a further reduction, now 17% (32 million euros) of the capital employed.

In terms of working capital requirements, there was a decrease of 16% (6.5 million euros), after a reduction of 10% in 2016, reflecting the reduction in working capital requirements in days of sales (from 26 in 2016 to 19 in 2017).

Fixed consolidated assets decreased by 29 million euros, mainly due to the sale of non-strategic assets.

This evolution demonstrates the Group's commitment to monitor and shrewdly control the way its resources are applied to the business, thus reducing of net operating debt and consequent interest expenses.

NET DEBT

The Nors Group closed the year 2017 with a consolidated Net Debt (including available-for-sale investments) of 117 million euros. This value, compared to 160 million euros and 207 million euros in 2016 and 2015, respectively, demonstrates the Group's commitment to invest in a sound balance sheet, supplying their resource structures more and more efficiently.

The careful management of capital employed in working capital, the sale of fixed assets not related to operations as well as non-strategic financial holdings contributed for the reduction of the net debt.

RELEVANT FACTS AFTER THE CLOSING OF ACCOUNTS

No relevant material facts emerged between the end of 2017 and the issuance of this document.

2018

OUTLOOK FOR

In the light of the economic environments of recent years, the Nors Group will closely monitor its businesses, particularly those in more dynamic and context-sensitive economies.

Operations in Angola will continue to face the challenge inherent in the evolution of this economy, especially with the foreign exchange issue, given the steep devaluation of the Kwanza, which occurred at the beginning of 2018, and the change in the exchange policy of the National Bank of Angola in the provision of foreign exchange for imports.

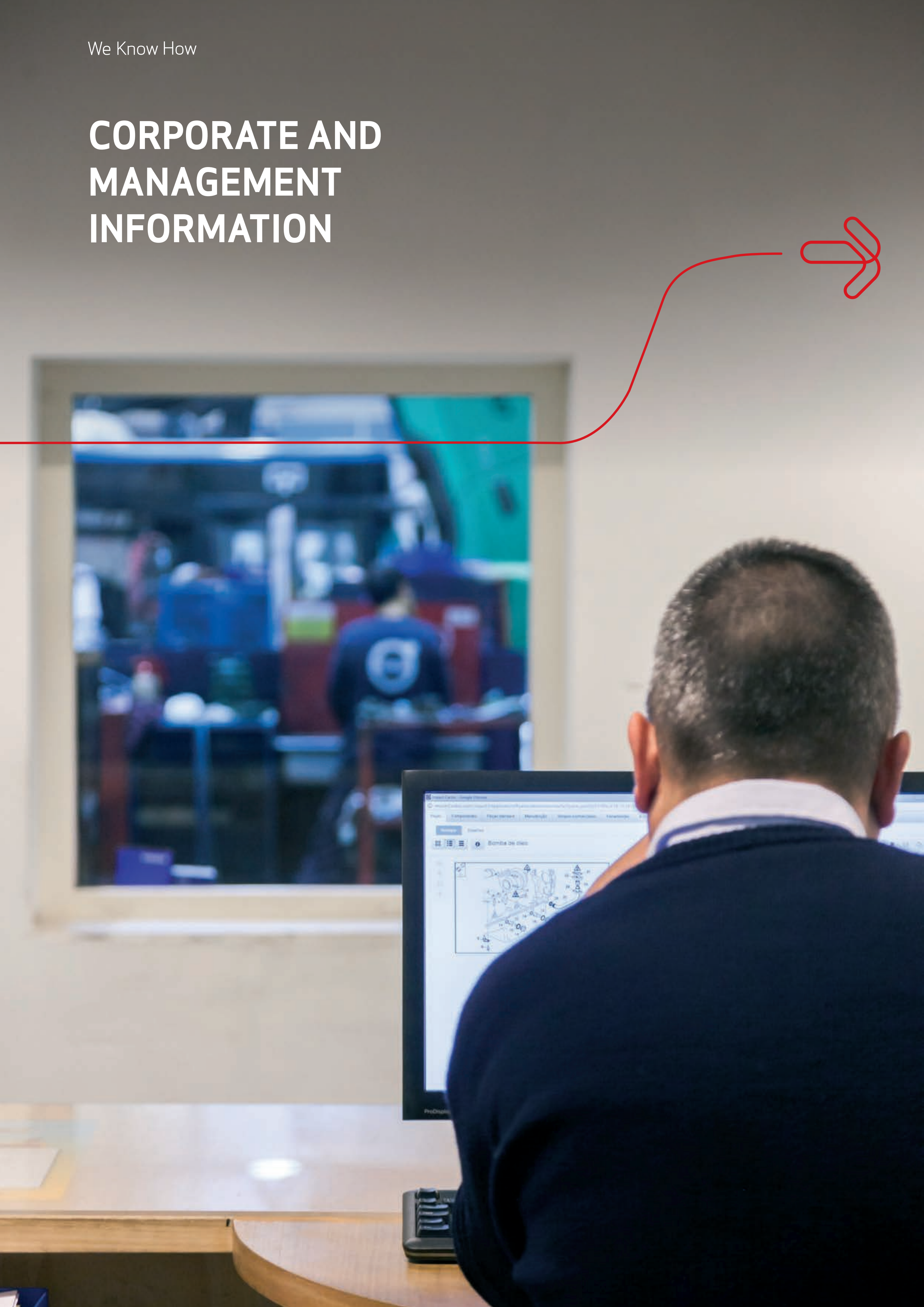
In Brazil, the first months of the year demonstrate that the signs of recovery of its economy persist and consequently increase the demand for solutions offered by the Group across the spectrum of its products.

The operations in Portugal and Spain continue to demonstrate signs of strength which indicate a year of growth for 2018.

As for the geographical areas of Nors Africa, there are prospects of further consolidation with a focus on the development of the markets in which the Group is present, considering the divestments performed in 2017 in East Africa.

2018 will mark the second cycle of the 2015/2020 Strategy, with the definition of new Pillars, Guidelines and respective Strategic Objectives for this period, and with the intent to achieve the Wanted Position 2020 that was developed in 2015.

CORPORATE AND MANAGEMENT INFORMATION



CORPORATE GOVERNANCE

GENERAL BOARD

Competences:
It approves the Nors global strategy as outlined by the Management Board, regularly monitoring its implementation.
It sets growth and profitability goals for the Group. Management of relationships with shareholders and major corporate partners.

SHAREHOLDERS BOARD	
GENERAL BOARD	
MANAGEMENT BOARD	
BOARD OF DIRECTORS NORS IBERIA	BOARD OF DIRECTORS NORS ANGOLA
BOARD OF DIRECTORS NORS BRAZIL	BOARD OF DIRECTORS NORS AFRICA
BOARD OF DIRECTORS NORS VENTURES	BOARD OF DIRECTORS ASCENDUM

MANAGEMENT BOARD

Competences:
The Mangement Board is the main executive body of the Group. It defines and implements policies that are transversal to the Group that shape the overall strategy approved by the General Board. It manages the Group's business portfolio and monitors the performance of the regions in which it operates. It develops and proposes investment/ divestment decisions to the General Board. It is also at this level that the main human and financial resources (own and external) of the Group are managed. It focuses on creating value for shareholders.

GENERAL BOARD
Tomaz Jervell (Chairman)
Paulo Jervell
José Manuel Bessa Leite de Faria

MANAGEMENT BOARD	
Tomás Jervell (CEO)	
José Manuel Bessa Leite de Faria	Paulo Jervell
Francisco Ramos	José Jensen Leite de Faria
Rui Miranda	Jorge Guimarães
Júlio Rodrigues	

AUDITORS
PricewaterhouseCoopers & Associados - Sociedade de Revisores Oficiais de Contas, Lda.

The Ascendum Group and SOTKON Group are joint ventures accounted for using the equity method.

MANAGEMENT BOARD

JOSÉ JENSEN LEITE DE FARIA
Executive Director
Nors Ventures

RUI MIRANDA
CFO

FRANCISCO RAMOS
CSO and Executive
Director Nors Africa
& Nors Angola

JÚLIO RODRIGUES
Executive Director
Nors Iberia

STATUTORY AUDITORS
PRICEWATERHOUSECOOPERS & ASSOCIADOS - SOCIEDADE DE REVISORES OFICIAIS DE CONTAS, LDA.

GENERAL BOARD

TOMAZ JERVELL
CHAIRMAN

YEAR OF BIRTH	1944
YEAR OF ADMISSION	1981

PAULO JERVELL
GENERAL BOARD MEMBER

YEAR OF BIRTH	1946
YEAR OF ADMISSION	1972

JOSÉ MANUEL BESSA LEITE DE FARIA
GENERAL BOARD MEMBER

YEAR OF BIRTH	1942
YEAR OF ADMISSION	1970

MANAGEMENT BOARD

TOMÁS JERVELL
CEO

YEAR OF BIRTH	1971
YEAR OF ADMISSION	2000

FRANCISCO RAMOS
MANAGEMENT BOARD MEMBER AND EXECUTIVE DIRECTOR OF NORS AFRICA & NORS ANGOLA

YEAR OF BIRTH	1972
YEAR OF ADMISSION	1996

NORS

TOMÁS JERVELL
CEO

JORGE GUIMARÃES
Executive Director
Nors Brazil

JOSÉ MANUEL BESSA
LEITE DE FARIA

PAULO JERVELL

JORGE GUIMARÃES
MANAGEMENT BOARD MEMBER AND EXECUTIVE DIRECTOR NORS BRAZIL

YEAR OF BIRTH	1956
YEAR OF ADMISSION	1978

JOSÉ MANUEL BESSA LEITE DE FARIA
GENERAL BOARD MEMBER

YEAR OF BIRTH	1942
YEAR OF ADMISSION	1970

PAULO JERVELL
GENERAL BOARD MEMBER

YEAR OF BIRTH	1946
YEAR OF ADMISSION	1972

JOSÉ JENSEN LEITE DE FARIA
MANAGEMENT BOARD MEMBER AND EXECUTIVE DIRECTOR NORS VENTURES

YEAR OF BIRTH	1971
YEAR OF ADMISSION	1998

JÚLIO RODRIGUES
MANAGEMENT BOARD MEMBER AND EXECUTIVE DIRECTOR NORS IBERIA

YEAR OF BIRTH	1972
YEAR OF ADMISSION	2001

RUI MIRANDA
MANAGEMENT BOARD MEMBER AND CFO

YEAR OF BIRTH	1975
YEAR OF ADMISSION	1999

BOARD OF DIRECTORS OF THE REGIONS

Competences:
The Board of Directors of the Regions defines and implements cross-regional policies that shape the overall strategy approved by the General Board and Management Board. It develops the Region's business portfolio and monitors the performance of the companies within it. It decides and/or prepares, develops and proposes investment /divestment decisions to the Management Board. It is also at this level that the main human and financial resources (own and external) of the Region must be managed. It focuses on creating value for shareholders.

NORS IBERIA
Júlio Rodrigues (President and Executive Director)
Francisco Ramos
Rui Miranda

NORS ANGOLA
Francisco Ramos (President and Executive Director)
Júlio Rodrigues
Rui Miranda

NORS BRAZIL
Jorge Guimarães (President and Executive Director)
José Jensen Leite de Faria
Rui Miranda

NORS AFRICA
Francisco Ramos (President and Executive Director)
Afonso Martins
José Jensen Leite de Faria
Rui Miranda

NORS VENTURES
José Jensen Leite de Faria (President and Executive Director)
José Manuel Bessa Leite de Faria
Francisco Ramos
Paulo Jervell
Rui Miranda

ASCENDUM BOARD OF DIRECTORS	
Ernesto Vieira (President)	Ricardo Mieiro
Tomás Jervell	Paulo Mieiro
Paulo Jervell	João Mieiro
José Manuel Bessa Leite de Faria	Ângela Vieira
Pedro Mieiro	Rui Faustino

ASCENDUM EXECUTIVE COMMITTEE
Ricardo Mieiro (President)
Paulo Mieiro
João Mieiro
Ângela Vieira
Rui Faustino

CORPORATE POLICIES

Considering its Governance Model, the Nors Group introduced Corporate Policies with the fundamental objective of ensuring that management, actions and processes are aligned with its core values, contributing to the effectiveness of the organization.

Nors Corporate Policies, covering all areas of activity, define the main responsibilities, decisions and approvals of the Governing Bodies, the Corporate Structure and Business Units or Group Companies, setting clear and transparent performance rules.

In addition to the Corporate Policies, the new governance model includes the Regional Regulations, Work Orders and Information.

CORPORATE STRUCTURE

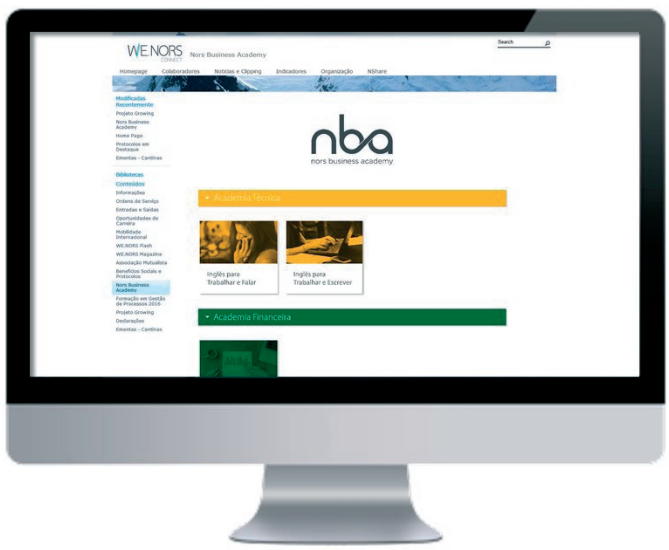
PEOPLE AND COMMUNICATION

The Directorate of People and Communication (DPC) oversees three main areas of activity: "Talent Management, Training and Development"; "Organizational Structures, Performance and Compensation"; and "Communication, Brand and Institutional Relations".

The activities carried out in 2017 contributed to improving the overall performance of the organization, optimizing people management and recognizing the Group's human capital. The alignment of the employees with the strategy and the organizational culture was strengthened, taking also the situation of the Nors Group to external benchmark stakeholders, cementing its global recognition.

TALENT, TRAINING AND DEVELOPMENT MANAGEMENT

The Nors Group has initiated a Job Description project, which will be the cornerstone of the entire Human Resources process and will enable the identification of training needs, the conduct of recruitment and selection processes, performance evaluation and creation of a structured career management program, promoting transversality in human resources processes.



In the scope of training, the first steps were taken to create the Nors Group Corporate Training Academy: the development of an e-learning platform, which will allow Nors to support and promote employee growth, ensuring that learning is continuous and fosters an exchange of experience and knowledge within and between regions.

For the first time in the Group's history, the results of the Organizational Climate Survey were also disseminated to all employees, from all regions in which Nors is present, which allowed the sharing of information and the collection, on the ground, of feedback of everyone involved in this process, with the intent of developing and implementing action plans that allow us to leverage our strengths and meet the identified improvement needs.

ORGANIZATIONAL STRUCTURES, PERFORMANCE AND COMPENSATION

In 2017, the process of updating and standardizing the information that serves as a basis for the management of human resources continued, thus contributing to the training of people management in the Group and the optimization of its organizational structure.

In Performance Management, after completing the implementation of the results-indexed incentive model in the previous year, it was possible to introduce significant improvements in the process and timetable for setting goals, allowing for the credibility of this tool.

Additionally, focus was given to the consideration and analysis of the internal customer satisfaction assessment method, which is particularly relevant in the evaluation and continuous improvement of the services provided by support structures.

The "Nors HR Report", implemented in 2016, was also improved in order to facilitate and highlight the historical comparison of values and the monitoring of their fluctuations.

Again, in terms of compensation and benefits, the Nors Flex Plan was implemented in Portuguese companies, an innovative solution that enables individual and customized adaptation of employee benefits, increasing the efficiency of its remuneration package.

COMMUNICATION, BRAND AND INSTITUTIONAL RELATIONS

Following the launch of the internal communication brand WE.NORS, which took place in 2016, the Nors Action Awards were renamed WE.NORS Awards.

This annual initiative, which distinguishes the employees whose talent, dedication, capacity for innovation and entrepreneurship are most evident, was held for the sixth consecutive year. Broadly publicized, the renewed edition of the event was very competitive and involved a large number of collaborators in the support of the nominees in the various categories, through the constitution of "cheer squads" whose performance was once again evaluated and awarded for their originality and energy.

For this first edition at the WE.NORS Awards, a new challenge called Nors Talent was created. This contest aims to: encourage the relationship and involvement of employees and the Group as a whole; develop cooperation and team spirit and promote our employees' performance and musical skills.

In the traditional prize-giving event, held in Porto and shared via streaming with all regions of the Group, the winners of the Nors Talent performed.

Among the events promoted this year, worthy of note is the Nors Annual Meeting. This annual board meeting evaluates the activities carried out and presents the perspectives for the future. After a review of the balance of the previous year, the Ambitions 2017, which form the foundation of the Nors Strategy for 2015-2018, were analyzed and later made available via the various communication channels of the Group. At the 2017 Annual Meeting, a workshop was held focusing on the future challenges of business management.

This year, we have resumed the event honoring the intensity and longevity of our employees' careers. Under the designation "UM DE NORS - Years that Count", 34 Employees were honored, of which 17 celebrated their 20-year anniversary with the Group, 12 had their 30-year anniversary and 5 commemorated their 40-year anniversary. UM DE NORS (one of Nors/one of us) means that we recognize the individual contributions of our people, that each of us is responsible for the success of the whole. A collective operation that transcends individual contributions, but is entirely dependent on them.

As for external relations, the Group continued its strategy of partnership with the media, through the regular sharing and dissemination of information. The result is very positive and covers all markets in which the Group operates.

In adhering to its Corporate Social Responsibility policy, the Nors Group has supported, through donations and partnerships, various organizations of the so-called third sector, with a particular focus on culture and social charity. In the former, noteworthy are Casa da Música and the Fundação de Serralves where Nors was the patron of the exhibition "Daniel Steegmann Mangrané: A Translucent Leaf in the Place of the Mouth", integrated in the series "Contemporary Projects", at the Museu de Arte Moderna de Serralves, in Porto. As part of its social charity, the Group supported the Banco Alimentar Contra a Fome (Food Bank) of Porto, the association Encontrar-se, the IPO of Porto, the association Vida Norte and supported the Solidarity Concert that the band D.A.M.A. hosted in Casa da Música, in addition to the traditional support to several Fire Brigade corporations.

INFORMATION SYSTEMS

The area of information systems proposes the strategic policy of the information systems and technologies of the Group and coordinates the operational activities aimed at their implementation. It monitors the strength, reliability and security of the systems and technologies employed by the Group.

In addition, this division pays close attention to the phenomenon of digitization, seeking to ensure that the Group's technological landmark responds to the demands of the customers and the world.

LEGAL DEPARTMENT

The Legal Department aims to enhance the active, systematic and formal approach to the Group's strategic matters, ensuring that the decisions at a Holding and global operations level or those that involve the Nors Group's key structures, have an appropriate legal grounding. At the same time, the main functions of this area are to coordinate and follow up the Group's judicial and legal affairs, taking into account the wide variety of needs and interests of the companies involved, to guarantee abidance with the legislation in force, to ensure that the operations have the right structure, that the economic objectives are suitable and ultimately, that shareholder value is maximised.

PLANNING AND PERFORMANCE MANAGEMENT

This area is responsible for supporting the Group's Management Board in defining and reviewing strategy, as well as ensuring the alignment of the business with the established strategic objectives. PPM is also responsible for ensuring the production and dissemination of statutory information to stakeholders.

INTERNAL AUDIT

Internal Audit aims to develop the organization through a systematic and disciplined approach to evaluating and improving the efficiency of risk management, control and governance processes. It analyses the existence, appropriateness and application of internal controls, as well as contributing to their improvement.

STRATEGIC DEVELOPMENT

The Strategic Development has the main responsibility of supporting the compilation and execution of the Group's strategy, by cooperating with the CEO, CFO and the Executive Directors. In a more detailed way, it is its responsibility to collect information on the market and the Regions, to participate in compiling the strategy, by taking a critical view of the strategic lines proposed by the CEO , to plan the strategic execution in cooperation with the CFO and to coordinate its implementation.

AFTERMARKET DEVELOPMENT

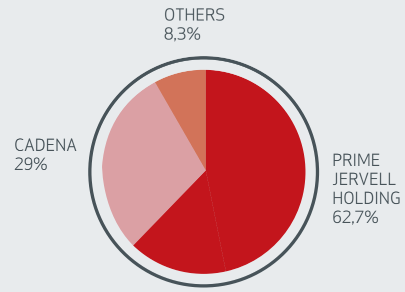
The Aftermarket Development aims to establish and enforce action policies in the core areas of the aftermarket parts/glass business, ensuring homogenous organisational development and exploring new geographical areas/markets for the international expansion of these businesses. It is also up to this body to undertake networking with potential customers of the Nors product range in geographical areas where the Group does not currently operate.

CORPORATE STRUCTURE OF THE REGIONS

The corporate structures of the regions are designed to provide support to these, with hierarchical reporting to the regional administrative and financial director. These structures include the areas of planning and management control, legal advice, shared services and human resources, with this last area reporting directly to the director of the region. All these areas respond functionally to their corresponding structures in the Group Holding.

COMPANY STRUCTURE

The share capital of Auto Sueco Lda. is fully paid-up and amounts to 30.000.000,00 euros. There was no change in 2016 and 2017 and as at 31 December 2017, the composition of the share capital of the company was as follows:



STATEMENT ON INTERNAL CONTROL OVER FINANCIAL INFORMATION

The financial management of the Nors Group is responsible for maintaining an appropriate internal control system. The company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of information and the preparation of financial statements for internal and external purposes, in accordance with the prudential criteria determined by the top management and in compliance with the international accounting principles and standards issued by the IASB.

The company's internal control includes policies and procedures which:

(i) pertain to keeping reasonably detailed records that accurately and fairly reflect the transactions and changes in the company's assets, minimising its asset risk;

(ii) provide reasonable assurance that transactions are recorded as is required in order to make it possible to prepare the financial statements in compliance with the IFRS, allowing for the standardization of accounting of all the financial information obtained in the different Group companies located in different countries;

(iii) assure, with a high degree of confidence, that company income and expenditure are in accordance with authorization from the management and the administration;

(iv) provide reasonable assurance regarding prevention and timely detection of the misuse of Nors Group's Assets.

Due to the inherent limitations, any and all internal controls over financial reporting may not prevent the existence of errors. Additionally, projections of any evaluation of effectiveness in the future are subject to the risk that these controls may become inadequate due to changes in conditions or because the degree of compliance with policies and procedures may deteriorate.

Porto, 14 March 2018

The Management Board
Tomás Jervell - CEO
Francisco Ramos
Jorge Guimarães
José Jensen Leite de Faria
José Manuel Bessa Leite de Faria
Paulo Jervell
Rui Miranda

FINANCIAL INFORMATION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF AUTO SUECO, LDA . (IN THOUSANDS OF EUROS)

	NOTE	31.12.2017	31.12.2016
ASSETS			
Non-current assets			
Intangible assets	6.	1 187	448
Tangible fixed assets	7.	119 498	138 252
Investment properties	8.	14 735	22 027
Goodwill	9.	51 111	53 618
Investments in associated companies and in companies excluded from the consolidation	10.1.	79 682	93 332
Investments available for sale	10.2.	40 337	21 844
Other accounts receivable	13.	14	38
Deferred tax assets	15.	9 549	15 228
		316 113	344 787
Current assets			
Inventories	11.	92 000	114 649
Customers	12.	70 094	65 766
Income tax recoverable	23.	2 637	4 312
Shareholders / partners		383	276
Other accounts receivable	13.	16 267	20 060
Deferrals	14.	4 499	3 759
Cash and bank deposits	16.	28 678	40 898
		214 557	249 721
TOTAL ASSETS		**530 670**	**594 508**
EQUITY AND LIABILITIES			
Equity			
Share capital	17.	30 000	30 000
Legal reserves	18.	6 000	6 000
Fair value reserves	18.	(421)	(167)
Adjustments in financial assets	18.	57 787	62 994
Results carried over and Other reserves	18.	43 195	55 155
Revaluation surpluses	18.	12 478	12 478
		149 038	166 460
Net income for the year		16 532	10 015
		165 570	176 475
Non-controlling interests	19.	13 109	14 705
TOTAL EQUITY		**178 679**	**191 181**
Non-current liabilities			
Provisions	25.	4 397	4 586
Funding obtained	20.	116 486	131 300
Deferred tax liabilities	15.	3 052	2 811
Other accounts payable	22.	48	3 465
		123 983	142 162
Current liabilities			
Suppliers	21.	85 807	99 149
Income tax payable	23.	4 251	4 590
Funding obtained	20.	69 991	91 493
Other accounts payable	22.	58 410	58 570
Deferrals	24.	9 123	6 643
Financial assets held for trading	26.	425	721
		228 008	261 166
TOTAL LIABILITIES		**351 991**	**403 327**
TOTAL EQUITY AND LIABILITIES		**530 670**	**594 508**

The Certified Accountant
Maria Elvira Santos

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Rui Miranda

CONSOLIDATED STATEMENT OF INCOME

CONSOLIDATED STATEMENT OF INCOME OF AUTO SUECO, LDA . (IN THOUSANDS OF EUROS)

	NOTE	2017	2016
INCOME AND EXPENSES			
Turnover	**31.**	618 895	550 462
Operating subsidies		4	13
Gains/Losses allocated to subsidiaries, associated companies and joint ventures	**10.1.**	12 134	10 305
Variations in production inventories		135	433
Cost of goods sold and materials consumed	**11.**	(465 899)	(406 096)
External supplies and services	**32.**	(51 116)	(49 112)
Staff costs	**33.**	(68 928)	(65 831)
Inventory impairments (losses/reversals)	**25.**	781	(407)
Impairments of receivables (losses/reversals)	**25.**	3 828	5 314
Provisions and impairment losses (increases/decreases)	**25.**	(98)	(604)
Impairment of non-depreciable / amortizable investments (losses / Reversals)	**9.**		(1 235)
Other income and gains	**34.**	15 272	13 915
Other expenses and losses	**34.**	(12 233)	(16 046)
EARNINGS BEFORE DEPRECEATION, INTEREST AND TAXES		**52 776**	**41 109**
Depreciation and amortization costs/reversals	**6., 7. e 8.**	(10 113)	(9 985)
Impairment of depreciable/amortizable investments (losses/reversals)			
OPERATING INCOME (BEFORE INTEREST AND TAXES)		**42 663**	**31 124**
Net foreign exchange differences	**39.**	(3 961)	4 009
Income from financial activity	**36.**	(10 785)	(14 951)
INCOME BEFORE TAX		**27 917**	**20 183**
Income tax for the year	**28.**	(10 853)	(8 477)
NET INCOME FOR THE YEAR		**17 064**	**11 706**
NET INCOME FOR THE PERIOD ATTRIBUTABLE TO:			
Shareholders of the parent company		16 532	10 015
Non-controlling interests		532	1 690
NET INCOME FOR THE FINANCIAL YEAR		**17 064**	**11 706**

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CONSOLIDATE D STATEMENT OF COMPREHENSIVE INCOME

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME OF AUTO SUECO, LDA . (IN THOUSANDS OF EUROS)

	2017	2016
CONSOLIDATED NET INCOME FOR THE FINANCIAL YEAR, INCLUDING NON-CONTROLLING INTERESTS	**17 064**	**11 706**
Components of other comprehensive income for the year that can be recycled by results:		
Charge in fair value or investments available for sale	(15)	367
Tax impact of the change in the fair value of investments available for sale		(77)
Impact of the sale of investments available for sale	(809)	-
Variation in currency translation reserves	(17 673)	9 640
Other comprehensive income allocated to subsidiaries, associates and joint ventures	(8 206)	(2 338)
Late entries regarding the 2016 financial year	(168)	
Settlement of tax impacts on previous periods	(468)	-
Impact of accounting for the fair value of interest rate risk hedging instruments	300	58
Impact of accounting for exchange rate risk hedging instruments	(1 489)	-
COMPREHENSIVE CONSOLIDATED INCOME FOR THE PERIOD	**(11 465)**	**19 355**
Attributable to:		
Shareholders of the parent company	(10 246)	17 175
Non-controlling interests	(1 219)	2 181

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Rui Miranda

CONSOLIDATED STATEMENT OF CASH FLOWS

CONSOLIDATED STATEMENT OF CASH FLOWS OF AUTO SUECO, LDA . (IN THOUSANDS OF EUROS)

	NOTE	2017	2016
CASH FLOWS FROM OPERATIONAL ACTIVITIES			
Receivables from customers		618 887	551 899
Payments to Suppliers		(504 060)	(455 679)
Payments to Staff		(69 444)	(61 467)
CASH FLOW GENERATED BY OPERATIONS		**45 383**	**34 753**
Income tax payments/receivables		(3 973)	(2 384)
Other receivables/payments	**16.**	9 271	3 959
CASH FLOW FROM OPERATING ACTIVITIES (1)		**50 680**	**36 327**
CASH FLOWS FROM INVESTMENT ACTIVITIES			
PAYMENTS CONCERNING:			
Acquisition of Tangible Fixed Assets		(3 132)	(7 368)
Acquisition of Intangible Assets		(778)	(177)
Acquisition of Financial Investements	**10.2. e 16.**	(54 633)	(14 039)
PAYMENTS FROM INVESTMENT ACTIVITIES		**(58 543)**	**(21 585)**
RECEIVABLES FROM:			
Divestments of Tangible Fixed Assets		8 684	12 103
Divestments of Intangible Assets		3 167	0
Financial divestments	**16.**	29 066	12 001
Interest and similar income		2 844	1 846
Dividends	**16.**	3 750	8 000
RECEIVABLES FROM INVESTMENT ACTIVITIES		**47 512**	**33 950**
CASH FLOW FROM INVESTMENT ACTIVITIES (2)		**(11 031)**	**12 365**
CASH FLOWS FROM FUNDING ACTIVITIES			
RECEIVABLES FROM:			
Funding obtained		57 060	61 506
RECEIVABLES FROM FUNDING ACTIVITIES		**57 060**	**61 506**
PAYMENTS CONCERNING:			
Funding obtained		(90 309)	(117 076)
Interest and similar expenses		(14 105)	(16 124)
Dividends			
PAYMENTS FROM FUNDING ACTIVITIES		**(104 414)**	**(133 200)**
CASH FLOW FROM FUNDING ACTIVITIES (3)		**(47 354)**	**(71 694)**
NET CHANGE IN CASH AND CASH EQUIVALENTS (4)=(1)+(2)+(3)		**(7 705)**	**(23 002)**
Perimeter variation		0	0
Impairments of financial assets		0	0
Net foreign exchange effect		(4 516)	4 677
Net cash and cash equivalents - Beginning of period		40 898	59 223
NET CASH AND CASH EQUIVALENTS - END OF PERIOD	**16.**	**28 678**	**40 898**

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CONSOLIDATE D STATEMENT OF CHANGES IN EQUITY

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY OF AUTO SUECO, LDA . (IN THOUSANDS OF EUROS)

	CAPITAL ATTRIBUTABLE TO PARENT COMPANY										
		RESERVES									
	SHARE CAPITAL	LEGAL RESERVES	REVALUATION SURPLUSES	ADJUSTMENTS IN FINANCIAL ASSETS	FAIR VALUE RESERVES	RES. CARRIED OVER AND OTHER RESERVES	TOTAL RESERVES	NET PROFIT	SUB TOTAL	NONCONTROLLING INTERESTS	TOTAL
BALANCE AT 1 JANUARY 2016	**30 000**	**6 000**	**12 478**	**66 184**	**(516)**	**64 682**	**148 828**	**(16 893)**	**161 935**	**13 174**	**175 109**
CHANGES IN THE PERIOD:											
Appropriation of the consolidated income for 2015				9 818		(26 712)	(16 893)	16 893	-		(0)
Change in fair value of investments available for sale					290		290		290		290
Change in fair value of interest hedging instruments					58		58		58		58
Variation in currency translation reserves						9 149	9 149		9 149	491	9 640
Impact of accounting for foreign exchange risk hedging instruments						-	-		-		-
Other comprehensive income allocated to subsidiaries, associates and joint ventures				(2 338)			(2 338)		(2 338)		(2 338)
Other				(10 669)		8 036	(2 634)		(2 634)	(650)	(3 283)
	-	**-**	**-**	**(3 190)**	**349**	**(9 527)**	**(12 368)**	**16 893**	**4 526**	**(159)**	**4 366**
NET PROFIT FOR THE PERIOD								**10 015**	**10 015**	**1 690**	**11 706**
CONSOLIDATED COMPREHENSIVE INCOME FOR THE YEAR								**17 175**	**17 175**	**2 181**	**19 355**
TRANSACTIONS WITH EQUITY HOLDERS IN THE PERIOD:											
Distributions							-		-	-	-
	-	-	-	-	-	-	-	-	-	-	-
BALANCE AT 31 DECEMBER 2016	**30 000**	**6 000**	**12 478**	**62 994**	**(167)**	**55 155**	**136 460**	**10 015**	**176 475**	**14 705**	**191 181**
BALANCE AT 1 JANUARY 2017	**30 000**	**6 000**	**12 478**	**62 994**	**(167)**	**55 155**	**136 460**	**10 015**	**176 475**	**14 705**	**191 181**
CHANGES IN THE PERIOD:											
Appropriation of the consolidated income for 2016				10 294		(279)	10 015	(10 015)	-		-
Change in fair value of investments available for sale					(554)	(312)	(866)		(866)		(866)
Change in fair value of interest hedging instruments					300		300		300		300
Variation in currency translation reserves						(15 873)	(15 873)		(15 873)	(1 801)	(17 673)
Impact of accounting for foreign exchange risk hedging instruments						(1 489)	(1 489)		(1 489)		(1 489)
Other comprehensive income allocated to subsidiaries, associates and joint ventures				(8 206)			(8 206)		(8 206)		(8 206)
Other				(7 296)		5 993	(1 304)		(1 304)	28	(1 276)
	-	**-**	**-**	**(5 208)**	**(254)**	**(11 960)**	**(17 423)**	**(10 015)**	**(27 438)**	**(1 773)**	**(29 211)**
NET PROFIT FOR THE PERIOD								**16 532**	**16 532**	**532**	**17 064**
CONSOLIDATED COMPREHENSIVE INCOME FOR THE YEAR								**(10 246)**	**(10 246)**	**(1 219)**	**(11 465)**
TRANSACTIONS WITH EQUITY HOLDERS IN THE PERIOD:											
Distributions							-		-	(355)	(355)
	-	-	-	-	-	-	-	-	-	**(355)**	**(355)**
BALANCE AT 31 DECEMBER 2017	**30 000**	**6 000**	**12 478**	**57 787**	**(421)**	**43 195**	**119 038**	**16 532**	**165 570**	**13 109**	**178 679**

The Certified Accountant
Maria Elvira Santos

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Rui Miranda

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. INTRODUCTORY NOTE

Auto-Sueco, Lda. is a limited company founded in 1949, which has its headquarters in Porto, Portugal. AS, Lda. mainly carriers on economic activities in the motor vehicle business sector, namely, cars, trucks, machinery and other industrial equipment, parts for these and workshop services.

The corporate and institutional designation suits the Nors Group as it is a set of companies with specific trade names according to each company's business.

The Nors Group's main operations are in Portugal, Brazil and Angola. It also operates in Turkey and the United States of America via joint ventures.

As at 31 December 2017, the subsidiaries of the Nors Group, their registered offices and main businesses were:

COMPANY AND REGISTERED OFFICE	BUSINESS ACTIVITY
COMPANIES BASED IN PORT UGAL	
Amplitude Seguros - Corretores de Seguros, S.A. Sede: Rua Brito Capelo, 97 4º A 4450-072 Matosinhos	Insurance Mediation
AS Parts - Centro de Peças e Acessórios, S.A. Sede: Rua Conde Covilhã, 1637 4100 - 189 Porto	Trade in parts and accessories for vehicles
Asinter - Comércio Internacional, Lda. Sede: Via Marechal Carmona,1637 4100 - 189 Porto	International Trade
ASMOVE - Consultoria e Projectos Internacionais, S.A. Sede: Rua Manuel Pinto de Azevedo, 711 - 2 4100-321 Porto	Import and export Provision of consultancy services
Auto-Sueco II Automóveis, S.A. Rua Manuel Pinto de Azevedo, 711 - 2 4100-301 Porto	Trade and Repair of vehicles
Auto-Sueco,Lda Sede: Via Marechal Carmona, 1637 4100 - 801 Porto	Import, sale and after sale of Volvo Trucks, Buses, Generators, marine engines and components
Biosafe - Indústria de Reciclagens, S.A. Sede:E.N. 109, km 31 - Pardala 3880-728 Ovar	Provision of services: Waste treatment and recycling and public cleaning in general
Civiparts - Comércio de Peças e Equipamentos, S.A. Sede: Rua D. Nuno Àlvares Pereira, Armaz 13/14/15 Parque Oriente, Bobadela, 1990-502 Sacavém	Trade, import and export of autoparts and provision of services
Galius - Veiculos, S.A. Sede: Rua Conde Covilhã, 1637 4100 - 189 Porto	Import, sale and after sale of Renault Trucks and components
Grow - Formação Profissional, S.A. Sede: Rua Manuel Pinto de Azevedo, 711 - 2 4140 - 010 Porto	Vocational Training Services
Holding ExpressGlass, S.A. Sede: Via Adelino Amaro da Costa, Armazém nº 6, Lugar de Godim 4470-557 Maia	Management of shareholdings in other companies
Imosócia – Sociedade Imobiliária, S.A. Sede: Rua Conde da Covihã, 1637 4100-189 Porto	Purchase, sale, management and administration of real estate
IMSO – Sociedade de Montagem de Automóveis, S.A. Sede: Lugar da Pardala - Ap 49 3884-909 Ovar	Assembly of special vehicles for the collection of waste
NewOnedrive, S.A. Sede: Parque Industrial do Seixal, 2ª Fase-Lote1, Quinta Nova 2840-068 Paio Pires	Trade in Parts and Accessories for vehicles

COMPANY AND REGISTERED OFFICE	BUSINESS ACTIVITY
Norsócia SGPS, S.A. Sede: Rua Conde Covilhã, 1637 4149-010 Porto	Management of shareholdings in other companies
Plurirent – Serviços de Aluguer, S.A. Sede: Rua Conde da Covihã, 1637 4100-189 Porto	Purchase, sale and rental of passenger and goods vehicles without driver
Promotejo - Compra e Venda de Propriedades, S.A. Sede: Estrada Nacional 10, n.ºs 2-A e 2-B 2810-801 Almada	Purchase, sale and rental of land and buildings
SARI Serviços *Aftermarket* Região Ibéria, S.A. Sede: Rua Manuel Pinto de Azevedo, 4 4100-320 Porto	Provision of management support services
SGNT, SGPS, S.A. Sede: Rua da Restauração, 348 Miragaia - Porto	Management of shareholdings in other companies
COMPANIES BASED IN OTHER COUNTRIES	
Agro New Máquinas Agrícolas, Ltda Sede: Rua Martinópolis nº 720, Jardim Del Rey 15802-040 Catanduva, São Paulo (Brasil)	Trade, Import and Export of agricultural equipment, parts, lubricating oils and after sales services
Amplitude Brasil Corretora de Seguros, Ltda. Sede: RDV BR 364, Km 16,3, Distrito industrial, Cuiabá, Brasil	Insurance Mediation
ASGlass Angola Sede: Estrada do Cacuaco, Bairro Petrangol, Km 4,3, Ed.5 Município do Sambizanga, Luanda (República Popular de Angola)	Trade in glass for construction
AS Parts Angola, Lda. Sede: Estrada do Cacuaco, Bairro Petrangol, Km 3,4, Ed.2 Município do Sambizanga, Luanda (República Popular de Angola)	Trade in parts and accessories for vehicles
AS Parts Cabo Verde, S.A. Sede: Achada Grande Frente, Edi. Oásis Motors Cidade da Praia (Cabo Verde)	Trade in parts and accessories for vehicles
Auto-Maquinaria, Lda. Rua da Volvo, Bairro Candua, Município do Cacuaco Luanda (República Popular de Angola)	Trade, import and distribution of industrial and construction equipment, parts, tyres, fuel and after sales services
Auto Power Angola, Lda. Sede: Estrada do Cacuaco, Bairro Petrangol, Km 3,4, Ed.1 Município do Sambizanga, Luanda (República Popular de Angola)	Trade in parts and accessories for vehicles
Nors International, B.V. Sede: Amsteldijk 166 - 6HG 1079LH Amsterdam (Holanda)	Management of shareholdings in other companies
Auto Sueco (Lobito), Ltd. Estrada Nacional Lobito-Benguela Lobito (República Popular de Angola)	Sale and after sale of Trucks and Buses
Auto Sueco Centro Oeste Concessionária de Veículos Ltda. Sede: RDV BR 364, Km 16,3, Distrito industrial, Cuiabá, Brasil	Sale and after sale of new and used trucks
Auto Sueco São Paulo Concessionária de Veículos, Ltda. Sede: Av. Otaviano Alves de Lima, Nº4694 029.0001-000 São Paulo (Brasil)	Sale and after sale of new and used trucks and buses
Auto-Sueco (Angola), S.A.R.L. Sede: Av. 4 de Fevereiro, 95-3º, Apartado 34 Luanda (República Popular de Angola)	Import, trade and distribution of Volvo products
Auto-Sueco Kenya, Ltd. Plot 12080 - Units 6 & 7 Apex Business Centre, Mombasa Rd, Industrial Area, Nairobi (Quénia)	Import, export, sale of motor vehicles, industrial equipment, engines, components and after sales
Auto-Sueco (Tanzania) - Trucks, Buses and Const. Eq., Ltd. Sede: Kipawa Industrial Area Plot Nr. 92 Nyerere (Pugo) Road, P.O.Box 9303, Dar Es Salaam (Tanzania)	Import, export, sale of motor vehicles industrial equipment, engines and components

COMPANY AND REGISTERED OFFICE	BUSINESS ACTIVITY
Auto Sueco Moçambique, S.A. Sede: Av. Da Namaacha nº 8274 Maputo, Moçambique	Sale and after sale of new and used trucks and buses
Auto-Sueco Vehicles, Spare Parts & Services (Botswana)(Pty) Ltd. Sede: Plot 47 - Gaborone International Commerce Park Gaborone, Botswana	Sale and after sale of new and used trucks and trailers
Auto Sueco Vehicles, Spare Parts & Services (Namibia) (Pty), Ltd. Sede: 344 Independence Avenue 3º Windhoek (Namibia)	Sale and after sale of Trucks and Buses
Civipartes Angola, SA. Sede: Estrada do Cacuaco, Km 3,4 Luanda - Angola	Trade in parts and equipment
Civipartes Maroc, SA. Sede: Chemin Tertiaire 1015 Sidi Moumen 20400 Casablanca - Marrocos	Trade in parts and equipment
Civipartes España Sede: Av. Castilla nº 32 Nave 58 28850 Madrid San Fernando Henr - Espanha	Trade in parts and equipment
Expressglass Angola Sede: Estrada do Cacuaco, Bairro Petrangol, Km 4,3, Ed.5 Município do Sambizanga, Luanda (República Popular de Angola)	Trade and Assembly of parts and accessories for vehicles
Holding Expressglass, BV. Sede: Claude Debussylaan 24 1082 MD Amsterdam (Holanda)	Management of shareholdings in other companies
Nors Brasil Participações, Ltda. Sede: Rua Pamplona 818, 9º, Conj. 92 01405-001 São Paulo (Brasil)	Management of shareholdings in other companies
Socibil - Imobiliária, SARL. Sede: Avª 4 de Fevereiro nº.95, 3º., Apº.34. Luanda (República Popular de Angola)	Purchase and sale of properties
Sogestim, Lda. Sede: Estrada do Cacuaco, Km 3,4 Luanda (República Popular de Angola)	Acquisition and sale of properties and land, construction of buildings and land development
Tecnauto Vehiculos, S.L. Sede: Polígono Ind. El Montavo c/Nobel 37008 Salamanca (Espanha)	Real Estate Management

As of 31 December 2017, the joint ventures and associates of the Nors Group, their registered offices and main businesses were:

COMPANY AND REGISTERED OFFICE	BUSINESS ACTIVITY
COMPANIES BASED IN PORTUGAL	
Air Rail Portugal, Sociedade Unipessoal, Lda Sede: Estrada Nacional 10, Apartado 2094 2696-801 São João da Talha - Loures	Trade and distribution of industrial equipment
Ascendum, S.A. Sede: Praça Marquês de Pombal nº3 A-5º 1250 - 161 Lisboa	Management of shareholdings Provision of technical administration and management services
Ascendum II - Veículos, Unipessoal, LDA Sede: Rua Manuel Madeira, Marcos da Pedrulha 3025-047 Coimbra	Sale and after sale of motor vehicles
Ascendum III - Máquinas, Unipessoal, LDA Sede: Rua Vasco da Gama, nº 15 2685-244 Portela	Sale and after sale of construction equipment

COMPANY AND REGISTERED OFFICE	BUSINESS ACTIVITY
Ascendum Portugal - Serviços de Gestão, SA Sede: Rua Vasco da Gama, nº 15 2685-244 Portela	Management of shareholdings Provision of technical administration and management services
ASFC S.G.P.S., S.A. Sede: Rua Conde da Covilhã, 1637 4100-189 Porto	Management of shareholdings
Centrocar, S.A. Sede: Rua Vilar do Senhor, 461 - 1º Andar 4455-213 Lavra - Matosinhos	Sale and after sale of construction equipment
Dalia - Gestão e Serviços, S.A. Sede: Rua da Carreira, 138 9000-042	Management of shareholdings Provision of technical administration and management services
Glomak SGPS, S.A. Sede: Rua Vilar do Senhor, 461 4455-213 Lavra - Matosinhos	Management of shareholdings in other companies
TRACTORRASTOS - Soc. Vendedora de Acessórios, Lda. Sede: Estrada Nacional 116, 2615-907 Alverca	Import and sale of parts for industrial and agricultural machinery
Sotkon Portugal - Sistemas de Resíduos, S.A. Sede: Zona Industrial, Lote I - 27 2330-210 Entroncamento	Production and Marketing of underground containers for MSW

COMPANY AND REGISTERED OFFICE	BUSINESS ACTIVITY
COMPANIES BASED IN OTHER COUNTRIES	
Air-Rail, S.L. Sede: Calle Alsasua, 16 28023 Madrid - España	Trade and distribution of industrial equipment
Air-Rail Marrocos Marrocos	Trade and distribution of industrial equipment
AIR-RAIL POLSKA, Sp. z.o.o Szpitalna 8/9, 00-031 Warszawa Polónia	Trade and distribution of industrial equipment
Art Hava VE RAY EKIPMANLARI LTD. STI Sede: Fatih Mahallesi Katip Çelebi Caddesi, nº43 Tuzla - 34940 - Istanbul - Turquia	Trade and distribution of industrial equipment
ASCENDUM MAKINA YATIRIM HOLDING A.S Sede: Fatih Mahallesi Katip Çelebi Caddesi nº43 Tuzla - 34940 - Istanbul - Turquia	Management of shareholdings in other companies
ASC Construction Equipment, INC. Sede: 9115 Harris Corner Parkway, suite 450 Charlotte, NC 28269 USA (Estados Unidos da América)	Sale, after sale and rental of construction equipment
ASCENDUM MAQUINARIA MÉXICO, S.A de C.V Carretera Mexico Queretaro KM 32.5	Sale and after sale of construction equipment
ASC Turk Makina, Limited Sirketi Sede: Fatih Mahallesi Katip Çelebi Caddesi, nº43 Tuzla - 34940 - Istanbul - Turquia	Sale and after sale of construction equipment
Ascendum España, S.L. Sede: Parque Empresarial San Fernando, Edificio Munich, Planta 3, 28830 Madrid (Espanha)	Management of shareholdings in other companies
Ascendum, GmbH Grafenholzweg 1 5101 Bergheim / Salzburg (Áustria)	Management of shareholdings Provision of technical administration and management services
Ascendum Baumaschinen Österreich GmbH Grafenholzweg 1 5101 Bergheim / Salzburg (Áustria)	Importer of Machinery Sale and after-sale: Construction equipment

COMPANY AND REGISTERED OFFICE	BUSINESS ACTIVITY
Ascendum Építögépek Hungária KAPCSOLAT 1141 Budapest Nótárius u. 13-15 Hungria	Importer of Machinery Sale and after-sale: Construction equipment
Ascendum Gradevinski Strojevi Karlovacka 94 10250 Zagreb- Lucko (Croácia)	Importer of Machinery Sale and after-sale: Construction equipment
Ascendum Machinery SRL Sos. Odaii, nr. 439, Setor 1 013606 Bucuresti (Roménia)	Importer of Machinery Sale and after-sale: Construction equipment
Ascendum Stavebeni Stroje Czech Plzenská 430 CZ - 267 12 Lodenice (República Checa)	Importer of Machinery Sale and after-sale: Construction equipment
Ascendum Stavebné Stroje Slovensko Pestovatelská 4316/10, 821 04 Bratislava - Ružinov-Ružinov Eslováquia	Importer of Machinery Sale and after-sale: Construction equipment
Centrocar España Sede: Pol. Ind. La Sendilla, Avda. de las Palmeras, esq. C/ del Castaño 28350 Ciempozuelos - Madrid - Espanha	Sale and after sale of construction equipment
Centrocar Moçambique Sede: Avenida da Namaancha, nº 730 Maputo (Moçambique)	Sale and after sale of construction equipment
Hardparts Moçambique, Lda. Moçambique	Import and sale of parts for industrial and agricultural machinery
Importadora Distribuidora de Maquinaria Industrial ZEPHIR, S.L. Sede: Calle Alsasua, 16 28023 Madrid (España)	Import and trade of industrial equipment
Sotkon Anadolu Turquia	Production and Marketing of underground containers for MSW
Sotkon Angola, Lda. Sede: Rua Kwamme Nkrumah, nr. 260/262 Luanda (Angola)	Production and Marketing of underground containers for MSW
Sotkon Brasil Comércio Importação e Exportação, Ltda. Sede: Av. General Furtado Nascimento, 740 3º Andar, Sala 32, São Paulo (Brasil)	Production and Marketing of underground containers for MSW
Sotkon Espanha Sede: C/ Orla Etorbidea 8-10 - Oficina 409 nivel 4º 20160 Lasarte - Oria (Espanha)	Production and Marketing of underground containers for MSW
Sotkon France, S.A. Sede: 93, Rue de la Villette 69003 Lyon (França)	Production and Marketing of underground containers for MSW
Sotkon Marocco, SARLAU Sede: Twin Center, Angle Bds Zerktouni - Al Massira Tour Ouest, 16e étage 20100 Casablanca Maroc	Production and Marketing of underground containers for MSW
Sotkon TR ATIK SISTEMLERI SANAYI VE TICARET ANONIM SIRKETI Sede: Dikilitas Mah. Ayazmadere Cad. Tellioglu Plaza No:6 Kat:4 D:5 34349 Besiktas - Istanbul Turkiye	Production and Marketing of underground containers for MSW
Tea Aloya, Inmobiliaria, S.A.U. Sede: Parque Empresarial San Fernando, Edificio Munich, Planta 3, 28830 Madrid (España)	Acquisition and sale of properties and land, construction of buildings and land development
TRP YEDEK PARÇA ITHALAT IHRACAT VE PAZARLAMA LIMITED SIRKETI Fatih Mahallesi Katip Çelebi Caddesi, nº 43, 34940 - Tuzla, Istambul (Turquia)	Import and sale of parts for industrial and agricultural machinery
Volmaquinaria de Construcciòn España, S.A.U. Sede: Parque Empresarial San Fernando, Edificio Munich, Planta 3, 28830 Madrid (Espanha)	Importer of Machinery Sale and after-sale: Construction equipment
Volrental Atlântico, S.A.U Sede: Carretera de Castilla nº167 Betanzos - La Coruña (España)	Rental of construction equipment

The attached financial statements are presented in thousands of euros, and the euro currency is used preferentially in the economic environment in which the Group operates. Foreign operations are included in the consolidated financial statements in accordance with the policy described in 2.2 d).

2. MAIN ACCOUNTING POLICIES

The main accounting policies adopted in preparing the consolidated financial statements are as follows:

2.1. BASES OF PRESENTATION

The attached Financial Statements were prepared on a going concern basis, using the historical cost principal, with some financial instruments at fair value, based on the profits and accounting records of the companies included in the consolidation (note 4).

The Management Board considers that the principle of continuity is not jeopardized by the fact that Current Assets (214,557,000 euros) is less than Current Liabilities (228,008,000 euros). This is due to three main factors:

- The prospect of generating cash flow from the activity in 2018 corresponds to a higher positive value than the verified difference;

- As described in note 20, the Group has contracted credit lines in the amount of 323,358,000 Euros, 136,881 thousand euros are still available for use, and that 57,821 thousand euros of the latter amount correspond to Commercial Paper programs with average maturities greater than one year and 40,507 thousand euros of Floor Plan lines contracted with the main suppliers of the Group.

- The Group has fulfilled its objectives of reducing this differential and consolidating its financial position.

These financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) and the International Accounting Standards (IAS) issued by the International Accounting Standards Board (IASB) and Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) or by the previous Standing Interpretations Committee (SIC), in force as of 31 December 2017 and approved by the European Union.

For the companies considered to be joint ventures, where Group Nors' interests are consolidated using the Equity Method, their head offices and the share of capital held are described in notes 1 and 4.

During the 2017 financial year, the following standards and interpretations became applicable for this year or the following years:

1. Impact of adopting the standards and interpretations that came into force on 1 January 2017:

a) IAS 7 (amendment), "Revision of disclosures" (to be applied to fiscal years beginning on or after 1 January 2017). This amendment introduces an additional disclosure about changes in funding liabilities, divided between transactions that increased cash flow and those that did not, and how this information reconciles with the cash flows of the financing activities of the Statement of the Cash Flow. The adoption of this amendment did not have a significant impact on the Group's financial statements.

b) IAS 12 (amendment), "Income tax - Recognition of deferred tax assets on potential losses"(to be applied to fiscal years beginning on or after 1 January 2017). This amendment clarifies how to account for deferred taxes related to assets assessed at fair value, such as estimating future taxable income when there are temporary differences in deductibles and how to assess the recoverability of deferred taxes when there are restrictions in the tax law. The adoption of this amendment did not have a significant impact on the Group's financial statements.

2. Published standards (new and amendments) whose application is mandatory for annual periods which begin on or after 1 January 2018, which the European Union has already endorsed:

a) IFRS 9 (new), 'Financial instruments' (to be applied to the years beginning on or after 1 January 2018). IFRS 9 replaces the requirements of IAS 39 regarding: (i) the classification and measurement of financial assets and liabilities; (ii) the recognition of an impairment of receivables (using the expected loss model); and (iii) the requirements for recognising and classifying hedge accounting. Adopting this amendment will not have any significant impacts on the Group's financial statements.

b) IFRS 15 (new), 'Revenue from contracts with customers' (to be applied to the years beginning on or after 1 January 2018). This standard is only applied to contracts for the delivery of products or provision of services, and requires that the entity recognises the revenue when the contractual obligation to deliver assets or provide services is fulfilled and for the amount that reflects the consideration to which the entity is entitled, as provided for in the "5-stage methodology". Adopting this amendment will not have any significant impacts on the Group's financial statements.

c) IFRS 16 (new), "Leases" (to be applied to fiscal years beginning on or after 1 January 2019). This new rule replaces IAS 17 with a significant impact on accounting for lessees who are now required to recognize a lease liability reflecting future lease payments and a "right of use" asset for all leases, except certain leases of short-term assets and low-value assets. The definition of a lease contract was also modified based on the "right to control the use of an identified asset." The adoption of this amendment will have impacts on the Company's financial statements and the management is currently analyzing its impact. The management believes that these amendments will not be materially relevant to the reading of the financial statements nor the Group's main ratios and is in the process of identifying the future impacts of the adoption of the rule.
The survey already carried out identified contracts that could be classified as Operational Leases in light of this new rule whose rental value in 2018 will amount to 8,230,000 euros, with future rental property representing a value of 31,153,000 euros (without taking any monetary adjustments into account).

d) IFRS 4 (amendment), "Insurance contracts (application of IFRS 4 with IFRS 9)" (to be applied to fiscal years beginning on or after 1 January 2018). This amendment gives insurers the option of reporting them as "Other comprehensive income", rather than reporting them in a "Profit and Loss Account", the volatility that may result from the application of IFRS 9 before the new insurance contract rule is published. In addition, a temporary exemption will be granted to the application of IFRS 9 in 2021 to entities whose predominant activity is that of insurance. This exemption is optional and does not apply to consolidated financial statements that include an insurance entity. The adoption of this amendment will have no impact on the Group's financial statements.

e) Amendments to IFRS 15, "Revenue from contracts with customers" (to be applied to fiscal years beginning on or after 1 January 2018). These amendments refer to the additional rules to be followed for determining the performance obligations of a contract, when recognizing the return of an intellectual property license, revising the guidelines for the classification of the principal versus agent relationship, and the new regimes designed to simplify the transition. The adoption of this amendment will have no material impact on the Group's financial statements.

3. Published standards (new and amendments) and interpretations whose application is mandatory for annual periods which begin on or after 1 January 2017, but which the European Union has not yet endorsed:

STANDARDS

a) Modifications to the 2014 - 2016 rules (to be applied, in general, to fiscal years beginning on or after 1 January 2017). This cycle of modifications affects the following rules: IFRS 1, IFRS 12 and IAS 28. The adoption of this amendment will not have a significant impact on the Group's financial statements.

b) IAS 40 (amendment), "Transfer of Investment Property" (to be applied to fiscal years on or after 1 January 2018). This amendment is still subject to the process of ratification by the European Union. This amendment clarifies that assets can only be transferred to and from the investment property category when there is evidence of change in use. Having solely a change in management intent is not sufficient to effect the transfer. The adoption of this amendment will have no material impact on the Group's financial statements.

c) IFRS 2 (amendment), "Classification and measurement of share-based payment transactions" (to be applied to fiscal years beginning on or after 1 January 2018). This amendment is still subject to the process of ratification by the European Union. This amendment clarifies the basis of measurement for transactions based on cash-settled shares and the accounting of changes to a plan of payment based on shares, which alter their classification from cash-settled to equity-settled. In addition, it introduces an exception to the principles of IFRS 2 that requires that a payment plan based on shares be treated as if it was totally liquidated with own capital ("equity-settled"), when the employer is required to withhold an amount from an employee and pay that amount to the tax authority. The adoption of this amendment will have no material impact on the Group's financial statements.

d) IFRS 9 (amendment), "Prepayment elements with negative clearing" (to be applied to fiscal years beginning on or after 1 January 2019). This amendment is still subject to the process of ratification by the European Union. This amendment introduces the possibility of classifying financial assets with prepayment conditions with negative compensation at an amortized cost, provided that specific conditions are met, instead of being classified at fair value through profit or loss. The adoption of this amendment will not have a material impact on the Group's financial statements.

e) IAS 28 (amendment), "Long-term investments in associates and joint ventures" (to be applied to fiscal years beginning on or after 1 January 2019). This amendment is still subject to the process of ratification by the European Union. This amendment clarifies that long-term investments in associates and joint ventures (components of an entity's investment in associates and joint ventures), which are not being measured using the equity method, are accounted for under IFRS 9, subject to the estimated impairment loss model, before any impairment test is applied to the investment as a whole. The adoption of this amendment will have no significant impact on the Group's financial statements.

f) Improvements to the 2015-2017 rules (to be applied to fiscal years beginning on or after 1 January 2019). This cycle of modifications is still subject to the process of ratification by the European Union. This cycle of modifications affects the following rules: IAS 23, IAS 12, IFRS 3 and IFRS 11. The adoption of this amendment will have no significant impact on the Group's financial statements.

g) IFRS 17 (new), "Insurance contracts" (to be applied to fiscal years beginning on or after 1 January 2021). This rule is still subject to the process of ratification by the European Union. This new rule replaces IFRS 4 and applies to all entities that issue insurance contracts, reinsurance contracts and investment contracts with discretionary participation characteristics. IFRS 17 is based on the current measurement of technical liabilities on each reporting date. The current measurement can be based on a complete "building block approach" or "premium allocation approach". The recognition of the technical margin is different depending on whether it is positive or negative. IFRS 17 is retrospective. The adoption of this amendment will have no impact on the Group's financial statements.

INTERPRETATIONS

a) IFRIC 22 (new), "Foreign currency operations and prepayment" (to be applied to fiscal years beginning on or after after 1 January 2018). This interpretation is still subject to the process of ratification by the European Union. This is an interpretation of IAS 21 "The effects of changes in exchange rates" and refers to determining the "transaction date" when an entity pays or receives in advance for contracts denominated in foreign currency. The "transaction date" determines the exchange rate to be used to convert the transactions into foreign currency. The adoption of this amendment will have no material impact on the Group's financial statements.

b) IFRIC 23 (new), "Uncertainty over the treatment of income tax" (to be applied to fiscal years beginning on or after 1 January 2019). This interpretation is still subject to the process of ratification by the European Union. This is an interpretation of the IAS 12 "Income tax", referring to the measurement and reporting requirements to be applied when there is uncertainty as to the acceptance of a certain tax treatment by the tax authorities in regards to income tax. In the event of uncertainty as to the position of the Tax Administration in a specific transaction, the entity shall make its best estimate and report the income tax assets or liabilities under IAS 12, and not IAS 37 - “Provisions, contingent liabilities and contingent assets” based on the expected value or the most probable amount. The application of IFRIC 23 may be retrospective or retrospectively modified. The adoption of this amendment will have no material impact on the Group's financial statements.

DESCRIPTION	AMENDMENT	EFFECTIVE DATE
1. AMENDMENTS TO STANDARDS EFFECTIVE ON 1 JANUARY 2017		
• IAS 7 –Statement of Cash Flows	Reconciliation of changes in financing liabilities with cash flows from financing activities.	1 January 2017
• IAS 12– Income tax	Recording of deferred taxes on assets assessed at fair value, the impact of temporary deductible differences in the estimate of future taxable income and the impact of the restrictions on the ability to recover deferred taxes	1 January 2017

2. STANDARDS (NEW AND AMENDMENTS) THAT BECOME EFFECTIVE ON OR AFTER 1 JANUARY 2018, ALREADY ENDORSED BY THE EU		
• IFRS 9 - Financial instruments	New standard for accounting for financial instruments	1 January 2018
• IFRS 15 – Revenue from contracts with customers	Recognition of revenue related to delivering assets and providing services, using the 5-stage method.	1 January 2018
• IFRS 16 - Leases	New lease definition. New accounting of lease contracts for lessees. There are no changes to the accounting for rentals by lessors.	1 January 2019
• IFRS 4 – Insurance contracts (application of IFRS 4 with IFRS 9)	Temporary exemption from the application of IFRS 9 for insurers for the fiscal years beginning before January 1, 2021. Specific regime for the assets under IFRS 4 that qualify as financial assets at fair value through profit and loss in IFRS 9 and as financial assets at amortized cost in IAS 39, being allowed to classify the difference as "Other comprehensive income"	1 January 2018
• Amendments to IFRS 15 - Revenue from contracts with customers	Identification of performance obligations, recognition of IP licenses revenue, review of guidelines for the classification of the main versus agent relationship, and new regimes for the simplification of the transition.	1 January 2018

3. STANDARDS (NEW AND AMENDMENTS) AND INTERPRETATIONS THAT BECOME EFFECTIVE ON OR AFTER 1 JANUARY 2018, NOT YET ENDORSED BY THE EU		
3.1 STANDARDS		
• Improvements to rules 2014 - 2016	Several clarifications: IFRS 1, IFRS 12 and IAS 28	1 January 2017 and 1 January 2018
• IAS 40 - Investment properties	Clarification that evidence of change of use is required to make asset transfers from and to the category of investment properties	1 January 2018
• IFRS 2 - Share-based payments	Measurement of cash-settled share-based payments, accounting of modifications, and classification of equity-settled share-based payment plans, when the employer has the obligation to withhold tax.	1 January 2018
• IFRS 9 – Financial instruments	Accounting treatment options for financial assets with negative compensation	1 January 2019

DESCRIPTION	AMENDMENT	EFFECTIVE DATE
• IAS 28 - Investments in associates and joint ventures	Clarification of long-term investments in associates and joint ventures that are not being measured using the equity method	1 January 2019
• Improvements to rules 2015 – 2017	Several clarifications IAS 23, IAS 12, IFRS 3 and IFRS 11	1 January 2019
• IFRS 17 – Insurance contracts	New accounting for insurance contracts, reinsurance contracts and investment contracts with discretionary participation characteristics.	1 January 2021
	3.2 INTERPRETATIONS	
• IFRIC 22 – Transactions in foreign currency and advance consideration	Exchange rate to be applied when the consideration is received or paid in advance	1 January 2018
• IFRIC 23 – Uncertainties about the treatment of income tax	Clarification on the application of the principles of recognition and measurement of IAS 12 when there is uncertainty about the tax treatment of a transaction on income tax.	1 January 2019

2.2. CONSOLIDATED PRINCIPLES

The following are the consolidation principles adopted by the Group:

a) Financial Investments in Group companies

Investments in companies in which the Group holds control were included in the accompanying consolidated financial statements using the full consolidation method. The Group has control over a company when it is exposed, or has rights, on preventive variable returns of this company and has the capacity to affect them through the power it has over the investee. This power arises directly (for example, the right to vote in a general meeting and / or board of directors) or in a complex way (for example, through contractual agreements with third parties). The ability to affect returns is determined by the effective power that the Group holds in the investee without having to ally itself with third parties.

The equity and the net income of these companies corresponding to third party holdings in same are presented separately in the consolidated statement of financial position and the consolidated income statement, under “Non-controlling interests”. Group companies included in the consolidated financial statements are broken down in note 4.

The accumulated losses of a subsidiary are allocated to non-controlling interests, in the proportions held, which may imply the recognition of negative non-controlling interests.

The purchase method is used for business combinations prior to 2010. The assets and liabilities of each branch are identified at their fair value on their acquisition date. Any excess in the cost of acquisition against the fair value of the assets and net liabilities acquired is recognised as goodwill (Note 2.2 c)). If the difference between the cost of acquisition and the fair value of the net assets and liabilities acquired is negative, this is recognised as gains in the statements for the financial year following reconfirmation of the fair value assigned. The interests of holders of noncontrolling interests are shown in proportion to the fair value of the identified assets and liabilities.

For business combinations occurred after 1 January 2010, the Group applied the revised IFRs 3. According to this revised standard, the purchase method is still applied in business combinations but with some significant changes:

(i) all amounts that make up the purchase price are valued at fair value, with the transaction-to-transaction option of measuring the "non-controlling interests" by the proportion of the value of the net assets of the entity acquired or the fair value of the assets and liabilities acquired.

(ii) all costs associated with the acquisition are recorded as expenses.

Similarly, the revised IAS 27 has been applied since 1 January 2010. This requires all transactions with "non-controlling interests" to be recorded in equity when there is no change in control over the entity and no recording of goodwill or gains or losses. When there is loss of the control exercised over the entity, any remaining interest in the entity is remeasured at fair value, and any gains or losses are recognised as income for the period.

The income from the branches acquired or sold during the period are included in the income statement from the date on which control is acquired or on which control is lost.

Whenever necessary, adjustments are made to the financial statements of the branches in order to adapt their accounting policies to those used by the Group. Transactions, margins generated in Group companies, the balances and the dividends distributed in Group companies are eliminated during the consolidation process.

In situations where the Group substantially controls other entities created for a special purpose, even if it does not have a direct shareholding in the capital of these entities, they are consolidated using the full consolidation method.

b) Financial investments in associated companies and joint ventures

Financial investments in associated companies and joint ventures (companies where the Group exercises significant influence but are not under its control through participation in the financial and operational decisions of the Companies - generally investments representing between 20% and 50% of a company's capital and/or for which there are shareholder agreements) are accounted for using the equity method.

Under the equity method, all financial investments are initially recorded at acquisition cost and are then adjusted annually by an amount corresponding to the Group's share in the changes in equity (including net income) of the associated companies against the corresponding gains or losses in that financial year, plus the dividends received and other changes in equity occurred in the associated companies.

The differences between the acquisition cost and the fair value of identifiable assets and liabilities of the associated company at the acquisition date, if positive, are recognised as Goodwill. If these differences are negative, they are recorded as a gain for the period in the income statement item, "other Income and Gains", after reconfirmation of the fair value assigned.

An assessment of investments in associated companies is conducted whenever there is evidence that the asset may be impaired. Confirmed impairment losses are then recorded as expenses. When the impairment losses recognised in previous years no longer exist, they are subject to reversal.

When the Group's share of accumulated losses in the associated company exceeds the value at which the financial investment is recorded, the investment is recorded as zero as long as the equity of the associated company is not positive, except whenever the Group has entered into commitments with the associated company, in which case, a provision to meet these obligations is recorded.

Unrealized gains on transactions with associated companies are eliminated in proportion to the Group's interest in the associated company, against the financial investment in that same company. Unrealized losses are also eliminated, but only to the extent that they do not demonstrate that the transferred asset is impaired.

c) Goodwill

Following the transition to the IFRS, and as permitted by IFRS 1 - "First-Time Adoption of the IFRS", the Group chose to maintain the Goodwill resulting from business combinations that occurred before the transition date, recorded under the previous accounting rules used by the Group.

The value of Goodwill is not amortized and is annually tested for impairment losses. The recoverable amount is determined based on the current value of the estimated future cash flows expected to arise from the continued use of the asset and the value of its sale, less the cost of sale. Impairment losses in Goodwill recorded in the year are recorded in the income statement for that year under the "Impairment of non-depreciable assets" item.

Impairment losses relating to goodwill cannot be reversed.

Until 31 January 2009, contingent acquisition prices were determined based on the best estimate of probable payments, with all subsequent amendments being recorded against Goodwill. After 1 January 2010, Goodwill is no longer corrected according to the final determination of the value of the contingent price paid and this impact is recognised against income.

d) Translation of financial statements of foreign entities

Assets and liabilities in the financial statements of foreign entities are translated into euros by using the exchange rates in force at the date of the statement of financial position. The costs and income, as well as the cash flows, are converted into euros using the average exchange rate for the year. exchange rate differences generated after 1 January are recorded in equity under "Translation reserves". The accumulated exchange rate differences generated prior to 1 January 2009 (date of transition to the IFRS) were written off against the "other reserves" equity item.

Whenever a foreign entity is sold, the accumulated exchange rate difference is recognised in the income statement as a gain or loss from the sale.

In the 2017 and 2016 financial years, the exchange rates used in the conversion of the foreign consolidated entities into euros were as follows:

CURRENCY	CLOSING EXCHANGE RATE 2017	AVERAGE HISTORICAL EXCHANGE RATE 2017	CLOSING EXCHANGE RATE 2016	AVERAGE HISTORICAL EXCHANGE RATE 2016
BRL	3,9729	3,6054	3,4305	3,8561
CVE	110,2650	110,2650	110,2650	110,2650
USD	1,1993	1,1297	1,0541	1,1069
TZS	2 687,9191	2 528,8917	2 295,0121	2 419,2887
BWP	11,7925	11,6878	11,2233	12,0627
MAD	11,1980	10,9093	10,6227	10,7742
KES	123,2797	116,6982	107,0606	112,3566
NAD	14,8054	15,0490	14,4570	16,2645
MZN	70,6373	72,6165	74,9019	69,2823
UGX	4 354,7943	4 061,9741	3 758,7700	3 743,2772
TRY	4,5464	4,1206	3,7072	3,3433

2.3. MAIN ACCOUNTING POLICIES

The main accounting policies used by the Nors Group in the preparation of its financial statements are as follows:

a) Tangible fixed assets

Tangible fixed assets acquired prior to 1 January 2009 (date of transition to the IFRS) are recorded at "deemed cost", which corresponds to their acquisition cost or revalued acquisition cost in accordance with the accounting principles generally accepted in Portugal (and in the countries of the Group subsidiaries) until that date, net of depreciation and impairment losses.

Tangible fixed assets acquired after that date are recorded at acquisition cost, net of accumulated depreciation and accumulated impairment losses.

Impairment losses identified in the realization value of tangible fixed assets are recorded in the year they are estimated, against the "Impairment of depreciable investments" item in the income statement.

Depreciation is calculated from the time the goods are ready to be used, using the straight-line method, according to the following estimated useful lives:

	YEARS
Buildings and other structures	20 - 50
Basic equipment	7 - 16
Transport equipment	4 - 5
Tools and utensils	4 - 14
Office equipment	3 - 14
Other tangible fixed assets	4 - 8

Expenses on repair and maintenance of tangible fixed assets are considered as costs in the year they occur. significant improvements that increase the estimated period of use of the assets are capitalized and amortized according to the remaining service life of the corresponding assets.

Tangible fixed assets in progress represent tangible assets still in the construction/development stage, and are recorded at acquisition cost minus accumulated impairment losses. These assets are transferred to tangible fixed assets and amortized as soon as the underlying assets are available for use and under the conditions necessary to operate as intended by the management.

The gains and losses arising from the sale or write-off of property, plant and equipment are determined as the difference between the selling price and the net book value at the date of sale/write-off and are recorded in the income statement as "Other income and gains" or "Other expenses and losses".

Depreciation of the tangible fixed assets is recorded in the consolidated income statement under "Expenses/ reversals of depreciation and amortization".

b) Intangible assets

Intangible assets are recorded at acquisition cost, net of accumulated amortization and accumulated impairment losses. Intangible assets are only recorded if future economic benefits are likely to arise and if the Group has the power to control them and can reasonably measure their value.

Research expenses incurred on new technical knowledge are recorded as expenses in the income statement when incurred.

Expenses on developments for which the Group shows that it has the ability to complete their development and begin their marketing and/or use and for which it is likely that the asset created will generate future economic benefits, are capitalized. development costs that do not meet these criteria are recorded as expenses in the income statement in the year they are incurred.

Internal costs associated with maintaining and developing software are recorded as expenses in the income statement when incurred, except in those situations where these costs are directly related to projects which will probably generate economic benefits for the Group. In these situations, these costs are capitalized as intangible assets.

Intangible assets are depreciated using the straight-line method over a period of three to five years, except for those related to concession rights, which are considered to have an indefinite service life, and, as such, are not amortized and are subject to annual impairment tests.

Amortization of intangible assets is recorded in the income statement under "expenses/reversals with depreciation and amortization".

c) Investment properties

Investment properties which correspond to real estate assets held to obtain income from their rental or for capital appreciation and not for use in the production or supply of goods and services or for administrative purposes are recorded at acquisition cost, which is their fair value subject to disclosure (Note 8).

Whenever the fair value of these assets is below their acquisition costs, an impairment loss is recorded for the year in which it is estimated, against the "Impairment of depreciable investments" item in the income statement. The moment in which the accumulated impairment losses recorded are no longer significant, they are immediately reversed against impairment under the same item in the income statement up to the predetermined amount, net of depreciation or amortization, if no impairment loss was recognised in previous years.

The fair value of the investment properties which are subject to disclosure was determined on the basis of property valuations performed by a specialised independent real estate entity.

Depreciation is calculated from the time the goods are ready to be used, using the straight-line method, according to the following estimated useful lives:

	YEARS
Buildings and other structures	20 - 50

d) Leases

Lease contracts are classified as (i) financial leases, if they substantially transfer all risks and advantages inherent to the ownership of the leased assets, and as (ii) operating leases, if they do not substantially transfer all risks and advantages inherent to the ownership of the leased assets.

The classification of leases as financial or operating leases is based on the substance and not on the form of the contract.

The tangible fixed assets acquired through financial leasing contracts, as well as the corresponding liabilities, are recorded using the financial method. According tothis method, the cost of the asset is recorded in tangible fixed assets and the corresponding liabilities are recorded as accounts payable to investment suppliers.

The rents are the sum of the financial costs plus the financial repayment of the capital. The financial costs are allocated to the years during the term of the lease, taking into account a constant periodic interest rate on the outstanding balance in liabilities, and the fixed tangible asset is amortized as described in Note 2.3.a).

In operating leases, rents are recognised as costs in the income statement for the year to which they pertain (Note 35).

e) Inventories

Goods and raw materials, subsidiaries and consumables are valued at average acquisition cost, which is below their market value.

Finished and intermediate products, as well as products and work in progress, are valued at production cost, which is below the market value. Production costs include the cost of the raw materials used, direct labour, general manufacturing costs and external services.

The accumulated impairment losses for depreciation of inventories reflect the difference between the acquisition/ production cost and the net realizable market value of the inventories.

f) Subsidies from the Government or from other public bodies

State subsidies are recognised at their fair value whenever there is a reasonable assurance that they will be received and that the Company will meet the conditions required for these to be granted.

Non-refundable subsidies and contributions received to fund tangible fixed assets are recorded, only when there is reasonable assurance that these will be received, under "deferrals". They are recorded as a gain in the income statement in proportion to the depreciation of the subsidised tangible fixed assets.

Subsidies related to expenses incurred are recorded as a gain to the extent that there is reasonable assurance that they will be received, that the company has already incurred the subsidized costs and that they meet the conditions required for these to be granted.

g) Impairment of assets other than Goodwill and concession rights

An impairment assessment of the Group's assets is conducted at the date of each statement of financial position and whenever an event or change in the circumstances, indicating that the amount at which the asset is recorded may not be recoverable, is identified.

Whenever the amount at which the asset is recorded exceeds its recoverable amount (defined as the highest net sale price and value in use, or as the net sale price for assets held for sale), an impairment loss is recognised. The net sales price is the amount obtainable from selling the asset in a transaction between knowledgeable independent entities, net of the costs directly attributable to the sale. The use value is the current value of the estimated cash flows that are expected to arise from the continued use of the asset and from its sale at the end of its service life. The recoverable amount is estimated for each asset individually or, should that not be possible, for the cash-flow-generating unit to which the asset belongs.

The reversal of impairment losses recognised in previous years is recorded when it is concluded that the impairment losses no longer exist or have decreased. This analysis is conducted whenever there are indications that the impairment loss previously recognised has been reversed. The reversal of impairment losses is recorded in the income statement. However, the reversal of impairment losses is carried out up to the amount that would be recognised (net of amortization or depreciation) if the impairment loss had not been recognised in previous years.

Evidence of impairment on receivables arises when:

- the counterparty demonstrates significant financial difficulties;
- there are significant delays in main payments from the counterparty; and
- it is probable that the debtor will go into liquidation or undergo financial restructuring.

For debts receivable, the Group uses historical information and information from its credit control and legal departments, which allow it to make an estimate of the amounts impaired.

In the case of inventories, impairment losses are calculated based on market indicators and on several inventory rotation indicators, which are then reviewed and adjusted by the responsible departments in order to ensure that the value of inventories does not exceed their net realizable value.

h) Financial charges

Financial charges related to loans (interest, premiums, ancillary costs and interest on finance leases) are recorded as costs in the income statement for the period they are incurred using the accruals basis.

If dealing with qualifying assets, the financial burden will be properly capitalized as defined in the applicable IFRS.

i) Provisions

Provisions are recorded when, and only when, the Group has a present obligation (legal or constructive) resulting from a past event, whenever it is likely that there will be an outflow of resources to settle the obligation and the amount of the obligation can be reasonably estimated. Provisions are reviewed at the date of each statement of financial position and are adjusted to reflect the best estimate of their fair value at that date (Note 25).

Provisions for restructuring costs are recorded by the Group whenever there is a detailed, formal restructuring plan and that it has been communicated to the parties involved.

j) Financial instruments

1. Investments

The Group classifies its financial investments in the following categories: 'Investments recorded at fair value through profit or loss', 'Investments held to maturity' and 'Investments available for sale'. The classification depends on the intent underlying the acquisition of the investment.

Investments recorded at fair value through profit or loss

This category is divided into two subcategories: 'financial assets held for trading' and 'investments reported at fair value through profit or loss'. A financial asset falls under this category if it is acquired for the purpose of being sold in the short term or if the adoption of the valuation through this method eliminates or significantly reduces an accounting mismatch. Derivative instruments are also classified as held for trading, unless they are hedged. Assets in this category are classified as current assets if they are held for trading or if they are expected to mature within a period of less than 12 months from the date of the statement of the financial position.

On December 31, 2017, the Nors Group did not hold financial instruments classified as "financial assets held for trading" nor "instruments reported at fair value through profit or loss".

Investments held to maturity

This category includes non-derivative financial assets with fixed or variable repayments, which have a fixed maturity and that the Management board intends to maintain until their date of maturity. These investments are classified as non-current assets, unless the maturity is less than 12 months from the date of the statement of financial position.

Available-for-sale investments

These include financial assets, not derivatives, which are designated as available-for-sale or those that do not fall into the previous categories. This category is included in non-current assets unless the Management Board intends to dispose of the investment within a period of less than 12 months from the date of the statement of financial position.

On December 31, 2017 and 2016, the Nors Group held investments that fell under this category corresponding to the Angolan State Treasury Bonds declared as traded on the Angolan Securities Exchange (BODIVA) and acquired in 2016 and 2017. On December 2016, the Nors Group also held investments that fell under this category corresponding to shares of entities listed on the Lisbon Stock Exchange (Euronext Lisbon).

Investments are initially recorded at their acquisition value, which is the fair value of the price paid; in the case of held-to-maturity investments and available-for-sale investments, transaction costs are included.

After initial reporting, investments measured at fair value through profit or loss and available-for-sale investments are reassessed to their fair values by referring to their market value at the date of the statement of financial position corresponding to their listing on the stock exchange, without any deduction relating to transaction costs that may occur until it is sold.

Gains or losses arising from a change in the fair value of available-for-sale investments are recorded as equity until the investment is sold, received or otherwise disposed of or until the fair value of the investment is below its cost of acquisition and that this corresponds to a significant and permanent impairment loss, at which point the accumulated loss is recorded on the income statement.

Available-for-sale financial investments representing shares of unlisted companies are recorded at acquisition cost, taking into account the existence of impairment losses or lack thereof.

All purchases and sales of financial investments are reported on the transaction date, that is, on the date the Group assumes all risks and obligations inherent in the purchase or sale of the asset. Investments are all initially reported at fair value plus transaction costs, with the only exception being "investments reported at fair value through profit or loss". In the latter case, investments are initially reported at fair value and transaction costs are reported in the income statement.

Investments are disposed of when the right to receive financial flows has expired or has been transferred and, consequently, all associated risks and benefits have been transferred.

"Available-for-sale investments" and "investments reported at fair value through profit or loss" are subsequently reported at fair value at the date of the statement of financial position, without deduction of any transaction costs that may occur until it is sold.

"Held-to-maturity investments" are recorded at amortized cost using the effective interest rate method.

Realised and unrealised gains or losses arising from a change in the fair value of "Investments reported at fair value through profit or loss" are reported on the income statement for the year. Realised and unrealised gains or losses arising from a change in the fair value of the non-monetary investments classified as available for sale are reported as equity until the investment is sold, received or in any other way disposed of, or until the fair value of the investment is below its cost of acquisition and that it corresponds to an impairment loss, at which point the accumulated loss is reported on the income statement.

The fair value of available-for-sale financial investments is based on current market prices. If the market in which the investments are made is not an active/liquid market (unlisted investments), the Group reports the cost of acquisition, taking into account the existence of impairment losses or lack thereof. It is the belief of the Group's Management Board that the fair value of these investments does not differ significantly from their acquisition cost. The fair value of quoted investments is calculated based on the closing price of the stock market where they are transacted, at the date of the statement of financial position.

The Group evaluates at the date of each statement of financial position whenever there is objective evidence that a financial asset may be impaired. In the case of equity instruments classified as available for sale, a significant or prolonged decline from their fair value to below their cost is indicative that the asset is impaired. If there is any evidence of impairment of 'available-for-sale investments', accumulated losses - calculated by the difference between the acquisition cost and the fair value minus any impairment losses previously reported in the income statement - are deducted from equity and reported on the income statement.

All purchases and sales of these investments are recognised on the date when the respective sales agreements are signed, regardless of the date of settlement.

2. Third-party debts

The debts of third parties that do not earn interest are reported at their nominal value, minus any impairment losses so that they reflect their present potential net value. These amounts are not discounted because the effect of this financial update is not considered material.

3. Loans

Loans are recorded as liabilities at their nominal value less the transaction costs which are directly attributable to the issue of these liabilities. Financial charges are calculated according to the effective interest rate and accounted for in the income statement for the period using the accruals basis.

4. Debts owed to third parties

debts owed to third parties that do not earn interest are recorded at their nominal value, as the effect of the financial activity is not considered material.

5. Derivative financial instruments

The Group uses derivative financial instruments to manage its financial risks as a way to reduce its exposure to them. The commonly used derivative financial instruments are foreign exchange forwards ("Cash flow hedges") and are aimed at hedging the risk of exchange rate variation in intra-group transactions, as well as interest rate swaps from variable to fixed, to hedge interest rate risk ("cash flow hedges").

Derivatives are initially reported at fair value at the date of their contractual provisions and subsequently measured at fair value. The method by which the fair value changes are recognized depends on the name (or otherwise) of the derivative as a hedging instrument and, if so designated, the nature of the hedged item.

For each transaction, and at its origin, the group prepares documentation that justifies the relationship between the hedging instrument and the hedged item, as well as the risk management objective and the strategy for the hedge transaction. The group also documents, either at the hedge date or on an ongoing basis, its analysis of the effectiveness with which the hedging instrument compensates for changes in the fair value or the cash flows of the instruments hedged. In accordance to IAS 39, the fair value of option derivatives is separated by their intrinsic value and their time value, since only the intrinsic value of these instruments can be designated as a hedging instrument. Thus, the efficacy tests of the option type derivatives only include the intrinsic value of these instruments.

The fair value of derivatives contracted for hedging purposes is presented in note 26. The movements in the hedge reserve are presented in the consolidated statement of changes in equity. The total fair value of a hedging derivative is classified as a non-current asset or liability when the residual maturity of the instrument hedged is greater than 12 months and as a current asset or liability when it is less than 12 months. Trading derivatives are classified as current assets or liabilities.

Derivative instruments to which the company applied hedge accounting are initially recorded at cost, which corresponds to their fair value, and subsequently reassessed at fair value, and their variations are reported in "Fair Value Reserves". In the case of cash flow hedges, under "Other reserves" in the case of exchange risk hedges in "net investment in a foreign operation" and in the results of the fiscal year in the case of fair value hedges.

Derivative instruments to which the company did not apply hedge accounting, even though they were contracted for economic coverage purposes, are initially recorded at cost, which corresponds to their fair value, if any. Then they are subsequently reassessed to their fair value, whose changes, calculated through the valuations carried out by the banking entities with which the Group enters into the respective contracts, directly affect the financial income items of the consolidated income statement.

6. Cash and bank deposits

The amounts included in the "Cash and bank deposits" item correspond to the amounts of cash, bank deposits, term deposits and other treasury applications falling due in less than three months and which can be immediately transacted with an insignificant risk of change in value.

k) Contingent assets and liabilities

Contingent liabilities are defined by the Group as (i) possible obligations arising from past events and whose existence will only be confirmed by the occurrence, or not, of one or more uncertain future events not entirely within the control of the Group or (ii) present obligations arising from past events, but which are not recognised because it is not probable that there will be an outflow of resources including economic benefits to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised in the consolidated financial statements of the Group. They are disclosed in the Notes to the Consolidated Financial statements, unless the possibility of an outflow of funds affecting future economic benefits is remote, in which case they are not even disclosed.

Contingent assets are possible assets arising from past events and whose existence will only be confirmed by the occurrence, or not, of one or more uncertain future events not entirely within the Group's control.

Contingent assets are not recognised in the Group's consolidated financial statements but are disclosed in the Notes to the Consolidated Financial statements when there are likely to be future economic benefits.

l) Taxes on income

The income tax for the year is calculated based on the taxable results of the companies included in the consolidation, according to tax rules in force in the country where the head office of each Group company is registered, and includes deferred taxation.

Current income tax is calculated based on taxable results of the companies included in the consolidation.

Deferred taxes are calculated based on the liability method of the statement of financial position and reflect the temporary differences between the amount of assets and liabilities for accounting purposes and the respective amounts for tax purposes. Deferred tax assets and liabilities are not recognized when the temporary differences arise from Goodwill or the initial recognition of assets and liabilities other than through corporate mergers. Deferred tax assets and liabilities are calculated and annually assessed using the tax rates in effect, or announced to be effective, at the expected date of the change in status of the temporary differences.

Deferred tax assets are recorded only when there are reasonable expectations of sufficient future taxable profits for their use, or in situations where there are temporary tax differences that offset temporary deductible differences in the period of their change of status. At the end of each financial year, these deferred taxes are reviewed and reduced whenever their future use is no longer probable.

Deferred taxes are recorded as cost or income for the year, except if they relate to items recorded directly in equity, in which case the deferred tax is also recorded in equity.

m) Fiscal consolidation

Income tax for the year is calculated based on the special Taxation Regime of Groups of Companies ("ReTGs"). The Group has one ReTGs registered in Portugal and this is made up of the companies with registered offices in this country and in which the Auto sueco Group has a direct or indirect holding of over 75%.

The other Auto sueco Group companies, registered abroad or which do not meet the conditions for falling under the ReTGs are taxed separately and in accordance with the applicable legislation.

n) Accruals accounting and revenue

Income and expenditure are recorded according to the principle of accrual accounting, under which these are recognised as they are generated, regardless of when they are received or paid. The differences between the amounts received and paid and the corresponding income and costs generated are recorded in the increases and deferrals items included in the "other accounts receivable", "other accounts payable" and "deferrals" items.

Costs and income whose real value is not known are estimated using the best evaluation of the Management boards and boards of directors of the Group companies.

Revenue is recognised, net of taxation and commercial discounts, at the fair value of the amount received or receivable, where:

- Revenue from sales is recognised in the income statement when a significant part of the risks and benefits inherent to the ownership of the assets is transferred to the purchaser, it is probable that economic benefit will arise for the Group and that the amount of the said income can be reasonably quantified;

- Revenue from the provision of services is recognised in accordance with the stage of completion of the provision of services or based on the contract period when the provision of services is not associated with the execution of specific activities, but to the on-going provision of services.

The cost of these repairs includes the materials and labour involved, where the final cost and the price payable by the customers are only known on the date of the conclusion of the repairs, with the issue of the corresponding invoice and delivery of the repaired property to the customer. The revenue is also recognised at this time.

Equipment acquired by customers through leasing contracts they have negotiated with financial entities, in which there is a commitment to repurchase, is recognised as revenue at the time of the delivery thereof to the customers whenever the risks and advantages inherent to the ownership of the property are transferred to the customer. This type of contract is recognised as an operating leasing if the risks are not transferred.

The amount of the revenue is not considered to be reliably measurable until all the contingencies relating to the sale are substantially resolved. The Company bases its estimates on historical results, considering the type of customer, the nature of the transaction and the specific details of each agreement.

Dividends are recognised as revenue in the year in which they are attributed.

o) Subsequent events

Events occurring after the date of the statement of financial position which may provide additional information on conditions that existed at the date of the statement of financial position (adjusting events) are reflected in the consolidated financial statements. events after the deadline of the statement of financialposition which provide information on conditions that occur after the date of the statement of financial position (non-adjusting events), if material, are disclosed in the Notes to the Consolidated Financial statements.

p) Classification of the statement of financial position

Assets realizable and liabilities payable in more than one year from the date of the statement of financial position are classified as non-current assets and liabilities, respectively, with deferred tax assets and liabilities also being included in these items.

q) Foreign currency balances and transactions

Assets and liabilities expressed in foreign currency were converted to euros using the exchange rates in force at the date of the statements of financial position. Foreign exchange gains and losses arising from differences between the exchange rates in force on the date of the transactions and those in force on the date of collection, payment or at the date of the statement of financial position are recorded as gains and losses in the consolidated income statement of the period.

r) Non-current assets held for sale

Non-current assets (and groups of related assets and liabilities held for sale) are classified as held for sale if their book value is recoverable through sale rather than through continued use.

For this to be the case, the sale must be highly probable and the asset (and the groups of related assets and liabilities held for sale) must be available for immediate sale in its present condition. In addition, adequate measures must be in course in order to conclude that the sale is expected to occur within 12 months of the date of classification in this item.

Non-current assets (and groups of related assets and liabilities held for sale) are classified as held for sale and recorded at the lower of their book value or fair value, less the sales costs.

s) Judgements and estimates

In preparing the consolidated financial statements, the Group's Management board used the best available knowledge and experience of past and/or current events considering certain assumptions relating to future events.

The most significant accounting estimates reflected in the consolidated financial statements for the years ended on 31 december 2017 and 2016 include:

- Useful lives of tangible and intangible assets;
- Recognition of adjustments on assets (accounts receivable and inventories) and provisions;
- Impairment tests performed on Goodwill.

Estimates and underlying assumptions were determined based on the best available knowledge of events and transactions in progress at the date of approval of the financial statements, as well as the experience of past and/or current events. However, situations may occur in subsequent periods that, as they were not foreseeable at the time of approval of the financial statements, were not considered in these estimates. Changes to estimates that occur after the date of the financial statements will be corrected prospectively. For this reason and given the associated degree of uncertainty, the actual income from the transactions in question may differ from the corresponding estimates. Changes to these estimates which occur after the date of the consolidated financial statements will be prospectively corrected in income, in accordance with IAS 8.

The main estimates and assumptions concerning future events included in the preparation of consolidated financial statements are described in the corresponding attached notes.

2.4 RISK MANAGEMENT POLICY

The Nors Group developed a risk management methodology based on best practices, to ensure an independent and objective assessment of organizational risks, enabling the monitoring, management, consolidation and "benchmarking" between the various organizational dimensions of the Group.

The identification of the corporate risks of the group is the responsibility of the Management Council, advised by the Internal Audit Department, establishing the main risks to which the Group as a whole is exposed, defining the level of exposure desired for each. It is from this combination that the Organizational Risk Profile is determined, which should guide the actions and initiatives to be adopted and implemented across the Group. In this context, the main initiative developed was the design and permanent modification of Nors Corporate Policies. These Corporate Policies define, for each topic, the main responsibilities, decisions and approvals between the Management Bodies, the Corporate Structures and the Business Units/Companies of the Group.

a) Surroundings risk

The surroundings risk arises from factors outside the company that may affect the viability of its business model, jeopardizing the fulfillment of the strategy and objectives.

The most critical risks in this category were worked out by the Management board, the action plan will be monitored and developed over time.

b) Risk and Information Processes for decision making

Process risk is the risk of the Company not be acquiring, managing, renovating and using efficiently and effectively the business assets. The risk in information for decision making is the risk of information used to support the implementation of the business model, for internal or external reporting on performance and continuous evaluation of the business model.

The Risk and Information Processes for decision making will be mitigated either by the actions of directors on each business Unit / Company or the standards set out in the Corporate Policies.

c) Foreign exchange rate risk

The risk of exchange rate is related to the Group's exposure to potential economic and financial losses, given the instability and volatility that characterize exchange rates of some currencies and the uncertainty as to its evolution. The Nors Group, being geographically dispersed across various regions and international markets, bases its activity in different currencies, so this risk should be managed properly in a global perspective and centrally. Therefore, solely for the CFO define the measures and preferred initiatives that the Group and the BU / GC should take to mitigate the currency risk.

The currencies with significant exposure are the US dollar and the Brazilian real.

This currency exposure balance is managed through natural hedges, namely hiring financial debt in local currency to the risk assumed.

The exchange effects of businesses are run by Managing directors and Finance of the Regions through more or less structured finance instruments: fowards and financial debt.

The amount of the Group’s assets and liabilities (in thousands of euros) recorded in a currency other than the euro can be summarized as follows:

		ASSETS		LIABILITIES	
CURRENCY		**DEC 2017**	**DEC 2016**	**DEC 2017**	**DEC 2016**
Brazilian Real	BRL	64 879	91 408	28 979	53 302
Cape Verde escudo	CVE	-14	-14	990	990
US Dollar	USD	155 157	154 022	69 311	63 968
Tanzanian Shilling	TZS	-30	6 210	1 196	5 165
Botswana Pula	BWP	3 703	3 013	2 745	1 815
Moroccan Dinar	MAD	104	109	-254	-267
Kenyan Shilling	KES	10	5 817	-82	4 283
Namibian Dollar	NAD	8 447	7 725	7 272	6 531
Mozambique metical	MZN	1 027	1 170	1 487	3 206
Uganda Shilling	UGX	0	578	0	1 161

Assuming a scenario of 2% devaluation against the exchange rate of 2017 of each currency, applying this to the direct contributions in 2017 to the Group's financial position and net profit, the main impacts can be summarized as follows:

CURRENCY		ASSETS	LIABILITIES	EQUITY	NET INCOME
Brazilian Real	BRL	-1 272	-568	-704	45
US Dollar	USD	-3 042	-1 359	-1 683	-202
Tanzanian Shilling	TZS	1	-23	24	36
Botswana Pula	BWP	-73	-54	-19	0
Moroccan Dinar	MAD	-2	5	-7	0
Kenyan Shilling	KES	0	2	-2	25
Namibian dollar	NAD	-166	-143	-23	-7
Mozambique metical	MZN	-20	-29	9	-2

d) Price risk

Price risk is related to other assets and financial instruments and presents an increased level of exposure, so the mechanisms to control or minimize it may imply the use of more sophisticated hedging instruments. Therefore, the sensitivity and performance of the Group in the face of price variations in the "available-for-sale investments" should be monitored by the Directorate of Planning and Performance Management and managed by the CFO, in accordance with the guidelines defined by the Board of Directors, whenever necessary.

The Group's sensitivity to price changes in the "Available-for-sale investments" (one of the categories that may present a higher price risk) is mitigated by the Group's holding until the maturity date, thus not being susceptible to changes in prices on regulated markets.

e) Interest rate risk

The Group's indebtedness is indexed to variable interest rates, exposing the cost of debt to the volatility of the financial market. The impact of this volatility on the Group's results and equity is not significant due to the following factors: a possible correlation between the level of market interest rates and economic growth (natural hedge) and the existence of liquidity and cash equivalents at variable rates.

		DEC 2017	DEC 2016
	CHANGE	INCOME	INCOME
Obtained funding	+ 1 p.p.	1 865	2 228
Obtained funding	-1 p.p.	(1 865)	(2 228)

Additionally, in 2014, the Nors Group took the decision to hire a swap variable for fixed interest rate, such as "Plain Vannila" to cover part of the risk it is exposed to the variability of the rate used in a number of financing agreements obtained. More details about this contract are referred to in note 26.

f) Liquidity risk

Liquidity risk is defined as the risk of inability to settle or meet its obligations within the established deadlines and at a reasonable price. The this risk management objectives in Nors are mainly three:

- Liquidity, to ensure permanent and efficient access to sufficient funds in order to be able to meet current payments on the due dates as well as any requests for funds within the periods defined for this, even if not foreseen;

- Security, to minimize the probability of non-compliance in the repayment of any application of funds;

- Financial efficiency, to ensure that the companies maximize the value / minimize the cost of having surplus liquidity in the short term.

In general, responsibility for the management of liquidity risk is the Financial division of the Regions. However, to ensure that there is liquidity in the Group and the business Units / Group Companies are defined working capital management parameters to maximize the return obtained and minimize opportunity costs of safe and efficient manner. It should be noted that in Nors Group all existing liquidity surplus should be applied in short-term debt redemption, should be adopted based on the worst case scenario for the analysis of maturity of each class of financial liabilities in order to minimize the liquidity risk associated with these obligations.

On 31 december, 2017 and 2016, the Group had a net debt of 157,800 thousand euros and 181,895 thousand euros, respectively, divided between current and non-current (note 20) and cash and bank deposit (note 16) contracted with of various institutions.

g) Credit risk

Credit risk refers to the risk that counterparty will default on its obligations, resulting in potential losses for the Group, so their exposure is mainly associated with the collection of receivables from customers arising from operating activities. To cover the credit risk, can be contracted credit insurance and other hedging instruments, and, with regard to hiring credit insurance, Accounts Receivable Areas of Norshare of the Regions should make an assessment of need and the cost / benefit of hiring and submit its findings to the Financial division of the Regions. Regarding the hiring of other hedging instruments, this is the exclusive competence of the CFO.

The Management board adopted a policy of Customers and Credit Management that mitigates this risk, particularly in the following points:

- Mandatory for all the business of the commercial area with credit that the financial area from Accounts Receivable of shared services, analyze the credit and deliver an technical opinion;

- Perform monthly analysis of impairments on receivables;

- Monitor the evolution of credit in regular meetings.

3. CHANGES IN ACCOUNTING POLICIES AND CORRECTION OF FUNDAMENTAL ERRORS

During the year that ended on December 31, 2017, the Board of Directors made the decision to change the presentation of the Group Income Statement by type.

This decision arose from the need to better expose the Group's exchange rate impacts and exchange rate risk protection policy. Thus, the Net Foreign Exchange Differences were ring-fenced in a separate line of the financial statement, and the comparative period was restated.

The following table summarizes the impacts of this change:

	2016	RECLASSIFICATION	2016 RESTATED
INCOME AND EXPENSES			
Turnover	550 462		550 462
Subsidies for exploration	13		13
Imputed gains / losses of subsidiaries, associates and joint ventures	10 305		10 305
Variation in production inventories	433		433
Cost of goods sold and materials consumed	(406 096)		(406 096)
Supplies and external services	(49 112)		(49 112)
Staff costs	(65 831)		(65 831)
Impairment of inventories (losses / reverses)	(407)		(407)
Impairment of receivables (losses / reverses)	5 314		5 314
Provisions and impairment losses (increases / decreases)	(604)		(604)
Impairment of non-depreciable / amortizable investments (losses / reverses)	(1 235)		(1 235)
Other income and gains	23 753	(9 838)	13 915
Other expenses and losses	(21 763)	5 717	(16 046)
INCOME BEFORE DEPRECIATIONS, FINANCING EXPENSES AND TAXES	**45 230**	**(4 121)**	**41 109**
Expenses /reversals of depreciation and amortization	(9 985)		(9 985)
Impairment of depreciable /amortizable investments (losses/reversals)			
OPERATING INCOME (BEFORE FINANCING EXPENSES AND TAXES)	**35 245**	**(4 121)**	**31 124**
Interest and similar income obtained	4 127	(4 127)	
Similar interest and expenses incurred	(19 189)	19 189	
Net foreign exchange differences		4 009	4 009
Result of financial activity		(14 951)	(14 951)
INCOME BEFORE TAX	**20 183**		**20 183**
Tax over the period's income	(8 477)		(8 477)
NET INCOME FROM CONTINUING OPERATIONS	**11 706**		**11 706**
RESULT OF DISCONTINUING OPERATIONS			
NET PROFIT FOR THE FISCAL YEAR ATTRIBUTABLE TO:			
Holders of parent company capital	**10 015**		10 015
Uncontrolled interests	**1 690**		1 690
NET INCOME FOR THE FISCAL YEAR	**11 706**		**11 706**

4. GROUP COMPANIES INCLUDED IN THE CONSOLIDATION

The Group companies included in the consolidation using the full consolidation method and the corresponding proportion of capital held on 31 december 2017 and 2016, are as follows:

COMPANY	% OF CAPITAL HELD 2016(1)	% OF CAPITAL HELD 2017(1)	CONSOLIDATION METHOD
Auto-Sueco,Lda	**Parent company**	**Parent company**	**-**
Agro New Máquinas Agrícolas, Ltda	99,99%	99,99%	Full
Amplitude Brasil Corretora de Seguros, Ltda.	82,50%	82,50%	Full
Amplitude Seguros - Corretores de Seguros S.A.	82,50%	82,50%	Full
AS Glass Angola	73,50%	73,50%	Full
AS Parts - Centro de Peças e Acessórios, S.A.	100,00%	100,00%	Full
AS Parts Angola, Lda.	98,01%	98,01%	Full
AS Parts Cabo Verde, S.A.	82,50%	82,50%	Full
AS Service, S.A.	100,00%	-	Full
Asinter - Comércio Internacional, Lda.	70,00%	70,00%	Full
ASMOVE - Consultoria e Projectos Internacionais, S.A.	100,00%	100,00%	Full
Auto Power Angola, Lda.	98,01%	98,01%	Full
Auto Sueco (Lobito), Ltd.	79,90%	79,90%	Full
Auto Sueco Centro Oeste Concessionária de Veículos Ltda.	99,99%	99,99%	Full
Auto Sueco Moçambique, S.A.	100,00%	100,00%	Full
Auto Sueco São Paulo, Ltda.	99,99%	99,99%	Full
Auto Sueco Uganda, Ltd.	100,00%	-	Full
Auto Sueco Vehicles, Spare Parts & Services (Namibia) (Pty), Ltd.	100,00%	100,00%	Full
Auto-Maquinaria, Lda.	99,00%	99,00%	Full
Auto-Sueco (Angola), S.A.R.L.	79,90%	79,90%	Full
Auto-Sueco (Tanzania) - Trucks, Busses and Const. Eq., Ltd.	99,99%	99,99%	Full
Auto-Sueco II Automóveis, S.A.	100,00%	100,00%	Full
Auto-Sueco Kenya, Ltd.	99,99%	99,99%	Full
Auto-Sueco Vehicles, Spare Parts & Services (Botswana)(Pty) Ltd.	99,19%	99,19%	Full
Biosafe - Indústria de Reciclagens, S.A.	100,00%	100,00%	Full
Civiparts - Comércio de Peças e Equipamentos, S.A.	100,00%	100,00%	Full
Civiparts Angola- Comércio de Componentes e Equipamentos, S.A.	100,00%	100,00%	Full
Civiparts Espanha	100,00%	100,00%	Full
Civiparts Marrocos	100,00%	100,00%	Full
ExpressGlass Angola	98,01%	98,01%	Full
ExpressGlass Participações, Ltda.	99,99%	-	Full
Galius - Veiculos, S.A.	100,00%	100,00%	Full
Grow - Formação Profissional, S.A.	100,00%	100,00%	Full
Holding ExpressGlass S.A.	100,00%	100,00%	Full
Holding Expressglass, BV	100,00%	100,00%	Full

COMPANY	% OF CAPITAL HELD 2016[1]	% OF CAPITAL HELD 2017[1]	CONSOLIDATION METHOD
Imosócia – Sociedade Imobiliária, S.A.	100,00%	100,00%	Full
IMSO - Sociedade de Montagem de Automóveis, S.A.	100,00%	100,00%	Full
NewOnedrive, S.A.	100,00%	100,00%	Full
Nors Brasil Participações, Ltda.	99,99%	99,99%	Full
Nors International B.V.	100,00%	100,00%	Full
Norshare Prestação de Serviços, Ltda.	99,99%	-	Full
Norsócia SGPS, S.A.	100,00%	100,00%	Full
Plurirent – Serviços de Aluguer, S.A.	100,00%	100,00%	Full
Promotejo - Compra e Venda de Propriedades, S.A.	100,00%	100,00%	Full
SARI Serviços *Aftermarket* Região Ibéria	100,00%	100,00%	Full
SGNT, S.G.P.S.	100,00%	100,00%	Full
Socibil - Imobiliária, SARL.	100,00%	100,00%	Full
Sogestim, Lda.	55,00%	55,00%	Full
Tecnauto Vehiculos, S.L.	100,00%	100,00%	Full

[1] Directly and Indirectly

These companies were included in the consolidation using the full consolidation method, as established by IFRS 10 – "Consolidated financial statements" (control of the subsidiary through the majority of the voting rights, or other mechanism, being the holder of the company's capital – note 2.2 a)).

COMPANY	% OF CAPITAL HELD 2016[1]	% OF CAPITAL HELD 2017[1]	CONSOLIDATION METHOD
Air Rail Portugal, Sociedade Unipessoal, Lda	25,00%	25,00%	E.M.
Air-Rail Marrocos	25,00%	25,00%	E.M.
AIR-RAIL POLSKA, Sp. z.o.o	12,50%	12,50%	E.M.
Air-Rail, S.L.	25,00%	25,00%	E.M.
Art Hava VE RAY EKIPMANLARI LTD. STI	22,50%	22,50%	E.M.
ASC Construction Equipment, INC.	50,00%	50,00%	E.M.
ASC Turk Makina, Limited Sirketi	50,00%	50,00%	E.M.
Ascendum Baumaschinen Österreich GmbH	50,00%	50,00%	E.M.
Ascendum Építögépek Hungária	50,00%	50,00%	E.M.
Ascendum España, S.L.	50,00%	50,00%	E.M.
Ascendum Gradevinski Strojevi	50,00%	50,00%	E.M.
Ascendum II - Veículos, Unipessoal, LDA	50,00%	50,00%	E.M.
Ascendum III - Máquinas, Unipessoal, LDA	50,00%	50,00%	E.M.
Ascendum Machinery SRL	50,00%	50,00%	E.M.
ASCENDUM MAKINA YATIRIM HOLDING A.S	50,00%	50,00%	E.M.
ASCENDUM MAQUINARIA MÉXICO, S.A de C.V	50,00%	50,00%	E.M.
Ascendum Portugal - Serviços de Gestão, SA	50,00%	50,00%	E.M.
Ascendum Stavebeni Stroje Czech	50,00%	50,00%	E.M.
Ascendum Stavebné Stroje Slovensko	50,00%	50,00%	E.M.

COMPANY	% OF CAPITAL HELD 2016[1]	% OF CAPITAL HELD 2017[1]	CONSOLIDATION METHOD
Ascendum, GmbH	50,00%	50,00%	E.M.
Ascendum, S.A.	50,00%	50,00%	E.M.
ASFC S.G.P.S., S.A.	73,33%	73,33%	E.M.
Centrocar Moçambique	32,00%	32,00%	E.M.
Centrocar, S.A.	40,00%	40,00%	E.M.
Centrocar España, S.L.	40,00%	40,00%	E.M.
Dalia - Gestão e Serviços, S.A.	28,54%	28,54%	E.M.
Glomak SGPS, S.A.	50,00%	50,00%	E.M.
Hardparts Moçambique, Lda.	50,00%	50,00%	E.M.
Importadora Distribuidora de Maquinaria Industrial ZEPHIR, S.L.	25,00%	25,00%	E.M.
Master Test - Serviços de Gestão, S.A.	70,00%	-	E.M.
Master Test Alfena - Inspecção de Veículos, S.A.	70,00%	-	E.M.
Master Test Amoreira (Óbidos) - Inspecção de Veículos, S.A.	70,00%	-	E.M.
Master Test Caldas da Rainha - Inspecção de Veículos, S.A.	70,00%	-	E.M.
Master Test Castro Verde - Inspecção de Veículos, S.A.	70,00%	-	E.M.
Master Test Estarreja - Inspecção de Veículos, S.A.	70,00%	-	E.M.
Master Test Maia - Inspecção de Veículos, S.A.	70,00%	-	E.M.
Master Test Rio Maior - Inspecção de Veículos, S.A.	70,00%	-	E.M.
Master Test SGPS, S.A.	70,00%	-	E.M.
Master Test Sul - Inspecção de Veículos, S.A.	70,00%	-	E.M.
Master Test Tondela - Inspecção de Veículos, S.A.	70,00%	-	E.M.
Sotkon Anadolu	36,67%	36,67%	E.M.
Sotkon Angola, Lda.	36,67%	36,67%	E.M.
Sotkon Brasil Comércio Importação e Exportação, Ltda.	73,33%	73,33%	E.M.
Sotkon Espanha	73,33%	73,33%	E.M.
Sotkon France, S.A.	73,33%	73,33%	E.M.
Sotkon Marocco, SARLAU	73,33%	73,33%	E.M.
Sotkon Portugal - Sistemas de Resíduos, S.A.	73,33%	73,33%	E.M.
Sotkon TR ATIK SISTEMLERI SANAYI VE TICARET ANONIM SIRKETI	60,86%	60,86%	E.M.
Tea Aloya, Inmobiliaria, S.A.U.	50,00%	50,00%	E.M.
TRACTORRASTOS - Soc. Vendedora de Acessórios, Lda.	50,00%	50,00%	E.M.
TRP YEDEK PARÇA ITHALAT IHRACAT VE PAZARLAMA LIMITED SIRKETI	50,00%	50,00%	E.M.
Volmaquinaria de Construcciòn España, S.A.U.	50,00%	50,00%	E.M.
Volrental Atlântico, S.A.U	34,50%	34,50%	E.M.

[1] Directly and Indirectly
E.M. - Equity Method

These companies were consolidated using the equity method by the existence of agreements that by their conditions determine the existence of joint control, as established by IFRS 11 - "Joint Ventures".

5. CHANGES OCCURRED IN THE PERIMETER OF CONSOLIDATION

During the year ended on December 31, 2017, the following changes were recorded in the composition of the perimeter of consolidation:

- Settlement of AS Service, S.A., with no impact on the consolidated financial statements.

- Merger of Norshare Prestação de Serviços, Ltda. in ExpressGlass Participações, Ltda. with no impact on the consolidated financial statements.

- Merger of ExpressGlass Participações, Ltda. in Nors Brasil Participações, Ltda. with no impact on the consolidated financial statements.

- Sale of the interest in the MasterTest Group(see note 10).

- Sale of the stake in Auto Sueco Uganda, Ltd and the "Asset Deal" of the business of Auto Sueco Tanzania and Auto Sueco Kenya, with the receipt of 4,000,000 euros as concession rights in these geographical areas and sale of inventories and tangible fixed assets of these transactions at their book value. The contributions of these operations to the Group's financial statements for 2017 and 2016 are:

CONTRIBUITION	31.12.2017	31.12.2016
Tangible fixed assets	0	773
Inventories	71	5 941
Customers	(128)	2 449
Cash an cash equivelents	37	1 351
Others	0	2 091
TOTAL ASSETS	**(20)**	**12 605**
Suppliers	774	9 362
Funding obtained	0	0
Others	340	1 247
TOTAL LIABILITIES	**1 114**	**10 609**
Turnover	9 717	
Cost of goods sold	(9 125)	
Others	1 463	
EBITDA	**2 054**	
Depreciations	(89)	
Interest and exchange rate differences	(1 172)	
Income tax for the period	0	
NET INCOME	**793**	

During the fiscal year that ended on December 31, 2016, the following variations were recorded in the composition of the consolidation perimeter:

- Merger of ExpressGlass Brasil Com. and Serv. Automotivos, Ltda. in ExpressGlass Participações, Ltda. with no impact on the consolidated financial statements.

- Merger of Diverservice Prestadora de Serviços Automotivos, Ltda. in Agro New Máquinas Agrícolas, Ltda, with no impact on the consolidated financial statements.

- Sale of the automotive glass business in Portugal through the sale of shares in the companies Diveraxial S.A. and ExpressGlass - Vidros para Viaturas, SA (see note 40).

6. INTANGIBLE ASSETS

In the years ended on 31 december 2017 and 2016, the transactions in intangible assets, as well as the corresponding amortization and accumulated impairment losses were as follows:

	DEVELOPMENT PROJECTS	COMPUTER SOFTWARE	INDUSTRIAL PROPERTY	OTHER INTANGIBLE ASSETS	INVESTMENTS IN PROGRESS	TOTAL
1 JANUARY 2016						
Acquisition value net of impairment	157	4 057	392	726	28	5 359
Accumulated depreciation	(201)	(3 244)	(305)	(725)	0	(4 475)
INITIAL NET VALUE	**(44)**	**813**	**87**	**1**	**28**	**884**
MOVEMENTS IN 2016						
Initial net value	(44)	813	87	1	28	884
Translation differences - Acquisition cost	0	256	14	23	0	293
Translation differences - Accumulated depreciation	(8)	(195)	(12)	(23)	0	(237)
Additions	0	129	49	0	0	177
Transfer, sales and Write-offs / Acquisition cost	0	(1 379)	(17)	(16)	(21)	(1 434)
Transfers, sales and Write-offs / Accumulated amortization	0	1 054	12	16	0	1 082
Depreciation for the financial year	(25)	(267)	(25)	0	0	(317)
CLOSING NET VALUE	**(77)**	**410**	**107**	**1**	**7**	**448**
31 DECEMBER 2016						
Acquisition or revalued cost	157	3 063	437	733	7	4 396
Accumulated depreciation	(234)	(2 652)	(330)	(731)	0	(3 948)
CLOSING NET VALUE	**(77)**	**410**	**107**	**1**	**7**	**448**

	DEVELOPMENT PROJECTS	COMPUTER SOFTWARE	INDUSTRIAL PROPERTY	OTHER INTANGIBLE ASSETS	INVESTMENTS IN PROGRESS	TOTAL
MOVEMENTS IN 2017						
Initial net value	(77)	410	107	1	7	448
Translation differences - Acquisition cost	0	(82)	(48)	(89)	0	(219)
Translation differences - Accumulated depreciation	1	65	37	89	0	192
Additions	0	201	14	0	564	778
Transfer, sales and Write-offs / Acquisition cost	0	98	161	0	(7)	252
Transfers, sales and Write-offs / Accumulated amortization	92	(28)	0	0	0	64
Depreciation for the financial year	(17)	(258)	(53)	0	0	(328)
CLOSING NET VALUE	**0**	**405**	**217**	**1**	**564**	**1 187**
31 DECEMBER 2017						
Acquisition or revalued cost	157	3 279	564	644	564	5 208
Accumulated depreciation	(157)	(2 874)	(346)	(643)	0	(4 021)
CLOSING NET VALUE	**0**	**405**	**217**	**1**	**564**	**1 187**

7. TANGIBLE FIXED ASSETS

In the years ended on 31 december 2017 and 2016, the transactions in tangible fixed assets as well as in the corresponding depreciation and accumulated impairment losses were as follows:

	LAND AND NATURAL RESOURCES	BUILDINGS AND OTHER CON-STRUCTIONS	BASIC AND TRANSPORT EQUIPMENT	OFFICE EQUIPMENT	OTHER TANGIBLE FIXED ASSETS	INVESTMENTS IN PROGRESS	TOTAL
1 JANUARY 2016							
Acquisition or revalued cost net of impairment	28 627	128 140	44 525	11 880	7 277	28 125	248 575
Accumulated depreciation	0	(59 213)	(31 028)	(8 320)	(4 685)	0	(103 246)
CLOSING NET VALUE	**28 627**	**68 927**	**13 498**	**3 560**	**2 593**	**28 125**	**145 330**
MOVEMENTS IN 2016							
Initial net value	28 627	68 927	13 498	3 560	2 593	28 125	145 330
Translation differences - Acquisition cost	555	5 072	1 445	728	151	(307)	7 643
Translation differences - Accumulated depreciation	0	(1 163)	(1 047)	(461)	(97)	0	(2 769)
Additions	0	7 048	1 062	346	81	61	8 597
Transfer, sales and Write-offs / Acquisition cost	(2 203)	15 296	(6 038)	680	(872)	(26 573)	(19 709)
Transfers, sales and Write-offs / Accumulated amortization	0	3 436	4 320	(493)	1 192	0	8 455
Depreciation for the financial year	0	(5 223)	(2 675)	(726)	(672)	0	(9 295)
Impairment Loss/Reversal	0	0	0	0	0	0	0
CLOSING NET VALUE	**26 979**	**93 392**	**10 565**	**3 633**	**2 376**	**1 306**	**138 252**
31 DECEMBER 2016							
Acquisition or revalued cost net of impairment	26 979	155 556	40 994	13 633	6 638	1 306	245 106
Accumulated depreciation	0	(62 164)	(30 429)	(10 000)	(4 261)	0	(106 855)
CLOSING NET VALUE	**26 979**	**93 392**	**10 565**	**3 633**	**2 376**	**1 306**	**138 252**

	LAND AND NATURAL RESOURCES	BUILDINGS AND OTHER CON-STRUCTIONS	BASIC AND TRANSPORT EQUIPMENT	OFFICE EQUIPMENT	OTHER TANGIBLE FIXED ASSETS	INVESTMENTS IN PROGRESS	TOTAL
MOVEMENTS IN 2017							
Initial net value	26 979	93 392	10 565	3 633	2 376	1 306	138 252
Translation differences - Acquisition cost	(975)	(10 804)	(2 129)	(1 259)	(583)	(25)	(15 776)
Translation differences - Accumulated depreciation	0	1 880	1 679	912	382	0	4 853
Additions	0	398	1 031	189	110	1 118	2 845
Transfer, sales and Write-offs / Acquisition cost	0	(70)	(4 054)	(490)	(750)	(402)	(5 767)
Transfers, sales and Write-offs / Accumulated amortization	0	946	2 872	221	464	0	4 503
Depreciation for the financial year	0	(5 960)	(2 181)	(692)	(579)	0	(9 412)
CLOSING NET VALUE	**26 004**	**79 780**	**7 782**	**2 515**	**1 420**	**1 997**	**119 498**
31 DECEMBER 2017							
Acquisition or revalued cost net of impairment	26 004	145 079	35 842	12 073	5 414	1 997	226 409
Accumulated depreciation	0	(65 299)	(28 059)	(9 558)	(3 994)	0	(106 911)
CLOSING NET VALUE	**26 004**	**79 780**	**7 782**	**2 515**	**1 420**	**1 997**	**119 498**

In 2016, the amounts disclosed in the lines "Transfer, disposals and write-offs" include accounting reclassifications in accordance with Group policies, in particular for Investment Property for change of use of property.

In addition, in 2016, the property of Icolo & Bengo (Angola), which was in "Investments in progress", was converted to a tangible asset. This occurred at the time of its construction and the beginning of its use in the operations of the group in Angola.

8. INVESTMENT PROPERTIES

On 31 December 2017 and 2016 the "Investment Properties" item corresponded to real estate assets held by the Group that generate income through rental or capital appreciation. These assets are recorded at acquisition cost or revalued cost on the date of the first application of the IFRS (1 January 2009).

The breakdown of the real estate assets recorded under the "Investment properties" item on 31 december 2017 and 2016 can be presented as follows:

		DEC 2017		DEC 2016	
REAL ESTATE	LOCATION	NET BOOK VALUE	APPRAISAL VALUE	NET BOOK VALUE	APPRAISAL VALUE
Alfragide land	Alfragide	-	-	6 920	7 010
Algarve house and land	Algarve	315	575	324	561
Porto building and land	Porto	518	1 006	540	1 006
Coimbra building	Coimbra	725	2 040	725	2 030
S. João da Talha building	S. João da Talha	2 194	5 539	2 258	5 390
Barreiro building and land	Barreiro	387	485	435	510
Matosinhos land	Matosinhos	2 925	2 925	2 925	2 925
Figueira da Foz apartment	Figueira da Foz	127	142	130	150
Francos building	Porto	134	138	137	138
Gonçalo Cristóvão building	Porto	160	164	162	163
Tecnauto building	Galiza	621	-	639	-
Clariant building	Porto	3 080	3 432	3 174	3 451
Maia building and land (Moreira da Maia)	Maia	1 615	2 069	1 695	2 050
Brito Capelo offices	Matosinhos	935	964	1 049	1 050
Almada building and land	Almada	987	1 565	901	1 565
Monte dos burgos building and land	Porto	11	12	11	12
		14 735	**21 055**	**22 027**	**28 011**

The Management believes that a possible alteration (under normal circumstances) to the main assumptions used in the calculation of fair value will not lead to impairment losses, aside from the loss already recorded. For properties whose valuation is not presented, Management believes that their book value approximates their fair value.

The fair value of investment properties that are subject to disclosure on 31 december 2016 and 2015 was determined by real estate valuation carried out by an independent expert - J. Curvelo Lda., using the arithmetic average method of the results of the comparative Market method and of the costs method. despite the changes in book value, the fair value of the property did not change, based on the valuations carried out.

In the years ended 31 december 2017 and 2016, the operating income and expenses directly associated with these investment properties were as follows:

	DEC 2017	DEC 2016
Rents and other income	1 024	919
Depreciation	(373)	(373)
Maintenance and Repairs	(182)	(125)

The transactions in the "Investment Properties" item as at 31 december 2017 and 2016 were as follows:

	LAND AND NATURAL RESOURCES	BUILDINGS AND OTHER CONSTRUCTIONS	TOTAL
1 JANUARY 2016			
Acquisition or revalued cost net of impairment	16 747	10 703	27 450
Accumulated depreciation	0	(3 525)	(3 525)
INITIAL NET VALUE	**16 747**	**7 178**	**23 925**
MOVEMENTS IN 2016			
Initial net value	16 747	7 178	23 925
Transfer, sales and Write-offs / Acquisition cost	(1 512)	(252)	(1 764)
Transfers, sales and Write-offs / Accumulated amortization	0	239	239
Depreciation for the financial year	0	(373)	(373)
CLOSING NET VALUE	**15 235**	**6 792**	**22 027**
31 DECEMBER 2016			
Acquisition or revalued cost net of impairment	15 235	10 450	25 685
Accumulated depreciation	0	(3 658)	(3 658)
CLOSING NET VALUE	**15 235**	**6 792**	**22 027**

	TERRENOS E RECURSOS NATURAIS	EDIFÍCIOS E OUTRAS CONSTRUÇÕES	TOTAL
MOVEMENTS IN 2017			
Initial net value	15 235	6 792	22 027
Transfer, sales and Write-offs / Acquisition cost	(6 920)	0	(6 920)
Transfers, sales and Write-offs / Accumulated amortization	0	0	0
Depreciation for the financial year	0	(373)	(373)
CLOSING NET VALUE	**8 315**	**6 420**	**14 735**
31 DECEMBER 2017			
Acquisition or revalued cost net of impairment	8 315	10 450	18 765
Accumulated depreciation	0	(4 031)	(4 031)
CLOSING NET VALUE	**8 315**	**6 420**	**14 735**

In 2016, the amounts disclosed in the lines "Transfer, disposals and write-offs" include accounting reclassifications in accordance with Group policies, including Tangible Fixed Assets by changing the use of the goods.

9. GOODWILL

During the fiscal years that ended on December 31, 2017 and 2016, there were no operations in the Group that could generate goodwill in accordance with IFRS 3 - Concentration of Business Activities.

Goodwill is not amortized. Impairment tests are performed annually.

For the purposes of the impairment analysis, the recoverable amount was determined based on the value-in-use, according to the discounted cash flow method, based on a business plan developed by the managers of the companies and duly approved by the Management Board of the Group and using discount rates that reflect the inherent risks of the business, or in the case of real estate companies the sale value minus selling costs, as provided in the regulations.

On 31 december 2017, the method and assumptions used to ascertain the existence or not of impairment were as follows:

	DEC 2017		
COMPANY	**GOODWILL**	**GROWTH RATE**	**DISCOUNT RATE (AFTER TAX)**
Auto Sueco Centro Oeste	1 886	4,00%	10,72%
NewOnedrive	2 258	2,00%	8,28%
Arrábida Peças	913	2,00%	8,28%
Auto Sueco São Paulo	10 277	4,00%	10,72%
ASFC	9 777	2,00%	9,79%
Civiparts S.A.	15 696	2,00%	8,28%
Amplitude	1 614	2,00%	12,31%
Promotejo	812		
Agro New	3 692	4,00%	10,72%
Galius	4 186	2,00%	8,28%
	51 111		

The movement of Goodwill as of December 31, 2017 and 2016 was as follows:

1 JANUARY 2016	**51 290**
Additions	50
Impairments for the fiscal year	(1 475)
Impact of Exchange rate variations	3 753
31 DECEMBER 2016	**53 618**
Impact of Exchange rate variations	(2 507)
31 DECEMBER 2017	**51 111**

Based on the estimated 5-year cash flows discounted at the applicable rate, the Management Board concluded that, as of December 31, 2017, the book value of the cash-generating units does not exceed their recoverable value.

The projections of cash flows were based on historical performance and expectations of improved efficiency and organic growth. The management believes that a possible change (within a normal scenario) in the main assumptions used in the calculation of the recoverable amount will not cause impairment losses.

In companies with real estate activity, the recoverable value was determined by the fair value of the real estate minus disposal costs, which is higher than the book value of the net assets, including Goodwill, therefore it is not necessary to consider an impairment of assets in this case.

10. FINANCIAL INVESTMENTS

10.1. INVESTMENTS IN ASSOCIATIONS AND COMPANIES EXCLUDED FROM CONSOLIDATION

The balance of Investments in associated companies and in companies excluded from the consolidation as at 31 december 2017 and 2016 was as follows::

	% SHAREHOLDING	DEC 2017	DEC 2016	CONSOLIDATION METHOD
Dália-Gestão e Serviços, S.A.	28,54%	3 037	2 784	E.M.
Grupo Ascendum	50,00%	76 221	74 177	E.M.
Grupo SOTKON	73,33%	0	0	E.M.
Grupo MasterTest	70,00%	0	15 944	E.M.
Grupo Auto Union Espanha GAUE SL	3,44%			Acquisition cost
Aliance Automotive Espanha, S.L.	15,75%	424	427	Acquisition cost
Outras Participações	-			Acquisition cost
		79 682	**93 332**	**-**

The movements reported between the two periods are as follows:

	DEC 2017	DEC 2016
BALANCE AT 1 JANUARY	**93 332**	**96 017**
Share of the profit (loss)	15 078	10 305
Losses on divestitures	(2 944)	0
Distributed Profits	(3 750)	(8 170)
Aquisitions / constitutions	0	2
Divestitures	(13 991)	0
Reclassification for Provisions	65	16
Other movements in own capitals	(8 107)	(4 837)
BALANCE AT 31 DECEMBER	**79 682**	**93 332**

The amount reclassified as Provisions corresponds to the value of the participation in ASFC, whose adjusted equity is negative.

On July 31, 2017, the Group sold its stake in the MasterTest Group. This sale represented a net financial expense flow of 13,985,000 euros. The impacts of the operation at the income level are presented in "Imputed Gains/Losses of subsidiaries, associated companies and joint ventures", the impacts of the operation and the contribution of the subsidiary in 2016 are:

	2017	2016
Share of the profit (loss)	991	1 366
Losses on divestitures	(2 944)	0
	(1.953)	**1 366**

The key indicators of the companies that entered using the equity method are:

	SHARE CAPITAL (LOCAL CURRENCY)	CURRENCY	ASSETS	EQUITY	SALES	NET INCOME	% GROUP
DÁLIA - GESTÃO E SERVIÇOS S.A.	1 354	EUR	11 329	10 659	670	2 042	28,54%
GRUPO ASCENDUM	15 000	EUR	541 471	156 546	907 223	27 663	50,00%
GRUPO ASFC (SOTKON)	62	EUR	9 773	(3 776)	9 990	(950)	73,33%

10.2. INVESTMENTS AVAILABLE FOR SALE

The balance of Investments available for sale in 2016 corresponds to the net value of the shares of Banco Português de Investimentos (in the subsidiary Norsócia S.G.P.S., S.A.); and of the shares of Banco Millennium BCP (at Civiparts S.A. and Promotejo).

During 2016 and 2017, Treasury Bonds and Treasury Bills of the State of Angola declared as traded on the Angola Securities Exchange (BODIVA) were acquired, as well as the shares of Banco Português de Investimentos (in the subsidiary Norsócia SGPS, SA) and the shares of Banco Millennium BCP (at Civiparts SA and Promotejo). The Treasury Bills and a line of Treasury Bonds of the State of Angola were detained until their maturity, which occurred in 2017.

	DEC 2017	DEC 2016
BALANCE ON 1 JANUARY	**21 844**	**12 161**
Acquisitions in the fiscal year	48 266	9 315
Increase / Decrease in fair value	828	367
Exchange variation	(3 006)	0
Divestments	(27 595)	0
BALANCE ON 31 DECEMBER	**40 337**	**21 844**

In addition, the effect on equity and impairment losses for 2017 and 2016 of the "Available-for-sale investments" at fair value may be summarized as follows:

	DEC 2017	DEC 2016
Change in fair value	(15)	367
Deferred tax (note 15)	93	(77)
Divestments	(632)	0
EFFECT ON EQUITY	**(554)**	**290**

The Treasury Bonds of the State of Angola are being measured at fair value.

The maturity of the lines currently held is as follows:

	2018	2019	2020	2023
Treasury Bonds	2 513	4 127	33 507	190
TOTAL	**2 513**	**4 127**	**33 507**	**190**

11. INVENTORIES

On 31 december 2017 and 2016, this item was broken down as follows::

INVENTORIES	DEC 2017	DEC 2016
Raw materials and consumables	150	126
Products and work in progress	1 302	1 286
Finished and intermediate products	500	535
Goods	95 466	120 020
	97 418	**121 967**
Accumulated impairment losses on Inventories (note 25)	(5 418)	(7 317)
TOTAL	**92 000**	**114 649**

The cost of goods sold and materials consumed (COGS) for the financial years ended on 31 december 2017 and 2016 was calculated as follows:

COGS	2017	2016
Initial Inventories	120 146	114 995
Net Purchases	441 369	411 247
Closing Inventories	95 616	120 146
TOTAL	**465 899**	**406 096**

12. CUSTOMERS

On 31 december 2017 and 2016, this item was broken down as follows:

CUSTOMERS	DEC 2017	DEC 2016
Customers, current account	67 631	64 505
Customers, bills of exchange receivable	2 463	1 261
Customers, doubtful debts	13 403	21 475
	83 497	**87 241**
Accumulated impairment losses on customers (note 25)	(13 403)	(21 475)
	70 094	**65 766**

The amounts presented in the statement of financial position are net of the accumulated impairment losses that were estimated by the Group in accordance with the accounting policy adopted and disclosed, and using an evaluation of the economic environment at the date of statement of financial position. The concentration of credit risk is limited given that the customer base is broad and not relational. The Management board believes that the book value of the accounts receivable from customers is close to its fair value.

The amounts of customer balances included in assets are not influenced by advances made on account of services/ goods to be acquired, which are presented in liabilities under the "other accounts payable (advances from customers)" item and which, as at 31 december 2017 and 2016, amounted to 8.104 thousands euros and 9.152 thousands euros, respectively (note 22).

13. OTHER ACCOUNTS RECEIVABLE

On 31 december 2017 and 2016, this item was broken down as follows:

OTHER ACCOUNTS RECEIVABLE	DEC 2017	DEC 2016
Advances to suppliers	2 790	3 413
Value Added Tax	1 724	2 984
Other balances with State and other public entities	3 611	4 885
Bonus receivable	3 753	3 960
Accrued Income	1 468	1 734
Other debtors	3 336	3 591
	16 681	**20 567**
Impairment losses (note 25)	(400)	(470)
	16 281	**20 098**
CURRENT ASSETS	**16 267**	**20 060**
NON-CURRENT ASSETS	**14**	**38**

The "Other balances with State and other public entities" corresponds to the balances of taxes to be received/ deducted by entities of the group in the different geographical areas in which it operates, other than value added tax and income tax.

14. DEFFERALS - ASSETS

On 31 december 2017 and 2016, this item was broken down as follows:

DEFERRALS - ASSETS	DEC 2017	DEC 2016
Insurance to be recognised	450	492
Interest to be recognised	58	11
Other expenses to be recognised	3 991	3 256
TOTAL	**4 499**	**3 759**

The Group recognizes expenses according to their economic classification, regardless of their payment. At the end of each period, expenses already paid are deferred under this heading, but they must only economically affect the following period(s).

The balance of other expenses to be reported is related to deferred invoices awaiting credit notes, sickness benefits and rents to be recognized.

15. DEFERRED TAXES

The breakdown of the amounts and the nature of deferred tax assets and liabilities recorded in the consolidated financial statements on 31 december 2017 and 2016 can be summarized as follows:

DEFERRED TAX ASSETS

	REPORTING TAX LOSSES	PROVISIONS AND ADJUSTMENTS NOT ACCEPTED AS TAX COSTS	OTHER	TOTAL
1 JANUARY 2016	**7 996**	**7 545**	**1 607**	**17 148**
Exchange rate variation	1 001	253	0	1 254
Impact on Income statement	(2 708)	502	(214)	(2 420)
Impact on equity	0	0	16	16
Other Adjustments	264	(1 032)	(1)	(769)
31 DECEMBER 2016	**6 552**	**7 268**	**1 408**	**15 228**
Exchange rate variation	(601)	(616)	0	(1 217)
Impact on Income statement	(356)	(2 579)	(491)	(3 426)
Impact on equity	(497)	(16)	0	(513)
Other Adjustments	(764)	240	1	(523)
31 DECEMBER 2017	**4 334**	**4 297**	**918**	**9 549**

The "Other adjustments" refer essentially to the use of the report of tax losses for the RETGS (Special tax regime of Group taxation) in Portugal.

TAX REPORT THAT ORIGINATED DEFERRED TAX ASSETS ON 31 DECEMBER 2017:

	2013		2014		2015		2016		2017	
	BASE	DTA	BASE	DTA	BASE	DTA	BASE	DTA	BASE	DTA
Portugal	10 769	530	1 549	326						
Brazil	0	0	1 423	484	8 806	2 994	4 010	0	2 749	0
	10 769	**530**	**2 972**	**810**	**8 806**	**2 994**	**4 010**	**0**	**2 749**	**0**

Under the Portuguese law, tax losses are reportable for a period of five years, for the fiscal years of 2013, after their occurrence and deduction to tax profits generated during that period. The losses for 2014 and after are reportable for 12 years.

In light of the state budget for 2013, as of this year the deduction of tax losses will be limited to 70% of the taxable income earned in the period in question, regardless of the period in which the tax loss is determined.

In Spain, tax losses are reportable for a period of 15 years until 2010 and 18 years after 2011 until 2013. The losses generated after 2013 have no time limit for reporting.

In Brazil, tax losses have no time limit for use, even though their annual deduction is limited to 30% of the taxable income earned in the period in question.

DEFERRED TAX LIABILITIES

	DEFERRAL OF CAPITAL GAINS TAX	EFFECT OF FAIR VALUE VALUATION ON LAND	OTHER	TOTAL
1 JANUARY 2016	**135**	**2 483**	**64**	**2 682**
Exchange rate variation	0	0	15	15
Impact on Income statement	0	(142)	119	(22)
Impact on equity	0	0	137	137
Other Adjustments	0	0	0	0
31 DECEMBER 2016	**135**	**2 342**	**335**	**2 811**
Exchange rate variation	0	0	(51)	(51)
Impact on Income statement	0	(16)	44	28
Impact on equity	0	0	(93)	(93)
Other Adjustments	0	0	357	357
31 DECEMBER 2017	**135**	**2 326**	**591**	**3 052**

The companies of the Nors Group, headquartered in Portugal and directly or indirectly owned by more than 75% by Auto-Sueco, Lda. are taxed in the Tax on Income of Collective Persons in accordance with the Special Tax Regime of Group Taxation (RETGS) provided for in articles 69 et seq. of the IRC Code. For taxation periods beginning on or after January 1, 2017, the state levied taxes on the portion of taxable income subject to and not exempt from income tax that exceeds 1,500,000 euros, with a rate of 3% up to 7,500,000 euros, with a rate of 5% to 35,000,000 euros and 7% if greater than the latter amount.

In accordance with current legislation, the tax returns of Group companies based in Portugal are subject to review and correction by the tax administration for a period of four years (five years for Social Security), except when there have been tax losses, tax benefits have been granted, or inspections, claims or disputes are in progress, in which cases, depending on the circumstances, the terms are extended or suspended. As a result, the tax returns of Group companies since 2013 may still be subject to revision. The Group Management Board believes that any corrections resulting from the tax administration's reviews /inspections of those tax returns for the years pending inspection should not have a material effect on the appended consolidated financial statements.

Under Article 88 of the Corporate Income Tax Code, companies based in Portugal are also subject to autonomous taxation on a set of charges at the rates provided for in the said article.

16. CASH AND BANK DEPOSITS

On 31 december 2017 and 2016, the breakdown of cash and cash equivalents was as follows:

CASH AND BANK DEPOSITS	DEC 2017	DEC 2016
Cash	304	478
Bank deposits	28 373	40 420
TOTAL	**28 678**	**40 898**

The explanations of the items in Cash Flow statement are summarized in the following table:

ITEM	SOURCE OF FLOWS
Other receipts/payments	Payments of Withholding Tax
	Payments of Social Security Contributions Withheld
	Value Added Tax Payments and Receipts
	Receivables from Real estate Rents
	Compensation Claims

In 2017, the following payments related to acquisitions of financial investments in previous years were made:

- Acquisition of Expressglass: 1.749.000 euros
- Acquisition of Agro New: 1.617.000 euros
- Acquisition of Nortesaga operations: 3,000,000 euros

In the same year, the acquisition of Treasury Bonds and Treasury Bills of the State of Angola in the amount of 48,266,000 euros was received and the amount of 15,082,000 euros was received upon maturity.

In addition, dividends amounting to 3,750,000 euros were received from the subsidiary Ascendum, SA.

In 2017, the amounts arising from the following sales of operations were received:

- Disposal of operations in Tanzania, Kenya and Uganda in the amount of 3,167,000 euros related to the Intangible Assets disposed of.
- Sale of the stake in the MasterTest Group (see note 10.1) in the amount of 13,985,000 euros.

17. COMPOSITION OF SHARE CAPITAL

On 31 december 2017 and 2016, the share capital of Auto-sueco Lda., fully subscribed and paid-up, was 30 million euros.

The legal persons with more than 20% of the subscribed capital is as follows:

COMPANY AND REGISTERED OFFICE	HOLDING	PERCENTAGE OF CAPITAL
PRIME JERVELL HOLDING - CONSULTORIA E GESTÃO, S.A.		
Sede: Largo do Terreiro, nº4	18.801.000	62,70%
4150-603 PORTO		
CADENA - S.G.P.S., S.A.		
Sede: Rua Alberto Oliveira, 83	8.700.000	29,00%
4150-034 PORTO		

18. EQUITY

Dividends
According to the resolution of the Members' Meeting this year was not paid any dividends.

Legal reserve
Portuguese commercial legislation establishes that at least 5% of the annual net profit of each company, calculated in its individual accounts, must be appropriated to the legal reserve until this represents at least 20% of the share capital. This reserve cannot be distributed, except in the event of liquidation of the company, but can be used to absorb losses, after all other reserves have been used up, to increase the share capital.

The figure shown in the Financial Position corresponds to the Legal Reserve of Auto-sueco, Lda.

Revaluation surpluses
Revaluation reserves relate to the amount of the reserve for the revaluation of tangible fixed assets, net of deferred taxes, performed on the date of the transition to the IFRS.

Fair value reserves
The fair value reserves reflect the changes in fair value of financial instruments available for sale as well as the variation of hedge accounting the market value of the swap cited in note 26.

Adjustments to financial assets
Adjustments to financial assets contains the variations in the application of the equity method to the associated companies. This reserve cannot be distributed to shareholders.

Results carried over and other reserves
This item includes translation reserves which reflect currency exchange variations occurred in the transposition of the financial statements of branches into a currency other than the euro, and the financial liabilities of hedge accounting identified for such.

The reserves available for distribution to shareholders are determined on the basis of the separate Financial statements of Auto-sueco, Lda.

19. NON-CONTROLLING INTERESTS

The transactions in this item during the years ended on 31 december 2017 and 2016 were as follows:

	2017	2016
OPENING BALANCE AT 1 JANUARY	**14 705**	**13 174**
Income for the year attributable to non-controlling interests	532	1 690
Impact of exchange rate variations	(1 801)	491
Other changes in equity in associated companies	28	(650)
CLOSING BALANCE AT 31 DECEMBER	**13 109**	**14 705**

Information on subsidiaries with a contribution to Non-Controlled Interests is contained in note 4.

20. FINANCING OBTAINED

Em 31 de dezembro de 2017 e 2016, o detalhe da rubrica "Financiamentos Obtidos" foi como se segue:

	DECEMBER 2017		
FUNDING OBTAINED	**CURRENT**	**NON-CURRENT**	**TOTAL**
Debenture Loan	34 880	0	34 880
Commercial Paper	5 000	72 179	77 179
Secured Current Accounts	5 703	0	5 703
Bank Loan	20 323	42 954	63 277
Bank overdrafts	2 234	0	2 234
Financial Leases	223	969	1 191
Floor Plan	1 032	0	1 032
Investment subsidies	597	385	981
TOTAL	**69 991**	**116 486**	**186 477**

	DECEMBER 2016		
FUNDING OBTAINED	**CURRENT**	**NON-CURRENT**	**TOTAL**
Debenture Loan	15 000	34 880	49 880
Commercial Paper	43 300	77 500	120 800
Secured Current Accounts	256	0	256
Bank Loan	25 080	12 666	37 747
Bank overdrafts	2 622	0	2 622
Financial Leases	1 344	5 272	6 616
Floor Plan	3 644	0	3 644
Investment subsidies	247	981	1 229
TOTAL	**91 493**	**131 300**	**222 793**

The movements that occurred in 2017 in the heading "Financing obtained" are explained as follows:

	2017
OPENING BALANCE ON 1 JANUARY	**222 793**
Exchange effect	(3 066)
Receipts for financing obtained	57 060
Payment for financing obtained	(90 309)
ENDING BALANCE AT 31 DECEMBER	**186 477**

The debenture loan existing in 2017 had the following characteristics:

Debenture loan 2013:

- Amount: 30 million euros
- Contract date: 01 July 2013
- Subscription Date: 08 July 2013
- Interest: 6 months Euribor + spread
- Maturity Date: 08 July 2018, with amortization of half that amount on 08 July 2017

Debenture loan 2014:

- Amount: 25 million euros
- Contract date: 07 July 2014
- Subscription Date: 25 July 2014
- Interest: 6 months Euribor + spread
- Maturity Date: 25 July 2018

On 31 december 2017, the maturity of non-current loans obtained is as follows:

FUNDING OBTAINED	2019	2020	2021	2022+
Commercial Paper	27 179	45 000	0	0
Bank Loan	6 008	5 241	4 702	27 003
Financial Leases	212	168	170	419
Investment subsidies	385	0	0	0
TOTAL	**33 784**	**50 409**	**4 872**	**27 421**

On 31 december 2017, the Group had 136.881 thousands euros available in lines of credit distributed as follows:

FUNDING OBTAINED	HIRED CREDIT LIMIT	AVAILABLE CREDIT LIMIT
Debenture Loan	34 880	0
Commercial Paper	135 000	57 821
Secured Current Accounts	34 309	28 606
Bank Loan	63 277	0
Bank overdrafts	12 181	9 947
Commercial credit lines	40 507	40 507
Financial Leases	1 191	0
Floor Plan	1 032	0
Investment subsidies	981	0
TOTAL	**323 358**	**136 881**

21. SUPPLIERS

On 31 december 2017 and 2016, this item was made up of current balances payable to suppliers, which are all due in the short term.

On these dates, the aggregate balance of the suppliers item was not restricted by payment plans that included interest payments and, therefore, the financial risk related to changes in interest rates is slight in this case.

22. OTHER ACCOUNTS PAYABLE

On 31 december 2017 and 2016 this item had the following composition:

CURRENT	DEC 2017	DEC 2016
Advances from Customers	8 104	9 152
Withholding of income taxes	664	584
Value Added Tax	11 323	9 788
Contributions to Social Security	1 277	1 181
Other balances with State and other public entities	263	90
Investment Providers	2 449	2 735
Remuneration and expenses	10 034	10 551
Accrued interest expense	1 088	1 404
Accrued bonus expenses	608	494
Operating Costs payable	1 126	1 179
Other Creditors due to additional expenses	4 118	3 956
Other Creditors	17 355	17 457
TOTAL OTHER ACCOUNTS PAYABLE	**58 410**	**58 570**

CURRENT LIABILITIES	**58 410**	**58 570**
NON-CURRENT LIABILITIES	**48**	**3 465**

NON-CURRENT	DEC 2017	DEC 2016
Other Creditors	48	3 465
TOTAL OTHER NON-CURRENT ACCOUNTS PAYABLE	**48**	**3 465**

23. ASSETS AND LIABILITIES FOR CURRENT TAX

On 31 december 2017 and 2016 this item had the following composition:

	ASSETS		LIABILITIES	
ASSETS AND LIABILITIES FOR CURRENT TAX	DEC 2017	DEC 2016	DEC 2017	DEC 2016
Corporate Income Tax	2 637	4 312	4 251	4 590

24. DEFERRALS - LIABILITIES

On 31 december 2017 and 2016, the “deferrals” item was broken down as follows: :

DEFERRALS - LIABILITIES	DEC 2017	DEC 2016
Sales to be recognised	6 752	3 860
Other Income to be recognised	2 371	2 782
TOTAL	**9 123**	**6 643**

25. PROVISIONS AND ACCUMULATED IMPAIRMENT LOSSES

On 31 december 2017 and 2016 the "Provisions" item was broken down as follows:

PROVISIONS	DEC 2017	DEC 2016
Tax	0	287
Guarantees to customers	261	239
Ongoing legal proceedings	1 485	1 428
Equity Method	2 372	2 307
Other provisions	278	324
TOTAL	**4 397**	**4 586**

The Group discloses, under the caption Provisions for Customer Guarantees, the best estimates of the present obligations with uncertain timetables, related to warranties provided to customers, arising from the normal flow of operations.

Under the heading of Legal Proceedings in Progress, the best estimates of the total amount of outflows that may occur in the future arising from actions filed in court by third parties are also disclosed.

In Other Provisions, a set of estimates of other present obligations with uncertain timetables, not included in the other two categories mentioned above, are disclosed.

The Provisions for Taxes refer to the provisions established to cover additional tax assessments arising from tax contingencies.

The provision relating to the Equity Method refers to the shareholding in ASFC, SGPS.

The transactions in provisions and impairment losses during the years ended on december 2017 and 2016 were as follows:

2017

PROVISIONS AND IMPAIRMENT LOSSES	OPENING BALANCE	PERIMETER VARIATION	INCREASES	REVERSALS	USES / ADJUSTMENTS	EQUITY METHOD	TOTAL
Accumulated Impairmentlosses with customers	**21 475**	(1 757)	1 835	(6 876)	(1 274)		13 403
Accumulated Impairmentlosses in other debtors	**470**	18	1 212	0	(1 300)		400
Accumulated Impairmentlosses on inventories	**7 317**	(578)	95	(872)	(544)		5 418
Provisions	**4 586**	(263)	98	0	(88)	65	4 397

2016

PROVISIONS AND IMPAIRMENT LOSSES	OPENING BALANCE	PERIMETER VARIATION	INCREASES	REVERSALS	USES / ADJUSTMENTS	EQUITY METHOD	TOTAL
Accumulated Impairmentlosses with customers	**37 481**	(4 775)	1 603	(7 060)	(5 775)		21 475
Accumulated Impairmentlosses in other debtors	**365**	18	143	0	(56)		470
Accumulated Impairmentlosses on inventories	**7 675**	255	1 287	(880)	(1 019)		7 317
Provisions	**6 627**	(254)	789	(184)	(2 407)	16	4 586

Given the unpredictability of the timing of the reversal of provisions and given the nature of what they may be used for, these were not financially updated by the Group.

26. DERIVATIVE FINANCIAL INSTRUMENTS

Interest rate and exchange rate derivatives

The Management board regularly assesses the degree of exposure of the Group to the different risks inherent to the activity of its different companies, namely, price risk, interest rate risk, and exchange rate risk.

On 31 december 2017 and 2016, the degree of exposure to the risk of variation in interest rates was considered to be low, taking into account that a significant part of the banking liabilities was represented by medium/long term lines of credit, with previously agreed financing conditions.

Given the historically low indices of interest rates during the year 2014 it was decided to hire a "swap floating rate for fixed" like "Plain Vanilla" that variable rate euribor 1m exchange for fixed rate. The summary of the same conditions are:

TYPE	OPERATION DATE	START	MATURITY DATE	NOMINAL VALUE
Swap Fixed Rate - Plain Vanilla	13/06/2014	17/06/2014	17/06/2019	30 000

	DEC 2017	DEC 2016
Market Value "*Market to Market*"	(421)	(721)

This instrument is being accounted for in a hedge accounting logic, and the necessary effectiveness tests have been carried out, which have shown that the hedge is effective.

On the other hand, although an increasing share of the Consolidated Financial Position is subject to the impact of fluctuations in exchange rates (euro/dollar, euro/real and euro/Turkish lira), the degree of exposure was considered to be controlled by the policy followed by natural hedging with the use of bank financing in these currencies, especially in US dollars.

Hence, as of december 31, 2017 and 2016 the Group had not negotiated any type of financial derivative instrument for exchange rate.

However the latest changes in the capital markets and at accentuation of the degree of exposure of Financial Position Consolidated Group to exchange rates of the above currencies or other, may lead to short-term, the Group's Management Board, will incorporating in its risk management, derivatives trading financial instruments properly adjusted to the respective risk type.

27. FINANCIAL COMMITMENTS UNDERTAKEN AND NOT INCLUDED IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

On 31 december, 2017 and 2016, the Nors Group had not made any significant financial commitments that are not included in the consolidated financial statement.

28. INCOME TAX

The income tax recognised in the years ending on 31 december 2017 and 2016 is broken down as follows:

INCOME TAX	DEC 2017	DEC 2016
Current Tax	(7 455)	(6 034)
Deferred Tax (note 15)	(3 398)	(2 442)
	(10 853)	**(8 477)**

The breakdown of deferred Tax is shown in note 15.

On 31 december 2017 and 2016, the tax rates used for assessing current and deferred taxes were the following:

TAX RATE COUNTRY OF ORIGIN OF BRANCH:	31.12.2017	31.12.2016
Portugal	24,50% / 21%*	24,50% / 21%*
Angola	30%	30%
Brazil	34%	34%
Spain	30% / 25%*	30% / 25%*
Namibia	34%	34%
Botswana	22%	22%
Kenya	30%	30%
Tanzania	30%	30%

* In the case of DTA (deferred taxes for the year) for tax losses.

The effective tax rate by country is:

COUNTRY	PORTUGAL	SPAIN	ANGOLA	BRAZIL	AFRICA	TOTAL
Positive income before tax	20 958	3	17 653	2 487	595	41 696
Tax for the financial year	(2 863)	0	(6 994)	(787)	(117)	(10 761)
Effective tax rate	14%	0%	40%	32%	20%	26%
Negative income before tax	(5 623)	(1 017)	(433)	(3 499)	(3 207)	(13 779)
Tax for the financial year	185	0	0	(277)	0	(92)
Effective tax rate	3%	0%	0%	-8%	0%	-1%
INCOME BEFORE TAX	**15 335**	**(1 014)**	**17 220**	**(1 011)**	**(2 612)**	**27 917**
TAX FOR THE FINANCIAL YEAR	**(2 678)**	**0**	**(6 994)**	**(1 064)**	**(117)**	**(10 853)**
EFFECTIVE TAX RATE	**17%**	**0%**	**41%**	**-105%**	**-4%**	**39%**

29. INFORMATION BY GEOGRAPHICAL MARKETS AND ACTIVITY

The main information on the geographical markets and business activities existing on 31 december 2017 and 2016 is as disclosed in Note 31.

30. HEADCOUNT OF STAFF

On 31 december 2017 and 2016, the average staff headcount of the Group was as follows:

NUMBER OF EMPLOYEES	DEC 2017	DEC 2016
Number of employees	2 170	2 204
TOTAL	**2 170**	**2 204**

31. SALES AND SERVICES RENDERED

The breakdown of sales and services rendered by product for the financial years ended on 31 december 2017 and 2016was as follows:

SALES BY PRODUCT	2017	2016
Trucks	58,6%	54,9%
Cars	13,5%	15,4%
Buses	2,8%	3,4%
Glass	0,4%	0,5%
Parts	15,0%	16,4%
Environment	0,6%	0,6%
Construction Equipment	4,1%	4,3%
Agricultural Equipment	3,3%	2,3%
Gensets	1,6%	2,0%
Service	0,2%	0,3%
TOTAL	**100,0%**	**100,0%**

The distribution of sales and services rendered by geographical market is as follows:

SALES BY REGION	2017	2016
Portugal	51,0%	55,5%
Angola	12,8%	14,3%
Brazil	29,7%	23,9%
Spain	1,7%	1,6%
Others	4,8%	4,6%
TOTAL	**100,0%**	**100,0%**

32. EXTERNAL SUPPLIES AND SERVICES

On 31 December 2017 and 2016, the “External Supplies and Services” item was broken down as follows:

EXTERNAL SUPPLIES AND SERVICES	2017	2016
Subcontracts / Specialised Work	11 115	11 177
Advertising and promotion	852	769
Surveillance and security	2 047	2 041
Maintenance and repairs	4 237	3 703
Electricity and Fuel	3 324	3 316
Travel and accommodation	2 286	2 074
Leases and Rents	10 357	10 320
Insurance	816	1 455
Guarantees	3 277	3 156
Contracts	904	268
Transport	3 228	3 300
Communications	1 580	1 628
Other external supplies and services	7 092	5 905
TOTAL	**51 116**	**49 112**

The main changes observed correspond to the increase in activity and the adequacy of the Group's available resources for the growth cycle it envisages.

33. STAFF COSTS

Staff costs for the years ended on 31 december 2017 and 2016 are broken down as follows:

STAFF COSTS	2017	2016
Remuneration of corporate bodies	1 937	2 385
Staff remuneration	48 751	46 781
Compensation	1 196	1 104
Charges on remuneration	10 694	10 074
Other staff costs	6 350	5 487
TOTAL	**68 928**	**65 831**

34. OTHER INCOME AND GAINS/OTHER COSTS AND LOSSES

On 31 december 2017 and 2016, the "other income and gains" and "other costs and losses" items were broken down as follows:

OTHER INCOME AND GAINS	2017	2016
Cash discounts	110	432
Capital gains on disposal of property, plant and equipment and investment properties	1 035	2 408
Capital gains on disposal of intangible assets	4 000	0
Surplus tax estimate	585	233
Interest received from operating activities	328	437
Recoveries of costs and concessions	1 838	3 936
Rents and other income on investment properties	1 024	919
Income under Guarantees	1 264	1 262
Other supplementary income	248	76
Remainder and other regularization of inventories	1 606	1 033
Other	3 234	3 179
TOTAL	**15 272**	**13 915**

OTHER COSTS AND LOSSES	2017	2016
Cash discounts granted	(317)	(281)
Tax	(3 173)	(3 289)
Inventory Losses	(1 998)	(2 085)
Corrections in relation to previous financial years	(621)	(401)
Gifts and inventory samples	(238)	(283)
Interest paid on operating activities	(183)	(176)
Losses on sales of tangible fixed assets	(349)	(829)
Other expenses on funding activities	(1 340)	(1 157)
Donations	(60)	(59)
Other	(3 954)	(7 485)
TOTAL	**(12 233)**	**(16 046)**

35. OPERATIONAL LEASE

Group companies lease several vehicles and equipment through non-revocable lease agreements. The contracts have different deadlines, readjustment clauses and renewal rights, but with average annual periods.

In addition, the Group manages an operating lease of vehicles, in which, as of December 31, 2017, it had contracts falling under the category of operating leases whose outstanding receivables amounted to 834,000 euros:

< 1 year	834
1-5 years	0
TOTAL	**834**

The present value of receivables from financial rental in balance sheet date is as follows:

< 1 year	213
1-5 years	28
TOTAL	**241**

36. FINANCIAL PERFORMANCE

At 31 december 2017 and 2016, the financial performance was broken down as follows:

	2017	2016
Interest and similar income obtained	2 957	1 478
Interest on bank Loans - Commercial Paper	(2 197)	(2 982)
Interest on bank Loans	(3 917)	(6 155)
Loan Interest on bonds	(1 655)	(2 138)
Interest on Financial Leases	(88)	(171)
Other Interest and similar expenses	(5 886)	(4 982)
TOTAL	**(10 785)**	**(14 951)**

37. RELATED ENTITIES

The balances and transactions between the Parent Company and its subsidiaries, which are related entities of the Parent Company, were eliminated in the consolidation process and will therefore not be disclosed in this Note.

a) Transactions

The breakdown of the transactions between the Nors Group and its related entities can be summarised as follows:

SALES OF PRODUCTS AND SERVICES	2017	2016
Ascendum Group	17 176	16 802
	17 176	**16 802**

PURCHASES OF PRODUCTS AND SERVICES	2017	2016
Ascendum Group	(12)	(3)
	(12)	**(3)**

OTHER INCOME AND GAINS	2017	2016
Ascendum Group	236	261
SOTKON Group	183	181
MasterTest Group	0	350
Nortesaga Investimentos, SGPS, Lda.	12	12
	431	**804**

OTHER EXPENSES AND LOSSES	2017	2016
Ascendum Group	(327)	(456)
Nortesaga Investimentos, SGPS, Lda.	(88)	(151)
	(415)	**(607)**

Purchases and sales goods and the provision of services to the entities involved were at market prices.

b) Balances

he breakdown of the balances between the Nors Group and its related entities can be summarised as follows:

CUSTOMERS	DEC 2017	DEC 2016
Ascendum Group	1 081	5 466
SOTKON Group	37	0
Nortesaga Investimentos, SGPS, Lda.	12	2
	1 129	**5 469**

SUPPLIERS	DEC 2017	DEC 2016
Ascendum Group	(298)	(365)
Nortesaga Investimentos, SGPS, Lda.	(25)	(13)
	(323)	**(378)**

OTHER ACCOUNTS PAYABLE	DEC 2017	DEC 2016
Ascendum Group	(61)	(6)
Nortesaga Investimentos, SGPS, Lda.	(1 493)	(4 623)
	(1 554)	**(4 629)**

38. CONTINGENT ASSETS AND LIABILITIES

The company has contingent liabilities regarding bank guarantees and other guarantees and other contingences related with its business. This is a summary of the guarantees:

	2017				
COMPANY	GUARANTEES PROVIDED TO BANKING ENTITIES	GUARANTEES PROVIDED TO IMPORTERS OF REPRESENTED BRANDS	GUARANTEES PROVIDED IN PUBLIC TENDERS	OTHER GUARANTEES	TOTAL
Auto Sueco, Lda	2 200	1 102	1 795	88	5 184
Auto Sueco II Automóveis, S.A.		6 060			6 060
Galius, S.A.			95	14	109
Biosafe, S.A.	370				370
TOTAL	**2 570**	**7 162**	**1 890**	**102**	**11 723**

	2016				
COMPANY	GUARANTEES PROVIDED TO BANKING ENTITIES	GUARANTEES PROVIDED TO IMPORTERS OF REPRESENTED BRANDS	GUARANTEES PROVIDED IN PUBLIC TENDERS	OTHER GUARANTEES	TOTAL
Auto Sueco, Lda	700		1 349	25	2 074
Auto Sueco II Automóveis, S.A.		3 771		29	3 800
Auto-Maquinaria	1 897				1 897
Galius, S.A.			109		109
Biosafe, S.A.				370	370
TOTAL	**2 597**	**3 771**	**1 458**	**425**	**8 251**

The bank Guarantees relate primarily to the guarantees provided to public bodies in relation to public tenders and also guarantees to customers and suppliers within the scope of the Group's operating activities.

39. FINANCIAL ASSETS AND LIABILITIES

On 31 december 2017, the financial assets and liabilities were broken down as follows:

FINANCIAL ASSETS	CATEGORY	BOOK VALUE	VALUATION METHOD
Investments available for sale	available for sale	40 337	fair value
Other accounts receivable	accounts receivable	14 813	amortized cost
Customers	accounts receivable	70 094	amortized cost
Shareholders / partners	accounts receivable	383	amortized cost
Cash and bank deposits	accounts receivable	28 678	amortized cost
		154 304	

FINANCIAL LIABILITIES	CATEGORY	BOOK VALUE	VALUATION METHOD
Funding obtained	other liabilities	186 477	amortized cost
Other accounts payable	other liabilities	42 092	amortized cost
Suppliers	other liabilities	85 807	amortized cost
		314 376	

Only the Financial Assets (Customers) have impairment losses, as shown in Notes 12 and 25.

The gains and losses on financial assets and liabilities in 2017 and 2016 were as follows:

	GAINS / (LOSSES)	
GAINS AND LOSSES	2017	2016
Accounts receivable	3 828	5 314
Accounts receivable	0	0
Other assets at amortized	0	0
Cash and bank deposits	0	0
TOTAL	**3 828**	**5 314**

The interest from financial assets and liabilities in 2017 and 2016 was as follows:

	GAINS / (LOSSES)	
INTEREST AND EXPENSES	2017	2016
Accounts receivable	3 285	1 915
Liabilities at amortized cost	(13 925)	(16 605)
TOTAL	**(10 640)**	**(14 689)**

The exchange rates differences for financial assets and liabilities in 2017 and 2016 were as follows:

	GAINS / (LOSSES)	
EXCHANGE DIFFERENCES	2017	2016
Foreign exchange rate gains	14 177	12 487
Foreign exchange rate losses	(18 138)	(8 478)
TOTAL	**(3 961)**	**4 009**

40. REMUNERATION OF THE MEMBERS OF CORPORATE BODIES

The salaries of members of the corporate bodies of the Group in the 2017 and 2016 financial years were as follows:

	2017	2016
Auto-Sueco, Lda.	1 771	2 221
Auto-Sueco (Angola)	166	164
TOTAL	**1 937**	**2 385**

41. REMUNERATION OF THE STATUTORY AUDITOR

The fees paid to statutory audit firms in the various countries where the Group is present and in relation to the companies included in the consolidation in the 2017 and 2016 financial years were as follows:

FEES	2017	2016
TOTAL	**566**	**519**

42. INFORMATION RELATING TO THE ENVIRONMENT

The Group adopts the required measures in relation to the environmental area for the purpose of complying with current legislation.

The Group's Management board does not believe that there are any risks related with environmental protection and improvement and received no notice of administrative proceedings related with this matter in 2017.

43. SUBSEQUENT EVENTS

There are no relevant material facts that emerged between the end of 2017 and the issuance of this document.

44. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were approved by the Management board on 14 March 2018. The attached financial statements as at 31 december 2017 are pending approval by the General Meeting of shareholders. However, the Group's Management board believes that these will be approved without any changes.

Porto, 14 March 2018

KEY INDICATORS BY COMPANY IN THE CONSOLIDATION PERIMETER

COMPREHENSIVE METHOD	SHARE CAPITAL (LOCAL CURRENCY)	FUNCTIONAL CURRENCY	ASSETS	EQUITY	SALES	NET INCOME	% SHARE HOLDING
PORTUGAL				IN EUROS			
AMPLITUDE SEGUROS - CORRETORES DE SEGUROS, S.A.	150	EUR	544	387	770	199	100,00%
AS MOVE - CONSULTORIA E PROJ. INTERN., S.A.	50	EUR	2 381	56	166	(242)	100,00%
AS PARTS - CENTRO DE PEÇAS E ACESSÓRIOS, S.A.	55	EUR	17 173	5 689	25 435	997	100,00%
ASINTER - COMÉRCIO INTERNACIONAL, LDA.	5	EUR	2 443	844	0	(69)	70,00%
AUTO SUECO, LDA.	30 000	EUR	414 550	165 870	108 608	16 532	-
AUTO SUECO II AUTOMÓVEIS, S.A.	3 400	EUR	24 875	4 609	79 255	94	100,00%
BIOSAFE - INDÚSTRIA DE RECICLAGEM, S.A.	1 550	EUR	4 147	1 619	3 691	352	100,00%
CIVIPARTS - COM PEÇAS EQUIP., S.A.	501	EUR	25 722	12 646	27 316	872	100,00%
SARI SERVIÇOS *AFTERMARKET* REGIÃO IBÉRIA	1 000	EUR	26 114	9 002	637	1 523	100,00%
EXPRESSGLASS, S.G.P.S.	22 815	EUR	8 059	7 943	0	256	100,00%
GROW - FORMAÇÃO PROFISSIONAL, S.A.	50	EUR	53	34	13	(38)	100,00%
IMOSÓCIA - SOCIEDADE IMOBILIÁRIA, S.A.	50	EUR	5 999	40	402	(170)	100,00%
NEWONEDRIVE - COMÉRCIO DE PEÇAS AUTO, S.A.	2 501	EUR	3 833	1 590	9 694	139	100,00%
NORSÓCIA, S.G.P.S.	50	EUR	1 184	1 034	0	974	100,00%
PLURIRENT - SERVIÇOS ALUGUER, S.A.	4 000	EUR	4 026	3 757	1 172	58	100,00%
PROMOTEJO - COMPRA VENDA PROPRIEDADES, S.A.	99	EUR	7 050	136	294	(223)	100,00%
SOMA, S.A.	950	EUR	2 348	1 291	214	(21)	100,00%
SGNT SGPS S.A.	60	EUR	3 179	1 661	0	(6 240)	100,00%
GALIUS - VIATURAS, SA	4 000	EUR	34 020	6 566	72 442	673	100,00%
ANGOLA				IN EUROS			
AS PARTS ANGOLA, LDA.	2 581	USD	6 658	2 789	12 295	963	98,01%
AUTO-SUECO (ANGOLA), S.A.R.L.	6 000	USD	108 331	56 274	35 579	2 960	79,90%
AS GLASS - ANGOLA	1 578	USD	3 512	2 566	2 531	859	73,50%
AUTO-MAQUINARIA, LDA.	3 000	USD	37 934	19 483	19 127	3 371	99,00%
AUTO POWER ANGOLA, LDA.	22	USD	616	(1 105)	0	(13)	98,01%
AUTO SUECO (LOBITO), LTD.	150	USD	(113)	(122)	0	4	79,90%
CIVIPARTES ANGOLA, SARL	340	USD	10 414	3 594	9 988	1 479	100,00%
EXPRESSGLASS ANGOLA	68	USD	24	11	0	0	98,01%
SOCIBIL, S.A.R.L.	60	USD	3 096	2 853	0	276	100,00%
SOGESTIM, LDA.	500	USD	5 117	2 012	0	(365)	55,00%

COMPREHENSIVE METHOD	SHARE CAPITAL (LOCAL CURRENCY)	FUNCTIONAL CURRENCY	ASSETS	EQUITY	SALES	NET INCOME	% SHARE HOLDING
BRAZIL			IN EUROS				
NORS BRASIL PARTICIPAÇÕES, LTDA.	109 705	BRL	40 351	36 969	0	(6 569)	100,00%
AUTO SUECO CENTRO OESTE CONCESS. VEIC., LTDA.	24 817	BRL	13 098	7 484	54 790	1 083	100,00%
AUTO SUECO SÃO PAULO, LTDA.	64 154	BRL	26 597	11 489	108 504	(3 004)	100,00%
AGRO NEW MÁQUINAS AGRÍCOLAS, LTDA	14 835	BRL	12 615	4 701	20 263	(763)	100,00%
OTHER			IN EUROS				
NORS INTERNATIONAL B.V.	15 050	EUR	107 037	105 801	0	(226)	100,0%
HOLDING EXPRESSGLASS B.V.	36	EUR	7 687	7 392	0	(53)	100,00%
CIVIPARTES ESPAÑA, S.L.	1 440	EUR	7 244	(7 511)	10 777	(1 017)	100,00%
TECNAUTO VEHICULOS, S.L.	207	EUR	663	(731)	0	3	100,00%
AUTO SUECO VEHIC., SPARE PARTS & SERV. (BOTSWANA) (PTY), LTD.	27 137	BWP	3 703	957	6 748	10	99,00%
AUTO SUECO KENYA, LTD.	388 909	KES	1 508	518	2 679	(850)	99,99%
AUTO SUECO VEHIC., SPARE PARTS & SERV. (NAMIBIA) (PTY), LTD.	1 094	ZAR	8 447	1 334	11 756	522	100,00%
AS PARTS CABO VERDE, S.A.	5 000	CVE	110	(898)	0	0	87,50%
AUTO SUECO (TANZANIA) - TRUCKS, BUSSES AND CONST EQ., LTD.	1 411 711	TZS	4 218	(406)	7 038	(942)	99,99%
AUTO SUECO MOÇAMBIQUE	126 742	MZN	1 027	(460)	1 479	103	100,00%
CIVIPARTES MAROC, S.A.	19 077	MAD	582	466	0	0	100,00%

EQUITY METHOD	SHARE CAPITAL (LOCAL CURRENCY)	FUNCTIONAL CURRENCY	ASSETS	EQUITY	SALES	NET INCOME	% SHARE HOLDING
OTHER			IN EUROS				
DÁLIA - GESTÃO E SERVIÇOS S.A.	1 354	EUR	11 329	10 659	670	2 042	28,54%
GRUPO ASCENDUM	15 000	EUR	541 471	156 546	907 223	27 663	50,00%
GRUPO ASFC (SOTKON)	62	EUR	9 773	(3 776)	9 990	(950)	73,33%

STATUTORY AUDITOR'S REPORT

Statutory Audit Report

(Free translation from the original in Portuguese)

Report on the audit of the consolidated financial statements

Opinion

We have audited the accompanying consolidated financial statements of Auto Sueco, Lda. (the Group), which comprise the consolidated statement of financial position as at December 31, 2017 (which shows total assets of 530.670 thousand Euro and total shareholders' equity of 178.679 thousand Euro, including a net profit of 16.532 thousand Euro), the consolidated statement of income by nature, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly in all material respects, the consolidated financial position of Auto Sueco, Lda. as at December 31, 2017, and their consolidated financial performance and their consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and other technical and ethical standards and recommendations issued by the Institute of Statutory Auditors. Our responsibilities under those standards are described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section below. In accordance with the law we are independent of the entities that are included in the Group and we have fulfilled our other ethical responsibilities in accordance with the ethics code of the Institute of Statutory Auditors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management for the consolidated financial statements

Management is responsible for:

a) the preparation of the consolidated financial statements, which present fairly the financial position, the financial performance and the cash flows of the Group in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union;

b) the preparation of the Directors' Report in accordance with the applicable law and regulations;

c) the creation and maintenance of an appropriate system of internal control to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;

d) the adoption of appropriate accounting policies and criteria;

e) the assessment of the Group's ability to continue as a going concern, disclosing, as applicable, events or conditions that may cast significant doubt on the Group's ability to continue its activities.

Auditor's responsibilities for the audit of the consolidated financial statements

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

a) identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

b) obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;

c) evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

d) conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;

e) evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

f) obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion;

g) communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit;

Our responsibility also includes verifying that the information included in the Directors' report is consistent with the consolidated financial statements.

Report on other legal and regulatory requirements

Director's report

In compliance with paragraph 3 e) of article No. 451 of the Portuguese Company Law, it is our opinion that the Director's report has been prepared in accordance with applicable requirements of the law and regulation, that the information included in the Directors' report is consistent with the audited consolidated financial statements and, taking into account the knowledge and assessment about the Group, no material misstatements were identified.

16 March 2018

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