



CONSOLIDATED REPORT

1ST QUARTER 2019

(Unaudited)

SAG GEST – Soluções Automóvel Globais, SGPS, S.A.
A listed Company

Registered Share Capital: Eur 169,764,398

Single registration and tax identification number: 503219886

Registered at the Amadora Registrar of Companies under No. 503 219 886

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CONTENTS

CONSOLIDATED MANAGEMENT REPORT 1 ST QUARTER 2019	4
CONSOLIDATED FINANCIAL STATEMENTS	13
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	18
1. GENERAL INFORMATION ABOUT ACTIVITY	19
2. SUMMARY OF MAIN ACCOUNTING POLICIES	19
3. CONSOLIDATED ENTITIES	41
4. DISCONTINUED OPEATIONS	42
5. REPORTING BY OPERATING SEGMENTS	43
6. OTHER OPERATING Income	46
7. OTHER OPERATING LOSSES	46
8. SALES, GENERAL AND ADMINISTRATIVE EXPENSES – COMMERCIAL EXPENSES	46
9. SALES, GENERAL AND ADMINISTRATIVE EXPENSES – CAR EXPENSES	47
10. SALES, GENERAL AND ADMINISTRATIVE EXPENSES – OVERHEADS	47
11. PAYROLL EXPENSES	48
12. GAINS AND LOSSES ON SALES OF TANGIBLE FIXED ASSETS	49
13. FINANCIAL EXPENSES	49
14. FINANCIAL GAINS	49
15. GAINS AND LOSSES – RELATED PARTIES	50
16. INCOME TAX	51
17. EARNINGS PER SHARE	57
18. TANGIBLE FIXED ASSETS	58
19. INTANGIBLE ASSETS - GOODWILL	60
20. INTANGIBLE ASSETS - OTHER	61
21. INVESTMENTS IN ASSOCIATES	62
22. INVESTMENT PROPERTIES	63
23. INVENTORIES	64
24. DEBTORS AND OTHER ASSETS - CUSTOMERS	65
25. DEBTORS AND OTHER ASSETS – RELATED PARTIES	66
26. DEBTORS AND OTHER ASSETS – OTHER	67
27. PREPAID EXPENSES	67
28. ACCRUED INCOME	68
29. TAX – OTHER THAN INCOME TAX	68
30. CASH AND CASH EQUIVALENTS AND TERM DEPOSITS	69
31. EQUITY INSTRUMENTS	69
32. NON-CONTROLLING INTERESTS	71
33. BANK LOANS	72
34. CREDITORS AND OTHER LIABILITIES – SUPPLIERS	77
35. CREDITORS AND OTHER LIABILITIES – OTHER	77
36. RELATED PARTY DISCLOSURES	77
37. ACCRUED EXPENSES	79
38. DEFERRED INCOME	79
39. RENTALS AND OPERATING LEASES	80
40. FINANCIAL INSTRUMENTS	80
41. COMMITMENTS AND CONTINGENCIES	81
42. SUBSEQUENT EVENTS	85

CONSOLIDATED MANAGEMENT REPORT 1st QUARTER 2019 (Unaudited)

ACTIVITY REPORT
TABLE OF CONTENTS

- I. OPERATIONAL PERFORMANCE**
- II. ECONOMIC AND FINANCIAL RESULTS**
- III. RISK MANAGEMENT**
- IV. OUTLOOK FOR THE REMAINING PERIOD OF 2019**
- V. TREASURY STOCK INFORMATION**
- VI. OTHER MANDATORY MENTIONS**
- VII. FINANCIAL INFORMATION COMPLIANCE STATEMENT**

ACTIVITY REPORT 1ST QUARTER 2019

To the Shareholders,

In accordance with the applicable regulations, the Board of Directors of SAG Gest – Soluções Automóvel Globais, SGPS SA hereby submit the Management Report and the Consolidated Financial Statements in respect of the three months ended 31 March 2019.

Note: As a result of the reclassification of the Distribution, Retail and Rent-a-Car business areas for non-current assets held for sale on December 31, 2018, the amounts referring to March 31, 2018 were adjusted in order to ensure comparability with the information referred to March 31, 2019.

I. OPERATIONAL PERFORMANCE

• Automotive Distribution

- The Portuguese Car Market (where volume is measured by orders registration, including vehicles on self-registration) in the 1st Quarter 2019, decrease 6.0% in the Light Vehicle market and increase 0,9% in Light Commercial Vehicle market, with a total of 59,445 and 8,726 units respectively.
- The orders registration volume of Brands represented by SIVA Subsidiary was 3,902 units, a decrease of 27.9% when compared with the 5,414 units sold in the 1st Quarter of 2018. Consequently, SIVA's market share of Light Vehicle was 5.7%, a decrease of 1.8 p.p when compared to the same period in 2018:
 - The Volkswagen Brand – Passenger Car, with a volume of 2,459 units and a 28.4% decrease achieved a 4.1% market share (5.4% in 2018) in the Light Passenger Car market.
 - The Audi Brand achieved a volume of 797 units, less 38.2% when compared to the 1,289 units in the same period in prior year.
 - The Škoda Brand increased 4.4% to 404 units (387 units in the same period in 2018).
 - The Volkswagen Brand– Commercial Vehicles, with 231 units, decreased 22.7% in the same period 2018 (299 units).
- The volume reduction, across all brands represented by the SIVA Subsidiary, is essentially due to three factors:
 - High volume reduction in Rent-a-Car business, due to the reduce margin of the channel and the high evolved risk (Buy Backs)
 - Elimination of self-registration (registered cars for subsequent sales), due to that fact that this sale type involves an elevated level of discounts and working capital needs. These vehicles occurred during the first months of 2018, being discontinued as of the end of the 1st quarter

• Automotive Retail

- The number new vehicles of Volkswagen, Audi, Škoda and Volkswagen – Commercial Vehicles Brands sold by the Soauto Dealers (Soauto SA, Loures Automóveis, Rolporto and Rolvia) in the 1st Quarter 2019 was 871 units, a 12.0% decrease when compared to the same period in the prior year.
- The Soauto Dealers sold 439 used cars, less 1272% when compared to the 503 units sold in 1st Quarter of 2018.

II. ECONOMIC AND FINANCIAL RESULTS

Explanation Note: Due to the restructuring process that occur during 2018, which culminated in the agreement established between SAG Gest, Porsche Holdings and the Financial Institutions that participate in SAG Gest's loans and guarantees, the 2018 Financial Statements are disclosed in way that assets involved in the transaction are classified as assets / liabilities held for sale. In accordance with the respective IFRS 5 the comparative has been restated in Statement of Profit and Loss and other Comprehensive Income. The change resulting from restructuring implied the registration of impairments with related parties that significantly change the comparison with the 2018 financial year. We disclosed the Consolidated Statement of Profit and Loss and other Comprehensive Income and Balance Sheet the amounts of 2019 on a comparable basis. Tables of this section are expressed in thousands of Euros. Percentages were calculated using the amounts expressed in Euro.

CONSOLIDATED STATEMENT OF PROFIT AND LOSS - MAIN INDICATORS				
		Three Months Ended 31 March		
	2019	2019 - Without discontinued operations reclassification	2018 Adjusted	2018 Published
Turnover	-	116,323.2	-	156,478.0
Gross Margin	-	14,920.8	-	14,554.9
Contribution Margin	(450.3)	13,597.1	(42.1)	9,039.2
Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)	(934.8)	2,620.2	(498.0)	(3,594.6)
Earnings Before Interest and Tax (EBIT)	(1,023.2)	2,208.7	(517.2)	(4,071.5)
Earnings Before Taxes (EBT)	(1,387.7)	(818.4)	(825.7)	(7,744.6)
Net Profit / (Loss) before Discontinued Operations	(1,303.9)	(1,016.8)	(939.0)	(6,679.5)
Profit/Loss of Discontinued Operations	287.0	-	(5,740.5)	-
Net Profit / (Loss)	(1,016.8)	(1,016.8)	(6,679.5)	(6,679.5)

- Disregarding the effect of Profit/Loss of discontinued operations turnover was Eur 116 million in the 1st quarter, representing a decrease of Eur 41 million when compared with Eur 156 million in the same period of prior year
- As disclosed during 2018, with the worsening of liquidity risk, which resulted in a reduction of funds available to finance the temporary and seasonal needs of working capital, it was necessary to carry out in the 1st quarter of 2018 a set of punctual sales of used cars and self-registration, which were in stock on December 31, 2017. The performance of these operations negatively affected the EBITDA of the Distribution area by approximately Eur 6.0 million

- Consequently, the value of the Consolidated Contribution Margin increased Eur 4.6 million compared to the amount in the 1st Quarter of 2018, amounting to a Contribution Margin of Eur 13.6 million
- EBITDA in the 1st quarter was Eur 2.6 million, an increase of Eur 6.2 million when compared with the first quarter of 2018 (negative Eur 3.6 million).
- Consolidated Net Result was negative by Eur 1.0 million (Loss of Eur 6.7 million in the same period of 2018).
- Consolidated Net Debt as at March 31, 2019 was Eur 68.7 million, a decrease of approximately Euro 0.2 million when compared with Euro 68.9 million at December 31, 2018.

III. RISK MANAGEMENT

SAG Gest's Risk Management Policy aims to ensure an accurate identification of risks involved in the business conducted by its Subsidiaries and Affiliates, as well as to adopt and implement the measures required to minimize the negative impacts that adverse developments of the factors inherent to those risks may cause on its consolidated financial structure and sustainability.

The identification of the risks to which SAG Gest's materially relevant Subsidiaries are exposed has allowed the identification of the following major risks:

Reliance on Suppliers

The business of the SIVA Subsidiary is based on Distribution Agreements entered into with the Volkswagen Group for an undetermined period of time, subject to the relevant EU Regulations, which have been in force for more than 30 years. However, maintenance of these Agreements naturally depends on its full compliance and on factors that include the continuation of Volkswagen Group's distribution policies, as well as the performance of the represented Brands in the Portuguese market.

Automobile Risk – Residual Values

The characteristic of business in the Rent-a-Car segment, which implies repurchase as used vehicles of cars initially supplied (Buy-Back clauses), exposes the SIVA Subsidiary to risks resulting from changes in the market value of semi-new and used cars.

To minimize the potential negative impacts resulting from this type of risk, the SIVA Subsidiary has implemented mechanisms to monitor permanently developments in the market value of the semi-new and used cars included in its balance sheet (vehicles billed to Entities operating in the Rent-a-Car segment that the Subsidiary has pledged to repurchase).

The market value of these vehicles is determined on the basis of forecasts of the "forward" value provided by Eurotax (an international entity that regularly publishes the spot and forward market prices of vehicles by make, model, version and year of manufacture, as well as the actual sale price of these vehicles at present ("spot"). These forecasts for each model (where the forward price for the estimated date of return of the vehicles is considered, plus the estimated period for completing the sale) also take into account the estimated weight of each future sales channel.

Financial Risks

The main financial risks identified are the equity risk, the liquidity risk, the interest rate exposure risk and the credit risk.

Equity risk management is aimed at ensuring that Consolidated Equity reaches levels adequate to maintain the balanced structure of the consolidated financial position.

In its current situation, SAG Gest, in order to ensure the sustainable exercise of the activity of its Subsidiaries, needs to restructure its capital base and its financial liabilities so that there is an

appropriate combination between Equity and Loans and Financing, which allow the profitable exercise of their operational activity without liquidity constraints, thus ensuring their continuity.

The execution of the agreement signed between SAG Gest, the Banks and Porsche Holdings will allow SAG Gest to have a capital structure adequate to the development the activities that remain in its sphere.

Management of the liquidity risk involves the dynamic monitoring and measurement of this type of risk in order to ensure the fulfillment of all short- and medium-term financial liabilities (cash outflows) of SAG Gest and its Subsidiaries towards the Entities that do business with them.

The liquidity risk of the SAG Group and its subsidiaries is managed and monitored on a daily basis by the Group's Treasury Department, through cash flow projection maps, which consider all the liabilities assumed with the respective maturity dates.

Depending on the information resulting from the daily update of the cash flow statements, decisions are made on purchases and investments to be made and contacts are established with financial institutions to adjust the maturities of the respective loans.

The situation of financial constraint that has increased since the last quarter of 2018 results from the combination of a number of factors, one of the most relevant of which is the commitment to carry out the purchase volumes represented by the various brands, which has been at a level higher than the absorption capacity of the market and which has led to an increase in stocks of "self-registrations" and used vehicles from the RAC business. In addition, at the end of 2018 Audi reduced the payment period for sales to SIVA from 90 to 60 days.

Simultaneously and for the sustainability of the operation, with the various brands of the VW Group, reductions were negotiated during 2019 in the volume of orders compared to the initially projected levels for 2019 and the respective purchase plans were adjusted for each brand and respective channels. It was also requested that the Brands process/pay their commercial assistance within a shorter duration than normally imposed.

These measures, together with the elimination of "Self-registrations" and the reduction in sales volume to the RAC segment, enabled the pressure on Working Capital to be reduced over the second half of 2019.

Interest rate risk management aims to ensure the assessment and dynamic management of this risk through the definition of exposure limits of SAG Gest's Consolidated Statement of the Financial Position and of the Consolidated Statement of Profit and Loss and Other Comprehensive Income to interest rate changes. The control policy that has been adopted aims at selecting suitable strategies for each business area in order to ensure that this risk factor does not negatively affect the relevant operational capacity. On the other hand, exposure to interest rate risk is further monitored through simulation of adverse scenarios having some degree of probability and which could negatively affect SAG Gest's consolidated results.

In what relates to credit risk management, the development of the Customer portfolio and each business unit's exposure are monitored on a monthly basis. SAG Gest adopted in 2001 a Credit Risk Manual establishing policies, criteria and procedures to be adopted in the credit control area. The Credit Risk Manual is regularly updated and includes criteria to be used in determining a credit rating.

Operational Risk

Operational risk management is based on the assignment of functional responsibilities and formal definition of internal control procedures, at the business area level.

IV. OUTLOOK FOR THE REMAINING PERIOD OF 2019

As disclosed in the Financial Statements for the year ended December 31, 2018, although the restructuring process concluded by SAG Gest in December 2015 with banks allowed it to rebalance of consolidated financial structure and created conditions to continuity of Sag Gest and

its subsidiaries (together the "SAG Group") operations, at the end of 2017, with the deterioration of the business conditions, the SAG Group's financial situation deteriorated, thus worsening the liquidity risk of Group and its operational and financial profitability.

As a result of the aforementioned events, in the beginning of 2018, and in order to allow the SAG Group to continue operating, SAG Gest's Board of Directors began to develop, together with the Brands represented by the subsidiary SIVA, a repositioning of its business in order to reverse the situation and guarantee the sustainability of the entire Group and consequently its access to the sources of financing necessary for its activity, so that the 2017 Financial Statements of SAG Gest and its subsidiaries were prepared on the basis of the principle of continuity of operations, as it was the Board's belief that the negotiations would be successfully concluded.

In addition, and in response to the Group's situation, management has been conducting a daily base management of operational activity, focused on cash flows, and has adjusted purchasing plans with VW Group, reducing the volume of orders and requested the reduction of the timing of the commercial support of the Brands.

Despite the complexity of the negotiation process with the various stakeholders, including the brands represented by SIVA, the Financial Institutions participating in the financing and guarantees that the SAG Group has and the entities of the VW Group, it was possible to establish agreements that guarantee continuity of operations.

In the agreement between SAG Gest, Porsche Holdings (Company belonging to the VW Group) with Head-Office in Salzburg (PHS) and the Financial Institutions participating in SAG Group's financing and guarantees, SIVA will be wholly owned by Porsche Holdings, this process should be end during 2019.

The agreement established between SAG Gest, Porsche Holdings (VW Group entity) with its seat in Salzburg, Banco Comercial Português, S.A., Banco BPI, S.A., Caixa Geral de Depósitos, S.A. and Novo Banco, S.A. whereby SAG has agreed to, directly and indirectly, sell and PHS has agreed to buy the following group companies:

- a. AA00 – Sociedade de Formação Profissional e Consultoria Técnica, S.A.;
- b. Globalrent – Sociedade Portuguesa de Rent-A-Car, Unipessoal, Lda.;
- c. SIVA Serviços – Assessoria Financeira e Administrativa, S.A.;
- d. SIVA – Sociedade Importadora de Veículos Automóveis, S.A.;
- e. Soauto SGPS, S.A.

Upon completion the transaction SAG Gest will hold all UP's of IMOCAR – Real Estate Investment Fund and a participation representing 40% of the share capital of Autolombos – Sociedade de Automóveis – Comércio de Automóveis Lda. The restructuring process of transactions with PHS, will give to SAG Gest an adequate equity structure that will allow development sustainable and solids businesses.

V. TREASURY STOCK INFORMATION

On 31 March 2019, the Company directly owned 16,760,815 treasury stock, with the nominal value of Eur 1 each, and also indirectly controlled a further 5,100 shares held by the Rolporto Subsidiary, as well as 5,100 shares held by the Loures Automóveis Subsidiary, all with a nominal value of Eur 1 each.

During the three months ended on 31 March 2019, SAG Gest did not purchase or sell any treasury stock and, therefore, on 31 March 2019, the Company directly owned 16,760,815 treasury stock, with the nominal value of Eur 1 each, and also controlled indirectly a further 5,100 shares held by Rolporto Subsidiary, as well as 5,100 shares held by Loures Automóveis Subsidiary, all with a nominal value of Eur 1 each.

The portfolio of treasury stock held directly and indirectly represented 9.879% of the total shares representing the Company's share capital on 31 March 2019, with an average unit purchase price Eur 1.9760.

During the three-month period ended on 31 March 2019, there were no purchases or sales of treasury stock.

VI. OTHER MANDATORY MENTIONS

- a) In accordance with Article 21 of Decree-Law 411/91 and Article 2 of Decree-Law 534/80, it is hereby confirmed that the Companies included in consolidation have fully complied with their obligations towards Social Security, and that they do not have any overdue debt to the Public Sector.
- b) No other subsequent events have taken place after reporting date that may significantly impact the Financial Statements or requiring disclosure, except for the matters disclosed on Point 7. of the Management Report and Note 2.6 - Management Judgments, in the Notes to the Consolidated Financial Statements.
- c) During the three-month period ended on 31 March 2019, no transactions were made between the Companies included in consolidation and Members of its Board of Directors.

VII. FINANCIAL INFORMATION COMPLIANCE STATEMENT

In compliance with legal and statutory provisions, the Board of Directors submits to the Shareholders' Meeting the Consolidated Report and Accounts, on March 31, 2019, in the firm conviction that, to the best of its knowledge, the information contained therein was prepared in accordance with the applicable accounting standards, giving a true and fair view of the assets and liabilities, financial position and results of SAG Gest and the Entities included in the consolidation perimeter, and that the Management Report faithfully reflects the evolution of the business, performance and position of SAG Gest and the Entities included in the consolidation perimeter and contains a description of the main risks and uncertainties they face.

Alfragide 31 May 2019

THE BOARD OF DIRECTORS

João Manuel de Quevedo Pereira Coutinho

Esmeralda da Silva Santos Dourado

Pedro Roque de Pinho de Almeida

CONSOLIDATED FINANCIAL STATEMENTS

1st Quarter 2019

(Unaudited)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Three Months Ended 31 March		
		2019	2018 Adjusted	2018 Published
Revenue				
Sales	5	-	-	153.691,4
Services Rendered	5	-	-	2.786,6
Turnover	5	-	-	156.478,0
Cost of Goods Sold	5	-	,0	(141.923,0)
Gross Margin		-	,0	14.554,9
Other Operating Income	6	39,3	45,2	5.861,9
Other Operating Expenses	7	(112,0)	(39,9)	(4.760,4)
Impairment Losses in Accounts Receivable	24	,2	-	2,7
		(377,8)	-	-
Impairment Losses in Inventories	23	-	(47,4)	(6.619,9)
Contribution Margin		(450,3)	(42,1)	9.039,2
Variable Expenses				
SG&A - Commercial Expenses	8	(7,5)	(8,8)	(2.646,4)
SG&A - Car Expenses	9	(4,7)	(7,7)	(1.052,3)
Sub-Total - Variable Expenses		(12,2)	(16,5)	(3.698,6)
Variable Margin		(462,5)	(58,6)	5.340,6
Overheads				
SG&A - Non-Variable Expenses	10	(278,0)	(114,5)	(3.117,0)
Payroll Expenses	11	(194,3)	(324,9)	(5.818,2)
Sub-Total - Overheads		(472,3)	(439,5)	(8.935,2)
Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)		(934,8)	(498,0)	(3.594,6)
Depreciation and Amortization	18 and 20	(88,4)	(0,0)	(457,7)
Gains and (Losses) in the Sale of Tangible Fixed Assets	12	-	(19,2)	(19,2)
Earnings Before Interest and Tax (EBIT)		(1.023,2)	(517,2)	(4.071,5)
Financial Expenses	13	(684,5)	(685,0)	(4.049,8)
Financial Income	14	326,7	356,7	356,9
Gain / (Losses) from Associated Companies - Equity Method	15	(6,7)	4,0	4,0
Fair Value Adjustments	22	-	15,8	15,8
Earnings Before Taxes (EBT)		(1.387,7)	(825,7)	(7.744,6)
Corporate Income Tax	16	83,8	(113,3)	1.065,1
Net Profit / (Loss) before Discontinued Operations		(1.303,9)	(939,0)	(6.679,5)
Profit/Loss of Discontinued Operations	5	287,0	(5.740,5)	-
Net Profit / (Loss)		(1.016,8)	(6.679,5)	(6.679,5)
Attributable to:				
Shareholders of SAG GEST SGPS, SA	17	(1.016,8)	(6.679,3)	(6.679,3)
Non-Controlling Interests	32	-	(0,3)	(0,3)
		(1.016,8)	(6.679,5)	(6.679,5)
Earnings per share:				
Basic, for Net Profit / (Loss) after Tax (Eur)	17	(0,0066)	(0,0437)	(0,0437)

Notes are an integral part of the Consolidated Financial Statements above mentioned.

Chartered Accountant

Board of Directors

CONSOLIDATED STATEMENT OF THE FINANCIAL POSITION			
		(Values in Eur 000)	
	Notes	December 2018	December 2017
Non-Current Assets			
Tangible Fixed Assets	18	44 016,0	44 001,1
Intangible Assets - Goodwill	19	(0,0)	-
Intangible Assets - Other	20	-	-
Investments in Associates - Equity Method Consolidation	21	4,2	10 857
Accounts Receivable - Related Parties	25 and 36	,0	-
Investment Properties	22	470,5	470,5
Deferred Income Tax Assets	16	430,4	419,3
Total - Non-Current Assets		44 921,0	44 901,8
Current Assets			
Inventories	23	-	-
Accounts Receivable - Trade Customers	24	15,1	188,7
Accounts Receivable - Related Parties	25 e 36	-	1 881,1
Accounts Receivable - Other	26	36,2	36,2
Prepaid Expenses	27	8,4	5,8
Accrued Income	28	-	-
Current Income Tax Receivable	16	4 705,7	4 655,3
Taxes - Other Than Income Tax	29	358,6	278,3
Term Deposits	30	2 146,0	2 146,0
Cash and Cash Equivalents	30	1 394,7	1 254,2
Total - Current Assets		8 664,9	10 445,5
Non-Current Assets Held For Sale	4	205 994,4	-
Total Assets		259 580,3	55 347,3
Equity			
Registered Share Capital	14 and 31	169 764,4	169 764,4
Treasury Stock - Par Value	14 and 31	(16 771,0)	(16 771,0)
Treasury Stock - Share Premium	31	(16 367,8)	(16 367,8)
Share Premium	31	149 664,3	149 664,3
Supplementary Capital Payments	31	135 171,9	135 171,9
Reserves:		-	-
Legal Reserve	31	15 172,5	15 172,5
Other Reserves	31	-	-
Retained Earnings	2.4 and 31	(617 248,1)	(430 403,6)
First Consolidation Adjustment	2.4 and 31	(268 649,7)	(268 649,7)
Retained Earnings	32	(348 598,4)	(161 753,9)
Net Profit / (Loss)	17	(1 016,8)	(186 844,5)
Sub Total		(181 630,6)	(180 613,8)
Non-Controlling Interests	32	,0	1 507,6
Total Equity		(181 630,6)	(179 106,2)
Non-Current Liabilities			
Bank Loans	33	38 997,6	38 997,6
Deferred Income Tax Liabilities	16	3 248,5	3 076,5
Total - Non-Current Liabilities		42 246,2	42 074,1
Current Liabilities			
Bank Loans	33	33 271,3	33 319,7
Accounts Payable - Trade Suppliers	34	221,0	26 681,5
Accounts Payable - Other	35	40,2	40,2
Accounts Payable - Related Entities	36	18,8	-
Accrued Expenses	37	492,4	538,4
Deferred Income	38	-	-
Current Income Tax Payable	16	575,8	772,1
Taxes - Other Than Income Tax	29	116,0	220,7
Total - Current Liabilities		34 735,5	61 605,4
Liabilities associated to Assets Held for Sale	4	364 229,2	-
Total Liabilities		441 210,9	103 679,5
Total Equity and Liabilities		259 580,3	(75 426,7)

Notes are an integral part of the Consolidated Financial Statements above mentioned.

Chartered Accountant

The Board of Directors

CONSOLIDATED STATEMENT OF CASH FLOWS			
		(Values in Eur 000)	
	Note	March 2019	December 2018
Net Profit / (Loss)		(1,016.8)	(186,827.7)
Result of Discontinued Operations			
Non-Cash Items			
Depreciation & Amortization	12, 18 and 20	88.4	353.4
Impairment Losses in Accounts Receivables	24	(0.2)	.0
Impairment Losses in Inventories	23	46.8	.0
Estimate and impairment losses of IRC	16	(83.8)	7,665.7
Gains / (Losses) in Group Companies	15	(319.8)	142,400.6
Loans - Amortized Cost recognition	33	(48.5)	1,574.7
Sub Total - Non-Cash Items		(317.1)	151,994.4
Non-Monetary Items of Discontinued Operations		1,259.9	23,670.0
Net Profit / (Loss) without Non-Cash Items		(74.0)	(11,163.3)
Corporate Income Taxes Paid		(1.8)	(748.8)
Tax Payments on the Income from Discontinued Operations		-	1,320.1
Cash Profit / (Loss)		(75.8)	(10,699.3)
Changes in Net Working Capital			
Trade Customers		(173.1)	(170.5)
Utilization of Impairment Losses in Accounts Receivable		.0	.0
Accounts Payable - Trade Suppliers		(52.3)	179.9
Inventories		.0	.0
Accruals & Prepaids		(46.0)	(116.7)
Other Debtors / Creditors		(.0)	(1.9)
Taxes - Other Than Income Taxes		4.6	13,993.5
Sub Total - Changes in Net Working Capital		(266.8)	13,884.3
Discontinued Operations Fund		5,747.4	2,323.1
Cash Generated		5,404.7	5,508.0
Intercompany			
Intercompany Loans		8.7	(2,786.4)
Sub Total Intercompany		8.7	(2,786.4)
Balances Associated Companies of Discontinued Operations		528.4	(2,527.0)
Purchase/Sale of Assets			
Acquisitions/Disposals - Tangible Fixed Assets		.0	(1,305.3)
Amortization, Depreciation and Adjustment utilization		(.1)	(13.9)
Financial Assets Acquisitions		(803.3)	557.7
Term Deposits		.0	.0
Sub Total - Acquisitions/Disposals of Assets		(803.5)	(761.5)
Investment Activities from Discontinued Operations		(142.1)	(9,385.4)
Financing			
Bank Loans	33	.0	1,164,425
Sub Total Financing		.0	1,164.4
Financing Activities of Discontinued Operations		(.0)	10,009.3
Total Funds Flow		4,996.2	1,221.4
Cash & Cash Equivalents - Opening Balance	30	5,618.3	4,396.9
Cash & Cash Equivalents - Closing Balance	30	10,614.5	5,618.3
Changes in Cash & Cash Equivalents		4,996.2	1,221.4

Notes are an integral part of the Consolidated Financial Statements above mentioned.

Chartered Accountant

The Board of Directors



Soluções Automóvel Globais

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY												
	Registered Share Capital	Treasury Stock (Par Value)	Treasury Stock (Share Premium)	Share Premium	Supplementary Capital Payments	Legal Reserves	Other Reserves	Retained Earnings	Net Profit / (Loss)	Total	Non-Controlling Interests	Total Equity
Notes	31	31	31	31	31	31	31	2.4 and 31	17		32	
As at 1 January 2019												
Opening Balance	169,764.4	(16,771.0)	(16,367.8)	149,664.3	135,171.9	15,172.5	-	(430,403.6)	(186,844.5)	(180,613.8)	1,507.6	(179,106.2)
Net Income from Continuing Operations	-	-	-	-	-	-	-	-	(1,303.9)	(1,303.9)	-	(1,303.9)
Net Income from Discontinued Operations	-	-	-	-	-	-	-	-	287.0	287.0	-	287.0
Total Comprehensive Income	-	-	-	-	-	-	-	-	(1,016.8)	(1,016.8)	-	(1,016.8)
Changes in the Consolidation Perimeter	-	-	-	-	-	-	-	-	-	-	(1,507.6)	(1,507.6)
Allocation on Prior Year's Net Profit / (Loss)	-	-	-	-	-	-	-	(186,844.5)	186,844.5	-	-	-
Closing Balance as at 31 March 2019	169,764.4	(16,771.0)	(16,367.8)	149,664.3	135,171.9	15,172.5	-	(617,248.1)	(1,016.8)	(181,630.6)	-	(181,630.6)

	Registered Share Capital	Treasury Stock (Par Value)	Treasury Stock (Share Premium)	Share Premium	Supplementary Capital Payments	Legal Reserves	Other Reserves	Retained Earnings	Net Profit / (Loss)	Total	Non-Controlling Interests	Total Equity
Notes	31	31	31	31	31	31	31	2.4 and 31	17		32	
As at 1 January 2018												
Reported Opening Balance	169,764.4	(16,771.0)	(16,367.8)	149,664.3	135,171.9	15,077.1	8,132.1	(424,933.8)	(13,777.9)	5,959.3	1,490.8	7,450.0
Net Income from Continuing Operations	-	-	-	-	-	-	-	-	(154,719.5)	(154,719.5)	16.8	(154,702.7)
Net Income from Discontinued Operations	-	-	-	-	-	-	-	-	(32,125.1)	(32,125.1)	-	(32,125.1)
Total Comprehensive Income	-	-	-	-	-	-	-	-	(186,844.5)	(186,844.5)	16.8	(186,827.7)
Allocation on Prior Year's Net Profit / (Loss)	-	-	-	-	-	95.4	-	(13,873.3)	13,777.9	-	-	-
Refund of Supplementary Capital Payments	-	-	-	-	-	-	-	271.5	-	271.5	-	271.5
Transfer between equity accounts	-	-	-	-	-	-	(8,132.1)	8,132.1	-	-	-	-
Closing Balance as at 31 December 2018	169,764.4	(16,771.0)	(16,367.8)	149,664.3	135,171.9	15,172.5	(0.0)	(430,403.6)	(186,844.5)	(180,613.8)	1,507.6	(179,106.2)

Notes are an integral part of the Consolidated Financial Statements above mentioned.

Chartered Accountant

The Board of Directors

SAG GEST – Soluções Automóvel Globais, SGPS, S.A. – Listed Company

Head Office: Estrada de Alfragide, nº 67 Amadora

Registered Share Capital: Eur 169,764,398.00

Registered in the Amadora Companies Registration Office

Single Tax Identification and Registration Number 503 219 886

Tel: 21 359 66 64

Fax: 21 359 66 74

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1st Quarter 2019

(Unaudited)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

31 MARCH 2019

1. GENERAL INFORMATION ABOUT ACTIVITY

The corporate purpose of SAG Gest, which has its registered office at Estrada de Alfragide nº 67, in Alfragide, Amadora, Portugal, is the management of shareholdings.

SAG Gest Shares have been listed on NYSE Euronext Lisbon since June 1998, and the last holder is João Pereira Coutinho with 80.08% of qualified shareholding position of share capital.

The Consolidated Financial Statements of SAG Gest - Soluções Automóvel Globais SGPS, SA (referred to simply as SAG Gest), as at 31 March 2019, were approved and authorized for disclosure by the Board of Directors on 31 May 2019.

In the opinion of the Board of Directors, the Consolidated Financial Statements of SAG Gest as at 31 March 2019 reflect truly and fairly the consolidated operations as well as the consolidated financial position and consolidated cash flows of SAG Gest and of the Entities included in consolidation.

Shareholders have the capacity to modify the Consolidated Financial Statements as at 31 March 2019, after the Board of Directors' approval for release.

The Financial Statements are consolidated in Portugal.

SAG Gest's consolidation perimeter is composed of Entities operating in different business areas, which include:

- distribution and retail of the Volkswagen, Volkswagen – Commercial Vehicles, Škoda, Audi, Bentley and Lamborghini Brands
- distribution and retail of motor vehicle parts and accessories
- provision of after-sales services (repair and maintenance) of motor vehicles
- sales of used vehicles of multiple brands
- preparation of new vehicles and body repair
- automotive training to Dealer Networks' employees of Volkswagen – Commercial Vehicles, Škoda and Audi
- provision of Rent-a-Car services

On March 31, 2019, the amounts related to the distribution, retail, training and rent-a-car business were reclassified to non-current assets held for sale, following the agreement between SAG Gest and Porsche Holding GmbH (PHS), with headquarters in Salzburg, Banco Comercial Português, SA, Banco BPI, SA, Caixa Geral de Depósitos, SA and Novo Banco, SA, disclosed in more detail in Note 2.6 - Management Judgments.

2. SUMMARY OF MAIN ACCOUNTING POLICIES

2.1 Basis of Preparation

These financial statements were prepared in accordance with International Financial Reporting Standards adopted by the European Union ("IFRS"), issued and in force or issued and adopted in advance on 1 January 2019. They correspond to International Financial Reporting Standards issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"), or by the former Standing Interpretations Committee ("SIC"), in force on the date of preparation of the financial statements.

In the preparation of financial statements, SAG Gest followed the historical cost convention, modified, when applicable, by the fair value measurements of financial assets at fair value through profit and loss.

The preparation of financial statements in accordance with IFRS requires the use of estimates, assumptions and critical judgments in the process of determining the accounting policies to be adopted by SAG Gest, with significant impact on the carrying amount of assets and liabilities, as well as on income and expenses for the period.

Although these estimates are based on Management's best experience and its best expectations regarding current and future events and actions, the current and future results may differ from these estimates. Areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant, are presented in Note 2.6 – Management Judgments and Note 2.7 – Significant Estimates.

The Consolidated Financial Statements of SAG Gest, as well as the Financial Statements of the Entities included in the current consolidation perimeter of SAG Gest (as disclosed in Note 3 – Consolidated Entities) relate to the three months ended 31 March 2019 and were prepared using accounting policies that are consistent among them.

All of the amounts set forth in the Notes where a separate currency unit is not indicated are expressed in thousands of euros - Eur (000).

2.2 Compliance Statement

In the opinion of the Board of Directors, SAG Gest financial statements as of March 31, 2019 reflect fairly and appropriately the Group operations, as well as its financial position and cash flows, in accordance with the International Financial Reporting Standards (IFRS), as adopted in the European Union, in force on 1 January 2019.

2.3 Changes in Accounting Policies

2.3.1 New Standards or Interpretations applicable to the year beginning 1 January 2019

The European Union (EU) has endorsed the issues, revisions, changes and improvements to the Standards and Interpretations, as indicated in the following table, to become effective from 1 January 2019.

New amendments applicable to the financial year started on or after 1 January 2019		
Standard	Amendment	Mandatory for financial years beginning on or after
IFRS 16 - Locations	New lease definition. New accounting of lease contracts for lessees. There are no changes to the booking of rentals by lessors	1 January, 2019
IFRS 9 - Financial instruments	Accounting treatment options for financial assets with negative compensation	1 January, 2019
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, in respect of income tax	1 January, 2019
IAS 19 - Employee Benefits	Requires to use updated assumptions to calculate the remaining liabilities, with impact on the income statement, except for the reduction of any excess within the scope of the asset	1 January, 2019
IAS 28 - Investments in associates and joint ventures	Clarification regarding long-term investments in associates and joint ventures that are not being measured using the equity method	1 January, 2019
Several clarifications: IAS 23, IAS 12, IFRS 3 and IFRS 11	Standards Improvement 2015 - 2017	1 January, 2019

SAG GEST established in 2018 the impacts on the adoption of IFRS 16 - Leases and IFRS 9 - Financial Instruments, and no impact was verified in its Consolidated Financial Statements.

2.3.2 New Standards and Interpretations issued, not yet endorsed by the European Union

The table below indicates the new Standards and Interpretations, amendments and revisions issued by the IASB that are not yet endorsed by the European Union (EU) and whose adoption in the EU is not yet mandatory.

New amendments applicable to the financial year started on or after 1 January 2020, but not yet endorsed by the European Union (EU)		
Standard	Amendment	Mandatory for financial years beginning on or after
IFRS 3 - Business Combinations	Change of business definition	1 January, 2020
IAS 1 - Presentation of the financial statements; IAS 8 - Accounting policies, changes in accounting estimates and errors	Updating the material definition	1 January, 2020
Contralural structure - Changes in reference to other IFRS	Amendment to some IFRSs regarding cross-references and clarifications on the application of the new definitions of assets / liabilities and expenses / income	1 January, 2020
IFRS 17 - Insurance contracts	New accounting for insurance contracts, reinsurance contracts and investment contracts with discretionary participation characteristics	1 January, 2021

SAG Gest analyzed the possible effects that the issues, revisions, amendments and improvements to the above-mentioned Standards and Interpretations may have on its Consolidated Financial Statements, concluding that there are no significant impacts arising from these changes

2.4 Basis of Consolidation

Full Consolidation Method

- a) The Consolidated Financial Statements include the Financial Statements of SAG Gest and of Subsidiaries in which SAG Gest directly or indirectly holds a majority interest or over which SAG Gest exercises management control.

Entities controlled by SAG Gest (the Parent Company) are included in consolidation.

Control exists when SAG Gest is exposed or has the right to variable returns arising from its involvement in an Entity and has the capacity to influence such returns through its power over the Entity.

Specifically, SAG Gest controls an Entity if and only if SAG Gest has:

- Power over the Entity, or rather, holds existing rights that give it the capacity to direct the relevant activities of the Entity
- Exposure or right to variable returns arising from its involvement with the Entity
- The capacity to use its power over the Entity to influence such returns

Generally, it is assumed that a majority of voting rights results in control. In order to support this assumption, and when SAG Gest does not have a majority of voting rights or similar rights in an Entity, SAG Gest considers all relevant facts and circumstances in assessing whether it has power over an Entity, including:

- The existence or otherwise of contractual agreements with other holders of voting rights in the Entity
- Rights that result from other contractual agreements

- The voting rights and potential voting rights of SAG Gest

SAG Gest reassesses whether or not an Entity is controlled when facts and circumstances indicate that changes have occurred in one or more of the three control elements.

The Financial Statements of these Entities were consolidated using the Full Consolidation Method.

- Subsidiaries are consolidated using the Full Consolidation Method, from date when SAG Gest obtains control until date when control is lost. The Financial Statements of these Subsidiaries are prepared with reference to the same accounting period as the Financial Statements of SAG Gest, and are prepared applying accounting principles that are consistent between them.
- The change in the percentage of interest in these Subsidiaries, without loss of control, is recorded as an equity transaction, in accordance with IFRS 10 – Consolidated Financial Statements.

Consolidation using the Equity Method

- Autolombos, an Entity where SAG Gest currently exercises significant influence, was consolidated using the Equity Method.

Non-Controlling Interests

- The amount representing interests held by third parties in 2018 is reported as Non-Controlling Interests in the Consolidated Statement of the Financial Position as well as in the Consolidated Statement of Profit and Loss and Other Comprehensive Income.
- Losses are attributed to Non-Controlling Interests even where the amount of Non-Controlling Interests becomes negative.
- Non-Controlling Interests are valued in the proportion of identifiable net assets acquired.
- Transactions with Non-Controlling Interests that do not result in loss of control are recognized as equity transactions (transactions with owners, in their capacity as owners). The difference between the Fair Value of any amount paid and the corresponding portion of the book value of the acquired Net Assets of the Entity is recognized in Equity. Gains and losses on sales to Non-Controlling Interests also are recognized in Equity.
- In 31 December 2018 Non-Controlling Interests represent the interests of unrelated third parties in the Rolvia and Loures Automóveis Subsidiaries. In 31 March 2019 the Non-Controlling Interests, of these entities were acquired, whereby the amount on this item is zero.

Effects of changes in control

- When SAG Gest ceases to have control or a significant influence over an Entity, any residual interest in the Equity of the Entity is revalued at its market value. Any such changes are recognized in the Consolidated Statement of Profit and Loss and Other Comprehensive Income. Fair Value is the initial book value for the purposes of the subsequent accounting treatment of this interest as a Financial Asset.
- Whenever SAG Gest loses control over an Entity as a consequence of a transaction the following procedures are adopted:
 - All Assets (including Goodwill) and Liabilities related to such Entity are derecognized
 - The value of any Non-Controlling Interests is derecognized
 - Any Cumulative Translation Adjustment related to such Entity that is included in Equity is reclassified to profit or loss for the year
 - The Fair Value of any consideration received is recognized
 - The Fair Value of the retained interest is recognized

- Any remaining differences are recognized in profit or loss for the year in which the transaction occurs
- Any other items related to the Entity that have affected Comprehensive Income are reclassified against the profit or loss for the year

Consolidation process

- l) Balances and transactions (with the corresponding income and expenses) between Entities included in consolidation were eliminated in the consolidation process.
- m) Dividends distributed between the Entities included in consolidation are eliminated in the proportion of control attributable to SAG Gest.

Business acquisitions and Goodwill

- n) Effective 1 January 2004, SAG Gest applied IFRS 3 – Business Combinations and no longer recognized the amortization of Goodwill as of such date. Goodwill is subject to impairment tests on an annual basis and whenever necessary.

As at 31 December 2018, the total impairment of Goodwill was recognized in the Consolidated Statement of Financial Position as the recoverability of the respective amount as disclosed in Note 19 – Intangible Assets – "Goodwill" is considered uncertain.

- o) As of 1 January 2009, SAG Gest adopted IFRS 3 (revised). Business acquisitions are recognized using the purchase method, with cost being determined by the aggregate of (i) Fair Value on acquisition date, (ii) consideration paid and (iii) the value of any Non-Controlling Interests in the acquired Entity.
- p) When business acquisitions are implemented in stages, the Fair Value on date of each purchase of interests previously acquired is revalued at its Fair Value on date of each subsequent purchase, with the corresponding gains or losses being recognized in the profit or loss for the year.

Any contingent consideration is valued at its Fair Value on purchase date. Any subsequent change in this fair value that is considered as an asset or liability will be recognized in accordance with IFRS 9 - Financial Instruments in the Income Statement and Other Consolidated Comprehensive Income. If this contingency is considered as Equity, it should not be revalued until it is established as a component of Equity.

- q) The differences between the book value of Financial Investments and the acquisition values of Entities included in consolidation are reported as follows:
 - Where the acquisition value exceeds the value of the acquired Equity, any differences are recognized as Goodwill, under Intangible Assets
 - Where the acquisition value is lower than the value of the acquired Equity, any differences affect the profit or loss for the year in which the acquisition occurs

First consolidation adjustments

- r) The differences determined on date of first consolidation, in 1998, regardless of their positive or negative nature, were recognized directly against Consolidated Equity and are included in Retained Earnings, as disclosed in Note 31 – Equity Instruments. These differences were calculated as follows:

Company	Purchase Price	Equity Appropriated By SAG Gest		First Consolidation Adjustments
		%	Value	
SIVA - Sociedade de Importação de Veículos Automóveis, S.A.	301,468.5	100%	35,560.0	265,908.4
Soauto - Comércio de Automóveis, S.A.	6,443.0	100%	3,847.0	2,596.0
ROLPORTO - Comércio e Indústria de Automóveis, S.A.	1,240.0	95%	1,289.5	(49.6)
LGA - Logística Automóvel, S.A.	1,097.4	100%	1,384.3	(286.9)
Autoimpor - Sociedade Importadora de Automóveis, S.A.	249.4	100%	(232.3)	481.7
	310,498.2		41,848.6	268,649.7

2.5 Main Accounting Policies

The accounting policies adopted as the basis in the preparation of the Consolidated Financial Statements are as described below.

2.5.1 Income Recognition (Notes 5 and 38)

2.5.1.1 Revenue

a) Revenue from Contracts with Customers

Revenue corresponds to the fair value of the amount received or receivable from transactions carried out with customers in the normal course of the entity business. Revenue is recorded net of any taxes, trade discounts and financial discounts granted.

In determining the amount of revenue, the entity assesses for each transaction the performance obligations it assumes towards customers, the price of the transaction to be allocated to each performance obligation identified in the transaction and the existence of variable price conditions that may give rise to future adjustments to the amount of revenue recorded, and for which the entity makes its best estimate.

Revenue is recognized when control over the product or service is transferred to the customer, i.e., the moment from which the customer becomes able to manage the use of the product or service and obtain all the remaining economic benefits associated with it.

Given the nature of the product or service that is associated with the performance obligations assumed, the transfer of control occurs mostly on a specific date.

The revenue recognition policy for the main activities conducted is as follows:

- Revenue sale of products (vehicles and parts)

In the case of vehicles and parts, the recognition of revenue is recorded with the transfer of control of the asset promised to customers by the amount of the consideration that expects to receive in exchange for that asset. These transfers relate to SIVA subsidiary ordinary activities.

- Buy Back Vehicles

In transactions where SIVA assumes commitments to repurchase vehicles (transactions with "Buy-Back" clauses), the principles set out in IFRS 15 – Revenue are applied, and the revenue corresponding to the amount of the consideration is not recognized, since it is considered that there was no transfer of control of the asset. The margin resulting from the provision of service is recorded on a linear accrual basis during the period in which the commitment is maintained (the holding period).

- Revenue from the provision of repair services

Revenue is recorded in the income statement when control over the service is transferred to the customer, i.e., the moment from which the customer becomes able to manage the use of the service and obtain all the remaining economic benefits associated with it.

b) Interest

Interest Income is accrued so as to be recognized during the period to which they relate, regardless of whether or not the respective supporting document has been issued.

c) Dividends

This Income is recognized when, in substance, the reporting entity is required to declare Dividends.

2.5.1.2 Accrual of Income and Expenses

Income and Expenses are recognized during the period to which they refer, regardless of their payment or receipt, according to the accrual basis accounting principle. The differences between the amounts received and paid and the corresponding Income and Expenses are recognized as Assets or Liabilities, if they qualify as such.

2.5.2 Income Tax (Note 16)

Income Tax for the period includes Current Income Tax and Deferred Income Tax. Income Tax is recognized in the Consolidated Statement of Profit and Loss and Other Comprehensive Income, except when it relates to items that are directly recognized in Equity. The amount of Current Income Tax Payable is determined based on Earnings Before Tax, adjusted according to tax rules in force.

SAG Gest adopts the procedure of recognizing Deferred Income Taxes in accordance with IAS 12 – Income Tax, as a way to adequately recognize the tax effects of its operations and to exclude distortions caused by tax criteria that contradict the economic effects of certain transactions.

Deferred Income Tax represents the Income Tax amount of temporary differences between the book value of Assets and Liabilities reported and the corresponding value for tax purposes.

Deferred Income Tax Assets are recognized in relation to deductible tax losses whenever there is reasonable certainty that future profits will be generated that will allow for the total utilization of such deductible tax losses. Deferred Income Tax Assets are reviewed annually and reduced whenever it is no longer probable that the corresponding tax losses will be used.

Deferred Income Tax Liabilities are recognized in respect of all taxable temporary differences, except those related to: i) the initial recognition of Goodwill; or ii) the initial recognition of Assets and Liabilities that do not result from a business combination and that, as of the date of the transaction, do not affect the accounting result or taxable income. However, taxable temporary differences related to Investments in Subsidiaries should not be recognized to the extent that: i) SAG Gest is able to control the period of reversal of the temporary difference; and ii) it is likely that the temporary difference will not be reversed in the near future.

The amount of Deferred Income Taxes is determined by applying the tax rates (and laws) in force, or substantially in force, on reporting date and that are expected to be applicable in the period of realization of the Deferred Income Tax Asset or settlement of the Deferred Income Tax Liability. In accordance with the regulations in force in Portugal, the base rate of Corporate Income Tax (*IRC – Imposto sobre o Rendimento de Pessoas Coletivas*) is 21%. Where an Entity does not report tax losses, Municipal Surtax (*Derrama*), at the rate of 1.5%, is added to the basic Corporate Income Tax (*IRC*) rate. The tax rate thus determined (22.5%, where there are no tax losses, or 21% where the Entity reports a negative taxable income) is applied to the amount of temporary differences that generated Deferred Income Tax Assets or Liabilities.

Changes during the year, the estimate between the Income Tax for the year and Current Income Tax and the breakdown of Deferred Income Tax balances are disclosed in Note 15 – Income Tax.

2.5.3 Tangible Fixed Assets (Note 18)

Tangible Fixed Assets are recognized at acquisition cost, which includes costs associated with the respective acquisition, less the corresponding accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on acquisition cost using the straight-line method, except in the case mentioned below, in order to fully depreciate the assets until the end of their estimated useful life, and the annual depreciation rates stated in the following table are applied.

			%
Buildings and Other Constructions			2.00
Basic Equipment	25.00	to	31.25
Transport Equipment	14.28	to	25.00
Tools	20.00	to	33.33
Office Equipment	12.50	to	33.33
Other Fixed Assets	20.00	to	33.33

In the Globalrent Subsidiary, depreciation of the vehicles assigned to the Rent-a-Car activity (short-term rental of vehicles without driver), which are recognized as Basic Equipment, is determined in order to reflect, using the straight-line method, the estimated loss that will occur in the value of the vehicle during the period of its intended use.

Repair and maintenance of equipment expenses are recognized in the year in which they occur.

2.5.4 Intangible Assets (Notes 19 and 20)

a) Goodwill

Positive consolidation differences (Goodwill) represent the excess between the acquisition cost and the Fair Value of identifiable acquired Assets and Liabilities (ii) on date of acquisition or (ii) on date of a change in control that requires a change of the consolidation method. Goodwill is allocated to Cash Generating Units for the performance of impairment tests. Goodwill is not amortized and its amount is reduced by any impairment losses, determined annually on reporting date or whenever there are indications of any loss of value. Any loss of value (impairment) is recognized in the profit or loss for the period and cannot be reversed subsequently.

Gains or losses arising from the sale of an Entity / Cash Generating Unit are calculated with the inclusion of respective Goodwill.

When a business reorganization occurs involving a change in the composition of the Cash Generating Units to which Goodwill has been allocated, the allocation of Goodwill to the new Cash Generating Units is reviewed. The reallocation is performed considering the relative value of the new Cash Generating Units resulting from such reorganization.

b) Store Key-money

Key-money expenses are recognized during the term of the respective rental agreement. Store Key-money is amortized over a period of five years. The Store Key-money are total amortized.

c) Other Intangible Assets

Other Intangible Assets are valued at their acquisition cost. Amortization is calculated monthly on a straight-line basis, using rates that allow the complete amortization of such assets until the end of their useful life. Software is amortized at a rate of 33.33%.

2.5.5 Investments in Associates (Note 21)

Associates are Entities where SAG Gest exercises a significant influence, generally associated with a holding of between 20% and 50% of voting rights but does not have control.

Investments of SAG Gest in associates are recognized using the Equity Method. In accordance with this method, Investments are recognized at the respective Equity Method, adjusted according to the percentage held by SAG Gest in any subsequent changes that occur in the equity of such Entities. Where signs of impairment are detected, Investments in Associates are subject to impairment tests.

The profit or loss for the year reflects the appropriation by SAG Gest of the operating results of Associates in the proportion of its holdings. Where the share of losses attributable to the Entities included in consolidation is equivalent to or exceeds the value of the financial interest in Associates, additional losses are recognized if SAG Gest and/or any of the other Entities included in consolidation have assumed obligations towards third parties.

Dividends recognized in the year are deducted from the amount of Investments in Associates.

Where SAG Gest loses significant influence in an Associated Entity, the value of Investments in Associates retained is recognized at Fair Value (with impact on the profit or loss for the year).

Unrealized gains and losses in transactions between SAG Gest and/or any other Entity included in consolidation and Associates are eliminated in the proportion of the interest held in Associates. Unrealized losses also are eliminated unless the transaction provides additional evidence that the transferred Asset is in an impairment situation.

The accounting policies of Associates are modified as required to ensure that the accounting policies adopted by SAG Gest and its Affiliates and Subsidiaries are consistently applied.

2.5.6 Investment Properties (Note 22)

Investment Properties refer to real estate and land held for income and/or capital appreciation, or both, and not for use during the ordinary course of business (exploration, services rendered or sales).

Investment Properties are recognized at Fair Value, determined in accordance with Note 2.5.8 – Determination of Fair Value, reflecting market conditions prevailing at the end of the period. The differences determined in the valuations are recognized in the year in which they occur as Changes Gains or Losses in Investment Properties in the Consolidated Statement of Profit and Loss and Other Comprehensive Income.

Expenses incurred (maintenance, repairs, insurance and property taxes) and income and rents connected with Investment Properties are recognized in the Consolidated Statement of Income and Other Comprehensive Income for the year to which they refer.

2.5.7 Inventories and Impairment Losses on Inventories (Note 23)

Inventories are valued at the lower of purchase price or net realizable value. The net realizable value corresponds to the expected selling price, less costs to sell.

The purchase price amount is determined as follows:

- **New Vehicles** – are valued at cost or net realizable value, if this is less than the acquisition value. Cost of inventories includes all purchase costs, conversion costs, and other costs incurred to place inventories in their current location and condition. The costs of purchasing inventories include the purchase price, import duties and other taxes (other than those subsequently recoverable from tax entities by the entity) and transportation, handling and other costs directly attributable to the acquisition of finished goods, materials and services. Trade discounts, rebates and other similar items are deducted in determining purchase costs.
- **Used Vehicles** – when vehicles recognized in Inventory result from trade-in transactions, they are valued at purchase price, which is determined in the valuation conducted at the time of the trade-

in. The amount is adjusted whenever signs of impairment are identified in relation to the net realizable value of such vehicles

- Buyback Vehicles – even the agreements have 12 months duration the amount of the recognized cost corresponds to the agreed re-purchase price agreed for the time of re-purchase, net of impairment losses, if any
- Parts and other goods – valued at purchase price and other expenses incurred until the respective entry into the warehouse. Trade discounts, rebates and other similar items are deducted in determining purchase costs. Outgoing items are valued at the average cost

The value of any Impairment Losses in Inventories of Parts is determined based on the turnover of stocks, by type of material, calculated on the basis of the activity recorded during the previous 24 months. This criterion is applied consistently.

2.5.8 Determination of Fair Value

Some policies and disclosures adopted by SAG Gest require the determination of the Fair Value of Financial and Non-Financial Assets and Liabilities.

Fair Value represents to the amount that would be received for the sale of an Asset or paid for the transfer of a Liability in a regular arm's length transaction between market participants on valuation date.

To determine the Fair Value of an Asset or Liability, SAG Gest uses observable market data, whenever available. Fair Value is classified as follows at various hierarchical levels based on information (inputs) used in valuation techniques:

- Level 1: quoted, unadjusted prices in active markets for identical Assets and Liabilities
- Level 2: Inputs that are observable, directly or indirectly, for the Assets or Liabilities
- Level 3: Inputs based on unobservable data

Fair Value is not determined based on active market quotes, but using valuation models whose main inputs are not observable in the market. Investment Properties are included in this level and are valued by independent external experts.

2.5.9 Financial Assets (other than Financial Investments)

Recognition

Purchases and sales of investments in financial assets are recorded at the date of the transaction, that is, on the date SAG GEST undertakes to buy or sell the asset.

Classification

The classification of financial assets depends on the business model followed by SAG GEST in the management of financial assets (receipt of cash flows or appropriation of fair value changes) and the contractual terms of the cash flows receivable.

Changes to the classification of financial assets can only be made when the business model is changed, except for financial assets at fair value through other comprehensive income, which are equity instruments, which can never be reclassified to another category.

Financial assets may be classified in the following measurement categories:

(i) Financial assets at amortized cost: includes financial assets that correspond only to the payment of nominal value and interest and whose business model followed by the management is the receipt of contractual cash flows;

Included in this category are the following items: Debtors and Other Assets Clients, Debtors and Other Assets Related Entities, Debtors and Other Assets Others, Income Accruals, Time Deposits and Cash and Cash Equivalents.

(ii) Financial assets at fair value through other comprehensive income: this category may include financial assets that qualify as debt instruments (contractual obligation to deliver cash flows) or equity instruments (residual interest in an entity);

a. In the case of debt instruments, this category includes financial assets that correspond only to the payment of nominal value and interest, for which the business model followed by the management is the receipt of contractual cash flows or on time of its own sale;

b. In the case of equity instruments, this category includes the percentage of interest held in entities over which SAG GEST does not exercise control, joint control or significant influence, and which SAG GEST irrevocably chose on the date of recognition initial designate at fair value through other comprehensive income;

(iii) Financial assets at fair value through profit or loss: includes assets that do not meet the criteria for classification as financial assets at amortized cost or at fair value through other comprehensive income, whether they refer to debt instruments or equity instruments which were not designated at fair value through other comprehensive income.

This category includes the following items: Debtors and Other Assets Clients (Factoring).

At 31 March 2019, the classification of SAG GEST Financial Assets by category is shown in Note 40.

At March 31, 2019, SAG GEST holds debt instruments, which are classified as financial assets at amortized cost and financial assets at fair value through profit or loss.

Measurement

SAG GEST initially measures financial assets at fair value, plus transaction costs directly attributable to the acquisition of financial assets, for financial assets that are not measured at fair value through profit or loss. The transaction costs of financial assets at fair value through profit or loss are recorded in the income statement when incurred.

Financial assets at amortized cost are subsequently measured in accordance with the effective interest rate method and deducted from impairment losses. Interest income on these financial assets is included in "Interest earned on assets at amortized cost" in financial income.

Financial assets at fair value through other comprehensive income, which are debt instruments, are subsequently measured at fair value through fair value changes recognized as a contra entry to other comprehensive income, except for variations related to the recognition of impairment, interest income and gains / (losses) due to foreign exchange differences, which are recognized in income for the year. Financial assets at fair value through other comprehensive income are subject to impairment.

Financial assets at fair value through other comprehensive income that are equity instruments are measured at fair value on the date of initial registration and subsequently, and the fair value changes are recorded directly in the other comprehensive income, in the equity, future reclassification even after derecognition of the investment. Dividends obtained from these investments are recognized as gains, in results for the year, on the date they are attributed.

Impairment losses

SAG GEST assesses in a forward-looking manner the estimated credit loss associated with financial assets, which are debt instruments, classified at amortized cost and at fair value through other comprehensive income.

The applied impairment methodology takes into account the credit risk profile of the debtors, and different approaches are applied depending on the nature of the debtors.

With regard to receivables from Debtors and Other Assets - Clients, Debtors and Other Assets - Related Entities, Debtors and Other Assets - Other and Income accruals, SAG GEST applies the simplified approach allowed by IFRS 9, according to which the estimated credit losses are recognized from the

initial recognition of the balances receivable and for the entire period up to their maturity, considering a matrix of historical default rates for the maturity of the balances receivable.

Regarding the balances receivable from related entities, which are not considered as part of the financial investment in these entities, the credit impairment is assessed according to the following criteria: i) if the balance receivable is immediately due; ii) if the balance receivable is low risk; or (iii) if it has a maturity of less than 12 months.

In cases where the amount receivable is immediately payable and the related entity is able to pay, the probability of default is close to 0% and therefore the impairment is considered equal to zero. In cases where the receivable balance is not immediately due, the related entity's credit risk is assessed and if it is "low" or if the maturity is less than 12 months, then SAG GEST only evaluates the probability of a maturing in the next 12 months.

For all other situations and nature of amounts receivable, SAG GEST applies the general approach of the impairment model, evaluating at each reporting date whether there has been a significant increase in credit risk since the date of the initial recognition of the asset. If there has been no increase in credit risk, SAG GEST calculates an impairment corresponding to the amount expected to be expected within 12 months. If there has been an increase in credit risk, SAG GEST calculates an impairment corresponding to the amount equivalent to the expected loss for all contractual flows until maturity of the asset.

SAG GEST estimates prospectively the estimated credit losses associated with assets at amortized cost. The methodology of impairment applied depends on whether or not there has been a significant increase in credit risk.

Derecognition of financial assets

SAG GEST derecognises financial assets when and only when contractual rights to cash flows have expired or have been transferred and the Entity has substantially transferred all the risks and rewards of ownership of the asset.

2.5.10 Cash and Cash Equivalents (Note 30)

This item includes Cash and Current Deposits with a maturity of three months or less, readily convertible to known values of money that are not subject to a significant risk of change in value.

2.5.11 Equity Instruments (Note 31)

Equity Instruments are classified according to their contractual substance, regardless of their legal form. Equity Instruments issued by Entities included in consolidation are recognized at the amount received, net of expenses incurred with issuance thereof.

- Treasury Stock acquired is valued at purchase price and recognized as a reduction of Equity. When these Shares are sold, the amount received, less any direct transaction costs and the respective tax, is recognized directly in Equity.

Holders of Common Shares are entitled to receive dividends as resolved by the Shareholders Meeting and are entitled to one vote for each Share held. There are no Preferred Shares. Rights related to Treasury Stock held in the portfolio of SAG Gest and its Affiliates and Subsidiaries are suspended until such Shares are placed in the market again.

The value of Treasury Stock in the portfolio is presented as Treasury Stock until the date when such Shares are cancelled, re-issued or sold. When Treasury Stock Shares are subsequently sold or re-issued, the amount received is included again in Equity attributable to Shareholders.

- Dividends payable are recognized as a liability in the Consolidated Financial Statements for the year in which Shareholders approve the distribution thereof, until respective payment is made.

2.5.12 Financial Liabilities

Financial liabilities are classified into two categories:

- a) Financial liabilities at fair value through profit or loss; and
- b) Financial liabilities at amortized cost.

The "Financial liabilities at amortized cost" category includes the liabilities shown under the headings "Loans" and "Creditors and other liabilities". These liabilities are initially recognized at fair value net of transaction costs and are subsequently measured at amortized cost in accordance with the effective interest rate. As of 31, March 2019, the group just recognize liabilities if they are classified as amortized cost.

i) Loans (Note 33)

Loans obtained are initially recognized at fair value, net of transaction costs incurred. Loans are subsequently measured at amortized cost and the difference between the nominal value and the initial fair value is recognized in the statement of income and other comprehensive income over the period of the loan, using the effective interest rate method.

Loans obtained are classified under current liabilities, unless the Entity has an unconditional right to defer payment of liabilities for at least 12 months after the date of the financial report, in which case they are classified as non-current liabilities.

ii) Creditors and Other Liabilities (Note 34 and 35)

These items generally include balances of suppliers of goods and services that the Company acquired in the normal course of its activity. The corresponding items are classified as current liabilities if the payment is due within 12 months or less, otherwise, the accounts of "Suppliers" are classified as non-current liabilities.

These financial liabilities are initially recognized at fair value. Subsequent to their initial recognition, the liabilities presented under "Suppliers" are measured at amortized cost using the effective interest rate method.

As at 31 March 2019, SAG Gest has only recognized liabilities classified as "Financial liabilities at amortized cost".

The Group derecognises a financial liability or part thereof on the Equity Statement only when the obligation specified in the agreement is satisfied, canceled or expired.

2.5.13 Contingent Assets and Liabilities (Note 41)

Contingent Assets are not recognized in the Consolidated Financial Statements and are only disclosed when a future economic benefit is likely to exist.

Contingent Liabilities are not recognized in the Consolidated Financial Statements and are disclosed in the Notes to the Consolidated Financial Statements, unless the possibility of an outflow of funds is remote, where they are not disclosed.

2.5.14 Subsequent Events (Note 42)

Events that occur after reporting date that provide additional information in respect of the conditions that existed on reporting date are reflected in the Consolidated Financial Statements.

Events occurring after reporting date that provide information in respect of the conditions that occur after reporting date are disclosed in the Notes to the Consolidated Financial Statements, if material.

2.5.15 Impairment of Assets

2.5.15.1 Impairment of Non-Financial Assets

Each reporting date, SAG Gest assessed the existence of signs that its Tangible Fixed Assets and Intangible Assets may be in an impairment situation. Whenever such signs exist, or when IFRS require the performance of impairment tests, SAG Gest estimated the recoverable amount of the Asset, which corresponds to the realizable value of the Asset, net of any costs to sell, or the value in use thereof, whichever is higher. If an impairment situation occurs, the value of the Asset is reduced in order to reflect its recoverable value.

When impairment losses have been recognized, Non-Financial Assets, with the exception of Goodwill, were assessed at each reporting date to evaluate the possible reversal of recognized impairment losses.

When an impairment loss or the reversal thereof was recognized, the depreciation/amortization of such Assets was recalculated prospectively according to the Asset's recoverable amount, as adjusted by the recognized impairment.

2.5.15.2 Impairment of Financial Assets

SAG Gest recognizes impairment losses before there is objective evidence of loss of value resulting from a past event. IFRS 9 determines the recognition of impairment losses on financial instruments held to be measured at amortized cost or fair value through other comprehensive income, such as debtors and other assets, cash and cash equivalents, among others.

The determination of impairment on financial assets involves significant estimates. In calculating this estimate, Management assesses, among other factors, the duration and extent of the circumstances under which the recoverable value of these assets may be lower than their book value. "Related parties Loans", "Customers" and "Other debtors" balances are valued for factors such as default, current market conditions, and estimated prospective information by reference to the end of each reporting period, the most critical evaluation elements for the purpose of analyzing the estimated credit losses

The analysis of the antiquity of debtors and other assets - Customers and Debtors and Other Assets - Others are disclosed in Notes 24 and 26 respectively.

2.5.16 Operating and Financial Leases

Leases where a significant part of the risks and benefits of ownership of the leased asset is held by the Lessor are classified as Operating Leases. Payments performed under Operating Leases are recognized in the income statement using the straight-line method during the lease term, net of any incentives received from the Lessor.

Tangible Fixed Assets acquired under Financial Leases or other contractual instruments, which, in substance, represent financial leases, are recognized as financial leases, in accordance with IAS 17 – Leases.

Accordingly, the value of Tangible Fixed Assets acquired, less respective accumulated depreciation, on one hand, and, on the other hand, the value of outstanding debt, are recognized at their Amortized Cost, calculated using the Effective Interest Rate Method. Interest included in the rental amounts and depreciation are recognized as expenses in the year to which they relate.

Assets leased to third parties under Operating Leases are recognized as Tangible Fixed Assets in the Consolidated Statement of the Financial Position. These items are depreciated over their estimated useful life. Rental income (net of any incentives granted to the Lessee) is recognized on a straight-line basis during the lease term.

2.5.17 Foreign Currency denominated Transactions and Balances

a) Functional currency

The functional and presentation currency of the Consolidated Financial Statements of SAG Gest, as well as its Subsidiaries, Affiliates and Associates, is the Euro.

b) Recognition of foreign currency denominated transactions

Transactions denominated in a foreign currency (outside the Euro zone) are recognized using the exchange rate prevailing on transaction date in the conversion into Euros. Amounts receivable and payable denominated in foreign currency are expressed in Euros using the exchange rates prevailing on reporting date.

c) Foreign Currency denominated Non-monetary Assets and Liabilities

Non-monetary Assets and Liabilities denominated in a foreign currency and recognized at Fair Value are converted into the functional currency of each Subsidiary or Affiliate using the exchange rate prevailing on date when the respective Fair Value is determined. Subsequently and on each reporting date, such values are converted into the functional currency of SAG Gest, using the exchange rate prevailing on reporting date.

d) Exchange differences

All exchange differences determined as a result of these procedures are recognized as Income or Expenses for the year.

Exchange differences calculated on the balances between Entities included in consolidation are recognized as income or expense for the period in the Consolidated Financial Statements, except where such balances are considered as part of the net investment in a foreign Subsidiary. In this case, said exchange differences are recognized against Equity.

2.5.18 Earnings per Share

The Consolidated Statement of Profit and Loss and Other Comprehensive Income discloses Basic Net Earnings per Share and Diluted Net Earnings per Share from continuing operations, and, if applicable, from discontinued operations.

Basic Earnings per Share is calculated by dividing (i) the profit and loss for the period attributable to the holders of SAG Gest Common Shares (ii) by the weighted average number of Common Shares outstanding during the period.

For the purposes of calculating Diluted Earnings per Share, the profit and loss for the period attributable to holders of SAG Gest Common Shares is adjusted (i) for preferred dividends, (ii) for differences resulting from the cancellation of Preferred Shares and (iii) for other similar effects. The weighted average number of Shares outstanding must be adjusted due to events other than the conversion of potential Common Shares that have changed the number of Common Shares outstanding without the corresponding change in resources, so as to reflect the effects of all potential dilutive Common Shares.

Dilution is a reduction in Earnings per Share resulting from the assumption (i) that convertible instruments are converted, (ii) that stock options or premiums are exercised or (iii) that Common Shares are issued when certain conditions are met.

When Basic Earnings per Share and Diluted Earnings per Share are equal, the respective values are disclosed in a single line of the Consolidated Statement of Profit and Loss and Other Comprehensive Income.

2.5.19 Operating Segments

The Operating Segments are reported consistently with the internal reporting that is produced and made available to Management, namely to the Board of Directors. Based on this report, Management evaluates the performance of each Segment and allocates available resources.

2.5.20 Non-Current Assets (or disposal groups) Held for Sale (Note 4)

Non-Current Assets Held for Sale are recognized as such where their carrying amount is expected to Non-current Assets (or disposal groups) are classified as Non-Current Assets Held for Sale when their book value is mainly recovered through a sale transaction, or through a distribution to Shareholders, instead of their continued use in activities.

Non-current Assets Held for Sale may refer to a Separate Asset (e.g. Tangible Assets, or Investment in a Subsidiary, with loss of control), or to a disposal group that includes Assets and Liabilities (e.g. business for sale).

For a Non-Current Asset or disposal group to be classified as held for sale, it must be in an immediate sale condition and the transaction is highly probable. The sale transaction is considered probable when the Management agrees to proceed with the sale, defining an appropriate price range and actively seeking a possible buyer, so that the sale operation can be completed within a period of 12 months.

Non-current Assets Held for Sale are valued at the lower of book value and fair value less costs to sell, as of the date they are classified as held for sale. Assets with defined useful lives are no longer depreciated / amortized from the date they are classified as held for sale, until the date the sale transaction occurs, or the transaction is no longer probable.

When, due to changes in circumstances, Non-Current Assets and / or disposal groups no longer meet the conditions to be classified as held for sale, they will be reclassified in accordance with the underlying nature of the Assets and will be valued at the lower of (i) the book value before they were classified as held for sale, adjusted for any depreciation / amortization expenses, or revaluation amounts that would have been recognized had these Assets not been classified as held for sale, and (ii) recoverable amounts of the items on the date they are reclassified according to their underlying nature. These adjustments will be recognized in the results for the year.

2.6 Management Judgments

In preparing the Consolidated Financial Statements in accordance with IFRS, the Board of Directors uses estimates and assumptions that affect the application of policies and the reported amounts. Estimates and judgments are continuously evaluated and are based on past experience and other factors, including expectations in respect of future events considered probable due to circumstances upon which estimates are based or resulting from information or experience acquired. The most significant judgments reflected in the Consolidated Financial Statements are as follows:

a) Going Concern

As disclosed in the Financial Statements for the year ended December 31, 2018, although the restructuring process concluded by SAG Gest in December 2015 with banks allowed it to rebalance of consolidated financial structure and created conditions to continuity of Sag Gest and its subsidiaries (together the "SAG Group") operations, at the end of 2017, with the deterioration of the business conditions, the SAG Group's financial situation deteriorated, thus worsening the liquidity risk of Group and its operational and financial profitability.

As a result of the aforementioned events, in the beginning of 2018, and in order to allow the SAG Group to continue operating, SAG Gest's Board of Directors began to develop, together with the Brands represented by the subsidiary SIVA, a repositioning of its business in order to reverse the situation and guarantee the sustainability of the entire Group and consequently its access to the sources of financing necessary for its activity, so that the 2017 Financial Statements of SAG Gest and its subsidiaries were

prepared on the basis of the principle of continuity of operations, as it was the Board's belief that the negotiations would be successfully concluded.

In addition, and in response to the Group's situation, management has been conducting a daily base management of operational activity, focused on cash flows, and has adjusted purchasing plans with VW Group, reducing the volume of orders and requested the reduction of the timing of the commercial support of the Brands. Nevertheless, as of December 31, 2018, the Company has negative equity.

Despite the complexity of the negotiation process with the various stakeholders, including the brands represented by SIVA, the Financial Institutions participating in the financing and guarantees that the SAG Group has and the entities of the VW Group, it was possible to establish agreements that guarantee continuity of operations. The Board of Directors' believe that the suspensive conditions to the agreement, as described below, will not occur.

The agreement established between SAG Gest, Porsche Holdings (VW Group entity) with its seat in Salzburg, Banco Comercial Português, S.A., Banco BPI, S.A., Caixa Geral de Depósitos, S.A. and Novo Banco, S.A. whereby SAG has agreed to, directly and indirectly, sell and PHS has agreed to buy the following group companies:

- a. AA00 – Sociedade de Formação Profissional e Consultoria Técnica, S.A.;
- b. Globalrent – Sociedade Portuguesa de Rent-A-Car, Unipessoal, Lda.;
- c. SIVA Serviços – Assessoria Financeira e Administrativa, S.A.;
- d. SIVA – Sociedade de Importação de Veículos Automóveis, S.A.;
- e. Soauto SGPS, S.A.

As part of this agreement with PHS, and in order to permit its successful completion and as a condition of such sale, (i) the Banks have agreed to support that both SAG and SIVA present separate special judicial reorganization procedures (Processos Especiais de Revitalização – “PER”) and (ii) Volkswagen Finance Belgium, S.A., Audi Aktiengesellschaft, Skoda Auto A.S. and Volkswagen Aktiengesellschaft have also agreed to extend limited financial support to the Companies, subject to the successful completion of the Transaction (as defined below).

The completion of the Transaction occurs after:

- a) The unconditional clearance of the Transaction by the European Commission and, if applicable, further competent competition authorities;
- b) The successful and final completion of the public offer preliminary announced today for the acquisition of all the shares issued by SAG (the “Public Offer”) not held by the offeror and by certain parties deemed to be acting in concert with the offeror (“Parties in Concert”) pursuant to any of the situations set forth in article 20 of the Securities Code (*Código dos Valores Mobiliários*) (“Securities Code”), as detailed in the preliminary public announcement released today, and as a result of which the offeror and the Parties in Concert together hold at least ninety per cent of the shares and voting rights in SAG. The Public Offer allows all minority shareholders willing to disinvest due to relevant changes in SAG’s investment portfolio upon completion of the Transaction to tender their shares and exit the company;
- c) The loss of SAG’s publicly traded status after successful completion of the Public Offer, pursuant to article 27.1 a) of the Securities Code since all conditions set forth thereon are met;
- d) After the loss of publicly, if applicable the launching and completion of the squeeze-out procedure of article 490 of the Portuguese Companies Code (*Código das Sociedades Comerciais*) covering all shares of SAG not held by SGC – SGPS, S.A. and its controlled subsidiaries.
- e) The sale by SAG Gest to SIVA of the shareholdings representing the total share capital of SIVA Serviços, Globalrent and AA00;
- f) The successful, final and non-appealable completion of the SAG PER (as defined and better described below);
- g) The successful, final and non-appealable completion of the SIVA PER (as defined and better described below);

- h) The final and definitive register of the successive mergers of Autoimpor into LGA and of LGA into SAG;

The Transaction is still further subject to other conditions more directly related to be business of the Transaction Perimeter until closing. In the agreement scope, SAG Gest compromises no due car business for two years, except for Autolombos activity.

Given the debt structure of the companies within the Transaction Perimeter the purchase price has been set at EUR 1. The counterpart may be subject to additional adjustments under the terms agreed in the transaction documents, which will take the form of additional debt forgiveness under the SIVA PER.

In accordance with the extrajudicial restructuring agreement (“acordo extrajudicial de recuperação”) within the SAG PER:

- a) the subordinated credits of SIVA and other group companies, in the total amount of Eur 235.1, shall be fully written down;
- b) the credits of the Banks over SAG shall be written down in the amount of Eur 15.9;
- c) the remaining credits of the Banks over SAG shall be repaid in accordance with the extrajudicial restructuring plan, subject to return to better fortune or additional written down provisions, depending on the economic and financial performance of SAG;
- d) upon completion of the Transaction, the business of SAG shall consist of the administration and management of IMOCAR investments.

In accordance with the extrajudicial restructuring agreement (“acordo extrajudicial de recuperação”) within the SIVA PER:

- a) the Banks have ensured until 31 December 2019 that bank guarantees for the import of vehicles and vehicle parts by SIVA remain valid;
- b) the credits of the Banks over SIVA shall be partially written down in the amount required to ensure that SIVA's shareholders equity is not negative, such amount being determined on the closing date of the Transaction, but with a minimum amount of Eur 100 million;
- c) the amount of the remaining credits of Banks on SIVA after transfer, part will be reimbursed due to the non-verification of certain contingencies under the CCV of SIVA and Soauto SGPS, SA, the remainder reimbursed by SIVA on the close Transaction date.

It is expected that the Transaction will be completed by no later than 30 September 2019.

Upon completion of (i) the mergers of Autoimpor and LGA into SAG, (ii) the Transaction and (iii) the SAG PER, SAG will hold (i) participations representing 40 (forty) percent of the share capital of Autolombos – Sociedade de Automóveis, Lda., (ii) shares representing 100 (one hundred) per cent of the share capital of SIVA Defleet – Comércio de Automóveis, S.A., and (iii) all the participation units in IMOCAR – Fundo de Investimento Imobiliário Fechado (“IMOCAR Units”), a close-end real estate fund, managed by NORFIN – Sociedade Gestora de Fundos de Investimento Imobiliários, S.A. in which all Participation Shares will remain committed to the Banks in guarantee of repayment of capital, and payment of interest, costs and expenses related to SAG's Banks debts, after final approval of the SAG PER and conclusion of the Transaction.

For the disclosed above, the Company's Financial Statements were prepared in accordance with the continuity principle.

b) Deferred Income Tax Estimate

Deferred income tax amounts are calculated using the liability method on reporting date, based on the temporary differences between the book values of the assets and liabilities recognized in the Consolidated Financial Statements and their respective tax bases.

Deferred income tax assets are recognized whenever it is likely that future taxable profits will be generated, and the temporary differences can be utilized. Therefore, changes in tax regulations or their interpretation by the competent authorities may have an impact on the value of Deferred Tax, as well as the performance of Entities included in consolidation.

Deferred Tax amounts are calculated using the tax rate expected to be in force in the year which temporary differences are reversed.

c) Intangible Assets Valuation and Useful Life

SAG Gest used various assumptions in estimating future cash flows from Intangible Assets acquired as part of Entity acquisition processes, including estimates of future revenues, discount rates and the useful life of such assets.

2.7 Significant Estimates

a) Impairment of Financial Assets

The determination of impairment on financial assets involves significant estimates. In calculating this estimate, Management assesses, among other factors, the duration and extent of the circumstances under which the recoverable amount of these assets may be less than their carrying amount. The balances of Accounts Receivable - Related Parties and Accounts Receivable - Other are evaluated for factors such as the history of default, current market conditions, and also prospective information estimated by reference to the end of each reporting period, as the most critical evaluation elements for the purposes of analysis of estimated credit losses.

b) Goodwill Impairment Analysis

Goodwill was tested annually until up to 31 December 2018, and whenever possible circumstances indicate that its book value could be impaired. The recoverable values of the Cash Generating Units were determined based on the value-in-use methodology. The use of this method requires the estimate of future cash flows from the operations of each Cash Generating Unit and the selection of an appropriate discount rate.

Considering the disclosure in Note 2.6.a) - Going Concern, in the opinion of the Board of Directors, as at 31 December 2018, it is not expected that the amounts of Goodwill previously recorded will be recoverable. As such, impairments were recorded for the full amount of Goodwill on 31 December 2018.

c) Recognition of Provisions

SAG Gest is a party to various judicial proceedings in progress. Based on the opinion of its Lawyers, SAG Gest makes a judgment to determine whether a Provision should be recognized in respect of contingencies associated with said judicial proceedings.

d) Recognition of Inventory Impairments

Impairment Losses in Inventories estimated amount is calculated on each reporting date considering the expected sales value of the vehicles and parts in Inventory, based on the best Management knowledge, at the Financial Statements approval date, the events and ongoing transactions, as well the experience of past and / or current events.

In order to determine the expected sales value of the used vehicles in Inventories, SAG Gest estimates the devaluation of the market value, as of the reporting date, taking into account each vehicle's characteristics, the estimated future channel mix, historical information, sales budget, and information provided by independent automotive experts recognized in the market.

The determination of expected sale value of used vehicles that, on reporting date, are still in the possession of the Entities to which they were invoiced, in the context of Buy-Back transactions, the current repurchase price is estimated taken into account the devaluation of the vehicle until the date of repurchase obligation (the holding period).

For determination of the expected Parts and Accessories sales value, the Entity determines the turnover of those Inventories by type of material, based on the movements registered during the last 24 months.

e) Determination of the market value of Investment Properties

Investment Properties are composed of land and buildings and are recognized at the Fair Value, as determined by specialized and independent entities with recognized professional qualifications and experience in the valuation of assets of this nature.

f) Estimated Commercial Support Payable and Receivable

The estimated amount of commercial support receivable by the SIVA Subsidiary is calculated on each reporting date, based on the results of negotiations and agreements with the Brands in respect of each economic year.

The estimated amount of commercial support payable by the SIVA Subsidiary is calculated, on each reporting date, for the vehicles sold by that Subsidiary up to that date, considering the type of each final Customer (sales channel), based on the agreements and rules established annually by the SIVA Subsidiary, for each represented Brand.

g) Valuation and useful life of tangible fixed assets

The assets determination of the useful lives is based on management estimates. The determination of tangible fixed assets impairment losses involves the use of estimates. The recoverable amount of these assets is usually determined using discounted cash flow models. The identification of impairment indicators, as well as estimates of future cash flows of the assets, require a significant judgment by the Management regarding the validation of impairment indicators, expected cash flows, applicable discount rates, estimated useful lives and values.

2.8 Financial risk management policies

2.8.1 Financial risk factors

SAG Gest's activities are exposed to a variety of financial risk factors, including the effects of changes in market prices: credit risk, liquidity risk and cash flow risk associated with interest rates, mid others.

SAG Gest's risk management is controlled by the financial department in accordance with policies approved by Management. Management defines the principles for risk management as a whole and policies covering specific areas such as interest rate risk, credit risk as well as liquidity risk.

Credit risk

SAG Gest's credit risk is mainly due to: (i) the risk of recovery of the monetary assets entrusted to the custody of third parties; and (ii) the risk of recovery of the claims of entities outside SAG Gest. Credit risk is assessed at the initial time and over time in order to monitor its evolution.

A significant part of the amounts receivable from customers is dispersed by a large number of entities, a factor that contributes to the reduction of credit concentration risk. As a general rule, SAG Gest's customers do not have an assigned credit rating.

The credit risk is monitored by the financial department of SAG Gest, supervised by the Board of Directors, based on: i) the debtors' corporate nature; ii) in the type of transactions originating from the balances receivable; iii) the experience of past transactions; iv) in the credit limits established for each client; and v) through the use of SAG Gest specialized in credit risk analysis.

SAG Gest considers the probability of default on the initial recognition of the asset and depending on the occurrence of significant increases in credit risk continuously in each reporting period. In order to assess whether there was a significant increase in credit risk, SAG Gest compares the default risk by reference to the reporting date, with the default risk measured by reference to the initial recognition date.

It is considered that there is a default when the counterparty does not comply with the contractual payments up to the due date of the invoices. When financial assets are derecognised, SAG Gest continues to take steps to recover the amounts owed. In cases of success with the recovery of amounts, such amounts are recognized in the results of the year.

Financial assets are derecognised when there is no real expectation of recovery.

Impairment of financial assets

a) Debtors and Other Assets

SAG Gest applies the simplified approach to calculating and recording the estimated credit losses required by IFRS 9, which allows the use of estimated impairment losses for all balances of "Debtors and Other Assets". In order to measure the estimated credit losses, the balances of "Debtors and Other Assets" were aggregated based on shared credit risk characteristics, as well as on the days of arrears.

The gross accounting value of balances of "Debtors and Other Assets" reflects SAG Gest's maximum credit risk relative to these items.

Impairment losses on these balances were recognized as impairment losses. SAG Gest considered that there was evidence of impairment if any of the following indicators were verified:

- Significant financial difficulties for the debtor;
- Likelihood of the debtor becoming insolvent or financially reorganized; and
- Failure or late payment (more than 30 days after the due date).

b) Loans to related entities

In 2019, "Loans to related entities" balances are considered to have high credit risk as they present a significant impairment risk and the related party does not have the capacity to meet its contractual cash flow liabilities in the short term. For this reason, in the year ended December 31, 2018, significant impairment losses were recorded in related parties. At 31 March 2019, these impairments were increased in Eur 04 million.

The gross accounting value of the items classified as "Loans granted to related entities" reflects the maximum credit risk of SAG Gest.

c) Cash equivalents and Time Deposits

The gross accounting value of the amounts considered to be cash equivalents relates only to bank deposits and reflects SAG Gest's maximum credit risk in relation to these assets.

Interest Rate Risk - Liabilities at the Variable Interest Rate

Although all the loans contracted by the Entities included in the consolidation were remunerated based on the Euribor interest rate, plus a risk spread, on March 31, 2019 there were no Financial Instruments to hedge the risk of rate variation of interest. The decision to contract interest rate risk hedging operations is case-by-case and depends on the expectations of market interest rates and the liquidity risk associated with the hedging instruments, which justifies the nonexistence of hedges in this market. date.

i. Sensitivity Analysis

In order to assess the effect that the variation of the Euribor rates has on the pre-tax result of SAG Gest, it was considered, for the purposes of sensitivity analysis, the variation of 1bp in the Euribor rates. For simplicity, it is considered that Euribor 1 month and Euribor 6 months vary in the same proportion, which is justified by the high degree of correlation between the two variables.

Sensitivity Analyses - Euribor interest rate fluctuation impact

Bank Loans	Indexing	Nominal Value	Rate fluctuation		
			+ 1 bp		-1 bp
			Euribor < 0%	Euribor > 0%	
SIVA - Overdraft 1	6 month Euribor	38,200.0	0.0	4.0	0.0
SIVA - Overdraft 2	6 month Euribor	14,523.8	0.0	1.5	0.0
SIVA - Overdraft 3	6 month Euribor	20,000.0	0.0	2.1	0.0
SAG - Overdraft 1	6 month Euribor	14,650.0	0.0	1.5	0.0
SAG - Overdraft 2	6 month Euribor	7,600.0	0.0	0.8	0.0
SAG - Overdraft 3	6 month Euribor	675.0	0.0	0.1	0.0
SAG - Bank Loan 1	6 month Euribor	3,000.0	0.0	0.3	0.0
SAG - Bank Loan 2	6 month Euribor	7,200.0	0.0	0.7	0.0
Total impact on Earnings Before Tax			-	11.0	-

Rates in force as at 31 March 2019: 6 month Euribor -0.231%

The variation of the Euribor Interest Rates, which are currently in negative values, will only have an impact on the results of SAG Gest when these Interest Rates reach positive values.

Liquidity Risk

This risk may occur if financing sources (cash and cash equivalents, cash flows from operations, proceeds from divestments, credit lines, Shareholder inflows) do not meet existing needs in order to ensure compliance with obligations arising from operating and financing activities, investments and debt repayment.

	2018	2019	2020	2021	2022	Total
Loans	75,014.8	33,271.3	5,100.0	5,100.0	28,797.6	147,283.6
Reclassification to Asset Liabilities Assets Held for Sale	75,014.8					75,014.8
Total	0.0	33,271.3	5,100.0	5,100.0	28,797.6	72,268.9

i. Contracted Lines of Credit

On 31 March 2019, the amount of contracted lines of credit was entirely used.

ii. Contractual Obligations (Covenants) Related to Loans

Contractual obligations related to loans are disclosed in Note 33 c) – Bank Loans – Contractual Obligations.

3. CONSOLIDATED ENTITIES

The Subsidiaries and Associates included in the Consolidated Financial Statements and their main financial indicators on 31 March 2019, are as follows:

(1) Entities included in consolidation using the Full Consolidation Method

Company	Head Office	Turnover	Total Assets	Shareholder Equity	Net Result	% in Equity	
						March-19	Dez-18
AA00 - Sociedade de Formação Profissional e Consultoria Técnica, S.A.	Amadora	-	(0.2)	-	-	100%	100%
Autoimpor - Sociedade Importadora de Automóveis, S.A.	Amadora	-	11,588.7	(494,229.0)	-	100%	100%
Fundo de Investimento Imobiliário Fechado - Imocar	Lisbon	-	58,821.4	57,682.6	(5,576.1)	100%	100%
GlobalRent - Sociedade Portuguesa de Rent-a-Car, Lda.	Amadora	9,449.8	8,205.9	1,610.2	81.8	100%	100%
LGA - Logística Automóvel, S.A.	Azambuja	2,015.2	1,379.6	(549,738.0)	22.5	100%	100%
Loures Automóveis - Comércio de Automóveis, S.A.	Loures	6,523.8	10,746.8	2,885.2	-	78.17%	78.17%
ROLPORTO - Comércio e Indústria de Automóveis, S.A.	Porto	4,228.6	5,361.9	2,043.0	79.7	100%	100%
ROLVIA - Sociedade de Automóveis, S.A.	Porto	-	(21.4)	-	-	60%	60%
SIVA - Sociedade de Importação de Veículos Automóveis, S.A.	Azambuja	111,948.4	196,727.6	(174,269.7)	597.6	100%	100%
Siva Defleet - Comércio Automóveis, S.A.	Azambuja	-	110.1	95.3	0.1	100%	100%
SIVA Serviços - Assessoria Financeira e Administrativa, S.A.	Amadora	1,557.3	3,633.1	1,876.5	65.8	100%	100%
SOAUTO - Comércio de Automóveis, S.A.	Lisboa	18,094.0	23,542.7	5,398.3	-	100%	100%
SOAUTO, SGPS, S.A.	Amadora	-	9,940.9	9,785.4	0.2	100%	100%

(2) Entities included in consolidation using the Equity Method

Company	Head Office	Turnover	Total Assets	Shareholder Equity	Net Result	% in Equity	
						March-19	Dez-18
Autolombos - Sociedade de Automóveis, Lda.	Oeiras	1,520.5	2,270.3	9.6	(17.5)	40%	40%

4. DISCONTINUED OPEATIONS

The agreement established between SAG Gest, Porsche Holdings (PHS) with its seat in Salzburg, , Banco Comercial Português, S.A., Banco BPI, S.A., Caixa Geral de Depósitos, S.A. and Novo Banco, S.A. whereby SAG has agreed to, directly and indirectly, sell and PHS has agreed to buy the following group companies:

- AA00 – Sociedade de Formação Profissional e Consultoria Técnica, S.A.;
- Globalrent – Sociedade Portuguesa de Rent-A-Car, Unipessoal, Lda.;
- SIVA Serviços – Assessoria Financeira e Administrativa, S.A.;
- SIVA;
- Soauto SGPS, S.A.

Following this agreement and IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations as of March 31, 2019 were met, these amounts were reclassified to non-current assets held for sale, as well as the associated liabilities. The net results associated with the above-mentioned companies were also reclassified, in this case to Net Income from Discontinued Operations. The details of these amounts are as follows:

	Three Months Ended 31 March	
	2019	2018
Revenue		
Sales	113,532.2	153,691.4
Services Rendered	2,791.0	2,786.6
Turnover	116,323.2	156,478.0
Cost of Goods Sold	(101,402.4)	(141,923.0)
Gross Margin	14,920.8	14,554.9
Other Operating Income	2,991.1	5,816.6
Other Operating Expenses	(3,817.6)	(4,720.5)
Impairment Losses in Accounts Receivable	.0	2.7
Impairment Losses in Related Parties	-	-
Impairment Losses in Inventories	(46.8)	(6,572.5)
Contribution Margin	14,047.4	9,081.3
Variable Expenses		
SG&A - Commercial Expenses	(2,012.6)	(2,637.6)
SG&A - Car Expenses	(439.0)	(1,044.5)
Sub-Total - Variable Expenses	(2,451.6)	(3,682.1)
Variable Margin	11,595.8	5,399.2
Overheads		
SG&A - Non-Variable Expenses	(2,683.5)	(3,002.4)
Payroll Expenses	(5,357.3)	(5,493.3)
Sub-Total - Overheads	(8,040.8)	(8,495.7)
Operational Result (EBITDA) of Discontinued Operations	3,554.9	(3,096.6)
Fixed Assets Impairment		
Depreciation and Amortization	(356.1)	(457.7)
Earnings Before Interest and Tax (EBIT) of Discontinued Operations	3,231.8	(3,554.2)
Financial Expenses	(3,360.6)	(3,364.9)
Financial Income	.5	.2
Gain / (Losses) from Associated Companies	697.6	-
Earnings Before Taxes (EBT) of Discontinued Operations	569.3	(6,918.9)
Corporate Income Tax	(282.3)	1,178.4
Net Profit / (Loss) of Discontinued Operations	287.0 -	(5,740.5)

	Mar-19	Dec-18
Non-Current Assets		
Tangible Fixed Assets	11,261.5	11,520.1
Activos Intangíveis - "Goodwill"	-	-
Intangible Assets - Other	196.6	222.1
Deferred Income Tax Assets	1,912.2	1,880.7
Total - Non-Current Assets	13,370.3	13,622.9
Current Assets		
Inventories	120,215.2	129,321.6
Accounts Receivable - Trade Customers	22,785.5	21,079.8
Accounts Receivable - Related Parties	3,549.0	2,596.9
Accounts Receivable - Other	4,492.1	4,300.7
Prepaid Expenses	2,804.8	3,074.4
Accrued Income	11,828.0	23,029.5
Current Income Tax Receivable	3,902.8	4,028.0
Taxes - Other Than Income Tax	4,051.5	2,223.4
Term Deposits	9,775.5	9,775.5
Cash and Cash Equivalents	9,219.8	4,364.1
Total - Current Assets	192,624.1	203,793.9
Total Assets reclassified to Non-current Assets held for sale	205,994.4	217,416.8
Non-Current Liabilities		
Bank Loans	1,580.0	1,583.8
Total - Non-Current Liabilities	1,580.0	1,583.8
Current Liabilities		
Bank Loans	75,014.8	74,360.2
Accounts Payable - Trade Suppliers	225,619.1	212,260.4
Accounts Payable - Other	10,084.6	9,632.9
Accrued Expenses	20,019.0	19,375.7
Deferred Income	8,675.2	10,619.9
Current Income Tax Payable	1,085.5	893.2
Taxes - Other Than Income Tax	22,151.1	19,464.7
Total - Current Liabilities	362,649.2	346,607.0
Total liabilities reclassified to non-current assets held for sale	364,229.2	348,190.8

5. REPORTING BY OPERATING SEGMENTS

Financial information in respect of Operating Segments is regularly and periodically reported to the Board of Directors (the main decision-making body). Based on this report, the Board of Directors assesses the performance of each Segment and allocates available resources. The Board of Directors performs such performance assessment based upon the Operating Profit or Loss and the contribution by each Segment to the Consolidated Operating Profit or Loss. This valuation excludes unusual operating results.

The Board of Directors monitors performance according to the various activities conducted. From this perspective, the Operating Segments are the Automotive Distribution and the Automotive Retail Segments.

The aggregation was conducted taking into account the similarities of the respective economic activities, in particular the nature of products and services marketed, the type of Customers and the distribution methods and provision of services. The Operating Segments considered are as follows:

- The Distribution Segment, which includes:
 - i. distribution in Portugal of the Volkswagen, Volkswagen – Commercial Vehicles, Škoda and Audi Brands
 - ii. wholesale trade of parts and accessories
 - iii. preparation of new vehicles (pre-delivery inspections)

- iv. technical training and consulting
- The Retail segment, includes the retail activities in Portugal, in respect of new vehicles of the Volkswagen, Volkswagen – Commercial Vehicles, Škoda, Audi, Bentley and Lamborghini Brands, the sale of semi-new and used vehicles of various brands, the marketing of parts and accessories and the provision of vehicle maintenance and repair services, as Authorized Workshops of the Volkswagen, Volkswagen – Commercial Vehicles, Škoda and Audi Brands. This segment also includes the results of the Autolombos Affiliate, which is included in the Consolidated Financial Statements using the Equity Method;
- Other Operations include
 - i. the activities of SAG Gest as the Parent Company
 - ii. the activities of the shared services unit (SIVA Serviços)

The Operating Profit and Loss (EBIT) of the Cash Generating Units is monitored separately with the objective of deciding in respect of the allocation of resources and the assessment of their performance. The performance of each Segment is assessed based on the Operating Profit and Loss (EBIT) and its contribution to the Consolidated Operating Profit and Loss (EBIT Consolidated).

Financing and taxes are centrally managed and are not allocated to Operating Segments.

The transfer prices applied in transactions between the Operating Segments are performed on an arm's length basis in a manner identical to transactions with unrelated third parties acting in good faith.



Soluções Automóvel Globais

Operating Segments

The following table shows the Profit and Loss as well the Assets and Liabilities on 31 March 2019 and on 31 March 2018 for the Operating Segments where SAG Gest and its Affiliates and Subsidiaries carry out their activities:

BUSINESS SEGMENT REPORTING	Distribution		Retail		Other Activities		Intra-Group Transactions		Total		Discontinued Operations		Consolidated	
	Mar-19	Mar-18	Mar-19	Mar-18	Mar-19	Mar-18	Mar-19	Mar-18	Mar-19	Mar-18	Mar-19	Mar-18	Mar-19	Mar-18
Revenue														
Sales	121,554.7	642,009.2	28,412.1	32,545.0	-	8,018			149,966.8	682,572.5	0.0	0.0	0.0	0.0
Services	2,259.6	3,403.4	2,205.0	2,070.0	5,947.3	1,268.5			10,412.0	6,741.9	0.0	0.0	0.0	0.0
Intra-Group Sales	(35,975.2)	(170,359.0)	(2,409.2)	(3,008.5)	(5,511.3)	(8,018.3)			(43,895.7)	(181,385.8)	0.0	0.0	0.0	0.0
Segment Revenue	87,839.1	475,053.6	28,207.9	31,606.5	436.0	1,268.5	-	-	116,483.0	507,928.6	(116,483.0)	(611,353.4)	0.0	0.0
Result														
Impairments in Accounts Receivable		0.0	0.0	2.7	-	-			0.2	2.7	0.0	2.7	0.2	0.0
Impairments in Inventories	(37.5)	(6,587.9)	(9.3)	(31.9)	-	(.0)			(46.8)	(6,619.9)	(46.8)	(6,572.5)	(377.8)	0.0
Provisions	-	-	-	-	-	-			-	-	(356.1)	-	-	-
Depreciation and Amortization	(326.1)	(327.9)	(87.5)	(84.9)	(30.8)	(44.9)			(444.5)	(457.7)	0.0	(457.7)	0.0	(47.4)
Impairments	0.0	0.0	0.0	0.0	0.0	0.0			0.0	0.0	0.0	0.0	0.0	0.0
Segment Profit (EBIT)	2,965.3	(3,224.8)	179.1	232.0	(935.7)	(1,078.6)	-	-	2,208.7	(4,071.5)	3,231.8	(3,554.2)	(1,023.2)	(517.2)
Non Allocated Costs	-	-	-	-	-	-			-	-	-	-	-	-
Operating Profit	2,965.3	(3,224.8)	179.1	232.0	(935.7)	(1,078.6)	-	-	2,208.7	(4,071.5)	3,231.8	(3,554.2)	(1,023.2)	(517.2)
Financial (Expenses) / Income	1,768.3	(1,384.9)	7,324.2	(139.2)	(12,810.3)	(2,168.9)			(3,717.9)	(3,692.9)	(3,360.1)	(3,364.7)	(357.8)	(328.2)
Income From Associated Companies - Equity Method	-	-	691	4.0	0.0	-			690.9	4.0	697.6	0.0	(6.7)	4.0
Current Income From Non-Current Assets Held For Sale	-	16	-	-	-	-			-	16	-	-	-	16
Net Profit Before Taxes and Non-Controlling Interests	4,733.6	(4,593.9)	8,194.2	96.8	(13,746.1)	(3,247.5)	-	-	(818.4)	(7,744.6)	569.3	(6,918.9)	(1,387.7)	(825.7)
Income Taxes	(408.3)	899.3	(4.4)	(22.8)	214.2	188.5			(198.5)	1,065.1	(282.3)	1,178.4	83.8	(113.3)
Non-Controlling Interests	-	-	0.0	(.3)	-	-			0.0	(0.3)	0.0	0.0	0.0	0.0
Net Profit / (Loss) attributable to SAG GEST	4,325.2	(3,694.6)	8,189.8	74.3	(13,531.8)	(3,058.9)	0.0	0.0	(1,016.8)	(6,679.3)	287.0	(5,740.5)	(1,303.9)	(939.0)
OTHER INFORMATION	Mar-19	Mar-18	Mar-19	Mar-18	Mar-19	Mar-18	Mar-19	Mar-18	Mar-19	Mar-18	Mar-19	Mar-18	Mar-19	Mar-18
Segment Assets	665,437.3	915,262.0	80,126.1	85,642.2	861,336.9	992,508.5	(1,357,234.3)	(1,443,284.2)	249,665.9	550,128.5	205,994.4	-	43,671.5	550,128.5
Total Consolidated Assets	665,437.3	915,262.0	80,126.1	85,642.2	861,336.9	992,508.5	(1,357,234.3)	(1,443,284.2)	249,665.9	550,128.5	205,994.4	-	43,671.5	550,128.5
Segments Liabilities	408,940.0	643,986.8	31,725.1	37,445.2	691,622.8	658,527.7	(691,077.0)	(797,281.3)	441,210.9	542,678.4	364,229.2	-	76,981.7	542,678.4
Total Consolidated Liabilities	408,940.0	643,986.8	31,725.1	37,445.2	691,622.8	658,527.7	(691,077.0)	(797,281.3)	441,210.9	542,678.4	364,229.2	-	76,981.7	542,678.4
Capital Expenditure	1,248.2	1,198.8	56.8	100.2	4.3	259.3			1,309.3	1,558.3	0.0	-	1,309.3	1,558.3

SAG GEST – Soluções Automóvel Globais, SGPS, S.A. – Listed Company

Head Office: Estrada de Alfragide, nº 67 Amadora

Registered Share Capital: Eur 169,764,398.00

Registered in the Amadora Companies Registration Office

Single Tax Identification and Registration Number 503 219 886

Tel: 21 359 66 64

Fax: 21 359 66 74

6. OTHER OPERATING INCOME

Other Operating Income is as follows:

	Period of 3 months ended on March 31	
	2019	2018
Vehicles Preparation - Expenses Recovered	483.2	754.1
Vehicles Legalization - Expenses Recovered	464.5	683.4
Vehicle Taxes - Expenses Recovered	463.1	501.6
Transportation - Expenses Recovered	445.1	553.7
Commissions Earned	291.5	260.6
Maintenance Agreement	248.8	43.0
Other Expenses Recovered	169.8	44.9
Accrued Income - "Buy-Back" Operations *	111.6	1,244.8
Rappel - Parts and Accessories	105.2	81.0
Mobility Program - Expenses Recovered	93.0	157.1
Quality Tools	70.1	108.5
Buildings Rental	27.0	28.7
Rappel - Oils and Lubricants	21.5	88.4
Warranty Extensions	15.4	1,225.3
Other Operating Income	20.5	86.7
Total Other Operating Income	3,030.4	5,861.9
Result of Discontinued Operations	2,991.1	5,816.6
Total Other Operating Income	39.3	45.2

* According to Note 2.5.1.1 a) ii. – Business Income – Buyback transactions.

7. OTHER OPERATING LOSSES

Other Operating Losses are reported in the table below.

	Period of 3 months ended on March 31	
	2019	2018
Vehicle Taxes	791.5	1,173.7
Margin "Buy - back"	610.4	-
Subcontracts	517.3	418.2
Vehicles Legalization Expenses	439.4	544.7
Transportation Expenses	426.0	487.8
Warranty Extensions	207.0	1,069.5
Vehicle Maintenance Contracts	115.2	17.7
Mobility Program Expenses	113.5	120.6
Consumables	97.5	52.8
Car Washing	81.3	89.5
Fuel	60.7	67.0
Delivery Services	49.2	60.7
Replacement Vehicle	35.0	71.4
Indirect Taxes	33.2	30.5
Signposting and Dealerships Furniture	30.1	3.4
Technical Assistance	21.3	49.9
Training	17.6	255.7
Leaves	11.5	12.8
Fines and Penalties	5.2	88.7
Other Operating Expenses	266.7	145.9
Total Other Operating Expenses	3,929.7	4,760.4
Result of Discontinued Operations	(3,817.6)	(4,720.5)
Total Other Operating Expenses	112.0	39.9

8. SALES, GENERAL AND ADMINISTRATIVE EXPENSES – COMMERCIAL EXPENSES

Sales, General and Administrative Expenses – Commercial Expenses are as follows:

	Period of 3 months ended on March 31	
	2019	2018
Advertising	1,994.1	2,636.0
Patronage	24.4	8.8
Other Commercial Expenses	1.6	1.6
SG&A- Commercial Expenses	2,020.1	2,646.4
Result of Discontinued Operations	(2,012.6)	(2,637.6)
SG&A- Commercial Expenses	7.5	8.8

9. SALES, GENERAL AND ADMINISTRATIVE EXPENSES – CAR EXPENSES

Sales, General and Administrative Expenses – Car Expenses are as follows:

	Period of 3 months ended on March 31	
	2019	2018
Vehicles Rental Expenses	157.6	723.4
Fuel	133.5	153.3
Vehicles Insurance Expenses	100.1	131.9
Vehicles Maintenance Expenses	11.8	7.2
Freight and Carriage	2.7	2.1
Other Car Expenses	38.0	34.3
SG&A- Car Expenses	443.7	1,052.3
Result of Discontinued Operations	(439.0)	(1,044.5)
SG&A- Car Expenses	4.7	7.7

10. SALES, GENERAL AND ADMINISTRATIVE EXPENSES – OVERHEADS

Sales, General and Administrative Expenses – Overheads are as follows:

	Period of 3 months ended on March 31	
	2019	2018
Rents and Rentals	628.6	658.9
IT Specialized Services	403.2	437.3
Miscellaneous Fees	304.0	224.2
Other Specialized Services	268.9	101.1
Repairs & Maintenance	227.1	255.0
Cleaning, Hygiene and Comfort	143.7	158.2
Electricity	139.5	145.4
Consulting Fees	138.4	295.6
Travelling Expenses	119.3	163.2
Surveillance and Security	88.2	94.0
Other Insurance	63.2	89.5
Management Fee - Imocar Investment Fund	56.6	58.7
Telecommunications	55.7	58.8
Audit Fees	52.2	84.1
Tools and Utensils	41.6	35.9
Other Fluids	40.8	31.5
Translations	35.2	12.2
Office Supplies	23.7	23.4
Legal Advisors Fees	20.0	25.0
Mail	19.4	25.4
Water	19.2	18.9
Staff Transportation	18.9	18.9
Litigation and Notaries	16.0	7.2
Books	3.4	3.0
Newspapers and Magazines	1.4	2.0
Data-processing Services	-	40.2
Other Commissions	-	31.2
Other Non-Variable Expenses	31.0	18.1
SG&A- Non-Variable Expenses	2,961.5	3,117.0
Result of Discontinued Operations	(2,683.5)	(3,002.4)
SG&A- Non-Variable Expenses	278.0	114.5

11. PAYROLL EXPENSES

Payroll Expenses are as follows:

	Period of 3 months ended on March 31	
	2019	2018
Corporate Bodies - Fixed Remuneration	212.4	443.9
Employees - Fixed Remuneration	3,573.7	3,578.6
Social Security Contributions	963.8	1,005.9
Employee Bonuses and Variable Remuneration	586.3	544.2
Workmen Compensation	125.8	110.2
Canteen Expenses	28.7	24.1
Trainees	6.8	18.9
Other Employee Benefits	0.8	57.5
Restructuring and Reorganization Expenses	0.3	4.3
Other Payroll Costs	53.1	30.8
Total Payroll Expenses	5,551.6	5,818.2
Result of Discontinued Operations	(5,357.3)	(5,493.3)
Total Payroll Expenses	194.3	324.9

The number of Employees of SAG Gest and its Subsidiaries on 31 March 2019 and 31 March 2018, as well as the average number of Employees during the three months then ended is disclosed in the following table.

	Period ended March 31		Average	
	2019	2018	2019	2018
Number of Employees	667	677	663	679

12. GAINS AND LOSSES ON SALES OF TANGIBLE FIXED ASSETS

Gains and Losses on Sales of Tangible Fixed Assets are as follows:

	Period of 3 months ended on March 31	
	2019	2018
Gains and (Losses) from Tangible Fixed Assets sales	33.0	(19.2)
Total	33.0	(19.2)
Result of Discontinued Operations	33.0	
Total	-	(19.2)

The amounts disclosed represent the net value of gains or losses realized on sales of these Assets.

13. FINANCIAL EXPENSES

Financial Expenses are disclosed in the following table.

	Period of 3 months ended on March 31	
	2019	2018
Interest Paid	2,470.4	2,207.2
Bank Guarantees Expenses	1,521.7	1,789.3
Bank Charges	52.9	53.1
Foreign Exchange Losses	0.1	0.2
Financing Charges	-	-
Total Financial Expenses	4,045.2	4,049.8
Result of Discontinued Operations	(3,360.6)	(3,364.9)
Total Financial Expenses	684.5	685.0

As disclosed in Note 41 – Commitments and Contingencies, SAG Gest and/or Entities included in consolidation requested that various Financial Institutions issue Bank Guarantees on their behalf for the benefit of third parties (including Suppliers). The amount of these Bank Guarantees on 31 March 2019 was Eur (000) 166,190.7 (Eur (000) 174,060.8 on 31 March 2018).

14. FINANCIAL GAINS

Financial Gains are presented as follows:

	Period of 3 months ended on March 31	
	2019	2018
Interest Received	327.3	321.0
Favourable Exchange Differences	0.0	0.1
Other Financial Income	-	35.9
Total Financial Income	327.3	356.9
Result of Discontinued Operations	0.5	0.2
Total Financial Income	326.7	356.7

15. GAINS AND LOSSES – RELATED PARTIES

Gains and Losses – Related Parties represents the appropriation by SAG Gest of the Net Income reported during the period by the Autolombos Affiliate, which is consolidated using the Equity Method.

As at 31 March, the breakdown of this heading is as follows:

	Period of 3 months ended on March 31	
	2019	2018
Application of MEP - Autolombos	(6.7)	4.0
Aquisition of Loures and Rolvia Non-Controlling Interests	697.6	-
Income / (Loss) from Associated Companies	690.9	4.0
Result of Discontinued Operations	(697.6)	
Income / (Loss) from Associated Companies	(6.7)	4.0

	Participation %	Period of 3 months ended on March 31	
		2019	2018
Autolombos - Sociedade de Automóveis, Lda.	40.00%	(16.7)	9.9
	Participation %	Period of 3 months ended on March 31	
		2019	2018
Autolombos - Sociedade de Automóveis, Lda.	40.00%	(6.7)	4.0
Sub-Total Appropriated Net Income		(6.7)	4.0
Income / (Loss) from Associated Companies		(6.7)	4.0

16. INCOME TAX

a) Revisions to tax returns

In accordance with current legislation, Portuguese tax returns are subject to review and correction by the Tax Authorities during a period of four years (five years for Social Security). Accordingly, tax returns of the Entities included in consolidation for the years 2016 to 2019 may be subject to revision, although SAG Gest does not believe that any corrections resulting from the review by the Tax Authorities of those tax returns will significantly impact the Consolidated Financial Statements as at 31 March 2019.

When tax losses have been declared, or if audits, claims or challenges are under way, this term is extended or suspended, depending on the circumstances.

The tax returns of the Entities included in consolidation may be corrected where the respective Additional Corporate Income Tax (IRC) Assessment Notice has been challenged in court proceedings, as disclosed in Note 41 – Commitments and Contingencies.

b) Current Income Tax Calculation

Current Income Tax represents the liability for the payment of Income Tax that must be settled in respect of the current fiscal year and corresponds, in the RETGS regime, to the sum of Income Tax calculated in respect of each of the Entities included in consolidation, as determined in their respective annual tax returns.

Income Tax rates applicable in Portugal in 2019 are as follows:

- i. Basic Corporate Income Tax (IRC) rate: 21% of taxable income
- ii. Municipal Surtax (*Derrama Municipal*): 1.5% of the positive taxable income determined, on an individual basis, by each entity included in the consolidation that conduct its activities in Portugal
- iii. State Surtax (*Derrama Municipal*): is charged on the positive taxable income, determined on an individual basis for each of the Entities included in consolidation that conducts its activities in Portugal, with the following tax rates applicable:
 - a. 3% of positive taxable income between Eur (000) 1,500.0 and Eur (000) 7,500.0
 - b. 5% of positive taxable income between Eur (000) 7,500.0 and Eur (000) 35,000.0
 - c. 9% of positive taxable income exceeding Eur (000) 35,000.0

Deductibility of financial expenses

With the introduction of a new tax regime limiting the deductibility of financial expenses, the tax deductibility of these expenses is determined in accordance with the following procedures.

- a) Financial expenses, as adjusted in accordance with the definitions provided for in such regime, are only deductible up to the greater of the following limits:
 - i. Eur (000) 1,000.0
 - ii. 30% of net profit or loss before depreciation / amortization, net financing expenses and taxes, as adjusted for tax purposes (Tax EBITDA).
- b) When the RETGS is applied, the Parent Entity may choose to calculate deductible financial expenses on a consolidated or individual basis (Entity by Entity).

As the Parent Entity of the RETGS that includes SAG Gest and its Subsidiaries and Affiliates, the SGC – SGPS Shareholder elected to calculate the value of deductible financial expenses on a consolidated basis. This option was reported to the Tax Authorities on 31 March 2016 and is applicable during a three-year period, between 1 January 2016 and 31 March 2019.

Therefore, the calculation of deductible financial expenses corresponds to the sum of relevant financial results incurred by the Entities included in the RETGS perimeter, with a deduction limit corresponding to

the greater value between (i) Eur (000) 1,000.0 and (ii) 30% of Tax EBITDA, as calculated on a consolidated basis, until 31 December 2018.

At the end of the 3-year period, SGC SGPS, as the dominant entity of RETGS, chose to calculate the net financing expenses on an individual basis and communicated its option to the Tax Authority on March 31, 2019.

c) Reconciliations: Accounting Result and Taxable Income, Effective Tax Rate and Statutory Tax Rate

Reconciliations between (i) the accounting result and taxable income and (ii) the tax rates applied to the accounting result (Effective Tax Rate) and the statutory tax rates applied (after tax corrections to the accounting results) during the financial years ended 31 March 2019 and 2018 are stated in the following tables:

Period of 3 months ended March 31					
	2019				
	Accounting	Tax	# Dif*	Deferred Income Tax	
				Debit / (Credit)	
				Assets	Liabilities
A - Earnings Before Tax		(818.4)			
B - Temporary Differences between Tax and Reporting Basis					
Elimination of Intra-Group Margins	-	309.4	(309.4)	(69.6)	
Recognition/ (Reversal) Non Deductible Provisions	-	(169.6)	169.6	38.2	
Utilization of Tax Losses Carried Forward	-	-	-	-	
Non Deductible Accrued Expenses	-	16.9	(16.9)		(3.8)
Revaluations	-	-	-		-
Imocar Investment Fund Earnings	-	(764.7)	764.7		172.1
Others	-	88.4	(88.4)	(11.0)	
Total Temporary Differences	-	(519.6)	519.6	(42.5)	168.3
C - Permanent Differences between Tax and Reporting Basis					
Non Deductible Financial Expenses	1,814.9	1,814.9	-		
Income From Associated Companies - Equity Method	(10.9)	(10.9)	-		
Non Deductible Depreciations	1.7	1.7	-		
Tax Benefits	(32.1)	(32.1)	-		
Fines, Penalties and Compensatory Interests	7.1	7.1	-		
Donations	017.6	017.6	-		
Capital Gains / (Losses)	(0.1)	(0.1)	-		
Impairment Losses	(377.8)	(377.8)	-		
Others	92.9	92.9	-		
Total Permanent Differences	1,513.3	1,513.3	-		
D - Taxable Income (D = A + B + C)	694.9	175.3	519.6	(42.5)	168.3
D - 1 - Taxable Income - Foreign Operations	-	-			
D - 2 - Taxable Income - Portugal	783.3	263.7			
D - 3 - Taxable Income - Portugal - Items Subject to Special Income Tax Rates	(88.4)	(88.4)			
D-2 Corporate Income Tax (Portugal)	164.5	47.9			
Corporate Income Tax Rate (Portugal)	21.0%	21.0%			
D-3 Items Subject to Special Income Tax Rates	(11.0)	(11.0)			
Tax Rate - Items Subject to Special Income Tax Rates	12.5%	12.5%			
1 - Municipal Tax	34.0	24.8			
Municipal Tax Rate (Portugal)	1.5%	1.5%			
Municipal Tax - Taxable Income (Note 1)	2,263.8	1,655.8			
2 - Income Tax Surtax - Applied to Taxable Income in Excess of 1,500,000 €	-	-			
Income State Tax Surtax (Portugal)	3.0%	3.0%			
Income Tax Surtax - Taxable Income (Note 2)	-	-			
4 - Total Calculated Tax - (4 = D2 + D3 + 1 + 2)	187.4	61.6	-	-	-
Average Statutory Income Tax Rate (Portugal)	27.0%	35.2%			
1 - Taxable Income subject to Foreign Income Tax Rates	-	-			
2 - Income Tax Related to Foreign Taxable Income	-	-			
Average Foreign Income Tax Rate	12.5%	12.5%			
3 - Taxable Income subject to Income Tax in Portugal (D - 2)	783.3	263.7			
4 - Taxable Income subject to Income Tax in Portugal - Items Subject to Special Inc	(88.4)	(88.4)			
5 - Income Tax Rate related to Taxable Income in Portugal (4)	187.4	61.6			
Statutory Income Tax Rate - Portugal	27.0%	35.2%			
6. Taxable Income (6= 1+3+4 = D)	694.9	175.3	519.6		
CORPORATE INCOME TAX - CALCULATION					
Total Income Tax (2 + D-5)	187.4	61.6			
Income Tax on Items Subject to Special Income Tax Rates	11.0	11.0			
Adjustments to Prior Years Income Tax Estimates	-	-			
Current Income Tax	198.4	72.7			
Deferred Taxes - Tax Losses expiry Write-off	-	-		-	
Deferred Income Tax Assets - Financial Investment losses prior year	-	-		-	
Deferred Income Tax Assets - (Increase) / Decrease	-	(42.5)		(42.5)	
Deferred Income Tax Liabilities - Increase / (Decrease)	-	168.3			168.3
Deferred Income Tax	-	125.8		(42.5)	168.3
7 - Income Tax Continued Operations	198.4	198.4		(42.5)	168.3
8 -Tax Estimates on Discontinued Operations	(282.3)	(282.3)			
9- Income Tax Discontinued Operations	(83.8)	(83.8)			
Average Income Tax Rate - (7 + 8) : D	-12.1%	-47.8%		100.0%	100.0%
Effective Income Tax Rate - (7 + 8) : A	10.2%	10.2%		5.2%	-20.6%

Note 1: The Municipal Surtax (Derrama Municipal) is calculated as reported in Note 16 c). During the three months ended 31 March 2019, SAG Gest and the subsidiaries SIVA, SIVA Defleet, SiVA Serviços, AA00, LGA, Globalrent, Rolporto, Rolvia and Soauto SGPS reported positive taxable income.



Soluções Automóvel Globais

Period of 3 months ended March 31					
2018					
	Accounting	Tax	#DIF*	Deferred Income Tax Debit / (Credit)	
				Assets	Liabilities
A - Earnings Before Tax	(7,744.6)				
B - Temporary Differences between Tax and Reporting Basis					
Elimination of Intra-Group Margins	-	312.7	(312.7)	(70.4)	
Recognition/ (Reversal) Non Deductible Provisions	-	1,380.8	(1,380.8)	(310.7)	
Non Deductible Accrued Expenses	-	15.4	(15.4)		(3.5)
Revaluations	-	-	-		-
Imocar Investment Fund Earnings	-	(985.9)	985.9		221.8
Others	-	88.4	(88.4)	(11.0)	
Total Temporary Differences	-	811.4	(811.4)	(392.1)	218.4
C - Permanent Differences between Tax and Reporting Basis					
Non Deductible Financial Expenses	2,282.1	2,282.1	-		
Income From Associated Companies - Equity Method	(4.0)	(4.0)	-		
Income From Participation Units - Imocar Real Estate Fund	-	-	-		
Non Deductible Depreciations	23.7	23.7	-		
Tax Benefits	(32.5)	(32.5)	-		
Fines, Penalties and Compensatory Interests	88.7	88.7	-		
Donations	.8	.8	-		
Capital Gains / (Losses)	-	-	-		
Impairment Losses	-	-	-		
Others	42.2	42.2	-		
Total Permanent Differences	2,400.9	2,400.9	-		
D - Taxable Income (D = A + B + C)	(5,343.7)	(4,532.3)	(811.4)	(392.1)	218.4
D - 1 - Taxable Income - Foreign Operations	-	-	-		
D - 2 - Taxable Income - Portugal	(5,255.3)	(4,443.9)			
D - 3 - Taxable Income - Portugal - Items Subject to Special Income Tax Rates	(88.4)	(88.4)			
D-2 Corporate Income Tax (Portugal)	(1,103.6)	(940.7)			
Corporate Income Tax Rate (Portugal)	21.0%	21.0%			
D-3 Items Subject to Special Income Tax Rates	(11.0)	(11.0)			
Tax Rate - Items Subject to Special Income Tax Rates	12.5%	12.5%			
1 - Municipal Tax	15.8	26.6			
Municipal Tax Rate (Portugal)	1.5%	1.5%			
Municipal Tax - Taxable Income (Note 1)	1,051.0	1,773.9			
2 - Income Tax Surtax - Applied to Taxable Income in Excess of 1,500,000 €	-	-			
Income State Tax Surtax (Portugal)	3.0%	3.0%			
Income Tax Surtax - Taxable Income (Note 2)	-	-			
4 - Total Calculated Tax - (4 = D2 + D3 + 1 + 2)	(1,098.9)	(925.2)	-	-	-
Average Statutory Income Tax Rate (Portugal)	20.6%	20.4%			
1 - Taxable Income subject to Foreign Income Tax Rates	-	-			
2 - Income Tax Related to Foreign Taxable Income	-	-			
Average Foreign Income Tax Rate	12.5%	12.5%			
3 - Taxable Income subject to Income Tax in Portugal (D - 2)	(5,255.3)	(4,443.9)			
4 - Taxable Income subject to Income Tax in Portugal - Items Subject to Special Income Tax Rates (D - 3)	(88.4)	(88.4)			
5 - Income Tax Rate related to Taxable Income in Portugal (4)	(1,098.9)	(925.2)			
Statutory Income Tax Rate - Portugal	20.6%	20.4%			
6. Taxable Income (6= 1+3+4 = D)	(5,343.7)	(4,532.3)	(811.4)		
CORPORATE INCOME TAX - CALCULATION					
Total Income Tax (2 + D-5)	(1,098.9)	(925.2)			
Income Tax on Items Subject to Special Income Tax Rates	-	-			
Adjustments to Prior Years Income Tax Estimates	33.8	33.8			
Current Income Tax	(1,065.1)	(891.3)			
Deferred Taxes - Tax Losses expiry Write-off	-	-			
Deferred Income Tax Assets - Financial Investment losses prior year	-	-			
Deferred Income Tax Assets - (Increase) / Decrease	-	(392.1)		(392.1)	
Deferred Income Tax Liabilities - Increase / (Decrease)	-	218.4			218.4
Deferred Income Tax	-	(173.7)		(392.1)	218.4
7 - Income Tax Continued Operations	(1,065.1)	(1,065.1)		(392.1)	218.4
8 - Income Tax Discontinued Operations	1,178.4	1,178.4			
9 - Income Tax Discontinued Operations	113.3	113.3			
Average Income Tax Rate - (7 + 8) : D	32.17%	20.43%		-222.7%	100.0%
Effective Income Tax Rate - (7 + 8) : A	13.33%	13.33%		0.4%	-5.4%

Note 1: The Municipal Surtax (Derrama Municipal) is calculated as reported in Note 16 c). During the three months ended 31 March 2018, the subsidiaries LGA, AA00, Globalrent, Loures Automóveis, Rolporto, Rolvia and Soauto SGPS reported positive taxable income.

Income Tax was calculated using tax rates in force, or substantially in force, on reporting date, in each country where taxable income is generated, according to respective tax regulations.

d) Deferred Income Tax

The Deferred Income Tax balances are as indicated in the following table, which also identifies the differences between tax and reporting basis of the corresponding Assets and/or Liabilities:

	Temporary Differences between Income Tax and Book Values as at 1 January 2019	Deferred Income Tax				Temporary Differences between Income Tax and Book Values as at 31 March 2019
		Balance as at 1 January 2019	Impact on Results of the year	Balance Sheet Reclassifications	Balance as at 31 March 2019	
<u>Deferred Income Tax Assets</u>						
Provisions	5,045.2	1,135.2	(38.2)	-	1,097.0	4,875.5
Margins in Inventories	3,600.5	803.0	69.6	-	872.7	3,909.9
Tax Losses Carried Forward	39.5	8.3	-	-	8.3	39.5
Other Consolidation Adjustments	-	-	-	-	-	-
Others	2,771.8	353.5	11.0	-	364.6	2,860.1
Total Deferred Income Tax Assets	11,457.0	2,300.0	42.5	-	2,342.5	11,685.1
Reclassification of Assets Held for Sale		1,880.7			1,912.2	
		419.3			430.4	
<u>Deferred Income Tax Liabilities</u>						
Azambuja - 2002 Fixed Assets Revaluation	13,039.9	1,518.6	-	-	1,518.6	13,039.9
Amortized Cost	455.3	102.5	(3.8)	-	98.7	438.5
Real Estate Fund Imocar - Change in regulation	13,507.4	3,039.2	172.1	-	3,211.2	14,272.1
Total Deferred Income Tax Liabilities	27,002.6	4,660.2	168.3	-	4,828.5	27,750.5
Reclassification of Liabilities associated to Assets held for sale		1,583.8			1,580.0	
Total Deferred Income Tax Liabilities		3,076.5			3,248.5	

e) Deferred Income Tax Assets relating to Tax Losses Carried Forward

The amount of Tax Losses carried forward that may be utilized in the future, and the amount of the corresponding Deferred Income Tax Assets, by year of origin and expiration date, are detailed in the following table.

Origin Year	Tax Losses	IRC	
		Value	Expiry
2018	39.5	8.3	2023
Total	39.5	8.3	

Is expectable that positive taxable income will be generated in the future, allowing for the utilization of the amount of tax losses carried forward.

f) Current Income Tax – Receivable

Current Income Tax receivable is as follows:

Corporate Income Tax	Mar-19	Dec-18
Corporate Income Tax - Disputed Amounts	3,973.8	3,973.8
Advance Corporate Income Tax Payments	1,734.9	1,734.9
Corporate Income Tax Receivable FY 2019	2,794.4	-
Corporate Income Tax Receivable FY 2018	-	2,869.2
Income Tax Surtax	104.6	104.6
Other	1.0	1.0
Total Corporate Income Tax Receivable	8,608.5	8,683.4
Reclassification of Liabilities associated to Assets held for sale	3,902.8	0.0
Total Corporate Income Tax Receivable	4,705.7	4,655.3

i. *Corporate Income Tax (IRC) – Disputed Amounts*

The amount of Eur (000) 3,973.8 represents the payment of Corporate Income Tax (IRC) related to several previous periods, as a result of additional income tax assessments issued by the Portuguese Tax Authorities, which are pending judicial challenge, as disclosed in Note 41 – Commitments and Contingencies. This payment was made in accordance with the terms and conditions set forth in Decree-Law 151-A/2013.

The payment eliminated the contingency resulting from any arrears interest, penalties and costs incurred as of the date of such payment, which were as follows:

- compensatory interest of Eur (000) 508.5
- interest on arrears of Eur (000) 820.2
- costs of Eur (000) 45.9

These amounts would represent an additional contingency if this payment had not been made.

This payment also allowed for the cancellation of Bank Guarantees in the amount of Eur (000) 6,327.2, provided within the scope of the respective challenge proceedings.

ii. *Detail of Income Tax receivable (IRC, Advanced Income Tax Payments, Surtaxes [Derramas]) by tax year*

The amounts of Corporate Income Tax (IRC) – Disputed Amounts, Advanced Income Tax Payments and Surtaxes (*Derramas*) are disclosed, by year, in the following table.

Year	Corporate Income Tax Disputed Amounts	Advance Corporate Income Tax Payments	Income Tax Surtax
1999	888.0	-	-
2001	633.6	-	-
2002	552.0	-	-
2003	430.9	-	-
2004	367.7	-	-
2007	-	696.7	-
2008	211.5	464.6	85.1
2009	-	238.2	19.4
2010	890.0	-	-
2014	-	21.7	-
2015	-	50.3	-
2016	-	44.7	-
2017	-	97.7	-
2018	-	121.0	-
Total	3,973.8	1,734.9	104.6

On 29 August 2012, 14 August 2013 and 25 July 2014, SAG Gest submitted refund requests in respect of the refund of Advanced Income Tax Payments (*PEC – Pagamento Especial por Conta*) performed

in relation to the 2007, 2008 and 2009 tax years, respectively, due to the fact that taxable income for those years did not allow for the recovery of those amounts in the 2007 to 2013 tax returns. The Tax Authorities denied these refund requests. SAG Gest appealed against this decision.

iii. *Estimated Corporate Income Tax (IRC) Receivable – 2019*

As of 31 March 2019, the amount of Eur (000) 2,797.4, related to the estimated income tax receivable of 2019, corresponds to the sum of the individual tax estimates of the Entities included in the consolidation perimeter that recognized a tax credit (IRC receivable).

g) Current Income Tax – Payable

Current Income Tax Payable is as follows:

Corporate Income Tax	Mar-19	Dec-18
Portugal		
Estimated Corporate Income Tax Payable - 2019	1,661.3	1,665.2
Sub-Total Corporate Income Tax - Portugal	1,661.3	1,665.2
Total Corporate Income Tax Payable	1,661.3	1,665.2
Reclassification of Liabilities associated to Assets held for sale	1,085.5	893.2
Total Corporate Income Tax Payable	575.8	772.1

17. EARNINGS PER SHARE

On 31 March 2019, the Entities included in consolidation jointly held 16,771,015 Treasury Stock (Shares representing the Registered Share Capital of SAG Gest). During the three months ended 31 March 2019, there were no transactions (purchases or sales) involving Treasury Stock, and the number of Treasury Stock held on 31 March 2019 did not change.

The nominal value of SAG Gest Shares is Eur 1 each.

<u>Earnings Per Share</u>	Period of 3 months ended on March 31	
	2019	2018
Net Profit / (Loss) After Tax - Before Discontinued Operations	(1,303.9)	(939.0)
Net Profit / (Loss) After Tax	(1,016.8)	(6,679.5)
Net Profit / (Loss) After Non-Controlling Interests	(1,016.8)	(6,679.3)
Number of Issued Shares	169,764.398	169,764.398
Number of Shares in Treasury Stock	(16,771.015)	(16,771.015)
Weighted Average Number of Shares Outstanding	152,993.383	152,993.383
Weighted Average Number of Shares Outstanding	152,993.383	152,993.383
Earnings per Shares Before Discontinued Operations (Eur)	(0.0085)	(0.0061)
Earnings per Shares (Eur)	(0.0066)	(0.0437)



Soluções Automóvel Globais

18. TANGIBLE FIXED ASSETS

Activity in Tangible Fixed Assets during the three months ended 31 March 2019 was as follows:

	2019								TOTAL
	Land	Buildings	Basic Equipment	Transport Equipment	Tools and utensils	Office Equipment	Other Tangible Assets	Fixed Assets in Progress	
Opening Balance- 1 January 2019 (Net Tangible Fixed Assets)	19,048.4	30,188.5	3,464.3	50.6	158.6	357.4	256.4	1,996.9	55,521.2
Additions	-	-	1,115.2	14.3	14.8	6.5	15.6	143.0	1,309.3
Retirements-At Cost	-	-	(1,345.5)	-	-	(10.6)	(11.7)	(5.6)	(1,373.5)
Retirements of Accumulated Depreciation	-	-	217.0	-	-	10.6	11.7	-	239.4
Transfers	-	-	-	-	-	-	-	-	-
Impairments	-	.1	-	-	-	-	-	-	.1
Current Year's Depreciation Charge Against P&L From Continued Operations	-	(218.8)	(147.5)	(4.8)	(15.7)	(10.6)	(21.5)	-	(419.1)
Closing Balance - 31 Março 2019 (Net Tangible Fixed Assets)	19,048.4	29,969.8	3,303.5	60.0	157.7	353.3	250.5	2,134.2	55,277.5
<u>Tangible Fixed Assets - Balance Detail - 31 December 2018</u>									
<u>As at 1 January 2018</u>									
At Cost	19,048.4	53,780.4	33,990.0	1,019.2	4,493.4	11,075.1	14,387.1	1,996.9	139,790.5
Accumulated Depreciation	-	(23,591.8)	(30,525.7)	(968.6)	(4,334.8)	(10,717.6)	(14,130.7)	-	(84,269.3)
Tangible Fixed Assets - Net	19,048.4	30,188.5	3,464.3	50.6	158.6	357.4	256.4	1,996.9	55,521.2
<u>As at 31 March 2019</u>									
At Cost	19,048.4	53,780.4	33,759.7	1,033.5	4,508.3	11,071.0	14,391.0	2,134.2	139,726.4
Accumulated Depreciation	-	(23,810.5)	(30,456.2)	(973.4)	(4,350.5)	(10,717.7)	(14,140.5)	-	(84,448.8)
Tangible Fixed Assets - Net	19,048.4	29,969.8	3,303.5	60.0	157.7	353.3	250.5	2,134.2	55,277.5
Reclassification Assets held for sale	(239.2)	(6,082.4)	(3,303.5)	(60.0)	(157.7)	(353.3)	(250.5)	(814.9)	(11,261.5)
Tangible Fixed Assets - Net	18,809.2	23,887.4	-	-	-	-	-	1,319.3	44,016.0

On 31 March 2019, there are no more signs of impairment affecting the carrying amount of Tangible Fixed Assets, beyond the impairments already recognized.



Soluções Automóvel Globais

Activity in Tangible Fixed Assets during the twelve months ended 31 December 2018 was as follows:

	2018								TOTAL
	Land	Buildings	Basic Equipment	Transport Equipment	Tools and utensils	Office Equipment	Other Tangible Assets	Fixed Assets in Progress	
Opening Balance- 1 January 2018 (Net Tangible Fixed Assets)	19,048.4	41,123.5	3,115.3	51.5	165.1	371.9	319.3	1,175.9	65,370.8
Additions	-	19.4	6,771.6	44.4	58.1	53.3	13.6	962.0	7,922.4
Retirements-At Cost	-	(281.0)	(6,261.5)	(456.3)	-	(109.7)	(9.5)	(37.0)	(7,155.0)
Retirements of Accumulated Depreciation	-	49.2	584.2	430.1	-	108.6	9.5	-	1,181.5
Transfers	-	103.9	-	-	-	-	-	(0.1)	-
Current Year's Depreciation Charge Against P&L From Continued Operations	-	(10,826.4)	(745.2)	(19.1)	(64.6)	(66.7)	(76.4)	-	(11,798.4)
Closing Balance - 31 December 2018 (Net Tangible Fixed Assets)	19,048.4	30,188.5	3,464.3	50.6	158.6	357.4	256.4	1,997.0	55,521.3
<u>Tangible Fixed Assets - Balance Detail - 31 December 2017</u>									
<u>As at 1 January 2018</u>									
At Cost	19,048.4	53,938.1	33,479.9	1,431.1	4,435.3	11,131.4	14,383.0	1,175.9	139,023.2
Accumulated Depreciation	-	(12,814.6)	(30,364.6)	(1,379.6)	(4,270.2)	(10,759.5)	(14,063.8)	-	(73,652.3)
Tangible Fixed Assets - Net	19,048.4	41,123.5	3,115.3	51.5	165.1	371.9	319.3	1,175.9	65,370.8
<u>As at 31 December 2018</u>									
At Cost	19,048.4	53,780.4	33,990.0	1,019.2	4,493.4	11,075.1	14,387.1	1,996.9	139,790.6
Accumulated Depreciation	-	(23,591.9)	(30,525.7)	(968.6)	(4,334.8)	(10,717.6)	(14,130.7)	-	(84,269.3)
Tangible Fixed Assets - Net	19,048.4	30,188.5	3,464.3	50.6	158.6	357.4	256.4	1,996.9	55,521.2
Reclassification Assets held for sale	(239.2)	(6,337.3)	(3,464.3)	(50.6)	(144.0)	(357.4)	(212.0)	(715.2)	(11,520.1)
Tangible Fixed Assets - Net	18,809.2	23,851.3	-	-	14.6	-	44.4	1,281.7	44,001.1

The impairment amount is related to the building on Avenida Marechal Gomes da Costa to the building in Vila Nova da Rainha. This impairment was booked regarding assessment and sell price established by “Contrato de Promessa Compra e Venda” agreement in force at the report date.

SAG GEST – Soluções Automóvel Globais, SGPS, S.A. – Listed Company

Head Office: Estrada de Alfragide, nº 67 Amadora

Registered Share Capital: Eur 169,764,398.00

Registered in the Amadora Companies Registration Office

Single Tax Identification and Registration Number 503 219 886

Tel: 21 359 66 64

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19. INTANGIBLE ASSETS - GOODWILL

Until December 2018, SAG Gest performed valuations using the Discounted Cash Flows (DCF) method, which supported the recoverability of the carrying amount of Goodwill recognized in the Consolidated Statement of the Financial Position.

In the opinion of the Board of Directors, as at 31 March 2019, it is not expected that the amounts of "Goodwill" previously recorded will be recoverable, since that 31 December 2018 impairment was maintained. As such, impairments were recorded for the full amount of Goodwill, as shown in the table.

Goodwill as at 31 March 2019 is made up as follows:

Company	Business Segments	Purchase Price	Net Fair Value of the Assets / Liabilities Acquired	Goodwill		
				Goodwill	Impairment Losses Recognized	Net Book Value March 31, 2019
Full Consolidation						
Globalrent	Distribution	2,992.8	(1,966.4)	4,959.1	4,959.1	
Soauto Comércio de Automóveis	Retail	4,271.8	586.7	3,685.1	3,685.1	
Loures Automóveis	Retail	3,207.8	1,299.0	1,908.8	1,908.8	
Rolporto	Retail	3,073.1	1,004.2	2,069.0	2,069.0	
Soauto, SGPS	Retail	2,303.9	1,119.5	1,184.4	1,184.4	
Rolvia	Retail	337.0	330.0	7.0	7.0	
Total		16,186.4	2,373.0	13,813.4	13,813.4	
Reclassification to Assets held for sale		(16,186.4)	(2,373.0)	(13,813.4)	(13,813.4)	
Total		-	-	-	-	

20. INTANGIBLE ASSETS - OTHER

Changes in Intangible Assets during the three months ended 31 March 2019 and the twelve months ended 31 December 2018 are disclosed in the tables below.

	2019					TOTAL
	Software	Start-Up Expenses	Research & Development Expenses	Patents & Trademarks	Key Money on Transfer of Leaseholds	
Opening Balance- 1 January 2019 (Intangible Assets - Net)	222.1	-	-	-	-	222.1
Depreciation Charged Against P&L	(25.5)	-	-	-	-	(25.5)
Closing Balance - 31 March 2019 (Intangible Assets - Net)	196.6	-	-	-	-	196.6
Intangible Assets - Balance Detail - 31 March 2019						
As at 1 January 2019						
At Cost	6,699.3	85.9	406.6	2.5	1,628.2	8,822.5
Accumulated Depreciation	(6,477.2)	(85.9)	(406.6)	(2.5)	(1,628.2)	(8,600.4)
Intangible Assets - Net	222.1	-	-	-	-	222.1
As at 31 March 2019						
At Cost	6,699.3	85.9	406.6	2.5	1,628.2	8,822.5
Accumulated Depreciation	(6,502.7)	(85.9)	(406.6)	(2.5)	(1,628.2)	(8,625.9)
Intangible Assets - Net	196.6	-	-	-	-	196.6
Reclassification Assets held for sale	(196.6)	-	-	-	-	(196.6)
Intangible Assets - Net	-	-	-	-	-	-
	2018					TOTAL
	Software	Start-Up Expenses	Research & Development Expenses	Patents & Trademarks	Key Money on Transfer of Leaseholds	
Opening Balance- 1 January 2018 (Intangible Assets - Net)	320.0	-	-	-	42.4	362.4
Additions	43.7	-	-	-	-	43.7
Transfers	-	-	-	-	(42.4)	(42.4)
Depreciation Charged Against P&L	(141.6)	-	-	-	-	(141.6)
Closing Balance - 31 December 2018 (Intangible Assets - Net)	222.1	-	-	-	-	222.1
Intangible Assets - Balance Detail - 31 December 2018						
As at 1 January 2018						
At Cost	6,655.5	85.9	406.6	2.5	1,670.6	8,821.1
Accumulated Depreciation	(6,335.5)	(85.9)	(406.6)	(2.5)	(1,628.1)	(8,458.7)
Intangible Assets - Net	320.0	-	-	-	42.4	362.4
As at 31 December 2018						
At Cost	6,699.3	85.9	406.6	2.5	1,628.1	8,822.4
Accumulated Depreciation	(6,477.2)	(85.9)	(406.6)	(2.5)	(1,628.1)	(8,600.3)
Intangible Assets - Net	222.1	-	-	-	-	222.1
Reclassification Assets held for sale	(222.1)	-	-	-	-	(222.1)
Intangible Assets - Net	-	-	-	-	-	-

In accordance with the 2013 Urban Lease Legal regime (*Regime de Arrendamento Urbano*), lease agreements in respect of the properties used in the operational activities have a five-year term, after which the lease agreement may be terminated.

As a result of this change, the amount of Store Key Money was being amortized over a period of five years, being fully amortized.

21. INVESTMENTS IN ASSOCIATES

Investments in Associates are as follows:

	Mar-19			
	At Cost	Recognized Net Results	Impairment	Net Amount
Autolombos - Sociedade de Automóveis, Lda.	243.5	(52.8)	(197.4)	(6.7)
				(6.7)

	Dec-18			
	At Cost	Recognized Net Results	Impairment	Net Amount
Autolombos - Sociedade de Automóveis, Lda.	243.5	(46.1)	(197.4)	-
				-

Changes during the three months ended 31 March 2019 and the twelve months ended 31 December 2018 are as follows:

	Autolombos - Sociedade de Automóveis, Lda.	
	Mar-19	Dec-18
Opening Balance	10.9	0.0
Current Year's Subsidiary Net Result	(16.7)	27.5
% Share	40%	40%
Subsidiary Net Result - Equity Method Appropriation	(6.7)	11.0
Adjustment	-	(0.1)
Closing Balance	4.2	10.9

The changes represent the appropriation by SAG Gest of its share in the changes in the Net Assets of the Autolombos Affiliate, which is included in the Consolidated Financial Statements through the Equity Method, as reported in Note 15 – Gains and Losses – Related Parties.

22. INVESTMENT PROPERTIES

Changes in Investment Properties during the three months ended 31 March 2019 and the twelve months ended 31 December 2018 are disclosed in the tables below.

	Building at Pedro Álvares Cabrál - artº. 844 A	Building at Porto - artº. 11275	Mar-19 Building at Conde Almoester - artº. 1151 A	Building at Amadora - artº. 1358	TOTAL
Opening Balance - 1 January 2019	-	243.6	226.9	-	470.5
Fair Value Adjustments	-	-	-	-	-
Property Sale	-	-	-	-	-
Closing Balance - 31 March 2019	-	243.6	226.9	-	470.5

	Building at Pedro Álvares Cabrál - artº. 844 A	Building at Porto - artº. 11275	Dez-18 Building at Conde Almoester - artº. 1151 A	Building at Amadora - artº. 1358	TOTAL
Opening Balance - 1 January 2018	424.0	247.8	217.0	150.3	1,039.0
Fair Value Adjustments	-	(4.3)	9.9	-	5.6
Property Sale	424.0	-	-	150.3	574.2
Closing Balance - 31 March 2018	-	243.6	226.9	-	470.5

The amount recognized as Investment Properties refers to two properties owned by the Imocar Real Estate Investment Fund that are currently not used by the Entities included in consolidation in the course of their operating activities.

These properties are recognized at Fair Value and were valued using the Income Method, using current rents for the two leased properties. A five-year period was considered after which sale of the properties was assumed, taking into account their characteristics, the market situation and the location thereof.

In accordance with IFRS 13 – Fair Value Measurement, the hierarchical level of Fair Value is Level 3, because the supporting valuations were performed using unobservable data, i.e., they are not prices prevailing in active and non-active markets.

In September 2018, said Properties were valued by independent experts, with these valuations resulting in the recognition of an increase in their respective Fair Value of Eur (000) 5.7.

The remaining change in the value of the Investment Properties in 2018 is due to the sale of the property located at Avenida Pedro Álvares Cabral (Art. 844 A), in Lisbon, and the Amadora property (Art. 1358), in January and February 2018, for the value of Eur (000) 450 and Eur (000) 140, respectively. These transactions resulted in the recognition of gains of Eur (000) 15.8.

Income from rental properties during the three months ended 31 March 2019 was Eur (000) 8.2, which is recognized as Other Operating Income, and costs incurred with the same Properties (Eur (000) 0.2) were recognized as Other Operating Income.

The table below discloses the detail of future rental benefits, taking into account the amounts agreed upon in the contracts in force on 31 March 2019.

The lease agreements for the Properties have terms of between 4 and 23 months.

	Number of Rental Contracts in Force	Rental Income
2019	2	25.1
2020	1	14.6
2021	1	2.9
Total		42.6

23. INVENTORIES

Inventories are as follows:

	Mar-19						
	New Vehicles	Used Vehicles	Rent-a-car buy-back Vehicles	Spare Parts & Accessories	Work in Progress	Other Stock	Total
At Cost	54,972.4	34,190.5	25,414.5	7,044.0	230.5	3.5	121,855.5
Impairments	-	(518.9)	(534.5)	(586.9)	-	-	(1,640.3)
Total	54,972.4	33,671.6	24,880.2	6,457.0	230.5	3.5	120,215.2
Reclassification of Assets not held for sale	(54,972.4)	(33,671.6)	(24,880.2)	(6,457.0)	(230.5)	(3.5)	(120,215.2)
Total	-	-	-	-	-	-	-

	Dec-18						
	New Vehicles	Used Vehicles	Rent-a-car buy-back Vehicles	Spare Parts & Accessories	Work in Progress	Other Stock	Total
At Cost	51,553.7	30,861.4	41,217.8	7,164.4	329.2	3.4	131,129.8
Impairments	-	(646.4)	(602.2)	(559.6)	-	-	(1,808.2)
Total	51,553.7	30,214.9	40,615.6	6,604.8	329.2	3.4	129,321.6
Reclassification of Assets not held for sale	(51,553.7)	(30,214.9)	(40,615.6)	(6,604.8)	(329.2)	(3.4)	(129,321.6)
Total	-	-	-	-	-	-	-

The table above indicates the various types of Inventories, which are as follows:

- **New Vehicles:** vehicles directly purchased from the Manufacturers of the Brands represented by the SIVA Subsidiary
- **Used Vehicles:** used vehicles that are immediately available for sale
- **Rent-a-Car – Buy Back Vehicles:** vehicles invoiced to Customers (usually Rent-a-Car Entities) that are in the possession of such Entities but for which there is a repurchase undertaking at a future date. These vehicles will become available for sale after the end of the holding period defined in each contract
 - a) Inventories of Buy Back vehicles represent vehicles billed to Customers (usually Rent-a-Car Entities) under Contracts that include clauses establishing the liability of SAG Gest or of Entities included in consolidation in respect of the repurchase of the invoiced vehicles at the end of the period of use that has been agreed (the holding period). In accordance with IAS 18 – Revenue, invoices issued under such terms are not recognized as income at the time of issuance and the cost of sales of such vehicles is also not recognized, and therefore such vehicles remain included in Inventories as Rent-a-Car – Buy Back vehicles.
 - b) The amount of Impairment Losses in Inventories of used vehicles represents the difference between the purchase price of vehicles in Inventories and their respective market value on reporting date.
 - c) The amount of Impairment Losses in Inventories of Rent-a-Car – Buy Back vehicles represents the difference between (i) the purchase price of such vehicles as defined in the Buy-Back agreements, and (ii) the estimated market value of same vehicles on the date where the vehicles become available for sale. The amount of this difference is recognized during the duration of their respective holding period so that, on repurchase date, the book value of each car corresponds to its market value on that date.

The amount of Impairment Losses in Inventories is determinate according to the procedure disclosed in Note 2.7 – Significant Estimates.
 - d) The amount of Impairment Losses in Inventories of Parts is determined as disclosed in Note 2.5.7 – Inventories and Impairment Losses in Inventories (Main Accounting Policies), representing the purchase price of obsolete and slow-turnover (exceeding 24 months) Parts and Accessories.

Changes during the three months ended 31 March 2019 and the twelve months ended 31 December 2018 in Impairment Losses in Inventories is disclosed in the following table.

	Used Vehicles		Rent-a-car buy-back Vehicles		Spare Parts & Accessories		Total	
	Mar-19	Dec-18	Mar-19	Dec-18	Mar-19	Dec-18	Mar-19	Dec-18
Opening Balance	(646.4)	(1,044.8)	(602.2)	(2,468.5)	(559.6)	(2,116.6)	(1,808.2)	(1,808.2)
P&L								
Charges/(Cancellation)	(1,381.4)	(13.1)	(1,283.4)	(27.4)	(142.5)	(46.7)	(46.8)	(2,807.3)
Reversals	133.9	1,779.8	80.8	3,149.8	-	1,699.5	214.7	6,629.1
Total P&L	127.5	398.4	67.7	1,866.4	(27.4)	1,557.0	167.9	3,821.8
Closing Balance	(518.9)	(646.4)	(534.5)	(602.2)	(586.9)	(559.6)	(1,640.3)	2,013.6
Reclassification of Assets not held for sale	518.9	646.4	534.5	602.2	586.9	559.6	1,640.3	(2,013.6)
Closing Balance	-	-	-	-	-	-	-	-

24. DEBTORS AND OTHER ASSETS - CUSTOMERS

Accounts Receivable from Trade Customers are as follows:

Trade Customers	Mar-19	Dec-18
Trade Customers - Current Account	22,816.8	21,284.2
Bad & Doubtful Accounts Receivable	3,496.8	3,523.5
Trade Customers' Impairment	(3,512.9)	(3,539.3)
Total Trade Customers	22,800.6	21,268.5
Reclassification of Assets Held for Sale	22,785.5	21,079.8
Total Trade Customers	15.1	188.7

Debtors and Other Assets - Customers derived from the operating activity of the Entities included in consolidation, adjusted according to the policy disclosed in Notes 2.5.15.2 – Impairment of Financial Assets and 2.7 b) – Recognition of Provisions and Impairment Losses.

As at 31 March 2019 and 31 December 2018, the detail of Debtors and Other Assets - Customers, according to their seniority, is disclosed in the following table.

	Mar-19	Dec-18
Non-Overdue	14,098.5	16,345.9
0-10 days	3,998.5	2,056.0
10-30 days	305.7	607.6
30-60 days	616.8	644.0
60-90 days	459.0	287.3
90-120 days	11.3	485.8
+120 days	3,327.1	857.6
Total Overdue	8,718.3	4,938.3
Sub-Total Trade Customers - Current Account	22,816.8	21,284.2
Total Overdue with Impairment	3,496.8	3,523.5
Trade Customers' Impairment	(3,512.9)	(3,539.3)
Total	22,800.6	21,268.4

The majority of the overdue receivables in the table above result from the sale of vehicles in the Automotive Retail activities where sales terms are cash on delivery. Approximately 49% of the total amount is overdue for less than 30 days and around 93% of these amounts were overdue for 10 or less days (42% on 31 December 2018). On the reporting date, the majority of these amounts is settled, and therefore the above overdue amounts show no signs of impairment.

Customers in the Dealer Networks of the SIVA Subsidiary delivered to it, in accordance with the respective Concession or Authorized Workshop Agreements, bank guarantees issued by unrelated third parties, in favor of said Subsidiary, for the total amount of Eur (000) 35,722.8. In accordance with the agreements between the SIVA Subsidiary and the Portuguese Branch of Volkswagen Bank AG, the original documents of such bank guarantees are held by this Financial Institution.

The changes in Impairment Losses on Accounts Receivable from Customers during the three months ended on 31 March 2019 and the twelve months ended on 31 December 2018 are reported in the following table.

	Trade Customers Impairment losses	
	Mar-19	Dec-18
Opening Balance	(3,539.3)	(3,584.7)
P&L		
(Charges)/Cancellation	1.3	9.9
Total P&L	1.3	9.9
Reversals	25.0	35.5
Transfers (1)	-	-
Closing Balance	(3,512.9)	(3,539.3)

25. DEBTORS AND OTHER ASSETS – RELATED PARTIES

Accounts Receivable from Related Entities are as follows:

Related parties	Mar-19	Dec-18
Shareholders - Financial Operations	-	-
Total Related Companies Non-Current Assets	-	-
Shareholders - Income tax	1,159.7	1,159.7
Other	1,558	2,596.1
Advance	721.3	721.3
Associated Companies - Financial Operations	107.0	.8
Other	2.6	-
Total Related Companies Current Assets	3,549.0	4,477.9
Reclassification of Assets Held for Sale	3,549.0	2,596.9
Total Related Companies Current Assets	-	1,881.1

The nature of the above balances with Related Parties (Shareholders, Related Entities, Affiliates, Subsidiaries and Associates) is disclosed in Note 36 – Related Party Disclosures.

26. DEBTORS AND OTHER ASSETS – OTHER

Debtors and Other Assets – Other Debtors are disclosed in the following table.

Other Debtors	Mar-19	Dec-18
Other Debtors	5,223.4	5,454.6
Volkswagen AG	1,201.4	778.9
Other Debtors' Impairment	(1,896.5)	(1,896.5)
Total Other Debtors	4,528.3	4,336.9
Reclassification of Assets Held for Sale	4,492.1	4,300.7
Total Other Debtors	36.2	36.2

Impairment Losses in Accounts Receivable – Other Debtors during the three months ended 31 March 2019 and the twelve months ended 31 December 2018 had the following changes, which are disclosed in the following table.

	Other Debtors Impairment	
	Mar-19	Dec-18
Opening Balance	(1,896.5)	(1,897.4)
P&L		
(Charges) / Cancellation	(0.1)	0.9
Total P&L	(0.1)	0.9
Closing Balance	(1,896.5)	(1,896.5)

27. PREPAID EXPENSES

Prepaid Expenses are as follows:

Prepaid Expenses	Mar-19	Dec-18
Bank Guarantees Charges	1,202.5	1,250.7
Buy-Back Deferred Income	605.3	1,484.6
Rents	368.8	48.1
Insurance	300.7	118.0
New Vehicle - Miscellaneous Expenses	150.7	47.9
Used Vehicles - Deferred Expenses	77.3	77.2
Signposting and Dealerships Furniture	1.4	-
Other Prepaid Expenses	106.4	53.7
Total Prepaid Expenses	2,813.2	3,080.2
Reclassificação de Activos detidos para venda	2,804.8	3,074.4
Total Prepaid Expenses	8.4	5.8

28. ACCRUED INCOME

Accrued Income are as follows:

Accrued Income	Mar-19	Dec-18
Volkswagen AG Credits	9,978.0	21,046.1
Car Tax Refunds Receivable	743.2	914.1
Guarantees	232.0	170.7
Quality Tools	196.3	60.0
Work in Progress	193.2	95.7
Rappel	126.3	424.4
Reconditioning Services	44.6	-
Insurance Co-payment	34.4	15.0
Other Accrued Income	280.2	303.5
Total Accrued Income	11,828.0	23,029.5
Reclassification of Assets Held for Sale	11,828.0	23,029.5
Total Accrued Income	-	-

Volkswagen AG credits represent commercial support amounts receivable and are fully recognized in profit and loss, according to the operating cycle of the Entity to which they relate.

The amount of Car Tax (*ISV – Imposto Sobre Veículos*) receivable is usually received within 60 to 90 days.

29. TAX – OTHER THAN INCOME TAX

Other Taxes Receivable are disclosed in the table below.

Taxes - Other Than Income Tax - Receivable	Mar-19	Dec-18
Value Added Tax	3,484.3	1,575.8
Other Taxes	925.8	925.8
Total	4,410.1	2,501.6
Reclassification of Assets Held for Sale	4,051.5	2,223.4
Total	358.6	278.2

Other Taxes Payable are as follows:

Taxes - Other Than Income Tax - Payable	Mar-19	Dec-18
Value Added Tax	17,120.2	14,174.9
Car Taxes ("ISV")	4,460.7	4,391.7
Other Taxes	686.2	1,118.8
Total	22,267.1	19,685.4
Reclassification to Liabilities associated to Assets held for sale	22,151.1	19,464.7
Total	116.0	220.7

30. CASH AND CASH EQUIVALENTS AND TERM DEPOSITS

Cash and Cash Equivalents and Term Deposits are disclosed in the table below.

	Mar-19	Dec-18
Term Deposits	11,921.5	11,921.5
Total Term Deposits	11,921.5	11,921.5
Reclassification of Assets Held for Sale	9,775.5	9,775.5
Total Term Deposits	2,146.0	2,146.0
Detail of Cash and Cash Equivalents		
Demand Deposits	10,585.3	5,589.0
Cash	29.2	29.3
Total Cash and Cash Equivalents	10,614.5	5,618.3
Reclassification of Assets Held for Sale	9,219.8	4,364.1
Total Cash and Cash Equivalents	1,394.7	1,254.2

The amounts of Cash and Cash Equivalents only include amounts that can be realized within a period of less than three months from the reporting date, which are not subject to significant changes in value.

31. EQUITY INSTRUMENTS

On 31 March 2019, Registered Share Capital was represented by 169,764,398 Ordinary Shares with a nominal value of Eur 1 each and was paid up in full.

The Controlling Shareholder of SAG Gest is SGC – SGPS, SA, whose activity is the management of shareholdings. The registered office of SGC – SGPS, SA is in Estrada de Alfragide, nº 67, in Alfragide, Amadora. SGC – SGPS holds a direct interest representing 69.13% of the Registered Share Capital of SAG Gest and an indirect interest of 10.24%, corresponding, respectively, to 69.13% and 10.24% of the voting rights.

Registered Share Capital	Mar-19	Dec-18
Autorized		
Ordinary Shares at Eur 1	169,764,398	169,764,398
Total	169,764,398	169,764,398

a) Treasury Stock

Treasury Stock Shares are held by SAG Gest, which, on 31 March 2019 and 31 December 2018, had a portfolio of 16,760,815 Shares, and by the Rolporto and Loures Automóveis Subsidiaries, which, on same dates, each held 5,100 Shares of SAG Gest. SAG Gest fulfills the criteria for acquisition of Treasury Stock as set forth in Article 317 of the Portuguese Companies Act.

On 31 March 2019, SAG Gest and its Affiliates and Subsidiaries jointly held a total of 16,771,015 registered Common Shares (Treasury Stock). SAG Gest and its Affiliates and Subsidiaries paid Eur (000) 16,367.8 in premiums to acquire these Shares (with an average unit value of Eur 0.98 per Share). In 2019, there was no change in Treasury Stock Shares, with the value of Eur (000) 33,138.8 maintained on 31 March 2019 corresponding to the total respective nominal value and premium paid.

b) Share Premiums

Share Premiums are recognized when the issue price of the Shares exceeds their nominal value. The costs of issuing new Shares are recognized directly under this item, net of tax. In 2019, there were no changes in the amount of Share Premiums, with Eur (000) 149,664.3 of Issue Premiums recognized in respect of Common Shares issued with a unit premium of Eur 0.88.

c) Other Equity Items

Other Equity Items on 31 March 2019 and 31 December 2018 are disclosed in the following table.

	Supplementary Capital Payments	Revaluation Reserves	Legal Reserves	Other Reserves	TOTAL
Balance as at 1 January 2019	135,171.9	-	15,172.5	-	150,344.4
Allocation of Prior Year's Net Profit	-	-	-	-	-
At 31 March 2019	135,171.9	-	15,172.5	-	150,344.4

	Supplementary Capital Payments	Revaluation Reserves	Legal Reserves	Other Reserves	TOTAL
Balance as at 1 January 2018	135,171.9	-	15,077.1	8,132.1	158,381.1
Transfer to Retained Earnings Brought Forward	-	-	95.4	-	95.4
Supplementary Capital Payments	-	-	-	(8,132.1)	(8,132.1)
At 31 December 2018	135,171.9	-	15,172.5	-	150,344.4

i. Supplementary Capital Payments

On 12 August 2013, the Principal SA Shareholder performed Supplementary Capital Payments, paid in cash, for the amount of Eur (000) 55,000.0. Partial reimbursements of Eur (000) 1,072.1 and Eur (000) 156.0 were performed on 14 January 2014 and 15 January 2015 in the amount of, respectively.

On 21 March 2015, the Principal SA Shareholder performed Supplementary Capital Payments, paid in cash, for the amount of Eur (000) 81,400.0. This operation was part of the transactions performed in March 2015 in order to rebalance the financial structure of SAG Gest and to implement the conditions required to ensure the sustainability of the consolidated profit and loss account.

Therefore, on 31 March 2019, the Principal SA Shareholder had Supplementary Capital Payments in SAG Gest of Eur (000) 135,171.9

The Principal SA Shareholder obtained the funds required to perform these transactions from the main Portuguese Financial Institutions.

The amount above was fully used by SAG Gest to partially reimburse Bank loans granted by the same Financial Institutions, which was negotiated in 2010 and in August 2013 and formalized in the Framework Agreement, as revised in March 2015. The main features of this Agreement are disclosed in more detail in Note 33 – Bank Loans.

ii. Legal Reserve

In accordance with current regulations, the Entities included in consolidation are required to transfer to Legal Reserve not less than five percent of annual net profit until such Reserve reaches 20% of their Registered Share Capital.

Legal Reserve may not be distributed to Shareholders but can be used for:

- Loss Coverage
- Increasing in Registered Share Capital

The Separate Financial Statements of SAG Gest for the year ended 31 March 2019 showed a net loss of Eur (000) 177,130.9.

d) Retained Earnings

Retained Earnings are as follows:

Retained Earnings	Mar-19	Dec-18
First Consolidation Adjustments	(268,649.7)	(268,649.7)
Retained Earnings	(348,598.4)	(161,753.9)
Total Retained Earnings	(617,248.1)	(430,403.6)

Retained Earnings include First Consolidation Adjustments recognized directly against Equity on date of first consolidation, performed in 1998, in the amount of Eur (000) 268,649.7. This amount represents the difference between (i) the book value on date of first consolidation of the Entities acquired that remain within the current perimeter of consolidation of SAG Gest and (ii) their respective acquisition price and was calculated as disclosed in Note 2.4 r) – Basis of Consolidation – First Consolidation Adjustments.

32. NON-CONTROLLING INTERESTS

Non-Controlling Interests represent of unrelated third parties', at 31 December 2018, interests in the respective Rolvia (40% of Capital and voting rights) and Loures Automóveis (21.83% of Capital and voting rights) Affiliates.

During the 1st quarter of 2019 third parties' interests, of entities above mention, was acquired, due this fact non-controlling interests exist on Consolidated Statement of changes Equity.

The Net Profit or Loss and the amounts attributed to Non-Controlling Interests in said Subsidiaries are as follows:

	% Non-Controlling Interests	Mar-19	Dec-18
Reported Net Result:			
Rolvia		-	57.5
Loures Automóveis		-	(28.4)
Assigned to Non-Controlling Interests:			
Rolvia	40.00%	-	23.0
Loures Automóveis	21.83%	-	(6.2)
Net profit assigned to Non-Controlling Interests		-	16.8

Changes during the three months ended 31 March 2019 and the twelve months ended 31 December 2018 were as follows:

	Mar-19	Dec-18
Opening Balance	1,507.6	1,490.8
Net profit assigned to Non-Controlling Interests	-	16.8
Perimeter Variation	(1,507.6)	-
Closing Balance	-	1,507.6

33. BANK LOANS

Bank Loans on 31 March 2019 and on 31 December 2018 are disclosed in the following table.

	Mar-19			Dec-18
	Interest Rate %	Maturity	Amount	Amount
Current (Short Term)				
SIVA - Overdraft 1	3.60%	Dec-18	39,295.3	38,951.5
SIVA - Overdraft 2	3.60%	May-18	14,998.1	14,867.4
SIVA - Overdraft 3	3.60%	Jun-18	20,721.3	20,541.3
SAG - Overdraft 1	3.60%	Rev. Quarterly basis	14,691.0	14,691.0
SAG - Overdraft 2	3.60%	Abr-19	7,662.4	7,663.1
SAG - Overdraft 3	3.60%	Abr-19	676.8	676.9
SAG - Bank Loan 1	3.60%	Until Dec-19	3,229.0	3,492.2
SAG - Bank Loan 2	3.19%	Until Dec-19	7,012.0	6,796.4
Sub-Total Current			108,286.0	107,680.0
Non-current (Medium and Long Term)				
SAG - Bank Loan 1	3.60%	Until Dec-22	28,200.0	28,200.0
SAG - Bank Loan 2	3.19%	Until Nov-22	10,797.6	10,797.6
Sub-Total Non-current			38,997.6	38,997.6
TOTAL			147,283.6	146,677.6
Reclassification to Assets Liabilities Assets Held for Sale			75,014.8	74,360.2
TOTAL			72,268.9	102,560.2

As at 31 March 2019 there were financing contracts contracted by SAG Gest and SIVA Subsidiary whose repayment terms had been exceeded:

- Eur 38.2MM contracted by the SIVA Subsidiary in March 2015 and maturing on 22 March 2019;
- Eur 17.5MM contracted by the SIVA Subsidiary on 30 January 2019 and maturing on 10 May 2019;
- Eur 20.0MM contracted by the SIVA Subsidiary in March 2019 and maturing on 23 June 2019;

Under the out-of-court arrangement with the banks under the framework agreement, outstanding amounts (principal and interest) as at 30 April 2019 are not due until the date of conclusion of the agreement signed with Porsche Holdings. Only after the completion of the operation will the amounts to be forgiven will be determined.

The main features of the above Bank Loans on 31 March 2019 are disclosed below. The repricing periods correspond to the Euribor rates applied to each Loan.

Transaction Identification	Form	Borrower	Maximum Nominal Amount (Values in Eur 000)	Book Value (Values in Eur 000)	Date of Contract	Maturity	Reimbursement	Remuneration	Guarantees
SIVA - Overdraft 1	Pledged Current Account	SIVA Subsidiary	38,200.0	38,951.5	Dez-2015	Dez-2018	Bullet	Monthly; Variable interest rate, indexed to Euribor 6 months	Guarantee by SAG Gest and by the SGC – SGPS Shareholder
SIVA - Overdraft 2	Pledged Current Account	SIVA Subsidiary	14,523.8	14,867.4	Jan-2018	May-2018	Bullet, early amortisation by the commercial support amounts received from Volkswagen AG and selling vehicles that was part of stock from SIVA Defleat at 31 December 2017	At maturity; Variable interest rate, indexed to Euribor 6 months	Guarantee by SAG Gest and by the SGC – SGPS Shareholder Pledge of 50,000 Units representing the Registered Share Capital SIVA Defleat SA. Pledge of Demand Deposits where SIVA Subsidiary may receive the Volkswagen AG commercial support.
SIVA - Overdraft 3	Pledged Current Account	SIVA Subsidiary	20,000.0	20,541.3	Mar-2018	Jun-2018	Bullet	At maturity; Variable interest rate, indexed to Euribor 1 month	Guarantee by SAG Gest and by the SGC – SGPS Shareholder Pledge of 50,000 Units representing the Registered Share Capital SIVA Defleat SA.
SAG - Overdraft 1	Pledged Current Account	SAG GEST	14,650.0	14,691.0	Out-2008	Quarterly, automatically renewed unless terminated	Bullet	Monthly; Variable interest rate, indexed to Euribor 6 months	No guarantees
SAG - Overdraft 2	Pledged Current Account	SAG GEST	7,600.0	7,663.1	Out-2008	Abr-2019	Bullet	Quarterly; Variable interest rate, indexed to Euribor 6 months	No guarantees
SAG - Overdraft 3	Pledged Current Account	SAG GEST	675.0	676.9	Mai-2009	Abr-2019	Bullet	Quarterly; Variable interest rate, indexed to Euribor 6 months	No guarantees
SAG - Bank Loan 1	Loan	SAG GEST	31,200.0	31,692.2	Mai-2011	Dez-2022	4 annual instalments of Eur (000) 1,500.0 and a final instalment of Eur (000) 25,200.0	Semi-annually; Variable interest rate, indexed to Euribor 6 months	Pledge of 10,299,470 Units representing the Registered Share Capital of the Imocar Real Estate Investment Fund
SAG - Bank Loan 2	Loan	SAG GEST	17,997.6	17,594.0	Dez-2015	Nov-2022	8 six-monthly instalments of Eur (000) 1,800.0 each and one final instalment of Eur (000) 1,797.6	Semi-annually; Variable interest rate, indexed to Euribor 6 months	A) First pledge, in favour of Financial Institutions, on the following shares: i. 64,494 Shares representing 77% of the Share Capital of the Loures Automóveis Subsidiary ii. Shares representing the total Share Capital of the Rolporto Subsidiary iii. 30,000 Acções representativas de 60% do Capital Social da Subsidiária Rolvia iv. 5,000,000 Shares representing the total Share Capital of the SIVA Subsidiary v. 50,000 Shares representing the total Share Capital of the Soauto SGPS Subsidiary vi. 444,504 Shares representing the total Share Capital of the Soauto Comércio Subsidiary vii. Share with nominal value of Eur (000) 100.0 representing 40% of the share capital of the Autolombos Affiliate B) Second pledge of 10,299,470 Units representing the Registered Share Capital of the Imocar Real Estate Investment Fund C) Guarantee by the SGC – SGPS Shareholder

The amounts due and not paid until 31 March 2019 in each of the loans are as follows:

Transaction Identification	Nominal Value	Reclassification to Assets		Total	
		Liabilities	Assets Held for Sale	Capital	Interests
		Capital (Values in Eur 000)	Interests (+Stamp Duty) (Values in Eur 000)	Capital (Values in Eur 000)	Interests (+Stamp Duty) (Values in Eur 000)
SIVA - Overdraft 1	38,200.0	38,200.0	718.4	38,200.0	0.0
SIVA - Overdraft 2	14,523.8	14,523.8	0.0	14,523.8	0.0
SIVA - Overdraft 3	20,000.0	20,000.0	157.7	20,000.0	0.0
Total	72,723.8	72,723.8	876.1	72,723.8	0.0

a) Bank Loans – Recognition and Valuation

In accordance with IAS 39 – Financial Instruments: Recognition and Valuation, the reported amounts of Bank Loans are recognized at their Amortized Cost, and financial charges are calculated using the Effective Interest Rate Method.

SAG GEST – Soluções Automóvel Globais, SGPS, S.A. – Listed Company

Head Office: Estrada de Alfragide, nº 67 Amadora
Registered Share Capital: Eur 169,764,398.00
Registered in the Amadora Companies Registration Office
Single Tax Identification and Registration Number 503 219 886
Office: Alfragipark – Estrada de Alfragide, nº 67, Edifício SGC – Piso 2
2614-519 Amadora
Tel: 21 359 66 64
Fax: 21 359 66 74

The adoption of this method implies that Bank Loans are recognized at amounts that differ from their respective nominal amount.

The difference between the amounts of Bank Loans recognized in the Consolidated Balance Sheet and the respective nominal amount on 31 March 2019 and on 31 March 2018 is disclosed in the following tables.

Mar-19							
	Book Value (MCA)	Nominal Value	Difference	Accrued or Prepaid Costs			
				Interests	Comissions	Stamp Duty	Total
Current Loans							
Bank Loans	108,286.0	105,848.8	2,437.2	3,315.2	(981.0)	103.1	2,437.2
	75,014.8	72,723.8	2,291.0	2,108.1	0.0	182.9	2,291.0
Sub-Total Current Loans	33,271.3	33,125.0	146.3	1,207.1	(981.0)	(79.8)	146.3
Non-current Loans							
Bank Loans	38,997.6	38,997.6	0.0	0.0	0.0	0.0	0.0
Sub-Total Non-current Loans	38,997.6	38,997.6	0.0	0.0	0.0	0.0	0.0
Total	72,268.9	72,122.6	146.3	1,207.1	(981.0)	(79.8)	146.3

Dec-18							
	Book Value	Nominal Value	Difference	Accrued or Prepaid Costs			
				Interests	Comissions	Stamp Duty	Total
Current Loans							
Bank Loans	107,680.0	105,848.8	1,831.2	2,872.8	(1,052.0)	10.4	1,831.2
	74,360.2	72,723.8	1,636.5	1,540.8	0.0	95.6	1,636.5
Sub-Total Current Loans	33,319.7	33,125.0	194.7	1,332.0	(1,052.0)	(85.3)	194.7
Non-current Loans							
Bank Loans	38,997.6	38,997.6	0.0	0.0	0.0	0.0	0.0
Sub-Total Non-current Loans	38,997.6	38,997.6	0.0	0.0	0.0	0.0	0.0
Total	72,317.3	72,122.6	194.7	1,332.0	(1,052.0)	(85.3)	194.7

Comments:

Positive Amounts: Accrued Interest/Fees/Stamp Duty

Negative Amounts: Interest/Fees/Stamp Duty paid in advance

Changes in Bank Loans in 2019 and 2018 are disclosed in the following table:

	1st Quarter 19		2018	
	1st Quarter 19	2018	1st Quarter 19	2018
Opening Balance- 1 January 2019	146,677.6	132,874.8	74,360.2	61,611.8
Receive Loans	-	68,400.0	-	68,400.0
Reimbursement Loans	-	57,226.2	-	57,226.2
Loans Flow	-	11,173.8	-	11,173.8
Charge Payments/ to Pay / Amortized Cost Adjustment Variation	606.0	2,629.1	654.5	1,574.7
Loans Variation	606.0	2,629.1	654.5	1,574.7
Closing Balance - 31 March 2019	147,283.6	146,677.6	75,014.8	74,360.2

Reclassification to
Liabilities associated
with Assets held for
sale

SAG GEST – Soluções Automóvel Globais, SGPS, S.A. – Listed Company

Head Office: Estrada de Alfragide, nº 67 Amadora
Registered Share Capital: Eur 169,764,398.00

Registered in the Amadora Companies Registration Office

Single Tax Identification and Registration Number 503 219 886

Office: Alfrapark – Estrada de Alfragide, nº 67, Edifício SGC – Piso 2

2614-519 Amadora

Tel: 21 359 66 64

Fax: 21 359 66 74

b) Contractual Maturities

Contractual maturities of consolidated Bank Debt on 31 March 2019 are as follows:

	2018	2019	2020	2021	2022	Total
Loans	75,014.8	33,271.3	5,100.0	5,100.0	28,797.6	147,283.6
Reclassification to Asset Liabilities Assets Held for Sale	75,014.8					75,014.8
Total	0.0	33,271.3	5,100.0	5,100.0	28,797.6	72,268.9

c) Contractual Obligations (Covenants)

Additional contractual commitments, including the following, were assumed in respect of some of the debt indicated above:

1. Financial Covenants

Consolidated Financial Statements

- Dividend Distribution

Until the end of 2021, SAG Gest is obliged to distribute dividends of at least 50% of the amount of the consolidated net profit for the year, provided that, according to its Consolidated Financial Statements, the Equity to Total Assets ratio is at least 7.5%;

From 2022 onwards, SAG Gest is obliged to distribute dividends of at least 60% of the consolidated net profit for the year, provided that the value of its Consolidated Equity remains positive.

- Reimbursement of Supplementary Capital Payments

Until the end of 2019, SAG Gest is obliged to reimburse Supplementary Capital Payments performed by the Principal SA Shareholder up to an amount that allows, in accordance with its Consolidated Financial Statements, the Equity to Total Assets ratio to be equal to or greater than 7.5%, after this repayment.

After 2020, where the Net Debt to EBITDA ratio is lower than 2.5 times, SAG Gest is obliged to reimburse Supplementary Capital Payments performed by the Principal SA Shareholder, corresponding to an amount which ensures that (a) the Net Debt to EBITDA ratio does not exceed 2.5 times (b) and that the value of its Consolidated Equity is positive.

- Debt Limits

SAG Gest cannot contract additional bank debt in excess of Eur (000) 85,000.0.

- SAG Gest Financial Operations with the SGC – SGPS Shareholder

The balance of financial operations performed by SAG Gest with the SGC – SGPS Shareholder shall evolve as follows:

- From 2019 and until the end of 2021, the balance of financial operations may only be increased by the amount of capitalized interest and must be reduced by the amount of dividends distributed by SAG Gest that is received by the SGC – SGPS and SGC Investimentos Shareholders, less a maximum annual amount of Eur (000) 2,500.0;
- From 2022 onwards, said balance may only be increased by the amount of capitalized interest and must be reduced by the amount of dividends distributed by SAG Gest that is received by the SGC – SGPS and SGC Investimentos Shareholders, less an annual maximum value of Eur (000) 1,500.0;
- From same date, and provided that the Supplementary Capital Payments performed by the Principal SA Shareholder are fully reimbursed, reimbursement of the balance of financial

operations may also be reduced by the amounts required to finance the difference between (a) the amount obtained by the Principal SA Shareholder from the sale of its equity interest in the Unidas S/A Affiliate, and (b) the outstanding amount of the loan obtained by the Principal SA Shareholder to finance the acquisition of the Shares of the Unidas S/A Affiliate, for the amount of Eur (000) 100,500.0.

Separate Financial Statements of the SIVA Subsidiary

- Bank Debt shall not increase by more than Eur (000) 70,000.0.

2. Ownership

The SGC – SGPS Shareholder must hold at least 50.1% of Registered Share Capital and voting rights of SAG Gest

Dr. João Manuel de Quevedo Pereira Coutinho must hold a 99.8% interest in the Registered Share Capital and voting rights of the SGC – SGPS Shareholder.

3. Other

Maintenance of Import Contracts for the Brands Volkswagen, Audi and Škoda by the SIVA Subsidiary.

Negative Pledge – impossibility of selling or encumbering assets without the prior agreement of the Financial Institutions

Cross Default – any default by SAG Gest in any of the financing agreements implies default in all other financing agreements

Impossibility of performing Merger or Spin-Off operations without the prior consent by the Financial Institutions.

34. CREDITORS AND OTHER LIABILITIES – SUPPLIERS

As at 31 March 2019 and 31 December 2018, the balances of Suppliers are as follows:

Suppliers	Mar-19	Dec-18
Suppliers - Operational Activity	184,622.4	197,724.2
Suppliers - Vehicles under Buy-Back agreements	41,217.8	41,217.8
Total Suppliers	225,840.1	238,941.9
Reclassification to Liabilities associated with Assets held for sale	225,619.1	212,260.4
Total Suppliers	221.0	26,681.5

35. CREDITORS AND OTHER LIABILITIES – OTHER

As at 31 March 2019 and 31 December 2018, the balances of Creditors and Other Liabilities - Other are as follows:

Accounts Payable - Other	Mar-19	Dec-18
Dealer's Bonus and Support	5,468.5	4,640.9
Lending Contract	2,053.2	2,095.4
Warranty Extensions	951.2	2,330.8
Parts Reconditioning	574.2	-
Advances from Clients	249.7	250.0
Others	828.1	356.0
Accounts Payable - Other	10,124.8	9,673.1
Reclassification to Liabilities associated with Assets held for sale	10,084.6	9,632.9
Accounts Payable - Other	40.2	40.2

36. RELATED PARTY DISCLOSURES

For the purposes of the presentation of the SAG Gest's Consolidated Financial Statements, Related Parties are all Entities among which exists control capacity (i.e., they are exposed or entitled to variable income between them and have the capacity to influence such income), or the capacity to exercise a significant influence in financial and operational decision-making, as well as Shareholders and Corporate Bodies Members of those Entities.

In addition to the balances and transactions with the Entities included in consolidation, as disclosed in Note 3 – Consolidated Entities, which were eliminated in the process of preparing SAG Gest's Consolidated Financial Statements, there are other balances and transactions with Related Parties, as disclosed in the following table.

RELATED PARTY NON-CURRENT BALANCES				
Entity	Entity Nature	Transaction Nature	Mar-19	Dec-18
SGC – SGPS, SA	Shareholder	Treasury Operations	141,691.2	141,313.4
SGC – SGPS, SA	Shareholder	Impairties	(141,691.2)	(141,313.4)
Total Non-Current Balances			0.0	0.0

RELATED PARTY CURRENT BALANCES				
Entity	Entity Nature	Transaction Nature	Mar-19	Dec-18
SGC - SGPS, S.A.	Shareholder	Corporate Income Tax	1,159.7	1,159.7
Autolombos, Lda.	Affiliate	Treasury Operations	107.0	.8
Autolombos, Lda.	Affiliate	Provision of Services	2.6	-
Autolombos, Lda.	Affiliate	Shopping	1,544.1	2,571.7
		Advance payment for services rendered	721.3	721.3
Principal, S.A.	Related Party			
Vinair	Related Party	Shared Services	9.0	17.2
SGC - SGPS, S.A.	Related Party	Shared Services	4.0	4.0
Alfraparque - Sociedade Mobiliária, SA	Related Party	Shared Services	1.3	3.2
Total Current Balances - Assets			3,549.0	4,477.9
Reclassification for Assets Held for Sale			3,549.0	2,596.9
Total Current Balances - Assets			0.0	10,392.2
Autolombos, Lda.	Affiliate	Corporate Income Tax	18.8	32.8
Total Current Balances - Liabilities			18.8	32.8
Reclassification for Assets Held for Sale			-	-
Total Current Balances - Liabilities			18.8	32.8

Effective 31 March 2013, the balances of the SGC – SGPS Shareholder were recognized at their Amortized Cost as Non-Current Assets.

As 31 March, 18 an impairment of all amount was booked.

TRANSACTIONS WITH RELATED PARTIES				
Entity	Entity Natures	Transaction Nature	Period of 3 Months Ended on March 31	
			2019	2018
SGC – S.G.P.S., S.A.	Shareholder	Interest Runs	333.8	955.5
Autolombos, Lda.	Affiliate	Interest Runs	-	(0.2)
Autolombos, Lda.	Affiliate	Real Estate Management	0.0	25.1
Autolombos, Lda.	Affiliate	Purchasing and Acquisition of Services	7.7	1,333.0
Autolombos, Lda.	Affiliate	Provision of Services	(247.2)	(8,335.8)
Alfraparque - Sociedade Imobiliária, SA	Related Party	shared services	-	11.8
Alfraparque - Sociedade Imobiliária, SA	Related Party	Services Rendered	-	(175.3)

Transactions related to accrued interest (income) refer to interest associated with the financial investments indicated above, which are calculated using interest rates and other conditions equivalent to those in force in the market for similar transactions between unrelated parties acting in good faith.

37. ACCRUED EXPENSES

Accrued Expenses are disclosed in the following table.

Accrued Expenses	Mar-19	Dec-18
Dealer's Support	9,932.2	10,357.2
Payroll Expenses	3,063.6	2,513.1
Dealer's Bonus	2,622.5	1,412.5
Registers and Legalization	644.5	618.8
Financial expenses	476.8	-
Vehicles Taxes	420.0	418.2
Advertising	388.5	378.0
Used Vehicles Accrued Expenses	359.2	384.1
Maintenance Contracts	318.9	384.3
Real Estate Municipal Tax	292.0	2.0
Indemnities	248.1	354.4
Consulting	215.8	304.5
Bonus	187.1	215.7
Insurance	138.4	51.8
Dealers – Reimbursement of Warranty Expenses	129.3	412.8
Freight	117.6	122.5
Subcontracts	140.6	108.1
Auditing and Consulting	101.1	98.1
Facilities Rents	42.6	130.9
Repairs & Maintenance	34.0	24.0
Cars Preparation	26.5	84.3
Training	27.3	83.6
Interest Factory VW Belgium	-	912.2
Other Accrued Expenses	543.1	542.7
Total Accrued Expenses	20,511.4	19,914.1
Reclassification to Liabilities associated with Assets held for sale	20,019.0	19,375.7
Total Accrued Expenses	492.4	538.4

38. DEFERRED INCOME

Deferred Income is as follows:

Deferred Income	Mar-19	Dec-18
Vehicles – Billed Not Shipped *	5,016.6	7,515.5
Warranty Extensions	2,736.9	2,332.4
Mobility Service	157.4	153.8
Work in Progress	150.7	161.8
Buy-Back Deferred Income **	96.0	207.6
Parts	2.5	54.8
Vehicle Commercial Incentives in Inventory	1.0	145.7
Other Deferred Income	514.1	48.3
Total Deferred Income	8,675.2	10,619.9
Reclassification to Liabilities associated with Assets held for sale	8,675.2	10,619.9
Total Deferred Income	-	-

* As disclosed in Note 2.5.1.1 a) i – Deferred Income – Billed Not Shipped.

** As disclosed in Note 2.5.1.1 a) ii. – Deferred Income – Buy Back Transactions.

The value of Undelivered Invoiced Vehicles represents the amount of vehicles already invoiced to Customers, but not yet delivered. For this reason, this invoicing value is not included in the Income from Activities

The value under the heading of Warranty Extensions reflects the income to be recognized as inherent to the services of extension of guarantees for vehicles sold that the SIVA Subsidiary began to provide, in accordance with Note 5 - Other Operating Income.

39. RENTALS AND OPERATING LEASES

Rentals and Leases as Lessee

In the development of its regular activities, SAG Gest assumed liabilities connected with the lease of real estate and the operating lease of vehicles.

The table below disclose future liabilities in respect of rental payments, considering the values agreed upon in the contracts in force on 31 March 2019.

The duration of real estate lease agreements ranges from 1 to 36 months, and the duration of operating lease agreements for vehicles ranges from 1 to 43 months.

Year	Property Rentals		Vehicle Rentals	
	Number of Contracts	Amounts Payable	Number of Contracts	Amounts Payable
2019	11	1,562.1	26	126.5
2020	2	204.6	40	69.1
2021	1	200.1	6	21.3
2022	1	50.0	6	-
Total		2,016.8		216.9

40. FINANCIAL INSTRUMENTS

On 31 March 2019 and on 31 December 2018, as defined by IAS 39 – Financial Instruments: Recognition and Valuation, the book value of each category of Financial Assets and Liabilities was recognized as disclosed in the following table.

31-Mar-19	Notes	Assets / Liabilities amortized Cost	Assets / Liabilities Fair value by results	Total
Non-Current Assets Recognized at Amortized Cost				
Accounts Receivable - Related Parties	25 e 36	.0	-	.0
Current Assets				
Accounts Receivable - Trade Customers	24	15.1	-	15.1
Accounts Receivable - Related Parties	25 e 36	-	-	-
Accounts Receivable - Other	26	36.2	-	36.2
Term Deposits	30	2,146.0	-	2,146.0
Cash and Cash Equivalents	30	1,394.7	-	1,394.7
Sub-total Current Assets		3,592.1	-	3,592.1
Non-Current Liabilities Recognized at Amortized Cost				
Bank Loans	33	38,997.6	-	38,997.6
Current Liabilities				
Bank Loans	33	33,271.3	-	33,271.3
Accounts Payable - Trade Suppliers	34	221.0	-	221.0
Accounts Payable - Other	35	40.2	-	40.2
Sub-total Current Liabilities		33,532.5	-	33,532.5
Total		72,530.1	-	72,530.1

31-Dez-2018	Notes	Loans and Other Receivables	Other Financial Liabilities	Total
Non-Current Assets Recognized at Amortized Cost				
Accounts Receivable - Related Parties	25 e 36	.0	-	.0
Current Assets				
Accounts Receivable - Trade Customers	24	188.7	-	188.7
Accounts Receivable - Related Parties	25 e 36	1,881.1	-	1,881.1
Accounts Receivable - Other	26	36.2	-	36.2
Term Deposits	30	2,146.0	-	2,146.0
Cash and Cash Equivalents	30	1,254.2	-	1,254.2
Sub-total Current Assets		5,506.1	-	5,506.1
		5,506.1	-	5,506.1
Non-Current Liabilities Recognized at Amortized Cost				
Bank Loans	33	38,997.6	-	38,997.6
Current Liabilities				
Bank Loans	33	33,319.7	-	33,319.7
Accounts Payable - Trade Suppliers	34	26,681.5	-	26,681.5
Accounts Payable - Other	35	40.2	-	40.2
Sub-total Current Liabilities		60,041.4	-	60,041.4
Total		99,039.0		99,039.0

41. COMMITMENTS AND CONTINGENCIES

a) Guarantees

- b) On 31 March 2019, there are bank guarantees provided by unrelated third parties in favor of Entities included in consolidation, for the total amount of Eur (000) 35,972.8 (Eur (000) 36,117.2 as at 31 December 2018), as stated in the following table.

Entities	Mar-19	Dec-18
Dealers	35,172.8	35,422.8
Used Vehicles	400.0	400.0
Others	150.0	150.0
Total	35,722.8	35,972.8

- i. The liability of Entities included in consolidation in respect of bank guarantees provided, at their request, by unrelated third parties, was Eur (000) 166,144.6 on 31 March 2019 (Eur (000) 166,182.9 on 31 December 2018), as stated in the following table.

Entities	Mar-19	Dec-18	Reclassification to Liabilities associated with Assets held for sale	
			Mar-19	Dec-18
VW / Audi	135,956.7	135,956.7	135,956.7	135,956.7
Alfândega	15,100.0	15,100.0	15,100.0	15,100.0
Skoda	5,500.0	5,500.0	5,500.0	5,500.0
VW Bank Portugal	7,000.0	7,000.0	7,000.0	7,000.0
Atlantsider	1,000.0	1,000.0	0.0	0.0
Bentley	307.7	307.7	307.7	307.7
Ministério da Administração Interna	221.0	221.0	221.0	221.0
Lamborghini	163.5	163.5	163.5	163.5
Estado Maior do Exército	134.4	134.4	134.4	134.4
Guarda Nacional Republicana	130.4	130.4	130.4	130.4
Soc. C.Obras Gerais	121.3	121.3	121.3	121.3
Autoridade Tributária e Aduaneira	103.3	103.3	103.3	103.3
Polícia de Segurança Pública	83.9	83.9	83.9	83.9
Polícia Judiciária	60.6	60.6	60.6	60.6
Seat	50.0	50.0	50.0	50.0
Tribunal do Trabalho de Lisboa	43.3	43.3	43.3	43.3
INEM	0.0	38.3	0.0	38.3
Câmara Municipal Lisboa	43.2	43.2	43.2	43.2
Câmara Municipal de Sintra	26.2	26.2	0.0	0.0
REN	22.3	22.3	22.3	22.3
Juiz 1ª Secção Lisboa	22.0	22.0	22.0	22.0
SEF	15.2	15.2	15.2	15.2
EDP	4.7	4.7	4.7	4.7
Dir Geral do Patrim. Gov. Regional	9.3	9.3	9.3	9.3
Município de Ourém	6.7	6.7	6.7	6.7
CTT	6.4	6.4	6.4	6.4
Município de Almada	6.1	6.1	6.1	6.1
Petrogal	3.7	3.7	3.7	3.7
Vimãgua	2.8	2.8	2.8	2.8
Total	166,144.6	166,182.9	165,118.4	165,153.9

- ii. As disclosed in Note 33 – Loans and Note 36 - Related Party Disclosures, the SGC – SGPS Shareholder provides guarantees in respect of bank loans contracted by SAG Gest or its Subsidiaries for a total amount of Eur (000) 90,721.4.
- iii. As disclosed in Note 33 – Bank Loans, as guarantee for the full payment of the liabilities associated with Loans with a nominal value of Eur (000) 31,200.0 and Eur (000) 17,997.6, the first and second pledge were established, respectively, over all of the Units representing the Capital of the Imocar Real Estate Investment Fund.
- iv. Also, as disclosed in Note 33 – Bank Loans, the first pledge was established over the following securities to ensure full payment of liabilities associated with the Loan of Eur (000) 17,997.6:
 - a) 64,494 Shares representing 77% of the Share Capital of the Loures Automóveis Subsidiary
 - b) 1,100,000 shares representing the total share capital of the Rolporto Subsidiary
 - c) 30,000 Shares representing 60% of the Share Capital of the Rolvia Subsidiary
 - d) 5,000,000 Shares representing the total Share Capital of the SIVA Subsidiary
 - e) 50,000 Shares representing the total Share Capital of the Soauto SGPS Subsidiary
 - f) 444,504 Shares representing the total Share Capital of the Soauto SA Subsidiary
 - g) Shares representing 40% of the share capital of the Autolombos Affiliate
- v. Also, as disclosed in Note 33 – Bank Loans, to guarantee full payment of the liabilities relating to the Current Account of Eur (000) 17,500.0, a first pledge was established over 50,000 shares representing the entire Share Capital of SIVA Defleet, SA and over the balance of the SIVA Bank Account where amounts for Incentives to the import business awarded by the Manufacturers sold by SIVA are received. The SIVA Subsidiary has furthermore committed to performing early repayment of the loans for the amounts received as incentives from VW AG and for amounts arising from sales of vehicles which are part of the inventory of SIVA Defleet, S.A.

SAG GEST – Soluções Automóvel Globais, SGPS, S.A. – Listed Company

Head Office: Estrada de Alfragide, nº 67 Amadora
 Registered Share Capital: Eur 169,764,398.00
 Registered in the Amadora Companies Registration Office
 Single Tax Identification and Registration Number 503 219 886
 Office: Alfrapark – Estrada de Alfragide, nº 67, Edifício SGC – Piso 2
 2614-519 Amadora
 Tel: 21 359 66 64
 Fax: 21 359 66 74

- vi. Also, as disclosed in Note 33 – Bank Loans, to guarantee full payment of the liabilities relating to the Current Account of Eur (000) 20,000.0, a first pledge was established over 50,000 shares representing the entire Share Capital of the Subsidiary SIVA Defleet, SA.
- vii. Sag Gest and the SIVA Subsidiary have a set of Term Deposits totaling Eur (000) 11,871.5, which are pledged to meet certain liabilities contracted by the SIVA Subsidiary:

Maturity	Liability Guaranteed	Value of Deposit (Eur mil)	Reclassification to Liabilities associated with Assets held for sale	Total
Jun-2019	Bank Guarantee to Skoda	5,500.0	5,500.0	0.0
Jun-2019	Financing Agreements and Bank Guarantee to VW and Audi	6,096.0	6,096.0	0.0
Without a fixed term	Bank Guarantee to Ministério da Administração Interna	134.4	134.4	0.0
Without a fixed term	Bank Guarantee to Ministério da Administração Interna	119.2	119.2	0.0
Without a fixed term	Bank Guarantee to Estado Maior do Exército	10.1	10.1	0.0
Without a fixed term	Bank Guarantee to REN Portugal Distribuição	9.0	9.0	0.0
Without a fixed term	Bank Guarantee to Vimãgua	2.8	2.8	0.0
		11,871.5	11,871.5	-

c) Contingencies

- i. The Portuguese Tax Authorities issued additional assessment notices to SAG Gest and other Entities included in consolidation in respect of Corporate Income Tax and Surtax (Derrama) for the years 1999 to 2010, in the amount of Eur (000) 4,166.0, as follows:

Amount of Income Tax and Spill			
March 31, 2019		December 31, 2018	
Year	Claimed Values	Year	Claimed Values
1999	888.0	1999	888.0
2001	633.6	2001	633.6
2002	552.0	2002	552.0
2003	430.9	2003	430.9
2004	367.7	2004	367.7
2008	384.3	2008	384.3
2009	19.4	2009	19.4
2010	890.0	2010	890.0
2011	-	2011	25.4
Total	4,165.9		4,191.3

The applicable Entities disagree with the basis for the issuance of these additional assessment notices and the corrections to Taxable Income, and have initiated legal proceedings, within the legal terms, in relation to each assessment notice. The above amounts are not referred to as costs in the Consolidated Financial Statements as of 31 March 2019.

As disclosed in Note 16 – Income Tax, and in accordance with the exceptional debt settlement regime approved on 31 October 2013, SAG Gest paid the amounts of the ongoing legal proceedings, releasing the Bank Guarantees presented within the scope of such proceedings, in the amount of Eur (000) 6,327.2. However, the relevant Entities have not changed their views in respect of the additional assessments, and therefore the legal proceedings remain on their normal course.

In 2018, a decision favorable to SAG Gest was rendered in relation to the lawsuit concerning the year 2011, and the previously claimed amount of Eur (000) 25.4 was reimbursed.

The basis used by the Portuguese Tax Authorities for the issuance of the above additional assessment notices related to the years 1997 to 2007 are substantially and materially identical to those used in the previous additional assessment notice in respect of the years 1997 and 1998, and the opinion of

Management also is additionally supported by the final court ruling issued in favor of SAG Gest, on 9 March 2010 by the Southern Central Administrative Court in respect of the challenge to the additional assessment for the years 1997 and 1998.

The Board of Directors opinion, based on opinions issued by its Lawyers, the likelihood of a successful outcome in the above challenges is high, and therefore no provisions have been recognized in respect of these issues.

- ii. SAG Gest submitted refund requests related to Advanced Corporate Income Tax (*IRC*) Payments of Eur (000) 1,399.5 performed in 2007, 2008 and 2009 which were not utilized due to the fact that taxable income in respect of the years 2007 to 2014 was not sufficient. The detail of such Advanced Income Tax Payments is disclosed in the following table:

Year	Amount	Submission Date
2007	696.7	29 August 2012
2008	464.6	14 August 2013
2009	238.2	25 July 2014
Total	1,399.5	

The Tax Authorities rejected such PEC refund requests. SAG Gest does not agree with the basis provided for such rejections, and therefore filed appeals whose decisions are pending.

In the opinion of the Board of Directors, supported by opinions issued by its Lawyers, the likelihood of a successful outcome in such appeals is high, and therefore no provision was recognized in respect of such amounts.

- iii. The Portuguese Tax Authorities issued in 2014 a high number of additional assessment notices to the SIVA Subsidiary for the payment of Road Tax. The SIVA Subsidiary disagrees with the basis for the issuance of said notices and has initiated several judicial review proceedings.

Two of these proceedings are currently under way, one involving 200 additional assessment notices for the payment of tax of Eur (000) 36.3 and another involving 332 additional assessment notices of Eur (000) 62.1.

The Board of Directors' opinion is that the SIVA Subsidiary has a high probability of success, based on previous proceedings, which are in every aspect similar to the current ones, that had a favorable outcome for the SIVA Subsidiary.

- iv. The Portuguese Tax Authorities issued in 2018 an additional tax assessment notice to the SIVA Subsidiary in respect of the 2014 Stamp Tax to the SIVA Subsidiary for Eur (000) 919.3. The SIVA Subsidiary disagreed with the basis for the issuance of said notice and has initiated legal proceedings, after making the payment of the tax claimed by the Tax Authorities.
- v. Following the agreements executed at the time of the capital increase of the Unidas S/A Affiliate, that was subscribed in full by three Brazilian Investment Funds on 13 July 2011, SAG Gest assumed liability in respect of existing contingencies originated before to the date of such operation, which may include tax proceedings still in progress, as stated below:
- On 21 May 2009, the Brazilian Federal Revenue Service issued a notice of infringement to the Unidas S/A Affiliate in respect of Corporate Income Tax and Social Contribution on Net Profits (*Contribuição Social Sobre o Lucro Líquido*) mainly related to the tax deductibility of goodwill amortization during the years 2004 and 2007. The total adjusted amount of this contingency is R\$ (000) 55,999 on 31 March 2019 (R\$ (000) 54,401 on 31 December 2018).
 - On 11 March 2014, the Brazilian Federal Revenue Department issued a notice of infringement to the Unidas S/A Affiliate in respect of Corporate Income Tax and Social Contribution on Net Profits, mainly related to deductibility of the amortization of goodwill and expenses from swap

contracts in 2009, for a total adjusted amount of R\$ (000) 33,384 on 31 March 2019 (R\$ (000) 32,147 on 31 December 2018).

Unidas S/A disagreed with the basis for issuance of said infraction notices, filed administrative challenges within the applicable legal deadlines in relation to both of the aforementioned notices, which are awaiting trial.

However, in the opinion of such Affiliate's, supported by opinions issued by its Legal Advisers, the risks of loss are only classified as possible in the final instance of said proceedings. As such, no provision was recognized in respect of this risk in the year ended 31 March 2019 or in the three months ended 31 March 2018. On the date of issuance of the Affiliate Unidas S/A's Financial Statements and the preparation of SAG Gest's Consolidated Financial Statements, the mentioned legal proceedings were pending. SAG Gest Board of Directors has been monitoring the progress of these proceedings.

SAG Gest sold its entire interest in Unidas S/A to the Principal SA Shareholder in December 2015. The respective Share Purchase Agreement provides that SAG Gest remains responsible for the above contingencies.

In December 2016, the above-mentioned Brazilian Investment Funds transferred a portion of their holding, representing 20% of the Share Capital of the Unidas S/A Affiliate, to Enterprise Holdings International, consequently transferring the same proportion of their rights to seek compensation from SAG Gest in relation to these contingencies.

In December 2018, Brazilian Investment Funds renounced their rights against SAG GEST, related with contingencies originated by the facts occurred before 2011. These renounces become irrevocable in 9 March 2019.

Consequently, SAG Gest only remains contractually responsible in respect of contingencies originated by facts the occurred before 2011 that were transferred to Enterprise Holdings International on March 2016. This entity holds an indirect participation of Unidas S/A of approximately 11%.

- vi. Awaits a decision of the Arbitral Tribunal in Brazil, a case requested by the selling entity of Unidas Rent-a-Car to SAG Gest in 2001, regarding access to funds deposited in escrow account, constituted within the scope of the mentioned acquisition. Although we consider that a favorable decision of the Arbitral Tribunal is expected, even if the claim is upheld, it will not have an impact on SAG's financial position, since the case in dispute refers to the decision on who reverts the escrow account balances.

42. SUBSEQUENT EVENTS

On April 15, 2019, the operating activity of the LGA Subsidiary was transferred to the Subsidiary SIVA, which thus covers all activities related to the preparation of vehicles.

Without prejudice to the mention above, there were no other subsequent events to the reporting date that may have a significant impact or require disclosure in the Consolidated Financial Statements of SAG Gest referred to 31 March 2019.