

F U N D A Ç Ã O



Instituição de utilidade pública

Institution of public utility

ANNUAL REPORT 2017

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- II - BALANCE SHEET, STATEMENT of INCOME, CASH FLOW
and respective ANNEX**
- III - FISCAL BOARD REPORT and OPINION**
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S. Mamede do Coronado, March 2018

F U N D A Ç Ã O

Bial

I - ACTIVITIES AND MANAGEMENT REPORT

ACTIVITIES AND MANAGEMENT REPORT

In the activity developed by the Bial Foundation along the year of 2017 we would like to point out the following actions:

BIAL AWARD 2016

The Ceremony of the Bial Award 2016, presided by the President of the Portuguese Republic, Prof. Marcelo Rebelo de Sousa, took place at the Rectory of NOVA University Lisbon, on the 21st April 2017. To this edition 29 works were presented, from a total of 117 authors, from 6 countries.

The Jury, constituted by Professors António Sousa Guerreiro (President), João Cerqueira (School of Medicine, University of Minho), Ana Félix (Faculty of Medical Sciences, NOVA University Lisbon), Maria Dulce Madeira (Faculty of Medicine, University of Porto), José Martinez de Oliveira (Faculty of Health Sciences, University of Beira Interior), José Melo Cristino (Faculty of Medicine, University of Lisbon), Joaquim Murta (Faculty of Medicine, University of Coimbra), Isabel Palmeirim (Department of Biomedical Sciences and Medicine, University of the Algarve) and António Sousa Pereira (Abel Salazar Institute for the Biomedical Sciences, University of Porto), awarded the Bial Merit Award in Medical Sciences to the work "EpiReumaPt - Estudo Epidemiológico das Doenças Reumáticas em Portugal", from Professors Jaime da Cunha Branco, Pedro Simões Coelho, Jorge M. Mendes, Helena Canhão and Drs. Ana Maria Rodrigues, Nélia Gouveia, Mónica Eusébio, Sofia Ramiro, Pedro Machado, Pedro Laires, Viviana Tavares, Ana Filipa Mourão, Inês Silva, Filipe Araújo, Alexandre Sepriano, Rute de Sousa and Susana Sousa.

The Bial Award in Clinical Medicine was awarded to "Pé Di@bético - soluções para um grande problema", from Dr. Maria de Jesus Dantas.

Two Honourable Mentions were awarded: "Cancer immunotherapy: changing the paradigm)", from Prof. Bruno Silva Santos, and "Changing the paradigm of osteoporotic fracture prevention in Portugal. From national evidence to clinical

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practice and guidelines”, from Prof. José António Pereira da Silva and Nurse Andréa Ascensão Marques.

“PRÉMIO BIAL DE MEDICINA CLÍNICA” AND BIAL AWARD IN BIOMEDICINE

In 2017, in order to extend the scope of the BIAL Foundation’s activity and to recognize the most notable and relevant discoveries in the biomedical area, the BIAL Foundation decided to create the BIAL Award in Biomedicine. This new award, conceded in the odd years, worth three hundred thousand Euros and aims to recognize a published work of biomedical nature with high quality results and scientific relevance. The works proposed by the members of the Jury and by other institutions, to be indicated in due course, are candidates. The first edition of this new award will take place in 2019 and the works will be evaluated by an international jury, presided by Prof. Fernando Lopes da Silva.

The BIAL Award in Biomedicine has the support of the President of the Portuguese Republic, the Council of Rectors of the Portuguese Universities and the European Medical Association.

This new Award will alternate each year with the “Prémio BIAL de Medicina Clínica”, conceded in the even years, which maintains its objective of distinguishing an original work on any medical topic on clinical practice and in which at least one of the authors must be a native physician of a Portuguese-speaking country. It worth one hundred thousand Euros.

The Jury of the 2018 edition of the “Prémio BIAL de Medicina Clínica” will be constituted by Professors Manuel Sobrinho Simões (President), João Cerqueira (School of Medicine, University of Minho), Ana Félix (Faculty of Medical Sciences, NOVA University Lisbon), Maria Amélia Ferreira (Faculty of Medicine, University of Porto), José Melo Cristino (Faculty of Medicine, University of Lisbon), Pedro Leão Neves (Department of Biomedical Sciences and Medicine, University of the Algarve), António Sousa Pereira (Abel Salazar Institute for the Biomedical Sciences, University of Porto), Luís Taborda Barata (Faculty of Health Sciences, University of Beira Interior) and Duarte Nuno Vieira (Faculty of Medicine, University of Coimbra).

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ONGOING GRANTS FOR SCIENTIFIC RESEARCH

Considering the sixty-three projects which have received support in the biennium 2010/11, we would like to point out that only one has not yet presented final results. All projects supported with grants before the year 2000 are already finished.

Concerning the seventy-three projects which have received support during the period 2012/13, only seven projects have not yet presented their final report.

As far as the seventy-six projects which have received support in the biennium 2014/15, we would like to point out that twenty-four final reports were already received.

Regarding the seventy-five projects which have received support in the biennium 2016/17, the progress reports already received show a satisfactory development of the in-course work.

In general, the final results of the finished projects justify the continuity of this programme by the Foundation.

During the Bial Foundation's 12th Symposium, the interim or final results of some dozens of the supported works will be publicly presented.

THE SYMPOSIUM "BEHIND AND BEYOND THE BRAIN"

The preparations for the organisation of the Bial Foundation 12th Symposium "Behind and Beyond the Brain", which will take place from the 4th to 7th April 2018, at Casa do Médico, in Porto, are in course.

The Organizing Committee, presided by Professor Axel Cleeremans (Brussels), is constituted by Professors Etzel Cardéña (Lund), Miguel Castelo-Branco (Coimbra), Rui Costa (New York and Lisbon), Rainer Goebel (Maastricht), Mário Simões (Lisbon) and Caroline Watt (Edinburgh).

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The theme of the 12th Symposium "Behind and Beyond the Brain" focus on "Enhancing the Mind". From doping to brain training, from meditation to brain stimulation, the idea that the mind can be enhanced so as to increase cognitive capacity, well-being, or health is now a major research endeavour that engages different disciplines in a reflection about the relationships between the mind and the body and about the ethical implications of attempts to go beyond what is naturally possible. The 12th Symposium of the BIAL Foundation "Behind and Beyond the Brain" gathers some of the most prominent scientists and philosophers in this broad, controversial domain so that they can share their ideas and findings and discuss their implications in a resolutely interdisciplinary setting.

Remarkable European and North American speakers have accepted to participate: Mattia Bergomi (Lisbon), Etzel Cardeña (Lund), Jose Carmena (Berkeley, California), Christopher Chabris (Lewisburg, Pennsylvania), Anjan Chatterjee (Philadelphia, Pennsylvania), Lorenza Colzato (Leiden), Gonzalo de Polavieja (Lisbon), Torkel Klingberg (Stockholm), Antoine Lutz (Lyon), Jean-Noël Missa (Brussels), Rui Oliveira (Lisbon), Tania Re (Genova), Jordi Riba (Barcelona), Alexander Sack (Maastricht), Olga Silva (Lisbon), Nuno Sousa (Minho) and Yulia Ustinova (Negev).

The 2018 Symposium follows the same general scheme as that of previous Symposia. In the opening session, with Axel Cleeremans as moderator, Lorenza Colzato will deliver the key-note lecture, under the title "Enhancing brain and cognition: A theory-driven approach". In the morning of the next 3 days 3 sessions will take place. The first will be dedicated entirely to cognitive enhancement, the second will explore amplified states of consciousness, and the third will be dedicated to collective intelligence and to interactions between brain and machine.

The Symposium is also a Forum where the BIAL Foundation supported researchers who have recently finished their projects will publicly present their results in poster sessions and in the form of oral communications in blitz sessions moderated by Mário Simões, where all participants are invited to actively debate the themes of the Symposium with the lecturers. In addition there will be four parallel Workshops (W), namely W1 on "Wise plants", moderated by Mário Simões, W2 on "Meditation",

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moderated by Etzel Cardeña, W3 on "Impact of AI in science, organization and the arts", moderated by Nuno Sousa, and W4 on "Neurostimulation - a new tool for neuroenhancement?", moderated by Miguel Castelo-Branco.

ACKNOWLEDGEMENTS

We wish to thank the valuable collaboration given to Bial Foundation by every member of the Scientific Board and the Screening Committee of the Bial Award, by the University of Porto, by B.P.I. - Banco Português do Investimento, as well as the courtesy of the Portuguese College of Physicians and Surgeons.

The same acknowledgement is addressed to the members of the Fiscal Board.

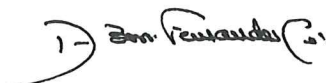
Finally, we must express with great recognition the efficient support that was given to us by Drs. Paula Guedes, António Branco da Costa and Sylvie Marinho.

Coronado (S. Romão e S. Mamede), 15th March 2018

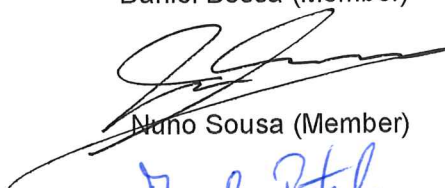
The Board of Directors



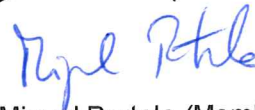
Luís Portela (Chairman)



Daniel Bessa (Member)



Nuno Sousa (Member)



Miguel Portela (Member)



Pedro Teixeira (Member)

F U N D A Ç Ã O

Bial

**II - BALANCE SHEET, STATEMENT of INCOME, CASH
FLOW and respective ANNEX**

F U N D A Ç Ã O

Bial


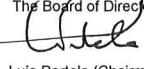
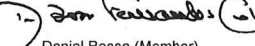



Instituição de utilidade pública

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FUNDAÇÃO BIAL

BALANCE SHEET 2017.12.31

Amounts in €

ASSETS	Notes	DATES	
		2017.12.31	2016.12.31
NON-CURRENT ASSETS:			
OTHER FINANCIAL INVESTMENTS	9	22 225	22 225
		22 225	22 225
CURRENT ASSETS:			
SHORT-TERM DEPOSITS	4	14 176	6 344
M/L-TERM DEPOSITS	4	7 250 000	6 865 000
DEFERRALS			
- Accrued income	6	60	911
- Deferred costs	6	2 960 706	4 792 889
		10 224 942	11 665 143
		10 247 167	11 687 368
CAPITAL FUND AND LIABILITIES			
CAPITAL FUND			
FOUNDER MEMBERS' APPROPRIATION	7	2 750 000	2 750 000
RETAINED EARNINGS		4 107 479	2 984 541
DONATIONS	9	22 225	22 225
PROFIT /(LOSS) FOR THE PERIOD		387 270	1 122 937
TOTAL CAPITAL FUND		7 266 974	6 879 704
LIABILITIES			
CURRENT LIABILITIES			
SUPPLIERS		14 457	2 072
STATE AND OTHER PUBLIC ENTITIES		3 539	11 404
OTHER PAYABLES	8	2 958 596	4 793 689
ACCRUALS		3 601	500
TOTAL LIABILITIES		2 980 193	4 807 665
TOTAL CAPITAL FUND AND LIABILITIES		10 247 167	11 687 368
<div> <div> The Certified Accountant  Branco da Costa </div> <div> The Board of Directors  Luís Portela (Chairman)  Daniel Bessa (Member)  Nuno Sousa (Member)  Miguel Portela (Member)  Pedro Teixeira (Member) </div> </div>			

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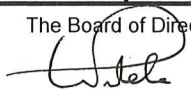
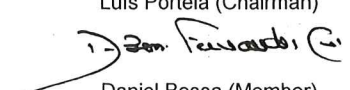
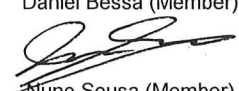
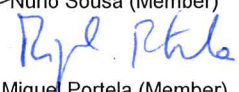
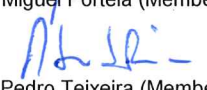
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FUNDAÇÃO BIAL
INCOME STATEMENT BY NATURE

For the year ended 2017.12.31

Amounts in €

INCOME AND EXPENSES	Notes	DATES	
		2016	2015
DONATIONS	10	2 550 250	2 550 000
THIRD PARTY SUPPLIES AND SERVICES RENDERED			
Conferences		-70	-51 112
Other services		-102 629	-58 450
OTHER INCOME			
Other income		6 957	17 291
OTHER EXPENSES			
Grants for scientific research	11	-1 750 836	-1 318 506
Bial award	12	-320 000	0
Others		-584	-20 500
Results before depreciation, financial expenses and taxes		383 088	1 118 723
Operating results (before financial expenses and taxes)		383 088	1 118 723
FINANCE INCOME	13	4 182	4 214
FINANCE COSTS			
Profit / (loss) before tax		387 270	1 122 937
Profit / (loss) for the period		387 270	1 122 937

<p>The Certified Accountant</p> <p></p> <p>Branco da Costa</p>	<p>The Board of Directors</p> <p></p> <p>Luís Portela (Chairman)</p> <p></p> <p>Daniel Bessa (Member)</p> <p></p> <p>Nuno Sousa (Member)</p> <p></p> <p>Miguel Portela (Member)</p> <p></p> <p>Pedro Teixeira (Member)</p>
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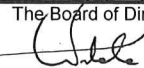
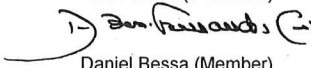
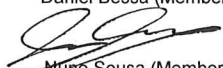
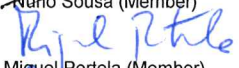
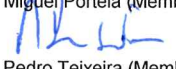
F U N D A Ç Ã O

Bial

Instituição de utilidade pública

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FUNDAÇÃO BIAL**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017**

	2017	2016
OPERATING ACTIVITIES:		
Receipts from customers and users	0	17 291
Payments of allowances	0	-20 500
Payments of grants	-2 070 836	-1 318 506
Payment to suppliers	-85 801	-96 858
Payments to employees		
Cash generated by operations	-2 156 637	-1 418 573
(Payment) / reimbursement of corporate income tax	-5 814	0
Other (payments) / proceeds relating to the operating activity	-2 162 451	-1 418 573
Net cash from operating activities (1)	-2 162 451	-1 418 573
INVESTING ACTIVITIES		
Disbursement for:		
Tangible assets		
Intangible assets		
Financial investments		
Other		
Proceeds from:		
Tangible assets		
Intangible assets		
Financial investments		
Other		
Donations	2 550 250	2 550 000
Interest and similar income	5 033	4 678
Dividends	0	0
Net cash used in investing activities (2)	2 555 283	2 554 678
FINANCING ACTIVITIES		
Proceeds from:		
Bank loans		
Equity and other components of equity increases		
Coverage of previous years' losses		
Donations		
Other		
Disbursements for:		
Bank loans		
Interest and related expenses		
Dividends		
Equity and other components of equity decreases		
Other		
Net cash used in financing activities (3)		
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)	392 832	1 136 105
Foreign exchange effect		
Cash and equivalents at the beginning of the period	6 871 344	5 735 239
Cash and equivalents at the end of the period	7 264 176	6 871 344
<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p>The Certified Accountant</p> <p></p> <p>Branco da Costa</p> </div> <div style="width: 50%;"> <p>The Board of Directors</p> <p></p> <p>Luís Portela (Chairman)</p> <p></p> <p>Daniel Bessa (Member)</p> <p></p> <p>Nuno Sousa (Member)</p> <p></p> <p>Miguel Portela (Member)</p> <p></p> <p>Pedro Teixeira (Member)</p> </div> </div>		

NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31st DECEMBER 2017

(Translation of the original document issued in Portuguese)

1. INTRODUCTION

The Bial Foundation was established in 1994 in order to encourage the scientific study of the human being, both physically and spiritually. To achieve its goal, the Foundation establishes awards intended to reward scientific research with particular emphasis on medical research. The Foundation manages a system of grants for scientific research and promotes other projects with similar goals.

The Foundation's head office is located at À Avenida da Siderurgia Nacional, Coronado (S. Romão and S. Mamede), Trofa.

2. ACCOUNTING FRAMEWORK UTILISED IN THE PREPARATION OF FINANCIAL STATEMENTS

The notes which were not included in the Appendix are not applicable or their presentation is not relevant to understand the financial statements.

There are no accounts in the balance sheet or in the income statements whose contents are not comparable with those of the previous year.

3. MAIN ACCOUNTING POLICIES

The financial statements were prepared in Euros, in accordance with the accounting principles defined in "Sistema de Normalização Contabilística" applicable to Foundations. The financial statements have been prepared in accordance with the going concern, accruals, consistency of presentation, materiality and aggregation, non-compensation and comparative information basis.

Donations

Donations are made by the Founder Members as well as by third parties and are fully recognized as income in the year which they are received.

Grants for scientific research

Grants for scientific research awarded to researchers are initially recorded as liabilities (other payables) and deferred over the period of the contract grants (deferred costs), being recognized as an expense on the date of each payment.

Awards

Awards are recognized as an expense on the payment date.

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Taxes

The Bial Foundation is exempt from Corporate Taxes (IRC) concerning income attributable to categories B, E, F and G of the CIRC (Income Coprparet Tax Code).

The exemption dates was been given on 1998.03.24 and is dependent on compliance with the requirements established in clauses a), b) and c) of no.3 article 10 of CIRC.

4. CASH FLOWS

The bank deposits are intended to comply with future commitments, including the payment of grants for scientific research.

The amount available in the short-term is €14.176 and the bank deposits bearing interest amount to €7.250.000.

The liability with respect to grants for scientific research totals €2.958.596 (note 8).

5. ACCOUNTING POLICIES, CHANGES IN ACCOUNTING ESTIMATES AND ERRORS

There are no relevant changes to accounting policies in relation to 2016.

As a result of the transposition into national law of Directive 2013/34 EU of the European Parliament and the Council, dated 26th of June 2013, through the publication of the Decree-Law No. 98/2015, dated 2nd of June, there were changes in the NCRF that have mandatory application for fiscal years beginning on or after January 1, 2016. From the application of these standards no material impacts were identified for the Foundation's financial statements.

No changes to accounting estimates have been recorded with respect to the current period nor are expected to occur in future periods.

No material error has been recorded in respect of previous periods.

6. ACCRUALS AND DEFERRALS

Accruals and deferrals (assets) include: €60 related to interest receivables - time deposits existing on 31 December 2017, the corresponding calculation resulting from the economic periodization of the financial year.

The deferred costs (€2.960.706) comprise the commitment undertaken by the Foundation with respect to grants for scientific research to be paid in future financial years (€2.958.596) and to other expenses (€2.110).

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7. FOUNDER MEMBERS' APPROPRIATION

The founder members' appropriation is €2.750.000, corresponding to donations from BIAL - Portela & C^a, S.A. and from the Chairman of the Governing Board, Dr. Luís Portela.

8. OTHER PAYABLES

The caption other payables (€2.958.596) corresponds to the total amount to be paid to supported researchers in future financial years, which are related to grants for scientific research awarded.

There are no debts to third parties for over five years.

There are no debts to third parties covered by valuable securities provided by the company.

There are no guarantees given by the Foundation.

9. OTHER FINANCIAL INVESTMENTS

The Foundation has received in 2014, as a donation, works of art that have been evaluated by external entities in the amount of € 22.225.

10. DONATIONS

Donations have been received from the Chairman of the Board, Dr. Luís Portela, and from the Bial – Portela & C^a, S.A.

11. GRANTS FOR SCIENTIFIC RESEARCH

In 2017, the Foundation provided grants in the amount of €1.750.836 to supported researchers from around the world to undertake scientific research projects which have been approved in the last few years and developed during the year.

12. BIAL AWARD

The Foundation has given the BIAL Award in 2017, amounting to €320.000.

13. FINANCIAL INCOME

When the Foundation has cash surplus funds it constitutes financial investments during the year, which are bearing interest recorded under this heading.

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14. SOCIAL BODIES

The members of the Board of Directors and of the Fiscal Board are not remunerated.

No loans are made to members of social bodies.

15. SUBSEQUENT EVENTS

No events have occurred between the end of the reporting period and today which may influence the presentation and disclosures of the current financial statements.

The Board believes that the financial information and disclosures are sufficient for understanding the financial position in 2017 and the results for the year then ended.

Trofa, March 15, 2018

The Certified Accountant



Branco da Costa

The Board of Directors



Luís Portela (Chairman)



Daniel Bessa (Member)



Nuno Sousa (Member)



Miguel Portela (Member)



Pedro Teixeira (Member)

III - FISCAL BOARD REPORT and OPINION

Fundação Bial
Report and Opinion of the Audit Committee

To the Members

In accordance with the statutes and the performance of their duties, the Audit Committee of BIAL Foundation presents its report on review activity and opinion on the Report of the Board and Financial Statements for the year ended 31 December 2017.

Report

The Committee monitored the Management of the Foundation throughout the year, noting the following:

- a) Donations totalling 2.550.250 euros were received from the founder Dr. Luís Portela (500.000 euros) and from Bial Portela & Cª, S.A. (2.050.250 euros).
- b) In 2017, the Foundation paid out scholarships totalling 1.750.836 euros. At the year-end, scholarships granted but not yet paid amounted to 2.958.596 euros.

The scholarships and the Bial Award are recognised as an expense only when paid.

We examined, in the extent considered necessary, the accounting documents and records.

The Committee has analysed the financial statements, drawn up as at 31 December 2017 from the accounting records, and reviewed the report presented by the Board of Directors which describes the appropriate development of the Foundation's activities.



The Committee examined the audit report issued by the member of this Committee, having reviewed its content, with which we concur.

Opinion

Based on the above, the Audit Committee of BIAL Foundation considers that the Report and Financial Statements for 2017 meet the legal and statutory requirements and accordingly proposes:

- a) That the Report of the Board of Directors and the Financial Statements for 2017 be approved; and
- b) A vote of confidence in the Board of Directors and Scientific Council for the way in which the Foundation was managed so as to accomplish its objectives to contribute to the development of scientific and medical research.

S. Mamede do Coronado, 15 March 2017

The Audit Committee

(Signed)

Prof. Doutor Júlio Pedrosa de Jesus - Chairman

(Signed)

Dr. Nuno Amado - Member

(Signed)

Ernst & Young Audit & Associados - SROC, S.A.
Represented by Dr. João Carlos Miguel Alves - Member

F U N D A Ç Ã O

Bia1

IV - STATUTORY AUDITOR'S REPORT

(Translation from the original Portuguese language. In case of doubt, the Portuguese version prevails.)

Auditor's Report

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of Fundação Bial (the Foundation), which comprise the Balance Sheet as at 31 December 2017 (showing a total of 10.247.167 euros and a total capital fund of 7.266.974 euros, including a net profit for the year of 387.270 euros), the Income Statement by Nature and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are prepared, in all material respects, in accordance with the Accounting and Financial Reporting Standard for not-for-profit Entities adopted in Portugal under the Portuguese Accounting System.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and other technical and ethical standards and guidelines of the Institute of Statutory Auditors. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the audit of the financial statements" section below. We are independent of the Foundation in accordance with the law and we have fulfilled other ethical requirements in accordance with the Institute of Statutory Auditors' code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management for the financial statements

Management is responsible for:

- ▶ the preparation of the financial statements in accordance with the Accounting and Financial Reporting Standard for not-for-profit Entities adopted in Portugal under the Portuguese Accounting System;
- ▶ the preparation of the Management Report in accordance with the laws and regulations;
- ▶ designing and maintaining an appropriate internal control system to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- ▶ the adoption of accounting policies and principles appropriate for the circumstances; and
- ▶ assessing the Foundation's ability to continue as a going concern, and disclosing, as applicable, matters related to going concern that may cast significant doubt on the Foundation's ability to continue as a going concern.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- ▶ obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control;
- ▶ evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in accordance with the Accounting and Financial Reporting Standard for not-for-profit Entities adopted in Portugal under the Portuguese Accounting System;
- ▶ conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern;
- ▶ evaluate the overall presentation, structure and content of the financial statements, including the disclosures, in terms of with the Accounting and Financial Reporting Standard for not-for-profit Entities adopted in Portugal under the Portuguese Accounting System; and
- ▶ communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibility also includes the verification that the information contained in the Management Report is consistent with the financial statements.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

On the Management Report

It is our opinion that the Management Report was prepared in accordance with laws and regulations in force and the information contained therein is consistent with the audited financial statements, not having been identified any material misstatement.

Lisbon, 15 March 2018

Ernst & Young Audit & Associados - SROC, S.A.
Sociedade de Revisores Oficiais de Contas
Represented by:

(Signed)

João Carlos Miguel Alves - ROC n.º 896
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