Report and Accounts

2019

Primavera

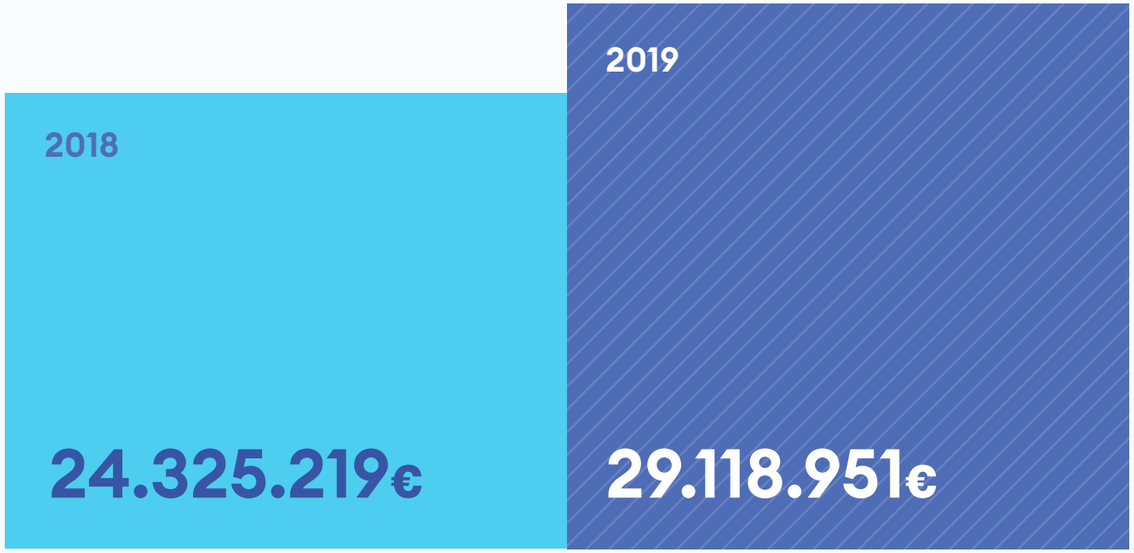
BUSINESS SOFTWARE SOLUTIONS

Contents

2019 Numbers in the Spotlight

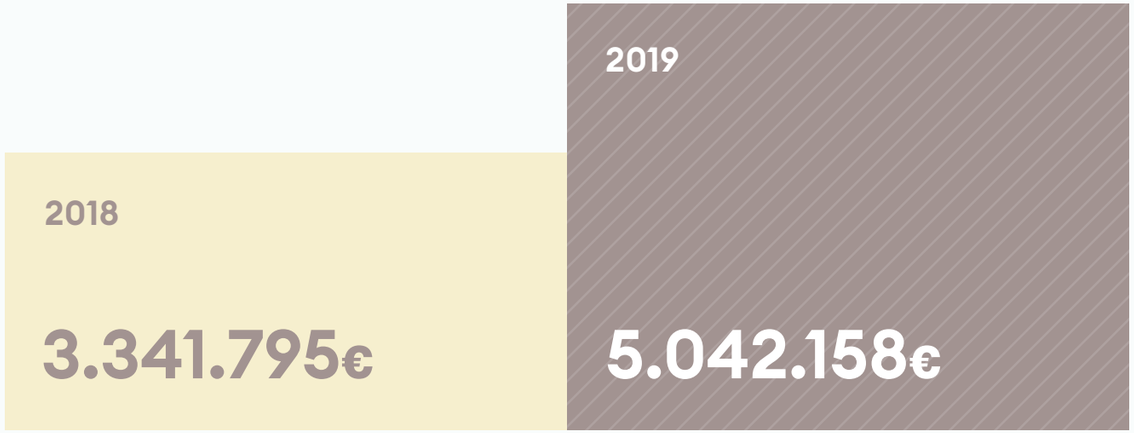
Turnover

+20%



EBITDA

+51%



Continuity Contracts

90% Contract Renewal Rate

End Customers

32.200 Number of companies using PRIMAVERA solutions

Employees

Number of Group employees in the various geographies

345

Partners

Companies that represent the PRIMAVERA brand

390

Weight of sales in the main markets

Portugal **65%**

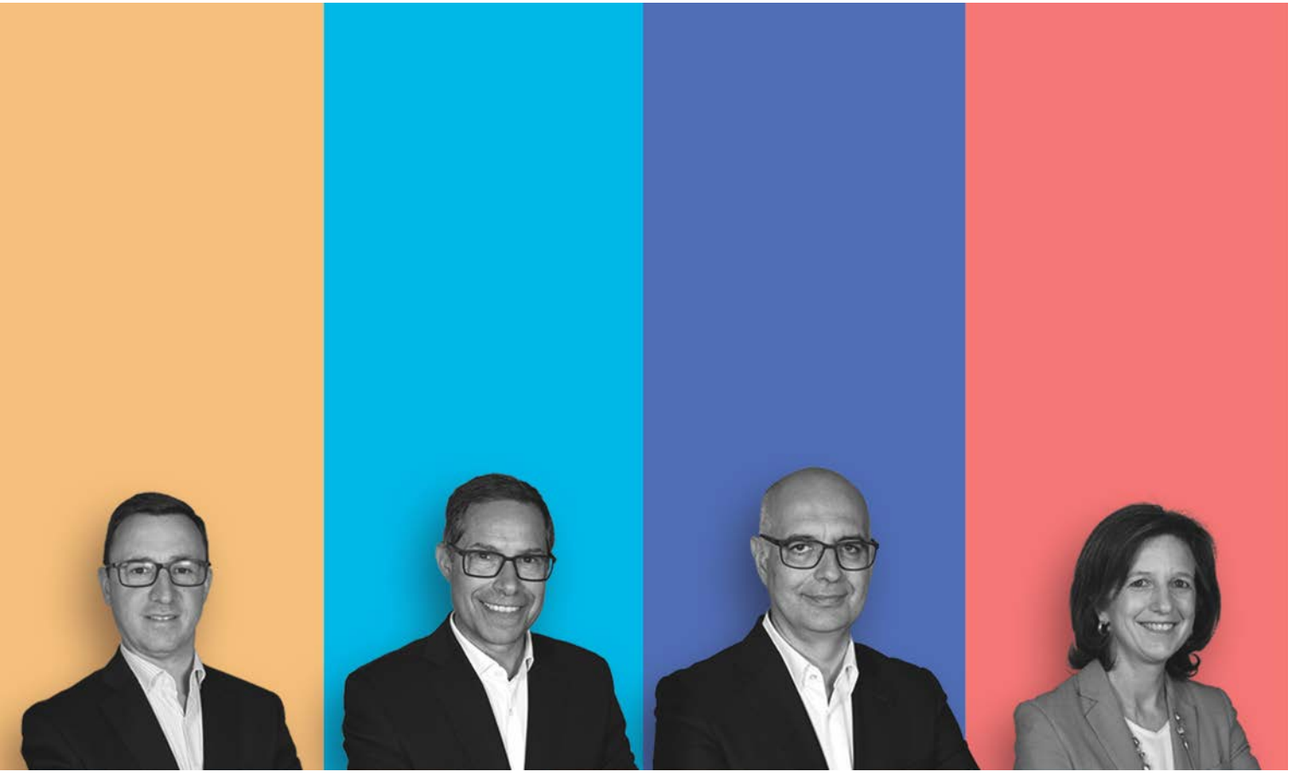
Mozambique **4%**

Spain **3%**

Angola **26%**

Worldwide **2%**

CEO's Message



David Afonso
Senior Vice President

Jorge Batista
Co-CEO

José Dionísio
Co-CEO

Ângela Brandão
Vice President

» The group recorded a turnover of 29.1 million euros, equivalent to a 20% growth in comparison to 2018. EBITDA grew by 51% to reach five million euros. «

DEAR SHAREHOLDERS, EMPLOYEES, PARTNERS AND CUSTOMERS OF PRIMAVERA SOLUTIONS,

In its twenty-sixth year of existence, PRIMAVERA achieves a year of remarkable growth, far beyond expectations. The group recorded a turnover of 29.1 million euros, equivalent to a 20% growth in comparison to 2018. EBITDA grew by 51% to reach five million euros and this was after personnel costs had been optimised by the component related to the payment of variable remuneration and expansion of the team. The group closed the year with 345 employees, a headcount that was 16% higher than at the end of 2018.

Our net pre-tax profits grew by 81%, to 4 million euros. 79% of turnover was accounted for by sales of software developed entirely within the group, while 21% resulted from training services and support consultancy for the implementation of highly sophisticated solutions. The company therefore continues to consider itself as a largely product-based company.

The Portuguese market accounted for 65% of our business during the year, with the remaining 35% being divided, in order of importance, among the Angolan, Mozambican, Cape Verdean and Spanish markets. In 2019, PRIMAVERA attracted 5,941 new customers across the various geographies.

Contributing to this outcome was the remarkable growth of practically all our companies and the doubling of our business in Angola and the double-digit growth in Portugal, our main market. Today, the company is reaping the rewards of not having given up on the Angolan market throughout the long years of economic crisis, and our decision to take this approach has been recognised with appreciation by official Angolan bodies, partners and customers.

A more detailed analysis of the situation in 2019 leads us to conclude the following:

- The Angolan government has a new understanding as to the importance of a strong and functioning tax system, making it dependent on the best digital practices. Software manufacturers therefore have a responsibility to implement the legislation in force, as a result of which a vast set of opportunities has arisen for PRIMAVERA going forward. The same has been announced for the Mozambican market; it too is lacking in the best tools to enable the tax authorities to collect taxes efficiently.
- ValueKeep continued its strong upward trend in 2019, particularly in the Spanish market, thereby helping to consolidate the group's international strategy.
- Sales relating to licensing for cloud-based environments grew by more than 56% and now account for 18% of licensing-related turnover.
- More than 2,500 customers have already upgraded to v10 and this number is expected to reach 5,000 by the end of 2020.
- Marketing initiatives relating to the introduction of our Jasmin product on the Spanish market were halted for six months while the product was upgraded with a view to better localisation of its fiscal component. Unfortunately, we still did not see significant sales figures for Jasmin on the Spanish market in 2019, in contrast to the great success achieved in Portugal.
- Our Partners had satisfactory or good results in 2019, and in some cases their results were very good, in line with those that PRIMAVERA itself achieved.
- The company attracted a considerable number of benchmark customers.
- YET acquired Portugal Informático (PI). The two companies complement each other in terms of offering and customer portfolios.
- We organised yet another major alignment event with our Partners: Business Impulse 2019.
- Lastly, the company invested heavily in new workspaces, having opened new branch offices in Luanda and Lisbon, and a new development hub in Leiria.

Many other achievements would also be worthy of mention here, if more space could be made available for this text.

In 2020

In March 2020, at the time of writing this message, the world has just seen the announcement of a pandemic (COVID-19). Europe is moving into the mitigation stage and Portugal is preparing for this. Companies with the ability to do so are sending their staff home to work remotely, a decision that PRIMAVERA has also just taken regarding Portugal and Spain.

Our target of double-digit growth for 2020 would appear to have been irrevocably compromised, even in the event that a solution to this public health crisis can be found within two or three months – by the end of April – in the best possible scenario. Companies in general are currently in some form of limbo as they wait for time to pass. At PRIMAVERA, we are going to take advantage of this crisis and evaluate a vast set of new opportunities that it could generate for the group and our ecosystem of partners and customers.

Our plans for 2020 are as demanding as ever when it comes to our products. PRIMAVERA hopes to be able to launch its new ROSE FINANCE offering during the first half of the year, and ROSE PEOPLE at the end of the year. By late 2020, we will have an intelligent ERP aimed at the Small Market, the market made up of companies that provide accounting and payroll services (accounting firms) and their customers. This market corresponds to more than 90% of the business fabric and as such huge expectation surrounds the awaited launch.

We are going to be particularly active in adapting our products to the new fiscal requirements in Angola and Mozambique, in addition to the always-demanding package of changes presented on the other markets every year.

From the business point of view, our aim was for double-digit growth across all of our geographies and companies, but that ambition is currently in doubt as a result of the COVID-19 crisis.

PRIMAVERA's Management would like to thank all employees and Partners for their efforts in bringing about the good results achieved in 2019. At a time when our management is having to deal with another serious crisis, we want to underline how committed the management team is to find the best solutions for the organisation and for all those who depend on it in some way.

At the of great uncertainty, our wish to you all is for 2020 to be as good as it possibly can.

José Dionísio
Co-CEO

Jorge Batista
Co-CEO

About PRIMAVERA

PRIMAVERA is a Portuguese technology company that has made a name for itself on the international market for business management solutions for a number of reasons, including: an innovative range of products and services; a timely and comprehensive response to tax law and other legislation in every country; and the adaptability of the range to the specific context of every customer, based on extensible and highly configurable technological platforms.

Thanks to the energy, cheerfulness and expertise of a 345-strong young and dynamic team, the company's solutions are constantly being adapted to the ever-changing market.

The company has offices in Portugal, Spain, Angola, Mozambique and Cape Verde, and an international network of 390 business partners who are certified and specialised in installing and providing support for its solutions. This ensures that PRIMAVERA is able to support its customers wherever they happen to be, forging a relationship built on proximity and trust.

The company is honoured to be the undisputed leader in markets such as Portugal, Angola, Mozambique and Cape Verde; but above all, this brings an added responsibility to ensure the continuous creation of value through innovative technology.

Today, as in 1993, PRIMAVERA's intentions are clear: to innovate, simplify and accelerate business processes. With the same determination and confidence renewed daily by its 32,200 customers from around 20 countries, PRIMAVERA will continue to challenge the limits as it strives to create solutions that increasingly simplify business management.

Shareholder Structure

In addition to its head office in Braga, PRIMAVERA has offices in Lisbon, Leiria, Matosinhos (Portugal), Cidade da Praia (Cape Verde), and subsidiaries in Madrid (Spain), Luanda (Angola) and Maputo (Mozambique).

Belonging to the Group as spin-offs are: YET – Your Electronic Transactions, a company that develops and markets solutions to dematerialise transactions; Valuekeep, which focuses on the potential of PRIMAVERA's solution for asset management and maintenance; and PRIMAVERA Public Services, a structure geared towards the specific ecosystem requirements of Portugal's public administration.

PRIMAVERA also holds a stake in Numbersbelieve, a company specialized in software for agile development (Low-Code Enterprise Web Application Development), on the basis that this technological start-up fits in with its strategy to explore new concepts and technologies for the Cloud; and in Healthium, a start-up in Braga that is responsible for the development and marketing of Nutrium, a platform that promotes and simplifies connections and communications between professionals in the field of nutrition and their patients.

Since PRIMAVERA plays a corporate role in the Group, it is also responsible for the sales of products and services related to the markets in which the company has no branch office or subsidiary. Furthermore, the Group's head office is responsible for all the work to design and develop PRIMAVERA solutions, as well as the expansion of the business and investment.

The company's activities are essentially related to decisions to invest in the product and markets, sales policies, marketing and management and these aspects are of considerable importance in steering the entire PRIMAVERA business.

As at 31 December 2019, the composition of the company's capital was as follows:

Shareholder	Nº of Shares	Capital (%)
PRIMAVERA SGPS, S.A.	2 352 000	92,24
Others	198 000	7,76
TOTAL	2 550 000	100,00

Governance

PRIMAVERA's corporate governance model is based on the principles of clarity of roles, transparency and stability, all of which are necessary for the company to position itself on a trajectory of growth and value creation.

The members of the Board of Directors are José Dionísio and Jorge Batista, Group founding partners and Co-CEOs, David Afonso, Senior Vice President responsible for Solutions Architect and Product Development, and Ângela Brandão, Vice President with responsibility for Global Services and Customer Care.

The supervisory role in the company is handled by a firm of chartered accountants.

Composition of the Corporate Bodies

Chair of the General Meeting

Feliciano Jorge Machado da Costa
President

Diogo de Araújo Pinto Ribeiro
Secretary

Board of Directors

- Responsibilities - Corporate Strategy, Global Sales and Marketing.
- Founder of the company in 1993.
- Graduate in Systems and Software Engineering from the University of Minho.
- Manager of the various PRIMAVERA Group companies.
- Member of the Board of Trustees of the University of Minho.
- Business Ambassador for Braga.
- Investor in and Mentor for Various Start-ups.

Jorge Batista
Co-CEO

- Responsibilities – Corporate Strategy & Financial.
- Founder of the company in 1993.
- Graduate in Systems and Software Engineering from the University of Minho.
- Manager of the various PRIMAVERA Group companies.
- President of the Strategy and Supervision Committee of the Collaborative Laboratory in Digital Transformation – DTx CoLab.
- Business Ambassador for Braga.

David Afonso
Senior Vice President

- Responsibilities – Solutions Architect & Product Development.
- Graduate in Systems and Software Engineering from the University of Minho.
- Joined PRIMAVERA in 1997.

Ângela Brandão
Vice President

- Responsibilities – Global Services and Customer Care.
- Graduate in Systems and Software Engineering from the University of Minho.
- Joined PRIMAVERA's management team in 2010, as Head Manager for the global consultancy unit.
- Member of the Board of Trustees of the Polytechnic Institute of Cávado and Ave.
- Mentor at the University of Minho.

Statutory Auditor

Joaquim Guimarães, Manuela Malheiro
e Mário Guimarães
Audit Firm no. 148

Represented by Maria Manuela Alves Malheiro
Auditor no. 916

Markets

According to data from one study by the consultancy firm IDC, world leader in the field of Market Intelligence, PRIMAVERA once again successfully consolidated its leadership in all its main markets: Portugal, Angola, Mozambique and Cape Verde.

When market share is analysed, PRIMAVERA is the current leader in Portugal in the segment of companies that have between 51 and 100 employees. PRIMAVERA's market share in this segment is 24.1%, mainly in the Civil Construction and Services sectors. This is in addition to having secured a significant share of the market in other sectors such as Accounting Offices (particularly larger firms), Distribution, Retail and the Industrial Sector.

PRIMAVERA's market share in Mozambique stands at 47%, well ahead of the second-placed player, whose share is 21%. In Cape Verde, the figures are identical.

And in Angola too, PRIMAVERA is the leading software brand on the market, with a share of 57%. With a direct presence in Portugal, Spain, Angola, Mozambique and Cape Verde and representatives in São Tomé e Principe and Guinea-Bissau, PRIMAVERA has been asserting itself as a multinational business group, securing the custom and loyalty of some 32,200 businesses in over 20 countries.

Products Offered

The company offers a wide range of products, which can be accessed in three different ways:

On-the-premises - In this case, a traditional licence is taken out and the software is installed in the customer's own software infrastructure;

Subscription - A temporary user licence (normally valid for six months or a year) is obtained;

Cloud - Online access to a global service comprising infrastructure, hosting, software and applicable updates, subject to the payment of a monthly fee.

PRIMAVERA's offering also includes a streamlined development platform on the model platform as a Service, which makes it very easy to design and develop tailor-made management applications, turning manual or complex business processes into automated functions that will boost productivity.

Focusing on the Cloud

Marketed as a complete, integrated service, PRIMAVERA's Cloud range includes not only software applications but also an extensive package of services including infrastructure, hosting, installation of applications and continuous upgrades as appropriate, databases, storage, maintenance and support.

Underlying the services rendered is product security, which is ensured not only by data hosting at a Microsoft Data Centre, one of the most highly regarded technology companies in the world, but also by PRIMAVERA's own security policy based on a number of redundancy systems. PRIMAVERA's Cloud Computing service is associated with a level of service (SLA) equal to or greater than 99.8%, offering subscribers a service that guarantees high accessibility levels.

PRIMAVERA is determined to ensure that all its customers have access to the benefits of its cloud-based solutions and services, whether 100% native and/or hybrid and this is the main guiding principle in the development of its offering.

ERP v10 - Offer Core

The PRIMAVERA ERP v10 is a hybrid system that establishes the connection between Cloud-based and on-the premises solutions in a natural way. This enables the data contained in the installed solutions to be fully merged with web applications. It is more competitive for companies with demanding logistics operations and which require an all-round management solution encompassing all of the logistics processes within the software. At the same time, it allows companies that still use more traditional systems to speed up their digitalisation processes.

The Version 10, that represented an investment of 2.5 million euros, reinforced our focus on the logistics area from the point of view not only of companies whose main activity is storage and distribution, but also of those which have more specific needs in terms of inventory and warehouse management. In addition to having launched a new module on the ERP, developed entirely to simplify inventory and warehouse management operations, a new version of PRIMAVERA's Warehouse Management Software solution, Eye Peak, was released.

The ERP product range encompasses the entire market pyramid and is therefore geared to any organisation regardless of size. Besides this, the company also markets a number of sector-specific products allowing it to analyse its strategy with a to addressing the needs of SMEs, particularly in the Construction, Accounting, Catering, Retail and Services sectors, as well as in Industry and Public Administration. The company also offers specialised solutions in the areas of Distribution and Logistics, Sales Force, Maintenance of Equipment and Installations, Human view Resource Management and Reporting.

Services Offered

Since PRIMAVERA is an organisation that focuses on the development of software solutions, continuous structured investment in services is considered equally fundamental for a differentiating posture in comparison to the general profile of its competitors. Consequently, PRIMAVERA has been investing in intellectual capital and in differentiating methodologies with the aim of creating a culture of innovation geared towards the services offered to its market.

The services rendered, together with the product, constitute the foundation upon which the brand rests. Three factors have contributed to this recognition:

Consultancy

Comprising an interdisciplinary team, PRIMAVERA Consulting puts its proven expertise at customers' disposal in projects that are not only innovative but often of considerable complexity and scale, in the widest range of operational sectors and markets.

Training

The PRIMAVERA Academy is responsible for creating, organising and promoting all the training offered by PRIMAVERA.

The ERP product range encompasses the entire market pyramid and is therefore geared to any organisation regardless of size. Besides this, the company also markets several sector-specific products allowing it to analyse its strategy with a view to addressing the needs of SMEs, particularly in the Construction, Accounting, Catering, Retail and Services sectors, as well as in Industry and Public Administration. The company also offers specialised solutions in the areas of Distribution and Logistics, Sales Force, Maintenance of Equipment and Installations, Human Resource Management and Reporting.

The skill levels achieved by those representing PRIMAVERA products is the main reason why the PRIMAVERA brand stands out from its competitors, so in this context the PRIMAVERA Academy has a fundamental role to play by taking charge of the training and certification of all our professional representatives.

Technical support

The PRIMAVERA Support Centre is a Technical Assistance Centre, whose main purpose is to support Partners' technical and consultancy teams, creating the necessary conditions for them to be able to render excellent service to every PRIMAVERA customer.

GERMANO DE SOUSA
CENTRO DE MEDICINA LABORATORIAL

Founded in 1975, the Germano de Sousa group is today the largest laboratory for clinical analysis in Portugal, with around 1,000 employees and more than 450 collection points in mainland Portugal and the Azores. In total, the group serves about 7 thousand users per day and 2.1 million per year, and all tests and analyzes are carried out in the 15 laboratories of the group in the national territory.

"The decision to move to ERP Primavera was mainly related to the expectation of obtaining greater efficiency in our processes and obtaining management information in less time. In view of the size of our Group, it was also essential to have standardized and centralized information, as well as the automatic integration in the ERP Primavera of information from our billing software."

MARTA GRAÇA
Financial Department / Controller, Germano de Sousa group

Strategy

Leading in the Intelligence Era

We are living in the Intelligence Era, where disruptive technologies converge on arrival in the market in the form of utilities, driving innovation, opening the way to create disruption in every area of the economy, science and the business world! In turn, Artificial Intelligence is the accelerator of the transformation and innovation that the world is going through; and this is especially true of the business world, with whole sectors being unbundled only to immediately be consolidated in accelerated fashion by new players.

PRIMAVERA's strategy is to be one of the leaders of the Intelligence Era and thereby make an impact on the markets, organisations and people, growing and expanding its operations and generating opportunities across its entire ecosystem, for its employees, shareholders and business partners.

We want not only to expand our Customer Base, but also to grow in the Mid-Market, in the public sector and vis-à-vis small companies, through an innovative Cloud-based offering supported by intelligent solutions.

Intelligent Products

To achieve the goals we have set ourselves, our product range must focus on Artificial Intelligence as the main driver for our customers' success. However, we know that this alone will not be enough. We will have to build products that offer an outstanding, simple and intuitive user experience. We will have to build products which are functionally complete, as well as being sophisticated in the case of large organisations; which serve as our customers' crystal ball thanks to the transparent way in which they help detect and correct errors, as well as repetitive use patterns in tasks that could subsequently be automated; and which can offer insights and forecasts as well as suggesting actions. Products whose true distinguishing mark lies in their intelligence and capacity to be invaluable assistants for our customers, as they too strive to become champions in the Digital Era and the Intelligence Era.

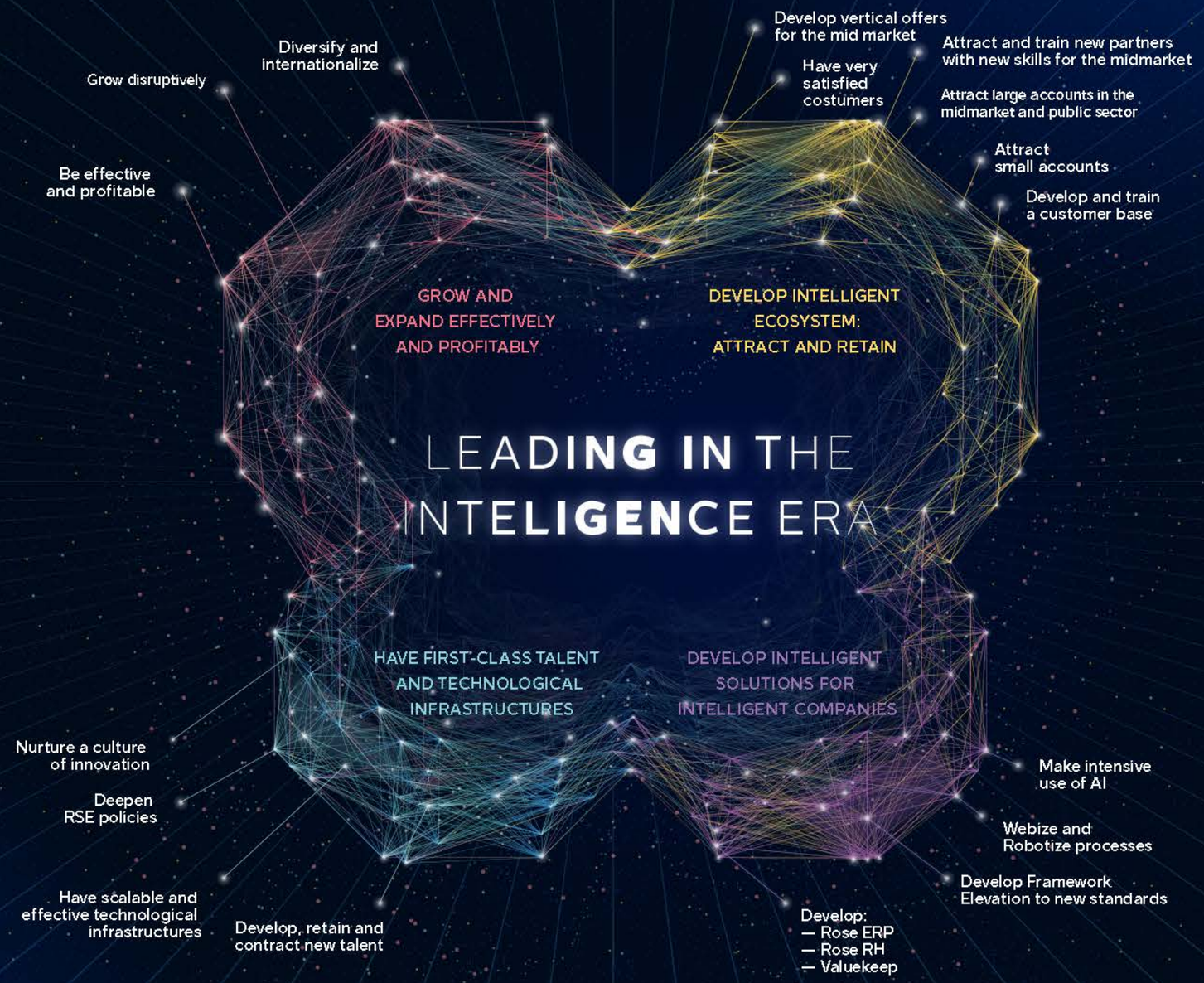
Intelligent Company

We ourselves, as an organisation, will have to be an intelligent organisation, one which is more creative and intelligent as it innovates. A structure that makes intensive use of the huge volume of data that it gathers every day, and which uses Artificial Intelligence and Machine Learning algorithms to turn those data into relevant information to improve our products, especially users' experience of the products, support and in general all of its interactions with the customers.

Intelligent Ecosystem

PRIMAVERA is privileged to be at the heart of an extensive ecosystem, where people, partners, customers, suppliers and many other entities interact and connect with each other through business and other interests. This ecosystem, where partners and customers of our products are technologically connected from the outset, encompasses huge potential for learning and for generating value for everyone, if exploited using Artificial Intelligence tools. We believe that with the right tools and relationship models, we will be able to discover business opportunities that every single person or company we interact with will value.

STRATEGY 2019–2021



KPI to be achieved by 2021

Annual Turnover ≥ 35M€
No. of customers ≥ 35.000
50% New cloud solution customers
ROSE ERP for SMEs completed

MISSION

Simplify life for organisations, increasing their opportunities to create added value.

VALUES

Innovation
Sustainability
People
Integrity
Commitment
Professionalism

Economic and Financial Analysis

Diogo Ribeiro
Financial Director

» For 2020, the economy was expected to cool down slightly, essentially due to external factors of uncertainty and slowdown, but the outlook still remained positive. «

The Portuguese economy had another positive year in 2019, continuing a trend seen for more than five years now and which followed on the heels of a crisis which marked the decade and left deep marks in the societies of the most-affected countries. GDP growth for the year is projected at 2.2%, slightly below the 2018 figure of 2.6%, but positive nevertheless. With the deficit showing an unprecedented surplus of around 0.2%, Portugal has been managing to gradually reduce its public debt, which is still close to 120% of GDP. Thanks to the growth seen over these past few years, the country was able to recover from the years of crisis and enter a phase of new economic expansion.

In general, Portuguese companies were able to end the year on a positive note. Despite the gradual stagnation of the economy in some sectors, most businesses still performed well, with positive short-term outlooks. Investment was growing, as a result of the low financing costs and the financial capacity accumulated by companies over these good years.

For 2020, the economy was expected to cool down slightly, essentially due to external factors of uncertainty and slowdown, but the outlook still remained positive. However, the recently-declared COVID-19 pandemic has brought the country and the world to a standstill, with many economic activities halted and the mandatory confinement of various organisations that, from one day to the next, have had to move their employees to a new "workplace" – their own homes.

In the African markets, the Angolan economy has been under considerable economic pressure over the past four years, due to a sharp drop in oil prices, a misalignment between government income and expenditure, and an overvaluation of the kwanza with regard to the external markets. This imbalance generated considerable pressure in the devaluation of the currency, which only began to be addressed in 2018, when the IMF stepped in. The non-adjustment of the currency meant that domestic demand for foreign products did not adjust, resulting in an unprecedented payment crisis in the Angolan economy and an accumulation of corporate debts abroad.

Despite this adjustment in 2018, which was followed by a period of stability for the first nine months of 2019, the need arose for a further unexpected and sharp devaluation. These painful but necessary adjustments were worthwhile insofar as they finally created a balance between supply and demand, as well as boosting the Angolan economy's productivity and enabling the crucial primary sector businesses to finally start flourishing in due course.

The Angolan economy is definitely entering a new cycle and it is one where new businesses will have to flourish so that the country's high level of dependence can be reduced. The good news is that, from the outset, these businesses will have a greater capacity to spread value across society, rather than restricting it to just a few focal points, as is typically the case with the extractive industries. It is vital that the country boosts regional productivity and finally becomes more independent with regard to essential goods, before gradually diversifying its export capacities.

Even so, and besides the already difficult and lengthy adjustment of the economy, 2020 will see additional difficulties resulting from another crisis in oil prices, which will complicate the balance of payments and, consequently, the currency. Furthermore, the advent of COVID-19 will undoubtedly lead to systemic shocks, largely originating in the western world.

As for Mozambique, the already frail economy continues to lack vitality, with very low growth rates in light of the economic level of what is one of the poorest nations in the world. The central region of Mozambique was also hit by a devastating hurricane that did considerable harm to its already fragile infrastructure while, in the north of the country, the lawlessness imposed by groups of opportunists and terrorists is rife, making it difficult to maintain the rule of law.

For 2020, the impact of COVID-19 is still uncertain and will be a significant event for every economy, without exception. Since this is a shock never before experienced, the outcome is completely unknown, with theories for all tastes. The governments of every geography where the company operates, and Portugal in particular, have set various initiatives in motion to mitigate the impacts of the pandemic and help relaunch business once there is a return to normality.

Not only is this a unique moment but there is also no way of knowing when it will end. This will certainly be a critical factor in assessing the total impact of the pandemic, which will strongly affect sectors such as restaurants, tourism, aviation, leisure and some industry. This will be the event of the year for 2020, an event that will cause huge and unexpected market turmoil and is bound to affect the world's economy and politics in the foreseeable future.

dott

Dott is the first purely digital marketplace that is 100% Portuguese. It arose from a partnership between Sonae and the Portuguese Post Office, and is committed to offering variety, convenience and proximity to the customers. Dott aims to be the biggest online shopping platform in Portugal and is here to help grow e-commerce in the country.

"We needed a partner who would be able to implement a solution in a short period of time; who would constantly have their finger on the pulse of legal and tax-related developments; who would offer a scalable solution, capable of providing solid support for Dott's evolution; and who would ensure high levels of infrastructure performance"

GASPAR D'OREY
CEO, Dott

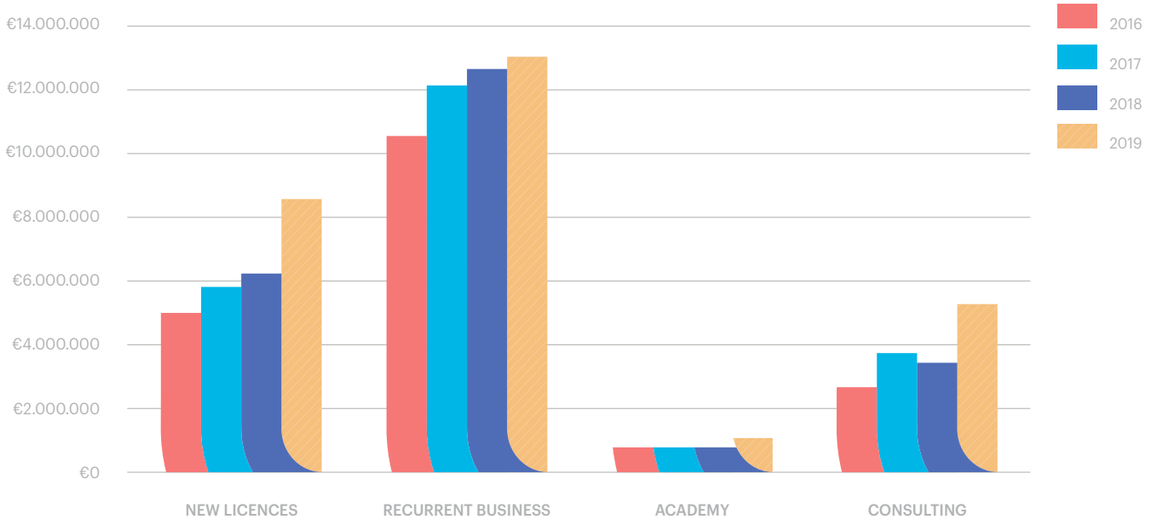
Turnover

The Group's consolidated turnover closed at €29,118,951, in comparison to the 2018 figure of €24,325,219, a growth of 20%.

An analysis of the main sales headings reveals growth figures of 15% in product sales and 45% in services. Highlights include an increase in new licences and consultancy services, as well as the continued growth of recurrent business, which includes all subscriptions, continuity business and the volume discounts seen in the sales channels.

It is also worth highlighting that in 2019 product sales accounted for approximately 79% of total sales, thus gaining considerable weight in the composition of the company's sales figures. Recurrent business accounts for 45% of the Group's total sales. In 2019, the Group's active customers numbered more than 32,000, with more than three quarters of those being from the Portuguese market.

Turnover by Heading



The Group has been striving to make its market offering more sophisticated, investing in the development of cloud-based solutions and reformulating its marketing model. There are already distinct marketing concepts for the new version of the ERP (V10) and it is one step closer to a future cloud-native solution. Jasmin has also turned out to be a winning bet, drawing numerous entry-level customers as well as reinforcing and confirming the quality of the company's current cloud-based range. In 2020, the Group will continue stepping up its focus on the Cloud and we expect to be launching our new ROSE solution. This software is aimed at companies operating in the small market who require a solution that is functionally more robust than Jasmin.

As far as products are concerned, mention must also be made of the company's success in its response to the introduction of VAT in Angola, where an efficient response, with a vigorous approach to sales, advertising and marketing allowed us to generate value on the market. The value generated was not limited to the solution itself but also included training and consultancy components.

Recurrent business from renewed contracts remains at around 90%, a figure which has been stable now for several years. The year was very positive, with the Group having seen growth in all of its main activities, attracting new customers and strengthening bonds with existing customers, as a result of which we achieved a growth figure of more than 20%.

Consolidated	2017	2018	2019	YoY
New Licences	5 848 667 €	6 356 531 €	8 597 544 €	35%
Recurrent Business	12 132 462 €	12 610 916 €	13 162 372 €	4%
Consultancy	3 786 240 €	3 478 506 €	5 127 854 €	47%
Academy	725 423 €	688 404 €	918 083 €	33%
Others	907 948 €	1 190 862 €	1 313 098 €	10%
Total	**23 400 740 €**	**24 325 219 €**	**29 118 951 €**	**20%**

As a consequence of high demand in the African market, and in the Angolan market in particular, the Group's consultancy services and academy saw considerable growth. In these markets, consultancy services more than tripled and the academy increased its sales by around 33%. With these markets having made a considerable contribution, also partly due to the introduction of VAT in Angola, it is also worth noting that services in the other markets grew by nearly 21% and represent almost 60% of the company's sales in these segments.

	2017	2018	2019	YoY
Portugal	13 152 120 €	14 957 959 €	16 801 513 €	12%
Angola	5 091 675 €	3 619 143 €	6 691 629 €	85%
Spain	413 825 €	428 637 €	615 795 €	44%
Mozambique	1 419 355 €	1 233 319 €	1 113 499 €	-10%
Worldwide	550 793 €	510 864 €	576 774 €	13%
Net Total	**20 627 768 €**	**20 749 922 €**	**25 799 210 €**	**24%**
Commissions	2 772 971 €	3 575 297 €	3 319 741 €	-7%
Total	**23 400 740 €**	**24 325 219 €**	**29 118 951 €**	**20%**

Net sales (excluding commissions)

The consolidated net turnover of the Group's main geographies grew significantly, with the exception of Mozambique. Portugal's current weighting is 65% and this is despite having grown 12% over the year. Angola saw exponential growth, almost doubling turnover. Also noteworthy was the strong growth seen in the Spanish market, very much due to the company Valuekeep, which has been achieving remarkable and promising results in this geography.

Expenses and Other Income

The year was marked by the Group's strong organic growth. As at end 2019, the Group had 345 employees, up 16% on the previous year and corresponding to 48 new team members. As far as staff costs are concerned, these rose by around 20% over the company as a whole.

Structure of Expenses and Other Income	2017	2018	2019	YoY
CMVMC	380 410 €	316 729 €	220 480 €	-30%
FSE's	7 868 099 €	8 841 865 €	9 481 985 €	7%
Staff	10 840 537 €	11 331 473 €	13 653 919 €	20%
Amortizations	986 162 €	943 860 €	880 060 €	-7%
Financial Balance	242 461 €	136 411 €	68 428 €	-50%
Impaired Assets	103 049 €	2 327 €	127 700 €	
Exchange Rate Differences	348 088 €	490 810 €	358 770 €	-27%
Balance Expenses and Other Income	190 530 €	119 206 €	256 259 €	115%
TOTAL	**20 959 335 €**	**22 182 680 €**	**25 047 600 €**	**13%**

Altogether, the SESs grew by slightly more than 7%. The subcontracting heading is the one that varies the most over the course of the year, mostly driven by the organisation's strong commercial growth. Essentially, the company's expenses remained largely similar to those of previous years, although the gradual growth in headings such as travel and fleet are worth noting; these are closely linked to the company's organic growth.

FSE's	2017	2018	2019
Subcontracting and Fees	1 041 377 €	1 332 929 €	2 002 643 €
Commissions	2 483 093 €	3 586 662 €	3 299 648 €
Rent and Installations	437 094 €	359 584 €	344 664 €
Marketing	502 042 €	688 305 €	593 770 €
T. E.	1 868 238 €	1 593 296 €	1 897 695 €
Costs and travel expenses	391 275 €	436 719 €	456 449 €
Fleet, Communications and Others	775 288 €	844.369 €	887 115 €
TOTAL	**7 498 407 €**	**8.841.865 €**	**9 481 985 €**

Investment, Assets and Capital Structure

The Group made various investments over the course of the year, in particular expanding and modernising its offices, in Luanda and Lisbon especially. In Angola, the company invested in a new, modern office in a highly desirable location, as well as increasing office capacity and reaping the benefits of much greater visibility. In Portugal, the decision was taken to step up investment in the capital; the offices were expanded and modernised and a plan was implemented to reinforce the local team, as well as gaining relevance, involvement and positioning.

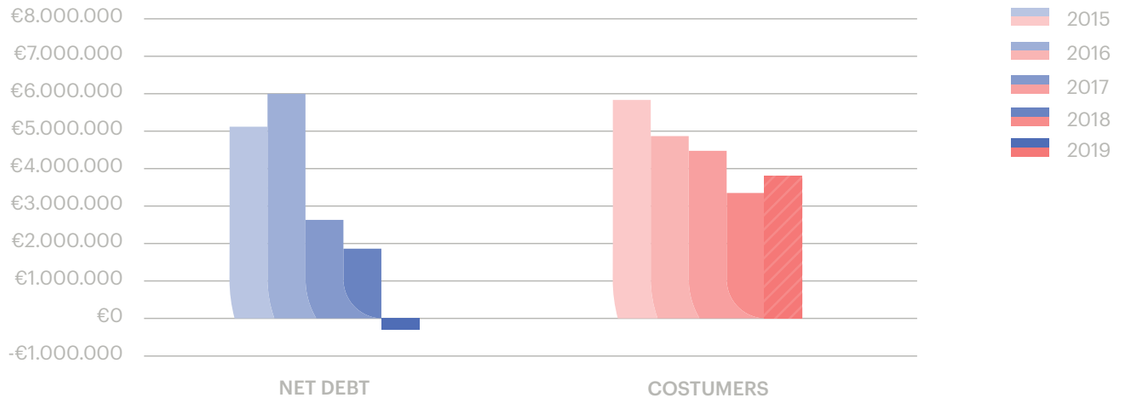
Also worthy of note is the acquisition, within the sphere of the company YET, of a majority shareholding in a company operating in the field of electronic transactions. This means that the company now belongs to the group operating in the same business area but geared mainly towards entities connected to the public sector. The aim of this purchase was to expand our customer base, create business synergies and functionalities, and bring new vigour and relevance to YET's business, incorporating expertise and proven market experience.

Annual Investment	2017	2018	2019	YoY
Building, Land and other Const.	0	7 900 €	393 162 €	
Intangible Assets	614 895 €	155 159 €	374 851 €	
Basic Equipment and Adm.	75 685 €	214 782 €	450 976 €	
Transport Equipment	302 665 €	245 852 €	223 728 €	
Others	1 788 €	15 427 €	8 283 €	
TOTAL	**995 032 €**	**639 120 €**	**1 451 000 €**	**127%**

Still with regard to investments and, in particular, to financial investments, we should highlight the placing of 750,000 euros in investment funds which, in accordance with the current legislation, allows tax benefits to be obtained under the "Sistema de Incentivos Fiscais em Investigação e Desenvolvimento Empresarial II" ("Entrepreneurial R&D Tax Incentives System II – SIFIDE II"), as well as the gains made by the company from Angolan government bonds. These bonds are indexed to the dollar and have helped counterbalance the foreign exchange devaluations that have penalised operations in this geography.

As far as current assets are concerned, commercial growth has led to the company seeing its customers' debt value rise after several years of decline. Nevertheless, in relative terms, the receivables turnover ratio fell by one percentage point to 13.3%. The value of available funds also rose to over five million euros. All in all, thanks to the strong investment and the growth of the main asset headings, resulting from the rise in activity, this year's total finished at 21,729,040 euros, a year-on-year increase of 2,866,744 euros.

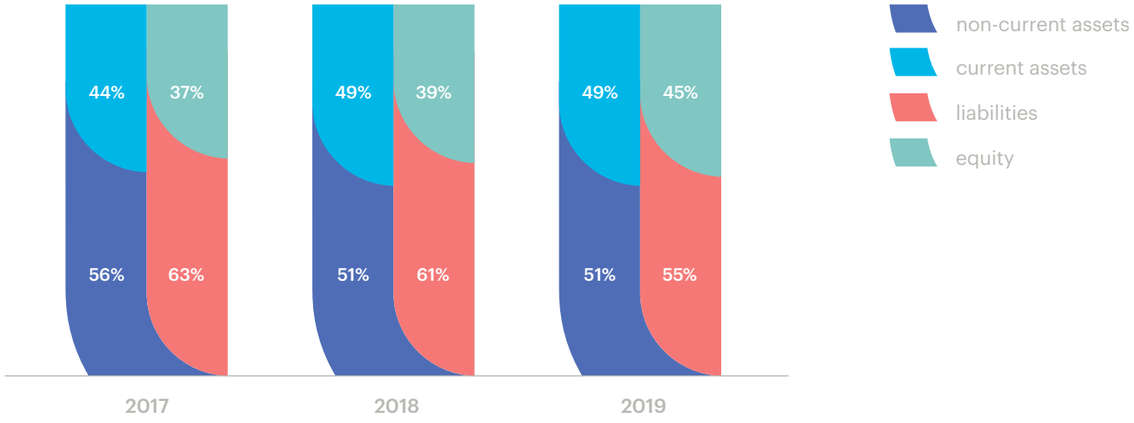
On the liabilities side, the Group's good financial performance meant we were able to continue accumulating capital that currently covers 45% of the Group's assets. Our net indebtedness is non-existent and we have sufficient cash surpluses to cover all of the company's financing responsibilities.



	2015	2016	2017	2018	2019
Net Debt	5 078 026 €	5 956 394 €	2 577 061 €	1 821 720 €	- 343 189 €
ND / EBITDA ratio	1,96	2,52	0,66	0,55	0
Financing	8 435 862 €	8 503 766 €	7 408 854 €	5 932 584 €	4 856 611 €
Non-current Assets	8 734 087 €	10 458 245 €	9 061 613 €	9 157 485 €	10 565 561 €
Customers	5 861 442 €	4 911 131 €	4 540 394 €	3 481 064 €	3 880 672 €
Acc. Receivable / Turnover	28%	24%	19%	14%	13%

With equity amounting to 9,885,485 euros, the Group's financial autonomy was 45%. One of the pillars of the group has always been that of financial balance, with investment in a solid capital structure, a fact that justifies a policy of restraint in the distribution of dividends and addressing the organic growth of the business. It is a policy which the company has been highly successful in carrying out over the years.

In 2019, the company saw unprecedented growth, a circumstance which was accompanied by consistent results reflecting a period of sustained transformation in the company. This transformation is still a work in progress and will continue over the course of this new decade.

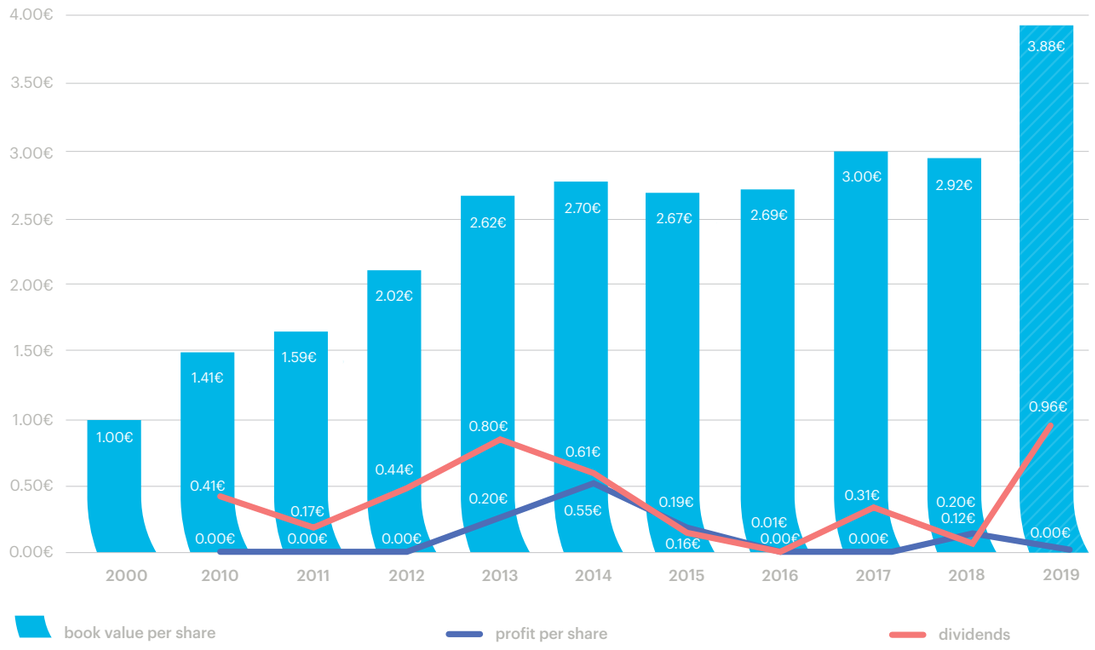


Profits

The Group's EBITDA closed at €5,042,158 – 17% of turnover – and the net profits were €3,777,915.

	2015	2016	2017	2018	2019
EBITDA	2 588 729 €	2 367 244 €	3 895 678 €	3 341 795 €	5 042 158 €
EBITDA Margin	12%	11%	17%	14%	17%
Net Earnings	666 952 €	819 982 €	2 407 171 €	2 002 842 €	3 777 915 €
Profit per share	0,26 €	0,32 €	0,94 €	0,79 €	1,48 €
Profitability of Capital	10%	12%	32%	27%	38%

The profit per share figure was €1.48. This net profit resulted in an increase in share value from €2.92 to €3.88, a gain of €0.96 or, in relative terms, 32.88%.



Risk Management

Undoubtedly, the COVID-19 pandemic is the primary concern for the vast majority of companies. With the mandatory confinement of almost the entire population, the closure by decree of part of the economy and the entry into layoff of a large section of the business fabric and the disruption of supply lines, it will have a considerable and as yet unpredictable impact.

The Group is still working, albeit remotely, a decision that was taken at the very first signs of the crisis, thus guaranteeing the safety of our employees. We also made sure, in record time, that conditions were in place to allow all colleagues to have the necessary tools to work from home and the company's ability to handle traffic was reinforced. Indeed, it must be said that the company's employee profile, together with practices and

tools already implemented and in use, ensured that this transition turned out to be natural and not particularly disruptive.

From the customers' point of view, the Group has already implemented a series of measures aimed at identifying companies in difficulty and finding means of mitigating and helping customers to get through this critical phase. Our motto in this respect has been "Let's not lose a single customer". There is also work being done to guarantee and ensure the company's financial flow, with precautionary measures that include accessing some government-sponsored measures, such as the moratorium on bank credits, but also restraint and prudence. We have also stepped up our monitoring of business indicators, focusing in the short term on cash flow management, as well as on stress tests and scenario management.

Lastly, the company has initiated more frequent internal and external communication, aimed at appeasing customers' and employees' anxiety, raising morale, ensuring continuity and helping to relieve the tension and stress that this situation is causing. There are also several company initiatives aimed at helping and contributing to society, positioning the organisation as an anchor in the midst of this unprecedented crisis, a crisis whose real impact on society and the economy in general remains an unknown at this time.

Important occurrences after the end of the financial year

The afore mentioned COVID-19 pandemic is undoubtedly an event that will be of significance during 2020 and that will possibly leave marks in future years. Also of note is the sharp drop in oil prices, a factor that will create difficulties for the Angolan economy and which adds to the already complicated scenario of the pandemic. This drop in price began as a result of excess supply even before the pandemic took hold. At this stage, it is believed that an agreement may already exist between the producing economies; in the meantime, however, the impact on demand has been unprecedented, with historic declines in the world's energy needs. This situation leads us to believe that prices are likely to remain low even though there is consensus on the supply side.

Branch offices

The company has no branch offices.

"With PRIMAVERA's solutions, the factory managers can see online what orders are underway, the time spent and workers assigned to each work centre. This lets us have an overall view of the manufacturing process, which is very important."

MANUELA PEREIRA
Production Manager, Conservas Ramirez

conservas

RAMIREZ
Desde 1853

Ramirez is the world's oldest fish-canning company and is also the most modern production unit operating in the sector. Founded in 1853, the Portuguese company combines traditional manufacturing methods with cutting-edge technology. Operating across five continents, it currently holds 14 international brands.

Road map of PRIMAVERA Solutions

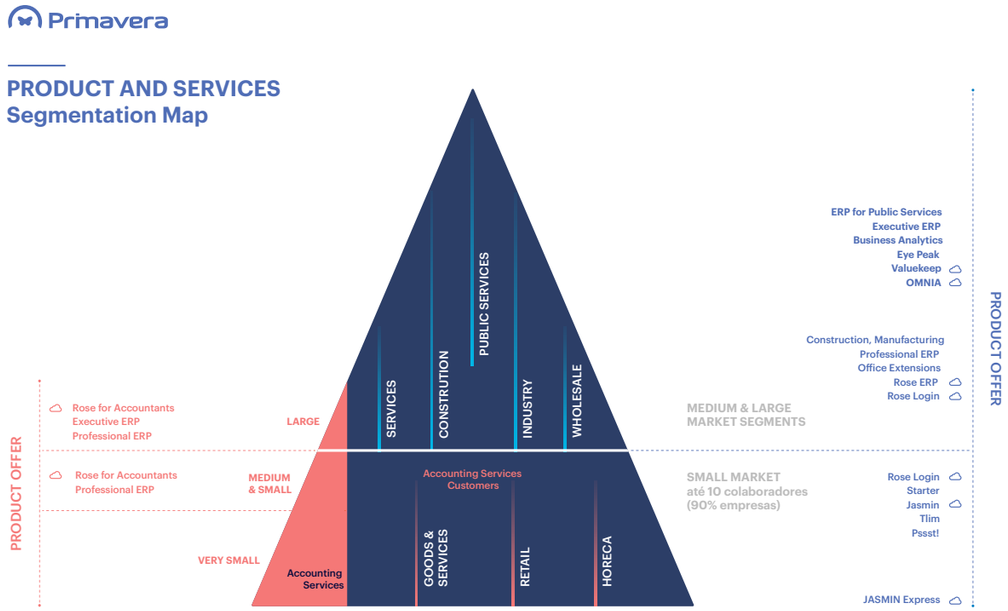
David Afonso
Senior Vice President

» With the same technological platform as its foundation, we have been developing our new offering for small and medium-sized companies: the ROSE ERP. On the verge of release on to the market, the new solution underwent various tests in real environments in 2019, and first impressions suggest good receptivity in the segment. «

The road map of product development has been marked by the option PRIMAVERA took, some years ago now, to build a completely new offering for cloud environments.

After several years of investing in the technological platform that supports these new offerings, two years ago we launched the first product for micro- and small companies: Jasmin. Today, it is undeniably a benchmark in its target segment and in the Portuguese market, in particular, where it is used by more than 8,000 customers.

With the same technological platform as its foundation, we have been developing our new offering for small and medium-sized companies: the ROSE ERP. On the verge of release on to the market, the new solution underwent various tests in real environments in 2019, and first impressions suggest good receptivity in the segment.



Small Market

As part of its new cloud-based offering, PRIMAVERA revisited the way it interprets the market pyramid and redefined the concept of small market.

The big news is the inclusion of companies that provide accountancy and payroll services (accounting firms), regardless of their size, in this market segment. What we discovered is that micro- and small companies effectively use accounting firms as their administrative and financial "department". As such, it would be restrictive to look at that market segment without also taking these service providers into account.

The relationship between these service providers and their clients has always been one of great proximity and, in many cases, affinity. With the appearance of the Cloud, that relationship became digital. It is through cloud-based solutions that these "two worlds" merge to form a single universe in which accounting firms and their clients work alongside one another, each performing their own roles.

The ideal solution is when the accounting firm and the client work on the same platform, based on the same data repository: the client uses the operational components (e.g. sales, purchases, inventory, etc.) and the accounting firm uses the components that mainly deal with administrative tasks and management, such as accounts and fixed assets. The solution therefore avoids any and all duplication of data and ensures consistency, reliability and gains in productivity. These gains can then be steered towards higher value-added services that the accounting firms can provide for their clients.

This is the vision that serves as the foundation on which we are developing our suite of cloud-based products for this market. Codenamed "ROSE for Accountants", our aim is to release it on to the market during the second half of this year.

While it is undeniably advantageous for accounting firms and their clients to work with the same solution, there are times when this is simply impossible to achieve. For example, the client might want to have "their own" software, or their software might be very specific, with no single solution suitable for both the client and the accounting firm. To respond to these (still) very common scenarios, PRIMAVERA has developed an integration tool (Primavera Accounting Automation) for the primary purpose of integrating the systems used by the two parties in the best possible way. We have been working on evolving this tool over time, with the aim of integrating an ever-increasing number of information sources and expanding the already-existing ones.

In line with this strategy, we recently enhanced Jasmin's integration with accounting firms' on-the-premises solutions by means of a bi-directional communication channel. This means that all transactions recorded in Jasmin are automatically accounted for in the firms' accounts systems and, in the opposite direction, all information from the firms (e.g. taxes falling due, salaries to be paid, etc.) are sent to Jasmin. Connecting clients and accounting firms, providing each with state-of-the-art tools to support their activity, is the purpose that drives us.

Medium & Large Segments

The top section of the pyramid consists of all organisations that have their own internal administration and financial departments. This includes a vast array of organisations, from small and medium-sized companies that prefer to keep their accounting in-house all the way to the large corporations whose operations are considerably verticalised.

With the upper section of this segment in mind, PRIMAVERA recently made a very significant effort to update its ERP (v10) technology. The road map is now based on a set of solutions that make it possible to give organisations greater mobility, on the one hand and, on the other, the strengthening of vertical solutions, equipping these organisations with better operational management tools.

Rose ERP

However, as mentioned at the start of this piece, PRIMAVERA is preparing for the launch of its cloud-native offering – the ROSE ERP – that targets the small and medium-sized companies at the bottom of this market segment. The ROSE ERP and its respective technological platform, represent huge advances in the technologies and architecture of PRIMAVERA's solutions that will enable the development of the new ERP to be sustained over time. In this first version, special attention was given to the construction of a management infrastructure, endowed with the most sophisticated concepts (e.g. multiple account plans and dimensions) and capable of responding to the most demanding organisations.

The ROSE ERP implements a transparent management information infrastructure that is universal to all modules; consequently it constitutes the single data source used to generate all of the analyses, KPIs and insights that enable PRIMAVERA's vision of the smart product to be materialised. The result is an innovative product offering a set of differentiating characteristics that, we are convinced, will be highly valued by our customers.

Rose People

BBased on the same technology, we are currently developing a new offering for the area of Human Resources, with a particular focus on Payroll and Administrative Management.

The major challenges facing Human Resources personnel nowadays are, mostly, strengthening employees' commitment to their jobs, recruiting new talent, strengthening the relationship between managers and their teams, and retaining human capital, through employee engagement with the organisation. It was precisely with this paradigm in mind that we created the solution. Contrary to what is currently the case, this solution was designed around the employees, with the aim of responding to their expectations in the context of their professional activity.

In order to tackle this challenge successfully, managers and HR teams need to be equipped with technological tools that allow them to manage their resources in streamlined fashion and, simultaneously, help them create an emotional bond with the organisation. Perhaps the quality that best defines the solution is its capacity to get employees involved with the organisation, through technology.

Additionally, a very significant effort has been made to develop a solid but flexible system for the payroll module. With a track record spanning more than a quarter of a century, we are well aware of the importance of this processing engine for the many thousands of accounting firms and companies; there are so many different scenarios, not

to mention, in many cases, the huge amounts of data or complex operations. This is a field in which Primavera's HR solutions have played a fundamental role.

OMNIA

Available in the Cloud and accessible from any device, this is a Platform as a Service (PaaS) for the development of Cloud-based applications that run in any device. Based on the paradigm "Low-Code Enterprise Web Application Development", it is today an extremely important tool for many companies, taking into account how quickly and easily new business processes are implemented.

One of the differentiating characteristics of this tool is the ease with which applications developed in OMNIA can be integrated with on-the-premises or other cloud-native solutions. This feature is especially relevant for companies that have an on-the-premises ERP, as it allows them to extend their information system to the Cloud relatively easily.

To facilitate and accelerate this process, a set of templates can be obtained for application to some of the more common scenarios. After providing Human Resources with a self-service area, it will be the turn of Requisitions/Purchasing to see part of their functionalities become more accessible through this platform.

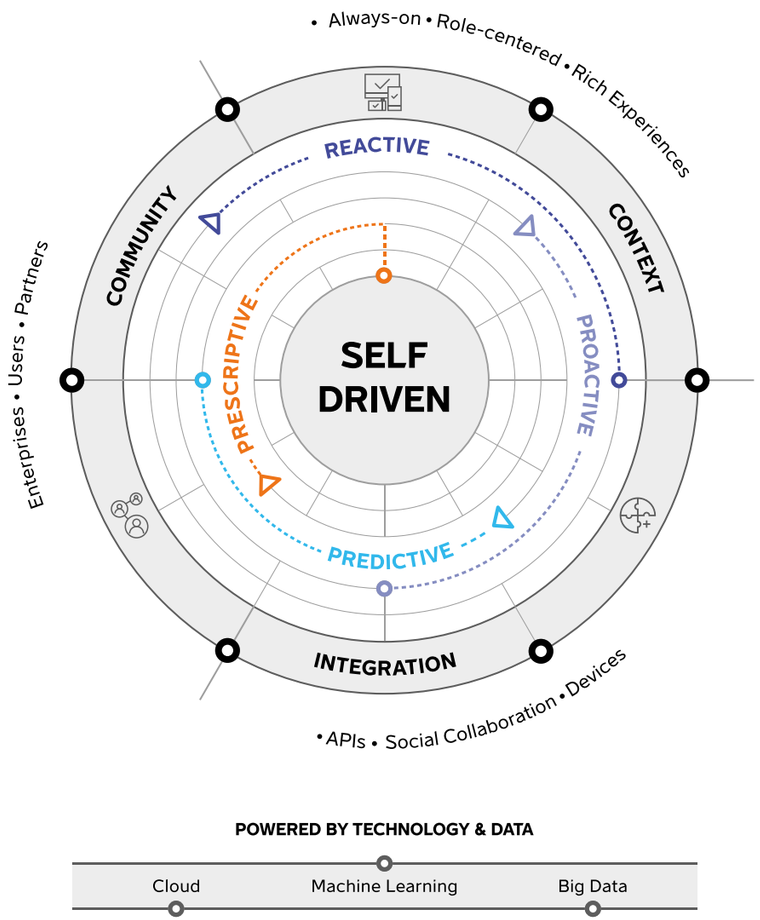
Public Services

Early this year, a new version of the ERP for the public sector (v10 PS) was released. This involved a very significant technological evolution that, we are convinced, will be highly valued by our customers. Not only for the new functionalities but also for the capacities offered by the new technological platform. This is particularly relevant in the context of these organisations, where the integration of systems is often a critical factor. Over the course of this year, we plan to launch a new version of the Human Resources solution which will bring significant improvements in the area of records management.

Smart Product – the DNA of the new offering

In addition to the innovation inherent to each solution, there is a guiding principle that steers the design of all the solutions and, in particular, the new cloud-based range – Jasmin, ROSE ERP and ROSE People. They will be the foundation on which our product development is based in the coming years and which actually form the very heart of their DNA.

PRIMAVERA is reinterpreting the role of the ERP and putting the focus on the future. A predictive system that takes advantage of historical data but also of the wealth of information available in the Cloud and which, when properly combined with the organisation's own data, has enormous potential. The aim is to give every organisation a crystal ball!



PRIMAVERA's vision for Intelligent ERP

The major update approach for the coming years will be to infuse management systems with the new Artificial Intelligence technologies. For companies to be able to rise to new challenges, the concept of smart apps will be essential. These will make it possible, for example, to monitor and detect patterns, automate the performance of repetitive tasks, offer a more contextualised and collaborative user experience, analyse data and make forecasts that will help companies make better decisions and suggest actions that will allow better results to be achieved.

The app's intelligence will be materialised in the system's capacity to anticipate the future, make processes autonomous and, generally, assist the various stakeholders by providing them with context-based information that they need even before they realise they need it.

Our product development plans for 2020 are, as always, very demanding. Our unfettered ambition, various product launches and the need to provide support for the thousands of customers who, across the various geographies, are waiting for a timely response to tax law requirements (expected to double in quantity), are always challenging.

But 2020 will be special. It is the year when we will see a "new Primavera" emerge, through a cloud-native offering that, just like in 1993, will let us take the market by surprise!

"Thanks to PRIMAVERA solutions, we achieved more efficient, faster and centralised management of around 1,200 employees at our various branches."

SÉRGIO BERNARDO
HR Systems Technician, Coca-Cola Bottling Luanda

Coca-Cola
Bottling Luanda S.A.R.L

Coca-Cola Bottling Luanda belongs to the Castel Group, one of the world's largest beer brewing companies, with a presence in over 60 countries.

Presence in the Markets

Business Model

Knowledge is the foundation for PRIMAVERA's business. The knowledge required in terms of developing PRIMAVERA products and their proper implementation in the systems of thousands of customers. The knowledge required due to the constant need to provide advice on the best options for the development of companies' information systems, anticipating their requirements and thereby guaranteeing them the competitiveness they need.

Knowledge that is obligatorily shared between PRIMAVERA and its partner companies, as a result of the indirect business model, currently highly customer orientated. PRIMAVERA depends on the skills of its partner companies to ensure its solutions reach its thousands of customer companies.

PRIMAVERA has over 32,200 customer companies, 31,500 of which have active, annually renewable maintenance contracts.

As such, it requires its Partners to invest continually in enhancing the professional worth of their technicians and sales staff.

Because the choice of an indirect business model must not overshadow the primary goal of any company – winning customers –, whenever the skills in the Partner network are insufficient to respond to a series of opportunities with the desired quality and in timely fashion, PRIMAVERA turns to a business unit geared towards service provision – PRIMAVERA Consulting.

PRIMAVERA Consulting's primary mission is to guarantee a series of skills that are not yet widely available in the PRIMAVERA Partner network, responding, in the scope of more demanding projects, to higher levels in the value chain, always guaranteeing, as far as possible, the presence of skills originating in Partner companies.

Similarly, PRIMAVERA organises its commercial area on the basis of two distinct but perfectly aligned goals.

The first consists in the management of the Partner network, the PRIMAVERA Channel. The second consists in prospecting for new business opportunities by sector, particularly targeting major companies, and priority is given to undertaking this work in a joint effort with our Partners.

All the interventions resulting from PRIMAVERA'S presence in the terrain are also undertaken with the goal of the knowledge and experience acquired during these interventions reverting to the Partner companies involved. In this way, PRIMAVERA is able to guarantee that, in identical future projects, it can be wholly substituted by its partner companies.

It is on the basis of these principles that PRIMAVERA conducts its business in perfect harmony with the hundreds of Partners who make up the PRIMAVERA Channel.

Current Competences

Technology is constantly evolving and at lightning speed, which means organisations must have teams of highly qualified professionals who are able and willing to systematically update their knowledge.

To ensure these teams are fully prepared, PRIMAVERA Academy provides a comprehensive set of certifications in various fields:

— PRIMAVERA Starter Technician
— PRIMAVERA ERP Technician
— PRIMAVERA Consultant
— PRIMAVERA Senior Consultant
— PRIMAVERA Lead Consultant
— PRIMAVERA Technical Specialist
— PRIMAVERA Technical OMNIA Developer
— PRIMAVERA OMNIA Analyst
— PRIMAVERA Project Manager
— PRIMAVERA Senior Project Manager
— PRIMAVERA Business Developer

Fields of Competence

— Assets
— Business Specialists
— Construction
— Financial
— Human Resources

"With PRIMAVERA solutions, we have accurate and timely information promptly available, which has made us more efficient. On a scale of 0 to 10, I would give PRIMAVERA solutions a 10."

MUHAMMAD ASIF KHAN
Financial Director, Transcom Sharaf

Transcom Sharaf

The Transcom Sharaf Group is the largest tobacco logistics operator in the entire southern region of the African continent. Based in the Mozambican province of Beira, where it operates from a logistics complex covering an area of more than 100,000 m2, it has logistics operations centres in Malawi, South Africa, Zimbabwe and Dubai.

Primavera Premium partner, Certified partner, Authorized partner, Solutions partner, Eye peak partner, OMNIA partner, Valuekeep partner

— Manufacturing
— Logistics
— Valuekeep
— Public Services
— Business Analytics
— Eye Peak

Across all its markets and companies that represent it, PRIMAVERA has over 2,000 active technicians who between them hold many different kinds of certification.

Technical Certifications

The companies that represent PRIMAVERA are ones whose activities are centred on information technology.

Only companies that PRIMAVERA has authorised and certified are allowed to sell PRIMAVERA products and provide after-sales service. Regardless of their status, any of our partners may sell any of the products in the PRIMAVERA range, as long as they have technicians who are certified in the relevant skills.

Primavera PREMIUM PARTNER

Primavera AUTHORIZED PARTNER

Primavera CERTIFIED PARTNER

Primavera SOLUTIONS PARTNER

Primavera OMNIA PARTNER

Primavera EYE PEAK PARTNER

Primavera VALUEKEEP PARTNER

Global Services

Ângela Brandão
Vice President

» In 2019, PRIMAVERA Consulting recorded a 47% growth in its turnover compared to the previous year, driven by the macroeconomic indicators of Portugal and Angola, and by the increasing investment in digital transformation by companies and public bodies. «

Consultancy, training and support services represent an important part of PRIMAVERA's turnover. But they mainly represent the strategic investment in teams of experienced and specialised professionals, who spearhead training in the partners' ecosystem, through training programmes, technical assistance and the implementation of more demanding projects for our medium-sized and large client companies.

In 2019, PRIMAVERA Consulting recorded a 47% growth in its turnover compared to the previous year, driven by the macroeconomic indicators of Portugal and Angola, and by the increasing investment in digital transformation by companies and public bodies.

Training services, through the PRIMAVERA Academy, also achieved the unit's best results to date, presenting a 33% growth in global terms compared to the previous year, through the continuous adaptation of its offer to the launch of new products and versions of PRIMAVERA solutions, a fundamental factor for valuing the professionals of our partner companies.

In the area of support services, 2019 was marked by a strong investment in the digital transformation of customer and partner relationship processes, a determining factor for greater proximity and effectiveness of this relationship, and crucial to accompany the growth of the group's business volume in the various markets.

Consulting

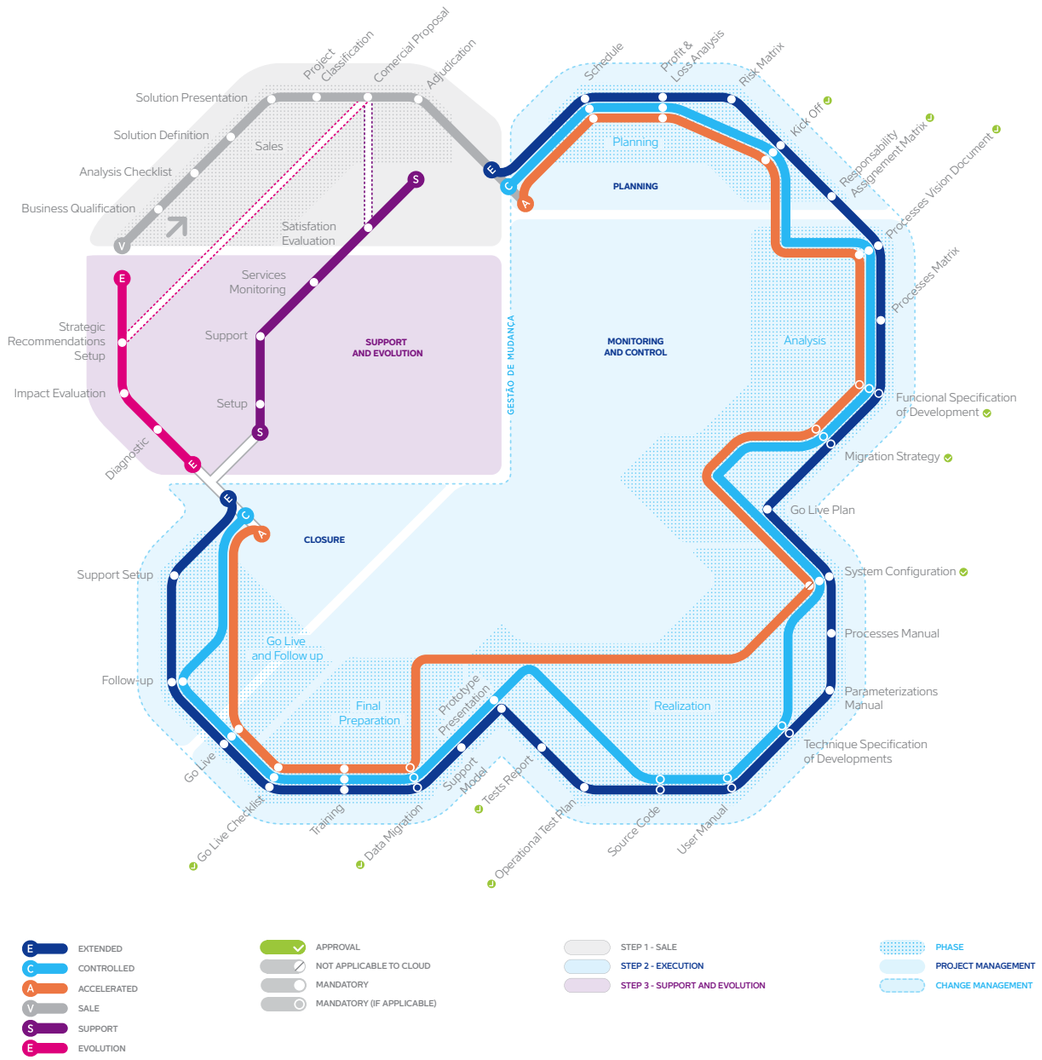
PRIMAVERA Consulting saw its turnover grow by around 47%, as well as customer satisfaction rates.

Highlight for the projects carried out in the Angolan market in multinational organizations from different sectors, namely oil and banking, where it was necessary to design and implement technological solutions based on each organisation's strategy for its information systems. Among these projects are the implementations carried out at Standard Bank and Schlumberger, which allowed these organisations to meet their new fiscal requirements, namely the introduction of VAT and SAFT in this market, in timely fashion and with minimum impact on their operations.

We have seen an increase in the number of partners with whom we have collaborated on vertical projects and specialised solutions, allowing them to provide their customers with a wider and more innovative offering, and to develop skills to address new opportunities in these areas.

A large number of projects were carried out with a strong technological component, in which OMNIA became an instrumental piece in the digitization of our customers' specific processes, extending the functional coverage of standard PRIMAVERA solutions through an Agile approach.

In 2019, collaboration between the Consulting and PRIMAVERA's product development areas was intensified, with a view to incorporating market needs. Examples of this collaboration are the implementation projects for version 10 of Eye Peak in several clients, such as FEHST, a reference company in the automotive industry and with a clear strategy oriented to Industry 4.0. The first implementations of ERP v10 were carried out in large clients, such as the Germano de Sousa project in the clinical analysis sector.



This collaboration was even more decisive in the design of hybrid solutions, resorting to the integration of on-premises solutions with the PRIMAVERA Cloud platforms, as was the case with the implementation of a billing solution at Toyota Financial Services.

Continuing on the course already begun, our goal for 2020 is to strengthen PRIMAVERA Consulting's positioning in the design and implementation of solutions that are underpinned by a strong foundation in technology and specialisation. This is the case of projects in the field of analytics, for example, which is extremely important for middle- and high-market customers in particular.

New upgrade projects for V10 are in the pipeline and this will enhance the implementation of process improvements in these organisations. In order to speed up version migration projects, accelerators geared towards this type of project will be made available to the market to be incorporated into the MIP (PRIMAVERA's Implementation Methodology). Still on the subject of methodologies, 2020 is expected to see the launch of a new version of the collaborative project management platform.

Academy

The human capital, knowledge and skills of the professionals who make up PRIMAVERA's partner channel are increasingly decisive for the implementation of our business and innovation strategy.

As a global unit responsible for the technical training and certification of the professionals who make up PRIMAVERA's partner channel, PRIMAVERA Academy's primary role is to offer a range of training to ensure that these professionals are constantly kept abreast of the new versions and software products developed by PRIMAVERA; the Academy is also responsible for preparing them to address the enormous challenges arising from the new technological paradigms, such as the Cloud, Artificial Intelligence, Data Science and new solution architectures.

Another line of action taken by PRIMAVERA Academy involves the training of new professionals who will subsequently join our partner channel's technical teams. In a context where talent is scarce, especially as regards Information Technologies, this has become an increasingly significant focus.

The Academy is also the business unit that provides PRIMAVERA customers, and the market in general, with a comprehensive range of training options, not only in terms of PRIMAVERA's own solutions but also in programming languages and other technology platforms, as well as business, management and behavioural processes.

Main growth vectors

Several factors account for PRIMAVERA Academy's

ICT

Nº of Certified Professionals

Average ICT per Certification

strong growth in 2019, but particularly the introduction of VAT in Angola, which generated numerous training opportunities involving customers, partners and the market in general. PRIMAVERA Academy was able to take the fullest advantage of these opportunities and was very dynamic in providing a diversified offering on the subject. Consequently, some 500 trainees took Academy training courses on VAT.

Another driver for growth was the offer of Tech Learning, particularly in programming languages and the RE_Start professional retraining programme which trains developers in the technologies most in demand by companies.

Lastly, the importance of the intensive training programme SCORE must be highlighted. The programme certifies professionals aiming for a PRIMAVERA technical career, which more than 600 participants have done over the years.

New PRIMAVERA career paths

2019 was also marked by the launch of the new PRIMAVERA professional career paths, which clarify the four areas of specialisation (Functional, Development, Project Management and Commercial), as well as the possible paths for progression within each area or across various areas. The new PRIMAVERA Certified Professional career path will also be a means of making the company more visible and attractive to new professionals who can potentially reinforce the technical skills of our ecosystem.

2020 will be marked by innovation in PRIMAVERA Academy's methodologies and tools, accompanying the digital transformation process that is growing in the markets in which it operates.

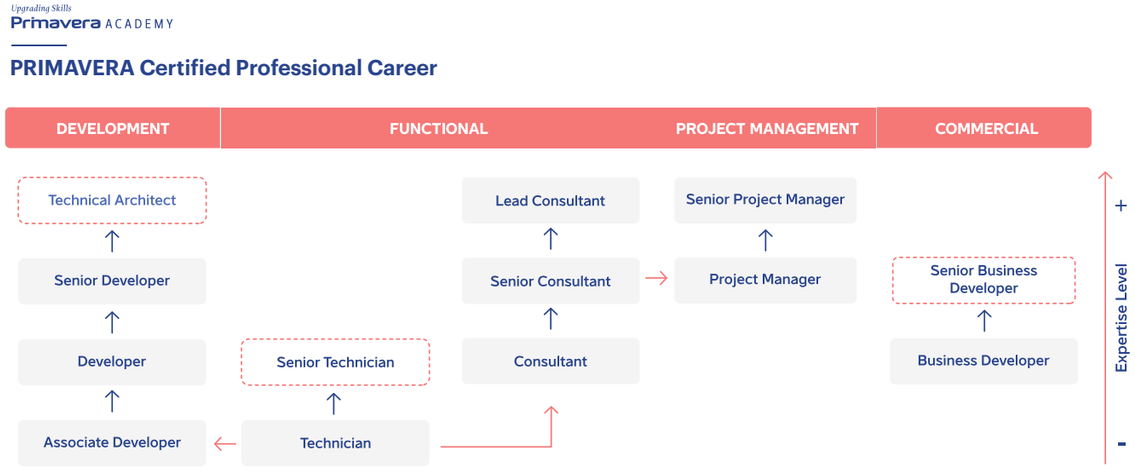
It will also involve continuing to invest in the provision of intensive training programmes, encompassing not only PRIMAVERA technologies but others too, enhancing the qualification of new professionals who bring together the necessary skills to boost the business and performance potential of our partners and customers.

This will be another year when we focus on the preparation of our channel for Rose, PRIMAVERA's new cloud-native ERP.

The development of skills is a continuous and increasingly challenging process in a constantly changing world, so this unit will continue to be one of the main strategic drivers in the growth of PRIMAVERA and its ecosystem.

Support Services & Customer Care

In 2019, initiating a new cycle of the strategic plan, the focus of this unit's activity was to find and build solutions that would add greater value to PRIMAVERA's customer and partner support service. First, through a greater robotization of processes, such as the introduction of virtual assistants, second, by greater personalization in service, and, finally, through differentiated preventive advice and technical support services.



In this sense, the implementations and migrations to version 10 of the ERP were both a challenge and an opportunity.

More satisfied and more qualified customers and partners are, without a doubt, the main guarantee of more loyal customers, and this will continue to be the main strategic pillar of this service unit.

The results of the customer and partner satisfaction questionnaires reflect for the organization the positive impact on the market, the orientation and differentiation of the service to the most valuable customers, the effort made in the product to provide innovative features in addition to updates in the tax legal scope , and the preparation and quality of technicians from PRIMAVERA's partners.

In relationship operations, new tools were implemented, such as a chatbot service in the entry segment, with an adjustment rate for responses of more than 40%, and the option of scheduling specialised contacts with partners, in line with our strategy of transforming services to make them increasingly digital and supported by artificial intelligence technology.

The teams were reorganised in accordance with customer segments – small- middle- and high-market – in preference to the product-based organisational model. The result is a greater focus on the customers and an adjustment to the discourse, needs and expectations of each segment.

The strong growth seen in 2019 and the consequent pressure brought to bear on the more operational departments as a result of the volume of activity have meant that 2020 will be a year when the programmes "Voice of Customer" (the way in which the organisation integrates customer and partner feedback) and "Customer Experience" (transformation of customers' experience with the brand, services and product at every stage in the life cycle) will become particularly important and will be the focus of investment across the entire company.

Cabeólica is a Cape Verdean company that produces wind energy. Founded in 2009, it currently manages four wind farms which produce one fifth of the electricity used in Cape Verde's main islands.

"PRIMAVERA's management system gives us fast, solid and transparent financial reporting, which is fundamental in public-private partnerships. Since this is an integrated and comprehensive solution, we can manage all the company's activities on the same platform, from administrative, commercial and financial issues to staff management, giving us greater control over the business."

BRUNO LOPES
Financial Director

Human Resources

Rita Cadillon
Human Resources Director

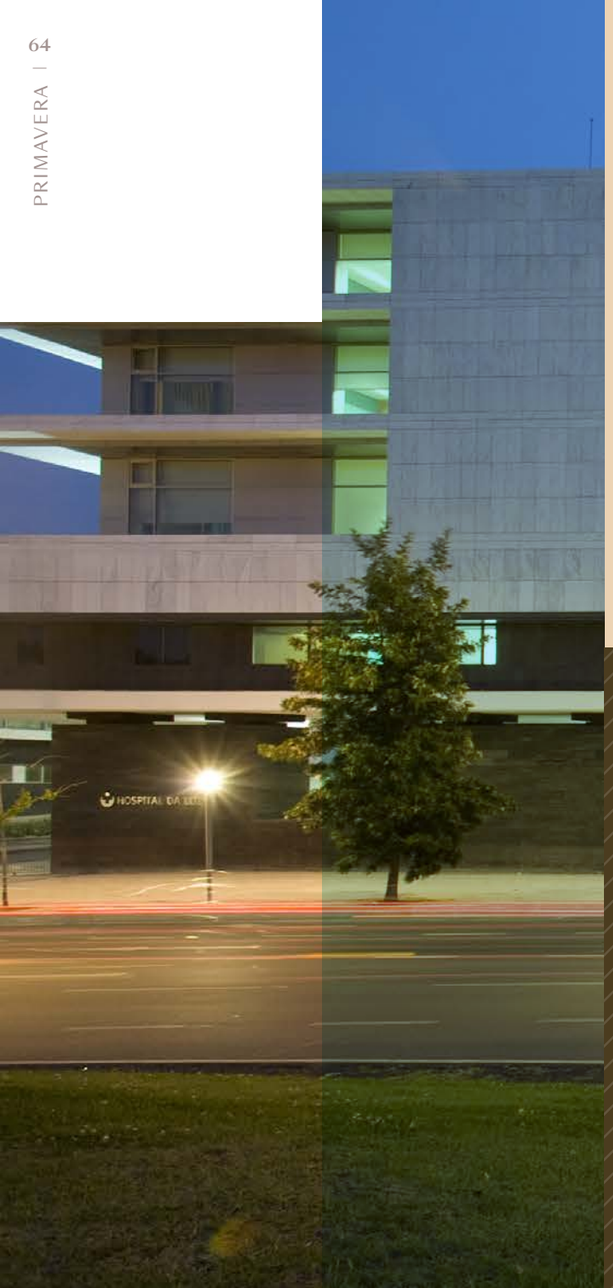
» Personal and professional development is one of the most important aspects of our action, since it impacts skills and the capacity to retain the company's most talented people. «

There were some huge challenges for Human Resource Management in 2019, particularly at technology companies, which continued to struggle with a shortage of available resources in an expanding market with considerable turnover of talent.

Alongside this, PRIMAVERA experienced a year of exponential growth in its business, leading to a much greater need to contract new staff than had been envisaged at the start of the year. With this in mind, the company implemented its strategy to attract new talent, focusing on ensuring that new team members would be welcomed and fully integrated.

In turn, this required considerable effort in terms of organisation and here the focus was on training and on helping our new colleagues to settle in and become accustomed to our way of working. In addition, we felt the need to adjust our staff retention policies. We did this by implementing measures offering greater flexibility and by making it easier for staff to reconcile their private and professional lives. We also worked on career development, with new tools to enhance employees' ability to manage expectations, as well as opportunities to progress.

Personal and professional development is one of the most important aspects of our action, since it impacts skills and the capacity to retain the company's most talented people. To this end, we have invested in providing management training and qualification, creating an in-house leadership programme, which we have extended to all levels of management. With this programme, we are laying the foundations to ensure we have the most innovative and strategic leaders, who will be more aware of their role in the organisation and will assist the company in its pursuit Excellence.



"Thanks to the implementation of PRIMAVERA's logistics management system, the logistics operation in our hospitals is now much easier and orientated."

PEDRO LIMA
Head of Logistics, Luz Saúde Group

LUZ SAÚDE

The Luz Saúde Group is one of the largest private healthcare groups in Portugal and the first private company in the health sector to be listed on the stock exchange. Comprising 20 healthcare units including hospitals, private outpatient clinics and retirement homes, the group operates in the northern, central and central-southern regions of Portugal.

Social Responsibility

Committed to building its corporate identity based on the sharing of its fundamental values and on an ethically responsible participation in the communities where it operates, PRIMAVERA's Social Responsibility policy expresses the company's strategy in relation to its commitment to the Sustainable Development objectives defined by the United Nations.

Focusing on four main areas which are seen as priorities, and supporting projects considered to be socially structuring and high in impact, PRIMAVERA strives to achieve its goals as a company while being committed fostering fairer and more impartial development in the following areas: enhancing the worth of its people, protecting the environment, education and social well-being.

People

PRIMAVERA is committed to enhancing the worth of its people. It is only possible to create value through a network of relationships built on rigour and trust, which is why the company behaves in a socially responsible manner, obeying the laws and respecting the customs and traditions of the countries where it operates.

Since the IT sector is one of the most competitive, the company positions itself as a benchmark employer, offering conditions to attract, develop and retain the talent of its employees, building the capacity to leverage its growth potential, valuing teamwork and promoting the development of skills and merit.

Product

The integration of the concept of sustainability in the business innovation process at PRIMAVERA is not considered as a constraint, but as a window of opportunity for all interested parties as a driving force for the discovery of new products, services, processes and technologies. With this in mind, the company has evolved its product offering, including in its portfolio tools to support digitization, such as Jasmin, OMNIA, or the Electronic Transactions module, electronic processing solutions and services that allow the dematerialization of processes, reducing environmental impact and promoting corporate sustainability.

Education

Education is one of the areas with the closest connections to IT. It is also one of the sectors in which PRIMAVERA is most present, through the sharing of technological worth and knowledge.

As a consequence of transferring good practices and knowledge from the business world to schools and giving young people an early insight into the needs and expectations of the employment market, the PRIMAVERA Education project is a successful initiative that makes it possible for schools to have free access to management software, study visits and access to an e-learning platform.

PRIMAVERA still maintains close ties with the academic community partly by taking placement students and partly by means of regular participation in initiatives to foster knowledge and research programmes.

In terms of training, in recent years a network of partnerships has been created, namely with the Institute of Employment and Vocational Training, making it possible to broaden the qualifications of the Portuguese. The aim is to improve the potential of employability and new opportunities for companies, thereby contributing to economic growth.

Community

PRIMAVERA's values and principles are the pillars of sustainability in the long term, especially in terms of preserving relationships with stakeholders. As part of our commitment to act in an ethically responsible manner, the company strives to continuously improve and optimise its management processes in its day-to-day work, actively contributing to social innovation through the sharing of value. This sharing has contributed to the development of the community, through collaboration with social institutions, the aim being to empower the surrounding community, support innovative socially-valuable projects, provide training and create jobs through donations of money and of products,

as well as fostering volunteering campaigns (skills building and team building).

An example of value sharing is the free provision of the Jasmin Express. Through this initiative, the company is helping to computerise the business fabric, affording smaller companies the possibility of adopting the same software that leading companies use in support of their management processes.

Investment in patronage is an important part of PRIMAVERA's commitment. Highlights in 2019 included the ongoing initiative to provide free technical training for unemployed people registered at the Institute of Employment and Vocational Training, and continued support for the food bank programme "Banco Alimentar Contra a Fome" and the RE-Food project, with donations of the PRIMAVERA ERP, and the sponsoring of the various sports teams at ABC de Braga – Andebol S.A.D. PRIMAVERA is also patron of the Casa da Música in Porto and of the Braga Theatre Circus.

Also in this sphere of action, PRIMAVERA provides financial assistance for projects supporting social development, especially ones which support children and young people at risk of social exclusion, in every geography where the company operates (Portugal, Spain, Angola, Mozambique, Cape Verde and São Tomé e Príncipe).

"Being able to have more automated information is essential to save us time and boost productivity in the management area, leaving us more resources to invest in customer service."

DINIS PIRES
General Manager, Hilton Vilamoura

The Hilton Vilamoura As Cascatas Golf Resort is one of the leading family-friendly hotels in Portugal. Covering an area of five hectares and boasting one of the best golf courses in Portugal, it is a member of the Hilton chain, one of the leading hotel brands in the world, which has over 570 properties spread over six continents.

The PRIMAVERA Brand

Idalina Sousa
Head Manager of Marketing
& Corporate Communication

» The PRIMAVERA brand has been the focus of attentive management with a view to translating the images it wishes to project – innovation, creativeness and joviality – and which form part of its very essence, in integrated and coherent fashion at every point of contact with its various audiences. «

PRIMAVERA's marketing strategy is based on three pillars: Brand, Partners and Customers. The PRIMAVERA brand is one of the company's main assets, not least because it is one of the most visible and highly rated brands in the Information Technology sector, as has been shown in the various studies carried out by external consultants over time.

The PRIMAVERA brand has been the focus of attentive management with a view to translating the images it wishes to project – innovation, creativeness and joviality – and which form part of its very essence, in integrated and coherent fashion at every point of contact with its various audiences.

The brand's demanding standards are something that we instil in our Partner Channel, since our partners are precisely the ones who are the main point of contact between brand and market. It is PRIMAVERA's job to foster brand visibility on an international scale, while our partners take charge of complementing PRIMAVERA-promoted actions in line with their own interests and strategic direction; PRIMAVERA provides them with operational support in this respect.

PRIMAVERA also has an important role to play where customer loyalty is concerned, not only in terms of ensuring the best products are made available but also with regard to implementing frameworks aimed at ensuring the best practices in customer support. Yes, because a satisfied customer is not just a loyal customer but is also someone with a very active role in recommending the brand.

As part of its customer support frameworks and with the support of a consultancy that specialises in this particular field, PRIMAVERA developed a new segmentation strategy over the course of 2019. The strategy is based on seven distinct segments; in each, purchasing behaviours and decision-maker profiles can be identified with the homogeneity needed to enable us to build value proposals adjusted to each of them.

This new strategy will have an enormous impact on PRIMAVERA's commercial effectiveness since we will be able to include any company (whether they are already our customers or not) in any segment and from there it will be easier to adapt our commercial approach to their expectations and needs. In 2020 this strategy will be visible in our business support tools so that its potential can be explored in every area where PRIMAVERA and its partners operate.

PRIMAVERA Iberia

Felicidade Ferreira
Country Manager

» The new Alliance Programme allowed us to align with our partners in terms of the need to work on New Business and the most strategic areas/sectors, with the aim of maintaining the company's growth. «

2019 was a very challenging year for the Portuguese market. On the one hand because we had planned for ambitious growth with the adoption of a new Alliance Programme that introduced a new work logic with our partners, and on the other because the organisation took on new members of staff.

We also invested heavily in our Lisbon office in 2019, moving to a new facility, reinforcing the team and contracting an Executive Director.

The new Alliance Programme allowed us to align with our partners in terms of the need to work on New Business and the most strategic areas/sectors, with the aim of maintaining the company's growth.

We continued to take on new staff in 2019, people with skills more suited to the middle- and high-market, as part of our strategy to target this segment more; and we also worked with our commercial partners to ensure they took this experience on board.

As far as our product range is concerned, Jasmin continues to be a success in the entry segment, and is making a name for itself as the cloud-based product of choice for micro-companies. Our vision of an intelligent ERP began to take shape in 2019, giving rise to ROSE, the first versions of which will be start being launched in 2020.

All of this allowed us, in addition to preparing for the future, to have one of the best years ever in the Portuguese operation, with the channel's business and the unit's consultancy growing in this market by about 11%, exceeding 14 million euros (net commissions).

Spain

Turnover registered a marginal increase in the Spanish market in 2019. This was the year of the introduction of the new Alliance Programme, to reinforce the Cloud offer for micro-enterprises and where we mark the achievement of a reference company in the retail / distribution sector. In 2020 we hope to consolidate our offer in Spain.

Cape Verde

In Cape Verde, 2019 was a year of strong growth, with expectations being exceeded. A large part of this was due to consultancy projects for large customers with whom we are starting to work on the digital transformation of their companies.

We believe that 2020 will be an even better year, due to the introduction of electronic invoicing certification in the country.

PRIMAVERA
Angola and Mozambique

José Simões
Country Manager

» The year was marked by the introduction of software certification as the basis for the introduction of a new tax on the market: VAT. This change meant our entire customer portfolio had to be updated, thereby creating huge potential for attracting new customers. «

In 2019, Angola returned to PRIMAVERA as an operation with the dynamism and strength that this market had before the crisis of recent years.

This positive sign of growth has not yet been seen in all sectors of the economy, but only in those related to software-producing companies, and all those that revolve around matters of legislation.

The year was marked by the introduction of software certification as the basis for the introduction of a new tax on the market: VAT. This change meant our entire customer portfolio had to be updated, thereby creating huge potential for attracting new customers.

PRIMAVERA Angola, and its Partners, based on products that responded in time to all the new Legal Requirements, reinforced confidence with the Angolan market, which translated into a substantial growth in the acquisition of customers and, therefore, in the respective percentage of market share.

In 2019, Angola's GDP contracted by 1.1% but the forecast for 2020 is a growth of 1.8%. These figures are supported by a moderate growth in the non-oil economy and by the positive effects not only of the liberalisation of the exchange rate, but also of the non-oil GDP.

PRIMAVERA Angola grew by 161% in local currency in comparison to 2018, and the consolidated Euro figure grew by 91%. In addition to all this, 2019 was a year of significant recovery in the assets of the customer portfolio, as well as in terms of attracting thousands of new customers.

The Partners, despite the difficulties in finding specialized resources, remained oriented towards the conquest and reinforcement of their skills. Supported by the consultancy unit, partnership business gained new impetus, making it possible to leverage business with large customers, such as the oil companies and the banking sector.

The Academy managed to maintain its positive dynamics and resilience, having achieved the proposed results, increasing both the number of organised events and the number of trainees attending training. In fact, this was another great year for the Academy, which was able to strengthen its presence in the Angolan market, where it is a benchmark in terms of the quality of the training it offers.

For 2020, we intend to further reinforce our teams with local resources, in the hope that the market will continue to present us with high growth levels. The General Tax Administration will be introducing further tax changes during 2020, which will give us the opportunity to increase our market share and, consequently, our sales figures.

Mozambique

Mozambique remains on a moderate growth trajectory following the raw-materials price shock in 2015 and the 2016 "hidden debts" crisis. The devastating impact of tropical cyclones Idai and Kenneth on agricultural production and the fall in the prices of raw materials led to perspectives of moderate growth for 2019. In real terms, the country's Gross Domestic Product (GDP) reached 2%, lower than the 3.7% average seen between 2016 and 2018, and its growth rate was the lowest since 2000, when southern Mozambique was hit by devastating floods. Mozambique is still over-indebted, despite progress having been made in restructuring the debt, and the country's growth perspective remains an unknown. General elections were also held in 2019, with an effort being made to re-establish confidence through better economic governance and greater transparency.

In light of these circumstances, the company set the month of September as the target for developing its business, since it was clear that with elections taking place in October the country's entire focus would be on this subject. The team began the year optimistically, but we quickly realised that this attitude would be short-lived and that companies were anxious about what might happen on account of the General Election. To exacerbate the defined scenarios, the centre of Mozambique was hammered by Hurricane Idai, which obliged the State to concentrate all its resources on that province.

» Even with all of these challenges, PRIMAVERA Mozambique strengthened its market leadership position, growing by 2.7% in comparison to 2018. «

While, on the one hand, we had contracts being closed for major gas projects, on the other we had the armed conflict in the north of the country unsettling the economy and increasing wariness and instability in Mozambique.

Even with all of these challenges, PRIMAVERA Mozambique strengthened its market leadership position, growing by 2.7% in comparison to 2018.

Our focus will be to continue developing our partner network, on which all our market strategy is based, reinforcing our proximity relationship with the customers. As a result of Mozambique's current economic climate, our partners experienced considerable difficulty in converting the many opportunities that arose into confirmed business. It was a very challenging year for all.

Alongside this, the Tax Authority developed initiatives in an attempt to conclude a process that has been ongoing for years: fiscal machines. There have been developments but not enough to have impacted the market.

Reinforcing the role of our partner channel, both the Academy and the PRIMAVERA Consultancy Unit carried out various initiatives with the aim of leveraging new business in the market, enhancing the position of our brand in Mozambique.

Considering the present state of affairs in the country, which has been recurrent in recent years, as well as that of the world, with the effects of the COVID-19 pandemic still to be assessed, we must look to 2020 as yet another challenging year, but with the necessary precautions. We must be optimistic and encourage our teams to do their best so that we can once again overcome the difficulties we expect to encounter. The introduction of the "Fiscal Machines" by the Tax Authority will be a hugely important step for the updating of our existing customer base. The new projects taking place in Mozambique are generating new opportunities and PRIMAVERA is ready to respond to them.

“The heads of the different departments, such as purchasing, production, sales, finance and administration, are now able to work from the same data source and access useful information about their particular areas as and when they need it. The information is more reliable and we are much faster at making decisions. This flexibility is essential in our highly competitive wine market.”

SÍLVIA MENDES
Financial Manager, Adega de Borba

ADEGA COOP. BORBA

Founded in 1955, the Adega de Borba (Borba Winery) was the first in a series of wineries to be set up in the Alentejo region at a time when the sector was not such a significant player in the Portuguese economy as it is today. In recent years, the estate has been building a reputation in projects focusing on wine tourism. The Adega de Borba currently brings together some 270 winegrowers, over 2,200 hectares of vines and around a dozen brands of wine that have won international awards.

PRIMAVERA Public Services

Armando Castro
Managing Director

» The results achieved confirm we made the right decision in 2016; our highest expectations have been exceeded and our objectives met, as can be seen from the significant 19% growth in turnover. Software sales accounted for 30% of turnover and Consultancy Services 70%. «

Created around four years ago, as the natural consequence of the considerable specialisation of a team of consultants who had been working on projects to implement PRIMAVERA solutions in the public sector for several years. Since then, PRIMAVERA Public Services has been making a name for itself as one of the leading technological partners of public bodies, reconciling PRIMAVERA technology's complete supremacy over the sector with in-depth knowledge of the operating rules and standards of the various bodies, particularly in the areas of Higher and Polytechnic Education, and Central and Local Government.

In 2019, the operation focused especially on stabilising projects won in 2018 and in preparing the transition to the new SNC-AP accounting standard for local government customers, since they, unlike central government, were exempted from adopting this standard in 2018 and 2019. This sub-sector, where we are aiming to be the benchmark partner, has a very important role in PRIMAVERA Public Services' strategy for the coming years. This is why we undertook various actions during 2019 to enhance the functional adequacy of our products in line with the particularities of the sub-sector.

Electronic Invoicing was another important aspect, and a number of projects were undertaken in this area. While not due to become compulsory until 2020, the need to adopt an electronic invoicing system to ensure compliance with the law, imposed by the European Directive 2014/55/EU, encouraged the early adoption by public bodies, as a measure for dematerialisation and simplification of processes; here too, PRIMAVERA Public Services has been a benchmark partner.

The results achieved confirm we made the right decision in 2016; our highest expectations have been exceeded and our objectives met, as can be seen from the significant 19% growth in turnover. Software sales accounted for 30% of turnover and Consultancy Services 70%. It is also worth highlighting in 2019 the conquer of strategic clients such as Mafra City Hall, Terras de Bouro City Hall, TransTejo, Porto Metropolitan Area or Polytechnic of Bragança.

In 2020, we will continue to focus on the public sector and the adoption of SNC-AP, especially with regard to the local government sub-sector. At the same time, we will strive to reinforce our range of products and services in order to provide our customers end-to-end solutions, properly integrated, maximizing efficiency and productivity in the management of their organisations.

YET - Your Electronic Transactions

Eugénio Veiga
General Manager

» For YET, 2019 stood out as the best year ever in terms of gains. We exceeded our planned growth in turnover with an increase of 37.4%, and we achieved an increase of 24% in the number of active customers, the vast majority of whom are benchmarks in the sectors of activity in which they operate. «

For YET, 2019 stood out as the best year ever in terms of gains. We exceeded our planned growth in turnover with an increase of 37.4%, and we achieved an increase of 24% in the number of active customers, the vast majority of whom are benchmarks in the sectors of activity in which they operate.

2019 was also marked by the strategic acquisition of Portugal Informático. As a result of this merger, YET will be able to offer a more comprehensive and differentiated offering, thereby strengthening its position in both the public and private sectors. Cloud-based and on-the-premises options will both be available.

Since 2020 looks likely to be a year when the adoption of electronic invoicing in Public Contracts will be driving the market, YET will remain determined in its efforts to find new windows of opportunity in this and other sectors of activity with a view to taking advantage of factors that could contribute to companies' competitiveness, a fundamental condition for their sustainability.

This is YET's grand goal and the reason why we offer a range of solutions designed with a view to providing companies with software tools that make their operations more agile and more competitive.

As a strategy to enhance and expand our range, 2020 will also see new services being launched, either in partnership or developed individually, and which will complement the implementation of the solutions currently available, as well as providing new business opportunities.

Based on this strategy, YET's growth is expected to continue its upward trend, with the goal for 2020 being to achieve a 35% growth in turnover.

Valuekeep

Luís Cadillon
Managing Director

Valuekeep's fourth year in business was an outstanding one, both in terms of consolidating the project and the team, and with regard to the growth of the company's business and making its mark internationally. The company achieved a turnover of more than half a million euros, meaning a growth of around 88% in comparison to 2018 and 29% higher than the target we had set ourselves.

The Spanish market was one of the highlights of the year, with a growth of 122% in comparison to 2018. Portugal was next, with 76% and other markets finished 44% up.

Also worth highlighting is the fact that we conquest 60 new customers in different geographies, with particular emphasis on attracting strategic clients such as FIL, Goiko Grill, the Neinver Group, Hofmann, Mango, Raclac, Unen and Siemens, among many others, in markets as distant as Ireland, Peru and Oman.

The year also ended with strong growth and consolidation of the Valuekeep partner channel, which began to invest more markedly in this area of maintenance and asset management and to be increasingly independent as regards the marketing and implementation of Valuekeep solutions.

At the start of 2020, the dynamic was the same as the previous year. However, with the worldwide spread of the Coronavirus (COVID-19), the year ahead will be extremely challenging as far as our planned-for growth is concerned. Our aim was to exceed 30% but that figure will now be very difficult to achieve.

Irrespective of the circumstances we are currently facing in conjunctural terms, the year will be marked by the launch of the new versions of Valuekeep Star and Valuekeep Galaxy, which will replace the current web versions, and will be the start of a three-year product roadmap. This will allow the development of an "Intelligent CMMS" with a whole set of insights, which will be a first step on the path we are treading in response to the predictive maintenance paradigm.

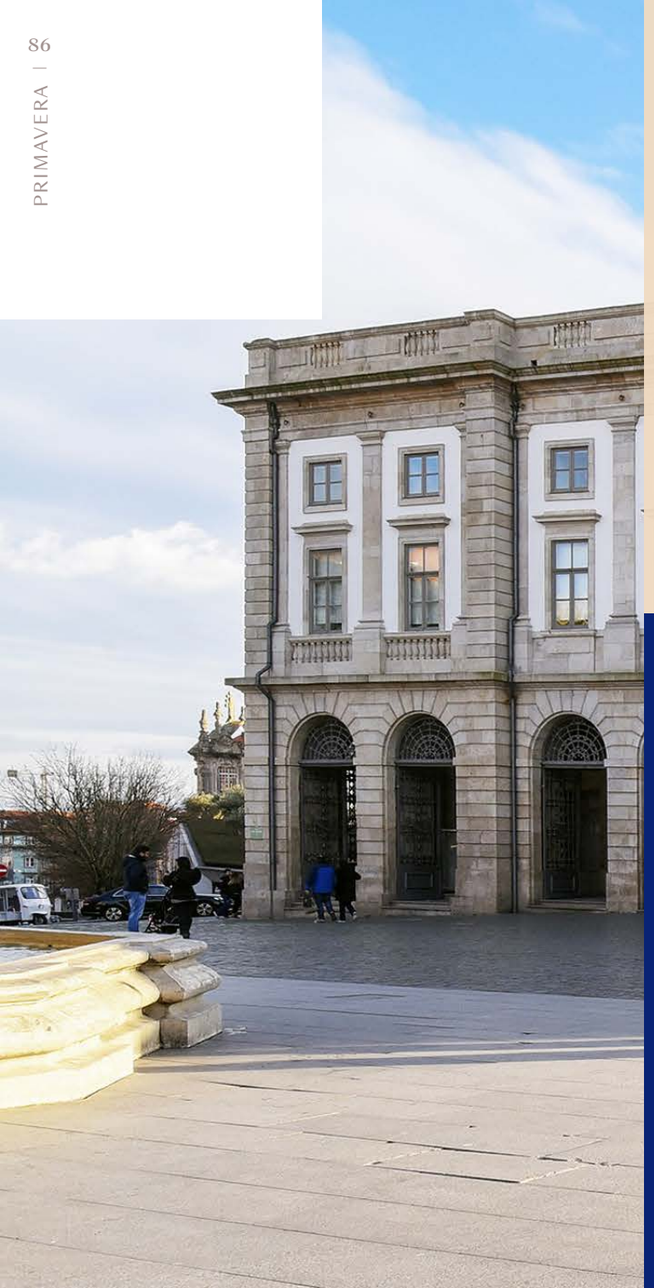
We will therefore have a year during which we intend, on the one hand, to consolidate and continue to grow in the current markets where Valuekeep already operates and, on the other, to position a whole new offer at global level, continuing with the policy that we set in motion last year, of attracting channels outside Portugal.

After a year of strong growth, it is hoped that 2020 will now be a landmark year for Valuekeep, since we will be launching the first version of our future CMMS.

We would like to thank all of you for your support and collaboration in the consolidation and growth of this project.

» The Spanish market was one of the highlights of the year, with a growth of 122% in comparison to 2018. Portugal was next, with 76% and other markets finished 44% up. «

VALUEKEEP

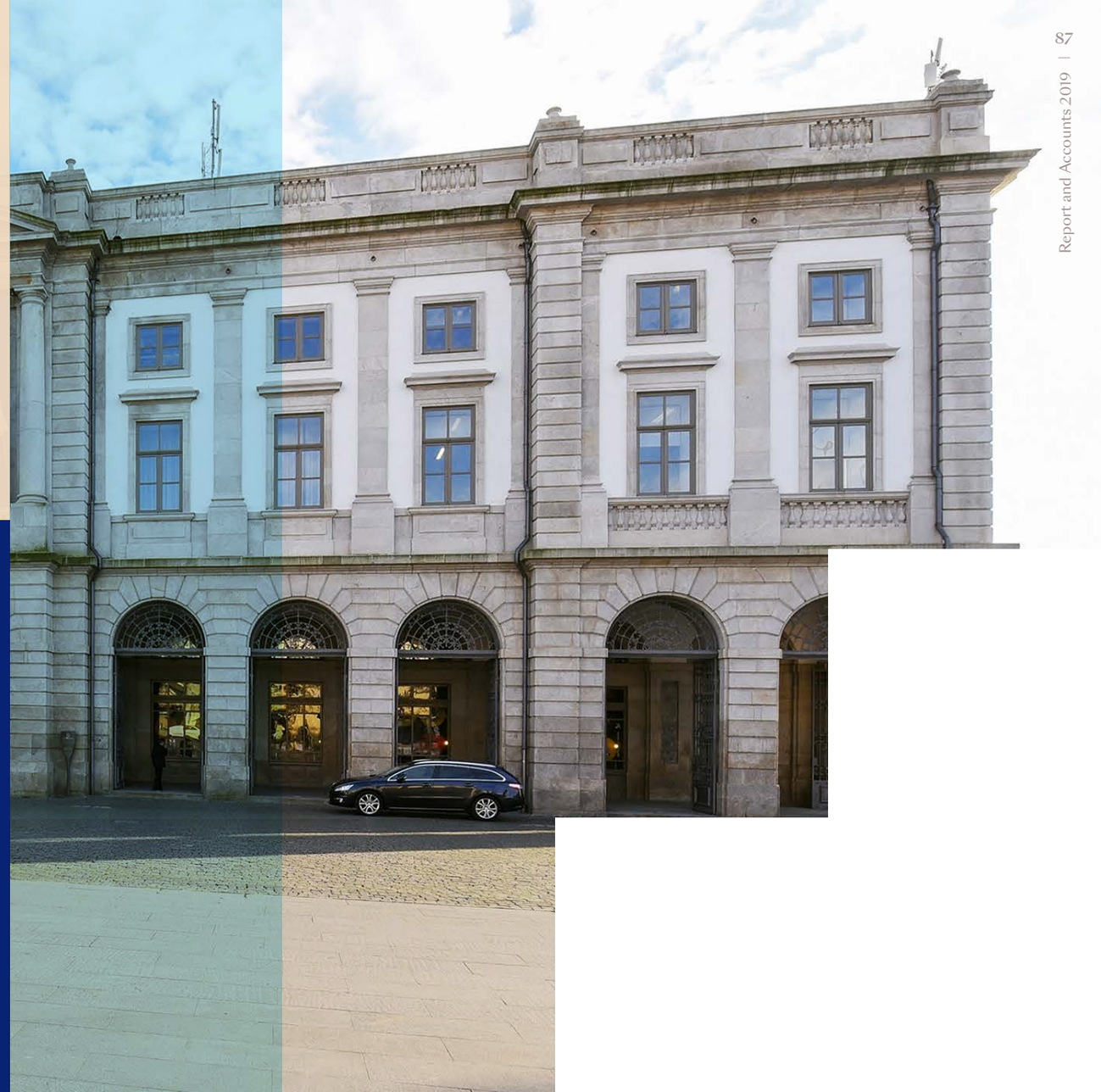


> **"With the PRIMAVERA ERP, we have increased the rigour and efficiency of our processes, while simultaneously having access, in timely fashion, to more and better information supporting decision-making across the different levels of the university's governance."**

JOSÉ BRANCO
Administrator, University of Porto

U.PORTO

The University of Porto is the second-biggest teaching and scientific research institution in Portugal. It is over 100 years old and is attended by 30,000 students taking courses at various levels of education. Recognised as the biggest scientific cradle in Portugal, it has 14 faculties, a Business School and 49 research centres.



Accounts for the 2019 Financial Year

CONSOLIDATED PROFIT AND LOSS STATEMENT BY NATURE
PERIOD TO 31 DECEMBER 2019

PRIMAVERA - Business Software Solutions, S.A.
VAT 503 140 600
2019 **Financial Year**
Currency EUR (€)

INCOME AND EXPENSES	NOTES	2019	2018
Sales and services rendered	3.2.8/16	29 118 951,23	24 325 218,56
Operating subsidy	17	22 318,51	118 985,78
Cost of goods sold and materials consumed	3.2.6/14.2	-220 479,90	-316 728,86
Supplies and external services	3.2.16/20	-9 481 984,82	-8 841 864,52
Staff costs	21	-13 653 918,72	-11 331 473,30
Impairment of receivables	12,3	-127 699,58	-2 327,02
Increase/decrease in fair value		5,32	0,00
Other income	18	196 551,66	253 759,83
Other expenses	11	-811 586,01	-863 775,29
Profits before depreciation, financing expenses and tax		**5 042 157,70**	**3 341 795,18**
Depreciation and amortization expenditure/reversals	3.2/8/9	-880 060,27	-943 860,07
Operating profit (before financing costs and tax)		**4 162 097,43**	**2 397 935,11**
Interest and similar income received	18	179 382,88	185 643,09
Interest and similar expenses incurred		-247 810,44	-322 053,81
Pre-tax profits		**4 093 669,87**	**2 261 524,39**
Income tax for the period	3.2.10/19	-315 754,31	-258 681,44
Net profits for the period	27	**3 777 915,56**	**2 002 842,95**

INCOME AND EXPENSES	NOTES	2019	2018
Net profits for the period attributable to:			
Equity holders of the parent company	22	3 803 436,79	2 189 505,08
Minority interests		-25 521,23	-186 662,13
		3 777 915,56	**2 002 842,95**
Basic earnings per share		1,48	0,79

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2019

PRIMAVERA - Business Software Solutions, S.A.
NIF 503 140 600
2019 **Financial Year**
Currency EUR (€)

ASSETS	NOTES	2019	2018
Non-current Assets			
Tangible fixed assets	3.2.1/8	6 950 164,76	6 566 157,88
Goodwill	3.2.3/7	261 065,62	46 118,57
Intangible assets	3.2.2/7.1	423 446,01	554 710,90
Other Financial Investments	10/12	2 659 494,26	1 787 071,57
Deferred tax assets	19,2	271 390,08	203 425,79
		10 565 560,73	**9 157 484,71**

ASSETS	NOTES	2019	2018
Current Assets			
Customers	3/12.2	3 880 671,70	3 481 063,56
Government and other public bodies	19,3	183 060,79	163 209,97
Shareholders/partners	6.4.1	907 922,56	1 013 782,75
Other Accounts Receivable	12.2/12.6	404 046,86	165 875,24
Deferments		587 976,25	770 015,36
Cash and bank deposits	4	5 199 800,67	4 110 864,12
		11 163 478,84	**9 704 811,00**
	Total assets	**21 729 039,57**	**18 862 295,70**

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2019

PRIMAVERA - Business Software Solutions, S.A.
NIF 503 140 600
2019 **Financial Year**
Currency EUR (€)

EQUITY AND LIABILITIES	NOTES	2019	2018
Equity			
Paid-up capital	6.1/12	2 550 000,00	2 550 000,00
Own shares (stocks)		-310 697,50	-310 697,50
Legal reserves		510 000,00	510 000,00
Other reserves		4 370 923,83	3 171 757,56
Retained earnings		12 178,47	12 178,47
Adjustments/Other changes in equity		0,00	4 030,54
Foreign Exchange Reserve		-1 043 754,41	-734 097,27
		6 088 650,39	**5 203 171,80**
Net profits for the period	27	3 803 436,79	2 189 505,08
Minority interests	22	-6 601,97	42 640,59
Total equity	12	**9 885 485,21**	**7 435 317,47**

EQUITY AND LIABILITIES	NOTES	2019	2018
Liabilities			
Non-current Liabilities			
Loans obtained	12.2/12.4/15	3 224 921,10	4 391 820,00
		3 224 921,10	**4 391 820,00**
Current Liabilities			
Suppliers	3/6.4.1	1 439 389,87	1 014 626,57
Advances to customers		3 467,87	6 378,04
Government and other public bodies	19,4	1 273 139,61	1 138 170,35
Shareholders	6.4.1	175 076,13	157 825,43
Loans obtained	3.2.7/12.2/12.4/15	1 631 690,13	1 540 764,31
Other accounts payable	12.2/12.6	3 945 877,51	2 921 641,95
Deferments		149 992,13	255 751,58
		8 618 633,26	**7 035 158,23**
Total liabilities		**11 843 554,36**	**11 426 978,23**
Total equity plus liabilities		**21 729 039,57**	**18 862 295,70**

CASH FLOW STATEMENT
FOR PERIOD ENDING 31 DECEMBER 2019

PRIMAVERA - Business Software Solutions, S.A.
VAT 503 140 600
2019 **Financial Year**
Currency EUR (€)

READINGS	NOTES	2019	2018
Cash flow from operating activities - direct method			
Payments received from customers		29 798 665,96	26 554 845,96
Payments to suppliers		-8 489 988,34	-8 759 997,10
Payments to staff		-11 709 690,15	-10 887 380,61
Cash flow generated by the operations		**9 598 987,47**	**6 907 468,25**
Income tax payments made/received		-46 105,85	-29 556,26
Other payments made/received		-3 647 272,40	-2 882 355,59
Cash flow from operating activides (1)		**5 905 609,22**	**3 995 556,40**
Cash flow from investiment activities			
PAYMENTS RELATING TO:			
Tangible fixed assets		-938 249,49	-207 002,36
Intangible assets		-95 183,55	-22 659,27
Financial Investments		-552 919,89	-412 516,86
Other assets		-526,01	0,00
PAYMENTS RECEIVED FROM:			
Tangible fixed assets		0,00	176 262,21
Intangible assets		0,00	0,00
Financial Investments		284,90	112 894,54
Other assets		0,00	0,00
Investment subsidies		10 372,18	244 246,12
Interest and similar income received		113 329,75	590 108,02
Dividends		215 000,00	0,00
Cash flow from investment activities (2)		**-1 247 892,11**	**481 332,40**

READINGS	NOTAS	2019	2018
Cash flow from financing activities			
PAYMENTS RECEIVED FROM:			
Financing received		94 928,60	411 680,17
Paid-up capital and other equity instruments		0,00	0,00
Loss coverage		0,00	0,00
Donations		0,00	0,00
Other financing operations		787 815,34	6 561 908,12
PAYMENTS RELATING TO:			
Financing received		-115 476,43	-687 354,24
Interests and Similar Expenditure		-220 176,30	-92 543,08
Dividends		-994 033,55	-548 061,02
Capital reduction and other equity instruments		0,00	0,00
Other financing operations		-2 531 251,09	-8 996 420,60
Cash flow from financing activities (3)		**-2 978 193,43**	**-3 350 790,65**
Variation in cash and cash equivalents (1 + 2 + 3)		1 679 523,68	1 126 098,15
Efects of exchange rate fluctuation		-590 587,11	-1 847 027,07
Cash and cash equivalents at the start of period		4 110 864,10	4 831 793,04
Cash and cash equivalents at the end of period	4	5 199 800,67	4 110 864,12

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE 2018 PERIOD

PRIMAVERA - Business Software Solutions, S.A.
VAT 503 140 600
Currency EUR (€)

Equity attributed to equity holders of the parent company

Description		Subscribed capital	Own shares (stocks)	Legal reserves	Other reserves	Retained earnings	Adjustments/ Other changes in equity	Net profits for the period	Total	Non-controlling interests	Total equity
Position at the start of the 2018 period	6	2 550 000,00	(310 697,50)	510 000,00	3 171 757,56	12 178,47	(730 066,73)	2 189 505,09	7 392 676,89	42 640,58	7 435 317,47
CHANGES DURING THE PERIOD											
Other changes recognised in equity					1 199 166,27		(313 687,68)	(1 188 083,82)	(302 605,23)	(49 242,55)	(351 847,78)
	7				1 199 166,27		(313 687,68)	(1 188 083,82)	(302 605,23)	(49 242,55)	(351 847,78)
NET PROFITS FOR THE PERIOD	8							3 803 436,79	3 803 436,79		3 803 436,79
COMPREHENSIVE INCOME	9=7+8							2 615 352,97	2 615 352,97	(49 242,55)	3 451 589,01
OPERATIONS WITH EQUITY HOLDERS DURING THE PERIOD											
Distributions								(1 001 421,27)			
	10							(1 001 421,27)			
POSITION AT THE END OF THE 2018 PERIOD	11=6+7+8+10	2 550 000,00	(310 697,50)	510 000,00	4 370 923,83	12 178,47	(1 043 754,41)	3 803 436,79	9 892 087,18	(6 601,97)	9 885 485,21

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE 2019 PERIOD

PRIMAVERA - Business Software Solutions, S.A.
VAT 503 140 600
Currency EUR (€)

Equity attributed to equity holders of the parent company

Description		Subscribed capital	Own shares (stocks)	Legal reserves	Other reserves	Retained earnings	Adjustments/ Other changes in equity	Net profits for the period	Total	Non-controlling interests	Total equity
Position at the start of the 2019 period	1	2 550 000,00	(262 637,50)	541 748,34	2 993 848,83		(709 344,32)	2 579 855,06	7 693 470,41	(55 363,61)	7 638 106,80
CHANGES DURING THE PERIOD											
Other changes recognised in equity				(31 748,34)	177 908,73	12 178,47	713 374,86	(2 579 855,06)	(1 708 141,34)	140 644,77	(1 567 496,57)
	2			(31 748,34)	177 908,73	12 178,47	713 374,86	(2 579 855,06)	(1 708 141,34)	140 644,77	(1 567 496,57)
NET PROFITS FOR THE PERIOD	3							2 189 505,09	2 189 505,09	(42 640,58)	2 146 864,51
COMPREHENSIVE INCOME	4=2+3							(390 349,97)	(390 349,97)	98 004,19	579 367,94
OPERATIONS WITH EQUITY HOLDERS											
DURING THE PERIOD											
Distributions			(48 060,00)				(734 097,27)		(782 157,27)		
	5		(48 060,00)				(734 097,27)		(782 157,27)		(782 157,27)
POSITION AT THE END OF THE 2019 PERIOD	6=1+2+3+5	2 550 000,00	(310 697,50)	510 000,00	3 171 757,56	12 178,47	(730 066,73)	2 189 505,09	7 392 676,89	42 640,58	7 435 317,47

Appendix to the Consolidated Financial Statements

For the Financial Year Ending on 31 December 2019

1. INTRODUCTORY NOTE

The company Primavera – Business Software Solutions, S.A., with head office at number 74 Rua Dr. Egídio Guimarães in the civil parish of Nogueira, Fraião e Lamações, city of Braga, was incorporated in December 1993 under the legal form of a private limited company and was converted into a public limited company in September 2000. Its business purpose is the development and sale of software, training and service provision in the field of informatics.

The business sphere of the companies included in the consolidation perimeter is the software market, specifically development, sales, consultancy and training.

Primavera SGPS, S.A., which is headquartered in Braga and is the ultimate parent company, owns 92.24% of the company. As at 31 December 2019, Primavera – Business Software, S.A. and its subsidiaries were conducting their business activity in Portugal, Angola, Mozambique and Spain.

These financial statements correspond to the Company's consolidated financial statements, despite the exemption provided for in paragraph 3 of article 7 of Decree-Law no. 158/2009, of 13 July, as amended by Decree-Law no. 98/2015, of 2 June. In turn, it will also integrate its individual financial statements into the consolidated financial statements presented by PSGPS, S.A., reported on 31 December 2019.

These financial statements from the entity are its consolidated Financial Statements. The amounts shown are in euros since this is the main currency used in the Group's operations, and they represent the period to 31 December 2019. The financial statements of the subsidiary companies in foreign currency were converted to euros in accordance with the accounting policies set out in note 10 of this Appendix.

All estimates and assumptions made by the Board of Directors were based on the best knowledge existing at the date of approval of the financial statements, of the information available on that date and of the events and transactions in progress.

When drawing up the consolidated financial statements, the Group's Board of Directors adopted certain assumptions and estimates that affect the assets and liabilities reported, as well as the income and costs incurred relating to the reported periods; these are set out in note 3.2.20 of this Appendix.

The attached consolidated financial statements were drawn up for appreciation and approval by the General Shareholders' Meeting. The Group's Board of Directors approved them for publication on 10 March 2020 and believes that they will be approved without amendment.

2. THE ACCOUNTING STANDARD USED IN THE PREPARATION OF THE FINANCIAL STATEMENTS

The attached financial statements have been presented in accordance with the Accounting and Financial Reporting Standards (NCRF) pursuant to the Standardised Accounting System (SNC) approved by Decree-Law 158/2009, of 13 July, with the rectifications made by Rectification Declaration 67-B/2009, of 11 September, and the amendments introduced by Law 20/2010, of 23 August, and by Decree-Law 98/2015, of 2 June. The bases for the presentation of financial statements, the model financial statements, the code of accounts, the accounting and financial reporting standards, and the explanatory guidelines must be understood as being part of said standards.

Whenever the SNC does not address specific aspects of transactions or circumstances, the following shall apply, in the order shown: the International Accounting Standards, adopted under Regulation 1606/2002/EC of the European Parliament and of the Council of 19 July 2002; and the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS), issued by the IASB, and respective SIC/IFRIC interpretations.

In 2019, no derogations occurred in the SNC provisions that could have affected the financial statements; consequently, it can be affirmed that the statements are a true and appropriate reflection of the company's assets, liabilities and results.

The accounting policies and measurement criteria adopted by the company in the 2019 financial year were consistent with the ones that it used in the preparation of the financial data relating to the previous financial year, which were presented for the purposes of comparison.

3. MAIN ACCOUNTING PRINCIPLES

The main accounting principles used in the preparation of these consolidated financial statements are as follows:

3.1. Bases for the presentation

The attached consolidated financial statements were drawn up on the assumption of continuity of operations, in accordance with the accounting principles accepted in Portugal, from the books and accounting records of the companies included in the consolidation Note 8, kept in accordance with the accounting policies of each jurisdiction, adjusted during the consolidation process to the Accounting and Financial Reporting Standards (NCRF).

The principle of historical cost was adhered to, with the exception of some financial instruments which are recorded under fair value.

In preparing the consolidated financial statements, the Board of Directors of the Primavera Group uses estimates and assumptions that affect the implementation of policies and the values of the assets and liabilities. The real results may differ from the estimated ones.

The Group's Board of Directors deems that the attached consolidated financial statements and the notes that follow ensure adequate financial information. Based on the provisions of the NCRF, the accounting policies adopted by the Group were as follows:

3.1.1 Going concern assumptions

In accordance with the going concern assumption, the company assessed the information at its disposal and its future expectations, considering its capacity to remain in business. The findings of the assessment were that the company is in a suitable condition to remain in business, hence it is considered a going concern.

3.1.2 The accruals basis

Transactions are recognised for accounting purposes when they are generated, irrespective of when they are received or paid. The differences between the sums received and paid and the corresponding income and expenditure are recorded under the headings of other accounts payable and receivable and under the deferrals headings.

The Creditors by Accrual of Expenses heading records the expenses incurred for paid leave and holiday allowances that fell due in 2019, among others, as well as bonuses to be paid in 2020.

3.1.3. Consistency of the presentation

The presentation and classification of items in the consolidated financial statements are consistent throughout the periods, taking into account the provisions of point 3.1.6.

3.1.4. Materiality and aggregation

Materiality depends on the size and nature of the omission or error, assessed on the circumstances surrounding them. Omissions of, or incorrect statements about, items are considered materially relevant if they could, individually or collectively, influence the economic decisions taken by the users of the financial statements.

An item may be insufficiently materially relevant to be presented separately in the consolidated financial statements, and yet be sufficiently materially relevant to justify separate presentation in the notes to this consolidated appendix.

3.1.5. Compensation

Assets and liabilities, income and expenditure were reported separately in the respective headings on the balance sheet and profit and loss statement; consequently, no asset was offset by any liability, nor was any expenditure offset by any income. Gains and losses originating in a group of similar transactions are reported on a net basis.

3.1.6. Comparative data

The accounting policies and measurement criteria adopted by the Group in the 2019 financial year were consistent with the ones that it used in the preparation of the financial data relating to the previous financial year, which were presented for the purposes of comparison.

3.2. Recognition and measurement policies used in the preparation of the consolidated financial statements

3.2.1. Tangible fixed assets (NCRF 7)

The tangible fixed assets are recorded at cost price minus depreciations and any losses due to accumulated impairments.

The cost of acquisition includes the price shown on the invoice, costs related to the acquisition and all the costs required to make the assets usable and ready for use.

Depreciations are calculated using the straight-line method, in a twelfths system, from the time the goods are ready for use, using the most appropriate economic rates, which allow the goods to be fully reintegrated during their estimated useful lifetime.

Since the Administration does not have a reliable estimate of the residual value of the assets, a nil value was used for the purposes of depreciations of tangible fixed assets, with the exception of transport, as set out in the paragraph herein.

As decided by the management, the useful lifetime of buildings was defined as being between 20 and 50 years; improvements to buildings – 8 to 10 years; basic equipment – 3 to 10 years; administrative equipment – 8 to 10 years; and other tangible fixed assets – 8 years. For transport equipment the period was set at 5 years and the residual value at 30% of the cost price for the vehicles.

Costs for repairs and maintenance are recorded as expenses for the financial year as and when they occur. Major repairs relating to replacing equipment parts are recorded under tangible fixed assets and depreciated at rates corresponding to the residual life of the main assets in question.

3.2.2. Intangible assets (NCRF 6)

Intangible assets are recorded at cost price minus the amortizations and losses due to accumulated impairments. These assets are only recognised if they are likely to yield future economic benefits for the company, are controllable and their cost can be reliably valued.

Amortizations are calculated using the straight-line method, in a twelfths system, after the date on which the goods become available for use and in accordance with the estimated useful lifetime for each group of goods.

The company has estimated a useful lifetime of three years for intangible benefits, which corresponds to a rate of 33.33%. For the purpose, no residual amount has been considered.

Intangible assets in progress, which represent assets still under construction, have been recorded at cost price minus any impairment losses. These assets are depreciated from the moment the underlying assets become available for use.

3.2.3. Differences in consolidation

The differences between the purchase price of financial investments in subsidiaries (subsidiaries and associates) and the amount attributed to the fair value of the identifiable assets and liabilities of these companies at the date of their acquisition are recorded in the "Goodwill" account, when positive; when negative, they are recorded as a gain in the income statement for the financial year, after reconfirmation of the fair value of the identifiable assets and liabilities.

Goodwill corresponds to future economic benefits resulting from assets that are not individually identified and recognised separately.

Goodwill relating to subsidiaries and associates included in the consolidation is reflected in the respective individual heading in the

consolidated Balance Sheet.
Goodwill is measured at cost, which corresponds to the excess of the cost of the concentrated business activities to which they relate in light of the Group's interest in the fair value of identifiable assets, liabilities and contingent liabilities on the date of the concentration.
Goodwill presented in the consolidated Balance Sheet is measured at cost, minus accumulated amortization and any accumulated impairment losses; impairment losses on goodwill cannot be reversed. Goodwill is amortized over 10 years.

3.2.4. Investments in subsidiaries (NCRF 15)

Financial investments in companies in which PBSS directly or indirectly holds more than 50% of the voting rights at the General Shareholders' Meeting and/or has the power to control the financial and operating policies of said companies, have been included in the attached consolidated financial statements using the full consolidation method, in accordance with NCRF15.
The equity and net profits of these companies corresponding to the participation of third parties in them are presented in the consolidated Balance Sheet (under the heading equity – non-controlling interests) and in the consolidated income statement (included in the consolidated net profits attributable to non-controlling interests), respectively.
Non-controlling interests include the proportion of third parties in the fair value of assets, liabilities and contingent liabilities identifiable at the date of acquisition of the subsidiaries.
The negative results generated in each period by the subsidiaries with non-controlling interests are allocated in the percentage held to the non-controlling interests, regardless of whether this becomes negative. The results of subsidiaries bought or sold during the financial year are included in the income statement from the date of their purchase or until the date of their sale.
Whenever necessary, adjustments are made to the financial statements of the subsidiaries in order to adapt their accounting policies to those used by PBSS (the parent company).
Transactions, balances and unrealized gains on intra-group transactions and dividends distributed between companies in the perimeter are eliminated in the consolidation process.
The companies included in the consolidated financial statements using the full consolidation method are detailed in note 8.

3.2.5. Investments in other companies (NCRF 15)

Investments in other companies are recorded at cost price minus any impairment losses. These are investments in shareholdings valued at 20% or less and with no relative influence.
The Group assessed the impairment of these assets at the end of the year. Whenever there is objective evidence of impairment, they are recognised as impairment losses in the income statement.

3.2.6. Inventories

Inventories are recorded at the lower value between cost price and net realisable value. Net realisable value is understood to mean the estimated selling price minus all of the estimated costs needed to secure the sale. In situations where the cost price is higher than the net realisable value, the resulting difference is recorded as an impairment loss.
The costing method used for outgoings is FIFO.

3.2.7. Leasing (NCRF 9)

Leasing contracts are classified as financial leases if all the risks and advantages inherent to ownership of the assets are thereby substantially transferred; and as operational leases if all the risks and advantages inherent to ownership of the assets are not thereby substantially transferred.
The classification of leases as financial or operational depends upon the substance of the transaction and not the form of the contract.
The recording of tangible fixed assets acquired through financial leasing contracts, as well as the corresponding liabilities, recognises the tangible fixed assets and corresponding accumulated depreciations and outstanding debts in accordance with the contractual financial plan. Additionally, interest included in the rental values and the depreciation of the tangible fixed assets are recognised as expenses in the profit and loss statement for the year to which they refer.
In the case of leases considered as operational, rents due are recognised as expenses in the profit and loss statement on a linear basis during the validity period of the leasing contract.

3.2.8. Revenue (NCRF 20)

Revenue is measured by the fair value of consideration received or to be received.
Where the sale of goods is concerned, revenue is recognised when the following conditions have been met:
All the risks and benefits of ownership of the goods have been transferred to the buyer;
The company has no further control over the goods sold;
– The amount of the revenue can be reliably measured;
- The company is likely to gain future economic benefits associated with the transaction;
- The transaction costs incurred or to be incurred can be reliably measured.
Where service provision is concerned, the revenue is recognised, with reference to the stage of completion of the transaction at the date of the report, as long as the following conditions have been met:
– The amount of the revenue can be reliably measured;
- The company is likely to gain future economic benefits associated with the transaction;
- The transaction costs incurred or to be incurred can be reliably measured.
- The stage of completion of the transaction at the date of the report can be reliably valued.

3.2.9. Government Subsidies (NCRF 22)

Government subsidies, including non-monetary subsidies at fair value, are recognised when there is assurance that they will be received and when the conditions required for their granting have been met.

Operating subsidies are recognised in the profit and loss statement in proportion to expenses incurred.
Non-repayable subsidies related to assets are recorded under Equity and are recognised in the profit and loss statement in proportion to the respective depreciation/amortization of the subsidised assets.

3.2.10. Income tax (NCRF 25)

Current income tax is calculated on the basis of the company's taxable income in accordance with prevailing tax law; deferred tax is the result of the temporary differences between the value of the assets and liabilities for accounting report purposes (carrying amount) and the respective values for tax purposes (tax base) of deductible tax losses. Deferred tax assets and liabilities are calculated using the prevailing tax rates or those announced to be in force at the foreseeable date of reversal of the temporary differences.
Deferred tax assets are recognised only when there are reasonable expectations of sufficient future tax profits being earned for them to be used, or in situations where there are taxable temporary differences that offset the deductible temporary differences in the period of their reversal.
Such deferred taxes are recalculated at the end of each period and are reduced whenever their future use becomes unlikely.
Deferred taxes are recognised as expenses or income for the financial year except where they result from values recorded directly under equity, in which case the deferred tax is also shown under the same heading.
The expenses relating to income tax for the period correspond to the sum of the current and deferred tax.

3.2.11. Borrowing costs

Borrowing costs, even those related to the purchase or production of assets, are recognised as costs as and when they are incurred.

3.2.12. Deferrals Assets and liabilities

This heading reflects transactions and other occurrences for which full recognition in the results for the period in which they occur is not appropriate, but which should be recognised in the results for future periods.
Transactions are recognised for accounting purposes when they are generated, irrespective of when they are received or paid. The differences between the sums received and paid and the corresponding income and expenditure are recorded under the headings of other accounts payable and receivable and under the deferrals headings.

3.2.13. Financial assets and liabilities

Financial assets and liabilities are recognised in the consolidated statement of financial position when the Group becomes a contracting partner in the respective financial instrument.

Financial Instruments

The Group classifies financial assets in the category of loans and accounts receivable.

Accounts receivable

Interest is not implicit on customer and other third party debts; such debts are recorded at their nominal value minus any impairment losses recognised under the headings for accumulated impairment losses, so that they reflect their realisable net value.
Impairment losses are recorded in the sequence of incidents that indicate, objectively and in a quantifiable manner, that all or part of the balance owed will not be received.
The Group takes into consideration information from the market which shows that the debtor is defaulting on its liabilities, as well as historical data concerning outstanding overdue sums. Information about changes in economic conditions at national or local level and which may be related to debt collection capacity are also taken into account.

Equity and liabilities

Financial liabilities and equity instruments are classified in accordance with the substance of the contract, irrespective of legal form.
The Group considers equity instruments to be those in which the contractual support of the transaction shows that the Group has a residual interest in a set of assets after deducting a set of liabilities.
Financial liabilities are deemed to be those in which the payment of funds is expected.
The equity instruments show a residual interest in the company's assets after the deduction of the liabilities and are recorded for the amount received, net of costs incurred in issuing them.

Accounts payable

Debts to suppliers and other third parties on which interest does not fall due are recorded at their nominal value, which is largely equivalent to their fair value.

Financing received

Loans obtained are recorded under liabilities at the cost of the transaction, since the interest rate on the loans is the market rate for that type of loan; consequently, the current value of the future cash flows is close to the transaction price.
Thus, the transaction price at which the loan is initially recognised is equal to the amount to be repaid at maturity, so it is expected that the re-estimate of the payment of future interest over the lifetime of the loan will not make much of an impact.
Loans obtained are shown in the balance sheet under current or non-current liabilities depending on whether their due dates are less or more than one year away, respectively.
The financial charges calculated in accordance with the effective interest rate are accounted for in the profit and loss statement in accordance with the accruals basis.

Government and other public bodies

The asset and liability balances under this heading are calculated on the basis of the currently applicable legislation. No impairment

was recognised with regard to the assets, since it was felt that this does not apply in view of the specific nature of the relationship.

Cash, bank deposits and other availabilities

The bank deposits and cash contain sums in euros and foreign currencies updated to the exchange rate at 31 December 2019.
The bank deposits of subsidiaries based in Portugal contain sums in euros for which there is no risk of a change in value.
The bank deposits of subsidiaries based outside Portugal contain sums in foreign currency updated to the exchange rate at 31 December 2019; the risk of a change in value for these may have some significance.
All the sums included under these headings can be realised in the short term, there being no pledges or guarantees attached to these assets.
Calculations were done on the basis of fair value as at 31 December 2019.

3.2.14. Provisions

Provisions are recorded when the Group has a present obligation (legal or implicit) arising from a past incident, when it is likely that resources will have to be used in order to extinguish this obligation, and when the value of the obligation can be reasonably estimated.
The value of the provisions recorded is the best estimate, at the date of the report, of the resources needed to extinguish the obligation. Said estimate, which is reviewed at the time of each report, is calculated on the basis of the risks and uncertainties associated with each obligation.

3.2.15. Impairment of assets

An impairment assessment is carried out at the date of each statement of financial position and whenever an event or a change in circumstances is detected and which indicates that it may not be possible to recover the recorded value of an asset. Whenever the recorded value of an asset is greater than the value recoverable for that asset, an impairment loss is recognised and recorded in the profit and loss statement. The recoverable value is either the net selling price or the value in use, whichever is higher. The net selling price is the sum that would be obtained by selling the asset in an arm's length transaction, minus the costs directly attributable to the disposal. The value in use is the present value of the estimated future cash flow expected from the continued use of the asset and its disposal at the end of its useful lifetime.
The recoverable amount is estimated for each asset individually or, where this is not possible, for the cash-generating unit to which the asset belongs.
The reversal of impairment losses recognised in previous periods is recorded when the reasons that caused them to be recorded cease to exist and, consequently, the asset ceases to be in impairment. The reversal of impairment losses is recognised in the profit and loss statement as operating results. However, the reversal of an impairment loss is made up to the limit of the amount that would be recognised in the event that the impairment loss had not been recorded in previous financial years, except with regard to Goodwill, where impairment losses are not reversed.

3.2.16. Employee benefits

The Group provides its employees with the following short-term benefits: wages, salaries, social security contributions, meal allowance, holiday and Christmas allowances, excusable short-term absences and any other perks or benefits that the Board of Directors may occasionally decide to offer.
These benefits are accounted for in the same time period as when the employee worked, on an undiscounted basis by contra entry of a liability that is extinguished when payment is made.
Pursuant to the applicable employment law, the right to paid leave and holiday allowance relating to the period falls due on 31 December each year.
Termination benefits are recognised as expenses in the period when they occur, whether termination has been decided unilaterally by the employer or by mutual agreement.

3.2.17. Contingent assets and liabilities

Contingent liabilities are defined as:
- Potential obligations arising from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events that are not entirely within the entity's control; or
- Present obligations arising from past events but which are not recognised because it is not likely that a flow of resources that would affect economic benefits will be required to extinguish the obligation or because the amount of the obligation cannot be reliably measured.

Although disclosed, contingent liabilities are not recognised in the financial statements unless the possibility of a cash outflow affecting future economic benefits is remote.
Contingent assets are potential assets arising from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events that are not entirely within the entity's control.
Contingent assets are not recognised in the financial statements but are disclosed when there is likely to be a future economic benefit.

3.2.18. Financial risk management

Uncertainty is a dominant feature of the markets and carries a variety of risks in and of itself to which the Group's activities are exposed, in particular exchange rate risks and credit risks.
- Exchange rate risk: the exchange rate risk translates into the possibility of incurring losses or gains as a result of fluctuating rates of exchange between different currencies, caused by the existence of transactions with entities whose currency is different to that in which the company reports.

The Group's exchange rate risk management policy ultimately aims to reduce sensitivity to fluctuating exchange rates as far as possible.
- Credit risk: exposure to credit risk arises from accounts receivable resulting from normal business activity, with the maximum

exposure to credit risk being the nominal value of the accounts receivable.

– Liquidity risk reflects the Group's ability to meet its financial liabilities taking into account available resources. The Group seeks to ensure that the financing structure is appropriate to the nature of its obligations, financing non-current assets (fixed assets and financial investments) using permanent capital (equity and non-current financing), while current liabilities are financed with short-term loans.

3.2.19. Balance sheet classification

The realisable assets and payable liabilities for over one year after the date of the balance sheet are respectively classified as non-current assets and liabilities. Additionally, due to their nature, deferred tax assets and liabilities and provisions are classified as non-current assets and liabilities.

3.2.20. Main estimates and judgements

The Group's Management based its preparation of the consolidated financial statements on its best knowledge and experience of past and/or current events, taking into account certain assumptions relating to future events. The real effects may differ from the estimates and judgements made, particularly with regard to the impact on real expenses and income.

The estimates were calculated on the basis of the best information available on the date when the consolidated financial statements were drawn up. However, it is possible that, in subsequent periods, situations may arise which have not been taken into account in these estimates because they were not foreseeable at the time. Changes made to these estimates at a date after that of the consolidated financial statements will be corrected prospectively in profit and loss, as required by NCRF 4.

The most significant accounting estimates reflected in the consolidated financial statements for the financial years ending on 31 December 2019 and 2018 include:

– Impairment analyses and adjustments to the asset values, provisions and analysis of contingent liabilities;

– Recoverability of deferred tax assets;

– useful lifetimes of the tangible fixed assets and intangible assets;

– impairment analyses of financial holdings.

The attached consolidated financial statements were drawn up for appreciation and approval by the General Shareholders' Meeting. The Board of Directors believes that they will be approved without any changes.

3.2.21. Transactions and balances in foreign currencies

The Group's financial statements are presented in euros, with the euro being the functional and presentation currency.

Foreign currency transactions (i.e. currencies other than the Group's functional currency) are recorded at the exchange rates on the dates of the transactions. On each reporting date, the carrying amounts of monetary items denominated in foreign currencies are updated to the exchange rates on that date. Exchange rate differences, whether positive or negative, resulting from the aforementioned updates, i.e. caused by differences between the exchange rates in force on the date of the transactions and those in force on the date of collection, payment or the balance sheet date, are recognised as income and/or expenditure in the income statement for the period in which they are generated under the heading for foreign exchange gains or losses.

When the consolidated financial statements are being drawn up, the results and financial position of entities belonging to the consolidation perimeter, whose functional currencies are not the currency of a hyperinflationary economy, are converted to euros using the following procedures:

a) The assets, liabilities and equity of each statement of financial position presented are converted at the closing rate at the balance sheet date;

b) Equity is presented at the exchange rate in force on the date the amount was determined;

c) Income and expenses are converted at average annual rates, as well as cash flows; and

d) All exchange rate differences resulting from these conversions are recognised in equity in the account "Conversion differences from financial statements" presented under the Balance Sheet heading. At the time of divestment of such foreign entities, the accumulated exchange rate differences are recorded in the income statement for the financial year.

3.3. Consolidation Bases

The consolidated financial statements include, with reference to 31 December 2019, the assets, liabilities and results of the companies in the perimeter, understood as the set of PBSS and its subsidiaries and associates, which are presented in note 8.1. pursuant to article 6 of Decree-Law 158/2009, of 13 July, amended by Decree-Law 98/2015, of 2 June, which approves the SNC, the entity presents consolidated accounts of the Group, comprising itself and all subsidiaries over which:

a) Irrespective of the ownership of the capital, it is found that, alternatively: i) It can or does exercise dominant influence or control; ii) It exercises management as if the two constitute a single entity;

b) As a capital holder, when one of the following situations occurs:

i) It has the majority of voting rights, unless it is shown that those rights do not confer control;

ii) It has the right to appoint or dismiss the majority of the members of the management body of an entity empowered to manage the financial and operating policies of that entity;

iii) It exercises a dominant influence over an entity by virtue of a contract entered into with that entity or another clause in said entity's articles of association;

iv) It holds no less than 20% of the voting rights and the majority of the members of the management body of an entity empowered to manage the financial and operating policies of that entity, which have been in office during the financial year to which the consolidated financial statements refer, as well as in the preceding financial year and until the moment when said consolidated financial statements are drawn up, have been exclusively designated as a consequence of the exercise of their voting rights;

v) It has, by itself or by virtue of an agreement with other holders of this entity's capital, the majority of voting rights of the holders of the capital of same.

The subsidiary companies are companies controlled by PBSS (see 8.1) and are consolidated using the full consolidation method from

the date of acquisition, this being the date on which PBSS obtains control, and continue to be consolidated until the date when such control ceases to exist.

Transactions, balances and unrealised gains on intra-group transactions and dividends distributed between companies in the perimeter are eliminated in the consolidation process.

The equity and net profits of these companies corresponding to the participation of third parties in them are presented in the consolidated Balance Sheet (under the heading equity – non-controlling interests) and in the consolidated income statement (included in the consolidated net profits attributable to non-controlling interests), respectively.

Whenever necessary, adjustments are made to the financial statements of the subsidiaries in order to adapt their accounting policies to those used by the parent company, Primavera Business Software Solutions S.A.

The non-controlling interests are the part of the results and net assets of the subsidiaries attributable to equity interests that are not held, directly or indirectly, through subsidiaries, by the parent company. This heading includes capital and other equity headings whose variations for the year, together with those of the results for the period, make up the integral result.

The results for the period related to non-controlling interests are included under "Non-controlling interests" in the balance sheet and duly identified in the income statement by nature.

3.4. Subsequent events

Events occurring after the date of the consolidated statement of financial position and which provide additional information about conditions arising after the date of the statement of financial position will be disclosed on the Appendix to the consolidated financial statements, if material.

4. CASH FLOWS

4.1 Breakdown of the figures shown under the cash heading and in bank deposits

The direct method was used to disclose cash flows. This informs about the main components of gross receipts and payments, obtained from the accounting records of the companies included in the consolidation perimeter.

	2019		2018	
Liquid financial assets shown on the Balance Sheet	**Amounts available for use**	**Totals**	**Amounts available for use**	**Totals**
Cash register				
Cash	14 161,35	14 161,35	12 543,04	12 543,04
Hipay	16 107,99	16 107,99	50 429,64	50 429,64
	30 269,34	**30 269,34**	**62 972,68**	**62 972,68**
Bank deposits				
Demand deposits	5 169 531,33	5 169 531,33	4 047 891,44	4 047 891,44
	5 169 531,33	**5 169 531,33**	**4 047 891,44**	**4 047 891,44**
Totals	**5 199 800,67**	**5 199 800,67**	**4 110 864,12**	**4 110 864,12**

5. CHANGES TO POLICIES, ESTIMATES AND ERRORS

In the 2019 financial year there were no changes in accounting policies, in comparison to those used in the preparation of the financial information for the comparative period, nor were there any material errors relating to previous periods.

6. STAKEHOLDERS

6.1 Parent Company

Primavera SGPS, S.A. owns 92.24% of the company, which is integrated in its consolidation perimeter.

Description	Nº. of Shares	% Capital
PRIMAVERA SGPS, S.A.	2 352 000,00	92,24%
Others	198 000,00	7,76%
Total	2 550 000,00	100,00%

6.2. Remuneration of the corporate bodies

The shareholder company PSSGPS – Sociedade Gestora de Participações Sociais, S.A. provided administration and management services to the Group, having received from the subsidiary PBSS, S.A. the sum of 265,000 euros in 2019 and 420,000 euros in 2018

for said services. PSGPS – Sociedade Gestora de Participações Sociais, S.A.'s obligations under the contract with PBSS, S.A. include the task of ensuring that the company's directors, José Dionisio and Jorge Batista, perform their duties without said company having to incur any additional charges.

There are no credits granted or advances to members of the management bodies or commitments made on their behalf as guarantees of any kind.

6.3 Statutory Auditor's Fees

	2019		2018	
Statutory Auditor/Chartered Accountant Fees	**Fees**	**Totals**	**Fees**	**Totals**
Statutory Auditor	6 400,00	6 400,00	6 400,00	6 400,00
Totals	6 400,00	6 400,00	6 400,00	6 400,00

6.4. Balances and transactions between stakeholders

Balances and transactions with the Group companies are broken down in the tables below. The terms and conditions in force between Group companies are mostly identical to those that would normally be agreed upon between independent entities for comparable operations.

6.4.1. Balances with stakeholders

Balances with stakeholders at 31 December 2019

	Operational		Financing		IRC - REGTS	
Amounts of outstanding balances with stakeholders	**Outstanding Balances Assets**	**Outstanding Balances Liabilities**	**Outstanding Balances Assets**	**Outstanding Balances Liabilities**	**Outstanding Balances Assets**	**Outstanding Balances Liabilities**
Parent company:						
PRIMAVERA SGPS, S.A.	122 356,98	215 250,00	907 912,57	-	-	175 086,14
Other stakeholders:						
PRIMAVERA BSS, Lda. (PMZ)	614 131,34	-	-	-	-	-
PRIMAVERA BSS, S.A. (PESP)	100 945,55	-	-	-	-	-
PRIMAVERA BSS, Lda. (PANG)	3 724 471,96	-	-	-	-	-
Valuekeep, Lda.	439 863,09	-	-	-	-	-
YET - Your Electronic Transactions, Lda.	57 798,24	10 530,72	-	-	-	-
NumbersBelieve - Sist. de Informação para Gestão	514,00	48 301,42	-	-	-	-
PRIMAVERA Verde, Lda.	-	-	-	-	-	-
	4 937 724,18	**58 832,14**	**0,00**	**0,00**	**0,00**	**0,00**
Totals	**5 060 081,16**	**274 082,14**	**907 912,57**	**0,00**	**0,00**	**175 086,14**

Balances with stakeholders at 31 December 2018

	Operational		Financiang		IRC - REGTS	
Amounts of outstanding balances with stakeholders	**Outstanding Balances Assets**	**Outstanding Balances Liabilities**	**Outstanding Balances Assets**	**Outstanding Balances Liabilities**	**Outstanding Balances Assets**	**Outstanding Balances Liabilities**
Parent company:						
PRIMAVERA SGPS, S.A.	83 045,08	43 050,00	1 013 782,75	-	-	145 632,89
Other stakeholders:						
PRIMAVERA BSS, Lda. (PMZ)	368 831,97	-	25 448,50	-	-	-
PRIMAVERA BSS, S.A. (PESP)		88 068,66	-	-	-	-
PRIMAVERA BSS, Lda. (PANG)	3 016 490,90	(12,64)	-	-	-	-
Valuekeep, Lda.	273 985,72	-	-	-	-	-
YET - Your Electronic Transactions, Lda.	-	33 031,68	-	-	-	-
NumbersBelieve - Sist. de Informação para Gestão	-	10 404,54	-	-	-	-
PRIMAVERA Verde, Lda.	5 356,94		-	-	-	-
	3 664 665,53	**131 492,24**	**25 448,50**	**0,00**	**0,00**	**0,00**
Totals	**3 747 710,61**	**174 542,24**	**1 039 231,25**	**0,00**	**0,00**	**145 632,89**

The outstanding balances of financing assets were presented in the consolidated balance sheet under the shareholders heading.
There are no commitments between the entity and stakeholders other than those shown in the consolidated financial statements.

6.4.2. Transactions with stakeholders

The terms and conditions applied between the company and stakeholders are largely identical to those that would normally be contracted, accepted and practised between independent entities in comparable operations.
The more common transactions come from the sales of products to the group's commercial companies, services rendered between companies, intra-group retainers for shared services, subcontracting, advertising services and rent.
For the purposes of consolidation, the transactions and balances between GROUP companies have been eliminated.
Similarly, the sales, services rendered and other income realised between Group companies were eliminated and a breakdown of those relating to operations with the parent company is shown in the table below.

Transactions with stakeholders at 31 December 2019

	Sales	Purchase	Financing
Transactions with stakeholders			
Stakeholders:			
PRIMAVERA BSS, PT	4 430 707,80	645 332,67	-
PRIMAVERA BSS , LIMITADA (PMZ)	143 076,86	653 632,67	-
PRIMAVERA BSS, S.A. (PESP)	137 028,26	59 749,21	-
PRIMAVERA BSS, Lda. (PANG)	48 679,38	3 474 512,20	-
Valuekeep, Lda.	122 799,84	238 886,55	-
YET - Your Electronic Transactions, Lda.	146 513,54	119 709,04	-
Numbersbelieve - Sist. De Informação para Gestão	161 813,66	-	514,00
3VÍRGULA 14	-	-	689,00
Totals	**5 190 619,34**	**5 191 822,34**	**1 203,00**

Transactions with stakeholders at 31 December 2018

	Sales	Purchase	Financing
Transactions with stakeholders			
Stakeholders:			
PRIMAVERA BSS, PT	2 572 176,44	769 740,96	-
PRIMAVERA BSS , LIMITADA (PMZ)	8 261,84	544 308,65	749,50
PRIMAVERA BSS, S.A. (PESP)	206 080,00	62 264,61	-
PRIMAVERA BSS, Lda. (PANG)	13 518,90	1 558 826,68	-
Valuekeep, Lda.	277 083,13	211 766,48	-
YET - Your Electronic Transactions, Lda.	87 616,84	181 077,72	-
Numbersbelieve - Sist. De Informação para Gestão	162 498,45	-	-
3VÍRGULA 14	-	-	-
Totals	**3 327 235,60**	**3 327 985,10**	**749,50**

7. TRANSACTIONS UNDER THE HEADING INTANGIBLE ASSETS

7.1. Intangible Assets

During the financial year ending on 31 December 2019, the transactions under the heading of intangible assets, as well as the respective accumulated amortizations and losses due to impairment, were as follows:

Intangible assets: gross carrying amounts	Goodwill	Development projects	Computer Programmes	Industrial Property	Other intangible assets	Intangible Assets in progress	Totals
At 01.01.2018	65 883,67	74 204,46	696 350,45	1 507 316,14	2 835 115,99	-	**5 178 870,71**
Additions	-	-	133 159,00	-	47 713,82	14 067,00	**194 939,82**
At 31.12.2018	65 883,67	74 204,46	829 509,45	1 507 316,14	2 882 829,81	14 067,00	**5 373 810,53**
Additions	221 535,42	-	93 333,00	-	2 197,46	57 785,25	**374 851,13**
Revaluations	-	-	-	-	-	-	**0,00**
Transferrals	-	-	14 067,00	-	-	(14 067,00)	**0,00**
Write-downs	-	-	-	-	(53 339,86)	-	**(53 339,86)**
Exchange rate differences	-	-	-	-	134,10	-	**134,10**
At 31.12.2019	287 419,09	74 204,46	936 909,45	1 507 316,14	2 831 821,51	57 785,25	**5 695 455,90**

Intangible assets: amortizations	Goodwill	Development projects	Computer Programmes	Industrial Property	Other intangible assets	Totals
Accumulated at 1 January 2018	13 176,74	74 204,46	178 346,97	1 468 712,76	2 643 209,20	**4 377 650,13**
Increases	6 588,36	-	209 745,01	95 459,08	152 269,18	**464 061,63**
Transferrals	-	-	-	(68 730,70)	-	**(68 730,70)**
Accumulated at 31 December 2018	19 765,10	74 204,46	388 091,98	1 495 441,14	2 795 478,38	**4 772 981,06**
Increases	6 588,38	-	227 560,22	1 500,00	55 523,43	**291 172,03**
Write-downs	-	--	-	-	(53 339,86)	**(53 339,86)**
Exchange rate differences	-	-	-	-	131,04	**131,04**
Accumulated at 31 December 2019	26 353,48	74 204,46	615 652,20	1 496 941,14	2 797 792,99	**5 010 944,27**

Net Intangible Assets €423,446.01

The amortizations for the year are shown under the heading Expenses/reversals of depreciation and amortization in the consolidated income statement by nature.

The figure shown in the "regularisation" column included the adjustment for exchange rate differences during the conversion of the financial statements into foreign currency.

8. TRANSACTIONS UNDER THE HEADING TANGIBLE FIXED ASSETS

8.1. Tangible Fixed Assets

At 31 December 2019, the detailed list of tangible fixed assets and respective depreciations was as follows:

	Buildings and other constructions							
Tangible fixed assets: gross carrying amounts	**Land**	**Buildings**	**Basic equipment**	**Transport equipment**	**Administrative equipment**	**Other tangible fixed assets**	**Tangible Fixed Assets in Progress**	**Totals**
At 01.01.2018	725 000,00	5 186 012,26	1 871 763,28	1 888 105,02	678 156,67	290 385,95	-	**10 639 423,18**
Additions	-	-	188 791,30	209 560,66	21 464,63	15 427,48	3 920,00	**439 164,07**
Disposals	-	-	(45 757,88)	(182 353,22)	-	-	-	**(228 111,10)**
Write-downs	-	(233 875,42)	-	-	(1 648,00)	(7 917,77)	-	**(243 441,19)**
Donations	-	-	(8 753,40)	-	-	-	-	**(8 753,40)**
Exchange rate differences		(32 976,41)		8 024,16	(56 632,20)			**(81 584,45)**
At 31.12.2018	725 000,00	4 919 160,43	2 006 043,30	1 923 336,62	641 341,10	297 895,66	3 920,00	**10 516 697,11**
Additions	-	257 461,39	294 923,16	223 728,28	156 052,46	8 283,27	135 700,12	**1 076 148,68**
Transferrals	-	135 700,12	-	-	-	3 920,00	(3 920,00)	**135 700,12**
Disposals	-	-	(12 881,00)	(200 147,27)	(20 367,84)	-	(135 700,12)	**(369 096,23)**
Insurance Claims	-	-	-	(24 997,41)	-	-	-	**(24 997,41)**
Write-downs	-	(1 982,01)	(110 832,38)	-	(84,95)	(137,13)	-	**(113 036,47)**
Donations	-	-	(17 423,14)	-	-	-	-	**(17 423,14)**
Exchange rate differences	-	(5 847,64)	(2 111,43)	(17 406,07)	(13 298,56)	(1 633,05)	-	**(40 296,75)**
At 31.12.2019	725 000,00	5 304 492,29	2 157 718,51	1 904 514,15	763 642,21	308 328,75	0,00	**11 163 695,91**

Depreciations of tangible fixed assets	Buildings and other constructions	Basic equipment	Transport equipment	Administrative equipment	Other tangible fixed assets	Totals
Accumulated at 01.01.2018	742 480,47	1 677 275,15	786 674,26	419 191,97	171 720,80	**3 797 342,65**
Increases	95 607,66	118 877,46	190 886,78	52 471,37	21 955,17	**479 798,44**
Disposals	-	-	(81 718,98)	(1 648,00)	-	**(83 366,98)**
Write-downs	(80 466,58)	-	-	-	-	**(80 466,58)**
Donations	-	(5 753,40)	-	-	-	**(5 753,40)**
Exchange Rate Differences	(24 155,37)	(43 499,36)	(48 804,62)	(36 271,96)	(4 283,59)	**(157 014,90)**
Accumulated at 31.12.2018	733 466,18	1 746 899,85	847 037,44	433 743,38	189 392,38	**3 950 539,23**
Increases	120 296,84	162 107,93	219 477,77	65 972,80	21 032,90	**588 888,24**
Disposals	-	(2 010,58)	(124 195,59)	(20 367,84)	-	**(146 574,01)**
Insurance Claims	-	-	(7 874,19)	-	-	**(7 874,19)**
Write-downs	(1 982,01)	(110 832,38)		(84,95)	(137,13)	**(113 036,47)**
Donations	-	(17 423,14)	-	-	-	**(17 423,14)**
Exchange Rate Differences	(3 784,29)	(2 620,23)	(20 689,56)	(12 906,09)	(988,34)	**(40 988,51)**
Accumulated at 31.12.2019	847 996,72	1 776 121,45	913 755,87	466 357,30	209 299,81	**4 213 531,15**

The global value of the Tangible Fixed Assets is allocated to the activity and the net value amounts to €6,950,164.76.

The depreciations for the year are shown under the heading Expenses/reversals of depreciation and amortization in the consolidated income statement by nature.

The figure shown in the "regularisation" column included the adjustment for exchange rate differences during the conversion of the financial statements into foreign currency.

As at 31 December 2019, there are no materially relevant contractual commitments for the acquisition of tangible fixed assets nor amounts of restrictions on ownership of tangible fixed assets given as collateral for assets.

No impairment losses were recognised during the period, due to the belief of the Group's Board of Directors that the recoverable amount of the assets exceeds its carrying amount.

9. COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS USING THE FULL METHOD

9.1. Consolidation perimeter

As at 31 December 2019, the companies included in the consolidation and the respective consolidation method, effective percentage of participation, head office and activity are as shown in the notes below.

The main changes that occurred in the consolidation perimeter during the 2019 financial year are referred to in Note 9.3 changes in the consolidation perimeter.

The terms and conditions applied between the Group companies are largely identical to those that would normally be contracted, accepted and practised between independent entities in comparable operations. For the purposes of consolidation, the transactions and balances between Group companies consolidated using the full method have been eliminated.

The reporting period of the financial statements of the consolidated companies using the full method is the same as the reporting date of the parent company's financial statements.

In 2019, the subsidiary and associated companies that form the consolidation perimeter are as follows:

Company Name	Registered Office	Stake %	Activity
PRIPT - Primavera Business Software Solutions, Unipessoal	Portugal	100,00%	Sales and marketing of software
YET - Your Electronic Transactions, Lda.	Portugal	100,00%	Electronic transactions
Primavera - Business Software Solutions, Lda. (PANG)	Angola	100,00%	Sales and marketing of software
Primavera - Business Software Solutions, S.A. (PESP)	Spain	100,00%	Sales and marketing of software
Primavera - Business Software Solutions, Lda. (PMZ)	Mozambique	100,00%	Sales and marketing of software
Numbersbelieve - Sist. De Informação para Gestão, Lda.	Portugal	49,00%	Software development
Valuekeep, Lda.	Portugal	100,00%	Sales and marketing of software
3VÍRGULA 14, Tecnologias de Informação LDA.	Portugal	99,98%	Computer programming

In 2019, there were no changes in the consolidation methods in comparison to the 2018 financial year.

The relationship between Primavera – Business Software Solutions, S.A. and the other companies is shown in the organisational chart below:

Company Name	Registered Office	Stake %	Activity
Oficina Inovação - Empreendorismo e Inovação Empresarial, S.A.	Portugal	1,00%	Technology development
Healthium - Healthcare Software Software Solutions	Portugal	15,00%	Publishing of other computer programmes

9.2. Subsidiaries excluded from the consolidation

There are no excluded subsidiaries during the consolidation period

9.3. Changes in the consolidation perimeter

During the period to 31 December 2019, the changes to the perimeter were:

– Entry of a new company 3VÍRGULA14, by acquisition;

– Change in the percentage of the stake in the entity Valuekeep, from 49% to 100%

– No companies left the consolidation perimeter during the period

9.4. Company name and registered office of the Group and associated companies, with the indication of the percentage of capital held, as well as equity and the results of the last financial year

Entity	Registered Office	Stake %	Capitals	Profits 2019
Valuekeep, Lda.	Portugal	100,00%	(233 701,06)	(267 780,39)
PRIPT - Primavera Business Software Solutions, Unipessoal, Lda.	Portugal	100,00%	21 124,35	(287,60)
Primavera - Business Software Solutions, S.A. (PESP)	Spain	100,00%	293 555,18	57 393,52
Primavera - Business Software Solutions, Lda. (PANG)	Angola	100,00%	656 713,45	214 691,01
YET - Your Electronic Transactions, Lda.	Portugal	100,00%	327 800,97	187 378,56
Numbersbelieve - Sist. De Informação para Gestão, Lda.	Portugal	49,00%	(90 455,25)	(50 041,64)
Primavera - Business Software Solutions, Lda. (PMZ)	Mozambique	100,00%	(148 599,00)	1 578,42
3VÍRGULA 14, Tecnologias de Informação LDA.	Portugal	99,98%	70,892.74	15,681.54

10. INVESTMENTS IN OTHER COMPANIES

Shareholdings are considered investments in other companies when they amount to less than 20% of voting rights. These companies were recorded at cost price since there is no significant influence.

In 2019, Primavera Business Software S.A. invested in investment units to the value of €250,000 in the Growth Innovation Investment

Carrying Amounts and period transactions	Investment in other companies	Other Financial Investments	Other Financial Investments – FCT	Totals
Cost method				
Balance at 31 December 2017	153 257,97	1 124 504,28	30 596,65	1 308 358,90
Initial gross carrying amount				0,00
Initial accumulated impairment losses				0,00
Total	153 257,97	1 124 504,28	30 596,65	1 308 358,90
Acquisitions				
Nutrium	36 782,00			36 782,00
DTX	25 000,00			25 000,00
Acquisitions			11 532,98	11 532,98
Exchange rate update		405 397,69		405 397,69
Balance at 31 December 2018	215 039,97	1 529 901,97	42 129,63	1 787 071,57
Cost method				
Acquisitions				
Invest. Fund Explorer Growth Fund	500 000,00			500 000,00
Invest. Fund Growth Innovation	250 000,00			250 000,00
Nutrium	30 436,00			30 436,00
Compensation Funds			25 089,01	25 089,01
Exchange rate update		67 917,88		67 917,88
Disposals			(1 020,20)	(1 020,20)
Balance at 31 December 2019	995 475,97	1 597 819,85	66 198,44	2 659 494,26

Fund and to the value of €500,000 in the Explorer Growth Fund II Investment Fund. Pursuant to the legislation in force, these funds are materialised in relevant investments, for the purpose of obtaining tax benefits under the "Sistema de Incentivos Fiscais em Investigação e Desenvolvimento Empresarial II" ("Entrepreneurial R&D Tax Incentives System II – SIFIDE II").

The Explorer Growth Fund II is a fixed-term venture capital fund, pursuant to law 8/2015 of 4 March. It is a venture capital fund, headquartered in Portugal, whose investment policy focuses exclusively on companies that dedicate themselves to research and development and obtain recognition in this matter pursuant to the Investment Tax Code approved by Decree-Law 162/2014 of 31 October, as defined in article 9 of the regulation governing the management of the EGF II fund is registered with the CMVM (Portuguese Securities Market Commission) under number 1591.

The other investments include €1,557,109.85 in the form of government bonds acquired by Primavera Angola.

11. EFFECTS OF CHANGES IN FOREIGN CURRENCY EXCHANGE RATES

11.1. Average exchange rates and end of period rate

The prices used on 31 December 2019 and 31 December 2018 for the conversion into euros were as follows:

	2019				2018			
	AKZ	MT	USD	CVE	AKZ	MT	USD	CVE
Balance	546,1830	69,57	1,1234	110,2650	361,823	70,96	1,145	110,2650
Income Statements	422,1570	70,7024	1,1204	110,2650	304,6802	71,895	1,18263	110,2650

11.2. Exchange rate differences recognised in the income statements

	2019	2018
Income Statements	(363,505.56)	(490,809.85)

These exchange rate differences arise from both operating and financing activities.

11.3. Exchange rate differences in equity

	2019	2018
Balance	(1,043,754.41)	(734,097.27)

These exchange rate differences arise from the conversion of the financial statements expressed in foreign currency and included in the consolidation perimeter.

12. FINANCIAL INSTRUMENTS

12.1. Composition of the Share Capital and Reserves

The company's equity comprises the headings Subscribed Capital, Reserves and Net Results for the Period and previous Periods and other Changes in Equity.

Subscribed Capital

The parent company's share capital, fully subscribed and paid up, remained unchanged in the period, consisting of 2,550,000 registered shares with a nominal value of €1.00 each.

All shares have the same rights, corresponding to one vote for each share. During the 2019 and 2018 financial years, there were no movements in the number of shares representing the parent company's share capital.

Pursuant to paragraph d), no. 5 of article 66 of the Commercial Companies Code (CCC), we hereby inform that PBSS holds own shares to the value of €310,697.50.

Own shares

The own shares registered to the value of €310,697.50 were shares acquired by the Company from other shareholders who left the Organisation.

Legal reserves

Portuguese company law requires a minimum of 5% of the annual net profits recorded on Individual Financial Statements to be used to reinforce the legal reserve until said reserve represents at least 20% of the share capital. This reserve may not be distributed, except in the case of liquidation, but it can be used to absorb losses, after all other reserves have been exhausted, and for incorporation into the capital.

Other reserves and retained earnings

These headings include realised earnings from previous financial years that were not distributed and accumulated losses, respectively. These reserves and earnings, at the individual level of each subsidiary, may be distributed, incorporated into capital or used to cover losses, by means of a resolution at the General Shareholders' Meeting.

Foreign Exchange Reserve

This heading includes exchange rate differences resulting from the conversion of the financial statements of companies in the Consolidation Perimeter whose reporting currency is not the euro.

Foreign exchange reserves reflect the exchange rate variations that occurred in the conversion of the financial statements of subsidiaries in a currency other than the euro.

At 31 December 2019, the equity headings showed the following breakdown:

				Reserves							
Transactions occurring under the equity headings	**Subscribed capital**	**Own shares**	**Discounts and premiums**	**Legal reserves**	**Other reserves**	**Retained earnings**	**Other changes in equity**	**Foreign Exchange Reserve**	**Non-controlling interest**	**Net profits for the period**	**Totals**
Balance at 31 December 2017	2 550 000,00	(66 000,00)	(196 637,50)	541 748,34	2 981 670,36	12 178,47	(709 344,32)	(709 344,32)	(55 363,61)	2 579 855,06	6 928 762,48
Increases (reductions) in capital	-	-	-	-	190 087,20	-	713 374,86	(24 752,96)	98 004,20	2 189 505,09	3 166 218,39
Acquisitions (disposals) of own shares	-	(6 000,00)	(42 060,00)	(31 748,34)	-	-	-	-	-	-	(79 808,34)
Net profits for the period	-	-	-	-	-	-	-	-	-	(2 579 855,06)	(2 579 855,06)
Balance at 31 December 2018	2 550 000,00	(72 000,00)	(238 697,50)	510 000,00	3 171 757,56	12 178,47	4 030,54	(734 097,28)	42 640,59	2 189 505,09	7 435 317,47
Increases (reductions) in capital	-	-	-	-	1 199 166,27	-	-	-	(49 242,56)	(2 189 505,09)	3 803 436,79
Net profits for the period	-	-	-	-	-	-	-	-	-	3 803 436,79	(309 657,13)
Exchange Rate Differences	-	-	-	-	-	-	-	(309 657,13)	-		(1 001 421,27)
Imputation of the investment subsidy	-	-	-	-	-	-	(4 030,54)	-	-	-	(4 030,54)
Balance at 31 December 2019	2 550 000,00	(72 000,00)	(238 697,50)	510 000,00	4 370 923,83	12 178,47	0,00	(1 043 754,41)	(6 601,97)	3 803 436,79	9 885 485,21

12.2. Financial assets and liabilities

The financial assets and liabilities are measured at cost and at the end of the 2019 and 2018 periods comprised the following:

	2019			2018		
Assets at the end of the period	**At Cost**	**At Fair Value**	**Totals**	**At Cost**	**At Fair Value**	**Totals**
Non-current						
Other Financial Investments	2 659 494,26	0,00	2 659 494,26	1 787 071,57	0,00	1 787 071,57
	2 659 494,26	**0,00**	**2 659 494,26**	1 787 071,57	**0,00**	**1 787 071,57**
Totals	**2 659 494,26**	**0,00**	**2 659 494,26**	1 787 071,57	**0,00**	**1 787 071,57**
Current						
Customers current account	3 884 890,97		3 884 890,97	3 479 444,02	0,00	3 479 444,02
Customers doubtful debt	655 940,16	0,00	655 940,16	583 492,82	0,00	583 492,82
Accumulated impairment losses	660 159,43	0,00	660 159,43	581 873,28	0,00	581 873,28
	3 880 671,70	0,00	**3 880 671,70**	**3 481 063,56**	**0,00**	**4 644 810,12**
Other Accounts Receivable	404 046,86	**0,00**	404 046,86	165 875,24	0,00	165 875,24
	404 046,86	**0,00**	**4 540 831,13**	**165 875,24**	**0,00**	**165 875,24**
Totals	**4 284 718,56**	**0,00**	**14 804 697,64**	**3 646 938,80**	**0,00**	**4 810 685,36**
Liabilities at the end of the period						
Non-current						
Loans obtained	3 224 921,10	0,00	3 224 921,10	4 391 820,00	0,00	4 391 820,00
	3 224 921,10	**0,00**	**3 224 921,10**	**4 391 820,00**	**0,00**	**4 391 820,00**
Totals	**3 224 921,10**	**0,00**	**3 224 921,10**	**4 391 820,00**	**0,00**	**4 391 820,00**
Current						
Suppliers current account	1 439 389,87	0,00	1 439 389,87	1 014 626,57	0,00	1 014 626,57
Suppliers of Investment	280 082,64	0,00	280 082,64	144 147,84	0,00	144 147,84
	1 439 389,87	**0,00**	**1 439 389,87**	**1 014 626,57**	**0,00**	**1 014 626,57**
Loans obtained	1 631 690,13	0,00	1 631 690,13	1 540 764,31	0,00	1 540 764,31
Other Accounts Payable	3 945 877,51	0,00	3 945 877,51	2 921 641,95	0,00	2 921 641,95
	5 577 567,64	**0,00**	**3 071 080,00**	**4 462 406,26**	**0,00**	**4 462 406,26**
Totals	**7 016 957,51**	**0,00**	**17 875 777,64**	**5 477 032,83**	**0,00**	**5 477 032,83**

12.3. Impairment of financial instruments

At 31 December, losses due to impairments of accounts receivable were recognised under the following headings of assets:

Impairment Losses	Accumulated at 01.01.2018	Recognised in the period	Reversed in the period	Accumulated at 31.12.2018	Recognised in the period	Reversed in the period	Exchange rate differences	Accumulated at 31.12.2019
Customers	804 048,18	59 029,27	(281 204,17)	581 873,28	153 009,85	(15 177,14)	(59 546,56)	660 159,43
Totais	**804 048,18**	**59 029,27**	**(281 204,17)**	**581 873,28**	**153 009,85**	**(15 177,14)**	**(59 546,56)**	**660 159,43**

The need to record impairments is calculated on the basis of the age of the claim, the customer's risk profile, past experience and other circumstances. As at 31 December 2019, the Board of Directors believes that the estimated adjustments to the accounts receivable are adequately reflected in the consolidated financial statements.

12.4. Financing received

The loans obtained are measured at cost and at the end of the 2019 and 2018 periods comprised the following:

Loans obtained - Current Liabilities	**31.12.2019**	**31.12.2018**	**31.12.2017**
Novo Banco	513 887,98	513 368,00	166 822,66
B.P.I	391 131,81	426 263,55	357 772,23
C.G.D	659 518,23	348 003,27	1 363 988,06
B.C.P	61 201,00	86 486,02	274 658,52
TOTTA	5 625,61	15 049,70	235 237,49
B.I.C.	-	10 119,74	112 870,52
B.I.M	325,50	141 474,03	30 656,76
	1 631 690,13	**1 540 764,31**	**2 542 006,24**
Loans obtained - Non-current Liabilities			
Novo Banco	1 000 000,00	1 514 010,36	70 244,15
B.P.I	1 100 053,96	1 431 293,54	1 168 227,29
C.G.D	1 043 500,40	1 318 100,12	1 984 262,05
B.C.P	78 247,56	119 724,80	626 579,19
TOTTA	3 119,18	8 691,18	423 767,58
B.I.C.	-	-	593 767,06
	3 224 921,10	**4 391 820,00**	**4 866 847,32**
Totals	**4 856 611,23**	**5 932 584,31**	**7 408 853,56**

During the financial year, some loans were amortized and new loans were also contracted.

12.5. Other Accounts Receivable

As at 31 December 2019 and 2018, the breakdown of the Other Accounts Receivable heading is as follows:

	2019			2018		
Financial assets and liabilities	**At Cost**	**At Fair Value**	**Totals**	**At Cost**	**At Fair Value**	**Totals**
Current Assets						
Other Accounts Receivable	404 046,86	0,00	404 046,86	165 875,24	0,00	165 875,24
Subtotals	**404 046,86**	**0,00**	**404 046,86**	**165 875,24**	**0,00**	**165 875,24**

Under the Other Accounts Receivable heading we have atypical balances from current account suppliers, advances from suppliers and recognition of revenue.

12.6. Other Accounts Payable

As at 31 December 2019 and 2018, the breakdown of the Other Accounts Payable heading is as follows:

	2019			2018		
Financial assets and liabilities	**At Cost**	**At Fair Value**	**Totals**	**At Cost**	**At Fair Value**	**Totals**
Current Liabilities					0,00	
Loans obtained	1 631 690,13	0,00	1 631 690,13	1 540 764,31		1 540 764,31
Other Accounts Payable	3 945 877,51	0,00	3 945 877,51	2 921 641,95	0,00	2 921 641,95
Subtotals	5 577 567,64	0,00	5 577 567,64	4 462 406,26	0,00	4 462 406,26
Totals	**5 577 567,64**	**0,00**	**5 577 567,64**	**4 462 406,26**	**0,00**	**4 462 406,26**

The Other Account Payable heading includes the record of twelfths to be paid in the 2020 financial year and the forecast for premiums.

13. Cost of loans obtained

Interest and other costs incurred as a result of loans obtained are recognised as expenses in accordance with the accrual system; no capitalisation of these amounts occurred in 2019 since they did not relate to the financing of eligible loans.

14. INVENTORIES

14.1. Accounting policies adopted for the measurement of the inventories and cost formula used

Inventories are recorded at the lower value between cost price and net realisable value. Net realisable value is understood to mean the estimated selling price minus all of the estimated costs needed to secure the sale. In situations where the cost price is higher than the net realisable value, the resulting difference is recorded as an impairment loss.

As at 31 December, the company did not have any assets in inventories since all the acquisitions made had been consumed.

14.2. Amount of inventories recognised as expenditure during the period

	2019		2018	
	Goods	**Raw materials, subsidiaries and consumables**	**Goods**	**Raw materials, subsidiaries and consumables**
Inventories at the start of the period				
Impairment Losses				
Purchase	220 479,90		316 728,86	
Reclassification and settlement				
Expenditure for the period	220 479,90	0,00	316 728,86	0,00

15. LEASES

15.1. Finance Leases

Financial lease contracts bear interest at market rates and have defined useful life years. As at 31 December 2019, there are no contingent rents or restrictions regarding dividends (or any additional debt) associated with the current financial lease contracts.

Assets in financial leasing are included under the heading transport equipment. At the date of the balance sheet, the minimum payments due for leases relating to these financial leasing contracts totalled €147,189.36 current and €173,606.06 non-current.

Net carrying amount at the balance sheet date for each category of asset under financial leasing, where contracts remain active.

Tangible fixed assets	**Gross Carrying Amount**	**Accumulated Depreciations**	**Carrying Amount**
Transport Equipment	1 611 061,29	738 663,99	872 397,30
Subtotals	**1 611 061,29**	**738 663,99**	**872 397,30**

The total of future minimum lease payments at the balance sheet date, relating to these financial leasing contracts, is €147,189.36.

	Finance Leases in force				Gross investments in balance sheet leases			
			Term of the lease					
Assets that are being financed through financial leasing contracts respective net carrying amounts	**Leasing entity**	**Contract Identification Number**	**Start Date**	**End Date**	**Up to 1 year**	**1 to 5 years**	**Over 5 years**	**Totals**
Viatura 60-QT-14	TOTTA	212347	15/01/2016	15/01/2020	667,50	0,00	0,00	**667,50**
Viatura 72-PM-14	BCP	400112354	15/03/2016	15/03/2020	4 592,85	0,00	0,00	**4 592,85**
Viatura 59-RB-26	BCP	400112355	07/04/2016	07/04/2020	3 124,69	0,00	0,00	**3 124,69**
Viatura 23-RN-61	B.P.I	1660420400	25/06/2016	25/06/2020	2 624,77	0,00	0,00	**2 624,77**
Viatura 84-SD-40	Novo Banco	2067051	02/12/2016	02/12/2020	6 943,99	0,00	0,00	**6 943,99**
Viatura 84-SD-41	Novo Banco	2067052	02/12/2016	02/12/2020	6 943,99	0,00	0,00	**6 943,99**
Viatura 54-SU-15	BCP	400116333	01/05/2017	01/05/2021	6 245,72	3 506,61	0,00	**9 752,33**
Viatura 34-TB-55	BCP	400116873	07/07/2017	07/07/2021	5 056,21	2 691,46	0,00	**7 747,67**
Viatura 98-TE-67	Caixa Leas.	10099696	10/08/2017	10/08/2021	8 825,08	5 739,50	0,00	**14 564,58**
Viatura 79-TD-08	Santader	219379	01/07/2017	01/07/2021	4 958,11	3 119,18	0,00	**8 077,29**
Viatura 79-TD-06	BCP	400116926	25/08/2017	25/08/2021	4 958,10	3 517,02	0,00	**8 475,12**
Viatura 17-TL-86	Caixa Leas.	100100359	20/09/2017	20/09/2021	8 527,65	1 587,23	0,00	**10 114,88**
Viatura 18-TO-19	BCP	400117892	25/10/2017	25/08/2021	4 659,98	7 590,45	0,00	**12 250,43**
Viatura 81-TR-59	BCP	400118304	01/11/2017	01/12/2021	5 250,35	4 660,97	0,00	**9 911,32**
Viatura 97-TV-87	Caixa Leas.	100102735	10/12/2017	10/12/2021	8 027,37	8 532,22	0,00	**16 559,59**
Viatura 34-UR-05	BCP	400120815	15/05/2018	15/05/2022	4 973,22	7 234,46	0,00	**12 207,68**
Viatura 57-UU-83	BPI	1861427300	27/06/2018	27/06/2022	6 447,35	10 344,16	0,00	**16 791,51**
Viatura 67-UZ-19	BPI	1861646600	17/07/2018	17/07/2022	4 369,85	7 379,85	0,00	**11 749,70**
Viatura 97-UT-23	Caixa Leas.	100108419	24/07/2018	24/07/2022	5 470,03	8 918,96	0,00	**14 388,99**
Viatura 30-VE-67	BCP	400121923	15/08/2018	15/08/2022	4 961,96	8 482,78	0,00	**13 444,74**
Viatura 71-VL-11	BCP	400122525	15/10/2018	15/10/2022	8 155,91	15 556,79	0,00	**23 712,70**
Viatura 26-VS-58	CGD	100111831	20/12/2018	20/12/2022	4 541,17	9 029,08	0,00	**13 570,25**
Viatura 01-VR-91	CGD	100112114	10/12/2018	10/12/2022	5 058,33	10 026,46	0,00	**15 084,79**
Viatura 40-XB-29	BPI	1960152500	20/02/2019	20/02/2023	6 468,29	14 836,49	0,00	**21 304,78**
Viatura 35-XR-50	BCP	400125680	15/07/2019	15/07/2023	4 495,46	11 670,00	0,00	**16 165,46**
Viatura 65-XQ-17	BCP	400125945	07/07/2019	07/07/2023	4 726,55	13 337,02	0,00	**18 063,57**
Viatura 91-XO-13	CGD	100117991	17/07/2019	17/07/2023	6 114,88	15 845,37	0,00	**21 960,25**
Totals					**147 189,36**	**173 606,06**	**0,00**	**320 795,42**

Financial leasing obligations are guaranteed by the reservation of ownership of the leased assets.

15.2. Operating Leases

During the 2019 financial year, expenses of €3,280.86 related to pure rents from operating lease contracts were recognised.

16. REVENUE

The breakdown of turnover by market is subdivided as follows:

Amounts of revenue recognised in the period	Domestic Market	Intra-Community Market	External Market	Total
Sale of goods	96 700,08	120,00	4 044 685,28	4 141 505,36
Service provision	20 298 803,93	649 035,23	4 029 606,71	24 977 445,87
Totals	**20 395 504,01**	**649 155,23**	**8 074 291,99**	**29 118 951,23**

17. GOVERNMENT SUBSIDIES AND SUPPORT

17.1 Nature and extent of government subsidies recognised in the financial statements

Government subsidies are a type of aid consisting in transferring resources to the company in exchange for past or future compliance with certain conditions related to the company's operating activities. The subsidies received by the company are non-refundable and have been recognised in the income statement on a systematic and rational basis during the accounting periods necessary to balance them with the related costs.

In the 2019 and 2018 periods, the Group received operating subsidies to the value of €22,318.51 and €118,985.78, respectively.

The investment subsidies, recorded in equity, correspond to Valuekeep and amount to €485.30 in 2019 as compared to nil value in 2018.

18. BREAKDOWN OF THE OTHER INCOME HEADING

The Other Income heading shows the following values:

Heading	2019	2018
Other income and gains	196 551,66	253 759,83
Totals	**196 551,66**	**253 759,83**

19. GOVERNMENT AND OTHER PUBLIC BODIES

19.1. Income Tax

In the 2019 tax year, PBSS and its Portuguese affiliated companies are subject to IRC (Corporate Income Tax) at the rate of 21%, plus Municipal Surtax, resulting in an aggregate tax rate of 22.5%.
In addition, the following state surtaxes apply to the portion of taxable profit in excess of €1,500,000 that is subject to and not exempt from IRC: 3% on the portion greater than €1,500,000 and less than €7,500,000; 5% on the portion greater than €7,500,000 and up to €35,000,000; and 7% on the portion of taxable profit that exceeds €35,000,000.

Pursuant to article 88 of the IRC Code, Portuguese companies are additionally subject to autonomous taxation on a set of charges, at the rates provided for in the aforementioned legislation.

PBSS has been covered by the Special Taxation Regime for Groups of Companies (RETGS) since January 2011, so the current tax is calculated based on the taxable profits of the companies included in the consolidation and in the aforementioned special regime, in accordance with the rules of same. The RETGS encompasses all of the companies in which PBSS, SA, the controlling company, has a direct or indirect stake of at least 75% of the share capital and which are domiciled in Portugal and liable for Corporate Income Tax (IRC). However, the income tax estimate for each entity is recorded in the financial statements based on the individual tax results, representing an account payable or receivable from the company, the balance of which is written off in the consolidation operations.

Earnings generated by foreign subsidiaries are taxed at the income tax rates applicable under the legislation in force at the location of the each subsidiary's head office.
Pursuant to the Portuguese legislation in force, Portuguese companies' tax returns are subject to review and correction by the tax authorities for a period of four years, and by Social Security for a period of five years, except when there have been tax losses, tax benefits have been granted, or when there are ongoing inspections, complaints or disputes. In these cases, and depending on the circumstances, the review deadlines may be extended or suspended. Consequently, the tax returns for the 2016 to 2019 financial years may be subject to review.

The Board of Directors believes that any corrections made as a result of tax authority reviews/inspections of the aforementioned tax returns will not have a significant impact on the financial statements.

Since January 2011, the entity has been covered by the Special Taxation Regime for Groups of Companies (RETGS), so the current tax is calculated based on the taxable profits of the companies included in the consolidation and in the aforementioned special regime, in accordance with the rules of same. The RETGS encompasses all of the companies with a direct or indirect investment of at least 75% of the share capital and which are domiciled in Portugal and liable for Corporate Income Tax (IRC). The income tax estimate for each entity is recorded

in its financial statements based on its tax results, representing an account payable or receivable from the parent company PSGPS.

Deferred taxes are calculated based on the tax rates that are expected to be in force on the date of the reversal of temporary differences, corresponding to those that were approved on the balance sheet date.

19.3. Breakdown of the State – Assets heading

States - assets heading	31.12.2019	31.12.2018
VAT (Value-Added Tax) - to be recovered	2 624,19	-
Corporate Income Tax (CIP) - special paymento on account	24 935,83	24 585,34
Corporate Income Tax (CIP) - double taxation	5 178,46	-
Corporate Income Tax (CIP) - customer retention	150 322,31	138 624,63
Totals	**183 060,79**	**163 209,97**

19.4. Breakdown of the State – Liabilities heading

State – Liabilities heading	31.12.2019	31.12.2018
Social Security Contributions	229 094,19	197 776,27
Corporate Income Tax (CIP/IRS) - witholding tax	173 628,76	143 551,65
Corporate Income Tax (CIP)	85 293,88	30 864,27
Value-Added Tax (VAT)	782 185,48	757 352,18
Compensation funds	2 937,30	8 625,98
Totals	**1 273 139,61**	**1 138 170,35**

20. BREAKDOWN OF THE SUPPLIES AND EXTERNAL SERVICES HEADING

SES amounts recognised in the period	2019	2018
Subcontracts	2 638 563,31	1 511 067,99
Specialised Work	4 711 932,48	5 258 767,33
Materials	252 060,80	158 924,44
Energy and fluids	196 728,99	208 771,46
Travel and Accommodation	452 507,96	436 249,39
Miscellaneous services	1 230 191,28	1 268 083,91
Totals	**9 481 984,82**	**8 841 864,52**

21. EMPLOYEE BENEFITS

The Group provides employees with the following benefits:

– Short Term: Benefits include wages, salaries, productivity bonuses, permitted short-term absences and relevant contributions for social security.

These benefits are accounted for in the same time period as when the employee worked.

Pursuant to the applicable employment legislation, since the right to paid leave and holiday allowance relating to the period coincides with the civil year, these fall due on 31 December each year and are only paid during the following period. Consequently, the corresponding costs are recognised as short-term benefits and are processed as previously explained.

Average number of people working for the Group, during the financial year

Entity	2019	2018	2017
Primavera - Business Software Solutions, S.,A.	272	221	213
PRIPT - Business Software Solutions, unipessoal, Lda.	0	0	0
YET - Your Electronic Transactions, Lda.	8	7	6
Primavera - Business Software Solutions, S.A. (PESP)	4	3	3
Primavera - Business Software Solutions, Lda. (PANG)	24	22	22
Primavera - Business Software Solutions, Lda. (PMZ)	13	16	19
Numbersbelieve - Sist. De Informação para Gestão	4	6	6
3VÍRGULA 14	5	3	-
Valuekeep, Lda.	15	10	8

Staff costs for the 2019 and 2018 financial years are as follows:

Heading	2019	2018
Staff costs	13 653 918,72	11 331 473,30

22. NON-CONTROLLING INTERESTS

The non-controlling interests shown in the consolidated profit and loss statement at 31 December 2019 correspond to third party involvement in the capital and results of the following companies:

Affiliated Company	Balance	Income Statements	Total
Numbersbelieve - Sist. De Informação para Gestão, Lda.	18 919,27	(25 521,24)	(6 601,97)

23. DISCLOSURES REQUIRED BY LAW

The management informs that the Group is not in arrears on any debts owed to the State.

In fulfilment of the requirements of Article 210 of the code governing the Contributory Schemes for Pensions and Social Security, the management informs that the company does not owe debts to Social Security.

24. OTHER INFORMATION

24.1. Guarantees provided

As at 31 December 2019, the bank guarantees provided by the Group were as follows:

Bank guarantees to the value of €1,029,702 (Norgarante).

Bank guarantees to the value of €70,730.00 (Lisgarante).

The entity's (parent company) head office building is mortgaged to the bank Caixa Geral de Depósitos, to guarantee the proper and punctual payment of any and all assumed liabilities arising from financing to the entity itself.

25. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

The consolidated financial statements were approved by the Management on 31 March 2020.

Additionally, the financial statements attached on 31 December 2019 are pending approval by the General Shareholders' Meeting. However, the Group's management believes that they will be approved without significant changes.

During the first quarter of the 2020 period, a growing number of cases of infection of populations with the Covid-19 virus have been reported, nationally and internationally, and several governments, authorities and economic agents have implemented a set of initiatives impacting population mobility and the global economy. In light of the nature of the measures already implemented and possible future initiatives, the Portuguese economy in general, and the sector in which we operate in particular, are likely to be significantly affected by the pandemic, and a scenario of economic recession is foreseeable.

The aforementioned COVID-19 pandemic is undoubtedly an event that will be of significance during 2020 and that will possibly leave marks in future years. Also of note is the sharp drop in oil prices, a factor that will create difficulties for the Angolan economy and which adds to the already complicated scenario of the pandemic. This drop in price began as a result of excess supply even before the pandemic took hold. At this stage, it is believed that an agreement may already exist between the producing economies; in the meantime, however, the impact on demand has been unprecedented, with historic declines in the world's energy needs. This situation leads us to believe that prices are likely to remain low even though there is consensus on the supply side.

However, the Group's Management considers that, apart from this fact, it was not aware of events that occurred after the balance sheet date which could affect the value of assets and liabilities in the financial statements for the period.

26. AUTHORISATION DATE FOR ISSUING THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements for the period to 31 December 2019 were authorised by the management body (approved by the Group's Board of Directors) on 10 March 2020.

Additionally, the financial statements attached on 31 December 2019 are pending approval by the General Shareholders' Meeting. However, the Group's Board of Directors believes that they will be approved without significant changes.

27. PROPOSED APPLICATION OF PROFITS

The individual report contains the following proposal:

The amount of € 461,041.50 to be transferred to equity adjustments for unallocated profits and the negative amount of € 292,588.38 to the equity adjustments heading.

The amount of 3,641,553.23 euros to be transferred to the other reserves account.

Report on the Audit of the Consolidated Financial Statements

Opinion

We audited the attached consolidated financial statements of Primavera - Business Software Solutions, SA (the Group), which comprise the consolidated balance sheet as of 31 December 2019 (which shows a total of 21,729,040 euros and a total equity of 9,885,485 euros, including a net profit of 3,803,437 euros), the consolidated profit and loss statement by nature, the consolidated statement of equity changes and the consolidated cash flow statement for the period ending on said date, as well as the appendix to the consolidated financial statements, which includes a summary of the significant accounting policies.

In our opinion, the attached consolidated financial statements present, truthfully and in appropriate fashion, in all material aspects, the consolidated financial position of PRIMAVERA – Business Software Solutions, S.A. as at 31 December 2019, as well as its financial performance and consolidated cash flows relating to the period ending on said date, in accordance with the Accounting and Financial Reporting Standards of the Standardised Accounting System.

Bases for the opinion

Our audit was conducted in accordance with the International Standards on Auditing (ISA) and other technical and ethical guidelines issued by the Institute of Statutory Auditors. Our responsibilities pursuant to those standards are described in the section "Auditor's responsibilities in the auditing of consolidated financial statements" below. We are independent from the entities that make up the Group, as required by law, and we meet the other ethical requirements under the code of ethics of the Institute of Statutory Auditors.

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

Emphasis

According to the note 22 "Events after the balance sheet date" in the Annex, we warn of the social and economic impact resulting from the COVID-19 pandemic worldwide, and in particular in Portugal, whose possible negative effects on the The Entity's activity and profitability are not possible to quantify at this date. Nevertheless, the Management Body is convinced that these effects, if any, will not jeopardize the continuity of its activities, maintaining the assumption of continuity used in the preparation of the financial statements for the period ended on December 31, 2019.

Our opinion is not changed in relation to this matter.

Responsibilities of the management body as regards the consolidated financial statements

The management body is responsible for:

- Preparing consolidated financial statements that present, in a truthful and appropriate manner, the Group's financial position, its financial performance and its cash flows, in accordance with the Accounting and Financial Reporting Standards adopted in Portugal through the Standardised Accounting System;
- Preparing the management report in accordance with the laws and regulations;
- Creating and maintaining a suitable system of internal control to enable the preparation of financial statements that are free from any material distortion due to fraud or error;
- Adopting accounting policies and criteria that are adequate for the circumstances;
- Assessing the Group's capacity as a going concern, disclosing, when applicable, the information that could give rise to significant doubts about the continuity of the activities.

The auditor's responsibilities in respect of the auditing of consolidated financial statements

Our responsibility consists in obtaining reasonable assurance that the consolidated financial statements as a whole are free from any material distortions due to fraud or error, and in issuing a report expressing our opinion. Reasonable assurance is a high level of assurance but it does not guarantee that an audit conducted in accordance with the ISA will always detect a material distortion where one exists. Distortions may be due to fraud or error and are considered material if they can be reasonably expected, individually or jointly, to influence the economic decisions made by users on the basis of these financial statements.

As part of an audit conducted in accordance with the ISA, we make professional judgements and remain professionally sceptical during the audit, as well as:

Identifying and assessing the risks of material distortion of the consolidated financial statements due to fraud or error; designing and implementing auditing procedures to address such risks; and obtaining sufficient and appropriate audit evidence to provide us with a basis for our opinion. The risk of not detecting a material distortion due to fraud is greater than the risk of not detecting a material distortion due to error, since fraud may involve collusion, falsification, intentional omissions, false statements or overlapping of internal control;

- Obtaining an understanding of the internal control relevant to the audit with the aim of designing auditing procedures appropriate to the circumstances, but not to express an opinion about the effectiveness of the Group's internal control;
- Assessing the adequacy of the accounting policies used and the reasonableness of the accounting estimates and respective disclosures made by the management body;
- Drawing conclusions about the appropriateness of the management body's use of the going concern assumption and, based on the audit evidence obtained, if there is any material uncertainty related to events or conditions that could give rise to significant doubts regarding the Group's capacity to continue its activities. If we conclude that there is material uncertainty, we must draw attention in our report to the related disclosures included in the financial statements or, in the event that such disclosures are inadequate, modify our opinion. Our opinions are based on the audit evidence obtained up to the date of our report. However, events or future conditions could lead the Group to discontinue its activities;
- Assessing the presentation, structure and overall content of the consolidated financial statements, including the disclosures, and whether or not the financial statements represent the transactions and underlying events in such a way as to achieve an appropriate presentation;
- Obtaining sufficient and appropriate audit evidence in respect of the financial information regarding the entities or activities within the Group to express an opinion about the consolidated financial statements. We are responsible for the steering, supervision and performance of the auditing of the Group and we are ultimately responsible for our audit opinion;
- Communicating with the people in charge of governance about matters such as the scope and planned scheduling of the audit, and the significant conclusions of the audit, including any significant failings detected in the internal controls during the audit.

It is also our responsibility to verify that the information contained in the management report is consistent with the consolidated financial statements.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

About the management report In our opinion, the consolidated management report was drawn up in accordance with the currently applicable legislation and regulations, and the information contained in it is consistent with the audited consolidated financial statements. No material inaccuracies were detected.

Braga, 29 April 2020

Joaquim Guimarães, Manuela Malheiro e Mário Guimarães,
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