2017

REPORT AND ACCOUNTS
PRIMAVERA BSS

Primavera
BUSINESS SOFTWARE SOLUTIONS

ÍNDICE

MESSAGE FROM THE **CEOS**

DAVID AFONSO
Senior Vice President

JORGE BATISTA
Co-CEO

JOSÉ DIONÍSIO
Co-CEO

ÂNGELA BRANDÃO
Vice President

"Innovation was firmly in the spotlight in 2017, not least because of the launch of Jasmin, a solution for small companies, supported on the Elevation Framework. This is a streamlined, cloud-native, multi-platform, multi-device development platform enhanced by an artificial intelligence engine ..."

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

In 2017, PRIMAVERA achieved a turnover of 23.4 million euros, an increase of 14% in comparison to the 2016 figure. This result was largely due to our excellent performance on the Portuguese market, where we grew by 13%, in line with the good overall performance of the Portuguese economy; but the recovery of the African markets, with Angola growing by 10% and Mozambique by 22%, was also instrumental.

Our good performance in the sale of new software licences (up 19.2% in comparison to 2016), the growth of 8.0% in recurrent business (software maintenance contracts, SaaS licensing and software subscriptions) and the growth of 42.3% in sales of consultancy services all contributed decisively to a year in which our operating results, EBITDA, reached 3,9 million euros (17% of turnover) and net profit reached 10% of turnover.

Worth highlighting too are the excellent sales figures achieved by YET, Valuekeep and Primavera Public Services, Group spin-offs in the area of electronic transactions, asset management and maintenance software, and solutions for public services, which grew by 30%, 2,067% and 46% respectively.

Also contributing to the overall growth in sales were the increased prices of products and services in the Angolan and Mozambican markets, in response to the exchange rate depreciation suffered by their currencies in 2017.

A special mention must also be made of the 63% increase in sales of licensing for cloud-based environments, which now represent more than 1,2M€ in our overall turnover. This is partly due to our heavy investment in the launch of new cloud-native products and platforms, especially Jasmin, a commercial management software solution for small companies that has attracted over 1,000 customers in less than a year; and also to the increasingly strong position of OMNIA, as a streamlined software development platform, which stands out for its contribution to the speeding up of companies' digital transformations and which in 2017 was installed at more than 100 medium-sized and large companies.

Innovation was firmly in the spotlight in 2017, not least because of the launch of Jasmin, a solution for small companies, supported on the Elevation Framework. This is a streamlined, cloud-native, multi-platform, multi-device development platform

enhanced by an artificial intelligence engine that introduces a predictive aspect into management solutions and was the outcome of our heavy investment in innovation in recent years. Jasmin's excellent reception, together with the superior performance of the product and the Elevation platform, in every aspect, has boosted our confidence in our plans to accelerate the launch of new products based on the same platform. One of these is ROSE, an ERP for small companies that is scheduled for launch in the last quarter of 2018.

As the 2016-2018 strategic cycle nears its end, we are already in a position to affirm that, in general terms, the major goals we set ourselves are very likely to be achieved, in particular the profitability targets of 18-20%, customer satisfaction 8 out 10, provision of a cloud-native ERP and an aggregate turnover of 70M€.

The outlook for 2018 is hopeful, thanks to the good perspectives seen in the Portuguese economy and the foreseeable recovery of the African economies. The Group is on course to grow to around 300 employees, thus readying itself for the challenges ahead, in particular the launch of v10 of the ERP (one of the most significant launches ever, and which will give the thousands of Primavera software users immediate access to the benefits of technologically innovative solutions in hybrid environments), the launch of Jasmin in Spain, the launch of ROSE, the launch of OMINA V3 and Valuekeep..

In 2018, we expect to complete our own digital transformation programme and launch the bases for the 2019-2021 strategic plan; undoubtedly an ambitious plan, it will be capable of feeding goals of significant innovation, expansion and growth, in line with the demands of an industry and a world which are themselves in the grip of accelerated transformation and generation of opportunities.

On behalf of the Management, we would like to thank all of our partners, employees and other stakeholders for their trust in our proposals and for their contribution in making PRIMAVERA a benchmark company in Europe and in Africa.

We wish you all a successful and prosperous 2018.

JOSÉ DIONÍSIO
Co-CEO

JORGE BATISTA
Co-CEO

PRIMAVERA – Business Software Solutions, SA began trading in late 1993. The company specialises in developing and selling management software solutions in a global market, offering solutions for small, medium and large organisations and Public Administration.

Based in Braga, and as the proprietor of the brand and manufacturer of the products sold by the Group, PRIMAVERA BSS's role in the group of companies is a corporate one. Its activities essentially involve decision-making with regard to investment in the product and markets, and trading, marketing and management policies. It is therefore highly influential in determining the path taken by all of PRIMAVERA's business.

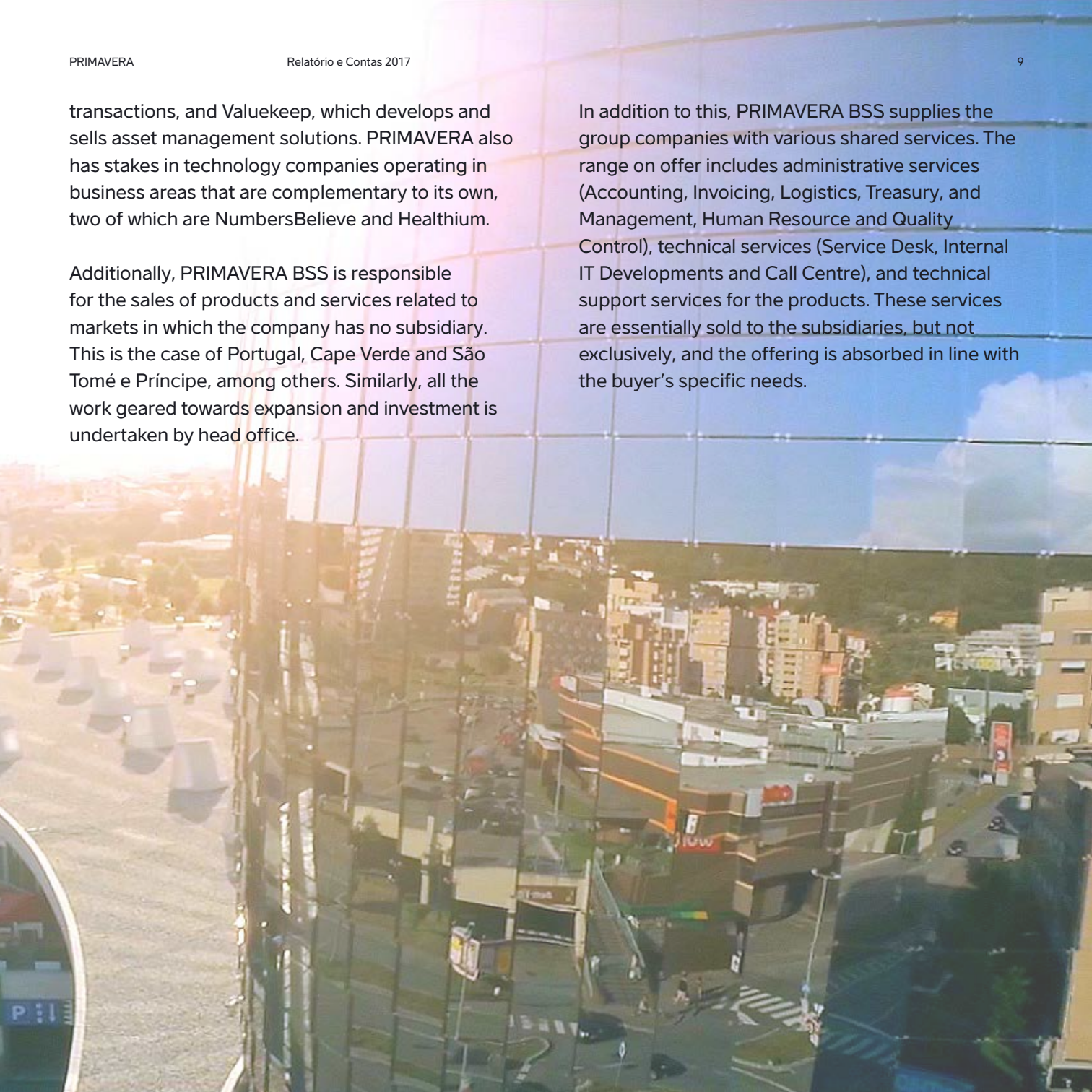
PRIMAVERA has subsidiaries in Angola (Luanda), Spain (Madrid) and Mozambique (Maputo). Two other PRIMAVERA Group companies are YET (Your Electronic Transactions), which develops and sells solutions that enable the dematerialisation of

ABOUT **PRIMAVERA**

transactions, and Valuekeep, which develops and sells asset management solutions. PRIMAVERA also has stakes in technology companies operating in business areas that are complementary to its own, two of which are NumbersBelieve and Healthium.

Additionally, PRIMAVERA BSS is responsible for the sales of products and services related to markets in which the company has no subsidiary. This is the case of Portugal, Cape Verde and São Tomé e Príncipe, among others. Similarly, all the work geared towards expansion and investment is undertaken by head office.

In addition to this, PRIMAVERA BSS supplies the group companies with various shared services. The range on offer includes administrative services (Accounting, Invoicing, Logistics, Treasury, and Management, Human Resource and Quality Control), technical services (Service Desk, Internal IT Developments and Call Centre), and technical support services for the products. These services are essentially sold to the subsidiaries, but not exclusively, and the offering is absorbed in line with the buyer's specific needs.



FINANCIAL HIGHLIGHTS

Diogo Ribeiro
Financial Director

From an economic point of view, 2017 was a positive year for the European economies and for the Portuguese economy in particular. In 2016, an about-face had already been seen in the last decade's negative cycle of adjustment with a year-on-year growth of 1.4%. This year's growth figure was 2.7%, a record since the beginning of the new millennium. The outlook for 2018 remains hopeful, with a significant drop in unemployment and growth in excess of 2% being predicted.

However, it is important to bear in mind that the volume of production today is still lower than in 2008, the year at the epicentre of the long-lasting worldwide economic earthquake. Indeed, the consequences of this upheaval spilled over from the economic sphere and into those of politics and society, with forms and dynamics that we do not yet fully understand but which have steered the world along winding and unpredictable paths.

The African economies too have been going through some economically lean and difficult years. Highly dependent on raw materials and earnings from exports, they have suffered the consequences of the considerable reduction in both, as well as from the drop in investment by the extractive companies. Even so, while crude began the year at around 55 USD per barrel and with an apparently stable outlook, the price per barrel began climbing in August to reach almost 70 USD at year end. Together, the war in Syria, the recent friction between Russia and the West, and the unpredictable and impulsive nature of the American government have contributed to the instability and inflationary pressure of this raw material.

Despite the slight breathing space afforded to the African economies by these events, the fact remains that the economic difficulties still exist and the outlook is still very reserved. One good thing seen during the year under analysis was a reduction in exchange rate volatility, resulting in lower foreign exchange losses. However, some believe that the Angolan economy did not make adequate adjustments and difficulties in accessing

the foreign exchange market persist, creating an imbalance in the economy that will have to be incorporated into the real economy.

It should also be noted that there was a change in leadership in Angola, after a governance lasting 38 years. Although power remains in the same party political sphere of influence, there appear to be signs of a different style of governance and a desire for greater governmental openness and transparency. It is important to note that the first months of 2018 saw considerable exchange rate depreciation in Angola, to the tune of 30%, and that if this is not turned around by the end of the year, it will negatively impact the Angolan operation.

PRIMAVERA has been able to capitalise on the difficulties, taking advantage of the current trends towards digital transformation, mobility, the potential of the Cloud and the capacity that all of these have to satisfy organisations' constant and crucial need to be productive. These investments are fundamental if companies are to be winners in the global marketplace and this is a time of crucial growth to guarantee success and competitiveness.

Everything points to 2018 being a positive year for the world's economy and for Portugal's economy in particular. Significant growth in the economy is being forecast, to the possible extent of surpassing 2008, the year prior to the adjustments dictated by the crisis. Furthermore, PRIMAVERA is offering technologically and functionally upgraded products that we believe will result in value for our customers.

Yet despite hopeful expectations, the uncertainty of the times requires a degree of moderation and constant watchfulness on the part of economic agents. There will be plenty of events, challenges and opportunities to come in 2018 too.

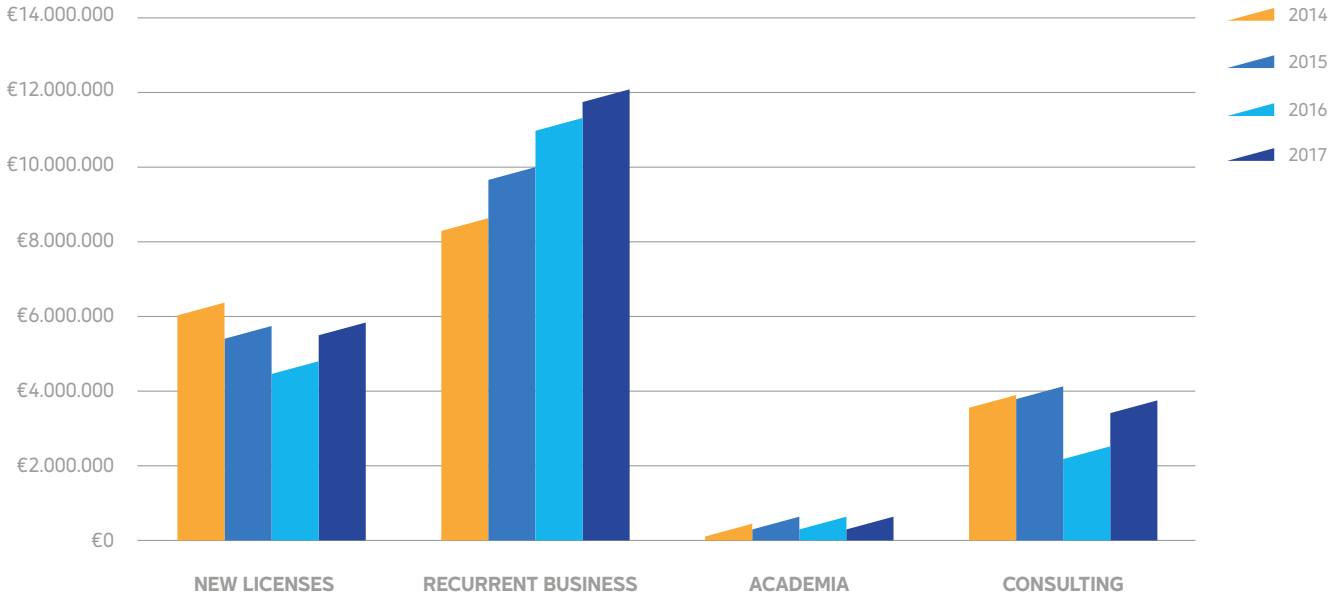
TURNOVER

The Group's consolidated turnover increased by 14% to finish at €23,400,740 in comparison to the 2016 figure of €20,614,849.

An analysis of the sales figures under the main headings reveals increases in the sales of software and services of 11% and 33% respectively.
The growth in subscriptions is particularly noteworthy; currently exceeding 12 million in sales,

subscriptions correspond to more than half of the company's overall business. Also worthy of a mention is the recovery in the sales of new licences and consultancy services, recovering from a year-on-year figure that saw the company suffer a negative impact on operations in Africa.

Turnover by heading



It should be stressed that over the course of the year software sales accounted for approximately 77% of the company's total sales, thus gaining weight in the composition of the company's sales figures. Recurrent business accounts for 52% of the group's total sales, with 86% of this coming from the Portuguese market.

The company's business has gradually evolved towards recurrent licensing schemes, in particular cloud-based solutions such as JASMIN, with yearly and two-yearly licences. This trend is likely to continue and can even be expected to completely replace the current sales model. ROSE is scheduled for launch in 2018; this new cloud-native ERP is geared toward medium-sized and large companies and is set to replace our current Windows on-the-premises product in due course.

Recurrent business from renewed contracts stands at around 89.3%, a figure which has remained stable now for several years. Since subscriptions and repeat business form the major core of the company's revenue and since the market is increasingly favouring this type of sales model, it is fundamental that the company continues to ensure customer satisfaction. This continued focus of satisfaction is one of the cornerstones of the company's strategy. In recent years, the indicators suggest our continuous improvement, which strengthens our belief that we can do even better and secure customer loyalty levels that are even higher than at present.

Consolidated	**2015**	**2016**	**2017**	**YoY**
Licences	5 770 223	4 907 916	5 848 667	19%
Recurrent business	10 052 660	11 237 634	12 132 462	8%
Consultancy	4 163 557	2 661 377	3 786 240	42%
Training	707 948	721 520	725 423	1%
Others	537 923	1 086 403	907 949	-16%
Total	**21 232 311**	**20 614 849**	**23 400 740**	**14%**

Figures in €

Services, and especially consultancy, saw a recovery in 2017. This business unit had to rise to a major challenge in terms of finding alternatives in light of the sharp drop in the African markets that had severely impacted the 2016 accounts. It is a fact that the African operations contributed to the growth as well; however, the contribution of the Iberian geographies was more than 740,000 euros year-on-year. Iberian business accounted for more than 60% of our consultancy figure, as opposed to the approximately 40% seen in 2015.

	2015	**2016**	**2017**	**YoY**
Portugal	10 983 268	11 658 453	13 109 956	13%
Angola	5 604 440	4 609 531	5 091 675	10%
Spain	586 194	330 221	413 825	25%
Mozambique	1 992 867	1 162 700	1 419 355	22%
Rest of the World	539 251	657 434	550 793	-16%
Commissions	1 526 291	2 196 510	2 815 135	28%
Total	**21 232 311**	**20 614 849**	**23 400 740**	**14%**

Figures in €

The consolidated turnovers of the Group's main geographies grew significantly. Portugal, which currently accounts for 64% [(1)] of the Group's sales, grew very significantly, helping to achieve a growth in sales to the

(1) Net sales (excluding commissions)

order of almost 1,8 million euros. The recovery of the African markets must also be noted, following their shrinking in 2016.

COSTS AND OTHER HEADINGS ON THE PROFIT AND LOSS STATEMENT

The company's strategy of creating autonomy in the African companies, reducing the interdependence between them and the parent company and readjusting the operations and infrastructures led to a rationalisation of costs and a significant reduction in certain expense accounts. This was especially true as regards the cost of rent and installations, and of travel expenses, which dropped by 16% and 22% respectively.

Staff costs rose slightly, to the tune of 3%. Last year, the Group's head count stood at 272 people; this year, we employed five additional members of staff, bringing 2017 to a close with a total of 277 employees.

Customer impairments saw a reversal due to the significant improvement in the settlement periods. Also the financial cost of the operation, which finished the year very close to the year-on-year figure and represents 1% of the Group's turnover. The final figure for exchange rate losses was 348,000 euros, an increase of around 48%.

Cost Structure	**2015**	**2016**	**2017**
COGS	204 902	382 039	380 410
SESs	7 002 420	7 002 353	7 868 099
Staff	11 017 814	10 537 776	10 840 537
Amortizations	1 302 437	1 087 506	986 162
Financial Balance	281 630	228 096	242 461
Impaired Assets	75 611	140 534	- 103 049
Exchange Rate Differences	1 048 096	234 889	348 088
Balance Other Expenditure and Earnings	-538 141	-9 490	190 529
Total	**20 394 768**	**19 603 703**	**20 753 236**

Figures in €

Expernal Services Costs (SESs) rose overall by 12% to finish at a total of approximately 7,87 million euros. Part of this growth is related to headings directly connected to the sales performance, as is the case of the commissions and subcontracting which together account for 4.5% of the growth. The heading which grew most and had the biggest impact on the rising SES figure was that of specialised work, largely due to the growing need for the infrastructure that the company requires in order to support the demands of the Cloud world.

SESs	2014	2015	2016	2017
Subcontracting and Fees	679 825	923 384	906 868	954 140
Commissions	1 110 239	1 526 291	2 196 510	2 815 135
Rent and Installations	1 052 964	797 704	518 989	417 804
Marketing	853 132	756 544	629 180	502 042
T.E. and Shared Services	1 121 131	1 554 759	1 434 307	1 940 636
Costs and travel expenses	618 759	555 947	501 385	391 275
Fleet, Communications and Others	745 036	887 791	815 113	847 067
Total	**6 181 086**	**7 002 420**	**7 002 353**	**7 868 098**

Figures in €

INVESTMENT, ASSETS AND CAPITAL STRUCTURE

Particularly noteworthy of note is the company's considerable investment in deciding to contract a specialised company to carry out a major conversion of our product codes into .NET language. Apart from this major investment logged under intangible assets, the others are in the form of normal investments needed to replace assets over the course of the company's activity. It is important to note that the explanation for the main variation between the two years is the investment that the company decided to make in 2016 when it purchased Angolan treasury bonds indexed to the dollar.

Annual Investment	2015	2016	2017	YoY
Building, Land and other Const.	114 641	0	0	0%
Intangible Assets	571 280	7 113	614 895	8545%
Basic Equipment and Adm.	229 610	76 744	75 685	-1%
Transport Equipment	649 227	319 118	302 665	-5%
Outros	22 965	1 359 350	1 788	-100%
Others	**1 587 722**	**1 762 325**	**995 032**	**-44%**

Figures in €

Still in respect of assets, the drop in the customer debt figure is worthy of note; since 2015, it has fallen by 36%, corresponding to more than 2.6 million euros that are today within the company's sphere of operations. With the receivables figure standing at €4,540,394, the debt to sales ratio fell from 24% to 19%. Combining the company's growth with the gains brought by the significant improvement of this ratio are noteworthy, and it is the Group's intention to continue improving this indicator, thus bringing even greater value to shareholders.

Evolution of net debt and customers' debt

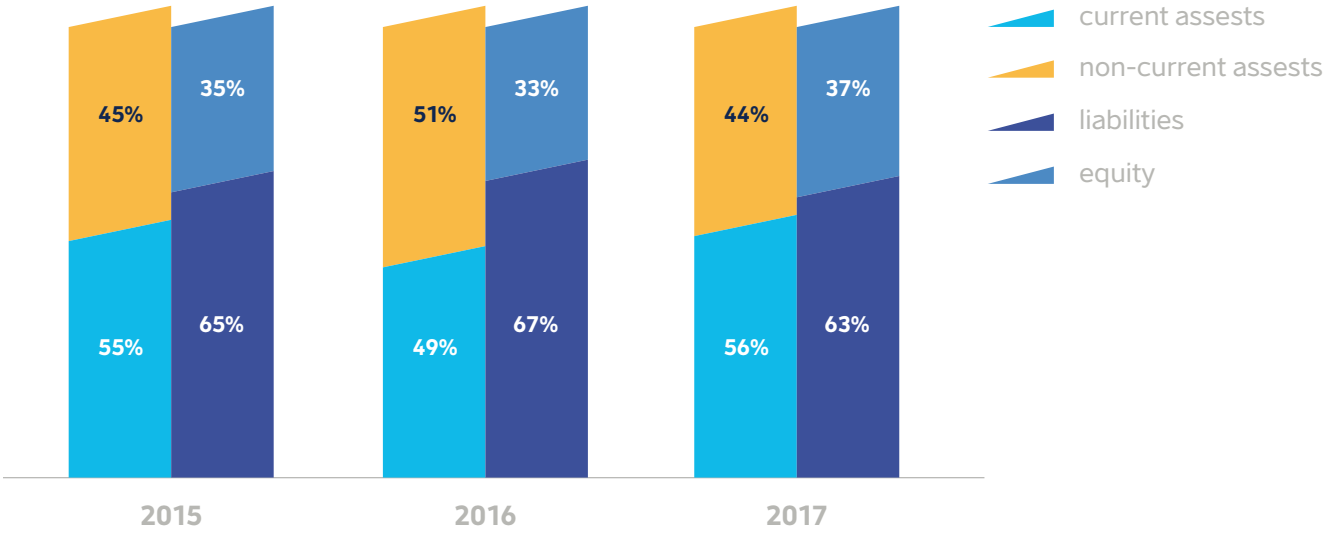
As far as liabilities are concerned, the company had proposed deleveraging at least the equivalent to the planned debt servicing and without the contribution of the Angolan cash flow. The goal was not only reached but actually surpassed, not only because in practice Angola contributed with a significant sum but also because the other operations also performed better than had been forecast.

The net debt stands at €2,577,061 and roughly corresponds to 0.6 times the Group's EBITDA. These are robust indicators, which confirm that the company has absorbed the impact of the African crisis and is ready to move into a new cycle of investment and expansion. While 2018 should be another year of consolidation, this is not an imperative goal.

	2013	2014	2015	2016	2017
Net Debt	3 696 133€	5 442 524€	5 078 026€	5 956 394 €	2 577 061 €
ND / EBITDA ratio	0,96	1,48	1,96	2,52	0,66
Financing	6 047 251€	6 994 044€	8 435 862€	8 503 766 €	7 408 854 €
Non-current Assets	7 591 019€	8 662 534€	8 734 087€	10 458 245 €	9 061 613 €
Customers	6 991 510€	7 141 655€	5 861 442€	4 911 131 €	4 540 394 €
Acc. Rec. / Turnover	39%	36%	28%	24%	19%

With equity amounting to €7,638,107, the company's financial autonomy was 37%, thus improving the ratio in similar fashion to 2015 and 2016. The company considers it important to maintain a solid capital structure; a policy of restraint in the distribution of dividends is therefore justified, in an effort to keep the capital stable and approach the business's growth in a way both sustainable and credible in the eyes of external institutions.

Evolution of Capital Structure



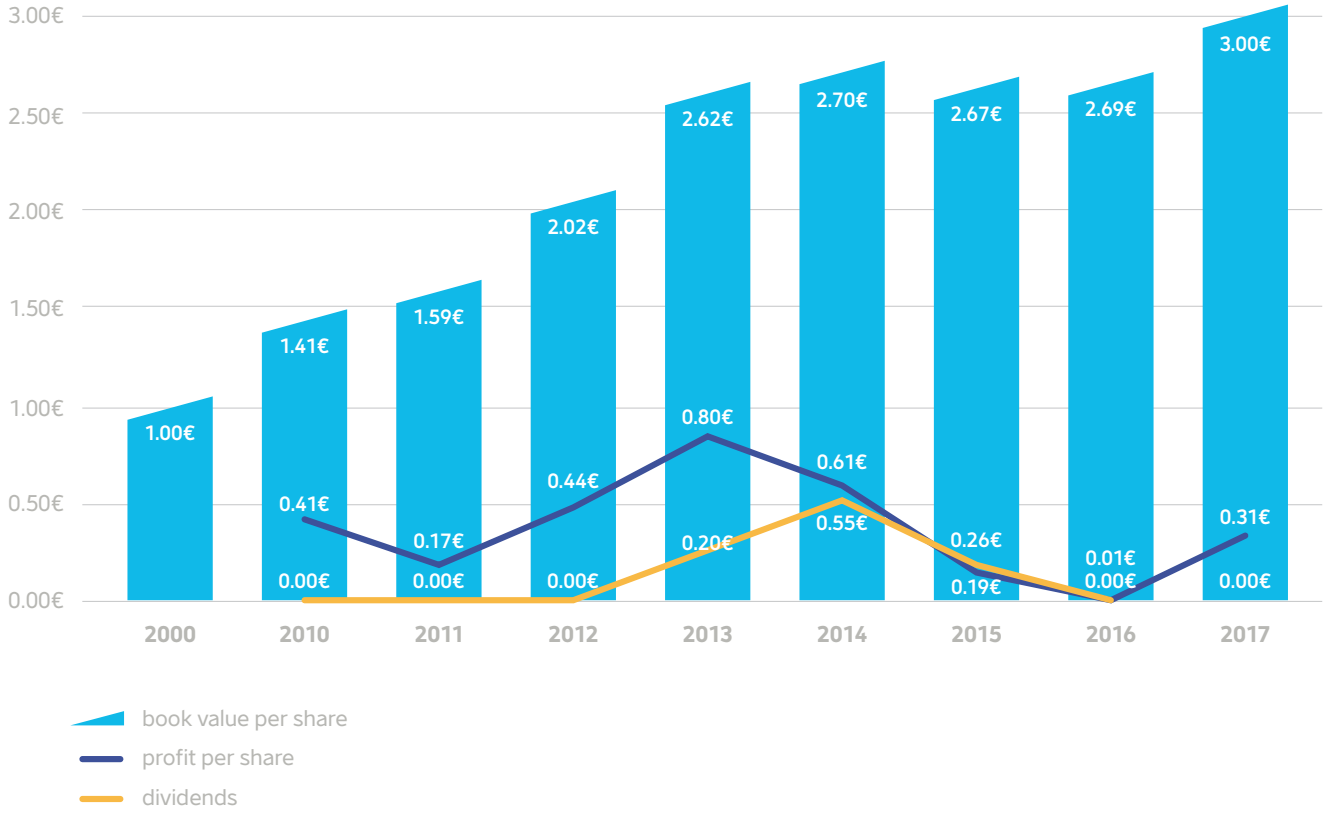
PROFITS

The Group's EBITDA closed at €3,895,678 – 17% of turnover – and the net profits were €2,407,171.

The company's robust profits are the result of its having invested heavily in restructuring its operations in recent years, although, naturally, the favourable European economic climate was also a factor. These are record figures that bring the company close to its profitability goal of 20% EBITDA to turnover ratio

	2013	2014	2015	2016	2017
EBITDA	3 848 230€	3 672 473€	2 588 729€	2 367 244€	3 895 678€
EBITDA Margin	21%	19%	12%	11%	17%
Net Earnings	2 178 491€	1 596 609€	666 952€	819 982€	2 407 171€
Profit per share	0,85€	0,63€	0,26€	0,32€	0,94€
Profitability of the Capital	33%	23%	10%	12%	34%

Earnings per share reached €0,94 and the accounting value per share closed at three euros. The value per share therefore rose by €0,31 in comparison to the 2016 value.



Risk Management

The main risk facing the company in its operations is the exchange rate in its dealings with the African market. Measures were taken in respect of product prices in order to ensure they would keep pace with the devaluations at times of volatility.

Various adjustments were also made internally, with a view to keeping the companies' exposure to the risks of the marketplace to a minimum, particularly by allowing operations to be autonomous and adapting structures in accordance with the difficult times that these economies are going through.

The company also has treasury bonds in Angola to the value of 1,081,000 euros, which are indexed to the dollar and secure part of the company's assets.

Important occurrences after the end of the financial year

The first quarter of 2018 saw a major devaluation of the Angolan currency (around 30%). If this value remains in force throughout 2018, it will impact the exchange rate losses arising from trading operations and available funds in Angolan currency.

ACCOUNTS FOR THE FINANCIAL YEAR **2017**

CONSOLIDATED PROFIT AND LOSS STATEMENT BY NATURE
PERIOD ENDING 31 DECEMBER 2017

PRIMAVERA - Business Software Solutions, S.A.
VAT no 503 140 600
2017 **Financial Year**
Currency EUR (€)

INCOME AND EXPENSES	NOTES	2017	2016
Sales and services rendered		23,400,739.98	20,614,848.86
Operating subsidy		224,509.81	40,495.68
Profits/losses attributable to subsidiary associates and joint ventures		859.43	0.00
Variation in production inventories		0.00	0.00
Work in favour of the company itself		0.00	0.00
Cost of goods sold and materials consumed	3/9.2	-380,409.51	-382,039.18
Supplies and external services		-7,868,098.89	-7,002,353.11
Staff costs	3/14	-10,840,537.41	-10,537,775.58
Impairment of inventories		0.00	0.00
Impairment of receivables		-103,049.16	-140,534.27
Provisions		0.00	0.00
Impairment of non-depreciable/amortizable investments		0.00	0.00
Increase/decrease in fair value		0.00	167.77
Other income		687,912.32	454,500.10
Other expenses		-1,226,248.97	-680,066.59
Profits before depreciation, financing expenses and tax		**3,895,677.60**	**2,367,243.70**
Depreciation and amortization expenditure/reversals		-986,161.76	-1,087,505.97
Impairments of depreciable/amortizable investments		0.00	0.00
Operating profit (before financing costs and tax)		**2,909,515.84**	**1,279,737.72**

INCOME AND EXPENSES	NOTES	2017	2016
Interest and similar income received		161,826.93	61,911,34
Interest and similar expenses incurred		-404,287.45	-290,007.72
Pre-tax profits		**2,667,055.32**	**1,051,641.34**
Income tax	3/13	-259,883.89	-231,659.06
Net profits for the period	10	**2.407,171.43**	**819,982.28**
Profits from discontinued activities (net of tax) included in the net profits for the period		0.00	0.00
Net profits for the period attributable to: Equity holders of the parent company		2,579,855.06	929,089.11
Minority interests	3/15	-172,683.63	-109,106.83
		2,407,171.43	**819,982.28**
Basic earnings per share		0.94	0.32

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER

PRIMAVERA - Business Software Solutions, S.A.
VAT no 503 140 600
2017 **Financial Year**
Currency EUR (€)

ASSETS	NOTES	2017	2016
Non-current Assets			
Tangible fixed assets	3/6.2	6,842,080.53	8,474,219.79
Goodwill	3/6.1	52,706.93	115,995.30
Intangible assets	3/6.1	726,513.66	486,832.38
Other financial investments	3/8.2	1,308,358.90	1,264,898.21
Other Receivable		0.00	55,000.00
Credits Deferred tax assets		131,952.98	61,299.73
		9,061,613.00	**10,458.245.42**
Current Assets			
Customers	3/8.2	4,540,394.48	4,911,131.05
Government and other public bodies		347,842.02	251,056.77
Shareholders/partners		892,245.55	713,174.27
Other accounts receivable	3/12	436,133.90	855,708.67
Deferments		642,093.91	771,964.16
Financial assets held for trading		2,156.00	2,156.00
Cash and bank deposits	3/4	4,831,793.04	2,547,372.48
		11,692,658.90	**10,052,563.40**
Total assets		**20,754,271.90**	**20,510,808.82**

EQUITY AND LIABILITIES			
Equity			
Paid-up capital		2,550,000.00	2,550,000.00
Own shares (stocks)		-262,637.50	-214,577.50
Legal reserves		541,748.34	510,000.00
Other reserves		2,993,848.83	3,105,099.90
Retained earnings		0.00	12,178.47
Adjustments/Other changes in equity		-709,344.32	-175,054.58
		5,113,615.35	5,787,646.29
Net profits for the period		2,579,855.06	819,982.28
Minority interests		-55,363.61	247,149.75
Total equity	**5/8.1**	**7,638,106.79**	**6,854,778.32**

Liabilities			
Non-current Liabilities			
Financing received	3/8.3/10	4,866,847.32	6,328,385.22
Other accounts payable			44,471.43
		4,866,847.32	**6,372,856.65**
Current Liabilities			
Suppliers	3/8.2	1,171,465.37	1,165,562.16
Advances to customers		33,277.42	22,283.93
Government and other public bodies		1,169,265.99	1,199,742.05
Shareholders		144,692.04	0.00
Financing received	3/8.3/10	2,542,006.24	2,175,381.07
Other accounts payable		2,792,524.16	2,535,769.32
Deferments		396,086.57	184,435.33
		8,249,317.79	**7,283,173.86**
Total liabilities		**13,116,165.11**	**13,656,030.50**
Total equity plus liabilities		**20,754,271.90**	**20,510,808.82**

CASH FLOW STATEMENT FOR PERIOD ENDING 31 DECEMBER 2017

PRIMAVERA - Business Software Solutions, S.A.
VAT no 503 140 600
2017 **Financial Year**
Currency EUR (€)

READINGS	NOTES	2017 Financial Year Consolidated	2016 Financial Year Consolidated
Cash flow from operating activities – direct method			
Payments received from customers		25,459,448.26	22,737,769.86
Payments to suppliers		-7,149,385.26	-7,606,803.37
Payments to staff		-9,892,646.36	-10,024,097.49
Cash flow generated by the operations		8,417,416.64	5,106,869.01
Income tax payments made/received		-29,001.37	-7,624.26
Other payments made/received		-3,051,537.87	-3,377,461.43
Cash flow from operating activities (1)		**5,336,877.40**	**1,721,783.32**
Cash flow from investment activities			
PAYMENTS RELATING TO:			
Tangible fixed assets		-100,695.37	-1,556,368.80
Intangible assets		-589,773.65	-16,056.29
Financial Investments		-683,527.19	-611,006.00
Other assets		0.00	0.00
PAYMENTS RECEIVED FROM:			
Tangible fixed assets		38,841.88	140,494.22
Intangible assets		0.00	0.00
Financial investments		0.00	410,000.00
Other assets		0.00	0.00
Investment subsidies		86,047.93	27,378.15
Interest and similar income received		83,147.08	45,804.27
Dividends		40,000.00	3.89
Cash flow from investment activities (2)		**-1,125,959.32**	**-1,559,750.57**

Cash flow from financing activities		
PAYMENTS RECEIVED FROM:		
Financing received	451,084.98	17,500.00
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	6,367,036.56	3,047,489.62
PAYMENTS RELATING TO:		
Financing received	0.00	0.00
Interest and Similar Expenditure	-406,404.60	-270,422.23
Dividends	-78,160.00	-93,411.43
Capital reduction and other equity instruments	0.00	0.00
Other financing operations	-7,767,905.73	2,983,411.38
Cash flow from financing activities (3)	**-1,434,348.79**	**-282,255.42**
Variation in cash and cash equivalents (1 + 2 + 3)	2,776,569.29	-120,222.67
Effects of exchange rate fluctuation	-492,148.73	-690,764.05
Cash and cash equivalents at the start of the period	2,547,372.48	3,358,359.20
Cash and cash equivalents at the end of the period	4,831,793.04	2,547,372.48

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY IN THE PERIOD 2016

PRIMAVERA - Business Software Solutions, S.A.
VAT no 503 140 600
Currency EUR (€)

							Equity
Description		**Notes**	**Subscribed capital**	**Own shares (stocks)**	**Other equity instruments**	**Share premiums**	**Legal**
Position at the start of the 2016 period	1		2,550,000.00	(166,517.50)			510,
CHANGES DURING THE PERIOD							
First adoption of new accounting standards							
Changes in accounting policies							
Differences in conversion of financial statements							
Realisation of the revaluation surplus of tangible and intangible fixed assets							
Realisation of the revaluation surplus of tangible and intangible fixed assets and respective variations							
Adjustments for deferred taxes							
Other changes recognised in equity							
	2						
NET PROFITS FOR THE PERIOD	3						
COMPREHENSIVE INCOME	4=2+3						
OPERATIONS WITH EQUITY HOLDERS DURING THE PERIOD							
Paying-up of capital							
Paying-up of share premiums							
Distributions							
Inflow for loss coverage							
Other operations				(48,060.00)			
	5						
POSITION AT THE END OF THE 2016 PERIOD	6=1+2+3+5		2,550,000.00	(214,577.50)			510,

attributed to equity holders of the parent company								
reserves	Other reserves	Retained earnings	Revaluation surplus	Adjustments/Other changes in equity	Net profits for the period	Total	Non-controlling interests	Total Equity
000.00	2,934,898.96			184,310.43	666,952.02	6,679,643.91	141,421.53	6,821,065.44
	170,200.94			(347,186.54)	(666,952.02)	4,004,189.42	(141,421.53)	3,862,767.89
	170,200.94			(347,186.54)	(666,952.02)	4,004,189.42	141,421.53	3,862,767.89
					819,982.28	819,982.28	247,149.75	1,067,132.03
					153,030.26	153,030.26	105,728.22	4,929,899.92
000.00	3,105,099.90			(162,876.11)	819,982.28	6,607,628.57	247,149.75	6,854,778.32

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY IN THE PERIOD 2017

PRIMAVERA - Business Software Solutions, S.A.
VAT no 503 140 600
Currency EUR (€)

							Capital Pró
Description		**Notes**	**Subscribed capital**	**Own shares (stocks)**	**Other equity instruments**	**Share premiums**	**Legal**
Position at the start of the 2017 period	6		2,550,000.00	(214,577.50)			510,
CHANGES DURING THE PERIOD							
First adoption of new accounting standards							
Changes in accounting policies							
Differences in conversion of financial statements							
Realisation of the revaluation surplus of tangible and intangible fixed assets							
Realisation of the revaluation surplus of tangible and intangible fixed assets and respective variations							
Adjustments for deferred taxes							
Other changes recognised in equity							31,7
	7						31,7
NET PROFITS FOR THE PERIOD	8						
COMPREHENSIVE INCOME	9=7+8						
OPERATIONS WITH EQUITY HOLDERS DURING THE PERIOD							
Paying-up of capital							
Paying-up of share premiums							
Distributions							
Inflow for loss coverage							
Other operations				(48,060.00)			
	10			(48,060.00)			
POSITION AT THE END OF THE 2017 PERIOD	11=6+7+8+10		2,550,000.00	(262,637.50)			541,

prio atribuído aos detentores do capital da empresa-mãe								
reserves	Other reserves	Retained earnings	Revaluation surplus	Adjustments/Other changes in equity	Net profits for the period	Total	Non-controlling interests	Total Equity
000.00	3,105,099.90			(162,876.11)	819,982.28	6.607,628.57	247,149.75	6,854,778.32
748.34	(111,251.07)			(546,468.21)	(819,982.28)	(1,445,953.22)	(357,877.00)	(1,803,830.22)
748.34	(111,251.07)			(546,468.21)	(819,982.28)	(1,445,953.22)	(357,877.00)	(1,803,830.22)
					2,579,855.06	2,579,855.06	55,363.61	2,635,218.67
					1,759,872.78	1,759,872.78	(302,513.39)	831,388.45
748.34	2,993,848.83			(709,344.32)	2.579.855,06	7,693,470.41	(55,363.64)	7,638,106.77

APPENDIX TO THE CONSOLIDATED FINANCIAL STATEMENTS **FOR THE FINANCIAL YEAR ENDING AT 31 DECEMBER 2017**

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 present 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.

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

These 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; and the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS), issued by the IASB, and respective SIC/IFRIC interpretations.

In 2017, 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 2017 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 from the books and

accounting records of the companies included in the consolidation (see Note 3.2), 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 estimates and judgements used in the preparation of the financial statements are presented in Note 3.

3.1.1. Going concern assumption
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 recording under the headings of other accounts payable and receivable and under the deferments headings.
The heading creditors by accrual of expenses records the expenses incurred for paid leave and holiday allowances that fell due in 2017, among others.
The heading deferment is used, among other purposes, to record insurance paid in advance and non-repayable subsidies not related to assets.

3.1.3. Consistency of the presentation
The presentation and classification of items in the financial statements are consistent over the various periods.

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 financial statements, and yet be sufficiently materially relevant to justify separate presentation in the notes to this appendix.

3.1.5. Compensation
Assets and liabilities, income and expenditure were reported separately in the respective items 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 company in the 2017 financial year were consistent with the ones that it used in the preparation of the financial data relating to the previous financial year.

3.2.1. 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 a cost price minus eventual impairment losses. These assets are depreciated from the moment the underlying assets become available for use.

3.2.2. 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.

3.2.3. Investments in subsidiaries (NCRF 15)

Subsidiaries are entities which the company controls, generally through investments representing more than 50% of voting rights.
Investments in subsidiaries are accounted for using the equity method.
Under the equity method, the financial stakes are recorded at cost price, adjusted by the amount corresponding to the company's stake in the equity variations (including the net profits) of the subsidiaries, and by the dividends received.
When the company's stake in the subsidiary's losses are equal to or greater than its investment in these companies, the company no longer recognises additional losses except if it has incurred liabilities or made payments on their behalf.

3.2.4. Investments in other companies (NCRF 15)

Investments in other companies are recorded at cost price. These are investments in shareholdings valued at 20% or less and with no relative influence.

3.2.5. 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.

3.2.6. 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 responsibilities, 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 recognises 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.

3.2.7. 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.

3.2.8. 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.

3.2.9. 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 tax profits being earned for them to be used, or in situations where there are taxable temporary differences that compensate for 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.

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

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

Financial Instruments
The company 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 company 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 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
All the sums included under these headings can be realised in the short term, there being no pledges or guarantees attached to these assets. The bank deposits and cash contain sums in euros and foreign currencies updated to the exchange rate at 31 December 2017. Calculations were done on the basis of fair value.

Provisions
Provisions are recorded when the company has a present obligation (legal or implicit) arising from a past incident, it is likely that resources will have to be used in order to extinguish this obligation, and the value of the obligation 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.

3.2.12. Impairment of assets
An impairment assessment is carried out at the date of each statement of financial position and whenever an event or there 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 flows that are 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.

3.2.13. Employee benefits
The company 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.

3.2.14. 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.
– 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.

3.2.15. Financial risk management
Uncertainty is a dominant feature of the markets and carries a variety of risks in and of itself to which the company'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 company'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.

3.2.16. 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.

3.2.17. Main estimates and judgements
The Administration based its preparation of the 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 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 financial statements will be corrected prospectively in profit and loss, as required by NCRF 4.
The most significant accounting estimates reflected in the financial statements for the financial years ending on 31 December 2017 and 2016 include:
– Impairment analyses and adjustments to the asset values, provisions and analysis of contingent liabilities;
– Recoverability of deferred tax assets
The attached 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.

3.2.18. Subsequent events

Events occurring after the date of the 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 financial statements, if material.

4. CASH FLOWS

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

Na divulgação dos fluxos de caixa foi utilizado o método direto, o qual informa acerca dos componentes principais de recebimentos e pagamentos brutos, obtidos pelos registos contabilísticos da empresa.

	2017			2016		
Liquid financial assets shown on the Balance Sheet	**Amounts available for use**	**Amounts not available for use**	**Totais**	**Amounts available for use**	**Amounts not available for use**	**Totais**
Cash register						
Cash	64,063.63	0.00	64,063.63	43,758.12	0.00	43,758.12
Bank deposits						
Demand deposits	4,767,729.41	0.00	4,767,729.41	2,503,614.36	0.00	2,503,614.36
Other financial investments						
Financial assets	0.00	0.00	0.00	0.00	0.00	0.00
Totals	**4,831,793.04**	**0.00**	**4,831,793.04**	**2,547,372.48**	**0.00**	**2,547,372.48**

5. RELATED PARTIES

5.1. 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	92,24%
Outros	198	7,76%
Total	2 550 000	100%

5.2. Management remunerations

The Administration is not remunerated.

5.3. Honorários do Fiscal Único / Revisor Oficial de Contas

Description	2017	2016
Fees	6,400.00	6,400.00

5.4. Balances and transactions between related parties

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.

5.4.1. Balances with related parties

Balances with related parties at 31 December 2017

	Operational			Financing		
Related parties	**Balances Pending Assets**	**Balances pending liabilities**	**Balances pending assets**	**Balances pending liabilities**	**Losses due to impairment accumulated**	**Losses due to impairment of period**
Parent company:						
PRIMAVERA SGPS, S.A.	66,563.96	43,050.00	892,245.55	0.00	0.00	144,692.04
Other related parties:						
PRIMAVERA BSS, Lda (PMZ)	933,895.47	0.00	30,656.76	0.00	0.00	0.00
PRIMAVERA BSS, SA (PESP)	117,207.65	15,097.93	0.00	0.00	0.00	0.00
PRIMAVERA BSS, Lda (PANG)	3,757,677.55	0.00	0.00	0.00	0.00	0.00
Valuekeep, Lda.	266,269.92	0.00	28,500.49	0.00	0.00	0.00
PRIPT Business Software Solutions, Lda	0.00	1,455.04	0.00	0.00	0.00	0.00
YET - Your Electronic Transactions, Lda	0.00	22,333.48	0.00	0.00	0.00	0.00
NumbersBelieve - Sist. de Informação para Gestão	0.00	34,782.00	0.00	0.00	0.00	0.00
PRIMAVERA Verde, Lda	246.00	0.00	0.00	0.00	0.00	0.00
Healthium – Healthcare Software Solutions, Lda	0.00	34,782.00	0.00	0.00	0.00	0.00
	5,075,296.59	**108,450.45**	**59,157.25**	**0.00**	**0.00**	**0.00**
Totals	**5,141,860.55**	**151,500.45**	**1,843,648.35**	**0.00**	**0.00**	**144,692.04**

Balances with related parties at 31 December 2017

	Operational			Financing		
Related parties	**Balances pending assets**	**Balances pending liabilities**	**Balances pending assets**	**Balances pending liabilities**	**Losses due to impairment accumulated**	**Losses due to impairment of period**
Parent company:						
PRIMAVERA SGPS, S.A.	51,803.96	43,050.00	713,174.27	0.00	0.00	0.00
Other related parties:						
PRIMAVERA BSS, Lda (PMZ)	709,547.33	0.00	27,600.89	0.00	0.00	0.00
PRIMAVERA BSS, SA (PESP)	445,377.77	11,117.77	0.00	0.00	0.00	0.00
PRIMAVERA BSS DMCC (PEAU)	164,671.87	0.00	613,603.90	0.00	0.00	0.00
PRIMAVERA BSS, Lda (PANG)	3,188,735.55	0.00	9,312.30	0.00	0.00	0.00
Ubisign - Tecnologias de Informação, Lda	108,756.36	0.00	0.00	0.00	0.00	0.00
Valuekeep, Lda.	98,384.19	0.00	202,797.17	0.00	0.00	0.00
PRIPT Business Software Solutions, Lda	0.00	1,210.32	0.00	0.00	0.00	0.00
YET - Your Electronic Transactions, Lda	0.00	288,218.26	0.00	0.00	0.00	0.00
WAVEFORM	0.00	16,088.40	7,500.00	0.00	0.00	0.00
NumbersBelieve - Sist. de Informação para Gestão	0.00	21,709.50	0.00	0.00	0.00	0.00
PRIMAVERA Verde, Lda	805.35	0.00	0.00	0.00	0.00	0.00
	4,716,278.42	**338,344.25**	**860,814.26**	**0.00**	**0.00**	**0.00**
Totals	**4,768,082.38**	**381,394.25**	**2,287,162.80**	**0.00**	**0.00**	**0.00**

5.4.2. Transactions with related parties

The terms and conditions applied between the company and related parties 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:

	Operacionais		Financiamento	
Related parties	**Purchase of goods and services**	**Sales and service provision**	**Financial charges incurred**	**Financial charges debited**
Other related parties:				
PRIMAVERA BSS PT	1,132,215.09	2,925,799,50	0.00	0.00
PRIMAVERA BSS, Lda (PMZ)	672,634.00	46,221,12	0.00	926.38
PRIMAVERA BSS, SA (PESP)	72,375.19	74,185,38	0.00	0.00
PRIMAVERA BSS, Lda (PANG)	1,767,657.70	268,082,64	0.00	0.00
Valuekeep, Lda.	255,769.35	424,948,10	0.00	0.00
PRIPT Business Software Solutions, Lda	0.00	9,380,25	0.00	0.00
YET - Your Electronic Transactions, Lda	122,273.62	122,273,62	0.00	0.00
WAVEFORM	297.50	10,525,85	0.00	0.00
NumbersBelieve - Sist. de Informação para Gestão	0.00	152,034,34	0.00	0.00
Totals	**4,022,924.95**	**4,022,924,95**	**0.00**	**926.38**

6. TRANSACTIONS UNDER THE HEADINGS INTANGIBLE ASSETS AND TANGIBLE FIXED ASSETS

6.1. Intangible Assets

During the financial year ending on 31 December 2017 the transactions under the heading of intangible assets, as well as the respective accumulated amortizations and losses due to impairment, were as follows:

Gross amounts	**Balance at 31 December**	**Additions**	**Disposals**	**Write-downs**	**Adjustment**	**Transfer / settlement**	**Balance at 31 December**
Goodwill	128,883.67	2,583.67	65,583.67	0.00	0.00	0.00	65,883.67
Subtotal	**128,883.67**	**2,583.67**	**65,583.67**	**0.00**	**0.00**	**0.00**	**65,883.67**
Development projects	74,204.46	0.00	0.00	0.00	0.00	0.00	74,204.46
Computer programmes	135,339.39	541,594.06	0.00	0.00	0.00	9,417.00	686,350.45
Industrial Property	1,495,316.14	0.00	0.00	0.00	0.00	0.00	1,495,316.14
Other intangible assets	2,760,301.39	73,300.64	0.00	0.00	1,513.96	0.00	2,835,115.99
Intangible Assets in progress	9,417.00	0.00	0.00	0.00	0.00	-9,417.00	0.00
Subtotal	**4,474,578.38**	**614,894.70**	**0.00**	**0.00**	**1,513.96**	**0.00**	**5,090,987.04**
Totals	**4,400,015.83**	**77,830.06**	**65,583.67**	**0.00**	**-3,267.51**	**0.00**	**4,474,578.38**

Net Intangible Assets €726,513,66.

Amortizations	Balance at 31 December	Additions	Disposals	Write-downs	Adjustment	Transfer / settlement	Balance at 31 December
Goodwill	12,888.37	288.37	0.00	0.00	0.00	0.00	13,176.74
Subtotal	**12,888.37**	**288.37**	**0.00**	**0.00**	**0.00**	**0.00**	**13,176.74**
Development projects	66,250.35	7,954.11	0.00	0.00	0.00	0.00	74,204.46
Computer programmes	85,102.90	93,244.07	0.00	0.00	0.00	0.00	178,346.97
Industrial Property	1,336,943.39	272,621.11	0.00	0.00	-328,653,18	187,801.44	1,468,712.76
Other intangible assets	2,499,449.36	143,624.20	0.00	0.00	-10,245,02	10,380.66	2,643,209.20
Intangible Assets in progress	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Subtotal	**3,987,746.00**	**517,443.49**	**0.00**	**0.00**	**-338,898.20**	**198,182.10**	**4,364,473.39**
Totals	**3,613,530.19**	**551,636.59**	**0.00**	**0.00**	**-187,801.44**	**10,380.66**	**3,987,746.00**

The amortizations for the financial year were recorded under the heading Expenses / Reversals of depreciations and amortization.

6.2. Tangible Fixed Assets

At 31 December 2017, the detailed list of tangible fixed assets and respective depreciations was as follows:

Gross amounts	Balance at 31 December	Additions	Disposals	Donations	Settlements	Adjustments	Balance at 31 December
Land and natural resources	725,000.00	0.00	0.00	0.00	0.00	0.00	725,000.00
Buildings and other constructions	5,183,182.94	0.00	-341.06	0.00	2,488.26	0.00	5,186,012.26
Basic equipment	2,213,573.96	75,684.88	-385,264.52	-15,557.13	-818,317.21	0.00	1,871,763.28
Transport equipment	1,854,006.13	302,664.99	-160,807.33	0.00	-411,062.30	-18,311.12	1,888,105.02
Administrative equipment	819,140.88	780.32	-108,822.30	-9,005.08	-259,591.92	0.00	678,156.67
Other tangible fixed assets	291,324.79	1,007.55	454.08	0.00	-1,492.31	0.00	290,385.95
Tangible fixed assets in progress	1,356,751.51	0.00	-1,590.86	0.00	0.00	-1,358,342.37	0.00
Totals	**12,442,980.21**	**380,137.74**	**-656,371.99**	**-24,562.21**	**-1,487,975.48**	**-1,376,653.49**	**10,639,423.18**

Depreciations	Balance at 31 December	Additions	Disposals	Donations	Settlements	Adjustments	Balance at 31 December
Land and natural resources	0.00	0.00	0.00	0.00	0.00	0,00	0.00
Buildings and other constructions	634,241.00	107,683.04	-341.06	0.00	215.37	0,00	742,480.47
Basic equipment	1,938,932.84	154,524.33	-385,696.99	-15,557.13	-1,166.17	-816 269,97	1,677,275.15
Transport equipment	757,404.20	247,436.71	-81,923.65	0.00	-194,729.56	-105 360,74	786,674.26
Administrative equipment	486,795.69	71,337.79	-101,807.08	0.00	-16,867.54	-223 881,05	419,191.97
Other tangible fixed assets	151,386.48	23,580.47	-33.91	0.00	-1,455.63	-1 824,43	171,720.80
Totals	**3,968,760.21**	**604,562.34**	**-569,802.70**	**-15,557.13**	**-214,003.53**	**1.147.336.19**	**3,797,342.66**

The amortizations for the financial year were recorded under the heading Expenses / Reversals of depreciations and amortization.

7. INVESTMENTS IN SUBSIDIARIES AND CONSOLIDATION

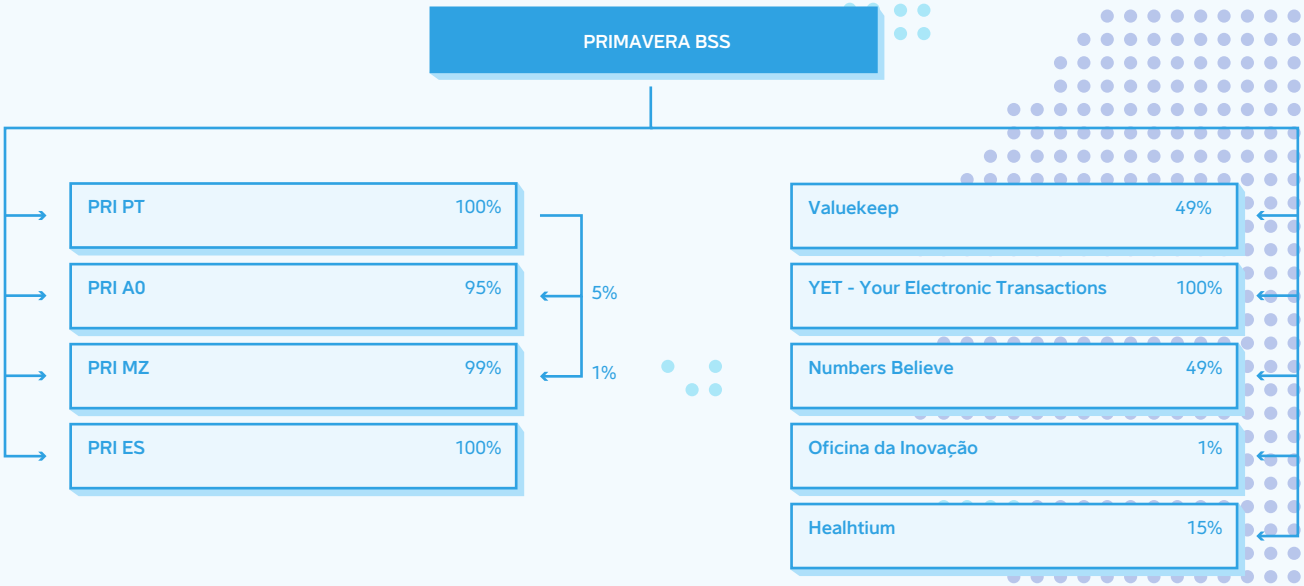
7.1. Consolidation perimeter

As at 31 December 2017 the consolidated financial statements include the assets, liabilities and profits and losses of the Group companies, understood to comprise the PRIMAVERA Group and its subsidiaries, which are presented below:

Company Name	Registered	Stake %	Activity
PRIPT - PRIMAVERA Business Software Solutions, Lda.	Portugal	100%	Sales and marketing of software
YET - Your Electronic Transactions, Lda.	Portugal	100%	Electronic transactions
PRIMAVERA Business Software Solutions, Lda. (Angola)	Angola	100%	Sales and marketing of software
PRIMAVERA Business Software Solutions, S.A. (Spain)	Spain	100%	Sales and marketing of software
PRIMAVERA Business Software Solutions, Lda. (Mozambique)	Mozambique	100%	Sales and marketing of software
Numbersbelieve - Sistemas de Informação para a Gestão, Lda.	Portugal	49%	Software development
Valuekeep, Lda.	Portugal	49%	Sales and marketing of software

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

Organisational chart PRIMAVERA



An entity is classed as a subsidiary when it is controlled by the Group. The Group only has control if it meets all of the following requirements:
(a) It has power over the investee;
(b) It has exposure or rights to variable returns from its involvement with the investee; and
(c) It has the ability to use its power over the investee to affect the amount of the investors' returns.

Generally, control is presumed to exist when the Group holds the majority of the voting rights. To support this presumption, and in cases where the Group does not hold the majority of voting rights in the investee, all the relevant facts and circumstances are taken into account in the assessments about the existence of power and control, such as:
(a) Contractual agreements with other holders of voting rights
(b) Rights arising from other contractual agreements
(c) The existing and potential voting rights

Company name and registered office of Group companies and associated companies, with the indication of the percentage of capital held, as well as equity and the results of the last financial year.
– Pript - Business Software Solutions, Lda. – Braga – percentage of capital held: 100% (equity of €55,737.76, which includes a positive net return of €34,325.81 for the financial year);
– PRIMAVERA - Business Software Solutions, S.A. – Spain – percentage of capital held: 100% (equity of €135,633.17) which include a positive net return of €73,018.19 for the financial year);
– PRIMAVERA - Business Software Solutions, Lda. – Angola – percentage of share capital held: 100%. of which 95% directly and 5% indirectly (equity of €1,257,543.44, including a positive net return for the financial year of €86,765.72);
– PRIMAVERA - Business Software Solutions, Lda. Mozambique – percentage of share capital held: 99% (negative equity of €311,475.75, including a positive net return for the financial year of €46,736.40);
– YET - Your Electronic Transactions, Lda. – Braga – percentage of share capital held: 48% (equity of €121,788.50, including a positive net return for the financial year of €50,163.05);
– NumberBelieve - Sistemas de Informação para a Gestão, Lda. – Braga – percentage of capital held: 49% (equity of €50,055.75, including a negative net return for the financial year of €50,430.04);
– Valuekeep, Lda. – Braga – percentage of capital held: 49% (negative equity of €190,871.16, including a negative net return of €288,165.31);

The existence of control on the Group's part is reassessed whenever there is a change in facts and circumstances leading to a change in one of the three characterising elements of control mentioned above. The subsidiaries are included in the consolidation using the full consolidation method, from the date when control is acquired until date on which it effectively ends.
Intra-Group balances and transactions, and the unrealised gains in transactions between Group companies are eliminated. Unrealised losses are por –also eliminated unless there is evidence in the transaction of impairment of a transferred asset.
The subsidiaries' accounting policies are changed whenever necessary in order to ensure consistency with the policies adopted by the Group. If there is a change in the stake in a subsidiary that does not involve loss of control, it will be accounted for as a transaction between shareholders. In the event that the Group loses control over a subsidiary, the corresponding assets (including goodwill), liabilities, non-controlling interests and other equity components will be derecognised and any gains and losses will be recognised in the profit and loss statement. The investment retained will be recognised at fair value as at the time when control was lost.

In situations where the Group holds, in substance, control over entities created for a specific purpose, even if it does not directly have a shareholding in such entities, the entities will be consolidated using the full consolidation method.
The net assets of subsidiaries consolidated using the full method attributable to shares or stakes held by people outside the Group are recorded in the consolidated statement of financial position under the heading "Non-controlling interests".
Interests that people outside the Group hold over the net results of the subsidiaries are identified and deducted from the profits attributable to the Group's shareholders, and are recorded in the consolidated profit and loss statement under the heading "Non-controlling interests".

Other financial investments included in the consolidation
The financial investments in the companies listed below have been included in the consolidated accounts at cost price. These were subject to impairment where applicable. Their respective registered offices and the proportion of capital held by the Group at 31 December 2017 are as follows:

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

In 2017 PRIMAVERA BSS increased its stake in the entity Healthium to 15%.

7.2. Bases for consolidation
Goodwill
The differences between the cost of acquiring the investments in Group companies and the fair value of the identifiable assets and liabilities (including contingent liabilities) of these companies at the date of acquisition are recorded under the heading of the asset "Goodwill" if they are positive; if they are negative, they are recorded as income directly on the profit and loss statement, following reconfirmation of the fair value attributed.

Conversion of financial statements of foreign entities
The assets and liabilities on the financial statements of foreign entities are converted to euros using the exchange rates in force on the date of the balance sheet; costs, income and cash flow are converted to euros using the average exchange rate seen over the financial year. The differences between the cost of acquiring investments in Group companies registered abroad and the fair value of the identifiable assets and liabilities of these companies on the date of their acquisition are recorded in the functional currency of the companies in question, and are converted to the Group currency (euro) at the exchange rate in force on the date of the balance sheet. The exchange rate differences generated in this conversion are recorded under the equity heading "Currency conversion reserves".

The exchange rates used to convert the foreign branches' accounts into euros were as follows:
–USD-1,2065; CVE- 110,265; AKZ –184,497; AED – 4,4056 and MT – 71,89.
Period average rates:
–USD-1,12523; CVE- 110,265; AKZ –185,40; AED – 4,1323 and MT – 72,264.

8. FINANCIAL INSTRUMENTS

8.1. Composition of the Share Capital and Reserves

The company's equity comprises the headings Subscribed capital. Reserves and Net Results for the Period and Periods previous and other Changes in Equity. The reserves relate to retained earnings which have not been distributed, under the heading of other changes relate to existing projects at PRIMAVERA BSS.

The share capital consists of 2,550,000 shares with a nominal value of one euro each; the shares are nominative shares.

At 31 December 2017, the equity headings showed the following breakdown:

Contas	Initial Balance	Increase	Reduction	Final Balance
51- Capital	2,550,000.00	0.00	0.00	2,550,000.00
521 - Nominal Value	-60,000.00	-6,000.00	0.00	-66,000.00
522 - Discounts and Premiums	-154,577.50	-42,060.00	0.00	-196,637.50
551 - Legal Reserves	510,000.00	31,748.34	0.00	541,748.34
5521 - Free Reserves	3,105,099.90	0.00	-123,429.54	2,981,670.36
56 - Retained Earnings	12,178.47	0.00	0.00	12,178.47
59 - Other Changes in equity	-175,054.58	0.00	-534,289.74	-709,344.32
818 - Net Profit	819,982.28	2,579,855.06	819,982.28	2,579,855.06
Minority Interests	247,149.75	-55,363.61	247,149.75	-55,363.61
Totals	**6,854,778.32**	**2,508,179.79**	**409,412.75**	**7,638,106.79**

8.2. Financial assets and liabilities

The financial assets and liabilities are measured at cost and at the end of the period 2017 and 2016 comprised the following:

	2017			2016		
Financial assets	**At Cost**	**At Amortised Cost**	**At Fair Value**	**At Cost**	**At Amortised Cost**	**At Fair Value**
Non-current Assets						
Other financial investments	1,308,358.90	0.00	0.00	1,264,898.21	0.00	0.00
Other Financial Assets	0.00	0.00	0.00	0.00	0.00	0.00
Accounts Receivable	0.00	0.00	0.00	55,000.00	0.00	0.00
Total non-current assets	**1,308,358.90**	**0.00**	**0.00**	**1,319,898.21**	**0.00**	**0.00**
Current Assets						
Customers						
Customers current account	4,680,952.43	0.00	0.00	4,991,138.48	0.00	0.00
Customers doubtful debt	558,024.47	0.00	0.00	620,991.60	0.00	0.00
Accumulated impairment losses	698,582.42	0.00	0.00	700,999.02	0.00	0.00
	4,540,394.48	0.00	0.00	4,911,131.06	0.00	0.00
Other accounts receivable	0.00	0.00	0.00	0.00	0.00	0.00
Other Financial Assets	2,156.00	0.00	0.00	2,156.00	0.00	0.00
Total current assets	**4,542,550.48**	**0.00**	**0.00**	**4,913,287.06**	**0.00**	**0.00**
Total financial assets	**5,850,909.38**	**0.00**	**0.00**	**6,233,185.27**	**0.00**	**0.00**

Financial liabilities	**At Cost**	**At Amortised Cost**	**At Fair Value**	**At Cost**	**At Amortised Cost**	**At Fair Value**
Non-current liabilities						
Loans obtained	4,866,847.32	0.00	0.00	6,328,385.22	0.00	0.00
Other accounts payable	0.00	0.00	0.00	44,471.43	0.00	0.00
Total non-current liabilities	**4,866,847.32**	**0.00**	**0.00**	**6,372,856.65**	**0.00**	**0.00**
Current Liabilities						
Suppliers						
Suppliers current account	1,135,516.95	0.00	0.00	1,087,511.60	0.00	0.00
Suppliers of investments	35,948.42	0.00	0.00	78,050.56	0.00	0.00
Subtotal	1,171,465.37	0.00	0.00	1,165,562.16	0.00	0.00
Financing received	2,542,006.24	0.00	0.00	2,175,381.07	0.00	0.00
Other accounts payable	2,792,524.16	0.00	0.00	2,535,769.32	0.00	0.00
Total current liabilities	**6,505,995.77**	**0.00**	**0.00**	**5,876,712.55**	**0.00**	**0.00**
Total financial liabilities	**11,372,843.09**	**0.00**	**0.00**	**12,249,569.20**	**0.00**	**0.00**

8.3. Impairment of financial instruments

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

	Initial Balance	Reinforcem	Reversal	Final
Accounts receivable	700,999.02	208,258.06	105,208.90	804,048.18

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 2017 the Board of Directors believes that the estimated adjustments to the accounts receivable are adequately reflected in the financial statements.

8.4. Financing received

The loans obtained are measured at cost and at the end of the period 2017 and 2016 comprised the following:

Loans obtained – non-current liabilities	**31.12.2017**	**31.12.2016**
Parent Company – Supplies		
Other loans		
Novo Banco	70,244.15	240,059.83
B.P.I	1,168 227.29	1,747,079.03
C.G.D	1,984,262.05	2,182,150.25
B.C.P	626,579.19	755,072.26
Totta	423,767.58	646,588.50
B.I.C	593,767.06	715,263.35
Portugal 2020 - SI Inovação 14275	0.00	24,672.00
Totals	**4,866,847.32**	**6,328,385.22**
Loans obtained – current liabilities	**31.12.2017**	**31.12.2016**
Bank overdrafts		
Other loans		
Novo Banco	166,822.66	172,089.92
B.P.I	357,772.23	364,116.02
C.G.D	1,363,988.06	271,137.13
B.C.P	274,658.52	875,849.11
Totta	235,237.49	235,747.42
B.I.C	112,870.52	108,968.62
BIM	30,656.76	147,472.85
Totals	**2,542,006.24**	**2,175,381.07**

9. INVENTORIES

9.1. 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.

9.2. Amount of inventories recognised as expenditure during the period

	2017		2016	
	Goods	**Raw materials**	**Goods**	**Raw materials**
Initial inventory	0.00	0.00	0.00	0.00
Impairment Losses	0.00	0.00	0.00	0.00
Purchase	380,409.51	0.00	382,039.18	0.00
Reclassification and settlement	0.00	0.00	0.00	0.00
Final inventory	0.00	0.00	0.00	0.00
Expenditure for the period	**380,409.51**	**0.00**	**382,039.18**	**0.00**

10. LIST OF ASSETS IN FINANCIAL LEASING

Assets in financial leasing are included under the heading of transport equipment. At the date of the balance sheet, the minimum future payments due in relation to these financial leasing contracts totalled €249,131,48 in the short term and €297,524,32 in the medium and long term.

11. 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 2017 since they did not relate to the financing of eligible loans.

12. GOVERNMENT SUBSIDIES AND SUPPORT

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

Amounts granted and receivable in respect of asset-related subsidies:
– IDT 10598 - €260,540,15
This project ended in 2017

13. INCOME TAX

The company is liable for IRC (Corporate Income Tax) at the rate of 21% plus local tax, resulting in an aggregate tax rate of 22.5%. Pursuant to the legislation in force, tax returns are subject to review and correction by the Ministry of Finance 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.

14. EMPLOYEE BENEFITS

PRIMAVERA BSS, S.A. 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 company during the financial year

As at 31 December 2017, the company had 277 employees.

	Number of Employees	
Entity	**2017**	**2016**
PBSS -Business Software Solutions, S. A	213	201
PRIPT - PRIMAVERA Business Software Solutions, Lda.	0	0
YET - Your Electronic Transactions, Lda.	6	6
PRIMAVERA Business Software Solutions, Lda. (Angola)	22	28
PRIMAVERA Business Software Solutions, S.A. (Spain)	3	4
PRIMAVERA Business Software Solutions, Lda. (Mozambique)	19	20
Numbersbelieve - Sistemas de Informação para a Gestão, Lda.	6	4
Valuekeep, Lda.	8	9
Totals	**277**	**272**

15. MINORITY INTERESTS

The minority interests shown in the consolidated profit and loss statement at 31 December 2017 correspond to third party involvement in the capital and results of the following companies:

Affiliated Company	Profits for the Period	Minority Interests as a %	Minority Interests as a figure
Numbersbelieve - Sistemas de Informação para a Gestão, Lda.	-50,430.04	51%	-25,719.32
Valuekeep	-288,165.31	51%	-146,964.31
Total			**-172,683.63**

16. DISCLOSURES REQUIRED BY LAW

The Administration informs that the company 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 Administration informs that the company does not owe debts to Social Security.

17. OTHER INFORMATION

17.1. Guarantees provided

As at 31 December 2017, the bank guarantees provided by the Company were as follows:

Bank guarantees to the value of €167,974 (CGD).
Bank guarantees to the value of €1,029,702 (Norgarante). Bank guarantees to the value of €70,730.00 (Lisgarante).
The company took out a chattels mortgage in favour of the CGD.

18. BASIS FOR REPORTING THE CONSOLIDATED ACCOUNTS

The accounts of the consolidating entity (the parent company) and the accounts of the subsidiaries included in the consolidated perimeter are reported as at 31 December 2017.

AUDIT REPORT
ON THE CONSOLIDATED ACCOUNTS

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion
We audited the attached consolidated financial statements of PRIMAVERA – Business Software Solutions, S.A. (the Group), which comprise the balance sheet as at 31 December 2017 (which shows a total of 20,754,272 euros and total equity of 7,638,107 euros, including a net profit of 2,579,855 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 2017, 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 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.

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 applicable 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; and
– 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 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. 19 April 2018.

Joaquim Guimarães, Manuela Malheiro e Mário Guimarães
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