

REPORT AND ACCOUNTS 2018



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NUMBERS IN THE SPOTLIGHT FROM 2018



TURNOVER

+4%

2017

23.400.740€

2018

24.325.219€

CONTINUITY CONTRACTS

90%

Contract Renewal
Rate

END CUSTOMERS

29.000

Number of companies with a
continuity contract with PRIMAVERA

WEIGHT OF SALES IN THE MAIN MARKETS

72%

Portugal

17%

Angola

6%

Mozambique



EBITDA

2017

3.895.678€
(17%)

2018

3.341.795€
(14%)

EMPLOYEES

297

Number of Group employees in
the various geographies

PARTNERS

500

Companies that represent
the PRIMAVERA brand

2%

Spain

3%

Rest of the world

PRESIDENT'S MESSAGE



DAVID AFONSO

Senior Vice President

JORGE BATISTA

Co-CEO

JOSÉ DIONÍSIO

Co-CEO

ÂNGELA BRANDÃO

Vice President

"2018 was especially marked by the launch of v10 of the ERP and respective vertical solutions, resulting from an investment to the tune of 2.5 million euros."

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

In 2018, PRIMAVERA achieved a turnover of 24.3 million euros, an increase of 4% in comparison to the 2017 figure. The Portuguese market made a very marked contribution to the sales figure achieved, with a growth of 15%. Despite the growth seen in relation to 2017, the African markets nevertheless missed their targets by quite a bit. Instrumental to this were the structural difficulties encountered by the economies of Mozambique and Angola, the latter even requiring intervention by the IMF. Turnover was also penalised by the exchange rate differences in Angola, where, in consolidated terms, the currency suffered a depreciation of more than 50% over the course of the year.

The good performance in the sales of new software licences, which grew by 15% in comparison to 2017, the growth of 3% in recurrent business (software maintenance agreements, SaaS licensing and software subscriptions) and the fact that operating costs were kept in line with what had been planned, were the main contributing factors for our achieving an EBITDA figure of 3.3 million euros (14% of turnover) and

net results of two million euros, corresponding to 8% of turnover.

YET and PRIMAVERA Public Services, Group spin-offs in the areas of electronic transactions and solutions for the public sector, grew by 10% and 21% respectively. Consequently, both also made a significant contribution to the turnover achieved. Also worthy of mention is the excellent performance in the sales of new software licences (+20%) and recurrent business in Portugal (+11%), the Group's main market. These figures bear witness to the good economic climate in Portugal at the moment and are also the result of the efforts we have been making in recent years to increase brand visibility vis-à-vis medium-sized and large companies. The good performance of our Jasmin product should also be mentioned. Cloud-based and aimed at micro and small companies, we believe that it has become one of the best-selling products in its segment in little over 24 months' existence. PRIMAVERA's excellent response to the challenges of the new data protection law (GDPR), a topic that we spearheaded on many different forums, and especially the huge success

of our Personal Data Manager product, launched to provide our customers with GDPR support, are other achievements that deserve to be highlighted.

In 2018, PRIMAVERA attracted more than 4,000 new customers; of these, 10% are medium-sized and large companies or public administration bodies.

As regards innovation, 2018 was especially marked by the launch of v10 of the ERP and respective vertical solutions, resulting from an investment to the tune of 2.5 million euros. The ERP v10 features an unprecedented technological update making it possible to embody a product strategy where, alongside the introduction of native Cloud offerings, current customers can look forward to a smooth transition to the Cloud through hybrid solutions and technologies. This launch also significantly enhances the competitiveness of the areas of logistics, human resources, advanced warehouse management and production, while simplifying the entire process of attracting customers, and revolutionises user experience of the various products, not only for those using the software but also for those implementing and programming them. It should also be mentioned that this last community received a significant set of new tools to support its activity of extending and complementing PRIMAVERA's offering.

PRIMAVERA celebrated its 25th birthday in 2018 and the year was also marked by the teams' reflections on the main topics and strategies for the three-year period running from 2019 to 2021.

These focus on the major goal of ensuring that PRIMAVERA and its ecosystem are among the technological leaders of the digital era; in other words, we will work together to be among the technology companies that, in the near future, will be decisive for the digital transformation process of all of the others. To achieve this, the Group is essentially investing in three major initiatives: designing and developing intelligent business software products, managing the partner ecosystem intelligently too, and positioning PRIMAVERA itself as an example of an intelligent company, thereby following on from the numerous investments in knowledge acquisition and in the development of artificial intelligence technologies. By implementing this strategy, the Group expects to achieve a turnover of not less than 35M€ in 2021, a minimum EBITDA figure of 18% and, simultaneously, expand its international presence.

As far as successful business dealings are concerned, the outlook for 2019 is very promising. The indications about the Portuguese economy continue to be very positive and there are better conditions in place for a recovery in Angola, now that VAT has been introduced there and Angolan

companies consequently need to update their information systems. The good pipeline with which the Group closed 2018 on various markets, in particular vis-à-vis medium-sized and large companies, should also be one of the levers in concluding business deals. A very ambitious new partnership programme got underway in 2019 which, it is hoped, will accelerate the business of the entire ecosystem, generating more value for PRIMAVERA and its business partners. Above all, however, it is hoped that it will be decisive in creating value and in delivering standout solutions for our more than 30,000 customers all around the globe.

In 2019, the Group is set to have more than 300 employees. In particular, these new talents will boost our capacity to innovate, as well as our presence in the market and our in-house capacity to implement the ambitious strategic growth plan approved in late 2018. In line with the positive expectations announced here, PRIMAVERA will be opening new offices in Lisbon and Luanda in 2019. The new spaces will ensure that the company can offer the working conditions, in these locations, that provide the best support for our desired growth.

On behalf of the Management, I 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.

I wish you all a successful and prosperous 2019.



JOSÉ DIONÍSIO
Co-CEO



JORGE BATISTA
Co-CEO

ABOUT PRIMAVERA

PRIMAVERA is a Portuguese technology company that has become well-known on the Portuguese market for management software solutions, having pioneered the development of applications for Windows.

A disruptive start that has continued to the present day, providing a vast portfolio of management solutions for companies of all sizes, operating in every sector of activity.

Thanks to the energy, cheerfulness and expertise of a 300-strong young and dynamic team, the company's solutions are constantly being adapted to the ever-changing market.

The company has offices in Portugal, Spain, Angola, Mozambique and Cape Verde, and an international network of 500 business partners who are certified and specialised in installing and providing support for its solutions. This ensures that PRIMAVERA is able to support its customers wherever they happen to be, forging a relationship built on proximity and trust.

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

Today, as in 1993, PRIMAVERA's intentions are clear: to innovate, simplify and accelerate business processes. With the same determination and confidence renewed daily by more than 30.000 customers, PRIMAVERA will continue to challenge the limits as it strives to create solutions that increasingly simplify business management.



SHAREHOLDER STRUCTURE

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

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

PRIMAVERA also has a stake in Numbersbelieve, on the basis that this technological start-up fits in with its strategy to explore new concepts and technologies for the Cloud; and in Healthium, a start-up in Braga that is responsible for the development and marketing of Nutrium, a platform that promotes and simplifies connections and

communications between professionals in the field of nutrition and their patients.

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

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

As at 31 December 2018, the composition of the company’s capital was as follows:

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

COMPOSITION OF THE CORPORATE BODIES

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

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

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

GOVERNANCE

Chair of the General Meeting

Feliciano Jorge Machado da Costa
President

Diogo de Araújo Pinto Ribeiro
Secretary

Board of Directors



José Manuel Maia Dionísio
Co-CEO

Responsibilities – Corporate Strategy, Global Sales and Marketing

Founder of the company in 1993.

Graduate in Systems and Software Engineering from the University of Minho.

Manager of the various PRIMAVERA Group companies.

Member of the Board of Trustees of the University of Minho.

Business Ambassador for Braga.

Investor in and Mentor for Various Start-ups.



Jorge Manuel Barroso Batista
Co-CEO

Responsibilities – Corporate Strategy & Financial.

Founder of the company in 1993.

Graduate in Systems and Software Engineering from the University of Minho.

**Manager of the various PRIMAVERA Group companies.
Administrator of the Computer Graphics Centre, University of Minho interface.**

President of the Strategy and Supervision Committee of the Collaborative Laboratory in Digital Transformation – DTx CoLab.

Member of the Strategic Board of the School of Engineering at the University of Minho.

Business Ambassador for Braga.



David Afonso
Senior Vice President

Responsibilities – Solutions Architect & Product Development.

Graduate in Systems and Software Engineering from the University of Minho.

Joined PRIMAVERA in 1997.



Ângela Marina Fernandes de Oliveira Brandão
Vice President

**Responsibilities – Global Services and Customer Care.
Graduate in Systems and Software Engineering from the University of Minho.**

Joined PRIMAVERA's management team in 2010, as Head Manager for the global consultancy unit.

Member of the Board of Trustees of the Polytechnic Institute of Cávado and Ave.

Mentor at the University of Minho.

Statutory Auditor

Joaquim Guimarães, Manuela Malheiro
and Mário Guimarães
AUDIT FIRM NO. 148

Represented by Maria Manuela Alves Malheiro
AUDITOR NO. 916

MARKETS

According to data from the studies carried out in 2017 by the consultancy firm IDC, world leader in the field of Market Intelligence, PRIMAVERA once again successfully consolidated its leadership in all of its main markets: Portugal, Angola, Mozambique and Cape Verde.

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

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

And in Angola too, PRIMAVERA is the leading software brand on the market, with a share of 57%.

With a direct presence in Portugal, Spain, Angola, Mozambique and Cape Verde and representatives in São Tomé e Príncipe and Guinea-Bissau, PRIMAVERA has been asserting itself as a multinational business group, securing the custom and loyalty of some 40,000 businesses in over 20 countries.

PRODUCTS OFFERED

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

- On-the-premises** - : In this case, a traditional licence is taken out and the software is installed in the customer's own software infrastructure;
- Subscription** - A temporary user licence (normally valid for six months or a year) is obtained;
- Cloud** - Online access to a global service comprising infrastructure, hosting, software and applicable updates, subject to the payment of a monthly fee.

PRIMAVERA's offering also includes a streamlined development platform on the model platform as

a Service, which makes it very easy to design and develop tailor-made management applications, turning manual or complex business processes into automated functions that will boost productivity.

Focusing on the Cloud

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

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

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

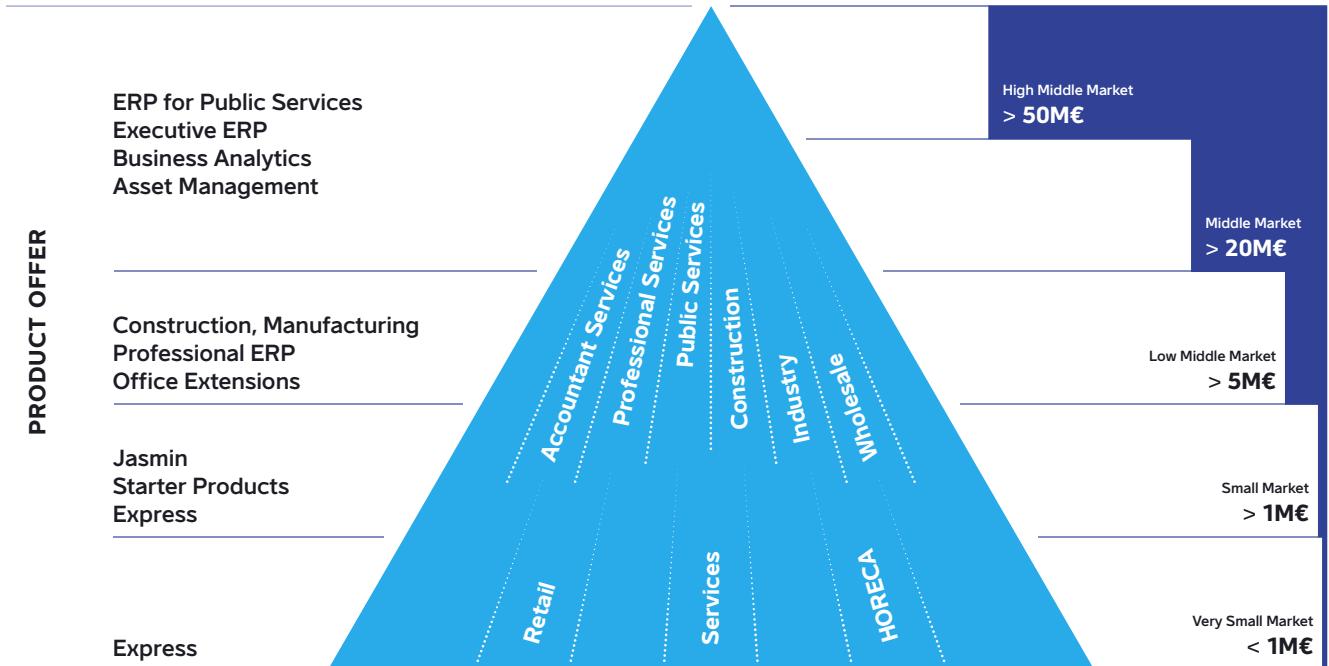
Expansion of the offering in 2018

The launch of version 10, an extensive technological overhaul of the PRIMAVERA ERP, was one of the highlights of 2018. Version 10 (V10) is a hybrid system that establishes the connection between Cloud-based and on-the-premises solutions in a natural way. This enables the data contained in the installed solutions to be fully merged with web applications. It is more competitive for companies with demanding logistics operations and which require an all-round management solution encompassing all of the logistics processes within the software. At the same time, it allows companies that still use more traditional systems to speed up their digitalisation processes.

Version 10 represents an investment of 2.5 million euros and reinforces our focus on the logistics area from the point of view not only of companies whose main activity is storage and distribution, but also of those which have more specific needs in terms of inventory and warehouse management. In

addition to having launched a new module on the ERP, developed entirely to simplify inventory and warehouse management operations, a new version of PRIMAVERA's Warehouse Management Software solution, Eye Peak, was released.

PRIMAVERA Offer



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

SERVICES OFFERED

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

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

Consultancy

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

Training

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

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

Technical support

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

Using a consolidated structure based on methodologies supported by internationally recognised Best Practices, namely those proposed by the ITIL® Framework, the Support Centre ensures technical support in every market where PRIMAVERA operates through a model aimed at guaranteeing high levels of service based on the priority of each support incident.

STRATEGY

Leading in the Intelligence Era

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

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

We want not only to expand our Customer Base, but also to grow in the Mid-Market, in the public sector and vis-à-vis small companies, through an

innovative Cloud-based offering supported by intelligent solutions.

Intelligent Products

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

Intelligent Company

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

Intelligent Ecosystem

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



dott

Dott aims to be the biggest online store in Portugal and was designed and created from scratch in line with Portuguese shoppers' tastes and needs. It offers the variety of brands that the Portuguese like, the convenience of payment methods they are used to and the delivery method they prefer, as well as proximity and personalised communication.

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

GASPAR D'OREY
CEO, Dott

STRATEGY 2019-2021

Grow disruptively
Be effective and profitable
Diversify and internationalize

GROW AND
EXPAND EFFECTIVELY
AND PROFITABLY

LEADING
INTELLIGENT

Nurture a culture
of innovation
Deepen
RSE policies

HAVE FIRST-CLASS TALENT
AND TECHNOLOGICAL
INFRASTRUCTURES

Have scalable and
effective technological
infrastructures

Develop, retain and
contract new talent

ING IN THE ENCE ERA

DEVELOP INTELLIGENT
ECOSYSTEM:
ATTRACT AND RETAIN

Develop vertical offers
for the mid market

Have very
satisfied
customers

Attract and train new partners
with new skills for the midmarket

Attract large accounts in the
midmarket and public sector

Attract
small accounts

Develop and train
a customer base

DEVELOP INTELLIGENT
SOLUTIONS FOR
INTELLIGENT COMPANIES

Make intensive
use of AI

Webize and
Robotize processes

Develop Framework
Elevation to new standards

Develop:
— Rose ERP
— Rose RH
— Valuekeep

KPI to be achieved by 2021

Annual Turnover \geq 35M€

No. of customers \geq 35,000

50% New cloud solution customers

ROSE ERP for SMEs completed

MISSION

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

VALUES

Innovation
Sustainability
People

Integrity
Commitment
Professionalism

ECONOMIC AND FINANCIAL ANALYSIS



Diogo Ribeiro
Financial Director

From the macroeconomic point of view, this was another good year for the Portuguese economy, with a real growth in GDP of 2.1% being expected, and a deficit which should settle at about half a percentage point. The Portuguese State too is managing to finance itself at historically low interest rates. September 2018 marked the tenth anniversary of the collapse of the Lehman Brothers investment bank. This occasion brings to mind a “lost” decade for the Portuguese economy, with fierce economic contraction in the first five years and a “brutal” growth in the public debt and tax burden. In 2018 we saw, for the first time, a real GDP per capita higher than that recorded a decade ago, a fact that serves to remind us of the severe consequences of this crisis on the national economy.

In the end we witnessed a huge transformation in the economy, with various sectors booming; one

such is tourism, which has been a real transforming force in many Portuguese cities. Portuguese companies are also significantly more capitalised and better prepared for the global world. A very considerable effort was made during this period to encourage businesses to expand into international markets, resulting in companies being more capable and resilient. Despite this recovery, the economy remains fragile and highly dependent on the international environment. The national debt remains very high and the value of public investment low.

Furthermore, the African markets continue to struggle. The Mozambican economy is currently facing a crisis of confidence on the part of international institutions since the discovery of a hidden debt. This country, which is highly dependent on external aid, has been severely penalised by this situation and is in default of its international financial commitments. The local economy has suffered as a result and the business environment in general is not good. Despite this anemia, the foreign exchange market is functioning and stable, allowing international

companies to operate with no currency restrictions.

Angola is currently going through a process of transformation and adjustment under new political leadership that has demonstrated a desire to break with an opaque past and lay the foundations for a more open and transparent future. Bolstered by an adjustment plan set out in conjunction with the IMF, various initiatives are underway in the country, aimed at reducing red tape and corruption, normalising the foreign exchange market and adjusting public finances. At the moment, what should be noted is the huge devaluation of the currency in the first months of the year, followed by stabilisation. The restarting of international payments should be highlighted, there being a desire to preserve and even improve these processes. Also worthy of note is a turnaround in international relations between Portugal and Angola, with the climate being more positive and living up to the proximity between the two countries. Despite the positive signs, this adjustment trajectory will necessarily be long and hard. The economy has stagnated and will

probably remain so, despite the introduction of VAT in the country, which could positively impact PRIMAVERA's activity there.

The climate described is set to continue in 2019. In the case of Mozambique, where a slight recovery leading to more robust growth was expected, the recent disaster caused by cyclone Idai may render that growth impossible and could harm the country's still-fragile economic circumstances. While no major spurts in growth are expected, Angola should continue on its path to change, in which there are high hopes; and Portugal should maintain its positive economic climate, despite the clouds that could possibly be gathering on the horizon due to the overheating of the global economy and the unpredictability of global political events.



casa da música

The Casa da Música is a highly-regarded performance venue in the northern Portuguese city of Porto. It is noteworthy for its bold architecture, designed by Dutchman Rem Koolhaas. It comprises two auditoriums, two pop-up stages, a restaurant, café, rehearsal rooms and spaces for all sorts of activities.

“The Casa da Música is incredibly complex to run; this is why it is so important that we are able to rely on a technological partner such as PRIMAVERA. Thanks to the Valuekeep solution, we are able to ensure that the entire space is properly and efficiently maintained.”

PAULO SARMENTO E CUNHA

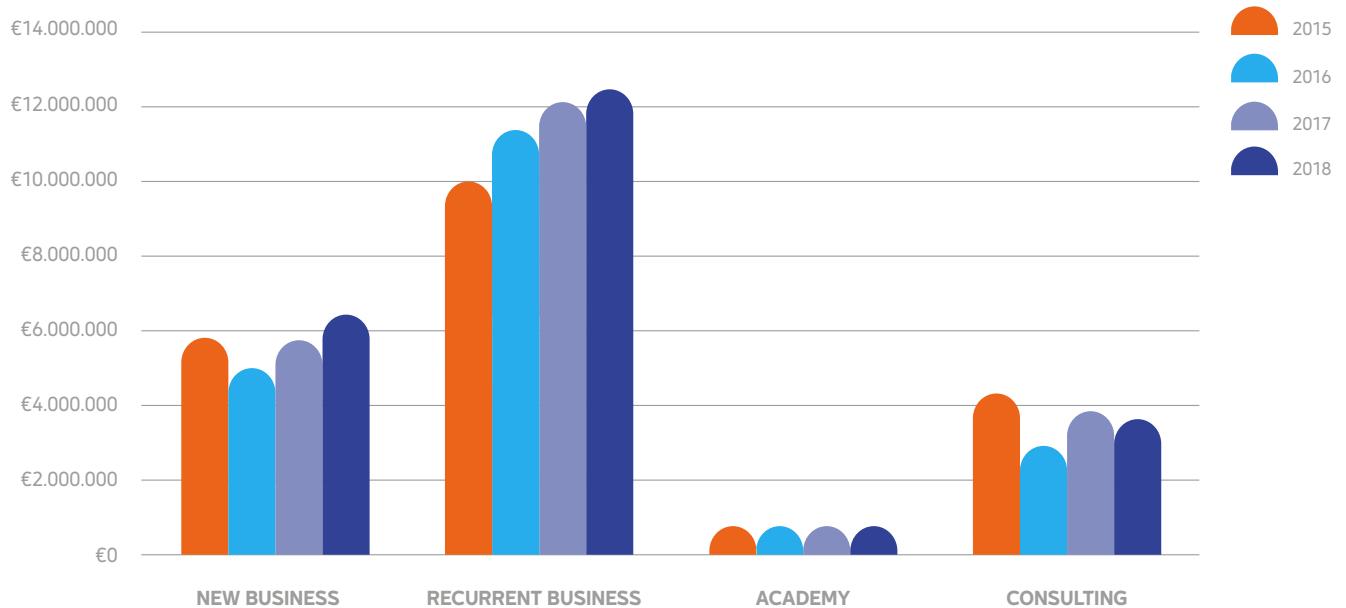
General Manager, Casa da
Música

TURNOVER

The Group's consolidated turnover increased by 4% to finish at €24,325,219, in comparison to the 2017 figure of €23,400,740.

An analysis of the main sales headings reveals a growth of 5% in product (software) sales and a drop of 8% in services. The growth in recurrent business is particularly noteworthy; currently exceeding 12.6 million euros in sales, recurrent business correspond to more than half of the company's overall business.

Turnover by Heading



It should be noted that, in 2018, product sales accounted for approximately 78% of the total, gaining importance in the composition of the company's sales and representing a one percent increase in comparison to the 2017 figure. Recurrent business accounts for 52% of the Group's total sales, with 76% of this coming from the Portuguese market.

The company has been striving to make its offering more sophisticated, investing in the development of Cloud solutions and reformulating its marketing model. The business is liable to evolve increasingly towards the subscription concept. JASMIN has proven to be a winning bet, thus reinforcing the strategy of transforming PRIMAVERA's offering to the market. In 2019, we should see the launch of the ROSE ERP, which is expected to become our benchmark software in due course, replacing the current Windows-based offering.

In terms of products, mention should also be made of the success achieved by our GDPR product, which responded in timely fashion to a market requirement and which the market welcomed with open arms. Repeat business from renewed contracts stands at around 90%, a figure which has remained stable now for several years. One of the pillars of our business is the continuous effort to ensure customer satisfaction, bolstered by the constant search for innovation, in order to promote continuing efficiency and the capacity to support new processes. It is this focus on quality and satisfaction that keeps our customer loyalty running high, and it is the foundation that guarantees our ability to continue deserving our customers' trust moving forward.

Consolidated	2016	2017	2018	YoY
Licences	4 907 916	5 848 667	6 356 531	9%
Reurrency	11 237 634	12 132 462	12 610 916	4%
Consultancy	2 661 377	3 786 240	4 166 910	10%
Training	721 520	725 423	688 404	-5%
Others	1 086 403	907 949	502 457	-45%
Total	20 614 849	23 400 740	24 325 219	4%

Values in €

In terms of services, a drop was seen in comparison to the previous year's figures. This can be attributed to the African market, where there is a continuing downward trend in activity. Portugal, on the other hand, has seen significant growth in services, in line with the growth in licensing. This has been the trend in recent years and, at the present time, the African markets account for only 24% of our consultancy business.

	2016	2017	2018	YoY
Portugal	11 658 453	13 449 866	15 138 186	16%
Angola	4 609 531	5 091 675	3 619 143	-29%
Spain	330 221	413 825	428 637	4%
Mozambique	1 162 700	1 419 355	1 233 319	-13%
Rest of the World	657 434	550 793	510 864	-7%
Comissions	2 196 510	2 475 226	3 395 070	37%
Total	20 614 849	23 400 740	24 325 219	4%

Values in €

The consolidated turnover of the Group's main geography grew significantly. Having seen significant growth, Portugal currently accounts for 72% of the Group's net sales, contributing to an increase in sales to the order of almost 1.7 million euros.

COSTS AND OTHER HEADINGS ON THE PROFIT AND LOSS STATEMENT

The year was marked by a significant foreign exchange adjustment in the Angolan economy. Angola has been struggling to manage its foreign exchange policy, having blocked international payments almost entirely and creating a payment crisis that has suffocated a great many companies. The intervention of the IMF in the country and the change in economic strategy have led to an inevitable devaluation of the Kwanza, which has impacted exchange rate losses.

Despite the equity increases, through the transformation of commercial debt into supplementary payments, the adjustment that exceeded 50% was such that the company recorded its biggest loss since it first began operating in these markets. It should be noted, however, that the currency exposure figure is now low. This fact, along with the stability of the exchange rate and the gradual opening of international payments, suggests that the losses resulting from this adjustment in the Angolan economy have already been incorporated into the company's accounts, and, going forward, we do not expect there to be any further adjustment requirements or significant losses.

Expenditure Structure	2016	2017	2018
COGS	382 039	380 410	316 729
SEsS	7 002 353	7 868 099	8 841 865
Staff	10 537 776	10 840 537	11 331 473
Amortizations	1 087 506	986 162	943 860
Financial Balance	228 096	242 461	136 411
Impaired Assets	140 534	-103 049	- 2 327
Exchange Rate Differences	234 889	348 088	490 810
Balance Other Expenditure and Earnings	-9 490	190 529	119 206
Total	19 603 703	20 753 236	22 182 680

Values in €

In 2018, we saw a reduction in infrastructure costs, largely due to the readjustment of international operations. In the other costs, between subcontracting and specialised work, of the SEsS, the exception to this decrease is due to the increase in partners' commissions that have grown significantly. This increase in commissions is related to the Group having had a good trading year and to a growing trend for PRIMAVERA to work with renewable products, where there is a direct connection between the company and the end customer.

SEsS	2016	2017	2018
Subcontracting and Fees	906 868	954 140	1 332 929
Comissions	2 196 510	2 815 135	3 586 662
Rent and Facilities	518 989	417 804	359 584
Marketing	629 180	502 042	688 305
Specialised work	1 434 307	1 940 636	1 593 296
Costs and travel expenses	501 385	391 275	436 719
Fleet, Communications and Others	815 113	847 067	844 369
Total	7 002 353	7 868 098	8 841 865

Values in €

Staff costs increased by about 4.5%, corresponding to a headcount of 297 employees, meaning 20 additional employees in comparison to 2017.

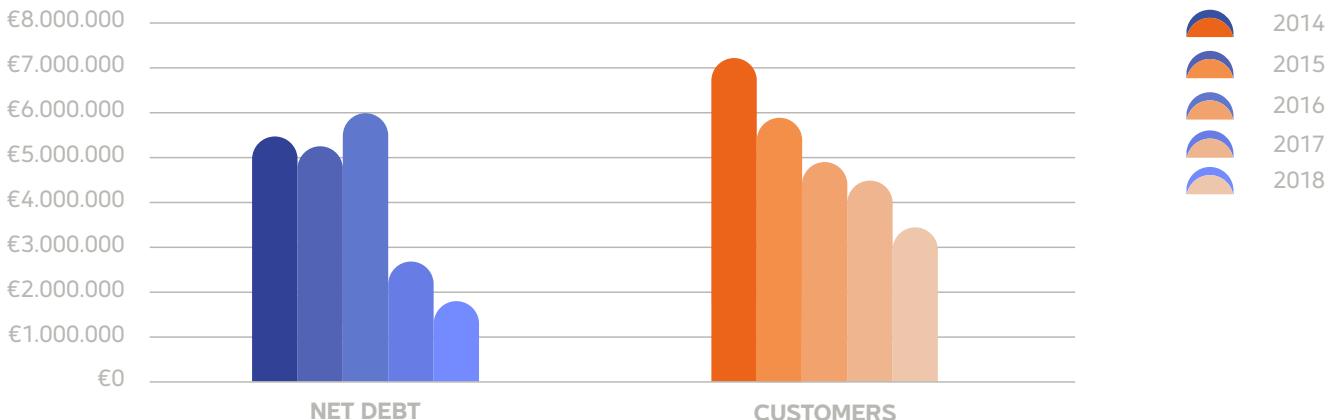
INVESTMENT, ASSETS AND CAPITAL STRUCTURE

The company made replacement investments, there being no relevant productive investment during the period in question. The policy of renewing the company's working tools and fleet adheres to good practices, ensuring that it remains current and that working conditions do justice to the Group's ambitions.

Annual Investment	2016	2017	2018	YoY
Building, Land and other Const.	0	0	0	0%
Intangible Assets	7 113	614 895	194 939	-68%
Basis Equipment and Adm.	76 744	75 685	210 256	178%
Transport Equipment	319 118	302 665	209 561	-31%
Others	1 359 350	1 788	19 347	982%
Total	1 762 325	995 032	634 103	-36%

Values in €

As far as current assets are concerned, the customer debts category is worthy of mention; significant improvement has been seen here and the figure is now 50% lower than that reported five years ago, even taking into account the growth in the Group's sales. It is hoped that it will be possible to continue making gains in respect of the operating cycle; however, it should be stressed that such gains are likely to stabilise and that the company is now considerably more efficient in this area than it was in the past.



In terms of liabilities, we once again pursued a deleveraging strategy to target indebtedness, with the guarantee that this would be possible by excluding funds from the company PRIMAVERA Angola. At the end of the year, we implemented debt restructuring so that the company could take advantage of the favourable climate in terms of the cost of money environment and reschedule its short-term debt service.

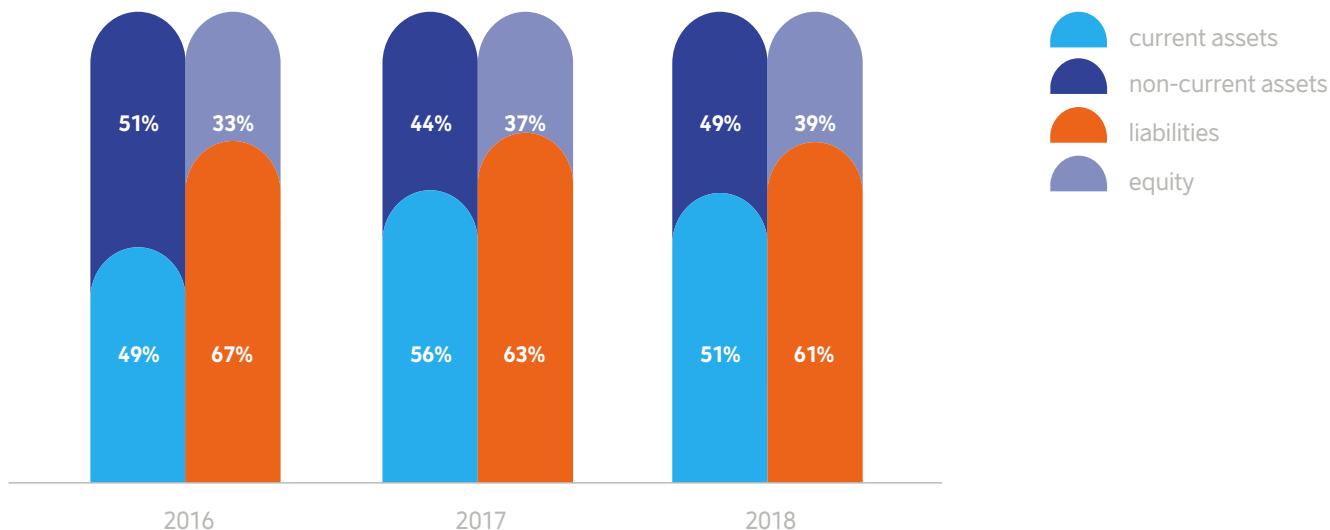
The net debt fell to 1,821,720 euros, down 755,000 euros in comparison to 2017; this result, in addition to the aforementioned improvements on the debt side, includes assets outside Africa, and in euros, with a much higher value year-on-year. The net debt to EBITDA ratio stands at 0.55, a robust figure, which indicates that the company has absorbed the impact of the African crisis and has already adjusted to a new reality and cycle.

	2014	2015	2016	2017	2018
Net Debt	5 442 524	5 078 026	5 956 394	2 577 061	1 821 720
ND / EBITDA ratio	1,48	1,96	2,52	0,66	0,55
Financing	6 994 044	8 435 862	8 503 766	7 408 854	5 932 584
Non-current Assets	8 662 534	8 734 087	10 458 245	9 061 613	9 157 485
Accounts Receivables	7 141 655	5 861 442	4 911 131	4 540 394	3 481 064
Acc. Receivable / Turnover	36%	28%	24%	19%	14%

Values in €

With equity amounting to €7,435,317, the company's financial autonomy was 39%, thus improving the ratio of recent years. It is considered 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 manner which is both sustainable and credible in the eyes of external institutions.

The company's robust profits are the result of the operations restructure in recent years, although, naturally, the more favourable economic climate currently being felt in Europe was also a factor. These are outstanding figures that bring the company close to its profitability goal of 20% of turnover.



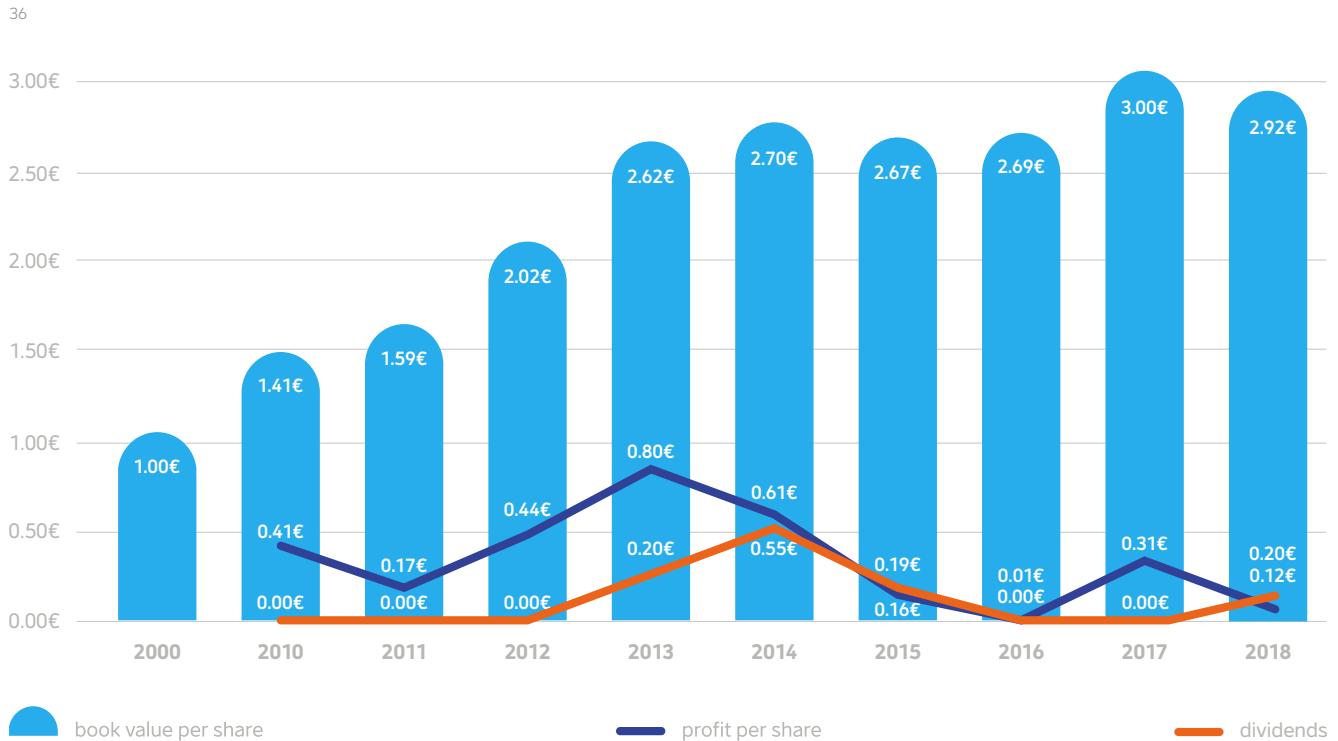
PROFITS

The Group's EBITDA closed at €3,341,795 – 14% of turnover – and the net profits were €2,002,843.

	2014	2015	2016	2017	2018
EBITDA	3 672 473	2 588 729	2 367 244	3 895 678	3 341 795
EBITDA Margin	19%	12%	11%	17%	14%
Net Earnings	1 596 609	666 952	819 982	2 407 171	2 002 843
Profit per share	0,63	0,26	0,32	0,94	0,79
Profitability of Capital	23%	10%	12%	32%	27%

Values in €

The profit per share figure was €0.79. This is the result of the equity increase in the Angolan company and subsequent devaluation, for foreign exchange reasons, which ultimately required a considerable adjustment in share value. This result, combined with a distribution of dividends, ended up correcting the value of the share negatively, surpassing the annual results and returning a value of 2.92 euros per share, corresponding to a devaluation figure of eight cents or, in relative terms, 2.6%.



Risk Management

The main risk facing the company in its operations is the exchange rate and political risk 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 in the effort to improve processes so that operations could be autonomous, and to adapt 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 1,489,000 euros which are indexed to the dollar and secure part of the company's assets. It has also been possible to carry out a reasonable volume of

international transactions, and our goal is that the company take advantage of this normalisation so that it can reduce the value of its assets in Kwanzas over the course of 2019.

Important occurrences after the end of the financial year

Cyclone Idai caused massive destruction in Mozambique and this may impact the company's activity in the next few years. Nevertheless, since PRIMAVERA BSS's exposure is relatively low, this event should not impact the company's result in this market.



LUZ SAÚDE

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

A photograph of a modern, multi-story building at night. The building has a light-colored facade and large windows, some of which are illuminated from within. In the foreground, there is a road with light trails from passing vehicles, a sidewalk with several young trees, and a street lamp. A large, light-colored circular callout is overlaid on the left side of the image, containing text.

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

PEDRO LIMA

Head of Logistics, Luz Saúde Group

ROAD MAP OF PRIMAVERA SOLUTIONS



David Afonso
Senior Vice President

2018 was a particularly important year since it brought a three-year cycle based on the Strategic Plan for 2016/2018 to a close and, at the same time, was the year in which a new horizon was built for the development of PRIMAVERA's solutions over the next three-year period.

As far as the 2016/2018 Strategic Plan (PE16/18) is concerned, the main goals were largely achieved. In mid-2015, a strategy was defined, which integrated PE16/18, and which had the Cloud as its epicentre; the aim was, on the one hand, to create a new (native) Cloud-based offering and, on the other, to enable customers with on-the-premises solutions to extend those solutions to the Cloud. This would be done through the interpretation of hybrid models, enhancing the value of the current solutions and thereby providing customers who had these solutions with an opportunity to explore the advantages of the Cloud.

Having reached this point, the outcome is very positive; through our Jasmin solution, we have launched and consolidated a new native Cloud-based offering for the micro and small business segment, having become a benchmark in this segment in Portugal with more than 2,300 active customers. Although it has not yet been released on the market, the new native Cloud-based ERP, ROSE, has begun to be tested in a real environment. First impressions show that the market is very receptive to this new offering, as had already been seen with Jasmin, a technology-based solution. As for the medium and large companies segment, 2018 was a landmark year due to the release of v10 of our ERP, a version with a completely new technological base, based on a truly hybrid architecture.

THE INTELLIGENCE ERA

However, as previously mentioned, it was also a year in which we looked to the future and defined the guidelines that will drive product development in the coming years.

Companies are currently going through very complex times. There is massive pressure to be more productive and thereby survive the new challenges, while customers not only expect but actually demand innovative solutions and better experiences. It is a panorama common to all sectors of industry and areas of business.

Digital transformation is improving the way companies do business and changing the way they capture, process, and distribute information. The companies which are most competitive and which have been quickest to understand this transformation have adopted innovative business models, enhancing the value of information.

The transformation is occurring rapidly across the spectrum of business applications, irrespective of the domain: marketing automation, service and support, commerce and sales; but the pace seems to be more pronounced in the ERP suite of applications. The consultancy IDC refers to this advanced ERP portfolio as “Intelligent ERP” or “i-ERP”, which will support tomorrow’s business deals in an increasingly digital world.

The traditional information systems that still support the majority of companies are not equipped to respond effectively to these new challenges. Intelligent systems will be characterised by innovations in various areas: user experience, business processes and data processing. Such systems will have very specific characteristics, and will, among other aspects:

- Make use of the Cloud, due to demanding infrastructure requirements to manage large amounts of heterogeneous, big data, accessible in a timely manner to support tight decision-making windows.
- Be differentiated on the basis of user experience. Users will notice the difference in this new generation of products, as the user experience (UX) begins to incorporate assisted and collaborative (mobile-first design) styles driven by advances in natural language processing and machine learning.
- Enhance business processes through machine learning and predictive analytics, technologies capable of learning from history and adapting

business rules, allowing users to discover insights or – better yet – predict results, anticipate next steps, and automate processes.

- Benefit from the power of machine learning in large volumes of data, making it possible to create innovative products and services and boost companies' (and employees') productivity, thereby realising the full potential of your information history.

In this new Cloud-native offering, and in ROSE in particular, PRIMAVERA intends to reinterpret the role of the ERP, putting the emphasis on the future. A proactive system that takes advantage of historical data but also of the wealth of information available in the Cloud and which, if properly combined with the organisation's own data, has inestimable potential.

Ultimately, the primary goal will be to turn the traditionally reactive software – functionality as it is in its essence of context and process – into something proactive and intelligent.

The aim is to provide intelligent solutions, through the ability to make predictive and prescriptive

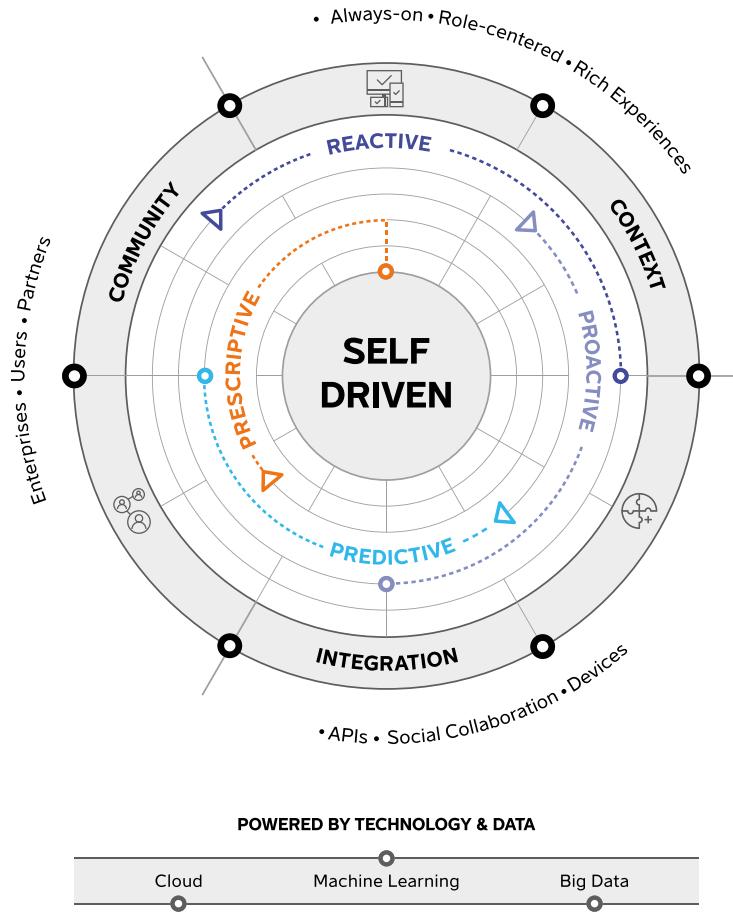
analyses, taking a wide range of businesses and companies into account. In practice, this means projecting future financial/productive data according to strategic company goals, making use of stored historical data, monitoring the present and defining the way forward.

The results obtained will serve to propose means to grow the business, as well as allowing users to follow through dynamically and in a way that is appropriate over time. The ultimate goal is to make the system itself a driver of business growth and profitability.

And, on the threshold of intelligence will come utopia; in other words, the hypothesis of someday having a self-managed system, which will drive the business on auto-pilot, with the manager riding along as a VIP passenger.

2019

If the last two years have been marked by major product launches – first Jasmin and then the latest version of the ERP (v10) – 2019 will be marked the launch of ROSE.



ROSE and its respective technological platform, represent huge advances in the technologies and architecture of PRIMAVERA's solutions that will enable the development of the new ERP to be

sustained over time. In this first version, special attention will be given to the construction of a management infrastructure, endowed with the most sophisticated concepts (e.g. multiple

account plans and dimensions) and capable of responding to the most demanding organisations, incorporating standards aimed at materialising the vision for this new ERP, the intelligent ERP.

The result will be an innovative product offering a set of differentiating characteristics.

MICRO AND SMALL COMPANIES

The roadmap for the development of this market segment will be designed around Jasmin.

Jasmin is a project on a global scale, an intention that was always present during the construction of the technology and subsequently of the product, with one of its priorities being the ability to localise it for other geographies.

On the one hand, the intention is to extend the functional scope, making it possible to increase the potential customer base and to give customers who (still) have on-the-premises solutions an opportunity to adopt this new offering.

Accounting Offices

Accounting Offices (AOs) play a fundamental role in the micro and small companies segment. Since these companies are not big enough to support administrative structures, they must turn to AOs

for this service, with the AOs being responsible for ensuring that the companies fulfil their legal and tax-related accounting obligations.

Although it would be desirable for both customer and AO to work with the same solution, insofar as this would allow automatic accounting of transactions, the reality is that, in most cases, the two use different solutions.

To better support this scenario, PRIMAVERA developed an integration product, called PRIMAVERA Accounting Automation (PAA), which aims to “connect” the two solutions, thereby mitigating the disadvantages of using separate solutions, and automating the integration processes.

This is a solution which, although recent, has already garnered a very wide range of customers (AOs), ultimately validating (and reinforcing) the importance of Jasmin for this market segment, as an instrument for the AOs themselves. To this end, we are reinforcing the mechanisms that enable Jasmin and the AOs’ software to be integrated with each other, effectively making Jasmin an “extension” of the AOs’ own solutions.

As a solution, the PAA offers other benefits for AO management because it also incorporates a set of tools that allow these activities to be

organised and monitored at each client company. This means that they can be more competitive and modernise the service provided through the use of technological tools.

MEDIUM-SIZED AND LARGE COMPANIES

In the segment of medium-sized and large companies, 2019 will be marked by three major events:

The release of the entire v10 offering

While most of the ERP v10 was released in 2018, some modules, especially vertical and/or specialised ones, will only become available during 2019. Of these, the new production management module is particularly worthy of mention, insofar as it represents (also) a significant leap in functional terms, with a new mobile solution for the shop floor.

New version of OMNIA

Available in the Cloud and accessible from any device, this is a Platform as a Service (PaaS) for the development of Cloud-based applications that run in any device. Based on the “low-code platform” paradigm, special attention has been given over the last 18 months to the development of the modelling tools, increasing the ease and

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

To facilitate and accelerate this path, a set of application templates are available for some of the most common scenarios. One of these is the “Employee Self Service” feature, which includes the functions most commonly used by employees (updating personal data, viewing payslips, booking holiday leave, etc.).

This is, therefore, an essential tool with a central role in the materialisation of solutions aimed at the digital transformation of organisations, and this aspect will be further strengthened with the new version of the ERP (Version 10).

Release of the v10 Public Services

Building on the private sector solution, a new Public Sector offering will be released which will provide access to a wide range of functionalities previously only available in private sector solutions, as well as a new state-of-the-art

technological base. From the outset, this will provide a greater capacity for integration with the many different solutions generally used by customers of this type.

As has been the case in recent years, 2019 will also be a dynamic year, with several important launches. Of particular note is the launch of ROSE, for all that it represents – a new generation of products and the first product that materialises this new paradigm of Intelligent ERPs.



Coca-Cola

Bottling Luanda S.A.R.L

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

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

SÉRGIO BERNARDO
HR Systems Technician
Coca-Cola Botling Luanda

**MARKET
PRESENCE**

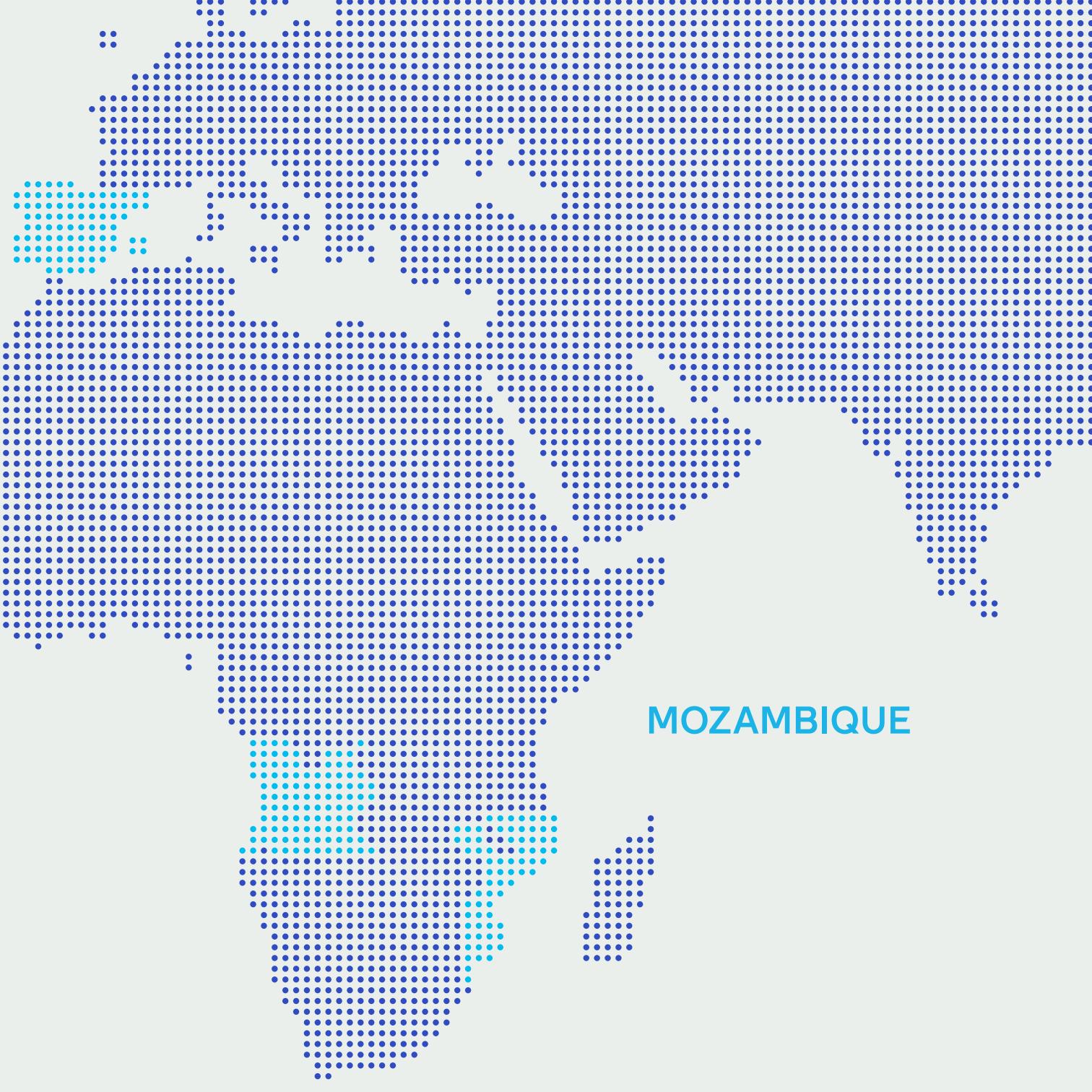
PORTUGAL

SPAIN

CAPE VERDE

ANGOLA





MOZAMBIQUE

BUSINESS MODEL

THE BENEFITS OF AN INDIRECT MODEL

PRIMAVERA has over 40,000 customer companies, 29,000 of which have active, annually-renewable maintenance contracts.

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

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

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

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

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

Similarly, PRIMAVERA organises its commercial area on the basis of two distinct but perfectly aligned goals. The first consists in the management of the Partner network, the PRIMAVERA Channel.

The second consists in prospecting for new business opportunities by sector, particularly targeting major companies, and priority is given to undertaking this work in a joint effort with our Partners.

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

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

Current Competences

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

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

- PRIMAVERA Starter Technician
- PRIMAVERA ERP Technician
- PRIMAVERA Consultant
- PRIMAVERA Senior Consultant
- PRIMAVERA Lead Consultant
- PRIMAVERA Technical Specialist
- PRIMAVERA Technical Developer
- PRIMAVERA Project Manager
- PRIMAVERA Senior Project Manager
- PRIMAVERA Business Developer

FIELDS OF COMPETENCE

- Assets
- Business Specialists
- Construction
- Finance
- Human Resources
- Manufacturing
- Logistics
- Valuekeep

- Public Services
- Business Analytics
- Eye Peak

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

TECHNICAL CERTIFICATIONS

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

Only companies that PRIMAVERA has authorised and certified are allowed to sell PRIMAVERA products and provide after-sales service.

Regardless of their status, any of our partners may sell any of the products in the PRIMAVERA range, as long as they have technicians who are certified in the relevant skills.



conservas



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

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

MANUELA PEREIRA

Production Manager, Conservas

Ramirez

GLOBAL SERVICES



Ângela Brandão
Vice President

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

At PRIMAVERA Consulting, 2018 was a year marked by the affirmation of this strategy, through the specialisation of the services offered and the complementarity model used for the PRIMAVERA partners' channel, which resulted in our attracting major customers in the medium-sized and large companies. In Portugal, consultancy services grew by 13% on the business market and by 23% in the public sector. However, demand for consultancy activities fell in the African market due to the weak

economic climate and the impact of currency devaluation.

Turnover for training services, through the PRIMAVERA Academy, grew by 12%, mostly accounted for by the Portuguese market, where growth was higher than 25%. In Angola, despite the economic crisis and taking into account adjustments made because of exchange rate fluctuations and structural changes in the market, these services also grew by 25% in local currency. The potential of this market has therefore been confirmed as far as training is concerned too.

CONSULTING

For our consultancy units, 2018 was marked by the increase in the number of projects carried out in collaboration with partners, in particular vertical and specialised solutions such as Business Analytics, Eyepeak, OMNIA and Valuekeep. The specialised consultancy services provided by the software manufacturer have proven to be differentiating factors vis-à-vis the competition and determining factors in the qualification of our partners' technicians and consultants.



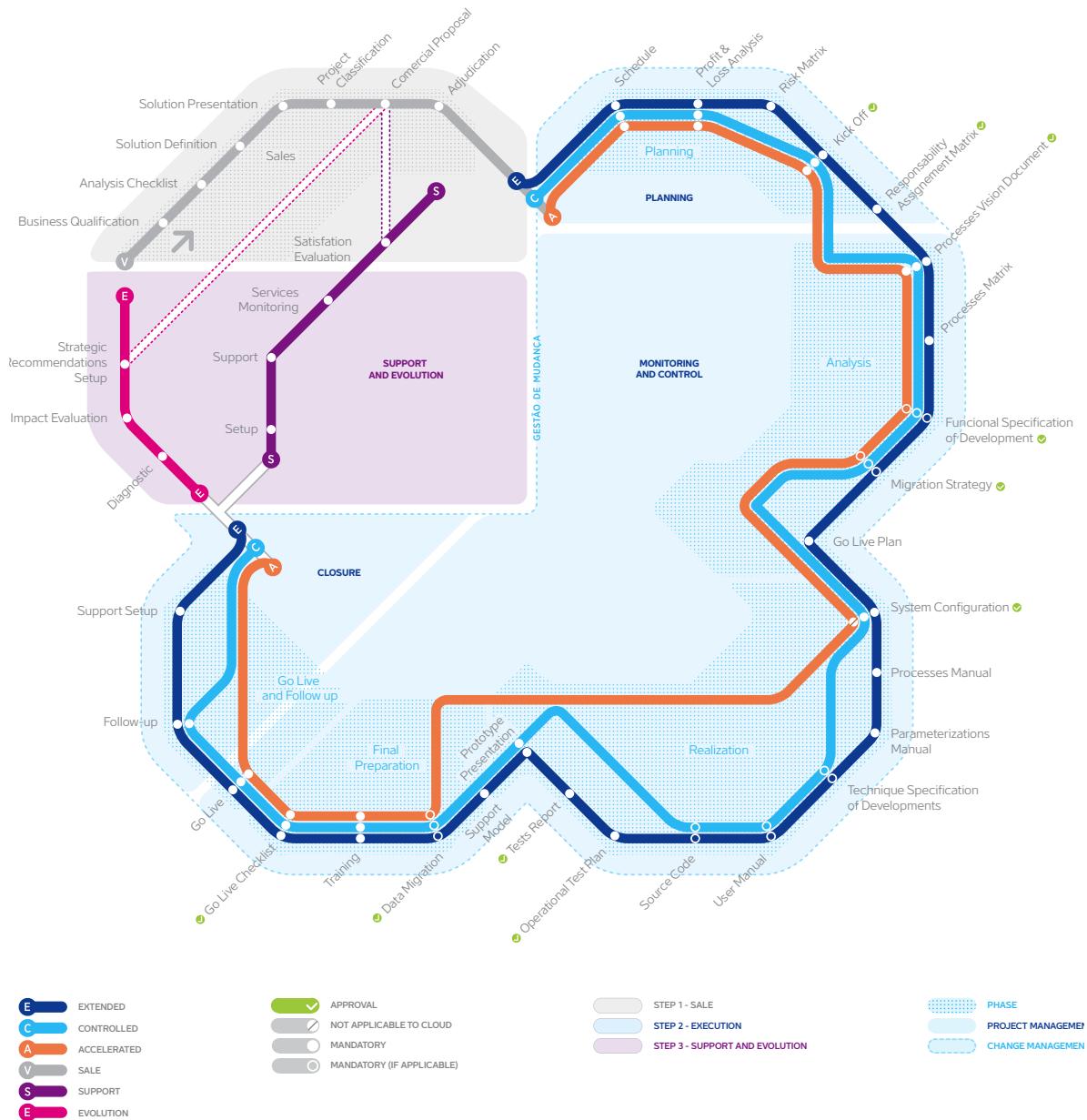
The implementation of digital transformation projects for customers of different sizes, and operating in different sectors, was also important. Of particular note were the projects carried out at GALP Marketing Internacional, which involved optimising and improving its business processes across the various African distribution subsidiaries; and the Dott Project, the new player in online sales in Portugal, consisting of the implementation and integration of an invoicing engine that could provide the required level of performance, particularly during busy times with high volumes of transactions, and be fully supported in PRIMAVERA's Cloud-based technology.

In Angola and Mozambique, 2018 was a year characterised by investment in the training of new consultants, so that they would be ready to address the challenges and growth expected in 2019. Even so, we attracted important new benchmark customers, such as the projects to implement the PRIMAVERA ERP at Espaços Angola SA, an Angolan company that works in communication and advertising supports, and at the Companhia Moçambicana de Gasoduto, in Mozambique.

New version of the MIP

2018 was also the year in which the new version of PRIMAVERA's Implementation Methodology (MIP) was divulged and adopted, as well as the PPM4ALL, our new collaborative project portal, which supports the roadmap for each project and streamlines communications between the PRIMAVERA Consulting teams, the Partner and the Customer. The MIP is a set of good practices and accelerators for the implementation of PRIMAVERA solutions. This framework aims to support and institute a model of implementation of PRIMAVERA solutions, standardising the processes and the way they are implemented, in line with the size and complexity of the project.

In 2018, over 400 consultants were trained in this new version of the methodology and more than 40 partners also began to use the new collaborative portal, in addition to the PRIMAVERA Consulting units.



For 2019, hopes are running high, driven by the macroeconomic indicators in both Portugal and Angola, and by the growing investment by companies and public bodies in the digital transformation. This optimism is further reinforced by the recently launched new versions of PRIMAVERA solutions – the PRIMAVERA ERP v10 and the OMNIA V3 platform – and the expected launch of ROSE. In Angola, we believe that the introduction of the new tax, VAT, and the compulsory certification of invoicing software will boost the growth of consultancy services in this market.

ACADEMY

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

As a global unit responsible for the technical training and certification of the professionals who make up PRIMAVERA's partner channel, PRIMAVERA Academy's primary role is to offer a range of training to ensure that these professionals are constantly kept abreast of the new versions and software products developed by PRIMAVERA; the Academy is also responsible for preparing them to address the enormous technological challenges

arising from the new technological paradigms in the Cloud.

The Academy is also the business unit that provides PRIMAVERA customers, and the market in general, with a comprehensive range of training options, covering not only PRIMAVERA's own products and services but also different technology platforms, and business, management and behavioural processes.

2018 was a year of tremendous transformation for this unit, involving the merging of various local units in the different markets, namely Portugal, Angola and Mozambique, into a single global unit under a single leadership; a unit capable of guaranteeing the implementation of a solid innovation strategy and a streamlined and equally strong response in all of the markets. Various new offerings and initiatives have come about as a result of this process and should be highlighted here.

Technical Skills Index (TSI)

One of these initiatives was the development of a model that would allow PRIMAVERA and its partner companies to plan and monitor the necessary development of skills over several years. This resulted in the Technical Skills Index, an indicator that uses a points system to measure the individual skills of each professional according to

their respective active certifications, as well as the accumulated value of all the professionals in a given team or partner company. Furthermore, the model was developed to indicate the recommended TSI for each partner or group of partners, according to the characteristics of their respective customer bases. This allows the definition of a multi-year skills development plan based on current and future needs.



Technological Training

With the launch of the new expanded version of the PRIMAVERA ERP, based on a new technological platform and offering a significant set of new functionalities, it was the PRIMAVERA Academy's task to take charge of the face-to-face and compulsory training of all certified professionals in this new version. Altogether, more than 800 PRIMAVERA professionals were trained in version 10 of the ERP in the various markets. Continuing with the strategy of specialisation in PRIMAVERA's range of solutions, training was also given to 234 professionals in specialised vertical solutions, including Eyepeak, OMNIA and Business Analytics.

Training in Business and Management

If technological skills are decisive, management, behavioural and business process skills are also increasingly important. Our customers demand well-rounded professionals with a range of skills and who are capable of understanding the challenges of the business, and building and communicating the technological solutions that best respond to those challenges.

This is why PRIMAVERA has invested in providing our partners and customers with training geared towards these challenges. Clear examples in 2018 were the more than 100 trainees in the new General

Data Protection Regulation (GDPR) in Portugal and the 32 trainees in the Mini-MBA in Finance and Management Control in Angola.

In 2019, the plan to restructure and diversify PRIMAVERA Academy's offering will continue. An investment in skills development is a medium- to long-term process implying strategy, commitment and perseverance, so this unit will continue to be one of the primary strategic growth engines of PRIMAVERA and its ecosystem.

In Portugal, we will continue to focus on specialising our partners' skills and preparing them for the new technological paradigms. In Angola, the introduction of compulsory certification of management software and the introduction of VAT will undoubtedly be the main drivers of training needs on the part of our partners and customers. The anticipated growth of these two markets will continue to drive the need to train and integrate new PRIMAVERA professionals through our intensive training programmes (SCORE). And, lastly, a new focus on an updated and comprehensive offering of training content and practical preparation in programming languages (CODE Learning), aimed at responding to the huge need for such professionals in these markets, and at strengthening our partners' technological skills.

SUPPORT SERVICES & CUSTOMER CARE

This year, technical support services for customers and partners have continued their transformation process in the micro and small business market. With the growth of the JASMIN customer base, the Customer Care team consolidated the comprehensive model of assistance to these clients, which proved to be highly differentiated from other market solutions, resulting in a satisfaction rate of over 98%. For the medium-sized and large companies segment and public bodies, investment in skills specialisation has been stepped up with the aim of improving the first contact resolution rate, especially for vertical and specialised solutions, and of offering a better level of service for partners and more complex customers.

In 2019, also setting in motion a new cycle of the strategic plan, this unit's focus will be to find and build solutions that will continuously increase the value of the support services offered to PRIMAVERA's customers and partners. Firstly, by stepping up the robotisation of processes, such as the introduction of virtual assistants; secondly, by providing a more personalised service; and, lastly, through differentiating services of preventative counselling and technical support. To this end, the implementations of, and migrations to, version 10 of the ERP will simultaneously be a challenge and

an opportunity. Happier, better-trained customers and partners are undoubtedly the surest way of retaining customer loyalty, and this will continue to be the primary strategic pillar of this service unit.



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

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

MUHAMMAD ASIF KHAN
Financial Director, Transcom
Sharaf

HUMAN RESOURCES



Rita Cadillon
Human Resources
Director

In recent years, technological evolution, demographic movements and digital transformation have shaped the way companies define their strategy and position themselves with regard to Human Resources Management.

In general, the year 2018 was a period of economic growth and recovery, characterised by the installation of a large number of technological companies in Portugal, especially in the north of the country. However, the scarcity of talents available in the market has been very challenging for these companies. Portugal is increasingly seen as a centre of technological competence and competition for talent is a reality that forces human resource managers to try and develop new approaches to recruiting and retaining staff.

Over the course of 2018, PRIMAVERA maintained its strategic focus on people management, working on

attracting new talents, welcoming and integrating the new team members, development policies, retention and reinforcement of the culture of the organisation, and strengthening ties of commitment between the company and its employees.

As far as attracting new employees is concerned, the strategy involves creating balanced teams, hiring young people with high potential and experienced professionals with robust technical skills, thereby creating an environment of diversity that is conducive to creative and innovative thinking. The focus on Employer Branding activities has been reflected, on the one hand, in a reformulation of PRIMAVERA's position in social media, as an employer, and on the other, in a strategy of greater proximity to schools and universities, by attending events to divulge projects and employment opportunities at the company, as well as investing in attendance at events for professionals. The reformulation of the moments and the tools of Onboarding and of the Juniors Policy, are part of the strategy of attraction and are intended to position PRIMAVERA as an employer of choice in the IT sector.

Personal and professional development is one of the most important focuses of action, impacting competencies and the capacity to hold on to the organisation's top talents. As such, it is essential that we invest increasingly in the qualification and training of staff, creating internal technical certification programmes. Furthermore, it is becoming increasingly urgent to support the growth of the organisation, creating new opportunities and programmes for assessing potential and identifying talents within the company. Consequently, we also prioritise investment in behavioural training, specifically in the area of leadership geared towards the various organisational levels, laying the foundations for leadership aligned with the company's values.

We also know that the commitment to development is essential if we are to create continuity ties with our employees. The current context requires constant monitoring with a focus on retention, and our priority is to invest in a work environment based on values such as teamwork with respect for the individuality of each member, and for continuous sharing and recognition. Another priority is to

ensure a motivating and flexible work environment where people are able to find a balance between their private and professional lives.

Lastly, we believe that culture is something intrinsic to the company, but which must be worked on daily; and an effort must be made to adjust to social changes, in a dynamic of evolution, maintaining the values that guide us and define our line of action as we strive to achieve the best results for the company. A company in which we celebrate all the successes and victories and in which any wrong decisions taken serve as learning opportunities that help us become stronger. A company that reinvents itself without losing its identity, and that encompasses different ways of being and of thinking, in a diversity that, in and of itself, provides a means to enhance excellence.

And this is the culture that defines the essence of "Being PRIMAVERA".

SOCIAL RESPONSIBILITY

Constantly concerned with building its corporate identity based on active and responsible citizenship participation, PRIMAVERA's Social Responsibility Policy aims to express the Company's Vision and Strategy regarding its commitment to the principles of sustainable development and solidarity.

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

People

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

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

Product

At PRIMAVERA, integrating the concept of sustainability into the business innovation process is not seen as a constraint but, rather, as a window of opportunity for all stakeholders as a driving force for the discovery of new products, services, processes and technologies. With this in mind, we have been adapting our product range to include tools that support digitalisation, such as Jasmin or the Electronic Transactions module, as well as solutions and services that enable electronic processing. This means processes can be dematerialised which, in turn, reduces the company's environmental footprint and promotes its sustainability.

Education

PRIMAVERA's efforts have a positive effect on the lives of the people in the communities where it operates, with its success being built on a solid base of relationships. Relationships that the company establishes with customers, staff, partners and society in general, and with whom it forges close ties through the sharing of technological value and knowledge.

Education is one of the areas with the closest connections to IT. And it is one of the sectors in which PRIMAVERA is most actively involved. Giving young people an early insight into the needs and expectations of the employment market, the PRIMAVERA Education project is a successful initiative that makes it possible for schools to have free access to management software, study visits and access to an e-learning platform.

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

research programmes.

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

Community

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

socially-valuable projects, training and job creation, through donations (both of monies and of products), and also volunteering campaigns (skills building and team building).

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

Investment in patronage is an important part of PRIMAVERA's commitment. Highlights in 2018 include the initiative to provide free technical training for unemployed people registered at the Institute of Employment and Vocational Training, the continued support for the food bank programme Banco Alimentar Contra a Fome and the RE-Food project, with donations of the PRIMAVERA ERP, and the sponsoring of the various sports teams at ABC de Braga – Andebol S.A.D. PRIMAVERA is also patron of the Braga Teatro Circo and Oporto Casa da Música.

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



casa da música



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

BRUNO LOPES
Financial Director



Cabeólica

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

PRIMAVERA BRAND



Idalina Sousa

Head Manager of Marketing
& Corporate Communication

PRIMAVERA's marketing strategy is based on three pillars: Brand, Partners and Customers.

The PRIMAVERA brand is one of the company's main assets, not least because it is one of the most visible and highly-rated brands in the Information Technology sector, as has been shown in the various studies carried out by external consultants over time.

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

The brand's demanding standards are something that we instil in our Partner Channel, since our

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

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

A strong and permanent focus on technological tools serves to underpin all of the company's activity. From internal planning through to contact with the market, various tools have been adopted and are used as part of every working day. In this respect, the launch of Partner Space in 2018

is particularly worthy of mention. This portal allowing interaction with partners aims to speed up the growth of partner companies, boost their loyalty and foster brand engagement.



"The
PRIMAVERA
brand has been
the focus of attentive
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innovation, creativeness
and joviality."

PRIMAVERA IBERIA AND CAPE VERDE



Felicidade Ferreira
Country Manager

Portugal

In Portugal, 2018 was an excellent year. Our turnover was up by more than 15% and we grew significantly in the medium-sized/large companies segment of the market. It was also a year in which the strategy we defined of doing business with customers with vertical and specialised solutions began to bear fruit, not only in respect of customers already familiar with PRIMAVERA solutions but new customers too.

Furthermore, in the entry-level segment, this was the year when our Jasmin Cloud-based solution for micro-companies asserted itself. We now have irrefutable proof that the market already sees both the technology and the product as innovative.

With the adoption of the GDPR, we had a new offering, the PDM, which quickly became a

successful module due to the fact that it responded to this new need on the part of the various organisations.

This was also the year when we implemented an unprecedented technological update in our Windows offering, with the launch of v10. Our innovations encompassed various aspects: the product, the licensing, the product support tools, the support tools for the community of programmers, the licensing system and the onboarding.

The launch of the Alliance Partner (2019/2021) and the new Partner Space should also be mentioned; they are revolutionising the way we want to work in the PRIMAVERA ecosystem.

And to cap it all, 2018 was the year in which we celebrated 25 years in business, a company milestone that has strengthened our desire to grow and to distinguish ourselves in the market.

In 2019, our main focus will be to take advantage of the new version of the ERP (v10) as well as trying

to attract larger-scale customers. We also still have to consolidate the Alliance Program, which is disruptive in terms of the commercial model between PRIMAVERA and our Partners, as well as continuing to focus on vertical and specialised solutions, taking advantage of the excellent reputation we have built in various sectors. Other goals for this year include launching the first version of ROSE, our 100% Cloud-based ERP.

And we also intend to address the Accounting Offices sector again in 2019. Here, our aim is to launch an innovative offering capable of responding to the increasingly sophisticated needs of this sector, where technology is the fundamental driver for higher productivity.

Spain

In Spain, our turnover fell slightly in comparison to 2017. We introduced our Cloud offering for micro-companies in the last quarter of 2018, and this year our goal is to consolidate the offering on the Spanish market.

Cape Verde

In Cape Verde, 2018 was a year of timid growth, with expectations ultimately not being met. As a result of the Cape Verdean economy's poor performance, many investments that companies had scheduled in technology were postponed.

Everything points to there being a more favourable economic climate on 2019, which will allow us to get started on many of the proposals that are currently in hand with larger companies and to continue introducing PRIMAVERA solutions in the entry-level segment.

“With the
PRIMAVERA ERP,
we began to have efficient
management of orders across all
our shops, through a centralised online
platform that ensures the production
of the exact quantities we need to satisfy
the orders from the various shops, as well
as precision in deliveries. The rigour of
the ERP’s financial area also lets us keep
abreast of the results of the various shops
and carry out analyses that simplify
decision-making.”

ELIZABETE SILVA
Financial Director





Arcádia

Arcádia is a factory that produces artisanal confectionery. Known for its chocolates, “cat tongue” biscuits and sugar-coated sweets, it has upheld its traditional recipes and manufacturing processes since it first began operating in 1933. The recipes contain only carefully selected natural products.

PRIMAVERA

ANGOLA AND MOZAMBIQUE



José Simões
Country Manager

PRIMAVERA Angola

In 2018, Angola witnessed a worsening of the economic crisis that forced it to negotiate credit abroad, but the eyes of the world and of the country focused on the radical change in policies on the part of the Angolan State, as it opened the door to dialogue and took steps to combat corruption.

Priority was given to trying to restore the State's authority in a context of a severely shrinking economy and an almost 50% depreciation of the kwanza against the euro and the dollar. As a result, the International Monetary Fund (IMF) intervened, providing credit to the value of 3.7 billion dollars, but an increase in social unrest also ensued.

As far as our business is concerned, PRIMAVERA Angola grew by 12.8%, in local currency, in

comparison to 2017, despite these local difficulties and circumstances. However, when this figure is consolidated in euros, it translates to a drop of 29%, the result of being heavily penalised by the Kwanza's marked devaluation. In terms of support structures for the business, this year was one of readjustment of the in-house teams. Some foreign human resources were replaced by Angolans, as we invested in the continuous training of a specialised local workforce.

The Partners' Channel took advantage of new, strong leadership to overcome many difficulties and stay on course in gaining new and improved skills for its teams. The rapprochement of the new consultancy unit, which also has new leadership, made it possible to enhance the potential of joint business, envisioning a very promising future in the work with the Partners' Channel.

The Academy was able to maintain its drive and initiative, achieving the targets set for 2018, and increasing the number of events organised and the number of trainees attending training sessions. In fact, this was another great year for the Academy,

which strengthened its presence in the market and is recognised as a benchmark due to the quality of the training it offers on the Angolan market.

Starting from the second quarter of the year, PRIMAVERA Angola began paying close attention to the changes that were being planned in Angola's tax legislation, in particular the introduction of VAT in the country. We worked very closely with the Angolan tax entities, with PRIMAVERA Portugal also making an important contribution. All of this investment culminated in an important event addressing the issue of VAT and its impact on the Angolan economy; more than 400 people attended.

For 2019, with the implementation of all of the legal changes that are planned and the requirement already in force for software to be certified, we foresee a year of tremendous opportunities for PRIMAVERA Angola. Opportunities which will take shape with the fundamental support of a local team that is cohesive, focused, customer-orientated and committed to our proposed goals of excellence in the service that we will be rendering to our customers and to the market. To successfully



"As far as our business is concerned, PRIMAVERA Angola grew by 12.8%, in local currency, in comparison to 2017, despite these local difficulties and circumstances."

achieve this goal, we are counting on the forecast stabilisation in the Kwanza and the consequent increase in the liquidity of foreign currency in Angola.

PRIMAVERA Mozambique

Mozambique had another disastrous year in 2018. After the economic boom years of 2011 to 2014, the country found itself in deep crisis in 2015. There can be no doubt as to the huge scale of the shocks suffered by the Mozambican economy in recent years. These include the drought caused by El-Niño, the fall in the price of commodities that occurred in early 2016 and the hidden debt crisis, which served to amplify the slowdown that was already underway.

PRIMAVERA sought resilience in such a climate, optimising its resources, cutting costs and assessing all of the costs and investments to be made. It is believed that the economy suffered its worst performance last year, due to low internal demand and the tiny amount of income at families' disposal.

We began 2018 with optimism, seeking to overcome the difficulties, and the first quarter brought us the energy we needed. The stability in foreign exchange, which started in 2017, and the availability of currency, appeased the tensest spirits, but growth remained tenuous and limited. In the last quarter of the year, this performance heightened the uncertainties surrounding a possible economic recovery, with the country still floundering in a deep recession.

In terms of results achieved, 2018 reflected the

difficult circumstances being experienced in Mozambique, with turnover having dropped in comparison to 2017.

Nevertheless, PRIMAVERA reinforced its leadership in market terms, being the most-recognised brand in Mozambique.

With the market stagnated and largely unable to generate new business, along with the fact that there were no new changes or legislative requirements, many customers did not invest in the maintenance of their computerised systems. This led to the Partners' Channel, which works in close proximity to the customers, being faced with numerous obstacles to ensure its own sustainability. However, we were able to maintain our activity in this market thanks to the resilience of our ecosystem.

Additionally, and with the launch on the market of the new v10 version looming ever closer, our partners continue to believe and invest, through the PRIMAVERA Academy, in the preparation of their teams for a new period, a period of recovery. It was a good year for the Academy, not only because of the ongoing training given to customers and Partners, but also because of the successfully organised events that enhanced the PRIMAVERA brand name.

The Consultancy Unit underwent significant changes, in preparation for a response to the new dimension of the Mozambican market. Working in conjunction with our Partners' Channel, we successfully developed new products, always based on the development of the local team's competences.

At a time of economic slowdown, ongoing now for several years, we must regard 2019 as another challenging year.



“It was a good year for the Academy, not only because of the ongoing training given to customers and Partners, but also because of the successfully organised events that enhanced the PRIMAVERA brand name.”

PRIMAVERA PUBLIC SERVICES



Armando Castro
Managing Director

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

The management of public bodies has been bound by a set of specific procedures and rules, the demands of which, imposed by the government, have complicated the activity of the private operators. On the one hand, the allocation of funds, an instrument of expenditure containment, and,

on the other, the limitation of costs, imposed for LEO, limiting public bodies to the same volume of expenditure as the previous period when renewing services (sometimes resulting in essential services not being contracted), are examples of measures that impact the economic activity of Government suppliers.

We definitely felt these difficulties in 2018 but it was also a year during which we were able to rise to the challenges we encountered. By the end of 2018, and for the third year in a row, we had grown and surpassed the goals initially set. Turnover rose by 21%, with software sales accounting for 36% and consultancy services for 64%.

As major accomplishments for the year, we would highlight the University of Algarve project, which has fortified our already strong presence in the Higher and Polytechnic Education sector; and the project for Porto Municipal Council, a new and significant benchmark in the Local Government sector. Also deserving of a mention are the sales achieved in the last quarter of the year, with six projects to dematerialise processes supported on

Omnia, the streamlined Cloud-based development platform.

Today we are the partner of choice for numerous public bodies that have selected our services and solutions to provide a rigorous response to legal and tax requirements and to ensure the ongoing administrative modernisation of their services. The digitalisation of processes began a few years ago in the public sector, but there is still a long way to go in terms of digital transformation.

These are issues that we will be addressing in 2019, along with electronic invoicing in public contracts. During this time, we will also be aiming to complement our current offering with appropriate partnerships and developments, without neglecting the continuous support given to public bodies in adopting the new system of accounting standards, SNC-AP.



“Today we are the partner of choice for numerous public bodies that have selected our services and solutions to provide a rigorous response to legal and tax requirements ...”

VALUEKEEP



Luís Cadillon
Managing Director

Valuekeep's strategy over the course of its first three years in business has been focused on affirming its offering in the Iberian market by attracting new partners and customers, as well as on the technological evolution and roadmap of its portfolio of solutions, and the strengthening of its technical team, in the areas of both consulting and software development.

With regard to the evolution of the business, and reflecting what is happening in the economy of the two countries (since emerging from the crisis the Spanish economy has grown at an annual rate of 2.8%, compared to 1.7% in Portugal), Valuekeep's growth has been faster in Spain than in Portugal.

The trend continued in 2018, and we witnessed a growth of Valuekeep in Spain to the order of 60% year-on-year, and an overall growth in line with the forecasts for the market of maintenance

management software and assets worldwide. According to a recent MarketWatch study, this market is expected to grow at an annual rate of 9.8% between 2018 and 2024.

All sectors of activity and geographies were able to attract new customers. Particularly worthy of note were the industrial projects at Cafosa - Mars Group, Hycracorte - Caamaño Group, Cigüeñales Sanz and GASN2 in Spain, and Termolan, Cabena, Fundifás, Têxteis J.F. Almeida and Imperial in Portugal.

In terms of catering and hospitality, the José Avillez restaurant group and the Confort Hotels chain in Palma de Mallorca are two new customers worth highlighting.

Lastly, in other sectors, we also had major projects at Tragsatec, a public company belonging to the Tragsa Group, which operates throughout Spain, and Metalimpex, a metal recycling company belonging to the SUEZ group.

As regards the product roadmap, we consolidated the Valuekeep Mobile offering, with the launch of the



“Valuekeep’s strategy over the course of its first three years in business has been focused on affirming its offering in the Iberian market by attracting new partners and customers, as well as on the technological evolution and roadmap of its portfolio of solutions...”

solution for the iOS operating system. This makes the offering usable on multiple devices, since it was already available for Android and Windows 10; and we also launched Valuekeep Analytics, a new standard offering of dashboards and maintenance KPIs in Power BI.

In what is now the fourth year of Valuekeep’s existence, 2019 is expected to be another year of

strong growth in the company’s business, both in Spain, in line with previous years, and in Portugal, where Valuekeep will play a direct role in attracting and managing partners and local business, previously the responsibility of PRIMAVERA itself.

The change in the business model adopted in Portugal will allow the company to replicate the strategy of success implemented in other geographies, a strategy largely associated with demand for its Cloud-based and mobile offering. Above all, this will allow Valuekeep to further assert itself as a leading player in the area of maintenance software in Portugal.

We therefore expect to see a growth rate of around 40-50% globally, in a year that, following the defined strategy, will continue to be marked by the reinforcement of our technical team. This will ensure we are capable of responding to greater growth and support for the business in Portugal. The continuous evolution of Valuekeep solutions at a technological and functional level is also expected.

U. PORTO

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





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

JOSÉ BRANCO

Administrator, University of Porto

YET

YOUR ELECTRONIC TRANSACTIONS



Eugénio Veiga
General Manager

The year 2018 was one of mixed feelings for YET in comparison to the previous year. Although we were unable to achieve the desired growth in turnover, which rose by just 10%, we did increase the number of active customers by 22%, which resulted in a 23% increase in revenues achieved in our core business of document transaction.

In terms of attracting new business, 2018 was also significant in that we achieved the biggest ever growth in our customer portfolio; what's more, the vast majority of these new customers are benchmarks in their various sectors of activity.

Since 2019 looks likely to be the year when electronic invoicing will finally become a reality in Public Contracts, YET will remain determined in its efforts to find new windows of opportunity in this and other sectors of activity with a view to taking advantage of factors that could contribute

"In terms of attracting new business, 2018 was also significant in that we achieved the biggest ever growth in our customer portfolio; what's more, the vast majority of these new customers are benchmarks in their various sectors of activity."

to companies' competitiveness, a fundamental condition for their sustainability.

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

As a strategy to enhance and expand our range, 2019 will also see new products being launched, either in partnership or developed individually, and which will complement the implementation of the solutions currently available, as well as providing new business opportunities.

On the basis of this strategy, YET is expected to continue growing in 2019, with our aim being to achieve a 22% increase in turnover.



ACCOUNTS FOR THE 2018 FINANCIAL YEAR

CONSOLIDATED PROFIT AND LOSS STATEMENT BY NATURE PERIOD ENDING 31 DECEMBER 2018

PRIMAVERA - Business Software Solutions, S.A.

VAT no 503 140 600

2018 Financial Year

Currency EUR (€)

INCOME AND EXPENSES	NOTES	2018	2017
Sales and services rendered		24 325 218,56	23 400 739,98
Operating grants		118 985,78	224 509,81
Profits/losses attributable to subsidiary associates and joint ventures		0,00	859,43
Variation in production inventories		0,00	0,00
Work in favour of the company itself	6	0,00	0,00
Cost of goods sold and materials consumed		-316 728,86	-380 409,51
Supplies and external services		-8 841 864,52	-7 868 098,89
Staff costs		-11 331 473,30	-10 840 537,41
Impairment of inventories		0,00	0,00
Impairment of receivables		-2 327,02	-103 049,16
Provisions		0,00	0,00
Impairment of non-depreciable/amortizable investments		0,00	0,00
Increase/decrease in fair value		0,00	0,00
Other income		253 759,83	687 912,32
Other expenses		-863 775,29	-1 226 248,97
Profits before depreciation, financing expenses and tax		3 341 795,19	3 895 677,60
Depreciation and amortization expenditure/reversals		-943 860,07	-986 161,76
Impairments of depreciable/amortizable investments		0,00	0,00
Operating profit (before financing costs and tax)		2 397 935,12	2 909 515,84

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2018**PRIMAVERA** - Business Software Solutions, S.A.**VAT no** 503 140 600**2018 Financial Year****Currency** EUR (€)

ASSETS	NOTES	2018	2017
Non-current Assets			
Tangible fixed assets	6,9	6 566 157,88	6 842 080,53
Goodwill	4	46 118,57	52 706,93
Intangible assets	6,8,9	554 710,90	726 513,66
Biological assets		0,00	0,00
Financial participations – equity method		0,00	0,00
Shareholders/partners		0,00	0,00
Other financial investments		1 787 071,57	1 308 358,90
Other financial assets		0,00	0,00
Other Receivable		0,00	0,00
Credits Deferred tax assets	11	203 425,78	131 952,98
		9 157 484,71	9 061 613,00

ASSETS	NOTES	2018	2017
Current Assets			
Inventories		0,00	0,00
Biological assets		0,00	0,00
Customers	6	3 481 063,56	4 540 394,48
Supplier advances		0,00	0,00
Government and other public bodies		163 209,97	347 842,02
Shareholders/partners		1 013 782,75	892 245,55
Other accounts receivable		165 875,24	436 133,90
Deferments	6	770 015,36	642 093,91
Financial assets held for trading		0,00	0,00
Other financial assets		0,00	0,00
Non current assets held for sale		0,00	2 156,00
Cash and bank deposits		4 110 864,12	4 831 793,04
		9 704 811,00	11 692 658,90
		18 862 295,70	20 754 271,90

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2018**PRIMAVERA** - Business Software Solutions, S.A.**VAT no** 503 140 600**2018 Financial Year****Currency** EUR (€)**EQUITY AND LIABILITIES****Equity**

Paid-up capital	2 550 000,00	2 550 000,00
Own shares (stocks)	-310 697,50	-262 637,50
Other equity instruments	0,00	0,00
Share premium	0,00	0,00
Legal reserves	510 000,00	541 748,34
Other reserves	3 171 757,56	2 993 848,83
Retained earnings	12 178,47	0,00
Adjustments to financial assets	0,00	0,00
Revaluation surpluses	0,00	0,00
Adjustments/Other changes in equity	4 030,54	-709 344,32
Exchange Conversion Reserve	-734 097,27	0,00
	5 203 171,80	5 113 615,35
Net profits for the period	2 189 505,09	2 579 855,06
Minority interests	42 640,58	-55 363,61
Total equity	7 435 317,47	7 638 106,80

EQUITY AND LIABILITIES

Liabilities

Non-current Liabilities

Provisions		0,00	0,00
Financing received		4 391 820,00	4 866 847,32
Post-employment benefit responsibilities		0,00	0,00
Deferred tax liabilities	11	0,00	0,00
Other accounts payable		0,00	0,00
		4 391 820,00	4 866 847,32

Current Liabilities

Suppliers	6	1 014 626,57	1 171 465,37
Advances to customers		6 378,04	33 277,42
Government and other public bodies		1 138 170,35	1 169 265,99
Shareholders		157 825,43	144 692,04
Financing received	13	1 540 764,31	2 542 006,24
Other accounts payable		2 921 641,95	2 792 524,16
Deferments	6	255 751,57	396 086,57
Financial liabilities held for trading		0,00	0,00
Other financial liabilities		0,00	0,00
Non current liabilities held for sale		0,00	0,00
		7 035 158,23	8 249 317,79
		11 426 978,23	13 116 165,11
		18 862 295,70	20 754 271,90

**CASH FLOW STATEMENT FOR PERIOD ENDING
31 DECEMBER 2018**

PRIMAVERA - Business Software Solutions, S.A.

VAT no 503 140 600

2018 Financial Year

Currency EUR (€)

READINGS	NOTES	31.12.2018	31.12.2017
Cash flow from operating activities – direct method			
Payments received from customers		26 554 845,96	25 459 448,26
Payments to suppliers		-8 759 997,10	-7 149 385,26
Payments to staff		-10 887 380,61	-9 892 646,36
	Cash flow generated by the operations	6 907 468,24	8 417 416,64
Income tax payments made/received		-29 556,26	-29 001,37
Other payments made/received		-2 882 355,59	-3 051 537,87
	Cash flow from operating activities (1)	3 995 556,40	5 336 877,40
Cash flow from investment activities			
PAYMENTS RELATING TO:			
Tangible fixed assets		-207 002,36	-100 695,37
Intangible assets		-22 659,27	-589 773,65
Financial Investments		-412 516,86	-683 527,19
Other assets		0,00	0,00
PAYMENTS RECEIVED FROM:			
Tangible fixed assets		176 262,21	38 841,88
Intangible assets		0,00	0,00
Financial investments		112 894,54	0,00
Other assets		0,00	0,00
Investment subsidies		244 246,12	86 047,93
Interest and similar income received		590 108,02	83 147,08
Dividends		0,00	40 000,00
	Cash flow from investment activities (2)	481 332,40	-1 125 959,32

Cash flow from financing activities**PAYMENTS RECEIVED FROM:**

Financing received	411 680,17	451 084,98
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	6 561 908,12	6 367 036,56

PAYMENTS RELATING TO:

Financing received	-687 354,24	0,00
Interest and Similar Expenditure	-92 543,08	-406 404,60
Dividends	-548 061,02	-78 160,00
Capital reduction and other equity instruments	0,00	0,00
Other financing operations	-8 996 420,60	-7 767 905,73
Cash flow from financing activities (3)	-3 350 790,65	-1 434 348,79

Variation in cash and cash equivalents (1 + 2 + 3)	1 126 098,15	2 776 569,29
Effects of exchange rate fluctuation	-1 847 027,06	-492 148,73
Cash and cash equivalents at the start of the period	4 831 793,04	2 547 372,48
Cash and cash equivalents at the end of the period	4 110 864,12	4 831 793,04

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
IN THE PERIOD 2018**
PRIMAVERA - Business Software Solutions, S.A.

VAT no 503 140 600

Currency EUR (€)

Equity attributed to equity holders of the parent company

Description		Subscribed capital	Own shares (stocks)	Other equity instruments	Share premiums	Legal reserves
Position at the start of the 2018 period	6	2 550 000,00	(262 637,50)			541 748,34
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						(31 748,34)
	7					(31 748,34)
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 2018 PERIOD	11=6+7+8+10	2 550 000,00	(310 697,50)			510 000,00

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
IN THE PERIOD 2017**
PRIMAVERA - Business Software Solutions, S.A.

VAT no 503 140 600

Currency EUR (€)

Equity attributed to equity holders of the parent company

Description		Subscribed capital	Own shares (stocks)	Other equity instruments	Share premiums	Legal reserves
Position at the start of the 2017 period	1	2 550 000,00	(214 577,50)			510 000,00
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						31 748,34
	2					31 748,34
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		(48 060,00)			
POSITION AT THE END OF THE 2017 PERIOD	6=1+2+3+5	2 550 000,00	(262 637,50)			541 748,34

APPENDIX TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDING AT 31 DECEMBER 2018

1. INTRODUCTORY NOTE

The company PRIMAVERA Business Software Solutions, S.A., with head office at number 74 Rua Dr. Egidio 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.

These complete financial statements have been presented in accordance with the Accounting Standards and Financial Reporting (NCRF) guidelines 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 2018, 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 2018 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 assumptions

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

3.1.2. The accruals basis

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

The heading creditors by accrual of expenses records the expenses incurred for paid leave and holiday allowances that fell due in 2018, 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 2018 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. Measurement Bases

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 at cost price minus any 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 liabilities, recognises the tangible fixed assets and corresponding accumulated depreciations and outstanding debts in accordance with the contractual financial plan. Additionally, interest included in the rental values and the depreciation of the tangible fixed assets are recognised as expenses in the profit and loss statement for the year to which they refer.

In the case of leases considered as operational, rents due are recognised as expenses in the profit and loss statement on a linear basis during the validity period of the leasing contract.

3.2.7. 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 investment 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 future tax profits being earned for them to be used, or in situations where there are taxable temporary differences that offset the deductible temporary differences in the period of their reversal.

Such deferred taxes are recalculated at the end of each period and are reduced whenever their future use becomes unlikely.

Deferred taxes are recognised as expenses or income for the financial year except where they result from values recorded directly under equity, in which case the deferred tax is also shown under the same heading.

The expenses relating to income tax for the period correspond to the sum of the current and deferred tax.

3.2.10. 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

The bank deposits contain sums in euros for which the risk of a change in value is not significant.

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 2018.

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 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, i.e. that is 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; or
- Present obligations arising from past events but which are not recognised because it is not likely that a flow of resources that would affect economic benefits will be required to extinguish the obligation or because the amount of the obligation cannot be reliably measured.

Although disclosed, contingent liabilities are not recognised in the financial statements unless the possibility of a cash outflow affecting future economic benefits is remote.

Contingent assets are potential assets arising from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events that are not entirely within the entity's control.

Contingent assets are not recognised in the financial statements but are disclosed when there is likely to be a future economic benefit.

3.2.15. 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 2018 and 2017 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

The direct method was used to disclose cash flows. This informs about the main components of gross receipts and payments, obtained from the company's accounting records.

Liquid financial assets shown on the Balance Sheet	2018			2017		
	Amounts available for use	Amounts not available for use	Totals	Amounts available for use	Amounts not available for use	Totals
Cash register						
Cash	62 972,68	0,00	62 972,68	64 063,63	0,00	64 063,63
Bank deposits						
Demand deposits	4 047 891,44	0,00	4 047 891,44	4 767 729,41	0,00	4 767 729,41
Totals	4 110 864,12	0,00	4 110 864,12	4 831 793,04	0,00	4 831 793,04

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%
Others	198	7,76%
Total	2 550 000	100%

5.2. Management Remunerations

The Administration is not remunerated.

5.3. Statutory Auditor/Chartered Accountant Fees

Description	2018	2017
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 2018

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

Balances with related parties at 31 December 2017.

Related parties	Operational		Financing		IRC-REGTS	
	Balances pending assets	Balances pending liabilities	Balances pending assets	Saldos pendentes passivos	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, S.A. (PESP)	117 207,65	15 097,23	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	15 604,19	0,00	0,00	0,00	0,00
PRIMAVERA Verde, Lda.	246,00	15 055,20	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	104 327,14	59 157,25	0,00	0,00	0,00
Totals	5 141 860,55	147 377,14	951 402,80	0,00	0,00	144 692,04

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.

	Operational		Financing	
	Purchase of goods and services	Sales and service provision	Financial charges incurred	Financial charges debited
Related parties				
Other related parties:				
PRIMAVERA BSS, PT	769 740,96	2 572 176,44	0,00	0,00
PRIMAVERA BSS, LIMITADA (PMZ)	544 308,65	8 261,84	0,00	749,50
PRIMAVERA BSS, S.A. (PESP)	62 264,61	206 080	0,00	0,00
PRIMAVERA BSS, Lda. (PANG)	1 558 826,68	13 518,90	0,00	0,00
Valuekeep, Lda.	211 766,48	277 083,13	0,00	0,00
PRIPT Business Software Solutions, Lda.	0,00	0,00	0,00	0,00
YET - Your Electronic Transactions, Lda.	181 077,72	87 616,84	0,00	0,00
NumbersBelieve - Sist. de Informação para Gestão	0,00	162 498,45	0,00	0,00
Totals	3 327 985,10	3 327 235,60	0,00	749,50

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

6.1. Intangible Assets

During the financial year ending on 31 December 2018, 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 31.12.2017	Additions	Disposals	Write-downs	Transfer / settlement	Balance at 31.12.2018
Goodwill	65 883,67	0,00	0,00	0,00	0,00	65 883,67
Subtotal	65 883,67	0,00	0,00	0,00	0,00	65 883,67
Development projects	74 204,46	0,00	0,00	0,00	0,00	74 204,46
Computer programmes	696 350,45	133 159,00	0,00	0,00	0,00	829 509,45
Industrial Property	1 507 316,14	0,00	0,00	0,00	0,00	1 507 316,14
Other intangible assets	2 835 115,99	47 713,82	0,00	0,00	0,00	2 882 829,81
Intangible Assets in progress	0,00	14 067,00	0,00	0,00	0,00	14 067,00
Subtotal	5 112 987,04	194 939,82	0,00	0,00	0,00	5 307 926,86
Totals	5 178 870,71	194 939,82	0,00	0,00	0,00	5 373 810,53

Net Intangible Assets €554,710.90.

Amortizations	Balance at 31.12.2017	Additions	Disposals	Write-downs	Transfer / settlement	Balance at 31.12.2018
Goodwill	13 176,74	6 588,36	0,00	0,00	0,00	19 765,10
Subtotal	13 176,74	6 588,36	0,00	0,00	0,00	19 765,10
Development projects	74 204,46	0,00	0,00	0,00	0,00	74 204,46
Computer programmes	178 346,97	209 745,01	0,00	0,00	0,00	388 091,98
Industrial Property	1 468 712,76	95 459,08	0,00	0,00	-68 730,70	1 495 441,14
Other intangible assets	2 643 209,20	152 269,18	0,00	0,00	0,00	2 795 478,38
Intangible Assets in progress	0,00	0,00	0,00	0,00	0,00	0,00
Subtotal	4 364 473,39	457 473,27	0,00	0,00	-68 730,70	4 753 215,96
Totals	4 377 650,13	464 061,63	0,00	0,00	-68 730,70	4 772 981,06

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 2018, the detailed list of tangible fixed assets and respective depreciations was as follows:

Gross amounts	Balance at 31.12.2017	Additions	Disposals	Donations	Adjustments	Balance at 31.12.2018
Land and natural resources	725 000,00	0,00	0,00	0,00	0,00	725 000,00
Buildings and other constructions	5 186 012,26	0,00	-233 875,42	0,00	-32 976,41	4 919 160,43
Basic equipment	1 871 763,28	188 791,30	-45 757,88	-8 753,40	0,00	2 006 043,30
Transport equipment	1 888 105,02	209 560,66	-182 353,22	0,00	8 024,16	1 923 336,62
Administrative equipment	678 156,67	21 464,43	-1 648,00	0,00	-56 632,20	641 340,90
Other tangible fixed assets	290 385,95	15 427,48	-7 917,77	0,00	0,00	297 895,66
Tangible fixed assets in progress	0,00	3 920,00	0,00	0,00	0,00	3 920,00
Totals	10 639 423,18	439 164,87	-471 552,29	-8 753,40	-81 584,45	10 516 696,91

Depreciations	Balance at 31.12.2017	Additions	Disposals	Donations	Settlements	Balance at 31.12.2018
Land and natural resources	0,00	0,00	0,00	0,00	0,00	0,00
Buildings and other constructions	742 480,47	95 607,66	-80 466,98	0,00	-24 155,37	733 466,78
Basic equipment	1 677 275,16	118 877,46	0,00	-5 753,20	-43 499,36	1 746 900,06
Transport equipment	786 674,27	190 886,78	-81 718,98	0,00	-48 804,62	847 037,45
Administrative equipment	419 191,97	52 471,37	-1 648,00	0,00	-36 271,96	433 743,38
Other tangible fixed assets	171 720,78	21 955,17	0,00	0,00	-4 283,59	189 392,36
Totals	3 797 342,65	479 798,44	-163 833,96	-5 753,20	-157 014,90	3 950 539,03

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

7. INVESTMENTS IN SUBSIDIARIES AND CONSOLIDATION

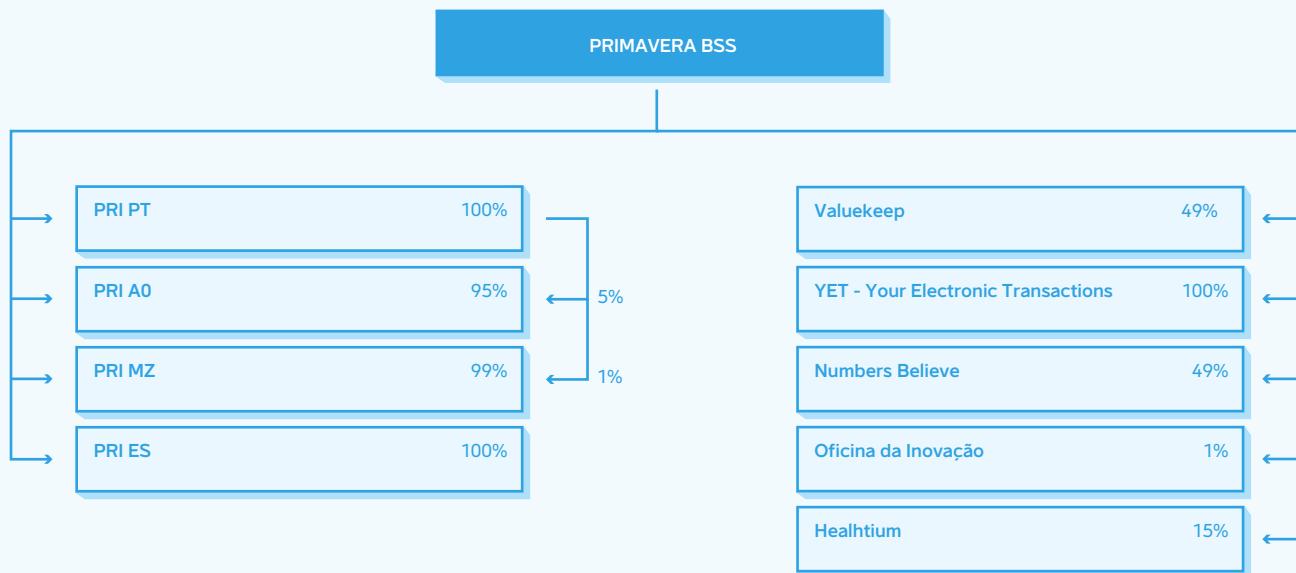
7.1. Consolidation Perimeter

The consolidated financial statements include, as at 31 December 2018, 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. (Espanha)	Espanha	100%	Sales and marketing of software
PRIMAVERA Business Software Solutions, Lda. (Moçambique)	Moçambique	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:

PRIMAVERA Organogram





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;
- (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 €63,507.81, which includes a positive net return of €42,095.86 for the financial year);
- PRIMAVERA – Business Software Solutions, S. A. – Spain – percentage of capital held: 100% (equity of €295,391.92, which includes a positive net return of €100,528.49 for the financial year);
- PRIMAVERA – Business Software Solutions, Lda. – Angola – percentage of share capital held: 100%, of which 95% directly and 5% indirectly (positive equity of €751,822.85 including a positive net return for the financial year of €163,204.13);
- PRIMAVERA – Business Software Solutions, Lda. – Mozambique – percentage of share capital held: 100% (negative equity of €146,280.14, including a positive net return for the financial year of €24,216.95);
- YET – Your Electronic Transactions, Lda. – Braga – percentage of capital held: 100% (equity of €140,476.56, including a positive net return for the financial year of €68,851.11);
- NumbersBelieve – Sistemas de Informação para a Gestão, Lda. – Braga – percentage of share capital held: 49% (negative equity of €40,413.61, including a negative net return for the financial year of €90,469.36);
- Valuekeep Lda – Braga – percentage of capital held: 49% (equity of €33,594.03, including a negative net return of €275,534.81);

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 the 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 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 not be recognised 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 2018 are as follows:

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

7.2. Consolidation Bases

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:

Exchange rates in force on the date of the balance sheet:

– USD – 1.145; CVE – 110.265; AKZ – 361.823; and MT – 70.960.

Average exchange rates in the financial year:

– USD – 1.182; CVE – 110.265; AKZ – 304.680 and MT – 71.895.

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 previous Periods and other Changes in Equity. The reserves relate to retained earnings which have not been distributed; under the heading of other changes they 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 2018, the equity headings showed the following breakdown:

Accounts	Initial Balance	Increase	Reduction	Final Balance
51- Capital	2 550 000,00	0,00	0,00	2 550 000,00
52 - Equity	-262 637,50	-48 060,00	0,00	-310 697,50
521 - Nominal Value	-66 000,00	-6 000,00	0,00	-72 000,00
522 - Discounts and Premiums	-196 637,50	-42 060,00	0,00	-238 697,50
551 - Legal Reserves	541 748,34	-31 748,34	0,00	510 000,00
5521 - Free Reserves	2 981 670,36	190 087,20	0,00	3 171 757,56
56 - Retained Earnings	12 178,47	0,00	0,00	12 178,47
59 - Other Changes in equity	0,00	4 030,54	0,00	4 030,54
Exchange Conversion Reserve	-709 344,32	-734 097,27	-709 344,32	-734 097,27
Non-controlling interests	-55 363,61	42 640,58	-55 363,61	42 640,58
818 - Liquid Result	2 579 855,06	2 189 505,09	-2 579 855,06	2 189 505,09
Totals	8 347 451,12	1 608 327,26	3 344 562,99	7 435 317,47

8.2. Financial assets and liabilities

The financial assets and liabilities are measured at cost and at the end of the period 2018 and 2017 comprised the following:

Financial assets	2018			2017		
	At Cost	At Amortised Cost	At Fair Value	At Cost	At Amortised Cost	At Fair Value
Non-current Assets						
Other financial investments	1 787 071,57	0,00	0,00	1 308 358,90	0,00	0,00
Total non-current assets	1 787 071,57	0,00	0,00	1 308 358,90	0,00	0,00
Current Assets						
Customers						0,00
Customers current account	3 479 444,02	0,00	0,00	4 680 952,43	0,00	0,00
Customers doubtful debt	583 492,82	0,00	0,00	558 024,47	0,00	0,00
Accumulated impairment losses	581 873,28	0,00	0,00	698 582,42	0,00	0,00
	3 481 063,56	0,00	0,00	4 540 394,48	0,00	0,00
Other accounts receivable	165 875,24	0,00	0,00	436 133,90	0,00	0,00
Other Financial Assets	0,00	0,00	0,00	2 156,00	0,00	0,00
Total current assets	3 646 938,80	0,00	0,00	4 978 684,38	0,00	0,00
Total financial assets	5 434 010,37	0,00	0,00	6 287 043,28	0,00	0,00

Financial liabilities	2018			2017		
	At Cost	At Amortised Cost	At Fair Value	At Cost	At Amortised Cost	At Cost
Non-current liabilities						
Provisions	0,00	0,00	0,00	0,00	0,00	0,00
Loans obtained	4 391 820,00	0,00	0,00	4 866 847,32	0,00	0,00
Other accounts payable	0,00	0,00	0,00	0,00	0,00	0,00
Total non-current liabilities	4 391 820,00	0,00	0,00	4 866 847,32	0,00	0,00
Current liabilities						
Suppliers						
Suppliers current account	870 478,73	0,00	0,00	1 135 516,95	0,00	0,00
Suppliers of investments	144 147,84	0,00	0,00	35 948,42	0,00	0,00
	1 014 626,57	0,00	0,00	1 171 465,37	0,00	0,00
Financing received	1 540 764,31	0,00	0,00	2 542 006,24	0,00	0,00
Other accounts payable	2 921 641,95	0,00	0,00	2 792 524,16	0,00	0,00
Total current liabilities	5 477 032,83	0,00	0,00	6 505 995,77	0,00	0,00
Total financial liabilities	9 868 852,83	0,00	0,00	11 372 843,09	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:

Accounts	Initial Balance	Reinforcem	Reversal	Final
Accounts receivable	804 048,18	59 029,27	281 204,17	581 873,28

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 2018, 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	31.12.2018	31.12.2017
Parent Company – Supplies		
Other loans		
Novo Banco	1 514 010,36	70 244,15
B.P.I	1 431 293,54	1 168 227,29
C.G.D	1 318 100,12	1 984 262,05
B.C.P	119 724,80	626 579,19
Totta	8 691,18	423 767,58
B.I.C	0,00	593 767,06
Subtotal	4 391 820,00	4 866 847,32
Totals	4 391 820,00	4 866 847,32
Loans obtained – current liabilities		
Bank overdrafts		
Other loans		
Novo Banco	513 368,00	166 822,66
B.P.I	426 263,55	357 772,23
C.G.D	348 003,27	1 363 988,06
B.C.P	86 48 6,02	274 658,52
Totta	15 049,70	235 237,49
B.I.C	10 119,74	112 870,52
BIM	141 474,03	30 656,76
Subtotal	1 540 764,31	2 542 006,24
Totals	1 540 764,31	2 542 006,24

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

	2018		2017	
	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	316 728,86	0,00	380 409,51	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	316 728,86	0,00	380 409,51	0,00

10. LIST OF ASSETS IN FINANCIAL LEASING

Assets in financial leasing are included under the heading transport equipment. At the date of the balance sheet, the minimum payments due for leases relating to these financial leasing contracts totalled €214,543.51 current and €262,653.98 non-current.

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 2018 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 – €16,294.03

For the period in question subsidies to the value of €114,913.48 related to assets, and to the value of €2,237.19 related to IEFP were recognised.

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.

Consequently, the company's tax returns for the 2015 to 2018 financial years may be subject to review.

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

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.

Number of people working for the company, during the financial year

As at 31 December 2018, the company had 297 employees.

Entity	Number of Employees	
	2018	2017
PBSS -Business Software Solutions, S. A	232	213
PRIPT - PRIMAVERA Business Software Solutions, Lda.	0	0
YET - Your Electronic Transactions, Lda.	7	6
PRIMAVERA Business Software Solutions, Lda. (Angola)	22	22
PRIMAVERA Business Software Solutions, S.A. (Espanha)	3	3
PRIMAVERA Business Software Solutions, Lda. (Moçambique)	17	19
Numbersbelieve - Sistemas de Informação para a Gestão, Lda.	6	6
Valuekeep, Lda.	10	8
Totals	297	277

15. MINORITY INTERESTS

The minority interests shown in the consolidated profit and loss statement at 31 December 2018 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.	-90 469,36	51%	-46 139,37
Valuekeep	-275 534,81	51%	-140 522,75
Total			-186 662,12

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 2018, 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 entity's head office building is mortgaged to the bank Caixa Geral de Depósitos, to guarantee the proper and punctual payment of any and all assumed liabilities arising from financing to the entity itself.

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 2018.





The Catholic University of Mozambique (UCM) is one of the largest private higher education institutions in the country. Founded in 1995, this institution belonging to the Episcopal Conference of Mozambique is headquartered in the city of Beira and has basic units in Beira, Nampula, Cuamba, Pemba, Chimoio, Tete, Quelimane, Lichinga and Gurúè.

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 consolidated balance sheet as at 31 December 2018 (which shows a total of 18,862,296 euros and total equity of 7,435,317 euros, including a net profit of 2,189,505 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 2018, as well as its financial performance and consolidated cash flows relating to the period ending on said date, in accordance with the Accounting and Financial Reporting Standards of the Standardised Accounting System.

Bases for the opinion

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

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

Responsibilities of the management body as regards the consolidated financial statements

The management body is responsible for:

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

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

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

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

- Identifying and assessing the risks of material distortion of the consolidated financial statements due to fraud or error; designing and implementing auditing procedures to address such risks; and obtaining sufficient

and appropriate audit evidence to provide us with a basis for our opinion. The risk of not detecting a material distortion due to fraud is greater than the risk of not detecting a material distortion due to error, since fraud may involve collusion, falsification, intentional omissions, false statements or overlapping of internal control;

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

About the management report

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

Braga, 26 March 2019.

Joaquim Guimarães, Manuela Malheiro and Mário Guimarães,
Audit Firm

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