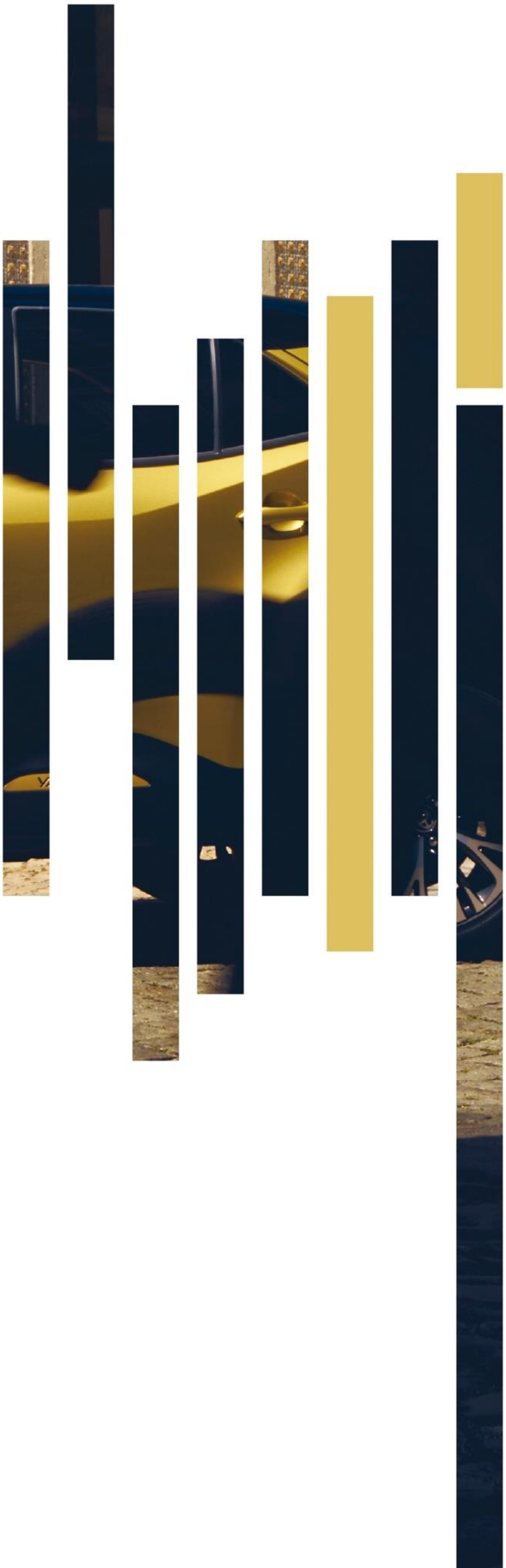
ANNUAL REPORT

2022

Toyota Caetano Portugal, SA

PDF version of the financial statements.
In the event of discrepancies between this version and the ESEF version, the latter prevails.

INDEX



01
GENERAL

GOVERNING BODIES

BOARD OF THE GENERAL MEETING

Chairman
Jorge Manuel Coutinho Franco da Quinta

Vice-Chairman
António José da Cruz Espinheira Rio

Secretary
Alírio Ferreira dos Santos

Secretary
João António Ferreira de Araújo Sequeira

BOARD OF DIRECTORS

Chairman and CEO
José Reis da Silva Ramos

Member
Maria Angelina Martins Caetano Ramos

Member
Miguel Pedro Caetano Ramos

Member
Gisela Maria Falcão Sousa Pires Passos

Member
Tom Fux

Member
Kazunori Takagi

Alternate
Masaru Shimada

SUPERVISORY BOARD

Chairman
José Reis da Silva Ramos

Member
Daniel Broekhuizen

Member
Antonieta Isabel da Costa Moura

Alternate
Maria Lívia Fernandes Alves

Alternate
Akito Takami

STATUTORY AUDITOR

Effective
Deloitte & Associados, SROC S.A.

Alternate
João Carlos Henriques Gomes Ferreira

NOMINATION, APPRAISAL AND REMUNERATION COMMITTEE

Member
Alberto Luis Lema Mandim

Member
Maria da Conceição Monteiro da Silva

Member
Francelim Costa da Silva Graça

02
SINGLE MANAGEMENT REPORT

INDEX

INTRODUCTION

In accordance with the provisions of subparagraph a) of number 1 of article 29-G of the Portuguese Securities Code were prepared the Management Report and the proposal for the appropriation of results presented below, as well as the respective Annexes in accordance with the provisions of articles 65, 66 and 508-C of the Commercial Companies Code. For each of the Companies comprising the consolidation perimeter of Toyota Caetano Portugal, SA (“TCAP”), an indication of the main events that occurred during the year and the respective impact on the financial statements will be presented.

Under the terms set out in the Commercial Companies Code, Toyota Caetano Portugal opts for the autonomous publication of the Sustainability Report, which is published and available on the company's website at https://toyotacaetano.pt/en/sustainability-and-environment/.

MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

At Toyota Caetano Portugal, we believe that People are at the center of everything and, therefore, are part of our strategy. This way of being makes even more sense at a time when the automotive industry is going through a period of enormous transformation and responding to a new reality, which is imposing a challenging context for the daily lives of each one of us and for our business. They are dedicated teams, focused on our purpose and that daily look for opportunities to experiment and evolve, without fear of failure, that help us to overcome the economic, social, and environmental challenges that we all experience.

The year 2022 is marked by instability in supply chains, rising energy costs and a rising rate of inflation on a global scale. A context that was aggravated by the war in Ukraine, which unexpectedly knocked on Europe's door. Throughout the year, this volatile environment put our ability to overcome obstacles, our resilience and ambition to the test. As always, our teams responded to yet another challenge with commitment, competence, and professionalism. For this reason, I express my heartfelt thanks to all our People, Customers and Partners, for another year marked by overcoming obstacles and the feeling of unity that is so characteristic of Toyota Caetano Portugal.

Against the backdrop of a weakly growing automotive market in Portugal (+2.5% compared to 2021), the Toyota brand was a success story, with sales growth of 8.8% and increasing its market share total sales of light vehicles to 6.3%, the highest figure since 2008. In the light commercial vehicle segment, despite the major restrictions faced in the production and supply capacity of vehicles, Toyota continued to significantly reinforce its market positioning and increased its share to 9.5% (+0.9 percentage points). These results place the Toyota brand in the Top 5 in sales in 2022, the best result in the ranking in the last 30 years. The Lexus brand, with vehicles with a high technological content, was severely affected by difficulties in the component supply chains, having shown an inverse trend, with a decrease in sales.

At a corporate level, Toyota was distinguished for the 13th consecutive year as a "Trusted Automobile Brand", "Trusted Environment Brand" for the 3rd consecutive year and as a Five Star Brand, distinctions that reinforce recognition for its relationship with customers, quality and leadership in electrification and environmentally friendly technology. The Toyota Caetano Portugal factory also registered a growing production volume of its Land Cruiser 70 model (100% dedicated to export), in 2022, the best year since the beginning of this project, 2,969 vehicles were produced, a significant increase compared to 1 947 units of the previous year.

Regarding the Industrial Equipment Division, our market leadership continues to be well positioned, with results above budget.

I am naturally proud of these results, which demonstrate the strength and competitiveness of our commercial strategy, but even more proud of the confidence of our customers and the performance of our employees. We want to remain committed to providing our customers with a unique experience at all points of contact with the brand – whether on digital channels or in our dealership networks.

In partnership with Toyota Financial Services and KINTO, we remain committed to develop and provide our customers with the most advanced and flexible mobility solutions, easily accessible through our dealer network and various digital channels, for maximum customer convenience.

With our eyes on the future of mobility, in 2022 we continued to accelerate in the 100% electric vehicle market with the launch of the new bZ4X models: Proace Electric and Proace City Electric. Investment in these products represents our ambition to contribute to the necessary paradigm shift towards decarbonized mobility, capable of responding to today's most urgent environmental challenges.

The path of decarbonization via electric mobility has also been a strong bet for CaetanoBus. The company has followed the trends in the zero emissions market with the consolidation of sales of e.City Gold and e.Cobus electric buses, especially in Europe. Regarding the H2 City Gold model, it is currently the fourth company with the most hydrogen city buses in operation in Europe, leading sales in countries such as Germany and the Iberian Peninsula.

An example of this is the continuity of the “One Toyota, one tree” initiative, which since 2005 has contributed to a greener Portugal, offering Nature a tree for every vehicle sold. Today, we count more than 196,000 trees planted from the north to the south of the country. Towards the zero emissions challenge, we currently have a project underway for 10 photovoltaic production units for self-consumption in our facilities, a technology that will allow us to save 750 tons. CO2 / year.

The past year was a year of consolidation of our sustainability strategy. We have always assumed the responsibility of helping people move towards a better future and it is in our DNA to be active agents in the change we want to see in the community and in the world, with the mission of helping to “Produce happiness for all”.

Focusing on our strategic pillars, “people” and “planet”, we work together to meet our goals by 2030 and rely on our companies, partners and employees to build the change that it is our commitment to promote.

For over 50 years, social sustainability has guided Toyota's vision in Portugal. As a way of supporting the community in a year marked by rising prices resulting from inflation, Toyota once again launched the "ONE TOYOTA ONE MISSION" campaign, this time with the aim of helping the Food Emergency Network. For each mechanic service invoiced, Toyota donated €1 which was converted into food baskets for those most in need, an action which raised a total of €33,000 for the Food Emergency Network.

In line with this attitude of responsibility and commitment, I am confident in the future. Every day, we seek to do better, leaving a positive mark on the lives of future generations and the planet. It is left for me, therefore, once again, to thank the entire Toyota Caetano Portugal family for another year of boldness and achievements. It is, in fact, an inspiration to be able to walk at your side.

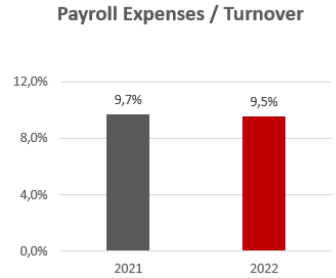
Thank you very much.

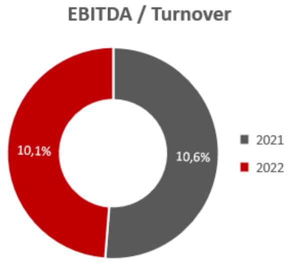
José Ramos

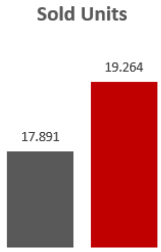
President & CEO Toyota Caetano Portugal

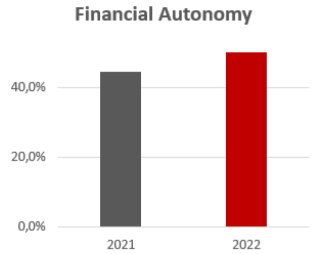
MAIN INDICATORS OF THE GROUP

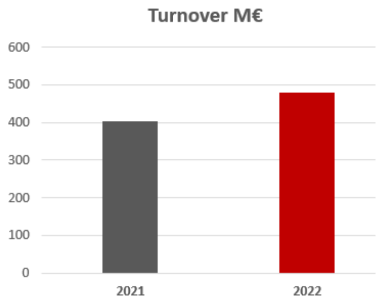
The year 2022 enabled Toyota Caetano Portugal to consolidate its commitment to society, putting People first and where actions were developed with a view to a better, more sustainable, and more inclusive future.

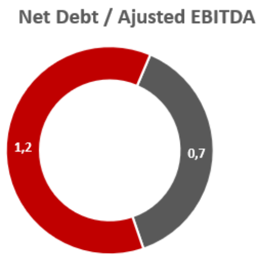


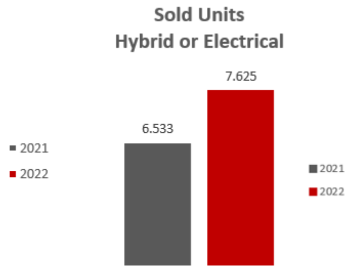




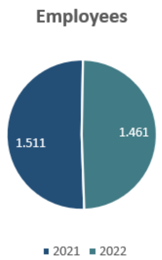


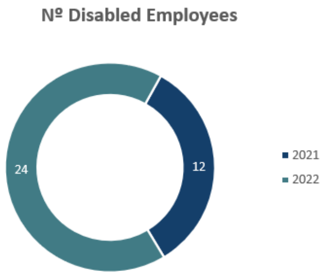






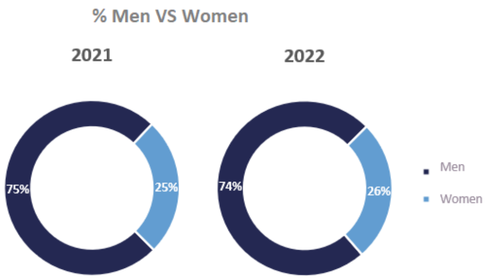
7.0 M€
Distributed Dividends 2022
(0,20€ share)





86 active partnerships throughout the country by 2022

25,59%
2022
% women leadership positions
23,08%
2021



43 years
Average Employee Age 2022
(43 years - 2021)

1 041 476
Training Hours 2022
VS
1 001 763
Training Hours 2021

THE BUSINESS MODEL

The Toyota Caetano Group is composed of the operating companies represented in the organization chart below:

Toyota Caetano Portugal

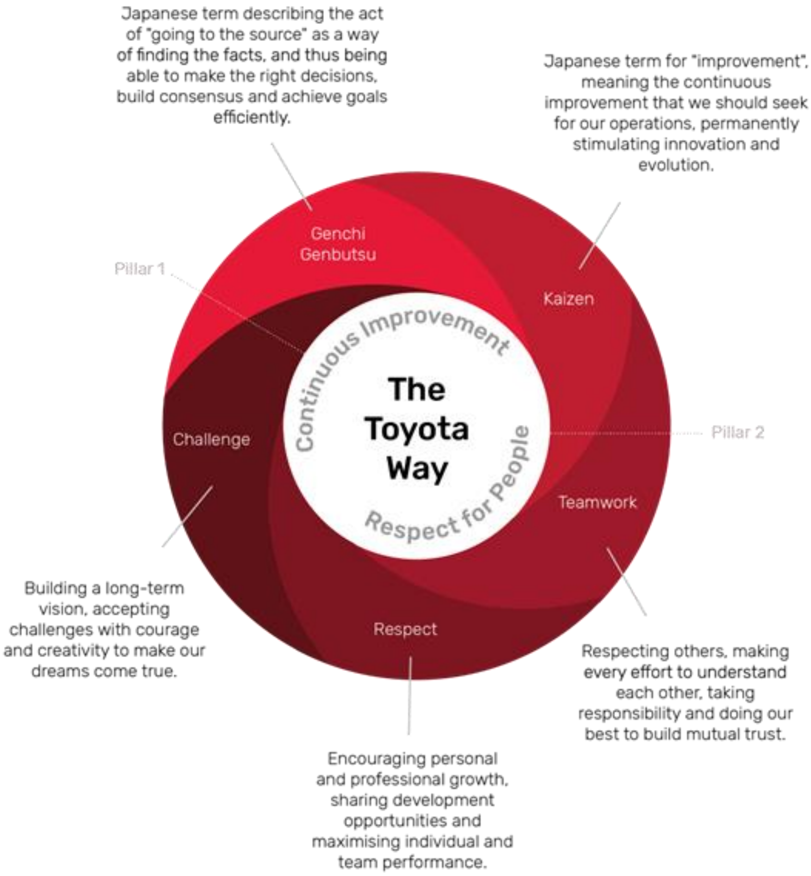
- 98,74% Caetano Auto
  - 57,00% Destaque Mourisco
  - 100,00% Salvador Caetano seguros
- 100,00% Caetano Renting
- 81,25% Caetano Auto CV
- 61,94% Caetano Bus
  - 59,18% Cobus
  - 100,00% Caetano UK
- 49,00% Kinto
  - 100,00% Caetano Renting Senegal

The Toyota Caetano Group, through its component companies, operates in various business areas and, despite individual strategies, they all converge towards a single purpose:

To be the most progressive and sought-after mobility brand on the market, which is why we work actively to achieve carbon neutrality by 2050 with accessible and flexible solutions for People and the Community.

We intend to operate a sustainable, progressive, and profitable business and have a great place to grow and work here.

Our business model follows *The Toyota Way* Philosophy:



TOYOTA CAETANO GROUP COMPANIES

This chapter presents each of the companies that make up the Toyota Caetano Group, its strategy, business evolution: performance in 2022 and outlook for 2023.

Toyota Caetano Portugal, S.A.

This chapter presents each of the companies that make up the Toyota Caetano Group, its strategy, business evolution: performance in 2022 and outlook for 2023.

Toyota and Lexus Division

It is the business unit of Toyota Caetano Portugal named by Toyota Motor Europe, which holds the exclusive activity of Importer of the Toyota and Lexus brands, both in the marketing and sale of new vehicles, and in that of r eliable semi-new vehicles, through its Exclusive Programs TUC (Trusted Used Toyota) and Lexus Select, complemented by the sale of original Toyota and Lexus parts and accessories. This segment also includes the activity of the Toyota and Lexus Hub, where al l vehicles are prepared for delivery to customers.

For the sale of the products, Toyota Caetano Portugal has a network of Authorized Toyota Dealers and Repairers, which it appoints, manages and is permanently monitors, always with the aim of exceeding Cust omers' expectations.

Industrial Equipment Division

Area responsible for the import, commercialization (sale or rental) and after-sales activity of industrial machines (counterweighted forklifts and warehouse equipment), as well as business services and so lutions, such as short-term rental, used and refurbished, maintenance, parts sales, and fleet management of such equipment.

Ovar Manufacturing Division (industrial segment)

Manufacture and assembly of Toyota vehicles as well as components for buses.

Toyota Caetano Portugal, SA's STRATEGY is distinct, yet complementary, in the 3 business areas it develops:

At the level of the Toyota and Lexus Division, the commercial and after-sales activity of these brands aims to become the most progressive and sought-after mobility brand on the market.

To achieve this goal, the strategy involves leading in electrification (hybrid vehicles – HEV, plug-in hybrid – PHEV, battery electric – BEV and hydrogen fuel cell – FCEV), actively contributing to the objectives set out at a national and European level, to achieve carbon neutrality by 2050, presenting solutions for all types and profiles of users. In addition, it will offer a wide range of affordable and flexible mobility solutions, in joint efforts with our business partners Toyota Kreditbank GmbH – Branch in Portugal (Toyota Financial Services) and the mobility company Kinto Portugal, SA.

Toyota Caetano Portugal also wants to guarantee the offer of an excellent customer experience and subsequent recommendations from the customer, supported by the BRiT Program (Best Retailer in Town), launched in 2019 for the entire dealership network, where everyone aims to be the best concessionaire in the area where they operate.

In addition to this programme, the Company has invested in digital channels (Omni-channel), in connectivity and associated services and in the One Stop Shop concept, where customers will find everything, th ey need, such as a wide range of light vehicles passenger and commercial, new and used, sale of genuine parts and accessories, maintenance contracts, sale of branded insurance, offer of flexible mobility solutions, among others.

Despite the ambitious goal, Toyota Caetano Portugal does not neglect the contribution it wants to make to society. Therefore, it considers be essential to enhance the strong reputation of the brand through partnership with the Olympic and Paralympic Games, offering sustainable mobility solutions through the Beyond Zero program, underlying a perspective of total decarbonization, leaving no one behind, of development and testing new technologies in the extreme context of competition and always being at the forefront of innovation.

Our long-term commitment to society and the environment is also reflected in the initiatives “One Toyota One Tree”, which plants a tree for every Toyota sold, and “One Toyota One Mission” which supports social solidarity projects.

All these strategies and policies are in line with those of the manufacturer, Toyota Motor Europe, and seek to capitalize on the value of vehicles throughout their life cycle, as well as recognizing the unique value of customers, providing them with a personalized and rewarding experience, that strengthens their loyalty and relationship with the brand.

In the activity of the Industrial Equipment Division, the strategy and objectives are integrated with the values of the Salvador Caetano Group and perfectly aligned with our stakeholder and represented, the Toyota Material Handling Europe (TMHE).

TMHE has defined its own way, with the aim of achieving “Zero Muda”, that is, eliminating all inefficiencies and waste along the various production, supply, and supply chains to customers.

The “Zero Muda” vision thus constitutes the fundamental approach of the strategy: Quality in everything we do, always putting the customer first and at the centre of the activity.

Enhancing the Quality (of our products and services) and providing an Experience of Excellence to the Customer are, therefore, the pillars of this strategy whose implementation involves:

- Focus on the Customer: constantly listening to the customer, understanding their needs and offering flexible and customized solutions, corresponding, and if possible, exceeding their expectations.

- Transformation and adequacy of the offer: (i) provision of premium products and excellent services: more technology, greater ergonomics, greater sustainability; (ii) diversified offer, not only in terms of product, but also regarding the way of operating the business (sale, medium-term rental, or short-term rental); (iii) solutions capable of responding to current challenges: automation, connectivity, and productivity; more efficient and sustainable energy solutions.

- Lean thinking: looking for continuous improvement (Kaizen) in everything we do, in the development of products and in the provision of services, both in terms of reducing costs for the customer and in terms of improving productivity.

- Competence as a Competitive Advantage: strong brand image, product quality and reliability, continuous commitment to innovation, high know-how and resource experience (whether in sales or after sales), always imbued with the strong culture of the Toyota Way.

Toyota equipment helps move the world, efficiently for the customer and sustainably for society.

Faithful to this strategy, Toyota Caetano Portugal intends to maintain its leading brand position in the market.

From a perspective of sustainability and orientation towards the future, and with total respect for environmental preservation, TMHE has invested heavily in the development of new technologies, such as hydrogen technology, and intends to keep the brand at the forefront of development, helping to build a more sustainable future for generations to come.

The Ovar Plant, aligned with the Toyota vision, aims to achieve Leading manufacturer for compact car profitability, following a long-term competitive industrial strategic approach.

This strategy is based on a commitment to product diversity and the optimization of investments, through increased production competitiveness accompanied by the construction of a globally competitive supplier base, digital transformation (I4.0), production flexibility and process optimization of the supply chain. All with the common denominator that is carbon neutrality and with the aim of building a more agile, resilient, and qualified organization, capable of self-motivation and retaining talent.

Ensuring that the sustainability of the business is achieved in the long term and that it is a milestone of its future is a constant concern. In this sense, it is committed to exploring new business opportunities in partnership with external entities and, with the support of Toyota Motor Corporation and Toyota Motor Europe, it is analysing several projects for the production and conversion of electric vehicles.

Regarding safety, Toyota Caetano Portugal is committed to ensuring that it continues to be an absolute priority, namely, to guarantee zero accidents and apply ergonomic principles adapted to factories that have a long *takt-time*.

As strategies of activities to improve production, Toyota Caetano Portugal, at its Ovar factory, will continue to develop the FMDS (Floor Management Development System), develop its people through continuous and close training. Implement, in all sections, the “Best Process, Best People, Best Management”. We also aim at the permanent use of the PDCA cycle (Plan, Do, Check, Act) and the development of intelligent automation, maintaining a balance between man and machine.

Reinforcing our talent, developing, and implementing the "Paperless Factory" digitization project are other pillars of the strategy of the Ovar Factory, today the Hoshin activity is a reality at the factory in the search for excellence in leadership in each area, with greater involvement and commitment.

The Factory is in the process of being transformed, to become more efficient and ecological. This process encompasses very important projects for their development and prominence, which will respond to the Toyota 2050 Environmental Challenge. This challenge, announced in 2015, includes six pillars:

- 1st Challenge: New vehicles with zero CO_2 emissions => the reduction of CO_2 emissions from Toyota vehicles by 90.0% by 2050.
- 2nd Challenge: Product Life Cycle with zero emissions => eliminate CO_2 emissions throughout the production and driving of vehicles.
- 3rd Challenge: Zero CO_2 Emissions in Factories => eliminate CO_2 emissions in the factory production process, recycle and reuse as much as possible.
- 4th Challenge: Minimize and Optimize the use of Water => minimize and optimize the use of water.
- 5th Challenge: Establish a Recycling System => promote ways of recycling to contribute to an environmentally friendly society.
- 6th Challenge: Establishing a Future Society in harmony with Nature => implementing projects that contribute to nature conservation.

TOYOTA AND LEXUS DIVISION

The year 2022 was, for Toyota Caetano Portugal, another year of strong and unexpected challenges.

The different activities of Toyota Caetano Portugal, through its People and processes, not only faced the difficulties they encountered but even, and once again, largely overcame them.

IMPORT AND DISTRIBUTION OF TOYOTA VEHICLES

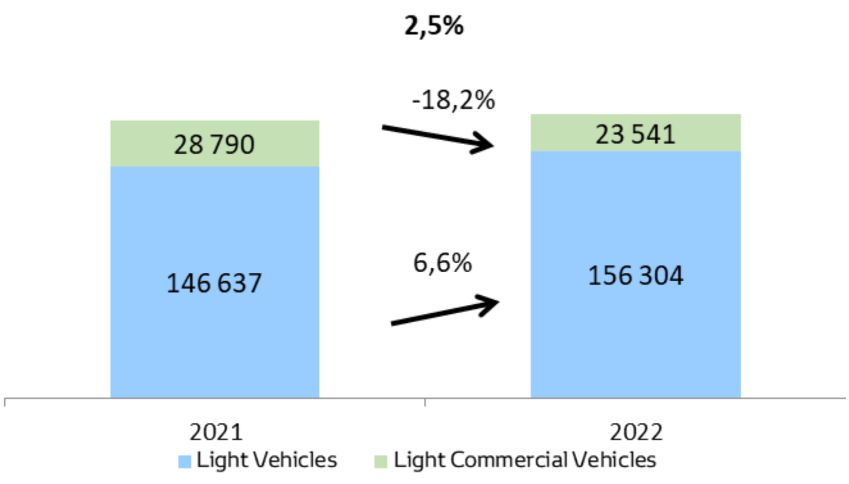
THE YEAR OF 2022

Framework of the Light Vehicles Market:

The evolution of the car market for light vehicles was marked by a growth of 2.5%, thus maintaining the moderate recovery trend after the drastic fall of 2020, despite still falling short of the level of growth initially envisaged.

The more robust growth that was expected was conditioned by the continuation of the production and supply restrictions that the entire automotive industry faced during 2022, because of the limited availability of semiconductors and other components of the extensive and complex supply chain, impacted by the conflict in Ukraine, new outbreaks of Covid 19 in several Asian countries and some extreme weather phenomena.

As a result of this situation, the first half of the year was generally marked by lower monthly sales figures than the previous year, which meant that, overall, the car market for light vehicles recorded a situation of moderate growth with the positive variation of 2.5%: while the passenger car market recorded still significant growth (+6.6%), the commercial vehicle market was subject to greater supply restrictions, which led to a negative variation of 18.2%.



Source ACAP

Toyota Vehicles

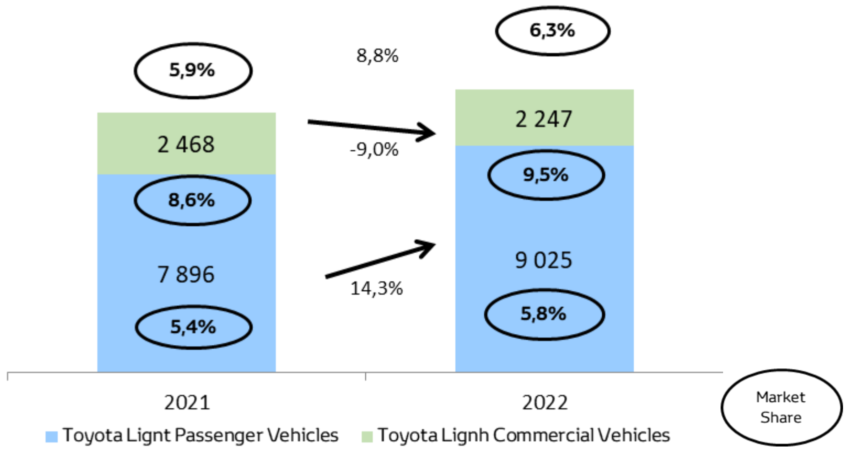
Toyota once again stood out with significantly higher growth than the total market, reaching 11,272 units, which corresponds to an increase of 8.8% compared to 2021. With this performance, the brand reached 5th place in the ranking of sales, with a market share of 6.3% (+0.4 pp vs. 2021).

Breaking down this performance by segments:

- In passenger cars, Toyota showed a significant growth of 14.3%, with a corresponding increase in market share from 5.4% to 5.8%. The good performances and consolidation in the respective segments of the Aygo X, Yaris, Yaris Cross, Corolla range and C-HR models contributed to these results.

  It should also be noted the start of sales with considerable success of the bZ4X model, Toyota's first battery electric model (BEV), which, together with the wide range of electrified vehicles with hybrid (HEV) and plug-in hybrid (PHEV) technologies, will make an important contribution to the brand's journey towards carbon neutrality, in accordance with the Beyond Zero strategy, which aims to provide flexible and sustainable mobility solutions for the most diverse user profiles. In 2022, electrified vehicles already accounted for two thirds of Toyota passenger car sales.

- In light commercial vehicles, and despite recording a drop in volume because of strong supply restrictions, Toyota stood out for the significant growth in market share from 8.6% to 9.5%



Source ACAP

OUTLOOK FOR THE YEAR 2023

Despite some uncertainties regarding the possible impact of increases in inflation and interest rates on demand and some uncertainty about the world context, it is to be expected that the market will continue to recover compared to the last two years of low sales volumes record, prospecting a growth of approximately 5.0% in the total market for light vehicles.

Regarding the Toyota brand, and notwithstanding the prospects of continued limited supply of some models, growth is expected to be higher than projected for the market.

The priorities and objectives defined for 2023 include:

- Continue to focus on the image and brand value, underlining leadership in terms of reducing emissions, through a diversified portfolio of vehicles with various electrification technologies:
  - Hybrid – HEV.
  - Hybrid Plug-in – PHEV.
  - Battery Electric – BEV.
  - Hydrogen fuel cell – FCEV.
- Capitalize the offer of an extensive and attractive range of SUV vehicles, covering all market segments and HEV, PHEV and BEV electrification technologies.

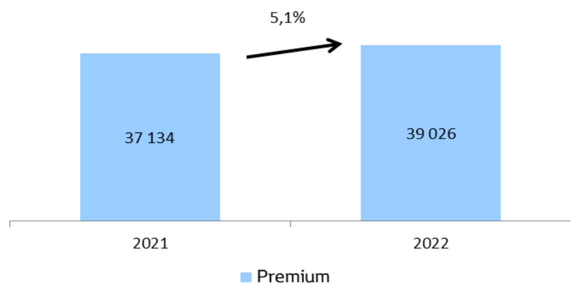
- Maintain focus on the commercial vehicle range, continuing Hilux's long leadership in its segment and exploring new segments and areas of activity through the new electric versions in the Proace and Proace City ranges.
- Continue to expand the offer of accessible and flexible mobility solutions, with our partners Toyota Financial Services and Kinto Portugal.

IMPORT AND DISTRIBUTION OF LEXUS VEHICLES

YEAR OF 2022

Premium Car Market Framework:

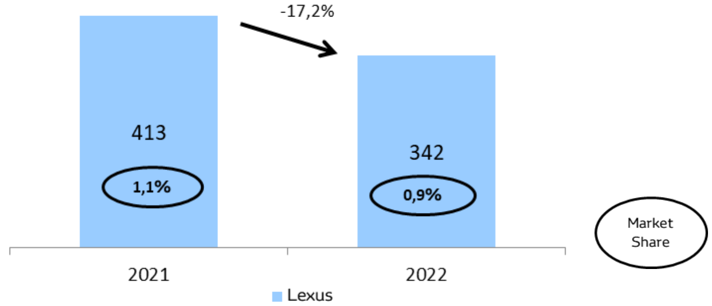
The Premium Market registered a volume growth of 5.1%, slightly lower than that seen in the global market for passenger cars, but maintaining representation in this market with 25.0% of total sales.



Source ACAP

Lexus Vehicles

The great success of the launch of the NX model in hybrid and plug-in hybrid variants was associated with very high levels of demand and the consequent signing of contracts which, given the strong supply restrictions, did not have the corresponding transposition in terms of sales carried out in the year 2022. As there were greater constraints in production originated in Japan, where all Lexus models destined for Europe are produced, the global performance of the brand was compromised, reflecting a drop of 17.2% compared to the previous year.



Source ACAP

OUTLOOK FOR THE YEAR 2023

Also, regarding the Lexus brand, it is expected continuity in the limitations of the availability of supply of some models, even so, a higher growth than projected for the market is expected.

The priorities and objectives for the year 2023 include:

- Reinforce the position of innovation and leadership in electrification, leveraging the wide range of hybrid and plug-in hybrid vehicles, complemented by the launch of the new Lexus RZ battery electric model and the update of the Lexus UX300e model, with greater range.

- Explore the launch of the new Lexus RX model, with a wide range of electrified engines: two hybrid engines and one plug-in hybrid.

- Boost the offer of accessible and flexible mobility solutions, with our partners Lexus Financial Services and Kinto Portugal.

IMPORT AND DISTRIBUTION OF TOYOTA AND LEXUS PARTS

THE YEAR OF 2022

The After Sales Division earned a total of €42.4 million in 2022. This amount includes the Extended Warranty and Total Assistance services, whose turnover corresponded to 1.3 million euros.

The commercial activity of parts (genuine & national incorporation), which excludes accessories, guarantees, and services, totalled 35.5 million euros. This value translates into a growth of 23.7% compared to 2021.

Parts Sales 2021	Parts Sales 2022	Variation % 2022/2021
28 771 594 €	35 578 279 €	23,66%

Revenue from accessories (which includes merchandising) totalled 2.5 million euros. This figure is 3.4% below the turnover obtained in 2021.

Accessories sales 2021	Accessories sales 2022	Variation (%) 2022/2021
2 602 616 €	2 513 813 €	-3,41%

The year 2022 had a difficult start: after two years marked by the pandemic, the recovery began at a slow pace, along with the outbreak of a war in Europe that triggered a global energy crisis.

The automotive industry was particularly marked by production restrictions, difficulties in supplying components and disruptions in logistics chains. However, Toyota's logistics system managed to maintain an excellent level of service in the supply of parts, which was only affected by the availability of semiconductors and electronic components, and by the constraints in some factories (regions affected by the conflict in Europe, or bad weather).

Given this framework, actions were developed targeted to leverage our strengths and overcoming market difficulties. Here are some of the actions taken:

- Continuous development of the proactive and individual communication with customers through the Toyota Notice Program. As a result, more than 70,000 personalized notices were sent to our customers.

- Launch of the Champions After Sale Club, with a view to recognizing the best teams in this area.

- Definition of the After Sales Strategy for the brand's new Electric Vehicles.
- Development of new Fixed Price Packs for Brakes, seeking to increase the competitiveness of the offer for the customer.
- Organization of the Toyota Day nationwide, managing to bring together around 3,000 customers in a day celebrating the brand.
- Reinforcement of social solidarity initiatives, with the launch of the "One Toyota One Mission" campaign, in which Toyota supports the Food Emergency Network with €1 for every mechanic service invoiced. A total support of €30,000 was granted.
- Extension of Toyota insurance with coverage dedicated to electric vehicles.
- Execution of the Trade Campaign (to boost the sales channel of parts through the counter) that took place in two different periods of the year.
- Stimulation of the sale of accessories with the launch of new products, namely the Wall box for charging electric vehicles.
- Streamlining of Online Booking with the creation of new functionalities.

These initiatives aimed to promote a climate of trust for the quick and sustainable return of customers to the Toyota Network.

TCAP's After Sales performance was also recognized internationally by Toyota Motor Corporation and Toyota Motor Europe, with the attribution of:

- European recognition within the scope of the Customer Excellence Award, for leadership, dedication, and effort in the previous year.
- European leadership in value chain management (VCPM 25), as well as selection of several initiatives (example: communication of accessories, Toyota Notices Program) as best European practices in the scope of Value Chain Management.

OUTLOOK FOR THE YEAR 2023

Following the evolution of the automotive sector, 2023 is expected to be a year of many changes and consequently great challenges for the After Sales Activity.

Even so, we will continue to place the customer at the centre of the entire strategy, seeking sustainability in the recommendation, growth in Customer retention, with a consequent increase in sales of services, parts, and accessories, because of the initiatives of a committed, dynamic, and enterprising team.

INDUSTRIAL EQUIPMENT DIVISION

THE YEAR OF 2022

The year 2022 was, for the Industrial Equipment Division of Toyota Caetano Portugal, a very challenging year, in which, cumulatively with the supply chain crisis, other unexpected events were added that imprinted a context of even greater uncertainty to its activity.

Despite these adverse external circumstances, the activity of this business area, through its People and processes, not only managed to face these difficulties, but even successfully overcome them.

Market analysis

Cargo Handling Machines (MMC)	MARKET			TOYOTA SALES				
	Set'21	Set'22	Variation	Set'21		Set'22		Variation
			(%)	Quantity	Share	Quantity	Share	(%)
Counterbalanced Stackers	1.486	1.271	-14,5%	310	20,9%	447	35,2%	44,2%
Warehouse equipment	2.057	2.659	29,3%	461	22,4%	746	28,1%	61,8%
Total MMC	**3.543**	**3.930**	**10,9%**	**771**	**21,8%**	**1.193**	**30,4%**	**54,7%**

Source: FEM (European Material Handling Federation)

Note: By community imposition, in 2022 the statistical data started to be disclosed with a "delay" of 3 months, so that, now, only data referring to September 2022 is available.

In short, and analysing the data available in September 2022, it appears that the growth of the Cargo Handling Machines (MMC) market has slowed down, with the counterbalanced segment having even registered a contraction.

Regarding Toyota, in the same period, orders for Industrial Equipment to factories grew by around 54.7%, which represented an increase in our market share to levels of 30.3%,

Sales Performance / Toyota Factory Orders by Segment

About the Counterbalanced Forklift truck segment, there was an increase in factory orders compared to the previous year of 44.2%, placing Toyota's market share in this segment at 35.2%.

The same trend was also observed in the Warehouse Equipment segment, registering an increase in factory orders of around 61.8% compared to the previous year, placing Toyota's market share at 28.1%.

It should be noted that this growth was due, not only to the growth in demand, but also to the strategy of reinforcing stocks, followed by the brand, to mitigate the impact of the long delivery times.

OUTLOOK FOR THE YEAR 2023

Considering the current situation, the uncertainty and volatility expected for 2023, the brand's perspectives suggest some caution and conservatism.

About economic activity, although official forecasts indicate a tenuous growth, the uncertainty in the evolution of European geopolitical conditions and of the financial market (interest rates), could hamper the investment decision of the companies and even cause liquidity problems.

These macroeconomic factors, in conjunction with the constraints we face in terms of supplies, which are expected to continue into 2023, are the main risks of the business.

However, the brand intends to maintain the focus on customer satisfaction, on providing excellent service and, above all, on consolidating the attitude of partnership and flexibility towards our partners, in the relentless search for solutions.

The issue of sustainability continues to constitute a priority for the organization, which directs its attention to the People, Planet and Profit trilogy in the exercise of the various activities, seeking to optimize results, working on greater efficiency of processes, to make the activity increasingly sustainable, assuming a posture of social responsibility with our stakeholders.

OVAR FACTORY DIVISION

THE YEAR OF 2022

2022 was a very demanding year for the Ovar Factory. There was a period of expansion practically in all activities, which forced an increase in production capacity.

This need, combined with the high staff turnover, the lack of available manpower, and ruptures in the supply chain (inbound and outbound) led to process instability.

In 2022, Toyota Caetano Portugal – Ovar's Factory produced a total of 2,969 vehicles of the Land Cruiser Series 70 model (LC70), representing an increase of 52.5% compared to the same period last year. It was a particularly relevant year since the highest annual production volume of the LC70 model was reached since the beginning of its assembly in 2015.

In the activity of Toyota vehicles: Postproduction Options (assembly of options locally) and Pre-Delivery Inspection (preparation for delivery) – PPO / PDI – 5,708 units were transformed/prepared, a consistent increase of 12.4% compared to the same period of the last year.

About electric and hydrogen bus chassis, 63 units were produced, representing a growth of 61.5% compared to the previous year.

Production	2021	2022	Variation % 2022/2021
Toyota physical units (LC70)	1.947	2.969	52,5%
Transformed / Prepared Physical Units (PPO / PDI)	5.077	5.708	12,4%
Physical Units Electric Chassis for Buses	39	63	61,5%
Total Employees	186	193	3,8%

Also noteworthy are the following events that took place during 2022:

- Visits from top Toyota Motor Europe officials in the areas of the supply chain, research, and development (R&D), purchasing (Purchasing) and sales, within the scope of the electric mobility projects under study.

- Beginning of the implementation of Bosque TCAP-DFO, under Toyota's 2050 Programme, with the objective of guaranteeing carbon neutrality.

- Collaboration in the Eco-Schools Project, through the supply of recyclable materials, to support the requalification of the outdoor spaces of schools in the region.

OUTLOOK FOR THE YEAR 2023

The year 2023 will be important for defining and implementing new projects at the Ovar Plant related to Electric Mobility. Several projects are under analysis that are expected to become a productive reality in the short/medium term.

In terms of current activities, forecasts are more conservative. The unstable macroeconomic context we are experiencing, restrains the production of the LC70 model for 2023 aiming for 2 500 units. Therefore, the factory's *takt*-time will be adjusted to minimize the impact of the volume reduction on productivity.

It should also be noted that during the 1st half of 2023, the bus chassis assembly activity will be transferred to CaetanoBus.

Caetano Auto

Caetano Auto, SA is the company that includes 11 concessions of the Toyota brand and 7 of the Lexus brands. It also represents the brands Caetano Collision and Glass Back. It is present from Minho to the Algarve in 25 Showrooms and Workshops.

Caetano Auto has its origins in 1968, with the arrival of Toyota in Portugal, over the years more Toyota retail companies have been acquired and created. In 2002, these companies merged, thus forming a single company – Salvador Caetano Comércio Automóveis – currently Caetano Auto, SA.

Caetano Auto holds stakes in 2 companies:

- Destaque Mourisco – Sociedade Imobiliária, Lda: company set up with the aim of putting into operation the allotment of one land that Caetano Auto partly owns in Portimão. It is a partnership with owners of other parcels of the same land. This company had no operational activity in 2022.

- Salvador Caetano Seguros – Mediação Seguros Unipessoal, Lda: is an insurance mediation company; specialized in this area, complements the services already provided by Caetano Auto to its customers. It offers several car insurance and credit options, having protocols with several insurance and financial entities. In addition to offering insurance, it also performs portfolio management, whether in renewals or in the event of a claim. It aims to always be close to the customer and complete the entire purchase cycle of our customers. This company started its operational activity in the second half of 2022.

Caetano Auto's five-year growth STRATEGY aims to reach 3.4% of the light vehicle market in 2027, which represents an increase in units sold of 2,410, i.e., a growth of 48.0%, compared to expected growth market share of 27.0% (new vehicle registrations in 2022: 5,024 units, representing a market share of 2.8%); to this end, it will continue to focus on implementing integrated and flexible mobility solutions, promoting exchange cycle products and reinforcing digital marketing policies.

In the after-sales area, the objective is growth through the differentiation of the service offered, namely with the implementation of new forms of communication with the customer, digital communication using video, online booking, and autonomous reception of vehicles in the workshops.

In addition, it is Caetano Auto's focus to intensify the offer of services in the field of car insurance mediation and vehicle financing solutions using financial partners.

Strengthening the promotion and dissemination of the loyalty card - *Caetano Go Card* is other of the pillars of the strategy under implementation.

Caetano Auto, aligned with the positioning of the brands it represents, Toyota and Lexus, will participate in reinforcing the strategy advocated by them regarding sustainability and energy transition, contributing to the electrification of the vehicle fleet in Portugal, through the dissemination and sale of electric vehicles for different user profiles (hybrid, plug-in hybrid, 100% EV and Fuel Cell).

Within the scope of the Toyota Best Retailer in Town (BRiT) program, Caetano Auto's strategy is to be BRiT (that is: the best dealership in all areas where it has facilities) involving all employees, actively listening to their teams and customers, keeping the focus on the customer. Motivated employees and customers who recommend us are a strategic pillar for the Company's sustainability. Another strategic pillar of Caetano Auto is the digitalization of processes, both at an administrative and operational level. This pillar, in addition to motivating employees, also aims to eliminate paper and waste. The elimination of waste (Zero Muda) is something that is very present in the DNA of Caetano Auto and, of course, of Toyota Caetano Portugal, associated with the culture of continuous improvement – *Kaizen*.

At Caetano Auto, social responsibility is also a fundamental pillar that is manifested in several initiatives, namely, the provision of vehicles to support health institutions and professionals, to transport children, the elderly, for volunteering, as well as special conditions for the acquisition of vehicles and after-sales services for charitable institutions.

THE YEAR OF 2022

Activity in 2022 began still conditioned by the context of the COVID-19 pandemic, which was added the invasion of Ukraine by the Russian Federation, and its effects on the European and world economy.

The war in Europe exacerbated the breakdown in supply chains, particularly affecting the automotive industry, where the lack of components resulted in stock shortages and longer delivery times.

In the **new vehicle** activity, the number of vehicles sold in 2022 was 11.5% higher than in 2021, a higher performance than the one recorded in the national light vehicle market, which grew by around 2.5% compared to the previous year. However, despite this above-market recovery, Caetano Auto's activity is still below pre-pandemic volume (5.9% less when compared to 2019).

In **used vehicles**, there is a 24.2% reduction in units sold compared to 2021 and a 30.3% drop compared to the level reached in 2019. The impact of the shortage of stocks on the used car activity was felt more sharply; the shortage of supply in the usual supply channels led to a lack of product for fleet renewal, and the growing demand for used vehicles led to a drop in take-back rates.

	2019	2021	2022	Variation (%) 2022/2021	Variation (%) 2022/2019
New Vehicle Sales (units)	4.836	4.080	4.550	-5,9%	11,5%
Used Vehicle Sales (units)	6.061	5.570	4.224	-30,3%	-24,2%

In **after-sales** activity, despite the car fleet continuing its downward trend, there was a 3.5% growth in mechanical inputs and a 4.4% growth in collision. Even so, this indicator remains below the values of 2019: -14.9% in mechanics and -12.1% in collision.

	2019	2021	2022	Variation (%) 2022/2021	Variation (%) 2022/2019
No. of Mechanical Inputs	105.950	87.059	90.137	-14,9%	3,5%
Number of Collision Entries	28.296	23.833	24.886	-12,1%	4,4%

In global terms, Caetano Auto's turnover in 2022 amounted to 237 Mio€, which represents an increase of 11.9% compared to the previous year.

OUTLOOK FOR THE YEAR 2023

For 2023, despite the uncertainty about the evolution of the macroeconomic and geopolitical context, Caetano Auto expects to continue its sustained growth strategy, focusing on the following aspects:

- Sustainability and energy transition: dissemination and sale of electrified vehicles (hybrid, plug-in hybrid, battery electric, and hydrogen fuel cell) and investment in renewable energy for self-consumption, making the buildings used for the activity more sustainable.

- Integrated and flexible mobility solutions in line with the MaaS – Mobility as a Service concept.

- Focus on the customer and employees: to be the best dealership in the local environment where we are represented (BRiT – Best Retailer in Town).

- Environmental sustainability and digital business transformation: digital marketing, video communication with customers, autonomous reception, booking online services, digitization, and simplification of administrative processes.

- Loyalty of our customers by providing complementary services / products: maintenance contracts, warranty extensions, Caetano Go loyalty card, Auto Insurance and Financing.

- Continuing the Toyota Way philosophy, namely in the continuous improvement of processes (Kaizen) and in the development of people.

CAETANO AUTO
GRUPO SALVADOR CAETANO

Caetano Auto CV, SA is the entity responsible for importing and selling the Toyota brand to the Cape Verde market.

Established in 1993, it is one of the pioneer companies in the expansion of the Salvador Caetano Group on the African continent.

Caetano Auto CV's STRATEGY is to maintain its leading position in the sale of new vehicles in Cape Verde, reinforcing digital marketing policies and exploring the loyalty cycle.

Caetano Auto CV will also seek to diversify its range, following the brand's global strategy in terms of electrification, as well as the more ecological orientation of the Cape Verdean government.

THE YEAR OF 2022

As seen in other geographies, automotive activity in Cape Verde was also marked by instability in supply chains, a generalized rise in prices (namely energy costs) and other relevant impacts related to the pandemic and war in Ukraine. It was also in 2022 that, in Cape Verde, a new tax on new vehicles (ICE – Special Consumption Tax) came into effect, which increased the selling price of new vehicles to the public. This tax applies to all vehicles imported from the 1st of January of the current year.

In addition to these events with worldwide impacts, Caetano Auto Cabo Verde's new vehicle sales activity was also impacted by the effects of the flood and the consequent suspension of production of the Hilux model (best seller in the Cape Verdean market) at the Toyota factory in South Africa.

BRAND	2021	2022	Variation (%) 2022/2021
Toyota	495	489	-1,2%

Despite these adversities, the new vehicle sales activity was only slightly affected, with a 1.2% reduction in units sold when compared to the same indicator in 2021.

The drop in sales volume of the models produced in South Africa was mitigated by a better performance of the Starlet, Rush, Land Cruiser and Coaster models.

The growth in sales of these models reflects the company's commitment to attracting private customers and tourism (Coaster model).

Sales activity for rent-a-car was penalized by the trend seen in this sector to resume activity with vehicles from the USA (used vehicles, damaged, with a very low cost, giving rise to informal competition with local operators of car sales).

In 2022, as in recent years, the Company managed to maintain the reduction of dependence on the two main models sold (Hilux and Hiace), strengthening its product offer and mitigating the risks associated with the concentration of sales in specific models with very specific characteristics.

In the After Sales activity, there was an increase in the turnover of labour, which reflects more production, however, the volume of turnover in parts and accessories did not follow this trend, having witnessed a reduction compared to the values of 2021.

Sales	2021	2022	Variation (%) 2022/2021
Parts/Accessories	1.208.613 €	1.204.967 €	-0,30%
Workshop (Labour)	413.540 €	475.799 €	15,06%
Total	1.622.153 €	1.680.765 €	3,61%

This performance is related to the felt need to reposition prices, not only to face the loss of customers' purchasing power, but also due to the competition felt in the Toyota parts' informal market.

Tourism sector activity is still at a lower level than in 2019 (pre-pandemic); influenced not only by the drop in the number of foreign visitors, but also by the reduction in visits by emigrants to the country. This reality impacts the activity of Caetano Auto Cabo Verde not only in terms of regarding vehicle sales (rent-a-car) but also about after-sales activity.

Activity at service stations continues to be largely based on oil and filter change services; customer awareness campaigns were carried out to publicize the existence of other services available to them.

OUTLOOK FOR THE YEAR 2023

During 2023, the Company intends to continue the strategy, namely:

- Maintain its dominant position in the marketing of new Toyota brand vehicles, maximizing the range on offer, thus reaching a larger target audience.
- Boost the itinerant parts trade.
- Improve internal processes at the level of the after-sales organization to increase not only sales to private customers, but also through the insurance channel.

Caetano Renting is the company dedicated to the rental of self-driving vehicles, essentially of the Toyota and Lexus brands, to different customers, such as rent-a-car companies, other large customers and, occasionally, private customers.

Caetano Renting's STRATEGY is to ensure the satisfaction of its customers through a broad and flexible offer of passenger and commercial vehicles.

This positioning is based on providing an excellent service, based on the Toyota Way pillars and in line with the strategy of Toyota Caetano Portugal, SA.

THE YEAR OF 2022

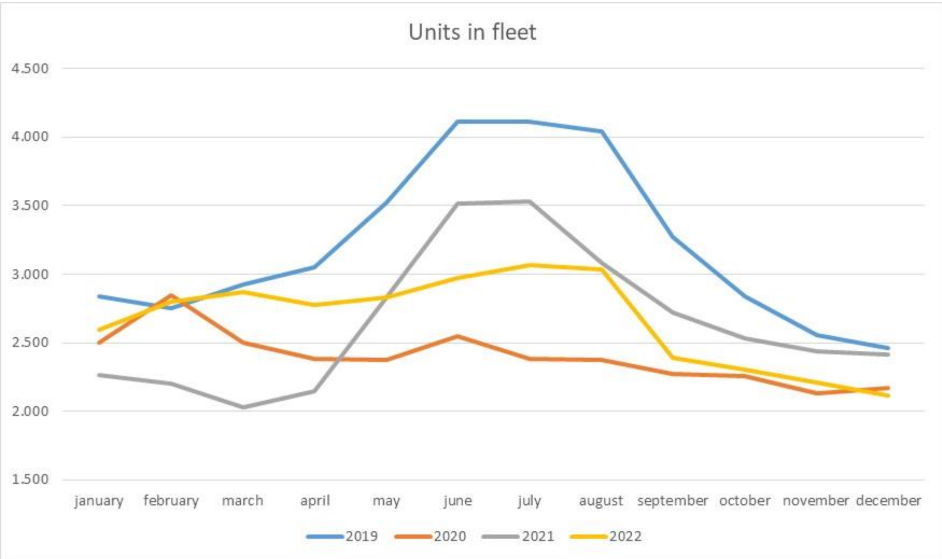
The year 2022 was a memorable year in the history of Portuguese Tourism.

According to INE data, in the first ten months of the year, the values recorded in 2019 were exceeded, with the short-term car leasing activity registering record levels of profitability.

Had it not been for the lack of supply of motor vehicles by manufacturers throughout 2022, the picture described above could have been even better.

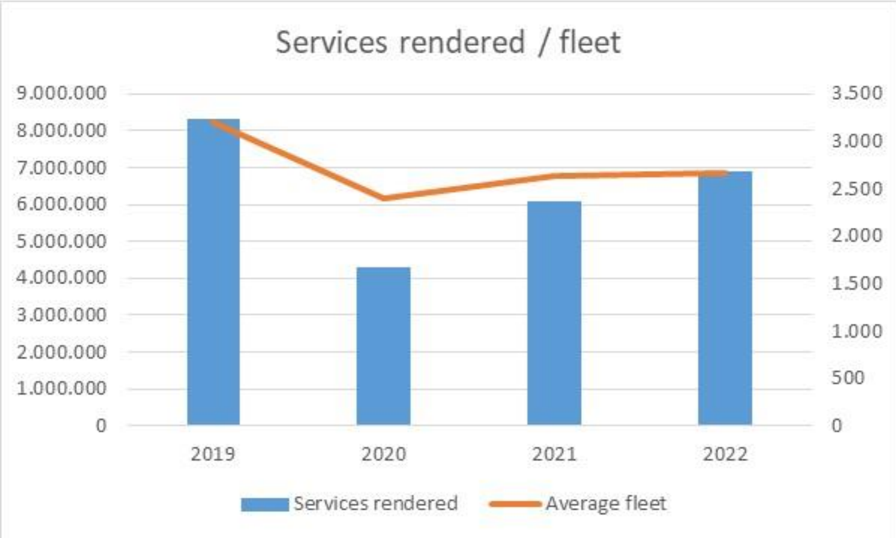
It is in this context that Caetano Renting reaches, in 2022, an average number of units in the fleet of 2,665, which represents a slight increase compared to 2021 (0.87%), but still 16.93% below the figures for 2019.

We ended the 2022 financial year with a fleet of 2,112 units.



Despite the slight increase in the number of units in the fleet by around 0.9% compared to 2021, in terms of the Rendering of Services, there was a greater evolution, reaching a value of €6,908,163, which means an increase of around €13. 7% compared to the previous year.

Despite the recovery, Caetano Renting has not yet reached pre-pandemic year values; this fact is essentially due to the scarcity of vehicles, which particularly affected the Company's activity.



OUTLOOK FOR THE YEAR 2023

The short-term car rental activity is an important component of the National Economy, with special emphasis on Tourism, which is currently the largest market for rent-a-car companies.

The prospects for the evolution of Tourism activity in 2023 are positive, with Caetano Renting committed to continuing the recovery of its activity to pre-pandemic values. Naturally, the shortage of supply will continue to be a constraint to the growth of this activity, however, the continuous commitment to improving customer service, optimizing fleet management and the resilience of its People will be the drivers for Caetano Renting to continue its way to consolidating activity recovery to pre-pandemic levels.

KINTO Portugal, SA is a company dedicated to the management of car fleets and the operational leasing of vehicles. It is 51% owned by KINTO Europe GMBH and 49% by Toyota Caetano Portugal.

KINTO Portugal has an associated company – Caetano Renting Senegal, SA, whose mission is to replicate KINTO Portugal's activity in the Senegalese market.

KINTO Portugal has extensive experience in managing vehicle fleets in the national market and intends, with its activity, to meet all future sustainable mobility needs in the automotive market.

Therefore, and still in 2021, KINTO Portugal's STRATEGIC transition path began, which aims to accelerate the evolution of the company previously purely dedicated to the management of vehicle fleets, to a player of sustainable mobility solutions and services - Mobility as a Service (MaaS) - for people and cities.

The KINTO concept intends to represent a genuinely diverse service or product, intending that KINTO Portugal represents a “one stop shop” for mobility services, with the aim of making KINTO the mobility provider of choice for all types of customers.

It was in this context that the introductory production of alternative mobility solutions, centred on adapting the offer to the type of use of the vehicle, which can range from years to minutes. In implementing this strategy, over the last two years, 2021 and 2022, two new products have already been added, KINTO Flex and KINTO Share, respectively, with a fully digital experience: offering its customers the possibility of having access to flexible renting, with monthly terms (KINTO Flex), daily or hourly (KINTO Share), in the latter also encouraging the shared use of vehicles.

At the same time, KINTO intends to intensify the energy transition from combustion engines to electrified vehicles. In the next three years, it is estimated that the percentage of electrified vehicles in the new KINTO One contract will rise to values between 40.0% and 50.0%. For that, KINTO Portugal conceived a product strategy aimed at the specificities of electrification, which includes a unique value proposition, from vehicles to the services necessary for managing charging and energy consumption (Mobility as a Service).

Still within the scope of mobility solutions for cities, KINTO Portugal, together with CaetanoBus, intends to have unique options oriented towards urban transport. The first step, centred on global fleet management solutions, is the innovation of bus leasing products with clean and sustainable technologies such as Hydrogen (H2.CityGold) as an energy source. At the end of 2021, the first contract under this new product was signed.

Thus, the path of KINTO Portugal is very much oriented not only towards mobility solutions, with “clean” and naturally sustainable energies, but also allied to digital experiences that allow customers to use them in a very simple, efficient way and that guarantee completeness. the satisfaction of the Customer's needs in mobility.

THE YEAR OF 2022

The 2022 financial year was characterized by a high sense of uncertainty and volatility. Although at the beginning of the year economic activity showed signs of recovery from pre-pandemic levels, the Russian military invasion of Ukraine significantly influenced the world economy throughout the period.

There was a worsening of the international environment which contributed to an increase in uncertainty, to higher inflation rates and to the increase of disruptions in the global production and distribution chains.

Regarding to the automotive market, the shortage of semiconductors and the interruption in global supply chains, contributed to a slowdown in the pace of vehicle registration, leading to a situation in which the supply of vehicles is lower than market demand and needs.

However, when compared to the accumulated record for 2021, the number of light vehicle registrations increased by 2.5% to 179,845 units[1]. The vehicle operational leasing market increased by around 7.1%, to 23,567 vehicles[2].

As a result of the instability, uncertainty and even scarcity that the market is experiencing, the year 2022 was marked by a significant increase in the extensions of operating renting contracts. In cumulative terms, in 2022, KINTO Portugal registered around 2,418 extensions[3], which represents more than 78.1% of the requests registered in the same period.

Still following the rebranding process initiated in 2021, we highlight the positive result obtained in the period under review, with the subscription of the new KINTO Flex product – a product that offers exceptional flexibility for all mobility needs. In addition to the services available in a traditional leasing, the customer can receive the vehicle with a single click for terms between 1 and 12 months with total flexibility and in an entirely digital process.

Already in 2022, KINTO introduced a new product to the market, KINTO Share. This product is a solution that immediately offers daily car rental, with the customer being able to reserve a car for 30 minutes or up to 30 days. It is available for both individuals and companies and can be rented only for the time strictly necessary, either through a mobile application or website, such as KINTO Flex.

[1] Data ACAP – Associação Automóvel de Portugal December 2022-21

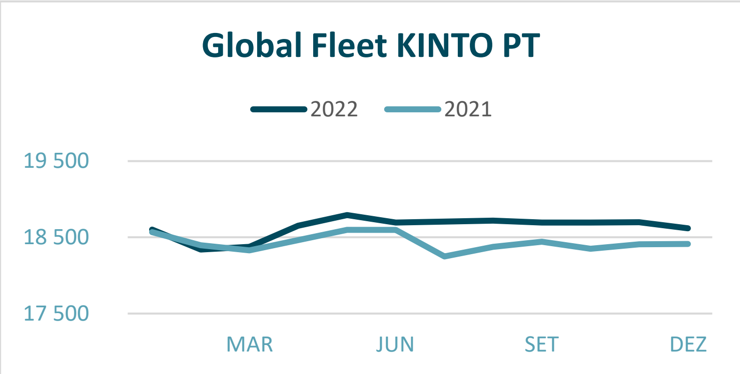
[2] Data ALF – Associação Portuguesa de Leasing, Factoring e Renting – Accumulated Production November 2022-21

[3] Extensions are defined as the extension of operational leasing contracts for a period longer than 6 months.

In terms of the electrified fleet, also one of the strategic lines, KINTO Portugal ended the year with 38.2% of its orders concerning this type of vehicle (vs, 30.4% in 2021).

<u>Evolution of the FSL[4] and FM[5] by KINTO</u>

The lack of semiconductors for cars, the increase in operating costs and the increase in business costs have significantly influenced vehicle delivery times in the car leasing sector.



Nevertheless, and as we can see in the side graph, the KINTO fleet in 2022 was clearly higher than the same period of the previous year, remaining relatively constant throughout the year.

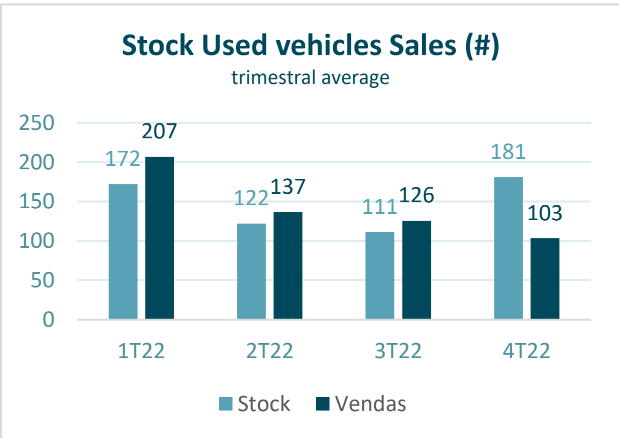
KINTO Portugal ended the 2022 financial year with a fleet of 18,617 vehicles, which represents a variation of over 200 contracts when compared to the same period of the previous year. However, and despite the favourable evolution registered, it is expected that the automotive market will remain under tension due to the factors mentioned above.

<u>Company activity</u>

Turnover decreased by around 2.2% compared to the previous period, mainly because of the reduction in the volume of sales of used cars, as the volume of services rendered increased by around 12.6% compared to 2021.

	2021	2022	Variation % 2022/2021
Business Volume	97 767 362 €	95 578 908 €	-2,2%

As a result of the pandemic crisis that devastated the world economy, there was, still and especially in 1Q21, a significant increase in vehicles in stock, providing KINTO with an opportunity to launch new products for the reuse of vehicles from the first leasing cycle, by carrying out operating renting contracts with used vehicles, KINTO Flex contracts, as well as s ales to end customers. In this context, in 2022, the used car remarketing and logistics activity continued to be reviewed and closely monitored to respond to all the challenges of the market and different customers.



Compared to 2021, sales of used vehicles to final customers decreased by around 40.4% (about 1,165 less vehicles), registering the lowest level of sales in the last 4 years, with the scarcity of vehicles from at the end of the contract, resulting from the extensions and the use of used vehicles for new Renting and Flexible Renting products.

[4] FSL: *Full Service Lease*

[5] FM: *Fleet Maintenance*

OUTLOOK FOR THE YEAR 2023

The most recent projections of the Bank of Portugal project for 2023 a growth of the Portuguese economy by 1.5%, and a reduction in inflation to 5.8%.

In a context of accentuated global uncertainty, maintenance of high energy prices, erosion of purchasing power, tightening of financial conditions, and weakening of external demand, growth is expected to be contained in the first half of 2023, with acceleration of economic activity expected only from the second half of 2023.

As far as the automotive market respects, it is expected that it will remain under tension, so 2023 should be viewed with some caution. It is estimated that in the coming months there will continue to be a shortage on the supply side of vehicles, and the wait may continue to take many months.

In addition to the growing challenge to the use of electric and hybrid vehicles, the car rental market will continue to be a "pioneer" in the dissemination of new mobility trends, both operationally and technologically, continuing to face enormous challenges.

In addition, the sector needs to increasingly leverage interaction with the user to streamline processes and improve the customer experience. In this sense, digital leverage will be one of the determining factors for the competitiveness of leasing companies.

The digitization of fleets will be crucial not only for the customer, but also for the company, allowing fleet managers to monitor their vehicle portfolio more carefully.

In this context of pressure from the automotive market, KINTO intends to continue to expand its sustainable mobility solutions, guaranteeing a KINTO solution for each person, regardless of the type of mobility that each one chooses.

CaetanoBus

CaetanoBus, a company jointly owned by Toyota Caetano Portugal and Mitsui & Co., Ltd., is the largest manufacturer of coachwork and buses in Portugal.

It is at CaetanoBus that all the industrial activity of manufacturing bus bodies and buses is centralized, with different specifications, intended for urban transport, tourism, airport, and minibus.

Most of its products are intended for export and are available at the service of transport operators all over the world. It is a company that uses technology, innovation, and design to always be one step ahead, closer to the future.

CaetanoBus has 2 subsidiaries:

- Cobus Industries GmBH
- Caetano UK, Limited

In a context of global population awareness of the need to preserve the environment and reduce pollution rates, CaetanoBus POSITIONS ITSELF at the forefront of developing differentiated and highly innovative "green mobility" solutions. It intends to achieve relevant sales volumes and results, accelerating its position in the emerging and growing market for battery vehicles (BEV) or hydrogen fuel cell vehicles (FCEV), seeking growth either through its own effort and efficiency, or through the establishment of partnerships, which promote the sharing of investment costs in the development of new technologies and the costs of accompanying markets in promoting products.

THE YEAR OF 2022

After the SARS-CoV-2 pandemic crisis, which lasted until the beginning of 2022 and which disturbed the stability of business, the outbreak of the invasion of Ukraine in February added a new negative effect on the expectation of recovery of the European economy.

With a direct impact on the company's activity and its profitability, and despite a slight increase in demand for buses hitched by European funds to support the recovery of the economy and the decarbonization of cities, there were again delays in the provision of subsidies or which led to new postponements of national and international tenders. The airport sector also fell short of expectations for recovery, with a volume of activity still far from pre-pandemic level.

With the ambition to reach the units sold in pre-pandemic year (2019) with 657 units, CaetanoBus only managed to reach 271 units sold in 2022, however, compared to the previous year, it presented a sales growth of 52.2 %.

With the outbreak of the invasion of Ukraine, energy costs are back on the agenda as an additional concern. In this regard, it should be noted that in 2021 electricity supply contracts were signed at fixed prices until 2031, with no significant price fluctuations expected. In 2022, natural gas supply contracts were renegotiated, resulting in an expected increase in the price to be paid, but with the advantage of fixing it until mid-2025.

The year 2022 was also marked by instability in the labour market. On the one hand, the high inflationary pressures felt throughout 2022 led to enormous pressure on the salary levels practiced by the company. On the other hand, and at the same time, there was a high turnover of staff, namely in the areas of Engineering and Production, a consequence of the dynamics of the labour market itself, because of the economic growth that was felt in Portugal, despite the difficult international economic context.

This effect caused inevitable delays in internal development projects and in the productive response capacity. Additionally, bottlenecks in the supply chain felt throughout the year were the main causes of production delays.

CaetanoBus ended 2022 with a turnover of 53 Mio€, 23.7% above 2021. Despite the adoption of several cost reduction measures, these were not enough to compensate for the weak sales growth, with EBITDA totalled -8.4 Mio€, significantly lower than the previous year and 2020. The Net Profit also deteriorated reaching -13,065,647€. Results with subsidiary companies totaled €994,675.

Regarding to the Balance Sheet, the reduction in sales led to an imbalance in working capital with impact on accounts receivable (total of 21 Mio€ in 2022 vs 13 Mio€ in 2021) and inventories (total of 41 Mio€ in 2022 vs 29 Mio€ in 2021).

Even in this very adverse context, CaetanoBus continued to invest in R&D in basic technologies for the future growth plan, amounting to 1.6 Mio€ in 2022.

Aware of the impacts caused by the pandemic crisis, shareholders Toyota Caetano Portugal and Mitsui & Co, did not abdicate the strategic plan for expansion and growth. One of the most significant events of the year was a new capital increase of 10 million euros in June, reinforcing the company's commitment. It should be remembered that, already in December 2021, the shareholders had injected 15 million euros into the capital of CaetanoBus.

The capital injection made it possible to continue and implement ongoing innovation projects in zero-emission mobility technologies, meet the objectives of expanding to other geographic areas, training our staff, and increasing production volume.

On the other hand, the delays in the production and delivery of products, combined with changes in the financial markets, reflecting more restrictive monetary policies, contributed to add complexity to liquidity management. It is expected that the impact of the rise in interest rates will last through 2023, which, in the market where CaetanoBus operates, will require a careful and sophisticated financial management strategy.

OUTLOOK FOR THE YEAR 2023

As a result of the limitations described above, the slow recovery in sales, the small margin for reducing expenses, the low purchasing power negotiation, the delays in internal development projects, combined with a market with increasingly shorter product life cycles and competition from Asian OEMs, leaves us with no choice but to pursue a strategy of alliances, promoting cost synergies, investments, and the development of new technologies.

Despite the continuing difficulty in counteracting the negative results of recent years, CaetanoBus expects to achieve positive operating results in 2023.

The company continues to identify strong commercial opportunities to leverage the business and expects a new boost in sales growth for 2023.

CaetanoBus is committed to contributing to a more sustainable society, with zero emission mobility solutions. In the coming year, CaetanoBus will continue to focus on innovation and the development of new production and process standards, for future growth as markets recover. Thus, 2023 will be a year of promoting changes in management, through optimization for growth. In this regard, the shareholders remain committed to supporting the company to implement its strategic growth plan.

COBUS

COBUS Industries GmbH is a global supplier in the field of ground support equipment and airport mobility solutions, headquartered in Wiesbaden, Germany. It was founded in 1983. COBUS is owned by CaetanoBus, as the majority shareholder, and by Daimler Truck AG. It is a leader in the development, manufacture and supply of platform buses, related services, and integrated solutions. The company's customers are mainly airport operators, airlines, and ground handlers. With more than 4,500 buses sold and in operation at around 350 airports in 109 countries, it achieves a significant global market share.

The product portfolio includes buses with different specifications, depending on the capacity required by the customer, optionally powered by diesel engines or fully electric. The company's focus will continue to be the development of advanced and sustainable technologies, especially in digitalization and e-mobility.

Environmentally friendly technologies and sustainable products for the aviation and airport industries continue to be the FOCUS of COBUS. With the new COBUS Vega and COBUS Hydra buses, combined with the expansion in service rendering, COBUS will maintain its position as the world market leader and set the standard.

The continuous improvement of processes and digitization are also part of the COBUS strategy.

THE YEAR OF 2022

Compared to the previous year, 2022 was a year of activity recovery, although the business still suffered from the impact of the COVID-19 pandemic and the armed conflict between Russia and Ukraine. Likewise, restrictions on entry into the Chinese market prevented the resumption of commercial activity between COBUS and the Chinese market. However, overall, the market consistently shows signs of recovery. In the 2022 financial year, COBUS sold 64 new buses and 46 used buses.

In terms of turnover, COBUS went from 23 Mio€ in 2021 to 32 Mio€ in 2022. EBITDA went from -1.6 Mio€ to 0.6 Mio€ in 2022.

OUTLOOK FOR THE YEAR 2023

With the expectation of being a full year without mobility restrictions, an acceleration of airport activities is expected, which will naturally lead to greater dynamics in the economies and the reopening of sales businesses postponed in recent years. In parallel, the shift from fossil fuel-based technology to electric mobility is a growing trend and will provoke an additional desire to renew operators' fleets.

It is expected that 2023 will show an increase in sales of more than 40.0% compared to 2022.

Caetano UK

Caetano UK is the CaetanoBus company, responsible for the sale, after sale and supply of parts for Caetano buses present in the UK market. Caetano UK is in the Midlands and has been established for over 30 years.

The United Kingdom is one of the main markets for CaetanoBus, with famous buses from National Express and its partners and, more recently, zero-emission urban buses for operator Abellio London.

Caetano UK intends to establish itself as a reference company in the bus market in the United Kingdom.

Its STRATEGY involves deepening the relationship with current partners and, at the same time, expanding the range of new customers in the hydrogen electric mobility segment, together with Toyota UK: an "One Team" strategy was set up in which Toyota UK and Caetano UK will, together, approach to government, municipalities, and customers.

THE YEAR OF 2022

The increase in activity in 2022 made clear the impacts that Brexit had on import customs processes, both in terms of the complexity and delay of the processes and in terms of extra costs. At a commercial level, and in the segment of battery electric buses, where there is local manufacturing, the preference of operators for "made in UK" is already notorious, strongly supported by the British government, which is creating unfavourable conditions for manufacturers. from other countries.

The renewal of the contract with National Express for the supply of the LEVANTE touring model, as well as for the supply of maintenance services and spare parts, was marked by the launch of the new LEVANTE version 3A, equipped with the new Scania chassis with Euro 6E engine, new generation with lower consumption and emissions.

Thus, 2022 resulted in the sale of 50 buses throughout 2022, 32 more than in 2021 (with 18 units sold). In terms of turnover, Caetano UK went from £7.3 Mio in 2021 to £18.6 Mio in 2022; EBITDA went from -0.35 Mio£ to 1.3 Mio£ in 2022.

Highlight to the integration, in 2022, of administrative and financial services in CaetanoBus, as well as the management of information systems in the Salvador Caetano Group, with clear efficiency gains in resource management and bringing people closer to the companies, contributing thus for greater alignment, knowledge sharing and process improvement.

OUTLOOK FOR THE YEAR 2023

It is expected that 2023 will continue to be a year of recovery for Caetano UK, however a reduction in business margins is expected given the increase in raw material costs and competition. The renewal of the contract to supply tourist buses to National Express and the resumption of its operation will translate into increased sales in 2023. At the same time, the business with the operator Abellio London was reinforced with the acquisition of 9 more units which will come into operation as early as 2023.

THE PERFORMANCE OF TOYOTA CAETANO GROUP

WORLD ECONOMY

he world economy is expected to have grown by 3.4%[6] in 2022, pressured, above all, by the impact of the conflict in Ukraine and by a more restrictive monetary policy in the context of inflation, as well as by the restrictions on economic activity resulting from the pandemic situation in China in 2022, with the positive effects of the reopening of the Chinese economy more visible in forecasts for 2023 and 2024.

The January projections of the International Monetary Fund (IMF) point to continued growth in the global economy, with an expansion of 2.9% in 2023, an upward revision of 0.2 percentage points compared to the previous IMF estimate. The time horizon of the forecast points to a continuous expansion of activity in 2024 of 3.1%, which compares negatively with the average expansion verified between the years 2000 and 2019 of 3.8%.

Inflationary pressures should continue to be felt, but with a visible slowdown in the pace of price increases, because of improvements in logistics and the global supply chain, a more restrictive monetary policy in several states, a decrease in the price of raw materials, including fuels, and less strong global demand compared to 2022. According to the IMF, 84% of the target countries of the forecasting exercise will have lower inflation rates in 2023 vs. projected from 7.3% in 2022 to reduce to 4.6% in 2023 and 2.6% in 2024.

The risk weighting by the IMF for its outlook is still negative, with the potential for lower growth and higher inflation, however its outlook is more benign than the previous forecast made in October 2022, with a plausible scenario of more resilient demand still resulting from accumulated potential as well as from a more accentuated decline in inflation. More negative scenarios could come from reversals of COVID policy in China, worsening of the conflict in Ukraine or debt pressures resulting from even more restrictive monetary policies.

EUROPEAN UNION

According to the projections of the European Central Bank (ECB)[7], the Eurozone will show economic growth in all 3 years of the forecasting exercise, starting from a base of 3.4% in 2022, moderating strongly to 0.5% in 2023 and resuming in 2024 and 2025 to 1.9% and 1.8% respectively. The outlook for the euro was revised downwards by 0.4 percentage points from the previous September 2022 forecast, with lower growth and higher inflation than forecast for 2023, however the forecast for 2022 was revised upwards by 0.3 percentage points.

The energy crisis, high inflation, global economic cooling, restrictive monetary policy, and high uncertainty weighed on economic performance in 2022, particularly in the second half of the year, with a brief recessive period being forecast at the turn of the year to 2023. However, security in the energy supply achieved, allowing, for the time being, to avoid rationing, the expansive fiscal measures and the resilience of the labour market should support the expansion of activity according to the Central Bank's forecast, with additional impetus in the medium term resulting from the recovery of income in realities terms, improvements in global supply chains, strengthening global demand and reducing the degree of uncertainty of economic agents, despite operating under more restrictive financing conditions.

According to the ECB's expectations, the inflation rate should remain high in 2023, with a still slight reduction from 8.4% in 2022 to 6.3% in 2023, reaching levels closer to the ECB's mandate in 2024 and 2025, specifically 3.4% and 2.3% respectively.

PORTUGAL

According to projections by the Bank of Portugal[8], the Portuguese economy will have grown by 6.8% in 2022, with economic expansion expected to continue with GDP growth of 1.5% in 2023 and around 2% in 2024 and 2025.

[6] [IMF World Economic Outlook Update, Jan 2023]

[7] [ECB, Eurosystem Staff Macroeconomic projections, December 2022]

[8] [BoP, Economic Bulletin, December 2022].

After having settled in 2022 at 8.1%, inflation is expected to remain high in 2023, a rate of 5.8% is expected, reducing in 2024 and 2025 to, respectively, 3.3% and 2.1%, in line with forecasts for the euro zone in this indicator.

The forecast economic performance in the short term is strongly anchored in the resilience of consumption, explained by the very favourable evolution of the labour market, which is at full employment, by public support measures and by the savings accumulated during the pandemic, with private consumption grew 12.8% in 2022 well above the 6.4% variation in disposable income according to the same Bulletin. The Bank of Portugal point out for 2023 a strong moderation in economic growth resulting from the almost nullity of the drag effect of 2022 (3.9 pp to 0.6 pp.), reduction in household expenses, slowdown in exports and some postponement of investment decisions by companies. However, in the second half of 2023, economic activity is expected to accelerate, resulting from the easing of tensions in energy markets, gradual recovery of household income, improvement in external demand and normalization of global supply chains, thus allowing for an annual expansion of product.

CONSOLIDATED ANALYSIS OF THE TOYOTA CAETANO GROUP

The year 2022 was marked by the return of war in Europe. The beginning of the armed conflict between Ukraine and Russia and the consequent repercussions across Europe, contributing to an increase in energy costs, raw material costs and logistical costs, led to generalized inflation in all sectors of activity.

Despite these setbacks and with a continuous effort on the part of all stakeholders, Toyota Caetano Portugal presented a growth of 18.8% in turnover compared to 2021, surpassing the 480 Mio € billed, even surpassing pre-pandemic values (456 Mio € in 2019).

Gross profit as a function of turnover improved by almost 1 pp compared to last year's figure.

This evolution was motivated by the efforts made by the companies in the management of stocks, sales, and containment of costs. As a result of this strategy, the weight of external supplies and services, as well as the weight of personnel costs, decreased compared to the same indicators of the same period of the previous year. This allowed achieving an EBITDA of 48.5 Mio€, higher than that reached in 2021 (43 Mio€) representing 10.1% over Turnover, a value very close to the same indicator in 2021 (10.6%).

In 2022, a property was also sold, contributing positively (0.3 Mio €) to the result consolidation of the Toyota Caetano Portugal Group.

In June 2022, Toyota Caetano Portugal, together with Mitsui & Co., Ltd, shareholders of CaetanoBus, with the aim of accelerating R&D investment in base / product technologies for its future growth plan, carried out an increase of capital with issue premium, totaling 10 Mio€; the shareholders participated in this increase in proportion to the interest they hold in the share capital of this company; thus, Toyota Caetano Portugal contributed with the amount of 6.2 Mio €.

The Group continues to reflect the ongoing policy of managing the means available for setting up an adequate capital structure.

The degree of financial autonomy of the sit Group to 50.0%, 5.5 pp above the registered in the period year-on-year, this is mainly due to the decrease in inventory values.

With the purpose of summarizing the evolution of the performance of the Toyota Caetano Portugal Group, below table presents comparative indicators, in the monetary unit thousands of Euros, that reflect all the above:

	DEC/22	DEC/21	Variation
Turnover	480 226	404 159	18,8%
Gross Profit	119 257	96 431	23,7%
% (f) Sales	*24,8%*	*23,9%*	
Supplies and external services	46 751	40 143	16,5%
% (f) Sales	*9,7%*	*9,9%*	
Personnel expenses	45 815	39 293	16,6%
% (f) Sales	*9,5%*	*9,7%*	
EBITDA	48 539	42 937	13,0%
% (f) Sales	*10,1%*	*10,6%*	
Operational Result	32 761	23 646	38,5%
% (f) Sales	*6,8%*	*5,9%*	
Financial Result	-2 818	-2 669	5,6%
% (f) Sales	*-0,6%*	*-0,7%*	
Consolidated net income	14 820	11 826	25,3%
% (f) Sales	*3,1%*	*2,9%*	
Degree of financial autonomy	50,0%	44,5%	

THE BUSINESS RISKS

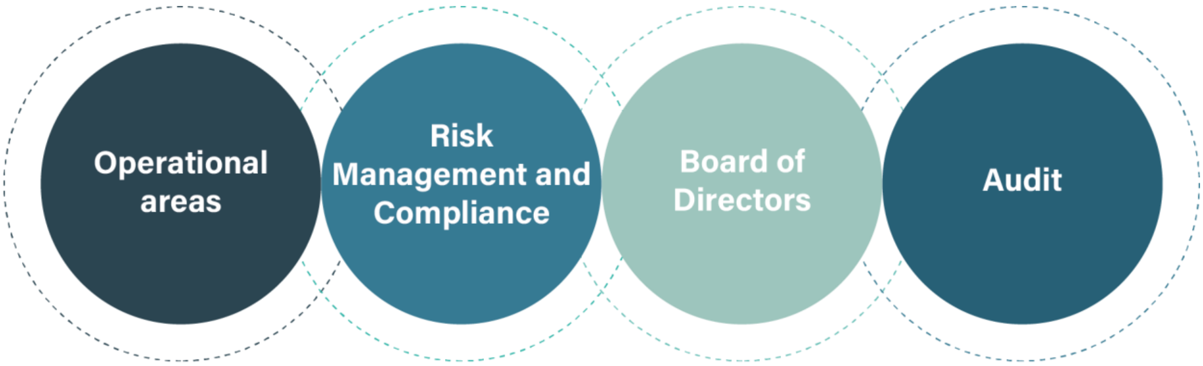
APPROACH TO RISK

The adoption of a risk management model aims to help organisations, through procedures associated with the monitoring, management and control of risks inherent to a set of activities and functions that may be particularly vulnerable.

The effectiveness of risk management will depend on the integration of these procedures into the organisation's governance. The Toyota Caetano Group adopted a model of four lines of defence, involving the various levels of the organisation, particularly top management.

At Toyota Caetano Portugal, S.A., risk policy and risk control are carried out directly by the Board of Directors and assessed annually by the Supervisory Board.

The Company is also supported by, and maintains synergies with, Salvador Caetano's internal departments, such as the Legal and Compliance Department/Compliance Committee/Planning, Management Control and Internal Audit Department/Taxation Department/IT Services Department, and the Audit carried out by External Auditors. Whenever appropriate, reports are shared with the Supervisory Board.



Operational areas	Risk Management and Compliance	Board of Directors	Audit
1st line of defence Implementation of risk control procedures and mechanisms	Planning and control Risk monitoring Management support	The risk strategy is set by the Board of Directors, and its main task is to control it	Audit line, internal and external, validation of the effectiveness of risk management mechanisms The risk strategy and policy is assessed by the Supervisory Board, which issues a reasoned opinion

RISK MATRIX

The Toyota Caetano Group’s Risk Management and corresponding risk matrix is prepared and updated by a team representing the Group’s executive management, heads of department and other employees, with support from the Salvador Caetano's Shared Services team.

During 2022, the company carried out significant work to systematize the most relevant risks in its areas of activity, with the collaboration of an external entity, which resulted in a substantial update to the risk management model.

Risk management is intended to detect, manage, control and mitigate threats, as well as to identify and leverage opportunities, thus creating added value for the Company. Therefore, the Company's Board of Directors is supported by the heads of each of the divisions, with whom it meets periodically, for analysis and monitoring of financial and non-financial information.

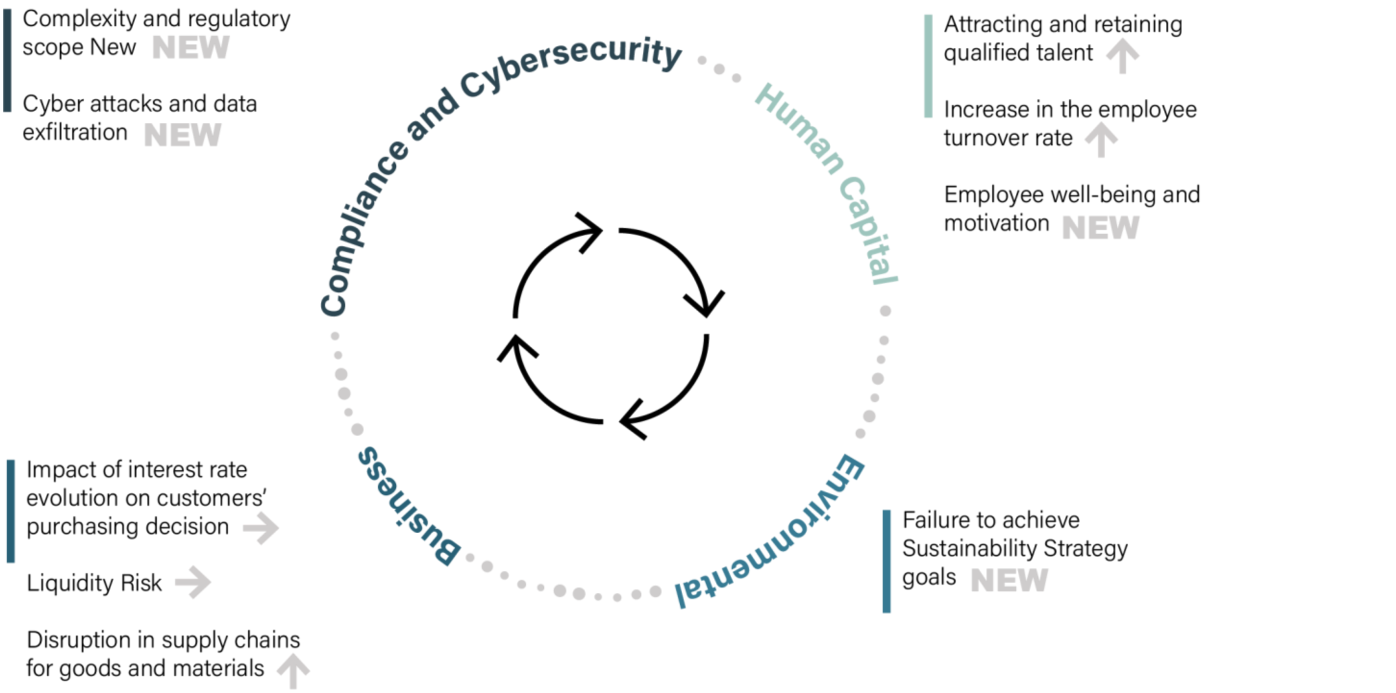
In this context, the identification and determination of the probability of occurrence of risks by the Company's Board of Directors is based on (i) the regular and very close monitoring of the activities carried out; (ii) the participation in seminars, training and workshops promoted by external entities and corporate departments of Salvador Caetano; (iii) meetings and internal committees at Salvador Caetano to share information and experiences, among others.

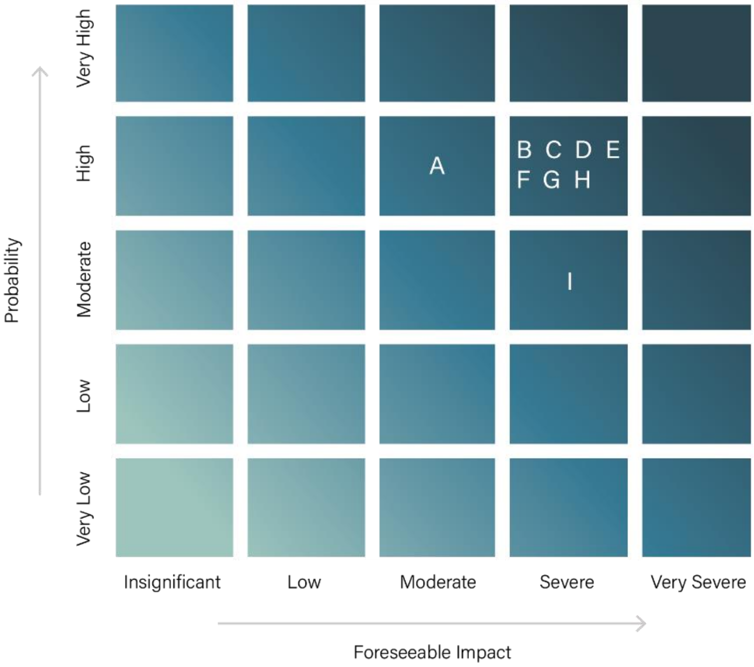
At the same time, an analysis is carried out of risk impacts on the Company, assessing the degree of repercussion they will have on the activity and determining short- and medium/long-term strategies to prevent, react and mitigate these risks. It should also be noted that this risk management includes:

- sensitivity analyses (measurement of potential impacts based on the probability of occurrence of each risk);
- strategic alignment of the Company in terms of the risks effectively incurred;
- mechanisms for controlling the implementation of the risk management measures adopted and their effectiveness;
- internal information and communication mechanisms on the various components of the risk alert system.

The Supervisory Board monitors and takes note of the work and results carried out by the internal control, risk management, compliance and internal audit services.

MAIN RISKS





Main risks:

NEW A - Complexity and regulatory scope
NEW B - Cyber attacks and data exfiltration
= C - Impact on customers' purchasing decision
↑ D - Disruption in supply chains for goods and materials
= E - Liquidity
↑ F - Attracting and retaining qualified talent
↑ G - Increase in the employee turnover rate
NEW H - Employee well-being and motivation
NEW I - Failure to achieve Sustainability Strategy goals

New
= Maintained
↓ Decreased
↑ Increased

AREA	RISK	FACTORS THAT CONTRIBUTE TO THE RISK	MEASURES TO CONTROL RISK
Compliance and Cybersecurity	**Complexity and regulatory scope**	• Geographic spread of the Group. • Complexity of regulatory changes and focus on multiple legislative strands. • Substantial increase in areas covered by new regulations; • Normative variability. • Rapid technological evolution has an impact on business models with requirements in terms of compliance and on the digital transformation of supervisory authorities. • Risks arising from climate, health and social changes that result in regulatory measures. • Potential legal consequences resulting from non-compliance.	• Centralised and field-specialised compliance teams. • Daily analysis of published legislation. • External consultancy in identifying legal requirements, support in monitoring and implementing regulations when necessary. • Reinforcement in the preparation and availability of team resources. • Regular specific training of teams. • E-learning training permanently available to all employees. • Periodic internal dissemination newsletters. • Communication and dissemination of information specifically aimed at those responsible for the various areas covered. • Periodic monitoring.
	Cyber attacks and data exfiltration	• Very significant increase in cyber attacks (such as Phishing, Ramsonware, Malware, among others). • Data Breach Incidents. • High level of integration with the represented brands' IT systems: dependence on the security level of these entities can lead to vulnerabilities. • Distributed Denial-of-Service (DDoS) Attacks • Exposure to situations that give rise to fines and administrative offences.	• ATSG (All Toyota Security Guidelines) Governance Policy. • SC Group Security Policy - SCG Security Guidelines. • Segmentation and segregation of communications. • Periodic audit plan. • Dedicated cybersecurity teams. • Periodic training and awareness actions for employees. • Regular phishing simulations. • 24*7 SOC service. • Protection of Websites and Anti-DDoS system.

AREA	RISK	FACTORS THAT CONTRIBUTE TO THE RISK	MEASURES TO CONTROL RISK
Human Capital	**Attracting and retaining qualified talent**	• Difficulty in attracting qualified human resources. • Reduction in the employee retention rate, with special attention to younger profiles. • Near-full employment status in core sectors of the organisation.	• Evaluation and review of the overall benefits package. • Flexible schedule policies. • Investment in better employer brand communication and feedback from managers. • Be Caetano Barometer – implementation of two annual initiatives to survey the level of employee satisfaction and respective monitoring of action plans vs. countermeasures. • Intensive training programs for a quicker response to needs.
	Increase in the employee turnover* rate (*) Turnover = (No. of Employees who left the company in the last 6 months ÷ Total No. of Employees in the Company on the baseline date of the indicator) x 100	• Difficulty in attracting qualified human resources. • Long training period in various functions. • Near-full employment status in core sectors of the organisation. • Need for very specific functions with shortage of supply in the labour market. • Detachment towards the organisational culture.	• Evaluation and review of the overall benefits package for employees. • Flexible schedule policies. • Be Caetano Barometer – implementation of two annual initiatives to survey the level of employee satisfaction and respective monitoring of action plans vs. countermeasures. • Senior Talent Programme. • Optimisation of internal mobility and career promotion within the Group. • Level 3 Kaizen - standards of processes, procedures and norms.
	Employee well-being and motivation	• Increase in mental illnesses or burnout situations, as a result of the high levels of anxiety and stress caused by (i) the pandemic and the effect of confinement on the increase in loneliness, (ii) the economic climate, with negative impacts in the well-being and productivity of employees, and (iii) quantity, diversity and complexity of requests resulting from the accelerated pace and change in business models. • Difficulty balancing professional and personal life.	• Provision of psychology consultations. • Implementation of work-life balance measures. • Level 3 Kaizen - standards of processes, procedures and norms. • Leadership development training in time management, organisation, productivity and data analytics. • Be Caetano Leadership Programme to promote transformational leadership and mentoring. • *Clube Ser*, a programme with protocols and discounts in several companies and teambuilding activities. • Team 24 application for psychological support and wellness resources.

AREA	RISK	FACTORS THAT CONTRIBUTE TO THE RISK	MEASURES TO CONTROL RISK
Business	**Unfavourable impact of interest rate evolution on customers' purchasing decision, which leads to postponing or suspending the acquisition**	• Increases in indexes and spreads, as well as the requirements of financing entities for granting credit, lead to an increase in the cost of credit. • Interest rate volatility increases decision-making uncertainty. • Customers' ability to obtain financing.	• Early negotiation of more advantageous conditions and solutions for customers. • New financing solutions and/or product diversification. • New marketing campaigns.
	Potential liquidity risk that affects the normal conduct of operational activity	• Unfavourable evolution of indexes and spreads. • Increased requirements from financing entities for granting credit. • Increased cost of bank guarantees. • Difficulty in logistics chains and product flow, leading to higher levels of stock.	• Negotiation with the Banking sector. • Careful management of working capital components. • Periodic stress tests. • Cash-flow planning. • Diversification of financing sources by instrument, Bank, region, interest rates and maturities. • Ongoing negotiation with partners, in order to increase the range of offers.
	Disruption in supply chains for goods and materials	• Substantial increase in the delivery time of products and materials. • Difficulty associated with increased logistical complexity and transport prices. • Failures in the supply chain can jeopardize the survival of component suppliers or service providers, whose replacement is difficult. • Substantial increase in energy costs. • Significant increase in the cost of raw materials.	• Whenever possible, centralised management of stocks, rendering it more efficient. • Enlargement of the supplier portfolio, where possible. • Optimisation of logistic flows. • Alternative solutions that ensure customer satisfaction. • Negotiation with logistics operators supported by Toyota channels.
Environmental	**Failure to achieve Sustainability Strategy goals**	• Different visions, businesses, needs, organisational structures and cultures can lead to a loss of focus. • Maturity of some of the technologies needed to replace gas with electricity, which could jeopardise the objective. It can prevent the achievement of CO_2 emissions reduction.	• Sustainability Committee. • Centralisation of information and transfer of know-how. • Implementation of the centralised coordination process. • Assessment of the impact on productivity of the introduction of electric cabinets, in order to speed up the change (even if it implies an increase in investment). Assessing alternative solutions like hydrogen. • Search for alternative decarbonisation solutions in different areas in order to mitigate the difficulty of reduction in some areas.

The following risks, identified last year, are no longer considered main risks due to the update of their risk analysis, and are now monitored in each of the organizations:

- Possible impact of Covid-19;
- Possible loss of market share to the competition;
- Ability for customers to meet their payments.

OTHER INFORMATION

The Company neither acquired nor disposed of its own shares during the year. As of December 31, 2022, the Company did not hold any own shares.

It is also up to us to inform that there are no debts to the state public sector and Social Security, whose payment is in arrears.

The Company does not have any branches either in the national territory or abroad.

No business was transacted between the Company and its directors.

STATEMENT

We declare, under the terms and for the purposes set out in paragraph c) of paragraph 1 of article 29-G of the Securities Code that, to the best of our knowledge, the individual and consolidated financial statements of Toyota Caetano Portugal, relating to the year 2022, were prepared in accordance with the applicable accounting standards, giving a true and appropriate picture of the assets and liabilities, the financial situation and the results of this Company and the companies included in its consolidation perimeter and that the management report exposes faithfully the evolution of the business, performance and position of this Company and its subsidiaries included in the consolidation perimeter, as well as a description of the most significant risks and uncertainties they face.

SUBSEQUENT EVENTS

In the current context, economic agents face unprecedented uncertainty resulting from a vast and varied set of factors such as:

- ruptures in the supply chains, both about the accessibility of goods at the various stages of the value chain (raw materials, goods, product) and about logistical constraints associated with their transport and availability, with the consequent impact on the respective price.
- Inflationary pressure and context of rising interest rates: with impacts on companies and consumers.
- energy crisis and influence on its supply and cost throughout the value chain.
- volatility in the evolution of exchange rates.
- labour shortages and difficulties in retaining talent.
- impacts of climate change.

Many of these factors were strongly impacted by the (post)pandemic scenario experienced and exacerbated by the ongoing conflict between Russia and Ukraine.

This situation represents, for the companies of the Toyota Caetano Group, the continuation of a challenging macroeconomic context, already felt in previous periods and which, tending tone, will be maintained for the year 2023.

The complex ramifications associated with the current context and the challenges that result from it, make predictions, company performance and cash-flow management difficult.

Toyota Caetano Portugal, SA continues to closely monitor events related to the situation in Ukraine, expressing total solidarity with its people.

PROPOSAL FOR APPLICATION OF RESULTS

In accordance with the provisions of subparagraph b) of paragraph 1 of article 376 of the Commercial Companies Code, we propose the following application of the net income for the year, in the amount of €14,701,869.44 expressed in the individual financial statements of Toyota Caetano Portugal:

a) For the account of adjustments to financial assets resulting from the application of the equity method: €119,715.53

b) For dividends to be allocated to capital, €0.25 per share, which, given their number (35,000,000) amounts to: €8,750,000.00

c) For the Retained Earnings account: €5,832,153.91

FINAL CONSIDERATIONS AND ACKNOWLEDGMENTS

At the end of this report, we would like to convey a word of thanks:

- To our Employees who, due to their availability and enthusiasm, committed themselves to the development of the Company.
- To our Customers and Dealers for the permanent trust they have placed in our products and for the distinction of their choice.
- To the Banking Entities for the collaboration and support they have always shown in monitoring our activity.
- To the other Governing Bodies for their collaboration throughout their work.

Approved at the Board of Directors meeting on April 12, 2023

The Board of directors:

José Reis da Silva Ramos –Chairman

Maria Angelina Martins Caetano Ramos

Miguel Pedro Caetano Ramos

Gisela Maria Falcão Sousa Pires Passos

Tom Fux

Kazunori Takagi

INFORMATION ON THE PARTICIPATION OF THE MANAGEMENT AND SUPERVISORY BODIES OF TOYOTA CAETANO PORTUGAL, SA

Pursuant to article 447 of the Commercial Companies Code and in accordance with paragraph b) of article 8 and number 4 of article 14, both of CMVM Regulation 5/2008, it is declared that, in the As of Decemb er 31, 2022, the members of the Company's management and supervisory bodies did not hold any shares or obligations of the Company.

It is further stated that the members of the Company's management and supervisory bodies did not carry out any acquisitions, encumbrances, or transfers of ownership during the 2022 financial year that have as object the Company's shares or bonds.

The company's securities held by companies in which the members of the management and supervisory bodies hold positions in the governing bodies are further stated below:

- the shareholder Salvador Caetano Auto, SGPS, SA had no movements (of which Maria Angelina Martins Caetano Ramos is Chairman of the Board of Directors, José Reis da Silva Ramos and Miguel Pedro Caetano Ramos are Members of the Board of Directors), had no movements, at least which on 31 December 2022 held 24,429,144 shares with a nominal value of 1 euro each.

- the shareholder COVIM – Sociedade Agrícola, Silvícola e Imobiliária, SA had no movements (of which Maria Angelina Martins Caetano Ramos is Chairman of the Board of Directors, José Reis da Silva Ramos is the spouse of the Chairman of the Board of Directors), so on 31 December 2022 held 393,252 shares, with a nominal value of 1 euro each.

For the purposes set out in the final part of number 1 of article 447 of the Commercial Companies Code (companies in a controlling or group relationship with the company), it is declared that:

- José Reis da Silva Ramos, Chairman of the Board of Directors, owns 39.49%[1] of the share capital of Grupo Salvador Caetano, SGPS, SA, a company that is in a controlling relationship with the Company.

  [1] This percentage includes shares held by the spouse

- Maria Angelina Martins Caetano Ramos, Member of the Board of Directors, owns 39.49%[2] of the share capital of Grupo Salvador Caetano, SGPS, SA, a company that is in a controlling relationship with the Company.

  [2]This percentage includes shares held by the spouse

- Miguel Pedro Caetano Ramos, Member of the Board of Directors, owns 0.00223% of the share capital of Grupo Salvador Caetano, SGPS, SA, a company that is in a controlling relationship with the Company

QUALIFYING HOLDINGS

Pursuant to CMVM Regulation 5/2008, we hereby inform you that, as of December 31, 2022, the shareholders with qualified holdings in the company's capital are as follows:

Shareholders	Bonds	% of voting rights
Salvador Caetano - Auto - SGPS, S.A.	24.429.144	69,797
Toyota Motor Europe NV/SA	9.450.000	27,000

FORMULAS

This report uses the following indicators with the following formulas:

- Financial Autonomy = Total Equity / Total Assets
- Employees = average number of employees
- Net Debt = Borrowings - Cash and Cash Equivalents
- Dividend per share = Dividends distributed / Number of shares
- EBITDA = Operating Results + Depreciation and Amortization + Inventories Impairment + Receivables Impairment + Provisions and Impairment Losses
- Adjusted EBITDA = EBITDA + Results of associated companies and joint ventures
- Gross Profit = Turnover + Cost of Sales + Production Variation
- No. of Trainees finished course = Exits to the labour market
- Turnover (Human Resources) = [Number of employees who left the company in the last 6 months / Total number of employees in the company on the indicator's reference date] x 100
- Units sold = sales of new and used vehicles + sales of new and used forklift trucks
- Turnover = Sales + Services Rendered

03

SEPARATE FINANCIAL STATEMENTS

STATEMENTS OF FINANCIAL POSITION AS OF DECEMBER 31, 2022 AND 2021

(Amounts expressed in Euros)

ATIVE	Notes	31/12/2022	31/12/2021
NON-CURRENT ASSETS:			
Goodwill	7	611.997	611.997
Intangible assets	8	2.375.303	904.167
Tangible assets	5	25.314.203	23.080.866
Investment properties	6	11.374.484	11.853.840
Financial investments - equity method	9	96.995.572	91.543.534
Other financial investments	28	19.600	19.600
Deferred tax assets	15	628.800	1.340.220
Total non-current assets		**137.319.960**	**129.354.225**
CURRENT ASSETS:			
Inventories	11	40.839.400	61.227.283
Accounts receivable	12	83.414.863	65.641.520
Other debtors	13	1.475.937	5 519 753
Other current assets	14	888.644	2.725.115
Other financial investments	10	3.375.000	4.256.303
Cash and cash equivalents	4	5.501.727	12.750.072
Total current assets		**135.495.572**	**152 120 045**
Total assets		**272.815.531**	**281 474 270**

SHAREHOLDER'S EQUITY AND LIABILITIES	Notes	31/12/2022	31/12/2021
EQUITY:			
Share capital		35.000.000	35.000.000
Legal reserves		7.498.903	7.498.903
Financial assets adjustments		9.322.533	11.548.165
Revaluation reserve		6.195.184	6.195.184
Other reserves		70.168.977	67.892.106
Retained earnings		17.128.213	8.773.475
Net income		14.701.869	11.695.005
Total equity	16	**160.015.680**	**148.602.839**
LIABILITIES:			
NON-CURRENT LIABILITIES:			
Loans	17	11.933.595	21.259.868
Responsibilities for defined benefit plans	21	284.397	4.216.434
Deferred tax liabilities	15	78.658	88.058
Total non-current liabilities		**12.296.650**	**25.564.360**
CURRENT LIABILITIES:			
Loans	17	37.837.462	20.443.445
Accounts Payable	18	27.313.547	38.901.165
Other creditors	19	14.220.705	17 858 214
Income tax payable	15	1.984.769	4.329.551
Other current liabilities	20	19.146.718	25.774.696
Total current liabilities		**100.503.201**	**107 307 071**
Total liabilities		**112.799.851**	**132 871 432**
Total liabilities and equity		**272.815.531**	**281 474 270**

CHARTERED ACCOUNTANT: ALEXANDRA MARIA PACHECO GAMA JUNQUEIRA

BOARD OF DIRECTORS: JOSÉ REIS DA SILVA RAMOS - President; MARIA ANGELINA MARTINS CAETANO RAMOS; MIGUEL PEDRO CAETANO RAMOS; GISELA MARIA FALCÃO SOUSA PIRES PASSOS; TOM FUX; KAZUNORI TAKAGI

INCOME STATEMENTS BY NATURE FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(Amounts expressed in Euros)

	Notes	31/12/2022	31/12/2021
Operating income:			
Sales and service rendered	23	421.705.653	350.867.405
Other operating income	26	21.382.709	26.383.249
Variation in production	11	3.526.956	(62.588)
Total operational gains		**446.615.317**	**377.188.066**
Operational expenses:			
Cost of sales	11	(341.826.900)	(282.472.629)
External supplies and services	24	(46.393.505)	(43.674.962)
Payroll expenses	25	(19.053.704)	(16.904.503)
Depreciation	5, 6 e 8	(7.006.390)	(7.010.484)
Impairment losses in accounts receivable	22	(14.309)	803
Other expenses	26	(10.275.781)	(9.095.457)
Total operational expenses		**(424.570.589)**	**(359.157.233)**
Operational income		**22.044.728**	**18.030.832**
Gains in financial investments - equity method	9	119.716	(734.405)
Interest expenses	27	(2.262.860)	(1.986.487)
Interest income	27	57.330	179.772
Income before taxes		**19.958.913**	**15.489.712**
Income tax for the year	15	(5.257.043)	(3.794.707)
Net income		**14.701.869**	**11.695.005**

CHARTERED ACCOUNTANT: ALEXANDRA MARIA PACHECO GAMA JUNQUEIRA

BOARD OF DIRECTORS: JOSÉ REIS DA SILVA RAMOS - President; MARIA ANGELINA MARTINS CAETANO RAMOS; MIGUEL PEDRO CAETANO RAMOS; GISELA MARIA FALCÃO SOUSA PIRES PASSOS; TOM FUX; KAZUNORI TAKAG

STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY FOR THE PERIODS ENDED 31 DECEMBER 2022 AND 2021

(Amounts expressed in Euros)

					Other Reserves					
	Notes	Share capital	Legal Reserve	Revaluation Reserve	Adjustments to financial Investments	Other reserves	Total of reserves	Retained Earnings	Net Income	Total Equity
Balance on 1 January 2021		**35.000.000**	**7.498.903**	**6.195.184**	**10.540.468**	**67.197.236**	**91.431.794**	**14.628.750**	**4.644.726**	**145.705.270**
Changes in period										
Application of the 2020 result		-	-	-	-	-	-	4.644.726	(4.644.726)	0
Comprehensive income for the year		-	-	-	1.007.696	694.868	1.702.564		11.695.005	13.397.569
Other changes recognized in equity										
Dividend distribution	16	-	-	-	-	-	-	(10.500.000)	-	(10.500.000)
Balance on 31 December 2021		**35.000.000**	**7.498.903**	**6.195.184**	**11.548.165**	**67.892.106**	**93.134.358**	**8.773.475**	**11.695.005**	**148.602.839**
Balance on 1 January 2022		**35.000.000**	**7.498.903**	**6.195.184**	**11.548.165**	**67.892.106**	**93.134.358**	**8.773.475**	**11.695.005**	**148.602.839**
Changes in period										
Application of the 2021 result		-	-	-	(734.406)	-	(734.406)	5.429.411	(4.695.005)	0
Comprehensive income for the year		-	-	-	1.434.101	2.276.871	3.710.972		14.701.869	18.412.842
Other changes recognized in equity					(2.925.326)		(2.925.326)	2.925.326		
Dividend distribution	16	-	-	-	-	-	-	0	(7.000.000)	(7.000.000)
Balance on 31 December 2022		**35.000.000**	**7.498.903**	**6.195.184**	**9.322.533**	**70.168.977**	**93.185.598**	**17.128.213**	**14.701.869**	**160.015.680**

CHARTERED ACCOUNTANT: ALEXANDRA MARIA PACHECO GAMA JUNQUEIRA

BOARD OF DIRECTORS: JOSÉ REIS DA SILVA RAMOS - President; MARIA ANGELINA MARTINS CAETANO RAMOS; MIGUEL PEDRO CAETANO RAMOS; GISELA MARIA FALCÃO SOUSA PIRES PASSOS; TOM FUX; KAZUNORI TAKAGI

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(Amounts expressed in Euros)

	31/12/2022	31/12/2021
Net profit for the period	14.701.869	11.695.005
Components of comprehensive income for the year, liabilities: to be subsequently reclassified to the income statement		
Equity method in equity (Note 9) - Associates	309.376	327.910
Comprehensive income components for the year, That cannot be reclassified by results:		
Remeasurement (actuarial losses gross of tax) (Note 21)	2.937.898	896.604
Deferred tax of actuarial losses (Note 15)	(661.027)	(201.736)
Equity method In equity (Note 9) - Subsidiaries	1.124.725	679.786
Comprehensive income	**18.412.842**	**13.397.570**

CHARTERED ACCOUNTANT: ALEXANDRA MARIA PACHECO GAMA JUNQUEIRA

BOARD OF DIRECTORS: JOSÉ REIS DA SILVA RAMOS - President; MARIA ANGELINA MARTINS CAETANO RAMOS; MIGUEL PEDRO CAETANO RAMOS; GISELA MARIA FALCÃO SOUSA PIRES PASSOS; TOM FUX; KAZUNORI TAKAGI

STATEMENT OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(Amounts expressed in Euros)

	NOTES	31/12/2022	31/12/2021
OPERATING ACTIVITIES:			
Collections from Customers		502.887.327	445.431.318
Payments to suppliers		(392.215.725)	(351.876.584)
Payments to personnel		(12.544.732	(12.018.760)
Operating flow		**98.126.870**	**81.535.974**
Payments of income tax		(3.302.086)	157.291
Other collections/Payments related to operating activities		(97.652.277)	(75.501.466)
Cash Flow from Operating Activities		**(2.827.493)**	**6.191.799**
INVESTING ACTIVITIES			
Collections from:			
Finacial investments	10	9.581.303	25.745.934
Investment properties	6	570.000	-
Tangible fixed assets	5	135.000	900.532
investment subsidies		521.809	-
Interest and Similar Income		69.980	-
Dividends	9	2.295.328	-
		13.173.419	**26.646.466**
Payments relating to:			
Financial Investments	9	(6.193.549)	(9.383.060)
Financing granted to participating companies	10	(8.700.000)	(11.155.000)
Tangible Assets	5	(1.805.584)	(409.196)
Intangible Assets	8	(809.395)	(415.549)
		(17.508.528)	**(21.362.804)**
Flow of Investment Activities		**(4.335.109)**	**5.283.662**
FINANCING ACTIVITIES:			
Collections from:			
Loans	17	124.500.000	198.500.000
Lease	17	6.601.048	4.968.473
		131.101.048	203.468.473
Payments relating to:			
Loans	17	(117.500.000)	(193.500.000)
Lease down payments	17	(5.533.304)	(5.194.445)
Interest and Similar Costs		(1.149.564)	(1.154.295)
Dividends	16	(7.003.924)	(10.486.528)
		(131.186.791)	**(210.335.268)**
Cash Flow from financing activities		**(85.743)**	**(6.866.795)**
CASH AND EQUIVALENTS			
Cash and cash equivalents at the beginning of the period	4	12.750.072	8.141.407
Cash and cash equivalents at the end of the period	4	5.501.727	12.750.072
Cash Variation and Equivalents		**(7.248.345)**	**4.608.665**

CHARTERED ACCOUNTANT: ALEXANDRA MARIA PACHECO GAMA JUNQUEIRA

BOARD OF DIRECTORS: JOSÉ REIS DA SILVA RAMOS - President; MARIA ANGELINA MARTINS CAETANO RAMOS; MIGUEL PEDRO CAETANO RAMOS; GISELA MARIA FALCÃO SOUSA PIRES PASSOS; TOM FUX; KAZUNORI TAKAGI

NOTES TO INDIVIDUAL FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2022

(Amounts expressed in Euros)

1. INTRODUCTION

Toyota Caetano Portugal, S.A. ("Toyota Caetano" or "Company") is a public limited company incorporated in 1946, with its headquarters in Vila Nova de Gaia, and its activities are the import, assembly and commercialization of light and heavy vehicles as well as the import and commercialization of industrial equipment for cargo handling and respective after-sales assistance, the creation and operationalization of training projects and development of human resources, as well as the management of own properties, including the rental of them, as well as the rental of vehicles for short or long-term, with or without driver.

Toyota Caetano shares have been listed on Euronext Lisboa since October 1987.

Toyota Caetano Portugal, S.A., belongs to group Salvador Caetano (Group led by Grupo Salvador Caetano, S.G.P.S., S.A.), being directly owned by Salvador Caetano Auto - S.G.P.S., S.A., since the end of 2016.

Toyota Caetano is the importer and distributor of the Toyota (vehicles and forklifts), Lexus (vehicles) and BT (forklifts) brands for Portugal, leading a Group ("Toyota Caetano Group") that presents itself as follows on December 31, 2022:

Companies	Thirst
Subsidiaries	
Toyota Caetano Portugal, S.A. (“Parent Company”)	Vila Nova de Gaia
Caetano Renting, S.A. (“Caetano Renting”)	Vila Nova de Gaia
Caetano – Auto, S.A. (“Caetano Auto”)	Vila Nova de Gaia
Caetano Auto CV, S.A. (“Caetano Auto CV”)	Praia (Cabo Verde)
Salvador Caetano Seguros - Mediação de Seguros, Unipessoal Lda (“Salvador Caetano Seguros”)	Vila Nova de Gaia
Joint venture	
Caetanobus – Fabricação de Carroçarias, S.A. (“Caetanobus”)	Vila Nova de Gaia
Associated	
KINTO Portugal, S.A. (“Kinto”)	Vila Nova de Gaia

During the year ended December 31, 2021, the Company Salvador Caetano Seguros was incorporated, being directly owned by Caetano Auto, SA in 100%.

The attached financial statements are presented in Euros (with rounding to the unit), as this is the currency used preferably in the economic environment in which the Company operates.

2. BASIS OF PRESENTATION AND MAIN ACCOUNTING POLICIES

The basis of presentation and main accounting policies adopted in the preparation of the attached financial statements are as follows:

2.1 BASIS OF PRESENTATION

The attached financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board ("IASB"), the International Accounting Standards Committee ("IAS"), issued by the International Accounting Standards Committee ("IASC") and their interpretations – IFRIC and SIC, issued respectively by the International Financial Reporting Interpretations Committee ("IFRIC") and the Standing Interpretation Committee ("SIC"), which have been endorsed by the European Union, in force for the financial year beginning 1 January 2022.

The Company's financial statements were prepared on the assumption of the continuity of operations and based on the principle of historical cost and, in the case of some financial instruments, fair value, from the Company's books and accounting records.

The Board of Directors carried out the assessment of the Company's ability to operate in continuity, based on all relevant information, facts, and circumstances, of a financial, commercial, or other nature, including events after the reference date of the financial statements, available on the future. As a result of the evaluation made, the Board of Directors concluded that the Company has adequate resources to maintain its activities, with no intention to cease activities in the short term, so it considered appropriate the use of the assumption of continuity of operations in the preparation of the financial statements.

Additionally, for financial reporting purposes, the fair value measurement is categorized as Level 1, 2 and 3, according to the degree to which the assumptions used are observable and their significance at the level of valuation at fair value used in the measurement of assets/liabilities or in their disclosure.

Level 1 – Fair value is determined based on active market prices for identical assets/liabilities;

Level 2 – fair value is determined based on data other than market prices identified in Level 1, but which may be observable on the market; and

Level 3 – Fair value is determined based on valuation models whose main assumptions are not observable in the market.

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

Although these estimates are based on the best experience of management and its best expectations regarding current and future events and actions, current and future results may differ from these estimates. Areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant are presented in Note 2.4.

2.2 ADOPTION OF NEW OR REVISED IAS/IFRS

New standards and changes to the standards that became effective on 1 January 2022

Up to the date of approval of these financial statements, the following accounting standards, interpretations, amendments, and revisions have been approved by the European Union, with mandatory application to the financial year beginning 1 January 2022:

Description	Change	Effective date
● IAS 16 – Income obtained before starting operations	Prohibition of the deduction of income obtained from the sale of items produced during the testing phase, at the acquisition cost of tangible fixed assets	January 1, 2022
● IAS 37 – Onerous contracts – costs of performing a contract	Clarification on the nature of expenses to be considered in determining whether a contract has become onerous	January 1, 2022
● IFRS 3 – References to the Conceptual Framework	Update to the references for the Conceptual Framework and clarification on the recording of provisions and contingent liabilities within the scope of a business combination	January 1, 2022
● Cycle of Improvements 2018 - 2020	Specific and one-off amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41	January 1, 2022

No significant effects were produced in the Company's financial statements for the year ended December 31, 2022, resulting from the adoption of the above-mentioned standards and changes

Standards (new and amended) published, the application of which is mandatory for annual periods beginning on or after January 1, 2023, and which the European Union has already endorsed

Up to the date of approval of these financial statements, the following accounting standards and amendments to the standards were approved ("endorsed") by the European Union, with mandatory application to the financial years beginning on January 1, 2023:

Description	Change	Effective date
● IAS 1 – Disclosure of Accounting Policies	Requirement to disclose “material” accounting policies over “significant” accounting policies	January 1, 2023
● IAS 8 – Disclosure of accounting estimates	Definition of accounting estimate. Clarification regarding the distinction between changes in accounting policies and changes in accounting estimates	January 1, 2023
● IFRS 17 – Insurance contracts	New accounting for insurance contracts, reinsurance contracts and investment contracts with discretionary profit-sharing features, in terms of aggregation, recognition, measurement, presentation and disclosure	January 1, 2023
● IFRS 17 – Initial application of IFRS 17 and IFRS 9 - Comparative Information	This amendment makes it possible to avoid temporary accounting mismatches between financial assets and liabilities of insurance contracts in the comparative information presented, in the application of IFRS 17 for the first time. This amendment allows the application of an “overlay” in the classification of a financial asset, for which the entity does not update the comparative information of IFRS 9.	January 1, 2023
● IAS 12 - Deferred tax related to assets and liabilities associated with a single transaction	Requirement of recognition of deferred tax on the recording of assets under the right of use / liability of the lease and provisions for dismantling / related asset, when their initial recognition gives rise to equal amounts of taxable temporary differences and deductible temporary differences, as they are not relevant for tax purposes	January 1, 2023

About these standards (new and amended), it is not estimated that their future adoption will have a significant impact on the accompanying financial statements.

Standards (new and amended) published, the application of which is mandatory for annual periods beginning on or after 1 January 2023, and which the European Union has not yet endorsed

The following accounting standards and amendments to standards were issued by the IASB with mandatory application in future financial years and which, up to the date of approval of these financial statements, have not yet been approved ("endorsed") by the European Union

Description	Change	Effective date
● IAS 1 – Non-current liabilities with covenants	Classification of a liability as current or non-current, depending on an entity's right to defer payment beyond 12 months after the reporting date, when subject to covenants.	January 1, 2024
● IAS 16 – Lease Liabilities in Sale and Leaseback Transactions	Accounting requirements for sale and leaseback transactions after the transaction date when some or all lease payments are variable	January 1, 2024

These standards have not yet been adopted ("endorsed") by the European Union and, as such, were not applied by the Company in the year ended December 31, 2022.

Regarding these standards and interpretations, issued by the IASB, but not yet approved ("endorsed") by the European Union, it is not estimated that their future adoption will have a significant impact on the attached financial statements.

2.3 MAIN ACCOUNTING POLICIES

The main valuation criteria used by Toyota Caetano in the preparation of its financial statements are as follows:

a) Tangible fixed assets

Tangible fixed assets acquired up to January 1, 2004 (transition date for IFRS) are recorded at their "deemed cost", which corresponds to their acquisition cost, or acquisition cost revalued in accordance with the accounting principles generally accepted up to that date, deducted from accumulated depreciation and impairment losses.

Tangible fixed assets acquired after that date are recorded at acquisition cost, deducted from accumulated depreciation and impairment losses.

The purchase cost includes the purchase price of the asset, the expenses directly attributable to its acquisition and the charges incurred with the preparation of the asset for it to be placed in its condition of use. The financial costs incurred with loans obtained for the construction of qualifying tangible assets are recognized as part of the cost of construction of the asset.

Impairment losses in the realization value of tangible fixed assets are recorded in the year in which they are estimated, against the caption "Impairment losses" in the income statement.

Depreciation is calculated from the moment the assets are in conditions of use, using the straight-line method, according to the following estimated useful lives:

	Years
- Buildings and other constructions	20 - 50
- Basic equipment and tools	7 - 16
- Transport equipment	4 - 6
- Administrative equipment	3 - 14
- Other tangible fixed assets	4 - 8

The useful lives of the assets are reviewed in each financial report, so that the depreciation practiced is in line with the consumption patterns of the assets. Land is not depreciated. Changes to useful lives are treated as a change in accounting estimate and are applied prospectively.

Expenses with repair and maintenance of tangible fixed assets are considered as expenses in the year in which they occur. Improvements of a significant amount that increase the estimated period of use of the respective assets are capitalized and depreciated according to the remaining useful life of the corresponding assets.

Tangible fixed assets in progress represent tangible assets still under construction / development and are recorded at acquisition cost minus accumulated impairment losses. These assets are transferred to tangible fixed assets and depreciated from the moment the underlying assets are available for use and in the necessary conditions to operate as intended by management.

Gains or losses resulting from the disposal or writ-offs of tangible fixed assets are determined by difference between the sales price and the carrying amount on the date of disposal being recorded in the income statement as "Other operating income" or "Other operating expenses".

In leases in which the Company acts as lessor under operating lease agreements, the values of the affected assets are maintained in the Company's statement of financial position and income is recognized on a straight-line basis over the period of the lease agreement.

b) Intangible assets

Intangible assets are recorded at acquisition cost, minus accumulated depreciation, and accumulated impairment losses. Intangible assets are only recognized if it is likely that they will generate future economic benefits for the Company if the Company has the power to control them and if their value can be reasonably measured.

Research expenses incurred on new technical knowledge are recognized as an expense in the income statement when incurred.

Development expenses, for which the Company demonstrates the capacity to complete its development and start its commercialization and/or use and for which it is likely that the asset created will generate future economic benefits, are capitalized. Development expenses that do not meet these criteria are recorded as an expense in the income statement for the year in which they are incurred.

Internal costs associated with the maintenance and development of software are recorded as expenses in the income statement when incurred, except when these costs are directly associated with projects which are likely to generate future economic benefits for the Company. In these situations, these costs are capitalized as intangible assets.

Intangible assets are amortized using the straight-line method over a period of three to five years. The useful lives of the assets are reviewed in each financial report, so that the amortization practiced is in accordance with the consumption patterns of the assets. Changes to useful lives are treated as a change in accounting estimate and are applied prospectively.

Depreciation for the year of intangible assets is recorded in the income statement under the caption “Amortization and depreciation”.

c) Investment properties

Investment properties, which correspond to real estate assets held to obtain income through leasing or for capital appreciation and not for use in the production or supply of goods and services or for administrative purposes, are recorded at acquisition cost being the respective fair value disclosed (Note 6).

The Company promotes periodic and rotating valuations of the real estate assets by independent specialized entities. In the years in which a particular real estate asset is not selected for an independent external valuation, the Group's internal team (which has technical expertise in this area) is required to assess the possibility of relevant changes in the market value of such real estate assets in view of the last external assessment obtained.

As Investment properties are also depreciated by the straight-line method over a period of ten to fifty years. Depreciation for the year of investment properties is recorded in the income statement under the caption "Depreciation and amortization".

The expenses incurred with investment properties in use, namely maintenance, reparations, insurance, and property taxes (municipal property tax), are recognized in the income statement of the results of the year to which they refer. The benefits, for which they are estimated to generate additional future economic gains, are capitalized.

When the fair value of these real estate assets is lower than their respective acquisition cost, an impairment loss is recorded, where appropriate, in the year in which it is estimated, in return for the caption "Impairment losses" in the income statement. When the accumulated impairment losses recorded are no longer verified, they are immediately reversed in return for the caption "Impairment losses" in the income statement, up to the limit of the amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized in previous years

The fair value resulting from external valuations of investment properties, which is disclosed, was determined since real estate valuations carried out by independent specialized entities (commonly using the Market Method, cost method or Income Method).

d) Leases (from the tenant's point of view)

Location identification

A lease is defined as a contract, or part of a contract, that transfers the right to use an asset (the underlying asset) for a period in exchange for a value. At the beginning of each contract, it is assessed and identified whether it is or contains a lease. This assessment involves an exercise in judgment as to whether each contract depends on a specific asset, whether the Company, as a renter, obtains substantially all the economic benefits of using that asset and whether it has the right to control the use of the asset.

All contracts constituting a lease are accounted for by the lessee based on a single recognition model in the statement of financial position.

On the effective date, the Company recognizes the liability related to the lease payments (i.e., the lease liability) and the asset representing the right to use the underlying asset during the lease term (i.e., “right-of-use” or “RoU”). The interest cost on the lease liability and the RoU depreciation are recognized separately.

Lease liabilities are remeasured when certain events occur (such as the change in the lease period, a change in future payments resulting from a change in the benchmark or the rate used to determine those payments). This remeasurement of lease liabilities is recognized as an adjustment in the RoU.

Assets under right of use

The Company recognizes an asset under right of use on the effective date (that is, the date on which the underlying asset is available for use). The asset under right of use is recorded at acquisition cost, deducted from accumulated depreciation and impairment losses accumulated and adjusted by any new measurements of the liabilities of the leases. The cost of an asset under right of use includes the initial amount of the lease liability, any direct costs initially incurred, and payments already made before the date of entry into force, deducted from any incentives received and plus the restoration costs, if any. The asset under right of use are recorded under the caption "Tangible Fixed Assets" of the financial position statement.

When the Company incurs an obligation to dismantle and remove a leased asset, restore the place in which it is located, or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized in accordance with the terms of IAS 37. Expenses are included in their right of use.

Rental incentives (e.g., rent grace periods) are recognized as elements for measuring of the right to use and liabilities of the lease. Variable rents that do not depend on an index or rate are recognized as expenses in the fiscal year in which they are calculated, or payment occurs.

Asset under right of use are depreciated according to the lease term, by the straight-line method, or according to the estimated useful life of the asset under right of use, when it is longer than the lease period and management intends to exercise the purchase option.

Unless it is reasonably certain that the Company obtains ownership of the leased asset at the end of the lease term, the right to use the recognized assets is depreciated by the straight-line method based on the lease term.

Impairment of asset under right of use is tested in accordance with IAS-36 (Note 2.3 g).

In low-value and short-term asset leases, the Company does not recognize the asset under right of use or lease liability, recognizing the expenses associated with these leases as expenses for the year during the lifetime of the contracts.

Lease contracts can contain lease and non-lease components. It was considered, however, the expedient provided in the standard of not separating the service components from the lease components, accounting for them as a single lease component.

Rental liabilities

On the date of entry into force, the Company recognizes the liabilities measured at the present value of future payments to be made until the end of the lease and includes such balances under the financial position statement caption "Financing obtained".

Lease payments include fixed payments (including fixed payments in substance), deducted from any incentives to receive, variable payments, dependent on an index or a fee, and expected amounts to be paid under residual value guarantees. Lease payments also include the exercise price of a purchase option, if it is reasonably certain that the Company will exercise the option, and penalty payments for termination of the contract, if it is reasonably certain that the Company terminates the contract.

Payments for non-lease components are not recognized as lease liabilities. Variable payments that do not depend on an index or a rate are recognized as an expense in the fiscal year in which the event that gives them rise occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate on the effective date if the implied interest rate is not easily determinable.

The extension and termination options are provided for in various lease contracts and their application is based on operational maximization. To determine the lease term, the Board of Directors shall consider all the facts and circumstances that create an economic incentive to exercise an extension option or not to exercise a termination option. Most extension options have not been included in the lease liability and when exercised are by the Company and not by the lessor.

The deadline is reviewed only if a significant event or a significant change occurs in the circumstances that affect this assessment and that is under the control of the tenant.

After the date of entry into force, the value of the lease liability increases to reflect the increase in interest and reduces by the payments made. Additionally, the book value of the lease liability is remeasured if there is a change, such as a change in lease term, fixed payments, or the decision to purchase the underlying asset.

Accounting treatment of "Sale and Leaseback" operations

The accounting treatment of "Sale and Leaseback" operations depends on the substance of the transaction by applying the principles set out in the recognition of revenue. According to IFRS 16, if the transfer of the asset complies with the requirements of IFRS 15, then it should be counted as a sale of an asset, and the seller-lessee shall measure the right of use (RoU) of the asset as a proportion of the previous book value of the asset that is related to the right of use, recognizing only as gain and loss the related to the rights transferred to the buyer-lessor, i.e. those that depart beyond the rental period.

According to IFRS 16, the value of the right of use to be recognized (RoU) is lower than it would be if the lease was concluded without the previous sale transaction. Effectively the Value of the RoU is calculated by the proportion of the retained value on the value of the asset sold

In situations where the Company receives a price higher than its fair value as compensation for expenses to be incurred that are traditionally the responsibility of the owner, such amounts are deferred for the rental period.

e) Inventories

The Company's inventories associated with the import and retail activity of the automobile and industrial equipment area (which essentially comprise goods consisting of new and used vehicles, cargo handling equipment, as well as such as parts and accessories) are valued at the lower of acquisition cost and net realizable value. Cost comprises expenses incurred to bring inventories to their current location and condition. The costing formula used for parts and accessories corresponds to the average cost, whereas in relation to vehicles (new and used) the costing is specific by chassis or number plate.

Net realizable value represents the estimated selling price less all estimated completion costs and costs to be incurred in marketing, selling and distribution. Used vehicles are accounted for at the lower of cost or fair value less costs to sell, generally based on external market data available for used vehicles. An impairment of inventories is recognized in situations where the net realizable value is less than the cost (as a result of obsolescence, deterioration and drop in selling price). When calculating the provision, the Board of Directors considers the nature and state of the inventory (vehicle), as well as applying assumptions around the possibility of early sale, determined in the conditions existing at the end of the financial reporting period. Except for parts and accessories, adjustments to net realizable value are generally applied on an item-by-item basis.

Finally, in work in progress (repair and vehicle assistance), applied labor is valued at cost price.

Regarding the industrial activity related to the assembly of vehicles in the manufacturing facilities of Ovar (the inventories in this activity correspond to raw and subsidiary materials, production in progress and finished products), raw materials are valued at acquisition cost, being average cost is used as the costing formula. Regarding the cost of finished and intermediate products, as well as products and work in progress, this corresponds to their production cost, which includes the cost of raw materials incorporated into production, labor and general manufacturing costs incorporated, based on the normal level of production. The difference in charges capitalized and recognized as these types of inventories between the beginning and end of the year is recognized as variation in production in the income statement. The output costing formula corresponds to the specific cost of each vehicle / chassis produced.

The impairment of inventories is recognized for these inventories, to reduce their book value to their realizable value, essentially based on rotation indicators.

f) Government or other public entities' Grants

Government subsidies are recognized at their fair value when there is a reasonable guarantee that they will be received and that the Company will comply with the conditions required for its grant.

Subsidies related to expenses incurred are recorded as a gain to the extent that there is a reasonable guarantee that will be received, that the Company has already incurred in subsidized expenses and that comply with the conditions required for its concession.

g) Impairment of Assets

Non-current assets except Goodwill

An assessment of the Company's assets is carried out at the date of each statement of financial position whenever an event or change in circumstances is identified indicating that the amount by which the asset is registered may not be recoverable.

Whenever the amount at which the asset is recorded is greater than its recoverable amount (defined as the higher of the net selling price and value in use, or as the net selling price for assets held for disposal), it is recognized an impairment loss, recorded in the income statement under the caption “Impairment losses”. The net selling price is the amount that would be obtained from the disposal of the asset, in a transaction between independent and knowledgeable entities, minus the costs directly attributable to the disposal. The value in use is the present value of estimated future cash flows that are expected to arise from the continued use of the asset and its disposal at the end of its useful life. The recoverable amount is estimated for each asset individually or, if this is not possible, for the cash-generating unit to which the asset belongs.

The reversal of impairment losses recognized in previous periods is recorded when it is concluded that the recognized impairment losses no longer exist or have decreased. This analysis is carried out whenever there are indications that the previously recognized impairment loss has reversed. The reversal of impairment losses is recognized in the income statement as “Impairment losses”. However, the reversal of the impairment loss is recognized only up to the amount that would have been recognized (net of amortization or loss depreciation) if the impairment loss had not been recorded in prior years.

Goodwill

The value of Goodwill is not amortized and is tested annually at the end of each financial year to check for impairment losses, i.e., if Goodwill is not recorded for an amount greater than its recoverable amount. The recoverable amount is determined based on the present value of the estimated future cash flows that are expected to arise from the continued use of the asset. Goodwill impairment losses are recorded in the income statement for the year in which the loss is found under the caption "Impairment losses". Impairment losses for Goodwill cannot be reversed.

h) Financial Expenses

Financial expenses related to financing obtained are recognized as an expense in the income statement for the period in which they are incurred, in accordance with the principle of exercise specialization, unless those charges are directly related to the acquisition, construction or production of a fixed asset which necessarily takes a substantial period to be ready for its intended use or sale, in which they are capitalized, being part of the cost of the asset. The capitalization of these expenses begins after the start of the preparation of the construction or development activities of the asset and is interrupted when the asset is ready for use or when the project is suspended. Any financial income generated by loans obtained, directly related to a specific investment, is deducted from the financial expenses eligible for capitalization.

i) Financial Assets

Recognition

Purchases and sales of investments in financial assets are recorded on the date of the transaction, i.e., on the date on which the Company undertakes to buy or sell the asset.

Classification

The classification of financial assets depends on the business model followed by the Company in managing the receipt of financial assets (receipt of cash flows, sale of cash flows, or appropriation of fair value variations) and the contractual terms of cash flows to be received (whether it includes only capital plus interest or whether it includes other variables).

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

Financial assets can be classified into the following measurement categories:

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

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

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

b) In the case of equity instruments, this category includes the percentage of interest held in entities over which the Company does not exercise control, joint control, or significant influence, and which the Company irrevocably chose on the date of initial recognition to designate fair value through capital, because they refer to investments that are not held for trading.

(iii) Financial assets at fair value through results includes assets that do not meet the criteria of classification as financial assets at amortized cost or fair value through other comprehensive income, whether they are related to debt instruments or capital instruments that have not been designated at fair value through other comprehensive income

As of December 31, 2022, the company's financial assets rating by category are in Note 28.

Measurement

The Company initially measures financial assets at fair value, added to transaction costs directly attributable to the acquisition of the financial asset, for financial assets that are not measured at fair value through results. Transaction costs of financial assets at fair value through results are recorded in results for the year when incurred.

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

Financial assets at fair value through other comprehensive income, which constitute debt instruments, are subsequently measured at fair value with fair value variations recognized in return for other comprehensive income, except for variations relating to the recognition of impairments, interest income and gains/(losses) due to exchange rate differences, which are recognized in results for the year. Financial assets at fair value through other comprehensive income are subject to impairment.

Financial assets at fair value through other comprehensive income that constitute equity instruments are measured at fair value on the date of initial registration and subsequently, with changes in fair value being recorded directly in other comprehensive income in equity, and there is no future reclassification even after the misrecognition of the investment. Dividends obtained from these investments are recognized as gains, in results for the year, on the date on which they are assigned.

Impairment losses

The Company assesses in a foresight the estimated credit loss associated with financial assets, which constitute debt instruments, classified at amortized cost and fair value through other comprehensive income.

The applied impairment methodology considers the credit risk profile of debtors, and different approaches are applied depending on their nature.

With regard to the balances to be received under the captions "Customers" and "Other third-party debts" and the Assets of contracts with customers, the Company applies the simplified approach allowed by IFRS 9, according to which estimated credit losses are recognized from the initial recognition of the balances to be received and for the entire period until maturity, considering an array of historical default rates for the maturity of the balances to be received, adjusted by forward-looking estimates.

For the balances to be received from related entities, which are not considered part of the financial investment in those entities, the credit cost is assessed in compliance with the following criteria: (i) whether the balance to be received is immediately chargeable ("on demand"); (ii) whether the balance to be received is at low risk; or iii) if you have a term of less than 12 months.

In cases where the amount to be received is immediately chargeable and the related entity can pay, the probability of default is close to 0% and therefore the impairment is considered equal to zero. In cases where the balance to be received is not immediately chargeable, the credit risk of the related entity is assessed and if it is "low" or if the term is less than 12 months, then the Company only assesses the probability of default for cash flows that are due in the next 12 months.

For all other situations and types of balances receivable, the Company applies the general approach of the impairment model, assessing at each reporting date whether there has been a significant increase in credit risk since the date of initial recognition of the asset. If there has been no increase in credit risk, the Company calculates an impairment corresponding to the amount equivalent to the expected losses within a period of 12 months. If there has been an increase in credit risk, the Company calculates an impairment corresponding to the amount equivalent to the expected losses for all contractual flows until the maturity of the asset.

Derecognition of financial assets

The Company misrecognizes financial assets when, and only when, contractual rights to cash flows have expired or been transferred, and the Entity has substantially transferred all risks and benefits arising from ownership of the asset.

Fair Value of Financial Investments

When determining the fair value of an asset or financial liability, if an active market exists, the market price is applied (Level 1). A market is considered active if there are easily and regularly traded prices available through exchanges, broker, or regulatory agencies, and if those prices represent current and regular transactions that occur on a market in free competition. If there is no active market, generally accepted market valuation techniques based on market assumptions (e.g., discounted cash flow models incorporating interest rate curves and market volatility in the case of derivative financial instruments) – Level 2 are used. For the remaining cases, valuation techniques are used, not based on observable market data - Level 3.

Investments are all initially recognized at fair value plus transaction costs, the only exception being "investments recorded at fair value through results". In the latter case, investments are initially recognized at fair value and transaction costs are recognized in the income statement.

"Capital instruments at fair value by means of capital" are subsequently maintained at fair value by reference to their market value at the time of the statement of financial position, without any deduction relating to transaction costs that may occur until their sale.

Gains or losses arising from a change in the fair value of capital instruments at fair value via capital are recorded in equity under the caption "Fair value reserves" until the investment is sold, received or in any way disposed of, or until the fair value of the investment is below its acquisition cost and this corresponds to an impairment loss, accumulated loss is recorded in the income statement.

All purchases and sales of financial investments are recognized at the date of the transaction, that is, on the date on which the Company assumes all risks and obligations inherent in the purchase or sale of the asset.

The fair value of capital instruments at fair value via capital is based on current market prices. If the market in which the investments are inserted is not an active/net market (unquoted investments), the Company registers at the cost of acquisition, considering whether impairment losses exist. It is the conviction of the Company's Board of Directors that the fair value of these investments does not differ significantly from their acquisition cost. The fair value of the listed investments is calculated based on the closing price of the stock market where they are traded, at the date of the statement of financial position.

The Company carries out assessments at the date of each statement of financial position whenever there is objective evidence that a financial asset may be impaired. In the case of equity instruments classified as available for sale, a significant or prolonged drop in their fair value to levels below their cost is an indication that the asset is in an impaired situation. If there is any evidence of impairment for 'Equity instruments at fair value through equity, the accumulated losses – calculated as the difference between acquisition cost and fair value less any impairment loss previously recognized in the income statement – are withdrawn from equity and recognized in the income statement.

Investments are derecognized when the right to receive financial flows has expired or has been transferred and, consequently, all associated risks and rewards have been transferred

(i) Cash and cash equivalents

The amounts included in the caption "Cash and cash equivalents" correspond to cash values, bank deposits, term deposits and other cash investments, which reach their maturity within less than three months, which can be immediately mobilized with negligible risk of value change

(ii) Costumers and Other Accounts Receivable

These captions mainly include customer balances resulting from sales and services provided under the Company's ordinary activity and other balances related to operating activities. Balances are classified as current assets when billing is estimated within a 12-month period. Balances are classified as non-current if the estimated charge occurs more than 12 months after the reporting date.

The items "Customers" and "Other Accounts receivable" are initially recognized at fair value, and are subsequently measured at amortized cost, deducted from adjustments by impairment. Impairment losses of Customers and Other Accounts Receivable debts are recorded in accordance with the principles described in "Impairment Losses" of Note 2.3.i). The impairment losses identified are recorded in the income statement in "impairment of debts payable” and are subsequently reversed by results.

j) Financial liabilities

Financial liabilities are classified into two categories:

(i) Financial liabilities at fair value through results; and

(ii) Financial liabilities at amortized cost.

The category "Financial liabilities at amortized cost" includes liabilities presented under the captions "Financing obtained" (Note 17), "Suppliers" (Note 18) and "Other Accounts payable" (Note 19). These passives are initially recognized at the fair net value of transaction costs and are subsequently measured at amortized cost according to the effective interest rate.

Financial liabilities are derecognized when the underlying obligations are extinguished by payment, are cancelled, or expire.

As of December 31, 2022, the Company has only recognized liabilities classified as "Financial liabilities at amortized cost".

(i) Loans obtained

The Loans obtained is initially recognized at fair value, net of the transaction costs incurred. The financing is subsequently measured at amortized cost and the difference between the nominal value and the initial fair value recognized in the tatement of results over the financing period, using the effective interest rate method.

Loans obtained are classified in current liabilities, unless the Company has an unconditional right to defer the payment of the liability for at least 12 months after the date of the financial report, being in this case classified in non-current liabilities.

Loans charges are calculated according to the effective interest rate and recorded in the income statement for the period according to the principle of exercise specialization.

(ii) Suppliers and Debts to third parties

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

These financial liabilities are initially recognized at fair value. After their initial recognition, liabilities presented under the caption “Suppliers” are measured at amortized cost, using the effective interest rate method.

Debts to suppliers and third parties that do not bear interest are measured at cost, so that they reflect their present net realizable value. However, these amounts are not discounted as the effect of their financial restatement is not considered material.

k) Retirement benefits (Defined Benefit Plan and Defined Contribution Plan)

Toyota Caetano Portugal constituted, together with other entities ("Associates") by public deed dated December 29, 1988, the Salvador Caetano Pension Fund, subsequently amended on February 2, 1994, on April 30, 1996, August 9, 1996, July 4, 2003, February 2, 2007, December 30, 2008, December 23, 2011, and December 31, 2013.

Liabilities for pensions recognized at the time of the statement of financial position represent the present value of future benefits, adjusted for actuarial gains or losses and/or liabilities for past services not recognized, reduced from the fair value of the net assets of the pension fund (Note 21). This pension plan defines the amount of pension benefit an employee will receive in retirement, typically dependent on one or more factors such as age, years of service, and remuneration. This pension plan is in charge of the entity BPI Vida e Pensões, S.A.

The liabilities recognized in the statement of financial position in relation to the defined benefit plan is the present value of the benefit obligation defined at the date of the financial statements. Defined benefit plan obligations are calculated annually by an independent contractor using the Projected Unit Credit Method. The present value of the defined benefit obligation is determined by the discount of future cash outflows, using the interest rate of high-quality bonds denominated in the same currency in which the benefits will be paid and with maturity terms that are close to those of the assumed responsibility.

All actuarial gains and losses resulting from experience adjustments and changes in actuarial assumptions are recognized directly in equity and presented in “Other comprehensive income”.

Past service costs are immediately recognized in results, unless changes to the pension plan are conditional on the permanence of employees in service for a certain period (the period that qualifies for the benefit). In this case, the costs of past services are amortized on a straight-line basis over the period concerned.

Gains and losses generated by a cut or settlement of a defined benefit pension plan are recognized in the results of the year in which the cut or settlement takes place. A cut occurs when there is a material reduction in the number of employees or the plan is changed so that defined benefits are reduced with a material effect, thus leading to a reduction in liabilities with the plan.

Contributions to the Defined Contribution Plan are recorded in expenses for the year.

l) Contingent assets and liabilities

Contingent liabilities are defined by the Company as (i) possible obligations arising from past events and whose existence will only be confirmed by the occurrence, or not, of one or more uncertain future events not entirely under the control of the Company or (ii) present obligations arising from past events, but which are not recognized because an outflow of resources incorporating economic benefits is not likely to be necessary to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognized in the Company's financial statements and are disclosed in the notes to the financial statements, unless the possibility of an outflow of funds affecting future economic benefits is remote, in which case they are not even disclosed.

Contingent assets are possible assets arising from past events and whose existence will only be confirmed by the occurrence, or not, of one or more uncertain future events not entirely under the control of the Company.

Contingent assets are not recognized in the Company's statements but disclosed in the notes to the financial statements when future economic benefit is likely.

m) Income taxes

Taxes on income for the year are calculated based on the Special Corporate Group Taxation Regime ("RETGS") provided for in Articles 69 and 70 of the IRC Code, beginning on 1 January 2007. Under this regime, the dominant company, Toyota Caetano Portugal, S.A., must record the taxes calculated in the subsidiaries established in Portugal included in the fiscal perimeter, Caetano Renting, S.A. and Caetano Auto, S.A., to determine the Group’s corporate income tax.

Deferred taxes are calculated based on the method of liability for the statement of financial position and reflect the temporary differences between the amount of assets and liabilities for the purposes of accounting reporting and their amounts for taxation purposes. Deferred tax assets and liabilities are not recognized when the temporary differences result from Goodwill or the initial recognition of assets and liabilities other than through corporate mergers. Deferred tax assets and liabilities are calculated and annually assessed using the tax rates in force, or announced to be in effect, at the expected date of reversal of temporary differences.

Deferred tax assets are recorded only when there are reasonable expectations of sufficient future tax profits for their use, or in situations where there are taxable temporary differences that compensate for the temporary difference’s deductible in the period of their reversal. At the end of each financial year, a review of these deferred taxes is carried out, and they are reduced whenever their future use is no longer likely.

Deferred taxes are recorded as expenditure or income for the year, unless they result from items recorded directly in equity, in which case the deferred tax is also recorded against the same caption.

n) Accrual basis

Revenues and expenses are recorded according to the accrual basis, by which they are recognized as they are generated, regardless of when they are received or paid. The differences between the amounts received and paid and the corresponding income and expenses generated are recorded under the accruals and deferred items included in the captions "Other current assets" and "Other current liabilities".

Expenses and income whose actual value is not known are estimated based on the best evaluation of the Company's Board of Directors.

o) Revenue – contracts with customers

Revenue corresponds to the fair value of the amount received or receivable, of transactions made with customers in the normal course of the Company's activity. Revenue is recorded net of any taxes, trade discounts and financial discounts allocated.

In determining the value of the revenue, the Company evaluates for each transaction the performance obligations it assumes before the customers, the price of the transaction to be affected by each performance obligation identified in the transaction and the existence of variable price conditions that may lead to future hits to the value of the recorded return, and for which the Company makes its best estimate.

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

The Company considers that, given the nature of the product or service that is associated with the performance obligations assumed, the transfer of control takes place mostly on a specific date, but there may be transactions in which the transfer of control takes place continuously over the contractual period defined.

The return on the sale of goods is recognized when the obligation to transfer the goods (vehicles, parts, or accessories) to the customer is satisfied and the revenue can be measured with security. The obligation to transfer goods to the customer is considered fulfilled when the vehicles or parts are invoiced and physically dispatched or collected.

The revenue from services rendered to the customer is considered satisfied when the service is performed.

When a vehicle or industrial equipment is sold to a leasing company and the Company undertakes to repurchase the vehicle for a specified value at a predetermined date, the sale is not recognized on the basis that the possibility of the repurchase being exercised is highly likely. Consequently, such vehicles and equipment are retained within "tangible fixed assets" in the statement of financial position at cost and depreciated by their residual value over the life of the lease.

Where additional services are included in the sale of a vehicle or industrial equipment to a customer as part of the total vehicle package (maintenance contracts) and the Company acts as the principal in the fulfillment of the service, the value of the additional services is identified separately, deducted from the return, recognized as deferred revenue in the financial position statement and subsequently recognized as revenue when the service is provided, or recognized on an entry basis with reference to the amount of time elapsed under the contract to which the service relates. These balances are considered contractual liabilities. The service allocated to additional services is based on the autonomous sale relating to the pricing of additional services within the contract.

Dividend revenue is recognized when the right to receive payment is established.

The revenue of the Toyota Caetano Portugal Company is composed of the revenue from the activities mentioned in Note 1.

The amounts recorded under the caption "Other debts to third parties" with the amount of EUR 636.706 (EUR 485.757 as of 31 December 2021) are advances from customers (Note 19). The amounts recorded under the caption " Other current liabilities “with the amount of EUR 9.164.794 (EUR 14.216.409 as of December 31, 2021) are contract liabilities under IFRS 15, including vehicle maintenance contracts (Note 20).

p) Classification of assets and liabilities in the statement of financial position

Realizable assets and liabilities payable more than one year from the date of the financial position statement are classified, respectively, as non-current assets and liabilities. Additionally, by their nature, the captions "Deferred tax assets", "Deferred tax liabilities" and "Provisions" are classified as non-current assets and liabilities.

q) Balances and transactions expressed in foreign currency

Assets and liabilities dispositioned in foreign currency were converted to Euros using the exchange rates in force on the date of the financial position statements. The exchange rate differences, favorable and unfavorable, originated by the differences between the exchange rates in force on the date of the transactions and those in force on the date of collections, payments, or the date of the statement of financial position, are recorded as gains and expenses in the statement of results for the year.

r) Earnings per Share

Basic:

The basic earnings per share is calculated by dividing the taxable profit to shareholders by the weighted average number of common shares issued during the period, excluding the common shares acquired by the Company and held as own shares.

Dilute:

Diluted earnings per share are calculated by dividing the profit attributable to shareholders, adjusted by convertible preferred stock dividends, convertible debt interest and gains and expenses resulting from the conversion, by the weighted average number of common shares issued during the period plus the average number of common shares possible to issue in the conversion of dilutive potential common shares.

s) Segment information

In each fiscal year, all business segments applicable to the Company are identified. They are defined according to the functional organization chart of the Company, and how management information is organized.

In accordance with IFRS 8, an operating segment is a component of the Company:

(i) which develops business activities from which It can earn revenues and incur expenses.

(ii) the operational results of which are regularly reviewed by the Company's main operational decision-making officer for the purpose of making decisions on the imputation of resources to the segment and the evaluation of its performance; and

(iii) for which separate financial information is available.

Information on the level of the identified operational segments (motor vehicles and industrial equipment) is included in Note 23.

In this note, information is also given by geography and by subsegments. For the automotive segment, subsegments, industry, commerce, services, and rental were added. For the industrial equipment segment, the sub-segment of machines, services and rental were added.

t) financial holdings in subsidiaries, joint ventures, and associates

Financial investments in subsidiary companies (companies controlled by the Entity), joint ventures (companies in which the Company holds joint control) and associates (companies where the Company exercises a significant influence but does not have control of them through participation in the financial and operational decisions of the Companies - usually investments representing between 20% and 50% of the capital of an enterprise) are recorded by the equity method.

According to the equity method, financial interests are initially recorded at their acquisition cost and adjusted annually by the amount corresponding to the Company's participation in the changes in equity (including net income) of the subsidiaries in return for gains or losses for the year, as well as by the dividends received and other equity variations that occurred in the subsidiaries.

The differences between the acquisition cost and the fair value of the identifiable assets and liabilities of the subsidiary on the date of acquisition, if positive, are recognized as Goodwill and maintained in the amount of the caption "Financial holdings in subsidiaries, joint ventures and associates". If these differences are negative, they are recorded as a period gain under the income statement item "Results for investments in subsidiaries, joint ventures and associates", after reconfirmation of the fair value assigned.

An evaluation is made of investments in subsidiaries, joint ventures, and associates when there are indications that the asset may be in impairment, being recorded as expenses the impairment losses that are confirmed. When impairment losses recognized in previous periods cease to exist, they are the object of reversal.

When the proportion of the Company in the accumulated losses of the company exceeds the amount at which the financial investment is recorded, the investment is reported at zero value if the equity of the company is not positive, except where the Company has made commitments to the company, in such cases a provision is recorded to meet those obligations.

Unrealized gains in transactions with subsidiaries are eliminated in proportion to the Company's interest in the company, in return for the financial investment in that Entity. Unrealized losses are similarly eliminated, but only to the extent that it does not show that the transferred asset is in an impairment situation.

u) Subsequent events

Events occurring after the statement of financial position date which provide additional information on conditions that existed at the time of the statement of financial position ("adjusting events") are reflected in the financial statements. Events after the date of the statement of financial position that provide information on conditions that occur after the date of the statement of financial position ("non adjusting events"), if material, are disclosed in the notes to the financial statements.

2.4 JUDGMENTS AND ESTIMATES

During the preparation of the financial statements, the Company's Board of Directors relied on the best knowledge and experience of past and/or current events considering certain assumptions relating to future events.

The most significant accounting estimates reflected in the financial statements for the years ended December 2022 e 2021 include:

a) Useful lives of tangible fixed assets and intangible assets, as well as investment properties;

b) Recording adjustments to asset values (receivables and inventories) and provisions;

c) Impairment tests performed on Goodwill (Note 7);

d) Recoverability of deferred tax assets;

e) Clearance of responsibilities with reform complements (Note 21);

f) Analysis of the impairment of tangible fixed assets, intangible assets, and investment properties

g) Analysis of impairment regarding financial investments in subsidiaries, joint ventures, and associates.

The underlying estimates and assumptions were determined based on the best existing knowledge at the date of approval of the financial statements of ongoing events and transactions, as well as the experience of past and/or current events. However, situations may occur in subsequent periods that, not being predictable at the date of approval of the financial statements, were not considered in these estimates. Changes to estimates that occur after the date of the financial statements will be corrected prospectively. For this reason and given the degree of uncertainty associated with the result, the actual results of the transactions in question may differ from the corresponding estimates. Changes to these estimates, which occur after the date of the financial statements, will be corrected in results on a prospective basis, as provided by IAS 8.

The assumptions with the greatest impact on the above estimates are those of the discount rate, for the purposes of calculating Goodwill's pension and imparity liabilities and mortality tables for the purposes of calculating pension liabilities.

The main estimates and significant judgments relating to future events included in the preparation of the financial statements are described in the corresponding notes attached.

2.5 RISK MANAGEMENT POLICIES

At Toyota Caetano Portugal, S.A., the control of the risks inherent to the activity is carried out directly by the Board of Directors and evaluated annually by the Supervisory Board.

The Toyota Caetano Portugal Group is also supported by internal departments of the Salvador Caetano Group, with which it maintains synergies, such as the Legal Department and Compliance / Planning Department, Management Control and Internal Audit / Taxation / IT Services and the Audit carried out by the External Auditors. Whenever appropriate, relevant reports are shared with the Supervisory Board.

In this context it was adopted a model of four lines of defense involving the various levels of the organization, particularly top management:

- Operational areas: first line of defense, operationalization of procedures, and risk control mechanisms;
- Risk management and compliance: planning and control; risk monitoring, management support;
- Board of Directors: the risk strategy is defined by the Board of Directors, whose main function is control;
- Internal and external audit: effectiveness validation of risk management mechanisms. The risk strategy and policy are evaluated by the Supervisory Board, which issues a reasoned opinion.

Risk management is intended to detect, manage, control, and mitigate threats as well as to identify and leverage opportunities thus creating added value for Society. Therefore, the Company's Board of Directors is supported by the directors responsible for each of the divisions with whom it meets periodically, to analyze and monitor financial and non-financial information.

In this context the identification and determination of the probability of occurrence of risks by the Company's Board of Directors arises through (i) regular and very close monitoring of the activities carried out; (ii) participation in seminars, training and workshops promoted by external entities and Salvador Caetano corporate departments; (iii) meetings and internal committees of Salvador Caetano to share information and experiences, among others.

At the same time an analysis of the impacts of risk on society is carried out, assessing the degree of repercussion they will have on the activity and determining short and medium/long term strategies to prevent, react and mitigate these risks.

It should also be noted that this risk management includes:

- sensitivity analysis (measurement of potential impacts based on the probability of occurrence of each risk);
- strategic alignment of the Company in terms of the risks effectively incurred;
- mechanisms for controlling the implementation of the risk management measures adopted and their effectiveness;
- internal information and communication mechanisms about the various components of the risk alert system.

The Supervisory Board monitors and takes note of the work and results carried out by the internal control, risk management, compliance, and internal audit services.

In the development of its activities, the Toyota Caetano Portugal SA Group is subject, in each of its business areas or its subsidiaries to a multiplicity of risks which have been identified with the aim of mitigating and controlling them.

FINANCIAL RISKS

The Company's financial risk management is essentially controlled by Toyota Caetano Portugal's financial department in accordance with policies approved by the Group's Board of Directors. In this sense, the Board of Directors has defined the main principles of global risk management as well as specific policies for some areas, such as (a) exchange rate risk, (b) interest rate risk, (c) liquidity risk, (d) capital risk and (e) credit risk.

a) Exchange rate risk

In the development of its activity, the Group operates internationally and has a subsidiary operating in Cape Verde and since December 2020 an associated company operating in the United Kingdom (a subsidiary of Caetano Bus Group, entity Caetano UK) and an associate operating in Senegal (a Kinto Group associate, Caetano Renting Senegal).

Exchange rate risk thus essentially results from commercial transactions arising from the purchase and sale of products and services in a currency different from the functional currency of each business.

The Company's exchange rate risk management policy is based on a case-by-case assessment of the opportunity to cover this risk, considering the specific circumstances of the currencies and countries in question.

b) Interest rate risk

The Group's debt is mainly indexed to variable interest rates exposing the cost of debt to a high risk of volatility. The impact of this volatility on the Group's results or equity is not significant because of the following factors: (i) possible correlation between the level of market interest rates and economic growth with this having positive effects on other lines of results (namely operating) of the Group, in this way partially offsetting the added financial costs (“natural hedge”); and (ii) existence of consolidated liquidity or cash equivalents remunerated at variable rates.

The Board of Directors of the Toyota Caetano Portugal Group approves the terms and conditions of the financing analyzing the debt structure the inherent risks and the different options available in the market namely regarding the type of interest rate (fixed/variable) and through permanent monitoring of the conditions and alternatives existing in the market, is responsible for the decision on the occasional contracting of derivative financial instruments intended to hedge interest rate risk.

c) Liquidity risk

Liquidity risk is defined as the risk of a lack of ability to settle or meet obligations within defined terms and at a reasonable price.

The existence of liquidity in the Group's companies implies that performance parameters are defined in the management function of that same liquidity that allow maximizing the return obtained and minimizing the opportunity costs associated with the holding of that same liquidity in a safe and efficient way.

Considering the turbulence of the current macroeconomic context, the Board of Directors understands that this is one of the main risks of the Company; the unfavorable evolution of indexes and spreads, the increase in requirements from creditors in granting credit, the increase in the cost of bank guarantees, and the impact on the increase in the level of stock as a result of the difficulties felt in the logistics chains and product flow, are factors that contribute to the relevance of this risk.

The Group's Chief Financial Officer regularly monitors the level of Loans available credit facilities cash availability as well as the prospects of cash or flow in the short and medium term (including needs resulting from investment plans which apart from acquisitions of financial holdings carried out at the end of 2020 have been relatively low) to manage liquidity risk.

Liquidity risk management at the Toyota Caetano Group has a threefold objective:

(i)Liquidity which is to ensure permanent and most efficient access to sufficient funds to meet current payments on the respective due dates as well as any unexpected requests for funds.

(ii)Safety which is the minimization of the probability of default in the repayment of any application of funds; and

(iii)Financial efficiency that is ensuring that Companies maximize value / minimize the opportunity cost of holding excess liquidity in the short term.

All surplus liquidity existing in the Company and in its subsidiaries is applied in the amortization of short-term debt, in accordance with criteria of economic and financial reasonableness.

For this purpose, liquidity management comprises the following aspects that translate into measures to control this risk:

i) Consistent financial planning based on cash flow forecasts at the level of operations, according to different time horizons (weekly, monthly, annual and multi-annual);

(ii) Close monitoring of the various components of working capital;

(iii) Diversification of funding sources (Bank, region, interest rates);

(iv) Diversification of the maturities of the debt issued to avoid excessive concentration of debt repayments in short periods of time.

(v) Contracting with relationship banks short-term credit lines commercial paper programs and other types of financial operations ensuring a balance between adequate levels of liquidity and “commitment fees” supported.

It should be noted that the Company with the exception of secured financing which provides for the covenant ratio between net debt and EBITDA calculated on the basis of the consolidated accounts of the previous year has not contracted any debt instruments with accelerated repayment clauses in addition to those arising from the usual clauses related to the fulfillment of obligations by the Company namely payment obligations interruption of activity ownership clause, pari passu, negative pledge and the situations in which the financing obtained includes real guarantees are disclosed in Note 30.

* EBITDA = Operating Results + Depreciation/Amortization + Inventory impairments/debts receivable + Provisions and other impairments

d) Capital risk

Management's primary objective is to ensure the continuity of operations, providing adequate remuneration to shareholders and the corresponding benefits to the other stakeholders of the Group. To achieve this objective careful management of the capital employed in the business is essential seeking to ensure an optimal structure of the same thus achieving the necessary cost reduction. To maintain or adjust the capital structure deemed adequate Management may propose to the General Shareholders' Meeting the measures deemed necessary.

The Group tries to maintain a level of equity appropriate to the characteristics of the main business and ensure continuity and expansion. The balance of the capital structure is monitored based on the financial leverage ratio (defined as: net interest debt / (net interest debt + equity)).

	2022	2021
Loans	49.771.058	41.703.313
Cash and Cash Equivalents	(5.501.727)	(12.750.072)
Net debt	44.269.331	28.953.241
Equity	160.015.680	148.602.839
Financial leverage ratio	21,67%	16,31%

Gearing remains within acceptable levels as established by management.

e) credit risk

The Company's credit risk essentially results from:

(i) the risk of recovery of monetary resources delivered to the custody of third parties and

(ii) the risk of the recovery of the credits of entities outside the Company

Credit risk is assessed at the initial moment and over time to monitor its evolution.

A significant part of the amounts received from customers is dispersed by many entities a factor that contributes to the reduction of the risk of credit concentration.

The monitoring of credit risk is carried out by the Company's financial department supervised by the Board of Directors based on: I) the corporate nature of the debtors; (ii) the type of transactions originating from the balances to be received; iii) in the experience of transactions carried out in the past; (iv) the credit limits established for each customer and (v) any guarantees provided by some customers in particular dealers and independent repairers with whom car concession contracts are concluded.

The Company considers the probability of default with the initial recognition of the asset and depending on the occurrence of significant increases in credit risk continuously in each reporting period. To assess whether there was a significant increase in credit risk the Company compares the risk of default occurring by reference to the reporting date with the risk of default assessed by reference to the initial recognition date.

To assess whether there has been a significant increase in credit risk the Company considers among others the following indicators:

▪ Internal credit risk

▪ External credit risk (if available)

▪ Current or expected adverse changes in the debtor's operating results;

▪ Significant increases in the credit risk of the debtor's other financial instruments.

▪ Significant changes in collateral value over liabilities or in the quality of third-party guarantees.

▪ Significant changes in the debtor's expected performance and behavior including changes in the debtor's payment terms at the level of the Company to which he or she belongs as well as changes in the level of his operating results.

▪ Macroeconomic information (such as market interest rates or growth rates) is incorporated into the internal credit model.

Regardless of the above analysis a significant increase in credit risk is assumed if a debtor is more than 30 days late from the date of contractual payment.

In terms of credit enhancement instruments associated with customer receivables the Company has the following situations:

Dealers and Independent Repairers: this type of third party concerns the automotive retail network of “Toyota” and “Lexus” brand dealers which operate under concession contracts for the purchase, resale of vehicles and provision of technical assistance services (The Group currently has 21 contracts with independent dealers and repairers). Each of these independent dealers and repairers maintains an “on first demand” bank guarantee in favor of the Group with a previously established ceiling the Group ensuring that this limit is not exceeded.

Default is considered when the counterparty does not comply with contractual payments within 90 days of the due date of the invoices. The Group analyzes on a case-by-case basis the balances receivable from customers that show collection and realization problems making every effort towards their respective recovery by means of an agreement with the customer or by judicial means also maintaining such balances (even if subject to registration of an impairment loss) in the consolidated statement of financial position, until all attempts to recover the outstanding balance are exhausted and there are no assets for recovery of said balances in the event of bankruptcy.

Thus, the financial assets corresponding to accounts receivable from clients are derecognized when there is no real expectation of recovery and after the process described above has been completed being obtained the necessary internal approvals for such derecognition. There are therefore no situations of possibility of recovering accounts receivable which have been de-recognized at the level of the financial statements.

Impairment financial assets

(i) Customers and other accounts receivable

The Company applies the simplified approach to calculate and record estimated credit losses required by IFRS 9 which allows the use of impairments for estimated losses for all balances of “Accounts Receivable” and “other debtors”. To measure expected credit losses “Accounts receivable” and “Other debtors” were aggregated based on shared credit risk characteristics and seniority. Expected credit losses incorporate information from forward-looking estimates. The age of customer balances is detailed in Note 12.

(ii) Financing granted to related entities

The balances of “Loans granted to related entities” are considered to have low credit risk therefore consequently the impairments for credit losses recognized during the period were limited to the estimated 12-month credit losses. These financial assets are considered to have “low credit risk” when they have a low irrecoverable risk, and the debtor has a high capacity to meet its contractual short-term cash flow liabilities (Note 10).

In fact, for customers representing car dealers and repairers the Company requires the obtaining of bank guarantees “on first demand” the amount of which as of 31 December 2022 and 2021, was approximately 9,129,470 and 8,679,470 Euros respectively which when exceeded implies the cessation of supplies.

Impairments on accounts receivable are calculated considering (a) the customer's risk profile (b) the average collection period and (c) the customer's financial condition. The movements of these adjustments for the years ended on 31 December 2022 and 2021 are disclosed in Note 22.

As of 31 December 2022, and 2021, the Group considers that there is no need for additional impairment losses beyond the amounts recorded on those dates and summarized in Note 22.

The amounts related to customers and other third-party debts presented in the consolidated financial statements which are net of impairments represent the Group's maximum exposure to credit risk.

(iii) Cash equivalents

The following tables provide a summary as of December 31 2022 and 2021 of the credit quality of bank deposits:

2022		
Rating Deposits	Rating Agency	Bank Deposits
A1	Moody's	30.627
A3	Moody's	575.799
Aa3	Moody's	14.418
Ba3	Moody's	715.288
Baa2	Moody's	3.514.410
	Others without rating assigned	563.435
Total		5.413.977

2021		
Rating Deposits	Rating Agency	Bank Deposits
A1	Moody's	30.627
A3	Moody's	575.799
Aa3	Moody's	14.418
Ba3	Moody's	715.288
Baa2	Moody's	3.514.410
	Others without rating assigned	563.435
Total		5.413.977

The ratings presented correspond to the notations assigned by the rating agency Moody's.

OTHER RISKS

Another type of risk is external risks which do not affect the Group's direct spectrum.

The following should be highlighted, which the Board of Directors considers most significant. Considering, for each one, the combination of the two vectors: (i) the probability of occurrence and (ii) foreseeable impact:

Business risks:

• Impact of interest rate developments on customers' purchase decisions;

• Disruption in supply chains for goods and materials;

Human capital risks:

• Attraction and retention of qualified talent;

• Increased turnover rate;

• Employee well-being and motivation.

Compliance and Cybersecurity

• Complexity and legislative dimension;

• Cyber-attacks and data exfiltration.

Environmental

• Non-achievement of sustainability strategy targets.

Turnover = (number of employees who left the company in the last 6 months / total number of employees currently in the company) x 100

In the Management Report (chapter 2 of this document) in the chapter "Business risks" you will find more detailed information on the risks: the approach, the matrix, and the main risks with relevant information on the factors that contribute to their occurrence / relevance, as well as initiatives for their control.

3. CHANGES IN ACCOUNTING POLICIES, CORRECTION OF MISSTATEMENTS AND CHANGES IN ESTIMATES

During the year ended December 31, 2022, there were no changes to accounting policies or material errors for previous years.

4. CASH AND CASH EQUIVALENTS

As of December 31, 2022 and December 31 2021 the detail of Cash and Bank Deposits was as follows:

	2022	2021
Cash	87 750	81 579
Bank deposits	5 413 977	12 668 493
	5 501 727	**12 750 072**

5. TANGIBLE FIXED ASSETS

During the years ended December 31, 2022 and 2021 the movements in tangible fixed assets as well as in their accumulated depreciation and impairment losses were as follows:

	2022								
	Land and natural resources	Buildings and other construction	Basic equipment and tools	Transport equipment	Administrative equipment	Other fixed assets	Tangible fixed assets in progress	Assets under right of use	Total
Gross amount:									
Initial balance	5.421.689	33.178.309	54.230.162	25.718.462	6.269.074	3.087.237	101.118	25.015.472	153.021.523
Increases	952.200	31.460	211.382	950.849	15.050	78.871	814.185	6.625.583	9.679.581
Disposals	-	-	(31.866)	(5.447.329)	-	-	-	-	(5.479.195)
Transfers (reg stocks)	-	-	-	-	-	-	-	(656.971)	(656.971)
Transfers and Write-offs	-	-	198.000	10.556.944	-	43.042	(335.880)	(10.556.944)	(94.838)
Final balance	6.373.889	33.209.769	54.607.678	31.778.926	6.284.124	3.209.150	579.422	20.427.141	156.470.100
Accumulated depreciation and impairment losses:									
Initial balance	-	30.939.610	52.627.268	23.533.249	6.241.530	2.992.346	-	13.606.654	129.940.656
Depreciation for the year	-	261.125	557.612	1.118.075	13.208	41.675	-	4.612.536	6.604.231
Disposals	-	-	(31.866)	(4.830.352)	-	-	-		(4.862.218)
Transfers (reg stocks)	-	-	-		-	-	-	(526.774)	(526.774)
Transfers and Write-offs	-	-	-	8.886.313	-	-	-	(8.886.313)	0
Final balance	-	31.200.735	53.153.015	28.707.285	6.254.737	3.034.021	-	8.806.103	131.155.896
Net value	6.373.889	2.009.034	1.454.664	3.071.641	29.387	175.129	579.422	11.621.038	25.314.203

	2021								
	Land and natural resources	Buildings and other construction	Basic equipment and tools	Transport equipment	Administrative equipment	Other fixed assets	Tangible fixed assets in progress	Assets under right of use	Total
Gross amount:									
Initial balance	5.421.700	33.601.232	53.993.366	24.223.867	6.268.756	3.048.467	30.280	26.272.588	152.860.256
Increases	-	187.231	236.859	50.535	318	38.770	70.837	-	584.550
Disposals	(11)	(610.154)	(63)	(6.462.750)	-	-	-	(182.958)	(7.255.936)
Transfers (reg stocks)	-	-	-	1.859.306	-	-	-	4.973.347	6.832.653
Transfers and Write-offs	-	-	-	6.047.505	-	-	-	(6.047.505)	0
Final balance	5.421.689	33.178.309	54.230.162	25.718.462	6.269.074	3.087.237	101.118	25.015.472	153.021.523
Accumulated depreciation and impairment losses:									
Initial balance	-	31.277.102	52.127.693	22.109.245	6.228.734	2.962.020	-	14.745.570	129.450.364
Depreciation for the year	-	272.662	499.638	1.732.816	12.795	30.326	-	4.169.245	6.717.483
Transfers disposals and write-offs	-	(610.154)	(63)	(308.813)	-	-	-	(5.308.161)	(6.227.190)
Final balance	-	30.939.610	52.627.268	23.533.249	6.241.530	2.992.346	-	13.606.654	129.940.656
Net value	5.421.689	2.238.699	1.602.894	2.185.213	27.545	94.891	101.118	11.408.818	23.080.866

The movements recorded under the caption "Transport equipment" refer mainly to vehicles and cargo handling machines ("Forklifts") at the service of the Company as well as for operational rental to customers.

The transfers between the caption “Assets under right of use” and “Transport equipment” in the amount of 10,556,944 Euros correspond to the reclassification by the Company of cargo handling machines whose financing contract ended, the Company having acquired them in accordance with the established contract.

The caption “Gains on other non-financial investments” includes, on December 31, 2021, the capital gain generated with the sale of a building in Vila Nova de Gaia (900 thousand Euros) as well as capital gains generated on the sale of tangible fixed assets (Note 26).

On December 31, 2022 and 2021, the assets used under financial leasing are presented as follows:

2022	Gross value	Accumulated depreciation	Net Value
Assets under right of use Industrial equipment	20 427 141	(8 806 103)	11 621 038

2021	Gross value	Accumulated depreciation	Net Value
Assets under right of use Industrial equipment	25 015 472	(13 606 654)	11 408 818

6. INVESTMENT PROPERTIES

As of December 31 2022 and 2021 the caption "Investment properties" corresponds to real estate assets held by the Company that are generating income through its lease or for valuation. These assets are recorded at acquisition cost and are subsequently subject to depreciation in accordance with defined useful lives.

Gains associated with investment properties is recorded under the caption "Other operating income" and amounted to 3.466.571 Euros for the year ended December 31, 2022 (2.927.645 Euros as of December 31, 2021) disclosed in Note 26.

In addition, according to external assessments carried out by independent specialized entities reported on December 31 2022 or previous years the fair value of those investment properties amounted to approximately 64,9 million Euros (62,2 million Euros as of December 31 2021).

Management understands that a possible change (within a normality scenario) in the main assumptions used in the calculation of fair value will not lead to impairment losses.

The detail of the net book value as of 31 December 2022 and 31 December 2021 of the real estate assets registered under the caption "Investment Properties" as well as their fair value can be summarized as follows:

		2022			2021		
Buildings	Place	Net book value	Appraisal value	Date of external Assessment	Net book value	Appraisal value	Date of external Assessment
Industrial facilities	V.N. Gaia	2.079.836	17.169.000	29/12/2020	2.257.781	14.903.000	29/12/2020
Industrial facilities	V.N. Gaia	-	-	28/12/2020	202.054	625.100	28/12/2020
Industrial facilities	Carregado	4.877.702	19.172.000	28/12/2022	4.898.390	19.412.500	30/12/2020
Industrial warehouse	V.N. Gaia	723.112	8.918.700	20/12/2021	743.455	8.918.700	20/12/2021
Commercial facilities	Cascais	237.147	1.606.000	20/12/2021	252.003	1.606.000	20/12/2021
Commercial facilities	Prior Velho	3.152.780	16.368.000	28/12/2022	3.174.172	15.447.300	29/12/2020
Commercial facilities	Vila Franca Xira	303.906	1.762.000	28/12/2022	325.985	1.302.500	29/12/2020
		11.374.484	**64.995.700**		**11.853.840**	**62.215.100**	

The fair value of external valuations of investment properties that are disclosed on December 31 2022 and December 31 2021 was determined by real estate valuation carried out by independent specialized entities (fair value determined by the average of valuations made by market methods cost method and income method). The Company promotes, every two years, a real estate appraisal by an independent entity specialized in its investment properties, thus ensuring that the fair value disclosure is kept up to date.

As regards the classification of the above-mentioned valuation methodologies for the purposes of framing in the framework of the fair value hierarchy (IFRS 13) they are essentially classified in Level 3 (fair value determined based on inputs not observable in the market developed to reflect the assumptions to be used by market agents).

The independent external valuations carried out are supported essentially by the application of the comparative market method which has as inputs namely the unit rate of sale per square meter of comparable assets and the area of the property and the income method that has as inputs the income that can be generated by the same and a capitalization rate (yield) considered appropriate in view of the characteristics and location of the real estate asset in question.

The movement of the caption "Investment properties" as of December 31 2022 and 2021 was as follows:

2022	Land and natural resources	Buildings and other constructions	Total
Gross assets:			
Initial balance	**8.884.303**	**30.117.653**	**39.001.955**
Disposals	(71.890)	(236.662)	(308.551)
Final balance	**8.812.413**	**29.880.991**	**38.693.404**
Accumulated depreciation and impairment losses:			
Initial balance	**-**	**27.148.115**	**27.148.115**
Depreciation for the year	-	277.302	277.302
Transfers, disposals, and write-offs	-	(106.498)	(106.498)
Final balance	**-**	**27.318.920**	**27.318.920**
Net value	**8.812.413**	**2.562.071**	**11.374.484**

2021	Land and natural resources	Buildings and other constructions	Total
Gross assets:			
Initial balance	**8.884.303**	**30.117.653**	**39.001.955**
Additions	-	-	-
Disposals	-	-	-
Final balance	**8.884.303**	**30.117.653**	**39.001.955**
Accumulated depreciation and impairment losses:			
Initial balance	**-**	**26.855.114**	**26.855.114**
Depreciation for the year	-	293.001	293.001
Final balance	**-**	**27.148.115**	**27.148.115**
Net value	**8.884.303**	**2.969.538**	**11.853.840**

7. GOODWILL

During the years ended December 31 2022 and 2021 no movements under the caption "Goodwill" occurred.

The caption "Goodwill" fully concerns the BT Activity (forklifts) resulting from the acquisition in previous years of the subsidiary Movicago whose activity was transferred (through a merger incorporation process) to Toyota Caetano Portugal S.A. in previous years.

Goodwill is not amortized. Goodwill value-effectiveness tests are performed on an annual basis.

For the purposes of the impairment analysis, the recoverable amount was determined based on the value in use, in accordance with the discounted cash flow method, based on business plans developed by the Company's managers and duly approved by the Company's Board of Directors and using discount rates that reflect the inherent risks of the business.

As of December 31, 2022 and 2021, the method and assumptions used to assess the existence or not of impairment, were as follows:

	2022	2021
Projection period (years):	5	5
Sales growth rate in the projection period:	2,00%	2,00%
Growth rate (g) (1):	0%	0%
Discount rate used (2):	8,14%	7,21%

1 Growth rate used to extrapolate cash flows beyond the period considered in the business plan
2 Discount rates applied to projected cash flows

The Board of Directors, based on the forecast cash flows, discounted at the applicable rate, concluded that, on 31 December 2022, the book value of net assets, including goodwill (612 thousand Euros), does not exceed its recoverable amount (25 million Euros).

Cash flow projections were based on historical performance and expectations of improved efficiency. Those responsible for this segment believe that a possible change (within a normal scenario) in the main assumptions used in calculating the recoverable amount will not give rise to impairment losses.

8. INTANGIBLE ASSETS

In the years ended 31 December 2022 and 2021, movements in intangible assets, as well as in the respective amortization and accumulated impairment losses, were as follows:

2022	Development expenses	Computer programs	Intangible assets in progress	Total
Gross assets:				
Initial balance	1.477.217	1.174.902	904.167	3.556.287
Increases	-	51.034	1.519.743	1.570.777
Transfers and write-offs	-	323.536	(298.320)	25.216
Final balance	1.477.217	1.549.472	2.125.590	5.152.279
Accumulated depreciation and impairment losses:				
Initial balance	1.477.217	1.174.902	-	2.652.119
Amortization for the year	-	124.857	-	124.857
Final balance	1.477.217	1.299.758	-	2.776.976
Net value	**-**	**249.713**	**2.125.590**	**2.375.303**

2021	Development expenses	Computer programs	Intangible assets in progress	Total
Gross assets:				
Initial balance	1 477 217	1 174 902	598 320	3 250 439
Increases	-	-	305 848	305 848
Final balance	1 477 217	1 174 902	904 167	3 556 287
Accumulated depreciation and impairment losses:				
Initial balance	1 477 217	1 174 902	-	2 652 119
Amortization for the year		-		-
Final balance	1 477 217	1 174 902	-	2 652 119
Net value	**-**	**-**	**904 167**	**904 167**

The amounts recorded on December 31, 2022 and 2021 under the heading “Intangible assets in progress” are related to projects to implement new management software and mobility projects, which are expected to become firm during the years 2023 and 2024.

9. FINANCIAL INVESTMENTS IN SUBSIDIARIES ASSOCIATES AND JOINT VENTURES

The heading in question includes investments in subsidiaries, associates, and joint ventures, as described in Note 2.2 a) and b).

The detail of financial investments in subsidiaries as of December 31, 2022 and 2021 is as follows:

	CAETANO AUTO	CAETANO AUTO CV	CAETANO RENTING	Equity Method Adjustments	TOTAL
Balance on December 31, 2020	40.576.573	2.903.392	2.192.711	(2.890.493)	42.782.183
Acquisitions during the year	92.738	-	-	-	92.738
Effect of the application of the equity method					
Net income for the year					
Appropriation of the net result of the subsidiary	4.362.074	303.591	751.816	-	5.417.481
Suspension of margins on inventories and fixed assets	-	-	-	(1.335.085)	(1.335.085)
Other adjustments to the homogenization of accounting policies	(112.173)	23.981	-	-	(88.192)
	4.249.901	327.572	751.816	(1.335.085)	3.994.204
Other comprehensive income					
Appropriation of the comprehensive income of the subsidiary's financial year	394.316	-	5.317	-	399.633
Other adjustments to the homogenization of accounting policies	280.155	-	-	-	280.155
	674.471		5.317	-	679.788
Balance on December 31, 2021	45.593.683	3.230.964	2.949.844	(4.225.578)	47.548.912
Acquisitions during the year	-	-	-	-	-
Effect of the application of the equity method					
Net income for the year					
Appropriation of the net result of the subsidiary	4.884.498	246.474	3.508.645	-	8.639.617
Adjustment	-	-	-	-	-
Suspension of margins on inventories and fixed assets	-	-	-	(19.107)	(19.107)
Other adjustments to the homogenization of accounting policies	(157.024)	7.005	-	-	(150.019)
	4.727.475	253.479	3.508.645	(19.107)	8.470.493
Other comprehensive income					
Appropriation of the other comprehensive income of the subsidiary's financial year	907.440	-	-	-	907.440
Other adjustments to the homogenization of accounting policies	217.285	-	-	-	217.285
	1.124.725	-	-	-	1.124.725
Balance on December 31, 2022	51.445.882	3.484.443	6.458.488	(4.244.685)	57.144.129

The percentages of capital held in financial interests in subsidiaries, on December 31, 2022 and 2021 can be summarized as follows:

Caetano Auto		Caetano Renting		Caetano Auto CV	
2022	2021	2022	2021	2022	2021
98,74%	98,50%	100,00%	100,00%	81,24%	81,24%

As of December 31, 2022 and 2021, the financial information of the subsidiaries is shown in the table below:

2022	Caetano Auto	Caetano Auto CV	Caetano Renting
Assets			
Current	56 571 322	7 034 359	3 087 909
Non-current	50 747 466	1 232 801	33 222 748
Liabilities			
Current	49 975 178	2 632 509	28 980 766
Non-current	5 392 037	1 439 437	871 402
Equity	51 951 573	4 195 214	3 508 645
Sales	236 799 136	16 073 817	35 756 404
Operational income	6 876 228	384 197	3 963 393
Financial income	(339 342)	14 703	(532 413)
Net income	**4 948 216**	**303 389**	**3 508 645**

2021	Caetano Auto	Caetano Auto CV	Caetano Renting
Assets			
Current	61 030 894	6 851 947	3 827 271
Non-current	52 534 776	1 235 518	30 174 375
Liabilities			
Current	57 957 898	2 700 514	28 710 836
Non-current	9 523 420	1 439 437	2 340 966
Equity	46 084 352	3 947 514	2 949 845
Sales	211 630 931	14 409 965	33 059 945
Operational income	5 473 784	412 776	1 370 480
Financial income	288 113	(9 906)	(410 414)
Net income	**4 417 741**	**373 697**	**751 816**

Breakdown of the book value of investments in joint ventures and associates

As of December 31 2022 and December 31 2021 the heading of financial investments in associates and joint ventures is detailed as follows:

	Location	% of detention	2022	2021
Associated				
Kinto Portugal, S.A. (consolidated)	Vila Nova de Gaia	49%	21.459 516	23.699.123
Joint Venture				
CaetanoBus - Fabricação de Carroçarias, S.A. (consolidated)	Vila Nova de Gaia	61,94%	18.391.927	20.295.498
			39.851.443	**43.994.621**

Regarding CaetanoBus although the percentage of capital held is 61.94% given the existence of an investment agreement with the other shareholder of that company which provides that decisions on the relevant activities (operational and financial) should be taken unanimously by the two shareholders it was considered by the Board of Directors that the investment made corresponds to a joint venture which will be accounted for in accordance with the equity method.

As part of the transaction the investment agreement previously in force under the previous shareholder structure was fully maintained and transposed into the post-transaction shareholder structure. Thus, such an agreement which was already considered by the previous shareholder and seller of the stake as a joint venture was the subject of an evaluation and analysis by the Board of Directors of Toyota Caetano Portugal S.A. which maintained the same understanding. That investment agreement (and the Statutes of the acquired company) provides that decisions on the relevant activities of the shareholder in need of unanimity at the level of the General Shareholders' Meeting. The main activities/relevant decisions are at the level of the General Assembly as follows:

- Any amendment to the deed of incorporation to the statutes or any other document that is part of the company;
- Any change to the corporate type of society any merger or consolidation with another entity any disposal or transfer of all or a substantial part of the assets or business as well as its liquidation or dissolution;
- Any issue or redemption of shares of society or any other increase, decrease, or other modification to the share capital of the society.
- Any change to the dividend policy of society or any change in the distribution of profits or assets;
- Constitution of a subsidiary or acquisition of another entity by the company;
- Any public offering or stock exchange listing of any society stock;
- Adoption or modification of compensation of the directors or managers of the Company or the general compensation policy for employees of the society;

- Granting of guarantees of 500 000 Euros or more to guarantee the obligations of society subsidiaries;
- Amendment and approval of the Annual Business Plan of the society or the New Business Plan;
- Appointment or removal of any Executive Director, Financial Director, Operations Director or any Director or General Director, or any position similar to the General Director of the company.

On the other hand, in the chairmanship of the Board of Directors (composed of a maximum of nine members) decisions on the relevant activities require a favorable vote of at least three directors appointed by Toyota Caetano Portugal S.A. and the favorable vote of two directors appointed by shareholder Mitsui & Co. Ltd. At the level of the Board of Directors the relevant activities/decisions that lack unanimity are as follows:

- Any transactions between society and its subsidiaries except transactions in the ordinary course of business;
- Any sale (other than in the ordinary course of business) of any good or transfer or other disposal or concession of any warranty or other charge on any assets of the society if they are not included or provided for in any of the Business Plans or with a value exceeding 100 000 Euros in a transaction or series of transactions in the same year;
- Initiation of any dispute arbitration or legal process the value of which exceeds 10 000 Euros;
- Any loan or other financing by society (excluding commercial financing to clients in the ordinary course of business up to the individual amount not exceeding 1 000 000 Euros provided that such amount is not covered by letter of credit commercial insurance or any guarantee from trusted institutions such as banks) to any person or any guarantee to be provided by the company to secure obligations of any entity other than company subsidiaries unless such loans or financing are provided up to the individual amount not exceeding 100 000 Euros;
- Any loan or other fact that generates debt or issuance of bonds or debentures (whether convertible or not) by society in the amount of more than 1 500 000 Euros in a transaction or in a series of transactions in the same year;
- Any purchase, lease (except in the ordinary course of business) or other acquisition of any assets or other investments by society not included in any of the Business Plans or involving an amount exceeding 500 000 Euros in a transaction or series of transactions in the same year;
- Any lease in the normal course of business by society not included in any of the Business Plans or involving an amount exceeding 1 000 000 Euros in a transaction or series of transactions in the same year;
- Conclusion amendment or term of any contract between society and its subsidiaries that contains commitments to repurchase the products sold by the subsidiaries;
- Guarantees provided by the society to guarantee the obligations of any of its subsidiaries or third parties with a value of less than 500.00 Euros;
- Entering, amending, or terminating a contract with a shareholder or its (the shareholder's) holdings;
- Any development of a new product or production line with a value greater than 500 000 Euros for society if not included or provided for in the Business Plan;

- Entering, amending, or terminating a contract with a term of more than one year or involving an amount exceeding 10 million Euros in a transaction, or series of transactions, or any distribution agency, sales representative or other framework contract, master contract or basic contract, or any contract that grants exclusivity to any person or entity;

Finally in accordance with the investment agreement it should be noted that in the event of a deadlock a possible decision will never take place by a simple majority of voting rights and any of the shareholders is ultimately entitled to acquire the stake from the other shareholder.

The above constitutes the assessment basis that the Board of Directors of Toyota Caetano Portugal, SA considered to conclude on the classification of this investment as a joint venture.

Caetanobus – Fabricação de Carroçarias, SA has subsidiaries in Germany (Cobus Industries, GmbH) and in the United Kingdom (Caetano UK, Ltd) and Kinto Portugal, SA has an associate in Senegal (Caetano Renting Senegal, SA) .

Summarized financial information of the subsidiaries:

As of December 31, 2022 and 2021, the summary financial information of the associate and the joint venture detailed above can be analyzed as follows:

	2022	
	Caetanobus consolidated b)	Kinto Portugal consolidated a)
Assets		
Current	77 302 409	18 485 521
Non-current	33 287 088	173 354 526
Liabilities		
Current	80 491 339	74 650 304
Non-current	4 798 185	98 130 080
Equity	25 299 973	19 059 663
Sales	64 275 565	97 427 189
Operational income	(12 486 798)	8 923 089
Financial income	(1 490 344)	(3 046 306)
Net income	**(13 065 648)**	**3 089 890**

	2021	
	Caetanobus (consolidated)	Kinto Portugal (consolidated)
Assets		
Current	50 570 262	48 046 846
Non-current	33 523 649	158 001 149
Liabilities		
Current	49 176 116	91 377 845
Non-current	7 268 551	93 741 924
Equity	27 649 244	20 928 226
Sales	51 163 531	98 908 826
Operational income	(7 959 329)	9 419 552
Financial income	(1 036 922)	(3 141 025)
Net income	**(7 548 440)**	**(4 480 154)**

a) As regards the Kinto Portugal Group the consolidated accounts presented are "pro-forma" accounts prepared for inclusion in the Toyota Caetano Portugal Group consolidated accounts due to the fact that the current closing calendar of Kinto Portugal is different from 31 December closing on 31 March. Kinto Portugal S.A. holds an associate in Senegal (Caetano Renting Senegal S.A.).

b) CaetanoBus - Fabricação de Carroçarias S.A. holds a Joint Venture in Germany (Cobus IndustriesGmbH) and a subsidiary in the United Kingdom (Caetano UK Ltd).

During the years ended December 31, 2022 and 2021, the movement occurred under the heading of financial investments in associates and joint ventures, is detailed as follows:

	Joint Venture CAETANOBUS	Associates KINTO	TOTAL
Balance on December 31, 2020	16.320.000	22.785.000	39.105.000
Acquisitions during the year	9.290.322	-	9.290.322
Application of the equity method			
Net income for the year			
Appropriation of the net result of the associate	(4.675.503)	2.063.972	(2.611.532)
Adjustment	(924.372)	(1.192.707)	(2.117.079)
	(5.599.875)	871.265	(4.728.611)
Other comprehensive income			
Appropriation of the other comprehensive income of the associate financial year	-	-	-
Other adjustments to the homogenization of accounting policies	285.051	42.859	327.910
	285.051	42.859	327.910
Balance on December 31, 2021	20.295.498	23.699.124	43.994.621
Acquisitions during the year	6.193.549		6.193.549
Application of the application of the equity method			
Net income for the year			
Appropriation of the net result of the associate	(8.092.272)	1.514.046	(6.578.226)
Adjustment	(448.539)	(1.324.011)	(1.772.550)
	(8.540.811)	190.035	(8.350.774)
Other comprehensive income			
Appropriation of the other comprehensive income of the associate financial year	-	-	-
Other adjustments to the homogenization of accounting policies	443.690	(134.314)	309.376
Dividends received		(2.295.328)	(2.295.328)
	443.690	(2.429.642)	(1.985.952)
Balance on December 31, 2022	18.391.927	21.459.516	39.851.443

In 2020 occurred the purchase by Toyota Caetano Portugal SA of 12,000,000 shares of CaetanoBus - Fabricação de Carroçarias SA previously held by the company Salvador Caetano Indústria SGPS SA (related entity belonging to the shareholder "Grupo Salvador Caetano") corresponding to around 61.94% of the respective voting rights for 16,320,000 Euros and acquired 7,350 shares of the company Kinto Portugal SA (49%) (previously called Finlog – Aluguer e Comércio Automóvel SA) to the parent company Salvador Caetano Auto - S.G.P.S., S.A. (shareholder of Toyota Caetano) corresponding to 49% of the respective voting rights in the amount of 22,785,000 Euros. Extending its activity to other areas of mobility in 2020 Toyota Caetano Portugal became a direct shareholder of CaetanoBus and Kinto companies of the Salvador Caetano Group. In this strategy Toyota Motor Europe (TME) shareholder of Toyota Caetano Portugal assumes a leading role. If until now TME had already supplied CaetanoBus with a fuel cell to be integrated into the hydrogen powered bus the strengthening of the partnership allows Toyota Caetano Portugal to contribute to the expansion of sustainable mobility exploring synergies with CaetanoBus in the development production and sale of "zero emission" buses. The strengthening of the partnership with Kinto aims to develop mobility projects.

Additionally, as the transactions were only concluded in December 2020 it was not possible for the Board of Directors to collect the information necessary to carry out the procedures for determining the fair value of the assets liabilities and contingent liabilities acquired and therefore Accordingly disclose the respective provisional amounts for the year ended December 31, 2020. As these are two non-controlled entities access to all the information necessary for the preparation of an adequate price allocation exercise was not feasible in time having been carried out in 2021 within the period allowed by international accounting standards.

The exercise of determining the fair value of identifiable assets and liabilities and the consequent determination of the Goodwill implicit in the transactions completed in 2021 can be summarized as follows by subsidiary:

a) Associate - Kinto Portugal, S.A. (consolidated)

	2020	Fair Value Adjustments	Net assets as of 12/31/2020 (fair value)
Tangible fixed assets	151.874.693	13.976.470	165.851.163
Intangible assets	87.628	3.456.202	3.543.830
Other financial assets	19.435	-	19.435
Inventories	7.163.599	-	7.163.599
Accounts receivables	8.708.339	-	8.708.339
Other current assets	16.911.697	-	16.911.697
Cash and cash equivalents	2.225.112	-	2.225.112
Loans	(149.406.140)	-	(149.406.140)
Provisions	(1.134.398)	-	(1.134.398)
Deferred tax liabilities	-	(3.922.351)	(3.922.351)
Accounts payable	(13.472.533)	-	(13.472.533)
Income tax	(120.307)	-	(120.307)
Other current liabilities	(6.496.520)	-	(6.496.520)
	16.360.605	**13.510.321**	**29.870.926**

% of detention	49%
Proportioned net assets	14.636.754
Purchase cost	22.785.000
Goodwill	**8.148.246**

The fair value adjustments presented above essentially correspond to the following:

i. Recognition at fair value of vehicles recorded in tangible fixed assets considering the estimated sales value of said vehicles considering the history of transactions carried out in relation to similar assets;

ii. Recognition as an intangible asset of the relationship with customers established on December 31, 2020 based on the income approach methodology considering the contracts established on that date.

Following the analysis carried out the deferred tax liabilities associated with the adjustments were recognized and the Board of Directors understood that the fair value of the remaining net assets did not significantly differ from their carrying amount in the consolidated financial statements of Kinto Portugal, S.A.

b) Joint venture - CaetanoBus – Fabricação de Carroçarias SA (consolidated)

	2020	Fair Value Adjustments	Net assets as of 12/31/2020 (fair value)
Financial investment in joint venture	14.533.921	(5.129.647)	9.404.274
Goodwill	475.700	(475.700)	-
Tangible fixed assets and intangible assets	9.971.138	1.951.718	11.922.856
Deferred tax assets	2.249.927	-	2.249.927
Inventories	39.713.973	2.297.080	42.011.053
Accounts receivables	10.327.931	-	10.327.931
Other current assets	2.818.790	-	2.818.790
Cash and cash equivalents	389.343	-	389.343
Loans	(25.810.618)	-	(25.810.618)
Responsibilities for defined benefit plans	(3.109.843)	-	(3.109.843)
Deferred tax liabilities	-	(847.351)	(847.351)
Lease liabilities	(2.107.970)	-	(2.107.970)
Accounts payable	(16.670.388)	-	(16.670.388)
Income tax	(280.987)	-	(280.987)
Other current liabilities	(12.763.471)	-	(12.763.471)
	19.737.446	**(2.203.900)**	**17.533.546**

% of detention	62%
Net assets proportionate by percentage of ownership	10.860.278
Purchase cost	16.320.000
Goodwill	**5.459.722**
Cobus Goodwill cancellation	(3.586.966)
Caetano UK Goodwill cancellation	(294.649)
Net Goodwill	**1.578.107**

The fair value adjustments presented above essentially correspond to the following:

i. Financial investment in a joint venture:

a. Disregard of Goodwill generated in the acquisition of Cobus Industries GmbH by CaetanoBus – Fabricação de Carroçarias SA in previous years;

b. Recognition at fair value of real estate assets held by that entity based on an assessment carried out by a specialized and independent entity;

c. Recognition at fair value of the inventories of that subsidiary considering the estimate of the sale value of said assets considering the history of transactions carried out and sales prices agreed for similar inventories;

d. Recognition of deferred tax liabilities associated with said adjustments.

Additionally, the Board of Directors understood that the fair value of the remaining net assets did not significantly differ from their carrying amount in the consolidated financial statements of CaetanoBus – Fabricação de Carroçarias S.A..

As of 31 December 2022, 2021 and 2020 the reconciliation of the equity of the subsidiaries with the amount recorded as a financial investment is detailed as follows:

	Caetano Bus			Kinto		
	12/31/2022	12/31/2021	12/31/2020	12/31/2022	12/31/2021	12/31/2020
Equity without non-controlling interests	25.299.973	27.649.244	19.737.446	19.059.663	20.928.226	16.360.605
% of detention	62%	62%	62%	49%	49%	49%
	15.670.803	**17.125.942**	**12.225.374**	**9.339.235**	**10.254.831**	**8.016.696**
Valuation of fair value real estate	1.462.285	1.564.947	1.667.610	-	-	-
Valuation of fair value vehicles - Fixed assets	-	-	-	4.109.082	5.478.776	6.848.470
Customer's portfolio	-	-	-	1.016.123	1.354.831	1.693.539
Valuation of fair value inventories	12.830	473.082	1.549.328	-	-	-
Deferred tax liabilities	(327.690)	(446.223)	(700.419)	(1.153.171)	(1.537.562)	(1.921.952)
Goodwill	1.578.107	1.578.107	1.578.107	8.148.246	8.148.246	8.148.246
	18.396.336	**20.295.856**	**16.320.000**	**21.459.516**	**23.699.123**	**22.785.000**

As described in the section "Summarized financial information of the subsidiaries" of this Note, in the years ended In 31 December 2022 and 2021 signs of impairment were identified in relation to the financial participation in the joint venture CaetanoBus – Fabricação de Carroçarias S.A.. For this reason, the Board of Directors carried out a formal impairment analysis on the financial participation.

The main assumptions on which the analysis was based divided by geography in which the said joint venture op erates are as follows:

2022	Portugal	United Kingdom	Germany
Compound growth rate of sales in this projection	33,6%	35%	31,80%
EBITDA Margin	[0,6%,6,6%]	[2,8% ,3,8%]	[1,0%, 1,5%]
G (perpetuity growth rate)	2,00%	2,00%	2,00%
WACC (discount rate)	8,07%	6,90%	6,13%

2021	Portugal	United Kingdom	Germany
Compound growth rate of sales in this projection	49,00%	27,00%	37,00%
EBITDA Margin	[-1%,6%]	[3%,4%]	[1%,3%]
G (perpetuity growth rate)	2,00%	2,00%	2,00%
WACC (discount rate)	5,75%	5,02%	4,64%

The Company also performed a sensitivity analysis on the recoverable value of the investment in Caetano Bus, which focused on the assumptions that the Board of Directors considers to be more critical and to which the models are more sensitive, namely EBITDA margin (-50%) and WACC (+2.0 p.p.). No impairment losses were identified as a result of that analysis.

The above assumptions in terms of the growth rate of sales and profitability reflect the expectation of the Board of Directors of the Group and that subsidiary of recovery and return to pre-pandemic operating levels from the year 2023.

As a result of the analysis carried out the Board of Directors understands that there is no need to recognize any impairment loss considering that a reasonable variation in one of the above assumptions would not affect the conclusion.

10. LOANS TO ASSOCIATE COMPANIES

During the years ended December 31 2022 and 2021 the movements in this caption are as follows:

	2022	2021
Other financial assets		
Balance as of January 1	4.256.303	18.847.236
Increases during exercise	8.700.000	11.155.000
Other Regularizations	(9.581.303)	(25.745.934)
Balance as of December 31	3.375.000	4.256.303

"Financing to Companies Participated" comprises treasury loans granted to subsidiaries, on 31 December 2022 to Caetano Renting, SA in the amount of 3,375,000 Euros and on 31 December 2021 to subsidiaries Caetano Auto in the amount of 2,400,000 Euros and Caetano Renting, SA in the amount of 1,856,303 Euros, winning interest at market rates (Note 27).

11. INVENTORIES

As of 31 December 2022 and 31 December 2021 this caption had the following composition:

	2022	2021
Goods	21.753.732	44.205.972
Raw materials	12.312.484	13.775.081
Finished and intermediate products	3.945.939	2.687.059
Products and work in progress	2.964.376	696.301
Accumulated impairment losses in inventories (Note 22)	(137.131)	(137.131)
	40.839.400	**61.227.283**

The value of goods shown in the statement of financial position as of December 31, 2022, broken down by seniority levels, is as follows:

Wares	<6	6 a 12	12 a 24	>24	total
Parts	941.137	143.606	198.561	54.179	1.337.484
New Vehicles	7.234.004	35.950	100.163	-	7.370.117
Used Vehicles	5.094.481	3.315.520	591.882	1.513.353	10.515.236
Other	2.292.604	93.858	22.707	121.727	2.530.896
Total	**15 562 226**	**3 588 934**	**913 312**	**1 689 260**	**21 753 732**

The goods item includes the amount of 10.6 million Euros related to used vehicles (10.1 million Euros on 31 December 2021).

The Company has defined impairment criteria for used vehicles that assume a devaluation in relation to their seniority. The criteria followed by the Company are supported by market information obtained from external entities with reference to 31 December. Therefore, the Board of Directors does not expect that in future years losses will be generated in the process of disposal and realization of said used vehicles.

As of December 31 2022 and 2021 there are no assets in the Company's inventory that are given as a pledge in the guarantee of liabilities.

The cost of sales in the years ended December 31 2022 and 2021 was calculated as follows:

	2022			2021		
	Goods	Raw, subsidiary, and consumable materials	Total	Goods	Raw, subsidiary, and consumable materials	Total
Inicial stocks	44.205.972	13.775.081	57.981.054	36 174 245	7 359 274	43 533 520
Net purchases	261.593.262	63.327.789	344.607.725	256 958 035	46 120 247	303 078 282
Inventory regularization	(7.008.988)	-	(7.008.988)	(6 158 119)	-	(6 158 119)
Final stocks	21.753.732	12.312.484	53.752.890	44 205 972	13 775 081	57 981 054
Total	**277.036.515**	**64.790.386**	**341.826.900**	**242 768 190**	**39 704 439**	**282 472 629**

The change in production in the years ended December 31 2022 and 2021 was as follows:

	Finished products intermediates and products and work in progress	
	2022	2021
Final stocks	6.910.315	3 383 359
Initial stocks	3.383.359	3 445 947
Total	**3.526.956**	**(62 588)**

12. COSTUMERS

As of 31 December 2022 and 31 December 2021 this caption had the following composition:

	2022 Current assets	2021 Current assets
Customers current accounts	83.378.896	65.568.270
Customers doubtful accounts	5.307.223	5.330.196
	88.686.119	70.898.466
Accumulated impairment losses on customers (Note 22)	(5.271.256)	(5.256.947)
	83.414.863	65.641.520

As of December 31 2022 and 2021 the detail by typology of clients of the seniority of accounts receivable including information on the existence of credit enhancement instruments available to the Company is as follows:

Maturity of debts with recognition of impairment loss:

2022	- 60 days	60-90 days	90-120 days	+ 120 days	Total	Credit enhancement Instrument
Related Entities	55.730.507	2.082.813	493.979	2.062.170	60.369.469	n.a.
Public entities	591.837	4.464	217		596.518	n.a.
Financial entities	5.239.352	153.614	155.898	728.243	6.277.108	n.a.
Independent dealers	7.491.485	4.928	-	6.919	7.503.333	Bank Guarantees
Others	7.868.613	475.414	88.117	200.325	8.632.469	n.a.
Total	**76.921.794**	**2.721.233**	**738.211**	**2.997.658**	**83.378.896**	

2021	- 60 days	60-90 days	90-120 days	+ 120 days	Total	Credit enhancement Instrument
Related Entities	43.591.358	175.696	10.550	146.789	43.924.394	n.a.
Public entities	286.655		114	-	286.770	n.a.
Financial entities	2.367.912	594.672	141.417	332.641	3.436.642	n.a.
Independent dealers	6.277.434	932	1.189	6.864	6.286.420	Bank Guarantees
Others	11.081.327	238.554	76.641	237.522	11.634.044	n.a.
Total	**63.604.687**	**1.009.855**	**229.912**	**723.817**	**65.568.270**	

Debt maturity with recognition of impairment loss:

2022	- 60 days	60-90 days	90-120 days	+ 120 days	Total
Customers doubtful accounts	17.328	-	543	5.289.352	5.307.223

2021	- 60 days	60-90 days	90-120 days	+ 120 days	Total
Customers doubtful accounts	43.863	9.179	9.113	5.268.041	5.330.196

It is the understanding of the Board of Directors that the credit risk associated with customers in the oldest age group is small, as a result of:

- Customers with payment agreements: considering the credit analyzes carried out, the knowledge of the customers in question and the external information obtained on their financial situation, it is understood that these customers do not present a significant credit risk, and the Board of Management regularly monitors compliance with established agreements, involving such agreements with a reduced number of entities;
- Related companies: in this typology are included several entities belonging to the sphere of the Salvador Caetano Group, with whom Toyota Caetano Portugal maintains regular commercial transactions, and the Company also maintains transactions as a customer with entities of the same Salvador Caetano Group. The Board of Directors therefore understands that the amounts included in the “+120 days” age group for this type of customer are fully recoverable;

- Other customers: in this typology are included among others general customers of vehicles for which there is usually a property reservation clause associated with the sold vehicle or alternatively is not transferred to your property until the alienated vehicle is fully liquidated. However, the Board of Directors understands that, in this type of customer, there are situations of moderate credit risk, which are not materially relevant. The Company's credit and collection control department constantly monitors these situations.

Regarding the application of the Expected Credit Losses model recommended in IFRS 9 the Company applied in the analysis of the simplified approach of recognizing the expected credit losses in the economic life of commercial accounts receivable considering that they do not have a significant financing component.

It should also be noted that, regarding financial instruments corresponding to accounts receivable from customers, there was generally no significant change in the average collection period in 2022.

The amounts presented in the financial position statement are net of accumulated impairment losses for doubtful charges that were estimated by the Company according to its experience and based on its assessment of the economic situation and surroundings on the date of the statement of financial position. Thus, the Board of Directors understands that the accounting amounts of accounts receivable from customers are close to their fair value.

13. OTHER ACCOUNTS RECEIVABLE

As of 31 December 2022 and 31 December 2021 this caption had the following composition:

Other accounts receivable	Current Assets	
	2022	2021
Personnel	146.023	55.049
Advances to suppliers	175.400	45.851
Shareholders - RETGS (Note 30)	1.154.514	5.418.853
	1.475.937	**5.519.753**

14. OTHER CURRENT ASSETS

As of 31 December 2022 and 31 December 2021 this caption had the following composition:

	2022	2021
Debtors for accrued incomes		
Recover of sales compaigns	-	1.340.782
Recover of expenses	15.197	91.712
Interest receivable	26.112	52.947
Training subsidies	384.597	494.897
Rent	32.545	-
Consulting	-	98.148
Others	67.080	-
	525.532	2.078.487
Expenses to be recognized		
Insurance	166.342	74.687
Expenses from c ommercial paper charges	102.906	256.654
Others	93.865	315.288
	363.112	646.629
	888.644	**2.725.115**

15. ASSETS AND LIABILITIES FOR DEFERRED TAXES

Income Taxes

The Company is subject to IRC at the rate of 21% for the tax base, plus a surcharge at the rate of 1.5% on taxable income, resulting in an aggregate tax rate of a maximum of 22.5%. According to the legislation in force, the Company's tax returns are subject to review and correction by the tax administration during a period of four years (five years for

Social Security), except when there have been tax losses, benefits have been granted tax authorities, or inspections, complaints or objections are in progress, in which cases, depending on the circumstances, the deadlines are extended or suspended. Thus, the Company's tax returns since 2019 may still be subject to review. The Board of Directors understands that any corrections resulting from reviews/inspections by the tax administration of those tax returns for the years open to inspection should not have a significant effect on the attached financial statements.

Pursuant to article 88 of the Corporate Income Tax Code, companies based in Portugal are additionally subject to autonomous taxation on a set of charges at the rates set out in the above-mentioned article. Additionally, to the taxable income calculated in excess of between 1.5 million Euros and 7.5 million Euros, a state surcharge of 3%, greater than 7.5 million Euros and up to 35 million Euros, is added a state surcharge of 5% and to the taxable profit calculated in excess of more than 35 million Euros is added a state surcharge of 7%.

In March 2007, the Company opted for applying the Special Regime for Taxation of Groups of Companies (“RETGS”) provided for in articles 69 and 70 of the Corporate IRC code, which began to be applied on January 1, 2007. In this regime the dominant company (Toyota Caetano Portugal, SA) must record the taxes calculated in the subsidiaries included in the fiscal perimeter (Caetano Auto and Caetano Renting) to determine the Group's income tax.

The detail of the balance shown in the Statement of financial position on December 31, 2022 and 2021 is as follows

	2022	2021
Corporate income tax for the year (estimate)	(5 216 050)	(4 235 672)
Corporate income tax for the year (payments in advance)	4 009 674	468 819
Withholding tax	543 017	662 756
Corporate income tax for the year (RETGS)	(1 321 409)	(1 225 455)
	(1 984 769)	**(4 329 552)**

The income tax for the year evidenced in the income statement for the years ended December 31 2022 and 2021 can be decomposed as follows:

	2022	2021
Income taxes in year	5 216 050	3.894.767
Deferred income taxes	40 993	(100 060)
	5 257 043	**3.794.707**

Total Current Tax	2022	2021
Excess Estimated Tax		(340.905)
Tax estimate of the year	5.216.050	4.235.672
	5.216.050	**3.894.767**

The reconciliation of the actual tax charge with the theoretical tax charge for the years ended December 31, 2022 and 2021 can be analyzed as follows:

	2022	2021
Income before taxes	19.958.913	15.830.618
National tax rate	22,50%	22,50%
Theoretical tax expenses	4.490.755	3.561.889
Equity method	(26.936)	165.241
Excess estimated tax		(340.905)
Others	(135.967)	(179.578)
Additional income tax	120.870	95.725
State tax	767.328	592.395
Effective tax expenses	**5.216.050**	**3.894.767**

The detail and movement of the amounts and the nature of the deferred tax assets and liabilities recorded in the financial statements on 31 December 2022 and 2021 can be summarized as follows:

2022	Initial Balance	Movements reflected in results Increase	Movements reflected in results Decrease	Movements reflected in equity Increase	Movements reflected in equity Decrease	Final Balance
Deferred tax assets:						
Provisions	222.294	-	-	-	-	222.294
Expenses not accepted for tax purposes	154.817	104.427	(154.821)	-	-	104.424
Defined benefit plan Liabilities	963.109	-	-	661.028	-	302.082
	1.340.220	**104.427**	**(154.821)**	**661.028**	**-**	**628.800**
Deferred tax liabilities:						
40% of depreciation as a result of legal effect of the reinvestments of the gains in fixed asstes	34.092	-	-	-	-	34.092
Sales	53.967	-	(9.400)	-	-	44.567
	88.058	**-**	**(9.400)**	**-**	**-**	**78.658**

2022	Initial Balance	Movements reflected in results Increase	Movements reflected in results Decrease	Movements reflected in equity Increase	Movements reflected in equity Decrease	Final Balance
Deferred tax assets:						
Provisions	222.294	-	-	-	-	222.294
Expenses not accepted for tax purposes	65.868	154.817	(65.868)	-	-	154.817
Defined benefit plan Liabilities	1.164.845	-	-	201.736	-	963.109
	1.453.007	**154.817**	**(65.868)**	**201.736**	**-**	**1.340.220**
Deferred tax liabilities:						
40% of depreciation as a result of legal effect of the reinvestments of the gains in fixed asstes	35.374	-	(1.282)-	-	-	34.092
Sales	63.796	-	(9.829)	-	-	53.967
	99.169	**-**	**(11.111)**	**-**	**-**	**88.058**

December 31, 2022 and 2021, the Company had no reportable tax losses.

16. EQUITY

Share Capital

As of December 31 2022 and 2021 the capital of the parent company fully subscribed and realized consists of 35.000.000 nominative shares fully subscribed and held with a nominal value of 1 Euro each.

The identification of corporate entities with more than 20% of the issued capital was as follows:

- Salvador Caetano - Auto S.G.P.S., S.A. 69,79%
- Toyota Motor Europe NV/SA 27,00%

n 2022, Salvador Caetano - Auto SGPS, SA acquired 483,431 shares with a nominal value of 1 Euro each, fully paid up and representing 1.3812% of the share capital.

Dividends

At the Ordinary General Meeting held on May 31, 2022, was approved by the shareholders, the distribution of dividends to be attributed to capital of 0.20 Euros per share, in the amount of 7 million Euros.

At an Extraordinary General Meeting held on November 30 2021 the shareholders approved the distribution of dividends in the amount of Euros 10 5 million by application of amounts recorded under the item "Retained earnings "

As of December 31 2022 there are no restrictions on the distribution of dividends.

Legal Reserve

According to the commercial legislation in force at least 5% of the annual net result if positive must be allocated to the strengthening of the legal reserve until it represents 20% of the Company's capital. This reserve is not distributable unless in the event of liquidation of the Company but can be used to absorb losses after the other reserves have been exhausted or incorporated into the capital.

Adjustments to financial assets

The value considered in "Adjustments in financial assets" refers to the results appropriated by the Equity Method not yet distributed and the transition adjustments of the initial application of the Equity Method.

Revaluation reserves

Revaluation reserves may not be distributed to shareholders unless they are fully amortized or if their revaluation assets have been disposed of.

The amounts distributable in Equity, excluding the Net Income for the Year, total 87,297,191 Euros in the headings Free Reserves and Retained Earnings.

Proposal for the Application of Results 2022

In accordance with paragraph 1(b) of Article 376 of the Commercial Companies Code we propose the following application of the net results calculated in the year in the amount of Eur 14.701.869,44 expressed in Toyota Caetano Portugal's separate financial statements.

For the account of reserves not distributable by profits in financial holdings arising from the application of the equity method:

Eur 119.715,53

For dividends to be attributed to the capital, 0.25 Eur per share, which considering the number of 35,000,000 shares, amounts to:

Eur 8.750.000,00

The remainder for the Retained Earnings account

Eur 5.832.153,91

17. LOANS OBTAINED

On December 31 2022 and December 31 2021 the Loans caption has the following detail:

	2022			2021		
	Current	Non-current	TOTAL	Current	Non-current	TOTAL
Secured current accounts	15.000.000	-	15.000.000	15.000.000	-	15.000.000
Commercial paper	7.000.000	-	7.000.000	-	-	-
Lease liabilities	3.337.462	11.933.595	15.271.058	5.443.445	8.759.868	14.203.313
Bond loan	12.500.000	-	12.500.000	-	12.500.000	12.500.000
	37.837.462	**11.933.595**	**49.771.058**	**20.443.445**	**21.259.868**	**41.703.313**

The movement in the financing obtained during the years ended December 31, 2022 and 2021 was as follows:

2022	Opening Balance	Increases	Decreases	Final Balance
Secured current accounts	15.000.000	60.000.000	60.000.000	15.000.000
Commercial paper	0	64.500.000	57.500.000	7.000.000
Lease liabilities	14.203.313	6.601048	5.533.304	15.271.058
Bond loan	12.500.000	-	-	12.500.000
	41.703.313	**131.101.048**	**123.033.304**	**49.771.058**

2021	Opening Balance	Increases	Decreases	Final Balance
Secured current accounts	0	85 000 000	70 000 000	15 000 000
Bank loans	10 000 000	-	10 000 000	0
Commercial paper	0	113 500 000	113 500 000	0
Lease liabilities	14 429 580	4 968 179	5 194 445	14 203 313
Bond loan	12 500 000	-	-	12 500 000
	36 929 580	**203.468.179**	**198 694 445**	**41 703 313**

As of 31 December 2022 and 2021, details of bank loans, bank overdrafts, Commercial Paper programs and bond loans, as well as their respective conditions, are as follows:

2022	Used Amount	Limit
Current		
Secured current accounts	15.000.000	22.000.000
Overdrafts	-	4.000.000
Confirming	-	4.500.000
Commercial Paper	7.000.000	48.000.000
Lease liabilities	3.337.462	3.337.462
Bond loan	12.500.000	12.500.000
	37.837.462	**94.337.462**
Non-current		
Lease liabilities	11.933.595	11.933.595
	11.933.595	11.933.595
	49.771.058	**106.271.058**

2021	Used Amount	Limit
Current		
Secured current accounts	15 000 000	22 000 000
Overdrafts	-	4 000 000
Confirming	-	4 500 000
Commercial Paper	-	52 000 000
Lease liabilities	5 443 445	5 443 445
	20 443 445	87 943 445
Non-current		
Lease liabilities	8 759 868	8 759 868
Bond loan	12 500 000	12 500 000
	21 259 868	21 259 868
	41 703 313	109 203 313

Below, we detail the amount related to financing obtained or credit lines contracted for which real guarantees were granted related to mortgages on properties (Note 30):

- Commercial Paper: 17.000.000

Interest on the above-mentioned bank loans is indexed to Euribor (floor zero), plus a spread that varies between 0.45% and 2.5%.

The Company had lines of credit as of December 31, 2022 in the amount of approximately 106.2 million Euros (of which approximately 49.7 million Euros were used as of December 31, 2022) which may be used for future operational activities and to meet financial commitments, with no restriction on the use of this facility. This amount is invested in several financial institutions and there is no excessive concentration in any of them.

The item Lease liabilities (current and non-current) corresponds to the Company's responsibilities, as lessee, relating to the rights of use related to cargo handling equipment.

The details of this heading, as well as the payment plan, can be summarized as follows:

		Current	Non-current				
Contract	Leased good	2023	2024	2025	2026	> 2027	TOTAL	TOTAL
Diverse	Industrial equipment Capital	3.337.462	4.494.043	2.662.456	2.258.643	2.518.455	11.933.595	15.271.058

Debt Maturity

The maturities of existing loans as of 31 December 2022 and 2021 are as follows:

Financing

2022	< 1 year	1 - 3 years	3 - 5 years	> 5 years	Total
Bank loan	15.000.000	-	-	-	15.000.000
Commercial paper	7.000.000	-	-	-	7.000.000
Lease liabilities	3.337.462	7.156.498	4.609.990	167.107	15.271.058
Bond loan	12.500.000	-	-	-	12.500.000
Total funding	37.837.462	7.156.498	4.609.990	167.107	49.771.058

2021	< 1 year	1 - 3 years	3 - 5 years	> 5 years	Total
Bank loan	15.000.000	-	-	-	15.000.000
Lease liabilities	5.443.445	7.250.338	1.509.531	-	14203.313
Bond loan	-	12.500.000	-	-	12.500.000
Total funding	20.443.445	19.750.338	1.509.531	-	41.703.313

Interest

2022	2023	2024	2025	2026	> 2027	total
Bank loan	547.804	-	-	-	-	547.804
Lease liabilities	286.593	191.985	115.942	62.358	34.486	691.364
Bond loan	550.521	-	-	-	-	550.521

2021	2022	2023	2024	2025	> 2026	Total
Bank loan	97 656	-	-	-	-	-
Lease liabilities	286 593	191 985	115 942	62 358	34 486	691 364
Bond loan	249 670	249 670	-	-	-	499 340

18. SUPPLIERS

On December 31, 2022 and 2021, this item consisted of current balances payable to suppliers resulting from the Company's ordinary activity, all of which fall due in the short term.

The Company, within the scope of financial risk management, has implemented policies to ensure that all liabilities will be settled within the defined payment terms.

19. OTHER ACCOUNTS PAYABLE

As of 31 December 2022 and 2021 this caption had the following composition:

Other accounts payable	Current Liabilities	
	2022	2021
Personnel	254 350	116 038
Down payments	636 706	485 757
Public entities	13 164 669	17 231 183
Shareholders	29 742	24 954
Other accounts payable	135 238	282
	14 220 705	**17 858 214**

The detail of the caption "State and Other Public Entities" as of December 31 2022 and 2021 is as follows:

	2022	2021
Income Taxes withheld	183.585	211.243
Value added taxes	11.436.656	14.179.777
Employee's social contributions	293.314	293.593
Local taxes	165.839	167.679
Others	1.085.276	2.378.890
	13.164.669	**17.231.183**

There are no outstanding debts to the state and social security.

20. OTHER CURRENT LIABILITIES

On December 31 2022 and 2021 the caption "Other current liabilities" can be detailed as follow:

	2022	2021
Creditors for accrued expenses		
Vacations pay and bonus	3.943.520	3.053.379
Sales campaigns	2.067.027	2.838.295
Interest	203.479	136.539
Anticipated costs related with sold vehicles	399.635	507.190
Insurance	5.834	9.730
Car tax on sold and unregistered vehicles	1.032.644	1.711.789
Warranty Claims	10.535	56.829
Personnel	622.828	627.541
Anticipated costs related with other supplies	995.919	2.275.884
Royalties	152.285	104.650
	9.433.706	**11.321.825**
Income to be recognized		
Maintenance vehicles contracts	6.146.284	6.120.106
Subsidies	539.441	22.040
Sales deferral	3.018.510	8.096.303
Others	8.777	214.421
	9.713.012	**14.452.871**
	19.146.718	**25.774.696**

Regarding the item “Revenue”, it refers to transactions in which there was no transfer of control of the vehicle to the respective customer, thus not being recognized as a sale for the year, being the same deferred until the moment when the conditions of transfer of control takes place.

21. RESPONSABILITIES FOR PENSIONS

Toyota Caetano Portugal (together with other associates) constituted by public deed dated December 29, 1988, the Salvador Caetano Pension Fund subsequently amended on February 2, 1994, on April 30, 1996, on August 9, 1996, on July 4, 2003, on February 2, 2007, December 30, 2008, December 23, 2011, and December 31, 2013.

This pension fund provided that if its members maintained the decision to make contributions to that fund that most workers could receive from the date of retirement a non-updateable supplement determined based on a percentage of the salary among other conditions by setting up a defined benefit plan. To cover these liabilities an Autonomous Fund is set up (which is currently managed by BPI Vida e Pensões S.A.).

On December 18, 2007, a dossier was sent to the Insurance Institute of Portugal containing the proposals for amendments to the Constitutive Contract of the Salvador Caetano Pension Fund as well as the minutes of approval of the same by the Monitoring Committee of the Fund proposing with effect on January 1, 2008, the approval by that body of these same amendments.

The above-mentioned proposal to amend the pension supplements scheme duly approved by the Pension Fund Monitoring Committee includes the maintenance of a Defined Benefit scheme for the then retired and deferred pension recipients as well as for all employees of Salvador Caetano pension fund members who as of 1 January 2008 had completed 50 years of age and more than 15 years of service in the members of the Salvador Caetano Pension Fund, and a new group was created (formed by the rest of the universe of workers at the service of the members of the Salvador Caetano Pension Fund) that began from that date to be included in a Defined Contribution Plan.

On December 29, 2008, a letter was received containing the approval by the ISP – Insurance Institute of Portugal of the intended changes and in force since 1/1/2008.

The ISP determined in this approval that employees of the members of the Salvador Caetano Pension Fund who on January 1 2008 had reached 15 years in the service of the member and were under the age of 50 (and who will be part of a Defined Contribution Plan) were entitled to an individual "initial capital" under the new plan determined according to the actuarial responsibilities established with reference to December 31 2007 and based on the assumptions and criteria used in that exercise.

The assets of the Salvador Caetano Pension Fund were allocated to those two Plans under the rules then instituted by the ISP thus maintaining that format until the current date.

Thus, the Salvador Caetano Pension Fund is a single fund and includes two distinct plans: A Defined Benefits plan and a Defined Contribution plan.

The main characteristics of the Salvador Caetano Pension Plan in the part concerning defined benefits are as follows:

- The pension plan is complementary to public Social Security schemes and the pension plan is independent of pensions allocated by Social Security.
- The pension plan provides for the payment of pensions in the event of old-age retirement and invalidity retirement.
- The pension plan provides for acquired rights.
- The updating of pensions is dependent on the decision of the members of the Salvador Caetano Pension Fund.
- The payment of benefits is made directly by the Pension Fund.
- In terms of eligibility workers at least 50 years of age on December 31, 2017, who on that same date had completed 15 years in the service of one of the members of the Salvador Caetano Pension Fund are eligible.
- The normal retirement age is the age established by the General Social Security Scheme.
- The pensionable salary corresponds to 14/13 of the last salary paid by the worker.

- The old-age pension and invalidity pension corresponds to 20% of the monthly pension salary.
- These pensions are paid 13 times a year.

In terms of minimum solvency level, the value of the assets of the Salvador Caetano Pension Fund may not be less than the minimum amount of solvency calculated in accordance with the rules laid down by the regulatory standard of the Insurance and Pension Fund Supervisory Authority ("ASF"). The "Minimum Solvency Scenario" is thus calculated by the responsible actuary (BPI Pensões S.A.) in accordance with Asf Standard No. 21/96-R of December 5.

The Salvador Caetano Pension Fund currently has a management contract with the management entity BPI Vida e Pensões, SA, with this management entity acting as the “Responsible Actuary”. In accordance with the current legislation in force, the management entity must ensure that the assets that make up the Salvador Caetano Pension Fund's assets are adequate for the responsibilities arising from the pension plan, and for this purpose must consider, namely:

- The nature of the anticipated benefits;
- The time horizon of responsibilities;
- the established investment policy and the risks to which assets are subject; and
- The level of financing the liabilities.

Thus, under the management contract established with BPI Vida e Pensões S.A. the managing body shall use the methods or techniques it considers most in line with the objective of ensuring with a high level of reasonableness that unfavorable fluctuations in the value of the assets do not call into question the payment of the liabilities assumed especially those relating to pensions in payment. In this sense BPI Vida e Pensões S.A. has developed a model of analysis of the balance between the assets and liabilities of the Pension Fund called the "ALX Model" which aims to determine the appropriate composition of a portfolio of financial assets complicitly compacting the nature, risk, duration and profitability of the assets with the average maturity of the liabilities borne by the Fund pensions in payment or pensions to be paid in the future for workers still in active. This model does not however eliminate the use of more sophisticated and complete asset liability management (ALM) models.

According to the investment policy established in the Pension Fund Management Agreement the table below shows the objective allocation ("Weight") excluding real estate and other national assets:

	Minimum limit	Core Value	Maximum limit
Eurozone Private Debt Bonds	45,0%	50,0%	55,0%
Eurozone Public Debt Obligations	20,0%	25,0%	30,0%
Global Actions	13,0%	17,0%	22,0%
Absolute Return	3,0%	8,0%	13,0%
Other assets	0,0%	-	10,0%
High Yield	0,0%	-	10,0%
Cash	0,0%	0,0%	12,8%

Below is a description of each of the risks in the activity of BPI Vida e Pensões, SA, as well as the information models used for the respective monitoring:

MARKET RISK

The main market risks come from changes in portfolio bond prices resulting from investors' perception of factors intrinsic to the issuer or markets or geopolitical factors.

The tools used to measure and quantify exposure to market risks are as follows:

VaR – Value at Risk

Value at Risk (VaR) means the estimated maximum expected loss for a portfolio in each time horizon with a certain level of confidence.

BPI Vida e Pensões, SA's VaR calculation system resorts to the volatilities and correlations historically determined for the different securities and prices in the last 365 days, determining the VaR of each portfolio for a time interval of 30 days and a confidence level of 95%.

The results of the coverage policies implemented by managers are also evaluated and consolidated through the VaR values determined with and without derivatives.

Stress scenarios

To complement the information provided for each portfolio by the VaR, which is based on historical series, BPI Vida e Pensões, SA also assesses the exposure to market risks, analyzing the impact on the future value and respective profitability of each portfolio, considering the repetition of past stress scenarios.

These stress scenarios are applied to the key variables, assessing their individual impact and the joint impact with other variables.

CREDIT RISK (portfolio diversification)

The credit risk of each security is assessed considering the credit risk of each issuer and the nature of its debt, as well as the rating notation and the probability of default.

LIQUIDITY RISK

To assess the liquidity risk, each manager permanently monitors the expected inflows and outflows from the portfolios and maintains adequate liquidity levels for the expected maturities of liabilities.

OPERATIONAL RISK

Operational risk is assessed considering the operational loss database of BPI Vida e Pensões, SA, which provides the registration of all events and their financial impact.

Additionally, for the year ended December 31, 2022, there was no change early cancellation or settlement of the Defined Benefit Plan.

According to an actuarial study carried out by the Fund's management company (BPI Vida e Pensões, SA), the Company has been making contributions for the defined benefit plan, allowing the equity situation of that Fund to amount to approximately 14,824 thousand Euros on 31 December 2022 (14,720 thousand Euros on 31 December 2021). The portion of global liability estimated actuarially for the Defined Benefit Plan, in the portion relating to the Company, amounts to approximately 14,046 thousand Euros on 31 December 2022 (19,041 thousand Euros on 31 December 2021).

The actuarial assumptions used for the 2022 and 2021 valuation by the management company include the TV88/90 and Suisse Re 2001 Mortality and Disability Tables, respectively, as well as salary growth rates, pensions, and discount rates of 0. % (0% in 2021), 0% (0% in 2021) and 0.99% (0.7% in 2021), respectively.

Regarding the consideration of a future projection of a salary increase of 0%, it should be noted that this is because the (closed) universe of participants in the Defined Benefit Plan contemplates, on December 31, 2022, around 505 people of which only 9 participants were active in the Companies of the Toyota Caetano Portugal Group, so any estimate of future salary increases would apply only to them. Given that the target population of potential wage increases is residual and is at the end of its career (average age of around 65 years), it was the decision of the Company's Board of Directors to consider a salary update rate of 0% in the process of determination of actuarial responsibilities.

In the year ended December 31, 2022, the duration of liabilities determined by the Responsible Actuary is 7 years. Regarding the number and average age of beneficiaries, it is detailed by component of the Toyota Caetano Portugal Group and type of participant, as follows:

	Number of people	Median age
Participants (Actives and former participants)		
Actives < 66 years	2	65
Actives > 66 years	4	67
Former participants	12	73
Pre-retired	0	0
	18	71
Retired		
Old age pension	454	75
Disability pension	12	72
Pre-retirement/early retirement	0	0
Widow/Orphanhood	0	0
	466	75

The movement of the Company's responsibilities with the Defined Benefit Plan in the years 2022 and 2021 can be summarized as follows:

	2022	2021
Inicial balance	**19.041.108**	**21.104.665**
Effect on net income of the year		
Current service costs	26.613	36.000
Interest costs	181.578	142.832
Plan cuts		(301.076)
Effects on other comprehensive income		
(Gains) and actuarial losses	(616.430)	11.978
Expected benefits	(1.452.948)	(1.472.045)
Change of Assumptions	(3.064.157)	(481.246)
Net transfers made	(69.698)	
Closing balance	**14.046.066**	**19.041.108**

The changes in the equity situation of the Pension Fund, which covers the two above mentioned benefit plans, during the 2022 and 2021 financial years, were as follows:

	2022	2021
Inicial balance	**14.720.140**	**14.824.674**
Effect on net income for the year		
interest income	98.141	139.836
Effects on other comprehensive income		
Income gains/(Losses)	465.043	(712.200)
Pension Payments (Benefits Paid)	(1.509.751)	(1.483.437)
Net transfers made		(69.698)
Company contributions (includes direct payments)	1.051.100	1.062.494
Closing balance	**14.824.674**	**13.761.669**

As of December 31, 2022 and 2021, the composition of the asset portfolio of the Salvador Caetano Pension Fund that covers the Defined Benefit Plan is as follows:

Fund Portfolio	Portfolio weight	Value	Portfolio weight	Value
	2022		2021	
Actions	7,4%	1.018.364	9,8%	1.449.853
Fixed rate bonds	30,0%	4.128.501	33,2%	4.919.568
Variable rate bonds	2,7%	371.565	2,4%	359.498
Real Estate	50,9%	7.004.690	46,2%	6.841.587
Liquidity	4,4%	605.513	3,9%	579.645
Absolute return	4,6%	633.037	4,6%	674.523
Total	**100,0%**	**13.761.669**	**100,0%**	**14.824.674**

As of 31 December 2022, individual investments with a weight greater than 5% of the total asset portfolio of the Salvador Caetano Pension Fund that covers the Defined Benefit Plan, are presented as follows:

Active	Portfolio Weight	Value 31-12-2022
Cimóvel - Fundo de Investimento Imobiliário Fechado	50,9%	15.643.580

The Company's responsibilities with the Defined Benefit Plan and the equity situation of the Salvador Caetano Pension Fund affected can be summarized as follows:

Defined Benefit Plan	2022	2021
Responsibility's Values	14 046 066	19 041 108
Fund Value	13 761 669	14 824 674

A The Company's net liability shown above is safeguarded, not only by the assets of the Salvador Caetano Pension Fund allocated to the defined benefit plan, but also through a provision set up in the amount of approximately 284 thousand Euros (4.2 million Euros on 31 December 2021), reflected in the statement of financial position under the caption "Responsibilities for defined benefit plans".

Additionally, and as mentioned above, the Company is an integral part of a defined contribution plan, having, during the year ended 31 December 2022, made contributions to it in the amount of 130,000 Euros (305,702 Euros on 31 December 2021), recorded in the income statement under personnel costs.

22. ACCUMULATED PROVISIONS AND IMPAIRMENT LOSSES

The movement in the provisions during the years ended December 31 2022 and 2021 was as follows:

2022	Opening Balance	Increases	Write-offs	Final Balance
Impairment of receivables (Note 12)	5.256.947	35.540,01	-21.231,07	5.271.256
Impairment of inventories (Note 11)	137.131	-	-	137.131
Total	**5.394.077**	**35.540**	**-21.231**	**5.408.386**

2021	Opening Balance	Increases	Write-offs	Final Balance
Impairment of receivables (Note 12)	5 257 750	15 662	-16 465	5 256 947
Impairment of inventories (Note 11)	137 131	-	-	137 131
Total	**5 394 880**	**15 662**	**-16 465**	**5 394 077**

23. SALES AND SERVICES RENDERED BY GEOGRAPHICAL MARKETS AND INFORMATION SEGMENTS

The detail of sales and services by geographic markets in the years ended December 31 2022 and 2021 was as follows:

	2022	2021	Var (%)	2022	2021	Var (%)	2022	2021	Var (%)
	Internal Market			External Market			Total		
Light vehicles	291.926.773	235.333.301	24%	69.587.515	46.017.598	51%	361.514.288	281.350.899	28%
Heavy vehicles	4.702.929	5.712.164		483.850	137.509	252%	5.186.779	5.849.672	-11%
Industrial vehicles	9.121.584	8.224.245	11%	2.068	33.565	-94%	9.123.652	8.257.809	10%
Spare parts and accessories	43.069.750	36.208.625	19%	371.380	717.182	-48%	43.441.130	36.925.807	18%
Others	2.420.425	18.446.450	-87%	19.380	36.767	-47%	2.439.805	18.483.217	-87%
	351.241.461	303.924.784	16%	70.464.192,28	46.942.621	50%	421.705.653	350.867.405	20%

INFORMATION BY SEGMENTS

For the years ended December 31, 2022 and 2021, the segment reporting detail is as follows:

2022	National						External					TOTAL
	Cars		Industrial equipment			Other	Cars		Industrial equipment			
	Industry	Trade	Machines	Services	Rent		Industry	Trade	Machines	Services	Rent	
REVENUES												
Business volume	4 736 868	321 406 810	9 121 584	4 954 666	11 021 531		62 552 375	7 842 365	2.068	61 648	5 736	421 705 653
RESULTS												
Operating results	(909 504)	18 287 075	1 503 083	1 739 600	1 545 648		(24 603)	(120 507)	298	20 777	2 861	22 044 728
Financial results	(15 375)	(1 764 675)	(66 406)	(19 519)	(39 057)		(272 346)	(27 870)	(4)	(257)	(20)	(2 205 530)
Results in associates												
Financial participation results in subsidiary, joint ventures, and associated companies						119 716						119.716
Income tax year						(5 257 043)						(5.257.043)
Net income	(924 878)	16 522 399	1 436 677	1 720 080	1 506 590	(5 137 327)	(296 950)	(148 378)	294	20 520	2.841	14 701 869
OTHER INFORMATION												
Depreciation	617 940	1 033 543	111 152	60 409	5 183 345							7 006 390

	National						External					TOTAL
2021	Cars		Industrial equipment			Other	Cars		Industrial equipment			
	Industry	Trade	Machines	Services	Rent		Industry	Trade	Machines	Services	Rent	
REVENUE												
Business volume	5 890 913	272 911 611	8 201 245	4 991 594	11 929 421		38 754 608	8 063 109	56 565	61 808	6 531	350 867 405
RESULTS												
Operating results	(220 195)	12 928 533	1 295 683	2 019 104	1 201 210		883 859	213 827	2 797	41 603	5 317	18 371 738
Financial results	(17 448)	(1 539 108)	(34 062)	(18 233)	(40 887)		(129 112)	(27 334)	(258)	(251)	(22)	(1 806 715)
Results in associates												
Financial participation results in subsidiaries, joint venture, and associated companies						(734.405)						(734.405)
Income tax year						(3.794.707)						(3.794.707)
Net income	(237.643)	11.048.521	1.261.621	2.000.871	1.160.324	(4.529.112)	754.747	186.493	2.538	41.352	5.294	11.695.005
OTHER INFORMATION												
Depreciation	244 585	4 366 405	34 689	6576	2 358 229							7 010 484

The segment information presented above corresponds to that presented by the Board of Directors for the purpose of approving the Company's accounts and used in the decision-making process. The sub-segment relating to the industrial activity of vehicle assembly is included in the "Cars - Industry" segment. Additionally, the training and development of human resources activity, as well as the property management activity (investment properties), since they represent a secondary activity and without much expression, are distributed among the various segments. The Board of Directors understands that the presentation of these activities in autonomous segments would not add any added value in terms of the Company's financial reporting.

There are no revenues associated with transactions between the motor vehicle segment and the industrial equipment segment.

24. EXTERNAL SUPPLIES AND SERVICES

The detail of the External Supplies and Services item for the years ended December 31 2022 and 2021 is as follows:

	2022	2021
Subcontracts	880.905	127.269
Specialized services	31.876.914	31.556.356
Professional Services	5.266.589	4.079.194
Advertising	18.393.385	21.694.249
Vigilance and security	428.272	403.301
Professional Fees	1.326.358	1.197.640
Commissions	712.041	145.737
Repairs and maintenance	2.192.904	1.096.803
Other	3.557.366	2.939.430
Materials	6.863.279	6.654.073
Fast wear tools and utensils	141.437	81.037
Books and technical documentation	278.057	314.503
Office supplies	128.224	136.092
Gifts	32.051	37.980
Others	6.283.512	6.084.461
Energy and fluids	794.928	898.743
Electricity	195.076	334.661
Fuel	573.018	549.785
Water	26.834	14.297
Travel, stays and transport	3.206.925	2.109.317
Travel and stay	1.310.003	694.592
Personnel transportation	112.523	102.213
Transportation of materials	1.784.400	1.312.512
Other supplies	2.770.555	2.329.204
Rent	641.911	593.857
Communications	299.736	344.139
Insurance	862.892	552.005
Royalties	464.520	405.725
Litigation and Notaries	3.868	2.891
Cleaning and comfort	497.629	430.588
	46.393.505	**43.674.962**

25. PAYROLL EXPENSES

Personnel expenditure sums for the years ended December 31 2022 and 2021 are composed as follows:

	2022	2021
Payroll – management	410.078	403.801
Payroll – other personnel	12.246.048	11.178.075
Benefit plans	174.470	17.316
Termination indemnities	406.611	500.097
Social Security contributions	3.578.951	3.224.394
Workmen's insurance	301.069	251.265
Others	1.936.477	1.329.555
	19.053.704	**16.904.503**

During the years ended December 2022 and 2021 the average number of personnel serving the Company was as follows:

Personnel	2022	2021
Employees	393	382
Production Personel	154	147
	547	**529**

26. OTHER OPERATING INCOME AND EXPENSES

On December 31, 2022 and 2021, the caption "Other operating income" is made up as follows:

Other operating income	2022	2021
Real estate income (Note 6)	3.466.571	2.927.645
Subsidies	4.216.900	5.289.208
Advertising expenses and sales promotion recovery	383.275	463.442
Gains on Inventories	170.905	401.674
Gains on other non-financial investments	737.077	3.231.675
Investment subsidies	4.408	2.204
Obtained cash discounts	9.269	9.589
Others	12.394.304	14.057.811
	21.382.709	**26.383.249**

Detailing the main values mentioned above, it should be noted that:

- the caption "Advertising expenses and sales promotion recovery" essentially includes amounts relating to the recovery of expenses (related to the brands represented, with the supplier Grupo Toyota Japan). This item also includes the recovery of various charges borne by the Company with marketing and commercial promotion activities associated with its operations, with the Toyota Japan supplier, as well as the recovery of transport charges associated with sales processes. Expenses incurred associated with that recovery of charges are recognized in external supplies and services (where expenses related to vehicle repairs carried out by independent dealers and repairers, transport charges, marketing, and advertising charges, among others) are recognized;

- the item "Real Estate Income" includes the amount relating to investment property income. These rents are partially derived from lease agreements of real estate assets entered with various related entities, with the respective detail for the years ended December 31, 2022 and 2021, as follows:

Entity	2022	2021
Caetano Auto S.A.	656 240	673 751
Caetano Coatings S.A.	560 761	558 759
Caetano Aeronautic, S.A.	169 206	184 160
Caetanobus - Fabricação Carroçarias, S.A.	136 773	792 270
Rigor - Consultoria e Gestão, S.A.	82 196	81 902
Toyota Kredit Bank	35 861	30 186
Toyota Logistic Services Portugal, Unip., Lda	569 109	577 478
Others	31 426	29 138
Grand Total	**3 466 571**	**2.927.645**

The item "Operating subsidies" considers, in 2022, the amount of around 4.2 million Euros regarding support from the IEFP – Institute for Employment and Vocational Training associated with training actions provided by the Company in its various professional training centers. On December 31, 2021, the amount of 5.2 million Euros on December 31, 2021, in addition to the previously mentioned IEFP support, also includes government support to face the pandemic caused by the Covid-19 coronavirus.

The heading "Gains on other non-financial investments" includes, as of 31 December 2021, the capital gain generated with the sale of a building in Vila Nova de Gaia (900 thousand Euros) as well as capital gains generated on the sale of tangible fixed assets.

The caption "Other unspecified" essentially refers to the recovery of expenses with car warranties which are later re-charged to the Toyota brand.

As of December 31, 2022 and 2021, the caption “Other operating expenses” is made up as follows:

Other operating expenses	2022	2021
Taxes	761.876	713.971
Inventory losses	32.660	9.815
Cash discount granted	2.589	8.844
Losses on fixed assets	10.640	4.426
Donations	37.986	56.080
Quotes	23.777	16.043
Fines and penalties	10.627	12.868
Others	9.395.625	8.273.411
	10.275.781	9.095.457

The caption "Unspecified Others" essentially includes expenses with commercial incentives and bonuses granted to car dealers.

27. FINANCIAL EXPENSES AND INCOME

On December 31, 2022 and 2021, the financial results are broken down as follows:

Interest and similar income	2022	2021
Other	57.330	179.772
	57.330	**179.772**

Interest and similar expenses	2022	2021
Interest	1.013.642	938.983
Other	1.249.219	1.047.504
	2.262.860	**1.986.487**

28. FINANCIAL ASSETS AND LIABILITIES

Below is a summary table of the Company's financial instruments as of December 31 2022 and 2021:

Financial instruments		Financial Assets		Financial Liabilities	
	Note	2022	2021	2022	2021
Other financial investments		19.600	19.600		
Loans	10	3.375.000	4.256.303		
Accounts receivable	12	83.414.863	65.641.520		
Other accounts receivable	13	1.475.937	5.538.753		
Other current assets	14	525.532	2.078.487		
Loans	17			49.771.058	41.703.313
Other accounts payable	19			1.056.036	646.031
Accounts payable	18			27.313.547	38.901.165
Other current liabilities	20			9.433.706	11.321.825
Cash and cash equivalents	4	5.501.727	12.750.072		

29. RELATED ENTITIES

The balances receivable and payable with the Companies of the Toyota Caetano Portugal Group, which on December 31, 2022 and 2021, are reflected in the headings of the statement of financial position “Accounts Receivable”, “Accounts Payable”, “Shareholders”, and “Other Financial Assets” can be summarized as follows:

	2022	2021
Accounts receivables	32 556 747	31 829 373
Accounts payable	(1 618 516)	(2 109 402)
Group companies included in the "RETGS" (Note 13)		
Caetano Renting, S.A.	(77 665)	(703 771)
Caetano Auto, S.A.	1 232 179	6 122 624
	1 154 514	**5 418 853**
Loans to associte companies (Note 10)		
Caetano Auto, S.A.		2 400 000
Caetano Renting, S.A.	3 375 000	1 856 302
	3 375 000	**4 256 302**

Accounts Receivable and Accounts Payable (Notes 12 e 18).

Below is a summary table of balances and flows (Accounts Receivable and Accounts Payable) with subsidiaries, associated and joint ventures of the Toyota Caetano Portugal Group for the years ended 31 December 2022 and 2021:

Related companies 2022	Debts		Other Current Assets and Liabilities		Products		Tangible fixed assets		Services	Other		Financial	
	Receivable	Payable	Other Current Liabilities	Other Current Assets	Sales and Services provided	Purchase	Acquisitions	Disposals	Obtained	Expenses	Income	Expenses	Income
Subsidiaries	33.788.926	-1.696.181	-1.081.724	29.627	-156.740.235	29.165.060	245	-613.235	11.586.806	4.595.359	-2.632.112	0	-69.664
Associated	223.933	-49.322	-362.582	0	-3.111.918	294.195	0	0	939.357	60	-198.958	0	0
Joint Ventures	3.845.427	-354.394	0	31.794	-4.848.515	4.007.313	0	0	283.388	0	-2.362.200	0	0

Related companies 2021	Debts		Other Current Assets and Liabilities		Products		Tangible fixed assets		Services	Other		Financial	
	Receivable	Payable	Other Current Liabilities	Other Current Assets	Sales and Services provided	Purchase	Acquisitions	Disposals	Obtained	Expenses	Income	Expenses	Income
Subsidiaries	31 829 373	(2 109 402)	(3 583 834)	66 452	(126 521 415)	26 919 731	0	(1 033 506)	14 814 939	3 718 414	(2 351 837)	0	(231 144)
Associated	345 646	(153)	(47 305)	0	(2 098 346)	192 113	0	0	910 241	205	(184 811)	0	0
Joint Ventures	2 240 413	(1 961 506)	(47 821)	189 769	(5 801 593)	4 834 060	0	(2 500)	254 975	0	(1 998 116)	0	0

The detail of the balances and transactions between the Company and related entities (essentially belonging to the so-called Salvador Caetano Group and the Toyota Motor Corporation Group), can be summarized as follows on December 31, 2022 and 2021:

Related companies 2022	Debts		Other Current Assets and Liabilities		Products		Tangible fixed assets		Services	Other		Financial	
	Receivable	Payable	Other Current Liabilities	Other Current Assets	Sales and Services provided	Purchase	Acquisitions	Disposals	Obtained	Expenses	Income	Expenses	Income
Shareholders	18.567.535	-25.544.597	-4.316.026	0	-62.101.443	222.618.618	0	0	943.529	17.000	-4.392.783	31.565	-11.040
Related Entities Salvador Caetano Group	5.183.085	-2.540.088	-903.489	0	-7.560.192	865.609	334.756	174.750	8.663.051	727.483	-2.099.610	48	0
Related Entities Toyota Group Japan	-15.179	-9.978.657	1.988	6.449.870	-52.491.200	78.550.878	3.500	0	462.465	1.202.230	-1.340.237	60.385	0
Other Related Entities	7.921	-115.921	-108.033	0	-70	0	1.838	0	766.001	6.540	-9.560	0	0

Related companies 2021	Debts				Other Current Assets and Liabilities				Products			Tangible fixed assets	
	Receivable	Payable	Other Current Liabilities	Other Current Assets	Sales and Services provided	Purchase	Acquisitions	Disposals	Obtained	Expenses	Income	Expenses	Income
Shareholders	3 916 133	(20 244 541)	(141 039)	1 390 000	(38 336 556)	202 456 417	0	0	774 641	0	(6 173 146)	6 337	(383)
Related Entities Salvador Caetano Group	2 365 865	(1 908 673)	(856 181)	0	(5 658 441)	756 225	228 499	(110 626)	7 798 385	736 457	(1 998 156)	0	0
Related Entities Toyota Group Japan	3 219 619	(8 728 073)	(4 701 630)	0	(69 160 653)	58 683 455	39 681	0	797 831	1 538 306	(1 721 234)	290 288	0
Other Related Entities	1621	(45 072)	0	49 200	0	0	111 378	0	316 409	0	(8 726)	0	0

As of December 31, 2022, there are no outstanding current balances with key management personnel of the Company (including Governing Bodies).

The related entities with which the Company has relations are the following:

SHAREHOLDERS	
Salvador Caetano Auto, SGPS, S.A.	Portugal
Toyota Motor Europe, Nv/Sa	Belgium

SUBSIDIARIES	
Caetano Auto, S.A.	Portugal
Caetano Auto CV, S.A.	Cabo Verde
Caetano Renting S.A.	Portugal

ASSOCIATED	
Kinto Portugal, S.A.	Portugal

OTHER RELATED ENTITIES GRUPO SALVADOR CAETANO	
Grupo Salvador Caetano, SGPS, S.A.	Portugal
Amorim, Brito & Sardinha, Lda.	Portugal
Atlântica - Companhia Portuguesa De Pesca, S.A.	Portugal
Caetano Aeronautic, S.A.	Portugal
Caetano Baviera - Comércio De Automóveis, S.A.	Portugal
Caetano City, S.A.	Portugal
Caetano Drive, Sport E Urban, S.A.	Portugal
Caetano Energy, S.A.	Portugal
Caetano Formula Cádiz, SLU	Spain
Caetano Fórmula West Africa, S.A.	Portugal
Caetano Formula Galicia, SLU	Spain
Caetano Fórmula, S.A.	Portugal
Caetano Mobility, SGPS, SA	Portugal
Caetano Motors, S.A.	Portugal
Caetano Motors Cádiz, SLU	Spain
Caetano Move África, S.A.	Portugal
Caetano One Cv, Lda	Cabo Verde
Caetano Parts, Lda.	Portugal
Caetano Power, S.A.	Portugal
Caetano Reicomsa, Slu	Spain
Caetano Retail España, Sau	Spain
Caetano Retail, SGPS, S.A.	Portugal
Caetano Squadra África, S.A.	Portugal
Caetano Star, S.A.	Portugal
Caetano Technik, S.A.	Portugal
Caetsu Publicidade, S.A.	Portugal
Carplus, S.A.	Portugal
Choice Car, S.A.	Portugal
Fundação Salvador Caetano	Portugal
Gamobar - Sociedade De Representações, S.A.	Portugal
Guérin - Rent-A-Car (Dois), Lda.	Portugal
Grupo Salvador Caetano, (S.G.P.S.), S.A.	Portugal
Hyundai Portugal, S.A.	Portugal
Lidera Soluciones, Sl	Spain
Lusilectra - Veículos E Equipamentos, S.A.	Portugal
Mds Auto - Mediação Seguros Sa	Portugal
Movicargo - Serviços Aduaneiros, Lda.	Portugal
P.O.A.L. - Pavimentações E Obras Acessórias, S.A.	Portugal
Portianga - Comércio Internacional E Participações, S.A.	Portugal
Rigor - Consultoria E Gestão, S.A.	Portugal
Robert Hudson, Ltd	Angola
Salvador Caetano Auto África, SGPS, S.A.	Portugal
Salvador Caetano Indústria, SGPS, S.A.	Portugal
Sózó Portugal, S.A.	Portugal
Turispaiva - Sociedade Turística Paivense, S.A.	Portugal
Useragency - Agência De Publicidade, Lda.	Portugal
Vas África, S.A.	Portugal

OTHER RELATED ENTITIS GRUPO TOYOTA MOTOR CORPORATION	
Toyota Motor Corporation	Japan
Toyota Kreditbank, Gmbh - Sucursal Em Portugal	Portugal
Toyota Logísticos Serviços Portugal, Unipessoal, Lda.	Portugal
Toyota Material Handling Deutschland	Germany
Toyota Material Handling Espanha Sa	Spain
Toyota Material Handling Europe	Belgium
Toyota Material Handling Europe Brussels	Belgium
Toyota Material Handling Europe Logistics	Sweden
Toyota Material Handling France	France
Toyota Material Handling Manufact, France, Sas	France
Toyota Material Handling Manufact, Italy, Spa	Italy
Toyota Material Handling Manufact, Sweden	Sweden
Toyota Material Handling Netherlands	Netherlands
Toyota Tsusho Asia Pacific Pte Ltd	Singapore
Toyota Tsusho Corporation	Japan
Toyota Tsusho Europe S.A.	Belgium

OTHER RELATED ENTITIS	
Cociga - Construções Civis De Gaia, S.A.	Portugal
Covim - Soc Agricola S Imobiliaria S.A.	Portugal
Rarcon - Arquitectura, Consultadoria E Med. Imobiliária, S.A.	Portugal
Simoga - Sociedade Imobiliária De Gaia, S.A.	Portugal
Unboxagency - Agência De Publicidade, Unipessoal, Lda.	Portugal

30. CONTINGENT ASSETS AND LIABILITIES

Financial commitments made and not included in the Financial Position Statement

As of December 31 2022 and December 31 2021 the Company had made the following financial commitments:

Responsibilities	2022	2021
Security Guarantee	6.000.000	4.000.000
Other guaranties	566.490	1.659.071
	6.566.490	**5.659.071**

The amounts presented on December 31, 2022 and 2021 relating to “Guarantees Provided”, the amount of 4 million Euros refers to the guarantee provided to the ATA (Tax and Customs Authority) which is intended to guarantee the subsequent payment of the amounts resulting from duties and charges, as well as the tax on vehicles in the dispatches and registration requests made.

Following contracted financing worth 17 million Euros, Toyota Caetano granted the respective financial institution real guarantees relating to mortgages on properties valued at around 24.1 million Euros.

End-of-life vehicles

In September 2000 the European Commission voted on a Directive on end-of-life vehicles and the corresponding responsibility of Producers/Distributors for their dismantling and recycling.

Producers/Distributors shall according to this regulation must bear at least a significant part of the recovery cost of vehicles placed on the market from 1 July 2002 and for those marketed prior to that date when submitted from 1 January 2007.

This legislation will have an impact on Toyota vehicles sold in Portugal. The Company and its representative Toyota are closely monitoring the development of Portuguese national legislation so that in due course they can quantify the impact of these operations on their financial statements.

It is however our belief in view of the studies already prepared on the Portuguese market and given the possible recovery of waste resulting from the dismantling of the vehicles concerned that the effective impact of this legislation on the Company's accounts will be diminished if not null.

However, and to comply with the legislation introduced in the national regulations (Dec./Law 196/2003) the Company carried out the congratulation with "ValorCar – End of Life Vehicle Management Company Lda." – Company licensed as a management entity of the integrated of vVF management system – the transfer of the responsibilities inherent to this whole process.

Information on the environmental area

The Company adopts the necessary measures in relation to the environmental area with the objective of complying with current legislation.

The Board of Directors of Toyota Caetano does not estimate that there are risks related to environmental protection and improvement and did not receive any amount related to this matter during the 2021 financial year.

31. EARNINGS PER SHARE

The earnings per share for the years ended December 31 2022 and 2021 were calculated considering the following amounts:

	2022	2021
Net income	14.701.870	11.695.005
Number of shares	35.000.000	35.000.000
Earnings per share (basic and diluted)	0,42	0,33
Comprehensive income	18.412.842	13.223.143
Number of shares	35.000.000	35.000.000
Earnings per share (basic and diluted)	0,53	0,38

During the years ended December 31 2022 and 2021 there was no change in the number of shares.

32. REMUNERATION OF MEMBERS OF THE GOVERNING BODIES

The remuneration of the governing bodies of the Company for the years ended December 31 2022 and 2021 were as follows:

Board Members	2022	2021
Board of Directors	514.185	463.750
Board of Auditors	5.040	5.040

33. REMUNERATION OF THE STATUTORY AUDITOR

The fees paid to the Company's Statutory Auditors in the financial years 2022 and 2021 were as follows:

	2022	2021
Total fees related to the audit of accounts	60.200	58.500
Total fees for services other than account auditing	70.206	-

34. SUBSEQUENT EVENTS

In the current context, economic agents face unprecedented uncertainty resulting from a vast and varied set of factors such as:

§ ruptures in the supply chains, both regarding the accessibility of goods at the various stages of the value chain (raw materials, goods, product) and about logistical constraints associated with their transport and availability, with the consequent impact on the respective price;

§ Inflationary pressure and a context of rising interest rates: with impacts on both companies and consumers;

§ energy crisis and influence on its supply and cost throughout the value chain;

§ volatility in the evolution of exchange rates;

§ shortage of labor and difficulties in retaining talent;

§ impacts of climate change.

Many of these factors were heavily impacted by the (post) pandemic scenario experienced and exacerbated by the ongoing conflict between Russia and Ukraine. This situation represents, for the companies of the Toyota Caetano Group, the continuation of a challenging macroeconomic context, already felt in previous periods and which, tend to be maintained for the year of 2023. The complex ramifications associated with the current context and the challenges that result from it, hinder forecasts, the performance of the Companies as well as the management of cash-flows.

Toyota Caetano Portugal, SA continues to closely monitor events related to the situation in Ukraine, expressing total solidarity with its people.

35. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the Board of Directors on April 12, 2023.

THE CERTIFIED ACCOUNTANT
ALEXANDRA MARIA PACHECO GAMA JUNQUEIRA

THE BOARD OF DIRECTORS
JOSÉ REIS DA SILVA RAMOS - President
MARIA ANGELINA MARTINS CAETANO RAMOS
MIGUEL PEDRO CAETANO RAMOS
GISELA MARIA FALCÃO SOUSA PIRES PASSOS
TOM FUX
KAZUNORI TAKAGI

04

CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF THE CONSOLIDATED FINANCIAL POSITION AS OF DECEMBER 31, 2022, AND 2021

(Amounts expressed in Euros)

ACTIVE	NOTES	31/12/2022	31/12/2021
NON- CURRENT ASSETS:			
Goodwill	9	611.997	611.997
Intangible Assets	5	2.404.404	994.965
Tangible Fixed Assets	6	106.237.907	101.371.198
Investment properties	7	9.495.026	10.076.343
Financial investments in associates and joint ventures	10	39.851.443	43.994.621
Other investments	11	4.966.404	4.606.025
Deferred Tax Assets	16	2.386.092	3.528.735
Accounts Receivable	13	146.833	766.236
Total non-current assets		**166.100.106**	**165.950.120**
CURRENT ASSETS:			
Inventories	12	70.247.870	86.801.921
Accounts Receivable	13	67.701.452	53.704.915
Other debtors	14	2.277.279	1.028.878
Other current assets	15	2.975.313	4.130.654
Cash and cash equivalents	17	11.299.747	22.122.760
Total current assets excluding non-current assets held for sale		**154.501.661**	**167.789.128**
Non-current assets held for sale	8	2.175.221	3.175.221
Total current assets		**156.676.882**	**170.964.349**
Total Assets		**322.776.988**	**336.914.469**

STATEMENT OF THE CONSOLIDATED FINANCIAL POSITION AS OF DECEMBER 31, 2022, AND 2021

(Amounts expressed in Euros)

SHAREHOLDER'S EQUITY AND LIABILITIES	NOTES	31/12/2022	31/12/2021
EQUITY:			
Share Capital		35.000.000	35.000.000
Legal reserves		7.498.903	7.498.903
Fair value reserves		1.723.238	1.460.711
Other reserves and Retained earnings		101.091.670	92.948.220
Consolidated net income		14.701.869	11.695.005
	18	**160.015.680**	**148.602.839**
Non-controlling interests	19	1.451.563	1.329.406
Total Equity		**161.467.243**	**149.932.245**
LIABILITIES:			
NON-CURRENT LIABILITIES:			
Loans	20	14.663.934	25.375.771
Responsibilities for defined benefit plans	25	542.455	7.105.288
Provisions	26	1.887.033	1.918.478
Other creditors	22	805.640	2.275.204
Deferred tax liabilities	16	1.941.436	1.873.647
Total non-current liabilities		**19.840.498**	**38.548.388**
CURRENT LIABILITIES:			
Loans	20	39.520.309	22.280.235
Accounts Payable	21	30.945.755	43.622.927
Other creditors	22	44.209.031	54.687.631
Income tax payable	23	2.116.541	4.307.955
Other current liabilities	24	24.677.611	23.535.088
Total current liabilities		**141.469.247**	**148.433.836**
Total liabilities		**161.309.745**	**186.982.224**
Total liabilities and Equity		**322.776.988**	**336.914.469**

The notes to the financial statements integrate this statement for the period ending on December 31, 2022.

Certified Accountant: Alexandra Maria Pacheco Gama Junqueira

The board of Directors: José Reis Da Silva Ramos - President; Maria Angelina Martins Caetano Ramos; Miguel Pedro Caetano Ramos; Gisela Maria Falcão Sousa Pires Passos; Tom Fux; Kazunori Takagi

CONSOLIDATED INCOME STATEMENTS BY NATURE FOR THE YEARS ENDED DECEMBER 31, 2022, AND 2021

(Amounts expressed in Euros)

	Notes	31/12/2022	31/12/2021
Operating Income:			
Sales	30	437.323.345	362.895.229
Services Rendered	30	42.903.032	41.263.502
Other operating income	33	24.942.817	30.396.482
Production variation	12	3.556.721	(43.953)
Total operating income		**508.725.915**	**434.511.260**
Operating Expenses:			
Cost of Sales	12	(364.526.087)	(307.684.030)
External Supplies and services	31	(46.751.125)	(40.142.735)
Payroll expenses	32	(45.814.618)	(39.293.472)
Amortization and depreciation	5, 6 e 7	(15.093.762)	(20.903.183)
Impairment losses in inventories	26	(211.348)	959.968
Impairment losses in accounts receivable	26	(281.420)	443.036
Provisions and impairment losses	26	(191.634)	208.917
Other operating expenses	33	(3.095.147)	(4.453.640)
Total operating expenses		**(475.965.141)**	**(410.865.139)**
Operating Income		**32.760.774**	**23.646.121**
Income related to associated companies and joint ventures	10	(8.350.777)	(4.728.610)
Expense and financial losses	34	(2.871.186)	(2.701.575)
Income and financial gains	34	53.169	32.448
Pre-tax earnings		**21.591.980**	**16.248.384**
Income Taxes	27	(6.772.416)	(4.422.245)
Consolidated net income		**14.819.564**	**11.826.139**
Attributable consolidated net income:			
To the group:		14.701.869	11.695.005
To non-controlling interests:	19	117.695	131.134
		14.819.564	**11.826.139**
Earnings per Share:			
Basic:	28	0,423	0,338
Diluted:	28	0,423	0,338

The notes to the financial statements integrate this statement for the period ending on December 31, 2022.

Certified Accountant: Alexandra Maria Pacheco Gama Junqueira

The board of Directors: José Reis Da Silva Ramos - President; Maria Angelina Martins Caetano Ramos; Miguel Pedro Caetano Ramos; Gisela Maria Falcão Sousa Pires Passos; Tom Fux; Kazunori Takagi

CONSOLIDATED STATEMENTS OF CHANGES IN QUEITY FOR THE YEARS ENDED DECEMBER 31, 2022, AND 2021

(Amounts expressed in Euros)

	Notes	Share Capital	Legal Reserve	Fair Value Reserves	Other reserves and Retained earnings	Total reserves and retained earnings	Consolidated net income	Subtotal	Non-controlling interests	Total Equity
Balances on January 1, 2021		**35.000.000**	**7.498.903**	**1.178.658**	**97.382.982**	**98.561.640**	**4.644.726**	**145.705.269**	**1.284.674**	**146.989.943**
Application of the 2020 consolidated result		-	-	-	4.644.726	4.644.726	(4.644.726)	-	-	-
Consolidated comprehensive income		-	-	282.053	1.420.512	1.702.565	11.695.005	13.397.570	137.040	13.534.610
Acquisition of non-controlling interests		-	-	-	-	-	-	-	(92.308)	(92.308)
Dividend distribution	18	-	-	-	(10.500.000)	(10.500.000)	-	(10.500.000)	-	(10.500.000)
Balances on December 31, 2021		**35.000.000**	**7.498.903**	**1.460.711**	**92.948.220**	**94.408.931**	**11.695.005**	**148.602.839**	**1.329.406**	**149.932.245**
Balances on January 1, 2022		**35.000.000**	**7.498.903**	**1.460.711**	**92.948.220**	**94.408.931**	**11.695.005**	**148.602.839**	**1.329.406**	**149.932.245**
Application of the 2021 consolidated result		-	-	-	11.695.005	11.695.005	(11.695.005)	-	-	-
Consolidated comprehensive income		-	-	262.527	3.448.445	3.710.972	14.701.869	18.412.841	122.157	18.534.998
Dividend distribution	18	-	-	-	(7.000.000)	(7.000.000)	-	(7.000.000)	-	(7.000.000)
Balances on December 31, 2022		**35.000.000**	**7.498.903**	**1.723.238**	**101.091.670**	**102.814.908**	**14.701.869**	**160.015.680**	**1.451.563**	**161.467.243**

The notes to the financial statements integrate this statement for the period ending on December 31, 2022.

Certified Accountant: Alexandra Maria Pacheco Gama Junqueira

The board of Directors: José Reis Da Silva Ramos - President; Maria Angelina Martins Caetano Ramos; Miguel Pedro Caetano Ramos; Gisela Maria Falcão Sousa Pires Passos; Tom Fux; Kazunori Takagi

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31 DECEMBER 2022, AND 2021

(Amounts expressed in Euros)

	31/12/2022	31/12/2021
Consolidated net income	14.819.564	11.826.139
Components of other consolidated comprehensive income, liabilities to be subsequently reclassified to the income statement:		
Equity Method - Associates and Joint Venture (Note 10)	309.376	327.910
Components of other consolidated comprehensive income, other than will subsequently be reclassified to the income statement:		
Variation in the fair value of equity instruments at fair value via equity - gross amount (Note 11)	343.061	282.053
Variation from fair value of equity instruments to fair value via equity - tax effect (Note 16)	(77.189)	-
Change in defined benefit plan liabilities - gross amount (Note 25)	4.123.710	1.419.502
Change in defined benefit plan liabilities – tax effect (Notes 16 and 25)	(927.835)	(319.216)
Others - gross amount	(55.689)	(1.778)
Consolidated comprehensive income:	**18.534.998**	**13.534.610**
Attributable to:		
Equity holders of the parent company	18.412.841	13.397.570
Non-controlling interests	122.157	137.040

The notes to the financial statements integrate this statement for the period ending on December 31, 2022.

Certified Accountant: Alexandra Maria Pacheco Gama Junqueira

The board of Directors: José Reis Da Silva Ramos - President; Maria Angelina Martins Caetano Ramos; Miguel Pedro Caetano Ramos; Gisela Maria Falcão Sousa Pires Passos; Tom Fux; Kazunori Takagi

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022, AND 2021

(Amounts expressed in Euros)

	31/12/2022	31/12/2021
OPERATING ACTIVITIES:		
Collections from Customers	808.275.460	555.201.533
Payments to Suppliers	(671.288.835)	(411.436.697)
Payments to Employees	(40.689.981)	(35.756.427)
Operating Flow	**96.296.644**	**108.008.409**
Payment of Income Tax	(2.667.421)	105.195
Other Collections/Payments related to Operating Activities	(93.820.127)	(76.862.168)
Cash Flow from Operating Activities	**(190.904)**	**31.251.436**
INVESTING ACTIVITIES:		
Collections from:		
Financial investments	-	430
Investment Properties (Note 7)	695.000	79.300
Non-Current assets held for sale (Note 8)	885.000	-
Tangible Fixed Assets	159.364	1.195.884
Investment Subsidies	521.809	-
Interest and Similar Income	69.980	9.034
Dividends	2.305.405	-
	4.636.558	**1.284.648**
Payments relating to:		
Financial Investments (Note 10)	(6.193.549)	(9.383.060)
Tangible Fixed Assets	(5.063.614)	(2.024.135)
Intangible Assets	(825.596)	(458.332)
	(12.082.759)	**(11.865.527)**
Flow of Investment Activities	**(7.446.201)**	**(10.580.879)**
FINANCING ACTIVITIES:		
Collections from:		
Obtained Financing (Note 20)	124.500.000	198.500.000
Lease Liabilities (Note 20)	6.601.048	4.968.473
	131.101.048	**203.468.473**
Payments relating to:		
Obtained Financing (Note 20)	(117.644.327)	(193.582.230)
Income from Lease Liabilities (Note 20)	(7.487.497)	(7.490.088)
Interest and Similar Costs	(1.937.790)	(1.594.857)
Other Creditors	(213.418)	(300.114)
Dividends (Note 18)	(7.003.924)	(10.486.528)
	(134.286.956)	**(213.453.817)**
Cash Flow from financing activities	**(3.185.908)**	**(9.985.344)**
CASH AND EQUIVALENTS		
Cash and cash equivalents at the beginning of the year (Note 17)	22.122.760	11.437.547
Cash and cash equivalents at the end of the year (Note 17)	11.299.747	22.122.760
Cash Variation and Equivalents	**(10.823.013)**	**10.685.213**

The notes to the financial statements integrate this statement for the period ending on December 31, 2022.

Certified Accountant: Alexandra Maria Pacheco Gama Junqueira

The board of Directors: José Reis Da Silva Ramos - President; Maria Angelina Martins Caetano Ramos; Miguel Pedro Caetano Ramos; Gisela Maria Falcão Sousa Pires Passos; Tom Fux; Kazunori Takagi

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

(Amounts expressed in Euros)

1. INTRODUCTORY NOTE

Toyota Caetano Portugal, SA ("Toyota Caetano" or "Company") is a public limited company incorporated in 1946, which has its registered office in Vila Nova de Gaia and is the parent company of a Group ("Toyota Caetano Group" or "Group"), whose companies mainly carry out economic activities in the automotive sector, namely the import, assembly, and sale of light and heavy vehicles as well as the import and sale of industrial equipment for cargo handling and respective after-sales assistance. sale, creation and operation of human resources training and development projects, as well as the management of own properties, including their leasing, and the rental of short or long-term vehicles, with or without a driver.

Toyota Caetano Portugal, SA, belongs to Grupo Salvador Caetano Auto (Group led by the company Grupo Salvador Caetano, SGPS, SA), being held directly by the company Salvador Caetano Auto - SGPS, SA, since the end of the year of 2016.

Toyota Caetano is the importer and distributor of the Toyota (vehicles and forklifts), Lexus (vehicles) and BT (forklifts) brands for Portugal, heading a Group ("Toyota Caetano Group") whose consolidation perimeter as of 31 December 2022 is detailed in Note 4.

The Group also holds financial interests in a joint venture and in an associate, which are detailed in Note 10.

Toyota Caetano shares have been listed on Euronext Lisbon since October 1987.

The attached consolidated financial statements are stated in Euros (rounded by unit), as this is the currency used preferably in the economic environment where the Group operates. Foreign operations are included in the consolidated financial statements as referred to in point 2.3.c).

2. MAIN ACCOUNTING POLICIES

The main accounting policies adopted in the preparation of the attached consolidated financial statements are as follows:

2.1 BASIS OF PRESENTATION

The attached financial statements refer to the consolidated financial statements of the Toyota Caetano Group and were prepared according to the International Financial Reporting Standards ("IFRS" – International Financial Reporting

Standards) issued by the International Accounting Standards Board (“IASB”), the International Financial Reporting Standards (“IFRS”) Accounting Standards (“IAS”), issued by the International Accounting Standards Committee (“IASC”) and respective interpretations – IFRIC and SIC, issued, respectively, by the International Financial Reporting Interpretations Committee (“IFRIC”) and by the Standing Interpretation Committee (“SIC”) ”), which have been endorsed by the European Union, being effective for the financial year beginning on the first of January 2022.

The consolidated financial statements were prepared on the assumption of continuity of operations and based on the principle of historical cost and, in the case of some financial instruments, fair value, based on the accounting books and records of the companies included in the consolidation (Note 4).

The Board of Directors assessed the Group's ability to operate as a going concern, based on all relevant information, facts, and circumstances, of a financial, commercial, or other nature, including events after the reference date of the consolidated financial statements, available on the future. As a result of the assessment carried out, the Board of Directors concluded that the Group has adequate resources to maintain its activities, with no intention of ceasing activities in the short term, therefore it considered appropriate to use the assumption of continuity of operations in the preparation of the consolidated financial statements.

Additionally, for financial reporting purposes, the fair value measurement is categorized into Level 1, 2 and 3, according to the degree to which the assumptions used are observable and their significance at the fair value valuation level used in the measurement of assets/liabilities or the disclosure thereof.

Level 1 – Fair value is determined based on active market prices for identical assets/liabilities.

Level 2 – fair value is determined based on data other than market prices identified in Level 1, but which can be observed in the market; and

Level 3 – Fair value is determined based on valuation models whose main assumptions are not observable in the market.

The preparation of consolidated financial statements according to IFRS requires the use of critical estimates, assumptions, and judgments in the process of determining the accounting policies to be adopted by the Group, with a significant impact on the book value of assets and liabilities, as well as on income and expenses of the period.

Although these estimates are based on Management's best experience and its best expectations regarding current and future events and actions, current and future results may differ from these estimates. Areas that involve a greater degree of judgment or complexity, or areas where assumptions and estimates are significant are presented in Note 2.5.

2.2 ADOPTION OF NEW OR REVISED IAS/IFRS

New rules and changes to the rules that became effective on the first of January 2022:

Up to the date of approval of these consolidated financial statements, the following accounting standards and amendments to the standards were approved (“endorsed”) by the European Union, with mandatory application to the financial years beginning on 1 January 2022:

Description	Alteration	Effective Date:
• IAS 16 – Income obtained before the start of operations	Prohibition of the deduction of income obtained from the sale of items produced during the testing phase, at the acquisition cost of tangible fixed assets.	January 1, 2022

Description	Alteration	Effective Date:
• I IAS 37 – Onerous contracts – costs of complying with a contract	Clarification of the nature of expenses to be considered in determining whether a contract has become onerous.	January 1, 2022
• IFRS 3 – References to the Conceptual Framework	Update to the references for the Conceptual Framework and clarification on the recording of provisions and contingent liabilities within the scope of a business combination.	January 1, 2022
• Cycle of Improvements 2018 - 2020	Specific and one-off amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41	January 1, 2022

There were no significant effects on the Group's consolidated financial statements for the year ended December 31, 2022, resulting from the adoption of the new standards and amendments to the standards.

Standards (new and amended) published, the application of which is mandatory for annual periods beginning on or after 1 January 2023, and which the European Union has already endorsed:

Up to the date of approval of these consolidated financial statements, the following accounting standards and amendments to the standards were approved ("endorsed") by the European Union, with mandatory application to financial years beginning on 1 January 2023:

Description	Alteration	Effective Date:
• IAS 1 - Disclosure of accounting policies	Requirement to disclose material accounting policies, rather than material accounting policies	January 1, 2023
• IAS 8 – Disclosure of accounting estimates	Definition of accounting estimate. Clarification regarding the distinction between changes in accounting policies and changes in accounting estimates	January 1, 2023
• IFRS 17 - Insurance contracts	New accounting for insurance contracts, reinsurance contracts and investment contracts with discretionary profit-sharing features, in terms of aggregation, recognition, measurement, presentation and disclosure	January 1, 2023
• IFRS 17 - Initial application of IFRS 17 and IFRS 9 - Comparative Information	This amendment makes it possible to avoid temporary accounting mismatches between financial assets and liabilities of insurance contracts in the comparative information presented, in the application of IFRS 17 for the first time. This amendment allows the application of an "overlay" in the classification of a financial asset, for which the entity does not update the comparative information of IFRS 9.	January 1, 2023
• IAS 12 - Deferred tax related to assets and liabilities associated with a single transaction	Requirement of recognition of deferred tax on the recording of assets under the right of use / liability of the lease and provisions for dismantling / related asset, when their initial recognition gives rise to equal amounts of taxable temporary differences and deductible temporary differences, as they are not relevant for tax purposes.	January 1, 2023

In view of these standards (new and amended), it is not estimated that their future adoption will have a significant impact on the accompanying consolidated financial statements.

Standards (new and amended) published, the application of which is mandatory for annual periods beginning on or after 1 January 2023, and which the European Union has not yet endorsed:

The following accounting standards and amendments to standards were issued by the IASB with mandatory application in future financial years and which, up to the date of approval of these consolidated financial statements, have not yet been approved ("endorsed") by the European Union:

Description	Alteration	Effective Date
• IAS 1 – Non-current liabilities with covenants	Classification of a liability as current or non-current, depending on the right of an entity to defer payment beyond 12 months after the reporting date, when subject to covenants.	January 1, 2024
• IAS 16 – Lease Liabilities in Sale and Leaseback Transactions	Accounting requirements for sale and leaseback transactions after the transaction date when some or all lease payments are variable	January 1, 2024

These standards have not yet been adopted ("endorsed") by the European Union and, as such, were not applied by the Group in the year ended 31 December 2022.

Regarding these standards, issued by the IASB but not yet approved ("endorsed") by the European Union, it is not estimated that their future adoption will have a significant impact on the accompanying consolidated financial statements.

2.3 CONSOLIDATION BASIS AND PRINCIPLES

The consolidation principles adopted by the Group are as follows:

a) Financial Investments in group companies:

Financial holdings in companies in which the Group is exposed, or has rights, to variable returns, because of its involvement in these companies, and can affect those returns, through power over these companies (definition of control used by the Group), were included in the accompanying consolidated financial statements using the full consolidation method.

The equity and net income of these companies, corresponding to the participation of third parties in them, are presented separately in the consolidated statement of financial position and in the consolidated statement of income by nature, under the caption "non-controlling interests". The Group companies included in the consolidated financial statements using the full consolidation method are detailed in Note 4.

When losses attributable to non-controlling shareholders exceed non-controlling interests in the equity of subsidiaries, non-controlling interests absorb this excess in proportion to the percentage held.

For business combinations prior to 2010, the purchase method was used to account for the acquisition of subsidiaries. The cost of an acquisition will correspond to the fair value of the assets delivered, equity instruments issued, and liabilities incurred or assumed on the acquisition date. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination will initially correspond to fair value on the acquisition date, regardless of the existence of non-controlling interests. The positive difference between the acquisition cost and the fair value of the group's share of the acquired identifiable net assets is recorded as Goodwill. If the acquisition cost is lower than the fair value of the acquired subsidiary's net assets, the difference is recognized directly in the consolidated income statement.

For business combinations occurring after January 1, 2010, the Group applied the revised IFRS 3. According to this revised standard, the purchase method continues to be applied in business combinations, with some significant changes:

(i) the amounts that make up the purchase price are valued at fair value, with the option, from transaction to transaction, to measure the "non-controlling interests" by the proportion of the value of the net assets of the Group acquired or at the fair value of the assets and liabilities acquired.

(ii) costs associated with the acquisition are recorded as expenses.

When, on the date of acquisition of control, the Group already holds a previously acquired share, the fair value of that share contributes to the determination of goodwill or negative goodwill.

Since January 1, 2010, the revised IAS 27 has also been applied, however it has been replaced for this purpose by IFRS 10, which requires that all transactions with non-controlling interests be recorded in Equity, when there is no change in control over the Group, with no need to record goodwill or gains or losses. When there is loss of control exercised by the Group, any remaining interest held by the Group is remeasured at fair value, and a gain or loss is recognized in profit or loss for the year.

The results of subsidiaries acquired or sold during the period are included in the consolidated income statement from the date of their acquisition or up to the date of their sale.

Whenever necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by the Group. Transactions, margins generated between Group companies, balances and dividends distributed between Group companies are eliminated in the consolidation process.

In situations where the Group has, in substance, control over other entities created for a specific purpose, even if it does not have direct equity interests in these entities, they are consolidated using the full consolidation method.

b) Financial Investments in associated companies and joint ventures

Financial investments in associated companies (companies where the Group exercises significant influence, but does not control them through participation in the financial and operational decisions of the Companies - generally investments representing between 20% and 50% of the capital of a company) and Joint ventures (companies in which the strategic, financial and operational decisions related to the activity require the unanimous consent of the parties that share control) are recorded using the equity method under the caption "Financial investments in associates and joint ventures".

In accordance with the equity method, financial investments are initially recorded at acquisition cost and annually adjusted by the amount corresponding to the Group's share in changes in equity (including net income) of subsidiaries, against gains or losses from the fiscal year, as well as for the dividends received and other equity changes occurred in the subsidiaries.

Differences between the acquisition cost and the fair value of the acquiree's identifiable assets and liabilities on the acquisition date, if positive, are recognized as Goodwill and maintained under the caption "Financial investments in associates and joint ventures" (Note 10). If these differences are negative, they are recorded as a gain for the period under the heading of the consolidated income statement "Results relating to investments in associates and joint ventures", after reconfirmation of the fair value attributed.

A formal impairment analysis is carried out on investments in associates and joint ventures when there are indications that the asset may be impaired, with impairment losses that are confirmed being recorded as an expense. When impairment losses recognized in previous periods cease to exist, they are reversed.

When the Group's proportion of the accumulated losses of the subsidiary exceeds the value at which the financial investment is recorded, the investment is reported at nil value if the equity of the subsidiary is not positive, except when the Group has assumed commitments to it, in which case a provision is recorded under the liability heading “Provisions” to cover these obligations.

Unrealized gains on transactions with associates and joint ventures are eliminated in proportion to the Group's interest in the subsidiary, against the financial investment in the same subsidiary. Unrealized losses are similarly eliminated, but only to the extent that there is no evidence that the transferred asset is impaired.

Investments in associates and joint ventures are detailed in Note 10.

c) Conversion of financial statements of foreign entities

Assets and liabilities in the financial statements of foreign entities are converted into Euros using the exchange rates in force on the date of the consolidated statement of financial position, and expenses and income, as well as cash flows are converted into Euros using the exchange rate average exchange rate verified in the year. The exchange difference generated after 1 January 2004 is recorded in equity under the caption “Conversion reserves”. Accumulated exchange differences generated up to January 1, 2004 (date of transition to IFRS) were reversed against the equity caption “Other reserves and retained earnings”.

Whenever a foreign entity is disposed of, the accumulated exchange difference is recognized in the consolidated income statement as a gain or loss on disposal.

2.4 MAIN VALUATION CRITERIA

The main valuation criteria used by the Toyota Caetano Group in preparing its consolidated financial statements are as follows:

a) Tangible Fixed Assets

Tangible fixed assets acquired up to January 1, 2004 (date of transition to IFRS), are recorded at their “deemed cost”, which corresponds to their acquisition cost, or acquisition cost revalued in accordance with accounting principles generally accepted in Portugal (and in the countries of the Group's respective subsidiaries) up to that date, minus accumulated depreciation, and impairment losses.

Tangible fixed assets acquired after that date are recorded at acquisition cost, minus accumulated depreciation, and impairment losses.

The acquisition cost includes the purchase price of the asset, expenses directly attributable to its acquisition and charges incurred in preparing the asset so that it is placed in its usable condition. Financial costs incurred with loans obtained for the construction of qualifying tangible fixed assets are recognized as part of the construction cost of the asset.

Impairment losses detected in the realizable value of tangible fixed assets are recorded in the year in which they are estimated, against the caption “Impairment losses” in the consolidated income statement.

Depreciation is calculated from the moment the assets are ready for use, using the straight-line method, according to the following estimated useful lives:

	Years
– Buildings and other constructions	20 - 50
– Basic equipment and tools	7 - 16
– transport equipment	4 - 6
– Office equipment	3 - 14
– Other tangible fixed assets	4 - 8

The useful lives of the assets are reviewed in each financial report, so that the depreciation practiced is in line with the consumption patterns of the assets. Land is not depreciated. Changes to useful lives are treated as a change in accounting estimate and are applied prospectively.

Expenses with repair and maintenance of tangible fixed assets are considered as expenses in the year in which they occur. Improvements of a significant amount that increase the estimated period of use of the respective assets are capitalized and depreciated according to the remaining useful life of the corresponding assets.

Tangible fixed assets in progress represent tangible fixed assets still under construction / development and are recorded at acquisition cost minus accumulated impairment losses. These assets are transferred to tangible fixed assets and depreciated from the moment the underlying assets are available for use and in the necessary conditions to operate as intended by management.

Capital gains or losses resulting from the sale or write-off of tangible fixed assets are determined as the difference between the sale price and the net book value on the sale/write-off date and are recorded in the consolidated income statement as “Other operating income” or “Other operating expenses”.

In the case of vehicles held for lease, the measurement criterion is the acquisition cost minus the residual value and depreciation and impairment. Depreciation is calculated based on the term of the lease agreement.

In the case of capital gains or losses resulting from the sale of vehicles registered as tangible fixed assets, the income from these assets transferred to inventories is recognized in the income statement as “sales” and “cost of sales”.

The Group has lease agreements entered with third parties, adopting IFRS 16 - Leases from the perspective of the lessor, and accounting in accordance with this standard does not differ from the accounting treatment previously adopted in accordance with IAS 17 - Leases. At the end of lease contracts with third parties, the Group reclassifies the leased tangible fixed assets under the heading “Inventories”, subsequently promoting the respective sale, usually to related entities belonging to the Toyota Caetano Portugal Group.

b) Intangible Assets

Intangible assets are recorded at acquisition cost, minus accumulated depreciation, and accumulated impairment losses. Intangible assets are only recognized if it is likely that they will generate future economic benefits for the Group, if the Group has the power to control them and if their value can be reasonably measured.

Research expenses incurred on new technical knowledge are recognized as an expense in the consolidated income statement when incurred.

Development expenses, for which the Group demonstrates the capacity to complete its development and start its commercialization and/or use and for which it is likely that the asset created will generate future economic benefits, are capitalized. Development expenses that do not meet these criteria are recorded as expenses in the consolidated income statement for the year in which they are incurred.

Internal costs associated with the maintenance and development of software are recorded as costs in the consolidated income statement when incurred, except when these costs are directly associated with projects which are likely to generate future economic benefits for the Group. In these situations, these costs are capitalized as intangible assets.

Intangible assets are amortized using the straight-line method over a period of three to five years. The useful lives of the assets are reviewed in each financial report, so that the amortization practiced is in accordance with the consumption patterns of the assets. Changes to useful lives are treated as a change in accounting estimate and are applied prospectively.

Amortizations for the year of intangible assets are recorded in the consolidated income statement under the caption "Amortization and depreciation".

c) Investment Properties

Investment properties, which correspond to real estate assets held to obtain income through leasing or for capital appreciation, and not for use in the production or supply of goods and services or for administrative purposes, are recorded at acquisition cost, being the respective fair value disclosed (Note 7). The Group promotes periodic and rotating evaluations of the real estate assets by independent specialized entities. In the years in which a certain real estate asset is not selected for independent external valuation purposes, the Group's internal team (which has technical expertise in this area) is required to assess the possibility of significant changes in the market value of such real estate assets, in view of the last external evaluation obtained.

Investment properties are also depreciated using the straight-line method over a period of ten to fifty years. Depreciation for the year of investment properties is recorded in the consolidated income statement under the caption "Depreciation and depreciation".

Expenses incurred with investment properties in use, namely maintenance, repairs, insurance, and property taxes (municipal property tax), are recognized in the consolidated income statement for the year to which they refer. Improvements, which are estimated to generate additional future economic benefits, are capitalized.

When the fair value of these real estate assets is lower than their respective acquisition cost, an impairment loss is recorded, whenever justified, in the year in which it is estimated, against the caption "Impairment losses" in the consolidated income statement. When the accumulated impairment losses recorded are no longer verified, they are immediately reversed against the caption "Impairment losses" in the consolidated income statement up to the limit of the amount that would have been determined, net of amortization or depreciation, if no impairment loss had been recognized in previous years.

The fair value resulting from external valuations of investment properties, which is disclosed, was determined based on real estate valuations carried out by independent specialized entities (usually using the Market Method, the Cost Method, or the Income Method).

d) Leases (from the perspective of the lessee)

Identification of leasings

A lease is defined as a contract, or part of a contract, that transfers the right to use an asset (the underlying asset) for a period in exchange for a fee. At the beginning of each contract, it is assessed and identified whether it is or contains a lease.

This assessment involves an exercise of judgment as to whether each contract relies on a specific asset, whether the Group, as a lessee, obtains substantially all the economic benefits from the use of that asset and whether it has the right to control the use of the asset.

All contracts constituting a lease are accounted for by the lessee based on a single recognition model in the consolidated statement of financial position.

On the effective date, the Group recognizes the liability related to the lease payments (i.e., the lease liability) and the asset representing the right to use the underlying asset during the lease period (i.e., the right of use – "right-of-use" or "RoU"). The interest cost on the lease liability and the RoU depreciation are recognized separately.

The lease liability is remeasured when certain events occur (such as a change in the lease period, a change in future payments resulting from a change in the benchmark or the rate used to determine those payments). This remeasurement of the lease liability is recognized as an adjustment to RoU.

Assets right of use

The Group recognizes a right-of-use asset on the effective date of the lease (i.e., the date on which the underlying asset is available for use). The right to use assets is recorded at acquisition cost, less accumulated depreciation and accumulated impairment losses and adjusted for any new measurements of lease liabilities. The cost of the right to use the assets includes the initial value of the lease liability, any direct costs initially incurred, and payments already made before the effective date, less any incentives received and plus restoration costs, if any. Right-of-use assets are recorded under "Tangible fixed assets" in the consolidated statement of financial position.

Whenever the Group incurs an obligation to dismantle and remove a leased asset, restore the location where it is located, or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized, in accordance with the terms of IAS 37. Expenses are included in the respective right of use.

Lease incentives (e.g., rent grace periods) are recognized as measurement elements of the right of use and lease liabilities. Variable income that does not depend on an index or rate is recognized as an expense in the year in which it is calculated or paid.

Right-of-use assets are depreciated over the lease term, using the straight-line method, or over the estimated useful life of the asset under right-of-use, when this is longer than the lease period and management intends to exercise the purchase option.

Unless it is reasonably certain that the Group will obtain ownership of the leased asset at the end of the lease term, the recognized right to use the assets is depreciated using the straight-line method over the lease term.

The impairment of rights of use is tested in accordance with IAS 36 – Impairment of assets (note 2.4.i)).

In low-value and short-term leases of assets, the Group does not recognize rights to use assets or liability for leases, recognizing the expenditure associated with these leases as expenses for the year during the life of the contracts.

Lease agreements can contain lease and non-lease components. However, the expedient provided for in the rule of not separating the service components from the lease components was considered, accounting them as a single lease component.

Lease Liabilities

On the effective date, the Group recognizes liabilities measured at the present value of future payments to be made up to the end of the lease contract and includes said balances under the heading of the consolidated statement of financial position "Financing obtained".

Lease payments include fixed payments (including fixed payments in substance), less any incentives receivable, variable payments, dependent on an index or a rate, and amounts expected to be paid under residual value guarantees. Lease payments also include the exercise price of a purchase option, if it is reasonably certain that the Group will exercise the option, and penalty payments for terminating the contract, if it is reasonably certain that the Group will terminate the contract.

Payments relating to non-lease components are not recognized as lease liabilities. Variable payments that do not depend on an index or rate are recognized as an expense in the year in which the event that gives rise to them occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the effective date, if the implied interest rate is not easily determinable.

Extension and termination options are foreseen in several leasing contracts and their application is based on operational maximization. In determining the lease term, the Board of Directors considers all facts and circumstances that create an economic incentive to exercise an extension option or not to exercise a termination option. Most extension options were not included in the lease liability and, when exercised, are exercised by the Group and not by the lessor.

The term is revised only if there is a significant event or a significant change in circumstances that affects this assessment, and which is within the lessee's control.

After the effective date, the amount of the lease liability increases to reflect accrued interest and decreases for payments made. Additionally, the carrying amount of the lease liability is remeasured if there is a change, such as a change in the lease term, fixed payments, or the decision to purchase the underlying asset.

Accounting treatment of “Sale and Leaseback” operations

The accounting treatment of “Sale and Leaseback” Operations depends on the substance of the transaction by application of the principles explained in the revenue recognition. According to IFRS 16, if the transfer of the asset complies with the requirements of IFRS 15, then it must be accounted for as a sale of an asset, and the seller-lessee must measure the right of use (RoU) of the asset as a proportion of the previous book value of the asset that is related to the right of use, recognizing only as gain and loss that related to the rights transferred to the buyer-lessor, i.e. those that elapse beyond the lease period.

In accordance with IFRS 16, the value of the right of use to be recognized (RoU) is lower than what would be the case if the lease agreement were entered into without the previous sale transaction. Effectively, the RoU value is calculated by the proportion of the value retained over the value of the asset sold.

In situations where the Group receives a price higher than its fair value as compensation for expenses to be incurred that are traditionally the responsibility of the owner, such amounts are deferred over the lease period.

e) Leases (from the perspective of the lessor)

In leases in which the Group acts as lessor under operating lease contracts, the values of the affected assets are maintained in the Group's consolidated statement of financial position and income is recognized on a straight-line basis over the period of the lease contract under the caption “Other operating income” when referring to real estate (the Group's real estate activity is secondary and residual), and recognized under “Services Provided” when related to car leasing.

f) Non-current assets held for sale

Non-current assets are classified as held for sale when their value is recovered through a sale transaction, instead of their continued use. However, such classification requires that the sale transaction is highly probable, that the asset is available for immediate sale, that the Group's Board of Directors is committed to its sale and that it occurs in the short term (normally, but not exclusively, within one year).

Non-current assets classified as held for sale are recorded at the lower of their book value, or their fair value, deducting costs with their disposal, with, in the case of fixed assets allocated to the operating unit held for sale, the depreciation during that period.

g) Inventories

The Group's inventories associated with the import and retail activity of the automotive and industrial equipment area (which essentially comprise goods consisting of new and used vehicles, cargo handling equipment, as well as parts and accessories) are valued at the lower of the cost of acquisition and net realizable value. Cost comprises expenses incurred to bring inventories to their current location and condition. The costing formula used for parts and accessories corresponds to the average cost, whereas in relation to vehicles (new and used) the costing is specific by chassis or number plate.

Net realizable value represents the estimated selling price less all estimated completion costs and costs to be incurred in marketing, selling and distribution. Used vehicles are accounted for at the lower of cost or fair value less costs to sell, generally based on external market data available for used vehicles. An impairment of inventories is recognized in situations where the net realizable value is less than the cost (as result of obsolescence, deterioration and drop in selling price). When calculating impairment, the Board of Directors considers the nature and state of the inventory (vehicle), as well as applies assumptions around the possibility of early sale, determined under the conditions existing at the end of the financial reporting period. Except for parts and accessories, adjustments to net realizable value are generally applied on an item-by-item basis.

Finally, in work in progress (repair and vehicle assistance), applied labour is valued at cost price.

Regarding the industrial activity related to the assembly of vehicles at the Ovar manufacturing facilities (the inventories in this activity correspond to raw and subsidiary materials, production in progress and finished products), raw materials are valued at acquisition cost, being average cost is used as the costing formula. Regarding the cost of finished and intermediate products, as well as products and work in progress, this corresponds to their production cost, which includes the cost of raw materials used in production, labour, and general manufacturing costs. incorporated, based on the normal level of production. The difference in charges capitalized and recognized as these types of inventories between the beginning and the end of the year is recognized as variation in production in the consolidated income statement. The output costing formula corresponds to the specific cost of each vehicle / chassis produced.

Impairments are also set up for these inventories, to reduce their book value to their respective realizable value, essentially based on rotation indicators.

h) Government subsidies or other public entities

Government grants are recognized at fair value when there is a reasonable guarantee that they will be received and that the Group will comply with the conditions required for granting them.

Subsidies related to expenses incurred are recorded as earnings to the extent that there is a reasonable guarantee that they will be received, that the Group has already incurred the subsidized expenses and that they comply with the conditions required for granting them.

i) Assets Impairment

Non-current assets except Goodwill

An impairment assessment of the Group's assets is carried out at the date of each consolidated statement of financial position whenever an event or change in circumstances is identified that indicates that the amount at which the asset is recorded may not be recoverable.

Whenever the amount at which the asset is recorded is greater than its recoverable amount (defined as the higher of the net selling price and value in use, or as the net selling price for assets held for disposal), it is recognized an impairment loss, recorded in the consolidated income statement under the caption “Impairment losses”. The net selling price is the amount that would be obtained from the disposal of the asset, in a transaction between independent and knowledgeable entities, minus the costs directly attributable to the disposal. The value in use is the present value of estimated future cash flows that are expected to arise from the continued use of the asset and its disposal at the end of its useful life. The recoverable amount is estimated for each asset individually or, if this is not possible, for the cash-generating unit to which the asset belongs.

The reversal of impairment losses recognized in previous periods is recorded when it is concluded that the recognized impairment losses no longer exist or have decreased. This analysis is carried out whenever there are indications that the previously recognized impairment loss has reversed. The reversal of impairment losses is recognized in the consolidated income statement as “Impairment losses”. However, the reversal of the impairment loss is carried out up to the limit of the amount that would be recognized (net of amortization or depreciation) if the impairment loss had not been recorded in previous years.

Goodwill

The value of Goodwill is not amortized and is tested annually, at the end of each financial year, to verify if there are any impairment losses, that is, if Goodwill is not recorded at a value greater than its recoverable amount. The recoverable amount is determined based on the present value of estimated future cash flows that are expected to arise from continued use of the asset. Goodwill impairment losses are recorded in the consolidated income statement for the year in which the loss is recorded under the caption “Impairment losses”. Impairment losses relating to Goodwill cannot be reversed.

j) Financial Expenses

The financial expenses related with financing obtained are recognized as an expense in the consolidated income statement for the period in which they are incurred, in accordance with the accrual principle, except if these charges are directly related to the acquisition, construction or production of a fixed asset that leads to necessarily a substantial period of time to be ready for their intended use or sale, in which case they are capitalized as part of the cost of the asset. The capitalization of these charges begins after the beginning of the preparation of the construction or development activities of the asset and is interrupted when the asset is ready to be used or when the project is suspended. Any financial income generated by loans obtained, directly related to a specific investment, is deducted from the financial charges eligible for capitalization.

k) Provisions

Provisions are recognized when, and only when, the Group has a present obligation (legal or constructive) resulting from a past event, whenever it is likely that, to resolve this obligation, an outflow of resources will occur, and the amount of the obligation can be reasonably estimated. Provisions are reviewed on the date of each consolidated statement of financial position and are adjusted to reflect the best estimate of their fair value at that date (Note 26).

l) Financial Assets

Recognition

Purchases and sales of investments in financial assets are recorded on the transaction date i.e., the date on which the Group undertakes to buy or sell the asset.

Classification

The classification of financial assets depends on the business model followed by the Group in managing the receipt of financial assets (receipt of cash flows, sale of cash flows, or appropriation of changes in fair value) and the contractual terms of the cash flows to be receive (whether it includes principal plus interest alone or whether it includes other variables).

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

Financial assets can be classified into the following measurement categories:

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

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

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

b. In the case of equity instruments, this category includes the percentage of interest held in entities over which the Group does not exercise control, joint control, or significant influence, and which the Group irrevocably chose, on the date of initial recognition, to designate at fair value through equity, as they refer to investments that are not held for trading.

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

The classification of the Group's financial assets by category can be found in Note 35.

Measurement

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

Financial assets at amortized cost are subsequently measured in accordance with the effective interest rate method less impairment losses. Interest income from these financial assets is included in “Financial income and gains” in financial results.

Financial assets at fair value through other comprehensive income, which constitute debt instruments are subsequently measured at fair value with changes in fair value recognized against other comprehensive income, except for changes relating to the recognition of impairments, interest income and gains/(losses) on exchange rate differences, which are recognized in profit or loss for the year. Financial assets at fair value through other comprehensive income are subject to impairment.

Financial assets at fair value through other comprehensive income that constitute equity instruments are measured at fair value on the date of initial registration and subsequently, with changes in fair value being recorded directly in other comprehensive income, in equity, with no future reclassification even after the derecognition of the investment. Dividends obtained from these investments are recognized as earnings, in income for the year, on the date they are attributed.

Impairment losses

The Group prospectively assesses estimated credit losses associated with financial assets, which are debt instruments, classified at amortized cost and at fair value through other comprehensive income.

The impairment methodology applied considers the credit risk profile of debtors, with different approaches being applied depending on their nature.

Regarding balances receivable under the headings "Accounts receivable" and "Other debtors" and Assets from contracts with customers, the Group applies the simplified approach permitted by IFRS 9, according to which estimated credit losses are recognized from the initial recognition of balances receivable and throughout the period until maturity, considering a matrix of historical default rates for the maturity of balances receivable, adjusted by forward-looking estimates.

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

In cases where the amount receivable is immediately payable and the related entity can pay, the probability of default is close to 0% and therefore the impairment is considered equal to zero. In cases where the balance receivable is not immediately payable, the credit risk of the related entity is assessed and if this is "low" or if the term is less than 12 months, then the Group only assesses the probability of default occurring for cash flows falling due in the next 12 months.

For all other situations and types of balances receivable, the Group applies the general approach of the impairment model, assessing at each reporting date whether there has been a significant increase in credit risk since the date of initial recognition of the asset. If there has been no increase in credit risk, the Group calculates an impairment corresponding to the amount equivalent to the expected losses within a period of 12 months. If there has been an increase in credit risk, the Group calculates an impairment corresponding to the amount equivalent to the expected losses for all contractual flows until the maturity of the asset.

Derecognition of financial assets

The Group derecognizes financial assets when, and only when, the contractual rights to the cash flows have expired or have been transferred, and the Entity has transferred substantially all the risks and benefits arising from ownership of the asset.

Fair Value of Financial Investments

In determining the fair value of a financial asset or liability, if an active market exists, the market price is applied (Level 1). A market is considered active if quoted prices are readily and regularly available through exchanges, brokerage, or regulatory agencies, and if these prices represent current and regular transactions occurring in a freely competitive market. In case there is no active market, valuation techniques generally accepted in the market are used, based on market assumptions (e.g., discounted cash flow models that incorporate interest rate curves and market volatility, in the case of financial instruments derivatives) – Level 2. For the remaining cases, valuation techniques are used, not based on observable market data – Level 3.

All investments are initially recognized at fair value plus transaction costs, the only exception being "investments recorded at fair value through profit or loss". In the latter case, investments are initially recognized at fair value and costs of transition are recognized in the consolidated income statement.

"Equity instruments at fair value through equity" are subsequently maintained at fair value by reference to their market value at the date of the consolidated statement of financial position, without any deduction for transaction costs that may occur up to the date of your sale.

Gains or losses arising from a change in the fair value of equity instruments at fair value via equity are recorded in equity, under the caption "Fair value reserves" until the investment is sold, received, or otherwise disposed of, or until the fair value of the investment is below its acquisition cost and this corresponds to an impairment loss, when the accumulated loss is recorded in the consolidated income statement.

All purchases and sales of financial investments are recognized on the transaction date, that is, on the date on which the Group assumes all risks and obligations inherent to the purchase or sale of the asset.

The fair value of equity instruments at fair value through equity is based on current market prices. If the market in which the investments are inserted is not an active/liquid market (unlisted investments), the Group records them at acquisition cost, considering the existence or not of impairment losses. The Group's Board of Directors believes that the fair value of these investments does not differ significantly from their acquisition cost. The fair value of listed investments is calculated based on the closing price of the stock market where they are traded, on the date of the consolidated statement of financial position.

The Group carries out assessments at the date of each consolidated statement of financial position whenever there is objective evidence that a financial asset may be impaired. In the case of equity instruments classified as available for sale, a significant or prolonged drop in their fair value to levels below their cost is an indication that the asset is in an impaired situation. If there is any evidence of impairment for 'Equity instruments at fair value through equity, the accumulated losses – calculated as the difference between acquisition cost and fair value less any impairment loss previously recognized in the consolidated income statement – are withdrawn from equity and recognized in the consolidated income statement.

Investments are derecognized when the right to receive financial flows has expired or has been transferred and, consequently, all associated risks and rewards have been transferred.

(i) Cash and Cash Equivalents

The amounts included under the caption "Cash and cash equivalents" correspond to cash values, bank deposits, term deposits and other treasury applications, maturing in less than three months, and which can be mobilized immediately with insignificant risk of change in value.

Bank overdrafts are presented in the consolidated statement of financial position, in current liabilities, under the heading "Financing obtained", and are considered in the preparation of the consolidated statement of cash flows, as cash and cash equivalents.

(ii) Accounts Receivables and Other Debtors

These headings mainly include customer balances resulting from sales and services provided within the scope of the Group's ordinary activity and other balances related to operating activities. Balances are classified as current assets when collection is estimated within a 12-month period. Balances are classified as non-current if estimated collection occurs more than 12 months after the reporting date.

The captions "Accounts Receivables" and "Other Debtors" are initially recognized at fair value, being subsequently measured at amortized cost, less impairment adjustments. Impairment losses for Customers and other third-party debts are recorded in accordance with the principles described in "Impairment losses". Identified impairment losses are recorded in the consolidated income statement under "Impairment of receivable" and are subsequently reversed through profit or loss.

m) Financial Liabilities

Financial liabilities are classified into two categories:

(i) Financial liabilities at fair value through profit or loss.

(ii) Financial Liabilities at amortized cost.

The category "Financial liabilities at amortized cost" includes the liabilities presented under the headings "Loans" (Note 20), "Accounts Payable" (Note 21) and "Other debts to third parties" (Note 22). These liabilities are initially recognized at fair value net of transaction costs and are subsequently measured at amortized cost according to the effective interest rate.

Financial liabilities are derecognized when the underlying obligations are extinguished by payment, are cancelled, or expire.

As of 31 December 2022, and 2021, the Group only recognized liabilities classified as "Financial liabilities at amortized cost".

(i) Loans

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

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

Financial charges are calculated in accordance with the effective interest rate and accounted for in the consolidated income statement for the period in accordance with the principle of accrual accounting.

(ii) Accounts Payable and Other Creditors

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

These financial liabilities are initially recognized at fair value. After their initial recognition, liabilities presented under the captions "Accounts Payable" and "Other Creditors" are measured at amortized cost, using the effective interest rate method.

Debts to suppliers and third parties that do not bear interest are measured at cost, so that they reflect their present net realizable value. However, these amounts are not discounted as the effect of their financial restatement is not considered material.

n) Retirement complements (Defined Benefit Plan and Defined Contribution Plan)

Toyota Caetano Portugal set up, together with other entities ("Associates") by public deed dated December 29, 1988, the Salvador Caetano Pension Fund, subsequently amended on February 2, 1994, on April 30, 1996, August 9, 1996, July 4, 2003, February 2, 2007, December 30, 2008, December 23, 2011, and December 31, 2013.

Pension liabilities recognized at the date of the consolidated statement of financial position represent the present value of future benefits, adjusted for actuarial gains or losses and/or unrecognized past service liabilities, less the fair value of the net assets of the pension fund (Note 25). This pension plan defines the amount of pension benefit an employee will receive upon retirement, usually dependent on one or more factors such as age, years of service and remuneration. This pension plan oversees the entity BPI Vida e Pensões, SA.

The liability recognized in the consolidated statement of financial position in respect of the defined benefit plan is the present value of the defined benefit obligation at the date of the consolidated financial statements. Defined benefit plan obligations are calculated annually by an independent actuary using the Projected Unit Credit Method. The present value of the defined benefit obligation is determined by discounting future cash outflows, using the interest rate of high-quality bonds denominated in the same currency in which the benefits will be paid and with maturity terms that approximate those of the assumed liability.

All actuarial gains and losses resulting from experience adjustments and changes in actuarial assumptions are recognized directly in equity and presented in “Other comprehensive income”.

Past service costs are immediately recognized in profit or loss, unless changes to the pension plan are conditioned by the employees remaining in service for a certain period (the period that qualifies for the benefit). In this case, past service costs are amortized on a straight-line basis over the period in question.

Gains and losses generated by a curtailment or liquidation of a defined benefit pension plan are recognized in profit or loss for the year in which the curtailment or liquidation takes place. A cut occurs when there is a material reduction in the number of employees or the plan is changed to and defined benefits are reduced, with a material effect, thus leading to a reduction in liabilities to the plan.

Contributions to the Defined Contribution Plan are recorded as expenses for the year.

o) Contingent Assets and liabilities

Contingent liabilities are defined by the Group as (i) possible obligations arising from past events and whose existence will only be confirmed by the occurrence, or not, of one or more uncertain future events not wholly within the control of the Group or (ii) present obligations that arise from past events but are not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognized in the Group's consolidated financial statements and are disclosed in the notes to the consolidated financial statements, unless the possibility of an outflow of funds affecting future economic benefits is remote, in which case they are not even subject to disclosure.

Contingent assets are possible assets that arise from past events and whose existence will only be confirmed by the occurrence, or not, of one or more uncertain future events not fully under the Group's control.

Contingent assets are not recognized in the Group's consolidated financial statements but disclosed in the notes to the consolidated financial statements when it is probable that there will be a future economic benefit.

p) Income Taxes

Income taxes for the year are calculated based on the Special Taxation of Groups of Companies (“RETGS”), which includes the subsidiary companies of the Toyota Caetano Group based in Portugal: Toyota Caetano Portugal, SA, Caetano Renting, SA and Caetano Auto, SA.

For other companies based in Portugal and for companies of the Toyota Caetano Group based abroad (Caetano Auto Cabo Verde), taxation is carried out on an individual basis and in accordance with applicable legislation.

Deferred taxes are calculated based on the liability method of the consolidated statement of financial position and reflect the temporary differences between the amount of assets and liabilities for accounting reporting purposes and the respective amounts for tax purposes. Deferred tax assets and liabilities are not recognized when temporary differences result from Goodwill or from the initial recognition of assets and liabilities other than through business combinations. Deferred tax assets and liabilities are calculated and annually valued using the tax rates in force, or announced to be in force, on the expected date of reversal of the temporary differences.

Deferred tax assets are only recorded when there are reasonable expectations of sufficient future taxable income for their use, or in situations where there are taxable temporary differences that offset deductible temporary differences in the period of their reversal. At the end of each financial year, a review of these deferred taxes is carried out, which are reduced whenever their future use is no longer likely.

Deferred taxes are recorded as an expense or income for the year, except if they result from items recorded directly in equity, in which case the deferred tax is also recorded against the same caption.

q) Accrual Basis

Income and costs are recorded on an accrual basis, whereby they are recognized as they are generated, regardless of when they are received or paid. Differences between the amounts received and paid and the corresponding income and expenses generated are recorded under the headings of accruals and deferrals included under the headings “Other current assets” and “Other current liabilities”.

Expenses and income whose real value is not known are estimated based on the best assessment of the Board of Directors of the Group companies.

r) Revenue - Contracts with costumers

Revenue corresponds to the fair value of the amount received or receivable from transactions carried out with customers in the normal course of the Group's activity. Revenue is recorded net of any applicable taxes, trade discounts and financial discounts.

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

Revenue is recorded in the consolidated income statement when control over the product or service is transferred to the customer, that is, when the customer becomes capable of managing the use of the product or service and obtaining all remaining economic benefits associated with it.

The Group considers that, given the nature of the product or service that is associated with the assumed performance obligations, the transfer of control mostly occurs on a specific date, but there may be transactions in which the transfer of control occurs continuously throughout the contractual period defined.

Revenue from the sale of goods is recognized when the obligation to transfer the goods (vehicles, parts, or accessories) to the customer is satisfied and the revenue can be reliably measured. The obligation to transfer goods to the customer is considered fulfilled when the vehicles or parts are invoiced and physically dispatched or collected.

Revenue from providing services to the customer is considered satisfied when the service is performed.

When a vehicle or industrial equipment is sold to a leasing company and the Group undertakes to repurchase the vehicle for a specified amount by a predetermined date, the sale is not recognized on the basis that the possibility of the repurchase being exercised is highly likely. Consequently, such vehicles and equipment are retained within “tangible fixed assets” in the consolidated statement of financial position at cost and are depreciated to their residual value over the life of the lease.

When additional services are included in the sale of a vehicle or industrial equipment to a customer as part of the vehicle's total package (namely maintenance contracts) and the Group acts as the principal in fulfilling the service, the value of the additional services is identified separately, deducted from the consideration receivable, recognized as deferred income in the consolidated statement of financial position and subsequently recognized as income when the service is provided, or recognized on an entry basis by reference to the amount of time elapsed under the contract to which the service relates. These balances are considered contractual liabilities. The consideration allocated to additional services is based on the standalone sale relative to the price of the additional services within the contract.

When the Group acts as an agent on behalf of a principal in relation to financing for the purchase of vehi cles on credit, insurance and similar products, commission revenue is recognized as revenue, under the caption “Provision of services” (Note 30) in the period in which the financial product or related insurance is sold and the corresponding payment can be secured.

Dividend income is recognized when the right to receive payment is established.

The revenue of the Toyota Caetano Portugal Group comprises revenue from the activities mentioned in Note 1.

The amounts recorded under "Other current assets" in the amount of 311,573 euros (357,495 euros on 31 December 2021) constitute contract assets within the scope of IFRS 15 (Note 15). The amounts recorded under the headings "Other debts to third parties" and "Other current liabilities" amounting to 3,254,006 euros and 1,488,904 euros (2,446,886 euros and 3,556,395 euros on 31 December 2021), respectively, constitute contract liabilities under IFRS 15 (Notes 22 and 24).

s) Classification In the consolidated statement of financial position

Asset’s receivable and liabilities payable in more than one year from the date of the consolidated statement of financial position are classified, respectively, as non-current assets and liabilities. Additionally, due to their nature, the headings “Deferred tax assets”, “Deferred tax liabilities” and “Provisions” are classified as non-current assets and liabilities.

t) Balances and transactions expressed in foreign currency

Assets and Liabilities expressed in foreign currency were converted into Euros using the exchange rates prevailing on the date of the consolidated statement of financial position. Exchange differences, favorable and unfavorable, arising from differences between the exchange rates in force on the date of the transactions and those in force on the date of collections, payments, or the date of the consolidated statement of financial position, are recorded as gains and expenses in the statement consolidated result of the fiscal year.

u) Earnings per share policy

Basic:

Basic earnings per share is calculated by dividing taxable income to shareholders by the weighted average number of common shares issued by during the period, excluding common shares acquired by the Company and held as treasury shares.

Diluted:

Diluted earnings per share is calculated by dividing earnings attributable to shareholders, adjusted for dividends on convertible preferred stock, interest on convertible debt and gains and expenses resulting from the conversion by the weighted average number of common shares issued during the period plus the average number of common shares possible to be issued on the conversion of dilutive potential common shares.

v) Information by segments

In each financial year, all business segments applicable to the Group are identified. They are defined in accordance with the Group's functional organization chart, and the way in which management information is organized.

In accordance with IFRS 8, an operating segment is a component of the Group:

(i) Retirement complements (Defined Benefit Plan and Defined Contribution Plan).

(ii) whose operating results are regularly reviewed by the Group's chief operating decision-maker for the purposes of making decisions about allocating resources to the segment and assessing its performance.

(iii) for which separate financial information is available.

Information regarding the level of identified operating segments (motor vehicles and industrial equipment) is included in Note 29.

The note also provides information by geography and by subsegments. For the motor vehicle segment, the sub-segments, industry, commerce, services, and rental were added. The machinery, services and rental sub-segment was added to the industrial equipment segment.

w) Subsequent events

Events occurring after the consolidated statement of financial position date that provide additional information about conditions that existed at the consolidated statement of financial position date ("adjusting events") are reflected in the consolidated financial statements. Events after the consolidated statement of financial position date that provide information about conditions occurring after the consolidated statement of financial position date ("non adjusting events"), if material, are disclosed in the notes to the consolidated financial statements.

2.5 JUDGMENTS AND ESTIMATES

In preparing the consolidated financial statements, the Group's Board of Directors based itself on the best knowledge and experience of past and/or current events, considering certain assumptions relating to future events.

The most significant accounting estimates reflected in the consolidated financial statements for the years ended December 31, 2022, and 2021 include:

a) Useful lives of tangible fixed assets and intangible assets, as well as investment properties.

b) Registration of adjustments to asset values (accounts receivable and inventories) and provisions.

c) Impairment tests performed on Goodwill (Note 9).

d) Recoverability of deferred tax assets.

e) Calculation of liabilities with retirement complements (Note 25).

f) Impairment analysis of tangible fixed assets, intangible assets, and investment properties.

g) Impairment analyses relating to financial investments in joint ventures and associates (Note 10).

The underlying estimates and assumptions were determined based on the best knowledge existing at the date of approval of the consolidated financial statements of events and transactions in progress, as well as on the experience of past and/or current events. However, situations may occur in subsequent periods that, not being foreseeable at the date of approval of the consolidated financial statements, were not considered in these estimates. Changes to estimates that occur after the date of the consolidated financial statements will be corrected prospectively. For this reason and given the associated degree of uncertainty, the actual results of the transactions in question may differ from the corresponding estimates. Changes to these estimates, which occur after the date of the consolidated financial statements, will be corrected prospectively in results, as provided by IAS 8.

The main estimates and significant judgments relating to future events included in the preparation of the consolidated financial statements are described in the corresponding notes.

2.6 RISK MANAGEMENT POLICY

At Toyota Caetano Portugal, S.A. Group, the risk control inherent to the activity is carried out directly by the Board of Directors and evaluated annually by the Supervisory Board.

The Toyota Caetano Portugal Group is also supported by internal departments of the Salvador Caetano Group, with which it maintains synergies, such as the Legal Department and Compliance / Planning Department, Management Control and Internal Audit / Taxation / IT Services and the Audit carried out by the External Auditors. Whenever appropriate, relevant reports are shared with the Supervisory Board.

In this context it was adopted a model of four lines of defense involving the various levels of the organization, particularly top management:

- Operational areas: first line of defense, operationalization of procedures, and risk control mechanisms;
- Risk management and compliance: planning and control; risk monitoring, management support;
- Board of Directors: the risk strategy is defined by the Board of Directors, whose main function is control;
- Internal and external audit: effectiveness validation of risk management mechanisms. The risk strategy and policy are evaluated by the Supervisory Board, which issues a reasoned opinion.

Risk management is intended to detect, manage, control, and mitigate threats as well as to identify and leverage opportunities thus creating added value for Society. Therefore, the Company's Board of Directors is supported by the directors responsible for each of the divisions with whom it meets periodically, to analyze and monitor financial and non-financial information.

In this context the identification and determination of the probability of occurrence of risks by the Company's Board of Directors arises through (i) regular and very close monitoring of the activities carried out; (ii) participation in seminars, training and workshops promoted by external entities and Salvador Caetano corporate departments; (iii) meetings and internal committees of Salvador Caetano to share information and experiences, among others.

At the same time an analysis of the impacts of risk on society is carried out, assessing the degree of repercussion they will have on the activity and determining short and medium/long term strategies to prevent, react and mitigate these risks.

It should also be noted that this risk management includes:

- sensitivity analysis (measurement of potential impacts based on the probability of occurrence of each risk);
- strategic alignment of the Company in terms of the risks effectively incurred;
- mechanisms for controlling the implementation of the risk management measures adopted and their effectiveness;
- internal information and communication mechanisms about the various components of the risk alert system.

The Supervisory Board monitors and takes note of the work and results carried out by the internal control, risk management, *compliance,* and internal audit services.

In the development of its activities, the Toyota Caetano Portugal SA Group is subject, in each of its business areas or its subsidiaries to a multiplicity of risks which have been identified with the aim of mitigating and controlling them.

<u>FINANCIAL RISKS</u>

The Company's financial risk management is essentially controlled by Toyota Caetano Portugal's financial department in accordance with policies approved by the Group's Board of Directors. In this sense, the Board of Directors has defined the main principles of global risk management as well as specific policies for some areas, such as (a) exchange rate risk, (b) price risk, (c) risk of interest rate, (d) liquidity risk, (e) capital risk and (f) credit risk.

a) Exchange rate risk

In the development of its activity, the Group operates internationally and has a subsidiary operating in Cape Verde and since December 2020 an associated company operating in the United Kingdom (a subsidiary of Caetano Bus Group, entity Caetano UK) and an associate operating in Senegal (a Kinto Group associate, Caetano Renting Senegal). By Group policy, a functional currency is defined for each subsidiary (Escudo in Cape Verde in relation to the subsidiary Caetano Auto Cabo Verde, Pound Sterling in relation to the subsidiary of Caetano Bus based in the United Kingdom, and the Senegalese Franc, in relation to the associate of Kinto Group based in Senegal), corresponding to the currency of its main economic environment and the one that best represents the composition of its *cash flows*. Exchange rate risk thus essentially results from commercial transactions arising from the purchase and sale of products and services in a currency different from the functional currency of each business.

The Group's exchange rate risk management policy is aimed at assessing the opportunity to hedge this risk on a case-by-case basis particularly considering the specific circumstances of the currencies and countries in question.

The exchange rate risk associated with the conversion of financial statements of foreign entities also known as accounting risk, reflects the potential for changes in the parent company's equity due to the need to convert the financial statements of subsidiaries abroad.

As mentioned in Note 2.3 c), the assets and liabilities of foreign entities are converted into Euros using the exchange rates prevailing at the date of the consolidated statement of financial position and the expenses and gains of these entities are converted into Euros using the average exchange rate of the exercise. The resulting exchange difference is recorded in equity under “Other reserves and retained earnings”.

The amount of assets and liabilities (in Euros) of the Group recorded in a currency other than the Euro can be summarized as follows:

	Assets		Liabilities	
	2022	2021	2022	2021
Cape Verde Escudo (CVE)	8.267.160	8.087.466	4.071.946	4.139.952
Pound Sterling (GBP)	-	-	1.405	1.830
Japanese Yen (JPY)	-	137.899	1.699.333	1.546.703
US Dollar (USD)	-	-	11.193	80

The Group's sensitivity to exchange rate variations can be summarized as follows:

		2022		2021	
	Variation	Results	Equity	Results	Equity
Pound Sterling (GBP)	5%	(70)	-	(92)	-
Japanese Yen (JPY)	5%	(84.967)	-	(77.335)	-
US Dollar (USD)	5%	(560)	-	(4)	-

Regarding the sensitivity of changes in the Cape Verde Escudo (CVE) exchange rate, given that the defined exchange rate does not change (fixed exchange rate against the Euro), the Group has no associated exchange rate risk.

b) Price Risk of other investments

The Toyota Caetano Group, during the years 2022 and 2021, was exposed to the risk of price variation in "Other investments". As of 31 December 2022, and 2021 that item is composed that item is composed only by shares of the closed property investment fund Cimóvel – Fundo de Investimento Imobiliário. As those financial instruments are classified as an instrument at fair value through capital the effect of changes in the respective fair value is recognized according to the principles described in Note 2.4.l) for that type of financial instrument

The Group's sensitivity to price changes in instruments at fair value through capital can be summarized as follows (increases/(decreases)):

		2022		2021	
	Variation	Results	Equity	Results	Equity
CIMÓVEL FUND	10%	-	481.772	-	447.466
CIMÓVEL FUND	-10%	-	(481.772)	-	(447.466)

c) Interest rate risk

The Group's debt is mainly indexed to variable interest rates exposing the cost of debt to a high risk of volatility. The impact of this volatility on the Group's results or equity is not significant because of the following factors: (i) possible correlation between the level of market interest rates and economic growth with this having positive effects on other lines of results (namely operating) of the Group, in this way partially offsetting the added financial costs ("*natural hedge*"); and (ii) existence of consolidated liquidity or cash equivalents remunerated at variable rates.

The Board of Directors of the Toyota Caetano Portugal Group approves the terms and conditions of the financing analyzing the debt structure the inherent risks and the different options available in the market namely regarding the type of interest rate (fixed/variable) and through permanent monitoring of the conditions and alternatives existing in the market, is responsible for the decision on the occasional contracting of derivative financial instruments intended to hedge interest rate risk.

Interest rate risk sensitivity analysis

The interest rate risk sensitivity analysis described below was calculated based on the exposure to interest rates for financial instruments existing at the date of the consolidated statement of financial position. For floating rate liabilities, the following assumptions were considered:

(i) The effective interest rate is 0.25 pp higher than the supported interest rate;

(ii) The basis used for the calculation was the Group's financing at the end of the year;

(iii) *Spreads* maintenance throughout the year.

Sensitivity analyzes are based on the manipulation of one variable keeping all others constant. This assumption is hardly verified and changes in some of the assumptions may be related.

The Group's sensitivity to changes in interest rates is summarized as follows (increases/(decreases)):

		2022		2021	
	Variation	Results	Equity	Results	Equity
Guaranteed current accounts	0,25 p.p.	37.500	-	37.500	-
Bank Overdrafts	0,25 p.p.	17	-	21	-
Commercial Paper	0,25 p.p.	17.500	-	-	-
Bank Loan	0,25 p.p.	341	-	701	-
Bond Loan	0,25 p.p.	31.250	-	31.250	-
Total		**86.608**	**-**	**69.472**	**-**
Guaranteed current accounts	(0,25 p.p.)	(37.500)	-	(37.500)	-
Bank Overdrafts	(0,25 p.p.)	(17)	-	(21)	-
Commercial Paper	(0,25 p.p.)	(17.500)	-	-	-
Bank Loan	(0,25 p.p.)	(341)	-	(701)	-
Bond Loan	(0,25 p.p.)	(31.250)	-	(31.250)	-
Total		**(86.608)**	**-**	**(69.472)**	**-**

d) Liquidity Risk

Liquidity risk is defined as the risk of a lack of ability to settle or meet obligations within defined terms and at a reasonable price.

The existence of liquidity in the Group's companies implies that performance parameters are defined in the management function of that same liquidity that allow maximizing the return obtained and minimizing the opportunity costs associated with the holding of that same liquidity in a safe and efficient way.

Considering the turbulence of the current macroeconomic context, the Board of Directors understands that this is one of the main risks of the Company; the unfavorable evolution of indexes and spreads, the increase in requirements from creditors in granting credit, the increase in the cost of bank guarantees, and the impact on the increase in the level of stock as a result of the difficulties felt in the logistics chains and product flow, are factors that contribute to the relevance of this risk.

The Group's *Chief Financial Officer* regularly monitors the level of Loans available credit facilities cash availability as well as the prospects of cash or flow in the short and medium term (including needs resulting from investment plans which apart from acquisitions of financial holdings carried out at the end of 2020 have been relatively low) to manage liquidity risk.

Liquidity risk management at the Toyota Caetano Group has a threefold objective:

(i) Liquidity which is to ensure permanent and most efficient access to sufficient funds to meet current payments on the respective due dates as well as any unexpected requests for funds.

(ii) Safety which is the minimization of the probability of default in the repayment of any application of funds; and

(iii) Financial efficiency that is ensuring that Companies maximize value / minimize the opportunity cost of holding excess liquidity in the short term.

All excess liquidity existing in the Group is applied to the amortization of short-term debt according to criteria of economic and financial reasonableness.

For this purpose, liquidity management comprises the following aspects:

(i) Consistent financial planning based on cash flow forecasts at the level of operations, according to different time horizons (weekly, monthly, annual and multi-annual);

(ii) Close monitoring of the various components of *working capital*;

(iii) Diversification of funding sources (Bank, region, interest rates);

(iv) Diversification of the maturities of the debt issued to avoid excessive concentration of debt repayments in short periods of time.

(v) Contracting with relationship banks short-term credit lines commercial paper programs and other types of financial operations ensuring a balance between adequate levels of liquidity and "*commitment fees*" supported.

The following table shows the maturity of each of the passive financial instruments with undiscounted amounts and based on the most pessimistic scenario that is the shortest period in which the liability becomes payable.

2022	Less than a year	Between 1 to 2 years	Between 2 to 4 years	More than 4 years	Total
Loans	39.520.309	5.857.359	5.800.384	3.006.191	54.184.243
Suppliers	30.945.755	-	-	-	30.945.755
Other debts to third parties	26.988.302	805.640	-	-	27.793.942
	97.454.366	**6.662.999**	**5.800.384**	**3.006.191**	**112.923.940**

2021	Less than a year	Between 1 to 2 years	Between 2 to 4 years	More than 4 years	Total
Loans	22.280.235	17.447.880	6.152.931	1.774.960	47.656.006
Suppliers	43.622.927	-	-	-	43.622.927
Other debts to third parties	33.812.518	2.275.204	-	-	36.087.722
	99.715.680	**19.723.084**	**6.152.931**	**1.774.960**	**127.366.655**

As of 31 December 2022 and 2021, the Group has a net debt of 42,884,496 Euros and 25,533,246 Euros respectively divided between current and non-current financing (Note 20) and contracted cash and cash equivalents (Note 17) contracted with different institutions. The credit lines available and not used at that date totaled approximately 58 million Euros.

It should be noted that the Company with the exception of secured financing which provides for the covenant ratio between net debt and EBITDA[9] calculated on the basis of the consolidated accounts of the previous year has not contracted any debt instruments with accelerated repayment clauses in addition to those arising from the usual clauses related to the fulfillment of obligations by the Company namely payment obligations interruption of activity *ownership clause, pari passu, negative pledge* and the situations in which the financing obtained includes real guarantees are disclosed in Note 37.

e) Capital Risk

Management's primary objective is to ensure the continuity of operations, providing adequate remuneration to shareholders and the corresponding benefits to the other *stakeholders* of the Group. To achieve this objective careful management of the capital employed in the business is essential seeking to ensure an optimal structure of the same thus achieving the necessary cost reduction. To maintain or adjust the capital structure deemed adequate Management may propose to the General Shareholders' Meeting the measures deemed necessary.

The Group tries to maintain a level of equity appropriate to the characteristics of the main business and ensure continuity and expansion. The balance of the capital structure is monitored based on the financial leverage ratio (defined as: net interest debt / (net interest debt + equity)).

	2022	2021
Financing obtained	54.184.243	47.656.006
Cash and Cash equivalents	(11.299.747)	(22.122.760)
Net Debt	**42.884.496**	**25.533.246**
Equity	161.467.243	149.932.245
Financial leverage ratio	20,99%	14,55%

Gearing remains within acceptable levels, as established by management.

[9] EBITDA = Operating Results + Depreciation/Amortization + Inventory impairments/debts receivable + Provisions and other impairments

f) Credit Risk

The Group's credit risk essentially results from:

(i) the risk of recovering the monetary assets handed over to third parties and,

(ii) the risk of recovering the loans granted to entities outside the Group.

Credit risk is assessed at the initial moment and over time to monitor its evolution.

A significant portion of the amounts receivable from customers is spread over many entities a factor that contributes to reducing the risk of credit concentration. As a rule, the Group's customers are not assigned a credit *rating*.

The monitoring of credit risk is carried out by the Group's financial department supervised by the Board of Directors based on: i) the corporate nature of the debtors; ii) the type of transactions originating the balances receivable; iii) the experience of transactions carried out in the past; iv) in the credit limits established for each customer and v) in the possible guarantees provided by some customers namely dealers and independent repairers with whom car concession contracts are signed.

The Group considers the probability of default with the initial recognition of the asset and depending on the occurrence of significant increases in credit risk on an ongoing basis in each reporting period. To assess whether there has been a significant increase in credit risk the Group compares the risk of default occurring by reference to the reporting date with the risk of default assessed by reference to the date of initial recognition.

To assess whether there has been a significant increase in credit risk the Group considers among others the following indicators.

- Internal credit risk;
- External credit risk (if available);
- Current or expected adverse changes in the debtor's operating income;
- Significant increases in the credit risk of the debtor's other financial instruments;
- Significant changes in the value of collateral on liabilities or in the quality of third-party guarantees;
- Significant changes in the performance and expected behavior of the debtor including changes in the debtor's payment terms at the level of the Group to which it belongs as well as changes in its Operating Income;
- Macroeconomic information (such as market interest rates or growth rates) is incorporated into the domestic credit model.

Regardless of the above analysis a significant increase in credit risk is assumed if a debtor is more than 30 days late from the contractual payment date.

In terms of credit improvement instruments associated with accounts receivable from customers the Group has the following situations:

(i) Dealers and Independent Repairers: this type of third party concerns the automotive retail network of “Toyota” and “Lexus” brand dealers which operate under concession contracts for the purchase, resale of vehicles and provision of technical assistance services (The Group currently has 21 contracts with independent dealers and repairers). Each of these independent dealers and repairers maintains an “on first demand” bank guarantee in favor of the Group with a previously established *ceiling* the Group ensuring that this limit is not exceeded;

(ii) General vehicle customers: although this type of customer generally purchases vehicles for cash there are however situations in which the Group accepts payment terms in installments (namely for some customers in the rent-a-car area and driving schools). In most of these situations the sale made considers a reservation of title clause associated with the vehicle sold or alternatively its ownership is not transferred until the vehicle is fully liquidated.

Default is considered when the counterparty does not comply with contractual payments within 90 days of the due date of the invoices. The Group analyzes on a case-by-case basis the balances receivable from customers that show collection and realization problems making every effort towards their respective recovery by means of an agreement with the customer or by judicial means also maintaining such balances (even if subject to registration of an impairment loss) in the consolidated statement of financial position, until all attempts to recover the outstanding balance are exhausted and there are no assets for recovery (including the component relating to Value Added Tax with the Authority Tax) of said balances in the event of bankruptcy.

Accordingly financial assets corresponding to accounts receivable are derecognized when there is no real expectation of recovery and after the process described above has been completed and the necessary internal approvals are obtained for such derecognition. Therefore, there are no situations of possibility of recovering accounts receivable that have been subject to derecognition at the level of the consolidated financial statements.

Impairment of financial assets

(i) Customers and Other debts

The Group applies the simplified approach to calculate and record estimated credit losses required by IFRS 9 which allows the use of impairments for estimated losses for all balances of “Accounts Receivable” and “other debtors”. To measure expected credit losses “Accounts receivable” and “Other debtors” were aggregated based on shared credit risk characteristics and seniority. Expected credit losses incorporate information from forward-looking estimates. The age of customer balances is detailed in Note 13.

(ii) Financing granted to related entities

The balances of “Loans granted to related entities” are considered to have low credit risk therefore consequently the impairments for credit losses recognized during the period were limited to the estimated 12-month credit losses. These financial assets are considered to have “low credit risk” when they have a low irrecoverable risk, and the debtor has a high capacity to meet its contractual short-term cash flow liabilities.

In fact, for customers representing car dealers and repairers the Group requires the obtaining of bank guarantees “on *first demand”* the amount of which as of 31 December 2022 and 2021, was approximately 9,129,470 and 8,679,470 Euros respectively which when exceeded implies the cessation of supplies.

Impairments on accounts receivable are calculated considering (a) the customer's risk profile (b) the average collection period and (c) the customer's financial condition. The movements of these adjustments for the years ended on 31 December 2022 and 2021 are disclosed in Note 26.

As of 31 December 2022 and 2021, the Group considers that there is no need for additional impairment losses beyond the amounts recorded on those dates and summarized in Note 26.

The amounts related to customers and other third-party debts presented in the consolidated financial statements which are net of impairments represent the Group's maximum exposure to credit risk.

(iii) Cash equivalents

The following tables provide a summary as of December 31 2022 and 2021 of the credit quality of bank deposits.

2022		
Rating Deposits	Rating Agency	Value
A1	Moody's	30.872
A2	Moody's	(2.392)
A3	Moody's	1.241.409
Aa3	Moody's	16.778
Ba3	Moody's	794.565
Baa2	Moody's	5.056.126
Baa3	Moody's	5.709
	Others not rated	4.030.696
Total		**11.173.763**

2021		
Rating Deposits	Rating Agency	Value
A2	Moody's	575.024
A3	Moody's	3.957.555
Aa3	Moody's	18.689
B1	Moody's	615.096
B2	Moody's	536.638
Baa2	Moody's	12.075.366
Baa3	Moody's	12.638
	Others not rated	4.213.816
Total		**22.004.822**

The ratings presented correspond to the notations attributed by the rating agency Moody's.

EXTERNAL RISKS

Another type of risk is external risks which do not affect the Group's direct spectrum.

The following should be highlighted, which the Board of Directors considers most significant. Considering, for each one, the combination of the two vectors: (i) the probability of occurrence and (ii) foreseeable impact:

Business risks:

- Impact of the evolution of the interest rate interest in customers' purchase decisions;
- Disruption in supply chains for goods and materials;

Human capital risks:

- Attraction and retention of qualified talent;

- Increased *turnover rate*[10];
- Employee well-being and motivation.

Compliance and Cybersecurity:

- Complexity and legislative dimension;
- Cyber-attacks and data exfiltration.

Environmental:

- Non-achievement of sustainability strategy targets.

In the Management Report (chapter 2 of this document) in the chapter "Business risks" you will find more detailed information on the risks: the approach, the matrix, and the main risks with relevant information on the factors that contribute to their occurrence / relevance, as well as initiatives for their control.

3. CHANGES IN ACCOUNTING POLICIES, CORRECTING ERRORS, AND CHANGES IN ESTIMATES

During the year ended December 31, 2022, there were no changes in accounting policies or material errors relating to prior years.

[10] *Turnover* = (number of employees who left the company in the last 6 months / total number of employees currently in the company) x 100

4. SUBSIDIARY COMPANIES INCLUDED IN THE CONSOLIDATION

The Group Companies included in the consolidation by the full consolidation method and the respective proportion of the capital held on December 31, 2022, and 2021, are as and follows:

Companies:	Participation Percentage	
	2022	2021
Toyota Caetano Portugal, S.A.	Mother Emprise	
Caetano Auto CV, S.A.	81,24%	81,24%
Caetano Renting, S.A.	100,00%	100,00%
Caetano - Auto, S.A.	98,74%	98,74%
Destaque Mourisco - Sociedade Imobiliária, Lda.	56,28%	56,28%
Salvador Caetano Seguros - Mediação de Seguros, Unipessoal Lda.[11]	98,74%	-

These companies were included in the consolidation by the full consolidation method, as established by IFRS 10 - "Consolidated financial statements" (control of the subsidiary through the majority of voting rights and exposure to returns of the relevant activities).

[11] Company included in the consolidation perimeter of 2022, being held directly by Caetano-Auto, S.A. by 100%.

5. INTANGIBLE ASSETS

In the years ended 31 December 2022 and 2021, movements in intangible assets, as well as in the respective accumulated amortizations and accumulated impairment losses, were as follows:

2022	Development Expenses	Industrial property and other rights	Computer programs	Other Intangible Assets	Intangible Assets in progress	Total
Gross Assets:						
Opening balance on December 31, 2021	**1.477.217**	**667.481**	**2.196.011**	**-**	**935.871**	**5.276.580**
Additions	-	1.525	52.684	5.070	1.532.769	**1.592.048**
Disposals and write-offs	-	-	-	-	(44.731)	**(44.731)**
Transfers	-	-	323.536	-	(298.320)	**25.216**
Closing balance on December 31, 2022	**1.477.217**	**669.006**	**2.572.231**	**5.070**	**2.125.589**	**6.849.113**
Depreciation and accumulated impairment losses:						
Opening balance on December 31, 2021	**1.477.217**	**645.566**	**2.158.832**	**-**	**-**	**4.281.615**
Amortization for the year	-	22.065	139.725	1.304	-	**163.094**
Cosing balance on December 31, 2022	**1.477.217**	**667.631**	**2.298.557**	**1.304**	**-**	**4.444.709**
Net Value	**-**	**1.375**	**273.674**	**3.766**	**2.125.589**	**2.404.404**

2021	Development Expenses	Industrial property and other rights	*Goodwills*	Computer programs	Intangible Assets in progress	Total
Gross Assets:						
Opening balance on December 31 of 2020	**1.504.751**	**615.996**	**81.485**	**2.154.870**	**598.319**	**4.955.421**
Additions	-	-	-	13.607	337.552	**351.159**
Disposals and write-offs	-	(30.000)	-	-	-	**(30.000)**
Transfers	(27.534)	81.485	(81.485)	27.534	-	**-**
Closing balance on December 31, 2021	**1.477.217**	**667.481**	**-**	**2.196.011**	**935.871**	**5.276.580**
Depreciation and accumulated impairment losses:						
Opening balance on December 31, 2020	**1.477.217**	**523.250**	**81.485**	**2.151.979**	**-**	**4.233.931**
Amortization for the year	-	70.831	-	6.853	-	**77.684**
Disposals and write-offs	-	(30.000)	-	-	-	**(30.000)**
Transfers	-	81.485	(81.485)	-	-	**-**
Closing balance on December 31, 2021	**1.477.217**	**645.566**	**-**	**2.158.832**	**-**	**4.281.615**
Net Value	**-**	**21.915**	**-**	**37.179**	**935.871**	**994.965**

The amounts recorded on December 31, 2022, and 2021 under the heading "Intangible assets in progress" are related to projects to implement new management software and mobility projects, which are expected to become firm during the years 2023 and 2024.

6. TANGIBLE FIXED ASSETS

During the years ended on 31 December 2022, and 2021, movements in Tangible Fixed Assets, as well as in the respective accumulated depreciations and accumulated impairment losses, were as follows:

2022	Land and Natural Resources	Buildings and other constructions	Machinery and Equipment	Transport Equipment	Administrative Equipment	Other Tangible Fixed Assets	Tangible Assets in progress	Assets under right of use	Total
Gross Assets:									
Opening balance on December 31, 2021	**18.046.963**	**90.360.212**	**64.176.139**	**67.222.269**	**9.155.895**	**5.029.037**	**479.286**	**36.558.061**	**291.027.862**
Additions	1.072.140	661.303	1.388.224	3.206.132	70.913	473.185	1.626.253	7.185.835	**15.683.985**
Disposals and write-offs	-	-	(32.321)	(5.443.057)	(43.748)	-	(184.667)	(89.117)	**(5.792.910)**
Transfers from/to inventories	-	-	-	(3.161.634)	-	-	-	(656.971)	**(3.818.605)**
Transfers and reclassifications	-	781.733	198.000	-	5.973	90.447	(1.101.369)	-	**(25.216)**
Other regularizations	-	343	-	-	-	-	-	-	**343**
Reversal of Assets to the entity at lease termination	292.960	878.878	-	10.556.944	-	-	-	(11.728.782)	**-**
Closing balance on December 31, 2022	**19.412.063**	**92.682.469**	**65.730.042**	**72.380.654**	**9.189.033**	**5.592.669**	**819.503**	**31.269.026**	**297.075.459**
Accumulated depreciation and impairment losses:									
Opening balance on December 31, 2021	**-**	**66.835.828**	**59.917.001**	**33.095.375**	**8.262.847**	**4.539.318**	**-**	**17.006.295**	**189.656.664**
Depreciation for the year	-	1.896.121	942.905	5.500.821	220.697	134.916	-	5.975.444	**14.670.904**
Disposals and write-offs	-	-	(30.071)	(4.783.766)	407	-	-	(89.117)	**(4.902.547)**
Transfers from/to inventories	-	-	-	(8.067.354)	-	-	-	(526.774)	**(8.594.128)**
Other regularizations	-	6.659	-	-	-	-	-	-	**6.659**
Reversal of Assets to the entity at lease termination	-	113.091	-	8.886.313	-	-	-	(8.999.404)	**-**
Closing balance on December 31, 2022	**-**	**68.851.699**	**60.829.835**	**34.631.389**	**8.483.951**	**4.674.234**	**-**	**13.366.444**	**190.837.552**
Net Value	**19.412.063**	**23.830.770**	**4.900.207**	**37.749.265**	**705.082**	**918.435**	**819.503**	**17.902.582**	**106.237.907**

2021	Land and Natural Resources	Buildings and other constructions	Machinery and Equipment	Transport Equipment	Administrative Equipment	Others Tangible Fixrd Assets	Tangible Assets in progress	Assets under right of use	Total
Gross Assets:									
Opening balance on December 31, 2020	**17.195.624**	**88.367.387**	**63.523.819**	**61.104.368**	**9.042.508**	**4.895.565**	**75.520**	**39.305.385**	**283.510.176**
Additions	-	508.378	569.531	26.317	113.387	133.472	420.657	773.059	**2.544.801**
Disposals and write-offs	(11)	(625.094)	(20.643)	(6.746.705)	-	-	-	(182.956)	**(7.575.409)**
Transfers from/to inventories	-	-	-	6.790.784	-	-	-	4.973.347	**11.764.131**
Other regularizations	150.000	-	-	-	-	-	-	634.163	**784.163**
Reversal of Assets to the entity at lease termination	701.350	2.109.541	103.432	6.047.505	-	-	(16.891)	(8.944.937)	-
Closing balance on December 31, 2021	**18.046.963**	**90.360.212**	**64.176.139**	**67.222.269**	**9.155.895**	**5.029.037**	**479.286**	**36.558.061**	**291.027.862**
Accumulated depreciation and impairment losses:									
Opening balance on December 31, 2020	-	65.148.062	59.035.719	33.351.180	8.050.869	4.429.953	-	16.763.863	**186.779.646**
Depreciation for the year	-	1.803.885	876.166	11.950.602	211.978	109.365	-	5.587.832	**20.539.828**
Disposals and write-offs	-	(615.010)	(16.971)	(5.544.696)	-	-	-	(137.783)	**(6.314.460)**
Transfers from/to inventories	-	-	-	(11.832.090)	-	-	-	-	**(11.832.090)**
Other regularizations	-	-	-	-	-	-	-	483.740	**483.740**
Reversal of Assets to the entity at lease termination	-	498.891	22.087	5.170.379	-	-	-	(5.691.357)	-
Closing balance on December 31, 2021	**-**	**66.835.828**	**59.917.001**	**33.095.375**	**8.262.847**	**4.539.318**	**-**	**17.006.295**	**189.656.664**
Net Value	**18.046.963**	**23.524.384**	**4.259.138**	**34.126.894**	**893.048**	**489.719**	**479.286**	**19.551.766**	**101.371.198**

The movements recorded under the heading "Transport equipment" essentially refer to vehicles and cargo handling machines ("Forklifts") at the service of the Group as well as for operational rental to customers.

The transfers between the caption "Assets under right of use" and "Transport equipment" in the amount of 1,670,631 Euros (877,126 Euros on 31 December 2021) correspond to the reclassification by the Group of cargo handling machines whose financing contract has ended, and the Group acquired them according to the established contract.

As of 31 December 2022 and 2021, accumulated impairment losses related to tangible fixed assets are not recognized.

As of 31 December 2022 and 2021, the assets used under lease (financial or operational) are as follows:

Position of goods acquired by leasing	TFA values in 2022			TFA values in 2021		
	Gross Value	Accumulated Depreciation	Net Value	Gross Value	Accumulated Depreciation	Net Value
Santarém Colisão	-	-	-	235.000	21.738	**213.262**
Carnaxide	3.246.231	811.558	**2.434.673**	3.246.231	750.691	**2.495.540**
Caldas da Rainha	-	-	-	936.837	70.263	**866.574**
Industrial Equipment	20.427.141	8.806.103	**11.621.038**	25.015.473	13.606.654	**11.408.819**
Guimarães - Building	940.138	472.794	**467.344**	940.138	355.957	**584.181**
Trofa - Building	-	-	-	89.117	89.117	-
Aveiro - Building	417.314	234.153	**183.161**	416.274	176.312	**239.962**
Tomar - Stand	39.630	27.992	**11.638**	39.630	21.009	**18.621**
Tomar - Garage	28.370	21.085	**7.285**	27.582	15.799	**11.783**
Rio de Mouro - Building	5.145.728	2.826.595	**2.319.133**	5.131.055	1.795.869	**3.335.186**
Braga - Garage	368.245	135.024	**233.221**	368.245	98.199	**270.046**
Basic Equipment	112.479	18.746	**93.733**	112.479	4.687	**107.792**
Maia	515.751	11.461	**504.290**	-	-	-
Tomar	27.999	933	**27.066**	-	-	-
TOTAL	**31.269.026**	**13.366.444**	**17.902.582**	**36.558.061**	**17.006.295**	**19.551.766**

7. INVESTMENT PROPERTIES

As of 31 December 2022 and 2021, the caption "Investment properties" corresponds to real estate assets held by the Group that are generating income through the respective lease or for appreciation. These assets are recorded at acquisition cost and are subsequently subject to depreciation according to their defined useful lives, as well as to the recording of impairment losses whenever necessary.

The rents obtained referring to Investment Properties amounted to 2,888,331 Euros in the year ended on 31 December 2022 (2,333,194 Euros on 31 December 2021), which are included in the disclosure made in Note 33.

Additionally, according to external valuations carried out by independent specialized entities, reported as of 31 December 2022 or prior years the fair value of those investment properties amounted to approximately 52.6 million Euros (51.3 million Euros on December 31, 2021).

Management understands that a possible change (within a normal scenario) in the main assumptions used in the calculation of fair value will not give rise to impairment losses, in addition to the losses that are reflected on December 31, 2022.

The detail of the net book value as of 31 December 2022 and 31 December 2021 of the real estate assets recorded under the caption "Investment Properties", as well as the respective fair value, can be summarized as follows:

Location	2022			2021		
	Net Book Value	Appraisal value	External evaluation date	Net Book Value	Appraisal value	External evaluation date
Vila Nova de Gaia - Av. da República	110.010	1.164.000	29/12/2022	113.999	1.179.900	18/12/2020
Braga - Av. da Liberdade	-	2.146.800	20/12/2021	-	2.146.800	20/12/2021
Porto - Rua do Campo Alegre	652.719	2.886.000	20/12/2021	680.918	2.886.000	20/12/2021
Caldas da Rainha - Rua Dr. Miguel Bombarda	17.531	86.000	28/12/2021	17.531	86.000	28/12/2021
Amadora - Rua Elias Garcia	138.724	139.000	29/12/2022	167.185	160.200	18/12/2020
Portalegre - Zona Industrial	143.108	144.000	29/12/2022	163.249	156.100	21/12/2020
Portimão - Cabeço do Mocho	707.282	707.700	20/12/2021	724.781	707.700	20/12/2021
Rio Maior	45.000	48.000	29/12/2022	107.000	117.100	21/12/2020
Vila Nova de Gaia - Av. Vasco da Gama (Buildings A e B)	2.079.836	17.169.000	29/12/2022	2.257.781	14.903.000	29/12/2020
Vila Nova de Gaia - Av. Vasco da Gama (Buildings G)	723.114	8.918.700	20/12/2020	743.455	8.918.700	20/12/2020
Carregado - Quinta da Boa Água / Quinta do Peixoto	4.877.702	19.172.000	29/12/2022	4.898.390	19.412.500	30/12/2020
Vila Nova de Gaia - Rua das Pereiras	-	-	-	202.054	625.100	28/12/2020
	9.495.026	**52.581.200**		**10.076.343**	**51.299.100**	

The fair value of external valuations of investment properties that are subject to disclosure on 31 December 2022 and 31 December 2021 was determined by real estate appraisal carried out by independent specialized entities using one of the following methods depending on the specific situation of the property: Comparative Market Method, Cost Method or Income Method. The Group promotes periodic and rotating real estate appraisals by independent and specialized entities of Its investment properties, thus ensuring that fair value disclosure is kept up to date.

Regarding the real estate asset located in Braga – Avenida da Liberdade, it is an old property, acquired in 1981, for which, on the respective acquisition date, no amount was considered for the "land" component. Consequently, at the current date, the totality of that acquisition cost was subject to depreciation, thus presenting that asset with a zero net book value.

Regarding the classification of the valuation methodologies, for the purpose of framing in their fair value hierarchy (IFRS 13), they are classified essentially at Level 3 (fair value determined based on inputs not observable in the market developed to reflect the assumptions to be used by market agents).

The independent external valuations carried out are essentially based on the application of the comparative market method which has as inputs, namely, the unit sales index per square meter of comparable assets and the area of the property, and the income method which has as inputs the income likely to be generated by It and a capitalization rate (yield) considered appropriate given the characteristics and location of the real estate asset in question.

The movement of the item "Investment properties" on December 31, 2022 and 2021 was as follows:

2022	Land	Buildings	Total
Gross Value:			
Opening balance on December 31, 2021	**6.919.227**	**28.940.256**	**35.859.483**
Disposals and write-offs	(133.890)	(236.662)	(370.552)
Closing balance on December 31, 2022	**6.785.337**	**28.703.594**	**35.488.931**
Accumulated depreciation and impairment losses:			
Opening balance on December 31, 2021	**-**	**25.783.140**	**25.783.140**
Depreciation for the year	-	259.763	259.763
Disposals and write-offs	-	(106.498)	(106.498)
Impairment loss	-	57.500	57.500
Closing balance on December 31, 2022	**-**	**25.993.905**	**25.993.905**
Net Value	**6.785.337**	**2.709.689**	**9.495.026**

2021	Land	Buildings	Total
Gross Value:			
Opening balance on December 31, 2020	**7.259.140**	**32.696.944**	**39.956.084**
Transfers	(339.913)	(3.756.688)	**(4.096.601)**
Closing balance on December 31, 2021	**6.919.227**	**28.940.256**	**35.859.483**
Accumulated depreciation and impairment losses:			
Opening balance on December 31, 2020	**-**	**28.796.406**	**28.796.406**
Depreciation for the year	-	285.671	**285.671**
Transfers	-	(3.298.937)	**(3.298.937)**
Closing balance on December 31, 2021	**-**	**25.783.140**	**25.783.140**
Net Value	**6.919.227**	**3.157.116**	**10.076.343**

The value of accumulated impairment losses on 31 December 2022 amounts to 257,500 Euros (200,000 Euros in 2021) (Note 26).

In 2022, the property located at Rua das Pereiras in Vila Nova de Gaia was sold.

The transfers that took place in Investment Properties in 2021 refer to properties transferred to Non-Current Assets Held for Sale.

8. NON-CURRENT ASSETS HELD FOR SALE

As of 31 December 2022 and 2021, "Non-current Assets Held for Sale" corresponded to the Group's non-operating assets that were covered by promissory purchase and sale agreements entered, and the Board of Directors expect that the corresponding sale will take place essentially in the year 2023.

The breakdown of non-current assets held for sale on 31 December 2022 and 2021 are as follows:

Non-current assets held for sale	2022	2021
- Property in Castelo Branco	680.334	646.218
- Property In Teivas, Viseu	-	1.034.116
- Property in Quinta do Cano, Viseu	1.494.887	1.494.887
Net Value	**2.175.221**	**3.175.221**

In 2022, the property of Teivas, Viseu was sold, which did not result any capital gain on its sale, with its realization value amounting to 1.000.000 Euros. In 2022 the financial movement associated with this operation resulted in a receipt to 885 thousand Euros.

9. *GOODWILL*

During the years ended December 31, 2022 and 2021, there were no movements in the caption "Goodwill".

The caption "*Goodwill*" fully refers to the amount determined in the acquisition in previous years of the subsidiary Movicargo whose activity was transferred (through a process of incorporation by merger) to the parent company Toyota Caetano Portugal, SA in previous years.

Goodwill is not amortized. Impairment tests are carried out on the value of *Goodwill* on an annual basis.

For the purposes of the impairment analysis, the recoverable amount was determined based on the value in use, according to the discounted cash flow method, based on business plans developed by the Group's managers and duly approved by the Board of Directors, using discount rates that reflect the inherent risks of the business.

As of 31 December 2022 the method and assumptions used to assess the existence, or not, of impairment, were as follows:

	2022	2021
Projection period (years):	5	5
Sales growth rate over the projection period:	2,00%	2,00%
Growth rate (g) (1):	0%	0%
Discount rate used (2):	8,14%	7,21%

(1) Growth rate used to extrapolate cash flows beyond the period considered in the business plan

(2) Discount rate applied to projected cash flows

The Board of Directors, based on the value of the estimated cash flows, discounted at the applicable rate, concluded that as of 31 December 2022 and 2021, the book value of net assets, including goodwill (612 thousand Euros), does not exceed its recoverable amount.

Cash flow projections were based on historical performance and expectations of improved efficiency. Those responsible for this segment consider that a possible change (within a normal scenario) in the main assumptions used in calculating the recoverable amount will not give rise to impairment losses.

10. FINANCIAL INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

Breakdown of the book value of investments in joint venture and associate

As of December 31, 2022 and 2021, the caption of financial investments in associates and joint ventures is detailed as follows:

	Headquarters	% Detention	2022	2021
Associated				
Kinto Portugal, S.A. (consolidated)	Vila Nova de Gaia	49,00%	21.459.516	23.699.123
Joint Venture				
CaetanoBus - Fabricação de Carroçarias, S.A. (consolidated)	Vila Nova de Gaia	61,94%	18.391.927	20.295.498
			39.851.443	**43.994.621**

Regarding CaetanoBus, despite the percentage of capital held being 61.94%, given the existence of an investment agreement with the other shareholder of that company, which provides that decisions on relevant activities (operational and financial) must be taken with unanimously by the two shareholders, the Board of Directors considered that the investment made corresponds to a joint venture, which is why it is accounted according to the equity method.

Within the scope of the acquisition transaction carried out, the investment agreement that was previously in force in the previous shareholder structure was fully maintained and transferred to the shareholder structure after the transaction. Thus, such agreement, which was already considered by the previous shareholder and seller of the stake as a joint venture, was subject to an assessment and analysis by the Board of Directors of Toyota Caetano Portugal, SA, which maintained the same understanding. Indeed, the said investment agreement (and the Articles of Association of the acquired company), establishes that decisions on the relevant activities of the subsidiary require unanimity at the level of the General Meeting of Shareholders. The main relevant activities / decisions are, at the level of the General Meeting, as follows:

- Any amendment to the deed of incorporation, the articles of association or any other constituent document of the company.
- Any change to the Company's corporate type, any merger or consolidation with another entity, any disposal or transfer of all or a substantial part of the assets or business, as well as its liquidation or dissolution.
- Any issue or redemption of shares of the Company or any other increase, decrease or other modification to the share capital of the Company.
- Any change to the Company's dividend policy or any change to the distribution of profits or assets.
- Constitution of a subsidiary or acquisition of other entity by the Company.
- Any public offering or stock exchange listing of any shares of the Company.
- Adoption or modification of the compensation of the Company's directors or managers or the general compensation policy for the Company's employees.
- Granting of guarantees equal to or greater than 500,000 Euros to guarantee the obligations of the Company's subsidiaries.
- Amendment and approval of the Company's Annual Business Plan or New Business Plan.
- Appointment or removal of any Executive Director, Chief Financial Officer, Chief Operating Officer or any Director or General Manager, or any position like the Chief Executive Officer of the Company.

On the other hand, on the Board of Directors (composed of a maximum of nine members), decisions on relevant activities require the favorable vote of at least three directors appointed by Toyota Caetano Portugal, SA, and the favorable vote of two directors appointed by the shareholder Mitsui & Co., Ltd. At the level of the Board of Directors, the relevant activities/decisions that require unanimity are as follows:

- Any transactions between the Company and its subsidiaries, except transactions in the ordinary course of business.

- Any sale (other than in the ordinary course of business) of any asset, or transfer or other disposal or grant of any warranty or other charge on any assets of the Company, provided they are not included or provided for in any of the Business Plans or with an amount greater than 100,000 Euros in one transaction or series of transactions in the same year.

- Commencement of any dispute, arbitration or legal process, whose value of the process exceeds 10,000 Euros.

- Any loan or other financing by the Company (excluding commercial financing to customers in the ordinary course of business up to an individual amount that does not exceed 1,000,000 Euros, provided that such amount is not covered by a letter of credit, commercial insurance, or any guarantee from institutions such as banks) to any person or any guarantee to be provided by the Company to guarantee obligations of any entity that and not the Company or its subsidiaries, except if said loans or financing are provided up to an individual amount not exceeding 100,000 Euros;

- Any loan or other fact that generates debt, or issue of bonds or debentures (whether convertible or not), by the Company, in an amount exceeding 1,500,000 Euros in one transaction or series of transactions in the same year.

- Any purchase, lease (except in the ordinary course of business) or other acquisition of any assets or other investments by the Company not included in any of the Business Plans or involving an amount exceeding 500,000 Euros in one transaction or series of transactions in the same year.

- Any lease in the normal course of business by the Company not included in any of the Business Plans or involving an amount exceeding 1,000,000 Euros in one transaction or series of transactions in the same year.

- Execution, amendment, or termination of any contract between the Company and its subsidiaries that contain commitments to repurchase the products sold by the subsidiaries.

- Guarantees provided by the Company to guarantee the obligations of any of its subsidiaries or third parties, with a value of less than 500,000 Euros.

- Entering, amending, or terminating a contract with a shareholder or its (the shareholder's) holdings.

- Any development of a new product or production line with a value greater than 500,000 Euros by the Company, if not included or foreseen in the Business Plan.

- Entering, amending, or terminating any contract with a term of more than one year or involving an amount exceeding EUR 10 million in one transaction or series of transactions, or any distribution, agency, sales representative or other framework agreement, master agreement or master agreement or any agreement that grants exclusivity to any person or entity.

Finally, in accordance with the investment agreement, it should be noted that in the event of a “deadlock”, a possible decision will never take place by a simple majority of voting rights, and any of the shareholders is ultimately entitled to acquire the stake from the other shareholder.

The foregoing thus constitutes the assessment basis that the Board of Directors of Toyota Caetano Portugal, SA considered to conclude on the classification of this investment as a joint venture.

<u>Summarized financial information of the subsidiaries</u>

As of December 31, 2022 and 2021, the summary financial information of the associate and the joint venture detailed above can be analyzed as follows:

Account	CaetanoBus Consolidated [12]		Kinto Portugal Consolidated [13]	
	2022	2021	2022	2021
Non-current asset	33.287.088	33.523.649	173.354.526	158.001.149
Current asset	77.302.409	50.570.262	18.485.521	48.046.846
Total of assets	110.589.497	84.093.911	191.840.047	206.047.995
Non-current liabilities	4.798.185	7.268.551	98.130.080	93.741.924
Current liabilities	80.491.339	49.176.116	74.650.304	91.377.845
Equity	25.299.973	27.649.244	19.059.663	20.928.226
Equity without non-controlling interests	25.299.973	27.649.244	19.059.663	20.928.226
Sales and services	64.275.565	51.163.531	97.427.189	98.908.826
Operational results	(12.486.798)	(7.958.329)	8.923.089	9.419.552
Financial results	(1.613.693)	(1.036.922)	(3.046.306)	(3.141.025)
Taxes	911.494	1.757.691	(2.786.893)	(1.798.373)
Net income	(13.065.648)	(7.548.440)	3.089.890	4.480.154
Net income without non-controlling interests	(13.065.648)	(7.548.440)	3.089.890	4.480.154

The turnover and Operating Income of the joint venture CaetanoBus - Fabricação de Carroçarias SA were negatively impacted in 2020 by the Covid-19 Pandemic, having extended throughout 2021 and until the beginning of 2022 with difficulties in the supply chains (namely of electrical components) and delays in subsidies attributions leading to new postponements of national and international tenders. In February 2022, the outbreak of the Invasion of Ukraine added a new negative effect on the initial expectation of activity recovering, which lead to an increase on energetic costs and consequently high Inflationary pressures, which in turn conducted to increase of benchmark interest rates.

The Board of Directors of the Toyota Caetano Portugal Group, in coordination with Board of Directors of that joint venture, in view of the existence of signs of impairment in terms of its non-current assets carried out a formal impairment analysis on them having concluded that there was no impairment.

12 CaetanoBus – Fabricação de Carroçarias, S.A. holds a joint venture In Germany (Cobus Industries, GmbH), and subsidiary I the UK (Caetano UK, Ltd).

13 With regard to the Kinto Portugal Group, the consolidated accounts presented are “pro-forma” accounts prepared for inclusion in the consolidated financial statements of the Toyota Caetano Portugal Group, due to the current closing calendar of Kinto Portugal being different from December 31, ending on March 31st. Kinto Portugal, S.A. has an associate in Senegal (Caetano Renting Senegal, S.A.).

Movement occurred during the year

During the years ended December 31, 2022 and 2021, the movement occurred under the heading of financial investments in associates and joint ventures, is detailed as follows:

	2022	2021
Financial holdings - Associates		
Balance on January 1	**23.699.123**	**22.785.000**
Application of the equity method:		
Effect on net income for the year	190.035	871.265
Effect on other comprehensive income	(134.317)	42.858
Distributed dividends	(2.295.325)	-
Balance on 31 of December	**21.459.516**	**23.699.123**
Financial participations - Joint ventures		
Balance on January 1	**20.295.498**	**16.320.000**
Capital Increase	6.193.548	9.290.322
Application of the equity method:		
Effect on net income for the year	(8.540.812)	(5.599.875)
Effect on other comprehensive income	443.693	285.051
Balance on 31 of December	**18.391.927**	**20.295.498**
Total	**39.851.443**	**43.994.621**

In 2020 occurred the purchase by Toyota Caetano Portugal SA of 12,000,000 shares of CaetanoBus - Fabricação de Carroçarias SA previously held by the company Salvador Caetano Indústria SGPS SA (related entity belonging to the shareholder “Grupo Salvador Caetano”) corresponding to around 61.94% of the respective voting rights for 16,320,000 Euros and acquired 7,350 shares of the company Kinto Portugal SA (49%) (previously called Finlog – Aluguer e Comércio de Automóveis SA) to the parent company Salvador Caetano Auto - S.G.P.S., S.A. (shareholder of Toyota Caetano) corresponding to 49% of the respective voting rights in the amount of 22,785,000 Euros. Extending its activity to other areas of mobility in 2020 Toyota Caetano Portugal became a direct shareholder of CaetanoBus and Kinto companies of the Salvador Caetano Group. In this strategy Toyota Motor Europe (TME) shareholder of Toyota Caetano Portugal assumes a leading role. If until now TME had already supplied CaetanoBus with a fuel cell to be integrated into the hydrogen powered bus the strengthening of the partnership allows Toyota Caetano Portugal to contribute to the expansion of sustainable mobility exploring synergies with CaetanoBus in the development production and sale of "zero emission" buses. The strengthening of the partnership with Kinto aims to develop mobility projects.

Additionally, as the transactions were only concluded in December 2020 it was not possible for the Board of Directors to collect the information necessary to carry out the procedures for determining the fair value of the assets liabilities and contingent liabilities acquired and therefore Accordingly disclose the respective provisional amounts for the year ended December 31, 2020. As these are two non-controlled entities access to all the information necessary for the preparation of an adequate price allocation exercise was not feasible in time having been carried out in 2021 within the period allowed by international accounting standards.

The exercise of determining the fair value of identifiable assets and liabilities and the consequent determination of the Goodwill implicit in the transactions completed in 2021 can be summarized as follows by subsidiary:

a) Associate - Kinto Portugal, S.A. (consolidated)

	2020	Fair Value Adjustments	Net assets as of 12/31/2020 (fair value)
Tangible fixed assets	151.874.693	13.976.470	165.851.163
Intangible assets	87.628	3.456.202	3.543.830
Other financial assets	19.435	-	19.435
Inventories	7.163.599	-	7.163.599
Accounts Receivable	8.708.339	-	8.708.339
Other current assets	16.911.697	-	16.911.697
Cash and cash equivalents	2.225.112	-	2.225.112
Loans	(149.406.140)	-	(149.406.140)
Provisions	(1.134.398)	-	(1.134.398)
Deferred tax liabilities	-	(3.922.351)	(3.922.351)
Accounts Payable	(13.472.533)	-	(13.472.533)
Income tax	(120.307)	-	(120.307)
Other current liabilities	(6.496.520)	-	(6.496.520)
	16.360.605	**13.510.321**	**29.870.926**

% of detention	49%
Proportioned net assets	14.636.754
Purchase cost	22.785.000
Goodwill	**8.148.246**

The fair value adjustments presented above essentially correspond to the following:

iii. Recognition at fair value of vehicles recorded in tangible fixed assets considering the estimated sales value of said vehicles considering the history of transactions carried out in relation to similar assets;

iv. Recognition as an intangible asset of the relationship with customers established on December 31, 2020 based on the income approach methodology considering the contracts established on that date.

Following the analysis carried out the deferred tax liabilities associated with the adjustments were recognized and the Board of Directors understood that the fair value of the remaining net assets did not significantly differ from their carrying amount in the consolidated financial statements of Kinto Portugal, S.A.

b) Joint venture - CaetanoBus – Fabricação de Carroçarias SA (consolidated)

	2020	Fair Value Adjustments	Net assets as of 12/31/2020 (fair value)
Financial investment in joint venture	14.533.921	(5.129.647)	9.404.274
Goodwill	475.700	(475.700)	-
Tangible fixed assets and intangible assets	9.971.138	1.951.718	11.922.856
Deferred tax assets	2.249.927	-	2.249.927
Inventories	39.713.973	2.297.080	42.011.053
Accounts Receivable	10.327.931	-	10.327.931
Other current assets	2.818.790	-	2.818.790
Cash and cash equivalents	389.343	-	389.343
Loans	(25.810.618)	-	(25.810.618)
Responsibilities for defined benefit plans	(3.109.843)	-	(3.109.843)
Deferred tax liabilities	-	(847.351)	(847.351)
Lease liabilities	(2.107.970)	-	(2.107.970)
Accounts Payable	(16.670.388)	-	(16.670.388)
Income tax	(280.987)	-	(280.987)
Other current liabilities	(12.763.471)	-	(12.763.471)
	19.737.446	**(2.203.900)**	**17.533.546**

% of detention	62%
Net assets proportionate by percentage of ownership	10.860.278
Purchase cost	16.320.000
Goodwill	**5.459.722**
Cobus Goodwill cancellation	(3.586.966)
Caetano UK Goodwill cancellation	(294.649)
Net Goodwill	**1.578.107**

The fair value adjustments presented above essentially correspond to the following:

ii. Financial investment in a joint venture:

a. Disregard of Goodwill generated in the acquisition of Cobus Industries GmbH by CaetanoBus – Fabricação de Carroçarias SA in previous years;

b. Recognition at fair value of real estate assets held by that entity based on an assessment carried out by a specialized and independent entity;

c. Recognition at fair value of the inventories of that subsidiary considering the estimate of the sale value of said assets considering the history of transactions carried out and sales prices agreed for similar inventories;

d. Recognition of deferred tax liabilities associated with said adjustments.

Additionally, the Board of Directors understood that the fair value of the remaining net assets did not significantly differ from their carrying amount in the consolidated financial statements of CaetanoBus – Fabricação de Carroçarias S.A..

As of 31 December 2022, 2021 and 2020 the reconciliation of the equity of the subsidiaries with the amount recorded as a financial investment is detailed as follows:

	Caetano Bus			Kinto		
	12/31/2022	12/31/2021	12/31/2020	12/31/2022	12/31/2021	12/31/2020
Equity without non-controlling interests	25.299.973	27.649.244	19.737.446	19.059.663	20.928.226	16.360.605
% of detention	62%	62%	62%	49%	49%	49%
	15.670.803	**17.125.942**	**12.225.374**	**9.339.235**	**10.254.831**	**8.016.696**
Valuation of fair value real estate	1.462.285	1.564.947	1.667.610	-	-	-
Valuation of fair value vehicles - Fixed assets	-	-	-	4.109.082	5.478.776	6.848.470
Customer's portfolio	-	-	-	1.016.123	1.354.831	1.693.539
Valuation of fair value inventories	12.830	473.082	1.549.328	-	-	-
Deferred tax liabilities	(327.690)	(446.223)	(700.419)	(1.153.171)	(1.537.562)	(1.921.952)
Goodwill	1.578.107	1.578.107	1.578.107	8.148.246	8.148.246	8.148.246
	18.396.336	**20.295.856**	**16.320.000**	**21.459.516**	**23.699.123**	**22.785.000**

As described in the section “Summarized financial information of the subsidiaries” of this Note, in the years ended In 31 December 2022 and 2021 signs of impairment were identified in relation to the financial participation in the joint venture CaetanoBus – Fabricação de Carroçarias S.A.. For this reason, the Board of Directors carried out a formal impairment analysis on the financial participation.

The main assumptions on which the analysis was based divided by geography in which the said joint venture operates are as follows:

2022			
	Portugal	United Kingdom	Germany
Compound growth rate of sales in this projection	33,6%	35%	31,80%
EBITDA Margin	[0.6%, 6,6%]	[2,8% ,3,8%]	[1,0%, 1,5%]
G (perpetuity growth rate)	2,00%	2,00%	2,00%
WACC (discount rate)	8,07%	6,90%	6,13%

2021			
	Portugal	United Kingdom	Germany
Compound growth rate of sales in this projection	49,00%	27,00%	37,00%
EBITDA Margin	[-1%,6%]	[3%,4%]	[1%,3%]
G (perpetuity growth rate)	2,00%	2,00%	2,00%
WACC (discount rate)	5,75%	5,02%	4,64%

The Group proceeded out a sensitivity analysis of the recoverable value of the investment in CaetanoBus, which focused on the assumptions that the Board of Directors considers most critical, and to which the models are more sensitive, namely the EBITDA margin (- 50%) and WACC (+2.0 p.p.), and as an outcome of this analysis, no impairment losses were identified.

The above assumptions in terms of the growth rate of sales and profitability reflect the expectation of the Board of Directors of the Group and that subsidiary of recovery and return to pre-pandemic operating levels from the year 2023.

As a result of the analysis carried out the Board of Directors understands that there is no need to recognize any impairment loss considering that a reasonable variation in one of the above assumptions would not affect the conclusion.

11. OTHER INVESTMENTS

On December 31, 2022 and 2021, the item "Other Investments" is detailed as follows:

Participation	2022	2021
Cimóvel - Fundo de Investimento Imobiliáro Fechado	4.817.718	4.474.657
Others	148.686	131.368
	4.966.404	**4.606.025**

During the years ended December 31, 2022 and 2021, the movements that occurred under the caption "Other investments" were as follows:

	2022	2021
Other investments		
Fair value on January 1	**4.606.025**	**4.219.437**
Acquisitions during the year	17.318	104.535
Increase/(decrease) in fair value	343.061	282.053
Fair value at the reference date	**4.966.404**	**4.606.025**

As of 31 December 2022, the caption "Other investments" includes the amount of 4,817,718 Euros (4,474,657 Euros as at 31 December 2021) corresponding to 580,476 participation units in Cimóvel - Fundo de Investimento Imobiliário Fechado (9.098%).) in the amount of 1,723,238 Euros (1,460,711 as at December 31, 2021). The present interest, measured at fair value by other comprehensive income, was thus designed on the date of recognition.

The remaining amount represents small-scale investments in unlisted companies, and the Board of Directors understands that the net amount at which they are accounted for is close to their fair value.

Additionally, the effect on equity in the years ended December 31, 2022 and 2021 of the registration of the participation in Fundo Cimóvel at its fair value can be summarized as follows:

	2022	2021
Variation of fair value	343.061	282.053
Deferred tax	**(77.189)**	-
Effect on Equity	**265.872**	**282.053**

12. INVENTORIES

On December 31, 2022 and December 31, 2021, this caption had the following composition:

	2022	2021
Raw, Subsidiary, and Consumable Materials	12.312.484	13.775.081
Products and Work in Progress	3.065.627	765.005
Finished and Intermediate Products	3.945.939	2.687.059
Goods	52.930.168	71.414.389
	72.254.218	**88.641.534**
Accumulated impairment losses on inventories (Note 26)	(2.006.348)	(1.839.613)
	70.247.870	**86.801.921**

The value of goods shown in the consolidated statement of financial position as of December 31, 2022 and 2021, broken down by seniority levels, is as follows:

	2022				
Goods	- 6 months	6 - 12 months	12 - 24 months	+ 24 months	Total
Parts	2.696.421	268.710	328.620	394.387	**3.688.138**
New vehicles	13.114.952	279.285	115.893	29.198	**13.539.328**
Used vehicles	27.421.913	5.332.458	1.166.173	1.681.057	**35.601.601**
Others	101.101	-	-	-	**101.101**
Total	**43.334.387**	**5.880.453**	**1.610.686**	**2.104.642**	**52.930.168**

	2021				
Goods	- 6 months	6 - 12 months	12 - 24 months	+ 24 months	Total
Parts	2.618.658	99.436	343.946	781.746	**3.843.786**
New vehicles	36.984.034	677.774	83.731	33.218	**37.778.757**
Used vehicles	17.161.235	8.230.424	3.314.617	999.731	**29.706.007**
Others	85.839	-	-	-	**85.839**
Total	**56.849.766**	**9.007.634**	**3.742.294**	**1.814.695**	**71.414.389**

As can be seen in the table above, goods over 24 months old amount to approximately 2.1 million Euros on 31 December 2022 (approximately 1.8 million Euros on 31 December 2021), and, in relation to this universe, impairments amounting to approximately 586 thousand Euros (574 thousand Euros as of 31 December 2021) were constituted.

The Group has defined impairment criteria for used vehicles that assume a devaluation in relation to their seniority. The criteria followed by the Group are supported by market information obtained from external entities with reference to 31 December. Therefore, the Board of Directors does not expect that in future years losses will be generated in the process of disposal and realization of said used vehicles.

As of 31 December 2022, the item for inventories includes the amount of 36 million euros related to used vehicles (28 million euros as of 31 December 2021).

As of 31 December 2022 and 2021, there are no assets in the Group's inventory that are given as a pledge to guarantee the liabilities incurred.

Cost of sales for the years ended December 31, 2022 and 2021 was determined as follows:

	2022			2021		
	Goods	Raw, subsidiary, and consumable materials	Total	Goods	Raw, subsidiary, and consumable materials	Total
Initial Stocks	71.414.389	13.775.081	**85.189.470**	70.741.590	7.359.274	**78.100.864**
Net Purchases	282.698.870	63.409.691	**346.108.561**	289.387.652	46.009.069	**335.396.721**
Transfers to/from inventories	(4.775.523)	-	**(4.775.523)**	(23.596.221)	-	**(23.596.221)**
Inventory regularization	3.246.231	-	**3.246.231**	2.972.136	-	**2.972.136**
Final Stocks	(52.930.168)	(12.312.484)	**(65.242.652)**	(71.414.389)	(13.775.081)	**(85.189.470)**
Total	**299.653.799**	**64.872.288**	**364.526.087**	**268.090.768**	**39.593.262**	**307.684.030**

The variation in production in the years ended December 31, 2022 and 2021 was determined as follows:

	2022			2021		
	Finished products, intermediates	Products and work in progress	Total	Finished products, intermediates	Products and work in progress	Total
Final Stocks	3.945.939	3.065.627	**7.011.566**	2.687.059	765.005	**3.452.064**
Regularization of stocks	(69.201)	66.420	**(2.781)**	(21.302)	18.797	**(2.505)**
Initial Stocks	(2.687.059)	(765.005)	**(3.452.064)**	(2.106.622)	(1.386.890)	**(3.493.512)**
Total	**1.189.679**	**2.367.042**	**3.556.721**	**559.135**	**(603.088)**	**(43.953)**

13. ACCOUNTS RECEIVABLE

On December 31, 2022 and 2021, this caption had the following composition:

	CURRENT ASSETS		NON- CURRENT ASSETS	
	2022	2021	2022	2021
Customers, current account	67.638.633	53.783.729	146.833	766.236
Customers doubtful accounts	9.508.485	9.898.488	-	-
	77.147.118	**63.682.217**	**146.833**	**766.236**
Accumulated impairment losses on customers (Note 26)	(9.445.666)	(9.977.302)	-	-
	67.701.452	**53.704.915**	**146.833**	**766.236**

As of 31 December 2022 and 2021, the breakdown by type of customer of the aging of accounts receivable, including information on the existence of credit enhancement instruments available to the Group, is as follows:

Aging of accounts receivable

2022	- 60 days	60-90 days	90-120 days	+ 120 days	Total	Credit enhancement instruments
Related companies	3.703.785	1.303.063	43.618	222.194	**5.272.660**	at.
Public entities	864.112	89.224	6.985	37.227	**997.548**	at.
Financial entities	7.081.434	217.683	160.952	768.130	**8.228.199**	at.
Insurance companies	1.915.656	111.289	114.442	126.556	**2.267.943**	at.
Customers with Payment Agreements	-	-	-	146.833	**146.833**	Payment agreements
Other customers	39.039.241	1.493.714	698.407	1.286.748	**42.518.110**	at.
Independent Dealers	7.717.640	99.512	26.294	510.727	**8.354.173**	Bank guarantees
Total	**60.321.868**	**3.314.485**	**1.050.698**	**3.098.415**	**67.785.466**	

2021	- 60 days	60-90 days	90-120 days	+ 120 days	Total	Credit enhancement instruments
Related companies	3.609.799	52.308	32.057	127.710	**3.821.874**	at.
Public entities	354.071	18.250	5.433	51.031	**428.785**	at.
Financial entities	5.715.379	663.182	174.490	464.373	**7.017.424**	at.
Insurance companies	1.227.093	113.172	33.697	74.083	**1.448.045**	at.
Customers with Payment Agreements	17.012	331	147	748.746	**766.236**	Payment agreements
Other customers	31.989.928	829.982	223.561	1.404.184	**34.447.655**	at.
Independent Dealers	6.279.052	1.455	1.913	337.526	**6.619.946**	Bank guarantees
Total	**49.192.334**	**1.678.680**	**471.298**	**3.207.653**	**54.549.965**	

Maturity of debts with recognition of impairment losses

2022	- 60 days	60-90 days	90-120 days	+ 120 days	Total
Other clients	22.753	5.322	6.523	9.473.887	9.508.485
Total	**22.753**	**5.322**	**6.523**	**9.473.887**	**9.508.485**

2021	- 60 days	60-90 days	90-120 days	+ 120 days	Total
Other clients	68.951	11.656	25.969	9.791.912	9.898.488
Total	**68.951**	**11.656**	**25.969**	**9.791.912**	**9.898.488**

It is the Board of Directors' understanding that the credit risk associated with customers that makes up the oldest age bracket is small because of:

a) Customers with payment agreements: considering the credit analyses carried out, the knowledge of the customers in question and the external information obtained on their financial situation, it is understood that these customers do not present a significant credit risk, and the Board of Management regularly monitors compliance with established agreements, involving such agreements with a reduced number of entities.

b) Related Companies: this type of customer includes several entities belonging to the sphere of the Salvador Caetano Group, with whom the Toyota Caetano Portugal Group maintains regular commercial transactions, and the Group also maintains transactions as a customer with entities of the same Salvador Group Caetano. The Board of Directors therefore understands that the amounts included in the "+120 days" age group for this type of customer are fully recoverable.

c) Other customers: this type of customer includes, among others, general vehicle customers for whom there is usually a retention of ownership clause associated with the vehicle sold or, alternatively, where ownership is not transferred until the vehicle is disposed of. is fully settled. However, the Board of Directors understands that, in this type of customer, there are situations of moderate credit risk, which are not materially relevant. The Group's credit control and collections department constantly monitors these situations.

Regarding the application of the Expected Credit Losses model recommended in IFRS 9, the Group applied in the analysis carried out the simplified approach of recognizing expected credit losses in the economic life of accounts receivable, considering that they do not have a financing component significant.

It should also be noted that, about financial instruments corresponding to accounts receivable from customers, there was generally no relevant change in the average time for receipts in 2022. This fact was considered in the impairment analysis of accounts receivable carried out by the Group.

The amounts presented in the consolidated statement of financial position are net of accumulated impairment losses for bad debts that were estimated by the Group, in accordance with its experience and based on its assessment of the economic situation and surroundings on the date of the statement of position consolidated financial. Thus, the Board of Directors understands that the book values of accounts receivable from customers are close to their fair value.

14. OTHER DEBTORS

As of 31 December 2022 and 31 December 2021, this caption had the following composition:

	CURRENT ASSETS	
	2022	2021
Advances to Suppliers	191.982	59.135
State and other public entities (IVA)	913.240	149.751
Other debtors	1.172.057	819.992
	2.277.279	**1.028.878**

It should be noted that this caption also includes a balance receivable in the amount of 11,227 Euros from the related party Fundação Salvador Caetano (13,822 Euros on 31 December 2021).

15. OTHER CURRENT ASSETS

On December 31, 2022 and December 31, 2021, this heading had the following composition:

	2022	2021
Debtors for accrued incomes		
Fleets, Campaigns, Bonuses, Rappel, and co-payments to be received from brands	1.312.063	1.933.690
Training grants (IEFP)	384.596	494.897
Intermediation commissions (financing and insurance)	311.573	357.495
Rents	32.545	140.575
Consultancy	-	98.148
Warranty Claims	127.048	98.107
Others	188.523	226.799
	2.356.348	**3.349.711**
Deferrals (Expenses to be recognized)		
Insurance	219.990	141.934
Rents	130.320	51.733
Charges with commercial paper	102.906	256.654
Others	165.749	330.622
	618.965	**780.943**
Total	**2.975.313**	**4.130.654**

The item “Fleets, Campaigns, Bonuses, Rappel and co-payment receivable from brands” corresponds to amounts to be received from performance awards and achievement of objectives achieved in 2022 granted by the Toyota and Lexus brands, as well as support for campaigns developed by them.

16. DEFERRED TAX ASSETS AND LIABILITIES

The detail and movement of the amounts and the nature of the deferred tax assets and liabilities recorded in the accompanying consolidated financial statements on December 31, 2022 and December 31, 2021, can be summarized as follows:

2022				
	2021	Impact on Results	Impact in Equity	2022
Deferred tax assets:				
Debtors for accrued incomes	858.385	(188.498)	-	669.887
Fleets, Campaigns, Bonuses, Rappel, and co-payments to be received from brands	1.620.998	(325.121)	(927.835)	368.042
Training grants (IEFP)	894.536	349.204	-	1.243.740
Others - Revenue from operations	154.8 hfp16	(50.393)	-	104.423
	3.528.735	**(214.808)**	**(927.835)**	**2.386.092**
Deferred tax Liabilities:				
Amortizations resulting from legal and free revaluations	(1.491.019)	-	-	(1.491.019)
Effect of the reinvestment of capital gains generated with disposals of fixed assets	(53.966)	9.400	-	(44.566)
Imputation of the fair value of financial assets	(328.662)	-	(77.189)	(405.851)
	(1.873.647)	**9.400**	**(77.189)**	**(1.941.436)**
Net effect (Note 27)		**(205.408)**	**(1.005.024)**	

2021					
	2020	Other Variations	Impact on Results	Impact on Equity	2021
Deferred tax assets:					
Impairment losses and provisions constituted and not accepted as tax costs	278.676	-	579.709	-	858.385
Responsibilities for defined benefit plans	2.225.687	-	(285.473)	(319.216)	1.620.998
Nullification of Tangible Assets/Inventories	578.453	-	387.103	(71.020)	894.536
Others - Revenue from operations	65.867	-	88.949		154.816
	3.148.683	**-**	**770.288**	**(390.236)**	**3.528.735**
Deferred tax Liabilities:					
Amortizations resulting from legal and free revaluations	(1.514.350)	3.547	19.784	-	(1.491.019)
Effect of the reinvestment of capital gains generated with disposals of fixed assets	(60.248)	(3.547)	9.829	-	(53.966)
Imputation of the fair value of financial assets	(265.200)	-	(63.462)	-	(328.662)
	(1.839.798)	**-**	**(33.849)**	**-**	**(1.873.647)**
Net Effect (Note 27)		**-**	**736.439**	**(390.236)**	

As of December 31, 2022 and December 31, 2021, the Group companies had no reportable tax losses.

On December 31, 2022 and 2021, the tax rates used to calculate deferred tax assets and liabilities were as follows:

Tax Fee	2022	2021
Country of origin of the branch:		
Portugal	22,5%- 21%	22,5%-21%
Cabo Verde	25%	25%

The subsidiary companies of the Toyota Caetano Group headquartered in Portugal are subject to Corporate Income Tax in accordance with the Special Regime for Taxation of Groups of Companies ("RETGS") pursuant to articles 69 and 70 of the Corporate Income Tax Code.

In accordance with current legislation, the tax returns of Toyota Caetano and Group companies based in Portugal are subject to review and correction by the tax authority for a period of four years. Thus, tax returns for the years 2019 to 2022 may still be subject to review. Social Security declarations can be reviewed over a period of five years. The Group's Board of Directors understands that any corrections resulting from reviews/inspections by the tax authority to those tax returns for the years open to inspection should not have a significant effect on the attached consolidated financial statements.

Pursuant to Article 88 of the Corporate Income Tax Code, Group companies headquartered in Portugal are additionally subject to autonomous taxation on a set of charges at the rates set out in the article. Additionally, to the taxable income calculated more than between 1.5 million Euros and 7.5 million Euros, a state surcharge of 3%, greater than 7.5 million Euros and up to 35 million Euros, is added a state surcharge of 5% and to the taxable income calculated more than more than 35 million Euros is added a state surcharge of 9%.

17. CASH AND CASH EQUIVALENTS

As of December 31, 2022 and December 31, 2021, the breakdown of cash and cash equivalents was as follows:

	2022	2021
Cash	125.984	117.938
Bank Deposits	11.173.763	22.004.822
	11.299.747	**22.122.760**

18. EQUITY

Share Capital

As of December 31, 2022 and 2021, the capital of the Parent Company, fully subscribed and realized, is made up of 35,000,000 nominative shares, fully subscribed and realized, with a nominal value of 1 Euro each.

The identification of legal persons with more than 20% of the subscribed capital is as follows:

- Salvador Caetano - Auto S.G.P.S., S.A.	69,80%
- Toyota Motor Europe NV/SA	27,00%

In 2022, Salvador Caetano - Auto SGPS, SA acquired 989 shares with a nominal value of 1 Euro each, fully realized and representing 0.00283% of the share capital.

Dividends

At the Ordinary General Meeting held on May 31, 2022, shareholders approved the distribution of dividends to be attributed to capital of €0.20 per share, in the amount of €7 million.

At the Extraordinary General Meeting held on November 30, 2021, the distribution of dividends in the amount of 10.5 million Euros was approved by the application of amounts recorded under the caption “Retained earnings”.

As of December 31, 2022, there are no restrictions on the distribution of dividends.

Legal reserve

In accordance with the commercial legislation in force, at least 5% of the annual net income, if positive, must be used to reinforce the legal reserve, until it represents 20% of the Company's capital. This reserve is not distributable, except in the event of liquidation of the Company, but it can be used to absorb losses after the other reserves have been exhausted or incorporated into the capital

Fair value reserves

Fair value reserves reflect changes in the fair value of equity instruments at fair value through equity and cannot be distributed or used to absorb losses (Note 11).

Other reserves and retained earnings

Under Portuguese law, the number of distributable reserves is determined in accordance with the individual financial statements of Toyota Caetano Portugal, SA, presented in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

19. NON-CONTROLLING INTERESTS

The movement of this item during the years ended December 31, 2022 and 2021 was as follows:

	2022	2021
Opening balance on January 1st	1.329.406	1.284.674
Entrance to the perimeter - Destaque Mourisco	-	430
Non-controlling interests' acquisition	-	(86.832)
Others	4.462	-
Net profit attributable to non-controlling interests	117.695	131.134
	1.451.563	**1.329.406**

The breakdown of the amount by fully consolidated subsidiary company in the Financial Statements presented on December 31, 2022 and December 31, 2021 is as follows:

2022			
Subsidiary	% IQNC	Non-controlling interests	Net profit attributable to non-controlling interests
Caetano Auto CV	18,76%	779.922	58.533
Caetano Auto	1,26%	669.207	57.097
Destaque Mourisco	43,72%	(767)	(1.136)
Salvador Caetano Seguros	1,26%	3.201	3.201
		1.451.563	**117.695**

2021			
Subsidiary	% IQNC	Non-controlling interests	Net profit attributable to non-controlling interests
Caetano Auto CV	18,76%	731.836	75.643
Caetano Auto	1,26%	597.201	55.551
Destaque Mourisco	43,72%	369	(60)
		1.329.406	**131.134**

The summary of the financial information of the subsidiaries listed above is shown in the table below:

	Caetano Auto		Caetano Auto CV		Destaque Mourisco		Salvador Caetano Seguros
Account	2022	2021	2022	2021	2022	2021	2022
Non-current asset	50.747.466	52.534.776	1.170.588	1.235.518	-	-	-
Current asset	56.571.322	61.030.895	7.096.573	6.851.947	653	861	333.790
Total Assets	**107.318.788**	**113.565.671**	**8.267.161**	**8.087.465**	**653**	**861**	**333.790**
Non-current liabilities	5.392.037	9.523.420	1.439.438	1.439.437	-	-	-
Current liabilities	49.975.178	57.957.899	2.632.509	2.700.514	2.391	-	74.423
Equity	**51.951.573**	**46.084.352**	**4.195.214**	**3.947.514**	**(1.738)**	**861**	**259.367**
Sales and services	236.799.136	211.630.931	16.073.817	14.409.965	-	-	332.498
Operational Results	6.865.534	5.473.784	384.197	412.776	(2.599)	(139)	328.355
Financial Results	(74.281)	(288.113)	14.703	(9.906)	-	-	(139)
Taxes	(1.843.037)	(767.930)	(95.511)	(29.173)	-	-	(73.849)
Net income	**4.948.216**	**4.417.741**	**303.389**	**373.697**	**(2.599)**	**(139)**	**254.367**

On December 31, 2022 and December 31, 2021, the caption "Financing obtained" has the following detail:

	2022			2021		
	Current	Non-current	TOTAL	Current	Non-current	TOTAL
Bank loans	22.136.203	-	**22.136.203**	15.280.530	-	**15.280.530**
Bank Overdrafts	6.800	-	**6.800**	8.203	-	**8.203**
Bond Loan	12.500.000	-	**12.500.000**	-	12.500.000	**12.500.000**
Leases	4.877.306	14.663.934	**19.541.240**	6.991.502	12.875.771	**19.867.273**
	39.520.309	**14.663.934**	**54.184.243**	**22.280.235**	**25.375.771**	**47.656.006**

The movement in bank loans, bank overdrafts, other loans, Commercial Paper programs and bond loans, during the years ended December 31, 2022 and 2021 was as follows:

2022	Opening Balance	Increases	Decreases	Other Variations (*)	Closing Balance
Bank loans	280.530	-	144.327	-	**136.203**
Bank Overdrafts	8.203	-	-	(1.403)	**6.800**
Guaranteed accounts	15.000.000	60.000.000	60.000.000	-	**15.000.000**
Commercial paper	-	64.500.000	57.500.000	-	**7.000.000**
Bond Loan	12.500.000	-	-	-	**12.500.000**
Leases	19.867.273	6.601.048	7.487.497	560.416	**19.541.240**
	47.656.006	**131.101.048**	**125.131.824**	**559.013**	**54.184.243**

2021	Opening Balance	Increases	Decreases	Other Variations (*)	Closing Balance
Bank loans	10.362.760	-	10.082.230	-	**280.530**
Bank Overdrafts	124.994	-	-	(116.791)	**8.203**
Guaranteed accounts	-	85.000.000	70.000.000	-	**15.000.000**
Commercial paper	-	113.500.000	113.500.000	-	-
Bond Loan	12.500.000	-	-	-	**12.500.000**
Leases	21.267.453	-	7.490.088	6.089.908	**19.867.273**
	44.255.207	**198.500.000**	**201.072.318**	**5.973.117**	**47.656.006**

(*) No impact on the statement of cash flows

As of December 31, 2022 and 2021, the details of bank loans, bank overdrafts, Commercial Paper programs and bond loans, as well as their respective conditions, are as here:

2022				
Description/Beneficiary Company	Amount Used	Limit	Start Date	Term
Non-Current				
Bond loan				
Toyota Caetano Portugal	12.500.000	12.500.000	09/08/2018	5 years
	12.500.000	**12.500.000**		
Current				
Guaranteed accounts				
Toyota Caetano Portugal	15.000.000	20.000.000	03/12/2021	1 year (**)
Toyota Caetano Portugal	-	2.000.000	27/11/2011	3 months (*)
Covid Line Loan				
Caetano Auto CV	136.203	136.203		
Bank overdrafts	6.800	5.500.000		
Discounted invoices under "Confirming" regime	-	4.500.000		
Commercial paper:				
Toyota Caetano Portugal	7.000.000	7.000.000	27/02/2021	5 years
Toyota Caetano Portugal	-	10.000.000	27/02/2021	5 years
Toyota Caetano Portugal	-	10.000.000	18/08/2020	5 years
Toyota Caetano Portugal	-	4.000.000	17/07/2017	5 years
Toyota Caetano Portugal	-	4.000.000	24/02/2021	1 year
Toyota Caetano Portugal	-	13.000.000	14/06/2021	5 years
	22.143.003	**80.136.203**		
	34.643.003	**92.636.203**		

2021				
Description/Beneficiary Company	Amount Used	Limit	Start Date	Term
Non-Current				
Bond loan				
Toyota Caetano Portugal	12.500.000	12.500.000	09/08/2018	5 years
	12.500.000	**12.500.000**		
Current				
Guaranteed accounts				
Toyota Caetano Portugal	15.000.000	20.000.000	03/12/2021	1 year (**)
Toyota Caetano Portugal	-	2.000.000	27/11/2021	3 months (*)
Covid Line Loan				
Caetano Auto CV	280.530	280.530		
Bank overdrafts	8.203	5.500.000		
Discounted invoices under "Confirming" regime	-	4.500.000		
commercial paper:				
Toyota Caetano Portugal	-	19.000.000	27/02/2021	5 years
Toyota Caetano Portugal	-	10.000.000	18/08/2020	5 years
Toyota Caetano Portugal	-	4.000.000	17/07/2017	5 years
Toyota Caetano Portugal	-	4.000.000	24/02/2021	1 year
Toyota Caetano Portugal	-	15.000.000	14/06/2021	5 years
	15.288.733	**84.280.530**		
	27.788.733	**96.780.530**		

(*) renewable quarterly
(**) renewable annually

Below, we detail the amount related to financing obtained or credit lines contracted for which real guarantees were granted related to mortgages on properties (Note 37):

- Commercial Paper: 17,000,000 Euros

- Covid Line Loan: 136,203 Euros

Interest on the bank loans is indexed to Euribor (floor zero), plus a "spread" that varies between 0.45% and 2.5%.

The Group and its subsidiaries have contracted credit lines as of 31 December 2022 in the amount of approximately 93 million Euros (of which approximately 35 million Euros were used as of 31 December 2022) which may be used to future operating activities and to meet financial commitments, with no restriction on the use of these facilities. This amount is invested in several financial institutions and there is no excessive concentration in any of them.

The heading Lease liabilities (current and non-current) corresponds to the Group's liabilities, as lessee, relating to the rights of use related to cargo handling equipment and leased properties to carry out a reduced part of its operations, since the most of the Group's operating activity is carried out on its own properties.

Responsibilities by maturity ranges:

Financing

	2022					
	12m	12-24m	24-36m	36-48m	>48m	Total
Bank loans	15.136.203	-	-	-	-	**15.136.203**
Bond loan	12.500.000	-	-	-	-	**12.500.000**
Bank Overdrafts	6.800	-	-	-	-	**6.800**
Commercial paper	7.000.000	-	-	-	-	**7.000.000**
Leases	4.877.306	5.857.359	3.334.527	2.465.857	3.006.191	**19.541.240**
Total financing	**39.520.309**	**5.857.359**	**3.334.527**	**2.465.857**	**3.006.191**	**54.184.243**

	2021					
	12m	12-24m	24-36m	36-48m	>48m	Total
Bank loans	15.280.530	-	-	-	-	**15.280.530**
Bond loan	-	12.500.000	-	-	-	**12.500.000**
Bank Overdrafts	8.203	-	-	-	-	**8.203**
Leases	6.991.502	4.947.880	3.999.009	2.153.922	1.774.960	**19.867.273**
Total financing	**22.280.235**	**17.447.880**	**3.999.009**	**2.153.922**	**1.774.960**	**47.656.006**

Interest

	2022					
	12m	12-24m	24-36m	36-48m	>48m	Total
Bank loans	547.804	-	-	-	-	**547.804**
Leases	377.005	240.351	138.588	77.399	96.987	**930.330**
bond loan	203.039	347.482	-	-	-	**550.521**
total interest	**1.127.848**	**587.833**	**138.588**	**77.399**	**96.987**	**2.028.655**

	2021					
	12m	12-24m	24-36m	36-48m	>48m	Total
Bank loans	97.656	-	-	-	-	**97.656**
Leases	414.532	291.748	160.781	76.716	42.024	**985.801**
bond loan	249.670	249.670	-	-	-	**499.340**
total interest	**761.858**	**541.418**	**160.781**	**76.716**	**42.024**	**1.582.797**

21. ACCOUNTS PAYABLE

On December 31, 2022 and December 31, 2021 this item consisted of current balances payable to suppliers, which are fully due in the short term.

The Group, within the scope of financial risk management, has implemented policies to ensure that all liabilities will be paid within the defined payment terms.

22. OTHER CREDITORS

On December 31, 2022 and December 31, 2021, this heading had the following composition:

	CURRENT LIABILITIES		NON-CURRENT LIABILITIES	
	2022	2021	2022	2021
Income Taxes withheld	447.802	436.836	-	-
Value-added tax	11.491.072	14.697.609	-	-
Vehicle's tax	1.085.276	2.378.890	-	-
Contributions to Social Security	771.947	740.956	-	-
Municipality Tax	165.839	167.679	-	-
Others	4.787	6.257	-	-
State and other public entities - Subtotal	**13.966.723**	**18.428.227**	**-**	**-**
Shareholders	29.742	24.954	-	-
Advances from Customers	3.254.006	2.446.886	-	-
Other creditors	26.958.560	33.787.564	805.640	2.275.204
Other creditors - Subtotal	**30.242.308**	**36.259.404**	**805.640**	**2.275.204**
	44.209.031	**54.687.631**	**805.640**	**2.275.204**

In certain situations, the Group is resorting to the financial entity of the represented brands, namely the entity Toyota Kreditbank, GMBH - Branch in Portugal (Note 36), for the purpose of acquiring vehicles, necessary for the levels of activity carried out. The amounts owed to this entity are included under the caption "Other creditors" and amount to 26,779,908 Euros as of 31 December 2022 (35,280,151 Euros as of 31 December 2021).

It is the understanding of the Board of Directors that the accounts payable to Toyota Kreditbank, GMBH – Branch in Portugal for the purpose of acquiring vehicles, have specific characteristics that justify a separate presentation of the financing obtained and from suppliers. Indeed, the Group finances the acquisition of new vehicles (for exhibition) and registered vehicles (intended for demonstration, courtesy and rental) through the financial entity of the Toyota Japan Group, Toyota Kreditbank, GMBH – Branch in Portugal, with the said agreements entered into with this entity determine that the settlement of the liability must be carried out on the most recent of the following dates: the maturity date of the agreement or the date of sale of the vehicle. This is a relevant, specific, and unique characteristic of this type of liability, a fact that was considered by the Board of Directors in the process of assessing the classification of the financial liability. In the aforementioned assessment, the Board of Directors also considered it to be industry practice not to present this type of liability as financing obtained when it is specifically associated with the acquisition of vehicles.

The amounts outstanding with Toyota Kreditbank, GMBH – Branch in Portugal on 31 December 2022 and 2021 relate to financing with maturities of less than 640 days, interest rates between 1.45% and 2.15%, with the companies of the Toyota Caetano Portugal Group guarantee the same through the delivery of a blank promissory note with the respective filling agreement.

There are no outstanding debts to the State and Social Security.

23. INCOME TAX (STATEMENT OF FINANCIAL POSITION)

The breakdown of the Income Tax heading on December 31, 2022 and 2021 is as follows:

	2022	2021
Credit Balances		
Corporate Income Tax		
Income Tax Payable	2.116.541	4.307.955
	2.116.541	**4.307.955**

24. OTHER CURRENT LIABILITIES

On December 31, 2022 and 2021, the caption “Other current liabilities” can be detailed as follows:

	2022	2021
Creditors for accrued costs		
Charges with vacations and vacation subsidies	8.307.798	6.148.853
Advertising campaigns and sales promotion	362.692	746.823
Commissions payable	833.575	217.178
Vehicle tax on sold and unregistered vehicles	1.032.644	1.711.789
Charges with External Supplies and Services to settle	1.281.760	1.178.933
Rappel charges attributable to fleet management entities	613.556	308.099
Specialization of costs assigned to vehicles sold	1.170.239	1.119.811
Insurance	37.054	32.420
Interest	203.479	136.539
Municipal Property Tax	152.959	98.723
Royalties	152.285	104.650
Others	2.245.595	1.736.527
	16.393.636	**13.540.345**
Deferred Income		
Vehicle Maintenance / Assistance Contracts	6.251.670	6.192.449
Revenue deferral	1.488.904	3.556.395
Others	543.401	245.899
	8.283.975	**9.994.743**
Total	**24.677.611**	**23.535.088**

As at December 31,2022, the caption "Others" of creditors for increased expenses Includes advances of maintenance contracts with vehicles of substitution in 599,297 Euros (554,727 Euros in 2021).

As of 31 December 2022, the caption “Revenue deferral” includes invoices issued to customers in relation to ongoing sales processes for which the associated performance obligation has not yet been met.

On December 31, 2022 and December 31, 2021, the caption “Vehicle Maintenance / Assistance Contracts”, includes the deferred amount related to multi-annual vehicle maintenance contracts, already invoiced, and received, for which the obligation to associated performance has not yet been met, which is why the respective revenue is deferred. Said amount is recognized as the performance obligation is fulfilled.

25. RESPONSIBILITIES FOR DEFINED BENEFIT PLANS

Toyota Caetano Portugal (together with other associates) set up, by public deed dated December 29, 1988, the Salvador Caetano Pension Fund, subsequently amended on February 2, 1994, April 30, 1996, August 9, 1996, on July 4, 2003, on February 2, 2007, on December 30, 2008, on December 23, 2011 and on December 31, 2013.

This Pension Fund established that, if its members maintained the decision to make contributions to the said fund, that most workers could earn, from the date of retirement, a non-updatable supplement, determined based on a percentage maturity, among other conditions, configuring a defined benefit plan. To cover these liabilities, an Autonomous Fund has been set up (which is currently managed by BPI Vida e Pensões, SA).

On December 18, 2007, a dossier was sent to the Instituto de Seguros de Portugal containing the proposed amendments to the Constitutive Contract of the Salvador Caetano Pension Fund, as well as the minutes of approval of the same by the Monitoring Committee of the Fund, proposing, with effective January 1, 2008, the approval by that body of those same amendments.

The above-mentioned proposal to change the supplementary pension regime, duly approved by the Pension Fund Monitoring Committee, includes maintaining a Defined Benefits regime for former retirees and beneficiaries of deferred pensions, as well as for all employees of the members of the Salvador Caetano Pension Fund who, on January 1, 2008, had completed 50 years of age and more than 15 years of service with the members of the Salvador Caetano Pension Fund, with the creation of a new group (formed by the remaining universe of workers at the service of members of the Salvador Caetano Pension Fund) which, from that date on, was included in a Defined Contribution Plan.

On December 29, 2008, a letter was received containing the approval by the ISP – Instituto de Seguros de Portugal, of the intended changes and to be in force from 1/1/2008.

The ISP determined in said approval that employees of members of the Salvador Caetano Pension Fund who, on January 1, 2008, had reached 15 years of service to the member and were under 50 years of age (and who will become part of a Defined Contribution) were entitled to an individual “initial capital” according to the new plan, determined according to the actuarial liabilities determined with reference to December 31, 2007 and based on the assumptions and criteria used in that year. The assets of the Salvador Caetano Pension Fund were on that date allocated to those two Plans pursuant to the rules then instituted by the ISP, thus maintaining that format until the present date.

In this way, the Salvador Caetano Pension Fund is a single fund and includes two different plans: a Defined Benefit plan and a Defined Contribution plan.

The main features of the Salvador Caetano Pension Plan in terms of before the defined benefits are as follows:

- The pension plan is complementary to the public Social Security schemes, the plan being independent of the pensions granted by Social Security.
- The pension plan provides for the payment of pensions in case of old-age and disability pensions.
- The pension plan provides for the existence of acquired rights.
- The updating of pensions depends on the decision of the members of the Salvador Caetano Pension Fund.
- Payment of benefits is made directly by the Pension Fund.
- In terms of eligibility, employees who are at least 50 years old on December 31, 2017 and who, on that same date, had completed 15 years in the service of one of the members of the Salvador Caetano Pension Fund are eligible.

- The normal retirement age respects the age established by the General Social Security System.
- The pensionable salary corresponds to 14/13 of the last salary earned by the worker.
- The retirement pension for old age and disability corresponds to 20% of the monthly pensionable salary.
- These pensions are paid 13 times a year.
- In terms of the minimum level of solvency, the value of the assets of the Salvador Caetano Pension Fund cannot be less than the minimum amount of solvency calculated in accordance with the rules established by the regulatory norm of the Supervisory Authority for Insurance and Pension Funds (“ASF ”). The “Minimum Solvency Scenario” is thus calculated by the responsible actuary (BPI Pensões, SA) in accordance with ASF Rule No. 21/96-R, of December 5th.

The Salvador Caetano Pension Fund currently has a management contract with the management entity BPI Vida e Pensões, SA, with this management entity acting as the “Responsible Actuary”. In accordance with the current legislation in force, the management entity must ensure that the assets that make up the Salvador Caetano Pension Fund's assets are adequate for the responsibilities arising from the pension plan, and for this purpose must consider, namely:

- The nature of the anticipated benefits.
- The time horizon of responsibilities.
- The established investment policy and the risks to which the assets are subject; It is
- The level of financing the liabilities.

Thus, under the management contract established with BPI Vida e Pensões, SA, the management entity must use the methods or techniques it deems most in line with the objective of guaranteeing, with a high level of reasonableness, that unfavorable fluctuations in the value of the assets they do not call into question the payment of liabilities assumed, especially those related to pensions in payment. In this sense, BPI Vida e Pensões, SA has developed a model for the compatibility analysis between the Pension Fund's assets and liabilities, known as the "ALX Model", which aims to determine the appropriate composition of a portfolio of financial assets, harmonizing the nature, risk, duration and return of the assets, with the average maturity of the liabilities borne by the Fund, both in respect of pensions in payment and in respect of pensions payable in the future relative to workers still in active service. This model does not, however, eliminate the use of more sophisticated and complete ALM (Asset Liability Management) models.In accordance with the investment policy established in the Pension Fund Management Agreement, the table below shows the objective allocation (“Weight”) excluding real estate and other national assets:

	Minimum limit	Central Value	Maximum limit
Eurozone Private Debt Bonds	45,0%	50,0%	55,0%
Eurozone Public Debt Obligations	20,0%	25,0%	30,0%
Global Actions	13,0%	17,0%	22,0%
Absolute Return	3,0%	8,0%	13,0%
Other Assets	0,0%	-	10,0%
High Yield	0,0%	-	10,0%
cash	0,0%	0,0%	12,8%

Below is a description of each of the risks in the activity of BPI Vida e Pensões, SA, as well as the information models used for the respective monitoring:

MARKET RISK

The main market risks arise from changes in the prices of securities in the portfolios, resulting from investors' perception of factors intrinsic to the issuer or the markets, or even geopolitical factors.

The tools used to measure and quantify exposure to market risks are the following:

VaR – Value at Risk

Value at Risk (VaR) is understood to be the estimated maximum loss expected for a portfolio in each time horizon with a given level of confidence.

BPI Vida e Pensões, SA's VaR calculation system resorts to the volatilities and correlations historically determined for the different securities and prices in the last 365 days, determining the VaR of each portfolio for a time interval of 30 days and a confidence level of 95%.

The results of the hedging policies, implemented by the managers, are also evaluated and consolidated, namely through the VaR values determined with and without derivatives.

Stress scenarios

To complement the information provided for each portfolio by the VaR, which is based on historical series, BPI Vida e Pensões, SA also assesses the exposure to market risks, analyzing the impact on the future value and respective profitability of each portfolio, considering the repetition of past stress scenarios.

These stress scenarios are applied to the key variables, assessing their individual impact and the joint impact with other variables.

CREDIT RISK (portfolio diversification)

The credit risk of each security is assessed considering the credit risk of each issuer and the nature of its debt, as well as the rating notation and the probability of default.

LIQUIDITY RISK

To assess the liquidity risk, each manager permanently monitors the expected inflows and outflows from the portfolios and maintains adequate liquidity levels for the expected maturities of liabilities.

OPERATIONAL RISK

Operational risk is assessed considering the operational loss database of BPI Vida e Pensões, SA, which records all events and their respective financial impact.

Additionally, for the year ended December 31, 2022, there was no change, early cancellation, or liquidation of the Defined Benefit Plan.

The actuarial assumptions used for the 2022 and 2021 valuation by the management company include the TV88/90 and Suisse Re 2001 Mortality and Disability Tables, respectively, as well as salary growth rates, pensions and 0% discount (0% in 2021), 0% (0% in 2021) and 3.60% (0.99% in 2021), respectively.

Regarding the consideration of a future projection of a salary increase of 0%, it should be noted that this is since the (closed) universe of participants in the Defined Benefit Plan contemplates, on December 31, 2022, around 825 people, of these, only 9 participants were active in the companies of the Toyota Caetano Portugal Group, so any estimate of future salary increases would only apply to them. Given that the target population for potential salary increases is residual and is at the end of their careers (average age around 65 years), it was decided by the Group's Board of Directors to consider a salary update rate of 0% in the determination of actuarial liabilities.

In the year ended December 31, 2022, the duration of liabilities determined by the Responsible Actuary is 7 years.

a) Subsidiaries companies of Toyota Caetano Grupo members of Salvador Caetano Pension Fund

As of December 31, 2022, the following subsidiaries of the Toyota Caetano Group were members of the Salvador Caetano Pension Fund:

- Toyota Caetano Portugal, SA

- Caetano Auto, SA

- Caetano Renting, SA

About the number and average age of beneficiaries, it is detailed by component of the Toyota Caetano Portugal Group and type of participant, as follows:

	Caetano Auto, S.A.		Toyota Caetano Portugal, S.A.		Caetano Renting, S.A.	
	Number of people	Average Age	Number of People	Average Age	Number of People	Average Age
Participants (Active and former participants)						
Active < 66 years old	1	65	2	65	0	0
Active > 66 years	2	66	4	67	0	0
former participants	10	72	12	73	0	0
pre-retired	0	0	0	0	0	0
	13	**71**	**18**	**71**	**0**	**0**
Retired						
old age pension	309	75	454	75	3	67
disability pension	16	73	12	72	0	0
Pre-retirement/early retirement	0	0	0	0	0	0
Widow/Orphanhood	0	0	0	0	0	0
	325	**75**	**466**	**75**	**3**	**67**

According to an actuarial study carried out by the Fund's management company (BPI Vida e Pensões, SA), the Group has been making contributions to the defined benefit plan, allowing the Fund's assets to amount to, on 31 December 2022, approximately 23,929 thousand Euros (24,948 thousand Euros on December 31, 2021). The share of global liability estimated actuarially for the Defined Benefit Plan, in the Group's share, amounts to approximately 24,294 thousand Euros on 31 December 2022 (32,053 thousand Euros on 31 December 2021).

The movement of the Group's responsibilities with the Defined Benefit Plan in the years 2022 and 2021 can be summarized as follows:

	2022	2021
Opening balance	**32.053.262**	**35.872.461**
Effect on net income of the year		
Current service costs	35.944	66.039
Interest costs	305.541	242.935
Plan cuts	-	(892.545)
Effects on other comprehensive income		
(Gains) and actuarial losses	(191.269)	135.644
Expected benefits	(2.452.845)	(2.466.640)
Change of Assumptions	(5.329.082)	(810.674)
Net transfers made	(127.208)	(93.958)
Closing balance	**24.294.343**	**32.053.262**

The movement in the equity situation of the Salvador Caetano Pension Fund, which covers the defined benefit plan, during the years 2022 and 2021, was as follows:

	2022	2021
Opening balance	**24.947.975**	**24.700.826**
Effect on net income for the year		
interest income	235.200	164.735
Effects on other comprehensive income		
Income gains/(Losses)	(195.473)	777.926
Pension Payments (Benefits Paid)	(2.476.204)	(2.500.094)
Net transfers made	(127.208)	(93.958)
Company contributions (includes direct payments)	2.544.757	1.898.540
Closing balance	**23.929.047**	**24.947.975**

As of December 31, 2022 and 2021, the composition of the asset portfolio of the Salvador Caetano Pension Fund affect to Group companies that covers the Defined Benefit Plan is as follows:

Fund Portfolio	Portfolio weight	Value 31-12-2022	Portfolio weight	Value 31-12-2021
Shares	7,4%	1.770.750	9,8%	2.444.901
Fixed rate bonds	30,0%	7.178.714	33,2%	8.282.728
Variable rate bonds	2,7%	646.085	2,4%	598.751
Real estate	50,9%	12.179.885	46,2%	11.525.965
Liquidity	4,4%	1.052.878	3,9%	972.971
Other Assets	4,6%	1.100.735	4,5%	1.122.659
Total	**100,0%**	**23.929.047**	**100,0%**	**24.947.975**

As of 31 December 2022, individual investments with a weight greater than 5% of the total asset portfolio of the Salvador Caetano Pension Fund that covers the Defined Benefit Plan, are presented as follows:

Assets	Wallet-weight	Value 31-12-2022
Cimóvel - Fundo de Investimento Imobiliário Fechado	50,9%	12.179.885

The net liability of the Toyota Caetano Portugal Group shown above is safeguarded, not only by the assets of the Salvador Caetano Pension Fund allocated to the defined benefit plan, but also through a provision constituted in the amount of approximately 542,455 Euros (7,105,288 Euros on 31 December 2021), reflected in the consolidated statement of financial position under the caption “Liability for defined benefit plans”.

Additionally, and as mentioned above, the Group is an integral part of a defined contribution plan, having, during the year ended 31 December 2022, made contributions to it in the amount of 381,975 Euros (564,897 Euros on 31 December 2021), recorded in the consolidated income statement under the heading of personnel costs.

b) Joint venture of Toyota Caetano Grupo associated of Salvador Caetano Pension Fund

As of December 31, 2022, CaetanoBus - Fabricação de Carroçarias, S.A. integrates the Salvador Caetano Pension Fund and was included on consolidated financial statements of Toyota Caetano Group by the equity method.

About the number and average age of beneficiaries, it is detailed by component of the Toyota Caetano Portugal Group and type of participant, as follows:

	CaetanoBus, S.A.	
	Number of People	Average Age
Participants (Active and former participants)		
Active < 66 years old	0	0
Active > 66 years	0	0
former participants	6	72
pre-retired	0	0
	6	**72**
Retired		
old age pension	221	71
disability pension	8	73
Pre-retirement/early retirement	0	0
Widow/Orphanhood	0	0
	229	**71**

The movement of the Group's responsibilities with the Defined Benefit Plan in the years 2022 and 2021 can be summarized as follows:

	2022	2021
Opening balance	**8.620.338**	**9.456.770**
Effect on net income of the year		
Current service costs	1.186	9.410
Interest costs	82.345	64.142
Effects on other comprehensive income		
(Gains) and actuarial losses	471.342	(71.830)
Expected benefits	(607.606)	(606.034)
Change of Assumptions	(1.629.030)	(232.120)
Closing balance	**6.938.575**	**8.620.338**

The movement in the equity situation of the Salvador Caetano Pension Fund, which covers the defined benefit plan, during the years 2022 and 2021, was as follows:

	2022	2021
Opening balance	**6.604.438**	**6.346.927**
Effect on net income of the year		
interest income	62.388	42.373
Effects on other comprehensive income		
Income gains/(Losses)	(316.288)	200.327
Pension Payments (Benefits Paid)	(598.616)	(600.215)
Company contributions (includes direct payments)	1.052.978	615.026
Closing balance	**6.804.900**	**6.604.438**

As of December 31, 2022 and 2021, the composition of the asset portfolio of the Salvador Caetano Pension Fund affect to CaetanoBus that covers the Defined Benefit Plan is as follows:

Fund Portfolio	Wallet weight	Value 31-12-2022	Wallet weight	Value 31-12-2021
Shares	7,4%	503.563	9,8%	647.235
Fixed rate bonds	30,0%	2.041.470	33,2%	2.192.673
Variable rate bonds	2,7%	183.732	2,4%	158.507
Real estate	50,9%	3.463.695	46,2%	3.051.250
Liquidity	4,4%	299.416	3,9%	257.573
Other Assets	4,6%	313.024	4,5%	297.200
Total	**100,0%**	**6.804.900**	**100,0%**	**6.604.438**

During the year ended 31 December 2022, the company CaetanoBus was made contributions to the contribution plan in the amount of 146,228 Euros (288,822 Euros on 31 December 2021), recorded in the consolidated income statement under the caption "results related to associates and joint ventures".

26. ACCUMULATED PROVISIONS AND IMPAIRMENT LOSSES

The movement in provisions and accumulated impairment losses during the years ended December 31, 2022 and 2021 was as follows :

2022					
Accounts	Opening Balance	Increases	Decreases	Utilization	Closing Balance
Accumulated impairment losses on investment properties (Note 7)	200.000	57.500		-	257.500
Accumulated impairment losses on non-current assets held for sale	2.108.969		-	(778.969)	1.330.000
Accumulated impairment losses in accounts receivables (Note 13)	9.977.302	924.820	(643.400)	(813.056)	9.445.666
Accumulated impairment losses in inventories (Note 12)	1.839.613	238.292	(26.944)	(44.613)	2.006.348
Provisions	1.918.478	134.134	-	(165.579)	1.887.033

2021					
Accounts	Opening Balance	Increases	Utilization and Decreases	Other Regularization	Closing Balance
Accumulated impairment losses on Tangible Fixed Assets (Note 6)	150.000		(150.000)	-	-
Accumulated impairment losses on investment properties (Note 7)	200.000	-	-	-	200.000
Accumulated impairment losses on non-current assets held for sale	2.328.814	-	(219.845)	-	2.108.969
Accumulated impairment losses in accounts receivables (Note 13)	10.420.338	1.064.731	(1.507.767)	-	9.977.302
Accumulated impairment losses in inventories (Note 12)	2.886.212	3.193.706	(4.153.674)	(86.631)	1.839.613
Provisions	1.973.126	360.928	(200.000)	(215.576)	1.918.478

As of December 31, 2022 and 2021, the detail of the item “Provisions” can be summarized as follows:

provisions	2022	2021
Warranties to customers	235.482	276.626
Ongoing legal proceedings	1.439.438	1.439.438
Claims in vehicles without own damage	62.113	52.414
Other risks and charges	150.000	150.000
	1.887.033	**1.918.478**

The caption “Ongoing legal proceedings” essentially considers a provision created in 2020 in the amount of approximately 1.4 million Euros, corresponding to a litigation process involving the subsidiary Caetano Auto CV, SA with the customs authority of Cape Green. It is the understanding of the Board of Directors, supported by its legal advisors, that the outcome of this process could result in impacts for the Group, which is why it decided to recognize a provision for the amount at risk.

27. INCOME TAX (CONSOLIDATED INCOME STATEMENT)

income tax recognized for the years ended December 31, 2022 and 2021 are detailed as follows:

	2022	2021
Current Tax	6.567.008	5.158.684
Deferred tax (Note 16)	205.408	(736.439)
	6.772.416	**4.422.245**

The reconciliation of the effective tax charge with the theoretical tax charge for the years ended December 31, 2022 and 2021 can be analyzed as follows:

	2022	2021
Profit before taxation	21.591.979	16.248.384
Nominal Tax rate	22,50%	22,50%
Theoretical tax (Collection + Spill)	**4.858.195**	**3.655.886**
Autonomous Taxation	346.525	289.119
State tax	914.706	720.395
Tax benefits	(64.566)	124.564
Excess/Insufficiency estimated tax	9.008	(331.617)
Tax Refund	(1.974)	-
Others	710.522	(36.102)
Effective Tax	**6.772.416**	**4.422.245**

28. EARNINGS PER SHARE

Earnings per share for the years ended 31 December 2022 and 2021 were calculated considering the following amounts:

	2022	2021
Result		
Basic	14.819.564	11.826.139
Diluted	14.819.564	11.826.139
Number of shares	35.000.000	35.000.000
Earnings per share, basic and diluted	0,423	0,338

During the years ended December 31, 2022 and 2021, there was no change in the number of shares.

29. SEGMENT INFORMATION

For the years ended December 31, 2022 and 2021, the segment reporting detail is as follows:

	2022														
	NATIONAL								EXTERNAL					ELIMINATIONS	CONSOLIDATED
	Automotive Vehicles				Industrial Equipment			Others	Automotive Vehiles		Industrial Equipment				
	Industry	Commerce	Services	Rental	Machines	Services	Rental		Industry	Commerce	Machines	Services	Rental		
REVENUE															
Turnover	4.736.868	565.909.594	20.405.894	6.642.430	9.642.464	4.954.666	11.837.584	-	62.552.375	23.916.183	2.068	61.648	5.736	(230.441.133)	480.226.377
RESULTS															
Operational results	(909.504)	23.249.069	1.473.376	3.347.685	1.831.438	1.739.600	2.011.239	-	(24.603)	263.690	298	20.777	2.861	(245.152)	32.760.774
Financial results	(15.375)	(1.852.846)	(37.155)	(501.725)	(66.406)	(19.519)	(39.197)	-	(272.346)	(13.167)	(4)	(257)	(20)	-	(2.818.017)
Income tax for the year								(6.772.416)							(6.772.416)
Net income with non-controlling interests	(924.878)	16.238.424	733.641	2.987.545	1.367.792	1.167.608	1.798.654	(8.350.777)	(296.950)	155.012	294	20.520	2.841	(80.163)	14.819.564
OTHER INFORMATION															
Depreciation and amortization	617.940	2.681.752	2.414.525	3.795.824	111.152	60.409	5.742.196	-	-	168.212	-	-	-	(498.248)	15.093.762

2021															
	NATIONAL								EXTERNAL					ELIMINATIONS	CONSOLIDATED
	Automotive vehicles				Industrial Equipment			Others	Automotive vehicles		Industrial Equipment				
	Industry	Commerce	Services	Rental	Machines	Services	Rental		Industry	Commerce	Machines	Services	Rental		
REVENUE															
Turnover	5.890.913	491.999.582	18.722.222	5.433.099	10.330.375	4.991.594	13.043.562	-	38.754.608	22.473.074	56.565	61.808	6.531	(207.605.202)	404.158.731
RESULTS															
Operational results	(220.333)	15.352.508	3.175.558	1.159.828	1.295.683	2.019.104	1.455.695	-	883.859	626.603	2.797	41.603	5.317	(2.152.101)	23.646.121
Financial results	(17.310)	(1.580.795)	(424.564)	(398.732)	(34.062)	(18.233)	(40.887)	-	(129.112)	(37.240)	(259)	(251)	(24)	12.342	(2.669.127)
Income tax for the year	-	-	-	-	-	-	-	(4.422.245)							(4.422.245)
Net income from non-controlling interests	(184.173)	10.165.497	2.345.058	543.914	977.757	1.550.675	1.153.736	(4.728.610)	584.929	518.229	1.967	32.047	4.103	(1.138.990)	11.826.139
OTHER INFORMATION															
Depreciation and amortization	244.585	6.068.960	2.304.422	9.503.341	34.689	6.576	3.115.026	-	-	175.299	-	-	-	(549.715)	20.903.183

The information by segments presented above corresponds to that which is presented by the Board of Directors for the purpose of approving the Group's accounts and used in the decision-making process. The sub-segment concerning the industrial activity of vehicle assembly is included in the “Automotive Vehicles - Industry” segment. Additionally, the activity of training and developing human resources, as well as the activity of property management (investment properties), since they represent a secondary activity and without much expression, are distributed among the various segments. The Board of Directors understands that the presentation of these activities in autonomous segments is not relevant in terms of the Group's financial reporting.

The “Eliminations” column essentially includes the cancellation of transactions between Group companies included in the consolidation, mainly belonging to the “Automotive Vehicles” segment.

There are no revenues associated with transactions between the motor vehicle segment and the industrial equipment segment.

30. SALES AND SERVICES RENDERED BY GEOGRAPHICAL MARKETS

The breakdown of sales and services rendered by geographic markets, for the years ended December 31, 2022 and 2021, was as follows:

Market	2022		2021	
	Value	%	Value	%
National	401.495.467	83,61%	350.015.281	86,60%
Belgium	62.101.443	12,93%	38.346.846	9,49%
African Countries with Official Portuguese Language	16.102.194	3,35%	15.514.193	3,84%
Spain	40.516	0,01%	83.204	0,02%
United Kingdom	-	-	153.000	0,04%
Germany	444.177	0,09%	-	-
Other Markets	42.580	0,01%	46.207	0,01%
	480.226.377	**100,00%**	**404.158.731**	**100,00%**

31. EXTERNAL SUPPLIES AND SERVICES

The detail of the External Supplies and Services heading for the years ended December 31, 2022 and 2021 is presented as follows:

	2022	2021
Subcontracts	**2.901.459**	**1.941.582**
Specialized services	**26.578.005**	**22.181.096**
Specialized jobs	8.117.304	6.303.803
Advertising and marketing	12.656.902	11.923.217
Surveillance and Security	572.244	536.641
Fees	1.426.794	1.280.293
Commissions	719.608	135.720
Repairs and Maintenance	3.085.153	2.001.422
Materials	**812.176**	**758.702**
Tools	324.213	215.628
Books and technical documentation	276.924	315.239
Office supplies	170.651	167.116
Offers	40.388	60.719
Energy and fluids	**2.613.279**	**2.697.100**
Electricity	627.471	979.638
Fuels	1.612.159	1.385.348
Water	171.865	147.621
Others	201.784	184.493
Travel, stays and transport	**3.734.699**	**2.500.012**
Traveling expenses	1.672.826	932.796

	2022	2021
Personnel transportation	112.310	96.489
Transportation of materials	1.949.563	1.470.727
Miscellaneous services	**10.111.507**	**10.064.243**
Short-term, low-value leases	1.440.667	1.365.033
Communication	489.201	578.364
Insurance	1.430.422	1.161.714
Royalties	464.520	405.725
Litigation and notary	22.015	14.604
Cleaning, hygiene, and comfort	1.247.282	1.155.380
Other Services	5.017.400	5.383.423
	46.751.125	**40.142.735**

32. PAYROLL EXPENSES

Payroll expenses for the years ended December 31, 2022 and 2021 break down as follows:

	2022	2021
Remuneration of governing bodies in the parent company	400.735	355.250
Remuneration of governing bodies in the subsidiaries	314.125	314.125
Staff remuneration	31.422.512	28.143.350
Pensions	399.806	312.307
Indemnities	933.379	950.383
Social Security contribution	7.878.099	6.774.591
Employees Insurance	468.363	401.823
Other personnel expenses	3.997.599	2.041.643
	45.814.618	**39.293.472**

During the years ended in December 2022 and 2021, the average number of people working for the Group was as follows:

Personnel	2022	2021
Employees	1.086	1.092
Workers	444	419
	1.530	**1.511**

33. OTHER OPERATING INCOME AND EXPENSES

On December 31, 2022 and 2021, the caption “Other operating income” is made up as follows:

Other operating income	2022	2021
Warranty recovered	8.440.602	8.415.719
Rents charged	3.913.476	3.373.233
Works of the Company for itself	2.687.603	3.256.417
Subsidies	4.295.900	6.421.277
Advertising expenses and sales promotion recovered	415.567	3.493.223
Services rendered	2.530.553	2.483.041
Expenses recovered	1.757.605	1.439.641
Gains with the disposal of Tangible Fixed Assets	756.624	1.105.830
Corrections relating to previous years	8.262	194.634
Intermediation commissions on vehicle financing	133.692	155.377
Claims compensation	2.933	58.090
	24.942.817	**30.396.482**

Detailing the main values mentioned above, it should be noted that:

- the headings " Warranty recovered " and Advertising expenses and sales promotion recovered " include essential between amounts relating to the recovery of charges (related to the represented brands, with the supplier Toyota Japan Group) with repairs carried out under guarantees in the amounts of 2,901 thousand Euros on December 31, 2022 (2,840 thousand Euros on December 31, 2021). This heading also includes the recovery of various costs borne by the Group with marketing and commercial promotion activities associated with its operations, with the Toyota Japan supplier, as well as the recovery of transport costs associated with sales processes. The costs incurred associated with the recovery of charges are recognized under various headings in the consolidated income statement, namely: (i) cost of goods sold and materials consumed (in relation to materials incorporated and consumed in vehicle repair processes, (ii)) personnel expenses (regarding the workforce used in vehicle repair processes), and (iii) external supplies and services (where expenses related to vehicle repairs carried out by dealerships and independent repairers, transport charges, marketing and advertising charges, among others).

- the item “Rents charged” includes an amount relating to investment property rents of approximately 2.8 million euros (2.3 million euros in 2021). These rents are partially derived from lease agreements for real estate assets entered with various related entities, with the respective detail for the years ended December 31, 2022 and 2021, as follows:

Entity	2022	2021
CaetanoBus - Fabricação de Carroçarias, S.A.	1.361.773	792.270
Toyota Logistic. Serviços Portugal, Unip., Lda.	569.109	577.478
Caetano Aeronautic, S.A.	169.206	184.160
Other related parties	187.057	181.089

- the item “Services Rendered” essentially refers to debits of administrative fees to companies outside the Toyota Caetano perimeter, including several related entities. The detail of "Services Rendered" with related parties for the years ended December 31, 2022 and 2021 is as follows:

Entity	2022	2021
CaetanoBus - Fabricação de Carroçarias, S.A.	676.511	677.413
Caetano Retail S.G.P.S., S.A.	304.156	263.812
Caetano Baviera - Comércio de Automóveis, S.A.	169.684	183.880
Rigor - Consultoria e Gestão, S.A.	158.538	130.772
Caetano Aeronautic, S.A.	131.588	113.083
Guérin - Rent-a-Car (Dois), S.A.	81.042	77.912
Other related parties	437.984	404.071
Others	571.050	632.098
Total	**2.530.553**	**2.483.041**

- the item “Expenses recovered” includes, among others, income related to social services (debit of canteen and training expenses to related companies).

- the caption “Gains with the disposal of Tangible Fixed Assets” includes the amount of approximately 318 thousand Euros corresponding to the capital gain obtained by the Group with the sale of the investment property located at Rua das Pereiras in Vila Nova de Gaia.

- the heading “Subsidies” considers, in 2022, the amount of around 4.3 million Euros regarding support from the IEFP – Instituto de Emprego e Formação Profissional regarding the training actions provided by the Group in its various professional training centers. As of 31 December 2021, the amount of 6.4 million Euros, in addition to the previously mentioned IEFP support, also includes government support to face the pandemic caused by the Covid-19 coronavirus.

As of December 31, 2022 and 2021, the caption “Other operating expenses” is made up as follows:

Other operational Expenses	2022	2021
Taxes	1.303.038	1.213.198
Corrections relating to previous years	61.273	170.990
Fines and penalties	33.561	39.013
Inventory Losses	43.838	68.472
Subscriptions	35.844	32.222
Bad debts	-	1.473.672
Donations	56.564	60.204
Others not specified	1.561.029	1.395.869
	3.095.147	**4.453.640**

The caption “Others not specified” essentially includes expenses with commercial incentives and bonuses granted to concessionaires.

34. FINANCIAL INCOME AND EXPENSES

On December 31, 2022 and 2021, the consolidated financial results are broken down as follows:

Expenses and losses:	2022	2021
Interest Supported	1.583.135	1.372.103
Interest on Leases (IFRS 16)	109.015	196.191
Other financial expenses and losses	1.179.036	1.133.281
	2.871.186	**2.701.575**

Income and gains	2022	2021
Obtained Interest	53.169	32.448
	53.169	**32.448**

35. FINANCIAL ASSETS AND LIABILITIES

Below is a summary table of the Group's financial instruments as of 31 December 2022 and 2021:

Caption	Note	Assets at amortized cost	Assets recorded at fair value through other comprehensive income	Other non-financial assets	Total
At 31 of December de 2022					
Non- current assets					
Other investments	11	148.686	4.817.718	-	4.966.404
Costumers	13	146.833	-	-	146.833
		295.519	**4.817.718**	**-**	**5.113.237**
Current assets					
Costumers	13	67.701.452	-	-	67.701.452
Other Debts	14	1.172.057	-	1.105.222	2.277.279
Others Current assets	15	2.356.348	-	618.965	2.975.313
Cash and Cash equivalents	17	11.299.747	-	-	11.299.747
		82.529.604	**-**	**1.724.187**	**84.253.791**

Caption	Note	Assets at amortized cost	Assets recorded at fair value through other comprehensive income	Other non-financial assets	Total
At 31 of December of 2021					
Non- current assets					
Other investments	11	131.368	4.474.657	-	4.606.025
Costumers	13	766.236	-	-	766.236
		897.604	**4.474.657**	**-**	**5.372.261**
Current assets					
Costumers	13	53.704.915	-	-	53.704.915
Other Debts	14	819.992	-	208.886	1.028.878
Others Current assets	15	3.349.711	-	780.943	4.130.654
Cash and Cash equivalents	17	22.122.760	-	-	22.122.760
		79.997.378	**-**	**989.829**	**80.987.207**

Caption	Note	Liabilities at amortized cost	Other non-financial Liabilities	Total
At 31 of December de 2022				
Non-current liabilities				
Financing obtained	20	14.663.934	-	14.663.934
Other debts to third parties	22	805.640	-	805.640
		15.469.574	**-**	**15.469.574**
Current liabilities				
Financing obtained	20	39.520.309	-	39.520.309
Suppliers	21	30.945.755	-	30.945.755
Other debts to third parties	22	26.988.302	17.220.729	44.209.031
Other current Liabilities	24	16.393.636	8.283.975	24.677.611
		113.848.002	**25.504.704**	**139.352.706**

Caption	Note	Liabilities at amortized cost	Other non-financial Liabilities	Total
At 31 of December de 2021				
Non-current liabilities				
Financing obtained	20	25.375.771	-	25.375.771
Other debts to third parties	22	2.275.204	-	2.275.204
		27.650.975	**-**	**27.650.975**
Current liabilities				
Financing obtained	20	22.280.235	-	22.280.235
Suppliers	21	43.622.927	-	43.622.927
Other debts to third parties	22	33.812.518	20.875.113	54.687.631
Other current Liabilities	24	13.540.345	9.994.743	23.535.088
		113.256.025	**30.869.856**	**144.125.881**

In compliance with the provisions of paragraph 93 of IFRS 13, the classification of fair value measurements of financial instruments is disclosed below, by hierarchical level:

a) Level 1 - quoted prices - participation in Fundo Cimóvel, recorded under the caption “Other investments” (Note 11): 4,817,718 Euros (4,474,657 Euros on 31 December 2021).

b) Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly(prices) or indirectly (derived from prices).

c) Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

36. RELATED ENTITIES

Balances and transactions between the Parent Company and its subsidiaries, which are related entities of the Parent Company, were eliminated in the consolidation process, and therefore will not be disclosed in this Note. The detail of balances and transactions between the Toyota Caetano Group and related entities (including associated entities and joint ventures), can be summarized as follows on December 31, 2022 and 2021:

2022	Commercial Debts		Other currents assets and liabilities		Products		Tangible Fixed Assets		Services		Others	
Related Entities	Receivable	Payable	Other current liabilities	Others Current assets	Sales	Purchases	Acquisitions	Alienations	Rendered	Obtained	Expenses	Revenue
Affiliated companies	5.272.660	542.864	362.582	31.794	15.784.532	4.645.920	-	-	485.966	2.282.853	27.680	2.592.896
Shareholder	18.567.576	25.540.127	4.316.026	-	62.101.443	222.618.618	-	-	-	939.059	17.000	4.392.893
Other related parties - Salvador Caetano Group	6.736.335	5.492.438	1.022.749	99.632	12.672.347	8.293.640	336.594	174.750	1.075.136	13.219.475	746.416	3.856.618
Other related parties - Toyota Group Japan	213.598	10.564.255	(1.988)	8.294.150	55.830.258	96.700.186	3.500	-	2.118.520	462.873	1.798.273	2.133.748
	30.790.169	**42.139.684**	**5.699.369**	**8.425.576**	**146.388.580**	**332.258.364**	**340.094**	**174.750**	**3.679.622**	**16.904.260**	**2.589.369**	**12.976.155**

2021	Commercial Debts		Other currents assets and liabilities		Products		Tangible Fixed Assets		Services		Others	
Related Entities	Receivable	Payable	Other current liabilities	Others Current assets	Sales	Purchases	Acquisitions	Alienations	Rendered	Obtained	Expenses	Revenue
Affiliated companies	3.821.874	2.057.884	438.507	215.919	15.242.877	5.385.329	-	2.500	443.525	1.908.872	10.030	2.186.511
Shareholder	3.916.133	20.244.541	141.039	1.390.000	38.336.556	202.456.417	-	-	-	774.641	-	6.173.146
Other related parties - Salvador Caetano Group	4.388.856	4.252.770	1.061.123	183.766	10.745.681	8.947.381	339.877	110.626	1.152.744	11.131.015	743.513	3.689.201
Other related parties - Toyota Group Japan	3.967.927	10.513.067	9.362.344	464.064	71.549.131	88.825.865	39.681	-	2.647.494	823.764	1.973.778	2.373.457
	16.094.790	**37.068.262**	**11.003.013**	**2.253.749**	**135.874.245**	**305.614.992**	**379.558**	**113.126**	**4.243.763**	**14.638.292**	**2.727.321**	**14.422.315**

The parent company's related entities are as follows:

Related Companies	
Shareholder	
Salvador Caetano Auto, (S.G.P.S.), S.A.	Portugal
Toyota Motor Europe, NV/SA	Belgium
Affiliated companies	
Kinto Portugal, S.A.	Portugal
Caetano UK, Ltd	UK
CaetanoBus - Fabricação de Carroçarias, S.A.	Portugal
Cobus Industries, GMBH	Germany
Other related companies - Salvador Caetano Group	
Amorim Brito & Sardinha, Lda.	Portugal
Atlântica - Companhia Portuguesa de Pesca, S.A.	Portugal
Auto Partner Imobiliária, S.A.	Portugal
Cabo Verde Rent-a-Car, Lda.	Cape Green
Caetano Aeronautic, S.A.	Portugal
Caetano Baviera - Comércio de Automóveis, S.A.	Portugal
Caetano City e Active (Norte), S.A.	Portugal
Caetano Drive, Sport e Urban, S.A.	Portugal
Caetano Energy, S.A.	Portugal
Caetano Fórmula, S.A.	Portugal
Caetano Fórmula West África, S.A.	Portugal
Caetano Move África, S.A.	Portugal
Caetano One CV, Lda.	Cape Green
Caetano Parts, Lda.	Portugal
Caetano Power, S.A.	Portugal
Caetano Retail (S.G.P.S.), S.A.	Portugal
Caetano Retail España, S.A.U.	Portugal
Caetano Squadra África, S.A.	Portugal
Caetano Star, S.A.	Portugal
Caetano Technik, Lda.	Portugal
Caetsu Publicidade, S.A.	Portugal
Carplus - Comércio de Automóveis, S.A.	Portugal
Choice Car, S.A.	Portugal
COCIGA - Construções Civis de Gaia, S.A.	Portugal
COVIM - Soc. Agrícola, Silvícola e Imobiliária, S.A.	Portugal
Fundação Salvador Caetano	Portugal
Grupo Salvador Caetano, (S.G.P.S.), S.A.	Portugal
Gocharge, S.A.	Portugal
Guérin - Rent-a-Car (Dois), Lda.	Portugal
Hyundai Portugal, S.A.	Portugal
Lidera Soluciones, S.L.	Spain

Related Companies	
Other related companies - Salvador Caetano Group	
Lusilectra - Veículos e Equipamentos, S.A.	Portugal
MDS Auto - Mediação de Seguros, S.A.	Portugal
Movicargo - Movimentação Industrial, Lda.	Portugal
P.O.A.L. - Pavimentações e Obras Acessórias, S.A.	Portugal
Portianga - Comércio Internacional e Participações, S.A.	Portugal
RARCON - Arquitectura e Consultadoria, S.A.	Portugal
Rigor - Consultoria e Gestão, S.A.	Portugal
Robert Hudson, LTD	Angola
Salvador Caetano Auto África, (S.G.P.S.), S.A.	Portugal
Salvador Caetano Capital, (S.G.P.S.), S.A.	Portugal
SIMOGA - Sociedade Imobiliária de Gaia, S.A.	Portugal
Sózó Portugal, S.A.	Portugal
Turispaiva - Sociedade Turística Paivense, S.A.	Portugal
UNBOXAGENCY - Agência de publicidade, Unipessoal, Lda.	Portugal
USERAGENCY - Agência de publicidade, Unipessoal, Lda.	Portugal
VAS África (S.G.P.S.), S.A.	Portugal
Vas Cabo Verde, Sociedade Unipessoal, S.A.	Cape Green
Others - Toyota Japan Group	
Toyota Motor Corporation	Japan
Toyota Kredibank, GMBH - Sucursal em Portugal	Portugal
Toyota Logisticos Serviços Portugal, Unipessoal, Lda.	Portugal
Toyota Material Handling Deutschland	Germany
Toyota Material Handling Espanha S.A.	Spain
Toyota Material Handling Europe	Belgium
Toyota Material Handling Europe Brussels	Belgium
Toyota Material Handling Europe Logistics	Sweden
Toyota Material Handling Finland OY	Finland
Toyota Material Handling France	France
Toyota Material Handling Hungary LT	Hungary
Toyota Material Handling Manufact, France, SAS	France
Toyota Material Handling Manufact, Italy, SPA	Italy
Toyota Material Handling Manufact, Sweden	Sweden
Toyota Material Handling Nerdlands	Netherlands
Toyota Tsusho Asia Pacific PTE Ltd	Singapore
Toyota Tsusho Corporation	Japan

With regard to the disclosure of the remuneration of the Group's key management personnel, and in addition to what is mentioned in Note 32, it should be noted that the companies of the Toyota Caetano Portugal Group (with the exception of Caetano Auto Cabo Verde, as it is a company incorporated under Cape Verdean law) make access to the Salvador Caetano Pension Fund available to all its employees (including members of the Governing Bodies who form part of their staff and receive remuneration) under the conditions established in its Constitutive Contract, which are the same for all, provided that the specific conditions for access to each of the existing plans are met (Defined Contribution or Defined Ben efit, Note 25).

Additionally, all employees of the companies (and their family members) also have access to contributions to their health and education expenses, and benefit from subsidies (birth and death). This support is provided to members of the Board of Directors under the same conditions as those granted to other employees.

As of 31 December 2022, there are no relevant outstanding current balances with key management personnel of the Toyota Caetano Portugal Group (including Governing Bodies).

37. CONTIGENT ASSETS AND LIABILITIES

Financial commitments assumed and not included in the Consolidated Statement of Financial Position:

As of December 31, 2022 and 2021, the Toyota Caetano Group had assumed the following financial commitments:

Responsibilities	2022	2021
Guarantees provided: Security Deposit	6.000.000	4.000.000
Other financial guarantees	835.592	1.947.262
	6.835.592	**5.947.262**

The amount of Euros 6 million presented on December 31, 2022 relating to “Guarantees provided: Deposit” (Euros 4 million on December 31, 2021), refers to guarantees provided to the A.T.A. (Tax and Customs Authority) which are intended to guarantee the subsequent payment of the amounts resulting from duties and charges, as well as the tax on vehicles in the dispatches and registration requests made.

As a result of financing contracted in the amount of approx. Of 26.8 million Euros, Toyota Caetano granted to the respective financial institutions, real guarantees related to mortgages on registered properties in the amount of around 13 million Euros.

Other information

End of life vehicles

In September 2000, the European Commission voted a directive regarding end-of-life vehicles and the corresponding responsibility of Producers/Distributors for their dismantling and recycling.

Producers/Distributors will have, according to this regulation, to bear at least a significant part of the cost of taking back vehicles, placed on the market from 1 July 2002 onwards, as well as, for those sold before this date, when presented from of January 1, 2007.

This legislation will have an impact on Toyota vehicles sold in Portugal. Toyota Caetano and its Toyota representative are closely monitoring the development of Portuguese National Legislation so that, in due time, they can quantify the impact of these operations on their financial statements.

It is, however, our conviction, given the studies already carried out on the Portuguese market, and given the possible recovery of waste resulting from the dismantling of the vehicles in question, that the effective impact of this legislation on the Group's accounts will be small, if not null.

However, and to comply with the legislation introduced in the national regulations (Dec./Law 196/2003), the Group signed a contract with “ValorCar – Sociedade de Gestão de Veículos em Fim de Vida, Lda.” – Company licensed as managing entity of the integrated ELV management system – transfer of responsibilities inherent to this entire process.

Information related to the environmental area

The Group adopts the necessary measures in relation to the environmental area, with the aim of complying with current legislation.

The Board of Directors of the Toyota Caetano Group does not estimate that there are risks related to environmental protection and improvement, having not received any administrative offenses related to this matter during the 2022 financial year.

38. REMUNERATION OF MEMBERS OF GOVERNING BODIES

The remuneration of the members of the governing bodies of the parent company in the various Group subsidiaries for the years ended December 31, 2022 and 2021 were as follows:

Social entities	2022	2021
Board of Directors		
Compensation at parent company	514.185	355.250
Compensation in subsidiaries	314.125	314.125
Supervisory Board	5.040	5.040

39. REMUNERATION OF THE STATUTORY AUDITOR

Fees paid to Group Statutory Auditors as of December 31, 2022 and 2021 were as follows:

	2022	2021
Total fees related to the legal audit of accounts	102.300	78.500
	102.300	**78.500**

40. SUBSEQUENT EVENTS

In the current context, economic agents face unprecedented uncertainty resulting from a vast and varied set of factors such as:

- ruptures in the supply chains, both about the accessibility of goods at the various stages of the value chain (raw materials, goods, product) and about logistical constraints associated with their transport and availability, with the consequent impact on the respective price.

- Inflationary pressure and context of rising interest rates: with impacts on companies and consumers.

- energy crisis and influence on its supply and cost throughout the value chain.
- volatility in the evolution of exchange rates.
- labour shortages and difficulties in retaining talent.
- impacts of climate change.

Many of these factors were strongly impacted by the (post)pandemic scenario experienced and exacerbated by the ongoing conflict between Russia and Ukraine.

This situation represents, for the companies of the Toyota Caetano Group, the continuation of a challenging macroeconomic context, already felt in previous periods and which will tend to continue into 2023.

The complex ramifications associated with the current context and the challenges that result from it, make predictions, company performance and cash-flow management difficult.

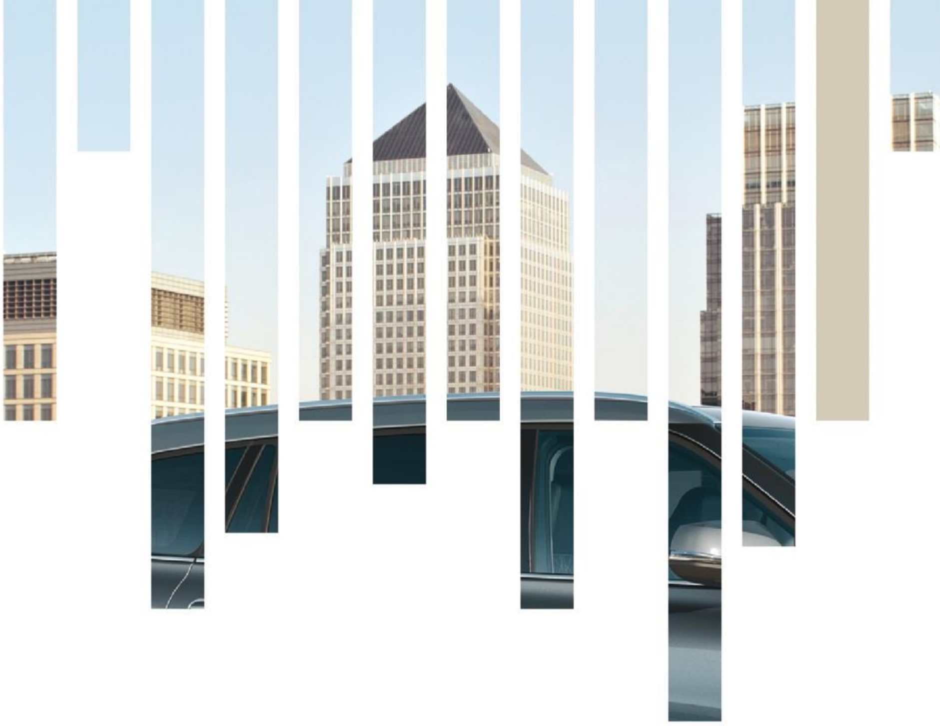
Toyota Caetano Portugal, S.A. continues to closely monitor events related to the situation in Ukraine, exp ressing total solidarity with its people.

41. APPROVAL OF STATEMENTSCONSOLIDATED FINANCIAL SHARES

These consolidated financial statements were approved by the Board of Directors on April 12, 2023.

The Certified Accountant: Alexandra Maria Pacheco Gama Junqueira

The Board of Directors: José Reis Da Silva Ramos - President; Maria Angelina Martins Caetano Ramos; Miguel Pedro Caetano Ramos; Gisela Maria Falcão Sousa Pires Passos; Tom Fux; Kazunori Takagi



05
OPINIONS

INDEX

INFORMATIVE NOTE

This documentation (Opinions) will be issued in due course and published in a separate document.

06
CORPORATE GOVERNANCE

PART I – INFORMATION ON SHAREHOLDER STRUCTURE, ORGANIZATION AND CORPORATE GOVERNANCE

A. SHAREHOLDER STRUCTURE

I. CAPITAL STRUCTURE

1. The capital structure (Share Capital Number of Shares Distribution of Capital by Shareholders etc.) including Indication of Shares that are Not Admitted to Trading Different Classes of Shares Rights and Duties of Same and Capital Percentage that Each Class Represents (art. 245.º-a n.1 al a) of the Portuguese commercial companies Code - PCCC)

As of 31 December 2022, the Company's share capital is €35 000 000 comprising 35 000 000 registered shares fully subscribed and paid-up with a par value of 1 Euro each. all shares being admitted to trading on Euronext Lisbon.

All shares are ordinary and there are no different categories of shares.

There are no shareholders with special rights.

2. Restrictions on the transfer of shares such as clauses on consent for disposal or limits on the ownership of shares (Art. 245.º-A n.1 al a) of the Portuguese commercial companies Code - PCCC)

There are no restrictions on the transferability of shares or limitations to shares ownership.

3. Number of own shares the percentage of share capital that it represents and corresponding percentage of voting rights that corresponded to own shares (art. 245.ºa n.1 al a) of the Portuguese commercial companies Code - PCCC)

There are no own shares.

4. Important agreements to which the company is a party and that come into effect, are amended or are terminated in cases such as a change in the control of the company after a takeover bid and the respective effects except where due to their nature their disclosure would be seriously detrimental to the company; this exception does not apply where the company is specifically required to disclose said information pursuant to other legal requirements (art. 245.º-a n.1 al j) of the Portuguese commercial companies Code - PCCC)

The Company is not a party to significant agreements that come into force are altered or ceased in the event of a change of control.

5. A system that is subject to the renewal or withdrawal of countermeasures particularly those that provide for a restriction on the number of votes capable of being held or exercised by only one shareholder individually or together with other shareholders

The Company does not foresee, nor does it adopt any defensive measures that provides for the limitation of the number of votes that may be detained or exercised by a single shareholder individually or in concert with other shareholders.

6. Shareholders' agreements that the company is aware of and that may result in restrictions on the transfer of shares or voting rights (art. 245.º-a n.1 al g) of Portuguese commercial companies Code - PCCC)

As far as the Company is aware there are no shareholders' agreements between shareholders of Toyota Caetano Portugal ("TCAP") namely those that may lead to restrictions on the transfer of shares or voting rights.

II. HOLDINGS AND LIABILITIES HELD

7. Details of the natural or legal persons who directly or indirectly are holders of qualifying holdings (art. 245.º-a n.1 al) c & d PCCC and art. 16.º PCCC) with details of the percentage of capital and votes attributed and the source and causes of the attribution

The holders of qualifying holdings in the share capital of Toyota Caetano Portugal SA calculated under the terms of paragraph 1 of Article 20 of the PSM based on the totality of shares in accordance with paragraph b) of paragraph 3 of article 16. C) on December 31, 2022 were the following:

SHAREHOLDER	NUMBER OF SHARES	% SHARE CAPITAL WITH VOTING RIGHTS
Salvador Caetano Auto (S.G.P.S), S.A.	24.429.144	69,797%
Toyota Motor Europe NV/SA	9.450.000	27,000%

8. A list of the number of shares and bonds held by members of the management and supervisory boards (Pursuant to paragraph 5 of Art. 447 of the PCCC

The members of the Board of Directors and the Audit Committee do not hold, on a personal basis, shares or obligations of the Company.

The members of the Board of Directors and the Supervisory Board did not carry out, on a personal basis during the 2022 financial year, any acquisitions, encumbrances or transfers of ownership involving the Company's shares or bonds.

9. Special powers of the board of directors namely regarding resolutions on the capital increase (art. 245.º-a/1/i) PCCC) with an indication as to the allocation date time period within which said powers may be carried out the upper ceiling for the

capital increase the amount already issued pursuant to the allocation of powers and mode of implementing the powers granted

Increases in the Company's share capital require deliberation by the General Meeting. All the duties of the Board of Directors are set out in its Articles of Association, which can be consulted on the Company's website, https://toyotacaetano.pt/en/investors/corporate-governance/, under the “Statutes” tab.

10. Information on any significant business relationships between the holders of qualifying holdings and the company

During 2022 financial year, the operations and commercial transactions between the Company and the holders of qualifying holdings or entities that are in any relationship with them, as detailed in Note 36 of the Annex to the consolidated financial statements, are operations and transactions that occurred in the normal course of the activities of Toyota Caetano Portugal Group (“TCAP”), not having been carried out outside normal market conditions.

B. CORPORATE BODIES AND COMMISSIONS

I. GENERAL SHAREHOLDERS' MEETING

The General Shareholders’ Meeting consists of all shareholders with voting rights.

The Company makes the necessary and adequate human resources and logistic support available for the members of the board of the General Shareholders’ Meeting through the Company’s legal department. The latter collaborates actively in the preparation of the General Shareholders’ Meetings ensuring publication of the respective convening notices receipt and control of all communications from shareholders and financial intermediaries working closely and guaranteeing all the logistics of the general shareholders’ meetings.

a) Composition of the Board of the General Meeting

11. Identification and position of the members of the presiding board of the general meeting and respective term of office (beginning and end)

The Board of the General Shareholders’ meeting consists of 4 members as follows:

- Jorge Manuel Coutinho Franco da Quinta – President
- António José da cruz Espinheira Rio – Vice-President
- Alírio Ferreira dos Santos – Secretary
- João António Ferreira de Araújo Sequeira – Secretary

The current board of the General Shareholders’ Meeting was elected on 12 April 2019 for a period of 4 years. Despite the term ending on December 31, 2022, the members remain in office until a new election.

b) Exercising the Right to Vote

12. Any restrictions on the right to vote such as restrictions on voting rights subject to holding a number or percentage of shares deadlines for exercising voting rights or systems for highlighting rights of equity content (art. 245.º-a n.1 al f) of PCCC)

Under Article 4 (6) of the Articles of Association, to each group of one hundred shares corresponds one vote. Shareholders who do not have the minimum number of one hundred shares may form a group in order to complete it and in this case, they must be represented by only one of them whose identification must appear in a letter addressed to the President of the Board of the General Meeting.

Attendance at the General Meeting is not subject to the holding of a number of shares.

<u>In-person vote:</u>

Shareholders wishing to attend the General Meeting must comply with the requirements set out in each of the notices and in article 23-C of the PCCC.

Thus, in 2022, shareholders who met the following conditions were able to participate and vote at the General Meetings:

- who on the registration date held shares that conferred at least one vote;
- who declared that intention in writing to the President of the Board of the General Meeting and to the financial intermediary where the individual registration account was open no later than 23:59 hours (GMT) of the day prior to the date of registration may for this purpose use the electronic mail and the declaration forms that are available at the Company's headquarters and on its website https://toyotacaetano.pt/en/ and for declarations to the President of the Board of the General Meeting it can be used the email address assembleiageral@toyotacaetano.pt
- if by 23:59 (GMT) on the day of registration, the financial intermediary that is informed of the intention of its Client Shareholders to participate in the General Meeting, has sent such information to the President of the Board of the General Meeting, which may, for this purpose, use the email address assembleiageral@toyotacaetano.pt

If there is co-ownership of shares only the common representative or its representative may participate in the General Meeting.

<u>Correspondence voting:</u>

The Company's Shareholders may exercise the right to vote by correspondence under the following terms:

- Votes by correspondence must be addressed to the Company's registered office and received there, by registered letter with acknowledgment of receipt addressed to the President of the Board of the General Meeting at least five working days prior to the date of the General Meeting. This letter shall include a statement issued by a financial intermediary proving ownership of the shares and also a closed envelope containing the declaration of vote;
- The declaration of vote must be signed by the legitimate holder of the shares or by Its legal representative and the shareholder, if a natural person, must accompany the declaration with a certified copy of his identity card. If It is a legal person, the signature must be notarized in quality and empowered to act;
- Votes by correspondence will be considered at the time for voting at the General Meeting being added to those exercised

there;

- Declarations of vote will only be considered valid where expressly and unequivocally it appears:

  - indication of the General Meeting and the item or items on the respective agenda to which it relates;

  - the specific proposal for which it is intended with an indication of the proponent or proponents of the same being however allowed to a shareholder to send a declaration of vote regarding a certain proposal to declare that he votes against all the other proposals in the same point of the order of works without other specifications.

  - the precise and unconditional indication of the voting decision for each proposal as well as whether it will be maintained if the proposal is altered by its proposer the shareholder being able to condition the voting direction for a certain proposal to the approval or rejection of another under the same agenda item.

- It is understood that shareholders who send voting declarations by correspondence vote negatively on all resolution proposals submitted at a time after the issuance of the vote.

Toyota Caetano Portugal S.A. makes available on the Company's website https://toyotacaetano.pt/en/investors/general-meeting/) a model for exercising the right to vote by correspondence.

As described, the voting declarations must be received by the Company up to five days before the General Meeting is held.

Vote by telematic means

Pursuant to article 337 6 subparagraph b) of PCCC, unless otherwise provided in the Company's articles of association the General Meeting may be held by telematic means. Consequently, since such means are not prohibited by the Articles of Association, meetings by telematic means are possible.

This possibility, which is recognized by the Company as a way of enhancing the exercise of their rights by shareholders is disclosed in the notices issued for the Company's General Meetings and on the institutional website.

Thus, shareholders who have communicated this and indicated their email address in the written declaration of intention to participate in the General Meeting addressed to the President of the Board of the General Meeting may participate in General Meetings by telematic means.

In this case a link will be sent to the provided email to attend the meeting through Teams/Zoom platform or equivalent.

13. Details of the maximum percentage of voting rights that may be exercised by a single shareholder or by shareholders that are in any relationship as set out in art. 20 n.1

There are no statutory rules in the Company's Articles of Association that provide for the existence of shares that do not confer the right to vote or that establish that voting rights above a certain number are not counted when issued by a single shareholder or by related shareholders.

14. Details of shareholders' resolutions that, imposed by the articles of association, may only be taken with a qualified majority, in addition to those legally provided and details of said majority

A qualified majority of 75% is required for the adoption of the following matters:

a) Changes to the Articles of Association;

b) Incorporation of reserve funds in the share capital, namely and specifically revaluation reserves;

c) Transfer, leasing or cession of the operation of all or an important part of the Company’s activities and the succession or acceptance of a third-party entity activity;

d) Decrease or increase in capital;

e) Profit Sharing and setting of the dividend percentage as well as the eventual distribution of funds from Free Reserves;

f) Issuance of bonds;

g) Election or dismissal of all or some members of the governing bodies;

h) Election or dismissal of the members of the Remuneration Committee;

i) Merger, split or dissolution of the Company as well as the appointment of liquidators;

j) Acquisition, disposal, transfer, leasing and cession of fixed assets with a transaction value greater than two million five hundred thousand Euros.

In order to deliberate on the matters referred in the previous paragraph if the required majority is not present during the first convening notice, the General Shareholders’ Meeting will meet fifteen days later as second convening notice, in order to deliberate on the same matters with the requirement that the respective decision be voted by a seventy-five percent majority of the votes from present or represented shareholders.

II. MANAGEMENT AND SUPERVISION

a) Composition

15. Identification of governance model adopted

The Company adopts the governance model that advocates the separation of the management and supervisory bodies as well as a double supervision consisting of a Supervisory Board and a Statutory Auditor. From the assessment made by the Board of Directors it is concluded that the adoption of this model allows the existence of a supervisory body with effective and strengthened supervisory powers

16. Statutory rules on procedural requirements and materials for the appointment and replacement of the board of directors (art. 245-a/1/h PCCC). Diversity policy.

The members of the Board of Directors are elected by the General Shareholder’s Meeting for a period of four years renewable and are responsible for carrying out all the management acts in the implementation of operations inherent to its corporate purpose within the interest of the Company shareholders and employees in mind. The General Meeting may also elect two alternate directors.

The requirements for the appointment of the members of the Board of Directors are described in the Internal regulation of the Board of Directors. These requirements are considered adequate to verify the adequacy of the profile, knowledge and experience to the role to be performed.

In accordance with Article 17 of Toyota Caetano Portugal's Articles of Association, the appointment and replacement of the members of the board of directors abide by the following rules:

▪ By the call for substitutes made by the Chairman of the Board of Directors respecting the order in which they appear on the list submitted to the General Shareholders' Meeting;

▪ In case there are no alternate members, through co-option to be carried out within sixty days following a definitive absence, unless the number of acting board members is insufficient for the Board of Directors to be able to operate;

▪ Should no co-option have been affected, the alternate member shall be designated by the Supervisory Board;

▪ By election of a new board member.

The Nominations, Appraisal and Remunerations Committee plays an active role in the appointment of the members of the Board of Directors, in accordance with its Internal Regulation. All nominations are preceded by an assessment carried out by the human resources department, namely in terms of curriculum and "Ser Caetano" values, subsequently verified by the Nominations, Appraisal and Remunerations Committee, which will give its final opinion on such nomination.

Diversity Policy

The shareholders maintained the safeguarding of the diversity of gender, age, qualifications and professional background in the selection of the members of the management and supervisory bodies under the terms provided for in no. 1 paragraph r) of the Article 245 A PCCC given by Decree-Law No. 89/2017 of 28 July.

In the current composition of the Board of Directors the principles of diversity of gender, age, professional qualifications and professional background are considered safeguarded, in a structure that is considered adequate to the company's business model and its strategic lines.

17. Composition, as applicable, of the Board of Directors, the Executive Board of Directors and the General and Supervisory Board, indicating the minimum and maximum statutory number of members, statutory duration of term of office, number of effective members, date of first appointment and date of end of term of office of each member

The Board of Directors was elected in 2019 for a period of four years ending its term in 2022, composed, in accordance with the Company's Articles of Association, of seven effective members and one alternate member elected by the General Meeting. Since no new members have been elected yet, the current ones remain in office.

Composition as of 31.12.2022:

MEMBER	FUNCTION		INDEPENDENCE	DATE OF FIRST DESIGNATION
José Reis da Silva Ramos	Chairman	Executive	No	29/01/2010
Maria Angelina Martins Caetano Ramos	Member	Executive	No	30/03/1989
Miguel Pedro Caetano Ramos	Member	Non-executive	No	23/04/2010
Gisela Maria Falcão Sousa Pires Passos	Member	Executive	No	01/07/2020
Tom Fux	Member	Non-executive	No	01/07/2021
Kazunori Takagi	Member	Non-executive	No	23/02/2022
Masaru Shimada	Substitute Member	Non-executive	No	26/10/2017

The term of office of all the above mentioned members ended on 31.12.2022, remaining in office until a new election.

18. Distinction of executive members and non-executive directors and, concerning the nonexecutive members, identification of which may be deemed to be independent.

The Company seeks a balance in the composition of the Board of Directors between executive and non-executive Directors in accordance with recommendation 2005/162/EC of the European Union Commission of 15.02.2015, executive directors being those responsible for the management of the Company and non-executive directors those who are not.

All non-executive directors have a generic duty to monitor, supervise ,support the strategy and decision-making of the Board of Directors.

In item 17 are discriminated executive and non-executive directors as well as those who are considered independent.

At the moment, the Board of Directors comprises three executive and three non-executive directors, as well as one alternate non-executive member. The Company considers that given its size, its organizational structure, family nature, history, level of exposure to risks and activity in general, the proportion between the number of executive Directors and the number of non-executive Directors is balanced and adequate.

The non-executive members of the Board of Directors of Toyota Caetano Portugal S.A. cannot be considered independent as their appointment also corresponds to proposals from the two major shareholders of Toyota Caetano Portugal S.A.

The assessment of the independence of the Board of Directors' members carried out by the management body is based on Article 414 (5) of PCCC and the recommendation III.4 of the Portuguese Governance Companies form IPCG Code of 2018, reviewed in 2020.

19. Professional qualifications and other relevant curricular elements of each member of the board of directors

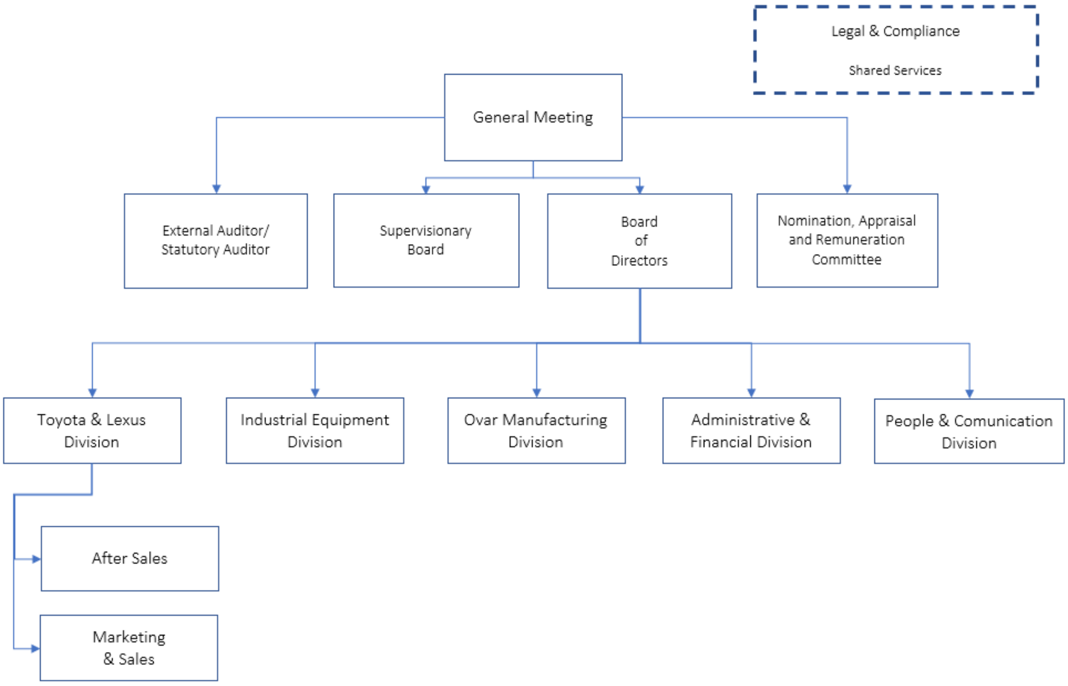
The professional qualifications of the effective members of the Board of Directors are disclosed in attachment (Attachment I).

In addition to the curriculum of each of the effective members of the Board of Directors – demonstrating their qualifications and professional background, the Company seeks to evaluate, through its human resources department, which supports the Nominations, Appraisal and Remunerations Committee - responsible committee for assessing candidacies for members of governing bodies – whether the candidate's profile is suited to the functions to be performed, namely in terms of experience and in terms of compliance with "Ser Caetano" values. After this evaluation, the Nominations, Appraisal and Remunerations Committee carries out its final evaluation.

20. Customary and significant family professional or business relationships of the members of the board of directors with shareholders to whom a qualifying holding greater than 2% of the voting rights is attributable

No member of the Board of Directors holds shares in the Company and there are no usual and significant family professional or commercial relationships between the members of the Board of Directors and shareholders to whom a qualified holding greater than 2% of the voting rights is attributable.

21. Organizational chart relating to the division of powers among the various corporate bodies committees and/or departments within the company including information on delegating powers particularly with regard to delegation of the company's daily management



Board of Directors

It is up to the Board of Directors to exercise the broadest powers of management and definition of the Company's strategy, representing the Company in and out of court, actively and passively, as well as performing all acts aimed at achieving the corporate purpose. In particular, under the terms of the articles of association, it has the following powers:

a) Without the need for shareholder deliberation, it can create branches, agencies, delegations, or other local forms of representation, either in Portugal or abroad;

b) Install or acquire, maintain, transfer or close establishments, factories, laboratories, workshops, deposits or warehouses;

c) Acquire, dispose of and oblige in any way, own shares and bonds as decided by the General Meeting;

d) Acquire real estate and, with the prior opinion of the Supervisory Board, sell them;

e) Negotiate with any credit institutions, namely banks, any and all operations that it deems necessary, namely taking out loans, Commercial Paper Issuance Programs, under the terms conditions and manner deemed convenient;

f) Move bank accounts, deposit and withdraw money, issue, withdraw, accept and endorse bills, promissory notes, checks, invoice extracts and any other credit instruments;

g) Confess, desist or compromise on any actions;

h) Appointing representatives of the Company;

i) Perform the other functions foreseen in the Articles of Association or in the law.

It also has the following powers under the terms of its internal regulations:

- Define the risk policies and strategic lines of the Company;
- Protect and enhance the Company's assets;
- Implement and ensure compliance with the strategic guidelines by the Company and affiliates;
- Ensure the continuity of the Company within a long-term and sustainability perspective which incorporates economic, social, environmental and ethical considerations in the definition of the Company and affiliates' business.

The executive members of the Board of Directors provide all the Corporate Bodies, namely the Supervisory Board and the Board of the General Meeting, with the information requested by them namely notices and minutes of Board meetings in a timely and appropriate manner.

The Board of Directors regulates its operation by the regulation that can be consulted at https://toyotacaetano.pt/en/investors/corporate-governance/.

Supervisory Board

Currently, the Supervisory Board comprises three effective members and two alternates. The Company considers that given its size, its organizational structure, family nature, history, level of exposure to risks and activity in general, the number of members is balanced and adequate, allowing it to efficiently ensure the functions assigned to it assigned.

It is incumbent upon the Supervisory Board among other functions to supervise the administration, verify the regularity of the Company's accounts, accounting records and supporting documents, and verify compliance with the law and the Company's article of association.

As part of its supervisory role, the Supervisory Board has access to all reports prepared by management which include, among others, matters related to legal reporting.

It is also responsible for representing the Company before and supervising the activity and independence of the External Auditor interacting directly with him in terms of his powers and operating rules.

It is also incumbent upon the Supervisory Board to assess and previously pronounce on the strategic lines and risk policy approved by the Board of Directors.

The Supervisory Board has an internal regulation describing all its powers. Their Internal Regulation Is also available on the Company's website in the tab mentioned in point 61 (relevant addresses).

Executive Committee and Managing Directors

The Company does not have an executive committee or managing directors.

The only existing committee is the Nominations, Appraisal and Remunerations Committee.

The governing bodies and the existing committee ensure, in a timely and appropriate manner, the flow of information necessary for the exercise of the functions of each body and committee, namely in terms of the respective minutes and notices.

Operational directions

The Company assigns powers to a set of operational departments by area of activity as described in the organizational chart above, which perform the day-to-day management of the activity in question and with which the Board of Directors meets periodically to analyze and monitor the activity carried out and compliance with the defined annual budget.

The Company is organized by areas of activity, each managed by an operational department which reports to the Company's Board of Directors:

- Toyota and Lexus Division (commercial segment) - is the business unit of Toyota Caetano Portugal appointed by Toyota Motor Europe which holds the exclusive activity of Importer of the Toyota and Lexus brands both in the marketing and sale of new vehicles and in the reliable used vehicles through its Exclusive TUC (Trusted Used Toyota) and Lexus Select Programs complemented by the sale of original Toyota and Lexus parts and accessories. This segment also includes the activity of the Toyota and Lexus Hub where all vehicles are prepared for delivery to customers. For the sale of the products, Toyota Caetano Portugal has a network of Authorized Toyota Concessionaires and Repairers, which it appoints, manages, and is permanently monitored, always with the aim of exceeding Customers' expectations.

- Industrial Equipment Division – import commercialization (sale and rental) after-sales activity of industrial machines (counterweight forklift trucks and warehouse equipment) as well as business services and solutions such as short-term rental, used and reconditioned assistance, maintenance contracts sale of parts, and fleet management of said equipment;

- Ovar manufacturing division (industrial segment) - manufacturing and assembly of Toyota vehicles as well as components for buses.

b) Operation

22. Existence and place where the operating regulations of the Board of Directors may be consulted

The Board of Directors' Internal Regulation Is available on the Company's website under the tab mentioned in point 61 (relevant addresses).

23. Number of meetings held and degree of attendance of each member

The Board of Directors meets regularly. Its resolutions are valid only when the majority of its members are present.

During 2022, the Board of Directors met seven times with the corresponding minutes recorded in the minutes book of the Board of Directors.

All its members were present or represented at all meetings.

The degree of attendance during 2022 was as follows:

José Reis da Silva Ramos	7 out of 7
Maria Angelina Martins Caetano Ramos	6 out of 7 (+ 1 represented)
Miguel Pedro Caetano Ramos	7 out of 7
Gisela Maria Falcão Sousa Pires Passos	7 out of 7
Tom Fux	3 out of 7 (+ 4 represented)
Kazunori Takagi	3 out of 5, desde a sua nomeação (+ 2 represented)

We present the following notes:

1. Director Salvador Acácio Caetano died in June 2022, having been present at all meetings of the Board of Directors up to that date.

2. Director Kiyohito Morimoto resigned on February 23, 2022, with no meeting held in 2022 until that date.

24. Indication of the company bodies competent to carry out the performance evaluation of executive directors

The performance assessment of executive Directors is attributed to the Nomination, Appraisal and Remuneration Committee.

The Nomination, Appraisal and Remuneration Committee is responsible, within the scope of the approved Remuneration Policy, to assess the individual and collective performance of the executive Directors considering their relevance and impact on the achievement of the Company's results and to assess their alignment with the Company's interests.

25. Pre-determined criteria for evaluating the performance of executive directors.

As stipulated in the Remuneration Policy in force, there are pre-determined criteria for the evaluation of Executive Directors which result from this same policy. The remuneration policy is available on the Company's website at https://toyotacaetano.pt/en/remuneration/.

26. Availability of each of the members of the board of directors with indication of positions held simultaneously in other business in and out of the group and other relevant activities held by members of those bodies during the year.

The members of the Board of Directors are fully committed to the performance of their duties and aligned with the sustainable growth of the Company.

The executive members of the Board of Directors also carry out management duties in the following companies:

Maria Angelina Martins Caetano Ramos	ATLÂNTICA - COMPANHIA PORTUGUESA DE PESCA, S.A. AUTO PARTNER IMOBILIÁRIA, SA CAETANO AUTO CV, S.A. CAETANO BAVIERA – COMERCIO DE AUTOMÓVEIS, SA CAETANO RENTING, S.A. COCIGA – CONSTRUÇÕES CIVIS DE GAIA, SA COVIM – SOCIEDADE AGRICOLA, SILVICOLA E IMOBILIÁRIA, SA CRUSTACIL - COMÉRCIO DE MARISCO, LDA. GRUPO SALVADOR CAETANO, SGPS S.A. PORTIANGA – COMERCIO INTERNACIONAL E PARTICIPAÇÕES, SA POAL - PAVIMENTAÇÕES E OBRAS ACESSÓRIAS, SA SALVADOR CAETANO AUTO ÁFRICA, SGPS, S.A. SALVADOR CAETANO AUTO, SGPS, S.A. SALVADOR CAETANO CAPITAL SGPS, SA

José Reis da Silva Ramos	ATLÂNTICA - COMPANHIA PORTUGUESA DE PESCA, S.A. CAETANO AERONAUTIC, S.A. CAETANO AUTO CV, S.A. CAETANO AUTO, S.A. CAETANO RENTING, S.A. CAETANOBUS - FABRICAÇÃO DE CARROÇARIAS, S.A. CRUSTACIL - COMÉRCIO DE MARISCO, LDA. FUNDAÇÃO SALVADOR CAETANO GRUPO SALVADOR CAETANO, SGPS S.A. LUSILECTRA - VEÍCULOS E EQUIPAMENTOS, S.A. MOVICARGO - SERVIÇOS ADUANEIROS, LDA. PORTIANGA-COMÉRCIO INTERNACIONAL E PARTICIPAÇÕES S.A. RIGOR - CONSULTORIA E GESTÃO, S.A. SALVADOR CAETANO AUTO ÁFRICA, SGPS, S.A. SALVADOR CAETANO AUTO, SGPS, S.A. SALVADOR CAETANO INDÚSTRIA (SGPS), S.A. SOCIEDADE IMOBILIÁRIA DA QUINTA DA FUNDEGA, LIMITADA

Miguel Pedro Caetano Ramos	AUTOWALLIS CAETANO HOLDING ZRT. RN NORDIC SIMBA CAETANO FORMULA LIMITED CAETANO AERONAUTIC, S.A. CAETANO BAVIERA - COMÉRCIO DE AUTOMÓVEIS, S.A. CAETANO FÓRMULA EAST ÁFRICA, S.A. CAETANO MOBILITY, SGPS, S.A. CAETANO PEÇAS-COMÉRCIO E SERVIÇOS (SU) LDA. CAETANO RENTING ANGOLA (SU) LDA. CAETANO RETAIL ESPAÑA, S.A.U. CAETANO RETAIL, SGPS, S.A. CAETANOBUS - FABRICAÇÃO DE CARROÇARIAS, S.A. CAETSU PUBLICIDADE - COMÉRCIO E SERVIÇOS (SU), LDA. DRIVE ANGOLA, S.A. GOCHARGE, S.A. GRUPO SALVADOR CAETANO, SGPS S.A. HEDIN CAETANO AB IBERICAR BARCELONA PREMIUM, S.L. KINTO PORTUGAL, S.A. LATAM OPERACIONAL, S.L.U. LIDERA SOLUCIONES, S.L. PORTIANGA-COMÉRCIO INTERNACIONAL E PARTICIPAÇÕES S.A. RIGOR - CONSULTORIA E GESTÃO, S.A. ROBERT HUDSON, LIMITADA SALVADOR CAETANO AUTO ÁFRICA, SGPS, S.A. SALVADOR CAETANO AUTO, SGPS, S.A. SALVADOR CAETANO CAPITAL (SGPS), S.A. SALVADOR CAETANO INDÚSTRIA (SGPS), S.A.

Gisela Maria Falcão Sousa Pires Passos	CAETANO RENTING, S.A. CAETANOBUS - FABRICAÇÃO DE CARROÇARIAS, S.A. KINTO PORTUGAL, S.A. SALVADOR CAETANO INDÚSTRIA (SGPS), S.A.

Tom Fux	TOYOTA DEUTSCHLAND GMBH TOYOTA AUSTRIA GMBH BAUDA AS

Kazunori Takagi	OOO “TOYOTA MOTOR”

As can be seen from the information on the above list, the Executive members of the Board of Directors perform functions in the management bodies of subsidiary companies and in companies within the perimeter of the so-called Salvador Caetano Group (Salvador Caetano Auto), which are companies that are mainly or secondarily dedicated to the same line of business – automobile branch. Therefore, the Executive members draw from this fact, clear synergies for the performance of their functions within the Company so that the functions performed in other companies have not affected the executive directors' availability to monitor the Company's affairs as evidenced by the degree of attendance at the meetings of the Board of Directors.

c) Committees within the board of directors and board delegate

27. Identification of the committees created within the board of directors and place where its internal regulations may be consulted

Considering the composition of the Board of Directors, the governance model and the shareholder structure of the Company, the Board of Directors does not believe that the establishment of specialized committees is adequate to its specificities, except for the Nomination, Appraisal and Remuneration Committee. Its Regulation Is available on the Company's website at https://toyotacaetano.pt/en/investors/corporate-governance/.

28. Composition of the executive committee and/or identification of the managing director(s)

Considering the composition of the Board of Directors, the governance model and the shareholder structure of the Company, the Board of Directors does not believe that the establishment of an executive committee and/or delegated directors is adequate to its specificities.

29. Indication of the powers of each of the commissions created and summary of the activities carried out in the exercise of these powers. Board) corresponding to the adopted model.

The Nomination, Appraisal and Remuneration Committee main functions are:

- to prepare and submit the Remuneration Policy of the governing bodies for approval by the General Meeting;
- to set the respective annual remunerations including the respective complements in accordance with such policy;
- support the Board of Directors in identifying and assessing the suitability of the profile knowledge and curriculum of the members of the governing bodies to be designated;
- conduct the performance evaluation of the members of the Board of Directors.

The Rules of Procedure of the Nomination, Appraisal and Remuneration Committee are available on the Company's website at https://toyotacaetano.pt/en/investors/corporate-governance/.

The Nominations, Appraisal and Remuneration Committee met 7 times during 2022.

The Company is also supported by the Compliance Committee, which exists across the Salvador Caetano Group. This committee is made up of the legal director of the Salvador Caetano Group, the human resources director of the Salvador Caetano Group, the person responsible for labor law at the Salvador Caetano Group and the person responsible for regulatory compliance and is advised by external consultants, specializing in matters of governance, corruption, and money laundering. This Committee provides shared services to all Group companies, namely Toyota Caetano Portugal.

III. SUPERVISION (SUPERVISORY BOARD)

a) Composition

30. Identification of the supervisory body (Supervisory) corresponding to the adopted model

The supervisory body adopted in accordance with the Latin model of corporate governance was the Supervisory Board.

31. Composition of the Supervisory Board indicating the minimum and maximum statutory number of members statutory term of office number of effective members date of first appointment and date of term of office of each member which may be referred to a point in the report where this information already appears pursuant to the provisions of paragraph 18. Diversity Policy.

The Supervisory Board is composed, under the terms of the Articles of Association, of three effective members and two alternates.

The current Supervisory Board was elected on 04.12.2019 for a period of 4 years ending its term on 31.12.2022

On July 1st 2020 due to the resignation of the member Alberto Luis Lema Mandim from the position of Member of the Supervisory Board, the shareholder Salvador Caetano Auto S.G.P.S. S.A. nominated Antonieta Isabel da Costa Moura, to exercise the function of Member for the period not yet elapsed of the four-year period in course.

The Supervisory Board its functions independence and date of first appointment are detailed as follows:

MEMBER	FUNCTION	INDEPENDENCE	Nº SHARES	DATE FIRST DESIGNATION
José Domingos da Silva Fernandes	Chairman	Yes	0	28/04/2011
Antonieta Isabel da Costa Moura	Member	Yes	0	01/07/2020
Daniel Broekhuizen	Member	Yes	0	28/04/2016
Maria Lívia Fernandes Alves	Alternate	Yes	0	27/04/2012
Akito Takami	Alternate	Yes	0	28/04/2018

The Company considers the number of members of the Supervisory Board to be adequate, allowing it to efficiently carry out the functions assigned to it considering the size of the Company and the risks inherent to its activity.

The Supervisory Board may also freely rely on the recommendations and reports of the External Auditor.

32. Identification of the members of the Supervisory Board who are considered independent under the terms of art. 414.º no. 5 PCCC. reference may be made to the section of the report where this information is already included pursuant to the provisions of no. 19.

The Chairman of the Supervisory Board and Members comply with the independence requirements under the terms of the PCCC.

33. Professional qualifications of each of the members of the Supervisory Board and other relevant curricular elements which may be referred to a point in the report where this information already appears pursuant to the provisions of paragraph 21.

The members of the Supervisory Board have the appropriate powers to perform their duties and the Chairman is adequately supported by the other members of the Supervisory Board. For this purpose, the professional qualifications of the members of the supervisory body are attached in Annex I. As of 2022, all new members of the Supervisory Board are duly evaluated in advance by the human resources department, which will produce a report that must also be validated by the Nomination, Appraisal and Remuneration Committee.

b) Operation

34. Existence and place where the regulations on the functioning of the Supervisory Board may be consulted; reference may be made to the item in the report where this information is already contained by virtue of the provisions of no. 24.

The internal Supervisory Board Regulation is available on the Company's website under the tab mentioned in point 61 (relevant addresses).

35. Number of meetings held and attendance rate at meetings held by each member of Supervisory Board; reference may be made to the item in the report where this information already appears pursuant to paragraph 25.

The Supervisory Board met seven times during 2022 with the corresponding minutes recorded in the Supervisory Board's minutes book.

Attendance level:

José Domingos da Silva Fernandes	7 out 7
Antonieta Isabel da Costa Moura	7 out 7
Daniel Broekhuizen	5 out 7

36. Availability of each of the members of the Supervisory Board with an indication of the positions held simultaneously in other companies inside and outside the group and other relevant activities carried out by the members of that body during the course of the year which may be referred to a point in the report where this information already appears pursuant to the provisions of paragraph 26.

The members of the Supervisory Board carry out other duties in the following companies:

José Domingos da Silva Fernandes

Chairman of the Supervisory Board of the company Caetano – Baviera – Comércio de Automóveis SA (Grupo Salvador Caetano)

Statutory Auditor in the following companies:

- Summertime – Sociedade Imobiliária, S.A.
- Convemaia – Sociedade Imobiliária, S.A.
- BDS, SGPS, S.A.

Antonieta Isabel da Costa Moura

Member of the Supervisory Board of the companies:

- CAETANOBUS – Fabricação de Carroçarias, S.A.
- Salvador Caetano Auto, SGPS, S.A.

Daniel Broekhuizen

Member of the Supervisory Board of the company

- Toyota Motor Kazakhstan LLP

Member of the Board of Directors of the company

- Toyota Logistics Services Ireland Ltd

Regardless of the performance of other functions in other companies, all the members of the Supervisory Board were always available for the exercise of their functions in the Company during 2022, participating in corporate life whenever this was necessary or convenient.

c) Powers and functions

37. Procedures and criteria for intervention of the audit board for the purpose of employment of additional services to the external auditor.

It is the responsibility of the Company's Supervisory Board to interact with the External Auditor in terms of its powers and operating rules, the Supervisory Board being the first recipient of the External Auditor's Report and the Company's interlocutor in the relationship with the latter.

Additionally, the Supervisory Board is responsible for ensuring that within the Company, adequate conditions are ensured for the provision of services by the External Auditor.

Lastly, the Supervisory Board proposes the annual remuneration of the Statutory Auditor/External Auditor, assessing, annually, their provision of services, proposing their dismissal to the General Meeting whenever there is fair cause for the effect. The Supervisory Board must also ensure that the External Auditor has the appropriate conditions for the provision of services.

It is therefore up to the Supervisory Board to verify and decide on the contracting of additional services from the External Auditor which is subject to verification of adequacy and prior approval duly founded by the same Board.

38. Other functions of the audit board

In summary the Supervisory Board is responsible for overseeing the business and verifying the implementation of the defined policies.

The Supervisory Body does not perform functions other than those provided for in the law in the articles of association in its internal regulations and those briefly described above.

IV. STATUTORY AUDITOR

39. Identification of the statutory auditor and the statutory audit partner who represents him

The Statutory Auditor is Deloitte & Associados SROC SA registered under number 20161389 with CMVM - Securities Market Commission and at OROC - Order of Statutory Auditors under number 43 and represented by Miguel Nuno Machado Canavarro Fontes ROC No. 1397.

40. Number of years in the statutory accounts held together consecutively functions of the company and / or group

The current Statutory Auditor has been with the Company since 1st July 2020.

41. Description of other services that the Statutory Auditor provides to the company

The Board of Directors when requesting services from the current Statutory Auditor ensures, before the respective award, that the auditors and their respective network are not contracted for services that under the terms of European Commission Recommendation No. C (2002) 1873 of 16 of May 2002 could jeopardize its independence.

During 2022, the Statutory Auditor provided the Company with statutory audit services as well as the following additional services:

- Support in the preparation and submission of candidatures for the Notice of Opening of Tender Nº. 02/C05-i01/2022 (Mobilizing agendas) and notice 02/C11-i01/2022 (industry decarbonization);
- Support in carrying out a limited review of the consolidated financial statements as of 30 June 2022;
- Support in the provision of reliability assurance services for IAPMEI - Institute for the Support of Small and Medium Enterprises and Innovation, IP), within the scope of the PRR (Recovery and Resilience Plan) mobilizing agendas, namely the "BeNeutral" Agenda, the Schedule "AM2R" and Schedule "ATE".

V. EXTERNAL AUDITOR

42. Identification of the external auditor designated for purposes of art. 8. º and social auditor that stands in compliance with these functions as well as the respective registration number in CMVM.

The Company Deloitte & Associados SROC S.A is the external auditor of the Company represented by Miguel Nuno Machado Canavarro Fontes (nº 1397) registered at OROC under nº 43 and at CMVM under nº 20161389.

43. Identification of the number of years that the external auditor and the respective partner that represents same in carrying out these duties have consecutively carried out duties with the company and/or group.

The external auditor and the partner that represents it have been carrying out duties with the Company since 1st July 2020.

44. Rotation policy and frequency of rotation of the external auditor and the respective partner that represents it in carrying out these duties

Is not internally defined any policy of mandatory rotation of external auditor in addition to the legally applicable to public interest entities, being the period of mandatory rotation of statutory social accounts representing the External Auditor on the performance of these functions due to the combination the paragraph. 2 of article 54. Statutes of the Order of Statutory Auditors (7 years).

45. Body responsible for assessment of external auditor and frequency with which this assessment is made

The Supervisory Board annually evaluates the work of the External Auditor and may propose its replacement whenever it deems there are justifiable reasons to do so.

46. Identification of works other than auditing performed by the external auditor for the company and/or for companies that are in a controlling relationship with it as well as an indication of the internal procedures for the purpose of approving the contracting of such services and indication reasons for hiring them.

Indicated in point 41 above. All additional services were necessary for the regular activity of the Company and after consideration it was understood that this company was the most suitable for their provision, not affecting either by its nature or by its value the independence of the External Auditor in the exercise of its functions. The Supervisory Board is responsible for appraising and approving the contracting of such services.

47. Annual remuneration paid by the company and / or by a collective of or in relation to the field group auditor and other individuals or collective in the same network and discrimination of percentage of every type of service (for the purposes of this information the concept of a network is that derived from European Commission Recommendation nº. C (2002) 1873 of 16 may)

The remuneration paid to the auditors of the company and to other legal persons belonging to the same network ("Deloitte Network") by the company and by companies in a controlling or group relationship amounts to 169 005,70 Euros distributed as follows:

Company	**Value**	**%**
Value of audit services	60 200,00 €	35,6%
Other services	70 205,70 €	41,5%
Group Companies		
Value of audit services	38 600,00 €	22,8%

C. INTERNAL ORGANIZATION

I. ARTICLES OF ASSOCIATION

48. Rules applicable to the amendment of the articles of association (Art. 245-A/1/h) PCCC).

The amendment of the articles of association is only possible upon approval by the General Assembly by a majority of 75% of capital.

To deliberate on the matters referred to in the previous paragraph, if the required majority is not present during the first convening notice, the General Shareholders' Meeting will meet fifteen days later in order to deliberate on the same matters with the requirement that the respective decision be voted by a seventy-five percent majority of the votes from present or represented shareholders.

II. REPORTING OF IRREGULARITIES

49. Means and policy for communication of irregularities occurring in the company

The Company has implemented a system for reporting irregularities in accordance with the Regulation for the Reporting of Irregularities in force, and published on the company's website. Any communication of facts likely to frame an irregularity must be made in writing by e-mail or letter addressed to the chairman of the Supervisory Board to the following addresses:

E-mail:

compliance@salvadorcaetano.pt

Address:

A/C Chairman of Supervisory Board

Toyota Caetano Portugal, S.A.

Av. Vasco da Gama, 1410

4430-247 Vila Nova de Gaia

The Company also has a reporting channel available online, on its institutional website, for reporting any irregularities.

III. INTERNAL CONTROL AND RISK MANAGEMENT

50. People bodies or committees responsible for internal audit and/or for the implementation of internal control systems

At Toyota Caetano Portugal S.A. the control of risks inherent to the activity is carried out directly by the Board of Directors and evaluated annually by the Supervisory Board.

The Company is also supported by internal departments of the Salvador Caetano Group with which it maintains synergies such as the Legal Department and Compliance / Planning Department Management Control and Internal Audit / Taxation / IT Services and the Audit carried out by the External Auditors. Whenever appropriate, relevant reports are shared with the Supervisory Board.

The risk policy is prepared by the Board of Directors evaluated by the Supervisory Board and finally approved by the Board of Directors.

As a result of an ever-increasing awareness on the part of all decision-makers, the need to identify and monitor in a structured and professional manner company's risks and respective anticipatory, and/or mitigation measures, during the year 2022 the Company developed, with the collaboration of an external entity, a significant work of systematizing the most relevant risks in its areas of activity, which resulted in a profound update to the risk management model. Thus, an updated risk policy and respective matrix will be approved by the Board of Directors during the 2023 financial year.

51. Explanation, even if through organizational chart, of the hierarchical and/or functional relationships of other company bodies or committees

The Company produces financial information on a regular basis and all the management information produced for both internal use and to be used by other entities it is prepared using computer systems.

The Company Board of Directors delegates powers in the directors responsible for each of the divisions Company which meets periodically for analysis and monitoring of developed financial information subject to regular monitoring carried out by the Board of Directors and the operational direction of the Company.

Chart in paragraph 21 of part I.

52. Existence of other functional areas with competences for risk control

There are no other functional areas with exclusive competencies within the scope of risk control and in view of the governance model all areas have a share of responsibility in risk control.

53. Identification of the main types of risk (economic financial and legal) to which the company is exposed when conducting business

In the development of its activities, Toyota Caetano Portugal S.A. is subject in each of its business areas or its subsidiaries to a multiplicity of risks which have been identified with the aim of mitigating and controlling them.

54. Description of the risk identification assessment monitoring control and management process

The effectiveness of risk management will depend on the integration into the organization's governance of procedures associated with monitoring, managing, and controlling risk.

At Toyota Caetano Portugal, SA, the control of risks inherent to the activity is carried out directly by the Board of Directors and assessed annually by the Supervisory Board. Notwithstanding this hierarchical level of control, risk management is inherent to all management processes, as risk can have a significant impact on the development and continuity of the business.

In this context the company adopted a model of four lines of defense involving the various levels of the organization, particularly top management:

- Operational areas: first line of defense, operationalization of procedures, and risk control mechanisms;
- Risk management and compliance: planning and control; risk monitoring, management support;
- Board of Directors: the risk strategy is defined by the Board of Directors, whose main function is control;
- Internal and external audit: validation of the effectiveness of risk management mechanisms. The risk strategy and policy is assessed by the Supervisory Board, which issues a reasoned opinion.

Risk management is intended to detect, manage, control, and mitigate threats as well as to identify and leverage opportunities, thus creating added value for the Company. Therefore, the Company's Board of Directors is supported by the directors responsible for each of the divisions with whom it meets periodically for analysis and monitoring of financial and non-financial information.

In this context, the identification and determination of the probability of occurrence of risks by the Company's Board of Directors arises through (i) regular and very close monitoring of the activities carried out; (ii) participation in seminars, training and workshops promoted by external entities and corporate departments of Salvador Caetano; (iii) meetings and internal committees of Salvador Caetano to share information and experiences, among others.

At the same time, an analysis of the impacts of risk on the Company is carried out, assessing the degree of repercussion they will have on the activity and determining short and medium/long term strategies to prevent, react and mitigate these risks.

It should also be noted that this risk management includes:

- sensitivity analyzes (measurement of potential impacts according to the probability of occurrence of each risk);
- strategic alignment of the Company in view of the risks effectively incurred;
- control mechanisms for the implementation of the risk management measures adopted and their effectiveness;
- internal information and communication mechanisms on the various components of the risk alert system.

The Supervisory Board monitors and takes note of the work and results carried out by the internal control, risk management, compliance, and internal audit services.

55. Main elements in the internal control and risk management systems implemented at the company with regard to the financial information disclosure process (art. 245º a nº1 m)

The Board of Directors is highly committed to ensuring the reliability of the Company's financial reporting namely ensuring that the Company has implemented appropriate policies which reasonably guarantee that transactions are recorded and reported in accordance with generally accepted accounting principles and that expenses are only incurred when duly authorized.

The risks involved in financial reporting are mitigated through the segregation of responsibilities and the implementation of prevention and detection controls which involve limiting access to IT systems and a comprehensive performance monitoring system.

Internal control and risk management procedures are evaluated annually by the Supervisory Board, and they may be adjusted based on such evaluation.

IV. INVESTOR SUPPORT

56. Office responsible for investor support, composition, functions, services provided by such information and elements for contact

Although no Investor Assistance Office has yet been formally established, this task is carried out by the market liaison officer. Whenever necessary, the market liaison officer ensures the provision to the market of all relevant information regarding noteworthy events, facts susceptible of inclusion within the framework of relevant facts, quarterly disclosure of income and answers to any clarification requests made by investors or by the public as regards financial information of a public nature.

57. Market liaison officer

Currently the Market liaison officer is:

Gisela Maria Falcão Sousa Pires Passos.

Telephone: 227867202

E-mail: gisela.passos@toyotacaetano.pt

58. Information on the extent and deadline for replying to the requests for information received throughout the year or pending from preceding years

The Market Relations Representative receives calls from time to time with various questions including clarifications on dividends general meetings and others generally responded immediately or within a reasonable time appropriate to the nature of the request.

During 2022 requests were promptly responded to, there are no requests for information pending response.

V. WEBSITE

59. Address

The website of the Company www.toyotacaetano.pt is available in Portuguese and in English according to CMVM VI.1 recommendation

60. Place where information on the firm public company status headquarters and other details mentioned in article 171 of the company's code

On the Company's Website within the tab identified as "Investors" there is a tab related to "Company" where it is published information on the Company, the public Company status, headquarters, and remaining data provided for in Article 171 of the Commercial Companies Code – https://toyotacaetano.pt/en/investors/company/

61. Place where the Articles of Association and regulations on the functioning of the bodies and/or committees can be found.

On the Company's website under the tab identified as "Investors" there is a tab marked "Corporate Governance" and within this one "Articles of Association" where the updated Articles of Association of the company are published - https://toyotacaetano.pt/en/investors/corporate-governance/

On the same page, within the same tab identified as "Investors", within the "Corporate Governance" tab, there is a tab called "Policies and Regulations" where the Internal Regulations of the Board of Directors, Supervisory Board and the Nomination, Appraisal and Remuneration Committee can be consulted, duly updated.

62. Place where information is available on the identity of the members of the governing bodies the representative for market relations the investor support office or equivalent structure respective functions and means of access.

On the Company's website under the tab marked "Investors" within the tab marked "Corporate Governance" there is a tab marked "Governing Bodies" where information is published on the composition of the Governing Bodies - https://toyotacaetano.pt/en/investors/corporate-governance/

Also, on the Company's website within the tab identified as "Investors" there is a tab related to "Investor Support" where information is published on the identity of the representative for relations with the market and investors as well as the contacts. - https://toyotacaetano.pt/en/investors/investor-support/

63. Place where the financial statements are available which must be accessible for at least five years as well as the half-yearly calendar of company events published at the beginning of each semester including among others general meetings disclosure of annual and half-yearly accounts.

On the Company's website under the tab marked "Investors" there is a tab marked "Reports and Accounts" where the financial statements are disclosed and remain accessible for at least five years: https://toyotacaetano.pt/en/investors/reports-and-accounts/

On the Company's website within the tab identified as "Investors" there are tabs identified as "Corporate Events" "Announcements" "General Meetings" and "Report and Accounts" where the calendar of corporate events and another information is available.

64. Place where the notice convening the general meeting and all the preparatory and subsequent information related thereto are disclosed.

On the Company's website under the tab marked "Investors" there is a tab relating to "General Meetings" where notices of meeting proposals for resolutions and the minutes of the General Meeting are posted. - https://toyotacaetano.pt/en/investors/general-meeting/.

65. Location where the historical collection with the resolutions taken at the company's general meetings the share capital represented and the results of voting with reference to the previous 3 years is made available.

On the Company's website within the tab identified as "Investors" there is a tab related to "General Meetings" where there is a historical collection with the resolutions taken at the meetings of the Company's General Meetings, the share capital represented, and the results of the respective votes: https://toyotacaetano.pt/en/investors/general-meeting/

D. REMUNERATION

I. JURISDICTION TO DETERMINE

66. Indication as to the ability to determine the remuneration of governing bodies of members of the managing director and executive officers of the company

The remuneration of the members of the governing bodies is set by the Nomination, Appraisal and Remuneration Committee. The remuneration policy of the Management and Supervisory Bodies is defined by the same Committee based on criteria that meet the ability to create shareholder value. In defining the criteria set out above, several factors are considered including comparative market data and macroeconomic data.

II. REMUNERATION COMMITTEE

67. Composition of the remuneration committee including identification of individuals or collective contracted for support and declaration of independence of each of the members and advisors

The Nomination, Appraisal and Remuneration Committee consists of the following members

- Alberto Luís Lema Mandim
- Francelim Costa da Silva Graça
- Maria Conceição Monteiro Silva

None of the members of this Committee is a member of the Board of Directors of the Company nor has a spouse, relatives or similar in these circumstances nor has any relationship with the members of the Board of Directors that could affect their impartiality in the exercise of their functions.

Thus, all members of the Nominations, Appraisal and Remuneration Committee are considered independent.

The chairman of the Nominations, Appraisal and Remuneration Committee must be present at all shareholders' meetings where remuneration is discussed, as well as at any other to which he is called.

68. Knowledge and experience in remuneration policy issues by members of the remuneration committee

The professional experience of the members of the Nomination, Appraisal and Remuneration Committee allows them to exercise their responsibilities effectively safeguarding the interests of the Company. In this regard reference should be made to the seniority of the members of the Committee in the exercise of their functions or in management functions their experience in terms of human resources management and their knowledge of the Toyota Group which gives them the necessary skills for the proper exercise of its functions.

Their professional qualifications are listed in Annex I.

This Committee may hire natural or legal persons to assist it in the performance of its functions also counting on the support of the human resources department and transversal legal department of Salvador Caetano Group. If the Company decides contract an external entity, it shall ensure that it does so independently in compliance with the requirements described below.

The Nomination, Appraisal and Remuneration Committee has not hired to assist it in the performance of its duties any individual or legal entity that provides or has provided over the past three years services to any structure under the direction of the Board of Directors to the Board of Directors of the Company itself or that has a current relationship with the Company or with a consultant of the Company.

III. REMUNERATION STRUCTURE

69. Description of the remuneration policy of the board of directors and audit board referred to in article 2. º law no. 28/2009 of 19 June

The remuneration policy for the Management and Supervisory Bodies is approved by the General Meeting on the proposal of the independent Nomination, Appraisal and Remuneration Committee.

The establishment of the remuneration amounts of the members of the Governing Bodies of Toyota Caetano Portugal S.A. must consider as a general principle the functions performed by each of the members, the economic situation of the Company, and the market situation in which it operates.

- The remuneration of the members of the Company's Management and Supervisory Bodies and in general of all employees must be appropriate to the Company's business strategy, its interests and objectives, as well as its sustainability.

- For the purposes of the previous number, the principles listed above must be followed in general terms as well as the following

- Alignment of the interests of the members of the Management and Supervisory Bodies with the interests of the Company, which may be done through variable remuneration components and other benefits to be specified and defined by the Nomination, Appraisal and Remuneration Committee;
- Individual performance should constitute a criterion for determining the variable component of remuneration if applicable without prejudice to other criteria that may be relevant namely the Company's own performance and the macroeconomic framework;
- Medium and long term interests of the Company;
- The national and international context, particularly in the sectors where the Company operates.

- This remuneration policy especially regarding executive Directors takes into account the conditions of employment and remuneration of employees of the Company as a whole aiming at a level of balance and internal equity.

The members of the Board of Directors are remunerated as follows:

- The remuneration will consist of a fixed part and eventually a variable part;
- The remuneration values of a fixed nature must accompany the salary policy to be applied to the remaining employees and take into account the functions performed on the one hand and market practices for equivalent responsibilities on the other;
- The fixed remuneration is defined by the Nomination, Appraisal and Remuneration Committee and by this annual review and unless otherwise decided by it will correspond to a monthly salary paid 14 times;
- There is no place to pay attendance fees;
- Whether or not there is a variable remuneration will be defined annually by the Nomination, Appraisal and Remuneration Committee and the calculation of the final amount of the variable remuneration will be based on an annual individual performance evaluation. This assessment is based on a set of quantitative indicators that must be in line with the Company's strategic objectives and on aspects of a qualitative nature considered essential for the long-term sustainability of the business namely:
    - Quantitative Indicators - compliance with the Company's global budget:
        - Turnover (in Mio€),
        - EBITDA (in % of Turnover)
        - EBT (in % of Turnover)
    - Qualitative Indicators in line with "Ser Caetano" Values
        - Ambition
        - Commitment
        - Trust
        - Cooperation
        - Responsibility

- Quantitative individual objectives weigh 90% in the calculation of individual performance and reflect financial performance related to the company's actual growth and the return generated for shareholders. Qualitative individual objectives weigh 10% in the calculation of individual performance.

- The allocation of the annual variable component must meet the following criteria:

  - Annually values / weight will be defined for each of the identified indicators;

  - Considering individual performance and applying the metrics mentioned above there will be room for the attribution or not of variable remuneration.

- Variable remuneration may be paid in cash or in kind, namely through flexible benefits.

- The variable remuneration of the members of the Board of Directors as a whole, must not exceed 3% of distributable results for the year in question.

- The payment of the variable remuneration may be deferred for a period of up to 3 years if that is the decision of the Nomination, Appraisal and Remuneration Committee.

- The non-executive members of the Board of Directors are not remunerated.

The members of the Supervisory Board may be remunerated in which case they must earn a maximum remuneration equivalent to a monthly minimum wage in force in Portugal on the date of their attribution for 14 months.

Complementary non-monetary benefits may be granted to members of the Governing Bodies under the terms and conditions to be resolved by the Nomination, Appraisal and Remuneration Committee.

The Salvador Caetano Group (Salvador Caetano Auto) grants to all the Company's employees a supplementary pension plan under the Salvador Caetano Group Pension Fund which can be extended to members of the Governing Bodies with the following rules:

- Plan A - (Defined Benefit): covers all employees (including directors) who on 01.01.2008 had already reached cumulatively 50 years of age and 15 years of seniority in the Company. It is embodied in the right to a supplementary pension paid by the aforementioned Pension Fund in the amount equivalent to 20% of the last pensionable salary and this supplementary pension will only be guaranteed if the Employee/Member of the Governing Body reaches the legal age of reform at the service of society.

- Plan B – (Defined Contribution): covers all other employees. It embodies the right to a supplementary retirement pension paid by the Pension Fund calculated as follows: the Company contributes to the Pension Fund every year with an amount corresponding to 3% of the gross annual salary of each employee covered by this Plan with this value being allocated to the worker. Upon reaching the legal retirement age at the service of society, the accumulated value of contributions plus the income generated in the meantime will be transformed into a lifetime annuity to be paid to the Employee/Member of the Governing Body.

Complementary non-cash benefits that may be attributed to members of the Governing Bodies should not have a relevant weight and should represent less than 10% of the total remuneration cost.

70. Information on how remuneration is structured so as to enable the aligning of the interests of the members of the board of directors with the company's long-term interests and how it is based on the performance assessment and how it discourages excessive risk taking

As a result of the remuneration policy described in point 69 above, the remuneration is structured to allow the alignment of the interests of the members of the Board of Directors with the long-term interests of the Company.

The establishment of fixed and variable remuneration and the dependence of the definition of the variable remuneration on a qualitative and quantitative assessment based on the degree of achievement of perfectly defined objectives (KPI's) determine that the performance of the management is carried out considering the interests of the Company not only in the short term but also in the medium and long term.

The performance evaluation process of the Directors is annual, with six-monthly monitoring, based on concrete evidence and made available to the Nomination, Appraisal and Remuneration Committee for regular monitoring of the level of compliance with the approved target.

71. Reference if applicable to the existence of a variable remuneration component and information about possible impact of performance appraisal in this component

The remuneration of Directors with executive functions comprises a fixed and a variable component. The variable component depends on the degree of fulfillment of pre-defined objectives which are included in the Remuneration Policy, and which are evaluated by the Nomination, Appraisal and Remuneration Committee.

72. Deferred payment of variable remuneration component with mention of deferred Period

Under the terms of the remuneration policy, it is possible to defer the variable component for up to 3 years. During 2022 there was no deferral of the payment of the variable component.

73. The criteria whereon the allocation of variable remuneration on shares is based and also on maintaining company shares that the executive directors have had access to on the possible share contracts including hedging or risk transfer contracts the corresponding limit and its relation to the total annual remuneration value

There is no attribution of variable remuneration in shares and, considering the remuneration model, the members of the Board of Directors of the Company did not enter contracts either with the Company or with third parties aimed at mitigating the risk inherent to the variability of remuneration.

There is no agreement entered into by the members of the Management Bodies for the attribution of variable remuneration in shares.

There is no plan for the attribution of shares to Directors.

74. The criteria whereon the allocation of variable remuneration on options is based and details of the deferral period and the exercise price

There is no plan for the attribution of share purchase options to the Directors.

75. The key factors and grounds for any annual bonus scheme and any additional nonfinancial benefits

All executive Directors have their variable remuneration depending on the degree of fulfillment of pre-defined objectives.

All Directors are entitled to other complementary benefits as described in point 69 above

76. Key characteristics of the supplementary pensions or early retirement schemes for directors and statement on the date when said schemes were approved at the general meeting on an individual basis

Toyota Caetano Portugal S.A. (together with other associates) created a pension fund by public deed dated December 29, 1988. This established Pension Fund provided that while its associates maintained the decision to make contributions to the aforementioned fund that most workers could from the date of retirement receive a non-updatable supplement determined based on a percentage of salary among other conditions configuring a defined benefit plan.

In view of the economic situation on 1 January 2008 changes were made to the conditions of the Salvador Caetano Pension Fund which were briefly modified as follows:

- Maintenance of a Defined Benefit scheme (20% of the Social Security pensionable salary at the time of retirement - 65 years old) for those retired and beneficiaries of deferred pensions as well as for all employees of the Salvador Caetano Pension Fund members who as of January 1, 2008, had completed 50 years of age and more than 15 years of service in the members of the Salvador Caetano Pension Fund

- Creation of a new group (formed by the remaining universe of workers at the service of members of the Salvador Caetano Pension Fund) which as of that date was included in a Defined Contribution Plan.

The members of the Board of Directors benefit from the Fundo Pensões Salvador Caetano if they fulfill all the requirements required for any other employee of one of the companies in the universe of the Pension Fund.

Currently the Pension Fund covers the members of the Board of Directors who meet the conditions.

IV. REMUNERATION DISCLOSURE

77. Details on the amount relating to the annual remuneration paid as a whole and individually to members of the company's board of directors including fixed and variable remuneration and as regards the latter reference to the different components that give rise to same

The remuneration earned by the members of the Board of Directors of Toyota Caetano Portugal S.A. during the years 2022 and 2021 in the exercise of their functions in the Company was as follows:

By the Company	2022		2021	
	Fixed Component	Variable Component	Fixed Component	Variable Component
José Reis da Silva Ramos	164.500 €	76.287 €	164.500 €	50.000 €
Maria Angelina M. Caetano Ramos	120.750 €	39.198 €	120.750 €	20.000 €
Gisela Maria Falcão S. Pires Passos	113.450 €	30.190 €	108.500 €	- €
Total	**398.700 €**	**145.675 €**	**393.750 €**	**70.000 €**

The remaining Directors, not being executives, are not remunerated.

The framework for rewarding performance focuses on your total remuneration, comprising fixed remuneration and variable remuneration, so that remuneration is comparable in global terms and consistent with the general performance of Toyota

Caetano Portugal and individual performance, measured not only in based on results and the creation of value for shareholders, but also based on projects, the team, leadership, and adherence to "Ser Caetano" values.

On the other hand, the Company considers other relevant factors, including the practice of other Salvador Caetano companies and market practices.

The salary policy adopted by Toyota Caetano Portugal is defined in order to ensure a balance between the various factors essential to the sustainability of the business.

The total remuneration practiced in 2022 complies with the remuneration policy adopted, having considered all the factors reflected therein. It was considered the Company's exceptional year in terms of its main indicators, despite the particularly difficult macroeconomic context experienced in 2022, resulting not only from the pandemic, whose effects are still being felt, but also from the conflict in Ukraine, with all the resulting impacts, both on the economy in general and on the concrete reality of Company.

In terms of fixed remuneration, only in the case of one of the executive Directors was there an update of the respective salary.

The attribution of variable remuneration as it depends on the fulfillment of key performance indicators is not guaranteed. The set of indicators selected for this purpose in coordination with the strategic goals determined ensure the necessary alignment between the performance of the Executive Directors and the performance of the Company in the long term.

In 2021 the following information was verified:

Qualitative Indicators	2021		
	Actual	Budget	Actual vs Budget
Turnover (€)	404.158.731 €	461.709.084 €	87,54%
EBITDA (as % on Turnover)	11,42%	7,61%	150,03%
EBT (as % on Turnover)	4,02%	2,10%	191,12%

In terms of qualitative indicators because of the performance assessment of the Executive Directors carried out by the Nomination, Appraisal and Remuneration Committee a 100% performance is recorded in all "Ser Caetano" Values (Ambition / Commitment / Trust / Cooperation / Responsibility).

Combining these results with the remaining variables defined in the Salary Policy in force and by the Nomination, Appraisal and Renumeration Committee the variable remunerations were determined.

The chart below shows the annual variation of the Company's performance (measured via Net Income) and the average remuneration of employees (in terms of the Company's full-time equivalent excluding members of the management and supervisory bodies) during the last 5 periods:

Indicators => Annual Variation	2018	2019	2020	2021	2022
Average remuneration of employees (without GB)	2,57%	2,68%	3,02%	1,55%	-0,59%
Net Result (Company Performance)	36,93%	-9,33%	-59,94%	151,79%	25,71%

The variation in employee remuneration in 2022, which stood at -0.59%, reflects the impact of the departure of employees with relevant salaries and well above the salaries of new hires.

There is no provision for the possibility of requesting the refund of a variable salary.

There is no deviation from the procedure for applying the remuneration policy.

78. Any amounts paid for any reason whatsoever by other companies in a control or group relationship or are subject to a common control

The remuneration earned by the members of the Board of Directors of Toyota Caetano Portugal S.A. during the years 2022 and 2021 in the exercise of their functions in entities included in the Toyota Caetano Portugal Group was as follows:

By other Group Companies	2022		2021	
	Fixed Component	Variable Component	Fixed Component	Variable Component
José Reis da Silva Ramos	- €	- €	- €	- €
Maria Angelina M. Caetano Ramos	314.125 €	- €	314.125 €	- €
Gisela Maria Falcão S. Pires Passos	- €	- €	- €	- €
Total	**314.125 €**	**- €**	**314.125 €**	**- €**

79. Remuneration paid in the form of profit-sharing and/or bonus payments and the reasons for said bonuses or profit sharing being awarded

The Company has not paid any remuneration to Directors in the form of profit sharing or bonuses.

80. Compensation paid or owed to former executive directors concerning contract termination during the financial year

During the year ended December 31, 2022, no compensation was paid to former directors, nor is any compensation due to any former director.

81. Details on the amount relating to the annual remuneration paid as a whole and individually to members of the Audit Board for the purposes of Law No. 28/2009 of 19 June

The remuneration earned by the members of the Supervisory Board of Toyota Caetano Portugal S.A. during the years 2022 and 2021 in the exercise of their functions in the Company and in Group Companies was as follows:

José D. Silva Fernandes:

- 2021: 5.040,00€
- 2022: 5.040,00€

The remaining members of the Supervisory Board did not receive remuneration in 2022.

This amount was fully paid by Toyota Caetano Portugal S.A.

82. Year remuneration of the chairman of the general assembly

In 2022 the Chairman and Vice-Chairman of the Board of the General Meeting did not receive any remuneration

V. AGREEMENTS WITH IMPLICATIONS REMUNERATION

83. The envisaged contractual restraints for compensation payable for the unfair dismissal of directors and the relevance thereof to the remuneration's variable component

There are no contractual limitations provided for the compensation payable for dismissal without just cause of the Company's Directors or any form of termination of duties this matter being regulated by the provisions of the applicable legislation.

84. Reference to the existence and description with details of the sums involved of agreements between the company and members of the board of directors and managers pursuant to art. 248-b/3 of the PCCC that envisage compensation in the event of resignation or unfair dismissal or termination of employment following a takeover bid (art. 245-a/1/l))

There are no agreements for the payment of any compensation in addition to the legally due if the termination or dismissal is due to inadequate performance of the Director as well as providing for compensation in the event of dismissal, dismissal without just cause, or termination of the employment relationship following of a change of control of the Company.

VI. SHARE ALLOCATION AND/OR OPTION PLAN

85. Details of the plan and the number of persons included therein

There are no plans to attribute shares or stock options to members of governing bodies nor to the employees.

86. Characteristics of the plan (allocation conditions non-transfer of share clauses criteria on share-pricing and the exercising option price the period during which the options may be exercised the characteristics of the shares or options to be allocated the existence of incentives to purchase and/or exercise options)

As described in paragraph 85. above there are no plans to attribute shares or stock options therefore the disclosure is not applicable.

87. Option rights granted for the acquisition of shares ("stock options") from which the company's workers and collaborators are beneficiaries.

As described in paragraph 85. above there are no plans to attribute shares or stock options therefore the disclosure is not applicable.

88. Control mechanisms for a possible employee-shareholder system in as much as the voting rights are not directly exercised by said employees (art. 245-a/1/e) PSC)

There is no system of employee participation in the capital so there is no justification for the existence of control mechanisms insofar as the voting rights are not exercised directly by them.

E. TRANSACTIONS WITH RELATED COMPANIES

I. CONTROL MECHANISMS AND PROCEDURES

89. Mechanisms implemented by the company for purposes of controlling transactions with related parties (please see the concept resulting from IAS 24)

Dated March 31, 2021, the "Regulation on conflicts of interest and transactions with related parties" was approved by the Board of Directors which establishes the procedures and criteria that must be observed when approving transactions with any related party and the respective disclosure. This regulation is available on the Company's website at https://toyotacaetano.pt/en/investors/corporate-governance/

Non-recurring extraordinary operations that leave the normal exercise of the Company's activity as these are operations of relevance to the Company require the prior opinion of the Supervisory Board.

Any case of conflict of interest or detection of irregularities must be shared with the Supervisory Board.

90. Indication of the transactions which were subject to control in the reference year

Transactions of a commercial nature carried out between the Company and holders of qualifying holdings or entities that are in any relationship with them under the terms of article 20 of the PCCC were carried out under normal market conditions and the transactions and respective balances may and additional information can be consulted in Note 36 of the Annex to the consolidated financial statements as of December 31, 2022.

91. Description of the procedures and criteria applicable to the intervention of the supervisory bodies for the purposes of assessing business between the company and the holders of qualified shareholdings or entities with which they are in any relationship pursuant to article 20 of the PCCC

The intervention and prior assessment of the Supervisory Board to be carried out between the Company and holders of qualifying holdings or entities that are in any relationship with them is governed by the provisions of the Regulation on conflicts of interest and transactions with related parties.

During 2022, no transactions were identified with holders of qualifying holdings or entities that are in any relationship with them, that required prior assessment by the Supervisory Board.

II. ELEMENTS RELATED TO BUSINESS

92. Indication of the location of the accountability documents where information on business with related parties is available, in accordance with IAS 24, or, alternatively, reproduction of that information.

Businesses with related parties are described in Note 36 of the Annex to the consolidated financial statements of the 2022 Report and Accounts.

PARTE II – CORPORATE GOVERNANCE ASSESSMENT

1. Identification of the Corporate Governance Code adopted

The Company adopted the IPCG Corporate Governance Code of 2018 in the version updated in 2020 (which is published on the website of this institution at https://cgov.pt/base-de-dados/codigos-de-governo) as it understands that it ensures an adequate level of protection of shareholders' interests and company's corporate governance transparency.

2. Compliance with Corporate Governance Code adopted

RECOMMENDATIONS	COMPLIANCE	REPORT
Chapter I. GENERAL DISCLOSURES		
I.1. Company's relationship with investors and disclosure		
I.1.1. The Company should establish mechanisms to ensure the timely disclosure of information to its governing bodies shareholders investors and other stakeholders financial analysts and to the markets in general	Adopted	Items 21, 56 and 58 to 65
I.2. Diversity in the composition and functioning of the company's governing bodies		
I.2.1. Companies should establish standards and requirements regarding the profile of new members of their governing bodies which are suitable according to the roles to be carried out. Besides individual attributes (such as competence independence integrity availability and experience) these profiles should take into consideration general diversity requirements with particular attention to gender diversity which may contribute to a better performance of the governing body and to the balance of its composition.	Adopted	Items 16 to 19, 26, 31 to 31 and 33 and Internal Regulation of the Board of Directors and of the Supervisory Board.

RECOMMENDATIONS	COMPLIANCE	REPORT
I.2.2. The company's managing and supervisory boards as well as their committees should have regulations — namely regulating the performance of their duties their Chairmanship periodicity of meetings their functioning and the duties of their members — disclosed in full on the company's website. Minutes of the meetings of each of these bodies should be drawn out.	Adopted	Items 22, 29 and 34. Internal regulations available on the company's website
I.2.3 The composition and the number of annual meetings of the managing and supervisory bodies as well as of their committees should be disclosed on the company's website.	Adopted	Items 23 and 35 and company's website
I.2.4. A policy for the communication of irregularities (whistleblowing) should be adopted that guarantees the suitable means of communication and treatment of those irregularities with the safeguarding of the confidentiality of the information transmitted and the identity of its provider whenever such confidentiality is requested	Adopted	Item 49 and company's website
I.3. Relationships between the company bodies		
I.3.1. The bylaws or other equivalent means adopted by the company should establish mechanisms that within the limits of applicable laws permanently ensure the members of the managing and supervisory boards are provided with access to all the information and company's collaborators in order to appraise the performance current situation and perspectives for further developments of the company namely including minutes documents supporting decisions that have been taken calls for meetings and the archive of the meetings of the managing board without impairing the access to any other documents or people that may be requested for information.	Adopted	Items 21, 59 to 65
I.3.2. Each of the company's boards and committees should ensure the timely and suitable flow of information especially regarding the respective calls for meetings and minutes necessary for the exercise of the competences determined by law and the bylaws of each of remaining boards and committees	Adopted	Item 21
I.4 Conflicts of interest		

RECOMMENDATIONS	COMPLIANCE	REPORT
I.4.1. The members of the managing and supervisory boards and the internal committees are bounded by internal regulation or equivalent to inform the respective board or committee whenever there are facts that may constitute or give rise to a conflict between their interests and the company's interest.	Adopted	Items 49 and 89 and respective Regulations of the corporate bodies as well as regulation on transactions between related parties and conflict of interests
I.4.2. Procedures should be adopted to guarantee that the member in conflict does not interfere in the decision-making process without prejudice to the duty to provide information and other clarifications that the board the committee or their respective members may request.	Adopted	Items 49, 89 and respective Regulations
I.5. Related party transactions		
I.5.1. The managing body should disclose in the corporate governance report or by other means publicly available the internal procedure for verifying transactions with related parties.	Adopted	Item 89 and Regulation of Conflict of Interests and Transactions with Related Parties
I.5.2. The managing body should report to the supervisory body the results of the internal procedure for verifying transactions with related parties including the transactions under analysis at least every six months.	Adopted	Items 80, 90 and Regulation of Conflict of Interests and Transactions with Related Parties
Chapter II · SHAREHOLDERS AND GENERAL MEETINGS		
II.1. The company should not set an excessively high number of shares to confer voting rights and it should make its choice clear in the corporate governance report every time its choice entails a diversion from the general rule: that each share has a corresponding vote.	Not Adopted	Given the size of the Company, the shareholder structure, and the low liquidity of the securities, this was the option that the shareholders considered to be the most appropriate.
II.2. The company should not adopt mechanisms that make decision making by its shareholders (resolutions) more difficult specifically by setting a quorum higher than that established by law.	Adopted	It is understood that the taking of certain decisions requiring a qualified majority, protects minority interests.
II.3. The company should implement adequate means for the remote participation by shareholders in the general meeting which should be proportionate to its size.	Adopted	Item 12

RECOMMENDATIONS	COMPLIANCE	REPORT
II.4. The company should also implement adequate means for the exercise of remote voting correspondence and electronic means.	Adopted	Item 12
II.5. The bylaws which specify the limitation of the number of votes that can be held or exercised by a sole shareholder individually or in coordination with other shareholders should equally provide that at least every 5 years the amendment or maintenance of this rule will be subject to a shareholder resolution — without increased quorum in comparison to the legally established — and in that resolution all votes cast will be counted without observation of the imposed limits.	Not Applicable	Item 12
II.6. The company should not adopt mechanisms that imply payments or assumption of fees in the case of the transfer of control or the change in the composition of the managing body and which are likely to harm the free transferability of shares and a shareholder assessment of the performance of the members of the managing body.	Adopted	Item 4
Chapter III . NON-EXECUTIVE MANAGEMENT AND SUPERVISION		
III.1. Without prejudice to question the legal powers of the chair of the managing body if he or she is not independent the independent directors should appoint a coordinator from amongst them namely to: (i) act when necessary as an interlocutor near the chair of the board of directors and other directors (ii) make sure there are the necessary conditions and means to carry out their functions; and (iii) coordinate the independent directors in the assessment of the performance of the managing body as established in recommendation V.1.1.	Not Applicable	There are no Independent Directors, nor, of course, a coordinator Items 17 and 18
III.2. The number of non-executive members in the managing body as well as the number of members of the supervisory body and the number of the members of the committee for financial matters should be suitable for the size of the company and the complexity of the risks intrinsic to its activity but sufficient to ensure with efficiency the duties which they have been attributed. The formation of such suitability judgment should be included in the corporate governance report.	Adopted	Items 17, 18 and 21

RECOMMENDATIONS	COMPLIANCE	REPORT
III.3. In any case the number of non-executive directors should be higher than the number of executive directors.	Adopted	Items 17, 18 and 21
III.4. Each company should include a number of non-executive directors that corresponds to no less than one third but always plural who satisfy the legal requirements of independence. For the purposes of this recommendation an independent person is one who is not associated with any specific group of interest of the company nor under any circumstance likely to affect his/her impartiality of analysis or decision namely due to: i. having carried out functions in any of the company's bodies for more than twelve years either on a consecutive or non-consecutive basis; ii. having been a prior staff member of the company or of a company which is considered to be in a controlling or group relationship with the company in the last three years; iii. having in the last three years provided services or established a significant business relationship with the company or a company which is considered to be in a controlling or group relationship either directly or as a shareholder director manager or officer of the legal person; iv. having been a beneficiary of remuneration paid by the company or by a company which is considered to be in a controlling or group relationship other than the remuneration resulting from the exercise of a director's duties; v. having lived in a non-marital partnership or having been the spouse relative or any first degree next of kin up to and including the third degree of collateral affinity of company directors or of natural persons who are direct or indirect holders of qualifying holdings or vi. having been a qualified holder or representative of a shareholder of qualifying holding.	Not Adopted	Items 17, 18 and 21
III.5. The provisions of (i) of recommendation III.4 does not inhibit the qualification of a new director as independent if between the termination of his/her functions in any of the company's bodies and the new appointment a period of 3 years has elapsed (cooling-off period).	Not Applicable	

RECOMMENDATIONS	COMPLIANCE	REPORT
III.6. The supervisory body in observance of the powers conferred to it by law should assess and give its opinion on the strategic lines and the risk policy prior to its final approval by the management body.	Adopted	Items 21 and 50
III.7. Companies should have specialized committees separately or cumulatively on matters related to corporate governance appointments and performance assessment. In the event that the remuneration committee provided for in article 399 of the Commercial Companies Code has been created and should this not be prohibited by law this recommendation may be fulfilled by conferring competence on such committee in the aforementioned matters.	Adopted	Items 27 and 29. The Company has a Remunerations Committee which is also responsible for nominating and evaluating the performance of the members of the governing bodies - Nominations, Appraisal and Remunerations Committee. Governance matters are handled by the legal department of Salvador Caetano Auto together with the Compliance committee of Salvador Caetano Auto, the company's parent company. For this purpose, the Commission is advised by external consultants with specific know-how in this matter. The Compliance committee is made up of the director of the legal department, the director of the human resources department (DPC), the head of the labor law area and the head of regulatory compliance appointed for this purpose.
Chapter IV . EXECUTIVE MANAGEMENT		
IV.1. The managing body should approve by internal regulation or equivalent the rules regarding the action of the executive directors applicable to their performance of executive functions in entities outside of the group.	Adopted	Items 21 and 22
IV.2. The managing body should ensure that the company acts consistently with its objects and does not delegate powers namely in what regards: i. the definition of the strategy and main policies of the company; ii. the organization and coordination of the business structure; iii. matters that should be considered strategic in virtue of the amounts involved the risk or special characteristics.	Adopted	Item 21

RECOMMENDATIONS	COMPLIANCE	REPORT
IV.3. In the annual report the managing body explains in what terms the strategy and the main policies defined seek to ensure the long-term success of the company and which are the main contributions resulting therein for the community at large.	Adopted	Items 50 to 54 and Management Report
Chapter V. EVALUATION OF PERFORMANCE REMUNERATION AND APPOINTMENT		
V.1 Annual evaluation of performance		
V.1.1. The managing body should annually evaluate its performance as well as the performance of its committees and executive directors taking into account he accomplishment of the company's strategic plans and budget plans the risk management the internal functioning and the contribution of each member of the body to these objectives as well as the relationship with the company's other bodies and committees.	Adopted	The Management Body annually evaluates its performance and the performance of the Nominations, Appraisal and Remunerations Committee. The Management Body does not have delegated directors. The performance evaluation of the Members of the Management Body is carried out by the Nominations, Appraisal and Remunerations Committee. Item 25.
V.2 Remuneration		
V.2.1. The company should create a remuneration committee the composition of which should ensure its independence from the management which may be the remuneration committee appointed under the terms of article 399 of the Commercial Companies Code.	Adopted	Items 27, 29, 66 and 67
V.2.2. The remuneration should be set by the remuneration committee or the general meeting on a proposal from that committee.	Adopted	Item 66

RECOMMENDATIONS	COMPLIANCE	REPORT
V.2.3. For each term of office, the remuneration committee or the general meeting on a proposal from that committee should also approve the maximum amount of all compensations payable to any member of a board or committee of the company due to the respective termination of office. The said situation as well as the amounts should be disclosed in the corporate governance report or in the remuneration report.	Adopted	Items 69 and 83 and remuneration policy. Annual approval, by resolution of the Nominations, Appraisal and Remunerations Committee
V.2.4. In order to provide information or clarifications to shareholders the chair or in case of his/her impediment another member of the remuneration committee should be present at the annual general meeting as well as at any other whenever the respective agenda includes a matter linked with the remuneration of the members of the company's boards and committees or if such presence has been requested by the shareholders.	Adopted	Items 66/69 to 70 and internal regulation of the Nominations, Appraisal and Remunerations Committee.
V.2.5. Within the company's budgetary limitations, the remuneration committee should be able to decide freely on the hiring by the company of necessary or convenient consulting services to carry out the committee's duties.	Adopted	Item 68
V.2.6. The remuneration committee should ensure that those services are provided independently and that the respective providers do not provide other services to the company or to others in controlling or group relationship without the express authorization of the committee.	Adopted	Item 68
V.2.7. Taking into account the alignment of interests between the company and the executive directors a part of their remuneration should be of a variable nature reflecting the sustained performance of the company and not stimulating the assumption of excessive risks.	Adopted	Remuneration policy
V.2.8. A significant part of the variable component should be partially deferred in time for a period of no less than three years being necessarily connected to the confirmation of the sustainability of the performance in the terms defined by a company's internal regulation.	Not Adopted	Although such a possibility is foreseen, it has not been the company's option.

RECOMMENDATIONS	COMPLIANCE	REPORT
V.2.9. When variable remuneration includes the allocation of options or other instruments directly or indirectly dependent on the value of shares the start of the exercise period should be deferred in time for a period of no less than three years.	Not Applicable	Variable compensation does not include options or other instruments directly or indirectly dependent on the value of the shares
V.2.10. The remuneration of non-executive directors should not include components dependent on the performance of the company or on its value.	Not Applicable	Non-executive directors are not remunerated.
V.3. Appointments		
V.3.1. The company should in terms that it considers suitable but in a demonstrable form promote that proposals for the appointment of the members of the company's governing bodies are accompanied by a justification in regard to the suitability of the profile the skills and the curriculum vitae to the duties to be carried out.	Adopted	Items 16 and 33. The election of the members of the Governing Bodies will comply with the criteria set out in the internal regulations of each governing body and will be preceded by an assessment of human resources and the Nominations, Appraisal and Remunerations Committee.
V.3.2. The overview and support to the appointment of members of senior management should be attributed to a nomination committee unless this is not justified by the company's size.	Adopted	Function performed by the Nominations, Appraisal and Remunerations Committee
V.3.3. This Committee includes a majority of independent non-executive members	Adopted	All members of the nominations, appraisal and remunerations committee are independent.
V.3.4. The nomination committee should make its terms of reference available and should foster to the extent of its powers transparent selection processes that include effective mechanisms of identification of potential candidates and that those chosen for proposal are those who present a higher degree of merit who are best suited to the demands of the functions to be carried out and who will best promote within the organization a suitable diversity including gender diversity.	Adopted	Function performed by the Nominations, Appraisal and Remuneration Committee, in accordance with the remuneration policy.
Chapter VI. RISK MANAGEMENT		

RECOMMENDATIONS	COMPLIANCE	REPORT
VI.1. The managing body should debate and approve the company's strategic plan and risk policy which should include the establishment of limits on risk-taking.	Adopted	Items 21, 50 to 52 and 54
VI.2. The supervisory board should be internally organized implementing mechanisms and procedures of periodic control that seek to guarantee that risks which are effectively incurred by the company are consistent with the company's objectives as set by the managing body.	Adopted	Items 50 to 55
VI.3. The internal control systems comprising the functions of risk management compliance and internal audit should be structured in terms adequate to the size of the company and the complexity of the inherent risks of the company's activity. The supervisory body should evaluate them and within its competence to supervise the effectiveness of this system propose adjustments where they are deemed to be necessary.	Adopted	Items 50 to 55
VI.4. The supervisory body should provide its view on the work plans and resources allocated to the services of the internal control system including the risk management compliance and internal audit functions and may propose the adjustments deemed to be necessary.	Adopted	Items 54 and 55 and 89
VI.5. The supervisory body should be the recipient of the reports prepared by the internal control services including the risk management functions compliance and internal audit at least regarding matters related to the approval of accounts the identification and resolution of conflicts of interest and the detection of potential irregularities.	Adopted	Items 54 and 55 and Management report
VI.6. Based on its risk policy the company should establish a risk management function identifying (i) the main risks it is subject to in carrying out its activity; (ii) the probability of occurrence of those risks and their respective impact; (iii) the devices and measures to adopt towards their mitigation; (iv) the monitoring procedures aiming at their accompaniment.	Adopted	Items 54 and 55

RECOMMENDATIONS	COMPLIANCE	REPORT
VI.7. The company should establish procedures for the supervision periodic evaluation and adjustment of the internal control system including an annual evaluation of the level of internal compliance and the performance of that system as well as the perspectives for amendments of the risk structure previously defined.	Adopted	
Chapter VII. FINANCIAL INFORMATION		
VII.1 Financial information		
VII.1.1. The supervisory body's internal regulation should impose the obligation to supervise the suitability of the preparation process and the disclosure of financial information by the managing body including suitable accounting policies estimates judgments relevant disclosure and its consistent application between financial years in a duly documented and communicated form.	Adopted	Item 34 and Internal regulation of the Supervisory Board
VII.2 Statutory audit of accounts and supervision		
VII.2.1. By internal regulations the supervisory body should define according to the applicable legal regime the monitoring procedures aimed at ensuring the independence of the statutory audit;	Adopted	Item 34 and Internal regulation of the Supervisory Board
VII.2.2. The supervisory body should be the main interlocutor of the statutory auditor in the company and the first recipient of the respective reports having the powers namely to propose the respective remuneration and to ensure that adequate conditions for the provision of services are ensured within the company	Adopted	Item 37
VII.2.3. The supervisory body should annually assess the services provided by the statutory auditor their independence and their suitability in carrying out their functions and propose their dismissal or the termination of their service contract by the competent body when this is justified for due cause.	Adopted	Item 45

Annex I Professional Qualifications of Members:

. of the Board of Directors;

. of the Supervisory Board and

. of the Nomination, Appraisal and Remuneration Committee

José Reis Da Silva Ramos

Date of Birth: 15/08/1946 Place of Birth: Vila Nova de Gaia

PROFESSIONAL EXPERIENCE

As Chairman of the Board of Directors at the following Companies:

- Toyota Caetano Portugal, S.A.
- Rigor - Consultoria e Gestão, S.A.
- Caetano Auto, S.A.
- Caetanobus - Fabricação. de Carroçarias, S.A.
- Lusilectra - Veículos. e Equipamentos, S.A.
- Caetano Auto CV, S.A.
- Portianga - Comércio Internacional e Participações, S.A.
- Salvador Caetano - Indústria (SGPS), S..A.
- Salvador Caetano Auto África, SGPS, S.A.
- Fundação Salvador Caetano
- Caetano Aeronautic, S.A.

As Member of the Board of Directors at the following Companies:

- Grupo Salvador Caetano, SGPS, S.A.
- Salvador Caetano Auto, SGPS, S.A.
- Caetano Renting, S.A

As Manager at the following Companies:

- Movicargo - Serviços Aduaneiros, Lda.

As Director at the following Company:

- Lusilectra-Vehiculos e Equipamientos, S.A.

EDUCATION

Degree in Metallurgical Engineering from the University of Porto

COMPLEMENTARY TRAINING

Attendance of Management Courses

Participation in National and International Seminars and Congresses

Knowledge of Spoken and Written English

OTHER ACTIVITIES

Chairman of ACAP - Associação Automóvel de Portugal (Portuguese Automobile Association), since 2019, a position he has held between 2007 and 2013, alternating with Deputy Chairman of the Board. At this point, he accumulates this role with the position held, since 1999, as President of the Associação Industrial de Montagem de Automóveis (AIMA) (Automotive Assembly Industry Association), which would later be integrated into ACAP.

Honorary Consul General of Japan in Porto, since 2002.

AWARDS

Recognition Award in the 2022 edition of the Auto Observador Awards.

Personality of the Year 2020 Award, awarded by the SIC/Expresso Executive Committee, within the scope of the Essilor Car of the Year/Volante de Cristal Award. This distinction is largely due to his contribution and personal commitment to the development of the automotive sector in Portugal, with special emphasis on its appreciation and competitiveness.

2018 Kaizen Award, awarded by the Kaizen Institute Portugal. This distinction reflects his direct involvement in promoting a corporate culture of continuous improvement and his attitude towards doing more and better every day, in all areas, and involving all people in the Organisation.

Professional of the Year Tribute, by the Rotary Club Gaia Sul, in 2017, in recognition of his professional career and his personal commitment to serving the community of Vila Nova de Gaia, highlighting his contribution to the development of the region and employability.

Municipal Gold Medal of Merit awarded by the Municipality of Ovar, in 2016, for his personal commitment to local economic activity, creation of jobs and maintenance of existing ones.

"Order of the Rising Sun, Rays of Gold with Bow", in 2015. This is one of the highest distinctions granted by the Emperor of Japan to foreign citizens who have contributed greatly to the promotion of mutual understanding and friendship ties between Japan and other countries.

Medal of Merit of the Parish of Oliveira de Douro, in 2013.

Award of Honour awarded by ACAP, in 2013, in recognition of the contribution and personal dedication provided over the 2 terms he assumed as Chairman of the Board.

Gold Medal from the City of Vila Nova de Gaia, in 2009, for his personal commitment to promoting local economic activity and community development.

LANGUAGES

Portuguese

English

Spanish

French

Japanese

SKILLS

MS Office

SAP

Maria Angelina Martins Caetano Ramos

Date of Birth: 18/08/1949 Place of Birth: Vila Nova de Gaia

PROFESSIONAL EXPERIENCE

As Chairman of the Board of Directors at the following Companies:

- Salvador Caetano Auto, SGPS, S.A.
- Caetano Renting, S.A.
- Salvador Caetano Capital,SGPS, S.A.
- Cociga - Construções Civis de Gaia, S.A.

As Deputy Chairman of the Board of Directors at the following Company:

- Grupo Salvador Caetano, SGPS, S.A.

As Member of the Board of Directors at the following Companies:

- Portianga - Com. Int. e Participações, S.A.
- Caetano - Baviera - Comércio de Automóveis, S.A.
- Salvador Caetano Auto África, SGPS, S.A.
- Caetano Auto CV, S.A.

EDUCATION

Degree in Economics from the University of Porto

Miguel Pedro Caetano Ramos

Date of Birth: 26/09/1971 Place of Birth: Vila Nova de Gaia

PROFESSIONAL EXPERIENCE

«Experiência_Profissional»

2015 – 2022 – CEO Salvador Caetano, SGPS

2003 – 2015 - Responsible for the International Strategy, Mergers, Acquisitions and Investments at Salvador Caetano Group

2022 - Responsible for internationalisation in the automobile sector in Spain

2000 – 2001 - Implementation of COL (Customer Oriented Logistics) in Toyota

General policy of Human Resources

IT strategy development

Launching and implementation of CarPlus - Used Cars Megastore Concept

Toyota Used Cars project implementation

1999 – 2000 - Launch of rent-a-car and fleet management operations (Guerin, Finlog)

Launch of fast-fit project (Autocenter)

Altitude Software, take over and restructuration

Implementation of PDN (Business Development Plan) program in Toyota

1997 - Toyota Sales and Marketing Management

1994 – 1997 - Toyota Motorsports Management

1993 - Training at Salvador Caetano in Toyota After-Sales

EDUCATION

International MBA in Business and Finance from the European University

Degree in Mechanical Engineering and Industrial Management from the University of Porto

COMPLEMENTARY TRAINING

Singularity University Executive Programme in Silicon Valley

Toyota Senior Management Development Programme, by IMD International Lausanne

Participation in national and international Corporate Strategy and Business Management Seminars and Courses

OTHER ACTIVITIES

Honorary Consul of South Korea in Porto.

LANGUAGES

Fluent in:

- English
- Spanish
- Italian
- French

Tom Fux

Date of Birth: 19/12/1973 Place of Birth: Ljubljana Slovenia

PROFESSIONAL EXPERIENCE

2021 - Vice President Sales Business Unit Toyota Motor Europe

2020 - Vice President Mobility Toyota Motor Europe

2018 - Executive Director Toyota Fleet Mobility

2014 - President Toyota Germany 2012 - Sales Director Toyota Motor Europe

2010 - Planning and Toyota Motor Europe Sales

2008 - Sales Planning Manager Toyota Motor Europe

1998 - 2008 Sales and Marketing General Manager Toyota Adria

EDUCATION

Degree in Economics University Ljubljana

Bachelors in marketing

Kazunori Takagi

Date of Birth: 15/02/1969

PROFESSIONAL EXPERIENCE

2022 - Joined TME, EMC's & Manufacturing Support Function, Senior Vice President

2021 - Motomachi Administration Div. General Manager

2019 - Motomachi plant Assembly Div. General Manager

2018 - Motomachi plant Assembly Div. Deputy General Manager

2013 - TMR-SP Plant Director

2012 - Motomachi plant Assembly Div. Deputy General Manager

2009 - Motomachi plant Assembly Div. Paint shop Manager

2007 - Motomachi plant Assembly Div. Group manager

2003 -TMCA assembly plant Coordinator (Assistant Manager)

1998 - Motomachi plant Assembly Div. engineer

1997 - Motomachi Administration Div. plant logistics group engineer

1995 - Motomachi plant Assembly Div. engineer

1994 - Assembly PE Div. Plant managing group engineer

1991 - Joined TMC, Motomachi plant Assembly Div. engineer

1991 - Graduated from Tokai University

EDUCATION

University of Tokai, Faculty of Engineering, Electronics

Gisela Maria Falcão Sousa Pires Passos

Date of Birth: 20/11/1971 Place of Birth: Porto

PROFESSIONAL EXPERIENCE

Member of the Board of Directors in the following Companies:

- Toyota Caetano Portugal SA

- Caetanobus - Fabricação de Carroçaria S.A.

- Salvador Caetano Indústria (SGPS) S.A.

- Kinto Portugal S.A

2021 - ongoing – CFO Financial Department Toyota Caetano Portugal SA

2015 - 2020 – Financial Department CaetanoBus Fabricação de Carroçarias SA

2005 - 2015 - Department of Studies and Strategic Planning - Rigor Consultoria e Gestão SA

2004 - 2005 - Studies and Projects Office - Fogeca SGPS SA

1999 - 2003 - Studies and Projects Office - Salvador Caetano IMVT SA

1997 - 1999 - Financial Management- Autovia Soc. Automóveis Lda

1994 - 1997 - Audit Department - Arthur Andersen

EDUCATION

Degree in Economics University of Porto

COMPLEMENTARY TRAINING

2021 - Ser Caetano Strategic Leadership Advanced Development Program (PDA) focused on the application of Neuroscience to Leadership Next Leader

2018/2019 - Ser Caetano Leadership Porto Business School

2018 - Performance Assessment Porto Business School

2017 - International Standards of Financial Reporting PWC VNGaia

2016 - Leading the future routes Program Porto Business School

2013 - Team Leadership Teambuilding

2013 - Introduction to Japanese language and culture Toyota Caetano Portugal

2008 - Mergers and Acquisitions Course EGP - University of Porto Business School

2008 - Business Spanish CESAE

2004 - Segmented Training - Incorporation Dissolution Liquidation and Transformation of Companies

2001 - Advanced Management Program for Executives Universidade Católica Portuguesa

José Domingos Silva Fernandes

Date of Birth: 28/03/1951 Place of Birth:: Porto

PROFESSIONAL EXPERIENCE

Currently serves as Chairman of the Supervisory Board at Caetano Baviera, SA and at Toyota Caetano, SA and as ROC at the following companies:

- Summertime - Sociedade Imobiliária SA

- Convemaia - Sociedade Imobiliária SA

- BDS SGPS SA 2001-2005

- Chairman of the Disciplinary Board of the Association of Statutory Auditors Since

1982 - Member of the Portuguese Association of Statutory Auditors having performed these functions in several public and private entities

1987-2011 Lecturer at the Instituto Superior de Contabilidade e Administração do Porto

1975-1993 - Technician of the General Inspection of Finance

EDUCATION

Accounting Course from the former Commercial Institute of Porto

Degree in Economics from the University of Porto

OTHER ACTIVITIES

Monitor of various training actions in the areas of Accounting and Taxation promoted by the Order of Certified Accountants and the Portuguese Association of Accountants

Antonieta Isabel da Costa Moura

Date of Birth: 14/07/1971 Place of Birth: Porto

PROFESSIONAL EXPERIENCE

2017 - Present - Director of the Taxation Department Grupo Salvador Caetano

2007 - 2017 - Accounting Director Caetano Retail Portugal Salvador Caetano Group

2006 - 2017 - Financial Management Fifanta

2003 - 2005 - Financial Management Soporgás

1995 - 2003 - Senior Audit at Deloitte

EDUCATION

Degree in Economics University of Évora

COMPLEMENTARY TRAINING

Member of the Order of Certified Accountants (nº 59915)

2016 - Leading the future routes Program Porto Business School

2017 - International Financial Reporting Standards PWC VNGaia

2017/2018/2019/2022 - EY's Annual International Tax Conference Global Tax Policy New York Marriott Marquis

2017/2018/2019 - Retreat Ahead of Tax EY National and International Trends in Taxation Torres Vedras

2018/2019 - Ser Caetano Leadership Porto Business School

2019 - Taxation of Assets and Liabilities Association of Statutory Auditors Accounts Porto

2020 - VAT and Quick Fixes Cuatrecasas Fundação AEP Porto

2020 - Corporate and labor reorganization Cuatrecasas E-learning 2020 - Tax Process Order of Solicitors -learning

2020 - Financial restructuring - tax aspects Cuatrecasas E-learning

2020 - Recent changes in leases (IFRS and SNC) and tax effects Deloitte E-learning

2020 - Tax Function of the Future PWC E-learning

2021 - Tax and Customs Implications Brexit PWC E-learning

Continuing training in the areas of auditing accounting national and international taxation - Closing of accounts VAT Stamp Duty Heritage Taxation Electronic Invoicing Global Tax Transfer Pricing Enforcement of agreements International Double Taxation Digital Tax Compliance Permanent Establishment Across Europe Tax in supply chain.

2022 - EY Tax Tech™ 2022: Taking steps toward the future, E-learning

2022 - Fiscalidade internacional - da teoria à prática, OCC E-learning

OTHER ACTIVITIES

Member of the Supervisory Board - Caetanobus – Fabricação de Carroçarias, SA

Alternate Member of the Supervisory Board - Salvador Caetano Auto - SGPS SA

Daniel Broekhuizen

Date of Birth: 26/07/1965 Place of Birth: Jutphaas, The Netherlands

PROFESSIONAL EXPERIENCE

Works in the following companies:

- Member of the Supervisory Board Toyota Caetano Portugal SA

- Member of the Supervisory Board Toyota Motor Kazakhstan LLP

- Member of the Board of Directors Toyota Logistics Services Ireland Ltd

EDUCATION

Masters in management and International Taxation from Boston University / VUB Bachelor degree in Business Economics and Tax Law

Alberto Luís Lema Mandim

Date of Birth: 07/05/1939 Place of Birth: Porto

PROFESSIONAL EXPERIENCE

Worked as Executive Director in several companies in the automotive sector:

1979 to 1999 - Director of Administrative Division / Management Assistant Salvador Caetano IMVT SA

1966 to 1979 - Administrative and Financial Director Soc. Construções Soares da Costa SA

1964 to 1966 - Responsible for Accounting and Personnel Moto Meca RL

1961 to 1964 - Bank employee Banco Espírito Santo

EDUCATION

2008 - Evaluation of Companies CTOC

1990 - Analysis of Information Systems IBM

1981 - Programming in RPG IBM

1968 - Programming in FORTRAN EDP

1966 - Official Accountant ember nº3927 of the OTOC

1964 - Accountant ICP

Francelim Costa da Silva Graça

Date of Birth: 15/08/1952 Place of Birth: Cortegaça - Ovar

PROFESSIONAL EXPERIENCE

Currently serves as Chairman of the Board of Directors - Caetano Energy, SA

Member of the Remuneration Committee Toyota Caetano Portugal, SA

Served as Executive Director in several companies in the automotive sector having exercised the functions of CEO

1990-2008 - Administrative and Financial Director of Baviera - Comércio de Automóveis, SA. Amorim Brito & Sardinha, Lda and Tovicar SA.

1985 – 1989 - Director of Management Control at Salvador Caetano, IMVT

1982 – 1984 - Administrative and Financial Director at Weber Transportes, SA. Transnautica-Transportes e Navegação, Lda. and Transnautica -Viagens e Turismo , Lda.

1979 – 1982 - Worked at the Salvador Caetano IMVT Company at Dep. Accounting

1978 - Professional internship at Siderurgia Nacional Ep in the financial procurement and national steel plan areas

1975 – 1978 - Worked as a teacher in secondary education in subjects in Accounting and Economics.

EDUCATION

Degree in Finance from the Higher Institute of Economics of the Technical University of Lisbon

Maria da Conceição Monteiro da Silva

Date of Birth: 20/05/1954 Date of Birth: Vieira do Minho

PROFESSIONAL EXPERIENCE

Currently she is a member of the Remuneration Committee of:

- Toyota Caetano Portugal, S.A.

- Caetano Auto, S.A.

- Caetano Baviera - Comércio de Automóveis, S.A.

Worked as Executive Director in several companies in the automotive sector having held roles as CFO and CEO

EDUCATION

Degree in Economics University of Porto

07
OTHER INFORMATION

OTHER INFORMATION

Headquarters

Av. Vasco da Gama. 1410

4431-956 Vila Nova de Gaia

Tel: +351 227 867 000

Factory Unit in Ovar

Rua de Olho Marinho (EN109), nº 1427

3885-113 Arada, Ovar

Tel: +351 256 790 042

South Industrial Division

Carregado

Estrada Nacional 3 – km1

2580-595 Carregado

Tel: +351 263 857 244

Constitution date: 4th of July, 1946

N.I.P.C. 500 239 037

Commercial Registry Office of Vila Nova de Gaia, nº 500239037

The company did not change its corporate name in 2022.

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Registo na OROC n.º 43
Registo na CMVM n.º 20161389
Bom Sucesso Trade Center
Praça do Bom Sucesso, 61 - 13º
4150-146 Porto
Portugal

Tel: +(351) 225 439 200
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STATUTORY AUDITOR'S REPORT

(Free translation of a report originally issued in Portuguese language:
in case of doubt the Portuguese version will always prevail)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of Toyota Caetano Portugal, S.A. ("the Entity"), which comprise the statement of financial position as at December 31, 2022 (showing a total of Euro 272,815,531 and total equity of Euro 160,015,680, including a net result of Euro 14,701,869), the statement of profit and loss by natures, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the accompanying notes to the financial statements, including a summary of the significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the financial position of Toyota Caetano Portugal, S.A. as at December 31, 2022 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted in the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and further technical and ethical standards and guidelines as issued by Ordem dos Revisores Oficiais de Contas (the Portuguese Institute of Statutory Auditors). Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section below. We are independent the Entity in accordance with the law and we have fulfilled other ethical requirements in accordance with the Ordem dos Revisores Oficiais de Contas code of ethics.

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><th>Description of the most significant risks of material misstatement identified</th><th>Summary of the auditor’s responses to the assessed risks of material misstatement</th></tr>
<tr><td colspan="2">Impairment of used vehicles
(Notes 2.3 e), 11 and 22 of the notes to the financial statements)</td></tr>
<tr><td>As of December 31, 2022, the Entity´s inventories amount to million Euro 40,8 (representing approximately 15% of the Entity's net assets), of which the amount of million Euro 10,6 corresponds to used vehicles.

In accordance with IAS 2 Inventories, used vehicles are valued at the lower of the acquisition cost and the net realizable value. The accumulated impairment losses reflect the difference between the acquisition cost and the net realizable value of inventories.

The net realizable value of the used vehicles is determined by applying devaluation criteria defined by the Entity´s Management, considering their age, as well as by consulting market indicators obtained from external sources, which also consider the characteristics and age of each vehicle.

This matter is considered a relevant audit matter due to the volatility of the market value of used vehicles and the judgmental nature associated with the determination of impairment losses.</td><td>Our audit procedures included the analysis of the valuation process carried out by the Entity for inventories corresponding to used vehicles, verifying their compliance with the provisions of the accounting standards, and aiming at mitigating the risk that the value of such inventories may be higher than the respective net realisable value. Among other procedures carried out, we highlight the following:
• Test of detail on the acquisition cost of used vehicles as of December 31, 2022;
• Validation of the criteria adopted by the Entity's Management regarding the recording of impairments for used vehicles and carrying out arithmetic tests;
• Analysis of the historical margins on used vehicle sales;
• Analysis and comparison of the net accounting values of used vehicles as of December 31, 2022 with the available market information obtained from external sources, taking into account the specific characteristics and age for each vehicle;
• Analysis of used vehicle sales that occurred after December 31, 2022 in order to identify transactions in which the net realizable value is less than the net accounting value recorded in inventories as of December 31, 2022;
• Assessment of the adequacy of the disclosures made in the financial statements.</td></tr>
</table>

Description of the most significant risks of material misstatement identified	Summary of the auditor's responses to the assessed risks of material misstatement
Impairment of financial investment in joint venture (Notes 2.3 t) and 9 of the notes to the financial statements)	
The Entity has a financial investment in a joint venture, Caetanobus – Fabricação de Carroçarias, S.A., acquired during the year of 2020, whose accounting value as at December 31, 2022 amounts to Euro 18,4 million. This financial investment is measured in accordance with the equity method, less impairment losses. The Entity recognizes impairment losses on financial investments in joint ventures when it is determined that the recovery value of a given asset is lower than its accounting value. The above referred joint venture recorded negative operating and net results from 2020 to 2022, situation that constitutes an indication of impairment in relation to that financial investment. Impairment tests incorporate complex judgments, materialized in business plans, which are based on various assumptions, associated with discount rates, expected margins, short and long-term growth rates, investment plans and demand behaviors. These assumptions consider the prospects associated with the resumption of activity in the post-pandemic period. However, the recent ongoing armed conflict in Ukraine and related sanctions against the Russian Federation and Belarus could have a significant impact on the European economies, the main destination for the sales of Caetanobus – Fabricação de Carroçarias, S.A.. As a result of its analysis process and taking into account the expected resumption of activity and recovery of the joint venture's profitability, supported by the increase in the business portfolio at the end of 2022 and beginning of 2023, the Entity did not record in its consolidated financial statements as of December 31, 2022 any impairment loss in relation to said joint venture. Considering the relevance of the aforementioned asset in the financial statements, the inherent complexity of the impairment analysis carried out, supported on estimates and assumptions based on economic and market forecasts, in an environment of increased uncertainty associated with the current economic situation at European level, we consider this area as a relevant audit matter.	Our audit procedures in this area have included: • The assessment of the relevant controls related with the identification of impairment signs in relation to financial investments in joint ventures held by the Entity, as well as the analysis of the exercise of assessment of impairment losses in situations in which impairment signs are identified; • Considering that the financial statements as of December 31, 2022 of Caetanobus – Fabricação de Carroçarias, S.A. were audited by other statutory auditors, we carried out the following procedures: – Submission of audit instructions to the component´s statutory auditors, as provided for in ISA 600 - Special Considerations – Audits of Group Financial Statements (Including the Work of Component Auditors); – Assessment of the technical competence of the said statutory auditors; involvement in the planning process of the referred audit; review of the statutory auditors' working papers, ensuring that the significant risks identified by us have been adequately addressed; and evaluation of the conclusions of the procedures carried out to mitigate such risks; – Analysis of the audit reports issued by the statutory auditors of Caetanobus – Fabricação de Carroçarias, S.A., discussing with its representatives the respective conclusions. • Regarding the valuation of the recovery amount estimated by the Entity in the impairment analysis process, our procedures included: – Obtaining the valuation model used to determine the recoverable amount of the financial investment and testing the arithmetic correctness of this model;

Description of the most significant risks of material misstatement identified	**Summary of the auditor's responses to the assessed risks of material misstatement**
Impairment of financial investment in joint venture (Notes 2.3 t) and 9 of the notes to the financial statements)	
	− Assessment of the methodology used by the Entity in the process of determining the value in use, namely in view of the requirements of the applicable accounting standards; − Assessment of the assumptions underlying the model, namely in terms of the discount rates and long-term growth rates used; − Analysis of the sensitivity tests performed; − Conducting discussions with the Entity's Management; − Verification of the compliance and consistency of the impairment analysis provided to us with the impairment analysis provided to the statutory auditors of Caetanobus – Fabricação de Carroçarias, S.A.; − Assessment of the adequacy of the disclosures made in the financial statements.

Other matters

The attached financial statements refer to the Entity's activity at an individual level and were prepared for approval and publication in accordance with the applicable legislation. As mentioned in Note 2.3 t) of the notes to the financial statements, investments in subsidiaries are recorded at acquisition cost less impairment losses. The attached financial statements do not include the effect of full consolidation, which will be done in consolidated financial statements to be approved and published separately. Additional information on subsidiaries is provided in Note 9 of the notes to the financial statements.

Responsibilities of management and supervisory body for the financial statements

Management is responsible for:

- the preparation of financial statements that give a true and fair view of the Entity's financial position, financial performance and cash flows in accordance with International Financial Reporting Standards (IFRS) as adopted in the European Union;
- the preparation of the management report, corporate governance report, non-financial information and remuneration report in accordance with applicable laws and regulations;
- designing and maintaining an appropriate internal control system to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;

- the adoption of accounting policies and principles appropriate in the circumstances; and
- assessing the Entity's ability to continue as a going concern, and disclosing, as applicable, the matters that may cast significant doubt about the Entity's ability to continue as a going concern.

The supervisory body is responsible for overseeing the Entity's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Entity to cease to continue as a going concern;
- evaluate the overall presentation, structure and global content of the financial statements, including the disclosures, and whether those financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- communicate with those charged with governance, including the supervisory body, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit;
- determine, from the matters communicated with those charged with governance, including the supervisory body, those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter;

- provide the supervisory body with a statement that we have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, which measures have been taken to eliminate the threats or what safeguards have been applied.

Our responsibility also includes the verification that the information contained in the management report is consistent with the financial statements and the verification of the requirements as provided in numbers 4 and 5 of article 451º of the Portuguese Companies' Code ("*Código das Sociedades Comerciais*"), in matters of corporate governance, as well as the verification that the non-financial information and the remuneration report were presented.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

European Single Electronic Format (ESEF)

The financial statements of Toyota Caetano Portugal, S.A. for the year ended December 31, 2022 must comply with the applicable requirements set out in the Commission Delegated Regulation (EU) 2019/815 of December 17, 2018 ("ESEF Regulation").

Management is responsible for the preparation and disclosure of the annual report in accordance with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance about whether the financial statements, included in the annual report, are presented in accordance with the requirements set out in the ESEF Regulation.

Our procedures have considered the Technical Application Guide ("*Guia de Aplicação Técnica")* of Ordem dos Revisores Oficiais de Contas (OROC) (the Portuguese Institute of Statutory Auditors) on reporting in ESEF and included, among others, gaining an understanding of the financial reporting process, including the presentation of the annual report in valid XHTML format.

In our opinion, the financial statements, included in the annual report, are presented, in all material respects, in accordance with the requirements set out in the ESEF Regulation.

About the management report

Pursuant to article 451º, nº 3, al. e) of the Portuguese Companies' Code ("*Código das Sociedades Comerciais*"), it is our opinion that the management report was prepared in accordance with the applicable legal and regulatory requirements, and the information contained therein is consistent with the audited financial statements and, having regard to our knowledge and assessment over the Entity, we have not identified any material misstatements.

About the corporate governance report

Pursuant to article 451º, nº 4, of the Portuguese Company's Code ("*Código das Sociedades Comerciais*"), we conclude that the corporate governance report includes the elements required to the Entity under the terms of article 29º-H of the Portuguese Securities Code ("*Código dos Valores Mobiliários*"), and we have not identified any material misstatements on the information disclosed therein, which, accordingly, complies with the requirements of items c), d), f), h), i) and l), of no. 1 of said article.

About the non-financial information

Pursuant to article 451º, nº 6, of the Portuguese Company's Code ("*Código das Sociedades Comerciais*"), we inform that the Group will prepare a separate report from the management report that includes the consolidated non-financial information, as provided for in article 508º-G of the Commercial Companies Code ("*Código das Sociedades Comerciais*"), which must be published on its website within the legal deadline.

About the remuneration report

Pursuant to article 26-G, nº 6, of the Portuguese Securities Code ("*Código dos Valores Mobiliários*"), we inform that the Entity has included in a separate chapter, in its corporate governance report, the information provided for in nº 2 of said article.

About the additional matters provided in article 10 of Regulation (UE) 537/2014

Pursuant to article 10º of Regulation (UE) 537/2014 of the European Parliament and of the Council, of April 16, 2014, and in addition to the key audit matters mentioned above, we also report on the following:

- We were appointed as auditors of Toyota Portugal, S.A. for the first time in the shareholders' general assembly held on July 1, 2020 to complete the ongoing mandate comprised between 2019 and 2022.
- Management has confirmed us that they are not aware of any fraud or suspicion of fraud having occurred that has a material effect on the financial statements. In planning and executing our audit in accordance with ISA, we maintained professional skepticism and we designed audit procedures to respond to the risk of material misstatements in the financial statements due to fraud. As a result of our work, we have not identified any material misstatement on the financial statements due to fraud.
- We confirm that the audit opinion issued is consistent with the additional report that we prepared and delivered to the Entity's supervisory body as of April 30, 2023.
- We declare that we have not provided any prohibited services as described in the previous article 77, number 8, of the Ordem dos Revisores Oficiais de Contas statutes (Legal Regime of the Portuguese Statutory Auditors), in the meantime revoked, and in article 5º, number 1, of Regulation (EU) nº 537/2014, and that we have remained independent from the Entity in conducting the audit.

Porto, April 30, 2023

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Deloitte & Associados, SROC S.A.
Represented by Miguel Nuno Machado Canavarro Fontes, ROC
Register in OROC nr. 1397
Register in CMVM nr. 20161007

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STATUTORY AUDITOR'S REPORT

(Free translation of a report originally issued in Portuguese language:
In case of doubt the Portuguese version will always prevail)

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of Toyota Caetano Portugal, S.A. ("the Entity") and of its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at December 31, 2022 (showing a total of Euro 322,776,988 and total equity of Euro 161,467,243, including a net result of Euro 14,701,869), the consolidated statement of profit and loss by natures, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and the accompanying notes to the consolidated financial statements, including a summary of the significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of Toyota Caetano Portugal, S.A. as at December 31, 2022 and of its financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted in the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and further technical and ethical standards and guidelines as issued by Ordem dos Revisores Oficiais de Contas (the Portuguese Institute of Statutory Auditors). Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section below. We are independent from the entities that constitute the Group in accordance with the law and we have fulfilled other ethical requirements in accordance with the Ordem dos Revisores Oficiais de Contas code of ethics.

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of the most significant risks of material misstatement identified	**Summary of the auditor's responses to the assessed risks of material misstatement**
Impairment of used vehicles (Notes 2.4 g), 12 and 26 of the notes to the consolidated financial statements)	
As of December 31, 2022, the Group's inventories amount to million Euro 70,2 (representing approximately 22% of the Entity's net consolidated assets), of which the amount of million Euro 34 corresponds to used vehicles. In accordance with IAS 2 Inventories, used vehicles are valued at the lower of the acquisition cost and the net realizable value. The accumulated impairment losses reflect the difference between the acquisition cost and the net realizable value of inventories. The net realizable value of the used vehicles is determined by applying devaluation criteria defined by the Entity´s Management, considering their age, as well as by consulting market indicators obtained from external sources, which also consider the characteristics and age of each vehicle. This matter is considered a relevant audit matter due to the volatility of the market value of used vehicles and the judgmental nature associated with the determination of impairment losses.	Our audit procedures included the analysis of the valuation process carried out by the Entity for inventories corresponding to used vehicles, verifying their compliance with the provisions of the accounting standards, and aiming at mitigating the risk that the value of such inventories may be higher than the respective net realizable value. Among other procedures carried out, we highlight the following: • Test of detail on the acquisition cost of used vehicles as of December 31, 2022; • Validation of the criteria adopted by the Entity's Management regarding the recording of impairments for used vehicles and carrying out arithmetic tests; • Analysis of the historical margins on used vehicle sales; • Analysis and comparison of the net accounting values of used vehicles as of December 31, 2022 with the available market information obtained from external sources, taking into account the specific characteristics and age for each vehicle; • Analysis of used vehicle sales that occurred after December 31, 2022 in order to identify transactions in which the net realizable value is less than the net accounting value recorded in inventories as of December 31, 2022; • Assessment of the adequacy of the disclosures made in the consolidated financial statements.

<table>
<tr><th>Description of the most significant risks of material misstatement identified</th><th>Summary of the auditor’s responses to the assessed risks of material misstatement</th></tr>
<tr><td colspan="2">Impairment of financial investment in the joint venture Caetanobus – Fabricação de Carroçarias, S.A.
(Notes 2.3 b) and 10 of the notes to the consolidated financial statements)</td></tr>
<tr><td>The Group has a financial investment in a joint venture, Caetanobus – Fabricação de Carroçarias, S.A., acquired during the year of 2020, whose accounting value as at December 31, 2022 amounts to Euro 18,4 million. This financial investment is measured in accordance with the equity method, less impairment losses.

The Entity recognizes impairment losses on financial investments in joint ventures when it is determined that the recovery value of a given asset is lower than its accounting value.

The above referred joint venture recorded negative operating and net results from 2020 to 2022, situation that constitutes an indication of impairment in relation to that financial investment.

Impairment tests incorporate complex judgments, materialized in business plans, which are based on various assumptions, associated with discount rates, expected margins, short and long-term growth rates, investment plans and demand behaviors.

These assumptions consider the prospects associated with the resumption of activity in the post-pandemic period. However, the recent ongoing armed conflict in Ukraine and related sanctions against the Russian Federation and Belarus could have a significant impact on the European economies, the main destination for the sales of Caetanobus – Fabricação de Carroçarias, S.A..

As a result of its analysis process and taking into account the expected resumption of activity and recovery of the joint venture's profitability, supported by the increase in the business portfolio at the end of 2022 and beginning of 2023, the Entity did not record in its consolidated financial statements as of December 31, 2022 any impairment loss in relation to said joint venture.

Considering the relevance of the aforementioned asset in the consolidated financial statements, the inherent complexity of the impairment analysis carried out, supported on estimates and assumptions based on economic and market forecasts, in an environment of increased uncertainty associated with</td><td>Our audit procedures in this area have included:

• The assessment of the relevant controls related to the identification of impairment signs in relation to financial investments in joint ventures held by the Group, as well as the analysis of the exercise of assessment of impairment losses in situations in which impairment signs are identified;

• Considering that the financial statements as of December 31, 2022 of Caetanobus – Fabricação de Carroçarias, S.A. were audited by other statutory auditors, we carried out the following procedures:

− Submission of audit instructions to the component´s statutory auditors, as provided for in ISA 600 - Special Considerations – Audits of Group Financial Statements (Including the Work of Component Auditors);

− Assessment of the technical competence of the said statutory auditors; involvement in the planning process of the referred audit; review of the statutory auditors' working papers, ensuring that the significant risks identified by us have been adequately addressed; and evaluation of the conclusions of the procedures carried out to mitigate such risks;

− Analysis of the audit reports issued by the statutory auditors of Caetanobus – Fabricação de Carroçarias, S.A., discussing with its representatives the respective conclusions.

• Regarding the valuation of the recovery amount estimated by the Entity in the impairment analysis process, our procedures included:

− Obtaining the valuation model used to determine the recoverable amount of the financial investment and testing the arithmetic correctness of this model;</td></tr>
</table>

Description of the most significant risks of material misstatement identified	Summary of the auditor's responses to the assessed risks of material misstatement
Impairment of financial investment in the joint venture Caetanobus – Fabricação de Carroçarias, S.A. (Notes 2.3 b) and 10 of the notes to the consolidated financial statements)	
the current economic situation at European level, we consider this area as a relevant audit matter.	− Assessment of the methodology used by the Group in the process of determining the value in use, namely in view of the requirements of the applicable accounting standards; − Assessment of the assumptions underlying the model, namely in terms of the discount rates and long-term growth rates used; − Analysis of the sensitivity tests performed; − Conducting discussions with the Entity's Management; − Verification of the compliance and consistency of the impairment analysis provided to us with the impairment analysis provided to the statutory auditors of Caetanobus – Fabricação de Carroçarias, S.A.; − Assessment of the adequacy of the disclosures made in the consolidated financial statements.

Responsibilities of management and supervisory body for the consolidated financial statements

Management is responsible for:

- the preparation of consolidated financial statements that give a true and fair view of the Group's financial position, financial performance and cash flows in accordance with International Financial Reporting Standards (IFRS) as adopted in the European Union;
- the preparation of the management report, corporate governance report, non-financial information and remuneration report in accordance with applicable laws and regulations;
- designing and maintaining an appropriate internal control system to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error;
- the adoption of accounting policies and principles appropriate in the circumstances; and
- assessing the Group's ability to continue as a going concern, and disclosing, as applicable, the matters that may cast significant doubt about the Group's ability to continue as a going concern.

The supervisory body is responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

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

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

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Entity to cease to continue as a going concern;
- evaluate the overall presentation, structure and global content of the consolidated financial statements, including the disclosures, and whether those financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion;
- communicate with those charged with governance, including the supervisory body, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit;

- determine, from the matters communicated with those charged with governance, including the supervisory body, those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter;
- provide the supervisory body with a statement that we have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, which measures have been taken to eliminate the threats or what safeguards have been applied.

Our responsibility also includes the verification that the information contained in the management report is consistent with the consolidated financial statements, and the verification of the requirements as provided in numbers 4 and 5 of article 451º of the Portuguese Companies' Code ("*Código das Sociedades Comerciais*"), in matters of corporate governance, as well as the verification that the non-financial information and the remuneration report were presented.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

European Single Electronic Format (ESEF)

The consolidated financial statements of Toyota Caetano Portugal, S.A. for the year ended December 31, 2022 must comply with the applicable requirements set out in the Commission Delegated Regulation (EU) 2019/815 of December 17, 2018 (ESEF Regulation).

Management is responsible for the preparation and disclosure of the annual report in accordance with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements, included in the annual report, are presented in accordance with the requirements set out in the ESEF Regulation.

Our procedures have considered the Technical Application Guide ("*Guia de Aplicação Técnica")* of Ordem dos Revisores Oficiais de Contas (OROC) (the Portuguese Institute of Statutory Auditors) on reporting in ESEF and included, among others:

- gaining an understanding of the financial reporting process, including the presentation of the annual report in valid XHTML format; and
- the identification and assessment of the risks of material misstatement associated with the tagging of information in the consolidated financial statements, in XBRL format, using iXBRL technology. This assessment was based on the understanding of the process implemented by the Entity to tag the information.

In our opinion, the consolidated financial statements, included in the annual report, are presented, in all material respects, in accordance with the requirements set out in the ESEF Regulation.

About the management report

Pursuant to article 451º, nº 3, al. e) of the Portuguese Companies' Code ("*Código das Sociedades Comerciais*"), it is our opinion that the management report was prepared in accordance with the applicable legal and regulatory requirements, and the information contained therein is consistent with the audited consolidated financial statements and, having regard to our knowledge and assessment over the Group, we have not identified any material misstatements. As referred to in article 451, nº 7 of the Portuguese Companies' Code ("Código das Sociedades Comerciais"), this opinion is not applicable to the non-financial information included in the management report.

About the corporate governance report

Pursuant to article 451º, nº 4, of the Portuguese Company's Code ("*Código das Sociedades Comerciais*"), we conclude that the corporate governance report includes the elements required to the Group under the terms of article 29.º-H of the Portuguese Securities Code ("*Código dos Valores Mobiliários*"), and we have not identified any material misstatements on the information disclosed therein, which, accordingly, complies with the requirements of items c), d), f), h), i) and l), of no. 1 of said article.

About the non-financial information

Pursuant to article 451º, nº 4, of the Portuguese Company's Code ("*Código das Sociedades Comerciais*"), we inform that the Group will prepare a separate report from the management report that includes the consolidated non-financial information, as provided for in article 508º-G of the Commercial Companies Code ("*Código das Sociedades Comerciais*"), which must be published on its website within the legal deadline.

About the remuneration report

Pursuant to article 26º-G, nº 6, of the Portuguese Securities Code ("*Código dos Valores Mobiliários*"), we inform that the Group has included in a separate chapter, in its corporate governance report, the information provided for in nº 2 of said article.

About the additional matters provided in article 10 of Regulation (UE) 537/2014

Pursuant to article 10º of Regulation (UE) 537/2014 of the European Parliament and of the Council, of April 16, 2014, and in addition to the key audit matters mentioned above, we also report on the following:

- We were appointed as auditors of Toyota Portugal, S.A. for the first time in the shareholders' general assembly held on July 1, 2020 to complete the ongoing mandate, comprised between 2019 and 2022.
- Management has confirmed us that they are not aware of any fraud or suspicion of fraud having occurred that has a material effect on the financial statements. In planning and executing our audit in accordance with ISA, we maintained professional scepticism and we designed audit procedures to respond to the risk of material misstatements in the consolidated financial statements due to fraud. As a result of our work, we have not identified any material misstatement on the consolidated financial statements due to fraud.
- We confirm that the audit opinion issued is consistent with the additional report that we prepared and delivered to the Group's supervisory body as at April 30, 2023.

- We declare that we have not provided any prohibited services as described in the previous article 77, number 8, of the Ordem dos Revisores Oficiais de Contas statutes (Legal Regime of the Portuguese Statutory Auditors), in the meantime revoked, and in article 5º, number 1, of Regulation (EU) nº 537/2014, and that we have remained independent from the Group in conducting the audit.

Porto, April 30, 2023

Deloitte & Associados, SROC S.A.
Represented by Miguel Nuno Machado Canavarro Fontes, ROC
Register in OROC nr. 1397
Register in CMVM nr. 20161007

Toyota Caetano Portugal, S.A.

Public Limited Company
Registered Office: Av. Vasco da Gama - Oliveira do Douro - Vila Nova de Gaia
Share Capital: 35.000.000 Euros
Solo Tax and Registry Number at the Commercial
Registry Office of Vila Nova de Gaia 500 239 037

Report and opinion of the Fiscal Council

Dear Shareholders:

1. In accordance with the terms of item g) of article 420.º of the “Código das Sociedades Comerciais” and the Articles of Association, it is our duty submit to your appreciation the report concerning the activity performed and to issue opinion regarding the documents and statements of the individual and consolidated accounts of TOYOTA CAETANO PORTUGAL, SA, referring to the financial year of 2022, which were presented to us by the Board of Directors.

2. In accordance with the assignments conferred to us, during this exercise we proceeded to the follow-up of the social business and to its evolution and, with the frequency and extent considered advisable and appropriate, to the general analysis of the financial procedures, accounting policies and measurement criteria adopted by the company.

3. We have no knowledge of any situation which didn’t respect the articles of association and the legal terms applicable.

4. We analysed the Individual Legal Certification of Accounts and the Consolidated Legal Certification of Accounts issued by the Statutory External Auditor, with which we agree.

Thus,

5. All members of the Fiscal Council of TOYOTA CAETANO PORTUGAL, S.A., under the terms of item c) of number 1 of article 245.º of the “Código de Valores Mobiliários”, hereby declare that, as far as it is their knowledge, the information provided in item a) of the above referred article, including documents of individual and consolidated accounts, was elaborated according to the accounting rules applicable, evidencing a correct and clear image of the assets and liabilities, of the financial situation and results of TOYOTA CAETANO PORTUGAL, SA and that the management report clearly shows the business evolution, the performance and the position of the Company and companies included in

its perimeter of consolidation, evidencing as well a description of the mains risks and incertitude’s to be faced.

Toyota Caetano Portugal, S.A.

Public Limited Company
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6. And, under the terms of number 5 of article 420.º of "Código das Sociedades Comerciais", the Fiscal Council of TOYOTA CAETANO PORTUGAL, S.A. states that the report on the structure and practices of corporate governance includes the elements referred in article 245.º-A of "Código dos Valores Mobiliários.

7. Accordingly, we are of the opinion that the Annual General Meeting:

a) Approve the management report of the Board of Directors and the individual and consolidated Accounts related to the financial year ended on the December 31st, 2022;

b) Approve the proposal for the net result application, contained in the management report of the Board of Directors.

Vila Nova de Gaia, 30th April 2023

Toyota Caetano Portugal, S.A.

Public Limited Company
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Share Capital: 35.000.000 Euros
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Statement of the Fiscal Council

All members of the Fiscal Council of TOYOTA CAETANO PORTUGAL, S.A., under the terms of item c) of number 1 of article 245.º of the “Código de Valores Mobiliários”, hereby declare that, as far as it is their knowledge, the information provided in item a) of the above referred article, including documents of individual and consolidated accounts, was elaborated according to the accounting rules applicable, evidencing a correct and clear image of the assets and liabilities, of the financial situation and results of TOYOTA CAETANO PORTUGAL, SA and that the management report clearly shows the business evolution, the performance and the position of the Company and companies included in its perimeter of consolidation, evidencing as well a description of the mains risks and incertitude’s to be faced.

Vila Nova de Gaia, 30th April 2023