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Toyota Caetano Portugal, S.A.

INTERIM REPORT 2021

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GENERAL

Toyota Caetano Portugal, S.A.

Corporate Bodies

General Meeting Board

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

Board of Directors

José Reis da Silva Ramos – President & CEO
Maria Angelina Martins Caetano Ramos – Member
Salvador Acácio Martins Caetano – Member
Miguel Pedro Caetano Ramos – Member
Gisela Maria Falcão Sousa Pires Passos – Member
Tom Fux – Member
Kiyohito Morimoto – Member
Masaru Shimada – Alternate

Supervisory Board

José Domingos da Silva Fernandes – President
Daniel Broekhuizen – Member
Antonieta Isabel da Costa Moura – Member
Maria Livia Fernandes Alves – Alternate
Akito Takami – Alternate

Statutory Auditor

Deloitte & Associados, SROC S.A., represented by Miguel Nuno Machado Canavarro Fontes
João Carlos Henriques Gomes Ferreira – Alternate

MANAGEMENT REPORT

Toyota Caetano Portugal, S.A.



MANAGEMENT REPORT

Introduction

The following progress report has been prepared in accordance with Article 246(1)(b) of the Portuguese Securities Code. For each of the Companies included in the consolidation scope of Toyota Caetano Portugal, it contains all the main events occurred during the period under analysis, as well as their impact on the financial statements.

At the same time, the main expectations for the 2nd half of the current year are also presented, although in a summarized form.

TOYOTA CAETANO PORTUGAL, S.A.

Industrial Activity

OVAR MANUFACTURING UNIT

In the first half of 2021, the Ovar Plant produced a total of 945 Land Cruiser vehicles, which represents a doubling of production compared to the same period of the previous year.

This increase is directly related to the gradual recovery of our customer's vehicle orders, as well as the inexistence in 2021 of a health enclosure in Ovar, as verified in 2020, which forbid the production process for about 2 months.

It should also be noted that during the first months of the year there were a few days of production downtime. To minimize its economic impact, the Company applied to the "Support for Progressive Recovery" program.

The Ovar Plant celebrated its 50th Anniversary on May 22nd: Toyota's first factory in Europe was born from the determination, struggle and persistence of its founder, Mr. Salvador Fernandes Caetano.

Over these 50 years, many challenges have been overcome, always with the support of employees, who together with the Board of Directors will certainly continue to transform the present for the better and build the bright future that everyone wants.

In PPO/PDI activity, 2,699 vehicles were transformed/prepared, corresponding to a doubling increase compared to the same period of the previous year. The recovery, still shy, of the national economic activity, not only industrial, but also tourism, justifies this increase.

PRODUCTION	2021 (JAN-JUN)	2020	2020 (JAN-JUN)	2019	2019 (JAN-JUN)	2018
Toyota Physical Units	945	1.465	453	2.393	1.234	2.114
Transformed/prepared Physical Units	2.699	4.380	1.419	5.577	2.313	3.776
Chassis Buses Physical Units	22	40	-	-	-	-
Total Employees	179	184	193	197	201	194

It's also important to highlight that since May the Ovar Plant has the permanent support of a member appointed by Toyota Motor Corporation, who assumes the role of Technical General Manager and the responsibility of further developing the TPS (Toyota Production System) culture in industrial areas of the Group, thus promoting the activity of Toyota Caetano Portugal – Ovar Plant.

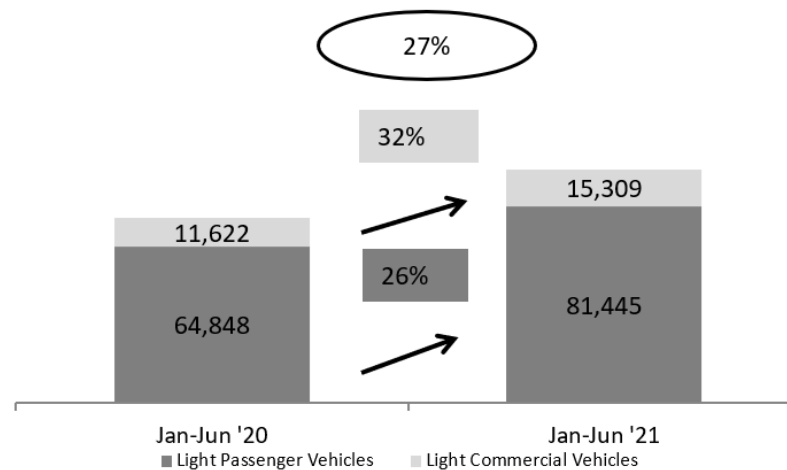
For the 2nd Semester, orders are expected to maintain the pace of growth, with the forecast of producing 1042 Land Cruiser vehicles.

Commercial Activity

Overall Automotive Market

After the beginning of recovery from the effects of the first wave of Covid-19 throughout the second half of 2020, the appearance of a new wave at the end of that year and corresponding new confinement in early 2021 has conditioned the expected rapid and significant recovery that was anticipated for the first half of this year. Although the result for the semester translates into growth of 27% compared to the same period of the previous year, which, it should be remembered, was severely affected by general confinement, if we consider the variation compared to 2019 there is still a negative variation of - 34%.

Passenger vehicles and light commercial vehicles presented a positive variation compared to the same period of the previous year of 26% and 32%, respectively.



Source: ACAP

Noteworthy, the following factors that justify why the market performance is still below expectations:

- State of Emergency Declaration for a period of 2 months between January and March, conditioning the commercial activity of car sales dealers;
- Restrictions on the availability of vehicles for delivery in most brands because of limitations in the supply of semi-conductors;
- As a positive factor, there was some recovery in the Rent-a-car market influenced by the progressive recovery of tourist activity.

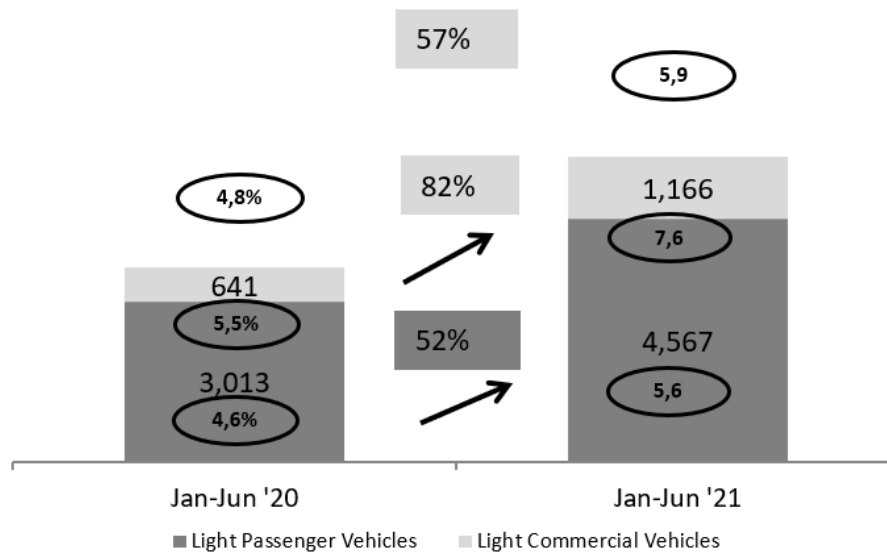
Toyota Vehicles

Toyota sold, in the period under review, a total of 5,733 units, representing an expressive growth of 57% when compared to the same period of the previous year, showing itself as the brand that, among the top thirteen in the automotive ranking, recorded the highest growth value.

These sales result in a total market share of 5.9% in the first half of 2021 (+1.1 p.p. compared to 2020).

- In Light Passenger Vehicles, Toyota grew by 52%, with a corresponding growth in market share from 4.6% to 5.6%. The sales success of the 5th generation Yaris, whose launch took place in the last quarter of 2020, and the increase in sales in general in the Rent-a-car and Business channels contributed to these results.
- In Light Commercial Vehicles, Toyota presented a very expressive growth of 82%, with a market share of 7.6% (+2.1 p.p. compared to 2020). This growth is mainly supported by the new Proace City model, which was launched in the second quarter of 2020 and competes in a segment that represents 56% of the Light Commercial market.

We should also highlight Hilux, which continues to lead the pick-up segment with an expressive market share of 34%.



Source: ACAP

The Toyota brand was recognized nationally and internationally, with the following awards:

- Yaris elected European car of the year 2021
- Portuguese Trusted Brand for the 12th consecutive year (Readers Selections Digest)
- Portuguese Environment Trusted Brand for the 12th consecutive year (Readers Digest Selections)
- Toyota named five-star brand for the second consecutive year
- Toyota Yaris Hybrid winner of the "Best Hybrid Car" at the Global Mobi Awards Prio 2020
- Toyota Yaris winner "Best SUV of the year" TURBO 2020
- Toyota Yaris hybrid "city car of the year 2021" in Portugal - Volante de Cristal Trophy 2021

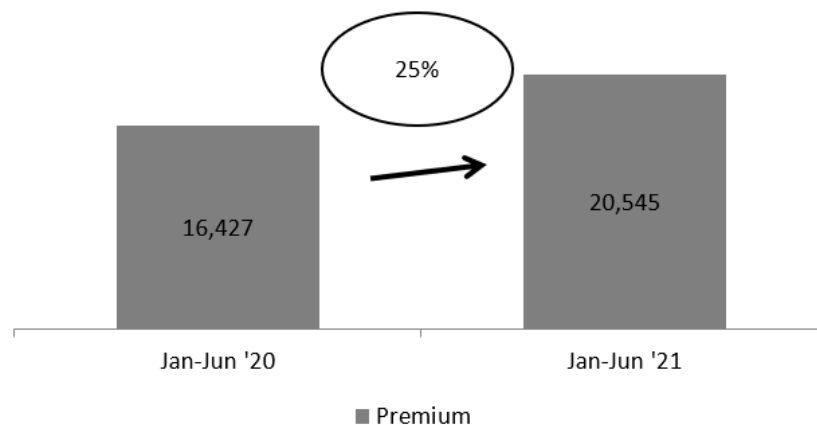
For the second half of 2021, the priorities and global goals defined are:

- Continue to invest in the brand's image and value through innovative Hybrid technology and the launch of the first electric car with a hydrogen-powered fuel cell, the Toyota Mirai, whose sales are expected to begin in the second half of 2021;
- Capitalize on the most representative models in terms of sales – Yaris, Corolla, RAV4 and C-HR – supported, in the case of Yaris, by the recent launch of the new generation and, in the RAV4, highlighting the recent launch of the new Plug-in Hybrid engine, which will bring differentiating arguments especially in the business market;

- Successful launch of the new Yaris Cross model, a crossover inserted in the B-SUV Segment, which represents about 18% of the total passenger market;
- Continue to enhance the range of commercial vehicles, recently updated with the renewed Hilux and focusing on the first full year of sales of the Proace City model;
- To decrease the impact of lower stock availability on some models, because of semi-conductor shortages effects, investing in commercial actions focusing on models with greater stock availability and seeking, together with the Dealer network, to maintain the normality of the sales activity with lower than desirable stock levels.

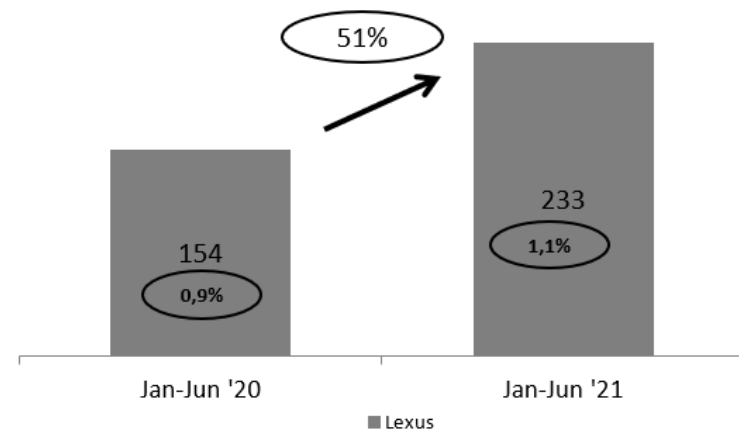
Premium Market

The Premium Market also followed the positive evolution compared to the same period of the previous year, recording growth of 25% which represented a total of 20 545 units sold. The Premium Market also maintained its 25% share of the total passenger market.



Lexus Performance

Similar to what happened with Toyota light passenger vehicles, Lexus also registered an expressive growth of 51% compared to the same period of the previous year, which corresponded to a change in market share of +0.2 pp. After the discontinuation of the CT, IS and RC models at the end of 2020, the launch of the new UX300e model, which marks the brand's entry into the segment of all-electric vehicles, and the repositioning of the UX250h model made an important contribution to this result.



Source: ACAP

For the second half of 2021, the global goals go through:

- Reinforce the positioning of innovation, leveraged on the wide offer of hybrid and electric vehicles with advanced design;
- Explore the full potential of the recent launch of the first all-electric model – UX 300e – which, given the current tax context, will allow the brand to have unprecedented arguments to address the business market;
- Capitalize on the remaining models in the range – UX 250h, NX 300h and ES 300h.

After-Sales

At the end of the first half of 2021, the After Sales Division had a total turnover of 16.6 million euros. This amount includes the “Extended Warranty” and “Total Assistance” services, whose billing corresponded to €807K. Were also invoiced 1.1 million euros in warranty parts.

The commercial activity of parts (genuine & national incorporation), which excludes accessories, guarantees, and services, totaled 13.4 million euros. This value translates into a growth of 11.4% compared to 2020.

Parts Sales 1st Semester 2020 (values in k€)	Parts Sales 1st Semester 2021 (values in k€)	Growth % 2021/2020
12 064	13 441	11,4%

Accessories turnover (which includes merchandising) totaled 1.2 million euros. This value is 20.4% above the turnover obtained in the same period of 2020.

Accessory Sales 1st Semester 2020 (values in k€)	Accessory Sales 1st Semester 2021 (values in k€)	Growth % 2021/2020
1 031	1 241	20,4%

In the year 2021 the challenge remains to deal with and overcome the consequences resulting from Covid-19. In the first semester the periods of confinement were repeated, and Portugal tends to learn to live with this new reality.

For its part, TCAP maintains all its support for the dealer / RTA network without ever losing sight of the focus on customer service.

We highlight some actions during the first half of 2021:

- Launch of the new Trade Pro tool: Microcat Market;
- After the restrictions on circulation were reduced, two actions were created to increase the levels of workshop service: Spring Campaign (April-May) and Summer Check-Up (June-August);
- Various initiatives to boost the tire business (campaigns, incentives, internal and end-customer promotions);
- To improve the work of the Toyota network service advisors, a new customer arrival preparation tool was made available, anticipating their needs;
- New OSB Online Booking feature: possibility to provide discount vouchers;
- Carrying out new promotional Trade Actions boosting the branch business;
- Launch of new reconditioned products: Alternators and Starter Motors, EGR Valves and Brake Calipers;
- Launch of new accessories: 15" rim for Proace City, fog and wind lights for NG Yaris, new Bluetooth Kit, front parking sensors for C-HR, alarm system with tilt sensors for theft prevention of the catalytic converter. On the other hand, new communication materials for New, Used and After Sales were developed, as well as the pricing strategy of some products was revised.

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

- European recognition under the Customer Excellence Award 2020, for leadership, dedication and effort over the past year;
- Selection of Service 5+ as a “worldwide example practice”, with presence on the BIT Hub (TMC portal for sharing global best practices);
- Selection of various initiatives (e.g. communication of accessories, Toyota Notices Program) as European best practices within the scope of Value Chain Management.

Perspectives for the end of the year

Although with some uncertainty regarding the recent increase in the number of new Covid-19 cases and possible impacts on the economy, it is expected that the automobile market will continue to recover, with an annual growth rate of 10% compared to 2020 in the total of 190,000 units, a value still far from the 262,000 units achieved in 2019.

Regarding the Toyota and Lexus brands, and despite the possibility of limited availability of supply in some models, it is expected that the good results recorded in the first half will continue until the end of the year, with market share values recorded in line with those obtained in the first semester.

At the same time, all the initiatives carried out by the after-sales area promote a climate of trust for a quick and sustainable return of customers to the workshops and branches of the dealer network.

Industrial Machines

Toyota Industrial Equipment

	MARKET			TOYOTA SALES				
	'20	'21	VARIATION %	'20		'21		VARIATION %
				QTY	SHARE	QTY	SHARE	
Counterbalanced Forklift Trucks	458	1059	131.2%	94	20.5%	246	23.2%	161.7%
Warehouse Equipment	934	1367	46.4%	153	16.4%	308	22.5%	101.3%
TOTAL MMC	1392	2426	74.3%	247	17.7%	554	22.8%	124.3%

Source : FEM

Market Analysis

The Cargo Handling Machines market recorded growth of 74.3% in the first half of 2021, reflecting the recovery and opening of the market compared to the same period of the previous year, strongly impacted by the pandemic situation.

Regarding Toyota, the impact of market growth was also felt, with 554 orders being placed, resulting in a growth compared to the same period of the previous year of 124.3%, corresponding to a market share of 22.8%.

Toyota Sales Performance by Segment

Regarding the Counterbalanced Forklifts segment, the number of units ordered grew significantly (161.7%) compared to the same period last year.

This growth is due to the fact that in the previous year, and as a consequence of the pandemic situation, many businesses/renewals of fleets were postponed to 2021 and that it has been possible to carry out during this year.

In the Warehouse Equipment segment, the growth in orders stood at 101.3% for the same reasons described above.

Perspectives for the end of the year

Although there is still some uncertainty, there is a more positive and favorable economic climate for doing business.

However, it should also be noted that competition is more aggressive and there appear to be structural changes in the main competitors that could have significant influence on the market.

Caetano Auto, S.A.

Activity in the first half of 2021 was once again conditioned by the context of the Covid-19 pandemic, as we had already experienced in the first half of the previous year.

Once again, the pandemic control measures forced the confinement of people, temporary closure of non-essential activities, teleworking and restrictions on the movement and entry of foreigners.

These measures have drastically affected people's mobility, which is directly reflected in the motor vehicle retail and repair sector.

To mitigate these effects, Caetano Auto reinforced its presence in digital channels to maintain active communication with Customers and promote its products and services. In the after-sales area, we also reinforce the convenience services for customers, namely, vehicle collection and delivery, vehicle disinfection using ozone and video communication.

Given the situation of business crisis, in the months where the effects of the pandemic were felt the most, from February to April, the Company resorted to the Progressive Recovery Support mechanism, reducing the normal working period of our employees. This measure and the reduction of other expenses associated with the interruption of activity helped to balance the result through the expense.

In the activity of new vehicles, the number of vehicles sold in the 1st half was 23% higher than in 2020, however we are still 31% below the number achieved in 2019.

In used vehicles, however, there was a 16% growth in units sold compared to the same period of 2020, thus remaining at the same level as in 2019. It should be noted here that the results for the 1st semester could have been better, since the constraints in the supply chains, led to delays in the supply of some models that remained in the portfolio. In the 2nd semester we believe it will be possible to normalize this situation.

	2021	2020	2019	21 vs 20	21 vs 19
New Vehicle Sales (units)	1759	1430	2547	23%	-31%
Used Vehicle Sales (units)	2627	2256	2615	16%	0%

In the after-sales service activity, using the indicator of the number of vehicles entering our workshops, there is also a recovery compared to the same period of the previous year, of 8% in Mechanical services and 9% in Collision services. Even so, compared to 2019, we are 24% below, which significantly affects the Company's profitability.

	2021	2020	2019	21 vs 20	21 vs 19
N° of Mechanical services	41.291	38.167	54.030	8%	-24%
N° of Collision services	11.165	10.245	14.766	9%	-24%

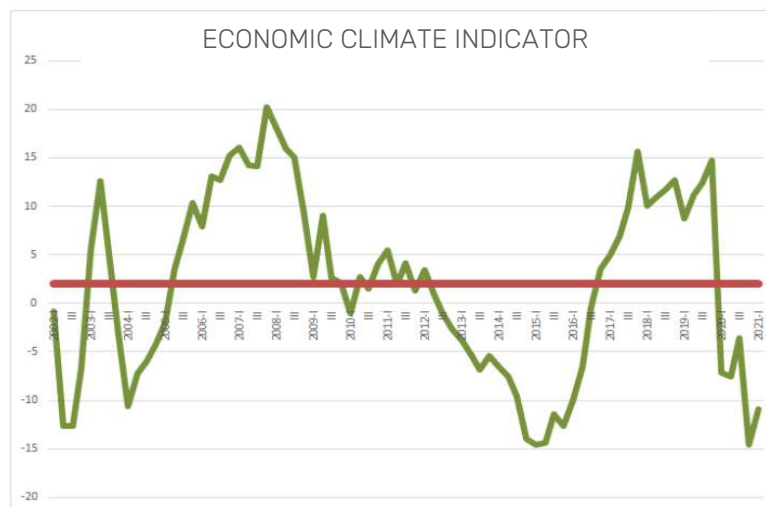
Overall, the impact of the pandemic on turnover in the first half of 2021 was not as significant as that seen in the first half of 2020, with turnover being 15% higher than in the previous year. However, compared to the pre-pandemic benchmark (2019), there is a negative variation of 23%.

	2021	2020	2019	21 vs 20	21 vs 19
Revenues (m €)	90.287	78.673	116.694	15%	-23%

Despite improvements compared to 2020, it has not yet been possible this semester to reach the expected results. For the second half of the year and considering the ongoing Covid-19 vaccination plan, we expect a gradual recovery in economic activity and a recovery in our activity indicators.

Caetano Auto CV, S.A.

In the 1st quarter of 2021, it appears that the economic climate indicator in Cape Verde contradicted the downward trend of the last quarter, as the pace of economic growth accelerated again in the first quarter of 2021. However, the indicator is still below the average for its series, remaining at values below the ones of the same period in 2020, thus revealing a still unfavorable business climate. This situational diagnosis results from the synthesis of the assessments conveyed by entrepreneurs in construction, business in establishments, tourism, manufacturing industry and transport and auxiliary services to transport.



Source: National Institute of Statistics of Cape Verde

However, even without the disclosure of the results of this indicator for the 2nd quarter of 2021, a climate similar to the one seen in the first quarter is expected.

The activity of Caetano Auto CV, in general, is affected by the discouragement of both companies and individuals with the uncertainties caused by the lack of tourism. However, measures were implemented to counteract this situation through, for example, the development of innovative campaigns for Cape Verde, diversification of the range of products / services. These actions were able, even without the opening of tourism, to position the Company at a sales level similar to the one of 2019 (pre-pandemic).

Commercial Activity

SEGMENT	BRAND	2020	2021	QTD.	%
Light Passenger Vehicles	Toyota	38	87	+49	+128,9%
Light Commercial Vehicles	Toyota	88	121	+33	+37,3%
Heavy Commercial Vehicles	Toyota	10	10	0	0,0%
Total		136	218	+82	+60,3%

Comparing the 1st half of 2021 with the same period last year, we see that we sold 82 more vehicles in 2021 than in 2020 and 4 fewer vehicles compared to 2019.

The Light Passengers segment stands out, in which 49 more vehicles were sold, even surpassing the values of the last year without the pandemic (2019) in which 79 units were sold.

There was also growth in Light Commercials and, additionally, the performance of Heavy Commercials was maintained, with a performance superior to that of 2019 (without pandemic), when 7 units were sold in the same period.

After-sales

Sales	2020 (values in k CVE)	2021 (values in k CVE)	Variation (values in k CVE)	Variation %
Parts / Accessories	83 808	70 197	-13 611	-16,25%
Workshop (Labor)	17 389	23 462	+6 073	+34,92%
	101 198	93 659	-7 539	-7,45%

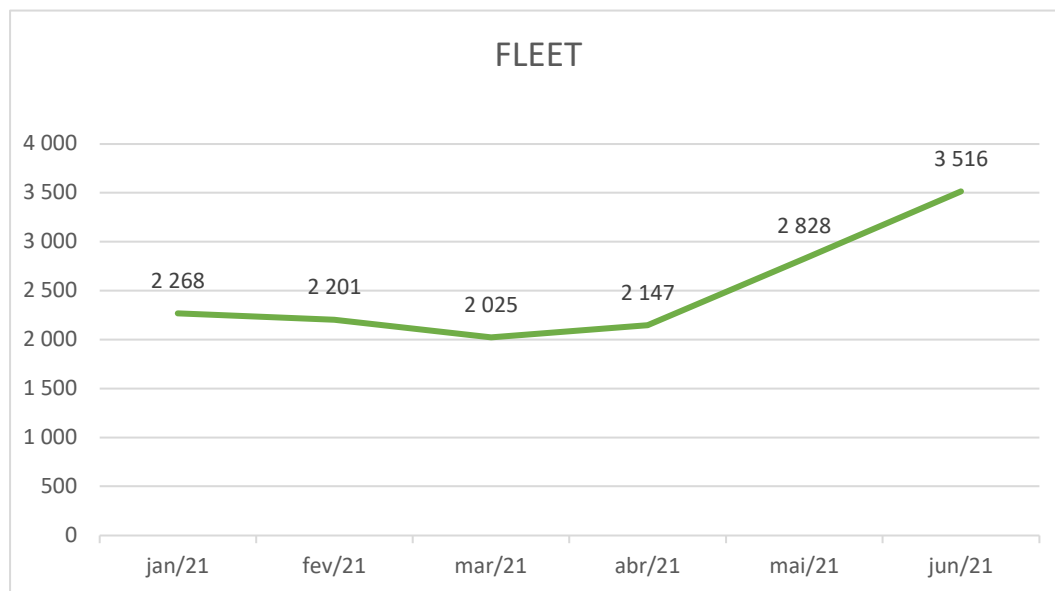
Regarding the APV, there was a fall in relation to the previous year; the increase that occurred in terms of labor turnover was not enough to offset the decrease in the parts and accessories business: despite the good capacity to attract customers, it is noted that the market trend is to opt for parts after market or sometimes postpone their replacement.

It is expected, if tourism opens in September, an increase in the Company's activity as a result of putting into circulation the fleet that is currently stopped.

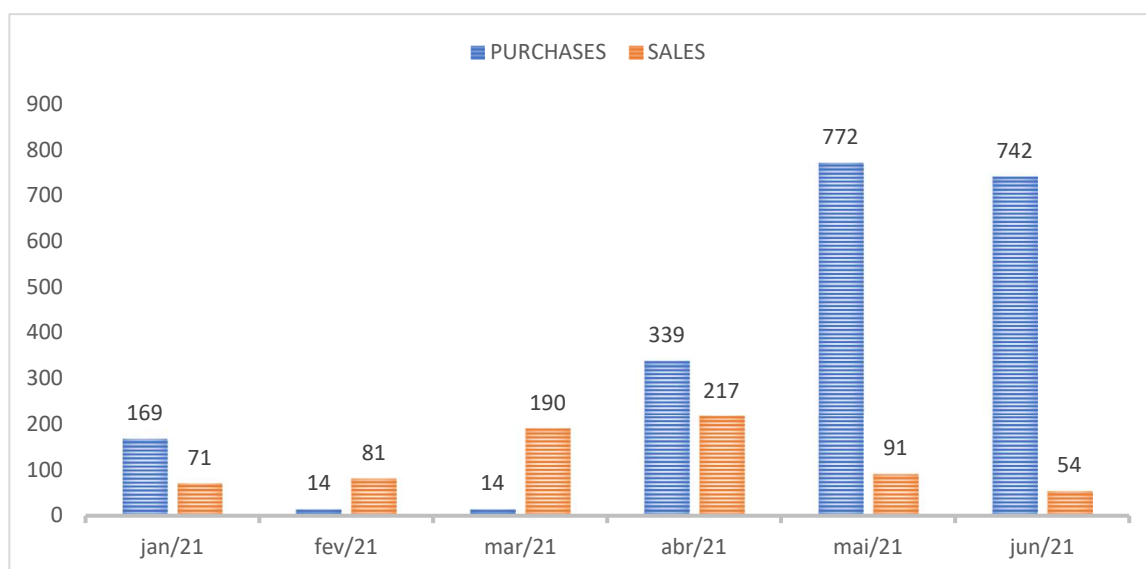


Caetano Renting, SA

We ended the 1st half of this year with a fleet of 3,516 units, which represents an increase of 38.04% when compared to the same period of the previous year.



The main factor behind this increase was the supply of around 1800 vehicles to Rent A Cars, which are the market segment with the most weight in our activity, representing 77.84%.



In addition to the rental of passenger vehicles, we continue with the rental of industrial machines, which represent 10.1% of the Total fleet.

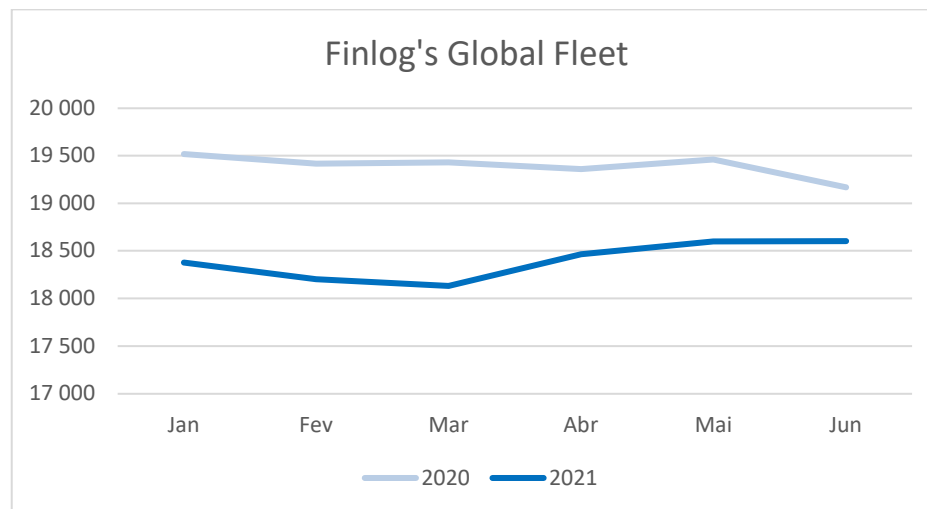
Due to the increase in the fleet, there was also an increase in the ledger Sales and Services rendered, by approximately 13.37%, which will have a greater impact at the beginning of the second half of the year.

There are good prospects for the development of our activity during the second half of this year, and it is expected that the annual results will reflect this improvement, reaching the balance point that was lost in 2020.

FINLOG – Aluguer e Comércio de Automóveis, S.A.

The first half of 2021 remained with an atypical period, considering the COVID-19 pandemic that emerged in mid-March of the previous year. This event has had a significant negative impact on the world economy.

Evolution of Finlog's FSL¹ and FM² fleet



As a result of the pandemic, and the uncertainty that plagues the economy, the active vehicle fleet in the first months of the period was lower in 2021 compared to the same period of the previous year. Finlog ended the first half of 2021 with a fleet of 18,602 vehicles, which represents a decrease of 568 vehicles (about -3.0%), when compared to the same period of the previous year.

Company Activity

Services Rendered were in line with the same period of the previous year.

	2021	2020
Services Rendered (M€)	28,19	28,89

Regarding the remarketing activity, we found that we sold 227 more vehicles in 2021 than in 2020, which represents an increase of 16% in the number of units sold. However, it should be noted that this market segment continued to be strongly affected by the high market price pressure on used vehicles.

It is our conviction that in the second half of 2021, with the process of deconfinement and an expected resumption of normal economic activity, the Company's results and activity may return to pre-pandemic normality.

1. FSL Full-Service Lease

2. FM: Fleet Maintenance

CaetanoBus – Fabricação de Carroçarias, SA

The persistence of the current and very special circumstances arising from the pandemic crisis do not allow for the long-awaited return to normality and continue to provoke negative effects on the Company's activity and profitability.

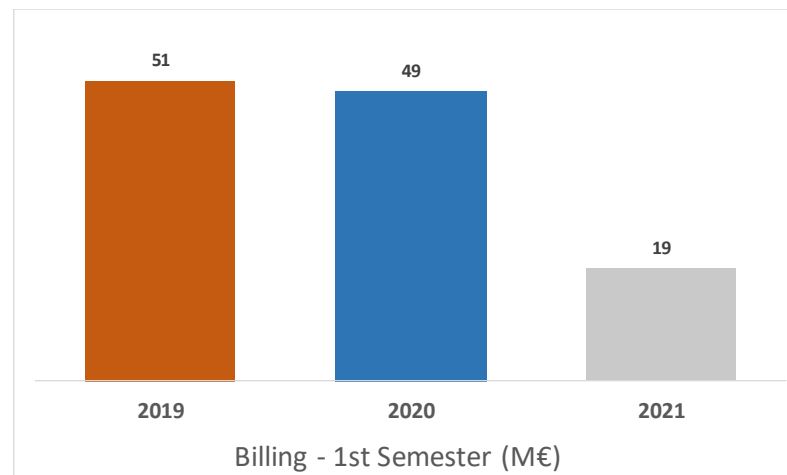
Despite this context, Caetanobus was able to witness the significant effort of its Customers to maintain the regularity of their operations, while not having lost sight of the importance of renewing their fleets and providing their users with the best conditions in public transport. In this sense, it was possible to watch the resumption of some public tenders and projects that have been postponed for a long time, which should come to an end in the second half of the year.

Considering the characteristics of Caetanobus' business with long adjudication processes, followed, naturally, from the manufacturing period to the delivery of the units, there is no prospect of a recovery in sales compared to the previous year. By the end of June, 85 units had been invoiced, from which stand out the bodies for airport buses and conventional urban mobility solutions (body for CNG buses), which make up around 48% and 45% of the total, respectively. The remaining units are bodies for diesel minibuses (iTrabus model).

After an atypical year and a half and with great difficulties in closing deals, it is with confidence that Caetanobus faces the future; External factors contribute to this, such as the foreseen State and European support (PRR and POSEUR) that will contribute to sustainable mobility becoming a reality in the near future, but also to internal efforts, namely constant and significant investments in Research & Development in products innovative but also review of processes aiming productivity improvements in several areas. Thanks to this firm commitment, Caetanobus will launch, in the coming years, new products and solutions for electric and hydrogen mobility, with a view to serving its customers and, inherently, the communities in which it operates through its products even better.

The receptivity that its customers have shown to these future developments shows that this is and will continue to be the right bet.

The invoicing volume achieved in the 1st semester and compared to previous years is as follows:



Government support helped to maintain jobs at Caetanobus, support liquidity and preserve its assets. Special emphasis on the "Progressive Resume" which, given the drop in production/billing, allowed temporary reduction of the normal working period of some of the employees according to the hourly production needs.

People Management and Development

One of the watchwords of the first half of 2021 was, similarly to 2020, the word “pandemic”. Once again, we were confronted by a new confinement that only came to an end during the month of April.

In this context, we continued to privilege remote work in the functions where it was possible, whose balance had already been positive over the previous year, with the teams maintaining the focus and performance that characterizes them. However, because we believe that technology brings People together, but does not completely replace the collaboration and socialization component, and because our business model requires it, we have adopted, whenever legally possible, the hybrid regime.

Despite a year marked by unpredictability, we maintained our strategy of strengthening the employer brand, investing in best practices to recruit, develop and retain talent. As a testimony of this work and interdisciplinary effort, the Salvador Caetano Group, obtained in the study “Employer Brand Research” by the multinational Randstad, the distinction of the most attractive company to work for in Portugal in the automotive sector, rising from 3rd to 1st place.

In order to benefit the growth of our People and maintain the ambition of our business, our Internal Mobility policy was revised, ensuring a more integrated approach with the other people management processes. In parallel, we developed a campaign to raise awareness of professional opportunities available internally.

At Toyota Caetano Portugal, performance management is based on a culture of continuous feedback. Therefore, we started the One-to-One program, a continuous feedback program with the Employee, which aims to facilitate communication between Employees and Leaders, and which contributes to the alignment of each Employee with the strategy, objectives, and Toyota Way values.

We are also studying the implementation of a new tool that will optimize the *Ser Caetano* Barometer, allowing us to quantify the involvement of our Employees in an automatic and more regular way, providing quick intervention and the creation and execution of action plans in a more consistent manner. Through a complete view of the satisfaction and involvement of teams and the Organization, we hope to facilitate the daily management of our Leaders. Having recognized this potential, we are currently in the software licensing phase, so in the second half of 2021 we will start its implementation.

As in the previous year, we intensified our commitment to the @cademia Ser Caetano, particularly in training in a digital context, through the launch of programs aimed at the development of technical,

management and leadership skills. The Training Centers continued to alternate between face-to-face and distance learning. In this context, we started the year with 50 courses, part of which have already been completed, currently having 36 courses and about 600 trainees.

At a markedly different time, events also had to be. We held the *Ser Kaizen Webinar*, which every year has as its main objective to celebrate the Kaizen Culture in the Organization. At this event, the best continuous improvement initiatives were recognized and the Teams that daily seek evolution and innovation through their ideas and projects.

As a Company committed to Corporate Social Responsibility, we carry out several initiatives. We participated, for the 8th consecutive year, in the sustainability report "Carbon Disclosure Project (CDP) – Climate Change"; we continued the "1 Toyota, 1 Tree" project; and we opened the Bosque Ser Caetano to our Employees, who can now enjoy this space in a closer relationship with nature.

We also created several sustainability awareness initiatives, such as the *Reutilizar para Melhorar* campaign, visits by Employees and families to the Ecocentro, involvement of concessions in the Toyota Environmental Challenge, energy efficiency actions and we also abolished the use of plastic in the facilities' bars.

This year, we also mark two important milestones in the history of our Toyota Caetano Portugal Organization: the 50th anniversary of the Toyota plant in Ovar coincides with the 75th anniversary of the Salvador Caetano Group; two round dates that – despite the context – we are celebrating throughout the year. However, more than celebrating these dates, we intend to pay tribute to the People who contribute to our Organization on a daily basis, for which we have activated an integrated communication campaign, currently in progress, based on the message "Being Caetano. Somos Nós", complemented by initiatives promoting the "Toyota Way".

All these actions and projects reflect our commitment to People and the future of the organization, materializing Toyota Caetano Portugal's Purpose: to be an excellent place to live, grow and work.

Financial Activity

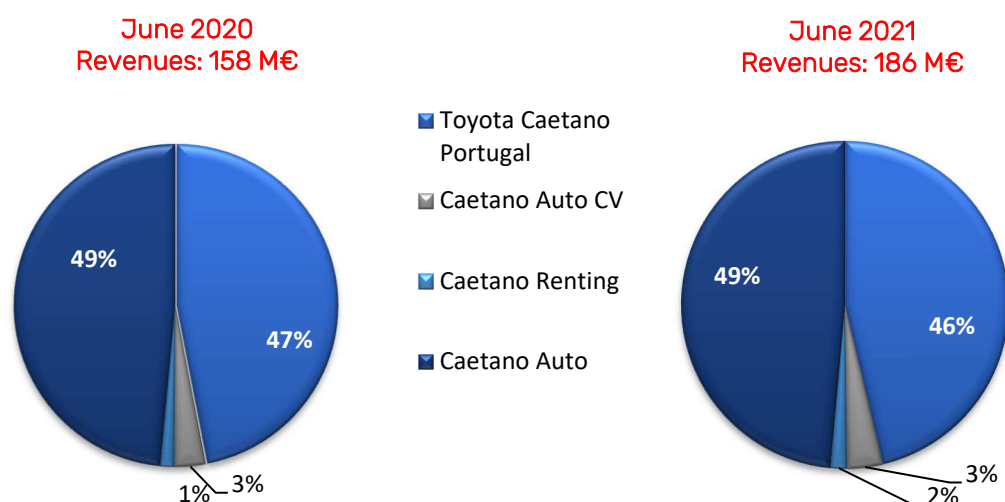
Consolidated analysis

The first half of 2021 was guided by the continuity of unpredictability associated with the global pandemic context.

In Portugal, in the first months of the year, there was a new wave associated with Covid19 with all the dramatic impacts that resulted from this. The way in which People and Companies live has unquestionably changed. The beginning of the vaccination plan, however, brought hope and encouragement to face the difficulties experienced and the challenges ahead.

The sector in which Toyota Caetano Portugal, SA and its subsidiaries operates was, without a doubt, one of the most affected by this context.

The strong drop in the activity in this Group of companies in 2020 was followed by a recovery reflected in an increase of 17.8% in turnover in the first half of the current year, when compared to the same period of the previous year.



At the same time, because of the effort to contain and rationalize resources, as well as access to financial supports made available to back up companies in the current pandemic context, there was an improvement in operating results which, in the first six months of the current year, represent 4.1% of sales, an important increase when compared to the 0.9% of this same indicator in the same period of the previous year.

Despite the above, the performance verified in the 1st half of 2021 still does not allow us to reach the values achieved in the pre-pandemic years.

It should also be noted that at the beginning of the year a non-operational building was sold, which resulted in a gain of 0.9 Mio

In terms of net financial debt and as a result of:

- . maintenance of the management policy of available resources aiming at an effective adequacy of the capital structure;
- . continuity of the partnerships established in 2020 (namely with Toyota Finance Services, which materialized at the level of activity between the Distributor and the Dealership Network with the objective of reducing the average collection time and, consequently, bank debt);
- . and also the supply failures that began to occur, due to the scarcity of some materials on the world market (namely semiconductors and steel)

there is a consistent reduction in this indicator: around 34 Mio€ at the end of the first half of 2020, to 32.8 Mio€ in December of the same year, standing at 29.8 Mio€ in the accounts for June 2021.

The Toyota Caetano Portugal Group's degree of financial autonomy stands at 45.3%.

The table below summarizes the evolution of some relevant indicators that illustrate the above (information in thousands of euros):

	jun/20	jun/21	Variation
Revenue	157 622	185 756	17,80%
Gross profit	32 714	46 236	41,30%
% (f) sales	20,80%	24,90%	
Supplies and external services	19 524	21 004	7,60%
% (f) sales	12,40%	11,30%	
Personnel costs	17 244	19 642	13,90%
% (f) sales	10,90%	10,60%	
E.B.I.T.D.A.	12 257	17 333	41,40%
% (f) sales	7,80%	9,30%	
Operating result	1 466	7 590	417,70%
% (f) sales	0,90%	4,10%	
Financial outcome	-1 145	-1 241	-8,30%
% (f) sales	-0,70%	-0,70%	
Consolidated net profit	34	2 977	8629,40%
% (f) sales	0,00%	1,60%	
	dec/20	jun/21	Variation
Net bank financing	32 818	29 793	-9,20%
Degree of financial autonomy	48,20%	45,30%	

Expectations for the second half of 2021, despite the uncertainty associated with the epidemiological evolution, are positive, with the consolidation of the improvements that took place in the first months of the year. It should be noted, however, that the impacts of the lack of supply of semiconductors in car production is and will affect the supply of vehicles, harming the number of units to be sold this second half.

Risk Management

Credits on customers

The credit risk, at Toyota Caetano, results mainly from the credits on its Customers, related to the operational activity.

The main objective of credit risk management, at Toyota Caetano, is to ensure the effective collection of operational receipts from Customers in accordance with the negotiated conditions.

In order to mitigate the credit risk arising from potential non-payment by Customers, Group companies exposed to this type of risk have:

- Established a specific Credit Risk analysis and monitoring department;
- Implemented proactive credit management processes and procedures, always supported by information systems;
- Coverage mechanisms (credit insurance, letters of credit, bank guarantees etc).

Interest Rate Risk

As a result of the relevant proportion of variable rate debt in its Consolidated Statement of Financial Position, and the consequent cash flows from interest payments, Toyota Caetano is exposed to interest rate risk.

Aware of the existence of this risk, Toyota Caetano permanently monitors all operations in progress and, with a view to significant risk, seeks to immediately cover these exposures using existing instruments for this purpose, namely financial derivatives.

Exchange Rate Risk

As a Group with geographically diversified commercial relationships, the exchange rate risk results essentially 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 exchange rate risk management policy seeks to minimize the volatility of investments and operations expressed in foreign currency, contributing to a lesser sensitivity of the Group's results to exchange rate fluctuations. The Group's foreign exchange risk management policy is based on a case-by-case assessment of the opportunity to hedge this risk, namely considering the specific circumstances of the currencies and countries involved.

Aware of the existence of this risk, Toyota Caetano permanently monitors all operations in progress and, with a view to significant risk, seeks to immediately cover these exposures using existing instruments for this purpose, namely financial derivatives.

Liquidity Risk

The liquidity risk management, at Toyota Caetano, aims to ensure that the Group has the capacity to timely obtain the necessary funding to be able to carry out its business activities, implement its strategy, and fulfill its payment obligations when due, while avoiding the need to obtain financing under unfavorable conditions.

For this purpose, liquidity management in the Group comprises the following aspects:

- Consistent financial planning based on cash flow forecasts at the level of operations, according to different time horizons (weekly, monthly, annual and multiannual);
- Diversification of funding sources;
- Diversification of debt maturities issued in order to avoid excessive concentration of debt repayments in short periods of time;
- Contracting with relationship banks, short-term credit lines, commercial paper programs, and other types of financial transactions, ensuring a balance between adequate levels of liquidity and supported commitment fees.

A detailed description of this point is contained in the Corporate Governance Report 2020.

Own Shares

The company did not purchase or sell any own shares during this fiscal year. As of June 30, 2021, the company did not hold own shares.

Subsequent Events

Since the end of the semester in question until the present date, no relevant facts were observed that should be mentioned here.

To whom it may concern

We hereby declare, under the terms and for the purposes set forth in Article 246 (1) © of the Securities Code (CVM), that, to the best of our knowledge, the consolidated financial statements of Toyota Caetano Portugal for the half of 2020 were prepared in accordance with the applicable accounting standards, giving a true and fair view of the assets and liabilities, financial position and results of the company and that the interim management report faithfully sets out the information required under Article 246 (2) of CMVM.

Vila Nova de Gaia, 16th September 2021

The Board of Directors

José Reis da Silva Ramos – President
Maria Angelina Martins Caetano Ramos
Salvador Acácio Martins Caetano
Miguel Pedro Caetano Ramos
Gisela Maria Falcão Sousa Pires Passos
Tom Fux
Kiyohito Morimoto

INFORMATION ON THE PARTICIPATION OF THE MANAGING AND SUPERVISORY BOARDS OF TOYOTA CAETANO PORTUGAL, S.A.

(Pursuant to article 447 of the Commercial Companies Code and according to Article 9 (c) and Article 14(4), both of Regulation 5/2008 of CMVM)

In compliance with the provisions of article 447 of the Portuguese Commercial Companies Code, it is hereby declared that, in the first half of 2021, the members of the Company's management and supervisory boards did not hold any of its shares or bonds.

Furthermore, it is hereby stated that the members of the Company's management and supervisory boards were not engaged, during the first semester of 2021, in any acquisitions, encumbering or disposals involving the Company's shares or bonds.

It is further stated that the Company's securities held by companies in which the directors and auditors hold corporate positions are as follows:

- The shareholder Salvador Caetano Auto, SGPS, SA (of which Ms. Maria Angelina Martins Caetano Ramos is President of the Board of Directors, Mr. Salvador Acácio Martins Caetano is Vice-President of the Board of Directors and Mr. Miguel Pedro Caetano Ramos is a Member Board of Directors), acquired: 25 January 2021, 65 shares at the amount of €2.80 each; on June 4, 2021, 6,979 shares at the amount of €2.80 each; June 29, 2021, 15 shares at the amount of €2.80 each; so on June 30, 2021 it held 24,428,155 shares with a nominal value of 1 euro each.
- The shareholder COVIM – Sociedade Agrícola, Silvícola e Imobiliária, SA had no moves (of which Maria Angelina Martins Caetano Ramos is President of the Board of Directors, José Reis da Silva Ramos is spouse of the President of the Board of Directors), so in 30 of June 2020 held 393,252 shares, with a nominal value of 1 euro each.

For the purpose provided in the final section of article 447(1) of the Commercial Companies Code (companies in a control or group relationship with the company), it is stated that:

- **José Reis da Silva Ramos**, President of the Board of Directors, holds 39.49%¹ of the share capital of Salvador Caetano Group, 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, holds 39.49%¹ of the share capital of Salvador Caetano Group, SGPS, SA, a company that is in a controlling relationship with the company;

¹ This percentage includes shares held by the spouse

- **Salvador Acácio Martins Caetano**, Member of the Board of Directors, holds 39.49%¹ of the share capital of Salvador Caetano Group, SGPS, SA, a company that is in a controlling relationship with the company;

¹ 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 Salvador Caetano Group, SGPS, S.A., a company that is in a controlling relationship with the company.

Qualified Shareholdings

(Pursuant to CMVM Regulation 5/2008)

On June 30, 2021, the shareholders with qualifying holdings in the company's capital are the following:

ACIONISTA	Ações	% dos direitos de voto
Salvador Caetano - Auto - SGPS, S.A.	24 428 155	69,795
Toyota Motor Europe NV/SA	9 450 000	27,000



CONSOLIDATED ACCOUNTS

Toyota Caetano Portugal, S.A.

ASSET	Notes	30/06/2021	31/12/2020
NON-CURRENT ASSETS:			
Goodwill	7	611.997	611.997
Intangible assets	8	844.962	721.490
Tangible assets	5	110.282.208	96.730.530
Investment properties	6	10.994.704	11.159.678
Financial investments in associates and joint ventures	9	37.440.857	39.105.000
Other investments	10	4.368.793	4.219.437
Deferred tax assets	15	3.660.318	3.148.683
Accounts receivable	12	392.719	654.046
Total non-current assets		168.596.558	156.350.861
CURRENT ASSETS:			
Inventories	11	80.720.721	78.708.164
Accounts receivable	12	53.140.144	45.050.337
Other debtors	13	5.295.412	5.574.066
Income tax receivable	21	-	871.404
Other current assets	14	4.266.442	4.754.890
Cash and cash equivalents	4	18.831.598	11.437.547
Total current assets		162.254.317	146.396.408
Non-current assets held for sale		2.157.708	2.157.708
Total assets		333.008.583	304.904.977
SHAREHOLDER'S EQUITY & LIABILITIES			
EQUITY:			
Share capital		35.000.000	35.000.000
Legal reserves		7.498.903	7.498.903
Financial assets adjustments		198.469	-
Other reserves		103.985.144	98.561.640
Net income		2.985.318	4.644.726
	16	149.667.834	145.705.269
Non-controlling interests	17	1.285.999	1.284.674
Total equity		150.953.833	146.989.943
LIABILITIES:			
NON-CURRENT LIABILITIES:			
Loans	18	25.421.919	26.913.455
Pension Fund defined benefit plan liabilities	23	11.171.634	11.171.634
Provisions	24	1.779.601	1.973.126
Other creditors	20	13.305.891	-
Deferred tax liabilities	15	1.839.798	1.839.798
Total non-current liabilities		53.518.843	41.898.013
CURRENT LIABILITIES:			
Loans	18	23.202.384	17.341.752
Accounts payable	19	37.578.103	38.187.645
Other creditors	20	41.815.527	37.571.414
Income tax payable	21	136.739	-
Other current liabilities	22	25.803.153	22.916.210
Total liabilities		128.535.907	116.017.021
Total liabilities		182.054.750	157.915.034
Total liabilities and shareholder's equity		333.008.583	304.904.977

The notes to the financial statements integrate this statement for the period ending on 31 June 2021.

CHARTERED ACCOUNTANT
ALEXANDRA MARIA PACHECO GAMA JUNQUEIRA

BOARD OF DIRECTORS
JOSE REIS DA SILVA RAMOS –President
MARIA ANGELINA MARTINS CAETANO RAMOS
SALVADOR ACÁCIO MARTINS CAETANO
MIGUEL PEDRO CAETANO RAMOS
GISELA MARIA FALCÃO SOUSA PIRES PASSOS
TOM FUX
KIYOHITO MORIMOTO

	Notes	30/06/2021	30/06/2020
Operating income:			
Sales	26	165.785.310	146.304.398
Services rendered	26	19.970.462	11.317.371
Other operating income	29	14.826.694	18.362.690
Variation of products	11	(214.953)	(2.157.255)
Total operating income		<u>200.367.513</u>	<u>173.827.204</u>
Operating expenses:			
Cost of sales	11	(139.304.342)	(122.750.020)
External supplies and services	27	(21.004.491)	(19.524.391)
Payroll expenses	28	(19.642.225)	(17.243.691)
Depreciations and amortizations	5, 6 e 8	(9.743.452)	(10.790.890)
Impairment losses in inventories	24	(1.036.075)	(472.689)
Impairment losses in accounts receivable	24	(595.291)	(211.848)
Other provisions and impairment losses	24	103.185	(94.934)
Other operating expenses	29	(1.555.095)	(1.272.595)
Total operating expenses		<u>(192.777.786)</u>	<u>(172.361.058)</u>
Operating income		7.589.727	1.466.146
Income related to associated companies and joint ventures	9	(1.862.612)	-
Expense and financial losses	30	(1.247.279)	(1.155.124)
Income and financial gains	30	<u>6.297</u>	<u>9.713</u>
Profit before taxation		4.486.133	320.735
Income tax for the year	25	<u>(1.509.050)</u>	<u>(286.631)</u>
		2.977.083	34.104
Net profit for the period		<u>2.977.083</u>	<u>34.104</u>
Net profit for the period attributable to:			
The Group		2.985.318	94.621
Non-controlling interests	17	<u>(8.235)</u>	<u>(60.517)</u>
		<u>2.977.083</u>	<u>34.104</u>
Earnings per share:			
Basic	37	<u>0,085</u>	<u>0,001</u>
Diluted	37	<u>0,085</u>	<u>0,001</u>

The notes to the financial statements integrate this statement for the period ending on 31 June 2021.

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 TOM FUX
 KIYOHITO MORIMOTO

	Notes	Share capital	Legal reserves	Financial assets adjustments	Other Reserves				Total reserves	Net profit	Subtotal	Non-controlling interests	Total
					Revaluation reserves	Translation reserves	Fair value reserves	Other reserves					
Balance at 1 of January 2020		35.000.000	7.498.903	-	6.195.184	(1.695.238)	883.196	81.848.327	94.730.372	11.593.984	141.324.356	1.514.227	142.838.583
Changes in the period:													
Application of the consolidated net income 2019		-	-	-	-	-	-	11.593.984	11.593.984	(11.593.984)	-	-	-
Fair value changes of Instruments at fair value through capital	10	-	-	-	-	-	295.462	-	295.462	-	295.462	-	295.462
Remeasurements (actuarial losses)		-	-	-	-	-	-	(932.466)	(932.466)	-	(932.466)	-	(932.466)
Others		-	-	-	-	-	-	373.191	373.191	-	373.191	-	373.191
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>295.462</u>	<u>11.034.709</u>	<u>11.330.171</u>	<u>(11.593.984)</u>	<u>(263.813)</u>	<u>-</u>	<u>(263.813)</u>
Consolidated net profit for the period		-	-	-	-	-	-	-	-	4.644.726	4.644.726	(192.993)	4.451.733
Consolidated comprehensive net profit for the period		-	-	-	-	-	295.462	(559.275)	(263.813)	4.644.726	4.380.913	(207.362)	4.173.551
Transactions with equity holders		-	-	-	-	-	-	-	-	-	-	(22.191)	(22.191)
Acquisition from Non-Controlling Interests		-	-	-	-	-	-	-	-	-	-	-	-
Balance at 31 of December 2020		35.000.000	7.498.903	-	6.195.184	(1.695.238)	1.178.658	92.883.036	106.060.543	4.644.726	145.705.269	1.284.674	146.989.943
Balance at 1 of January 2021		35.000.000	7.498.903	-	6.195.184	(1.695.238)	1.178.658	92.883.036	106.060.543	4.644.726	145.705.269	1.284.674	146.989.943
Changes in the period:													
Application of the consolidated net income 2020		-	-	-	-	-	-	4.644.726	4.644.726	(4.644.726)	-	-	-
Fair value changes of Instruments at fair value through capital	10	-	-	-	-	-	149.356	-	149.356	-	149.356	-	149.356
Financial Statement Conversion Differences		-	-	198.469	-	-	-	-	-	-	198.469	-	198.469
Other changes		-	-	-	-	-	-	629.422	629.422	-	629.422	9.560	638.982
		<u>-</u>	<u>-</u>	<u>198.469</u>	<u>-</u>	<u>-</u>	<u>149.356</u>	<u>5.274.148</u>	<u>5.621.973</u>	<u>(4.644.726)</u>	<u>977.247</u>	<u>9.560</u>	<u>986.807</u>
Consolidated net profit for the period		-	-	-	-	-	-	-	-	2.985.318	2.985.318	(8.235)	2.977.083
Consolidated comprehensive net profit for the period		-	-	-	-	-	-	-	-	3.962.566	3.962.566	1.325	3.963.891
Balance at 31 of June 2020		35.000.000	7.498.903	198.469	6.195.184	(1.695.238)	1.328.014	98.157.184	111.682.516	2.985.318	149.667.834	1.285.999	150.953.833

The notes to the financial statements integrate this statement for the period ending on 31 June 2021.

CHARTERED ACCOUNTANT
ALEXANDRA MARIA PACHECO GAMA JUNQUEIRA

BOARD OF DIRECTORS
JOSE REIS DA SILVA RAMOS -President
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TOM FUX
KIYOHITO MORIMOTO



	30/06/2021	30/06/2020
Consolidated net profit for the period, including non-controlling interests	2.977.083	34.104
Components of other consolidated comprehensive income, that Could not be recycled by profit and loss:		
Change in currency conversion reserves	198.469	-
Components of other consolidated comprehensive, that will not be subsequently reclassified to the income statement:		
Instruments at fair value through capital changes (Note 10)	149.356	135.832
Others - gross value	638.983	-
Consolidated comprehensive income	<u>3.963.891</u>	<u>169.936</u>
Attributable to:		
Equity holders of the parent company	3.962.566	230.453
Non-controlling interests	1.325	(60.517)

The notes to the financial statements integrate this statement for the period ending on 31 June 2021.

CHARTERED ACCOUNTANT

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OPERATING ACTIVITIES

	Jun/21	Dec/20
Collections from Customers	280.588.661	476.780.959
Payments to Suppliers	(243.539.609)	(328.625.355)
Payments to Employees	(15.692.729)	(31.832.823)
Operating Flow	21.356.323	116.322.781
Payments of Income Tax	(347.311)	(2.265.054)
Other Collections/Payments Related to Operating Activities	(16.622.735)	(68.253.194)
Cash Flow from Operating Activities	4.386.277	45.804.533

INVESTING ACTIVITIES

Collections from:			
Investments Properties	39.300	-	
Tangible Fixed Assets	954.414	1.301.592	
Interest and Other income	3.894	4.600	1.306.192
Payments to:			
Financial Investments	-	(39127191,0)	
Investments Properties	-	(72.445)	
Tangible Fixed Assets	(688.770)	(1.679.855)	
Intangible Assets	(163.441)	(334.435)	(41.213.926)
Cash Flow from Investing Activities	145.397	(39.907.733)	

FINANCING ACTIVITIES

Collections from:			
Loans (Note 18)	138.773.608	62.612.760	
Leases (Note 18)	1.628.150	2.370.979	64.983.739
Payments to:			
Loans (Note 18)	(133.011.659)	(62.250.000)	
Leases (Note 18)	(3.771.140)	(7.815.570)	
Interest and Other costs	(753.409)	(1.732.058)	
Other creditors	-	(176.325)	
Dividends	(3.173)	-	(71.973.953)
Cash Flow from Financing Activities	2.862.377	(6.990.214)	

CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents at Beginning of Period (Note 4)	11.437.547	12.530.961
Cash and Cash Equivalents at End of Period (Note 4)	18.831.598	11.437.547
Net Flow in Cash Equivalents	7.394.051	(1.093.414)

The notes to the financial statements integrate this statement for the period ending on 31 June 2021.

CHARTERED ACCOUNTANT

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1. INTRODUCTION

Toyota Caetano Portugal, S. A. ("Toyota Caetano" or "Company") was incorporated in 1946, has its headquarters in Vila Nova de Gaia, and is the Parent Company of a Group of companies ("Toyota Caetano Group" or "Group"), which mainly develop economic activities included in the automotive sector, namely the import, assembly and commercialization of vehicles, bus and coach industry, sale and rental of industrial equipment forklifts, sale of vehicles parts, as well as the corresponding technical assistance, creation and operation of training projects and development of human resources, as well the management and rental of own properties, and rental of short or long- term vehicles, with or without driver.

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

Toyota Caetano is the importer and distributor of the brands Toyota (vehicles and forklifts), Lexus (vehicles) and BT (forklifts) for Portugal, heading the Group ("Toyota Caetano Group") which presents itself as follows on 30 June 2021:

Companies	Headquarters	Classification
With headquarters in Portugal:		
Toyota Caetano Portugal, S.A. ("Mother Company")	Vila Nova de Gaia	Subsidiary
Caetano - Auto, S.A. ("Caetano Auto")	Vila Nova de Gaia	Subsidiary
Caetano Renting, S.A. ("Caetano Renting")	Vila Nova de Gaia	Subsidiary
Caetanobus - Fabricação de Carroçarias, S.A. ("CaetanoBus")	Vila Nova de Gaia	Joint Venture
Finlog - Aluguer e Comércio de Automóveis, S.A. ("Finlog")	Vila Nova de Gaia	Associate
With headquarters in foreign countries:		
Caetano Auto CV, S.A. ("Caetano Auto CV")	Praia (Cape Verde)	Subsidiary
Caetano UK Limited ("Caetano UK")	United Kingdom	Joint Venture
Cobus Industries GMBH ("Cobus")	Germany	Joint Venture
Caetano Renting Senegal, S.A. ("Caetano Renting Senegal")	Dakar (Senegal)	Associate

During the six-month period ended June 30, 2021, there were no changes in the consolidation perimeter.

During the year ended December 31, 2020, there was a change in the composition of the Toyota Caetano Group's perimeter with the acquisition, at the end of the year, of participations in the companies Caetanobus - Fabricação de Carroçarias, SA and Finlog - Aluguer e Comércio de Automóveis, SA (Note 3).

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

The attached financial statements are presented in Euros (rounded to the nearest unit), as this is the currency preferably used in the economic environment in which the Group operates. Foreign operations are included in the consolidated financial statements in accordance with point 2.5.

2. MAIN ACCOUNTING POLICIES

The main accounting policies adopted in the preparation of the consolidated financial statements are as follows:

2.1 BASIS OF PRESENTATION

The interim financial statements are presented every six months in accordance with IAS 34 - "Interim Financial Reporting".

These interim financial statements, prepared in accordance with the aforementioned regulations do not include all the information to be included in the annual consolidated financial statements, so they should be read together with the consolidated financial statements for the year ended December 31, 2020.

The comparative information for December 31, 2020, present in the attached consolidated financial statements, was subject to audit.

The attached consolidated financial statements were prepared under the assumption of continuity of operations and based on the principle of historical cost and, in the case of some financial instruments, of fair value, from the accounting books and records of the companies included in the consolidation (Note 3).

2.2 ADOPTION OF NEW OR REVISED IAS/IFRS

New standards and amendments to standards that became effective on January 1, 2021

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 for the year beginning January 1, 2021:

Description	Amendment	Effective date
• IFRS 16 – Income Bonuses Related to COVID-19	Application of exemption in the accounting of bonuses granted by lessors related to COVID-19, as modifications	1 of June of 2020
• IFRS 4 – deferral of the application of IFRS 9	End of the deferral of the start of the application of IFRS 9 for entities with insurance activity, postponed to January 1, 2023	1 of January of 2021
• IFRS 9, IAS 39, IFRS 7, IFRS 4 e IFRS 16 – Reform of benchmark interest rates – phase 2	Additional exemptions related to the impacts of the reform of the reference interest rates ("IBOR"), and especially the replacement of a reference interest rate by another alternative in the financial instruments traded	1 of January of 2021

There were no significant effects on the Group's consolidated financial statements for the six-month period ended June 30, 2021, arising from the adoption of new standards and amendments to the aforementioned standards.

Standards (new and amended) that became effective after January 1, 2021, not yet endorsed by the EU

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

Description	Amendment	Effective date
• IAS 1 – Presentation of financial statements – Classification of liabilities	Classification of a liability as current or non-current, depending on an entity's right to defer payment. New definition of "settlement" of a liability	1 of January of 2023
• IAS 16 – Income obtained before commissioning	Prohibition of deducting the income obtained from the sale of items produced during the testing phase, at the cost of acquisition of tangible assets	1 of January of 2022
• IAS 37 – Onerous contracts – costs of complying with a contract	Clarification on the nature of the expenses to be considered in determining whether a contract has become onerous	1 of January of 2022
• IFRS 3 – References to Conceptual Framework	Update to the references to the Conceptual Framework and clarification on the recording of provisions and contingent liabilities within the scope of a concentration of business activities	1 of January of 2022
• Improvement Cycle 2018 – 2020	Specific amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41	1 of January of 2022
• IAS 1 – Disclosure of accounting policies	Requirement to disclose material accounting policies rather than significant accounting policies	1 of January of 2023
• IAS 8 – Disclosure of accounting estimates	Definition of accounting estimate. Clarification on the distinction between changes in accounting policies and changes in accounting estimates	1 of January of 2023
• IFRS 16 – Income bonuses related to COVID-19 after June 30, 2021	Extension of the period of application of the exemption in the accounting of bonuses granted by lessors related to COVID-19, as modifications, until June 30, 2022	1 of April of 2021

Description	Amendment	Effective date
<ul style="list-style-type: none"> • IAS 12 - Deferred tax related to assets and liabilities associated with a single transaction 	Requirement to recognize deferred tax on the registration of assets under right of use / lease liability 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	1 of January of 2023
<ul style="list-style-type: none"> • IFRS 17 - Insurance contracts 	New accounting for insurance contracts, reinsurance contracts and investment contracts with discretionary participation features	1 of January of 2023
<ul style="list-style-type: none"> • IFRS 17 - Insurance contracts (changes) 	Inclusion of amendments to IFRS 17 in areas such as: i) scope of application; ii) level of aggregation of insurance contracts; iii) recognition; iv) measurement; v) modification and derecognition; vi) presentation of the statement of financial position; vii) recognition and measurement of the income statement; and viii) disclosures	1 of January of 2023

These standards have not yet been adopted ("endorsed") by the European Union and, as such, have not been applied by the Group in the six-month period ended June 30, 2021.

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 result in significant impacts on the attached consolidated financial statements.

2.3 CONSOLIDATION PRINCIPLES AND MAIN VALUATION CRITERIA

These consolidated financial statements were prepared in accordance with the accounting policies disclosed in the Annex to the consolidated financial statements as of December 31, 2020.

2.4 RISK MANAGEMENT POLICY

In carrying out its activity, the Group is exposed to a variety of risks: market risk (including exchange rate risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's global risk management program, underlying a perspective of continuity of operations in the long term, is focused on the unpredictability of the financial markets and seeks to minimize the adverse effects from its financial performance.

The Group's risk management is essentially controlled by Toyota Caetano Portugal's finance department, in accordance with policies approved by the Group's Board of Directors. In this sense, the Board of Directors has defined the main global risk management principles and specific policies for some areas,

such as interest rate risk and credit risk. As mentioned above, they are duly described in the Annex to the consolidated financial statements as of December 31, 2020.

In this context, we present below some risk indicators as of June 30, 2021, considered particularly relevant:

(i) Exchange rate risk

In carrying out its activity, the Group operates internationally and has a subsidiary operating in Cape Verde and, since December 2020, an associate operating in the United Kingdom (Caetano UK). By Group policy, a functional currency is defined for each subsidiary (Cape Verde Escudo, in relation to the subsidiary Caetano Auto Cabo Verde, and the Pound Sterling, in relation to the United Kingdom associate), corresponding to the currency of its main economic environment and that which best represents the composition of your cash flows. The exchange rate risk thus results essentially 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 based on a case-by-case assessment of the opportunity to hedge this risk, namely considering the specific circumstances of the currencies and countries involved.

The exchange rate risk associated with the conversion of financial statements of foreign entities, also called accounting risk, reflects the potential for change in the parent company's net worth due to the need to convert the financial statements of subsidiaries abroad.

Assets and liabilities of foreign entities are converted to Euros using the exchange rates existing at the date of the consolidated statement of financial position and the expenses and gains of these entities are converted to Euros using the average exchange rate for the year. The resulting exchange difference is recorded in equity under the heading "Conversion reserves - Exchange".

The amount of the Group's assets and liabilities (in Euros) recorded in a currency other than the Euro on June 30, 2021, December 31, 2020 and June 30, 2020 is presented as follows:

	Assets			Liabilities		
	Jun/21	dec/20	Jun/20	Jun/21	dec/20	Jun/20
Cape Verdean escudo (CVE)	7.455.174	6.493.729	6.464.432	3.884.174	2.919.912	2.025.130
Japanese yen (JPY)	976.838	-	-	1.532.038	236.610	1.335.214

The Group's sensitivity to exchange rate changes can be summarized as follows (increases/decreases):

	Variation	Jun/21		Dec/20	
		Income	Equity	Income	Equity
Japanese yen (JPY)	5%	(27.760)	-	(11.830)	-

Regarding the sensitivity of exchange rate variations of the Cape Verde Escudo (CVE), given that the defined exchange rate does not change, the Group has no exchange risk associated.

(ii) Price risk

The Group is exposed to changes in the prices of raw materials used in its production processes, namely automotive components. However, given that the purchase of raw materials is not in accordance with a price quoted on the stock exchange or formed in volatile markets, this price risk is not significant.

The Toyota Caetano Group, during the years 2021 and 2020, was exposed to the risk of price variation of "Other investments". That item is composed on June 30, 2021, December 31, 2020, and June 30, 2020 by Participating Units of Cimóvel - Closed Real Estate Investment Fund.

The Group's sensitivity to changes in the price of the aforementioned "Equity instruments at fair value through capital" can be summarized as follows (increases/decreases):

	Variation	Jun/21		Dec/20		Jun/20	
		Income	Equity	Income	Equity	Income	Equity
CIMOVEL FUND	10%	-	434.196	-	419.260	-	403.297
CIMOVEL FUND	-10%	-	(434.196)	-	(419.260)	-	(403.297)

(iii) Interest rate risk

The Group's indebtedness 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 due to the effect 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 consolidated results (namely operating) of the Group, in this way partially offsetting the increased financial costs ("natural hedge"); and (ii) existence of consolidated liquidity or cash equivalents equally remunerated at variable rates.

Toyota Caetano's Board of Directors approves the terms and conditions of the financing, analyzing the debt structure, the inherent risks and the different options existing in the market, namely regarding the type of interest rate (fixed/variable) and, through of permanent monitoring of the conditions and alternatives existing in the market, it is responsible for deciding on the timely contracting of derivative financial instruments to cover 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 statement of financial position.

For variable rate liabilities, the following assumptions were considered:

- The effective interest rate is 0.25 p.p. higher than the interest rate supported;
- The basis used for the calculation was the Group's financing at the end of the period;
- Maintenance of traded spreads.

Sensitivity analyzes assume the manipulation of one variable, keeping all others constant. This assumption is difficult to verify, and changes in some of the assumptions may be related.

The Group's sensitivity to changes in interest rates on these financial instruments can be summarized as follows (increases/decreases):

	Variation	Jun/21		Dec/20		Jun/20	
		Income	Equity	Income	Equity	Income	Equity
Escrow accounts	0,25 p.p.	37.500	-	-	-	25.000	-
Bank Overdrafts	0,25 p.p.	2.247	-	312	-	458	-
Long term loan	0,25 p.p.	878	-	25.907	-	25.000	-
Bond loan	0,25 p.p.	31.250	-	31.250	-	31.250	-
Total		71.874	-	57.469	-	81.708	-
Escrow accounts	(0,25 p.p.)	(37.500)	-	-	-	(25.000)	-
Bank Overdrafts	(0,25 p.p.)	(2.247)	-	(312)	-	(458)	-
Long term loan	(0,25 p.p.)	(878)	-	(25.907)	-	(25.000)	-
Bond loan	(0,25 p.p.)	(31.250)	-	(31.250)	-	(31.250)	-
Total		(71.874)	-	(57.469)	-	(81.708)	-

(iv) Liquidity risk

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

The existence of liquidity in the Group's companies implies that operating parameters are defined in the management function of that same liquidity that allow to maximize the return obtained and minimize the opportunity costs associated with holding that same liquidity, in a safe and efficient manner.

Liquidity risk management at the Toyota Caetano Group is aimed at:

- Liquidity, that is, ensuring permanent and most efficient access to enough funds to meet current payments on the respective due dates, as well as any requests for funds within the deadlines defined for this, even if not foreseen;
- Security, that is, minimizing the probability of non-repayment of any application of funds; and
- Financial efficiency, that is, ensuring that Companies maximize the value / minimize the opportunity cost of holding excess liquidity in the short term.

All liquidity surplus existing in the Group is applied to the amortization of short-term debt, in accordance with economic and financial reasonability criteria.

As of June 30, 2021, and December 31, 2020, the Group has a net debt of 29,792,705 Euros and 32,817,660 Euros, respectively, divided between current and non-current loans (Note 18) and cash and cash equivalents (Note 4) contracted from various institutions.

(v) Capital risk

The Management's primary objective is to ensure the continuity of operations, providing adequate remuneration to shareholders and the corresponding benefits to other Group's stakeholders. In order to pursue this objective, it is essential to carefully manage the capital used in the business, seeking to ensure an optimal structure thereof, thereby achieving the necessary cost reduction. To maintain or adjust the capital structure considered adequate, the Management may propose to the General Meeting of shareholders the measures deemed necessary.

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

	Jun/21	Dec/20	Jun/20
Loans	48.624.303	44.255.207	56.286.680
Cash and Cash Equivalents	(18.831.598)	(11.437.547)	(22.325.693)
Net debt	29.792.705	32.817.660	33.960.987
Equity	150.953.833	146.989.943	143.008.276
Financial leverage ratio	16,48%	18,25%	19,19%

Gearing remains within acceptable levels as established by management.

(vi) Credit Risk

The Group's credit risk results essentially:

- the risk of recovery of the monetary means placed in the custody of third parties, and
- the risk of recovery of credits from entities outside the Group.

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

A significant part of receivables from customers is spread over a large number of entities, a factor that contributes to the reduction of credit concentration risk. As a general rule, the Group's customers do not have a credit rating assigned.

Credit risk is monitored by the Group's finance department, supervised by the Board of Directors, based on: i) the rating assigned by the credit insurance company, with which the Group has negotiated a credit insurance contract; ii) the corporate nature of the debtors; iii) the type of transactions originating the balances receivable; iv) the experience of transactions carried out in the past; and v) the credit limits established for each customer.

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 continuously in each reporting period. In order 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. Prospective information is considered reasonable and properly supported. The following indicators are incorporated:

- 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 the value of collateral on 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 conditions at the level of the Group to which it belongs, as well as changes in its operating results.

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.

A default is considered to exist when the counterparty fails to make contractual payments within 90 days of the due date of the invoices. When financial assets are derecognized, the Group continues to take steps to recover the amounts due. In cases of success with the recovery of amounts, such amounts are recognized in profit or loss for the year.

Financial assets are derecognized when there is no real expectation of recovery. The Group categorizes a financing or receivable to be derecognized when the debtor defaults on contractual payments more than 30 days past due.

Impairment of financial assets

a) Accounts receivable and other debtors

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 "Customers" and "Other third-party debts" balances. In order to measure the estimated credit losses, the balances of "Customers" and "Other third-party debts" were aggregated based on shared credit risk characteristics, as well as on days in arrears. Estimated credit losses incorporate forward-looking estimate information. The age of customer balances is detailed in Note 12.

b) Loans granted to related entities

The balances of "Loans granted to related entities" are considered to have a low credit risk and, consequently, impairments for credit losses recognized during the period were limited to the estimated credit losses in 12 months. These financial assets are considered to have "low credit risk" when they have low risk of bad debt and the debtor has a high capacity to meet its contractual cash flow liabilities in the short term.

Regarding customers representing car dealers and repairers, the Group requires "on first demand" bank guarantees, which, as disclosed in the Annex to the consolidated financial statements of December 31, 2020, when exceeded, implies the cessation of supplies.

Accounts receivable impairments 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 periods ended June 30, 2021 and 2020 are disclosed in Note 24.

As of 30 June 2021, the Group considers that there is no need for additional impairment losses in addition to the amounts recorded on those dates and summarized in Note 24.

The amounts relating 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.

c) Cash and cash equivalents

The following tables provide a summary as of June 30, 2021 and December 31, 2020 of the credit quality of bank deposits:

30/06/2021

Non-Current Deposits Rating	Rating Agency	Value
A1	Moody's	56.345
A2	Moody's	109.162
A3	Moody's	82.394
Aa3	Moody's	21.178
B1	Moody's	377.065
B2	Moody's	839.496
Baa1	Moody's	4.319.970
Baa3	Moody's	9.646.128
	Others without rating assigned	3.310.393
Total		18.762.131

31/12/2020

Non-Current Deposits Rating	Rating Agency	Value
A2	Moody's	24.184
A3	Moody's	227.042
Aa3	Moody's	11.674
B1	Moody's	130.762
B2	Moody's	540.560
Baa1	Moody's	4.453.811
Baa3	Moody's	3.766.115
	Others without rating assigned	2.160.158
Total		11.314.308

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

2.5 CONVERSION OF FINANCIAL STATEMENTS OF FOREIGN ENTITIES

On June 30, 2021 and December 31, 2020, the quotations used in the conversion to Euros of the accounts of foreign subsidiaries were as follows:

30/06/2021

	Currency	Final Exchange Jun/21	Average Historical Rate Jun/21	Exchange Constitution Date	Final Exchange Dec/20
Caetano Auto CV, S.A.	CVE	0,009069	0,009069	0,009069	0,009069
Caetano UK, Limited	GBP	1,165430	1,152060	1,16798	0,00185
Applicability		Balance Sheet Accounts, except Equity	Income Statement Accounts	Share Capital	Retained Earnings

31/12/2020

	Currency	Final Exchange Dec/20	Average Historical Rate Dec/20	Exchange Constitution Date	Final Exchange Dec/19
Caetano Auto CV, S.A.	CVE	0,009069	0,009069	0,009069	0,009069
Applicability		Balance Sheet Accounts, except Equity	Income Statement Accounts	Share Capital	Retained Earnings

3. GROUP COMPANIES INCLUDED IN CONSOLIDATION

The Group Companies included in the consolidation by the full consolidation method and the respective proportion of the capital held on 30 June 2021 and 31 December 2020 are as follows:

Companies	Effective participation percentage	
	Jun/21	Dec/20
Toyota Caetano Portugal, S.A.	Parent Company	
Caetano Auto CV, S.A.	81,24%	81,24%
Caetano Renting, S.A.	100,00%	100,00%
Caetano - Auto, S.A.	98,50%	98,50%

Changes in the consolidation perimeter

During the six-month period ended June 30, 2021, there were no changes in the consolidation perimeter.

In December 2020, Toyota Caetano Portugal acquired 12,000,000 shares of CaetanoBus – Fabricação de Carroçarias, SA, previously held by the company Salvador Caetano Indústria, SGPS, SA (related entity), corresponding to approximately 61.94% of the respective rights of vote, for 16,320,000 euros (Note 9).

Also, in December 2020, Toyota Caetano acquired 7,350 shares of the company Finlog – Aluguer e Comércio de Automóveis, SA from the parent company Salvador Caetano Auto - SGPS, SA (shareholder of Toyota Caetano) corresponding to 49% of the respective rights vote, for the amount of 22,785,000 euros (Note 9).

4. CASH AND CASH EQUIVALENTS

On June 30, 2021, December 31, 2020, and June 30, 2020 the detail of cash and cash equivalents was as follows:

	Jun/21	Dec/20	Jun/20
Cash	69.467	123.239	116.952
Bank deposits	18.762.131	11.314.308	22.208.741
	18.831.598	11.437.547	22.325.693

5. TANGIBLE FIXED ASSETS

On June 30, 2021 and December 31, 2020, the movements occurred in tangible fixed assets, as well as in the respective depreciation and accumulated impairment losses, were as follows:

30/06/2021

	Land	Buildings and other constructions	Machinery and Equipment	Transport Equipment	Administrative Equipment	Other Fixed Assets	Tangible Assets in Progress	Right-of-use Assets	Total
Gross assets:									
Opening Balance on 31 December 2020	17.195.624	88.367.387	63.523.819	40.460.589	9.042.508	4.895.565	75.520	59.949.164	283.510.176
Additions	-	99.578	229.797	32.734.886	11.753	57.313	160.935	1.628.150	34.922.412
Disposals and Write-offs	-	(610.154)	(2.060)	(6.590.807)	-	-	-	(136.303)	(7.339.324)
Inventories Transfers	-	-	-	(12.957.635)	-	-	-	-	(12.957.635)
Transfers and reclassifications	-	-	-	775.448	-	-	-	12.559	788.007
Closing Balance on 30 June 2021	17.195.624	87.856.811	63.751.556	54.422.481	9.054.261	4.952.878	236.455	61.453.570	298.923.636
Accumulated depreciation and impairment losses:									
Opening Balance on 31 December 2020	-	65.148.062	59.035.719	30.021.140	8.050.869	4.429.953	-	20.093.903	186.779.646
Depreciations	-	890.815	425.008	5.085.554	105.466	51.303	-	2.976.827	9.534.973
Disposals and Write-offs	-	(610.154)	(63)	(3.869.203)	-	-	-	-	(4.479.420)
Inventories Transfers	-	-	-	(3.677.433)	-	-	-	-	(3.677.433)
Transfers and reclassifications	-	(27)	(78)	908.563	-	27	-	(424.823)	483.662
Closing Balance on 30 June 2021	-	65.428.696	59.460.586	28.468.621	8.156.335	4.481.283	-	22.645.907	188.641.428
Net value	17.195.624	22.428.115	4.290.970	25.953.860	897.926	471.595	236.455	38.807.663	110.282.208

31/12/2020

	Land	Buildings and other constructions	Machinery and Equipment	Transport Equipment	Administrative Equipment	Other Fixed Assets	Tangible Assets in Progress	Right-of-use Assets	Total
Gross assets:									
Opening Balance on 31 December 2019	17.195.806	87.612.619	62.460.383	38.454.361	8.950.525	4.797.117	1.142.255	71.191.220	291.804.286
Additions	-	277.524	792.684	3.273.621	91.813	102.467	94.123	5.879.383	10.511.615
Disposals and Write-offs	(182)	(417.283)	(9.320)	(13.085.693)	170	(4.019)	-	-	(13.516.327)
Inventories Transfers	-	-	-	(5.303.139)	-	-	-	-	(5.303.139)
Transfers and reclassifications	-	894.527	280.072	17.121.439	-	-	(1.160.858)	(17.121.439)	13.741
Closing Balance on 31 December 2020	17.195.624	88.367.387	63.523.819	40.460.589	9.042.508	4.895.565	75.520	59.949.164	283.510.176
Accumulated depreciation and impairment losses:									
Opening Balance on 31 December 2019	-	64.066.808	58.138.994	16.443.832	7.528.716	4.325.527	-	31.280.803	181.784.680
Depreciations	-	2.027.817	906.132	11.352.876	220.585	105.995	-	5.106.098	19.719.503
Disposals and Write-offs	-	(946.563)	(9.407)	(6.789.735)	151	(1.569)	-	-	(7.747.123)
Inventories Transfers	-	-	-	(6.206.080)	301.417	-	-	-	(5.904.663)
Transfers and reclassifications	-	-	-	15.220.247	-	-	-	(16.292.998)	(1.072.751)
Closing Balance on 31 December 2020	-	65.148.062	59.035.719	30.021.140	8.050.869	4.429.953	-	20.093.903	186.779.646
Net value	17.195.624	23.219.325	4.488.100	10.439.449	991.639	465.612	75.520	39.855.261	96.730.530



Movements recorded under the heading “Transport equipment” refer essentially to vehicles and cargo handling machines (“Forklifts”) at the service of the Group, as well as for operational leasing to customers.

As of December 31, 2020, the transfers between assets under right of use and transport equipment in the amount of 17,121,439 euros correspond to the reclassification by the Group of the cargo handling machines whose financing agreement has expired, with the Group having acquired the same in accordance with the established contract.

The value of accumulated impairment losses on June 30, 2021 and December 31, 2020 amounts to 150,000 euros.

As of June 30, 2021, and December 31, 2020, the goods used under lease are presented as follows:

Position of leased assets	TFA values at 30/06/2021			TFA values at 31/12/2020		
	Gross value	Accumulated Depreciations	Net Value	Gross value	Accumulated Depreciations	Net Value
Santarém Stand	1.400.000	359.625	1.040.375	1.400.000	346.500	1.053.500
Santarém Colisão	235.000	19.974	215.026	235.000	18.212	216.788
Carnaxide	3.246.231	720.258	2.525.974	3.246.231	689.824	2.556.407
Santa Maria da Feira	670.950	46.128	624.822	670.950	39.838	631.112
Caldas da Rainha	936.837	61.480	875.357	936.837	52.697	884.140
Maia Colisão	723.050	62.935	660.115	723.050	52.146	670.904
Workshop Equipment	103.432	18.856	84.577	103.432	15.623	87.809
Industrial Equipment	26.988.988	16.075.910	10.913.078	26.272.588	14.745.570	11.527.018
Transport Equipment	-	-	-	4.748.151	743.938	4.004.213
TOTAL	34.304.488	17.365.165	16.939.324	38.336.239	16.704.348	21.631.892

6. INVESTMENT PROPERTIES

On June 30, 2021, December 31, 2020 and June 30, 2020, the caption “Investment properties” corresponds to real estate assets held by the Group that are generating income through their lease or for appreciation. These assets are recorded at acquisition cost.

The rents obtained relating to Investment properties amounted to 1,167,335 Euros in the six-month period ended 30 June 2021 (1,410,670 Euros as of 30 June 2020).

According to appraisals, reported on December 31, 2020, the fair value of those investment properties amounted to approximately 53.1 million Euros.

The Board of Directors 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, in addition to the losses recorded in previous years.

The fair value of the external valuations of investment properties, which are disclosed on June 30, 2021 and December 31, 2020, was determined by real estate valuation carried out by independent specialized

entities (fair value determined by the average of the valuations carried out by the Market Methods, Cost Method and Income Method) and when applicable and indicated, by internal evaluations.

In some situations, the real estate valuation was carried out internally by the Group itself, through specialists in this area.

Regarding the classification of the aforementioned valuation methodologies, for the purposes of framing, in the fair value hierarchy (IFRS 13), they are essentially classified as 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 leases obtained, referring to the properties mentioned above, are disclosed in Note 29.

The movement of the item "Investment properties" on June 30, 2021 and December 31, 2020 was as follows:

30/06/2021

Gross Value:	Land	Buildings	Total
Opening balance on 31 December 2020	7.259.140	32.696.944	39.956.084
Additions	-	-	-
Disposals and Write-offs	-	-	-
Transfers	-	-	-
Closing balance on 30 June 2021	7.259.140	32.696.944	39.956.084
Accumulated depreciation and impairment losses:			
Opening balance on 31 December 2020	-	28.796.406	28.796.406
Depreciations	-	164.974	164.974
Disposals and Write-offs	-	-	-
Transfers	-	-	-
Closing balance on 30 June 2021	-	28.961.380	28.961.380
Net value	7.259.140	3.735.564	10.994.704

31/12/2020

Gross Value:	Land	Buildings	Total
Opening balance on 31 December 2019	8.995.216	35.252.218	44.247.434
Additions	-	77.758	77.758
Disposals and Write-offs	(1.736.076)	(2.633.032)	(4.369.108)
Transfers	-	-	-
Closing balance on 31 December 2020	7.259.140	32.696.944	39.956.084
Accumulated depreciation and impairment losses:			
Opening balance on 31 December 2019	-	30.570.706	30.570.706
Depreciations	-	437.099	437.099
Disposals and Write-offs	-	-	-
Transfers	-	(2.211.399)	(2.211.399)
Closing balance on 30 December 2020	-	28.796.406	28.796.406
Net value	7.259.140	3.900.538	11.159.678

The value of accumulated impairment losses on June 30, 2021 and December 31, 2020 amounts to 350,000 euros.

On June 30, 2021 and December 31, 2020, the transfers that took place in Investment Properties refer to properties transferred to Non-current assets held for sale, as detailed in the table below:

Non-current assets held for sale	Jun/21	Dec/20
- Property Teivas, Viseu	662.821	662.821
- Property Quinta do Cano, Viseu	1.494.887	1.494.887
Net value	2.157.708	2.157.708

Regarding these properties, the Group has entered promissory sale contracts, and it is expected that the referred disposals will take place during the year 2021. The realization of these disposals will result in capital gains for the Group.

7. GOODWILL

During the six-month period ended June 30, 2021 and the year ended December 31, 2020 there were no movements in the caption "Goodwill".

The item "Goodwill" fully refers to the amount calculated on the acquisition, in previous years, of the subsidiary Movicargo, whose activity was transferred (through a merger process) to the parent company Toyota Caetano Portugal, S.A., in previous years.

Goodwill is not amortized. Goodwill impairment tests are carried out on an annual basis. As of June 30, 2021, there are no signs of impairment, so it was not necessary to carry out an impairment test.

8. INTANGIBLE ASSETS

On June 30, 2021 and December 31, 2020, the movements occurred in intangible assets, as well as in the respective amortizations and accumulated impairment losses, were as follows:

30/06/2021						
	Research and Development Expenses	Industrial Property	Conveyances	Computer Programs	Intangible Assets in Progress	Total
Gross Asset:						
Opening Balance on 31 December 2020	1.504.751	615.996	81.485	2.154.870	598.319	4.955.421
Additions	5.600	-	-	-	198.852	204.452
Disposals and Write-Offs	-	-	-	-	(37.475)	(37.475)
Closing Balance on 30 June 2021	1.510.351	615.996	81.485	2.154.870	759.696	5.122.398
Accumulated amortization and impairment losses:						
Opening balance on 31 December 2020	1.477.217	523.250	81.485	2.151.979	-	4.233.931
Amortizations	-	42.637	-	868	-	43.505
Closing balance on 30 June 2021	1.477.217	565.887	81.485	2.152.847	-	4.277.436
Net value	33.134	50.109	-	2.023	759.696	844.962

31/12/2020						
	Research and Development Expenses	Industrial Property	Conveyances	Computer Programs	Intangible Assets in Progress	Total
Gross Assets:						
Opening Balance on 31 December 2019	1.477.217	615.996	81.485	2.154.870	202.804	4.532.372
Additions	27.534	-	-	-	395.515	423.049
Closing Balance on 31 December 2020	1.504.751	615.996	81.485	2.154.870	598.319	4.955.421
Accumulated amortization and impairment losses:						
Opening balance on 31 December 2019	1.477.217	358.038	81.485	2.150.245	-	4.066.985
Amortizations	-	165.212	-	1.734	-	166.946
Closing balance on 31 December 2020	1.477.217	523.250	81.485	2.151.979	-	4.233.931
Net value	27.534	92.746	-	2.891	598.319	721.490

9. FINANCIAL INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

This caption includes investments in associates and joint ventures.

The detail of financial investments in associates and joint ventures as of June 30, 2021 and December 31, 2020 is as follows:

	Jun/21	Dec/20
<u>Financial participations – Associates</u>		
Balance on 1 January 2020	39.105.000	-
Additions	-	39.105.000
Effect of applying the equity method to net income for the year	(1.862.612)	-
Financial Statement Conversion Differences	198.469	-
Balance at reference date	37.440.857	39.105.000

Acquisitions during the year 2020 refer to the purchase by Toyota Caetano Portugal, SA, of CaetanoBus – Fabricação de Carroçarias, SA (61.94%), for 16,320,000 euros and of Finlog – Aluguer e Comércio de Automóveis, SA (49%) for 22,785,000 euros. Extending its activity to other areas of mobility, in 2020, Toyota Caetano Portugal became a direct shareholder of CaetanoBus and Finlog, companies of the Salvador Caetano Group. In this strategy, Toyota Motor Europe (“TME”), key shareholder of Toyota Caetano Portugal, assumes a preponderant role. If until now TME had already provided CaetanoBus with the fuel cell to integrate 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 reinforcement of the partnership with Finlog, aims to develop mobility projects.

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 unanimity of the two shareholders, it was considered by the Board of Directors that the investment made corresponds to a joint venture, which is why it will be accounted for using the equity method.

The summary of the financial information of the associated companies and joint ventures acquired on June 30, 2021 and December 31, 2020 is shown in the table below:

Account	CaetanoBus Consolidated		Finlog	
	Jun/21	Dec/20	Jun/21	Dec/20
Non-current assets	29.632.593	27.230.687	148.384.901	150.845.872
Current assets	47.931.150	53.250.036	38.800.206	34.171.857
Total assets	77.563.743	80.480.723	187.185.107	185.017.729
Non-current liabilities	7.629.656	8.041.750	106.830.193	102.942.484
Current liabilities	53.940.377	52.701.527	62.218.590	65.235.590
Equity	15.993.710	19.737.446	18.136.324	16.839.655
Equity without non-controlling interests	15.993.710	19.737.446	18.136.324	16.839.655
Sales and services rendered	25.112.284	97.611.030	48.148.534	107.997.585
Operational income	(4.468.238)	(4.453.224)	2.907.190	2.528.803
Financial income	(423.375)	(1.043.550)	(1.580.969)	(3.167.769)
Taxes	827.432	996.671	(29.551)	(179.232)
Net income	(4.064.181)	(4.500.103)	1.296.670	(818.198)
Net income without non-controlling interests	(4.064.181)	(4.500.103)	1.296.670	(818.198)

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

10. OTHER INVESTMENTS

On June 30, 2021, December 31, 2020, and June 30, 2020 the caption "Other Investments" is detailed as follows:

Participation	Jun/21	Dec/20	Jun/20
Cimóvel - Closed Real Estate Investment Fund	4.341.960	4.192.604	4.032.974
Others	26.833	26.833	26.832
	4.368.793	4.219.437	4.059.806

During the periods ended June 30, 2021, December 31, 2020 and June 30, 2020, the movements in the item "Other Investments" were as follows:

	Jun/21	Dec/20	Jun/20
<u>Other investments</u>			
Fair value on January 1 st	4.219.437	3.923.974	3.923.974
Increase / (decrease) in fair value	149.356	295.463	135.832
Fair value at reference date	4.368.793	4.219.437	4.059.806

As at 30 June 2021, the caption "Other Investments" includes the amount of 4,341,960 Euros (30 June 2020: 4,032,974 Euros) corresponding to 580,476 Participating Units of Cimóvel - Closed Real Estate Investment Fund (9.098%) being recorded at the value of the Participation Unit disclosed on June 30, 2021 (the acquisition cost of said shares amounted to 3,013,947 Euros, with a reserve in Capital (Fair Value Reserve) in the amount of 1,328,013 Euros This participation, measured at fair value through other comprehensive income, was designated as such on the date of its recognition.

The remaining amount represents small investments in unlisted companies, and the Board of Directors believes that the net value for which they are accounted for approximates their fair value.

Additionally, the effect on equity in the six-month periods ended June 30, 2021 and 2020 of recording the participation in the Cimóvel Fund at its fair value can be summarized as follows:

	Jun/21	Jun/20
Change in fair value	149.356	330.465
Effect on equity	149.356	330.465

11. INVENTORIES

On June 30, 2021, December 31, 2020 and June 30, 2020, this caption had the following composition:

	Jun/21	Dec/20	Jun/20
Raw and subsidiary Materials	6.166.189	7.359.274	14.202.235
Work in progress	1.597.503	1.386.890	1.132.615
Finished and semi-finished Products	1.682.611	2.106.622	36.283
Merchandise	75.149.764	70.741.590	101.791.045
	84.596.067	81.594.376	117.162.178
Accumulated impairment losses in inventories (Note 24)	(3.875.346)	(2.886.212)	(3.867.333)
	80.720.721	78.708.164	113.294.845

As of December 31, 2020, the inventory item includes the amount of 33 million euros related to used vehicles.

The cost of sales for the six-month periods ended June 30, 2021 and 2020 was calculated as follows:

	Jun/21			Jun/20		
	Merchandise	Raw and Subsidiary Materials	Total	Merchandise	Raw and Subsidiary Materials	Total
Opening Balances	70.741.590	7.359.274	78.100.864	98.814.645	6.772.894	105.587.539
Net Purchases	113.816.475	17.816.473	131.632.948	105.894.489	15.397.005	121.291.494
Transfers	9.280.202	-	9.280.202	11.864.267	-	11.864.267
Inventory regularization	1.606.281	-	1.606.281	-	-	-
Closing Balances	(75.149.764)	(6.166.189)	(81.315.953)	(101.791.045)	(14.202.235)	(115.993.280)
Total	120.294.784	19.009.558	139.304.342	114.782.356	7.967.664	122.750.020

The variation in production in the six-month periods ended June 30, 2021 and 2020 was calculated as follows:

	Jun/21			Jun/20		
	Finished and semi-finished products	Work in progress	Total	Finished and semi-finished products	Work in progress	Total
Closing Balances	1.682.611	1.597.503	3.280.114	36.283	1.132.615	1.168.898
Inventories adjustments	(7.473)	5.918	(1.555)	-	5.011	5.011
Opening Balances	(2.106.622)	(1.386.890)	(3.493.512)	(2.567.925)	(763.239)	(3.331.164)
Total	(431.484)	216.531	(214.953)	(2.531.642)	374.387	(2.157.255)

12. ACCOUNTS RECEIVABLE

On June 30, 2021, December 31, 2020 and June 30, 2020, this caption had the following composition:

	CURRENT ASSETS			NON-CURRENT ASSETS		
	Jun/21	Dec/20	Jun/20	Jun/21	Dec/20	Jun/20
Customers, current accounts	52.978.743	44.821.308	45.167.705	392.719	654.046	565.362
Doubtful Accounts Receivable	11.177.030	10.649.367	10.965.066	-	-	-
	64.155.773	55.470.675	56.132.771	392.719	654.046	565.362
Accumulated impairment losses in accounts receivable (Note 24)	(11.015.629)	(10.420.338)	(9.670.622)	-	-	-
	53.140.144	45.050.337	46.462.149	392.719	654.046	565.362

Accounts receivable from Customers classified as non-current assets correspond to an amount receivable from customers of the subsidiary Caetano Auto, SA, and Toyota Caetano Portugal, within the

scope of debt payment agreements in installments (the terms of which vary between 1 and 7 years and are earning interest).

Accounts receivable ageing

Debt maturity without impairment loss recognition

30/6/2021

	- 60 days	60-90 days	90-120 days	+ 120 days	Total
Customers	37.445.697	2.267.102	2.118.595	5.477.649	47.309.043
Employees	32.252	-	3.144	5.000	40.396
Independent Dealers	6.011.445	3.481	233	6.864	6.022.023
Total	43.489.394	2.270.583	2.121.972	5.489.513	53.371.462

31/12/2020

	- 60 dias	60-90 dias	90-120 dias	+ 120 dias	Total
Customers	32.654.832	1.396.032	1.095.466	4.266.194	39.412.524
Employees	-	-	-	1.207	1.207
Independent Dealers	6.017.980	37.919	(1.344)	7.068	6.061.623
Total	38.672.812	1.433.951	1.094.122	4.274.469	45.475.354

Debt maturity with impairment loss recognition

30/06/2021

	- 60 days	60-90 days	90-120 days	+ 120 days	Total
Doubtful Accounts Receivable	43.400	394	16.412	11.116.824	11.177.030
Total	43.400	394	16.412	11.116.824	11.177.030

31/12/2020

	- 60 days	60-90 days	90-120 days	+ 120 days	Total
Doubtful Accounts Receivable	41.692	22.586	3.239	10.581.850	10.649.367
Total	41.692	22.586	3.239	10.581.850	10.649.367

The amounts presented in the Consolidated Statement of Financial Position are net of accumulated impairment losses for doubtful accounts that were estimated by the Group, in accordance with its experience and based on its assessment of the economic situation and environment on the date of the Statement of financial position consolidated. Credit risk concentration is limited, as the customer base is comprehensive and non-relational. The Board of Directors understands that the book values of accounts receivable from customers approximate their fair value.

13. OTHER DEBTORS

On June 30, 2021, December 31, 2020 and June 30, 2020, this caption had the following composition:

	CURRENT ASSETS		
	Jun/21	Dec/20	Jun/20
Down Payments to Suppliers	43.770	37.217	62.452
Public entities (VAT)	2.839.340	3.127.197	-
Other debtors	2.412.302	2.409.652	2.341.349
	5.295.412	5.574.066	2.403.801

The caption "Other debtors" includes, on June 30, 2021, December 30, 2020 and June 30, 2020, the amount of approximately 800,000 Euros receivable from the related company Salvador Caetano Auto África, S.G.P.S., S.A.

Finally, it should be noted that this item also includes a balance receivable in the amount of 657,623 Euros from the related party Foundation Salvador Caetano (649,625 Euros on December 31, 2020).

14. OTHER CURRENT ASSETS

On June 30, 2021, December 31, 2020 and June 30, 2020, this caption had the following composition:

	Jun/21	Dec/20	Jun/20
Accrued income			
Rappel	598.450	1.410.724	668.545
Support for recovery ("Covid-19" operating subsidies)	1.071.980	542.290	535.940
Training grants (IEFP)	-	280.035	329.000
Intermediation fees (financing and insurance)	303.672	226.209	231.986
Rentals	-	220.138	-
Participation in Fleets and Campaigns and Supplier Bonuses	163.373	135.754	138.653
Consulting	88.570	92.698	-
Warranty claims	124.717	85.911	65.257
Assignment of staff	16.138	13.171	16.200
Fees	1.012	1.735	5.009
Others	466.157	639.369	746.017
	2.834.069	3.648.034	2.736.607
Deferred expenses			
Insurance	57.426	138.480	111.254
Interest	272.674	119.885	113.988
Rentals	17.259	140.582	153.187
Others	1.085.014	707.910	595.009
	1.432.373	1.106.857	973.438
Total	4.266.442	4.754.890	3.710.046

15. ASSETS AND LIABILITIES FOR DEFERRED TAXES

30/06/2021

	Dec/20	Impact on Income	Impact on Equity	Jun/21
<u>Deferred Tax Assets:</u>				
Provisions not accepted for tax purpose	278.676	-	568.983	847.659
Defined Benefit Plan Liabilities	2.225.687	-		2.225.687
Write-off of tangible assets / inventories	578.453	(57.348)	-	521.105
Others - Revenue from operations	65.867			65.867
	<u>3.082.816</u>	<u>(57.348)</u>	<u>568.983</u>	<u>3.660.318</u>
<u>Deferred Tax Liabilities:</u>				
Amortizations resulting from legal and free revaluation of fixed assets	(1.514.350)	-		(1.514.350)
Effect of the reinvestment of the surplus in fixed assets	(60.248)	-	-	(60.248)
Fair value of fixed assets	(265.200)	-		(265.200)
	<u>(1.839.798)</u>	<u>-</u>	<u>-</u>	<u>(1.839.798)</u>
Net value (Note 25)		<u>(57.348)</u>	<u>568.983</u>	

31/12/2020

	dec/19	Impact on Income	Impact on Equity	dec/20
<u>Deferred Tax Assets:</u>				
Provisions not accepted for tax purpose	352.914	(74.238)	-	278.676
Defined Benefit Plan Liabilities	1.611.745	-	613.942	2.225.687
Write-off of tangible assets / inventories	646.827	(68.374)	-	578.453
Others – Revenue from operations	-	65.867	-	65.867
	<u>2.611.486</u>	<u>(76.745)</u>	<u>613.942</u>	<u>3.148.683</u>
<u>Deferred Tax Liabilities:</u>				
Amortizations resulting from legal and free revaluation of fixed assets	(1.430.283)	(60.831)	(23.236)	(1.514.350)
Effect of the reinvestment of the surplus in fixed assets	(70.077)	9.829	-	(60.248)
Fair value of fixed assets	-	(66.479)	(198.721)	(265.200)
	<u>(1.500.360)</u>	<u>(117.481)</u>	<u>(221.957)</u>	<u>(1.839.798)</u>
Net value (Note 25)		<u><u>(194.226)</u></u>	<u><u>391.985</u></u>	

As of June 30, 2021, and 2020 the Group had no reportable tax losses.

16. EQUITY

Share Capital

On June 30, 2021, the Company's capital, fully subscribed and paid for, consisted of 35.000.000 bearer shares, with a nominal value of 1 Euro each.

The entities with over 20% of subscribed capital are as follows:

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

In 2021, Salvador Caetano-Auto - S.G.P.S., S.A. acquired 7,059 shares with a nominal value of 1 Euro each, fully paid for and representing 0.0202% of the share capital. In 2020, Salvador Caetano - Auto S.G.P.S., S.A. acquired 483,431 shares with a nominal value of 1 Euro each, fully paid for and representing 1.3812% of the share capital.

Dividends

According to the resolution of the General Meeting of Shareholders held on May 27, 2021, and due to constraints related to state support received under Covid-19, it was decided not to distribute any dividends, waiting for a better opportunity for the distribution.

Legal reserves

Commercial legislation establishes that at least 5% of the net profit of each year must be appropriated to a legal reserve until this reserve equals the statutory minimum requirement of 20% of the share capital. This reserve is not available for distribution, except in case of dissolution of the Company, but may be used in share capital increases or used to absorb accumulated losses once other reserves have been exhausted.

Revaluation reserves

The revaluation reserves cannot be distributed to the shareholders, except if they are completely depreciated and if the respective assets that were revaluated have been alienated.

Translation reserves

The translation reserves reflect the currency variations during the passage of the financial statements of affiliated companies in a currency other than Euro and cannot be distributed or used to absorb losses. As of June 30, 2021, the variation in translation reserves results from the conversion of the assets and liabilities of the associate Caetano UK into Euros using the exchange rates existing at the consolidated statement of financial position date.

Fair value reserves

The fair value reserves reflect the fair value variations of the instruments at fair value through capital and cannot be distributed or used to absorb losses (Note 10).

Other reserves

Refer to reserves with nature of free reserve that can be distributable according to the commercial legislation.

According to the Portuguese law, the amount of distributable reserves is determined according to the individual financial statements of Toyota Caetano Portugal, presented according to the International Financial Reporting Standards (IFRS) as adopted by the European Union.

17. NON-CONTROLLING INTERESTS

The movement of this caption during the periods ended June 30, 2021, December 31, 2020 and June 30, 2020 was as follows:

	Jun/21	Dec/20	Jun/20
Opening balance on 1 January	1.284.674	1.514.227	1.514.227
Non-controlling interest acquisition	-	(36.559)	(243)
Others	9.560	-	-
Net profit attributable to non-controlling interests	(8.235)	(192.993)	(60.517)
	1.285.999	1.284.674	1.453.467

The breakdown of the value by fully consolidated subsidiary company in the Financial Statements presented on June 30, 2021 and December 31, 2020 is as follows:

30/06/2021			
Subsidiary	% IQNC	Non-controlling interests	Net profit attributable to non-controlling interests
Caetano Auto CV	18,76%	639.727	(16.465)
Caetano Auto	1,50%	646.272	8.230
		1.285.999	(8.235)

31/12/2020

Subsidiary	% IQNC	Non-controlling interests	Net profit attributable to non-controlling interests
Caetano Auto CV	18,76%	656.192	(199.418)
Caetano Auto	1,50%	628.482	6.425
		1.284.674	(192.993)

The summary of the financial information as of June 30, 2021 and December 31, 2020 of the subsidiary companies listed above is shown in the table below:

Caption	Caetano Auto		Caetano Auto CV	
	Jun/21	Dec/20	Jun/21	Dec/20
Non-Current Assets	55.125.139	55.992.716	1.287.984	1.337.305
Current Assets	61.491.302	60.680.227	6.167.190	5.156.424
Total Assets	116.616.441	116.672.943	7.455.174	6.493.729
Non-Current Liabilities	13.899.861	8.495.092	1.439.437	1.439.437
Current Liabilities	60.325.596	66.980.580	2.444.737	1.480.474
Equity	42.390.985	41.197.272	3.571.000	3.573.817
Sales and Services Rendered	92.665.796	188.332.072	6.537.816	11.482.372
Operating Results	798.183	845.643	49.627	(1.058.449)
Financial Results	(82.401)	(82.588)	(5.710)	(198)
Taxes	(161.051)	(407.263)	(46.734)	(22.482)
Net income	554.731	355.792	(2.817)	(1.081.130)

18. LOANS

On June 30, 2021, December 31, 2020, and June 30, 2020 the loans obtained had the following detail:

	Jun/21			Dec/20			Jun/20		
	Current	Non-Current	TOTAL	Current	Non-Current	TOTAL	Current	Non-Current	TOTAL
Bank loans	15.351.100	-	15.351.100	10.362.760	-	10.362.760	20.000.000	-	20.000.000
Bank overdrafts	898.602	-	898.602	124.994	-	124.994	183.008	-	183.008
Bond Loan	-	12.500.000	12.500.000	-	12.500.000	12.500.000	-	12.500.000	12.500.000
Leases	6.952.682	12.921.919	19.874.601	6.853.998	14.413.455	21.267.453	10.583.131	13.020.541	23.603.672
	23.202.384	25.421.919	48.624.303	17.341.752	26.913.455	44.255.207	30.766.139	25.520.541	56.286.680

The movement occurred in bank loans, bank overdrafts, other loans, Commercial Paper programs and bond loans, during the six-month period ended June 30, 2021 and year ended December 31, 2020 was as follows:

Jun/21	Opening Balances	Increases	Decreases	Other variations (*)	Closing Balance
Bank Loans	10.362.760	-	10.011.660	-	351.100
Bank Overdrafts	124.994	773.608	-	-	898.602
Guaranteed accounts	-	55.000.000	40.000.000	-	15.000.000
Commercial papers	-	83.000.000	83.000.000	-	-
Bond Loans	12.500.000	-	-	-	12.500.000
Leases	21.267.453	1.628.150	3.771.139	750.137	19.874.601
	44.255.207	140.401.758	136.782.799	750.137	48.624.303

Dec/20	Opening Balances	Increases	Decreases	Other variations (*)	Closing Balances
Bank Loans	10.000.000	362.760	-	-	10.362.760
Bank Overdrafts	162.681	-	-	(37.687)	124.994
Guaranteed accounts	-	13.250.000	13.250.000	-	-
Commercial papers	-	49.000.000	49.000.000	-	-
Bond Loans	12.500.000	-	-	-	12.500.000
Leases	21.570.710	2.370.979	7.815.570	5.141.335	21.267.453
	44.233.391	64.983.739	70.065.570	5.103.648	44.255.207

(*) No impact on cash flow statement

As of June 30, 2021, and December 31, 2020, the detail of bank loans, bank overdrafts, other loans, and Commercial Paper Programs, as well as their respective conditions, is as follows:

Description / Beneficiary Company	Amount used	Limit	Beginning Date	Date-Limit
<u>Non-current</u>				
Mutual Loans:				
Toyota Caetano Portugal	12.500.000	12.500.000	09/08/2018	5 year
	12.500.000	12.500.000		
<u>Current</u>				
Guaranteed account	15.000.000	22.000.000		
Covid Loan:				
Caetano Auto CV	351.100	351.100		
Bank Overdrafts	898.602	5.500.000		
Confirming	-	4.350.000		
Commercial Paper:				
Toyota Caetano Portugal	-	18.000.000	27/02/2021	5 year
Toyota Caetano Portugal	-	10.000.000	18/08/2020	4 year
Toyota Caetano Portugal	-	4.000.000	17/07/2017	5 year
Toyota Caetano Portugal	-	4.000.000	24/02/2020	5 year
Toyota Caetano Portugal	-	15.000.000	14/06/2021	5 year
	16.249.702	83.201.100		
	28.749.702	95.701.100		

31/12/2020				
Description / Beneficiary Company	Amount used	Limit	Beginning Date	Date-Limit
<u>Non-Current</u>				
Mutual Loans:				
Toyota Caetano Portugal	12.500.000	12.500.000	09/08/2018	5 year
	<u>12.500.000</u>	<u>12.500.000</u>		
<u>Current</u>				
Guaranteed account	-	12.000.000		
Mutual Loans:				
Toyota Caetano Portugal	10.000.000	10.000.000	11/03/2016	5 year
Covid Loans				
Caetano Auto CV	362.760	362.760		
Bank Overdrafts	124.994	5.500.000		
Confirming	-	4.350.000		
Commercial Paper:				
Toyota Caetano Portugal	-	14.000.000	27/02/2020	1 year
Toyota Caetano Portugal	-	10.000.000	18/08/2020	5 year
Toyota Caetano Portugal	-	4.000.000	17/07/2017	5 year
Toyota Caetano Portugal	-	4.000.000	24/02/2020	1 year
	<u>10.487.754</u>	<u>64.212.760</u>		
	<u>22.987.754</u>	<u>76.712.760</u>		

We detailed the amount related to loans obtained or credit lines contracted for which real guarantees were granted related to mortgages on real estate (Note 34):

- Commercial Paper: 14.000.000

The interest on the above-mentioned bank loans is indexed to Euribor, plus a "spread" which varies between 0.45% and 2.5%.

The Group and its subsidiaries have credit facilities available on June 30, 2021 amounting approximately to 96 million euros, of which 29 million euros have already been used. The available credit facilities can be used for future operating activities and to meet financial commitments, with no restriction on the use of those facilities. This amount is invested in several financial institutions, with no excessive concentration in any of them.

The Leases item (current and non-current) corresponds to the Group's responsibilities as lessee with respect to the right of use facilities and equipment. The details of this item, as well as the payment plan can be summarized as follows:

Contract	Leases	Current	Non-Current				TOTAL	TOTAL
		12m	12 - 24 m	24 - 36 m	36 - 48 m	>48 m		
2028278	Commercial facilities							
	Capital	69.453	-	-	-	-	-	69.453
	Interests	182	-	-	-	-	-	182
5653	Commercial facilities							
	Capital	25.582	25.982	26.387	26.799	276.747	355.915	381.497
	Interests	5.732	5.333	4.927	4.515	19.985	34.760	40.492
626064	Commercial facilities							
	Capital	188.004	194.690	245.044		-	439.734	627.738
	Interests	18.372	11.685	4.634		-	16.319	34.691
2032103	Commercial facilities							
	Capital	49.347		-	-	-	-	49.347
	Interests	1.832		-	-	-	-	1.832
3000034	Commercial facilities							
3	Capital	43.722	44.605	45.505	46.424	276.784	413.318	457.040
	Interests	8.741	7.859	6.959	6.040	15.402	36.260	45.001
Cimóvel	Properties							
	Capital	1.144.030	1.105.076	1.127.381	875.336	40.075	3.147.868	4.291.898
	Interests	75.083	52.864	30.559	8.261	301	91.985	167.068
Several	Properties							
	Capital	42.601	42.239	41.740	38.485	154.859	277.323	319.924
	Interests	5.999	5.161	4.310	3.515	6.141	19.127	25.126
Several	Industrial Equipment							
	Capital		3.667.68					
	Interests	5.389.943	3	2.319.308	1.435.613	865.157	8.287.761	13.677.704
		276.183	164.317	89.208	39.235	15.243	308.003	584.186
Total Capital		6.952.682	5.080.27	3.805.36	2.422.657	1.613.622	12.921.919	19.874.601
Total Interests		392.124	247.219	140.597	61.566	57.072	506.454	898.578

Liabilities by Maturity:

Loans

30/06/2021

	12m	12-24m	24-36m	36-48m	>48m	Total
Bank Loans	15.351.100	-	-	-	-	15.351.100
Bond Loans	-	-	12.500.000	-	-	12.500.000
Bank Overdrafts	898.602	-	-	-	-	898.602
Leases	6.952.682	5.080.275	3.805.365	2.422.657	1.613.622	19.874.601
Total loans	23.202.384	5.080.275	16.305.365	2.422.657	1.613.622	48.624.303

31/12/2020

	12m	12-24m	24-36m	36-48m	>48m	Total
Bank Loans	10.362.760	-	-	-	-	10.362.760
Bond Loans	-	-	-	12.500.000	-	12.500.000
Bank Overdrafts	124.994	-	-	-	-	124.994
Leases	6.853.998	6.124.814	3.672.045	2.989.056	1.627.539	21.267.453
Total loans	17.341.752	6.124.814	3.672.045	15.489.056	1.627.539	44.255.207

Interests

30/06/2021

	12m	12-24m	24-36m	36-48m	>48m	Total
Leases	392.124	247.219	140.597	61.566	57.072	898.578
Bond Loans	249.670	249.670	123.809	-	-	623.149
Total interests	641.794	496.889	264.406	61.566	57.072	1.521.727

31/12/2020

	12m	12-24m	24-36m	36-48m	>48m	Total
Bank Loans	55.625	-	-	-	-	55.625
Leases	344.147	212.106	113.875	47.602	48.485	766.215
Bond Loans	256.166	249.670	249.670	-	-	755.506
Total interests	655.938	461.776	363.545	47.602	48.485	1.577.346

19. ACCOUNTS PAYABLE

On June 30, 2021, December 31, 2020, and June 30, 2020 this caption consisted of current accounts with suppliers, which end at short-term.

The Group, relating to financial risk management, has implemented policies to ensure that all liabilities are paid for within the defined payment period.

20. OTHER CREDITORS

On June 30, 2021, December 31, 2020, and June 30, 2020 this caption had the following composition:

	CURRENT LIABILITIES			NON-CURRENT LIABILITIES		
	Jun/21	Dec/20	Jun/20	Jun/21	Dec/20	Jun/20
Income Taxes withheld	419.308	501.841	453.062	-	-	-
Value Added Taxes	15.398.314	10.735.683	10.576.525	-	-	-
Vehicles Tax	3.398.412	1.739.547	1.184.755	-	-	-
Employee's social contributions	820.278	698.562	632.066	-	-	-
Taxes of local Authorities	192.625	169.463	198.883	-	-	-
Others	8.690	6.228	5.010	-	-	-
Public Entities - Subtotal	20.237.627	13.851.324	13.050.301	-	-	-
Shareholders	17.021	20.798	20.194	-	-	-
Advances from Customers	1.289.749	1.076.820	1.001.234	-	-	-
Other Creditors	20.271.130	22.622.472	33.892.555	13.305.891	-	-
Other Creditors - Subtotal	21.577.900	23.720.090	34.913.983	13.305.891	-	-
	41.815.527	37.571.414	47.964.284	13.305.891	-	-

In certain situations, the Group is resorting to credits obtained from financial entities of the represented and commercialized car brands, in order to obtain the essential funds to support the vehicle stock, necessary for the levels of activity developed. The amounts owed to these entities are included in the caption "Other creditors" and amount to 32,520,579 Euros (divided between current and non-current) on 30 June 2021 (21,924,724 Euros on 31 December 2020 and 33,252,753 Euros on June 30, 2020).

There are no debts related to public entities (State and Social Security).

21. INCOME TAX (STATEMENT OF FINANCIAL POSITION)

On June 30, 2021, December 31, 2020 and June 30, 2020, this caption is broken down as follows:

	Jun/21	Dec/20	Jun/20
<u>Current Assets</u>			
Public Entities:			
Income Tax Receivable	-	871.404	246.268
	-	871.404	246.268
<u>Current Liabilities</u>			
Public Entities:			
Income Tax Payable	136.739	-	-
	136.739	-	-

22. OTHER CURRENT LIABILITIES

On June 30, 2021, December 31, 2020, and June 30, 2020 the item "Other current liabilities" can be broken down as follows:

	Jun/21	Dec/20	Jun/20
Accrued Cost			
Vacation pays and bonus	7.798.035	5.598.535	8.256.410
Advertising Campaigns	1.274.766	2.526.622	1.684.800
Commission	598.816	825.623	1.329.393
Accrual for Vehicles Tax	1.852.552	2.167.552	839.321
Advance External Supplies and Services	1.193.253	1.282.396	817.454
Supply costs	5.491	7.814	4.293
Rappel charges attributable to fleet managers	374.020	268.057	184.567
Specialization cost assigned to vehicles sold	1.448.810	990.729	2.545.519
Insurance	223.787	243.651	147.654
Interest	147.708	133.176	134.445
Municipal Property Tax	141.302	113.000	142.480
Specialized Jobs	-	-	219.197
Royalties	123.756	24.115	-
Others	3.092.543	1.786.536	2.056.642
	18.274.839	15.967.806	18.362.175
Deferred Income			
Vehicle maintenance contracts	6.398.109	6.777.533	7.299.329
Advertising recovery	1.286	2.571	-
Subsidy granted	24.245	24.245	26.449
Interest charged to Customers	6.100	7.694	13.446
Revenue deferral	43.034	25.161	-
Others	1.055.540	111.200	494.960
	7.528.314	6.948.404	7.834.184
Total	25.803.153	22.916.210	26.196.359

23. PENSION FUND

Toyota Caetano (together with other associated and related companies) incorporated by public deed dated December 29,1988, the Salvador Caetano Pension Fund, which was subsequently updated in February 2,1994, in April 30,1996, in August 9,1996, in July 4,2003, in February 2,2007, in December 30,2008, December 23,2011 and in December 31,2013.

As of June 30,2020, the following companies of Toyota Caetano Group were associates of the Salvador Caetano Pension Fund:

- Toyota Caetano Portugal, S.A.
- Caetano Auto, S.A.
- Caetano Renting, S.A.

The Pension Fund was set up to, while Toyota Caetano Group maintains the decision to make contributions to the referred fund, provide employees (beneficiaries) at their retirement date, the right to a pension complement, which is not subject to update and is based on a percentage of the salary, among other conditions. To cover these responsibilities, it was constituted an Independent Fund (managed by BPI Vida e Pensões, S. A.).

On December 18, 2007, a file was sent to Instituto de Seguros de Portugal containing the proposed amendments to the Constitutive Agreement of the Salvador Caetano Pension Fund, as well as the minutes of approval of the same by the Fund's Monitoring Committee, proposing, with effective January 1, 2008, the approval by that body of these same changes.

The aforementioned proposal, to change the pension complements regime duly approved by the Pension Fund Monitoring Committee, includes the maintenance of a Defined Benefit regime for retirees and beneficiaries of deferred pensions, as well as for all employees of the members of the Salvador Caetano Pension Fund 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, with a new group being created (formed by the rest universe of workers at the service of the members of the Salvador Caetano Pension Fund) which, from that date, 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 in force since 1/1/2008.

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

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 equity position of this Fund to rise on June 30, 2021 to, approximately 24,137 thousand euros (24,700 thousand euros on December 31, 2020). The global responsibility portion estimated actuarially for the Defined Benefit Plan, in the share relating to the Group, amounts as of 30 June 2021 to approximately 35,758 thousand euros (35,872 thousand euros as of 31 December 2020).

24. PROVISIONS AND ACCUMULATED IMPAIRMENT LOSSES

The movement in provisions during the six-month periods ended June 30, 2021 and 2020 was as follows:

30/06/2021					
Caption	Opening balances	Increases	Decreases	Other regularizations	Closing balances
Accumulated impairment losses in investment properties	351.995	-	-	-	351.995
Accumulated impairment losses in accounts receivable (Note 12)	10.420.338	595.291	-	-	11.015.629
Accumulated impairment losses in inventories (Note 11)	2.886.212	1.036.075	-	(46.941)	3.875.346
Provisions	1.973.126	96.815	(200.000)	(90.340)	1.779.601

30/06/2020					
Caption	Opening balances	Increases	Decreases	Other regularizations	Closing balances
Accumulated impairment losses in investment properties	2.680.809	-	-	-	2.680.809
Accumulated impairment losses in accounts receivable (Note 12)	9.458.773	230.224	(18.375)	-	9.670.622
Accumulated impairment losses in inventories (Note 11)	3.448.675	549.699	(77.010)	(54.031)	3.867.333
Provisions	944.772	94.933	-	(67.190)	972.515

As of June 30, 2021, the opening balance and closing balance of the item "Provisions" includes a provision created in the year 2020 in the amount of approximately 1.4 million Euros, corresponding to a litigation process involving the subsidiary Caetano Auto CV, SA with the Cape Verde customs authority. It is the understanding of the Board of Directors, supported by its legal advisors, that the outcome of this process may result in impacts for the Group, which is why it decided to recognize a provision for the amount at risk. The remaining amount of the item "Provisions" is intended to cover other business risks.

25. INCOME TAX (INCOME STATEMENT)

Income taxes recognized in the six-month periods ended June 30, 2021 and 2020 are detailed as follows:

	Jun/21	Jun/20
Current tax	1.451.702	344.280
Deferred tax (Note 15)	57.348	(57.649)
	1.509.050	286.631

26. SALES AND RENDERED SERVICES PROVIDED BY GEOGRAPHICAL MARKETS

The breakdown of sales and services rendered by geographic markets, in the six-month periods ended June 30, 2021 and 2020, was as follows:

Market	Jun/21		Jun/20	
	Value	%	Value	%
National	159.494.983	85,86%	138.819.824	86,96%
Belgium	18.417.240	9,91%	11.439.407	9,81%
African Countries with Official Portuguese Language	7.682.101	4,14%	7.282.129	3,11%
Spain	39.850	0,02%	21.002	0,02%
United Kingdom	1.554	0,01%	5.054	0,00%
Germany	1.867	0,00%	940	0,00%
Other Markets	118.177	0,06%	53.413	0,10%
	185.755.772	100,00%	157.621.769	100,00%

27. EXTERNAL SUPPLIES AND SERVICES

The detail of the External Supplies and Services caption is presented as follows:

	Jun/21	Jun/20
Subcontracts	907.965	840.294
Specialized Services	11.174.490	9.700.120
Professional Services	2.949.279	2.973.701
Advertising	6.295.616	5.067.629
Vigilance and Security	256.215	288.255
Professional Fees	598.633	402.822
Commissions	79.399	80.169
Repairs and Maintenance	995.348	887.544
Materials	361.490	336.451
Quick wear tools and utensils	104.079	105.546
Books and technical documentation	168.313	135.969
Office supplies	69.050	82.396
Items to offer	20.048	12.540
Energy and fluids	1.247.599	1.282.888
Electricity	483.208	518.244
Fuels	583.058	595.098
Water	86.435	69.301
Others	94.898	100.245
Travel, stays and transport	1.123.651	1.216.199
Travel and stays	325.291	472.130
Personnel transport	55.389	37.924
Goods transport	742.971	706.145
Miscellaneous services	6.189.296	6.148.439
Short-term, low-value leases	721.292	1.813.324
Communication	330.330	305.750
Insurance	712.650	746.613
Royalties	191.026	127.612
Notaries	13.816	10.303
Cleaning and comfort	547.899	501.300
Other services	3.672.283	2.643.537
	21.004.491	19.524.391

The item "Other services" includes approximately 1.8 million euros, relating to warranty claims as of 30 June 2021 (1.1 million euros as of 30 June 2020).

28. PAYROLL EXPENSES

Personnel expenses are broken down as follows:

	Jun/21	Jun/20
Payroll Management	291.901	268.735
Payroll Personnel	13.238.615	12.305.738
Pensions Benefits Plan	500.723	697.477
Indemnities	409.745	49.635
Social Security Contribution	3.654.397	2.281.609
Workmen Insurance	219.358	166.153
Others	1.327.486	1.474.344
	19.642.225	17.243.691

REMUNERATION OF THE MEMBERS OF THE GOVERNING BODIES

The remuneration of the management of Toyota Caetano Portugal, S.A. in the semesters ended June 30, 2021 and 2020 were as follows:

Management	Jun/21	Jun/20
Board of Directors Fixed remuneration	291.901	268.735

EVOLUTION OF THE AVERAGE NUMBER OF EMPLOYEES

During the six-month periods ended June 30, 2021 and 2020 the average number of staff was as follows:

Personnel	Jun/21	Jun/20
Employees	1.111	1.071
Workers	433	446
	1.544	1.517

29. OTHER OPERATING INCOME AND EXPENSES

On June 30, 2021 and 2020, the caption "Other operating income" has the following composition:

Other operating income	Jun/21	Jun/20
Lease Equipment	52.741	6.406.727
Guarantees recovered (Toyota)	3.504.360	2.593.544
Rents charged	1.783.729	2.039.057
Work for the Company	1.618.787	1.176.417
Subsidies	3.539.907	2.872.768
Advertising expenses and sales promotion recovered	1.142.606	940.497
Services provided	1.119.699	1.395.646
Expenses recovered	789.368	640.025
Gains in the disposal Tangible Fixed Assets	1.050.363	257.320
Corrections related to previous years	130.496	12.124
Commissions	82.309	28.215
Claims Compensation	12.329	350
	14.826.694	18.362.690

From the table presented above, we have:

- Recovery of expenses with guarantees (Toyota)" includes essentially Toyota Motor Europe guarantees and other charges to dealers;
- "Rents collected" includes an amount relating to rents from investment properties of approximately 1.2 million euros;
- "Services Rendered" essentially refers to administrative fees to companies outside the Toyota Caetano perimeter;
- "Recovery of other expenses" includes, among others, income related to social services (debit of expenses with canteen and training to companies outside the Toyota Caetano perimeter);
- "Gains on the disposal of assets" includes the amount of approximately 0.9 million Euros corresponding to the gain obtained by the Group with the disposal of premises used in its activity, located in Vila Nova de Gaia;
- "Operating subsidies" considers the amount of approximately 3.5 million Euros related to support from the IEFP – Institute for Employment and Professional Training in respect of the training provided by the Group in its various professional training centers, as well as government support to face the pandemic caused by the new Covid-19 coronavirus.

On June 30, 2021 and 2020, the caption "Other operating expenses" has the following composition:

Other operating expenses	Jun/21	Jun/20
Taxes	628.320	679.377
Corrections to previous years	83.324	17.528
Losses in other non-financial investments	3.178	3.475
Fines and penalties	12.146	13.141
Losses in Inventories	49.458	26.873
Subscriptions	20.120	29.962
Bad debts	535	-
Prompt payment discounts granted	6.703	713
Donations	35.372	3.500
Others	715.939	498.027
	1.555.095	1.272.595

30. FINANCIAL INCOME AND EXPENSES

As of June 30, 2021, and 2020, the consolidated financial results are as follows:

Expenses and Losses	Jun/21	Jun/20
Interest	627.514	812.944
Lease's interest (IFRS16)	68.001	-
Other financial expenses and losses	551.764	342.180
	1.247.279	1.155.124

Income and Earnings	Jun/21	Jun/20
Interest earned	6.297	9.713
	6.297	9.713

31. FINANCIAL ASSETS AND LIABILITIES

We present below a summary table of the Group's financial instruments as of June 30, 2021, December 31, 2020, and June 30, 2020:

Description	Note	Financial assets at amortized cost			Financial liabilities at amortized cost		
		Jun/21	Dec/20	Jun/20	Jun/21	Dec/20	Jun/20
Instruments at fair value through capital	10	4.368.793	4.219.437	4.059.806	-	-	-
Accounts Receivable	12	53.532.863	45.704.383	47.027.511	-	-	-
Other Debtors - Current	13	2.412.302	2.409.652	2.403.801	-	-	-
Other Current Assets	14	466.157	639.369	2.736.607	-	-	-
Bank Loan	18	-	-	-	15.351.100	10.362.760	20.000.000
Bond Loan	18	-	-	-	12.500.000	12.500.000	12.500.000
Leases	18	-	-	-	19.874.601	21.267.453	23.603.672
Bank Overdrafts	18	-	-	-	898.602	124.994	183.008
Other Creditors - Current	20	-	-	-	20.288.151	23.259.501	15.696.775
Accounts Payable	19	-	-	-	37.578.103	17.341.752	28.747.076
Other Current Liabilities	22	-	-	-	10.476.804	10.369.271	17.939.949
Cash and Cash Equivalents	4	18.831.598	11.437.547	22.325.693	-	-	-
		79.611.713	64.410.388	78.553.418	116.967.362	95.225.731	118.670.480

In compliance with paragraph 93 of IFRS 13, the classification of fair value measurements of financial instruments, by hierarchical level, is disclosed below.:

- Level 1 – quoted prices – participation in the Cimóvel Fund, recorded under “Other investments” (Note 10): 4,341,960 Euros (4,192,605 Euros as of 31 December 2020);
- 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) – trading derivatives (swaps);
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

32. RELATED PARTIES

Balances and transactions between the Parent Company and its affiliates, which are related entities to the Parent Company, were eliminated in the consolidation process, so they will not be disclosed in this Note. Balances and transactions details between the Group and the related parties (through Salvador Caetano Group, S. G. P. S, S. A.) can be summarized as follows:

Company	Commercial Debts		Other Current Liabilities	Products		Tangible Fixed Assets		Services		Others	
	Receivable	Payable	Accrued / Deferred	Sales	Purchases	Acquisitions	Disposals	Provided	Obtained	Expenses	Income
Amorim Brito & Sardinha, Lda.	1.497	-	-	-	-	-	-	-	-	-	1.817
Atlântica - Companhia Portuguesa de Pesca, S.A.	5.173	-	-	-	-	-	-	-	-	-	-
Auto Partner Imobiliária, S.A.	-	18.505	-	-	-	-	-	-	14.149	-	-
Cabo Verde Rent-a-Car, Lda.	39.848	1.978	-	68.120	-	-	-	789	124.571	-	1.198
Caetano Active, S. A	152	336	-	(705)	126	-	-	(311)	148	-	23
Caetano Aeronautic, S.A.	500.952	7.328	-	16.146	-	-	-	-	-	-	263.751
Caetano Baviera - Comércio de Automóveis, S.A.	178.632	107.905	-	81.532	166.285	-	-	15.289	(7.078)	247	84.516
Caetano City e Active (Norte), S.A.	524.673	241.570	-	1.850.538	8.772	-	69.626	1.137	44.730	156.566	20.861
Caetano Drive, Sport e Urban, S.A.	664.792	897.282	-	533.847	5.068	705.756	-	1.261	101.888	1.581	4.114
Caetano Energy, S.A.	20.842	994	-	5.899	1.644	-	-	5.504	(2.379)	-	1.440
Caetano Fórmula, S.A.	18.201	126.419	-	(3.698)	286.771	-	-	(914)	(17.767)	-	2.058
Caetano Fórmula West África, S.A.	31	-	-	-	-	-	-	-	-	-	145
Caetano Motors, S.A.	86.416	17.159	-	(19.741)	279	-	-	(1.124)	21.257	-	1.856
Caetano Move África, S.A.	31	-	-	-	-	-	-	-	-	-	204
Caetano One CV, Lda.	977.114	10.133	-	1.081.839	1.415.695	-	-	32.588	401	401.828	82.691
Caetano Parts, Lda.	112.542	838.393	-	629.167	1.936.987	-	-	329	7.671	-	220
Caetano Power, S.A.	88.458	3.566	-	(7.734)	12.333	-	-	(3.188)	3.225	-	1.243
Caetano Retail (S.G.P.S.), S.A.	9.311	29.351	-	-	-	-	-	-	12.875	-	132.655
Caetano Squadra África, S.A.	31	-	-	-	-	-	-	-	-	-	128
Caetano Star, S.A.	14.681	63	-	356	70	-	-	-	1.587	-	13.700
Caetano Technik, Lda.	424	18.269	-	(4.933)	11	-	-	(2.999)	4.279	-	263
CaetanoBus - Fabricação de Carroçarias, S.A.	3.563.447	208.619	-	3.100.898	2.653.745	-	2.500	1.815	64.163	23.565	704.766
Caetsu Publicidade, S.A.	707	882.285	-	302	-	-	-	272	1.286.352	-	2.178
Carplus - Comércio de Automóveis, S.A.	34.056	-	-	10.448	17.090	-	-	25.466	(9.191)	-	4.342
Choice Car, S.A.	1.963	-	-	-	-	-	-	-	-	-	9.008
Cobus Industries, GMBH	151	-	-	-	-	-	-	-	-	-	-
COCIGA - Construções Cíveis de Gaia, S.A.	13.234	58.147	-	9.490	-	30.439	-	-	85.122	69.123	4.243
	Commercial Debts		Other Current Liabilities	Products		Tangible Fixed Assets		Services		Others	

Company	Receivable	Payable	Accrued / Deferred	Sales	Purchases	Acquisitions	Disposals	Provided	Obtained	Expenses	Income
Finlog - Aluguer e Comércio de Automóveis, S.A.	1.357.298	201.885	-	3.987.046	226.446	-	-	194.647	514.486	311.995	95.618
Fundação Salvador Caetano	657.623	-	-	-	-	-	-	-	-	-	9
Gamobar - Sociedade de Representações, S.A.	801	(13)	-	605	(11)	-	-	-	-	-	46
Grupo Salvador Caetano, (S.G.P.S.), S.A.	-	-	-	-	-	-	-	-	4.150	-	-
Guérin - Rent-a-Car (Dois), Lda.	556.998	56	-	742.435	(7.218)	-	-	8.180	-	-	64.907
Hyundai Portugal, S.A.	92.185	-	-	42.482	-	-	-	127.139	2.188	-	12.658
Lidera Soluciones, S.L.	-	2.489	-	-	-	-	-	-	60.088	-	-
Lusilectra - Veículos e Equipamentos, S.A.	50.961	182.511	-	38.659	56.786	-	-	3.375	193.413	149	30.963
MDS Auto - Mediação de Seguros, S.A.	154.839	-	-	-	-	-	-	297.155	-	-	-
Movicargo - Movimentação Industrial, Lda.	2.722	114.942	-	1.420	325.574	-	-	48	431.518	24.014	5.356
P.O.A.L. - Pavimentações e Obras Acessórias, S.A.	17.806	-	-	-	-	-	-	-	-	-	-
Portianga - Comércio Internacional e Participações, S.A.	180.646	23.080	-	167.965	9.749	-	-	465	61.902	297.283	15.596
RARCON - Arquitectura e Consultadoria, S.A.	-	10.728	-	-	-	-	-	-	57.076	115.000	-
Rigor - Consultoria e Gestão, S.A.	136.744	1.160.946	-	97.170	1.500	54.743	-	27	2.051.025	15.127	131.632
Robert Hudson, LTD	45.311	-	-	-	-	-	41.000	-	-	-	2.574
Salvador Caetano Auto África, (S.G.P.S.), S.A.	10	-	-	-	-	-	-	-	-	-	51
Salvador Caetano Auto, (S.G.P.S.), S.A.	28	-	-	-	-	-	-	-	-	-	32
Salvador Caetano Indústria, (S.G.P.S.), S.A.	28	-	-	-	-	-	-	-	-	-	23
SIMOGA - Sociedade Imobiliária de Gaia, S.A.	1.374	-	-	-	-	-	-	-	-	-	-
Sózó Portugal, S.A.	3.859	-	-	2.512	-	-	-	-	-	-	6.274
Toyota Kreditbank, GMBH - Sucursal Portugal	8.091.608	304.802	6.406.730	42.245.954	216.808	104.475	-	-	111.742	492.459	286.147
Toyota Logist S Portugal Unip Lda	130.063	(754)	-	13.477	-	-	-	-	-	-	316.387
Toyota Material Handling Espanha SA	4.567	(2.341)	-	26.601	-	6.290	-	-	567	(5.181)	-
Toyota Material Handling Manufact France SAS	-	271.502	-	-	650.074	-	-	-	-	(11.956)	-
Toyota Material Handling Manufact Italy SPA	-	1.202.474	-	-	2.485.398	-	-	-	-	(90.261)	-
Toyota Material Handling Manufact Sweden AB	-	565.303	-	-	1.886.038	-	-	-	48.207	(33.959)	1.753
Toyota Motor Corporation	1.204	2.427.348	-	1.254	13.817.250	-	-	-	5.189	85.815	38.380
Toyota Motor Europe, Nv/Sa	4.529.611	16.264.665	-	18.404.942	103.465.100	-	-	-	187.551	(1.216.775)	1.863.247
Toyota Tsusho Corpoartion	-	143.200	-	-	1.360.933	-	-	-	-	-	-
Turispai - Sociedade Turística Paivense, S.A.	369	-	-	-	-	-	-	-	-	-	1.800
Useragency - Agência de Publicidade, Lda	10	-	-	-	-	-	-	-	-	-	17
VAS África (S.G.P.S.), S.A.	-	-	-	-	-	-	-	-	-	-	85
Vas Cabo Verde, Sociedade Unipessoal, S.A.	56.681	6	-	11.783	3.129	-	-	54.744	292	-	76.997
Yazaki Saltano Ovar - Produtos Elétricos, Lda	2.079	-	-	9.445	454	-	-	-	-	-	-
	22.932.784	26.341.131	6.406.730	73.145.521	131.002.886	901.703	113.126	761.694	5.465.397	636.620	4.287.972

33. INFORMATION BY SEGMENTS

Jun/21

Revenue

Volume of business

RESULTS

Operating results

Financial results

Results in associates

Income tax for the year

Net income with non-controlling interests

OTHER INFORMATION

Depreciations and Amortizations

NATIONAL								EXTERNAL					ELIMINATIONS	CONSOLIDATED
Vehicles				Industrial Equipment			Others	Vehicles		Industrial Equipment				
Industry	Commercial	Services	Rental	Machines	Services	Rental		Industry	Commercial	Machines	Services	Rental		
18.248	227.325.667	9.142.843	1.842.445	4.882.145	2.451.244	6.772.817	-	18.547.630	10.535.485	25.500	46.721	3.358	(95.838.331)	185.755.772
4.538	5.204.133	1.395.562	(315.803)	441.951	991.500	347.522	-	320.200	186.611	3.811	32.581	2.871	(1.025.750)	7.589.727
27	(920.234)	(22.970)	(145.050)	(21.581)	(10.920)	(32.879)	-	(66.008)	(21.011)	(141)	(203)	(12)	-	(1.240.982)
-	-	-	-	-	-	-	(1.862.612)	-	-	-	-	-	-	(1.862.612)
-	-	-	-	-	-	-	(1.509.050)	-	-	-	-	-	-	(1.509.050)
4.566	2.144.725	54.980	(365.570)	420.370	980.579	345.544	(1.862.612)	254.192	118.596	3.669	32.378	2.859	842.807	2.977.083
244.585	2.688.006	242.738	3.797.019	34.689	6.576	2.744.839	456	-	92.455	-	-	-	(272.885)	9.578.478

Jun/20

	NATIONAL								EXTERNAL					ELIMINATIONS	CONSOLIDATED
	Vehicles				Industrial Equipment			Others	Vehicles		Industrial Equipment				
	Industry	Commercial	Services	Rental	Machines	Services	Rental		Industry	Commercial	Machines	Services	Rental		
Revenue															
Volume of business	29.680	167.368.110	8.340.839	11.447.319	6.099.675	2.285.063	7.052.288	-	11.529.433	8.601.137	2.005	36.454	11.730	(58.736.345)	164.067.388
RESULTS															
Operating results	4.677	128.624	1.194.785	(795.525)	684.364	991.500	182.028	-	(250.599)	(146.617)	404	14.221	8.350	(550.066)	1.466.146
Financial results	(111)	(838.139)	(18.307)	(143.791)	(21.581)	(10.920)	(32.922)	-	(64.011)	(15.396)	(23)	(148)	(62)	-	(1.145.411)
Income tax for the year	-	-	-	-	-	-	-	(286.631)	-	-	-	-	-	-	(286.631)
Net income with non-controlling interests	4.566	(902.232)	870.770	(727.970)	420.370	980.579	208.649	-	(314.610)	(162.175)	381	14.073	8.288	(366.585)	34.104
OTHER INFORMATION															
Depreciations (2)	280.240	2.989.700	292.864	3.565.256	33.186	12.108	3.387.760	1.386	-	89.562	-	-	-	(75.894)	10.576.168

(1) Investment: (Change in Tangible and Intangible Fixed Assets) + (Amortization and Reintegration for the Year)

(2) of Exercise. Does not include depreciation of investment property.

The “Eliminations” column essentially includes the cancellation of transactions between the Group companies included in the consolidation, mainly belonging to the “Motor Vehicles” segment.

There are no revenues associated with transactions between the motor vehicle segment and the industrial equipment segment.



34. [CONTINGENT ASSETS AND LIABILITIES](#)

Financial commitments assumed and not included in Consolidated Statement of Financial Position:

As of June 30, 2021, December 31, 2020 and June 30, 2020, the Toyota Caetano Group had assumed the following financial commitments:

Commitments	Jun/21	Dec/20	Jun/20
Guarantees of Imports	4.000.000	4.000.000	4.000.000
Other financial guarantees	1.910.814	1.906.565	1.924.863
	5.910.814	5.906.565	5.924.863

The amount presented for “Guarantee of Imports” includes the amount of 4 million Euros referring to the guarantee given to T.C.A. (Tax and Customs Authority) which is intended to guarantee the subsequent payment of amounts resulting from the duties and taxes, as well as the vehicle tax in the orders and registration requests made.

Following financing contracted in the amount of approximately 26.5 million Euros, having expired its payment term, but partially renewed, Toyota Caetano granted the respective financial institutions real guarantees relating to mortgages on appraised properties, on the date of contraction of said financing, by around 23.4 million euros.

35. [INFORMATION RELATING TO THE ENVIRONMENTAL AREA](#)

The Group adopts the necessary measures regarding the environmental area, to comply 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 infractions related to this matter during the first half of 2021.

36. END OF LIFE VEHICLES

In September 2000, the European Commission approved a Directive regarding end- of- life vehicles and the responsibility of Producers/ Distributors for dismantling and recycling them.

Producers/ Distributors will have to support at least a significant part of the cost of the dismantling of vehicles that went to the market after July 1,2002, as well as in relation to vehicles produced before this date, but presented as of January 1,2007.

This legislation will impact Toyota vehicles sold in Portugal. Toyota Caetano and Toyota are closely monitoring the development of Portuguese National Legislation in order to assess the impact of these operations in its financial statements.

It is our conviction, in accordance with studies performed on the Portuguese market, and taking in consideration the possible usage of the vehicles parts resulting from the dismantlement, that the effective impact of this legislation in the Group accounts will be reduced or nil.

However, and in order to comply with the legislation introduced in the national legislation (Dec./Law 196/2003), the Company entered a contract with “ValorCar – Sociedade de Gestão de Veículos em Fim de Vida, Lda.” – Company licensed as the managing entity of the integrated VFV management system – the transfer of responsibilities inherent to this entire process.

37. EARNINGS PER SHARE

Earnings per share for the six-month periods ended June 30, 2021 and 2020 were calculated considering the following amounts:

	Jun/21	Jun/20
Result		
Basic	2.977.083	34.104
Diluted	2.977.083	34.104
Number of shares	35.000.000	35.000.000
Earnings per share (basic and diluted)	0,085	0,001

During the six-month periods ended June 30, 2021 and 2020 there was no change in the number of shares.

38. COVID-19

Activity in the first half of 2021 was conditioned by the context of the Covid-19 pandemic, as had already happened in the first half of the previous year.

The measures to control the pandemic forced the confinement of people, temporary closure of non-essential activities, teleworking and restriction of movement, significantly affecting mobility, which at the Group level was directly reflected in the trade and repair services of motor vehicles sector.

To reduce this impact, the Group reinforced its presence on digital channels in order to maintain active communication with Customers and promote its products and services.

At the same time, it appealed to the “Apoio à Retoma Progressiva” (Support for Progressive Recovery) mechanism promoted by government authorities.

39. FINANCIAL STATEMENTS APPROVAL

The consolidated financial statements were approved by the Board of Directors on September 16, 2021.

CHARTERED ACCOUNTANT

ALEXANDRA MARIA PACHECO GAMA
JUNQUEIRA

BOARD OF DIRECTORS

JOSE REIS DA SILVA RAMOS – President

MARIA ANGELINA MARTINS CAETANO RAMOS

SALVADOR ACÁCIO MARTINS CAETANO

MIGUEL PEDRO CAETANO RAMOS

GISELA MARIA FALCÃO SOUSA PIRES PASSOS

TOM FUX

KIYOHITO MORIMOTO

OPINIONS

Toyota Caetano Portugal, S.A.



Report and opinion of the Fiscal Council

In accordance with the terms of item g) of Article 420.º of the Companies Code and of the Articles of Association, it competes us to appreciate the report of the management performed and proceed to the general appraisal of the documents and statement of consolidated accounts of TOYOTA CAETANO PORTUGAL, SA, referring to the first semester of 2021 and which were presented to us by the Board of Directors.

In accordance with the assignments conferred to us, during this exercise we proceeded to the follow-up of the evolution of the social business with the frequency and to the extend considered advisable, to the general analysis of the financial procedures and the confirmation by sampling of the respective files.

We have no knowledge of any situation which didn't respect the articles of association and the legal terms applicable.

Thus,

All members of the Board of Auditors of the TOYOTA CAETANO PORTUGAL, SA under the terms of item c) of number 1 of Article 246.º of the Exchange Stock Code, hereby confirm, as far as it is our knowledge, that the information provided in item a) of the above referred article was elaborated according to accounting rules applicable, evidencing a correct and clear image of the assets and liabilities, of the financial highlights and results of Group TOYOTA CAETANO PORTUGAL, SA and that the report of the management clearly shows the business evolution, the performance and the position of the Group, evidencing as well a description of the mains risks and incertitude's to be faced.

In these terms, we believe that the Financial Statements referring to the period ending at 30th June 2021 accurately reflect the result of all operations developed in that same period by the Group Toyota Caetano Portugal, S.A.

Vila Nova de Gaia, 16th September 2021

José Domingos da Silva Fernandes – President

Daniel Broekhuizen – Member

Antonieta Isabel da Costa Moura – Member