REPORT & ACCOUNTS

2020

Toyota Caetano Portugal, S.A.

INDEX

GENERAL

CORPORATE BODIES

GENERAL MEETING BOARD

Chairman
Jorge Manuel Coutinho Franco da Quinta

Vice-Chairman
António José da Cruz Espinheira Rio

Secretary
Alírio Ferreira dos Santos

Secretary
João António Ferreira de Araújo Sequeira

BOARD OF DIRECTORS

Chairman & CEO
José Reis da Silva Ramos

Member
Maria Angelina Martins Caetano Ramos

Member
Salvador Acácio Martins Caetano

Member
Miguel Pedro Caetano Ramos

Member
Gisela Maria Falcão Sousa Pires Passos

Member
Matthew Peter Harrison

Member
Katsutoshi Nishimoto

Alternate
Masaru Shimada

SUPERVISORY BOARD

Chairman
José Domingos da Silva Fernandes

Member
Antonieta Isabel da Costa Moura

Member
Daniel Broekhuizen

Alternate
Maria Lívia Fernandes Alves

Alternate
Akito Takami

STATUTORY AUDITOR

Deloitte & Associados, Sociedade de Revisores Oficiais de Contas, S.A., represented by Miguel Nuno Machado Canavarro Fontes

Alternate
João Carlos Henriques Gomes Ferreira

SINGLE MANAGEMENT REPORT

Toyota Caetano Portugal, S.A.

MESSAGE FROM THE CHAIRMAN

A year ago I wrote that, in view of the excellent results of the previous financial year, 2019 had been a year full of challenges which were difficult to overcome. A year later, after a profound transformation on a global scale, what we saw as a challenge before almost seems ironic. The year 2020 brought with it everything we cannot control and will never be properly prepared for: an unprecedented public health crisis. But I am pleased to see how our teams have embraced new realities and excelled every day of this tough year.

Throughout this period, the commitment and resilience of our People, combined with the agility of our operations, allowed us to creatively and quickly adapt the business to an extraordinarily adverse context. It is thanks to them that we got through this year. And it was with the knowledge that it was an extremely difficult period for many that we implemented the Caetano Presente initiative, a show of support and a thank you to all those who are with us every day.

Our mission continued to be to produce and sell products and services with added value to our Customers. But serving Customers that were frightened and fearful for the future was an additional challenge. Our main concern was to accelerate the business's digital transformation, but without ceasing to be human and complying with all the new health rules. We took car sales online and started delivering and picking up cars to and from Customers' homes. We have also moved work online, with most of our teams working from home. All for the health and safety of our People, Customers and Partners.

In political terms, 2020 was a year of continuity. However, the harshness of the times we are living through has led to the onset of socioeconomic instability and a decline in the confidence indices of the Portuguese people, whose effects have already been felt in the economic downturn, with GDP falling by 7.6%. In addition to this, the lack of alignment between political decisions on taxation and environmental policies is an issue that continues to concern us. The elimination from the 2021 government budget of incentives to purchase hybrid vehicles was not previously discussed with industry representatives and compromises the emission reduction targets that the automotive sector is obliged to meet in order to decarbonise. At a time when sales have fallen by more than 35%, this amendment is a severe blow to the sector, which represents 8% of GDP and employs more than 150.000 people. It is urgent to start a constructive and clear discussion with the automotive sector, without slowing its growth or the role it plays in the Portuguese economy and in maintaining employment, as well as its role in the path towards a decarbonised society.

In environmental matters, Toyota has always been a pioneering brand. The commitment to the environment, by reducing greenhouse gas emissions, based on sustainable development, is a long-standing goal, evidenced by the commitment to a diversified range of electric vehicles, progressively adapted to the technological maturity and infrastructure of each country, but also to the market's appetite for eco-efficient cars. And within this strategy, more than 20 years in the making, comes the hydrogen technology that is now a reality transformed into a product by our brand, as a result of more than two decades of development. Since then, several tests have been carried out, under challenging conditions, proving the value of such an option with the launch of the Mirai, arriving in Portugal in 2021.

Working with Toyota and Lexus electric vehicles gives us the opportunity to make a difference on our planet. It is an opportunity to promote the shift towards carbon neutrality in line with the Sustainable Development Goals (SDGs). That is why Toyota Caetano Portugal remains committed to implementing its '*Toyota Environmental Challenge 2050*' programme, in coordination with Toyota Motor Europe.

It should also be noted that, for the seventh consecutive year, Toyota Caetano Portugal participated in the sustainable development report '*Carbon Disclosure Project (CDP) - Climate Change*', promoting corporate transparency and accounting of the organisation's carbon footprint, having reached level B (*Management*).

We also continued the '*One Toyota, One Tree*' programme, which has planted more than 170.000 trees since 2005. The Ser Caetano Forest took further shape throughout 2020, yet another sign of our concern for the Environment.

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. Toyota Motor Europe, shareholder of Toyota Caetano Portugal, plays an important role in this strategy. TME already supplied CaetanoBus with the fuel cell to integrate into the hydrogen bus, but reinforcing 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 our partnership with Finlog aims to develop mobility projects.

While maintaining our commitment to preserving our business and caring for our Customers, we have not lost sight of our social and environmental priorities. In the fight against the pandemic, we have also stood by those who needed support the most. We donated vehicles to health professionals, donated personal protective equipment and supported complex logistical networks to mitigate the consequences of this complex situation both in commercial spaces and the homes of Portuguese people.

In the car market, 2020 saw a downturn. The report from the Associação do Comércio Automóvel de Portugal (ACAP) cited a drop of 33.9% in car sales in the domestic market. Toyota and Lexus experienced a decline of 29.3%, lower than the market overall, meaning a 0.3 p.p. growth in our market share.

In Manufacturing we continued production of the Toyota Land Cruiser Series 70. This model, exclusively exported to the South African market, has been a winning investment, with sustained growth year after year. Furthermore, as a result of the partnership signed between Toyota Caetano Portugal and CaetanoBus, we started the production of electric and hydrogen bus chassis.

In the Industrial Equipment Division, we kept more than 6.300 units in operation, continuing to lead the market.

And it was thanks to innovative services, the fact that we are leaders in the sale of electric vehicles, the Kaizen philosophy of continuous improvement and the quest to exceed the expectations of our Customers that Toyota was awarded, for the second consecutive year, the Five Star brand award in Portugal, but also, for the 11th consecutive year, the award for Most Trusted Car Brand in Portugal. A vote of confidence from our Customers can only make us proud and inspire us in our daily work. We thank you.

After several long months in an extremely adverse context, allow me to end by thanking all our Employees, Customers and Partners, who never lost the will to deal with the demands of this new reality and who, every day, make this brand more resilient, with the passion of Being Toyota. Recalling our Founder, it makes more sense today than ever to remember that "*For us, the future begins every day*".

José Ramos

(Chairman & CEO Toyota Caetano Portugal)

SINGLE MANAGEMENT REPORT

INTRODUCTION

According to the provisions of Article 245(1)(a) of the Securities Code, we have prepared the management report and the profit application proposal presented below, as well as the corresponding Notes, in compliance with the provisions of Article 447 of the Commercial Companies Code. For each of the Companies included in Toyota Caetano Portugal's scope of consolidation, a list of the main events that occurred during the period under review and their impact on the financial statements will be presented.

TOYOTA CAETANO PORTUGAL, S.A.

INDUSTRIAL ACTIVITY

OVAR PLANT

In 2020 Toyota Caetano Portugal - Ovar Plant manufactured a total of 1.465 vehicles of the Land Cruiser Series 70 model as part of its main activity of assembling motor vehicles.

Despite the recovery seen in the second half (H2) of the year, during which more than 1.000 units were assembled, annual production was significantly affected, with a 39% drop compared to the previous year. As such, this year broke the positive trend in production volume since 2015.

The global pandemic caused by the SARS-CoV-2 virus (COVID-19) invariably marked the year, with a direct effect on our industrial unit, not only because of the lockdown imposed between March and April for the municipality of Ovar and its consequences in terms of Production, but also because of the various challenges that forced the organisation to reinvent itself and adapt to a new normal.

The internal Occupational Health and Safety team designed and implemented a Contingency Plan to avoid contagion and possible outbreaks, which carefully observed the best recommendations and practices of the Salvador Caetano Group (GSC), Toyota Motor Europe (TME) and the Directorate General of Health (DGS).

In order to ensure the continuation of productivity levels, there was significant reliance on new ways of working and technologies that allowed the efficient execution of remote tasks, under the remote working scheme.

At the end of H2, an adjustment was also made to the plant's takt-time. This management decision aimed to mitigate the impact caused by the significant reduction in orders, but also to ensure the unit's sustainability.

In PPO/PDI 4.380 units were transformed/prepared, a decrease of 21% compared to the same period of the previous year.

We should also highlight the beginning of a new effort: a partnership between Toyota Caetano Portugal and CaetanoBus, to manufacture electric and hydrogen bus chassis.

PRODUCTION	2020	2019	2018	2017	2016
Toyota Physical Units	1.465	2.393	2.114	1.913	1.823
Transformed/Prepared Physical Units	4.380	5.577	3.776	3.469	3.773
Bus Chassis Physical Units	40	-	-	-	-
Total Employees	184	197	194	177	186

Also of note are the following events that occurred during 2020:

- Donation of a Toyota Hiace ambulance to the Ovar Volunteer Fire Brigade;
- Supply of PPE (masks, protective suits, among others) to various local entities to combat COVID-19;
- Beginning of the WAI (Work Ability Index) Ergonomics Project, aimed at evaluating employees' ability level to exercise their functions and prevent the risk of inability.

FUTURE PROSPECTS

In 2021 Toyota Caetano Portugal - Ovar Plant celebrates its 50th anniversary, so it will be a landmark year in the history of the plant and of the Salvador Caetano Group.

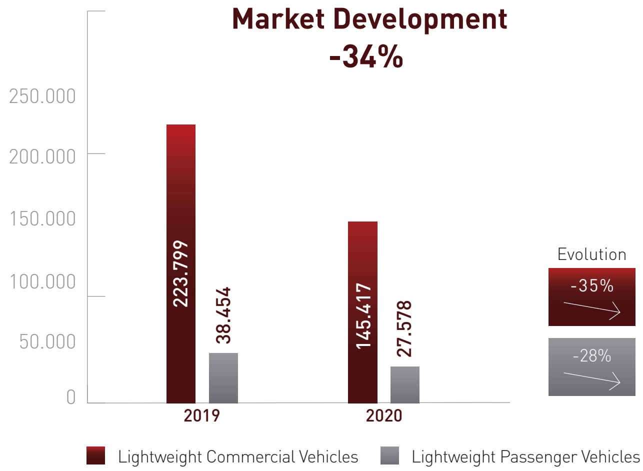
The Budget provides for the production of 1.960 units for South Africa. However, this volume is strongly conditioned by the development of the Pandemic, not only by the consequences that it may have in the production and destination markets (South Africa), but also by possible disruption throughout the supply chain.

COMMERCIAL ACTIVITY

LIGHTWEIGHT VEHICLES MARKET – CONTEXT

Undoubtedly marked by the pandemic caused by SARS-COV2, in 2020 the total lightweight vehicle market showed a 34% drop in registered vehicles compared to 2019.

Passenger cars and lightweight goods vehicles showed a negative change compared to the same period last year of -35% and -28%, respectively.



Source: ACAP (Portuguese Car Trade Association)

Of note are the following explanatory factors for the market's performance:

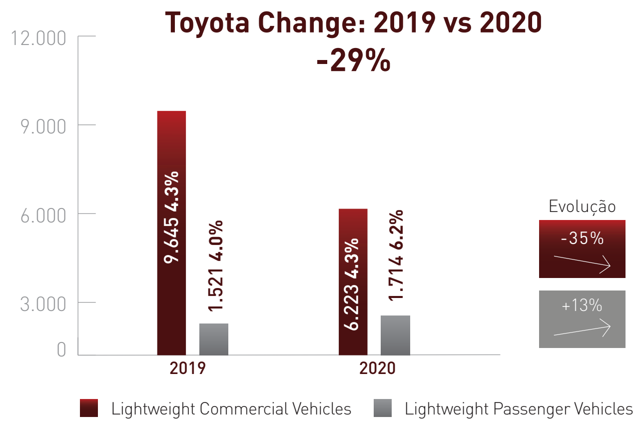
1. Declaration of a State of Emergency in March and April, forcing automobile showrooms to temporarily suspend and readapt their commercial activity.
2. Sharp drop in the rent-a-car market (-68%) due to the decrease in tourism.
3. Higher demand for used and semi-new vehicles.
4. Slowdown in private consumption due to uncertainty about the development of the economy.

TOYOTA VEHICLES

In 2020 Toyota outperformed the market, with a total of 7.937 units registered, translating into a 29% drop compared to the previous year; market share up 0.3 p.p. from 2019.

1. For **Passenger Vehicles** Toyota's market share stood at 4.3%, down 35%, in line with the market downturn.

   Toyota led sales of electric vehicles with 'Full Hybrid' technology, which represented about 70% of passenger vehicle sales (Toyota + Lexus).



Source: ACAP (Portuguese Car Trade Association)

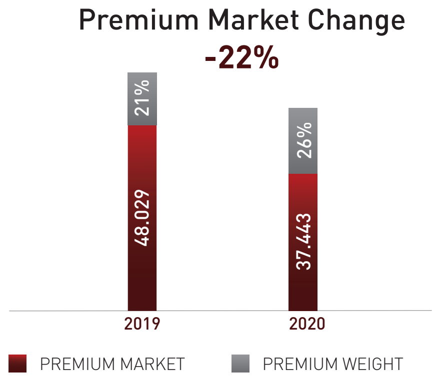
2. For **Lightweight Commercial Vehicles**, in contrast with the market, Toyota grew 13%, with a market share of 6.2%, which represents an increase of 2.2 p.p. compared to 2019. This growth is sustained by the successful launch of the new Proace City model in the small van segment, which represents 56% of the Lightweight Commercial Vehicles market. We also wish to highlight the Hilux, which, for the 8th consecutive year, leads the pick-up segment with an impressive 38% share in the segment.

For 2021, our overall priorities and objectives include:

- Continuing our commitment to technological leadership and brand value through the continued expansion of our 'Full Hybrid' technology and the launch of the first hydrogen-powered (Fuel Cell) car, the Toyota Mirai, scheduled for launch in late 2021;
- Capitalising on the most representative models in terms of sales—Yaris, Corolla, RAV4 and C-HR—sustained, in the case of the Yaris, with the recent launch of the new generation and, in the case of the RAV4, with the launch of the new Plug-in Hybrid engine, which will differentiate it, especially in the corporate market;
- Successfully launching the new Yaris Cross model, a crossover inserted in the B-SUV segment, which represents about 18% of the total passenger market.
- Continuing to have a strong presence in the commercial market, enhancing our wide range of vehicles, recently updated with the renewed Hilux and focusing on the first full year of sales for the Proace City model;
- Continuing to focus on the 7-year warranty for both lightweight passenger and lightweight commercial vehicles.

PREMIUM MARKET – CONTEXT

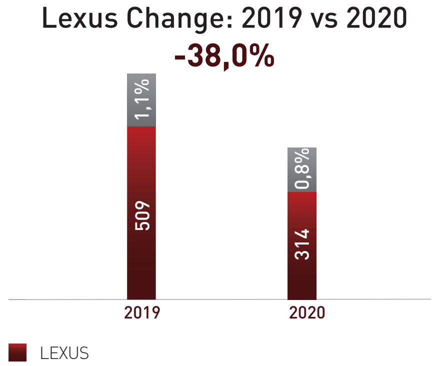
The Premium Market showed a negative change compared to the previous year, lower than the market in general, with a decrease of 22% and a total of 37.443 units sold. The Premium Market thus increased its share to around 26% of the total passenger market.



Source: ACAP (Portuguese Car Trade Association)

LEXUS VEHICLES

In a complex competitive environment, with intense commercial aggressiveness from competitors in the C-Premium and D-Premium segments, the Lexus brand (100% hybrid technology) recorded 314 sales, translating into a share of 0.8% (-0.3 p.p. compared to 2019). The 2020 results are marked by the discontinuation of the CT, IS and RC models, as well as by an increased focus on the sale of semi-new vehicles through the Lexus Select programme.



Source: ACAP (Portuguese Car Trade Association)

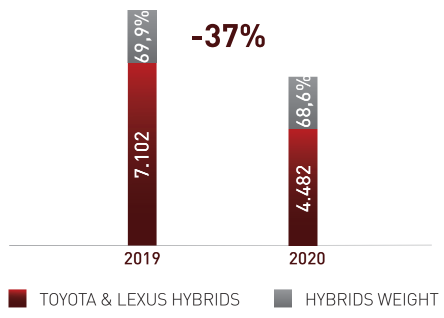
For 2021, Lexus' overall objectives include:

- Reinforcing the positioning of innovation, leveraged by the extended offer of 'Full Hybrid' vehicles with an advanced design;
- Successfully launching the first fully electric model — UX 300e — which, given the current tax situation, will provide the brand with new arguments when approaching the corporate market;
- Capitalising on the most representative models in terms of sales: UX 250h, NX 300h and ES 300h;
- Expanding the dealer network, which will have a new point of sale and assistance.

CHANGE IN SALES OF TOYOTA AND LEXUS HYBRID VEHICLES (FULL HYBRID TECHNOLOGY)

Despite the decrease in vehicle sales caused by the emergence of COVID-19 and the severe limitations in supply capacity in H2, resulting from the disruptions caused by the pandemic in the global production chain, Toyota and Lexus Hybrids (Full Hybrid technology) performed well and maintained a weighting very close to 70% of total sales of lightweight passenger vehicles.

Change in Toyota and Lexus Hybrids: 2019 vs 2020



Source: ACAP (Portuguese Car Trade Association)

Contributing to this performance was a broad and renewed offer of hybrid vehicles, a total of 17 models—8 Toyota and 9 Lexus—and a focus on promoting the benefits of hybrid technology.

In 2021, Toyota will continue its path of expansion and mass production of electric vehicles, with an increased range of hybrid models (SUVs Highlander and Yaris Cross) and Plug-in hybrids (SUV RAV4 PHEV) and the launch of the first hydrogen (Fuel Cell) electric car, the Toyota Mirai, a pioneer in this type of sustainable mobility, with zero pollutant emissions, releasing only water vapour into the atmosphere. The successful launch of the Toyota Mirai depends on the hydrogen supply infrastructure in our country.

FUTURE PROSPECTS

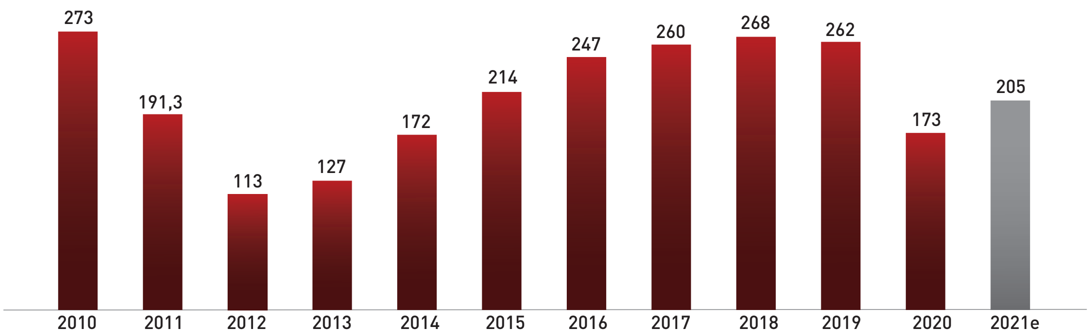
According to the projections published in the latest Economic Bulletin of December 2020, the Portuguese economy is expected to pursue an activity growth path over the next few years. Activity is expected to return to the pre-pandemic level by the end of 2022.

BANK OF PORTUGAL PROJECTIONS 2020–2023 (% change)	2020	2021	2022	2023
GDP	-8,1	3,9	4,5	2,4
Private Consumption	-6,8	3,9	3,3	1,9
Public Consumption	0,4	4,9	0,4	0,7
GFCF	-2,8	4,4	5,2	2,0
Internal Demand	-5,6	3,9	3,1	1,8
Exports	-20,1	9,2	12,9	6,7
Imports	-14,4	8,8	9,1	5,1
HICP	-0,2	0,3	0,9	1,1

In 2021, a positive development is expected for all indicators compared to 2020. Despite a more favourable macroeconomic scenario, the outlook for the Portuguese economy is surrounded by high uncertainty associated with the development of the pandemic and the short-term implementation of an effective large-scale medical solution.

Given this context, the market forecast for 2021 assumes a growth of 18%, standing at around 205.000 units, still short of the 262.000 units of 2019.

Car Market Trend
in thousands



Given the conditions described the goal for 2021 is to reach 11.500 Toyota and Lexus units, representing a growth of 39% compared to 2020 and resulting in a market share of 5.6%.

AFTER-SALES

The After-Sales Division had total revenue of 32.1 million during 2020. This figure includes the 'Extended Warranty' and 'Total Assistance' services, which generated €1.3 million. A further €2.5 million were generated by warranty parts.

The commercial activity of parts (genuine & local content), which excludes accessories, warranties and services, totalled €26.1 million. This value translates into a decrease of 11.7% compared to 2019.

PARTS SALES 2019	PARTS SALES 2020	GROWTH % 2020/2019
29.599.634 €	26.125.497 €	-11,7 %

As the accessories business is directly linked to the sale of vehicles, accessories (which includes merchandising) generated a total of €2.2 million.

This figure is 36% below the turnover achieved in 2019 in line with the lightweight passenger vehicle market decline of -35%.

ACCESSORIES SALES 2019	ACCESSORIES SALES 2020	GROWTH % 2020/2019
3.442.392 €	2.202.000 €	-36 %

The year 2020 manifested itself as a test of companies' ability to reinvent themselves, in the face of the entirely irregular scenario, especially during the lockdown period resulting from the COVID-19 pandemic. The economic and social consequences began to be felt as early as the end of Q1 and continued throughout the year.

Without neglecting the unconditional support to the dealer network/RTAs, in order to maintain business, TCAP reacted quickly to adverse conditions and maintained its strategy completely geared to the customer, to their needs, to the quality of service, to a flawless technical service and in total safety, to proactive and assertive communication, aiming both at differentiating the service provided and consolidating Toyota quality in the eyes of our customers.

These are some of the things we did:

- Choice of disinfection products, as well as launch of Ozone service;
- Strengthening of proactive and individual communication with each customer through the Toyota Alert Programme;
- Reinforcement of communication about the vehicle Pick-up and Delivery Service;
- New features of OSB Online Booking, including Rescheduling and Cancellation;
- Launch of new Workshop Retention Campaign during the summer months and at the end of 2020;
- Reformulation of Toyota Day at a national level, adapting it to the new reality of the pandemic;
- Launch of a support scheme for total losses;
- Implementation of new Trade promotional actions, as well as training focused on commercial skills in this channel;
- Repair of minor damage: introduction of new services and techniques;
- New accessories: partitioning of the passenger compartment - COVID-19 protection, rear parking sensors;
- In accessories, standardisation of car mat prices, regardless of model, as well as launching numerous challenges;
- Launch of the new Microcat EPC, optimising Network tasks;

All these measures greatly helped to create a climate of total confidence and a quick return of Customers to the Dealership Network, substantially minimising the impact on business in the difficult year of 2020 for reasons known to all.

INDUSTRIAL MACHINERY

TOYOTA INDUSTRIAL EQUIPMENT

	MARKET			SALES TOYOTA + BT				
	'19	'20	VARIATION	'19		'20		VARIATION
			%	QTY	SHARE	QTY	SHARE	%
Counterbalanced forklifts	1988	1327	-33%	459	23,1%	196	14,8%	-57,3%
Warehouse equipment	2924	2882	-1%	624	21,3%	436	15,1%	-30,1%
TOTAL MMC	**4912**	**4209**	**-14%**	**1083**	**22,0%**	**632**	**15,0%**	**-41,6%**

Source: Wits

MARKET

In a year with a pandemic and as out of the ordinary as the year 2020 was, the market for Load-Handling Machinery showed a decrease of around 14%. However, if we look only at the European market (WEF), the recorded market drop was 16.5%.

As far as Toyota is concerned, 632 orders were placed in 2020, which, in a total market of 4.209 units, corresponds to a 15% market share. Similarly, considering only the units produced in the European market, our market share would be 17.7%.

TOYOTA SALES PERFORMANCE BY SEGMENT

The Counterbalance Forklift segment saw a decrease in sales of 57.3% year on year, placing our market share at 14.8%.

The same trend was seen in the Warehouse Equipment segment, with a decrease in sales of around 30.1% compared to the previous year, with our market share standing at 15.1%.

It should be noted that this drop in the two segments was essentially due to a retraction and/or postponement of investments by companies, given the economic situation, as well as the strong uncertainty in the market.

FUTURE PROSPECTS

Taking into account the current situation, the outlook for 2021 is highly uncertain and volatile.

However, once the health situation is under control and the vaccination process begins to produce effects, we expect that in H2 of 2021 there may be a recovery in economic activity.

As regards Toyota's performance, another challenging year is expected, taking into account the increasing aggressiveness we have seen from competing brands.

Our focus will remain on differentiation, maintaining a good level of customer service, flexibility and above all an attitude of true partnership with our customers in less good times to overcome difficulties. It is vital that we present processes that help create value and innovative offers and solutions to retain our clients and gain new ones, thus consolidating our performance and results.

CAETANO AUTO, S.A.

The year 2020 was particularly marked by a pandemic that affected us in all aspects of our activity.

For 2021, an improvement in the economy is expected with the control of the pandemic, as a result of implementing vaccination. Thus, GDP growth is expected to be around 3.9%, in contrast to 2020, where it was clearly negative. Exports and private and public consumption are also expected to grow.

In this context, Caetano Auto's turnover for the year reached €188 million, which fell short of the previous year's figure, in excess of €241 million.

Caetano Auto had to reinvent itself in 2020, focusing on digital and new services: pick-up and delivery service, easy service (automatic check-in), video communication with customers, etc. This way, the business has become increasingly digital, both in communication and even in sales, with the promotion of digital events. It should be noted that, despite the entire limiting effect on activity due to the health crisis, Caetano Auto achieved in December the best month of retail used vehicle sales.

Caetano Auto maintained its focus on continuous improvement, which allowed interesting measurable returns to be achieved, such as those mentioned above in relation to turnover, but also in cost containment, thus leveraging the Company's profitability.

Depreciation and amortisation decreased significantly, owing to the reduction of the right of use of real estate and the reduction of vehicles allocated to rental activity.

Staff expenses also decreased compared to the previous year. This reduction is largely due to the lay-offs that Caetano Auto was forced to implement and to recovery support, as well as to the reduction in variable remuneration paid as a result of the decrease in activity.

For all the above reasons, it was possible to close the 2020 financial year with a profit, although, logically, lower than that obtained in 2019.

FUTURE PROSPECTS

For 2021, our objective is to grow in comparison to 2020. We will base our growth on commercial and used vehicles, as well as on new modes of mobility.

CAETANO AUTO CV, S.A.

COMMERCIAL ACTIVITY

VEHICLES

BRAND	2020	2019	VARIATION 2020/2019	
			QTY.	%
Toyota	359	434	-75	-17,28

The year 2020 was one of widespread penalisation as a result of the pandemic that befell and continues to befall us.

Caetano Auto CV, S.A. was not active during all of the 12 months of 2020. We were only able to operate for a little over 9 months. In 2020, during the whole month of January, our activity was blocked by Customs. From March to May a lockdown was decreed in Cape Verde, which forced us to completely paralyse our activity.

Thus, when comparing 2020 performance with 2019, Caetano Auto CV, S.A. sold 75 fewer units, equivalent to a decrease of 17.28% in new vehicles. Despite being a negative result, it should be noted that, even with the totally adverse scenario, it was possible to achieve the number of units planned in the budget for 2020 in 8 months.

In 2020, following the example of 2019, we managed to maintain the reduction of our dependence on the two main models (Hilux and Hiace) marketed. It is extremely important to maintain the path of diversification of products to be sold so that we are not subject to compromising sales due to external events, such as the end of the tax exemption of double cab pick-ups.

AFTER-SALES

SALES	2020	2019	VARIATION 2020/2019	
			AMOUNT	%
Parts/Accessories	146.742.132	175.407.718	-28.665.586	-16,34%
Workshop (Labour)	39.249.461	44.519.492	-5.270.031	-11,84%
Total	185.991.593	219.927.210	-33.935.617	-15,43%

(Amounts in ECV)

After-Sales saw a drop in performance as compared to 2019. It is also worth noting that the VPA yielded to the same fate as the commercial area and also suffered from the lockdown and the Customs block.

We would like to highlight the drop in the tourism sector, because as a result we suffered from the paralysis of rent-a-car companies, which, due to their vehicles being immobilised, did not make use of our workshops. There was also a considerable reduction in emigrants who did not travel around the country in 2020 (an important portion of workshop activity).

We also suffered from the drop in visits to our workshops by companies and individuals due to loss of revenue and/ or, in some cases, loss of employment.

Our service stations were also penalised due to the closure of the country under quarantine and, on top of that, the service station Achada de São Filipe, which was closed during the lockdown and, when it reopened, was faced with an embargo decreed by the Ministry of the Environment due to a landslide resulting from heavy rainfall, which caused oil spills. This station closed in March and only resumed activity in December 2020.

The Ilha do Sal service station also saw a severe drop in activity, as the tourism crisis led to a complete halt in the local economy.

In collisions, the general reduction in traffic led to a drop in claims, which reduced the number of after-sales entries.

FUTURE PROSPECTS

In 2021 two elections will take place: the legislative elections in April and the Presidential election in October. Under normal circumstances, there would be a natural reduction in public procurement and hiring of contract staff. However, because of the pandemic, the government has withdrawn vehicle procurement from its budget for 2021, which means an even greater loss of possible sales for the Company.

Beyond the effect of the elections, we will continue to experience the uncertainties caused by the pandemic. Initially, it was predicted that tourist activities would resume in January 2021. However, this forecast has been postponed until March.

Another situation that will certainly make it more difficult to resume tourist activities is Cape Verde's vaccination plan, as only 20% of the population is expected to be vaccinated in 2021. The government's goal is to reach 60% only in 2023.

Even in an adverse scenario full of uncertainties caused by the pandemic and with the end of exemptions for double-cab pick-ups (main sales product), we intend to achieve a turnover in 2021 similar to that of 2019, with a forecast of 420 units.

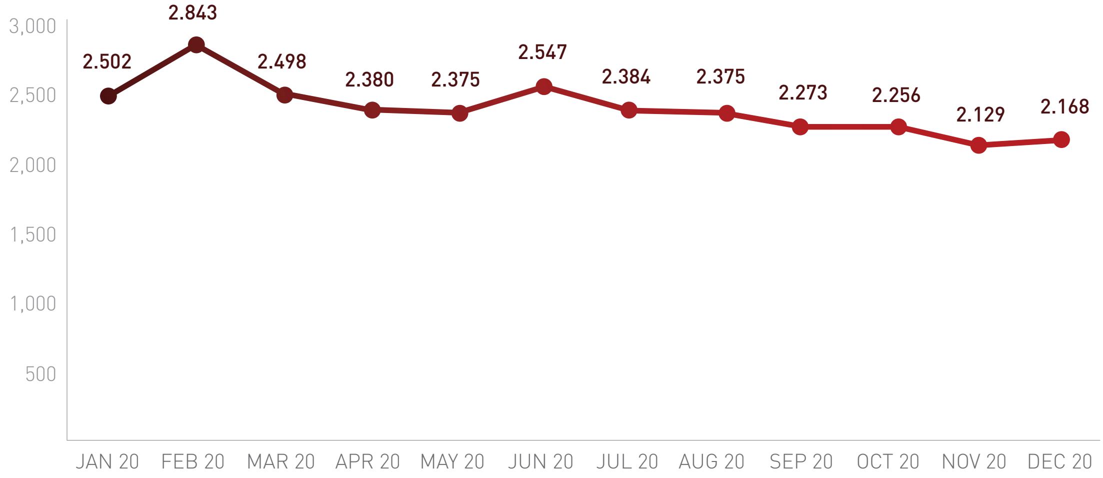
With regards to after-sales, we will offer bank financing to our customers for mechanical and collision services at our garages. We are relying on this facility to reach clients who do not contract quoted services because an inability to pay for them in cash. Over-the-counter parts sales will also be included. On a related note, we intend to boost online sales of parts via WhatsApp. This service will create an additional option for customers living in areas where we are represented, but also allows us to reach customers on the islands where we are not represented. In view of the above, we also believe that it is possible to return to pre-pandemic after-sales levels during 2021.

CAETANO RENTING, S.A.

The year of 2020 was completely adverse, owing to the COVID-19 pandemic that affected the whole world and had an extremely significant impact on the whole economy, hitting Portugal from March onwards and greatly affecting the tourism sector, in which Caetano Renting is inserted.

In view of the above, several orders for new vehicles were cancelled by rent-a-car companies, which are our main market segment and several units were even returned in advance.

FLEET

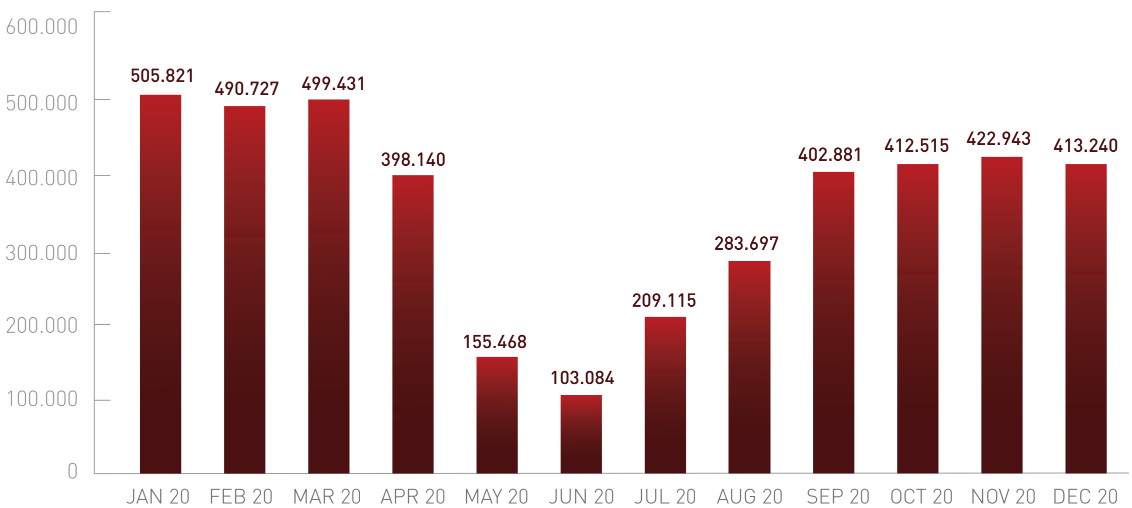


In the main summer months, between June and August, we had an average fleet of 2.435 units, while in the same period of the previous year the average was 4.090 units, which indicates a decrease of about 40,46%.

We concluded the 2020 financial year with a fleet of 2.168 units.

As a result of the pandemic, extensions of the terminus of contracts were accepted from various customers, with the rent-a-car segment being the most relevant, once again, in which the period granted was 4 months 'free', effective from April, which caused a drop in our turnover of 48,44%, when compared to 2019.

TURNOVER



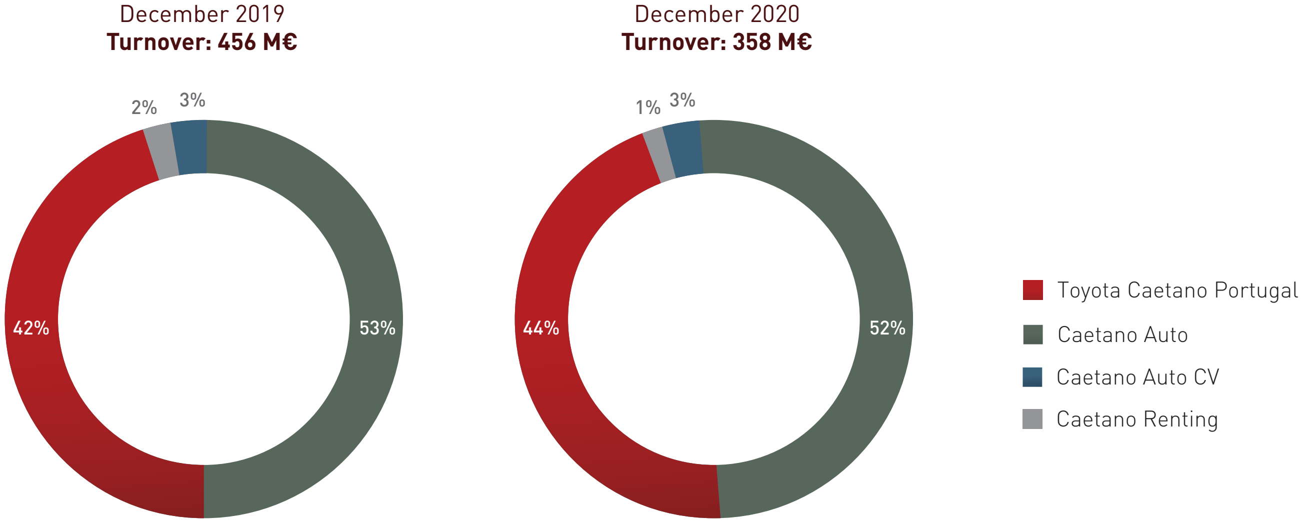
FUTURE PROSPECTS

For 2021, we expect an upturn in activity if the projections of an improvement in the pandemic situation from the Easter period materialise, thus gradually allowing the resumption of the flow of tourism, to the extent that we have scheduled deliveries of about 1.120 units for the rent-a-car segment, as well as the transfer of about 1.300 vehicles to the semi-new car sales circuit, which will greatly contribute to our revenue.

FINANCIAL ACTIVITY

Throughout 2020, under entirely unpredictable circumstances due to the COVID-19 pandemic, the automotive sector has been one of the most affected industries, with a sharp drop in vehicle sales as a result of the recent market behaviour. An impact that was also felt by the Toyota Caetano Portugal Group.

Within this context, the Group recorded a turnover of around €358 million, showing a reduction of 21,6% compared to the same period in 2019, with sales of vehicles and parts assuming a greater influence (reduction of 25%).



Despite a decrease in activity, it was possible to almost maintain the sales margin, with lower operating expenses and, more significantly, lower staff costs, which allowed the Group to continue securing positive results. The reduction in staff costs compared to the same period in 2019 is mainly related to the fact that some of the companies that make up the Group applied for the Simplified Lay Off scheme and to the associated support provided by Portuguese Social Security.

As a result of the partnership established with Toyota Financial Services (related party belonging to Toyota Motor Corporation perimeter) which operationalised the activity between the Distributor and the Dealer Network with the goal of reducing the average collection time and consequently the bank debt, Toyota Caetano Portugal recorded a 17% drop in the Customer's account compared to the same period in 2019. Similarly, the indebtedness remained within the expected margins which were around €33 million in December 2020 and around €32 million in December 2019.

In this context, the Group continues to reflect the ongoing pursuit of a policy aimed at managing the available means to create an adequate capital structure, refraining from turning to the moratorium schemes provided by law and made available by financial institutions.

The Group's degree of financial autonomy is at 48,2%, 2,2 p.p. higher than the same period last year.

In order to summarise the recent developments in the activity and performance of the Toyota Caetano Portugal Group, the table below shows a number of comparative indicators, in thousands of Euros, which reflect all the above:

	DEC/19	DEC/20	VARIATION
Business Volume	456.213	357.837	-21,6%
Gross Profit	107.422	83.192	-22,6%
% (f) sales	23,5%	23,2%	
Supplies and external services	44.571	38.284	-14,1%
% (f) sales	9,8%	10,7%	
Personnel costs	41.371	35.674	-13,8%
% (f) sales	9,1%	10,0%	
EBITDA	43.461	29.223	-32,8%
% (f) sales	9,5%	8,2%	
Operating result	18.293	8.900	-51,3%
% (f) sales	4,0%	2,5%	
Financial outcome	-1.947	-2.372	-21,8%
% (f) sales	-0,4%	-0,7%	
Consolidated net profit	11.647	4.452	-61,8%
% (f) sales	2,6%	1,2%	
Net bank financing	31.540	32.818	4,1%
Degree of financial autonomy	46,0%	48,2%	

We should point out that, with the spread of the pandemic and, particularly, after the declaration of a state of emergency in the 2nd half of march, our Group was faced with a significant reduction in its activity, which dropped more than 60% in the following months (April/May). Naturally, such great and sudden/unexpected reductions do not allow for an immediate reaction which guarantees an immediate balance between cost/income.

The financial year of 2020 was clearly atypical in view of the positive development the Group had shown over the last few years, in which it obtained downright positive results.

The results of this period, although substantially distant from results in the recent past, record a net amount of around €4.4 million (with minority interests) which represents a reduction of 61,8% when compared to 2019.

The year 2020 was also characterised by changes in the Group's perimeter. At the end of December 2020, Toyota Caetano Portugal acquired the 12.000.000 shares of CaetanoBus, S.A., previously held by Salvador Caetano Indústria, S.A. corresponding to 61,94% of the former's share capital, for €16.320.000.

On the same day, Toyota Caetano Portugal became the holder of 7.350 shares, corresponding to 49% of the capital, of the company Finlog - Aluguer e Comércio de Automóveis, S.A., previously held by the parent company Salvador Caetano Auto - S.G.P.S., S.A., having paid the amount of €22.785.000.

Lastly, we inform that, on 8 August 2019, Salvador Caetano Auto - S.G.P.S., S.A., in its capacity as a shareholder of Toyota Caetano Portugal, proposed that a resolution be discussed at a General Meeting of shareholders to be held on 30 August 2019, under the terms and for the purposes of the provisions under article 27(1)(b) of the Portuguese Securities Market Code, regarding Toyota Caetano Portugal S.A.'s loss of its status as a publicly traded company. Toyota Caetano Portugal shareholders present at the General Meeting of 30 August 2019 voted unanimously in favour of Salvador Caetano Auto, SGPS, SA.'s aspiration. Following that decision and subsequent notification to CMVM, the latter appointed the audit firm CFA – Cravo, Fontes, Antão & Associados, SROC, Lda to evaluate Toyota Caetano Portugal, bearing in mind the definition of the fair value of the securities representing the company. As we were informed by the company Salvador Caetano Auto, SGPS, SA, the per-share amount calculated by CFA – Cravo, Fontes, Antão & Associados, SROC, Lda and notified to CMVM on 17 April 2020 was not accepted by Salvador Caetano Auto, SGPS, SA; as a result, this company gave up its idea of acquiring Toyota Caetano Portugal, SA's remaining securities and made CMVM aware of this fact in a release addressed on April 22, 2020.

Thus, Toyota Caetano Portugal, SA's status as a publicly traded company remained unchanged.

RISK MANAGEMENT

Loans and advances to customers

Toyota Caetano's credit risk is mainly associated with loans to customers, related to its operating activity.

The main objective of Toyota Caetano's credit risk management is to ensure the effective collection of operational Customer debts in accordance with the negotiated terms.

In order to mitigate the credit risk resulting from potential customer defaults on payments, the Group's companies exposed to this risk have:

- A dedicated Credit Risk analysis and monitoring department;
- Proactive credit management processes and procedures that are implemented and always supported by information systems;
- Hedging mechanisms (credit insurance, letters of credit, bank guarantees, etc).

Interest Rate Risk

As a result of the relevant proportion of debt at variable rate in its Consolidated Balance Sheet and of the subsequent interest payment cash flows, Toyota Caetano is exposed to interest rate risk.

Toyota Caetano has occasionally used financial derivatives to hedge, at least partially, its exposure to interest rate variations.

Exchange Rate Risk

As a Group with geographically diversified commercial relationships, the exchange rate risk is mainly the result of commercial transactions arising from the purchase and sale of products and services in a currency that is different from the functional currency of each company.

The exchange rate risk management policy seeks to minimise the volatility of investments and operations denominated in foreign currencies, contributing to reducing the sensitivity of the Group's results to exchange rate fluctuations. The Group's exchange rate management policy is focused on a case-by-case assessment of the opportunity to hedge this risk, particularly taking into account the specific circumstances of the currencies and countries in question.

Toyota Caetano has been using financial derivatives to hedge, at least partially, its exposure to exchange rate variations.

Liquidity Risk

The goal of Toyota Caetano's liquidity risk management is to ensure that the Group has the ability to obtain, in a timely manner, the necessary funding to be able to undertake its business activities, implement its strategy and meet its payment obligations when due, while avoiding the need to obtain funding under unfavourable terms.

For this purpose, the Group's liquidity management involves the following aspects:

a) Consistent financial planning based on operating cash flow forecasts for different time horizons (weekly, monthly, annual and multi-annual);

b) Diversification of funding sources;

c) Diversification of the maturities of debt issued to avoid excessive concentrations of debt repayments in short periods of time;

d) Arrangement of committed (and uncommitted) credit facilities, commercial paper programmes and other types of financial operations with relationship Banks, ensuring the right balance between satisfactory liquidity levels and adequate commitment fees.

For detailed information, please refer to the Corporate Governance Report.

ADDITIONAL INFORMATION

The company did not purchase or sell any own shares during this fiscal year. On 31 December 2020, the company did not hold any of its own shares.

We must also inform that there are no debts to the state public sector and to Social Security, the payment of which is in arrears.

The company does not have any branches either in Portugal or abroad.

No business was carried out between the Company and its managers. They were not granted any loans or advances on account of profits.

NON-FINANCIAL REPORT

QUALITY, ENVIRONMENT AND KAIZEN.

In line with the diagnosis of the stakeholders' needs, Toyota Caetano Portugal has been prioritising the implementation of an ethics and transparency policy over the years, achieving its sustainability strategy through socially- and environmentally-aware management.

During 2020, in addition to its usual activity, Toyota Caetano Portugal had to deal with the COVID-19 pandemic. Because of this, several actions were undertaken, namely the preparation and implementation of a Contingency Plan and Business Continuity Manual - COVID-19 Prevention Standards.

The strategy for Quality, Environment, Occupational Health and Safety and Continuous Improvement, which was outlined for 2020, is evidenced in the main actions implemented and in the results obtained:

- In the context of its Integrated Quality and Environmental Management System, internal and external renewal audits were carried out in the area of Toyota and Lexus lightweight and commercial vehicle imports, maintaining the ISO 9001:2015 and ISO 14001:2015 standard certifications.
- DEI Norte implemented an Energy Management System aimed at sustainability, efficient energy management and subsequent cost reduction. After an external audit, the challenging objective of the integrated certification of its management systems, Quality (ISO9001), Environment (ISO14001), Safety (ISO45001) and Energy (ISO 50001 - new reference), was achieved by the end of 2020.
- DEI Sul also carried out the audits of its Integrated Quality and Environmental Management System, maintaining the ISO 9001:2015 and ISO14001:2015 certifications.
- Following the challenge of Toyota Material Handling Europe, Toyota Caetano Portugal was invited to participate in the international platform Ecovadis to evaluate the level of Social Responsibility and Sustainability of Toyota Caetano Portugal, which resulted in obtaining the Bronze level (Top 50% of all organisations evaluated).

  This participation mobilised several departments not only from the Industrial Equipment Division but from the entire Toyota Caetano Portugal.
- For the seventh consecutive year, Toyota Caetano Portugal participated in the Sustainable Development Report '*Carbon Disclosure Project (CDP) – Climate Change*', promoting corporate transparency and accounting of the organisation's carbon footprint, having reached level B (*Management*).
- Toyota Caetano Portugal has been strengthening its continuous improvement strategy (Kaizen). The results of continuous improvement were acknowledged by the Board of Directors.
- Kaizen team meetings were also implemented, through a digital platform, to maintain the continuity of continuous improvement procedures, when remote working was increased (COVID-19 pandemic prevention);
- Working with Toyota and Lexus electric vehicles gives us the opportunity to make a difference on our planet. It is an opportunity to promote the shift towards carbon neutrality in line with the Sustainable Development Goals (SDGs). That's why Toyota Caetano Portugal remains committed to implementing its 'Toyota Environmental Challenge 2050' programme, in coordination with Toyota Motor Europe.
- The strategy of massification of electric vehicles in the domestic market has contributed a great deal to this CDP result, where we achieved an excellent ratio of nearly 70% of sales of hybrid and plug-in vehicles over total sales of passenger vehicles.

- One of the improvements implemented towards carbon neutrality was the change in conventional electricity consumption to green energy consumption (from renewable sources), certified by EDP.
- The energy-efficiency measures implemented in its buildings and processes were also subject to significant improvements. There were energy improvement measures, with the gradual transformation of buildings to LED lighting, substantially reducing consumption.
- We also continued with the 'One Toyota, One Tree' Programme, which has been allowing Toyota to contribute towards making Portugal greener since 2005, giving Nature a tree for each vehicle sold. This Programme has been developing and growing to allow us to increasingly contribute in a sustainable way over time to the recovery of burnt, vacant and arid lands, based on a careful selection of certified plants and forest shrubs, in harmony with the biodiversity of each designated planting area.

Report on employee-related social issues

DPC ACTIVITY

Since 2015, the year it was created, the Corporate Department of People, Brand and Communication has pursued the daily ambition of making Toyota Caetano Portugal a better place to live, grow and work. A goal that guides our work and steers us towards building an Integrated People Management and Employer Brand System that is increasingly intuitive, digital, efficient and interconnected, aligned with the Values and Culture of the organisation and with business guidelines.

The year 2020 was one in which People Management had to face an unprecedented challenge: a global pandemic which gave rise to a public health crisis that brought uncertainty and anxiety to businesses. Our primary concern from the first moment has been the health and safety of our People and this has taken precedence throughout the recent months.

To respond to the pandemic, a task force was set up to monitor COVID-19, comprising specialists in the areas of Quality, Environment, Occupational Health and Safety, including medical, legal/labour, HR and communication, who lined up their efforts on a daily basis to provide the entire organisation with the best and most enlightening responses about the development of the pandemic, the individual and collective protection and prevention measures and the impact of simplified Lay-off on labour dynamics. Information, training and awareness-raising content was made available and newsletters were disseminated as and when required, always striking a balance between the information available and what was truly important to our Employees.

Adaptation to remote working was another 2020 milestone: from one day to the next, Toyota's teams and those whose jobs allowed it, went from working face-to-face to working remotely. Thanks to the resilience and agility of our People and digital tools, this transition went smoothly, in contrast to what was happening in the outside World. The determination of everyone to deal with this demanding reality was essential for the subsequent adaptation of the business and all support activity.

But the challenges didn't stop there. In addition to making room for new ways of working, it took even more flexibility from our teams to redefine processes. Vital to this were the Continuous Improvement tools that migrated with us to digital and enabled all teams to do Digital Kaizen almost instantaneously. Weekly Kaizen, Kamishibai, Hoshin, idea log... None of these tools were forgotten in the office.

We also adapted events to fit in with these digital tools: Digital Christmas, awareness-raising sessions on various topics and leadership seminars now use a computer as a screen, in a new reality that has proven to be very effective and truly mobilising for the Toyota family.

And as a vital foundation for all this, we continued to invest in @cademia Ser Caetano. The e-learning platform that we launched in 2019 and which played an even more decisive role during the pandemic, managing to bring digital training to Employees, especially training to support remote working, training in digital tools and sessions to strengthen our Leadership, whose challenges were so great and so different from previous years. Also noteworthy is the development of an online Flash Training Programme on Customer Communication using the panoply of digital tools and Social Media effectively. @cademia Ser Caetano today involves over 3.770 employees and 15.000 hours of training. With almost 50 pieces of content adapted to the realities of each team and with the convenience of digital, the purpose of corporate alignment, through the more effective dissemination of key messages and the reinforcement of our values, it was also very useful at a time when uniting made us strong. This tool was also an ally in the process of Integrating and Welcoming new Employees.

With regard to training indicators, 37.100 hours of training took place in 2020, with a total of 520 courses in the areas of retail, services and industry and with 3.114 employees involved. The training of young people totalled 784.195 hours, with 51 courses and 945 trainees, spread across 7 Training Centres all over the country.

Our Social Responsibility was not left aside, either. In an atypical year, a focus on actions that reflect our commitments proved even more crucial. Therefore, we gave vehicles to health professionals to support the fight against the pandemic, we donated PPE and supported complex logistics in the organisation of food and other goods. We also looked inwards and supported our Employees who went through difficulties triggered by the pandemic and we carried out the Caetano Presente initiative, a true implementation effort, but one that allowed us to ease this moment for many People and allowed us to look at them with new eyes and new concerns.

In addition to all this, we did not abandon the remaining structural projects in People Management and in attracting and retaining talent, namely the development of an Assessment tool to assess alignment with the BRiT (Best Retail in Town) strategy, the strengthening of the employer branding strategy to increasingly affirm Toyota Caetano Portugal as a reference employer. Performance and Development Management took further steps to make feedback and continuous development increasingly stronger. The Barómetro Ser Caetano organisational climate survey allowed us to understand how our employees perceive the company. At the same time, the EES (Employee Engagement Survey) was applied in the Toyota and Lexus Dealer Network. We also continued along the path of digital transformation, to make information available in an agile and practical way to everyone.

The year 2020 was undoubtedly one that highlighted the role of People and Employee Management in the success of our organisations. No one was prepared to face a situation like this and we all had to adjust in a short period of time, accelerating the digital transformation process of our companies, which in our case was already underway. A challenge that required understanding, resilience and a strong ability to adapt. Certainly, many other challenges will follow. However, only by bringing People and ideas together, through a common value proposition, will we all be contributing to the sustainability of the business and continuing our history.

EQUALITY BETWEEN MEN AND WOMEN

At Toyota Caetano Portugal, promoting gender equality is a constant concern, valuing technical skills and attitude, regardless of gender, as well as the respective compensations. In a historically male sector, it is important to highlight the richness of gender diversity and we are committed to hiring women for areas and functions where their representation is still low, as well as for the leadership of projects within the teams.

NON-DISCRIMINATION

Attitudes and behaviours that promote discrimination are strongly repudiated by Toyota Caetano Portugal. We are in the market with an upright, honest attitude, with respect for all, promoting a cordial and dignified work environment. At the same time, the organisation is an active promoter of equal opportunities and the moral integrity of all those involved in the business.

RESPECT FOR HUMAN RIGHTS

Deeply inspired by the Toyota Way, in harmony with the Ser Caetano attitude, Toyota Caetano Portugal bases its practices on the defence of Human Rights and respect for People. Therefore, discriminatory behaviour based on race, ethnicity, nationality, social origin, age, gender, ideology, political opinion, religion or any type of physical or social condition is not permitted. TCAP also promotes the extension of these practices in relations with stakeholders, particularly among employees, so that they are taken into their personal relationships.

DIVERSITY

Toyota Caetano Portugal promotes diversity, from its management to its governing bodies. Renewal of the management staff is a concern for the company, which considers experience and knowledge to be necessary and indispensable qualifications to perform one's duties. Only under these conditions can we have a sustainable strategy. Women also play an important role in this balance, having progressively occupied more and more leadership positions. In recruitment and training, intergenerational discussion and learning are encouraged. Supported by these practices of gender diversity and intergenerational sharing, TCAP stands as a company prepared to meet the challenges of an increasingly global and inclusive world. The year 2020 represents a milestone in encouraging the integration of People with Disabilities, through the consolidation of the Protocol as part of employability signed with Associação Salvador in 2019, which has been essential in helping us travel the path of inclusion in our work teams.

DECLARATION

We hereby declare, under the terms and for the purposes of Article 245(1)(c) of the Securities Code that, as far as we are aware, the individual and consolidated statements of Toyota Caetano Portugal for 2020 were prepared in accordance with the relevant accounting standards, providing a true and fair view of the assets and liabilities, financial situation and results of this company and other companies included in its consolidation perimeter and that the management report contains a faithful account of the business's development, performance and position of this company and of the subsidiaries included in its consolidation perimeter, as well as a description of the main risks and uncertainties they face.

RESULT APPROPRIATION PROPOSAL

In accordance with the terms of Article 376(1)(b) of the Portuguese Companies Code, we propose the following appropriation of net results of the financial year, in the amount of Euros 4.644.725,70 expressed in the individual financial statements of Toyota Caetano Portugal:

a) For the Retained Earnings account Eur 4.644.725,70

Covid 19 Pandemic Impacts

Following the WHO statement regarding the State of Pandemic, due to the spread of the COVID-19 pandemic, we should highlight a few impacts on the financial statements presented on 31 December:

Business/Profitability

As shown in the attached financial statements, the Company's activity fell by about 22,2% as a result of the various constraints caused by the pandemic, namely the interruptions/stoppages in production caused by both by the restrictive public health measures implemented and logistical difficulties in the movement of people, goods and equipment.

In terms of profitability, as a result of such interruptions/stoppages, with the subsequent negative impact on productivity and on the dilution of fixed costs, EBITDA also fell, by around 32,8%. In this respect, it should be noted that it is the Company's expectation that, as the normal course of business is resumed, profitability will return to the levels reached in the past.

Financing

Despite the lower profitability of our operations, our financing needs did not worsen and the Company managed to finance its activity through the available credit lines, without the need to turn to those provided by the Portuguese Government / financial system to deal with the crisis, such as the Covid relief lines and the moratorium programme implemented by the Portuguese Government / financial system.

On the other hand, as a result of the economic support measures implemented by the Portuguese Government, there was no increase in financing costs.

Lastly, to date, there has also been no significant deterioration in the average time taken to receive payments from customers to a degree that would affect the Company's financing needs.

Liquidity

In accordance with its management policy, which aims to maintain an adequate liquidity reserve, the Company is aware of the economic and financial consequences, which will have inherently negative effects on its future business/profitability and we would like to point out that unused bank credit lines are currently available in the amount of more than 50 M€, thus ensuring, in our view, the continuity of operations for at least 12 months.

Relief mechanisms made available by the Government

Aware of the economic and financial impact on businesses' activity/profitability, the Government has rolled out a series of relief measures, from which the Company benefited in the following approximate amounts:

- Special support for maintaining employment contracts – simplified layoff......................1.934.369 €

- Incentive to resuming normal business activity.. 1.113.880 €

OTHER ISSUES / ACKNOWLEDGEMENTS

We would like to end this report with a word of thanks:

· To our Customers and Dealers, for their permanent trust in our products and for honouring us with their choice;

· To the Banking Entities, for the collaboration and support they have always shown while following up on our business;

· To the other Corporate Bodies for their permanent cooperation;

· To our Employees who, with their availability and enthusiasm, have committed themselves to the development of the Company.

Vila Nova de Gaia, March 31st, 2021

The Board of Directors
José Reis da Silva Ramos – Chairman
Maria Angelina Martins Caetano Ramos
Salvador Acácio Martins Caetano
Miguel Pedro Caetano Ramos
Gisela Maria Falcão Sousa Pires Passos
Matthew Peter Harrison
Katsutoshi Nishimoto

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 Companies Code, it is hereby declared that, on 31 December 2020, the members of the Company's management and supervisory bodies did not hold any of its shares or bonds.

It is hereby declared that the members of the Company's management and supervisory boards were not engaged, during the fiscal year 2020, in any acquisitions, encumbrances 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, S.A. (of which Ms. **Maria Angelina Martins Caetano Ramos** is Chairwoman of the Board of Directors, Mr. **Salvador Acácio Martins Caetano** is Vice-Chairman of the Board of Directors and Mr. **Miguel Pedro Caetano Ramos** is Member of the Board of Directors), Acquired: on 16 March 2020, 1.000 shares in the amount of €2.70 each; 18 March 2020, 17.289 shares in the amount of €2.80 each; 19 March 2020, 113.377 shares at a price of €2.80 each; on 23 March 2020, 15.976 shares at a price of €2.80 each; on 27 March 2020, 801 shares at a price of €2.80 each; on 30 March 2020, 10.221 shares at a price of €2.80 each; on 30 March 2020, 45 shares at a price of €2.80 each; on 1 April 2020, 3.461 shares at a price of €2.80 each; on 2 April 2020, 83 shares at a price of €2.80 each; on 8 April 2020, 3.200 shares at a price of €2.80 each; on 20 April 2020, 33.413 shares at a price of €2.80 each; on 22 April 2020, 25.000 shares at a price of €2.80 each; on 23 April 2020, 223.776 shares at a price of €2.80 each; on 15 May 2020, 8.870 shares at a price of €2.70 each; on 18 May 2020, 5.000 shares at a price of €2.70 each; on 21 May 2020, 5.554 shares at a price of €2.70 each; on 24 June 2020, 1.865 shares at a price of €2.70 each; on 22 July 2020, 11 shares at a price of €2.70; on 24 July 2020, 5 shares at a price of €2.70; on 28 July 2020, 35 shares at a price of €2.70; on 29 July 2020, 1.501 shares at a price of €2.20; on 9 September 2020, 1.015 shares at a price of €2.70; on 21 September 2020, 55 shares at a price of €2.72; on 23 September 2020, 2.000 shares at a price of €2.74; on 25 September 2020, 110 shares at a price of €2.74; on 8 October 2020, 875 shares at a price of €2.76; on 14 October 2020, 610 shares at a price of €2.76 and 35 shares at a price of €2.60; on 15 October 2020, 600 shares at a price of €2.60; on 19 October 2020, 325 shares at a price of €2.60; on 26 October 2020, 200 shares at a price of €2.60; on 27 October 2020, 1 share at a price of €2.60; on 28 October 2020, 4.504 shares at a price of €2.78; on 6 November 2020, 825 shares at a price of €2.78; on 13 November 2020, 940 shares at a price of €2.80; on 18 November 2020, 160 shares at a price of €2.78; on 25 November 2020, 644 shares at a price of €2.80; on 27 November 2020, 49 shares at a price of €2.74; so that on 31 December 2020, it held 24.421.096 shares with a nominal value of €1 each.
- the shareholder COVIM – Sociedade Agrícola, Silvícola e Imobiliária, S.A (of which Mrs **Maria Angelina Martins Caetano Ramos** is the Chairwoman of the Board of Directors and Mr **José Reis da Silva Ramos** is the spouse of the Chairwoman of the Board of Directors) carried out no transactions and thus, on 31 December 2020, held 393.252 shares with a nominal value of €1 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**, Chairman of the Board of Directors, holds:
  - 39,49%[1] of the share capital of Grupo Salvador Caetano, SGPS, S.A., a company in a control 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 Group Salvador Caetano, SGPS, S.A., a company in a control 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 Group Salvador Caetano, SGPS, S.A., a company in a control relationship with the Company;

  [1] This percentage includes shares held by the spouse

- **Miguel Pedro Caetano Ramos**, Member of the Board of Directions, holds:
  - 0.00223% of the share capital of Grupo Salvador Caetano, SGPS, S.A., a company in a control relationship with this Company.

QUALIFIED SHAREHOLDINGS

(Under the terms of Regulation 5/2008, issued by the CMVM)

On 31 December 2020, the shareholders with qualified shareholdings in the company's share capital are the following:

SHAREHOLDER	SHARES	% OF VOTING RIGHTS
Salvador Caetano - Auto - S.G.P.S., S.A.	24.421.096	69,774
Toyota Motor Europe NV/SA	9.450.000	27,000

INDIVIDUAL ACCOUNTS

Toyota Caetano Portugal, S.A.

FINANCIAL HIGHLIGHTS

	DEC'20	DEC'19
SALES	292.720.184	370.989.460
CASHFLOW	16.145.633	21.780.049
NET INCOME	4.644.726	11.593.984
NET FINANCIAL EXPENSES	1.798.135	1.868.571
PAYROLL EXPENSES	14.756.963	16.594.512
NET INVESTMENT	3.871.270	8.699.177
GROSS WORKING CAPITAL	59.289.243	97.660.241
GVA	40.710.132	50.118.614
UNITS SOLD	14.322	18.504
NUMBER OF EMPLOYEES	529	533

STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2020

(Amounts in Euros)

ASSETS	NOTES	31/12/2020	31/12/2019
NON-CURRENT ASSETS			
Intangible assets	8	598.320	202.804
Tangible fixed assets	5	23.409.892	27.400.458
Investment properties	6	12.146.841	12.754.648
Goodwill	7	611.997	611.997
Financial investments - equity method	9	81.887.183	44.413.802
Other financial investments		19.600	19.600
Deferred tax assets	15	1.453.007	1.447.256
Total non-current assets		120.126.841	86.850.565
CURRENT ASSETS			
Inventories	11	46.842.336	75.326.451
Accounts receivable	12	55.370.533	72.522.678
Other accounts receivable	13	4.337.633	4.453.817
Corporate income tax receivable	15	872.541	253.616
Other current assets	14	1.041.347	499.118
Other financial investments	10	18.847.237	1.995.192
Cash and cash equivalents	4	8.141.407	9.465.441
Total current assets		135.453.034	164.516.312
		255.579.875	**251.366.877**
EQUITY AND LIABILITIES			
EQUITY			
Share capital		35.000.000	35.000.000
Legal reserve		7.498.903	7.498.903
Adjustments to financial investments		10.540.468	8.437.143
Revaluation reserve		6.195.184	6.195.184
Other reserves		67.197.238	67.319.346
Retained earnings		14.628.750	5.279.796
Net income		4.644.726	11.593.984
Total equity	16	145.705.269	141.324.356
LIABILITIES			
NON-CURRENT LIABILITIES			
Loans	17	21.832.243	34.956.029
Pension Fund Defined benefit plan liabilities	21	6.384.523	6.150.000
Deferred tax liabilities	15	99.169	110.279
Total non-current liabilities		28.315.935	41.216.308
CURRENT LIABILITIES			
Loans	17	15.097.337	5.968.352
Accounts payable	18	31.015.239	33.586.141
Other accounts payable	19	13.784.347	13.078.051
Other current liabilities	20	21.661.749	16.193.669
Total current liabilities		81.558.671	68.826.213
Total liabilities		109.874.606	110.042.521
Total equity + liabilities		**255.579.875**	**251.366.877**

Chartered Accountant: Alexandra Maria Pacheco Gama Junqueira
Board of Directors: José Reis da Silva Ramos - President; Maria Angelina Martins Caetano Ramos; Salvador Acácio Martins Caetano; Miguel Pedro Caetano Ramos; Matthew Peter Harrison; Katsutoshi Nishimoto; Gisela Maria Falcão Sousa Pires Passos

INCOME STATEMENT BY NATURE FOR THE YEARS ENDED 31 DECEMBER 2020 AND 2019

(Amounts in Euros)

	NOTES	31/12/2020	31/12/2019
Operational gains			
Sales and service rendered	23 and 24	292.720.184	370.989.460
Other gains	27	20.942.688	23.324.743
Variation in production	11	190.974	1.132.295
Total operational gains		313.853.846	395.446.498
Operational expenses			
Cost of goods sold and raw material consumed	11	-232.800.343	-299.315.135
External supplies and services	25	-39.997.270	-45.661.899
Payroll expenses	26	-14.756.963	-16.594.512
Depreciations	5, 6 and 8	-8.074.127	-8.699.177
Impairment losses in inventories	22	424.743	-561.873
Impairment losses in accounts receivable	22	-435.784	-36.526
Other expenses	27	-8.355.502	-10.123.588
Total operational expenses		-303.995.247	-380.992.711
Operational income		9.858.599	14.453.787
Gains in financial investments - equity method	9	-1.512.104	2.245.031
Interest expenses	28	-1.870.218	-1.873.154
Interest income	28	72.083	4.583
Income before taxes		6.548.361	14.830.247
Income tax for the year	15	-1.903.635	-3.236.263
Net income		4.644.726	11.593.984

STATEMENT OF THE COMPREHENSIVE INCOME AT 31 DECEMBER 2020 AND 2019

(Amounts in Euros)

	NOTES	31/12/2020	31/12/2019
Net profit for the period		4.644.726	11.593.984
Components of other consolidated comprehensive income, that could not be recycled by profit and loss			
Remeasurement (actuarial losses gross of tax)	21	-157.557	
Deferred tax of actuarial losses	15	35.450	
Equity method	9	-141.705	
Comprehensive income		4.380.913	11.593.984

Chartered Accountant: Alexandra Maria Pacheco Gama Junqueira
Board of Directors: José Reis da Silva Ramos - President; Maria Angelina Martins Caetano Ramos; Salvador Acácio Martins Caetano; Miguel Pedro Caetano Ramos; Matthew Peter Harrison; Katsutoshi Nishimoto; Gisela Maria Falcão Sousa Pires Passos

STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY FOR THE PERIODS ENDED 31 DECEMBER 2020 AND 2019

(Amounts in Euros)

	NOTES	SHARE CAPITAL	LEGAL RESERVE	REVALUATION RESERVE	ADJUSTMENTS TO FINANCIAL INVESTMENTS	OTHER RESERVE	TOTAL RESERVES	RETAINED EARNINGS	NET INCOME	TOTAL EQUITY
Balance Sheet at 1 January 2019		**35.000.000**	**7.498.903**	**6.195.184**	**5.810.898**	**67.319.346**	**86.824.331**	**1.788.817**	**12.786.759**	**136.399.907**
Changes in period										
Allocation of profits		-	-	-	2.295.780	-	2.295.780	3.490.979	-5.786.759	0
Dividends	16	-	-	-	-	-	-	-	-7.000.000	-7.000.000
Comprehensive income		-	-	-	-	-	-	-	11.593.984	11.593.984
Other changes in equity	9	-	-	-	330.465	-	330.465	-	-	330.465
Balance sheet at 31 December 2019		**35.000.000**	**7.498.903**	**6.195.184**	**8.437.143**	**67.319.346**	**89.450.576**	**5.279.796**	**11.593.984**	**141.324.356**
Balance Sheet at 1 January 2020		**35.000.000**	**7.498.903**	**6.195.184**	**8.437.143**	**67.319.346**	**89.450.576**	**5.279.796**	**11.593.984**	**141.324.356**
Changes in period										
Allocation of profits		-	-	-	2.245.031	-	2.245.031	9.348.953	-11.593.984	0
Comprehensive income		-	-	-	-141.705	-122.107	-263.813	-	4.644.726	4.380.913
Balance sheet at 31 December 2020		**35.000.000**	**7.498.903**	**6.195.184**	**10.540.468**	**67.197.239**	**91.431.794**	**14.628.750**	**4.644.726**	**145.705.269**

Chartered Accountant: Alexandra Maria Pacheco Gama Junqueira
Board of Directors: José Reis da Silva Ramos - President; Maria Angelina Martins Caetano Ramos; Salvador Acácio Martins Caetano; Miguel Pedro Caetano Ramos; Matthew Peter Harrison; Katsutoshi Nishimoto; Gisela Maria Falcão Sousa Pires Passos

INDIVIDUAL CASH FLOW STATEMENT PERIOD ENDED DECEMBER 31, 2020 AND DECEMBER 31, 2019

(Amounts in Euros)

STATEMENT OF CASH FLOWS ON OPERATING ACTIVITIES	NOTES	2020		2019	
Collections from customers		383.421.849		514.813.229	
Payments to suppliers		-248.598.427		-378.663.633	
Payments to personnel		-10.967.326		-11.363.151	
Operating flow			**123.856.096**		**68.671.629**
Payments of income tax			-2.233.179		-6.919.904
Other collections/Payments related to operating activities			-62.138.096		-77.189.610
Cash flow from operating activities			**59.484.822**		**40.676.932**

STATEMENT OF CASH FLOWS ON INVESTING ACTIVITIES	NOTES	2020		2019	
Collections from:					
Investments	9	4.147.955		1.629.831	
Tangible fixed assets	5	1.592			
Investment properties	6	1.300.000	5.449.547		1.629.831
Payments to:					
Investments	9	-39.127.191		-1.618.680	
Financing granted to Affiliated Companies	10	-21.000.000			
Tangible fixed assets	5	-541.242		-1.345.701	
Investment properties	6	-69.985		-404.473	
Intangible assets	8	-300.569	-61.038.987	-219.205	-3.588.059
Cash flow from investing activities			**-55.589.440**		**-1.958.228**

STATEMENT OF CASH FLOWS ON FINANCING ACTIVITIES	NOTES	2020		2019	
Collections from:					
Loans	17	64.497.077	64.497.077	93.000.000	93.000.000
Payments to:					
Loans	17	-62.250.000		-122.400.000	
Lease down payments	17	-6.241.448		-6.219.749	
Interest and others		-1.225.045		-1.620.851	
Dividends	16		-69.716.492	-7.016.060	-137.256.659
Cash flow from financing activities			**-5.219.415**		**-44.256.659**

CASH AND CASH EQUIVALENTS	NOTES	2020		2019	
Cash and cash equivalents at beginning of period	4		9 465 441		15 003 395
Cash and cash equivalents at end of period	4		8 141 407		9 465 441
Net flow in cash equivalents			**-1.324.034**		**5.537.955**

Chartered Accountant: Alexandra Maria Pacheco Gama Junqueira
Board of Directors: José Reis da Silva Ramos - President; Maria Angelina Martins Caetano Ramos; Salvador Acácio Martins Caetano; Miguel Pedro Caetano Ramos; Matthew Peter Harrison; Katsutoshi Nishimoto; Gisela Maria Falcão Sousa Pires Passos

1. INTRODUCTION

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

Toyota Caetano shares are listed in the Lisbon Stock Exchange Market since October 1987.

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

Toyota Caetano is the importer and distributor of the brands Toyota (vehicles and forklifts), Lexus (vehicles) and BT (forklifts) to Portugal, leading a Group ("Toyota Caetano Group") which is presented as follows as of December 31, 2020:

COMPANIES	HEADQUARTERS
With headquarters in Portugal:	
Toyota Caetano Portugal, S.A. ("Parent company")	Vila Nova de Gaia
Caetano Renting, S.A. ("Caetano Renting")	Vila Nova de Gaia
Caetano – Auto, S.A. ("Caetano Auto")	Vila Nova de Gaia
Caetanobus – Fabricação de Carroçarias, S.A. ("Caetanobus")	Vila Nova de Gaia
Finlog – Aluguer e Comércio de Automóveis, S.A. ("Finlog")	Vila Nova de Gaia
With headquarters in foreign countries:	
Caetano Auto CV, S.A. ("Caetano Auto CV")	Praia (Cape Verde)

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 holdings in the companies Caetanobus - Fabricação de Carroçarias, S.A. and Finlog, S.A. (Note 9).

The attached financial statements are stated in Euros (rounded to the unit), as this is the functional currency used in the economic environment where the Group operates.

2. BASIS OF PRESENTATION AND MAIN ACCOUNTING POLICIES

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

2.1 BASIS OF PRESENTATION

The attached financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as adopted by the European Union in effect for the financial year beginning on January 1, 2020. These correspond to International Financial Reporting Standards, issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS Interpretations Committee ("IFRS - IC") or by the previous Standing Interpretations Committee ("SIC"), which have been adopted by the European Union at the date of publication of accounts.

These financial statements of the Company were prepared on the going concern assumption, based on the Company's accounting books and records, based on the historical cost principle with the exception of some financial instruments measured at fair value.

The Board of Directors carried out an assessment of the Company's ability to operate as a going concern, based on all relevant information, facts and circumstances, of a financial, commercial or other nature, including events subsequent to the reference date of the financial statements, available about the future. As a result of the assessment carried out, the Board of Directors concluded that the Company has adequate resources to maintain its activities, with no intention to cease activities in the short-term and therefore has considered appropriate to use the going concern assumption in the preparation of the financial statements.

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

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

Level 2 - fair value is determined based on data other than the market prices identified in Level 1, but which can be observed in the market; and

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

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

Although these estimates are based on Management's best experience and its best expectations in relation to current and future events and actions, current and future results may differ from these estimates. The areas that involve a higher degree of judgment or complexity, or areas where the assumptions and estimates are significant are presented in Note 2.4.

2.2 ADOPTION OF NEW OR REVISED IAS/IFRS

Standards, interpretations, amendments and revisions that came into effect in the year

Until the date of approval of these financial statements, the following accounting standards, interpretations, amendments and revisions were approved ("endorsed") by the European Union, with mandatory application to the year started on January 1, 2020:

a) Accounting standards endorsed by the European Union

The European Union endorsed the following accounting standards, interpretations, amendments and revisions, mandatorily applied to the financial year beginning on January 1, 2020:

STANDARD / INTERPRETATION	APPLICABLE IN THE EUROPEAN UNION IN THE FINANCIAL YEARS BEGUN ON OR AFTER	DESCRIPTION
Amendments to references to the Conceptual Framework in IFRS Standards	1-Jan-20	Corresponds to amendments to several standards (IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22 and SIC 32) in relation to references to the revised Conceptual Framework in March 2018. The revised Conceptual Framework includes revised definitions of an asset and a liability and new guidance on measurement, derecognition, presentation and disclosure.
Amendment to IAS 1 and IAS 8 - Definition of material	1-Jan-20	Corresponds to amendments to clarify the definition of material in IAS 1. The definition of material in IAS 8 now refers to IAS 1. The amendment changes the definition of material in other standards to ensure consistency. The information is material if, due to its omission, distortion or concealment, it is reasonably expected to influence the decisions of the primary users of the financial statements based on the financial statements.

STANDARD / INTERPRETATION	APPLICABLE IN THE EUROPEAN UNION IN THE FINANCIAL YEARS BEGUN ON OR AFTER	DESCRIPTION
Amendment to IFRS 3 - Definition of business	1-Jan-20	Corresponds to amendments to the definition of business, aiming to clarify the identification of business acquisition or acquisition of a group of assets. The revised definition further clarifies the definition of a business's output as the supply of goods or services to customers. The changes include examples for identifying a business acquisition.
Amendments to IFRS 9, IAS 39 and IFRS 7 - reform of benchmark interest rates (IBOR Reform)	1-Jan-20	Corresponds to amendments to IFRS 9, IAS 39 and IFRS 7 related to the benchmark interest rate reform project (known as "IBOR reform"), in order to reduce the potential impact of changes in reference interest rates on financial reporting, namely in hedge accounting.
Amendment to IFRS 16 - Leases - "Covid 19 Related Rent Concessions	1-Jun-20	This amendment introduces an optional practical expedient whereby tenants are exempt from analysing whether income concessions, typically income suspensions or reductions, related to the "COVID-19" pandemic correspond to contractual modifications.

No significant impacts to the financial statements occurred from the adoption of the above-mentioned accounting standards, interpretations, amendments and revisions.

Standards, interpretations, amendments and revisions that will come into effect in future years

The following standards, interpretations, amendments and revisions were endorsed by the European Union and have mandatory application in future years:

STANDARD / INTERPRETATION	APPLICABLE IN THE EUROPEAN UNION IN THE FINANCIAL YEARS BEGUN ON OR AFTER	DESCRIPTION
Amendment to IFRS 9, IAS 39 and IFRS 7 – Phase 2 – Interest Rate Benchmark Reform	1-Jan-21	Corresponds to additional amendments to IFRS 9, IAS 39 and IFRS 7, issued on August 27, 2020, related to the second phase of the benchmark interest rate reform project (known as "IBOR reform"), referring to changes reference interest rates and impacts on changes in financial assets, financial liabilities and lease liabilities, hedge accounting and disclosures.
Amendment to IFRS 4 Insurance Contracts - deferral of IFRS 9	1-Jan-21	Corresponds to the amendment to IFRS 4 that postponed the deferral of application of IFRS 9 for initial years on or after January 1, 2023.

The Entity did not proceed with the early implementation of any of these standards in the financial statements for the year ended December 31, 2020 due to the fact that their application is not mandatory. No significant impacts are expected on the financial statements resulting from their adoption.

Standards, interpretations, amendments and revisions not yet adopted by the European Union

The following standards, interpretations, amendments and revisions were not endorsed by the European Union at the date of the approval of the Financial Statements and therefore may not be applied in the European Union:

STANDARD / INTERPRETATION	APPLICABLE IN THE EUROPEAN UNION IN THE FINANCIAL YEARS BEGUN ON OR AFTER	DESCRIPTION
IFRS 17 - Insurance contracts	1-Jan-23	This standard establishes, for insurance contracts within its scope, the principles for their recognition, measurement, presentation and disclosure. This standard replaces IFRS 4 - Insurance Contracts.
Amendment to IAS 1 Presentation of financial statements - Classification of liabilities as current and non-current	1-Jan-23	This amendment published by the IASB clarifies the classification of liabilities as current and non-current by analysing the contractual conditions existing at the reporting date.

STANDARD / INTERPRETATION	APPLICABLE IN THE EUROPEAN UNION IN THE FINANCIAL YEARS BEGUN ON OR AFTER	DESCRIPTION
Amendments to IFRS 3, IAS 16, IAS 37 and Annual Improvements 2018-2020	1-Jan-22	These amendments correspond to a set of updates to the various standards mentioned, namely: - IFRS 3 - update of the reference to the 2018 conceptual structure; additional requirements for analysing obligations under IAS 37 or IFRIC 21 on the acquisition date; and explicit clarification that contingent assets are not recognized in a business combination. - IAS 16 - prohibition of deducting the cost of a tangible asset from income related to the sale of products before the asset is available for use. - IAS 37 - clarification that costs of fulfilling a contract correspond to costs directly related to the contract. - Annual improvements 2018-2020 correspond essentially to amendments to 4 standards, IFRS 1, IFRS 9, IFRS 16 and IAS 41.
Amendment to IAS 1 Presentation of Financial Statements and Statement of Practice IFRS 2: Disclosure of Accounting Policies (issued on February 12, 2021)	1-Jan-23	These amendments establish criteria for the identification and disclosure of material accounting policies.
Amendment to IAS 8: Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (issued on February 12, 2021)	1-Jan-23	This amendment changes the definition of accounting estimates and clarifies that changes in estimates as a result of new information does not correspond to errors.
Proposed changes to leases IFRS 16: COVID-19 Leases Concessions after June 30, 2021 (issued March 31, 2021)	1-Apr-21	These changes provide exemptions applicable in the reports on the evaluation of modification of lease contracts as a result of COVID-19.

Regarding these standards and interpretations, as issued by the IASB but yet to be endorsed by the European Union, it is not believed that their future adoption will entail significant impacts on the attached financial statements.

2.3 MAIN ACCOUNTING POLICIES

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

a) Tangible fixed assets

Tangible fixed assets are recorded at deemed cost, which corresponds to its acquisition cost or its restated acquisition cost in accordance with generally accepted accounting principles in Portugal until that date, net of accumulated depreciation and accumulated impairment losses.

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

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

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

	Years
- Buildings and Other Constructions	20 - 50
- Machinery and Equipment	7 - 16
- Transport Equipment	4 - 6
- Administrative Equipment	3 - 14
- Other Tangible Assets	4 - 8

The useful lives of the assets are reviewed in each financial report, so that the depreciations practiced are in accordance with the consumption patterns of the assets. Land is not depreciated.

Changes in useful lives are treated as a change in accounting estimate and are applied prospectively.

Expenses with maintenance and repair costs of tangible fixed assets are recorded as a cost in the year in which they occur. The repairs/improvements of significant amount that increase the estimated usage period of the assets are capitalized and depreciated according to the assets remaining useful life.

Tangible fixed assets in progress relate to tangible assets under construction/development and are recorded at acquisition cost net of accumulated impairment losses. These assets are transferred to tangible fixed assets and depreciated as from the date in which they are available for use and in the necessary conditions to operate in accordance with management´s intention.

Gains or losses resulting from the disposals and write-offs of tangible fixed assets are determined by the difference between the sales price and the carrying amount of the asset at the disposal date and are recognized as income or expense in the income statement as "Other operating income" or "Other operating expenses".

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

b) Intangible assets

Intangible assets are recorded at acquisition or production cost, net of accumulated depreciation and accumulated impairment losses. Intangible assets are only recognized if it is likely that future economic benefits will flow to the Company, are controlled by the Company and if their cost can be reliably measured.

Research costs and expenses with new technical knowledge are recorded as costs in the statement of profit and loss when incurred.

Development costs are capitalized as an intangible asset if the Company has proven technical feasibility and ability to finish the development and to sell/use such assets and it is likely that those assets will generate future economic benefits. Development expenses which do not fulfil these requirements are recorded as an expense in the period in which they are incurred.

Internal expenses related to Software maintenance and development are recorded as costs in the statement of profit and loss, except in situations in which these expenses are directly related to projects from which it is likely that future economic benefits will flow to the Company. In such circumstances, these expenses are capitalized as intangible assets.

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

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

c) Investment properties

Investment properties which relate to real estate assets held to obtain income through its lease or for capital gain purposes and not for use in production, or in the supply of services or for administrative purposes, are recorded at its acquisition cost, being the respective fair value disclosed in the Notes to the financial statements (Note 6).

Investment properties are also amortized, using the straight-line method, over a period of ten to fifty years.

Expenses incurred with investment properties in use, namely maintenance, repairs, insurance and property taxes (municipal property tax), are recognized in the income statement for the year to which they refer. The improvements, for which it is estimated that they will generate additional future economic benefits, are capitalized.

Depreciation for the year of investment properties is recorded in the income statement under the caption "Amortization and depreciation".

Whenever the fair value of these assets turns out to be lower than their respective acquisition cost, an impairment loss is recorded in the year in which it is estimated, against the caption "Provisions and impairment losses" in the income statement. When the accumulated impairment losses recorded are no longer verified, they are immediately reversed against the caption "Provisions and impairment losses" in the income statement up to the limit of the amount that would have been determined, net of depreciation or depreciation, if no impairment loss had been recognized in previous years.

The fair value of the investment properties that is the object of disclosure was determined based on real estate appraisals carried out by an independent specialized entity (market method, cost method and income method models) or internally.

d) Leases (perspective of the lessee)

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

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

On the effective date, the Company recognizes the liability related to the lease payments (ie, the lease liability) and the asset that represents the right to use the underlying asset during the lease period (ie, the right to use - "right-of-use" or "RoU"). The interest cost on the lease liability and the depreciation of the RoU are recognized separately.

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

Assets under right of use

The Company recognizes the right to use the assets on the effective date (that is, the date on which the underlying asset is available for use). The right to use the assets is recorded at acquisition cost, less accumulated depreciation and accumulated impairment losses and adjusted for any new measurements of the liabilities of the leases. The cost of the right to use the assets includes the initial value of the lease liability, any direct costs initially incurred and payments already made before the effective date, less any incentives received and plus restoration costs, if any.

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

Leasing incentives (e.g., rent grace periods) are recognized as elements of measurement of the right to use and liabilities of the lease. Variable income that does not depend on an index or rate is recognized as expenses in the year in which they are determined, or payment is made.

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

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

Impairment of use rights is tested in accordance with IAS-36, as a replacement of the recognition of provisions for onerous lease contracts.

In leasing low-value assets, the Company does not recognize the rights to use assets or leasing responsibilities, recognizing the expenses associated with these leases as expenses for the year during the life of the contracts.

Lease agreements can contain both rental and non-lease components. However, it was considered the expedient foreseen in the rule of not separating the service components from the rental components, accounting them as a single rental component.

Rental liabilities

On the date of entry into force, the Company recognizes liabilities measured at the present value of future payments to be made until the end of the lease.

Lease payments include fixed payments (including fixed payments in substance), less any incentives to be received, variable payments, dependent on an index or rate and expected amounts to be paid under residual value guarantees. Lease payments also include the exercise price of a call option, if the Company is reasonably certain to exercise the option and penalty payments for terminating the contract, if the Company is reasonably certain to terminate the contract.

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

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

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

The term is revised only if a significant event or a significant change in circumstances occurs that affects this assessment and is under the lessee's control.

After the effective date, the liability amount of the lease increases to reflect the increase in interest and reduces by the payments made. In addition, the carrying amount of the lease liability is remeasured if there is a change, such as a change in the lease term, fixed payments or purchase decision for the underlying asset.

Accounting treatment of "Sale and Leaseback" transactions

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

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

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

e) Inventories

Inventories (which essentially comprise new and used vehicles, as well as parts and accessories) are valued at the lower of the cost of acquisition and the net realizable value. The cost comprises the expenses incurred to bring the inventories to their current location and condition. The net realizable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distributing. Used vehicles are accounted for at the lower of cost or fair value less selling costs, usually based on external market data available for used vehicles. An impairment of inventories is recognized in situations where the net realizable value is less than the cost (such as obsolescence, deterioration, drop in sales price). When calculating the provision, the Board of Directors considers the nature and status of the inventory (vehicle), as well as applies assumptions about the possibility of an anticipated sale, determined under the conditions existing at the end of the financial reporting period. With the exception for parts and accessories, adjustments to net realizable value are generally applied on an item by item basis.

Finally, in work in progress, applied labour is valued at cost price.

Regarding the productive activity related to the assembly of vehicles in the Ovar factory facilities, the cost of finished and intermediate products, as well as products and work in progress, corresponds to their cost of production, which includes the cost of raw materials incorporated in the production, labour and general manufacturing costs, based on the normal level of production. The difference in charges capitalized and recognized as these types of inventories between the beginning and the end of the year is recognized as a variation in production in the income statement.

f) Government or other public entities´ Grants

Government grants are recognized at the respective fair value when there is a solid guarantee that they will be received and that the Company will be able to accomplish the conditions required to its concession.

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

g) Impairment of assets

Non-current assets except Goodwill

Assets are assessed for impairment at each statement of financial position date whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Whenever the carrying amount of an asset exceeds its recoverable amount (defined as the highest of the net sales price and the value in use, or as the net sales price for assets held for sale), an impairment loss is recognized in the statement of profit and loss under the caption "Provisions and impairment losses". The net selling price is the amount that would be obtained from the sale of an asset in a transaction between independent entities, less the cost of the disposal. The value in use is the present value of estimated future cash flows expected to arise from the continued use of an asset and its disposal at the end of its useful life. Recoverable amounts are estimated for individual assets or, if not possible, for the cash-generating unit to which the asset belongs.

The reversal of impairment losses recognized in previous years is recorded when it is concluded that the impairment losses recognized for the asset no longer exist or have decreased. This analysis is performed whenever there is an indication that the impairment losses previously recognized have been reversed. The reversal is recorded in the statement of profit or loss in the caption "Provisions and impairment losses". However, the increased carrying amount of an asset due to a reversal of an impairment loss is recognized to the extent it does not exceed the carrying amount that would have been determined (net of depreciation and amortization) had no impairment losses been recognized for that asset in prior years.

Goodwill

The value of Goodwill is not amortized, being tested for impairment purposes on an annual basis. The recoverable amount is determined as being the present value of estimated future cash flows that are expected to be generated by the continuous use of the asset. Impairment losses of Goodwill are recognized in the income statement in the caption "Provisions and Impairment Losses".

Goodwill impairment losses cannot be reversed.

h) Financial Expenses

Financial charges related to financing obtained are recognized as an expense in the income statement for the period in which they are incurred, on an accrual basis, unless these charges are directly related to the acquisition, construction or production of fixed assets that necessarily take a substantial period of time to be ready for their intended use or sale, in which case they are capitalized, forming part of the cost of the asset. The capitalization of these charges starts after the preparation of the construction or development activities of the asset begins and is interrupted when the asset is ready to be used or when the project is suspended. Any financial income generated by loans obtained, directly related to a specific investment, is deducted from the financial charges eligible for capitalization.

i) Financial Assets

Recognition

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

Classification

The classification of financial assets depends on the business model followed by the Company in the management of financial assets (receipt of cash flows or appropriation of changes in fair value) and the contractual terms of cash flows receivables (if it only includes capital plus interest or other variables are included).

Changes to the classification of financial assets can only be made when the business model is changed, except in the case of financial assets at fair value through other comprehensive income, which are equity instruments and, therefore, can never be reclassified to another category.

Financial assets can be classified according to the following measurement categories:

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

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

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

b. In the case of equity instruments, this category includes the percentage of interest held in entities over which the Company does not exercise control, joint control or significant influence and which the Company irrevocably chose, on the date of initial recognition, to designate at fair value through other comprehensive income.

(iii) Financial assets at fair value through profit or loss: includes assets that do not meet the criteria for classification as financial assets at amortized cost or at fair value through other comprehensive income, whether they refer to debt instruments or equity instruments that were not designated at fair value through other comprehensive income.

The classification of the Company's financial assets by category as of December 31, 2020, is shown in Note 29.

Measurement

The Company initially measures financial assets at fair value, plus transaction costs directly attributable to the acquisition of the financial asset, for financial assets that are not measured at fair value through profit or loss. Transaction costs of financial assets at fair value through profit or loss are recorded in the income statement when incurred.

Financial assets at amortized cost are subsequently measured in accordance with the effective interest rate method, deducted of impairment losses. Interest income on these financial assets is included in "Interest earned on assets at amortized cost" in financial income.

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

Financial assets at fair value through other comprehensive income which are equity instruments, are measured at fair value on the date of initial recognition and subsequently and changes in fair value are recorded directly in other comprehensive income, in equity and no future reclassifications will occur, even after derecognition of the investment. Dividends obtained from these investments are recognized as gains, in the income statement for the year, on the date they are attributed.

Impairment losses

The Company prospectively assesses the expected credit losses associated with the financial assets, which are debt instruments, classified at amortized cost and at fair value through other comprehensive income.

The applied impairment methodology takes into account the credit risk profile of the debtors and different approaches are used depending on the nature of the debtors.

With respect to the accounts receivable under the "Accounts receivable" and "Other Accounts receivable" headings and Assets from contracts with customers, the Company uses the simplified approach allowed by IFRS 9, according to which expected credit losses are recognized since the initial recognition of the accounts receivable and throughout their maturity, considering a matrix of historical default for the maturity of the accounts receivable, adjusted via prospective estimates.

With respect to accounts receivable from related entities, which are not considered part of the financial investment of these entities, credit impairment is assessed according to the following criteria: i) if the account receivable is immediately payable ("on demand"); ii) if the account receivable has a low risk; or (iii) if it has a maturity of less than 12 months.

In cases where the amount receivable is immediately payable and the related entity is able to pay it, the probability of default is close to 0% and, therefore, the impairment is considered equal to zero. In cases where the account receivable is not immediately payable, the related entity's credit risk is assessed and if it is considered "low" or if the maturity is less than 12 months, then the Company only evaluates the probability of a default occurring for the cash flows that will mature in the next 12 months.

To all other situations and types of accounts receivable, the Company uses the general approach of the impairment model, evaluating on each reporting date whether there has been a significant increase in credit risk since the date on which the asset was initially recognized. If there is no increase in credit risk, the Company calculates an impairment corresponding to the amount equivalent to expected losses within a period of 12 months. If there is an increase in credit risk, the Company calculates an impairment corresponding to the amount equivalent to expected losses for all contractual flows until the maturity of the asset.

Derecognition of financial assets

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

Fair Value of Financial Investments

To determine the fair value of a financial asset or liability, if such a market exists, the market price is applied (Level 1). A market is regarded as active if quoted prices are readily and regularly available from an exchange, broker or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis. Otherwise, which is the case of some financial assets and liabilities, valuation techniques that are generally accepted in the market are used based on market assumptions (e.g.: discounted cash flow models that incorporate interest rate curves and market volatility, which is the case of derivative financial instruments) (Level 2). On the other cases, valuation techniques are used, not based on observable market data (Level 3).

Investments are all initially recognized at fair value, including transaction costs, with the exception of investments recognized at fair value through profit or loss. In this case, investments are initially recognized at fair value and the respective transaction costs are recognized directly in the income statement.

The "equity instruments at fair value through equity" are subsequently maintained at fair value by reference to their market value at the date of the statement of financial position, without any deduction related to transaction costs that may occur until their sale.

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

All purchases and sales of investments are recorded on their trade date, which is on the date the Company assumes all risks and obligations related to the purchase or sale of the asset.

The fair value of equity instruments at fair value through equity is based on current market prices. If the market in which the investments are inserted is not an active/liquid market (unlisted investments), the Company records it at acquisition cost, taking into account the existence or not of impairment losses. The Company's Board of Directors believes that the fair value of these investments does not differ significantly from their acquisition cost. The fair value of listed investments is calculated based on the closing price of the stock market where they are traded, at the date of the statement of financial position.

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

The investments are derecognized if the right to receive financial flows has expired or was transferred and consequently, all associated risks and benefits have been transferred.

i) Cash and cash equivalents

Cash and its equivalents include cash on hand, bank deposits, term deposits and other treasury applications which reach their maturity within less than three months and are subject to insignificant risks of change in value.

ii) Customers and Other Accounts receivable

Customers and Other Accounts receivable

These headings mainly include customer balances resulting from services rendered as part of the Company's activity and other balances related to operating activities. Balances are classified as current assets when they are estimated to be collected within a 12-month period. Balances are classified as non-current when they are estimated to be collected more than 12 months after the reporting date.

The "Customers" and "Other Accounts receivable" headings are initially recognized at fair value and are subsequently measured at amortized cost, deducted of impairment losses. Impairment losses in Customers and Other Accounts receivable are recorded in accordance with the principles described in the policy in Note 2.3.i. The identified impairment losses are recorded in the income statement as "Impairment losses" and are subsequently reversed through results.

j) Financial Liabilities

Financial liabilities are classified in two categories:

i) Financial liabilities at fair value through profit or loss; and

ii) Financial liabilities at amortized cost.

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

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

As of December 31, 2020, the Company has only recognized liabilities classified as "Financial liabilities at amortized cost".

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

i) Loans obtained

Loans obtained are initially recognized at fair value, net of any transaction costs incurred. Loans are subsequently measured at amortized cost and the difference between the nominal value and the initial fair value recognized in the income statement and in the other comprehensive income statement throughout the term of the loan using the effective interest rate method.

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

ii) Suppliers

These captions usually include balances with suppliers of goods and services that the Company acquired in the normal course of its business. The items included in these will be classified as current liabilities if the payment is due within 12 months or less; otherwise, the accounts payable will be classified as non-current liabilities.

These financial liabilities are initially recognized at fair value. After their initial recognition, the liabilities shown under the "Supplier's" caption are measured at amortized cost, using the effective interest rate method.

k) Retirement benefits (Defined benefit plans and Defined Contribution plans)

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

Liabilities for pensions recognized at the date of the statement of financial position represent the present value of future benefits, adjusted for actuarial gains or losses and/or liabilities for past unrecognized services, less the fair value of the net assets of the pension fund (Note 21). This pension plan defines the amount of pension benefits that an employee will receive on retirement, usually dependent on one or more factors, such as age, years of service and remuneration. This pension plan is the responsibility of the entity BPI Vida e Pensões, S.A..

The liability recognized in the statement of financial position in relation to the defined benefit plan is the present value of the defined benefit obligation at the date of the financial statements. The defined benefit plan obligations are calculated annually by an independent actuary, using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting future cash outflows, using the interest rate on high quality bonds denominated in the same currency in which the benefits will be paid and with terms of maturity that approximate those of the assumed responsibility.

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

Past service costs are immediately recognized in the income statement, except if changes in the pension plan are conditioned by the employees remaining in service for a certain period of time (the period that qualifies for the benefit). In this case, past service costs are amortized on a straight-line basis over the period in question.

Gains and losses generated by a cut or settlement of a defined benefit pension plan are recognized in the income statement for the year in which the cut or settlement occurs. A cut occurs when there is a material reduction in the number of employees or the plan is changed so that the defined benefits are reduced, with a material effect, thus originating a reduction in the responsibilities with the plan.

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

l) Contingent Assets and Liabilities

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

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

Contingent assets are possible assets that arise from past events and whose existence will only be confirmed by the occurrence or not of one or more uncertain future events not totally under the Company's control.

Contingent assets are not recorded in the Company´s financial statements but only disclosed when it is likely the existence of future economic benefits.

m) Income Taxes

In March 2007, the Company took the decision to apply to the Special Taxation Regime of Corporate Income Tax for Group´s ("RETGS" – Regime Especial de Tributação de Grupos de Sociedades) according to the articles 69th and 70th of the Income Tax Code (CIRC) and beginning in January 1, 2007. Under this regime, the parent company (Toyota Caetano Portugal, S.A.) shall book the income tax calculated in the affiliated companies (Caetano Auto, S.A. and Caetano Renting, S.A.) in order to determine the Group´s corporate income tax.

Income tax for the year is calculated based on net income, adjusted in accordance with the tax legislation in force on the date of the financial position.

Deferred taxes are calculated based on the liability method of the statement of financial position and reflect the temporary differences between the amount of assets and liabilities for accounting purposes and the respective amounts for tax purposes. Deferred tax assets and liabilities are not recognized when the temporary differences arise from Goodwill or from the initial recognition of assets and liabilities other than through business combinations. Deferred tax assets and liabilities are calculated and evaluated annually using the tax rates in force, or announced to be in force, at the expected date of reversal of temporary differences.

Deferred tax assets are only recorded when there is reasonable expectation that sufficient taxable profits will arise in the future to allow their use or when there are temporary taxed differences that overcome temporary deductible differences at the time of its reversal. At the end of each year the Company reviews its recorded and unrecorded deferred tax assets which are reduced whenever their realization ceases to be likely, or recorded if it is likely that taxable profits will be generated in the future to enable them to be recovered.

Deferred tax assets and liabilities are recorded in the income statement, except if they relate to items directly recorded in equity, situations in which the corresponding deferred tax is also recorded in equity captions.

n) Accrual basis

Revenues and expenses are recorded according to the accrual basis, by which they are recognized in the period to which they relate independently of when the amounts are received or paid. Differences between the amounts received and paid and corresponding income and expenses are recorded in the captions of accruals and deferrals included in "Other current assets" and "Other current liabilities".

Income and expenses for which the actual amount is yet unknown are recorded based on the best estimate of the Company´s Board of Directors.

o) Revenue - contracts with customers

Revenue corresponds to the fair value of the amount received or receivable from transactions with customers in the normal course of business. Revenue is recorded net of any taxes, trade discounts and financial rebates.

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

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

The Company considers that, given the nature of the product or service that is associated with the performance obligations undertaken, the transfer of control occurs mostly on a specific date, but there may be transactions in which the transfer of control occurs continuously over the contractual period that has been previously established.

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

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

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

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

The amounts "Other debts to third parties" and "Other current liabilities" as of December 31, 2020 include the amounts of 295.608 Euros related to down payments (276.584 Euros as of December 31, 2019) and 10.342.043 Euros related to deferred revenue, including vehicle maintenance contracts, (7.270.846 Euros as of December 31, 2019), respectively, constitute contractual liabilities under IFRS 15 (Notes 19 and 20 respectively).

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

Realizable assets and liabilities due over one year from the date of the statement of financial position are classified, respectively, as non-current assets and liabilities and deferred tax assets and liabilities are also included in these items.

q) Earnings per share

Basic:

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

Diluted:

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

r) Segment information

In each year, the Group identifies the most adequate business and geographic segments.

Information related to the identified operating segments is included in Note 24.

In that note we can find information by subsegments. For the subsegment of automotive vehicles information is presented by commercial and industry. For the subsegment of industrial equipment, information is presented by machines, services and rental.

s) Financial investments in subsidiaries, joint ventures and associates

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

In accordance with the equity method, financial investments are initially recorded at their acquisition cost and annually adjusted by the amount corresponding to the Company's participation in changes in equity (including net income) of the subsidiaries against the gains or losses of the year, as well as for dividends received and other equity variations occurred in the subsidiaries. The differences between the acquisition cost and the fair value of the identifiable assets and liabilities of the investee on the acquisition date, if positive, are recognized as Goodwill and maintained under the caption "Financial investments in subsidiaries, joint ventures and associates". If these differences are negative, they are recorded as a gain for the period in the income statement item "Results related to investments in subsidiaries, joint ventures and associates", after reconfirmation of the fair value attributed.

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

When the proportion of the Company in the accumulated losses of the investee exceeds the amount by which the financial investment is recorded, the investment is reported at null value as long as the equity of the investee is not positive, except when the Company has made commitments to the entity, in which case a provision is recorded to face these obligations.

Unrealized gains on transactions with subsidiaries are eliminated in proportion to the Company's interest in the subsidiary, with a corresponding entry to the financial investment in that same entity. Unrealized losses are similarly eliminated, but only to the extent that it does not show that the transferred asset is impaired.

t) Balances and transactions expressed in foreign currencies

Assets and liabilities expressed in foreign currency were converted into Euros using the exchange rates in force on the date of the transactions. Exchange differences, favourable and unfavourable, caused by differences between the exchange rates in force on the date of the transactions and those in effect on the date of collections, payments or at the date of the statement of financial position, are recorded as gains and losses in the statement of income of the year.

u) Subsequent events

Events occurring after the statement of financial position date which provide additional information about conditions prevailing at the time of the statement of financial position ('adjusting events') are reflected in the financial statements. Events occurring after the statement of financial position date that provide information on post-statement of financial position conditions ('non-adjusting events'), when material, are disclosed in the Notes to the financial statements.

2.4 JUDGMENTS AND ESTIMATES

During the preparation of the financial statements, the Company´s Board of Directors based itself in the best knowledge and in the experience of past and/or present events considering some assumptions relating to future events.

The most significant accounting estimates included in the attached financial statements as of December 31, 2020 and 2019 include:

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

b) Impairment analysis of tangible fixed assets and intangible assets;

c) Recoverability of deferred tax assets;

d) Accounting for adjustments to the asset values (accounts receivable and inventories) and provisions;

e) Impairment tests performed to goodwill (Note 7); and

f) Determination of liabilities with retirement benefits (Note 21).

The underlying estimations and assumptions were determined based in the best knowledge existing at the date of approval of the financial statements of the events and transactions being carried out as well as in the experience of past and/or present events. Nevertheless, some situations may occur in subsequent periods which, not being predicted at the date of approval of the financial statements, were not considered in these estimations. The changes in the estimations that occur after the date of the financial statements shall be corrected in a foresight way. Due to this fact and to the uncertainty degree associated, the real results of the transactions may differ from the corresponding estimations. Changes to these estimates, which occur after publication of these consolidated financial statements, will be corrected in a prospective way, in accordance with IAS 8. The assumptions with the greatest impact on the estimates mentioned above are the discount rate used for the purposes of calculating the pension liabilities and the Goodwill impairment and the mortality table used for the purposes of calculating the pension liabilities.

The main significant judgments and estimations and assumptions relating to future events included in the preparation of the financial statements are described in the related notes to the financial statements.

2.5 RISK MANAGEMENT POLICIES

The Company's activity is exposed to a variety of financial risks, such as market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. These risks arise from the unpredictability of financial markets that affect the capacity of projected cash flows and profits subject to a perspective of long term ongoing. Management seeks to minimize potential adverse effects that derive from that uncertainty in its financial performance.

The financial risks management is controlled by Toyota Caetano financial department, according to the policies established by the Group´s Board of Directors. The Board of Directors has established the main principles of global risk management as well as specific policies for some areas, as interest rate risk and credit risk.

i) Exchange rate risk

As a Company with commercial interests geographically diversified, the exchange rate risk is mainly the result of transactions arising from the purchase and sale of products and services in a currency that is different from the functional currency of each business.

The exchange rate risk management policy seeks to minimize the volatility of the investments and operations denominated in foreign currencies, contributing to reduce the sensitivity of the Company's results to exchange rate fluctuations. The Company's exchange rate management policy is focused on a case-by-case assessment of the opportunity to hedge this risk, taking into account, particularly, the specific circumstances of the currencies and countries in question.

ii) Price risk

The Company is exposed to changes in the prices of raw materials used in its production processes, namely automotive components. However, taking into account that the acquisition of raw materials does not comply with a price quoted on the stock exchange or formed in volatile markets, this price risk is not significant.

iii) Interest rate risk

The Company'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 Company'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 the latter having positive effects on other lines of interest results (namely operating) of the Company, thereby partially offsetting the increased financial costs ("natural hedge"); and (ii) existence of liquidity or cash equivalents that are also remunerated at variable rates.

The Board of Directors of Toyota Caetano approves the terms and conditions of the financing, analysing for this purpose 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 the permanent monitoring of the conditions and alternatives existing in the market, is responsible for the decision on the occasional contracting of derivative financial instruments to cover interest rate risk.

iv) Liquidity risk

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

The existence of liquidity in the Company implies that performance parameters are defined in the management function of that same liquidity that allow maximizing the return obtained and minimizing the opportunity costs associated with holding that same liquidity, in a safe and efficient manner.

Liquidity risk management at the Company and the Toyota Caetano Group aims to:

- Liquidity, that is, guaranteeing permanent and most efficient access to sufficient funds to cover current payments on the respective due dates, as well as any requests for funds within the defined deadlines, even if not foreseen;

- Security, that is, to minimize the probability of default in the reimbursement of any investment of funds; and
- Financial efficiency, that is, ensuring that the Company maximizes the value/minimizes the opportunity cost of holding excess liquidity in the short-term.

Any and all excess liquidity existing in the Company and its subsidiaries is applied to the amortization of short--term debt, according to criteria of economic and financial reasonableness. For this purpose, liquidity management comprises the following aspects:

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

b) Diversification of financing sources;

c) Diversification of the maturities of the debt issued in order to avoid excessive concentration in short periods of debt repayments;

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

v) Capital risk

Management's primary objective is to ensure continuity of operations, providing shareholders with adequate remuneration and the corresponding benefits to the Company's other stakeholders. For the pursuit of this objective, careful management of capital employed in the business is essential, seeking to ensure an optimum capital structure, thereby achieving the necessary reduction in its cost. In order to maintain or adjust the capital structure considered adequate, the Management may propose to the General Shareholders' Meeting the measures deemed necessary.

vi) Credit risk

The Company's credit risk results essentially from:

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

ii) the risk of recovering the credits of entities outside the Company. Credit risk is assessed at the initial moment and over time, in order to monitor its evolution.

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

Credit risk is monitored by the Company's financial department, under the supervision of the Board of Directors, based on: i) the rating assigned by the credit insurance company, with which the Company has negotiated a credit insurance agreement; (ii) the debtors' corporate nature; iii) the type of transactions originating the accounts receivable; iv) the experience of past transactions; and (v) the credit limits established for each customer.

The Company considers the probability of default upon the initial recognition of the asset and, according to 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 Company 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. Adequate and duly supported prospective information is considered. The following indicators are taken into account:

- Internal credit risk;
- External credit risk (where 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 for liabilities, or in the quality of third-party guarantees;
- Significant changes in the debtor's expected performance and behaviour, including changes in the debtor's payment conditions at the level of the Company to which it belongs, as well as changes at the level of its operating results.

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

Irrespective of the above analysis, a significant increase in credit risk is presumed to exist if a debtor is in default by more than 30 days from the contractual payment date.

Default is deemed to exist when the counterparty fails to make contractual payments within 90 days of the invoice due date. When financial assets are derecognized, the Company continues to take the necessary measures to recover the amounts owed. In cases of successful recovery, the recovered amounts are recognized in the income statement for the year.

Financial assets are derecognized when there is no real expectation of recovery. The Company classifies a loan or account receivable to be derecognized when the debtor fails to make contractual payments within 90 days.

Impairment of financial assets

a) Customers and Other Accounts receivable

The Company uses the simplified approach to calculate and record the expected credit losses required by IFRS 9, which allows using estimated impairment losses for all "Customers" and "Other Accounts receivable" balances. In order to measure expected credit losses, "Customers" and "Other Accounts receivable" were aggregated based on the shared credit risk characteristics, as well as on the days of delay. Impairment losses on December 31, 2020 are determined as follows; the expected credit losses include information from prospective estimates. Seniority of customer balances in Note 12.

b) Loans granted to related entities Loans granted to related entities

The balances in "Loans granted to related parties" are considered to have a low credit risk and, therefore, impairment in credit losses recognized during the period are limited to expected credit losses estimated for 12 months. These financial assets are considered to have a "low credit risk" when they have a low collectability risk and the debtor has a high capacity to meet its contractual cash flow liabilities in the short-term.

The main goal of Toyota Caetano's credit risk management is to ensure the effective collection of the operating receivables from its Customers, according to the negotiated payment terms.

In order to mitigate the credit risk that results from the potential customer-related defaults on payments, the Group's companies that are exposed to this risk have:

- A specific Credit Risk analysis and monitoring department;
- Proactive credit management processes and procedures that are implemented and always supported by information systems;
- Hedging mechanisms (credit insurance, letters of credit, etc.).

With regard to customers representing car dealers and repairers, the Company requires obtaining bank guarantees "on first demand", which, when exceeded, implies the interruption of supplies.

Impairments of accounts receivable are calculated taking into account (a) the customer's risk profile, (b) the average collection period and (c) the customer's financial condition. The movements of these adjustments for the years ended December 31, 2020 and 2019 are disclosed in Note 22.

As of December 31, 2020, the Company considers that there is no need for additional impairment losses beyond the amounts recorded on those dates and shown, in summary, in Note 22.

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

c) Cash equivalents

The credit quality of bank deposits on December 31, 2020 can be summarize as follow:

BANK DEPOSITS RATING	RATING AGENCIES	BANK DEPOSITS
A2	Moody's	24.184
A3	Moody's	162.230
Aa3	Moody's	11.674
B1	Moody's	49.181
B2	Moody's	468.382
Baa1	Moody's	4.081.732
Baa3	Moody's	2.750.770
	Others without rating	505.260
Total		**8.053.413**

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

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

During the year ended as of December 31, 2020, there were no changes in accounting policies and no material mistakes related with previous periods were identified.

In the year ended as of December 31, 2020, the margins obtained from sales to subsidiary companies that remain in their respective inventories at the reporting date and which are subject to write-off as a result of the application of the equity method, started to be recognized directly as a deduction to the caption "Financial investments in subsidiaries and associates", instead of being considered as a liability under the caption "Other current liabilities", according to the procedure previously followed.

The reclassification had an impact on non-current assets and current liabilities in the statement of financial position, thus constituting a restatement of the statement of financial position, which was not considered materially relevant by the Company's Board of Directors.

The impact of the restatement is as follows:

REEXPRESSION STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2019

ASSETS	31/12/2019 BEFORE RESTATAMENT	RECLASSIFICATION	31/12/2019 AFTER RESTATEMENT
NON-CURRENT ASSETS			
Intangible assets	202.804		202.804
Tangible fixed assets	27.400.458		27.400.458
Investment properties	12.754.648		12.754.648
Goodwill	611.997		611.997
Financial investments in subsidiaries and associates	47.827.499	-3.413.697	44.413.802
Other financial investments	19.600		19.600
Deferred tax assets	1.447.256		1.447.256
Total non-current assets	90.264.262	-3.413.697	86.850.565
CURRENT ASSETS			
Inventories	75.326.451		75.326.451
Accounts receivable	72.522.678		72.522.678
Other accounts receivable	4.453.817		4.453.817
Corporate income tax receivable	253.616		253.616
Other current assets	499.118		499.118
Other financial investments	1.995.192		1.995.192
Cash and cash equivalents	9.465.441		9.465.441
Total current assets	164.516.312		164.516.312
TOTAL ASSETS	**254.780.574**	**-3.413.697**	**251.366.877**

EQUITY AND LIABILITIES	31/12/2019 BEFORE RESTATEMENT	RECLASSIFICATION	31/12/2019 AFTER RESTATEMENT
EQUITY			
Share capital	35.000.000		35.000.000
Legal reserve	7.498.903		7.498.903
Adjustments to financial investments	8.437.143		8.437.143
Revaluation reserve	6.195.184		6.195.184
Other reserves	67.319.346		67.319.346
Retained earnings	5.279.796		5.279.796
Net income	11.593.984		11.593.984
Total equity	141.324.356		141.324.356
LIABILITIES			
NON-CURRENT LIABILITIES			
Loans	34.956.029		34.956.029
Pension Fund Defined benefit plan liabilities	6.150.000		6.150.000
Deferred tax liabilities	110.279		110.279
Total non-current liabilities	41.216.308		41.216.308
CURRENT LIABILITIES			
Loans	5.968.352		5.968.352
Accounts payable	33.586.141		33.586.141
Other accounts payable	13.078.051		13.078.051
Other current liabilities	19.607.366	-3.413.697	16.193.669
Total current liabilities	72.239.910	-3.413.697	68.826.213
Total liabilities	**113.456.218**	**-3.413.697**	**110.042.521**
TOTAL EQUITY + LIABILITIES	**254.780.574**	**-3.413.697**	**251.366.877**

Additionally, in the year ended December 31, 2020, the Board of Directors made the following changes:

a) income from forklift rental activity (industrial equipment) and vehicle maintenance contracts, previously classified as "Other operating income", was reclassified to the caption "Sales and services" in the amount of 15.960.550 Euros;

b) the amounts of sales and cost of sales of 6,696,585 Euros generated in connection with the assignment of cars and forklift trucks to tangible fixed assets were derecognized and started to be presented as transfers in the tangible fixed assets items and recalculation of cost of sales, respectively.

Accordingly, it was necessary to proceed with the restatement of this income for the year ended December 31, 2019. The Company's Board of Directors believes that this classification is more appropriate and that the restatement carried out does not materially affect the presentation of the financial statements.

The restatement had an impact on the individual income statement by nature, as detailed below:

	31/12/2019 BEFORE RESTATEMENT	RECLASSIFICATION	31/12/2019 AFTER RESTATEMENT
Operational gains			
Sales and service rendered	361.725.495	9.263.965	370.989.460
Other gains	39.285.293	-15.960.550	23.324.743
Variation in production	1.132.295		1.132.295
Total operational gains	**402.143.083**	**-6.696.585**	**402.143.083**
Operational expenses			
Cost of goods sold and raw materials consumed	-306.011.719	-6.696.585	-299.315.135
External supplies and services	-45.661.899		-45.661.899
Payroll expenses	-16.594.512		-16.594.512
Depreciations	-8.699.177		-8.699.177
Impairment losses in inventories	-561.873		-561.873
Impairment losses in accounts receivable	-36.526		-36.526
Other expenses	-10.123.588		-10.123.588
Total operational expenses	**-387.689.296**	**-6.696.585**	**-380.992.710**
Operational income	**14.453.787**		**14.453.787**
Gains related with investments in subsidiaries and associates	2.245.031		2.245.031
Interest expenses	-1.873.154		-1.873.154
Interest income	4.583		4.583
Income before taxes	**14.830.247**		**14.830.247**
Income tax for the year	-3.236.263		-3.236.263
Net income	11.593.984		11.593.984

4. CASH AND CASH EQUIVALENTS

As of December 31, 2020 and December 31, 2019 cash and cash equivalents detail was as follows:

	DEC'20	DEC'19
Cash	87.994	87.602
Immediately withdrawable bank deposits	8.053.413	9.377.839
Net financial resources	**8.141.407**	**9.465.441**

The Company proceeded in the Cash Flow Statement to reclassify the VAT - Value Added Tax delivered to the Tax Authority from the item "Payments to suppliers" to the item "Other receipts/payments related to operating activity". This change was also taken into account in the comparative data of December 31, 2019.

5. TANGIBLE FIXED ASSETS

During 2020 and 2019 the movement in tangible fixed assets as well as in the accumulated depreciation was as follows:

Dec'20	LAND	BUILDINGS AND OTHER CONSTRUCTIONS	MACHINERY AND EQUIPMENT	TRANSPORT EQUIPMENT	ADMINISTRATIVE EQUIPMENT	OTHER FIXED ASSETS	ASSETS UNDER RIGHT OF USE	TANGIBLE FIXED ASSETS IN PROGRESS	TOTAL
Gross:									
Initial balance	5.421.882	33.049.277	53.442.648	11.171.651	6.261.001	3.027.901	41.146.951	504.267	154.025.580
Increases	-	40.666	281.837	393.722	7.755	19.830	-	124.811	868.621
Disposals	-182	-	-10.581	-5.691.194	-	-1.424	-		-5.703.381
Transfers and Write-offs	-	511.289	279.462	18.349.686	-	2.160	-14.874.362	-598.798	3.669.437
Final balance	**5.421.700**	**33.601.232**	**53.993.366**	**24.223.865**	**6.268.756**	**3.048.467**	**26.272.589**	**30.280**	**152.860.257**
Depreciations:									
Initial balance	-	30.807.893	51.589.811	9.503.562	6.202.438	2.934.087	25.587.331	-	126.625.123
Increases	-	469.209	548.463	2.278.470	26.296	29.357	4.378.486	-	7.730.281
Transfers, disposals and write-offs	-	-	-10.581	10.327.214	-	-1.424	-15.220.248	-	-4.905.039
Final balance	**-**	**31.277.102**	**52.127.693**	**22.109.246**	**6.228.734**	**2.962.020**	**14.745.569**	**-**	**129.450.365**
Net Value	**5.421.700**	**2.324.130**	**1.865.673**	**2.114.619**	**40.022**	**86.447**	**11.527.020**	**30.280**	**23.409.892**

Dec'19	LAND	BUILDINGS AND OTHER CONSTRUCTIONS	MACHINERY AND EQUIPMENT	TRANSPORT EQUIPMENT	ADMINISTRATIVE EQUIPMENT	OTHER FIXED ASSETS	ASSETS UNDER RIGHT OF USE	TANGIBLE FIXED ASSETS IN PROGRESS	TOTAL
Gross:									
Initial balance	5.421.882	32.862.416	53.142.845	49.905.484	6.240.812	2.992.338		107.460	150.673.238
Effect of change in accounting policy - IFRS 16				(36.581.801)			36.581.801	-	
Increases	-	186.861	396.324	206.977	21.021	35.875	-	497.927	1.344.985
Disposals	-		(96.521)	(3.427.056)	(832)	(312)	(1.063.388)		(4.588.109)
Transfers and Write-offs				1.068.048			5.628.537	(101.120)	6.595.465
Final balance	**5.421.882**	**33.049.277**	**53.442.648**	**11.171.651**	**6.261.001**	**3.027.901**	**41.146.951**	**504.267**	**154.025.580**
Depreciations:									
Initial balance	-	30.388.020	50.985.534	31.227.188	6.165.534	2.913.765	-	-	121.680.041
Effect of change in accounting policy - IFRS 16				(20.107.820)			20.107.820	-	-
Increases		419.873	700.798	715.075	37.736	20.633	6.464.559		8.358.675
Transfers, disposals and write-offs			(96.521)	(2.330.881)	(832)	(312)	(985.048)		(3.413.593)
Final balance	**-**	**30.807.893**	**51.589.811**	**9.503.562**	**6.202.438**	**2.934.087**	**25.587.331**	**-**	**126.625.123**
Net Value	**5.421.882**	**2.241.384**	**1.852.837**	**1.668.090**	**58.563**	**93.815**	**15.559.619**	**504.267**	**27.400.458**

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

The "Transfers and write-offs" typology in 2020 includes, among others:

a) transfers between the assets under right of use and transport equipment item in the amount of 17,121,439 Euros corresponding to the reclassification by the Company of the cargo handling machines whose financing contract has ended, the Company having acquired them in accordance with the established contractualization;

b) transfers of inventories to tangible fixed assets caption in relation to forklifts for the purposes of rental activity (2.241.077 Euros) and vehicles for the purpose of carrying out the Entity's operational activity (1.234.248 Euros).

As at December 31, 2020 and 2019 the tangible fixed assets used finance lease are presented as follows:

Dec'20	GROSS VALUE	ACCUMULATED DEPRECIATIONS	NET VALUE
Assets under right of use Industrial equipment	26.272.589	(14.745.569)	11.527.020

Dec'19	ACQUISITION VALUE	ACCUMULATED DEPRECIATIONS	CURRENT VALUES
Tangible fixed assets Industrial equipment	41.146.951	(25.587.331)	15.559.619

6. INVESTMENT PROPERTIES

As of December 31, 2020 and December 31, 2019, the caption "Investment properties" corresponds to real estate assets held by Toyota Caetano in order to obtain income through its lease or increase in value. These assets are measured at acquisition cost.

Gains associated with Investment properties are recorded in the caption "Other operational income" and amount to 3,106,216 Euros in the period ended as of December 31, 2020 (3.545.189 Euros as of December 31, 2019) (Note 27).

In accordance with external appraisals done by independent experts and in accordance with two internal appraisals and evaluation criteria usually accepted for real estate markets (Market Method, Return Method and Use Method), the fair value of those investment properties amounts to, approximately, 61,9 Million Euros (61,4 Million Euros in 2019).

The detail of the real estate assets recorded under the caption "Investment Properties" on December 31, 2020 and December 31, 2019, is as follows:

		DEC'20			DEC'19		
BUILDINGS	PLACE	CARRYING AMOUNT	FAIR VALUE	APPRAISAL	CARRYING AMOUNT	FAIR VALUE	APPRAISAL
Industrial facilities	V.N. Gaia	2.435.727	14.903.000	External	2.584.894	8.692.000	Internal
Industrial facilities	V.N. Gaia	213.887	625.100	External	225.720	788.000	Internal
Industrial facilities	Carregado	4.922.944	19.412.500	External	4.951.364	23.120.000	Internal
Industrial warehouse	V.N. Gaia	763.797	9.165.200	Internal	784.140	9.165.200	External
Commercial facilities	Cascais	-	-	-	91.948	1.300.000	Internal
Commercial facilities	Cascais	266.859	1.000.000	Internal	281.715	1.000.000	Internal
Commercial facilities	Prior Velho	3.195.563	15.447.300	External	3.464.725	15.715.000	Internal
Commercial facilities	Vila Franca Xira	348.064	1.302.500	External	370.142	1.648.000	Internal
		12.146.841	**61.855.600**		**12.754.648**	**61.428.200**	

The fair value of the external valuations of investment properties, which is disclosed on December 31, 2020 and December 31, 2019, was determined by a 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 Yield method).

With regard to the classification of the aforementioned valuation methodologies, for purposes of classification, according to the fair value hierarchy (IFRS 13), they are classified essentially 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 movement in the caption "Investment properties" on December 31, 2020 and 2019 was as follows:

DEC'20	LAND	BUILDINGS AND OTHER CONSTRUCTIONS	INVESTMENT PROPERTIES IN PROGRESS	TOTAL
GROSS:				
Initial balance	8.884.303	30.185.325	521.622	39.591.250
Increases		75.758		75.758
Disposals		-417.282		-417.282
Transfers and write-offs		273.851	-521.622	-247.770
Final balance	**8.884.303**	**30.117.652**	**0**	**39.001.955**
DEPRECIATIONS:				
Initial balance	0	26.836.602	0	26.836.602
Increases		343.846		343.846
Transfers, disposals and write-offs		-325.334		-325.334
Final balance	**0**	**26.855.114**	**0**	**26.855.114**
NET VALUE	**8.884.303**	**3.262.538**	**0**	**12.146.841**

DEC'19	LAND	BUILDINGS AND OTHER CONSTRUCTIONS	CONSTRUCTION IN PROGRESS	TOTAL
GROSS:				
Initial balance	8.884.303	30.126.572	0	39.010.875
Increases		58.753	420.502	479.255
Disposals	-	-		-
Transfers and write-offs			101.120	101.120
Final balance	**8.884.303**	**30.185.325**	**521.622**	**39.591.250**
DEPRECIATIONS:				
Initial balance	-	26.503.315	-	26.503.315
Increases		333.287		333.287
Transfers, disposals and write-offs		-		-
Final balance	**-**	**26.836.602**	**-**	**26.836.602**
NET VALUE	**8.884.303**	**3.348.724**	**521.622**	**12.754.648**

The movements that occurred in the year ended as of December 31, 2020 are due to improvements in the facilities of Prior Velho and Vila Nova de Gaia and the sale of the commercial facilities in Cascais (sale for the amount of 1.300.000 Euros, resulting in a gain of, approximately, 1.2 Million Euros (Note 27)).

The movements that occurred in the year ended as of December 31, 2019 are due to improvements in the Prior Velho facilities.

7. GOODWILL

During the year ended December 31, 2020, there were no movements in Goodwill.

The caption "Goodwill" is related with BT Activity (forklifts) resulting from the acquisition of the subsidiary Movicargo, whose activity was transferred (through a merger process) to the parent company, Toyota Caetano Portugal, S.A., in prior years.

Goodwill is not amortized, being tested annually for impairment.

For the purpose of developing the impairment test, the recoverable amount was determined based on its value in use, in accordance with the discounted cash flow method, based on business plans developed by the Company's officers and duly approved by the Company's Board of Directors of Toyota Caetano Portugal, SA and discount rates that reflect the inherent risks in the business.

As of December 31, 2020 and 2019, the method and assumptions used to assess the existence, or not, of impairment, are summarized below:

	2020	2019
Cash Flows Projection period (years)	5	5
Sales growth rate in the projection period	2,00%	2,00%
Growth Rate (g)[1]	0%	0%
Discount Rate[2]	6,75%	6,25%

(1) Growth rate used to extrapolate cash flows beyond the period considered in the business plan

(2) Discount rate applied to projected cash flows

The Board of Directors, supported by the estimated cash flows, discounted at the rate considered applicable, concluded that, on December 31, 2020, the book value of net assets, including goodwill (612 thousand Euros), does not exceed its recoverable amount (20.5 Million Euros).

The cash flow projections were based on historical performance and on expectations of improved efficiency. Management believes that a possible change (within a normal scenario) in key assumptions used in calculating the recoverable amount will not result in impairment losses.

8. INTANGIBLE ASSETS

In the years ended December 31, 2020 and 2019, the movements in intangible assets, as well as in the respective accumulated depreciations and impairment losses, were as follows:

DEC'20	DEVELOPMENT EXPENSES	COMPUTER PROGRAMS	INTANGIBLE ASSETS IN PROGRESS	TOTAL
Gross:				
Initial balance	1.477.217	1.174.902	202.804	2.854.924
Increases			395.515	395.515
Disposals				-
Transfers and write-offs				-
Final balance	1.477.217	1.174.902	598.320	3.250.439
Depreciations:				
Initial balance	1.477.217	1.174.902	-	2.652.119
Increases	-	-	-	-
Transfers, disposals and write-offs				
Final balance	1.477.217	1.174.902	-	2.652.119
Net value	**-**	**-**	**598.320**	**598.320**

DEC'19	DEVELOPMENT EXPENSES	COMPUTER PROGRAMS	INTANGIBLE ASSETS IN PROGRESS	TOTAL
Gross:				
Initial balance	1.477.217	1.174.902	-	2.652.119
Increases			202.804	202.804
Disposals				-
Transfers and write-offs				-
Final balance	1.477.217	1.174.902	202.804	2.854.924
Depreciations:				
Initial balance	1.477.217	1.167.687	-	2.644.904
Increases		7.215		7.215
Transfers, disposals and write-offs				-
Final balance	1.477.217	1.174.902	-	2.652.119
Net value	**-**	**-**	**202.804**	**202.804**

9. FINANCIAL INVESTMENTS IN SUBSIDIARIES, JOINT CONTROLLED ENTITIES AND ASSOCIATES

In December 31, 2020 and December 31, 2019, the financial investments were as follows:

	CAETANO AUTO	CAETANO AUTO CV	CAETANO RENTING	SALTANO	CAETANO-BUS	FINLOG	MEP ADJUST-MENTS	TOTAL
Balance 31 December 2018 (Reexpressed)	18.279.540	3.679.878		22.226.440			(3.928.847)	40.257.012
Acquisitions during the year	7.340		1.592.071	4.269				1.603.680
Effect of the equity method to net income for the year	1.848.998	101.824	33.509	(11.416)			(653.667)	1.319.248
Other capital movements							330.465	330.465
Others	20.569.910		1.627.258	(22.219.294)			925.522	903.396
Balance 31 December 2019 (Reexpressed)	40.705.788	3.781.702	3.252.839	-			(3.326.527)	44.413.802
Acquisitions during the year	22.191				16.320.000	22.785.000		39.127.191
Effect of the equity method to net income for the year								
Net income for the year								
Appropriation of the net profit for the period of the associated	350.469	(878.310)	(976.651)	-	-	-	-	(1.504.492)
Suspension of margins on inventories and fixed assets	-	-	-	-	-	-	175.740	175.740
Other adjustments for homogenization of accounting policies	-	-	-	-	-	-	(183.352)	(183.352)
	350.469	(878.310)	(976.651)	-	-	-	(7.612)	(1.512.104)
Other comprehensive income								
Appropriation of the other comprehensive income for the period of the associates	(501.875)	-	(83.477)	-	-	-	-	(585.352)
Other adjustments for homogenization of accounting policies	-	-	-	-	-	-	443.646	443.646
	(501.875)	-	(83.477)	-	-	-	443.646	(141.706)
Balance 31 December 2020	40.576.573	2.903.392	2.192.711	-	16.320.000	22.785.000	(2.890.493)	81.887.183

The amount presented in the line "Others" in 2019 movement is essentially due to the liquidation of the subsidiary Saltano - Investimentos e Gestão, SGPS, S.A., having the financial participations held by it in the subsidiaries Caetano Auto and Caetano Renting been transferred to Toyota Caetano Portugal, S.A..

The percentages of holding of the participating companies as of December 31, 2020 and 2019 are shown below:

	CAETANO AUTO		CAETANO RENTING		CAETANO AUTO CV		SALTANO		CAETANOBUS		FINLOG	
	DEC'20	DEC'19	DEC'20	DEC'19	DEC'20	DEC'19	DEC'20	DEC'19	DEC'20	DEC'19	DEC'20	DEC'19
% Direct	98,50%	98,43%	100,00%	100,00%	81,24%	81,24%	-	99,98%	61,94%	0,00%	49,00%	0,00%
% Indirect	98,50%	98,43%	100,00%	100,00%	81,24%	81,24%	-	99,98%	0,00%	0,00%	0,00%	0,00%

At the end of the year, the Company acquired 12.000.000 shares of Caetanobus - Fabricação de Carroçarias, S.A., previously held by the company Salvador Caetano Indústria, S.A., corresponding to 61,94% for 16.320.000 Euros and 7.350 shares of Finlog - Aluguer e Comércio de Automóveis, S.A. corresponding to a 49% stake held by the company Salvador Caetano Auto - SGPS, S.A., for 22.785.000 Euros.

In 2020, expanding its activity to other areas of mobility, Toyota Caetano Portugal became a direct shareholder of CaetanoBus and Finlog, companies of the Salvador Caetano Group. In this strategy, Toyota Motor Europe ("TME"), a shareholder in Toyota Caetano Portugal, assumes a leading role.

If until now TME has already supplied 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 strengthening of the partnership with Finlog, aims to develop projects in the area of mobility.

Regarding CaetanoBus, although the percentage of capital held is 61,94%, given the existence of an investment agreement with the other shareholder of that company, which provides that decisions on the relevant activities (operational and financial) must be taken unanimously by the two shareholders, the Board of Directors considered that the investment made corresponds to a joint venture, a fact for which it will be accounted for in accordance with the equity method.

According to the applicable regulations, the concepts used in accounting for the acquisition of a subsidiary are also adopted in accounting for an investment in an associate or in a joint venture. Thus and given that the transaction was only concluded at the end of December 2020, it was not possible for the Board of Directors to collect the information necessary to execute the procedures for determining the fair value of the acquired assets, liabilities and contingent liabilities, such exercise will be completed within 12 months after the date of those acquisitions.

The summary of the financial information of the main subsidiaries, associates and significant joint ventures with reference to December 31, 2020 and 2019, is shown in the table below:

DEC'20	CAETANO AUTO	CAETANO AUTO CV	CAETANO RENTING	CAETANOBUS	FINLOG
Assets					
Current	63.306.582	5.156.424	5.793.908	49.647.272	34.171.856
Non-current	55.992.716	1.337.305	21.455.527	30.490.160	150.845.872
Liabilities					
Current	78.102.026	1.480.474	25.268.361	52.358.236	65.235.590
Non-current	8.495.092	1.439.437	108.350	8.041.750	102.942.484
Equity	41.197.272	3.573.817	2.192.711	19.737.445	16.839.655
Sales	169.892.849	11.126.418	22.616.173	89.606.768	107.997.586
Operational income	845.642	-1.058.449	-933.839	-4.467.074	2.528.803
Financial income	-82.588	-198	-338.564	-1.026.458	-3.167.769
Net income	355.792	-1.081.130	-976.651	-4.500.102	-818.198

DEC'19	CAETANO AUTO	CAETANO AUTO CV	CAETANO RENTING
Assets			
Current	67.238.194	4.863.635	4.677.938
Non-current	59.516.127	1.319.976	29.092.762
Liabilities			
Current	77.801.154	1.429.786	30.517.861
Non-current	7.599.200	98.878	
Equity	41.353.967	4.654.947	3.252.839
Sales	241.301.738	14.208.584	42.935.941
Operational income	2.796.927	212.638	362.206
Financial income	-516.464		-338.547
Net income	1.878.435	125.337	33.509

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

10. LOANS TO AFFILIATED COMPANIES

During the years ended as of December 31, 2020 and 2019 the movements in this caption were as follows:

	DEC'20	DEC'19
Movement of the year		
Balance as of January 1	1.995.191	3.472.702
Increases during the year	21.000.000	-
Reductions during the year	-4.147.955	-1.477.511
Balance as of December 31	18.847.237	1.995.191

The "Loans to affiliated companies" comprise treasury loans granted to the subsidiaries Caetano Auto, S.A. (1.995.191 Euros) and Caetano Renting, S.A. (16.852.046 Euros), the latter of which bears interest at market rates (Note 30).

11. INVENTORIES

As of December 31, 2020 and December 31, 2019, this caption had the following detail:

	DEC'20	DEC'19
Merchandise	36.174.246	65.860.457
Raw, subsidiary and consumable materials	7.359.274	6.772.894
Finished and Intermediate goods	2.106.622	2.567.925
Work in progress	1.339.325	687.048
Accumulated impairment losses on inventories (Note 22)	(137.131)	(561.873)
	46.842.336	75.326.451

The Merchandise item includes the amount of 9,9 Million Euros in relation to used vehicles.

The cost of goods sold and consumed as of December 31, 2020 and December 31, 2019 was as follows:

	DEC'20			DEC'19 REEXPRESSED (NOTE 3)		
	MERCHANDISE	RAW, SUBSIDIARY AND CONSUMABLE MATERIALS	TOTAL	MERCHANDISE	RAW, SUBSIDIARY AND CONSUMABLE MATERIALS	TOTAL
Opening balances	65.860.457	6.772.894	72.633.351	50.074.376	8.885.206	58.959.582
Net purchases	176.456.479	30.725.756	207.182.235	279.678.353	40.007.136	319.685.489
Transfers to tangible fixed assets (Note 5)	(3.481.723)	-	(3.481.723)	(6.696.585)	-	(6.696.585)
Closing balances	(36.174.246)	(7.359.274)	(43.533.520)	(65.860.457)	(6.772.894)	(72.633.351)
Total	**202.660.967**	**30.139.376**	**232.800.343**	**257.195.687**	**42.119.448**	**299.315.135**

The variation in production as of December 31, 2020 and December 31, 2019 was as follows:

	FINISHED AND INTERMEDIATE GOODS AND WORK IN PROGRESS	
	DEC'20	DEC'19
Opening balances	3.445.947	3.254.973
Closing balances	3.254.973	2.122.678
Total	**190.974**	**1.132.295**

12. CUSTOMERS

As of December 31, 2020 and December 31, 2019, this caption can be detailed as follows:

	DEC'20	DEC'19
	CURRENT ASSETS	CURRENT ASSETS
Customers, current accounts	55.357.953	72.357.988
Customers, doubtful accounts	5.270.330	4.986.656
	60.628.283	77.344.644
Accumulated impairment losses in customers (Note 22)	-5.257.750	-4.821.966
	55.370.533	72.522.678

Aging for accounts receivable from customers

As of December 31, 2020 and December 31, 2019, the breakdown of the balance of customers according to their seniority vis-à-vis the maturity date is as follows:

Customers without impairment loss recognised

Dec'20	NOT DUE	- 60 DAYS	60-90 DAYS	90-120 DAYS	+ 120 DAYS	TOTAL
Customers	14.089.504	3.071.680	567.982	576.451	646.592	18.952.209
Customers, related parties	19.745.329	14.686.382	1.257.505	147.530	568.999	36.405.745
Total	**33.834.832**	**17.758.062**	**1.825.487**	**723.981**	**1.215.591**	**55.357.953**

Dec'19	NOT DUE	- 60 DAYS	60-90 DAYS	90-120 DAYS	+ 120 DAYS	TOTAL
Customers	16.957.792	5.549.183	263.595	96.903	218.615	23.086.088
Customers related parties	20.124.375	25.511.667	1.736.955	290.247	1.608.655	49.271.899
Total	**37.082.167**	**31.060.850**	**2.000.550**	**387.150**	**1.827.271**	**72.357.988**

Customers with impairment losses recognised

Dec'20	- 60 DAYS	60-90 DAYS	90-120 DAYS	+ 120 DAYS	TOTAL
Customers, doubtful accounts	5.192	-	-	5.265.138	5.270.330

Dec'19	- 60 DAYS	60-90 DAYS	90-120 DAYS	+ 120 DAYS	TOTAL
Customers, doubtful accounts	24.731	147		4.961.778	4.986.656

13. OTHER ACCOUNTS RECEIVABLE

As of December 31, 2020 and December 31, 2019 this caption detail was as follows:

	DEC'20	DEC'19
Personnel	27.341	114.194
Advances to suppliers	30.409	21.070
Affiliated companies - RETGS (Note 30)	4.279.883	4.318.553
	4.337.633	**4.453.817**

14. OTHER CURRENT ASSETS

Other Current Assets detail as of December 31, 2020 and 2019 is as follows:

	DEC'20	DEC'19
Debtors for accrued income		
Fleets, campaigns, bonuses, abseiling and reimbursement from brands	-	20.000
Recovery of charges	-	873
Rental of equipments	-	6.156
Interest receivable	69.493	-
Insurance claims receivable	8.978	-
Training incentives	280.035	-
Rents	4.383	-
Consulting services	92.699	-
	455.588	27.030
Deferrals		
Insurance advance payments	76.882	108.040
Expenses from commercial paper programs	119.885	130.459
Others	388.992	233.589
	585.759	472.088
Total	**1.041.347**	**499.118**

15. INCOME AND DEFERRED TAXES

Income Taxes

The Company is subject to Corporate Income Tax (IRC) at the rate of 21% for the taxable income, plus local tax at the rate of 1,5%, resulting in an aggregated tax rate, of a maximum of 22,5%.

According to the legislation in force, the tax returns of the Company are subject to review and correction by the tax authorities during a period of four years (five years for Social Security), except when there have been tax losses, benefits have been granted, inspections, complaints or challenges are in progress, in which case, depending on the circumstances, the terms are extended or suspended. Thus, the Company's tax returns since 2015 may still be subject to review. The Board of Directors believes that any corrections resulting from reviews/inspections by the tax authorities to those tax returns for the years open to inspection should not have a significant effect on the attached financial statements.

Under Article 88 of the Corporate Income Tax Code, companies based in Portugal are also subject to autonomous taxation on a set of expenses at the rates provided in the mentioned article. For fiscal years beginning on or after January 1, 2010, taxable income in excess of 1.5 Million Euros and 7.5 Million Euros, have an additional income tax of 3%, exceeding 7.5 Million Euros and up to 35 Million an additional Income tax of 5% and taxable profit calculated in excess of more than 35 Million Euros an additional Income of 7%.

In March 2007 the Company took the decision to apply to the Corporate Income Tax Special Regime for Groups of Companies ("RETGS – Regime Especial de Tributação de Grupos de Sociedades) according to the articles 69th and 70th of Corporate Income Tax Code (CIRC) and beginning in 1st January 2007. As a consequence, the parent company (Toyota Caetano Portugal, S.A.) shall book the income tax calculated in the affiliates included in this special tax regime (Caetano Auto and Caetano Renting) in order to determine the Group income tax.

As of December 31, 2020 and December 31, 2019 corporate income tax detail included in the statement of financial position was as follows:

	DEC'20	DEC'19
Corporate income tax for the year (estimate)	-1.885.046	-3.407.257
Corporate income tax for the year (payments in advance)	2.761.836	4.362.847
RETGS	-4.248	-701.974
	872.542	**253.616**

The income tax shown in the income statement for the years ended as of December 31, 2020 and 2019 can be broken down as follows:

	DEC'20	DEC'19
Current tax	1.885.046	3.407.257
Deferred tax	18.589	-170.994
	1.903.635	**3.236.263**

The reconciliation of the effective tax charge with the theoretical tax charge for the years ended December 31, 2020 and 2019 can be analysed as follows:

	DEC'20	DEC'19
Income before taxes	**6 548 361**	**14 830 247**
Nominal tax rate	22,50%	22,50%
Theoretical tax expenses (collection + local tax)	**1 473 381**	**3 336 806**
Equity method	340 223	(505 132)
Differences between tax capital gains and accounting capital gains	(171 995)	(147 536)
Others	12 785	33 730
Autonomous taxation	76 133	71 426
State tax	173 107	446 969
Corporate income tax for the year	**1 903 635**	**3 236 263**

Deferred taxes

Amounts and nature of the assets and liabilities for deferred taxes recorded in the financial statements as of December 31, 2020 and 2019 can be analysed as follows:

2020	INITIAL BALANCE	REFLECTED IN INCOME STATEMENT		REFLECTED IN EQUITY		FINAL BALANCE
		DECREASE	INCREASE	DECREASE	INCREASE	
Deferred tax assets						
Provisions and adjustments not accepted as tax expenses	317.861	30.854	(126.421)			222.294
Accrued expenses not accepted for tax purposes		65.868				65.868
Defined benefit plan liabilities	1.129.395			35.450	-	1.164.845
	1.447.256	**96.722**	**(126.421)**	**35.450**	**-**	**1.453.007**
Deferred tax liabilities						
40% of depreciation as a result of legal restatements	36.656		(1.282)			35.374
Others	73.624		(9.829)			63.796
	110.280	**-**	**(11.111)**	**-**	**-**	**99.168**

2019	INITIAL BALANCE	REFLECTED IN INCOME STATEMENT		REFLECTED IN EQUITY		FINAL BALANCE
		DECREASE	INCREASE	DECREASE	INCREASE	
Deferred tax assets						
Provisions and adjustments not accepted as tax expenses	191.440	126.421				317.861
Defined benefit plan liabilities	1.129.395					1.129.395
	1.320.835	**126.421**	**-**	**-**	**-**	**1.447.256**
Deferred tax liabilities						
40% of depreciation as a result of legal restatements	37.937		(1.282)			36.656
Others	116.915		(43.291)			73.624
	154.852	**-**	**(44.573)**	**-**	**-**	**110.279**

As of December 31, 2020, the Company had no tax losses available to carryforward.

16. EQUITY

Capital Social

On December 31, 2020 and 2019, the Company's capital, fully subscribed and paid up, consists of 35.000.000 registered shares, fully subscribed and paid up, with a nominal value of 1 Euro each.

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

- Salvador Caetano - Auto - S.G.P.S., S.A. 69,77%
- Toyota Motor Europe NV/SA 27,00%

Dividends

In accordance with the resolution of the General Shareholders' Meeting held on April 29, 2020 and given the current economic situation, it was decided not to distribute any dividends, pending a better opportunity for their realization. During 2019, dividends were distributed to shareholders in the amount of 7.016.060 Euros.

Legal reserve

The legal reserve is already fully incorporated under the commercial legislation (20% of the share capital), so it is no longer required that a minimum of 5% of annual net profit is destined for its endowment. 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.

Adjustments to financial assets

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

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 disposed.

The distributable amounts in Equity, excluding Net Income of the year is 81.825.988 Euros, included in Other reserves and in Retained Earnings.

Proposal for application of results 2020

In accordance with the provisions of paragraph b), paragraph 1, of article 376 of the Commercial Companies Code, we propose the following application of the net income for the year, in the amount of Euros 4.644.725,70 expressed in Toyota Caetano Portugal individual financial statements:

a) For the retained earnings account Eur 4.644.725,70

17. LOANS OBTAINED

As of December 31, 2020 and 2019, loans can be detailed as follows

	DEC'20			DEC'19		
	CURRENT	NON--CURRENT	TOTAL	CURRENT	NON--CURRENT	TOTAL
Secured current accounts	-	-	-	-	-	-
Bank loans	10.000.000	-	10.000.000	-	10.000.000	10.000.000
Lease liabilities	5.097.337	9.332.243	14.429.580	5.968.352	12.456.029	18.424.381
Bond loan	-	12.500.000	12.500.000		12.500.000	12.500.000
	15.097.337	**21.832.243**	**36.929.580**	**5.968.352**	**34.956.029**	**40.924.381**

The movement in financing obtained during the year ended December 31, 2020 was as follows:

	OPENING BALANCES	INCREASES	REDUCTIONS	FINAL BALANCES
Secured current accounts	-	13.250.000	13.250.000	-
Bank loans	10.000.000	-	-	10.000.000
Commercial paper	-	49.000.000	49.000.000	-
Lease liabilities	18.424.381	2.247.077	6.241.878	14.429.580
Bond loan	12.500.000	-	-	12.500.000
	40.924.381	64.497.077	68.491.878	36.929.580

As of December 31, 2020 and 2019, the detail of bank loans, overdrafts, other loans, commercial paper programs and bond loan is as follows:

DEC'20	USED AMOUNT	LIMIT
Current		
Secured current accounts	-	12.000.000
Overdrafts	-	4.000.000
Confirming	-	4.350.000
Bank Loans	10.000.000	10.000.000
Commercial paper	-	32.000.000
Lease liabilities	5.097.337	5.097.337
	15.097.337	67.447.337
Non-current		
Lease liabilities	9.332.243	9.332.243
Bond loan	12.500.000	12.500.000
	21.832.243	21.832.243
	36.929.580	**89.279.580**

The loans mentioned above bear interest at market rates. In addition, on December 31, 2020, the Company maintained unused credit facilities in the amount of, approximately, 52.3 Million Euros.

The item "Lease liabilities" (current and non-current) includes liabilities for leasing contracts, related to the purchase of equipment. The detail of this caption, as well as the reimbursement plan, can be summarized as follows:

		CURRENT	NON-CURRENT					
CONTRACT	LEASED ASSET	2021	2022	2023	2024	> 2024	TOTAL	TOTAL
Diverse	Industrial equipment							
	Capital	5.097.337	4.643.058	2.344.537	1.733.985	610.663	9.332.243	14.429.580

Debt maturity

The maturity of the outstanding loans as of December 31, 2020 can be detailed as follows:

DEC'20	< 1 YEAR	1 - 3 YEARS	3 - 5 YEARS	> 5 YEARS	TOTAL
Bank loans	10.000.000		-	-	10.000.000
Lease liabilities	5.097.337	6.987.595	2.304.317	40.331	14.429.580
Bond loan	-	12.500.000	-	-	12.500.000
Total	**15.097.337**	**19.487.595**	**2.304.317**	**40.331**	**36.929.580**

The interest payment plan is as follows:

INTEREST AGING	2021	2022	2023	2024	> 2024	TOTAL
Bank loans	55.625	-	-	-	-	55.625
Lease liabilities	302.828	182.563	93.080	35.005	7.989	621.465
Bond loan	256.166	249.670	249.670	-	-	755.507

18. ACCOUNTS PAYABLE

As of December 31, 2020 and December 31, 2019, this caption consisted of current balances payable to suppliers resulting from the Company's ordinary activity, all of which are due in the short-term.

19. OTHER ACCOUNTS PAYABLE

The detail of "Other accounts payable" on December 31, 2020 and December 31, 2019 is as follows:

	DEC'20	DEC'19
Personnel	34.972	-
Advanced payments from customers	295.608	276.584
Public entities	13.388.275	12.780.925
Affiliated companies	20.194	20.194
Other accounts payable	45.298	348
	13.784.347	**13.078.051**

The breakdown of the caption "State and Other Public Entities" on December 31, 2020 and 2019 is as follows:

	DEC'20	DEC'19
Individual Income taxes withheld	286.135	189.457
Value added taxes	10.921.592	10.002.507
Social Security contributions	271.538	262.492
Local taxes	169.463	177.019
Others	1.739.547	2.149.450
	13.388.275	**12.780.925**

20. OTHER CURRENT LIABILITIES

As of December 31, 2020 and December 31, 2019, the item "Other current liabilities" can be detailed as follows:

	DEC'20	DEC'19 RESTATED (NOTE 3)
Creditors for accrued expenses		
Vacations pay and vacation bonus	2.721.354	2.803.448
Sales promotion co-payments	3.694.840	2.301.481
Interest payable	132.968	138.994
Anticipated costs related with sold vehicles	442.834	1.247.454
Insurance payable	183.190	209.460
Car tax on vehicles sold and not registered	2.167.552	773.973
Warranty claims	34.855	70.282
Personnel	641.082	621.933
Advertising	55.367	65.473
Anticipated costs related with other supplies	1.088.177	306.374
Royalties	24.115	68.816
	11.186.334	8.607.689
Deferred income		
Maintenance vehicles contracts	6.588.386	7.270.846
Investment subsidies	24.245	26.449
Signage to be charged to dealers	2.571	26.711
Sales deferral	3.753.657	
Others	106.556	261.975
	10.475.415	7.585.979
Total	**21.661.749**	**16.193.669**

Regarding the item "Sales deferral", in 2020 an agreement was signed with the financial entity of the Toyota Motor Corporation Group (namely with the entity Toyota Kreditbank, GMBH - Sucursal Portugal), whereby the Company started to assign, on a consignment basis, vehicles that are intended for exhibition at stands of the Toyota and Lexus car dealerships. This transaction, in so far as it does not confer the transfer of control of the vehicle to another entity, is not recognized as a sale for the period and it remains deferred until the moment when the conditions of transfer of control take effect.

21. PENSION RESPONSIBILITIES

Toyota Caetano, together with other entities included in the so-called Salvador Caetano Group ("Associates") by public deed dated December 29, 1988, the Salvador Caetano Pension Fund, subsequently amended on January 2, 1994, on December 29, 1988 December 1995, April 30, 1996, August 9, 1996, December 23, 2002, July 4, 2003, February 2, 2007, December 30, 2008, December 23, 2011 and December 31, 2013.

This constituted Pension Fund provided that, while Toyota Caetano and the remaining associates maintained the decision to make contributions to it, that the majority of workers could receive, from the date of the retirement, a non-upgradable supplement, determined based on a percentage of the salary, among other conditions, configuring a defined benefit plan. To cover these liabilities, an Autonomous Fund is created (which is managed by BPI Vida e Pensões, S.A.).

On December 18, 2007, a dossier containing the proposed amendments to the Constitutive Contract of the Salvador Caetano Pension Fund was sent to the Instituto de Seguros de Portugal, as well as the minutes of their approval by the Fund Monitoring Committee, proposing, with effects as from January 1, 2008, the approval by that body of the same amendments.

The aforementioned proposal, to change the supplementary pension scheme duly approved by the Pension Fund Monitoring Committee, includes maintaining a Defined Benefit regime for retired and deferred pension beneficiaries, as well as for all workers in 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 Salvador Caetano Pension Fund associates, with the creation of a new group (formed by the remaining universe of workers at the service of members of the Salvador Caetano Pension Fund), which, from that date, is included in a Defined Contribution Plan.

On December 29, 2008, a letter was received by this Company containing the approval by ISP - Instituto de Seguros de Portugal, of the intended changes and to be in force since 1/1/2008.

The ISP determined in the said approval that employees of members of the Salvador Caetano Pension Fund who, on January 1, 2008, had reached 15 years of service at the service of the member and were under 50 years old (and who will become part of a Defined Contribution Plan) were entitled to an individual "initial capital" under the new plan, determined based on the actuarial liabilities determined 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, S.A.), Toyota Caetano has been making contributions to the defined benefit plan, allowing the equity situation of this Fund to rise on December 31, 2020 to, approximately 14.720 thousand Euros (15.365 thousand Euros as of December 31, 2019). The portion of the global liability estimated actuarially for the Defined Benefit Plan, in the share relating to the Company, on December 31, 2020 amounts to approximately 21.105 thousand Euros (19.049 thousand Euros on December 31, 2019).

The actuarial assumptions used for the 2020 assessment by the management company include the Mortality and Disability Tables TV88/90 and Suisse Re 2001 (TV 73/77 and Suisse Re 2001 on December 31, 2019), respectively, as well as wages growth rates, pensions growth rates and discount rates of 0% (1% in 2019), 0% (0% in 2019) and 0,7% (1% in 2019), respectively.

The Company's Board of Directors, as a result of a joint analysis with the Fund's management company, understood that, taking into account an historical analysis of the real deaths of participants in the Salvador Caetano Pension Fund and the projected deaths in accordance with the Mortality Table TV 73/77 used until December 31, 2019, it would make sense to use a more current Mortality Table and with greater adherence to the real situation of the Fund's population, thus using the Mortality Table TV 88/90.

The net liability shown below is covered by the provision shown in the non-current liabilities of the financial statements as of December 31, 2020 in the amount of 6.384.523 Euros (6.150.000 Euros as of December 31, 2019) under the designation "Pension Liabilities".

Responsibilities at January 1, 2019	19.704.988
Cost of the current services	41.077
Cost of interest	297.694
(Gains) and actuarial losses	-291.844
Expected benefits	-1.569.326
Transfers	-16.285
Change of assumptions	882.993
Responsibilities at December 31, 2019	19.049.297

Responsibilities at January 1, 2020	19.049.297
Cost of the current services	40.127
Cost of interest	183.463
(Gains) and actuarial losses	245.772
Expected benefits	-1.486.185
Transfers	-129.988
Change of assumptions	533.589
Change to the mortality table already contemplated in the previous year	2.466.130
Change to the mortality table, effect accounted for in 2020	202.460
Responsibilities at December 31, 2020	21.104.665

The change in the equity situation of the Pension Fund, which covers the two plans referred to above, during the years 2020 and 2019, was as follows:

	DEFINED BENEFIT PLAN	DEFINED CONTRIBUTION PLAN	TOTAL
Fund's value December 31, 2019	**15.270.740**	**5.400.645**	**20.671.385**
Contributions	439.017	312.053	751.070
Contributions of reserve account			0
Interest income	228.076	437.169	665.245
Gains/(losses) of income	971.616		971.616
Pension payments (benefit payments)	-1.527.738	-79.707	-1.607.445
Transfers between members	-16.285	-9.331	-25.616
Fund's value December 31, 2019	**15.365.426**	**6.060.829**	**21.426.255**
Fund's value January 1, 2020	**15.365.426**	**6.060.829**	**21.426.255**
Contributions		185.347	185.347
Interest income	146.625	434.047	580.672
Gains/(losses) of income	880.240		880.240
Pension payments (benefit payments)	-1.542.163	-163.391	-1.705.554
Transfers between members		-33.107	-33.107
Plans settlements	-129.988		-129.988
Fund's value December 31, 2020	**14.720.140**	**6.483.725**	**21.203.865**

As of December 31, 2020 and 2019, the Pension Fund's assets portfolio that covers the defined benefit plan was as follows:

PORTFOLIO	%	VALUE	%	VALUE
	DEC'20		DEC'19	
Stocks	9,9%	1.454.350	11,6%	1.782.389
Bonds with fixed rate	30,7%	4.516.139	32,4%	4.978.398
Bonds with variable rate	5,2%	758.087	3,5%	537.790
Real estate	44,6%	6.566.654	41,4%	6.361.286
Cash	3,4%	503.429	4,8%	737.540
Absolute return	6,3%	921.481	6,4%	968.022
Total	100,0%	14.720.140	100,0%	15.365.426

The Company's responsibilities with the Defined Benefit Plan and the equity situation of the Salvador Caetano Pension Fund affect can be summarized as follows:

DEFINED BENEFIT PLAN	2020	2019
Amount of Responsibilities	21.104.665	19.049.297
Fund Value	14.720.140	15.365.426

The Company's net liability shown above is safeguarded through a provision set up in the amount of approximately 6.3 Million Euros (6.1 Million Euros as at December 31, 2019), reflected in the statement of financial position in the caption "Responsibilities for defined benefit plans".

In addition and as mentioned above, the Company is part of a defined contribution plan, having during the year ended on December 31, 2020 made contributions to it in the amount of 185.347 Euros (312.053 Euros on December 31, 2019), recorded in the income statement under the personnel expenses item. As of December 31, 2020, the value of the fund allocated to this defined contribution plan amounted to 6.484 thousand Euros (6.061 thousand Euros on December 31, 2019).

22. ACCUMULATED IMPAIRMENT LOSSES

The movement in impairment losses during the years ended December 31, 2020 and 2019 was as follows:

DEC'20	OPENING BALANCES	INCREASES	UTILIZATIONS	REVERSALS	FINAL BALANCES
Doubtful accounts receivable (Note 12)	4.821.966	514.556	-	-78.772	5.257.750
Inventories (Note 11)	561.873	137.131	-	-561.873	137.131
Total	**5.383.839**	**651.687**	**-**	**-640.646**	**5.394.880**

DEC'19	OPENING BALANCES	INCREASES	UTILIZATIONS	REVERSALS	FINAL BALANCES
Doubtful accounts receivable (Note 12)	4.888.184	38.203	(102.745)	(1.677)	4.821.966
Inventories (Note 11)		561.873			561.873
Total	**4.888.184**	**600.077**	**(102.745)**	**(1.677)**	**5.383.839**

23. SALES AND SERVICES RENDERED

The detail of sales and services rendered by geographic markets and activities, for the years ended December 31, 2020 and 2019, was as follows:

	2020	2019 RESTATED (NOTE 3)	VAR (%)	2020	2019 RESTATED (NOTE 3)	VAR (%)	2020	2019 RESTATED (NOTE 3)	VAR (%)
	NATIONAL MARKET			EXTERNAL MARKET			TOTAL		
Light vehicles	198.738.724	247.519.691	-20%	32.542.982	51.102.285	-36%	231.281.706	298.621.975	-23%
Heavy vehicles	0	0		520.164	468.208	11%	520.164	468.208	11%
Industrial vehicles	8.205.363	10.988.276	-25%	22.855	298.465	-92%	8.288.218	11.286.741	-27%
Spare parts and accessories	32.935.191	39.346.565	-16%	501.207	594.885	-16%	33.436.399	39.941.450	-16%
Others	19.236.710	20.655.955	-7%	16.988	15.131	12%	19.253.697	20.671.086	-7%
	259.511.988	**318.510.486**	**-19%**	**33.604.196**	**52.470.165**	**-36%**	**292.720.184**	**370.989.460**	**-21%**

24. SEGMENT INFORMATION

In the years ended December 31, 2020 and 2019, the detail of the segment reporting was as follows:

DEC'20	NATIONAL					OTHERS	EXTERNAL					TOTAL
	VEHICLES		INDUSTRIAL EQUIPMENT				VEHICLES		INDUSTRIAL EQUIPMENT			
	INDUSTRY	COMMERCIAL	COMMERCIAL	SERVICES	RENTAL		INDUSTRY	COMMERCIAL	COMMERCIAL	SERVICES	RENTAL	
PROFITS												
External sales	45.263	233.314.936	8.205.363	4.595.875	12.954.551		27.838.856	5.672.617	22.855	54.020	15.847	292.720.184
INCOME												
Operational income	4.677	9.439.289	441.951	991.500	447.445		-1.617.473	116.437	-46	24.407	10.413	9.858.599
Financial income	-111	-1.599.991	-21.581	-10.920	-32.836		-111.185	-21.155	-78	-203	-74	-1.798.134
Gains in subsidiaries, joint ventures and associates						-1.512.104						-1.512.104
Income tax						-1.903.635						-1.903.635
Net income	4.566	7.839.298	420.370	980.579	414.609	-3.415.739	-1.728.658	95.282	-124	24.205	10.339	4.644.726
Depreciation	589.587	1.433.086	71.597	24.216	5.955.640							8.074.127

DEC'19	NATIONAL					OTHERS	EXTERNAL					TOTAL
	VEHICLES		INDUSTRIAL EQUIPMENT				VEHICLES		INDUSTRIAL EQUIPMENT			
	INDUSTRY	COMMERCIAL	COMMERCIAL	SERVICES	RENTAL		INDUSTRY	COMMERCIAL	COMMERCIAL	SERVICES	RENTAL	
PROFITS												
External sales	56.023	286.018.270	10.959.284	5.525.169	15.951.741		45.748.629	6.373.610	327.457	20.468	8.809	370.989.460
INCOME												
Operational income	11.725	10.409.727	1.317.830	2.781.549	863.984		-1.072.459	93.234	30.265	12.888	5.044	14.453.787
Financial income	-157	-1.619.350	-36.596	-16.126	-39.885		-136.628	-18.764	-976	-61	-27	-1.868.570
Gains in subsidiaries						2.245.031						2.245.031
Income tax						-3.236.263						-3236263
Net income	11.567	8.790.377	1.281.234	2.765.423	824.098	-991.232	-1.209.087	74.471	29.289	12.827	5.017	11.593.984
Depreciation	709.129	1.291.994	68.172	66.157	6.563.725							8.699.177

25. EXTERNAL SUPPLIES AND SERVICES

The detail of the item External Supplies and Services for the years ended December 31, 2020 and 2019 is presented as follows:

	DEC'20	DEC'19
Subcontracts	**186.181**	**220.805**
Specialized services	**28.169.485**	**29.780.834**
Professional services	3.266.234	3.587.094
Advertising	19.457.832	20.150.757
Surveillance and security	432.169	419.925
Professional fees	960.380	918.540
Commissions	113.690	115.917
Repairs and maintenance	1.079.795	1.021.386
Others	2.859.386	3.567.215
Materials	**6.878.181**	**8.852.105**
Tools and utensils	94.579	96.467
Books and technical documentation	281.522	383.710
Office supplies	168.175	172.724
Gifts	34.776	33.614
Others	6.299.129	8.165.590
Energy and fluids	**804.905**	**1.139.862**
Electricity	347.829	481.009
Fuel	432.533	607.574
Water	24.543	51.279
Others		
Travel and transportation	**1.790.919**	**3.037.180**
Traveling expenses	584.515	1.516.990
Personnel transportation	86.739	105.424
Transportation of materials	1.119.664	1.414.766
Other supplies	**2.167.599**	**2.631.114**
Rents	551.709	525.209
Communications	433.407	452.373
Insurance	564.806	863.297
Royalties	205.430	379.216
Notaries	6.375	2.366
Cleaning and comfort	405.873	408.653
	39.997.270	**45.661.899**

26. PAYROLL EXPENSES

Personnel expenses for the years ended December 31, 2020 and 2019 break down as follows:

	DEC'20	DEC'19
Payroll – corporate bodies	331.477	404.728
Payroll - other personnel	9.774.699	10.428.305
Benefit plans	197.984	876.351
Termination indemnities	403.718	238.470
Social Security contributions	2.273.416	2.697.516
Workmen's insurance	194.887	271.826
Others	1.580.782	1.677.316
	14.756.963	**16.594.512**

During the years ended as of December 31, 2020 and 2019, the average number of personnel was as follows:

PERSONNEL	DEC'20	DEC'19
Employees	373	364
Wage earners	156	156
	529	**520**

27. OTHER OPERATING GAINS AND EXPENSES

As of December 31, 2020 and 2019, the captions "Other operational gains" and "Other operational expenses" were as follows:

OTHER GAINS	DEC'20	DEC'19 RESTATED (NOTE 3)
Rents charged (Note 6)	3.106.216	3.545.189
Operating Subsidies	3.933.176	3.128.618
Advertising expenses and sales promotion recovered	451.141	555.141
Gains on inventories	62.675	67.648
Gains on non-financial assets	2.793.935	1.453.036
Investment subsidies	7.427	2.204
Prompt payment discounts obtained	16.586	5.755
Other	10.571.533	14.567.152
	20.942.688	**23.324.743**

The caption "Operating subsidies" considers the amount of approximately 3.3 Million Euros related to support from IEFP – Instituto do Emprego e da Formação Profissional (3.1 Million Euros on December 31, 2019) regarding training actions managed by the Company in its various professional training centres, as well as, in the year 2020, includes government support to deal with the pandemic caused by the new COVID-19 coronavirus (Note 35).

The caption "Gains on other non-financial investments" includes the capital gain generated from the sale of an investment property (1.2 Million Euros) as well as capital gains generated on the sale of tangible fixed assets.

The caption "Other" essentially refers to the recovery of expenses with automotive warranties that are subsequently re-charged to the Toyota brand.

Other Operating Expenses can be break down as of December 31, 2020 and 2019, as follows:

OTHER EXPENSES	DEC'20	DEC'19
Taxes	607.986	597.688
Losses on inventories	42.411	29.268
Prompt payment discounts granted	2.902	7.560
Losses on financial assets	-	1.815
Losses on non-financial assets	27.673	61.795
Donations	449	5.898
Other	7.674.082	9.419.566
	8.355.502	**10.123.588**

The "Other" item essentially includes expenses with commercial incentives and bonuses granted to automotive dealerships.

28. FINANCIAL INCOME AND EXPENSES

As of December 31, 2020 and 2019, financial results have the following composition:

INTEREST AND SIMILAR INCOME	DEC'20	DEC'19
Bank deposits		51
Other	72.083	4.532
	72.083	**4.583**

INTEREST AND SIMILAR EXPENSES	DEC'20	DEC'19
Bank loans	1.084.245	1.322.167
Other	785.973	550.987
	1.870.218	**1.873.154**

29. FINANCIAL ASSETS AND LIABILITIES

We present below a summary table of the Company's financial instruments as of December 31, 2020 and 2019:

FINANCIAL INSTRUMENTS	NOTES	FINANCIAL ASSETS		FINANCIAL LIABILITIES	
		DEC'20	DEC'19	DEC'20	DEC'19
Other financial investments	10	19.600	19.600		
Loans to Affiliated Companies	10	18.847.237	1.995.192		
Customers	12	55.370.533	72.522.678		
Other accounts receivable	13	4.337.633	4.453.817		
Other current assets	14	455.588	27.030		
Loans	17			36.929.580	40.924.381
Other accounts payable	19			396.073	297.125
Suppliers	18			31.015.239	33.586.141
Other current liabilities	20			11.186.334	8.607.689
Cash and cash equivalents	4	8.141.407	9.465.441		

The financial assets and liabilities are accounted at amortized cost.

30. RELATED PARTIES

The balances receivable and payable with the companies of the Toyota Caetano Portugal Group, which as of December 31, 2020 and 2019, are reflected in the items in the statement of financial position "Customers" and"Suppliers" and"Shareholders" and "Other Financial Assets" can be summarized as follows:

	31/DEC/2020	31/DEC/2019
Accounts Receivable	30.896.062	40.843.653
Accounts Payable	-1.077.272	-2.050.826
Other accounts receivable – Affiliated companies		
Caetano Renting, S.A.	-915.693	-577.627
Caetano Auto, S.A.	5.195.576	4.896.180
	4.279.883	**4.318.553**
Loans to affiliated companies (Note 10)		
Caetano Auto, S.A.	1.995.192	1.995.192
Caetano Renting, S.A.	16.852.045	
	18.847.237	**1.992.192**

Customers and Suppliers (Notes 12 and 18)

Below is a summary table of balances and flows (captions of Customers and Suppliers) with subsidiaries of the Toyota Caetano Portugal Group for the years ended December 31, 2020 and 2019:

2020	COMMERCIAL DEBTS		OTHER CURRENT LIABILITIES	PRODUCTS		FIXED ASSETS		SERVICES		OTHERS	
	RECEIVABLE	PAYABLE	DEFERRALS	SALES	PURCHASES	ACQUISITIONS	DISPOSALS	RENDERED	OBTAINED	EXPENSES	GAINS
Caetano Auto, S.A.	28.154.992	-287.053	-1.776.542	-96.764.464	974.739	0	-493.520	0	11.836.430	4.657.331	-1.976.378
Caetano Renting, S.A.	2.684.049	-790.219		-7.174.610	14.996.962	0	-24.935	0	1.443.193	508.598	-114.675
Caetano Auto CV, S.A.	57.021	-600.000	-291.641	-3.731.949	0	0	0	0	291.641	0	-213.702

2019	COMMERCIAL DEBTS		OTHER CURRENT LIABILITIES	PRODUCTS		FIXED ASSETS		SERVICES		OTHERS	
	RECEIVABLE	PAYABLE	DEFERRALS	SALES	PURCHASES	ACQUISI-TIONS	DISPOSALS	RENDERED	OBTAINED	EXPENSES	GAINS
Caetano Auto, S.A.	39.241.901	-993.783	-1.754.665	-151.379.592	580.513	0	-2.159.880		6.320.462	10.740.717	-2.090.962
Caetano Renting, S.A.	723.158	-1.057.043	-215.000	-9.237.624	23.331.616	0	-56.349		901.811	321.182	-174.290
Caetano Auto CV, S.A.	518.595	0	43.430	-6.433.280	0	0	0		0	0	-369.749

The details of the balances and transactions between the Company and other related entities (essentially belonging to the so-called Salvador Caetano Group and the Toyota Motor Corporation Group), can be summarized as follows:

RELATED COMPANIES 2020	COMMERCIAL DEBTS		OTHER CURRENT LIABILITIES	PRODUCTS		FIXED ASSETS		SERVICES		OTHERS	
	RECEIVABLE	PAYABLE	DEFERRALS	SALES	PURCHASES	ACQUISITIONS	DISPOSALS	RENDERED	OBTAINED	EXPENSES	GAINS
Amorim, Brito & Sardinha, Lda	748	0	0	0	0	0	0	0	0	0	-3.609
Atlântica - Companhia Portuguesa de Pesca, S.A.	5.173	0	0	0	0	0	0	0	0	0	0
Caetano Active, S.A.	843	0	0	-367	0	0	0	0	0	0	-631
Caetano Aeronautic, S.A.	243.403	-7.328	188	-16.135	0	0	0	0	29.788	0	-362.991
Caetano Baviera - Comércio de Automóveis, S.A.	118.151	-3.659	0	-7.661	13.129	0	0	0	35.576	13.642	-207.604
Caetano City e Active (Norte), S.A.	598.618	-48.328	-49.032	-3.026.464	1.058	0	-33.955	0	329.678	145.865	-31.235
Caetano Drive, Sport e Urban, S.A.	1.584	0	0	-847	0	0	0	0	0	0	-5.770
Caetano Energy, S.A.	2.017	0	0	-2.360	0	0	0	0	0	0	-2.259
Caetano Formula Cádiz, SLU	426	0	0	0	0	0	0	0	0	0	-426
Caetano Formula Galicia, SLU	370	0	0	0	0	0	0	0	0	0	-370
Caetano Fórmula West África, S.A.	738	0	0	-124.264	0	0	0	0	8.962	0	-247
Caetano Fórmula, S.A.	2.374	0	0	0	0	0	0	0	0	0	-5.620
Caetano Mobility, SGPS, SA	0	0	0	0	0	0	0	0	0	0	-49

RELATED COMPANIES 2020	COMMERCIAL DEBTS		OTHER CURRENT LIABILITIES	PRODUCTS		FIXED ASSETS		SERVICES		OTHERS	
	RECEIVABLE	PAYABLE	DEFERRALS	SALES	PURCHASES	ACQUISITIONS	DISPOSALS	RENDERED	OBTAINED	EXPENSES	GAINS
Caetano Motors Cádiz, SLU	259	0	0	0	0	0	0	0	0	0	-259
Caetano Motors, S.A.	2.827	0	0	-3.025	0	0	0	0	0	0	-3.793
Caetano Move África, S.A.	31	0	0	0	0	0	0	0	0	0	-247
Caetano One CV, LDA	0	0	-110.187	-2.244.934	0	0	0	0	0	0	-126.278
Caetano Parts, Lda.	1.618	-1.375	0	-2.592	454	0	0	0	1.418	0	-1.307
Caetano Power, S.A.	8.608	0	0	-2.178	0	0	0	0	0	0	-6.946
Caetano Retail España, S.A.U.	9.096	0	0	0	0	0	0	0	0	0	-7.395
Caetano Retail, S.G.P.S., S.A.	167.790	0	0	0	0	0	0	0	0	0	-309.468
Caetano Squadra África, S.A.	63	0	0	0	0	0	0	0	0	0	-145
Caetano Star, S.A.	1.245	0	0	-1.508	0	0	0	0	96	0	-20.596
Caetano Technik, S.A.	356	0	0	-242	0	0	0	0	0	0	-1.550
Caetano UK	2.583	0	0	0	0	0	0	0	0	0	-2.100
Caetanobus - Fab de Carroçarias, S.A.	2.305.531	-134.845	-280.877	-4.980.186	5.414.405	51.858	0	0	147.134	0	-1.690.252
Caetsu Publicidade, S.A.	2.751	-697.136	0	0	0	0	0	0	2.395.443	0	-4.581
Carplus - Comércio de Automóveis, S.A.	0	0	0	0	0	0	0	0	0	55	-3.181
Choice Car, S.A.	3.129	0	0	0	0	0	0	0	8.228	0	-21.808
Cobus Industries, GMBH	151	0	0	0	0	0	0	0	0	0	-123
COCIGA - Construções Civis de Gaia, S.A.	7.920	-55.857	0	-210	0	114.421	0	0	99.555	16.280	-9.805
Covim - Soc. Agrícola, Silvícola e Imobiliária, S.A.	0	0	0	0	0	0	0	0	2.000	0	0
Finlog - Aluguer e Com de Autom, S.A.	683.396	0	-343.282	-2.205.684	58.001	0	-35.000	0	741.128	48.802	-130.971
Fundação Salvador Caetano	22	0	-600.000	0	0	0	0	0	0	0	-56
Grupo Salvador Caetano, (S.G.P.S.), S.A.	0	0	0	0	0	0	0	0	0	0	-32
Guérin - Rent-a-Car (Dois), Lda.	113.128	0	0	-74.686	0	0	0	0	0	0	-221.216
Hyundai Portugal, S.A.	3.249	0	0	0	0	0	0	0	0	0	-31.882
Lidera Soluciones, S.L.	431	-6.720	0	0	0	0	0	0	9.600	0	-350
Lusilectra - Veículos e Equipamentos, S.A.	37.572	-16.898	48	-62.341	45.959	0	0	0	94.527	48	-52.619
MDS Auto - Mediação de Seguros, S.A.	0	0	0	0	0	0	0	0	0	0	-4.835
Movicargo - Movimentação Industrial, Lda.	2.268	-270.801	0	0	536.906	0	0	0	564.166	36.071	-11.290
P.O.A.L. - Pavimentações e Obras Acessórias, S.A.	17.806	0	0	0	0	0	0	0	0	0	0
Portianga - Comércio Internacional e Participações, S.A.	150.895	-10.632	-297.283	-314.766	0	0	0	0	20.412	0	-43.147
RARCON - Arquitectura e Consultadoria e Mediação Imobiliária, S.A.	0	-21.456	-70.000	0	0	0	0	0	129.490	0	0
Rigor - Consultoria e Gestão, S.A.	41.287	-637.970	5.230	0	0	9.771	0	0	2.319.776	2.413	-200.026

RELATED COMPANIES 2020	COMMERCIAL DEBTS		OTHER CURRENT LIABILITIES	PRODUCTS		FIXED ASSETS		SERVICES		OTHERS	
	RECEIVABLE	PAYABLE	DEFERRALS	SALES	PURCHASES	ACQUISITIONS	DISPOSALS	RENDERED	OBTAINED	EXPENSES	GAINS
Salvador Caetano Auto África, (S.G.P.S.), S.A.	0	0	0	0	0	0	0	0	0	0	-9
Salvador Caetano Auto, (S.G.P.S.), S.A.	133	0	0	0	0	0	0	0	0	0	-134
SIMOGA - Sociedade Imobiliária de Gaia, S.A.	1.374	0	0	0	0	0	0	0	0	0	0
Sózó Portugal, S.A.	3.570	0	0	0	0	0	0	0	0	0	-13.317
Toyota Kreditbank, GMBH - Sucursal Portugal	529.818	-32.213	-56.743	-46.653.249	134.333	0	0	0	621.315	1.901.097	-247.358
Toyota Logist S Portugal Unip Lda	67.527	754	304	-6.632	0	0	0	0	0	0	-654.458
Toyota Motor Corporation	16.478	-3.439.173	-24.115	-76	-26.684.973	0	0	0	148	236.637	-209.508
Toyota Motor Europe, NV/SA	441.045	-18.761.000	-120.932	-27.517.926	141.862.037	0	0	0	426.936	138.930	-3.863.144
Turispaiva - Sociedade Turística Paivense, S.A.	369	0	0	0	0	0	0	0	0	0	-3.609
Toyota Tsusho Europe, S.A.	0	0	0	0	0	0	0	0	35.040	0	0
Toyota Tsusho Corpoartion	0	-261.244	0	0	2.790.795	0	0	0	0	0	0
Toyota Material Handling Manuf Sweden AB	0	-725.636	0	0	3.114.997	0	0	0	19.467	-161.371	0
Toyota Material Handling Europe Logistics AB	0	-255.298	0	0	1.438.456	0	0	0	3.113	-3.122	-226
Toyota Material Handling Manufact Italy SPA	0	-620.686	0	0	3.034.619	0	0	0	0	-83.892	-4.005
Toyota Material Handling Espanha SA	2.741	-3.436	0	-25.877	-19.132	15.000	0	0	19.666	426	0
Toyota Material Handling Europe AB	0	-282	0	0	0	0	0	0	3.755	0	0
Toyota Material Handling Manuf France SAS	0	-151.299	0	0	1.585.156	0	0	0	103	-24.608	0
Toyota Material Handling France	0	-6.366	0	0	0	5.200	0	0	0	0	0
Toyota Tsusho Asia Pacific LTD	0	-80.047	0	0	526.332	0	0	0	0	0	0
VAS África (S.G.P.S.), S.A.	52	0	0	0	0	0	0	0	0	0	-94

Sales to Toyota Kreditbank, GMBH - Sucursal Portugal correspond to sales made essentially to subsidiaries of the Group and independent Toyota and Lexus dealers, which are intermediated by such said Entity as a financial intermediary of the Toyota Motor Corporation Group.

RELATED COMPANIES 2019	COMMERCIAL DEBTS		OTHER CURRENT LIABILITIES	PRODUCTS		FIXED ASSETS		SERVICES		OTHERS	
	RECEIVABLE	PAYABLE	DEFERRALS	SALES	PURCHASES	ACQUISITIONS	DISPOSALS	RENDERED	OBTAINED	EXPENSES	GAINS
Amorim, Brito & Sardinha, Lda	738	0	0	0	0	0	0	0	0	0	-7.200
Atlântica - Companhia Portuguesa de Pesca, S.A.	5.173	0	0	0	0	0	0	0	0	0	0
Caetano Active, S.A.	675	0	0	-676	0	0	0	0	0	0	-322
Caetano Aeronautic, S.A.	137.013	0	0	-17.851	0	0	-6.000	0	210.938	0	-669.306
Caetano Baviera - Comércio de Automóveis, S.A.	28.220	-4.398	-21.980	-11.145	1.418	0	0	0	5.350	1.684	-234.960
Caetano City e Active (Norte), S.A.	716.446	-62.466	-57.052	-3.305.108	983	0	-153.757	0	113.747	136.519	21.492

RELATED COMPANIES 2019	COMMERCIAL DEBTS		OTHER CURRENT LIABILITIES	PRODUCTS		FIXED ASSETS		SERVICES		OTHERS	
	RECEIVABLE	PAYABLE	DEFERRALS	SALES	PURCHASES	ACQUISITIONS	DISPOSALS	RENDERED	OBTAINED	EXPENSES	GAINS
Caetano Drive, Sport e Urban, S.A.	2.346	0	0	-2.070	0	0	0	0	0	0	-6.217
Caetano Energy, S.A.	309	0	0	-2.400	0	0	0	0	0	0	-3.389
Caetano Formula Cádiz, SLU	374	0	0	0	0	0	0	0	0	0	-374
Caetano Formula East África, S.A.	0	0	0	-35	0	0	0	0	0	0	-2.490
Caetano Formula Galicia, SLU	0	0	0	0	0	0	0	0	0	0	-130
Caetano Fórmula West África, S.A.	143	0	0	0	0	0	0	0	0	0	-270
Caetano Fórmula, S.A.	2.567	0	0	-3.673	0	0	0	0	0	0	-6.117
Caetano Mobility, SGPS, SA	57	0	0	0	0	0	0	0	0	0	-46
Caetano Motors Cádiz, SLU	220	0	0	0	0	0	0	0	0	0	-220
Caetano Motors, S.A.	2.960	0	0	-4.225	0	0	0	0	0	0	-3.648
Caetano Move África, S.A.	21	0	0	0	0	0	0	0	0	0	-261
Caetano One CV, LDA	0	0	0	0	0	0	0	0	0	0	0
Caetano Parts, Lda.	1.810	-221	0	-1.236	455	0	0	0	741	0	-2.662
Caetano Power, S.A.	1.174	0	0	-3.146	0	0	0	0	0	0	-2.287
Caetano Retail España, S.A.U.	124.316	0	0	0	0	0	0	0	0	0	-126.185
Caetano Retail, S.G.P.S., S.A.	168.172	0	0	-605	0	0	0	0	0	0	-304.996
Caetano Squadra África, S.A.	21	0	0	0	0	0	0	0	0	0	-60
Caetano Star, S.A.	10.372	-60	0	-1.285	0	0	0	0	49	-795	-19.108
Caetano Technik, S.A.	1.032	0	0	-1.108	0	0	0	0	0	0	-1.795
Caetanobus - Fab de Carroçarias, S.A.	2.639.534	-287.391	43.430	-137.473	1.350	0	-150	0	95.634	3.793	-2.407.124
Caetsu Publicidade, S.A.	0	0	0	0	0	0	0	0	0	0	0
Carplus - Comércio de Automóveis, S.A.	7.745	-1.247.660	0	-13.080	0	0	0	0	3.559.300	0	-10.468
Choice Car, S.A.	1.381	0	0	0	0	0	0	0	0	0	-17.138
COCIGA - Construções Civis de Gaia, S.A.	5.237	0	0	0	0	0	0	0	16.014	0	-40.684
Covim - Soc. Agrícola, Silvícola e Imobiliária, S.A.	4.235	-134.104	0	-350	0	606.082	0	0	112.014	19.440	-11.123
Finlog - Aluguer e Com de Autom, S.A.	106.248	-49.213	-109.570	-456.647	977.366	0	0	0	617.044	79.046	-95.830
Fundação Salvador Caetano	10	0	-600.000	0	0	0	0	0	0	0	-224
Grupo Salvador Caetano, (S.G.P.S.), S.A.	0	0	0	0	0	0	0	0	4.150	0	-34
Guérin - Rent-a-Car (Dois), Lda.	444.867	-2.761	0	-73.854	0	0	0	0	2.321	0	-378.260
Guérin - Rent-a-Car SLU	2.432	0	0	0	0	0	0	0	0	0	-2.432
Hyundai Portugal, S.A.	2.495	0	0	0	0	0	0	0	0	0	-51.416
Lidera Soluciones, S.L.	4.262	0	0	0	0	0	0	0	0	0	-5.061
Lusilectra - Veículos e Equipamentos, S.A.	74.528	-18.556	0	-84.926	20.586	71.245	0	0	126.896	6.740	-57.840

RELATED COMPANIES 2019	COMMERCIAL DEBTS		OTHER CURRENT LIABILITIES	PRODUCTS		FIXED ASSETS		SERVICES		OTHERS	
	RECEIVABLE	PAYABLE	DEFERRALS	SALES	PURCHASES	ACQUISITIONS	DISPOSALS	RENDERED	OBTAINED	EXPENSES	GAINS
MDS Auto - Mediação de Seguros, S.A.	1.827	0	0	0	0	0	0	0	0	0	-2.498
Movicargo - Movimentação Industrial, Lda.	2.661	-316.544	0	0	875.365	0	0	0	608.243	63.082	-15.336
P.O.A.L. - Pavimentações e Obras Acessórias, S.A.	17.806	0	0	0	0	0	0	0	0	0	0
Portianga - Comércio Internacional e Participações, S.A.	337.727	-324.941	0	-407.819	0	0	0	0	274.710	0	-87.931
RARCON - Arquitectura e Consultadoria e Mediação Imobiliária, S.A.	0	-59.697	0	-18.095	0	54.087	0	0	147.756	0	-104
Rigor - Consultoria e Gestão, S.A.	86.835	-767.511	10.748	0	0	32.826	0	0	2.159.816	22.508	-256.077
Robert Hudson, LTD	0	0	0	-834	0	0	0	0	0	0	0
Salvador Caetano Auto África, (S.G.P.S.), S.A.	39	0	0	0	0	0	0	0	0	0	-91
Salvador Caetano Auto, (S.G.P.S.), S.A.	21	0	0	0	0	0	0	0	0	0	-94
Salvador Caetano Capital, (S.G.P.S.), S.A.	10	0	0	0	0	0	0	0	0	0	-9
SIMOGA - Sociedade Imobiliária de Gaia, S.A.	1.374	0	0	0	0	0	0	0	0	0	0
Sózó Portugal, S.A.	8.528	0	0	0	0	0	0	0	0	0	-22.430
Toyota Kreditbank, GMBH - Sucursal Portugal	17.380	-24.135	21.360	-21.965.174	1.910.824	0	-11.789	0	15.868	1.009.228	-237.862
Toyota Logist S Portugal Unip Lda	67.971	754	0	-4.229	0	0	0	0	0	0	-655.972
Toyota Motor Corporation	332.366	-4.404.755	-68.816	0	42.819.077	0	0	0	136.758	341.267	-165.556
Toyota Motor Europe, NV/SA	3.501.528	-15.848.490	-87.518	-45.547.690	220.102.773	30.000	0	0	535.174	139.104	-4.151.909
Turispaiva - Sociedade Turística Paivense, S.A.	369	0	0	0	0	0	0	0	0	0	-3.600
Toyota Tsusho Europe S.A.	0	0	0	0	0	0	0	0	0	0	0
Toyota Tsusho Corporation	0	-396.016	0	0	2.645.459	0	0	0	0	0	0
Toyota Material Handling Manuf Sweden AB	0	-530.838	0	0	5.173.729	0	0	0	0	-3.122	-226
Toyota Material Handling Europe Logistics AB	0	-295.316	0	0	1.505.905	0	0	0	273	-83.892	-4.005
Toyota Material Handling Manufact Italy SPA	0	-1.785.806	0	0	7.287.071	0	0	0	338	426	0
Toyota Material Handling Espanha SA	2.513	-12.018	0	-11.527	26.509	17.150	0	0	38.562	0	0
Toyota Material Handling Manuf France SAS	0	-188.663	0	0	2.827.447	0	0	0	241	0	0
Toyota Material Handling France	0	-9.666	0	0	8.500	0	0	0	1.325	0	0
Toyota Tsusho Asia Pacific LTD	0	-132.821	0	0	874.826	0	0	0	0	0	0
VAS África (S.G.P.S.), S.A.	21	0	0	0	0	0	0	0	0	0	0

31. CONTINGENT ASSETS AND LIABILITIES

Financial commitments assumed and not included in the Statement of Financial Position

As of December 31,2020 and 2019, Toyota Caetano had assumed the following financial commitments:

RESPONSIBILITIES	DEC'20	DEC'19
Security deposit	4.000.000	4.000.000
Other financial guarantees	1.660.174	1.668.010
	5.660.174	**5.668.010**

The amount presented as "Security Deposit" refers to the security deposited with the Tax and Customs Authority - General Directorate of Customs within the scope of customs clearance of inventories targeted for import.

As a result of loans amounting to 14 Million Euros, Toyota Caetano granted the respective financial institutions mortgages on properties valued at the time of the referred loans, to approximately 23.4 Million Euros.

End-of-life vehicles

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

Producers/Distributors will have to bear at least a significant part of the cost of the take back of vehicles put on the market as of July 1, 2002 and from January 1, 2007 for vehicles put on the market.

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 access the impact of such operations in its financial statements.

However, it is our belief, in view of the studies already carried out on the Portuguese market and given the possible recovery of waste resulting from the dismantling of the vehicles in question, that the effective impact of this legislation on the Company's accounts will be small if not null.

Meanwhile and according to the legislation introduced in national standards (Dec./Law 196/2003), the Company contracted with "ValorCar – Sociedade de Gestão de Veículos em Fim de Vida, Lda." - a licensed entity for the management of an integrated system of ELV - the transfer of the responsibilities in this process.

Information related to environmental area

The Company adopts the necessary measures relating to the environment, aiming to fulfil current applicable legislation.

Toyota Caetano's Board of Directors does not estimate that there are risks related to environmental protection and improvement, having not received any administrative offenses related to this matter during the year ended December 31, 2020.

32. EARNINGS PER SHARE

The earnings per share for the year ended as of December 31, 2020 and 2019 were computed based on the following amounts:

	DEC'20	DEC'19
Net income	4.644.726	11.593.984
Number of shares	35.000.000	35.000.000
Earnings per share (basic and diluted)	0,13	0,33
Comprehensive income	4.522.618	11.593.984
Number of shares	35.000.000	35.000.000
Comprehensive income (basic and diluted)	0,13	0,33

33. REMUNERATION OF BOARD MEMBERS

The remuneration of the board members in Toyota Caetano Portugal, S.A. during the years 2020 and 2019, was as follows:

BOARD MEMBERS	DEC'20	DEC'19
Board of Directors	391.783	464.940
Statutory Audit Board	6.790	8.520

34. REMUNERATION OF STATUTORY AUDITOR

The fees paid to the statutory auditors in the years 2020 and 2019 were as follows:

	DEC'20	DEC'19
Total fees related to statutory audit	27.000	28.000
Total fees for other assurance services	-	1.000
	27.000	29.000

35. COVID-19

Following the WHO (World Health Organisation) statement in March 2020 regarding the State of Pandemic, due to the spread of the COVID-19 pandemic, we should highlight a few impacts on the financial statements presented as of December 31, 2020:

Activity/Profitability

As shown in the attached financial statements, the Company's activity suffered a drop of about 21% as a result of the various constraints that the pandemic caused, notably the interruptions/stoppages of production sometimes caused by the restrictive public health measures implemented, sometimes caused by the logistical difficulties in moving people, goods and equipment.

In terms of profitability, as a result of the interruptions/stops that occurred with the consequent negative impact on productivity and the dilution of fixed costs, EBITDA* also suffered a decrease of around 24%. In this regard, it should be noted that it is the Company´s expectation that, as the normal pace is resumed, profitability will return to the levels reached in the past.

* EBITDA= Operating income + Depreciation + Impairment of inventories + Impairment of accounts receivable

Financing

Despite the lower profitability of the operations, the Company's financing needs have not worsened, having managed to finance its activity through lines of credit made available without the need to use the lines established by the Portuguese State/financial system to face the moment of crisis, such as the Covid lines and the moratoriums process established by the Portuguese State/financial system.

On the other hand, as a result of the measures to support the economy implemented by the Portuguese State, there was no increase in financing costs.

Finally, to date, there has also been no significant increase in the average terms of payment from customers that has affected the Company's financing needs.

Liquidity

In accordance with its management policy aimed at maintaining an adequate liquidity reserve and as the Company is aware of the economic and financial repercussions, which will have inherently negative effects on its future activity/ profitability, it should be noted that available bank credit lines amounting to more than € 50M exist at the moment, thus ensuring, in our view, the continuity of operations for at least a 12-month period.

Relief mechanisms made available by the Government

Aware of the economic and financial impact on businesses' activity/profitability, the Government has rolled out a series of relief measures, from which the Company benefited in the following approximate amounts:

- Special support for maintaining employment contracts – simplified layoff	827.340 Euros
- Incentive to resuming normal business activity	560.070 Euros

36. SUBSEQUENT EVENTS

Since the end of 2020, we could not disclose this financial information without clarifying that it was prepared before the recent lock down declared by Portuguese Government because of COVID-19 second big wave felt after yearend.

Aware of the negative effects on activity/profitability as a result of foreseeable drops in sales volume as a result of the closure of commercial facilities, the Company resorted to government support "Programa da Retoma Progressiva".

Keeping the uncertainty about the maintenance of the impacts of the pandemic, the Board of Directors maintains the conviction and security about the good financial capacity of the Company, with unused bank credit lines available in the amount of more than € 50M, thus being in our opinion, the continuity of operations guaranteed for at least a period of 12 months.

37. FINANCIAL STATEMENTS APPROVAL

The financial statements were approved by the Board of Directors on March 31, 2021.

38. EXPLANATION ADDED FOR TRANSLATION

These financial statements are a translation of financial statements originally issued in Portuguese language in accordance with IFRS. In the event of discrepancies, the Portuguese language version prevails.

CHARTERED ACCOUNTANT
ALEXANDRA MARIA PACHECO GAMA JUNQUEIRA

BOARD OF DIRECTORS
JOSÉ REIS DA SILVA RAMOS - President
MARIA ANGELINA MARTINS CAETANO RAMOS
SALVADOR ACÁCIO MARTINS CAETANO
MIGUEL PEDRO CAETANO RAMOS
KATSUTOSHI NISHIMOTO
MATTHEW PETER HARRISON
GISELA MARIA FALCÃO SOUSA PIRES PASSOS

CONSOLIDATED ACCOUNTS

Toyota Caetano Portugal, S.A.

CONSOLIDATED FINANCIAL HIGHLIGHTS

	DEC'20	DEC'19
TURNOVER	357.836.638	456.213.482
CASH-FLOW	28.471.989	43.434.675
INTEREST AND OTHERS	2.371.610	1.946.586
PERSONNEL EXPENSES	35.674.340	41.370.929
NET INVESTMENT	44.173.990	22.137.091
NUMBER OF EMPLOYEES	1.503	1.537
NET INCOME WITH MINORITY INTEREST	4.451.733	11.646.599
NET INCOME WITHOUT MINORITY INTEREST	4.644.726	11.593.984
DEGREE OF AUTONOMY	48,2%	46,0%

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2020 AND 2019

(Amounts expressed in Euros)

ASSETS	NOTES	31/12/2020	31/12/2019
NON-CURRENT ASSETS:			
Goodwill	8	611.997	611.997
Intangible assets	5	721.490	465.385
Tangible fixed assets	6	96.730.530	110.019.605
Investment properties	7	11.159.678	13.676.728
Financial investments in associates and joint ventures	9	39.105.000	-
Instruments at fair value through capital	10	4.219.437	3.923.974
Deferred tax assets	15	3.148.683	2.611.486
Accounts receivable	12	654.046	608.975
Total non-current assets		156.350.861	131.918.150
CURRENT ASSETS:			
Inventories	11	78.708.164	105.470.028
Accounts receivable	12	45.050.337	54.236.551
Other debtors	13	5.574.066	2.538.178
Income tax receivable	22	871.404	262.011
Other current assets	14	4.754.890	3.380.652
Cash and cash equivalents	16	11.437.547	12.693.644
Total current assets		146.396.408	178.581.064
Non-current assets held for sale	7	2.157.708	-
Total assets		**304.904.977**	**310.499.214**
SHAREHOLDERS' EQUITY & LIABILITIES			
EQUITY:			
Share capital		35.000.000	35.000.000
Legal reserve		7.498.903	7.498.903
Other reserves		98.561.640	87.231.469
Consolidated net income		4.644.726	11.593.984
	17	145.705.269	141.324.356
Non-controlling interests	18	1.284.674	1.514.227
Total equity		146.989.943	142.838.583
LIABILITIES: NON-CURRENT LIABILITIES:			
Loans	19	26.913.455	36.880.225
Defined benefit plan liabilities	24	11.171.634	9.476.000
Provisions	25	1.973.126	944.772
Deferred tax liabilities	15	1.839.798	1.500.361
Total non-current liabilities		41.898.013	48.801.358
CURRENT LIABILITIES:			
Loans	19	17.341.752	7.353.166
Accounts payable	20	38.187.645	38.236.935
Other creditors	21	37.571.414	51.854.470
Other current liabilities	23	22.916.210	21.414.702
Total current liabilities		116.017.021	118.859.273
Total liabilities		157.915.034	167.660.631
Total liabilities and shareholder' equity		**304.904.977**	**310.499.214**

The notes to the financial statements integrate this statement for the period ending at 31 December 2020.

Chartered Accountant: Alexandra Maria Pacheco Gama Junqueira
Board of Directors: José Reis da Silva Ramos - President; Maria Angelina Martins Caetano Ramos; Salvador Acácio Martins Caetano; Miguel Pedro Caetano Ramos; Matthew Peter Harrison; Katsutoshi Nishimoto; Gisela Maria Falcão Sousa Pires Passos

CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED AT 31 DECEMBER 2020 AND 2019

(Amounts expressed in Euros)

	NOTES	31/12/2020	31/12/2019
Operating Income:			
Sales	29	319.482.015	407.986.700
Services rendered	29	38.354.623	48.226.783
Other operating income	32	25.061.606	27.845.983
Variation of products	11	188.420	1.132.517
		383.086.664	485.191.983
Operating expenses:			
Cost of sales	11	(274.833.481)	(349.924.053)
External supplies and services	30	(38.284.349)	(44.570.681)
Payroll expenses	31	(35.674.340)	(41.370.929)
Depreciations and amortizations	5, 6 and 7	(20.323.547)	(25.168.581)
Impairment losses in inventories	25	409.735	(1.445.801)
Impairment losses in accounts receivable	25	(961.564)	(784.560)
Other provisions and Impairment losses	25	(1.250.192)	(217.780)
Other operating expenses	32	(3.269.322)	(3.416.913)
		(374.187.060)	(466.899.298)
Operational Income		8.899.604	18.292.685
Expense and financial losses	33	(2.388.772)	(1.971.661)
Income and financial gains	33	17.162	25.075
Profit before taxation		6.527.994	16.346.099
Income tax for the year	26	(2.076.261)	(4.699.500)
Net profit for the period		4.451.733	11.646.599
Net profit for the period attributable to:			
Equity holders of the parent		4.644.726	11.593.984
Non-controlling interests	18	(192.993)	52.615
		4.451.733	11.646.599
Earnings per share:			
Basic	27	0,127	0,333
Diluted	27	0,127	0,333

The notes to the financial statements integrate this statement for the period ending at 31 December 2020.

Chartered Accountant: Alexandra Maria Pacheco Gama Junqueira
Board of Directors: José Reis da Silva Ramos - President; Maria Angelina Martins Caetano Ramos; Salvador Acácio Martins Caetano; Miguel Pedro Caetano Ramos; Matthew Peter Harrison; Katsutoshi Nishimoto; Gisela Maria Falcão Sousa Pires Passos

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY FOR THE PERIOD ENDED AT 31 DECEMBER 2020 AND 2019

(Amounts expressed in Euros)

		EQUITY ATTRIBUTABLE TO THE PARENT COMPANY										
	NOTES	SHARE CAPITAL	LEGAL RESERVE	REVALUATION RESERVES	TRANSLATION RESERVES	FAIR VALUE RESERVES	OTHER RESERVES	TOTAL RESERVES	NET PROFIT	SUBTOTAL	NON-CONTROLLING INTERESTS	TOTAL
Balances at 1 of January 2019		**35.000.000**	**7.498.903**	**6.195.184**	**(1.695.238)**	**552.731**	**76.061.568**	**88.613.148**	**12.786.759**	**136.399.907**	**1.473.222**	**137.873.129**
Changes in the period:												
Application of the consolidated net income 2018		-	-	-	-	-	12.786.759	12.786.759	(12.786.759)	-	-	-
Available for sale financial assets fair value changes	10	-	-	-	-	330.465	-	330.465	-	330.465	-	330.465
		-	-	-	-	**330.465**	**12.786.759**	**13.117.224**	**(12.786.759)**	**330.465**	-	**330.465**
Consolidated net profit for the period		-	-	-	-	-	-	-	11.593.984	11.593.984	52.615	11.646.599
Consolidated comprehensive income		-	-	-	-	330.465	-	330.465	11.593.984	11.924.449	52.615	11.977.064
Acquisition of non-controlling interests		-	-	-	-	-	-	-	-	-	(11.610)	(11.610)
Distributed dividends	17	-	-	-	-	-	(7.000.000)	(7.000.000)	-	(7.000.000)	-	(7.000.000)
Balances at 31 of December 2019		**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**
Balances 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)	-	-	-
Available for sale financial assets fair value changes	-	-	-	-	-	295.462	-	295.462	-	295.462	-	295.462
Remeasurements of defined plans							(932.466)	(932.466)		(932.466)	-	(932.466)
Others	-	-	-	-	-	-	373.191	373.191	-	373.191	-	373.191
	-	-	-	-	-	**295.462**	**11.034.709**	**11.330.171**	**(11.593.984)**	**(263.813)**	-	**(263.813)**
Consolidated net profit for the period		-	-	-	-	-	-	-	4.644.726	4.644.726	(192.993)	4.451.733
Consolidated comprehensive income		-	-	-	-	295.462	(559.275)	(263.813)	4.644.726	4.380.913	(207.362)	4.173.551
Acquisition of non-controlling interests		-	-	-	-	-	-	-	-	-	(22.191)	(22.191)
Balances at 31 of December 2019		**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**

The notes to the financial statements integrate this statement for the period ending at 31 December 2020.

Chartered Accountant: Alexandra Maria Pacheco Gama Junqueira
Board of Directors: José Reis da Silva Ramos - President; Maria Angelina Martins Caetano Ramos; Salvador Acácio Martins Caetano; Miguel Pedro Caetano Ramos; Matthew Peter Harrison; Katsutoshi Nishimoto; Gisela Maria Falcão Sousa Pires Passos

CONSOLIDATED STATEMENT OF THE COMPREHENSIVE INCOME FOR THE PERIOD ENDING AT 31 DECEMBER 2020 AND 2019

(Amounts expressed in Euros)

	31/12/2020	31/12/2019
Consolidated net profit for the period, including non-controlling interests	4.451.733	11.646.599
Components of other consolidated comprehensive income, that could not be recycled by profit and loss:		
Instruments at fair value through capital changes (Note 10)	295.462	330.465
Remeasurements of defined plans (gross amount of actuarial losses) (Note 24)	(1.546.407)	-
Variation of Remeasurements of defined plans - Deferred tax	613.941	-
Other changes - Gross amount	584.263	-
Other changes- Deferred tax	(225.441)	-
Consolidated comprehensive income	4.173.551	11.977.064
Attributable to:		
Equity holders of the parent company	4.380.913	11.924.449
Non-controlling interests	(207.362)	52.615

The notes to the financial statements integrate this statement for the period ending at 31 December 2020.

Chartered Accountant: Alexandra Maria Pacheco Gama Junqueira
Board of Directors: José Reis da Silva Ramos - President; Maria Angelina Martins Caetano Ramos; Salvador Acácio Martins Caetano; Miguel Pedro Caetano Ramos; Matthew Peter Harrison; Katsutoshi Nishimoto; Gisela Maria Falcão Sousa Pires Passos

CONSOLIDATED CASH FLOWS STATEMENT AT 31 DECEMBER 2020 AND 2019

(Amounts expressed in Euros)

OPERATING ACTIVITIES	DEC/20		DEC/19	
Collections from Customers	476.780.959		570.499.446	
Payments to Suppliers	(328.625.355)		(415.087.445)	
Payments to Employees	(31.832.823)		(35.993.325)	
Operating Flow		**116.322.781**		**19.418.676**
Payments of Income Tax		(2.265.054)		(7.050.561)
Other Collections/Payments Related to Operating Activities		(68.253.194)		(68.912.801)
Cash Flow from Operating Activities		**45.804.533**		**43.455.314**
INVESTING ACTIVITIES				
Collections from:				
Investments Properties	-		284.000	
Tangible Fixed Assets	1.301.592		3.140.426	
Interest and Other income	4.600	**1.306.192**	28.499	**3.452.925**
Payments to:				
Financial Investments	(39.127.191)		-	
Investments Properties	(72.445)		(444.769)	
Tangible Fixed Assets	(1.679.855)		(4.007.343)	
Intangible Assets	(334.435)	**(41.213.926)**	(289.371)	**(4.741.483)**
Cash Flow from Investment Activities		**(39.907.733)**		**(1.288.558)**
FINANCING ACTIVITIES				
Collections from:				
Loans (Note 19)	62.612.760		93.162.682	
Leases (Note 19)	2.370.979	**64.983.739**	434.563	**93.597.245**
Payments to:				
Loans (Note 19)	(62.250.000)		(122.400.000)	
Leases (Note 19)	(7.815.570)		(8.405.927)	
Interest and Other costs	(1.732.058)		(2.465.234)	
Other Creditors	(176.325)			
Dividends	-	**(71.973.953)**	(7.016.060)	**(140.287.221)**
Cash Flow from Financing Activities		**(6.990.214)**		**(46.689.976)**
CASH				
Cash and Cash Equivalents at Beginning of Period (Note 16)		12.530.961		17.075.155
Changes in perimeter (Note 4)		-		(20.974)
Cash and Cash Equivalents at End of Period (Note 16)		11.437.547		12.530.961
Net Flow in Cash Equivalents		**(1.093.414)**		**(4.523.220)**

The notes to the financial statements integrate this statement for the period ending at 31 December 2020.

Chartered Accountant: Alexandra Maria Pacheco Gama Junqueira
Board of Directors: José Reis da Silva Ramos - President; Maria Angelina Martins Caetano Ramos; Salvador Acácio Martins Caetano; Miguel Pedro Caetano Ramos; Matthew Peter Harrison; Katsutoshi Nishimoto; Gisela Maria Falcão Sousa Pires Passos

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 distributor of the brands Toyota (Vehicles and Forklifts), Lexus (vehicles) and BT (Forklifts) in Portugal and is the head of a group of companies ("Toyota Caetano Group") presented below as at December 31, 2020:

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	Associated
With headquarters in foreign countries:		
Caetano Auto CV, S.A. ("Caetano Auto CV")	Praia (Cabo 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)	Associated

During the period ended December 31, 2020, there was a change in the Toyota Caetano Group perimeter as a result of the acquisition of financial participations in Caetanobus – Fabricação de Carroçarias, S.A. and Finlog – Aluguer e Comércio de Automóveis, S.A. (Note 4).

During the period ended December 31, 2019, there was a change in the composition of the consolidation perimeter with the liquidation of Saltano in May, 2019.

Toyota Caetano shares are listed in Euronext Lisbon since October 1987.

The attached consolidated financial statements are stated in Euros (rounding by unit), as this is the functional currency used in the economic environment where the Group operates. Foreign operations and transactions are included in the consolidated financial statements in accordance with the policy described in Note 2.2 b).

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

These financial statements relate to the consolidated financial statements of Toyota Caetano Group and were prepared according to the IFRS – International Financial Reporting Standards, as issued by the International Accounting Standards Board ("IASB"), the International Accounting Standards (IAS), as issued by the International Accounting Standards Committee ("IASC") and its respective interpretations - IFRIC and SIC, as issued, respectively, by the International Financial Reporting Interpretations Committee ("IFRIC") and by the Standing Interpretation Committee ("SIC"), that have been endorsed by the European Union, being effective for the annual periods beginning on or after January 1, 2020.

The accompanying consolidated financial statements have been prepared on a going concern basis and having as basis the principle of the historical cost and, in the case of some financial instruments, fair value, based on the accounting records of the companies included in consolidation (Note 4).

Management assessed the Group's ability to operate in continuity, based on all relevant information, facts and circumstances, of a financial, commercial or other nature, including events subsequent to the reference date of the consolidated financial statements, available on the future. As a result of the evaluation carried out, the Management concluded that the Group has adequate resources to maintain the activities, with no intention of ceasing activities in the short term, so it considered appropriate the use of the assumption of continuity of operations in the preparation of the consolidated financial statements.

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

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

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

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

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

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

2.2 ADOPTION OF IAS/IFRS NEW OR REVISED

Accounting standards endorsed by the European Union

Till the date of the approval of these financial statements, the European Union endorsed the following accounting standards, interpretations, amendments and revisions, mandatorily applied to the financial year beginning on January 1, 2020:

STANDARD/INTERPRETATION	APPLICABLE IN THE EUROPEAN UNION IN THE FINANCIAL YEARS BEGUN ON OR AFTER	DESCRIPTION
Amendments to references to the Conceptual Framework in IFRS Standards	1-Jan-20	Corresponds to amendments to several standards (IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22 and SIC 32) in in relation to references to the revised Conceptual Framework in March 2018. The revised Conceptual Framework includes revised definitions of an asset and a liability and new guidance on measurement, derecognition, presentation and disclosure.
Amendment to IAS 1 and IAS 8 - Definition of material	1-Jan-20	Corresponds to amendments to clarify the definition of material in IAS 1. The definition of material in IAS 8 now refers to IAS 1. The amendment changes the definition of material in other standards to ensure consistency. The information is material if, due to its omission, distortion or concealment, it is reasonably expected to influence the decisions of the primary users of the financial statements based on the financial statements.
Amendment to IFRS 3 - Definition of business	1-Jan-20	Corresponds to amendments to the definition of business, aiming to clarify the identification of business acquisition or acquisition of a group of assets. The revised definition further clarifies the definition of a business's output as the supply of goods or services to customers. The changes include examples for identifying a business acquisition.

STANDARD/INTERPRETATION	APPLICABLE IN THE EUROPEAN UNION IN THE FINANCIAL YEARS BEGUN ON OR AFTER	DESCRIPTION
Amendments to IFRS 9, IAS 39 and IFRS 7 - reform of benchmark interest rates (IBOR Reform)	1-Jan-20	Corresponds to amendments to IFRS 9, IAS 39 and IFRS 7 related to the benchmark interest rate reform project (known as "IBOR reform"), in order to reduce the potential impact of changes in reference interest rates on financial reporting, namely in hedge accounting.
Amendment to IFRS 16 - Leases - "Covid 19 Related Rent Concessions	1-Jun-20	This amendment introduces an optional practical expedient whereby tenants are exempt from analysing whether income concessions, typically income suspensions or reductions, related to the "COVID-19" pandemic correspond to contractual modifications.

No significant impacts to the financial statements occurred from the adoption of the above-mentioned accounting standards, interpretations, amendments and revisions.

New accounting standards applicable in the European Union in future years

The following standards, interpretations, amendments and revisions were endorsed by the European Union and have mandatory application in future years:

STANDARD / INTERPRETATION	APPLICABLE IN THE EUROPEAN UNION IN THE FINANCIAL YEARS BEGUN ON OR AFTER	DESCRIPTION
Amendment to IFRS 9, IAS 39 and IFRS 7 – Phase 2 – Interest Rate Benchmark Reform	1-Jan-21	Corresponds to additional amendments to IFRS 9, IAS 39 and IFRS 7, issued on August 27, 2020, related to the second phase of the benchmark interest rate reform project (known as "IBOR reform"), referring to changes reference interest rates and impacts on changes in financial assets, financial liabilities and lease liabilities, hedge accounting and disclosures.
Amendment to IFRS 4 Insurance Contracts - deferral of IFRS 9	1-Jan-21	Corresponds to the amendment to IFRS 4 that postponed the deferral of application of IFRS 9 for initial years on or after January 1, 2023.

The Entity did not proceed with the early implementation of any of these standards in the financial statements for the year ended December 31, 2020 due to the fact that their application is not mandatory. No significant impacts are expected on the financial statements resulting from their adoption.

New accounting standards yet to be endorsed by the European Union

The following standards, interpretations, amendments and revisions were not endorsed by the European Union at the date of the approval of the Financial Statements and therefore may not be applied in the European Union:

STANDARD / INTERPRETATION	APPLICABLE IN THE EUROPEAN UNION IN THE FINANCIAL YEARS BEGUN ON OR AFTER	DESCRIPTION
IFRS 17 - Insurance contracts	1-Jan-23	This standard establishes, for insurance contracts within its scope, the principles for their recognition, measurement, presentation and disclosure. This standard replaces IFRS 4 - Insurance Contracts.
Amendment to IAS 1 Presentation of financial statements - Classification of liabilities as current and non-current	1-Jan-23	This amendment published by the IASB clarifies the classification of liabilities as current and non-current by analysing the contractual conditions existing at the reporting date.

STANDARD / INTERPRETATION	APPLICABLE IN THE EUROPEAN UNION IN THE FINANCIAL YEARS BEGUN ON OR AFTER	DESCRIPTION
Amendments to IFRS 3, IAS 16, IAS 37 and Annual Improvements 2018-2020	1-Jan-22	These amendments correspond to a set of updates to the various standards mentioned, namely: - IFRS 3 - update of the reference to the 2018 conceptual structure; additional requirements for analysing obligations under IAS 37 or IFRIC 21 on the acquisition date; and explicit clarification that contingent assets are not recognized in a business combination. - IAS 16 - prohibition of deducting the cost of a tangible asset from income related to the sale of products before the asset is available for use. - IAS 37 - clarification that costs of fulfilling a contract correspond to costs directly related to the contract. - Annual improvements 2018-2020 correspond essentially to amendments to 4 standards, IFRS 1, IFRS 9, IFRS 16 and IAS 41.
Amendment to IAS 1 Presentation of Financial Statements and Statement of Practice IFRS 2: Disclosure of Accounting Policies (issued on February 12, 2021)	1-Jan-23	These amendments establish criteria for the identification and disclosure of material accounting policies.
Amendment to IAS 8: Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (issued on February 12, 2021)	1-Jan-23	This amendment changes the definition of accounting estimates and clarifies that changes in estimates as a result of new information does not correspond to errors.
Proposed changes to leases IFRS 16: COVID-19 Leases Concessions after June 30, 2021 (issued March 31, 2021)	1-Apr-21	These changes provide exemptions applicable in the reports on the evaluation of modification of lease contracts as a result of COVID-19.

Regarding these standards and interpretations, as issued by the IASB but yet to be endorsed by the European Union, it is not believed that their future adoption will entail significant impacts on the attached financial statements.

2.3 CONSOLIDATION PRINCIPLES

Consolidation principles used by the Group were as follows:

a) Investments in Group companies

Investments in companies in which the Group is exposed, or has voting rights, to variable returns as a result of their involvement in these companies and has the ability to affect those returns through the power of these companies (definition of control used by the Group), were included in the consolidated financial statements by the full consolidation method. Equity and net results corresponding to third parties participations in those companies are recorded separately in the consolidated statement of financial position and in the consolidated income statement under the caption "Non--controlling interests". Fully consolidated companies are listed in Note 4.

When losses attributable to minority shareholders exceed non-controlling interests in shareholder's equity, the Group absorbs the excess, in proportion to the percentage held.

For business combinations, earlier than 2010, it was adopted the purchase method to account for subsidiary's acquisitions. The acquisition cost corresponds to the fair value, determined at the acquisition date, of the assets given, equity instruments issued and liabilities incurred or assumed. The identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are initially recognized at fair value on the acquisition date, irrespective of the existence of non-controlling interests. The surplus in the cost of acquisition relating to the fair value of the parcel of the Group of the assets identifiable acquired are registered as Goodwill. If the cost of acquisition is lower than the fair value of the net assets of the acquired subsidiary, the difference is recognized directly in the Consolidated Income Statement.

For business combinations that have occurred on or after January 1, 2010, the Group has applied IFRS 3 Revised. According to the referred standard, the purchase method continues to be considered on business combinations, with the following significant changes:

i) the amounts that compose the purchase price are valued at fair value, being given the option to, on a transaction to transaction basis, measure non-controlling interests by the proportion of the acquired company's net assets or at the fair value of the assets and liabilities acquired;

ii) the costs related to the acquisition are recognized as expenses.

Whenever the Group already holds a previously acquired investment on the date of acquisition of control, the fair value of that investment contributes to the determination of goodwill or negative goodwill.

It was also applied since January 1, 2010 the IAS 27 reviewed, meanwhile replaced for this purpose by IFRS 10, which requires that all transactions with non-controlling interests to be recognized on Equity, when there is no change on the control of the entity. Also, it isn't recognized goodwill or any profit or loss. When there is a loss of control on the entity, any remaining interest is remeasured at fair value, with a gain or loss being recognized on the consolidated income statement.

The results of Group companies acquired or disposed of during the period are included in the consolidated income statement from the effective date of acquisition or until the date of their disposal.

Adjustments to the financial statements of Toyota Caetano companies are performed, whenever necessary, in order to adapt accounting policies to those used by the Group. Intercompany balances and transactions and dividends distributed between Group companies have been eliminated in the consolidation process.

Whenever the Group has, in substance, control over other entities created for a specific purpose, even if no share capital interest is directly held in those entities, these are consolidated by the full consolidation method.

b) Financial investments in associated companies

Financial investments in associated companies (companies where the Group exercises a significant influence, but does not have control of them through participation in the financial and operational decisions of the Companies - usually investments representing between 20% and 50% of the share capital of a Company) are recorded by the equity method.

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

The differences between the acquisition cost and the fair value of the associate's identifiable assets and liabilities at the date of acquisition, if positive, are recognized as Goodwill and maintained at the value of the heading "Financial investments in associates and joint ventures" (Note 9).

If these differences are negative they are recorded as a gain for the period under the consolidated income statement item "Results related to investments in associates and joint ventures", after reconfirmation of the fair value assigned.

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

Where the Group's proportion of the associated's accumulated losses exceeds the value at which the financial investment is recorded, the investment is reported at zero as long as the associate's equity is not positive, except where the Group has made commitments to the associate, in such cases a provision is recorded to meet those obligations.

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

c) Joint Ventures

The Group's interests in joint ventures are accounted for by the equity method from the date on which the joint control is acquired (as described in Note 2.2.b)).

Joint ventures are detailed in Note 9.

d) Conversion of financial statements of foreign entities

Assets and liabilities in the financial statements of foreign entities are translated to Euros using the exchange rates in force at the consolidated statement of financial position date and gains and losses as well as cash flows are translated to Euros using the average exchange rates for the year. Exchange rate differences originated after January 1, 2004 are recorded in equity under the caption "Translation reserves". The accumulated exchange differences generated before January 1, 2004 (IFRS transition date) were written-off against the caption "Other reserves".

Whenever a foreign entity is disposed, the accumulated exchange rate differences are recorded in the financial statements as a profit or loss in the disposal.

2.4 MAIN ACCOUNTING POLICIES

The main accounting policies used by Toyota Caetano Group in the preparation of the consolidated financial statements were as follows:

a) Tangible Fixed Assets

Tangible fixed assets acquired until January 1, 2004 (IFRS transition date) are recorded at deemed cost, which corresponds to its acquisition cost or its revalue acquisition cost in accordance with generally accepted accounting principles in Portugal (and in the subsidiaries countries) until that date, net of accumulated depreciation and accumulated impairment losses.

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

The impairment losses detected in the tangible fixed assets realization value are registered in the year in which they are estimated by counterpart of the item "Impairment losses" of the consolidated income statement.

Depreciation is computed on straight-line basis as from the date the asset is first used according to the following expected useful lives:

	Years
- Buildings and other constructions	20 - 50
- Machinery and equipment	7 - 16
- Vehicles	4 - 5
- Tools and utensils	4 - 14
- Administrative equipment	3 - 14
- Other tangible assets	4 - 8

Asset useful lives are reviewed in each financial report, so that the depreciations practiced conform to the consumption patterns of the assets. The land is not depreciated. Changes to the useful life are treated as a change in accounting estimates and are applied prospectively.

Expenses with maintenance and repair costs of tangible fixed assets are recorded as a cost in the year in which they occur. The repairs of significant amount that increase the estimated usage period of the assets are capitalized and depreciated according to the assets remaining useful life.

Tangible fixed assets in progress relate to tangible assets under construction/development are recorded at acquisition cost deducted of impairment losses. These assets are transferred to tangible fixed assets and depreciated as from the date in which they are prepared for use and in the necessary conditions to operate according with the management.

Gains or losses arising from the disposal or write-off of tangible fixed assets are computed as the difference between the selling price and the net book value at the date of disposal/write-off are recorded in the statement of profit and loss as "Other operating income" or "Other operating expenses.

b) Intangible assets

Intangible assets are recorded at acquisition cost, net of accumulated depreciation and accumulated impairment losses. Intangible assets are only recognized if it is likely that future economic benefits will flow to the Group, are controlled by the Group and if their cost can be reliably measured.

Research costs and expenses with new technical knowledge are recorded as expenses in the income statement when incurred.

Development costs are capitalized as an intangible asset if the Group has proven technical feasibility and ability to finish the development and to sell/use such assets and it is likely that those assets will generate future economic benefits. Development expenses which do not fulfil these requirements are recorded as an expense in the period in which they are incurred.

Internal expenses related to software maintenance and development are recorded as expenses in the income statement, except in situations in which these expenses are directly related to projects from which it is likely that future economic benefits will flow to the Group. In such circumstances, these expenses are capitalized as intangible assets.

Intangible assets are amortized on a straight-line basis over a period of three to five years.

Asset useful lives are reviewed in each financial report, so that the amortizations practiced conform to the consumption patterns of the assets. Changes to useful lives are treated as a change in accounting estimate and are prospectively applied.

The amortization charge for each period of intangible assets shall be recognized in profit or loss in item "Depreciations and amortizations".

c) Investment properties

Investment properties which relate to real estate assets held to obtain income through its lease or for capital gain purposes and not for use in production, external supplies and services or for administrative purposes, are recorded at its acquisition cost, being the respective fair value disclosed in the Notes to the financial statements (Note 7).

Investment Properties are also amortised by the constant quota method for a period of ten to fifty years.

The expenses incurred with investment properties in use, namely maintenance, repairs, insurance and property taxes (municipality tax).

Asset useful lives are reviewed in each financial report, so that the depreciations practiced conform to the consumption patterns of the assets. The land is not depreciated. Changes to the useful life are treated as a change in accounting estimates and are applied prospectively.

Expenses with maintenance and repair costs of tangible fixed assets are recorded as a cost in the year in which they occur. The repairs of significant amount that increase the estimated usage period of the assets are capitalized and depreciated according to the assets remaining useful life.

Tangible fixed assets in progress relate to tangible assets under construction/development are recorded at acquisition cost deducted of impairment losses. These assets are transferred to tangible fixed assets and depreciated as from the date in which they are prepared for use and in the necessary conditions to operate according with the management.

Gains or losses arising from the disposal or write-off of tangible fixed assets are computed as the difference between the selling price and the net book value at the date of disposal/write-off are recorded in the statement of profit and loss as "Other operating income" or "Other operating expenses".

d) Lease contracts (lessee's optics)

Lease identification

A lease is defined as a contract, or part of a contract, that transfers the right to use a good (the underlying asset) for a period in exchange for a value. At the beginning of each contract, it is evaluated and identified whether it is or contains a lease.

This assessment involves an exercise in judgment as to whether each contract depends on a specific asset, whether the Group, as a renter, obtains substantially all the economic benefits of using that asset and whether it has the right to control the use of the asset.

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

On the date of entry into force, the Group acknowledges liability related to lease payments (i.e., lease liabilities) and the asset representing the right to use the underlying asset during the lease period (i.e., right-of-use or "RoU"). The cost of interest on lease liabilities and "RoU" depreciation are recognized separately.

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

Assets right to use

The Group recognizes the right to use the assets on the date of entry into force (that is, the date on which the underlying asset is available for use). The right to use the assets is recorded at acquisition cost, deducted from accumulated depreciation and impairment losses accumulated and adjusted by any new measurements of the liabilities of the leases.

The cost of the right to use of the assets includes the initial amount of the lease liability, any direct costs initially incurred and payments already made before the date of entry into force, deducted from any incentives received and plus the restoration costs, if any.

The rights of use are recorded under the caption of the statement of the consolidated financial position, "Tangible fixed assets".

Where the Group incurs an obligation to dismantle and remove a leased asset, restore the place where it is located, or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised in accordance with the terms of IAS 37. Expenses are included in the respective right of use.

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

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

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

The impairment of the rights of use is tested in accordance with IAS-36 in place of the recognition of provisions for onerous lease agreements.

In low-value and short-term asset leases, the Group does not recognize the rights to use assets or liability for leases, recognizing the expenses associated with these leases as expenses for the year during the lifetime of the contracts.

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

Lease Liabilities

On the date of entry into force, the Group recognizes the liabilities measured at the present value of future payments to be made till the end of the lease and includes such balances under the statement of consolidated financial position "Loans".

Lease payments include fixed payments (including fixed payments in substance), deducted from any incentives to receive, variable payments, dependent on an index or a fee and expected amounts to be paid under residual value guarantees.

Lease payments also include the price of a purchase option, if it is reasonably certain that the Group will exercise the option and penalty payments for termination of the contract, if it is reasonably certain that the Group terminates the contract.

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

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

Extension and termination options are provided for in various lease agreements and their application is based on operational maximization. In determining the lease term, the Board of Directors considers all the facts and circumstances that create an economic incentive to exercise an extension option or do not exercise a termination option. Most extension options were not included in the lease liability and, when exercised, are so by the Group and not by the lessor.

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

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

Accounting treatment of "Sale and Leaseback" operations

The accounting treatment of "Sale and Leaseback" operations depends on the substance of the transaction by applying the principles set out in the recognition of revenue.

According to IFRS 16, if the transfer of the asset complies with the requirements of IFRS 15, then it should be counted as a sale of an asset and the seller-lessee shall measure the right of use (RoU) of the asset as a proportion of the previous book value of the asset that is related to the right of use, recognizing only as gain and loss the related to the rights transferred to the buyer-lessor, i.e. those that run beyond the rental period.

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

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

e) Leases (from the point of view of the lessor)

In leases where the Group acts as a lessor under operating lease agreements, the values of the assets allocated are maintained in the consolidated statement of the Group's financial position and the income is recognized linearly during the lease period under the heading "Other operating income".

f) Inventories

Inventories (which essentially comprise new and used vehicles, as well as parts and accessories) are valued at the lowest value between the cost of acquisition and the net value achievable. The cost comprises the expenses incurred to bring inventories to their current location and condition.

Net realisable value represents the estimated sales price minus all estimated completion costs and costs to be incurred in marketing, sales and distribution.

Used vehicles are accounted for at the lowest value between cost or fair value minus sales costs, usually based on external market data available for used vehicles. An impairment of inventories is recognized in situations where the net realisable value is less than the cost (such as obsolescence, deterioration, drop in sales price).

When calculating the impairment, the Board of Directors considers the nature and status of the inventory (vehicle), as well as applies assumptions around the possibility of early sale, determined under the conditions existing at the end of the financial reporting period. With the exception of parts and accessories, adjustments to net realisable value are usually applied item by item.

Finally, in the work in progress, the applied labour is valued at the cost price.

Regarding the productive activity related to the assembly of vehicles in the manufacturing facilities of Ovar, the cost of finished and intermediate products, as well as the products and work in progress corresponds to their cost of production, which includes the cost of raw materials incorporated in production, labour and general manufacturing expenses, based on the normal level of production.

The differential of charges capitalized and recognized as these natures of inventories between the beginning and the end of the year is recognized as a variation of production in the income statement.

g) Government or Other public entities subsidies

Government subsidies are recognized at the respective fair value when there is a solid guarantee that they will be received and that the Group will be able to accomplish the conditions required to its concession.

The subsidies and contributions received as a lost fund, for the financing of tangible fixed assets, are recorded, only when there is a reasonable guarantee of receipt, under the headings "Other non-current liabilities" and "Other current liabilities", being recognized in the consolidated statement of income proportionally to the amortizations of subsidized tangible fixed assets.

The subsidies related to costs incurred are registered as a gain if there is a reasonable guaranty that they will be received, if the Group has already incurred in the subsidiary costs and if they fulfil the conditions for their concession.

h) Impairment of assets

Non-current assets except Goodwill

Assets are assessed for impairment at each consolidated statement of financial position date whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Whenever the carrying amount of an asset exceeds its recoverable amount (defined as the highest of the net sale price and the use value, or as the net sale price for assets held for sale), an impairment loss is recognized in the income statement under the caption "Impairment losses". The net selling price is the amount that would be obtained from the sale of an asset in a transaction between independent entities, less the cost of the disposal. The value in use is the present value of estimated future cash flows expected to arise from the continued use of an asset and its disposal at the end of its useful life. Recoverable amounts are estimated for individual assets or, if not possible, for the cash-generating unit to which the asset belongs.

The reversal of impairment losses recognized in previous years is recorded when it is concluded that the impairment losses recognized for the asset no longer exist or have decreased. This analysis is performed whenever there is an indication that the impairment losses previously recognized have been reversed. The reversal is recorded in the income statement in the caption "Impairment losses". However, the increased carrying amount of an asset due to a reversal of an impairment loss is recognized to the extent it does not exceed the carrying amount that would have been determined (net of depreciation and amortization) had no impairment losses been recognized for that asset in previous years.

Goodwill

The value of Goodwill is not amortized, being tested for impairment purposes on an annual basis. The recoverable amount is determined as being the present value of estimated future cash flows that are expected to be generated by the continuous use of the asset.

Impairment losses of Goodwill are recognized in the income statement in the caption "Impairment Losses". Goodwill impairment losses cannot be reversed.

i) Financial expenses

Loan's related financial costs are recognized as financial expenses in consolidated income statement of the period in which they are incurred, in accordance with the accrual principle and the effective interest rate method, except if those costs are directly related to the acquisition, construction or production of fixed assets. In this case, the referred costs are capitalized, being part of the asset cost. The capitalization of these costs begins after the beginning of the preparation of the construction or asset development activities and it is interrupted when the asset is ready to be used or when the project is suspended. Any financial income generated by loans that are directly related with a specific investment, are deducted to financial expenses elected for capitalization purposes.

j) Provisions

Provisions are recognized when and only when the Group has a present obligation (legal or constructive) resulting from a past event, whenever it is probable that, for the resolution of that obligation, there will be an outflow of resources and the amount of the obligation may be reasonably estimated. Provisions are reviewed at the date of each consolidated statement of financial position and are adjusted to reflect the best estimate of their fair value at that date (Note 25).

k) Financial assets

Recognition

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

Classification

The classification of financial assets depends on the business model followed by the Group to manage its financial assets (receipt of cash flows or appropriation of fair value changes) and the contractual terms of the cash flows receivable (whether only capital plus interest is included or whether it includes other variables).

Changes to the classification of financial assets can only be made when the business model is changed, except in the case of financial assets at fair value through other comprehensive income, which are equity instruments and, therefore, can never be reclassified to another category.

Financial assets may be classified according to the following measurement categories:

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

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

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

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

c) This includes financial assets corresponding to capital instruments of other entities over which the Group does not have significant control or influence and which management has decided to designate as fair value through capital, because they refer to investments in strategic entities for the future growth of the business;

d) This category shall be included in non-current assets, unless the Board of Directors intends to dispose of the investment within a period of less than 12 months from the date of the statement of financial position;

e) On December 31, 2020 and 2019, the Toyota Caetano Group had participation units of Cimóvel - Closed Real Estate Investment Fund (Note 10).

iii) Financial assets at fair value through profit or loss: includes assets that do not meet the criteria for classification as financial assets at amortised cost or at fair value through other comprehensive income, whether they refer to debt instruments or equity instruments that were not designated at fair value through other comprehensive income.

The classification of the Group's financial assets by category is shown in Note 34.

Measurement

The Group initially measures financial assets at fair value, plus transaction costs directly attributable to the acquisition of the financial asset, for financial assets that are not measured at fair value through profit or loss. Transaction costs of financial assets at fair value through profit or loss are recorded in the income statement when incurred.

Financial assets at amortised cost are subsequently measured in accordance with the effective interest rate method, less impairment losses. Interest income on these financial assets is included in "Interest earned on assets at amortised cost" in financial gains.

Financial assets at fair value through other comprehensive income, which are debt instruments, are subsequently measured at fair value through fair value changes recognised in other comprehensive income, except for variations related to the recognition of impairment, interest income and gains/(losses) due to foreign exchange differences, which are recognised in the income statement for the year. Financial assets at fair value through other comprehensive income are subject to impairment.

Financial assets at fair value through other comprehensive income which are equity instruments are measured at fair value on the date of initial registration and subsequently and changes in fair value are recorded directly in other comprehensive income, in equity and no future reclassifications will occur, even after derecognition of the investment. Dividends obtained from these investments are recognised as gains, in the income statement for the year, on the date they are attributed.

Impairment losses

The Group prospectively assesses the expected credit losses associated with the financial assets, which are debt instruments, classified at amortised cost and at fair value through other comprehensive income.

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

With respect to the accounts receivable under the "Accounts receivable" and "Other debtors" headings and Assets from contracts with customers, the Group uses the simplified approach allowed by IFRS 9, according to which expected credit losses are recognised since the initial recognition of the accounts receivable and throughout their maturity, considering a matrix of historical default for the maturity of the accounts receivable, adjusted via prospective estimates.

With respect to accounts receivable from related entities, which are not considered part of the financial investment of these entities, credit impairment is assessed according to the following criteria: i) if the account receivable is immediately payable ("on demand"); ii) if the account receivable has an insignificant risk; or (iii) if it has a maturity of less than 12 months.

In cases where the amount receivable is immediately payable and the related entity is able to pay it, the probability of default is close to 0% and, therefore, the impairment is considered equal to zero. In cases where the account receivable is not immediately payable, the related entity's credit risk is assessed and if it is considered "low" or if the maturity is less than 12 months, then the Group only evaluates the probability of a default occurring for the cash flows that will mature in the next 12 months.

To all other situations and types of accounts receivable, the Group uses the general approach of the impairment model, evaluating on each reporting date whether there has been a significant increase in credit risk since the date on which the asset was initially recognised. If there is no increase in credit risk, the Group calculates an impairment corresponding to the amount equivalent to expected losses within a period of 12 months. If there is an increase in credit risk, the Group calculates an impairment corresponding to the amount equivalent to expected losses for all contractual flows until the maturity of the asset.

Derecognition of financial assets

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

Fair Value of Financial Investments

To determine the fair value of a financial asset or liability, if such a market exists, the market price is applied (Level 1). A market is regarded as active if quoted prices are readily and regularly available from an exchange, broker or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis. Otherwise, which is the case of some financial assets and liabilities, valuation techniques that are generally accepted in the market are used based on market assumptions (e.g.: discounted cash flow models that incorporate interest rate curves and market volatility, which is the case of derivative financial instruments) – Level 2. On the other cases, valuation techniques are used, not based on observable market data – Level 3.

Investments are all initially recognized at fair value, including transaction costs, except for investments recognized at fair value through profit or loss. In this case, investments are initially recognized at fair value and the respective transaction costs are recognized directly in the consolidated income statement.

"Instruments at fair value through capital'" is kept at fair value at the consolidated statement of financial position date, without deducting any transaction cost that could occur until the time of disposal.

Gains and losses arising from a change in the fair value of instruments at fair value through capital are recorded under equity caption "Fair value reserves" until the investment is sold or disposed, or until it is determined to be impaired. At that moment, the accumulated gains or losses previously recognized in equity are transferred to consolidated income statement for the period.

All purchases and sales of investments are recorded on their trade date, which is on the date the Group assumes all risks and obligations related to the purchase or sale of the asset.

The fair value of the instruments at fair value through capital is based on the current market prices. If the market is not net (non-listed investments), the Group records the acquisition cost, having in consideration the existence or not of impairment losses. The Board of Directors believes that the fair value of these investments is not very different from the acquisition cost. The fair value of the listed investments is calculated based on the stock market closed value at consolidated statement of financial position date.

The Group makes evaluations if it considers that at the consolidated statement of financial position date exists clear evidence that the financial asset might be in impairment. In case of capital instruments classified as instruments at fair value through capital, have a significant drop or extended of its fair value inferior to its cost, it indicates that an impairment situation is occurring. If there is any evidence of impairment in "Instruments at fair value through capital", the accumulated losses – calculated by the difference between the acquisition cost and the fair value deducted from any impairment loss previously recognized in the consolidated statement of profit and loss – are retrieved from the equity and recognized in the consolidated income statement.

The investments are derecognized if the right to receive financial flows has expired or was transferred and consequently, all associated risks and benefits have been transferred.

Cash and cash equivalents

The amounts included under "Cash and cash equivalents" correspond to cash values, bank deposits, time deposits and other cash investments, which mature less than three months and can be immediately mobilized with insignificant risk of change in value.

Bank overdrafts are presented in the consolidated statement of financial position, in current liabilities, under the item "Loans" and are considered in the preparation of the consolidated cash flows statement, as cash and cash equivalents.

Accounts receivables and Other debtors

These headings mainly include customer balances resulting from services rendered as part of the Group's ordinary activity and other balances related to operating activities. Balances are classified as current assets when they are estimated to be collected within a 12-month period. Balances are classified as non-current when they are estimated to be collected more than 12 months after the reporting date.

The "Accounts receivable" and "Other debtors" are initially recognized at fair value and are subsequently measured at amortized cost, less impairment adjustments. Impairment losses in Accounts receivable and Other debtors are recorded in accordance with the principles described in "Impairment losses". The identified impairment losses are recorded in the income statement in "Impairment losses in accounts receivable" and are subsequently reversed by profit or loss.

l) Financial liabilities

Financial liabilities are classified in two categories:

(i) Financial liabilities at fair value through profit or loss; and

(ii) Financial liabilities at amortized cost.

The "Financial liabilities at amortized cost" category includes liabilities recorded under "Loans" (Note 19) and"accounts payable" (Note 20) and "Other creditors" (Note 21). These liabilities are initially recognized at fair value, net of transaction costs and subsequently measured at amortized cost according to the effective interest rate method.

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

As of December 31, 2020, the Group has only recognized liabilities classified as "Financial liabilities at amortized cost".

Loans

Loans obtained are initially recognized at fair value, net of any transaction costs incurred. Loans are subsequently measured at amortized cost and the difference between the nominal value and the initial fair value recognized in the consolidated income statement and throughout the term of the loan using the effective interest rate method.

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

Financial expenses are calculated based on the effective interest rate and are recorded in the consolidated income statement on an accrual basis.

Accounts payable and Other creditors

These headings usually include balances of goods and services suppliers that the Group acquired in the normal course of its business. The items included in these will be classified as current liabilities if the payment is due within 12 months or less; otherwise, the "Accounts payable" will be classified as non-current liabilities.

These financial liabilities are initially recognized at fair value. After their initial recognition, the liabilities shown under the "Accounts payable" heading are measured at amortized cost, using the effective interest rate method.

Accounts payable and Other creditors not bearing interests are measured at cost, less impairment losses so that they reflect the respective net realizable value. These amounts are not discounted because its effect in the financial actualization is not considered relevant.

m) Pension Fund (Defined benefit plans and Defined contributions plan)

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

Pension liabilities recognised at the time of the consolidated statement of financial position represent the present value of future benefits, adjusted for actuarial gains or losses and/or liabilities for past services not recognised, reduced from the fair value of the net assets of the pension fund (Note 24).

This pension plan defines the amount of pension benefit an employee will receive in retirement, typically dependent on one or more factors such as age, years of service and remuneration. This pension plan is in charge of the entity BPI Vida e Pensões, S.A..

The liabilities recognised in the consolidated statement of financial position in relation to the defined benefit plan is the present value of the benefit obligation defined at the date of the consolidated financial statements.

Defined benefit plan obligations are calculated annually by an independent contractor using the Projected Unit Credit Method.

The present value of the defined benefit obligation is determined by the discount of future cash outflows, using the interest rate of high-quality bonds denominated in the same currency in which the benefits will be paid and with maturity terms that are close to those of the assumed liability.

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

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

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

Contributions to the Defined Contribution Plan are recorded as an expense for the year.

n) Contingent assets and liabilities

Contingent liabilities are defined by the Group as (i) possible obligations from past events and which existence will only be confirmed by the occurrence or not of one or more uncertain future events not totally under Group's control or (ii) present obligations from past events not recognized because it is not expected that an output of resources that incorporate economic benefits will be necessary to settle the obligation or its amount cannot be reliably measured.

Contingent liabilities are not recorded in the consolidated financial statements, being disclosed in the respective Notes, unless the probability of a cash outflow is remote. In these situations, no disclosure is made.

Contingent assets are possible assets that arise from past events and whose existence will only be confirmed by the occurrence or not of one or more uncertain future events not totally under the Group's control.

Contingent assets are not recorded in the consolidated financial statements but only disclosed when it is likely the existence of future economic benefits.

o) Income taxes

Taxes on income for the year are calculated based on the Special Taxation of Groups of Companies ("RETGS"), which includes companies of Toyota Caetano Group based in Portugal: Toyota Caetano Portugal, Caetano Renting and Caetano Auto.

For the remaining companies with headquarters in Portugal and in a foreign country (Caetano Auto Cabo Verde) taxes are calculated on an individual basis and in accordance with the applicable legislation.

Deferred taxes are calculated using the consolidated statement of financial position liability method, reflecting the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Deferred tax assets and liabilities are not recognized when temporary differences arise from Goodwill or from initial recognition of assets and liabilities other than in a business combination. Deferred tax assets and liabilities are calculated and annually reviewed using the tax rates in place or announced and thereby expected to apply at the time the temporary differences are expected to reverse.

Deferred tax assets are recognized only when it is probable that sufficient taxable profits will be available against which the deferred tax assets can be used, or when taxable temporary differences are recognized and expected to reverse in the same period. At each balance sheet date, a review is made of the deferred tax assets recognized, which are reduced whenever their future use is no longer likely.

Deferred tax assets and liabilities are recorded in the income statement, except if they relate to items directly recorded in equity, situations in which the corresponding deferred tax is also recorded in equity captions.

p) Accrual basis

Income and expenses are recorded according to the accrual basis, by which they are recognized in the period to which they relate independently of when the amounts are received or paid. Differences between the amounts received and paid and corresponding income and expenses are recorded in the captions accruals and deferrals included in "Other current assets" and "Other current liabilities".

Income and expenses for which the actual amount is yet unknown are recorded based on the best estimate of the Board of Directors of the Group companies.

q) Revenue from contracts with customers

Revenue corresponds to the fair value of the amount received or receivable from transactions with customers in the normal course of business. Revenue is recorded net of any taxes, trade discounts and financial rebates.

In determining the value of revenue, the Group evaluates the performance obligations undertaken towards customers in each transaction, the price of the transaction to be affected by each performance obligation that is identified and the existence of variable price conditions that may lead to future adjustments to the value of the recorded revenue, for which the Group makes its best estimate.

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

The Group considers that, given the nature of the product or service that is associated with the performance obligations undertaken, the transfer of control occurs mostly on a specific date, but there may be transactions in which the transfer of control occurs continuously over the contractual period that has been previously established.

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

Revenue from the provision of services to customers is considered satisfied when the service is performed.

When a vehicle or industrial equipment is sold to a leasing company and the Group undertakes to repurchase the vehicle for a specified value at a predetermined date, the sale is not recognised on the basis that the possibility of the repurchase being exercised is highly likely.

Consequently, such vehicles and equipment are retained within "tangible fixed assets" in the consolidated statement of financial position at cost and are depreciated by their residual value over the life of the lease.

When additional services are included in the sale of a vehicle or industrial equipment to a customer as part of the total vehicle package (maintenance contracts) and the Group acts as the principal in the performance of the service, the value of the additional services is identified separately, deducted from the return on the charge, recognized as deferred revenue in the consolidated statement of financial position and subsequently recognised as revenue when the service is provided, or recognised on an entry basis with reference to the amount of time elapsed under the contract to which the service refers.

These balances are considered contractual liabilities. The consideration assigned to additional services is based on the autonomous sale relating to the price of additional services within the contract.

When the Group acts as an agent on behalf of a principal in relation to financing for the purchase of vehicles, insurance and similar products, the revenue of the commission is recognized as revenue, under the heading "Services provided" (Note 32) in the period in which the financial product or related insurance is sold and the corresponding payment can be secured.

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

Revenue of the Toyota Caetano Portugal Group is comprised of the revenue arising from the activities mentioned in Note 1.

The amounts recorded in the item "Other current assets" with the amount of 226.209 Euros (620.339 Euros in December 31,2019) constitute contracts assets within the scope of IFRS 15 (note 14). The amounts recorded under the captions "Other creditors" and "Other current liabilities" in the amount of 1.076.820 Euros and 6.609.988 Euros (1.063.582 Euros and 18.749 Euros in December 31, 2019), respectively, constitute contracts liabilities under IFRS 15 (notes 21 and 23).

r) Statement of financial position classification

All assets and liabilities, including assets and liabilities deferred tax, accomplishable or receivable in more than one year after the statement of financial position date are classified as "Non-current assets or liabilities".

s) Balances and transactions expressed in foreign currency

Assets and liabilities stated in foreign currency were translated into Euros using applicable exchange rates as of statement of financial position date. Exchange differences, favourable and unfavourable, resulting from differences between applicable exchange rates as of the date of the transactions and those applicable as of the date of cash collection, payments or as of statement of financial position date, were recorded as gains and losses in the consolidated income statement.

t) Earnings per share policy

Basic:

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

Diluted:

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

u) Segment information

In each year the Group identifies the most adequate business segments. They are defined according to the functional organization chart of the group and according with the management information organization.

In accordance with IFRS 8, an operating segment is a Group component:

i) that engages in business activities from which it may earn revenues and incur expenses;

ii) whose operating results are reviewed regularly by the entity's chief operating decision maker in order to make decisions about resources to be allocated to the segment and assess its performance; and

iii) for which distinct financial information is available.

Information related to the identified operating segments (vehicles and industrial equipment) is included in Note 28.

In that note, information is also given by geography and subsegments. For the segment of motor vehicles were added the subsegments, industry, trade, services and rental. For the industrial equipment segment, the machinery, services and rental sub-segment was added.

v) Subsequent events

Events after the consolidated balance sheet date that provide additional information about conditions that existed at the consolidated balance sheet date (adjusting events), are reflected in the consolidated financial statements. Events after the consolidated balance sheet date that are non-adjusting events, are disclosed in the notes when material.

2.5 JUDGMENTS AND ESTIMATES

During the preparation of the consolidated financial statements, the Board of Directors of the Group based itself in the best knowledge and in the experience of past and/or present events considering some assumptions relating to future events.

Most significant accounting estimates included in attached consolidated financial statements as of December 31, 2020 and 2019 include:

a) Useful lives of tangible and intangible assets as well as investment properties;
b) Registration of adjustments to the asset's values (accounts receivable and inventories) and provisions;
c) Impairment tests performed to goodwill and sensibility tests (Note 8);
d) Asset recovery by deferred taxes; and
e) Clearance of responsibilities with Pension complements (Note 24).

The underlying estimations and assumptions were determined based in the best knowledge existing at the date of approval of the consolidated financial statements of the events and transactions being carry out as well as in the experience of past and/or present events. Nevertheless, some situations may occur in subsequent periods which, not being predicted at the date of approval of the consolidated financial statements, were not consider in these estimations. The changes in the estimations that occur after the date of the consolidated financial statements shall be corrected in a foresight way. Due to this fact and to the uncertainty degree associated, the real results of the transactions may differ from the corresponding estimations. Changes to these estimates, which occur after publication of these consolidated financial statements, will be corrected in a prospective way, in accordance with IAS 8.

The assumptions with the greatest impact on the estimates referred to above are those of the discount rate, for the purposes of calculating the liability for pension fund and goodwill impairment and mortality tables for the purposes of calculating pension liability.

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

Considering the exemption provided for in IAS 12 in a) of paragraph 15 due to the lack of certainty about the tax and accounting treatment to be given to the subject in question. It is taken into account that when the position of the Tax Administration becomes public and / or the IASB publishes the amendment to IAS 12, there may be changes to the accounting treatment adopted in the first application of IFRS 16.

In addition, relevant judgments are also made in determining the incremental interest rate as well as in the period to be considered for determining the lease liability and right to use.

2.6 FINANCIAL RISK MANAGEMENT POLICIES

The Group's activity is exposed to a variety of financial risks, such as market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. These risks arise from the unpredictability of financial markets that affect the capacity of projected cash flows and profits subject to a perspective of long term ongoing. Management seeks to minimize potential adverse effects that derive from that uncertainty in its financial performance.

The financial risks management is controlled by Toyota Caetano financial department, according to the policies established by the Group Board of Directors. The Board of Directors has established the main principles of global risk management as well as specific policies for some areas, as interest rate risk and credit risk.

i) Foreign currency risk

The Group operates internationally and has a subsidiary operating in Cape Verde and since December 2020, an associated company operating in the United Kingdom (Caetano UK). The group selects a functional currency for each subsidiary (Cape Verde Escudo, for the subsidiary Caetano Auto Cabo Verde, S.A.) and a British Pound concerning an associated company in the United Kingdom, corresponding to the currency of the economic environment and the ones that better represents its cash flows composition. Foreign currency risk arises mainly from future commercial transactions, as a result of purchases and sales of products and services in a different currency than the functional currency used by each business.

The Group foreign currency risk management hedge policies are decided casuistically, considering the foreign currency and country specific circumstances.

Foreign currency risk related to the foreign subsidiaries financial statements translation, also named translation risk, presents the impact on net equity of the Holding Company, due to the translation of foreign subsidiaries financial statements.

As mentioned in Note 2.2 b), assets and liabilities of foreign subsidiaries are translated into Euros using the exchange rates at statement of consolidated financial position date and gains and losses of these entities are translated into Euros using the average exchange rate of the year. Resulting exchange differences are recorded in equity caption "Translation reserves".

The Group's assets and liabilities amounts (expressed in Euros) recorded in a different currency from Euro can be summarized as follows:

	ASSETS		LIABILITIES	
	2020	2019	2020	2019
Cape Verde Escudo (CVE)	6.493.729	6.183.612	2.919.912	1.528.665
Japanese Yen (JPY)	-	-	236.610	399.992

The sensitivity of the Group to foreign exchange rate changes can be summarized as follows:

		2020		2019	
	VARIATION	NET INCOME	EQUITY	NET INCOME	EQUITY
Japanese Yen (JPY)	5%	(11.830)	-	(20.000)	-

ii) Price risk

The group is exposed to the changing in raw material's prices used on production processes, namely auto parts. However, considering that the acquisition of those raw materials is not in accordance with a price quoted on an exchange market or formed on a volatile market, the price risk is not considered as being significant.

During 2020 and 2019, the Group has been exposed to the risk of variation of instruments at fair value through capital prices. At December 31, 2020 and 2019, the referred caption is composed only by shares of the closed property investment fund Cimóvel – Fundo de Investimento Imobiliário Fechado (Real Estate Investment Fund). Due to the fact that the referred asset is classified as an instrument at fair value through capital, the effect of change in its fair value is recognized in accordance with the principles described on the note 2.3. k).

The Group's sensitivity to price variations in instruments at fair value through capital can be summarized as follows (increases/(decreases)):

		2020		2019	
	VARIATION	NET INCOME	EQUITY	NET INCOME	EQUITY
CIMÓVEL FUND	10%	-	419.260	-	389.714
CIMÓVEL FUND	-10%	-	(419.260)	-	(389.714)

iii) Interest rate risk

Toyota Caetano debt is indexed to variable interest rates, exposing the total cost of debt to a high risk of volatility. The impact of this volatility on the Group's results and shareholders´ equity mitigated due to the effect of the following factors: (i) possible correlation between the market interest rate levels and economic growth, having a positive effect on the other lines of the Group's consolidated results (particularly operational), thus partially offsetting the increased financial costs ("natural hedge") and (ii) the availability of consolidated liquidity or cash, also remunerated at variable rates.

Toyota Caetano Board of Directors approves the terms and conditions of the funding, analyzing the debt structure, the inherent risks and the different options available in the market, particularly considering the type of interest rates (fixed / variable) and, permanently monitoring conditions and alternatives existing in the market and decides upon the contracting of occasional interest rate hedging derivative financial instruments.

Interest rate risk sensitivity analysis

The sensitivity analyses presented below was based on exposure to changes in interest rates for financial instruments at the statement of financial position date. For floating rate liabilities, the analysis is prepared assuming the following:

i) Interest rate is superior in 0,25 p.p. than the supported interest rate;

ii) Calculation was made using the Group's debt at the end of the year;

iii) Spreads maintenance throughout the year.

The sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some assumptions may be correlated.

Group's sensitivity to changes in interest rates is summarized as follows (increases/(decreases)):

		2020		2019	
	VARIATION	NET INCOME	EQUITY	NET INCOME	EQUITY
Bank Overdrafts	0,25 p.p.	312	-	407	-
Bank Loan	0,25 p.p.	25.907	-	25.000	-
Bond Loan	0,25 p.p.	31.250	-	31.250	-
Total		**57.469**	**-**	**56.657**	**-**
Bank Overdrafts	(0,25 p.p.)	(312)	-	(407)	-
Bank Loan	(0,25 p.p.)	(25.907)	-	(25.000)	-
Bond Loan	(0,25 p.p.)	(31.250)	-	(31.250)	-
Total		**(57.469)**	**-**	**(56.657)**	**-**

iv) Liquidity risk

Liquidity risk is defined as the risk that the Group could not be able to settle or meet its obligations on time or at a reasonable price.

The existence of liquidity in the Group requires the definition of some parameters for the efficient and secure management of liquidity, enabling maximization of the return obtained and minimization of the opportunity costs relating to the liquidity.

Toyota Caetano Group liquidity risk management has a threefold objective:

i) Liquidity, which is to ensure permanent access in the most efficient way to sufficient funds to cover current payments on the respective maturity dates, as well as any unexpected requests for funds;

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

iii) Financial Efficiency, which is ensuring that the Companies maximize the value / minimize the opportunity cost of holding excess liquidity in the short-term.

All excess liquidity is applied in short-term debt amortization, according to economic and financial reasonableness criteria.

In the following table, it is presented the maturity of each financial liability, with non-discounted values, taking into consideration the most pessimistic scenario (the shortest period on which the liability falls due):

2020	LESS THAN 1 YEAR	BETWEEN 1 AND 2 YEARS	BETWEEN 2 AND 4 YEARS	MORE THAN 4 YEARS	TOTAL
Loans	17.341.752	6.124.815	19.161.101	1.627.539	44.255.207
Accounts Payable	38.187.645	-	-	-	38.187.645
Other Creditors	37.571.414	-	-	-	37.571.414
Total	**93.100.811**	**6.124.815**	**19.161.101**	**1.627.539**	**120.014.266**

2019	LESS THAN 1 YEAR	BETWEEN 1 AND 2 YEARS	BETWEEN 2 AND 4 YEARS	MORE THAN 4 YEARS	TOTAL
Loans	7.353.166	15.311.768	6.553.059	15.015.398	44.233.391
Accounts Payable	38.236.935	-	-	-	38.236.935
Other Creditors	51.854.470	-	-	-	51.854.470
	97.444.571	**15.311.768**	**6.553.059**	**15.015.398**	**134.324.796**

As of December 31, 2020 and 2019, the Group presents a net debt of 32.817.660 Euros and 31.539.747 Euros, respectively, divided between current and non-current loans (Note 19) and cash and cash equivalents (Note 16), agreed with the different financial institutions.

v) Capital Risk

The main objective of the Board of Directors is to assure the continuity of the operations, providing an adequate remuneration to shareholders and the correspondent benefits to the rest of the stakeholders of the Group. For the prosecution of this objective it is fundamental that a careful management of funds invested in the business is assured, trying to keep an optimal capital structure, in order to achieve the desired reduction of the cost of capital. With the purpose of maintaining or adjusting an adequate capital structure, the Board can propose to the shareholders the measures considered necessary.

The Group tries to maintain a level of equity considered adequate to the business characteristics, in order to assure continuity and expansion of the business. The capital structure balance is monitored through the financial leverage ratio (defined as net debt/ (net debt + equity)).

	2020	2019
Debt	44.255.207	44.233.391
Cash and cash equivalents	(11.437.547)	(12.693.644)
Net Debt	32.817.660	31.539.747
Equity	146.989.943	142.838.583
Leverage ratio	18,25%	18,09%

The gearing remains between acceptable levels, as established by management.

vi) Credit risk

The Group credit risk results mainly from:

i) the risk of recovery of monetary assets entrusted to third parties and

ii) the risk of recovery of loans granted to entities outside the group.

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

A significant portion of the amounts receivable from customers is dispersed among a large number of entities, a factor that contributes toward reducing the credit concentration risk. As a general rule, the Group customers are not assigned a credit rating.

Credit risk is monitored by the Group financial department, under the supervision of the Board of Directors, based on: i) the rating assigned by the credit insurance company, with which the Group has negotiated a credit insurance agreement; (ii) the debtors' corporate nature; iii) the type of transactions originating the accounts receivable; iv) the experience of past transactions; and (v) the credit limits established for each customer.

The Group considers the probability of default upon the initial recognition of the asset and, according to 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. Adequate and duly supported prospective information is considered. The following indicators are considered:

- Internal credit risk;
- External credit risk (when 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 for liabilities, or in the quality of third-party guarantees;
- Significant changes in the debtor's expected performance and behaviour, including changes in the debtor's payment conditions at the level of the Group to which it belongs, as well as changes at the level of its operating results;

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

Irrespective of the above analysis, a significant increase in credit risk is presumed to exist if a debtor is in default by more than 30 days from the contractual payment date.

Default is deemed to exist when the counterparty fails to make contractual payments within 90 days of the invoice due date. When financial assets are derecognized, the Group continues to take the necessary measures to recover the amounts owed. In cases of successful recovery, the recovered amounts are recognized in the income statement for the year.

Financial assets are derecognized when there is no real expectation of recovery. The Group classifies a loan or account receivable to be derecognized when the debtor fails to make contractual payments within 30 days.

Impairment of financial assets

a) Accounts receivable and other debtors

The Group uses the simplified approach to calculate and record the expected credit losses required by IFRS 9, which allows using estimated impairment losses for all "Accounts receivable" and "Other debtors". In order to measure expected credit losses, "Accounts receivable" and "Other debtors" were aggregated based on the shared credit risk characteristics, as well as on the days of delay. The expected credit losses include information from prospective estimates. Accounts receivable ageing balances in Note 12.

b) Loans granted to related entities

The balances in "Loans granted to related parties" are considered to have a low credit risk and, therefore, impairment in credit losses recognized during the period are limited to expected credit losses estimated for 12 months. These financial assets are considered to have a "low credit risk" when they have a low irrecoverable risk and the debtor has a high capacity to meet its contractual cash flow liabilities in the short term.

Regarding independent dealership customers, the Group requires guarantees "on first demand", whose amounts, as of December 31, 2020 and 2019 were of, approximately, 9.114.470 Euros and whenever these amounts are exceeded, these supplies are suspended.

The impairments for accounts receivable are calculated considering (a) the client risk profile, (b) the average receipt time and (c) the client financial situation. The movements of these adjustments for the years ending at December 31, 2020 e 2019 are stated in Note 25.

As of December 31, 2020 and 2019, the Group considers that there is no need for additional impairment losses, besides the amounts registered on those dates and stated, briefly, in Note 25.

The amount related to the accounts receivable and other debtors in consolidated financial statements, which is net of impairment losses, represents the maximum exposure of the Group to credit risk.

c) Cash equivalents

The following table presents, as of December 31, 2020 and 2019, the credit quality of bank deposits:

2020

DEPOSITS LONG TERM 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**

2019

DEPOSITS LONG TERM RATING	RATING AGENCY	VALUE
A2	Moody's	59.201
A3	Moody's	181.963
Aa3	Moody's	10.868
B1	Moody's	485.101
B2	Moody's	181.648
B3	Moody's	517.954
Baa1	Moody's	3.008.670
Baa2	Moody's	68.385
Baa3	Moody's	6.520.472
	Others without rating assigned	1.536.614
Total		**12.570.877**

The ratings presented correspond to ratings assigned by the Rating Agency Moody's.

3. CHANGES IN ACCOUNTING POLICIES AND CORRECTION OF MISSTATEMENTS

During the year ended December 31, 2020, there were no changes in accounting policies and no material mistakes related with previous periods were identified.

In the year ended December 31, 2020, income from the forklift rental activity (industrial equipment) and vehicle maintenance contracts, previously classified as "Other operating income" were reclassified under the heading "Sales and services". Thus, it was necessary to re-express these income for the year ended 31 December 2019. The Group's Board of Directors considers that this classification is more appropriate and that the restatement made does not materially affect the presentation of the consolidated financial statements.

Additionally, in the year ended December 31, 2020, the Board of Directors made the following changes:

a) The income from the forklift rental activity (industrial equipment) and with the vehicle maintenance contracts, previously classified as "Other operating income", were reclassified to the heading "Sales and services" in the amount of 15,960,550 Euros;

b) The sales amounts and cost of sales of 6,696,585 Euros generated in the context of the allocation of cars and forklifts to tangible fixed assets were derecognised and are now presented as transfers under tangible fixed asset items and also determined the recalculation of the cost of sales;

c) Modification of the presentation of the sales of used vehicles held for rental processes to third parties, starting to present them under the sales item (3,069,451 Euros), as well as cost of sales (2,893,774 Euros), which were previously presented by the net under the item "Other operating income" (175,677 Euros);

d) Cancellation of the impact on the sales item and cost of sales resulting from the disposal of vehicles from the parent company to the subsidiary Caetano Renting, S.A. through recourse to the financial entity of the Toyota Motor Europe Group, Toyota Kreditbank, to the extent that the transfer of control of the vehicle takes place directly from the parent company to the subsidiary the resulting impact of this change on sales and cost of sales amounts to approximately 18.8 Million Euros.

The Group's Board of Directors considers that this classification is more appropriate and that the restatement made does not materially affect the presentation of the consolidated financial statements.

The restatement had an impact on the consolidated statement of results by nature, as detailed below:

	NOTES	31/12/2019	RESTATEMENT	31/12/2019 RESTATED
Operating Income:				
Sales	29	430.412.161	(22.425.461)	407.986.700
Services rendered	29	34.706.394	13.520.389	48.226.783
Other operating income	32	41.542.049	(13.696.066)	27.845.983
Variation of products	11	1.132.517	-	1.132.517
		507.793.121	(22.601.138)	485.191.983
Operating expenses:				
Cost of sales	11	(372.525.191)	22.601.138	(349.924.053)
External supplies and services	30	(44.570.681)	-	(44.570.681)
Payroll expenses	31	(41.370.929)	-	(41.370.929)
Depreciations and amortizations	5, 6 and 7	(25.168.581)	-	(25.168.581)
Impairment losses in inventories	25	(1.445.801)	-	(1.445.801)
Impairment losses in accounts receivable	25	(784.560)	-	(784.560)
Other provisions and Impairment losses	25	(217.780)	-	(217.780)
Other operating expenses	32	(3.416.913)	-	(3.416.913)
		(489.500.436)	22.601.138	(466.899.298)
Operational Income		**18.292.685**	**-**	**18.292.685**
Expense and financial losses	33	(1.971.661)	-	(1.971.661)
Income and financial gains	33	25.075	-	25.075
Profit before taxation		**16.346.099**	**-**	**16.346.099**
Income tax for the year	26	(4.699.500)	-	(4.699.500)
		11.646.599	-	11.646.599
Net profit for the period		**11.646.599**	**-**	**11.646.599**
Net profit for the period attributable to:				
Equity holders of the parent		11.593.984	-	11.593.984
Non-controlling interests	18	52.615	-	52.615
		11.646.599	-	11.646.599
Earnings per share:				
Basic	27	**0,333**	-	**0,333**
Diluted	27	**0,333**	-	**0,333**

The notes to the financial statements integrate this statement for the period ending at 31 December 2020.

4. GROUP COMPANIES INCLUDED IN CONSOLIDATION

The affiliated companies included in consolidation by the full consolidation method and share of capital held as of December 31, 2020 and 2019, are as follows:

COMPANIES	EFFECTIVE PERCENTAGE HELD	
	2020	2019
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%	98,43%

These subsidiaries were included in the consolidated financial statements using the full consolidation method, as established in IFRS 10 – "Consolidated Financial Statements" (subsidiary control through the major voting rights and exposure to variable returns in relevant activities).

Group companies included in the Consolidation process by Equity Method along with the respective proportion of share capital held as at 31 December 2020 and 2019 are as follows:

COMPANIES	EFFECTIVE PERCENTAGE HELD	
	2020	2019
Caetanobus - Fabricação de Carroçarias, S.A.	61,94%	-
Caetano UK Limited	61,94%	-
Cobus Industries GMBH	36,66%	-
Finlog - Aluguer e Comércio de Automóveis, S.A.	49,00%	-
Caetano Renting Senegal, S.A.	49,00%	-

Changes in the consolidation perimeter

In December 2020, Toyota Caetano Portugal acquired 12,000,000 shares of CaetanoBus – Fabricação de Carroçarias, S.A., previously owned by Salvador Caetano Indústria, SGPS, S.A. (related entity), corresponding to about 61.94% of its voting rights, for 16.320.000 Euros (Note 9).

Also in December 2020, Toyota Caetano acquired 7,350 shares of Finlog – Aluguer e Comércio de Automóveis, S.A. to the parent company Salvador Caetano Auto - S.G.P.S., S.A. (shareholder entity of Toyota Caetano) corresponding to 49% of its voting rights, for the amount of 22.785.000 Euros (Note 9).

5. INTANGIBLE ASSETS

During the year ended as December 31, 2020 and 2019, the movement in intangible assets, as well as in the respective accumulated amortization and accumulated impairment losses, was as follows:

2020	RESEARCH AND DEVELOPMENT EXPENSES	INDUSTRIAL PROPERTY	GOODWILL	COMPUTER PROGRAMS	INTANGIBLE ASSETS IN PROGRESS	TOTAL
Gross Assets:						
Opening Balances	1.477.217	615.996	81.485	2.154.870	202.804	4.532.372
Additions	27.534	-	-	-	395.515	423.049
Ending Balances	**1.504.751**	**615.996**	**81.485**	**2.154.870**	**598.319**	**4.955.421**
Accumulated Amortization and Impairment losses:						
Opening Balances	1.477.217	358.038	81.485	2.150.245	-	4.066.985
Amortizations	-	165.212	-	1.734	-	166.946
Ending Balances	**1.477.217**	**523.250**	**81.485**	**2.151.979**	**-**	**4.233.931**
Net Intangible Assets	**27.534**	**92.746**	**-**	**2.891**	**598.319**	**721.490**

2019	RESEARCH AND DEVELOPMENT EXPENSES	INDUSTRIAL PROPERTY	GOODWILL	COMPUTER PROGRAMS	INTANGIBLE ASSETS IN PROGRESS	TOTAL
Gross Assets:						
Opening Balances	1.477.217	551.031	81.485	2.150.170	-	4.259.903
Additions	-	64.965	-	5.200	202.804	272.969
Changes in Perimeter	-	-	-	(500)	-	(500)
Ending Balances	**1.477.217**	**615.996**	**81.485**	**2.154.870**	**202.804**	**4.532.372**
Accumulated Amortization and Impairment losses:						
Opening Balances	1.477.217	198.131	81.485	2.142.706	-	3.899.539
Amortizations	-	159.907	-	8.041	-	167.948
Changes in Perimeter	-	-	-	(500)	-	(500)
Ending Balances	**1.477.217**	**358.038**	**81.485**	**2.150.247**	**-**	**4.066.987**
Net Intangible Assets	**-**	**257.958**	**-**	**4.623**	**202.804**	**465.385**

6. TANGIBLE FIXED ASSETS

During the years ended as of December 31, 2020 and 2019, the movement in tangible fixed assets, as well as in the respective accumulated depreciation and accumulated impairment losses, was as follows:

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 Balances	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 transfer	-	-	-	(5.303.139)	-	-	-	-	(5.303.139)
Transfer and reclassifications	-	894.527	280.072	17.121.439	-	-	(1.160.858)	(17.121.439)	13.741
Ending Balances	**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 Balances	-	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 transfer	-	-	-	(6.206.080)	301.417	-	-	-	(5.904.663)
Transfer and reclassifications	-	-	-	15.220.247	-	-	-	(16.292.998)	(1.072.751)
Ending Balances	**-**	**65.148.062**	**59.035.719**	**30.021.140**	**8.050.869**	**4.429.953**	**-**	**20.093.903**	**186.779.646**
Net Tangible Fixed Assets	**17.195.624**	**23.219.325**	**4.488.100**	**10.439.449**	**991.639**	**465.612**	**75.520**	**39.855.261**	**96.730.530**

2019 Re-expressed (note 3)	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 Balances	18.920.052	90.552.569	61.802.798	99.627.898	8.421.472	4.506.599	1.132.876	-	284.964.264
Accounting policies changes	(1.805.867)	(5.406.201)	(103.432)	(57.225.580)	-	-	-	66.626.071	2.084.991
Additions	81.621	1.441.169	857.538	7.648.498	537.451	290.829	1.034.796	5.628.537	17.520.439
Disposals and Write-offs	-	-	(96.521)	(6.246.037)	(8.398)	(312)	-	(1.063.388)	(7.414.656)
Transfer and reclassifications	-	1.025.082	-	(5.350.418)	-	-	(1.025.417)	-	(5.350.753)
Ending Balances	**17.195.806**	**87.612.619**	**62.460.383**	**38.454.361**	**8.950.525**	**4.797.116**	**1.142.255**	**71.191.220**	**291.804.285**
Accumulated Depreciation and Impairment losses:									
Opening Balances	-	62.859.307	57.207.267	40.521.279	7.338.174	4.245.545	-	-	172.171.572
Accounting policies changes	-	(914.486)	(2.694)	(20.228.768)	-	-	-	21.145.948	-
Depreciations	-	2.121.987	1.030.943	10.010.948	198.940	80.235	-	11.119.904	24.562.957
Accounting policies changes	-	-	(96.522)	(2.493.765)	(8.398)	(253)	-	(985.049)	(3.583.987)
Transfer and reclassifications	-	-	-	(11.365.862)	-	-	-	-	(11.365.862)
Ending Balances	**-**	**64.066.808**	**58.138.994**	**16.443.832**	**7.528.716**	**4.325.527**	**-**	**31.280.803**	**181.784.680**
Net Tangible Fixed Assets	**17.195.806**	**23.545.811**	**4.321.389**	**22.010.529**	**1.421.809**	**471.589**	**1.142.255**	**39.910.417**	**110.019.605**

The movements registered in item "Transport Equipment" mainly refer to vehicles and forklifts that are being used by the Group as well as being rented, under operating lease, to clients.

Transfers between the item assets under right of use and transport equipment in the amount of EUR 17.121.439 corresponds to the reclassification by the Group of cargo handling machines whose financing contract has ended and the Group has acquired them in accordance with the contractualization established.

Management considers 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 already recorded.

The value of impairment losses accumulated as of December 31, 2020 and 2019 amounts to 150.000 Euros.

As of December 31, 2020 and 2019, the assets acquired through leases are presented as follows:

FIXED TANGIBLE ASSETS ACQUIRED THROUGH FINANCIAL LEASES	TANGIBLE ASSETS VALUE 2020			TANGIBLE ASSETS VALUE 2019		
	GROSS ASSETS	ACCUMULATED DEPRECIATION	NET TANGIBLE ASSETS	GROSS ASSETS	ACCUMULATED DEPRECIATION	NET TANGIBLE ASSETS
Santarém Stand	1.400.000	346.500	1.053.500	1.400.000	320.250	1.079.750
Santarém Colisão	235.000	18.212	216.788	235.000	14.688	220.312
Carnaxide	3.246.231	689.824	2.556.407	3.246.231	628.957	2.617.274
Santa Maria da Feira	670.950	39.838	631.112	670.950	27.258	643.692
Caldas da Rainha	936.837	52.697	884.140	936.837	35.131	901.706
Maia Colisão	723.050	52.146	670.904	723.050	30.568	692.482
Workshop Equipment	103.432	15.623	87.809	103.432	9.158	94.274
Industrial Equipment	26.272.588	14.745.570	11.527.018	41.146.951	25.587.331	15.559.619
Transport Equipment	4.748.151	743.938	4.004.213	20.643.779	3.330.040	17.313.740
TOTAL	**38.336.239**	**16.704.348**	**21.631.892**	**69.106.230**	**29.983.381**	**39.122.849**

7. INVESTMENT PROPERTIES

As of December 31, 2020 and 2019, the caption "Investment properties" refers to real estate's assets held to obtain gains through its rental or for capital gain purposes. These real estate assets are recorded at acquisition cost.

The rents obtained and concerning Investment Properties totalized 2.523.363 Euros in the period ending 31 December 2020 (2.988.558 Euros in 31 December 2019).

Additionally, in accordance with appraisals with reference to 2020, the fair value of those investment properties amounts to, approximately, 53,1 Million Euros. (54,3 Million Euros in December 31,2019).

Management believes that a possible change (within a scenario of normal) in the main assumptions used in calculating the fair value will not result in impairment losses, beyond from losses recognized in previous years.

The real estate assets recorded in the caption "Investment properties" as of December 31, 2020 and 2019 are made up as follows:

LOCATION	2020 NET ACCOUNTING VALUE	2020 FAIR VALUE		2019 NET ACCOUNTING VALUE	2019 FAIR VALUE	APPRAISAL
Vila Nova de Gaia - Av. da República	117.984	1.179.900	External	121.972	1.192.400	Internal
Braga - Av. da Liberdade	-	2.330.000	Internal	-	2.330.000	External
Porto - Rua do Campo Alegre	719.327	3.315.000	Internal	757.734	3.315.000	Internal
Viseu - Teivas	-	-	-	711.644	1.841.000	External
Caldas da Rainha - Rua Dr. Miguel Bombarda	17.531	85.000	Internal	17.531	85.000	Internal
Viseu - Quinta do Cano	-	-	-	1.704.237	1.625.750	Internal
Amadora - Rua Elias Garcia	170.641	160.200	External	174.100	149.000	Internal
Portalegre - Industrial Zone	168.391	156.100	External	173.533	173.000	Internal
Portimão - Cabeço do Mocho	724.781	487.100	External	524.781	550.000	Internal
Rio Maior	107.000	117.100	External	107.000	107.000	Internal
Castelo Branco - Workshop	680.334	1.100.000	Internal	719.734	1.100.000	Internal
Teivas	117.333	72.800	Internal	118.344	72.800	External
Vila Nova de Gaia - Av. Vasco da Gama (buildings A and B)	2.435.728	14.903.000	External	2.584.894	8.692.000	Internal
Vila Nova de Gaia - Av. Vasco da Gama (building G)	763.797	9.165.200	External	784.140	9.165.200	External
Carregado - Quinta da Boa Água/Quinta do Peixoto	4.922.944	19.412.500	External	4.951.364	23.120.000	Internal
Vila Nova de Gaia - Rua das Pereiras	213.887	625.100	External	225.721	788.000	Internal
	11.159.678	**53.109.000**		**13.676.728**	**54.306.150**	

The investment properties fair value disclosed in December 31, 2020 and December 31, 2019 was determined on an annual basis by an independent appraiser (the fair value was determined by the average of the evaluations by Market Method, Cost Method and Return Method).

In some situations the appraisal was internally done by the Group, using specialized personnel in this area.

In accordance to the classification of the evaluation methods mentioned above and related with the fair value hierarchy (IFRS 13), they are classified as follows:

- Market Method – Level 2 (fair value determined based on observable market data);
- Cost Method and Return Method – Level 3 (fair value determined based on non-observable market data, developed to reflect assumptions to be used by independent appraisers.

The rents obtained and concerning properties mentioned above, are stated in Note 32.

The movement in the caption "Investment properties" as of December 31, 2020 and 2019 was as follows:

2020

GROSS ASSETS	LAND	BUILDINGS	TOTAL
Opening Balances	8.995.216	35.252.218	44.247.434
Additions	-	77.758	77.758
Transfer	(3.166.076)	(2.633.032)	(5.799.108)
Ending Balances	**5.829.140**	**32.696.944**	**38.526.084**
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES			
Opening Balances	-	30.570.706	30.570.706
Depreciations	-	437.099	437.099
Transfer	(1.430.000)	(2.211.399)	(3.641.399)
Ending Balances	**(1.430.000)**	**28.796.406**	**27.366.406**
Net value	**7.259.140**	**3.900.538**	**11.159.678**

2019

GROSS ASSETS	LAND	BUILDINGS	TOTAL
Opening Balances	9.305.659	35.408.776	44.714.435
Additions	-	40.294	40.294
Disposals and Write-offs	(210.443)	(197.187)	(407.630)
Transfer	(100.000)	335	(99.665)
Ending Balances	**8.995.216**	**35.252.218**	**44.247.434**
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES			
Opening Balances	-	30.383.721	30.383.721
Depreciations	-	437.677	437.677
Disposals and Write-offs	-	(150.692)	(150.692)
Transfer	-	(100.000)	(100.000)
Ending Balances	**-**	**30.570.706**	**30.570.706**
Net value	**8.995.216**	**4.681.512**	**13.676.728**

The accumulated impairment losses recorded in 2020 and 2019 amounts to 350.000 and 2.680.809 Euros, respectively.

In 2020 the transfers in the 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:	LAND
- Property in Teivas, Viseu	662.821
- Quinta do Cano, Viseu	1.494.887
Net Value	**2.157.708**

In relation to these properties, the Group has concluded promises of sale contracts and it is expected that these disposals will occur during the year 2021. The realization of these alienations will result in gains for the Group.

8. GOODWILL

As of December 31, 2020 and 2019 there were not any movements in item "Goodwill".

The item "Goodwill" is totally related to the amount calculated in the acquisition in previous years of the affiliate Movicargo whose business was transferred through a process of incorporation by fusion to the parent company Toyota Caetano Portugal, S.A.

The Goodwill is not amortized. Impairment tests are made annually to the Goodwill.

For impairment analysis, the recoverable amount was determined based on the value in use, according to the discounted cash flows model, based on business plans developed by the people in charge and approved by the Board of Directors and using discount rates that reflect the risks inherent of the business.

As of December 31, 2020 the method and main assumptions used were as follows:

	2020	2019
Period (years)	5	5
Growth rate in the projection period	2,00%	2,00%
Growth rate (g) [1]	0%	0%
Discount rate[2]	6,75%	6,25%

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

The Management, supported by the estimated discounted cash flows discounted, concluded that on December 31, 2020, the net book value of assets, including goodwill (0,6 Million Euros), does not exceed its recoverable amount (21 Million Euros).

The projections of cash flows were based on historical performance and on expectations of improved efficiency. The management believe that a possible change (within a normal scenario) in key assumptions used in calculating the recoverable amount will not result in impairment losses.

9. FINANCIAL INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

Under this heading, investments in associates and joint ventures as described in Note 2.2 a) and b are recorded.

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

	2020	2019
Financial holdings - Associates		
Balance as of January 1	-	-
Acquisitions during the year	39.105.000	-
Balance as of December 31	39.105.000	-

The acquisitions during the 2020 fiscal year refer to the purchase by Toyota Caetano Portugal, S.A., of CaetanoBus - Fabricação de Carroçarias, S.A. (61.94%), for 16,320,000 Euros and Finlog – Aluguer e Comércio de Automóveis, S.A. (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, a shareholder of Toyota Caetano Portugal, assumes a major role.

If by now TME already provided CaetanoBus with the fuel stack 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 strengthening of the partnership with Finlog aims to develop mobility projects.

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

According to the applicable regulations, the concepts used in accounting for the acquisition of a subsidiary are also adopted in the accounting of an investment in an associate or joint venture.

Thus, given that the transaction was only completed at the end of December 2020, it was not possible for the Board of Directors to collect the information necessary to execute the procedures for determining the fair value of acquired assets, liabilities and contingent liabilities and such exercise will be completed within 12 months of the date of those acquisitions.

The summary of the financial information of the associated companies acquired as of December 31, 2020 is shown in the table below:

CAPTION	CONSOLIDATED CAETANOBUS 2020	FINLOG 2020
Non-current Assets	27.230.687	150.845.872
Current Assets	53.250.036	34.171.857
Total Assets	80.480.723	185.017.729
Non-current Liabilities	8.041.750	102.942.484
Current Liabilities	52.701.527	65.235.590
Equity	19.737.446	16.839.655
Equity without non-controlling interests	19.737.446	16.839.655
Sales and Services Rendered	97.611.030	107.997.585
Operating Income	(4.453.224)	2.528.803
Financial Income	(1.043.550)	(3.167.769)
Tax	996.671	(179.232)
Net Profit	(4.500.103)	(818.198)
Net Profit without non-controlling interests	(4.500.103)	-

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

10. OTHER INVESTMENTS

As of December 31, 2020 and 2019, the heading "Other Investments" details as follows:

PARTICIPATION	2020	2019
Cimóvel – Closed Real Estate Investment Fund	4.192.604	3.897.142
Other	26.833	26.832
	4.219.437	**3.923.974**

During the years ended December 31, 2020 and 2019 the movements occurred under the heading "Other investments" was as follows:

	2020	2019
Capital instruments at fair value via capital		
Fair value on January 1	3.923.974	3.633.413
Disposals during the year	-	(39.904)
Increase/(decrease) in fair value	295.463	330.465
Fair value on the reference date	4.219.437	3.923.974

As of December 31, 2020, the heading "Other investments" includes the amount of 4.192,604 Euros (3.897.142 Euros as of December 31, 2019) corresponding to 580.476 Units of Participation of Cimóvel - Closed Real Estate Investment Fund (9,098%) recorded at the value of the Participation Unit disclosed on December 31, 2020 (the acquisition cost of these Participation Units amounted to 3.013.947 Euros) and with a capital reserve (Fair Value Reserve) in the amount of 1.178.658 Euros. This participation, measured at fair value by another comprehensive income was thus designated on the date of its recognition.

The remaining amount represents small investments in unlisted companies and the Board of Directors understands that the net value by which they are accounted for is close to their fair value

In addition, the effect on equity in the years ended December 31, 2020 and 2019 of the registration of the participation in the Cimóvel Fund at its fair value can be summarized as follows:

	2020	2019
Change in fair value	295.463	330.465
Effect on equity	295.463	330.465

11. INVENTORIES

As of December 31, 2020 and 2019, this caption breakdown is as follows:

	2020	2019
Raw and subsidiary Materials	7.359.274	6.772.894
Production in Process	1.386.890	763.239
Finished and semi-finished Products	2.106.622	2.567.925
Merchandise	70.741.590	98.814.645
	81.594.376	108.918.703
Accumulated impairment losses in inventories (Note 25)	(2.886.212)	(3.448.675)
	78.708.164	**105.470.028**

As at 31 December 2020 inventories include an amount of 33 Million Euros related with used vehicles.

Cost of sales in the periods ending in 31 December 2020 and 2019 was obtained as follows:

	2020			2019 (RESTATEMENT NOTE 3)		
	MERCHANDISE	RAW AND SUBSIDIARY MATERIALS	TOTAL	MERCHANDISE	RAW AND SUBSIDIARY MATERIALS	TOTAL
Opening Balances	98.814.645	6.772.894	105.587.539	90.219.827	8.885.206	99.105.033
Net Purchases	219.496.248	30.738.657	250.234.905	324.300.455	40.037.022	364.337.477
Transfers	(601.524)	-	(601.524)	(6.015.444)	-	(6.015.444)
Inventories adjustments	(2.286.575)	-	(2.286.575)	(1.915.474)	-	(1.915.474)
Ending Balances	(70.741.590)	(7.359.274)	(78.100.864)	(98.814.645)	(6.772.894)	(105.587.539)
Total	**244.681.205**	**30.152.277**	**274.833.481**	**307.774.718**	**42.149.334**	**349.924.053**

During the years ended as of December 31, 2020 and 2019, the variation of products was computed as follows:

	2020			2019		
	FINISHED AND SEMI-FINISHED PRODUCTS	PRODUCTION IN PROCESS	TOTAL	FINISHED AND SEMI-FINISHED PRODUCTS	PRODUCTION IN PROCESS	TOTAL
Ending Balances	2.106.622	1.386.890	3.493.512	2.567.925	763.239	3.331.164
Inventories adjustments	(7.364)	33.436	26.072	7.052	(30.201)	(23.149)
Opening Balances	(2.567.925)	(763.239)	(3.331.164)	(1.242.750)	(932.748)	(2.175.498)
Total	**468.667**	**(657.087)**	**188.420**	**(1.332.227)**	**199.710**	**1.132.517**

12. ACCOUNTS RECEIVABLE

As of December 31, 2020 and 2019, the detail of this caption was as follows:

	CURRENT ASSETS		NON-CURRENT ASSETS	
	2020	2019	2020	2019
Customers, current accounts	44.821.308	52.716.981	654.046	608.975
Doubtful Accounts Receivable	10.649.367	10.978.343	-	-
	55.470.675	63.695.324	654.046	608.975
Accumulated impairment losses in accounts receivable (Note 25)	(10.420.338)	(9.458.773)	-	-
	45.050.337	54.236.551	654.046	608.975

Accounts receivable from customers recorded as non-current assets corresponds to the customers of the affiliated company Caetano Auto, S.A. that are being paid under formal agreements (whose terms of payment may vary between 1 to 7 years and which bear interests).

Accounts receivable ageing

2020	- 60 DAYS	60-90 DAYS	90-120 DAYS	+ 120 DAYS	TOTAL
Accounts receivable	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**

2019	- 60 DAYS	60-90 DAYS	90-120 DAYS	+ 120 DAYS	TOTAL
Accounts receivable	36.836.276	2.029.986	2.110.790	4.720.187	45.697.240
Employees	14	-	-	4.430	4.444
Independent Dealers	7.596.637	20.771	-	6.864	7.624.272
Total	**44.432.927**	**2.050.757**	**2.110.790**	**4.731.481**	**53.325.956**

Accounts receivable ageing considering impairment losses

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**

2019	- 60 DAYS	60-90 DAYS	90-120 DAYS	+ 120 DAYS	TOTAL
Doubtful Accounts Receivable	116.219	102.497	26.244	10.733.383	10.978.343
Total	**116.219**	**102.497**	**26.244**	**10.733.383**	**10.978.343**

The amounts presented in the Statement of consolidated financial position are net of accumulated impairment losses to doubtful accounts receivable estimated by the Group, in accordance with its experience based on its evaluation of the economic environment at the statement of financial position date. Credit risk concentration is limited, because the customers' basis is wider and not relational. Thus, the Board of Directors understands that the accounting values of accounts receivable are similar to their respective fair value.

13. OTHER DEBTORS

As of December 31, 2020 and 2019, the detail of this caption was as follows:

	CURRENT ASSETS	
	2020	2019
Accrued Payments to Suppliers	37 217	36 402
Public entities (VAT)	3 127 197	-
Other debtors	2 409 652	2 501 776
	5 574 066	**2 538 178**

The caption "Other debtors" includes, as of December 31, 2020 and 2019, the amount of, approximately, 800.000 Euros to be received from Salvador Caetano Auto Africa, S.G.P.S., S.A.

Finally, this caption also caption includes, as of December 31, 2020, the amount of, 649.625 Euros to be received from Salvador Caetano Foundation (649.625 Euros at December 31, 2019).

14. OTHER CURRENT ASSETS

As of December 31, 2020 and 2019, the detail of this caption was as follows:

	2020	2019
Accrued Income		
Rappel	1.410.724	1.095.844
Recovery support (COVID-19 subsidies)	542.290	-
Training subsidies (IEFP)	280.035	-
Intermediation fees (financing and insurance)	226.209	620.339
Rents	220.138	-
Fleet Support and Campaigns and Bonuses from suppliers	135.754	435.273
Consultancy	92.698	-
Warranty Claims	85.911	80.066
Assignment of staff	13.171	31.173
Fee's	1.735	2.795
Other	639.369	357.586
	3.648.034	2.623.076
Deferred expenses		
Insurance	138.480	164.588
Interest	119.885	130.459
Rentals	140.582	6.154
Other	707.910	456.375
	1.106.857	757.576
Total	**4.754.890**	**3.380.652**

15. DEFERRED TAXES

The detail of deferred tax assets and liabilities recorded in the accompanying consolidated financial statements as of December 31, 2020 and 2019 is as follows:

	2019	PROFIT AND LOSS IMPACT	EQUITY IMPACT	2020
Deferred tax assets:				
Impairment losses and 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
Other Operating income	-	65.867	-	65.867
	2.611.486	**(76.745)**	**613.942**	**3.148.683**
Deferred tax liabilities				
Depreciation as a result of legal and free revaluation of fixed assets	(1.430.283)	(60.831)	(23.236)	(1.514.350)
Effect of the reinvestments of the surplus in fixed assets sales	(70.077)	9.829	-	(60.248)
Fair value of fixed assets	-	(66.479)	(198.721)	(265.200)
	(1.500.360)	**(117.481)**	**(221.957)**	**(1.839.798)**
Net effect (Note 26)		**(194.226)**	**391.985**	

As of December 31, 2020 and 2019 there was no tax losses.

As of December 31, 2020 and 2019 tax rates used to compute current and deferred tax assets and liabilities were as follows:

	TAX RATES	
	2020	2019
Country of origin of affiliate:		
Portugal	22,5% - 21%	22,5% - 21%
Cape Verde	25,5%	25,5%

Toyota Caetano Group companies with head office in Portugal, are taxed according to the Corporate Income Tax (CIT) in accordance with the Special Taxation Regimen for Groups of Companies ("Regime Especial de Tributação de Grupos de Sociedades - RETGS") as established by articles 69 and 70 of the CIT.

In accordance with the applicable legislation, the income tax returns of Toyota Caetano and other Group companies with headquarters in Portugal are subject to review and correction by the tax authorities for a period of four years. Therefore, the tax declarations since the year of 2017 and 2020 are still subject to review. Statements regarding the Social Security may be revised over a period of five years. The Board of Directors believe that the corrections that may arise from such reviews/inspections will not have a significant impact in the accompanying consolidated financial statements.

Under the terms of article 88 of the Corporate Income Tax Code, the companies with headquarters in Portugal are additionally subject to an income tax over a set of expenses at the rates foreseen in the above-mentioned article.

In addition, the excess taxable profit between 1.5 Million Euros and 7.5 Million Euros, will bear a Municipality tax of 3%, more than 7.5 Million Euros and up to 35 Million Euros plus a Municipality tax of 5% and the taxable profit in excess exceeding 35 Million Euros plus a Municipality tax of 7%.

16. CASH AND CASH EQUIVALENTS

As of December 31, 2020 and 2019 cash and cash equivalents detail was the following:

	2020	2019
Cash	123.239	122.767
Bank Deposits	11.314.308	12.570.877
Bank Overdrafts	-	(162.683)
	11.437.547	**12.530.961**

17. EQUITY

Share Capital

As of December 31, 2020 and 2019, the Company's share 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. 69,77%
- Toyota Motor Europe NV/SA 27,00%

During 2020 Salvador Caetano - Auto - S.G.P.S., S.A. bought 483.431 shares with a nominal value of 1 Euro each, fully subscribed and representing 1,3812% of the share capital. During 2019 Salvador Caetano - Auto - S.G.P.S., S.A. bought 839.813 shares with a nominal value of 1 Euro each, fully subscribed and representing 2,3995% of the share capital.

Dividends

According to the General shareholders meeting deliberation, as of April 29 de 2020 and in view of the actual economic situation, it was decided not to distribute dividends, awaiting a better opportunity to do it. During 2019 dividends were paid to shareholders in the amount of 7.000.000 Euros.

Legal reserve

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.

In December 31, 2020 and 2019 no variation could be observed in translation reserves.

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 IFRS Rules adopted by EU.

18. NON-CONTROLLING INTERESTS

Movements in this caption during the year ended as of December 31, 2020 and 2019 were as follows:

	2020	2019
Opening Balances as of January 1	1.514.227	1.473.222
Non-controlling interests acquisition	(36.559)	(11.610)
Net profit attributable to non-controlling interests	(192.993)	52.615
	1.284.674	**1.514.227**

As of December 31, 2020 and 2019, the decomposition of the mentioned value by subsidiary company is as follows:

2020

SUBSIDIARY	% NCI	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**

2019

SUBSIDIARY	% NCI	NON-CONTROLLING INTERESTS	NET PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTERESTS
Caetano Auto CV	18,76%	863.200	25.093
Caetano Auto	1,57%	651.027	27.522
		1.514.227	**52.615**

The resume of financial information related to each subsidiary that is consolidated is presented below:

	CAETANO AUTO		CAETANO AUTO CV	
CAPTION	DEC/20	DEC/19	DEC/20	DEC/19
Non-current Assets	55.992.716	59.516.127	1.337.305	1.319.976
Current Assets	60.680.227	67.238.194	5.156.424	4.863.635
Total assets	**116.672.943**	**126.754.321**	**6.493.729**	**6.183.611**
Non-current Liabilities	8.495.092	7.599.200	1.439.437	98.878
Current Liabilities	66.980.580	77.801.154	1.480.474	1.527.813
Equity	**41.197.272**	**41.353.967**	**3.573.817**	**4.556.920**
Revenues	188.332.072	241.301.738	11.482.372	14.208.584
Operating Results	845.643	2.627.412	(1.058.449)	212.638
Financial Results	(82.588)	13.287	(198)	-
Taxes	(407.263)	(762.264)	(22.482)	(185.328)
Net Income	**355.792**	**1.878.435**	**(1.081.130)**	**27.310**

19. LOANS

As of December 31, 2020 and 2019 the caption "Loans" was as follows:

	2020			2019		
	CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL
Bank Loan	10.362.760	-	10.362.760	-	10.000.000	10.000.000
Bank Overdrafts	124.994	-	124.994	162.681	-	162.681
Bond Loan	-	12.500.000	12.500.000	-	12.500.000	12.500.000
Leases	6.853.998	14.413.455	21.267.453	7.190.485	14.380.225	21.570.710
	17.341.752	**26.913.455**	**44.255.207**	**7.353.166**	**36.880.225**	**44.233.391**

The movements in bank loans, overdrafts, commercial paper programs and bond loan, during the periods ended December 31, 2020 and 2019 were as follows:

2020	OPENING BALANCES	INCREASE	DECREASE	OTHER VARIATIONS(*)	ENDING BALANCE
Bank Loan	10.000.000	362.760	-	-	10.362.760
Bank Overdrafts	162.681	-	-	(37.687)	124.994
Guaranteed account	-	13.250.000	13.250.000	-	-
Commercial paper	-	49.000.000	49.000.000	-	-
Bond Loan	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**

2019	OPENING BALANCES	INCREASE	ACCOUNTING POLICIES CHANGES IFRS 16	DECREASE	OTHER VARIATIONS(*)	ENDING BALANCE
Bank Loan	10.000.000	-	-	-	-	10.000.000
Bank Overdrafts	923.669	162.681	-	-	(923.669)	162.681
Car financing	2.499.961	-	-	-	(2.499.961)	-
Guaranteed account	10.000.000	10.000.000	-	20.000.000	-	-
Commercial paper	19.400.000	83.000.000	-	102.400.000	-	-
Bond Loan	12.500.000	-	-	-	-	12.500.000
Leases	35.680.425	434.568	2.084.991	8.405.927	(8.223.348)	21.570.710
	91.004.055	**93.597.249**	**2.084.991**	**130.805.927**	**(11.646.972)**	**44.233.391**

(*) Without impact on consolidated cash flows statement

As of December 31, 2020 and 2019, the detail of bank loans, overdrafts, commercial paper programs and bond loan, as well as its conditions, were as follows:

2020

DESCRIPTION/BENEFICIARY COMPANY	USED AMOUNT	LIMIT	BEGINNING DATE	DATE-LIMIT
Non-current				
Bond Loan				
Toyota Caetano Portugal	12.500.000	12.500.000	09/08/2018	5 years
	12.500.000	12.500.000		
Current				
Guaranteed account	-	12.000.000		
Mutual Loans		-		
Toyota Caetano Portugal	10.000.000	10.000.000	11/03/2016	5 years
Covid Line Loan		-		
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 years
Toyota Caetano Portugal	-	4.000.000	17/07/2017	5 years
Toyota Caetano Portugal	-	4.000.000	24/02/2020	1 year
	10.487.754	64.212.760		
	22.987.754	**76.712.760**		

2019

DESCRIPTION/BENEFICIARY COMPANY	USED AMOUNT	LIMIT	BEGINNING DATE	DATE-LIMIT
Non-current				
Mutual Loans				
Toyota Caetano Portugal	10.000.000	10.000.000	11/03/2016	5 years
Bond Loan				
Toyota Caetano Portugal	12.500.000	12.500.000	09/08/2018	5 years
	22.500.000	22.500.000		
Current				
Guaranteed account	-	12.000.000		
Bank Overdrafts	162.681	5.500.000		
Confirming	-	4.350.000		
Commercial paper:				
Toyota Caetano Portugal	-	14.000.000	27/02/2017*	3 years
Toyota Caetano Portugal	-	10.000.000	18/08/2015	5 years
Toyota Caetano Portugal	-	4.000.000	17/07/2017	5 years
Toyota Caetano Portugal	-	5.000.000	10/11/2016	5 years
Toyota Caetano Portugal	-	4.000.000	24/02/2018	1 year
	162.681	58.850.000		
	22.662.681	**81.350.000**		

(*) with amortization of 2 Million Euros per year.

Then we detail the amount related to loans obtained or contracted credit lines for which real guarantees were granted for mortgages on real estate (Note 36):

- Commercial Paper: 14.000.000

Interests relating to the financial instruments mentioned above are indexed to Euribor (floor zero), plus a spread which varies between 0,5% and 2,75%.

The Group and its affiliates have available credit facilities as of December 31, 2020 amounting to approximately 77 Million Euros, which can be used in future operational activities and to fulfil financial commitments. There are no restrictions on the use of these facilities. This amount is applied in several financial institutions and there is no excessive concentration in any of them.

The item "Leases" (current and non-current) is related to the Group's responsibilities as lessee with respect to the right to use facilities and equipment.

The detail of this caption, as well as the reimbursement plan can be summarized as follows:

CONTRACT	LEASES	CURRENT	NON-CURRENT					TOTAL
		12M	12 - 24M	24 - 36M	36 - 48M	>48M	TOTAL	
2028278	Commercial facilities							
	Capital	119.047	-	-	-	-	-	119.047
	Interests	551	-	-	-	-	-	551
5653	Commercial facilities							
	Capital	25.385	25.781	26.184	26.592	290.199	368.756	394.141
	Interests	5.929	5.533	5.131	4.722	22.190	37.576	43.505
626064	Commercial facilities							
	Capital	184.747	191.318	198.122	145.117	-	534.557	719.304
	Interests	21.629	15.058	8.253	1.373	-	24.684	46.313
2032103	Commercial facilities							
	Capital	9.805	44.383	-	-	-	44.383	54.188
	Interests	2.487	650	-	-	-	650	3.137
30000343	Commercial facilities							
	Capital	43.288	44.161	45.053	45.962	300.112	435.288	478.576
	Interests	9.176	8.302	7.411	6.502	18.306	40.521	49.697
2017554	Commercial facilities							
	Capital	142.044	-	-	-	-	-	142.044
	Interests	1.399	-	-	-	-	-	1.399
105149	Commercial facilities							
	Capital	16.729	-	-	-	-	-	16.729
	Interests	148	-	-	-	-	-	148
Cimóvel	Properties							
	Capital	1.163.494	1.130.882	1.013.804	993.925	243.609	3.382.220	4.545.714
	Interests	-	-	-	-	-	-	-
Other	Properties							
	Capital	52.124	45.231	44.345	43.475	182.956	316.007	368.131
	Interests	-	-	-	-	-	-	-
Other	Industrial Equipment							
	Capital	5.097.336	4.643.058	2.344.537	1.733.985	610.663	9.332.243	14.429.579
	Interests	302.828	182.563	93.080	35.005	7.989	318.637	621.465
	Total Capital	6.853.998	6.124.814	3.672.045	2.989.056	1.627.539	14.413.454	21.267.453
	Total Interests	**344.147**	**212.106**	**113.875**	**47.602**	**48.485**	**422.068**	**766.215**

Liabilities by Maturity:

Loans

2020	12M	12-24M	24-36M	36-48M	>48M	TOTAL
Bank Loan	10.362.760	-	-	-	-	10.362.760
Bond Loan	-	-	-	12.500.000	-	12.500.000
Bank Overdrafts	124.994	-	-	-	-	124.994
Commercial Paper	-	-	-	-	-	-
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**

2019	12M	12-24M	24-36M	36-48M	>48M	TOTAL
Mutual Loans	-	10.000.000	-	-	-	10.000.000
Bond Loan	-	-	-	-	12.500.000	12.500.000
Bank Overdrafts	162.681	-	-	-	-	162.681
Leases	7.190.485	5.311.768	4.116.145	2.436.914	2.515.398	21.570.710
Total Loans	**7.353.166**	**15.311.768**	**4.116.145**	**2.436.914**	**15.015.398**	**44.233.391**

Interests

2020	12M	12-24M	24-36M	36-48M	>48M	TOTAL
Bank Loan	55.625	-	-	-	-	55.625
Leases	344.147	212.106	113.875	47.602	48.485	766.215
Bond Loan	256.166	249.670	249.670	-	-	755.506
Total interests	**655.938**	**461.776**	**363.545**	**47.602**	**48.485**	**1.577.346**

2019	12M	12-24M	24-36M	36-48M	>48M	TOTAL
Mutual Loans	226.208	55.625	-	-	-	281.833
Leases	426.455	281.074	166.296	86.260	70.720	1.030.805
Bond Loan	318.576	315.972	316.840	316.840	-	1.268.229
Total interests	**971.240**	**652.671**	**483.137**	**403.100**	**70.720**	**2.580.868**

20. ACCOUNTS PAYABLE

As of December 31, 2020 and 2019 this caption was composed 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.

21. OTHER CREDITORS

As of December 31, 2020 and 2019 the detail of other creditors was as follows:

	CURRENT LIABILITIES	
	2020	2019
Public Entities		
Income Taxes withheld	501 841	412 651
Value Added Tax	10 735 683	11 686 476
Vehicles Tax	1 739 547	2 149 151
Employee's social contributions	698 562	708 501
Municipality Tax	169 463	177 019
Others	6 228	6 723
Sub-total	13 851 324	15 140 521
Shareholders	20 798	20 194
Advances from Customers	1 076 820	1 063 582
Other Creditors	22 622 473	35 630 173
Sub-total	23 720 091	36 713 949
	30 986 588	**51 854 470**

In certain situations the Group is using the brands representative financial institution, Toyota Kreditbank, GMBH – Portugal Office (Note 35), having in view the acquisition of vehicles, necessary to the levels of activity to be developed. The due amounts to this entity are included in the caption "Other Creditors" and totalized 21.924.724 Euros as at 31 December 2020 (34.786.879 Euros as at 31 December 2019).

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

22. INCOME TAX (Statement of financial position)

As of December 31, 2020 and 2019 the caption public entities can be summarized as follows:

	2020	2019
Current Assets		
Public Entities		
Income Tax Receivable	871 404	262 011
	871 404	**262 011**

23. OTHER CURRENT LIABILITIES

As of December 31, 2020 and 2019 the caption "Other Current Liabilities" was as follows:

	2020	2019
Accrued Cost		
Vacation pay and bonus	5.598.535	6.049.904
Advertising Campaigns/Sales Promotion	2.526.622	1.392.856
Commission	825.623	1.020.731
Accrual for Vehicles Tax	2.167.552	773.973
Advance External Supplies and Services	1.282.396	600.851
Supply costs	7.814	541.486
Rappel charges attributable to fleet managers	268.057	448.447
Specialization cost assigned to vehicles sold	990.729	440.852
Insurance	243.651	280.273
Interest	133.176	139.720
Municipal Property Tax	113.000	116.000
Royalties	24.115	68.816
Others	1.786.536	1.607.063
	15.967.806	13.480.972
Deferred Income		
Vehicle maintenance contracts	6.777.533	7.511.764
Advertising recovery	2.571	26.711
Subsidy granted	24.245	26.449
Interest Charged to Customers	7.694	20.256
Revenue deferral	25.161	18.749
Others	111.200	329.801
	6.948.404	7.933.730
Total	**22.916.210**	**21.414.702**

24. 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 December 31, 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 dossier was sent to the Insurance Institute of Portugal containing the proposals for amendments to the Constitutive Contract of the Salvador Caetano Pension Fund, as well as the minutes of approval of the same by the Monitoring Committee of the Fund, proposing, with effect on January 1, 2008, the approval by that body of those same amendments.

The above-mentioned proposal, to amend the pension supplement scheme duly approved by the Pension Fund Monitoring Committee, includes the maintenance of a Defined Benefit scheme for pensioners and deferred pension recipients, 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 and a new group (formed by the remaining universe of workers at the service of the members of the Salvador Caetano Pension Fund) was created, which was, from that date, to be included in a Defined Contribution Plan.

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

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

According to an actuarial study conducted by the fund's management company (BPI Vida e Pensões, S.A.), the Group has been making contributions to the defined benefit plan, allowing the equity situation of this Fund to amount to approximately 24,700 thousand Euros (25,765 thousand Euros as of December 31, 2019).

The share of the Actuarial estimated overall responsibility for the Defined Benefit Plan, in the share of the Group, amounts to approximately 35,872 thousand Euros (32,274 thousand Euros as of December 31, 2019).

The actuarial assumptions used for the 2020 evaluation by the management company include the Mortality and Disability Tables TV88/90 and Suisse Re 2001 (TV 73/77 and Suisse Re 2001 on 31 December 2019), respectively, as well as wage, pension and discount growth rates of 0% (1% in 2019), 0% (0% in 2019) and 0.7% (1% in 2019), respectively.

The Group's Board of Directors, as a result of a joint analysis with the Fund's management company, considered that, taking into account a historical analysis of the actual deaths of the participants of the Salvador Caetano Pension Fund and the deaths projected according to the TV 73/77 Mortality Board used until December 31, 2019, it would make sense to use a more current Mortality Table with greater adherence to the real situation of the fund population, thus using the TV Mortality Table 88/90.

The movement of the Fund responsibilities of the Group with the Defined benefit plan in 2020 and 2019 can be summarized as follows:

Liability at 1/1/2019	**32.818.838**
Impact in Net Income of the Period	
Current services cost	90.168
Interest cost	496.745
Impact in Other Comprehensive Income	
Actuarial (Gains)/losses	(38.844)
Projected Benefits	(2.538.353)
Net Transfers	(68.227)
Premisses Changes	1.513.976
Liability at 31/12/2019	**32.274.303**
Liability at 1/1/2020	**32 274 303**
Impact in Net Income of the Period	
Current services cost	84 137
Interest cost	311 218
Impact in Other Comprehensive Income	
Actuarial (gains)/losses	501 931
Projected Benefits	(2 473 454)
Net Transfers	(262 431)
Premisses Changes	914 111
Change in Mortality table – already consider in 2019	2 966 826
Change in Mortality table – accounted in 2020	1 555 820
Liability at 31/12/2020	**35 872 461**

The allocation of this amount during 2020 and 2019 which covers the Defined benefit plan can be summarized as follows:

ITEM	DEFINED BENEFIT PLAN
Value of the Fund at 31 December 2018	25.925.723
Contributions	-
Group Contributions (includes direct payments)	442.599
Real recovery of the plan assets	1.628.053
Interests	388.523
Pension payments	(2.551.542)
Transfers from other associate member account	-
Transfer to other associate member account	-
Plan liquidation	(68.227)
Value of the Fund at 31 December 2019	25.765.129
Group Contributions (includes direct payments)	-
Real recovery of the plan assets	1.475.801
Interests	246.126
Pension payments	(2.523.799)
Transfers to other associate member account	-
Plan liquidation	(262.431)
Value of the Fund at 31 December 2020	**24.700.826**

As of December 31, 2020 and 2019, the breakdown of the asset portfolio of the Fund that covers the defined benefit plan was as follows:

ASSET PORTFOLIO	PORTFOLIO WEIGHT	VALUE DEC-20	PORTFOLIO WEIGHT	VALUE DEC-19
Shares	9,90%	2.445.382	11,60%	2.988.754
Bonds – Flat rate	30,70%	7.583.153	35,80%	9.223.916
Bonds – Variable rate	5,20%	1.284.444		-
Real Estate	44,60%	11.016.568	41,40%	10.666.763
Cash	3,40%	839.828	4,80%	1.236.726
Other Assets	6,20%	1.531.451	6,40%	1.648.968
Total	**100,00%**	**24.700.826**	**100%**	**25.765.127**

At December 31, 2020, the investments with an individual weight greater than 5% of the total portfolio of assets in the Fund that covers the defined benefit plan were as follows:

ASSET	PORTFOLIO WEIGHT	31-12-2020 VALUE
Cimóvel - Fundo de Investimento Imobiliário Fechado	44,60%	11 016 568

The Group´s net Liability above mentioned is guaranteed through a provision of about 11.171.634 Euros (9.476.000 Euros as at 31 December 2019) and reflected in the consolidated financial statement in the caption "Defined Benefit Plan Liability".

Additionally and as referred above the Group also has a Defined Contribution Plan, having made during 2020 contributions to the mentioned Plan in the amount of 590.070 Euros (zero Euros in 31 December 2019) and registered in the consolidated income statement in the caption "Personnel expenses". As at 31 December 2020 the amount of the Fund allocated to this Defined Contribution Plan was of 14.774 thousand of Euros (13.740 thousand Euros as at 31 December 2019).

25. PROVISIONS AND ACCUMULATED IMPAIRMENT LOSSES

Movements occurred in provisions during the years ended as of December 31, 2020 and 2019 were as follows:

2020	OPENING BALANCES	INCREASES	DECREASES	OTHER REGULARIZATIONS	ENDING BALANCES
Accumulated impairment losses in investments	2.680.809	-	-	(2.328.814)	351.995
Accumulated impairment losses in accounts receivable (Note 12)	9.458.773	1.049.507	(87.942)	-	10.420.338
Accumulated impairment losses in inventories (Note 11)	3.448.675	259.131	(668.866)	(152.728)	2.886.212
Provisions	944.772	1.550.192	(300.000)	(221.838)	1.973.126

2019	OPENING BALANCES	INCREASES	DECREASES	OTHER REGULARIZATIONS	ENDING BALANCES
Accumulated impairment losses in investments	2.780.809	-	-	(100.000)	2.680.809
Accumulated impairment losses in accounts receivable (Note 12)	8.776.958	786.236	(1.676)	(102.745)	9.458.773
Accumulated impairment losses in inventories (Note 11)	2.221.105	1.446.195	(394)	(218.231)	3.448.675
Provisions	881.547	217.780	-	(154.555)	944.772

The amount considered in the "regularizations" column at the level of the Investment Properties corresponds to the transfer of the impairments associated with real estate assets previously classified under this heading to the heading "Non-current assets held for sale", due to the fact of the properties in question being in a process of disposal.

Additionally, as of December 31, 2020, the final balance of the item "Provisions" includes a provision created in the year in the amount of approximately 1.4 Million Euros, corresponding to a litigation process involving the subsidiary Caetano Auto CV, S.A. with the customs authority of Cape Verde.

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, a fact for which it considered recognizing a provision for the amount at risk. The remaining amount of the heading "Provisions" is intended to cover other business risks.

26. INCOME TAX (Consolidated Income statement)

The income tax for the year ended as of December 31, 2020 and 2019 was as follows:

	2020	2019
Income Tax	1.882.035	4.578.311
Deferred income taxes (Note 15)	194.226	121.189
	2.076.261	**4.699.500**

The reconciliation of the effective tax with the theoretical tax of the years ended at December 31, 2020 and 2019 can be summarized as follows:

	2020	2019
Profit before taxation	6 527 994	16 346 099
Nominal Tax	22,50%	22,50%
Theoretical tax charge	**1 468 799**	**3 677 872**
Provisions that didn´t origined recognition of deferred income taxes	301 614	-
Differences between accounting and fiscal gains and losses	(231 020)	(515 396)
Additional Income tax	269 150	315 880
State Tax	173 107	466 801
Other	94 611	754 343
Income Tax for the period	**2 076 261**	**4 699 500**

27. EARNINGS PER SHARE

The earnings per share for the year ended as of December 31, 2020 and 2019 were computed based on the following amounts:

	2020	2019
Net Income		
Basic	4.451.733	11.646.599
Diluted	4.451.733	11.646.599
Number of shares	35.000.000	35.000.000
Earnings per share (basic and diluted)	0,127	0,333

During 2020 and 2019 there were no changes in the number of shares outstanding.

28. SEGMENT INFORMATION

The main information relating to the business segments existing on December, 2020 and 2019, is as follows:

2020	NATIONAL								FOREIGN					REMOVALS	CONSOLI-DATED
	VEHICLES				INDUSTRIAL EQUIPMENT			OTHERS	VEHICLES		INDUSTRIAL EQUIPMENT				
	INDUSTRY	COMMER-CIAL	SERVICES	RENTAL	MACHINES	SERVICES	RENTAL		INDUSTRY	COMMER-CIAL	MACHINES	SERVICES	RENTAL		
REVENUE															
Turnover	45.263	420.988.992	18.441.142	3.107.249	9.922.981	4.595.875	14.217.296	-	27.838.856	17.360.977	22.855	54.020	15.847	(158.774.715)	357.836.638
INCOME															
Operational income	4.677	10.821.258	1.412.275	(682.551)	441.951	991.500	178.308	-	(1.617.473)	(940.752)	(46)	24.407	10.413	(1.744.363)	8.899.604
Financial Income	(111)	(1.815.798)	(36.650)	(320.328)	(21.581)	(10.920)	(32.964)	-	(111.185)	(21.771)	(79)	(203)	(74)	54	(2.371.610)
Income tax for the period								(2.076.261)							(2.076.261)
Net income with non-controlling interests	4.566	6.632.147	1.043.468	(707.127)	420.370	980.579	145.206	-	(1.728.658)	(985.662)	(124)	24.205	10.339	(1.387.576)	4.451.733
OTHER INFORMATION															
Depreciations	589.587	4.966.718	416.599	6.839.851	71.597	21.216	6.782.203	1.459	-	181.382	-	-	-	15.837	19.886.449

2019 (Restated note 3)	NATIONAL								FOREIGN					REMOVALS	CONSOLI-DATED
	VEHICLES				INDUSTRIAL EQUIPMENT			OTHERS	VEHICLES		INDUSTRIAL EQUIPMENT				
	INDUSTRY	COMMER-CIAL	SERVICES	RENTAL	MACHINES	SERVICES	RENTAL		INDUSTRY	COMMER-CIAL	MACHINES	SERVICES	RENTAL		
REVENUE															
Turnover (restated)	56.023	478.879.241	22.805.053	40.991.948	18.153.358	5.525.169	15.374.754	-	45.748.629	21.004.430	327.457	20.468	8.809	(192.681.857)	456.213.482
INCOME															
Operational income	11.725	12.517.164	287.311	263.907	1.317.830	2.781.549	936.752	(10.868)	(1.072.459)	309.240	30.265	12.888	5.044	902.338	18.292.685
Financial Income	(157)	(1.354.312)	(30.809)	(313.017)	(36.596)	(16.126)	(39.885)	(59)	(136.628)	(19.125)	(976)	(61)	(27)	1.193	(1.946.586)
Income tax for the period								(4.699.500)							(4.699.500)
Net income with Minority interests	11.567	6.903.988	187.317	(41.238)	1.281.234	2.765.423	898.846	(11.059)	(1.209.087)	202.003	29.289	12.827	5.017	610.473	11.646.599
OTHER INFORMATION															
Depreciations	709.129	6.411.249	587.469	9.752.931	68.172	66.157	7.401.522	1.120	-	175.760	-	-	-	(442.604)	24.730.905

The column "Eliminations" mainly includes the elimination of transactions between Group companies included in consolidation, mainly belonging to Vehicles segment.

There is no revenue associated with transactions between the motor vehicle segment and the industrial equipment segment.

29. SALES AND SERVICES RENDERED BY GEOGRAPHIC MARKETS

The detail of sales and services rendered by geographic markets, during the years ended as of December 31, 2020 and 2019, was as follows:

MARKET	2020		2019 (RESTATED)	
	VALUE	%	VALUE	%
Home Market	316.274.113	88,39%	395.546.534	86,96%
Belgium	27.536.353	7,70%	45.616.883	9,81%
African Countries with Official Portuguese Language	13.844.054	3,87%	14.474.159	3,11%
Spain	67.519	0,02%	103.130	0,02%
United Kingdom	9.273	0,00%	11.369	0,00%
Germany	7.258	0,00%	6.500	0,00%
Other	98.068	0,03%	454.907	0,10%
	357.836.638	**100,00%**	**456.213.482**	**100,00%**

30. EXTERNAL SUPPLIES AND SERVICES

As of December 31, 2020 and 2019, the caption "External supplies and services" was as follows:

	2020	2019
Subcontracts	**1.886.006**	**1.752.945**
Professional Services	**19.875.209**	**22.340.537**
Professional works	5.467.585	5.831.829
Advertising	10.552.463	12.524.056
Surveillance and Security	546.090	527.153
Professional Fees	1.047.198	1.011.418
Commissions	171.210	269.353
Repairs and Maintenance	2.090.663	2.176.728
Materials	**773.397**	**996.574**
Tools	229.725	265.431
Books and technical documentation	282.259	439.232
Office Material	199.719	225.204
Offers	61.694	66.707
Utilities	**2.619.888**	**3.266.686**
Electricity	1.068.665	1.271.396
Fuel	1.200.365	1.598.849
Water	168.073	206.198
Other	182.785	190.243

	2020	2019
Travel and transportation	**2.235.973**	**3.725.795**
Traveling expenses	861.556	1.972.728
Personnel transportation	83.090	106.624
Transportation of materials	1.291.327	1.646.443
Other supplies	**10.893.876**	**12.488.144**
Short-term and low-value leases	1.735.857	1.356.723
Communication	672.655	712.508
Insurance	1.252.388	1.575.926
Royalties	205.430	379.216
Notaries	34.534	31.193
Cleaning and comfort	1.049.437	928.778
Other Services	5.943.575	7.503.800
	38.284.349	**44.570.681**

31. PAYROLL EXPENSES

Payroll expenses as at 31 December 2020 and 2019 show the following detail:

	2020	2019
Management Payroll	646 564	714 825
Personnel Payroll	25 492 504	28 181 804
Pension Plans	255 769	1 299 548
Indemnities	998 573	413 884
Social Security Contribution	4 885 828	6 942 503
Employees Insurance	337 475	430 026
Other	3 057 627	3 388 339
	35 674 340	**41 370 929**

During 2020 and 2019, the average number of personnel at the Group´s service was as follows:

PERSONNEL	2020	2019
Employees	1 046	1 084
Workers	457	453
	1 503	**1 537**

32. OTHER OPERATING INCOME AND EXPENSES

As of December 31, 2020 and 2019, the caption "Other operating income" was as follows:

OTHER OPERATING INCOME	2020	2019 (RESTATED)
Warranty recovered	5.972.619	8.939.350
Rents charged	3.712.400	4.344.359
Works of the Company for itself	3.083.412	3.804.290
Subsidies	5.065.186	3.202.058
Advertising expenses and sales promotion recovered	1.161.437	2.478.772
Services provided	2.858.917	2.196.422
Expenses recovered	1.567.060	2.170.939
Gains with the disposal of Tangible Fixed Assets	1.360.381	366.171
Corrections related with previous exercises	202.830	155.053
Commissions obtained	75.666	101.410
Other	1.698	87.159
	25.061.606	**27.845.983**

From the table presented above, we must explain:

- Recovery of warranties and other operational expenses – it includes essentially Toyota Motor Europe guarantees and other charges to dealers.
- "Rents charged" includes an amount concerning investment properties of about 2,5 Million Euros.
- Services provided – refers mainly to administrative fees charged to companies outside the Toyota Caetano perimeter.
- Expenses recovery – it contains mainly revenues related with social services (canteen and staff training) charged to companies outside the Toyota Caetano perimeter.
- Gains with the disposal of Tangible Fixed Assets includes an amount of approximately 1,2 Million Euros corresponding to the gain obtained on the alienation of commercial facilities located in the city Cascais.
- Subsidies include an amount of about 5 Million Euros concerning IEFP support (Professional Training and Employment Institute) (3,8 Million Euros as at 31st December 2019) and related with training actions coordinated by the Group in its various training centres, as well as in 2020 the government support in order to face the pandemic caused by new coronavirus COVID-19 (Note 39).

As of December 31, 2020 and 2019, the caption "Other operating expenses" was as follows:

OTHER OPERATING EXPENSES	2020	2019
Taxes	1.167.963	1.332.581
Corrections to previous years	73.468	346.677
Losses in other non-financial investments	6.308	61.486
Fines and penalties	34.345	34.345
Inventories losses	171.721	33.035
Subscriptions	45.525	26.628
Bad Debts	570.167	14.180
Prompt payment discounts granted	4.166	9.539
Donations	3.949	7.743
Losses in other investments	2.247	1.815
Other	1.189.463	1.548.884
	3.269.322	**3.416.913**

Caption "Other" includes essentially expenses with commercial incentives and bonus granted to Dealers.

33. FINANCIAL INCOME AND EXPENSES

Consolidated net financial results as of December 31, 2020 and 2019 were as follows:

EXPENSES AND LOSSES	2020	2019
Interest	1.592.105	1.758.306
Other Financial Expenses	796.667	213.355
	2.388.772	**1.971.661**

OTHER FINANCIAL INCOME	2020	2019
Interest	17.162	25.075
	17.162	**25.075**

34. FINANCIAL ASSETS AND LIABILITIES

We summarize in the table below a resume of financial instruments of Toyota Caetano Group as of December 31, 2020 and 2019:

CAPTION	NOTE	FINANCIAL ASSETS AT AMORTISED COST	ASSETS AT FAIR VALUE THROUGH COMPREHENSIVE INCOME	OTHER NON-FINANCIAL ASSETS	TOTAL
As at 31 December 2020					
Non-current assets					
Other Investments	10	26.833	4.192.604	-	4.219.437
Accounts Receivable	12	654.046	-	-	654.046
		680.879	**4.192.604**	**-**	**4.873.483**
Current assets					
Accounts Receivable	12	45.050.337	-	-	45.050.337
Other Credits	13	2.409.652	-	3.164.414	5.574.066
Other Current Assets	14	3.648.034	-	1.106.857	4.754.891
Cash and Cash Equivalents	16	11.437.547	-	-	11.437.547
		62.545.570	**-**	**4.271.271**	**66.816.841**

CAPTION	NOTE	FINANCIAL ASSETS AT AMORTISED COST	ASSETS AT FAIR VALUE THROUGH COMPREHENSIVE INCOME	OTHER NON-FINANCIAL ASSETS	TOTAL
As at 31 December 2019					
Non-current assets					
Other Investments	10	26 832	3 897 142	-	3 923 974
Accounts Receivable	12	608 975	-	-	608 975
		635 807	**3 897 142**	**-**	**4 532 949**
Current assets					
Accounts Receivable	12	54 236 551	-	-	54 236 551
Other Creditors	13	2 501 776	-	36 402	2 538 178
Other Current Assets	14	2 623 076	-	757 576	3 380 652
Cash and Cash Equivalents	16	12 693 644	-	-	12 693 644
		72 055 047	**-**	**793 978**	**72 849 025**

CAPTION	NOTE	FINANCIAL LIABILITIES AT AMORTISED COST	OTHER NON-FINANCIAL LIABILITIES	TOTAL
As at 31 December 2020				
Non-current Liabilities				
Loans	19	23.215.227	-	23.215.227
		23.215.227	**-**	**23.215.227**
Current Liabilities				
Loans	19	21.039.980	-	21.039.980
Suppliers	20	38.187.645	-	38.187.645
Other Debts	21	22.643.271	14.928.144	37.571.415
Other current Liabilities	23	15.967.806	6.948.404	22.916.210
		97.838.702	**21.876.548**	**119.715.249**

CAPTION	NOTE	FINANCIAL LIABILITIES AT AMORTISED COST	OTHER NON-FINANCIAL LIABILITIES	TOTAL
As at 31 December 2019				
Non-current Liabilities				
Loans	19	36.880.225	-	36.880.225
		36.880.225	**-**	**36.880.225**
Current Liabilities				
Loans	19	7.353.166	-	7.353.166
Suppliers	20	38.236.935	-	38.236.935
Other Debts	21	35.650.367	16.204.103	51.854.470
Other current Liabilities	23	13.480.972	7.933.730	21.414.702
		94.721.440	**24.137.833**	**118.859.273**

According to the paragraph 93 of IFRS 13, we provide below, the disclosure of classification and measurement of financial instruments' fair value, by hierarchy level:

a) Level 1 – quoted prices – participation in Cimóvel Fund registered in caption "Other investments" (Note 10): 4.192.605 Euros (3.897.142 Euros in December, 31 2019);

b) Level 2 - inputs different from quoted prices included on level 1 that are observable for the asset or liability, both directly (prices), or indirectly – negotiation derivatives (swap);

c) Level 3 - inputs for the asset or liability that are not based on observable market data.

35. 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 including associated companies and joint ventures can be summarized as follows as at 31 December 2020 and 2019:

2020 RELATED COMPANY	COMMERCIAL DEBTS		OTHER CURRENT LIABILITIES	PRODUCTS		FIXED ASSETS		SERVICES		OTHER	
	RECEIVA-BLE	PAYABLE	DEFERRALS	SALES	PURCHASES	ACQUISI-TIONS	ALIENA-TIONS	RENDERED	OBTAINED	EXPENSES	INCOME
Amorim Brito & Sardinha, Lda.	748	-	-	-	-	-	-	-	-	-	3.609
Atlântica - Companhia Portuguesa de Pesca, S.A.	5.173	-	-	-	-	-	-	-	-	-	-
Auto Partner Imobiliária, S.A.	-	18.505	-	-	-	-	-	-	28.307	-	-
Cabo Verde Rent-a-Car, Lda.	24.531	39.089	-	125.537	-	-	-	2.206	226.657	-	2.177
Caetano Active, S.A.	843	-	-	292	9	-	-	4.907	-	-	631
Caetano Aeronautic, S.A.	249.729	7.328	188	16.135	-	-	-	33.665	29.788	-	363.004
Caetano Baviera - Comércio de Automóveis, S.A.	200.367	98.135	-	122.171	366.139	-	-	32.661	7.382	13.642	207.604
Caetano City e Active (Norte), S.A.	615.844	66.982	(49.032)	3.072.413	16.673	-	33.955	536	328.717	145.865	33.787
Caetano Drive, Sport e Urban, S.A.	11.355	104.294	-	(19.743)	2.345	-	-	(9.263)	241.321	-	5.770
Caetano Energy, S.A.	5.816	1.323	-	(5.182)	23.056	-	-	7.880	(2.227)	-	2.259
Caetano Fórmula, S.A.	9.445	113.074	-	(16.742)	627.685	-	-	(8.783)	(24.885)	-	5.620
Caetano Formula Cádiz, SLU	426	-	-	-	-	-	-	-	-	-	426
Caetano Formula Galicia, SLU	370	-	-	-	-	-	-	-	-	-	370
Caetano Fórmula West África, S.A.	738	-	-	124.264	-	-	-	-	8.962	-	247
Caetano Mobility, SGPS, SA	-	-	-	-	-	-	-	-	-	-	49
Caetano Motors Cádiz, SLU	259	-	-	-	-	-	-	-	-	-	259
Caetano Motors, S.A.	71.469	22.634	-	2.783	22.870	-	-	(10.815)	26.552	-	3.793
Caetano Move África, S.A.	31	-	-	-	-	-	-	-	-	-	247
Caetano One CV, Lda.	122.323	7.101	(110.187)	2.415.134	2.772.462	-	-	42.034	3.024	-	168.344
Caetano Parts, Lda.	85.131	1.160.229	-	1.299.903	4.038.888	-	-	220	17.246	-	1.307
Caetano Power, S.A.	52.078	26.444	-	(20.239)	15.775	-	-	(2.756)	12.004	-	6.946
Caetano Retail (S.G.P.S.), S.A.	167.790	29.080	-	1.270	-	-	-	415	50.355	-	309.468
Caetano Retail España, S.A.U.	9.096	-	-	-	-	-	-	-	-	-	7.395
Caetano Squadra África, S.A.	63	-	-	-	-	-	-	-	-	-	145
Caetano Star, S.A.	14.295	487	-	1.571	208	-	-	-	621	-	20.596
Caetano Technik, Lda.	2.418	20.325	-	(9.476)	-	-	-	(10.367)	(305)	-	1.550
CaetanoBus - Fabricação de Carroçarias, S.A.	2.365.500	153.152	-	4.985.527	5.449.518	51.858	-	192.109	184.125	-	1.693.950
Caetsu Publicidade, S.A.	3.576	698.223	-	21.925	-	-	-	1.177	2.406.428	-	4.581
Carplus - Comércio de Automóveis, S.A.	27.876	25.080	-	21.042	61.750	-	-	45.038	(2.470)	55	3.181
Choice Car, S.A.	3.129	-	-	-	-	-	-	-	8.228	-	21.808
COCIGA - Construções Civis de Gaia, S.A.	15.161	55.857	-	210	-	114.421	-	13.075	99.555	16.280	9.805
COVIM - Soc. Agrícola, Silvícola e Imobiliária, S.A.	194 723	2 460	-	-	-	-	-	-	4.460	-	-
Finlog - Aluguer e Comércio de Automóveis, S.A.	2 415 550	19 406	(343 282)	6 366 156	5 093 891	-	35 000	356 842	1 365 982	48 802	130 971
Fundação Salvador Caetano	617 708	-	(600 000)	-	-	-	-	-	-	-	56
Grupo Salvador Caetano, (S.G.P.S.), S.A.	-	-	-	-	-	-	-	-	-	-	32
Guérin - Rent-a-Car (Dois), Lda.	286 993	144	-	108 483	(9 031)	-	-	826 405	6 660	-	271 556
Hyundai Portugal, S.A.	82 548	-	-	31 934	-	-	-	84 602	-	-	33 563
Lidera Soluciones, S.L.	431	5 920	-	-	-	-	-	-	129 033	-	350
Lusilectra - Veículos e Equipamentos, S.A.	53 325	134 679	48	73 022	66 614	-	-	63 869	383 374	48	52 619
MDS Auto - Mediação de Seguros, S.A.	67 719	-	-	-	-	-	-	864 628	-	-	4 835
Movicargo - Movimentação Industrial, Lda.	2 819	291 517	-	415	537 618	-	-	3 778	867 761	36 071	11 290

2020 RELATED COMPANY	COMMERCIAL DEBTS		OTHER CURRENT LIABILITIES	PRODUCTS		FIXED ASSETS		SERVICES		OTHER	
	RECEIVABLE	PAYABLE	DEFERRALS	SALES	PURCHASES	ACQUISITIONS	ALIENATIONS	RENDERED	OBTAINED	EXPENSES	INCOME
P.O.A.L. - Pavimentações e Obras Acessórias, S.A.	17 806	-	-	-	-	-	-	-	-	-	-
Portianga - Comércio Internacional e Participações, S.A.	165 529	32 926	(297 283)	315 371	(2 862)	-	-	34 928	108 736	-	137 511
RARCON - Arquitectura e Consultadoria, S.A.	-	21 456	(70 000)	-	-	-	-	-	129 490	-	-
Rigor - Consultoria e Gestão, S.A.	61 798	1 013 206	5 230	1 550	-	9 771	-	201 988	3 758 436	2 413	200 519
Salvador Caetano Auto África, (S.G.P.S.), S.A.	-	(811 923)	-	-	-	-	-	-	-	-	9
Salvador Caetano Auto, (S.G.P.S.), S.A.	133	-	-	-	-	-	-	-	-	-	134
SIMOGA - Sociedade Imobiliária de Gaia, S.A.	1 374	-	-	-	-	-	-	-	-	-	-
Sózó Portugal, S.A.	4 642	-	-	-	-	-	-	871	-	-	13 317
Toyota Kreditbank, GMBH - Sucursal Portugal	700 119	2 648 489	(56 743)	48 492 465	21 356 334	-	-	2 463 969	732 662	1 901 097	247 358
Toyota Motor Corporation	16 478	3 439 173	(24 115)	76	26 684 973	-	-	-	148	236 637	209 432
Toyota Motor Europe, NV/SA	441 045	18 761 000	(120 932)	27 517 926	141 862 037	-	-	-	426 936	138 930	3 863 144
Turispaiva - Sociedade Turística Paivense, S.A.	369	-	-	-	-	-	-	-	-	-	3 609
VAS África (S.G.P.S.), S.A.	52	-	-	-	-	-	-	-	-	-	94
Vas Cabo Verde, Sociedade Unipessoal, S.A.	10 184	2 012	-	45 347	2 295	-	-	82 364	2 481	-	151 593
Toyota Tsusho Europe S.A.	-	-	-	-	-	-	-	-	35 040	-	-
Toyota Tsusho Corpoartion	-	261 244	-	-	2 790 795	-	-	-	-	-	-
Toyota Material Handling Manuf Sweden AB	-	725 636	-	-	3 114 997	-	-	-	19 467	(161 371)	-
Toyota Material Handling Europe Logistics AB	-	255 298	-	-	1 438 456	-	-	-	3 113	(3 122)	226
Toyota Material Handling Manufact Italy SPA	-	620 686	-	-	3 034 619	-	-	-	-	(83 892)	4 005
Toyota Material Handling Espanha SA	2 741	3 436	-	25 877	(19 132)	15 000	-	-	19 666	426	-
Toyota Material Handling Europe AB	-	282	-	-	-	-	-	-	3 755	-	-
Toyota Material Handling Manuf France SAS	-	151 299	-	-	1 585 156	-	-	-	103	(24 608)	-
Toyota Material Handling France	-	6 366	-	-	-	5 200	-	-	-	-	-
Toyota Tsusho Asia Pacific LTD	-	80.047	-	-	526.332	-	-	-	-	-	-
Caetano UK, Ltd	2.583	-	-	-	-	-	-	-	-	-	2.100
Cobus Industries, GMBH	151	-	-	-	-	-	-	-	-	-	123
Toyota Logist S Portugal Unip Lda	67.527	(754)	304	6.632.	-	-	-	-	-	-	
	9.279.927	**30.311.347**	**(1.665.804)**	**95.124.049**	**221.460.470**	**196.250**	**68.955**	**5.318.183**	**11.646.688**	**2.267.273**	

2019 RELATED COMPANIES	COMMERCIAL DEBTS		OTHER CURRENT LIABILITIES	PRODUCTS		FIXED ASSETS		SERVICES		OTHER	
	RECEIVABLE	PAYABLE	DEFERRALS	SALES	PURCHA-SES	ACQUISI-TIONS	ALIENA-TIONS	RENDERED	OBTAINED	EXPEN-SES	INCOME
Amorim Brito & Sardinha, Lda.	738	-	-	-	-	-	-	-	-	-	7.200
Atlântica -Companhia Portuguesa de Pesca, S.A.	5.173	-	-	-	-	-	-	-	-	-	-
Auto Partner Imobiliária, S.A.	1.595	23.900	-	-	-	-	-	-	33.940	-	-
Cabo Verde Rent-a-Car, Lda.	199.553	41.767	-	441.171	391.764	-	-	675	229.454	-	-
Caetano Active, S.A.	3.414	-	-	1.487	-	-	-	12.035	2.110	-	322
Caetano Aeronautic, S.A.	140.142	85	-	17.851	-	-	6.000	32.841	210.938	-	669.776
Caetano Baviera -Comércio de Automóveis, S.A.	212.295	113.048	(21.980)	166.334	559.952	-	-	45.438	68.593	1.684	234.960
Caetano City, S.A.	716.938	62.835	(57.052)	3.305.341	26.183	-	153.757	623	114.732	136.519	(20.700)
Caetano Drive, Sport e Urban, S.A.	11.659	107.496	-	(26.471)	73.548	-	-	(343)	368.582	-	6.217
Caetano Energy, S.A.	30.375	(265)	-	1.409	11.220	-	-	18.206	(794)	-	3.389
Caetano Fórmula, S.A.	21.173	271.302	-	(13.738)	732.155	-	-	(7.729)	(20.095)	-	6.117
Caetano Fórmula Cádiz, S L	374	-	-	-	-	-	-	-	-	-	374
Caetano Fórmula East África, S.A.	-	-	-	35	-	-	-	-	-	-	2.490
Caetano Fórmula Galicia, S.L.U.	-	-	-	-	-	-	-	-	-	-	130
Caetano Fórmula West África, S.A.	143	-	-	-	-	-	-	-	-	-	270
Caetano Mobility, S.A.	57	-	-	-	-	-	-	-	-	-	46
Caetano Motors, S.A.	101.091	238	-	(23.419)	-	-	-	(11.454)	.32.500	-	3.648
Caetano Motors Cádiz, S.L.	220	-	-	-	-	-	-	-	-	-	220
Caetano Move África, S.A.	21	-	-	-	-	-	-	-	-	-	261
Caetano One CV, Lda.	21.606	2.553	-	43.975	40.428	31.939	-	37.322	2.191	-	42.066
Caetano Parts, Lda.	57.353	1.437.752	-	1.645.259	5.239.857	-	-	1.409	14.329	-	2.662
Caetano Power, S.A.	37.712	817	-	(29.460)	70.174	-	-	(10.897)	(10.035)	-	2.287
Caetano Retail (S.G.P.S.), S.A.	168.360	11.007	-	763	-	-	-	76	18.046	-	304.996
Caetano Retail España, S.A.U.	124.316	-	-	-	-	-	-	-	-	-	126.185
Caetano Squadra África, S.A.	21	-	-	-	-	-	-	-	-	-	60
Caetano Star, S.A.	24.054	288	-	1.285	-	-	-	-	617	(795)	19.108
Caetano Technik, Lda.	6.864	12.452	-	(23.533)	25.810	-	-	(13.331)	3.528	-	1.795
CaetanoBus -Fabricação de Carroçarias, S.A.	2.731.487	308.749	43.430	146.825	66.771	-	150	153.388	117.912	3.793	2.410.045
Caetsu Publicidade, S.A.	34.422	37.235	-	67.727	42.572	-	-	5.162	134.214	-	-
Carplus -Comércio de Automóveis, S.A.	55.984	1.247.660	-	58.413	1.590	-	-	64.195	.3.585.500	-	10.468
Choice Car, S.A.	1.381	-	-	-	-	-	-	-	-	-	17.138
COCIGA -Construções Civis de Gaia, S.A.	12.083	-	-	-	-	-	-	12.172	16.014	-	41.701
COVIM -Soc Agrícola, Silvícola e Imobiliária, S.A.	4.235	134.104	-	350	-	606.082	-	-	112.014	19.440	11.123
Finlog -Aluguer e Comércio de Automóveis, S.A.	411.040	214.911	(109.570)	1.756.780	1.277.015	-	-	411.133	1.558.072	79.046	95.830
Fundação Salvador Caetano	649.625	-	(600.000)	-	-	-	-	-	-	-	224
Grupo Salvador Caetano, (S.G.P.S.), S.A.	-	-	-	-	-	-	-	-	4.150	-	34
Guérin-Rent-a-Car (Dois), Lda.	809.771	3.026	-	137.452	102	-	-	1.403.601	7.641	-	454.566
Guerin Rent-a-Car, S.L.U.	2.432	-	-	-	-	-	-	-	-	-	2.432
Hyundai Portugal, S.A.	9.593	-	-	5.280	-	-	-	11.803	-	-	51.416
Lidera Soluciones, S.L.	4.262	2.428	-	-	-	-	-	-	105.276	-	5.061

2019 RELATED COMPANIES	COMMERCIAL DEBTS		OTHER CURRENT LIABILITIES	PRODUCTS		FIXED ASSETS		SERVICES		OTHER	
	RECEIVABLE	PAYABLE	DEFERRALS	SALES	PURCHA-SES	ACQUISI-TIONS	ALIENA-TIONS	RENDERED	OBTAINED	EXPEN-SES	INCOME
Lusilectra -Veículos e Equipamentos, S.A.	103.745	178.709	-	98.533	23.398	71.245	-	72.986	473.390	6.740	60.052
MDS.Auto -Mediação de Seguros, S.A.	15.741	-	-	1.175	-	-	-	903.325	-	-	2.498
Movicargo -Movimentação Industrial, Lda.	.2.661	362.599	-	-	875.365	-	-	6.749	905.842	63.082	15.336
P O A L -Pavimentações e Obras Acessórias, S.A.	17.806	-	-	-	-	-	-	-	-	-	-
Portianga -Comércio Internacional e Participações, S.A.	354.832	350.077	-	408.274	-	-	-	43.689	332.745	-	87.931
RARCON -Arquitectura e Consultadoria, S.A.	-	59.697	-	18.095	-	54.087	-	-	147.756	-	104
Rigor -Consultoria e Gestão, S.A.	112.012	1.145.460	10.748	118	-	32.826	-	187.796	3.796.431	22.508	256.872
Salvador Caetano Auto África, (S G P S), S.A.	39	-	-	-	-	-	-	-	-	-	91
Salvador Caetano Auto, (S G P S), S.A.	21	-	-	-	-	-	-	-	-	-	94
Salvador Caetano Capital, (S G P S), S.A.	10	-	-	-	-	-	-	-	-	-	9
SIMOGA -Sociedade Imobiliária de Gaia, S.A.	1.374	-	-	-	-	-	-	-	-	-	-
Sózó Portugal, S.A.	8.528	-	-	-	-	-	-	-	-	-	22.430
Toyota Kreditbank, GMBH -Sucursal Portugal	17.380	24.135	21.360	3.166.847	1.910.824	-	11.789	-	15.868	1.009.228	237.862
Toyota Logists Portugal Unip Lda.	67.971	(754)	-	4.229	-	-	-	-	-	-	655.972
Toyota Material Handling Espanha S.A.	2.513	12.018	-	11.527	26.509	17.150	-	-	38.562	-	-
Toyota Material Handling Europe Logistic S.A.B	-	295.316	-	-	1.505.905	-	-	-	273	(83.892)	4.005
Toyota Material Handling France	-	9.666	-	-	8.500	-	-	-	1.325	-	-
Toyota Material Handling Manuf France SAS	-	188.663	-	-	2.827.447	-	-	-	241.	-	-
Toyota Material Handling Manuf Sweden AB	-	530.838	-	-	5.173.729	-	-	-	-	(3.122)	226
Toyota Material Handling Manufact Italy SPA	-	1.785.806	-	-	7.287.071	-	-	-	338	426	-
Toyota Motor Corporation	332.366	4.404.755	(68.816)	-	42.819.077	-	-	-	136.758	341.267	165.556
Toyota Motor Europe, NV/SA	3.501.528	15.848.490	(87.518)	45.547.690	220.102.773	30.000	-	-	535.174	139.104	4.151.909
Toyota Tsusho Asia Pacific LTD	-	132.821	-	-	874.826	-	-	-	-	-	-
Toyota Tsusho Corporation	-	396.016	-	-	2.645.459	-	-	-	-	-	-
Turispaiva - Sociedade Turística Paivense, S.A.	369	-	-	-	-	-	-	-	-	-	3.600
VAS África (S.G.P.S.), S.A.	21	-	-	-	-	-	-	-	-	-	-
Vas Cabo Verde, Sociedade Unipessoal, S.A.	8.380	3.152	-	104.688	11.297.199	4.232.200	86.743	403.747	1.462.124	102.073	.283.488
	11.158.859	**29.760.852**	**(869.398)**	**57.043.126**	**305.937.223**	**5.075.529**	**258.439**	**3.784.617**	**14.556.256**	**1.837.101**	**10.461.952**

36. CONTINGENT ASSETS AND LIABILITIES

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

As of December 31, 2020 and 2019, Toyota Caetano Group had assumed the following financial commitments:

COMMITMENTS	2020	2019
Guarantees of Imports	4.000.000	4.000.000
Other financial guarantees	1.906.565	1.914.401
	5.906.565	**5.914.401**

At December 31, 2020 and 2019, in the financial commitments classified as "Guarantees for Imports" the amount of 4 Million Euros is related with guarantees on imports provided to Customs Authorities and it is destined to guarantee Duties and other impositions as well as car tax in the clearance and plate requests.

Following the 26,5 Million Euros of loans contracted and having expired the payment date but being partially renewed, the Group has granted mortgages to the respective financial institutions, valued at about 23,4 Million Euros, at the financing date.

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 access the impact of these operations in its consolidated 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.

Meanwhile and according to the legislation in force (Dec./Law 196/2003), the Group signed a contract with "ValorCar – Sociedade de Gestão de Veículos em Fim de Vida, Lda" - a licensed entity for the management of an integrated system of ELV- the transfer of the liabilities in this process.

Information related to environmental area

The Group adopts the necessary measures relating to the environment, aiming to fulfil current applicable legislation.

The Toyota Caetano Group Board of Directors does not estimate that there are risks related to the environmental protection and improvement, not having received any infraction related to this matter during 2020.

37. REMUNERATION OF BOARD MEMBERS

The remuneration of the board members during the years 2020 and 2019, was as follows:

BOARD MEMBERS	2020	2019
Board of Directors		
Fixed remuneration	646.564	714.825
Variable remuneration	-	-
Fiscal Council	6.790	8.520

38. REMUNERATION OF STATUTORY AUDITOR

The remuneration of the Group´s Statutory Auditor, as at December 31, 2020 and 2019, was as follows:

	2020	2019
Total fees related to statutory audit	47.000	53.000
Total fees related to assurance services	-	1.000
	47.000	**54.000**

39. COVID-19

Following the declaration by WHO – World Health Organization of the state of the Pandemic due to the spread of the new Coronavirus COVID-19 in March 2020, it is important to mention some impacts on the consolidated financial statements presented on December 31, 2020.

Activity/Profitability

As evidenced in the attached consolidated financial statements, the Group's activity suffered a drop of about 22%, resulting from the various constraints that the pandemic caused, highlighting the interruptions / production stops or caused by the restrictive public health measures implemented, or caused by logistical difficulties in moving people, goods and equipment.

In terms of profitability, as a result of interruptions /stops that occurred with the consequent negative impact on productivity and dilution of fixed costs, EBITDA* also fell by about 33%. In this regard, it should be noted that it is the Group's expectation that as the normal pace resumes, profitability will return to the levels achieved in the past.

* EBITDA= Operating Income+Amortizations+Impairments

Financing

Despite the lower profitability of operations, the Group's financing needs did not worsen, having been able to finance its activity through available credit lines without the need to resort to the lines established by the State/ Portuguese financial system to cope with the crisis, such as the Covid lines and the moratorium process established by the State/ Portuguese financial system.

On the other hand, as a result of the measures to support the economy implemented by the Portuguese Government, there has been no increase in financing costs.

Finally, to date, there has also been no significant increase in the average collection period who have affected the Group's financing needs.

Liquidity

In accordance with its management policy aimed at maintaining an adequate liquidity reserve and the Group being aware of the economic and financial impacts, which will inherently have negative effects on its future activity/profitability, it should be noted that unused bank credit lines of more than 50 M€ are currently available,the continuity of operations for at least 12 months is thus ensured.

Support mechanisms made available by the Government

The Government, aware of the economic and financial impacts on the activity/profitability of companies, implemented a series of support measures that the Group used with the following approximate amount of benefit:

- Extraordinary support for the maintenance of the employment, Simplified Lay-off	1.934.369 Euros
- Incentive to normalize the activity	1.113.880 Euros

40. SUBSEQUENT EVENTS

Since the end of 2020, we could not disclose this attachment without clarifying that it was prepared during the confinement period declared by Portuguese Authorities due to the second wave of COVID-19 pandemic felt after the yearend.

Being aware of the negative effects on the activity/profitability due to predictable decrease in turnover as a result of the lockdown of commercial facilities, the Group used the Governmental support given through "Programa Retoma Progressiva" (Progressive Comeback Program).

The Board of Directors knowing of the uncertainty over the maintenance of the pandemic impacts keeps a secured conviction on the good financial capacity of the Group, being available non-utilized credit lines over 50M €, thus assuring the continuity of operations at least for a 12 month period.

41. FINANCIAL STATEMENTS APPROVAL

These consolidated financial statements were approved by the Board of Directors on March 31, 2021.

42. EXPLANATION ADDED FOR TRANSLATION

These financial statements are a translation of financial statements originally issued in Portuguese language in accordance with IFRS. In the event of discrepancies, the Portuguese language version prevails.

CHARTERED ACCOUNTANT
ALEXANDRA MARIA PACHECO GAMA JUNQUEIRA

BOARD OF DIRECTORS
JOSÉ REIS DA SILVA RAMOS - President
MARIA ANGELINA MARTINS CAETANO RAMOS
SALVADOR ACÁCIO MARTINS CAETANO
MIGUEL PEDRO CAETANO RAMOS
KATSUTOSHI NISHIMOTO
MATTHEW PETER HARRISON
GISELA MARIA FALCÃO SOUSA PIRES PASSOS

OPINIONS

Toyota Caetano Portugal, S.A.

REPORT AND OPINION OF THE FISCAL COUNCIL

Dear Shareholders,

1) In accordance with the terms of item g) of article 420.º of the "Código das Sociedades Comerciais" and the Articles of Association, it is our duty submit to your appreciation the report concerning the activity performed and to issue opinion regarding the documents and statements of the individual and consolidated accounts of TOYOTA CAETANO PORTUGAL, S.A., referring to the financial year of 2020, which were presented to us by the Board of Directors.

2) In accordance with the assignments conferred to us, during this exercise we proceeded to the follow-up of the social business and to its evolution and, with the frequency and extent considered advisable and appropriate, to the general analysis of the financial procedures, accounting policies and measurement criteria adopted by the company.

3) We have no knowledge of any situation which didn´t respect the articles of association and the legal terms applicable.

4) We analysed the Individual Legal Certification of Accounts and the Consolidated Legal Certification of Accounts issued by the Statutory External Auditor, with which we agree.

Thus,

5) All members of the Fiscal Council of TOYOTA CAETANO PORTUGAL, S.A., under the terms of item c) of number 1 of article 245.º of the "Código de Valores Mobiliários", hereby declare that, as far as it is their knowledge, the information provided in item a) of the above referred article, including documents of individual and consolidated accounts, was elaborated according to the accounting rules applicable, evidencing a correct and clear image of the assets and liabilities, of the financial situation and results of TOYOTA CAETANO PORTUGAL, S.A. and that the management report clearly shows the business evolution, the performance and the position of the Company and companies included in its perimeter of consolidation, evidencing as well a description of the mains risks and incertitude's to be faced.

6) And, under the terms of number 5 of article 420.º of "Código das Sociedades Comerciais", the Fiscal Council of TOYOTA CAETANO PORTUGAL, S.A. states that the report on the structure and practices of corporate governance includes the elements referred in article 245.º-A of "Código dos Valores Mobiliários.

7) Accordingly, we are of the opinion that the Annual General Meeting:

   a) Approve the management report of the Board of Directors and the individual and consolidated Accounts related to the financial year ended on the December 31st, 2020;

   b) Approve the proposal for the net result application, contained in the management report of the Board of Directors.

Vila Nova de Gaia, 30th April 2021

José Domingos da Silva Fernandes - President

Antonieta Isabel da Costa Moura - Member

Daniel Broekhuizen – Member

STATEMENT OF THE FISCAL COUNCIL

All members of the Fiscal Council of TOYOTA CAETANO PORTUGAL, S.A., under the terms of item c) of number 1 of article 245.º of the "Código de Valores Mobiliários", hereby declare that, as far as it is their knowledge, the information provided in item a) of the above referred article, including documents of individual and consolidated accounts, was elaborated according to the accounting rules applicable, evidencing a correct and clear image of the assets and liabilities, of the financial situation and results of TOYOTA CAETANO PORTUGAL, S.A. and that the management report clearly shows the business evolution, the performance and the position of the Company and companies included in its perimeter of consolidation, evidencing as well a description of the mains risks and incertitudes to be faced.

Vila Nova de Gaia, 30th April 2021

José Domingos da Silva Fernandes – President

Antonieta Isabel da Costa Moura – Member

Daniel Broekhuizen - Member

STATUTORY AUDITOR'S REPORT

(Free translation of a report originally issued in Portuguese language: In case of doubt the Portuguese version will always prevail)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of Toyota Caetano Portugal, S.A. ("the Entity"), which comprise the individual statement of financial position as at 31 December 2020 (showing a total of Euro 255.579.875 and total equity of Euro 145.705.269, including a net result of Euro 4.644.726), the statement of profit and loss by nature, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended and the accompanying notes to the financial statements, including a summary of the significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the financial position of Toyota Caetano Portugal, S.A. as at 31 December 2020 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted in the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and further technical and ethical standards and guidelines as issued by Ordem dos Revisores Oficiais de Contas (the Portuguese Institute of Statutory Auditors). Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section below. We are independent from the Entity in accordance with the law and we have fulfilled other ethical requirements in accordance with the *Ordem dos Revisores Oficiais de Contas* code of ethics.

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

Emphasis

As referred to in the management report and in the accompanying notes to the individual financial statements, the Pandemic declared by the World Health Organization (WHO) related with the worldwide spread of the new coronavirus (COVID-19) had adverse effects on the global economic activity, which had a strong impact in the automotive sector and influenced the Entity´s and its affiliated companies ´activity throughout the year of 2020, resulting in a significant drop in its turnover and profitability, which required the Board of Directors to take a series of decisions and response measures, aiming to reduce operating costs and preserve liquidity. As mentioned in notes 35 and 36 of the accompanying notes to the individual financial statements, the Board of Directors carried out an assessment of the impacts and future uncertainty factors resulting from the Pandemic and of the respective consequences to the Entity, taking in consideration the available resources, having concluded that the use of the going concern principle in the preparation of the referred financial statements as at December 31, 2020 is appropriate. Our opinion is not modified in relation to this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters.

Description of the most significant risks of material misstatement identified	Summary of the auditor's responses to the assessed risks of material misstatement
Impairment of used vehicles (Notes 2.3 e), 11 and 22 of the notes to the individual financial statements)	
As referred to in note 11 of the accompanying notes to the financial statements, as of December 31, 2020, the Entity's inventories amount to million Euro 46,8 (representing approximately 18% of the Entity's net assets), of which the amount of million Euro 9,9 corresponds to used vehicles. In accordance with IAS 2 Inventories, used vehicles are valued at the lower of the acquisition cost and the net realizable value. The accumulated impairment losses for the depreciation of inventories reflect the difference between the acquisition cost and the net realizable value of such inventories (note 2.4 e)). The net realizable value of the used vehicles is determined by applying devaluation criteria defined by the Board of Directors, taking into account their age, as well as by consulting market indicators obtained from external sources, which also consider the characteristics and age of each vehicle. This matter is considered a relevant audit matter due to the volatility of the market value of used vehicles and the judgmental nature associated with the determination of impairment losses, namely taking into account the current economic downturn in the sector in which the Group operates as a result of the Pandemic caused by the new coronavirus (COVID-19, Note 35).	Our audit procedures included the analysis of the valuation process carried out by the Entity for inventories corresponding to used vehicles, verifying their compliance with the provisions of the accounting standards and aiming at mitigating the risk that the value of such inventories may be higher than the respective net realisable value. Among other procedures carried out, we highlight the following: - Test of detail on the acquisition cost of used vehicles as of December 31, 2020; - Validation of the criteria adopted by the Entity's Board of Directors regarding the recording of impairments for used vehicles and carrying out arithmetic tests; - Analysis of the historical margins on used vehicle sales; - Analysis and comparison of the net accounting values of used vehicles as of December 31, 2020 with the available market information obtained from external sources, taking into account the specific characteristics and age for each vehicle; - Analysis of used vehicle sales that occurred after December 31, 2020 in order to identify transactions in which the net realizable value is less than the net accounting value recorded in inventories as of December 31, 2020; - Assessment of the adequacy of the disclosures made in the consolidated financial statements.

Other matters

The Entity's individual financial statements as of December 31, 2019, presented for comparative purposes, were audited by other Statutory Auditors, whose Statutory Auditor´s Report, dated March 18, 2020, includes an unqualified opinion and an emphasis related with the uncertainty associated to the impacts of the Pandemic caused by the disease linked to the new coronavirus (COVID-19).

Responsibilities of management and supervisory body for the financial statements

Management is responsible for:

- the preparation of financial statements that give a true and fair view of the Entity's financial position, financial performance and cash flows in accordance with International Financial Reporting Standards (IFRS) as adopted in the European Union;
- the preparation of the management report, corporate governance report, non-financial information and remunerations report in accordance with applicable laws and regulations;
- designing and maintaining an appropriate internal control system to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- the adoption of accounting policies and principles appropriate in the circumstances; and
- assessing the Entity's ability to continue as a going concern and disclosing, as applicable, the matters that may cast significant doubt about the Entity's ability to continue as a going concern.

The supervisory body is responsible for overseeing the Entity's financial reporting process

Auditor's responsibilities for the audit of the financial statements

Our responsibility is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Entity to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- communicate with those charged with governance, including the supervisory body, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit;
- determine, from the matters communicated with those charged with governance, including the supervisory body, those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter;
- provide the supervisory body with a statement that we have complied with relevant ethical requirements regarding independence and communicate all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, which measures have been taken to eliminate the threats or what safeguards have been applied.

Our responsibility also includes the verification that the information contained in the management report is consistent with the individual financial statements and the verification of the requirements as provided in numbers 4 and 5 of article 451º of the Portuguese Companies' Code, in matters of corporate governance, as well as the verification that the non-financial information was presented.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

On the management report

Pursuant to article 451.º, n.º 3, al. e) of the Portuguese Companies' Code ("Código das Sociedades Comerciais"), it is our opinion that the management report was prepared in accordance with the applicable legal and regulatory requirements and the information contained therein is consistent with the audited consolidated financial statements and, having regard to our knowledge and assessment over the Entity, we have not identified any material misstatements. As referred to in article 451, paragraph 7 of the Portuguese Companies' Code, this opinion is not applicable to the non-financial information included in the management report.

About the corporate governance report

Pursuant to article 451º, number 4, of the Portuguese Company's Code ("*Código das Sociedades Comerciais*"), we conclude that the corporate governance report includes the elements required to the Entity under the terms of article 245.º-A of the Portuguese Securities Code ("Código dos Valores Mobiliários") and we have not identified any material misstatements on the information disclosed therein, which, accordingly, complies with the requirements of items c), d), f), h), i) and m), no. 1 of that article.

On the non-financial information

Pursuant to article 451, number 6, of the Portuguese Company's Code ("Código das Sociedades Comerciais"), we inform that the Entity included in its management report the non-financial information, under the terms of article 66º-B of the Portuguese Company's Code, which has been included in the section "Non-financial information".

On the additional matters provided in article 10 of Regulation (UE) 537/2014

Pursuant to article 10 of Regulation (UE) 537/2014 of the European Parliament and of the Council of April 16th, 2014, in addition to the key audit matters mentioned above, we also report on the following:

- We were appointed as auditors of the Entity for the first time in the shareholders' general assembly held on July 1, 2020 to complete the ongoing mandate comprised between 2019 and 2022.
- Management has confirmed to us that they are not aware of any fraud or suspicion of fraud having occurred that has a material effect on the financial statements. In planning and executing our audit in accordance with ISAs, we maintained professional scepticism and we designed audit procedures to respond to the risk of material misstatements in the financial statements due to fraud. As a result of our work, we have not identified any material misstatement on the financial statements due to fraud.
- We confirm that the audit opinion issued is consistent with the additional report that we prepared and delivered to the Entity's supervisory body as at April 30, 2021.
- We declare that we have not provided any prohibited services as described in article 77, number 8, of the Ordem dos Revisores Oficiais de Contas statutes (Legal Regime of the Portuguese Statutory Auditors) and we have remained independent from the Entity in conducting the audit.

Porto, April 30, 2021

Deloitte & Associados, SROC S.A.

Represented by Miguel Nuno Machado Canavarro Fontes, ROC

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of Toyota Caetano Portugal, S.A. ("the Entity") and of its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at December 31, 2020 (showing a total of Euro 304.904.977 and total equity of Euro 146.989.943, including a net result of Euro 4.644.726), the consolidated statement of profit and loss by natures, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and the accompanying notes to the consolidated financial statements, including a summary of the significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of Toyota Caetano Portugal, S.A. as at December 31, 2020 and of its financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted in the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and further technical and ethical standards and guidelines as issued by Ordem dos Revisores Oficiais de Contas (the Portuguese Institute of Statutory Auditors). Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section below. We are independent from the entities that constitute the Group in accordance with the law and we have fulfilled other ethical requirements in accordance with the *Ordem dos Revisores Oficiais de Contas* code of ethics.

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

Emphasis

As referred to in the management report and in the accompanying notes to the consolidated financial statements, the Pandemic declared by the World Health Organization (WHO) related with the worldwide spread of the new coronavirus (COVID-19) had adverse effects on the global economic activity, which had a strong impact in the automotive sector and influenced the Group's activity throughout the year of 2020, resulting in a significant drop in its turnover and profitability, which required the Board of Directors to take a series of decisions and response measures, aiming to reduce operating costs and preserve liquidity. As mentioned in notes 39 and 40 of the accompanying notes to the consolidated financial statements, the Board of Directors carried out an assessment of the impacts and future uncertainty factors resulting from the Pandemic and of the respective consequences to the Group, taking in consideration the available resources, having concluded that the use of the going concern principle in the preparation of the consolidated financial statements as at December 31, 2020 is appropriate. Our opinion is not modified in relation to this matter.

As mentioned in note 3 of the accompanying notes to the consolidated financial statements, the consolidated financial statements for the year ended December 31, 2019, presented for comparative purposes, were restated in order to correct presentation and classification misstatements. Our opinion is not modified in relation to this matter

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters.

Description of the most significant risks of material misstatement identified	Summary of the auditor's responses to the assessed risks of material misstatement
Impairment of used vehicles (Notes 2.4 f) and 11 of the notes to the consolidated financial statements)	
As referred to in note 11 of the accompanying notes to the consolidated financial statements, as of December 31, 2020, the Group's inventories amount to million Euro 78,7 (representing approximately 25,5% of the Entity's net consolidated assets), of which the amount of million Euro 33 corresponds to used vehicles. In accordance with IAS 2 Inventories, used vehicles are valued at the lower of the acquisition cost and the net realizable value. The accumulated impairment losses for the depreciation of inventories reflect the difference between the acquisition cost and the net realizable value of such inventories (note 2.4 f)). The net realizable value of the used vehicles is determined by applying devaluation criteria defined by the Board of Directors, taking into account their age, as well as by consulting market indicators obtained from external sources, which also consider the characteristics and age of each vehicle. This matter is considered a relevant audit matter due to the volatility of the market value of used vehicles and the judgmental nature associated with the determination of impairment losses, namely taking into account the current economic downturn in the sector in which the Group operates as a result of the Pandemic caused by the new coronavirus (COVID-19, Note 39).	Our audit procedures included the analysis of the valuation process carried out by the Entity for inventories corresponding to used vehicles, verifying their compliance with the provisions of the accounting standards and aiming at mitigating the risk that the value of such inventories may be higher than the respective net realisable value. Among other procedures carried out, we highlight the following: - Test of detail on the acquisition cost of used vehicles as of December 31, 2020; - Validation of the criteria adopted by the Entity's Board of Directors regarding the recording of impairments for used vehicles and carrying out arithmetic tests; - Analysis of the historical margins on used vehicle sales; - Analysis and comparison of the net accounting values of used vehicles as of December 31, 2020 with the available market information obtained from external sources, taking into account the specific characteristics and age for each vehicle; - Analysis of used vehicle sales that occurred after December 31, 2020 in order to identify transactions in which the net realizable value is less than the net accounting value recorded in inventories as of December 31, 2020; - Assessment of the adequacy of the disclosures made in the consolidated financial statements.

Other matters

The Entity's consolidated financial statements as of December 31, 2019, presented for comparative purposes, were audited by other Statutory Auditors, whose Statutory Auditor´s Report, dated March 18, 2020, includes an unqualified opinion and an emphasis related with the uncertainty associated to the impacts of the Pandemic caused by the disease linked to the new coronavirus (COVID-19).

Responsibilities of management and supervisory body for the consolidated financial statements

Management is responsible for:

- the preparation of consolidated financial statements that give a true and fair view of the Group's financial position, financial performance and cash flows in accordance with International Financial Reporting Standards (IFRS) as adopted in the European Union;
- the preparation of the management report, corporate governance report and consolidated non-financial information in accordance with applicable laws and regulations;
- designing and maintaining an appropriate internal control system to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- the adoption of accounting policies and principles appropriate in the circumstances; and
- assessing the Group's ability to continue as a going concern and disclosing, as applicable, the matters that may cast significant doubt about the Group's ability to continue as a going concern.

The supervisory body is responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Entity to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion;
- communicate with those charged with governance, including the supervisory body, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit;
- determine, from the matters communicated with those charged with governance, including the supervisory body, those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter;
- provide the supervisory body with a statement that we have complied with relevant ethical requirements regarding independence and communicate all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, which measures have been taken to eliminate the threats or what safeguards have been applied.

Our responsibility also includes the verification that the information contained in the management report is consistent with the consolidated financial statements and the verification of the requirements as provided in numbers 4 and 5 of article 451º of the Portuguese Companies' Code, in matters of corporate governance, as well as the verification that the consolidated non-financial information was presented.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

About the management report

Pursuant to article 451º, n.º 3, al. e) of the Portuguese Companies' Code ("Código das Sociedades Comerciais"), it is our opinion that the management report was prepared in accordance with the applicable legal and regulatory requirements and the information contained therein is consistent with the audited consolidated financial statements and, having regard to our knowledge and assessment over the Group, we have not identified any material misstatements. As referred to in article 451, paragraph 7 of the Portuguese Companies' Code, this opinion is not applicable to the non-financial information included in the management report.

About the corporate governance report

Pursuant to article 451º, number 4, of the Portuguese Company's Code ("Código das Sociedades Comerciais"), we conclude that the corporate governance report includes the elements required to the Entity under the terms of article 245.º-A of the Portuguese Securities Code ("Código dos Valores Mobiliários") and we have not identified any material misstatements on the information disclosed therein, which, accordingly, complies with the requirements of items c), d), f), h), i) and m), no. 1 of that article.

About the non-financial information

Pursuant to article 451, number 6, of the Portuguese Company's Code ("Código das Sociedades Comerciais"), we inform that the Group included in its management report the non-financial information, under the terms of article article 508-G of the Portuguese Company's Code, which has been included in the section "Non-financial information".

About the additional matters provided in article 10 of Regulation (UE) 537/2014

Pursuant to article 10 of Regulation (UE) 537/2014 of the European Parliament and of the Council of April 16th, 2014, in addition to the key audit matters mentioned above, we also report on the following:

- We were appointed as auditors of the Entity for the first time in the shareholders' general assembly held on July 1, 2020 to complete the ongoing mandate comprised between 2019 and 2022.
- Management has confirmed to us that they are not aware of any fraud or suspicion of fraud having occurred that has a material effect on the financial statements. In planning and executing our audit in accordance with ISAs, we maintained professional scepticism and we designed audit procedures to respond to the risk of material misstatements in the consolidated financial statements due to fraud. As a result of our work, we have not identified any material misstatement on the consolidated financial statements due to fraud.
- We confirm that the audit opinion issued is consistent with the additional report that we prepared and delivered to the Group's supervisory body as at April 30, 2021.
- We declare that we have not provided any prohibited services as described in article 77, number 8, of the Ordem dos Revisores Oficiais de Contas statutes (Legal Regime of the Portuguese Statutory Auditors) and we have remained independent from the Group in conducting the audit.

Porto, April 30, 2021

Deloitte & Associados, SROC S.A.

Represented by Miguel Nuno Machado Canavarro Fontes, ROC

CORPORATE GOVERNANCE

Toyota Caetano Portugal, S.A.

GOVERNANCE REPORT

PART I – INFORMATION ON SHAREHOLDER STRUCTURE, ORGANIZATION AND CORPORATE GOVERNANCE

A. SHAREHOLDER STRUCTURE

I – CAPITAL STRUCTURE

1. **The capital structure (share capital, number of shares, distribution of capital by shareholders, etc), including an indication of shares that are not admitted to trading, different classes of shares, rights and duties of same and the capital percentage that each class represents (art. 245.º-a,n.1, al a) of the portuguese securities code - psc)**

   As at 31 December 2020, the Company share capital consists of 35.000.000 fully subscribed and nominative shares, each with a nominal value of 1 Euro, all shares being listed on Euronext Lisbon.

   There are no shareholders holding special rights.

2. **Restrictions on the transfer of shares, such as clauses on consent for disposal, or limits on the ownership of shares (Art. 245.º-A,n.1, al a) of the Portuguese Securities Code - PSC)**

   There are no restrictions on the transferability of shares or limitations to share ownership.

3. **Number of own shares, the percentage of share capital that it represents and corresponding percentage of voting rights that corresponded to own shares (art. 245.º-a,n.1, al a) of the portuguese securities code - psc)**

   There are no own shares.

4. **Important agreements to which the company is a party and that come into effect, amend or are terminated in cases such as a change in the control of the company after a takeover bid and the respective effects, except where due to their nature, the disclosure thereof would be seriously detrimental to the company; this exception does not apply where the company is specifically required to disclose said information pursuant to other legal requirements (art. 245.º-a,n.1, al j) of the portuguese securities code - psc)**

   The Company is not a party to significant agreements that come into force, are altered or cease in the event of a change of control.

5. **A system that is subject to the renewal or withdrawal of countermeasures, particularly those that provide for a restriction on the number of votes capable of being held or exercised by only one shareholder individually or together with other shareholders**

   The Company does not foresee nor does it adopt any defensive measures that provide for the limitation of the number of votes that may be detained or exercised by a single shareholder individually or in concert with other shareholders.

6. **Shareholders' agreements that the company is aware of and that may result in restrictions on the transfer of securities or voting rights (art. 245.º-a,n.1, al g) of psc)**

   As far as the Company is aware, there are no shareholders' agreements between shareholders, namely those that may lead to restrictions on the transfer of securities or voting rights.

II – HOLDINGS AND LIABILITIES HELD

7. Details of the natural or legal persons who, directly or indirectly, are holders of qualifying holdings (art. 245.º-a,n.1, al) c & d psc and art. 16.º psc) with details of the percentage of capital and votes attributed and the source and causes of the attribution

The holders of qualifying holdings in the capital stock of Toyota Caetano Portugal, S.A., calculated under the terms of paragraph 1 of Article 20 of the PSM, based on the totality of shares in accordance with paragraph b of paragraph 3 of article 16. C, on December 31, 2020 were the following:

SHAREHOLDER	NUMBER OF SHARES	%
Salvador Caetano Auto (SGPS), S.A.	24.421.161	69,775%
Toyota Motor Europe NV/S.A.	9.450.000	27,000%

8. A list of the number of shares and bonds held by members of the management and supervisory boards. (Pursuant to paragraph 5 of Art. 447 of the Commercial Companies Code - CCC)

The members of the Board of Directors and the members of Audit Board don't have any shares or bonds from the Company.

The members of the Board of Directors and of the Audit Board did not carry out, in a personal capacity, during the year of 2020 any acquisitions, encumbrances or terminations of ownership that have as their object shares or bonds of the Company.

	31/DEC/19		31/DEC/20	
MEMBERS MANAGEMENT BOARD	SHARES	BONDS	SHARES	BONDS
José Reis da Silva Ramos	0	0	0	0
Maria Angelina Martins Caetano Ramos	0	0	0	0
Salvador Acácio Martins Caetano	0	0	0	0
Miguel Pedro Caetano Ramos	0	0	0	0
Gisela Maria Falcão Sousa Pires Passos	0	0	0	0
Matthew Peter Harrison	0	0	0	0
Katsutoshi Nishimoto	0	0	0	0
Masaru Shimada	0	0	0	0
MEMBERS SUPERVISORY BOARD	SHARES	BONDS	SHARES	BONDS
José Domingos da Silva Fernandes	0	0	0	0
Antonieta Isabel da Costa Moura	0	0	0	0
Daniel Broekhuizen	0	0	0	0
Maria Lívia Fernandes Alves	0	0	0	0
Akito Takami	0	0	0	0

9. Special powers of the board of directors, especially as regards resolutions on the capital increase (art. 245.º-a/1/i) psc) with an indication as to the allocation date, time period within which said powers may be carried out, the upper ceiling for the capital increase the amount already issued pursuant to the allocation of powers and mode of implementing the powers assigned

Within the powers of the Board described in paragraph 21 of Part I is not foreseen explicitly granting of any specific power in relation to decisions to increase capital.

10. Information on any significant business relationships between the holders of qualifying holdings and the company

During the year of 2020, commercial operations between the Company and shareholders of qualified participation or entities that are in any relationship with them, as detailed in note 35 of the Annex to the consolidated financial statements, are operations that occur in the normal course of the Company's activities / Toyota Caetano Portugal Group ("TCAP"), which were not carried out outside normal market conditions.

In addition, during the year 2020, the Company acquired financial interests in the companies Caetanobus - Fabricação de Carroçarias, S.A. and Finlog - Aluguer e Comércio de Automóveis, S.A. and these transactions were carried out with related entities, namely with companies included in the so-called Salvador Caetano Group. These transactions were subject to consultation and approval by the Audit Board.

B. CORPORATE BOARDS AND COMMISSIONS

I. GENERAL SHAREHOLDERS' MEETING

The General Shareholders' Meeting consists of all shareholders with voting rights, whose remit is to deliberate on statutory changes, evaluate the overall management and auditing of the Company, deliberate on the management report and the financial statements for the year, elect the governing bodies falling under its remit and generally deliberate on all terms submitted thereunto by the Board of Directors.

The Company makes the necessary and adequate human resources and logistic support available for the members of the board of the General Shareholders' Meeting, through the Company's legal department. The latter collaborates actively in the preparation of the General Shareholders' Meetings, ensuring publication of the respective convening notices, receipt and control of all communications from shareholders and financial intermediaries, working closely and also guaranteeing all the logistics of the general shareholders' meetings.

A) COMPOSITION OF THE PRESIDING BOARD OF THE GENERAL MEETING

11. Details and position of the members of the presiding board of the general meeting and respective term of office (beginning and end)

The Board of the General Shareholders' Meeting consists of 4 members, as follows:

Jorge Manuel Coutinho Franco da Quinta – President

António José da Cruz Espinheira Rio – Vice-President

Alírio Ferreira dos Santos – Secretary

João António Ferreira de Araújo Sequeira – Secretary

The current board of the General Shareholders' Meeting was elected in 12 April 2019 for a period of 4 years and ends its mandate in 31 December 2022.

B) EXERCISING THE RIGHT TO VOTE

12. Any restrictions on the right to vote, such as restrictions on voting rights subject to holding a number or percentage of shares, deadlines for exercising voting rights, or systems whereby the financial rights attaching to securities are separated from the holding of securities (art. 245.º-a,n.1, al f) of psc).

EXERCISE OF VOTING

Under Article 4 (6) of the Articles of Association, to each group of one hundred shares corresponds one vote. Shareholders intending to attend must have their shares registered under their name in the Company Share Register or otherwise provide proof of their deposit at a financial intermediary, by fax or e-mail, up to five working days prior to the date set for the General Shareholders' Meeting.

Shareholders who are legitimate holders of shares with the right to at least one vote are entitled to be present at the General Meeting and to discuss and vote there. However, shareholders who do not have a minimum number of one hundred shares may be grouped, in order to complete it, in which case they must be represented by only one of them, whose identification must be included in a letter addressed to the Chairman of the Board of the General Shareholders' Meeting.

Under the terms of the Company's Articles of Association, the duty to subject, at least every five years, the resolution of the General Meeting, the maintenance or elimination of the statutory rule that provides for the limitation of the number of votes susceptible to detention or exercise, is not contemplated by a single shareholder individually or in consultation with other shareholders.

There are no defensive measures that have the effect of automatically causing a serious erosion of the Company's assets in the event of a change of control or a change in the composition of the management body.

Shareholders may exercise their postal voting rights, in accordance with the following terms and conditions:

a) Postal votes are to be sent to and received by, the Company's headquarters, by means of registered letter with acknowledgement of receipt, addressed to the Chairman of the Board of the General Shareholders' Meeting, at least five working days prior to the date of the Meeting. The letter should include a statement issued by a financial intermediary providing proof of share ownership and also a sealed envelope containing the vote;

b) The voting paper must be signed by the legitimate shareholder or by his/her legal representative and if the shareholder is a natural person, the vote shall be accompanied by a certified copy of his/her identification card; if the shareholder is a legal person, the signature should be certified as and empowered to exercise the voting rights.

c) Postal votes shall be considered at the moment of voting at the General Shareholders' Meeting, when they will be added to the votes cast at the meeting.

d) Only votes containing the following clear and unequivocal information shall be deemed valid:

- indication of the General Shareholders' Meeting and of the item/s of the respective agenda to which the vote refers;

- the specific proposal for which it is to be cast, including the indication of the respective proponent or proponents; however, the shareholder casting a postal vote in relation to a given proposal may declare that he/she votes against all other proposals pertaining to the same paragraph of the agenda, with no further specification.

- the precise and unconditional indication of the voting decision for each proposal, as well as whether the vote is maintained in case the proposal is altered by its proponent, the shareholder being permitted to make his/her vote conditional on a given proposal to the approval or rejection of another proposal, within the scope of the same agenda item.

e) It is understood that shareholders who send postal votes vote negatively on all deliberative proposals submitted after issuing the vote.

Toyota Caetano Portugal provides a template for exercising the postal voting right on the Company's website (www.toyotacaetano.pt).

As described the vote ballots must be received by the Company up to five days prior to the General Shareholders' Meeting.

We are required to inform that, in accordance with the Company's current Articles of Association, there is no provision for voting by electronic means.

13. Details of the maximum percentage of voting rights that may be exercised by a single shareholder or by shareholders that are in any relationship as set out in art. 20 n.1 psc

There are no statutory rules in the Company's Articles of Association that provide for the existence of shares that do not confer the right to vote or that establish that voting rights above a certain number are not counted, when issued by a single shareholder or by related shareholders.

14. Details of shareholders' resolutions that, imposed by the articles of association, may only be taken with a qualified majority, in addition to those legally provided and details of said majority.

No defined statutory rules exist on the exercise of voting rights except where pertaining to the minimum quorum of 75% required for the approval of the following resolutions:

a) Changes to the Articles of Association;

b) Incorporation of reserve funds in the share capital, namely and specifically revaluation reserves;

c) Transfer, leasing or cession of the operation of all or an important part of the Company's activities and the succession or acceptance of a third-party entity activity;

d) Reduction or increase in capital;

e) Sharing of profits and setting of the dividend percentage, as well as the possible distribution of Free Reserve funds;

f) Issuance of bonds;

g) Election or dismissal of all or some members of the governing bodies;

h) Election or dismissal of the members of the Remuneration Committee;

i) Merger, demerger or dissolution of the Company, as well as the appointment of liquidators;

j) Acquisition, disposal, transfer, leasing and cession of fixed assets with a transaction value greater than two million, five hundred thousand Euros.

In order to deliberate on the matters referred in the previous paragraph, if the required majority is not present during the first convening notice, the General Shareholders' Meeting will meet fifteen days later in order to deliberate on the same matters, with the requirement that the respective decision be voted by a seventy-five percent majority of the votes from present or represented shareholders.

II. MANAGEMENT AND SUPERVISION

A) COMPOSITION

15. Identification of governance model adopted

The Company adopts the governance model commonly known as 'enhanced Latin', which recommends the separation of the board of directors and the audit body, as well as dual auditing, consisting of an audit board and a statutory auditor. The Board of Directors' evaluation concluded that the adoption of this model allows for an audit body with effective and enhanced auditing, composed entirely of members subject to a regime of incompatibilities and independence requirements.

16. Statutory rules on procedural requirements and materials for the appointment and replacement of the board of directors (art. 245-a/1/h psc). Diversity policy

The members of the Board of Directors are elected by the General Meeting for a period of four years, renewable, which is responsible for performing all acts of management to implement the operations inherent to its objects, acting in the best interests of the Company, shareholders and employees. The General Meeting may also elect two alternate directors.

In accordance with Article 17 of Toyota Caetano Portugal's Articles of Association, the appointment and replacement of the members of the management body abide by the following rules:

a) By means of the calling in of alternate members by the Chairman of the Board of Directors, respecting the order in which they appear on the list submitted to the General Shareholders' Meeting;

b) In case there are not alternate members, through co-option, to be carried out within sixty days following a definitive absence, unless the number of acting board members is insufficient for the Board of Directors to be able to operate;

c) Should no co-option have been effected, the alternate member shall be designated by the Audit Board;

d) By election of a new board member.

The appointment of non-executive board members is in accordance with Article 17 of Toyota Caetano Portugal, S.A.'s Articles of Association and abiding by the following rules:

Replacing an outgoing member

a) By means of the calling in of alternate members by the Chairman of the Board of Directors, respecting the order in which they appear on the list submitted to the General Shareholders' Meeting;

b) In case there are not alternate members, through co-option, to be carried out within sixty days following a definitive absence, unless the number of acting board members is insufficient for the Board of Directors to be able to operate;

c) Should no co-option have been effected, the alternate member shall be designated by the Audit Board;

New member

d) By election of a new board member.

New non-executive directors are appointed by election in the General Shareholders' Meeting.

Diversity Policy

The shareholders maintained the safeguarding of the diversity of gender, age, qualifications and professional background in the selection of the members of the management and supervisory bodies under the terms provided for in paragraph r) of no. given by Decree-Law No. 89/2017, of 28 July.

17. Composition of the Board of Directors, with details of the articles of association's minimum and maximum number of members, duration of term of office, number of effective members, date when first appointed and end of the term of office of each member.

The Board of Directors elected in 2019 for a period of 4 years, its mandate ending in 2022, consists, in accordance with the Articles of Association of Toyota Caetano Portugal, S.A., of 7 members, shareholders or not, elected by the General Shareholders' Meeting.

On July 1, 2020, due to the resignation presented by Rui Manuel Machado Noronha Mendes to the position of Member, was appointed, by proposal of the shareholder Salvador Caetano Auto, SGPS, S.A., for the period not yet elapsed off the current four-year period Gisela Maria Falcão Sousa Pires Passos to the function of Member.

The Board of Directors, its functions, independence and date of first appointment was as follows:

MEMBER	FUNCTION		INDEPENDENCE	DATE OF DESIGNATION
José Reis da Silva Ramos	Chaiman	Executive	No	29/01/2010
Maria Angelina Martins Caetano Ramos	Member	Executive	No	30/03/1989
Salvador Acácio Martins Caetano	Member	Non executive	No	30/03/1989
Miguel Pedro Caetano Ramos	Member	Non executive	No	23/04/2010
Gisela Maria Falcão Sousa Pires Passos	Member	Executive	No	01/07/2020
Matthew Peter Harrison	Member	Non executive	No	27/08/2015
Katsutoshi Nishimoto	Member	Non executive	No	06/02/2019
Masaru Shimada	Member	Non executive	No	26/10/2017

18. Distinction of executive members and non-executive directors and concerning the non-executive members, identification of which may be deemed to be independent

In item 17 of Part I, are discriminated executive and non-executive directors, as well as those who are considered independent.

The executive members of the Board of Directors of Toyota Caetano Portugal, S.A. cannot be considered independent insofar as the appointment of all of them corresponds to the proposal by the main shareholder and their interests are aligned with it.

The non-executive members do not perform any other role in resident companies and there is no incompatibility in the exercise of their duties. However, they may not be considered independent as they represent Toyota Motor Europe, a company holding approximately 27% of the share capital of Toyota Caetano Portugal, S.A.

The assessment of the independence of the Board of Directors' members carried out by the management body is based on Article 414 (5) of Código das Sociedades Comerciais (Portuguese Commercial Companies Code).

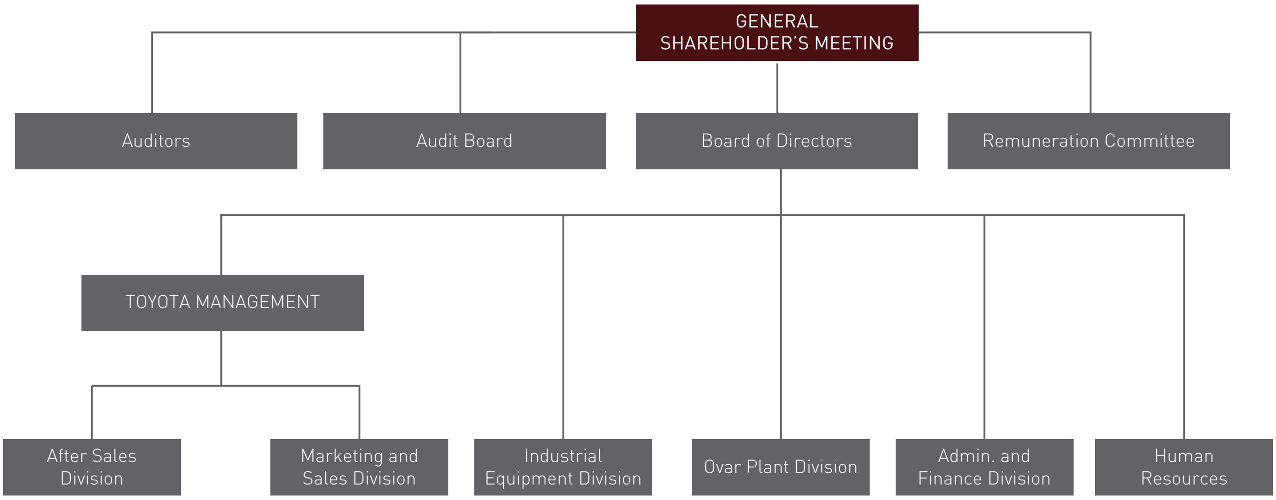
19. Professional qualifications and other elements relevant curriculum for each of the members of the board of directors

In annex (Annex I) is disclosed the professional qualifications of the members of the Board of Directors

20. Family relationships, professional or trade and meaningful usual, the members of the board of directors to the shareholders to whom be attributed qualified than 2% of voting rights

No member of the Board of Directors currently holds Company shares.

21. Chart on the division of powers between the various officers, committees and / or departments, including information on delegation of powers in particular with regard to the delegation of daily administration of the company:



Board of Directors

The Board of Directors delegates powers to a director responsible for each of the divisions identified in the above organization chart, including current management and with whom the Board meets regularly to review and follow-up the activity carried out. It should be noted that an annual budget is prepared and which, during the financial year, is subject to periodic control carried out by the Company's Board of Directors and by the Company's operational management.

The Board of Directors is responsible for exercising the widest range of powers, representing the Company in and out of court, actively and passively, as well as to carry out all acts that seek to achieve the corporate purpose, in particular the following:

a) Without the need for resolution by the shareholders, the Board of Directors may create branches, agencies, delegations or other local forms of representation, in Portugal and abroad;

b) Install or acquire, keep, transfer or shut down establishments, factories, laboratories, workshops, deposits or warehouses;

c) Acquire, dispose of and commit their own shares and bonds in any manner, as per resolutions of the General Shareholders' Meeting; acquire and dispose of other fixed assets and commit them by any means; and acquire fixed assets and, with the prior opinion of the Audit Board, dispose of them by means of any acts or contracts, including to provide security interest.

d) Negotiate with any credit institution, particularly banks, each and every operation deemed necessary, namely by raising loans according to the terms, conditions and manner deemed most convenient;

e) Make bank account transactions, deposit and withdraw moneys; issue, draw, accept and endorse letters, promissory notes, checks, statements of invoices and any other credit instruments;

f) Admit to, desist from or compound with any actions;

g) Appoint Company representatives;

h) Carry out all other duties provided for in the Articles of Association or by law.

i) Ensuring the creation and operation of internal control and risk management systems

The executive members of the Board of Directors make available any information requested by the Company's Governing Bodies, namely to the Audit Board and the Board of the General Shareholders' Meeting, in a timely manner and as appropriate to the request.

Audit Board

The Audit Board, consisting of three permanent members and two alternate member, is responsible for supervising the management, verifying the compliance of the Company's accounts, accounting records and supporting documents and ensuring compliance with the law and with the Company's Articles of Association.

As part of its function the Audit Board verify the internal audit process having access to all reports prepared which include, among others, matters related to accountability.

It is incumbent on the Audit Board to indicate, represent the Company before and supervise the activity and independency of, the External Auditor, directly interacting with him/her in accordance with his/her duties and the operating standards

B. FUNCTIONING

22. Availability and place where rules on the functioning of the board of directors may be viewed

The Company is making efforts towards the creation and dissemination on the Company's website of the operating regulations of the board of directors and audit board.

23. Number of meetings held and degree of attendance of each member

The Board of Directors holds regular meetings, its resolutions being valid only when the majority of its members are present.

During the course of 2020, the Board of Directors convened four times and the corresponding minutes are registered in the Board of Directors' book of minutes having been present all its members.

24. Statement of corporate bodies competent to perform a performance evaluation of executive

The General Shareholders' Meeting has delegated to the Remuneration Committee the specification of the remunerative policies to be applied, as well as the performance assessment of the members of the management body and the communication of information to the General Shareholders' Meeting on proposed policies and their compliance.

The remunerations policy for the Board of Directors and for the Audit Body is defined by an independent Remuneration Committee, based on criteria that meet the ability to create shareholder value. Definition of the above-mentioned criterion takes into account several factors including market comparative data and macroeconomic data.

25. Pre-determined criteria for performance evaluation of executive

As per approval by the Remuneration Committee, the fixed remuneration of the members of the Board of Directors is not directly dependent on the evolution of the Company share price or on income obtained.

However, all members of the Management Body are dependent on Company income as regards the variable component of their annual remuneration, in what is usually designated as a "Balance Reward" or annual bonus, corresponding to an annual performance bonus calculated taking into account the assessment carried out by the Remuneration Committee within the scope of its duties

Regarding the policies to be followed in respect of the variable remuneration of the Management Body, this has been exclusively dependent on the annual net profits obtained by the Company, following in a certain way the dividend payment and employee bonus policy approved by the General Shareholders' Meeting which, in historical terms and in light of the aggregate total of the Board of Directors, has represented about 3% of annual net income, but with some flexibility in the range of allocation, which may fall to a lower limit of 1,5% and never exceed the upper limit of 4%.

During 2020, as a result of the restrictions caused by the pandemic crisis caused by the new coronavirus COVID-19, these criteria were not fully adopted, having undergone temporary adjustments, thus failing to comply with the approved policies.

26. Availability of each of the members of the board of directors with indication of positions held simultaneously in other business in and out of the group and other relevant activities held by members of those bodies during the year

The executive members of the Board of Directors also carry out management duties in the following companies:

NAME	COMPANY	FUNCTION
Eng.º José Reis da Silva Ramos Chairman Board Directors TOYOTA CAETANO PORTUGAL, S.A.	Rigor - Consultoria e Gestão, S.A.	Chairman Board Directors.
	Caetano Auto, S.A.	Chairman Board Directors.
	Caetanobus – Fabricação. de Carroçarias, S.A.	Chairman Board Directors.
	Lusilectra – Veículos. e Equipamentos, S.A.	Chairman Board Directors.
	Caetano Auto CV, S.A.	Chairman Board Directors.
	Portianga - Comercio Internacional e Participações, S.A.	Chairman Board Directors.
	Salvador Caetano - Indústria (SGPS), S.A.	Chairman Board Directors.
	Salvador Caetano Auto África, SGPS, S.A.	Chairman Board Directors.
	Fundação Salvador Caetano	Chairman Board Directors.
	Grupo Salvador Caetano, SGPS, S.A.	Member Board Directors.
	Salvador Caetano Auto, SGPS, S.A.	Member Board Directors
	Caetano Aeronautic, S.A.	Member Board Directors
	Caetano Renting, S.A.	Member Board Directors
	Atlântica – Comp. Portuguesa de Pesca, S.A.	Member Board Directors
	Soc. Imobiliária Quinta da Fundega, Lda.	Manager
	Movicargo - Serviços Aduaneiros, Lda.	Manager
	Crustacil – Comércio de Marisco, Lda.	Manager

NAME	COMPANY	FUNCTION
Drª Maria Angelina Martins Caetano Ramos Member Board Directors TOYOTA CAETANO PORTUGAL, S.A.	Salvador Caetano Auto, SGPS, S.A.	Chairman Board Directors
	Caetano Renting, S.A.	Chairman Board Directors
	Atlântica – Comp. Portuguesa de pesca, S.A.	Chairman Board Directors
	Poal - Pavimentações e Obras Acessórias, S.A.	Chairman Board Directors
	Auto Partner - Imobiliária, S.A.	Chairman Board Directors
	Cociga – Construções Civis de Gaia, S.A.	Chairman Board Directors
	Covim - Soc. Agrícola, Silvícola e Imobiliária, S.A.	Chairman Board Directors
	Simoga - Sociedade Imobiliária de Gaia, S.A.	Chairman Board Directors
	Salvador Caetano Capital,SGPS, S.A.	Chairman Board Directors
	Grupo Salvador Caetano, SGPS, S.A.	Vice-President Board Directors.
	Portianga – Com. Int. e Participações, S.A.	Vice-President Board Directors
	Caetano - Baviera - Comércio de Automóveis, S.A.	Vice-President Board Directors
	Salvador Caetano Auto África, SGPS, S.A.	Vice-President Board Directors
	Caetano Auto CV, S.A.	Vice-President Board Directors
	Crustacil – Comércio de Marisco, Lda.	Manager

NAME	COMPANY	FUNCTION
Drª Gisela Maria Falcão Sousa Pires Passos Member Board Directors TOYOTA CAETANO PORTUGAL, S.A.	Caetanobus - Fabricação de Carroçarias, S.A.	Member Board Directors
	Salvador Caetano Indústria (SGPS), S.A.	Member Board Directors

It should be noted that the Executive members of the Board of Directors exercise functions in the management of subsidiary and participated companies within the perimeter of the so-called Salvador Caetano Group which, because they are companies that are dedicated, in a main or secondary way, to the same branch of activity - automotive sector, derive clear synergies for the performance of their functions within the Company.

C) COMMITTEES WITHIN THE BOARD OF DIRECTORS AND BOARD DELEGATE

27. Details of the committees created within the board of directors and the place where the rules on the functioning thereof is available

Considering the composition of the Board of Directors, the governance model and the shareholder structure of the Company, the Board of Directors does not understand appropriate the creation of special committees.

28. Details of the executive committee and / or identification of the delegated director(s)

Considering that there is no Executive Committee or Chief Executive Officer, this rule does not apply.

29. Description of the Powers of Each of The Committees Established and a Summary of Activities Undertaken in Exercising Said Powers

Considering that there are no commissions created within the Board of Directors, as mentioned in 27. above, this rule does not apply.

III. SUPERVISORY BOARD

A) COMPOSITION

30. Details of the supervisory board (audit committee) representing the model adopted.

The supervisory board adopted according to the Latin model of corporate governance is the Audit Board.

31. Composition of the audit committee, with details of the articles of association's minimum and maximum number of members, duration of term of office, number of effective members, date of first appointment, date of end of the term of office for each member, being able to refer to the paragraph of the report where this information already appears under the paragraph no. 18

Audit Board, consisting of three permanent members and two alternate member.

The Audit Board, elected in 2019 for a period of four years, its mandate ending in 2022.

On July 1, 2020, due to the resignation of member Alberto Luis Lema Mandim to the position of Member of the Audit Board, was appointed by proposal of the shareholder Salvador Caetano Auto, SGPS, S.A., for the period not yet elapsed for the current four-year period Antonieta Isabel da Costa Moura to exercise the function of Member.

Audit Board, functions, independence and its duties are detailed as follows:

MEMBER	FUNCTION	INDEPENDENCE	SHARE	DATE DESIGNATION
José Domingos da Silva Fernandes	Chairman	Yes	0	28/04/2011
Antonieta Isabel da Costa Moura	Member	Yes	0	01/07/2020
Daniel Broekhuizen	Member	Yes	0	28/04/2016
Maria Lívia Fernandes Alves	Alternate Member	Yes	0	27/04/2012
Akito Takami	Alternate Member	Yes	0	28/04/2018

32. Identity of the audit board consider that independent pursuant to art. 414., paragraph 5 CSC, being able to refer to the paragraph of the report where this information already appears under the paragraph no. 19

The Chairman of the Audit Board and comply with the independence requirements and there is no incompatibility for the exercise of the position under the terms provided for in paragraph 1 of article 414-A and paragraph 5 of article 414, respectively, of the Code of Commercial Companies.

These requirements are subject to periodic evaluation in relation to each one of them.

33. Professional qualifications of each member of the audit committee and other important curricular information, being able to refer to the paragraph of the report where this information already appears under the paragraph no. 21

The members of the Audit Board have appropriate skills to carry out their roles and the Chairman is properly supported by the other members of the Audit Board (Annex I).

B) OPERATION

34. Availability and place where the rules on the functioning of the audit committee may be viewed, being able to refer to the paragraph of the report where this information already appears under the paragraph no. 24

As described above in paragraph 22 of this Report, there is no regulation on the functioning of the governing bodies.

35. Number of meetings held and degree of attendance at meetings held each member of the audit board being able to refer to the paragraph of the report where this information already appears under the paragraph no. 25

The Audit Board met six times during the year 2020 and the corresponding recorded in the minutes book of the minutes of the Audit Committee, having been present all its members.

36. Availability of each of the audit board members with indication of positions held simultaneously in other business in and out of the group and other relevant activities held by the members of that body during the year being able to refer to the paragraph of the report where this information already appears under the paragraph no. 26.

During the past five years, the members of the Audit Board have carried out other duties in the following companies:

José Domingos da Silva Fernandes
Chairman of the Audit Board for the companies
Caetano – Baviera – Comércio de Automóveis, S.A. (Grupo Salvador Caetano)
Statutory Auditor for the companies
Multiponto, S.A.
Summertime – Sociedade Imobiliária, S.A.
Convemaia – Sociedade Imobiliária, S.A.
BDS, SGPS, S.A.
ONIRAM – Indústria Metalomecânica, Lda.

Antonieta Isabel da Costa Moura
Member of the Audit Board for the companies
Caetanobus - Fabricação de Carroçarias, S.A.
Salvador Caetano Auto, SGPS, S.A.

Daniel Broekhuizen
does not perform any other duties in other Companies

Maria Lívia Fernandes Alves
Member of the Audit Board for the company
Caetano Auto S.A.

Akito Takami
does not perform any other duties in other Companies

C) POWERS AND FUNCTIONS

37. Procedures and criteria for intervention of the audit board for the purpose of employment of additional services to the external auditor

The Audit Board has the duty of supervising the activity and independence of the External Auditor, interacting with him under the terms of his/her competences and operating standards and is the first recipient of the External Auditor's Report.

Furthermore, the Audit Board is responsible for proposing the provider of external audit services and the relevant remuneration and for ensuring that suitable conditions for the provision of the services are provided within the

Company. Finally, the Audit Board evaluates the External Audit on an annual basis and submits to the General Shareholders' Meeting the proposal for his/her dismissal whenever there is fair grounds to that end.

38. Other functions of the audit board

The supervisory body does not exercise any functions other than those described above and legally defined.

IV. STATUTORY ACCOUNTANT

39. Identification of statutory accountant and social auditor that represents

The Statutory Auditor is Deloitte & Associados, SROC S.A., registered under number 20161389 with CMVM - Securities Market Commission and at OROC - Order of Statutory Auditors under number 43 and represented by Miguel Nuno Machado Canavarro Fontes, ROC No. 1397.

40. Number of years in the statutory accounts held together consecutively functions of the company and / or group

The current Statutory Auditors office held consecutively with the Company since July, 1 2020.

41. Description of Other Services that the Statutory Auditor Provides to the company

The Board of Directors, when requesting projects, before awarding them ensures that, to the auditor ant their network, are not contracted services that, under the terms of European Commission Recommendation No. C (2002) 1873 of 16 May 2002, liable to compromise their independence.

During 2020, the statutory auditor only provided statutory audit services to the Company

V. EXTERNAL AUDITOR

42. Identification of the external auditor designated for purposes of art. 8. º and social auditor that stands in compliance with these functions as well as the respective registration number in CMVM

The Company Deloitte & Associados, SROC S.A. is the external auditor of the Company, represented by Miguel Nuno Machado Canavarro Fontes, registered at OROC under nº 43 and at CMVM under nº 20161389.

43. Number of years in the external auditor auditor and the respective member accounts officer that the stands to meet these functions functions consecutively exercised to the company and / or group

The external auditor performs functions sequentially with the Company since July 1 2020.

44. Policy and frequency of the external auditor rotation and respective social auditor that stands in compliance with these functions

Is not internally defined any policy of mandatory rotation of external auditor, in addition to the legally applicable to public interest entities, being the period of mandatory rotation of statutory social accounts representing the External Auditor on the performance of these functions due to the combination the paragraph. 2 of article 54. Statute of the Order of Chartered Accountants (7 years).

45. Body responsible for assessment of external auditor and frequency with which this assessment is made

The Audit Board undertakes an annual assessment of the work of the External Auditor, ensuring that the fulfilment of the provisions laid down in Article 54 of Decree-Law No. 487/99 of 16 November (amended by Decree-Law No. 224/2008, 20 November) in relation to the rotation of the partner responsible for implementing the work.

46. Identification of services, other than audit, performed by the external auditor for the company and / or companies with it applied in a control and statement of internal procedures for the purpose of approval of employment of such services and statement of reasons for hiring

During the year, the external auditor only provided the Company with statutory audit services.

The Board of Directors, when requesting projects, before awarding them ensures that, under the terms of European Commission Recommendation No. C (2002) 1873 of 16 May 2002, no services are contracted of the auditors and their network liable to compromise their independence.

47. Annual remuneration paid by the company and / or by a collective of or in relation to the field group auditor and other individuals or collective in the same network and discrimination of percentage of every type of service (for the purposes of this information, the concept of a network is that derived from european commission recommendation no. C (2002) 1873, of 16 may)

The remunerations paid to our auditors and to other legal persons belonging to the same network, by the companies bearing a control or group relationship, amount to 47.000 Euro, distributed as follows:

COMPANY	€	%
Value of audit services	27.000	57,5%
GROUP COMPANIES		
Value of audit services	20.000	42,5%

C.ORGANIZATION

I.STATUTES

48. Rules for the amendment of articles company statutes (Art. 245-A/1/h) PSC))

Amendment of articles of the Company statutes is possible only upon approval by the General Assembly by a majority of 75% of capital.

In order to deliberate on the matters referred to in the previous paragraph, if the required majority is not present during the first convening notice, the General Shareholders' Meeting will meet fifteen days later in order to deliberate on the same matters, with the requirement that the respective decision be voted by a seventy-five percent majority of the votes from present or represented shareholders.

II. REPORTING OF IRREGULARITIES

49. Media and politics whistleblowing occurred in society

The reporting of irregularities shall be effected through the delivery of a written document or by internal e-mail addressed to the market liaison officer (paragraph 57 of part I). This officer will in turn use all available means for the analysis and verification of the reported facts, keeping, if required, the confidentiality of the initial information and firstly reporting the findings to the Board of Directors, who will then consider if they shall be disclosed to the market, within legally established parameters, if such disclosure is deemed necessary.

These reports are filed for a minimum period of five years and are made available to the Auditors on demand.

III. INTERNAL CONTROL AND RISK MANAGEMENT

50. People, bodies or committees responsible for internal audit and/or for the implementation of internal control systems

At Toyota Caetano Portugal, S.A., the control of risks inherent to the activity is carried out directly by the Board of Directors and is assessed on an annual basis by the Audit Board.

51. Explanation, also including organisational chart, of the hierarchical and/or functional relationships of other company bodies or committees

The Company produces financial information on a regular basis and all the management information produced for both internal use and to be used by other entities, it is prepared using computer systems.

The Company Board of Directors delegates powers in the directors responsible for each of the divisions Company which meets periodically for analysis and monitoring of developed financial information subject to regular monitoring carried out by the Board of Directors and the operational direction of the Company.

Chart in paragraph 21 of part I.

52. Existence of other functional areas with competences for risk control

There are no other functional areas with exclusive competencies within the scope of risk control and in view of the governance model, all areas have a share of responsibility in risk control.

53. Identification of the main types of risk (economic, financial and legal) to which the company is exposed when conducting business

In its activities, Toyota Caetano is subject, in each of its business areas or of its subsidiaries, to a multitude of risks that have been identified in order to mitigate and control.

Credit to customers

Toyota Caetano's credit risk is mainly associated with loans to customers, related to its operating activity, the risk that a customer pays late or does not pay for property acquired primarily due to lack of liquidity.

The main goal of Toyota Caetano's credit risk management is to ensure the effective collection of the operating receivables from its Customers, according to the negotiated payment terms.

Interest rate risk

As a result of the relevant proportion of debt at variable rate in its Consolidated Balance Sheet and of the subsequent interest payment cash flows, Toyota Caetano is exposed to interest rate risk.

Exchange Rate Risk

As a geographically diversified Group, with subsidiaries located in Cape Verde, the exchange rate risk is mainly the result of commercial transactions, arising from the purchase and sale of products and services in a currency that is different from the functional currency of each company.

Liquidity Risk

Liquidity risk management at Toyota Caetano Group aims that the company has the ability to obtain, in a timely manner, the necessary funding to be able to undertake its business activities, implement its strategy and meet its payment obligations when due, while avoiding the need to obtain funding under unfavourable terms

54. Description of the risk identification, assessment, monitoring, control and management process

Credit to customers

In order to mitigate the credit risk that results from the potential customer-related defaults on payments, the group's companies that are exposed to this risk have:

- a specific credit risk analysis and monitoring department;
- proactive credit management processes and procedures that are implemented and always supported by information systems;
- hedging mechanisms (credit insurance, letters of credit, etc).

Interest rate risk

Toyota Caetano has been using financial derivatives to hedge, at least partially, its exposure to interest rate variations

Exchange Rate Risk

The exchange rate risk management policy seeks to minimize the volatility of the investments and operations denominated in foreign currencies, contributing to reduce the sensitivity of the group's results to exchange rate fluctuations. the group's exchange rate management policy is focused on a case-by-case assessment of the opportunity to hedge this risk, taking into account, particularly, the specific circumstances of the currencies and countries in question.

Toyota Caetano has been using financial derivatives to hedge, at least partially, its exposure to exchange rate variations.

Liquidity Risk

Liquidity risk management at Toyota Caetano Group aims at:

(i) Liquidity, i.e. guaranteeing continued access in the most efficient way to sufficient funds to meet current payments on their due dates, as well as any requests for funds, within the times set for such, even where these are not planned;

(ii) Safety, i.e. minimizing the probability of default in repayment of any application of funds; and

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

Any surplus liquidity in the Group is applied to the amortization of short-term debt, as per the criteria of economic and financial reasonableness.

The Group's liquidity management involves the following aspects:

a) A consistent financial planning based on operating cash flow forecasts for different time horizons (weekly, monthly, annual and multi-annual);

b) The diversification of funding sources;

c) The diversification of the maturities of the debt issued in order to avoid excessive concentrations of debt repayments in short periods of time;

d) The arrangement of committed (and uncommitted) credit facilities, commercial paper programmes and other types of financial operations with relationship Banks, ensuring the right balance between satisfactory liquidity levels and adequate commitment fees

In accordance with its management policy aimed at maintaining an adequate liquidity reserve and as the Company is aware of the economic and financial repercussions, which will have inherently negative effects on its future activity / profitability, it should be noted that they are available in the unused bank credit lines amounting to more than € 50 M at the moment, thus ensuring, in our opinion, the continuity of operations for at least a period of 12 months.

55. Main elements in the internal control and risk management systems implemented at the company with regard to the financial information disclosure process (art. 245(a)(1) (m))

The Board of Directors is highly committed to ensuring the reliability of the Company's financial reporting, namely, ensuring that the Company has implemented appropriate policies, which reasonably guarantee that transactions are recorded and reported in accordance with generally accepted accounting principles and that expenses are only incurred when duly authorized.

The risks involved in financial reporting are mitigated through the segregation of responsibilities and the implementation of prevention and detection controls, which involve limiting access to IT systems and a comprehensive performance monitoring system.

It should be noted further that the risk management set out above includes the following:

- Sensitivity analysis (measurement of potential impacts according to the likelihood of occurrence of each risk);
- Strategic alignment of the Company according to the risks actually incurred;
- Mechanisms for controlling the execution of the risk management measures adopted and their effectiveness;
- Information and communication internal mechanisms on the various components of the risk alert system.

IV. INVESTOR SUPPORT

56. Office responsible investor support, composition, functions, services provided by such information and elements for contact

Although no Investor Assistance Office has yet been formally established, this task is carried out by the market liaison officer. Whenever necessary, the market liaison officer ensures the provision to the market of all relevant information regarding noteworthy events, facts susceptible of inclusion within the framework of relevant facts, quarterly disclosure of income and answers to any clarification requests made by investors or by the general public as regards financial information of a public nature.

57. Market liaison officer

Rui Manuel Machado de Noronha Mendes
Telefone: 227867203
E-mail: rmendes@toyotacaetano.pt

58. Information on the extent and deadline for replying to the requests for information received throughout the year or pending from preceding years

The representative for market relations receives calls daily with various issues, including clarification on dividends and other general meetings, usually answered immediately when the information is public.

V. WEB SITE

59. Adress

The website of the Company, www.toyotacaetano.pt, is available in Portuguese and in English according to CMVM VI.1 recommendation.

60. Site of information about the firm, the public company status, headquarters and remaining data provided for in article 171 of the companies code

On the page of the Company's Internet within the tab identified as "investors" we find a tab for the "Company", where is published information on the Company, the public Company status, headquarters and remaining data provided for in Article 171 of the Commercial Companies Code.

61. Site of information about the Articles of Association and the operating regulations of the organs and/or committees

On the page of the Company's Internet within the tab identified as "investors" we find a tab for the "Company", where is published information of Articles of Association;

62. Site of information of the identity of the corporate officers, the representative for market relations, the investor support office or equivalent structure, their functions and local access means where the statutes and operating regulations of organs and/or committees

On the page of the Company's Internet within the tab identified as "investors" we find a tab for the "Company", where is published information of corporate officers.

Also find on the page of the Company's Internet within the tab identified as "investors" we find a tab for the "Investor support" where is published the representative for market relations, the investor support office or equivalent structure, their functions and local access.

63. Site of information provide the financial statement which must be accessible for at least five years as well as the semi-annual calendar of corporate events, at the beginning of each semester, including, among others, the general meetings, disclosure of accounts annual and, if applicable, quarterly

On the page of the Company's Internet within the tab identified as "investors" we find a tab for the "Reports and accounts" where is disclosed for five years, the documents presenting the accounts that remain accessible for five years.

On the page of the Company's Internet within the tab identified as "Investors", there are tabs identified as "Corporate Events" and "Announcements" and "General Meetings" and "Report and Accounts" where is the calendar of corporate events and other information.

64. Site of information where is published the notice for the general meeting and all the preparatory and subsequent information related to it

On the page of the Company's Internet within the tab identified as "investors" we find a tab for the "General Meeting" where we find the disclosure of the notice, resolutions and minutes of the General Assembly.

65. Site of information where it provides the historical resolutions passed at the general meetings of the company, the represented capital and the voting results, with reference to the seven years period

On the page of the Company's Internet within the tab identified as "investors" we find a relative to "General Meetings" tab where we find a historical record with the resolutions passed at general meetings of the Company, the represented share capital and the voting results, with reference to the 7 year period.

D. REMUNERATION

I.JURISDICTION TO DETERMINE

66. Indication as to the jurisdiction to determine the remuneration of governing bodies, of members of the managing director and executive officers of the company

The remuneration policy of the Board of Directors and Audit Board is set by an independent Remuneration Committee, based on criteria that meet the ability to create shareholder value. In defining the criteria stated above are taken into account several factors including comparative market data and macroeconomic data.

II. REMUNERATION COMMITTEE

67. Composition of the remuneration committee, including identification of individuals or collective contracted for support and declaration of independence of each of the members and advisors

The Remuneration Committee consists of the following members

- Alberto Luis Lema Mandim

- Maria Conceição Monteiro Silva

- Francelim Costa da Silva Graça

68. Knowledge and experience in remuneration policy issues by members of the remuneration committee

The professional experience of the members of the Remuneration Committee allows them to exercise their responsibilities effectively, while safeguarding the interests of the Company.

The seniority of the members of the Committee in carrying out their duties should be noted in this respect.

The Remuneration Committee to support the performance of its functions didn't contract any singular or collective entity that provides or has provided, over the past three years, services to any structure subject of the corporate boards, to the corporate boards itself or has current relationship with the company or consultant of the company.

III. REMUNERATION STRUCTURE

69. Description of the remuneration policy of the board of directors and audit board referred to in article 2. º law no. 28/2009 of 19 June

The remunerations policy for the Board of Directors and for the Audit Body is defined by an independent Remuneration Committee, based on criteria that meet the ability to create shareholder value. Definition of the above-mentioned criterion takes into account several factors including market comparative data and macroeconomic data.

The policy for remuneration of the directors responsible for each of the divisions identified in the functional organization chart of the Company presented of this report is structured based on a balance between the level of responsibility, in the fixed part and performance against targets set both at the level of budgetary follow-up and for the result of previously agreed projects, in the variable part.

70. Information on how remuneration is structured so as to enable the aligning of the interests of the members of the board of directors with the company's long-term interests and how it is based on the performance assessment and how it discourages excessive risk taking

As per the Remuneration Committee's attached statement (Annex II), there are mechanisms within the Company that permit alignment of the interests of the members of the Management Body with the interests of the Company.

71. Reference, if applicable, to the existence of a variable remuneration component and information about possible impact of performance appraisal in this component

As approved by the Remuneration Committee sets the remuneration of the members of the Board of Directors is not directly dependent on the evolution of the share price of the Company or of the results obtained.

72. Deferred payment of variable remuneration component with mention of deferred period

There were no deferred payment of the variable component.

73. The criteria whereon the allocation of variable remuneration on shares is based and also on maintaining company shares that the executive directors have had access to, on the possible share contracts, including hedging or risk transfer contracts, the corresponding limit and its relation to the total annual remuneration value

There is no allocation of variable remuneration in shares and taking into account the model of remuneration the members of the Board of Directors doesn't celebrate any contracts with the Company or with third parties to mitigate the risk inherent in the variability of remuneration.

There is no agreement by the Board of Directors for the award of variable remuneration in shares

There is no agreement by the Board of Directors that have the effect to mitigate the risk inherent in the variability of remuneration fixed by the Company.

74. The criteria whereon the allocation of variable remuneration on options is based and details of the deferral period and the exercise price

No variable remuneration in options.

75. The key factors and grounds for any annual bonus scheme and any additional non-financial benefits

Members of the Board of Directors are dependent on the performance of the Company in the variable portion of their annual compensation, as is usually designated as "Bonus Balance" or annual bonus, corresponding to an annual performance bonus determined taking into account the assessment made by the Remuneration Committee as part of their duties.

76. Key characteristics of the supplementary pensions or early retirement schemes for directors and statement on the date when said schemes were approved at the general meeting, on an individual basis

Toyota Caetano Portugal, S.A. (together with other affiliates) has constituted a pension fund by public deed on 29 December1988. This Pension Fund initially provided, initially and as long as Toyota Caetano continued with its decision to make contributions to the fund, for the workers to receive, from the date of their retirement, a non-updateable supplement to be determined based on a percentage of salary, among other conditions.

Given the economic circumstances as of 1 January 2008 Toyota modified the conditions of Salvador Caetano Pension Fund, which can be summarized as follows:

- retention of a Defined Benefits system (20% of social security pensionable salary as at the date of retirement (65 years)) for current pensioners and beneficiaries of deferred pensions and also for all current employees of member companies of Salvador Caetano Group who on 1 January 2008 were over 50 years of age with more than 15 years' service in the Company;

- a Defined Contribution Scheme for the rest of the employees of the group.

The members of the Board of Directors benefit from the Salvador Caetano Pension Fund provided that they fulfil all the requirements demanded for any other employee of one of the companies of the universe included in the Pension Fund.

Currently, the pension fund covers the members of the Board of Directors who meet the above conditions.

IV. REMUNERATION DISCLOSURE

77. Details on the amount relating to the annual remuneration paid as a whole and individually to members of the company's board of directors, including fixed and variable remuneration and as regards the latter, reference to the different components that give rise to same

The remunerations obtained by the members of the Board of Directors of Toyota Caetano Portugal, S.A. during the financial year of 2020 for the performance of their duties in the Company and in other Companies of the Group are as follows:

	FIXED COMPONENT		VARIABLE COMPONENT		
REMUNERATIONS	COMPANY	TOYOTA GROUP COMPANIES	COMPANY	TOYOTA GROUP COMPANIES	TOTAL
BOARD OF DIRECTORS					
José Reis da Silva Ramos	157.920	0	50.000	0	207.920
Maria Angelina Martins Caetano Ramos	115.920	302.724	20.000	0	438.644
Salvador Acácio Martins Caetano	0	0	0	0	0
Rui Manuel Machado Noronha Mendes	47.943	0	0	0	47.943
Gisela Maria Falcão Sousa Pires Passos	0	0	0	0	0
Miguel Pedro Caetano Ramos	0	0	0	0	0
Matthew Peter Harrison	0	0	0	0	0
Katsutoshi Nishimoto	0	0	0	0	0
Masaru Shimada	0	0	0	0	0
Total	**321.783**	**302.724**	**70.000**	**0**	**694.507**

78. Any Amounts paid, For Any Reason Whatsoever, By Other Companies in a Control or Group Relationship, or are Subject to a Common Control

The disclosure is in the previous paragraph.

79. Remuneration paid in the form of profit-sharing and/or bonus payments and the reasons for said bonuses or profit sharing being awarded

The disclosure is in the previous paragraph.

80. Compensation paid or owed to former executive directors concerning contract termination during the financial year

During the year ended December 31, 2020 occurred the cession of a executive member and there wasn't no payment or due any payment as compensation.

81. Details on the amount relating to the annual remuneration paid as a whole and individually to members of the Audit Board, for the purposes of Law No. 28/2009, of 19 June

The remunerations obtained by the members of the Audit Board of Toyota Caetano Portugal, S.A. during the financial year of 2020 for the performance of their duties in the Company and in other Companies of the Group are as follows:

REMUNERATIONS	FIXED COMPONENT COMPANY	FIXED COMPONENT TOYOTA GROUP COMPANIES	VARIABLE COMPONENT COMPANY	VARIABLE COMPONENT TOYOTA GROUP COMPANIES	TOTAL
BOARD OF DIRECTORS					
José Domingos da Silva Fernandes	5.040	0	0	0	5.040
Alberto Luis Lema Mandim	1.750	0	0	0	1.750
Antonieta Isabel da Costa Moura	0	0	0	0	0
Daniel Broekhuizen	0	0	0	0	0
Maria Lívia Fernandes Alves	0	0	0	0	0
Akito Takami	0	0	0	0	0
Total	**6.790**	**0**	**0**	**0**	**6.790**

82. Year remuneration of the chairman of the general assembly

The remuneration of the Chairman and Vice-Chairman of do Board of the General Shareholders' Meeting consists of a fixed amount corresponding to the actual attendance to the meetings held during 2020.

In 2020 both Chairman and Vice-Chairman did not earn any remuneration.

V. AGREEMENTS WITH IMPLICATIONS REMUNERATION

83. The envisaged contractual restraints for compensation payable for the unfair dismissal of directors and the relevance thereof to the remuneration's variable component.

The information is not applicable to the Company.

84. Reference to the existence and description, with details of the sums involved, of agreements between the company and members of the board of directors and managers, pursuant to art. 248-b/3 of the securities code that envisage compensation in the event of resignation or unfair dismissal or termination of employment following a takeover bid (art. 245-a/1/l) psc)

There are no agreements for payment of any compensation, other than legally due, if a termination or dismissal is due to inadequate performance of the Director as well providing for compensation in the event of dismissal, unfair dismissal or termination of the employment relationship, following of a change in control of the Company.

VI. SHARE ALLOCATION AND/OR STOCK OPTION PLAN

85. Details of the plan and the number of persons included therein

There are no plans to attribute shares or stock options to members of governing bodies nor to the employees.

86. Characteristics of the plan (allocation conditions, non-transfer of share clauses, criteria on share-pricing and the exercising option price, the period during which the options may be exercised, the characteristics of the shares or options to be allocated, the existence of incentives to purchase and/or exercise options)

As described in paragraph 85 above, there are no plans to attribute shares or stock options therefore the disclosure is not applicable.

87. Stock option plans for the company employees and staff.

As described in paragraph 85 above, there are no plans to attribute shares or stock options therefore the disclosure is not applicable.

88. Control mechanisms for a possible employee-shareholder system inasmuch as the voting rights are not directly exercised by said employees (art. 245-a/1/e) psc))

There is no system of employee participation in the capital, so the existence of control mechanisms is not justified as long as voting rights are not exercised directly by them.

E. TRANSACTIONS WITH RELATED COMPANIES

I. CONTROL MECHANISMS AND PROCEDURES

89. Mechanisms implemented by the company for purposes of controlling transactions with related parties (please see the concept resulting from IAS 24)

Dated March 31, 2021, the "Regulation on conflicts of interest and transactions with related parties" was approved by the Board of Directors, which establishes the procedures and criteria that must be observed when approving transactions with any related party and the respective disclosure

Non-recurring extraordinary operations that leave the normal exercise of the Company's activity, as these are operations of relevance to the Company, require the prior opinion of the Audit Board.

90. Indication of the transactions which were subject to control in the reference year

Transactions of commercial nature carried out, between Company and holders of qualified participation or entities that are in any relationship with them, under the terms of article 20 of the Portuguese Securities Code, were carried out under normal market conditions and the transactions and respective balances and additional information can be found in note 35 of the Notes to the consolidated financial statements as of December 31, 2020.

During 2020, the Company acquired financial participation in the companies Caetanobus - Fabricacao de Carroçarias, S.A. and Finlog - Aluguer e Comércio de Automóveis, S.A., both acquired from related parties (entities included in the so-called Salvador Caetano Group), which was approved and approved by the Audit Board.

91. Description of the procedures and criteria applicable to the intervention of the supervisory bodies for the purposes of assessing business between the company and the holders of qualified shareholdings or entities with which they are in any relationship, pursuant to article 20 of the portuguese securities code

The operations that culminated in the acquisition of financial participation in the companies Caetanobus - Fabricacao de Carroçarias, S.A. and Finlog - Aluguer e Comércio de Automóveis, S.A. deserved evaluation by the Audit Board, which, after verifying that they occurred within normal market conditions, issued an opinion favorable.

II. ELEMENTS RELATING TO TRANSACTIONS

92. Details of the place where the financial statements including information on business dealings with related parties are available, in accordance with IAS 24

Transactions with related parties are disclosed in Note 35 to the consolidated financial statements of the Annual Report 2020.

PARTE II – CORPORATE GOVERNANCE ASSESSMENT

1. Identification of the Corporate Governance Code adopted

The Company adopted IPCG's Corporate Governance Code (which is available on IPCG's website at https://cgov.pt/base-de-dados/codigos-de-governo), having considered that the same ensures an adequate level of protection of its shareholders' interests and Company governance transparency.

2. Compliance with Corporate Governance Code adopted

RECOMMENDATIONS	COMPLIANCE	REPPORT
CHAPTER I. GENERAL DISCLOSURES		
I.1. Company's relationship with investors and disclosure		
I.1.1. The Company should establish mechanisms to ensure the timely disclosure of information to its governing bodies, shareholders, investors and other stakeholders, financial analysts and to the markets in general.	Adopted	Item 21, 56 & 58
I.2. Diversity in the composition and functioning of the company's governing bodies		
I.2.1. Companies should establish standards and requirements regarding the profile of new members of their governing bodies, which are suitable according to the roles to be carried out. Besides individual attributes (such as competence, independence, integrity, availability and experience), these profiles should take into consideration general diversity requirements, with particular attention to gender diversity, which may contribute to a better performance of the governing body and to the balance of its composition.	Adopted	Item 16 till 19 & 33
I.2.2. The company's managing and supervisory boards as well as their committees, should have regulations — namely regulating the performance of their duties, their Chairmanship, periodicity of meetings, their functioning and the duties of their members —, disclosed in full on the company's website. Minutes of the meetings of each of these bodies should be drawn out.	Not Adopted	Item 22
I.2.3. The composition and the number of annual meetings of the managing and supervisory bodies, as well as of their committees, should be disclosed on the company's website.	Partial	Item 23 & 25
I.2.4. A policy for the communication of irregularities (whistleblowing) should be adopted that guarantees the suitable means of communication and treatment of those irregularities, with the safeguarding of the confidentiality of the information transmitted and the identity of its provider, whenever such confidentiality is requested.	Not Adopted	
I.3. Relationships between the company bodies		
I.3.1. The bylaws, or other equivalent means adopted by the company, should establish mechanisms that, within the limits of applicable laws, permanently ensure the members of the managing and supervisory boards are provided with access to all the information and company's collaborators, in order to appraise the performance, current situation and perspectives for further developments of the company, namely including minutes, documents supporting decisions that have been taken, calls for meetings and the archive of the meetings of the managing board, without impairing the access to any other documents or people that may be requested for information.	Adopted	Item 21
I.3.2. Each of the company's boards and committees should ensure the timely and suitable flow of information, especially regarding the respective calls for meetings and minutes, necessary for the exercise of the competences, determined by law and the bylaws, of each of there maining boards and committees	Adopted	Item 21, 30 & 35
I.4 Conflicts of interest		
I.4.1. The members of the managing and supervisory boards and the internal committees are bounded, by internal regulation or equivalent, to inform the respective board or committee whenever there are facts that may constitute or give rise to a conflict between their interests and the company's interest	Adopted	Item 49 & 89
1.4.2. Procedures should be adopted to guarantee that the member in conflict does not interfere in the decision-making process, without prejudice to the duty to provide information and other clarifications that the board, the committee or their respective members may request.	Adopted	Item 49, 54 & 89
I.5. Related party transactions		
I.5.1. The managing body should disclose in the corporate governance report or by other means publicly available the internal procedure for verifying transactions with related parties.	Adopted	Item 89 & 91
I.5.2. The managing body should report to the supervisory body the results of the internal procedure for verifying transactions with relatedparties, including the transactions under analysis, at least every six months.	Adopted	Item 90
CHAPTER II • SHAREHOLDERS AND GENERAL MEETINGS		
II.1. The company should not set an excessively high number of shares to confer voting rights and it should make its choice clear in the corporate governance report every time its choice entails a diversion from the general rule: that each share has a corresponding vote.	Not Adopted	Item 12
II.2. The company should not adopt mechanisms that make decision making by its shareholders (resolutions) more difficult, specifically, by setting a quorum higher than that established by law.	Adopted	Item 12
II.3. The company should implement adequate means for the remote participation by shareholders in the general meeting, which should be proportionate to its size.	Partial	Item 12
II.4. The company should also implement adequate means for the exercise of remote voting, correspondence and electronic means.	Partial	Item 12

II.5. The bylaws, which specify the limitation of the number of votes that can be held or exercised by a sole shareholder, individually or in coordination with other shareholders, should equally provide that, at least every 5 years, the amendment or maintenance of this rule will be subject to a shareholder resolution — without increased quorum in comparison to the legally established — and in that resolution, all votes cast will be counted without observation of the imposed limits.	Not Adopted	Item 12
II.6. The company should not adopt mechanisms that imply payments or assumption of fees in the case of the transfer of control or the change in the composition of the managing body and which are likely to harm the free transferability of shares and a shareholder assessment of the performance of the members of the managing body.	Adopted	Item 4 & 5
CHAPTER III • NON-EXECUTIVE MANAGEMENT, MONITORING AND SUPERVISION		
III.1. Without prejudice to question the legal powers of the chair of the managing body, if he or she is not independent, the independent directors should appoint a coordinator from amongst them, namely, to: (i) act, when necessary, as an interlocutor near the chair of the board of directors and other directors, (ii) make sure there are the necessary conditions and means to carry out their functions; and (iii) coordinate the independent directors in the assessment of the performance of the managing body, as established in recommendation V.1.1..	Not Adopted	Item 17 & 18
III.2. The number of non-executive members in the managing body, as well as the number of members of the supervisory body and the number of the members of the committee for financial matters should be suitable for the size of the company and the complexity of the risks intrinsic to its activity, but sufficient to ensure, with efficiency, the duties which they have been attributed. The formation of such suitability judgment should be included in the corporate governance report.	Adopted	Item 17 & 18
III.3. In any case, the number of non-executive directors should be higher than the number of executive directors.	Adopted	Item 17 & 18
III.4. Each company should include a number of non-executive directors that corresponds to no less than one third, but always plural, who satisfy the legal requirements of independence. For the purposes of this recommendation, an independent person is one who is not associated with any specific group of interest of the company, nor under any circumstance likely to affect his/her impartiality of analysis or decision, namely due to: i. having carried out functions in any of the company's bodies for more than twelve years, either on a consecutive or non-consecutive basis; ii. having been a prior staff member of the company or of a company which is considered to be in a controlling or group relationship with the company in the last three years; iii. having, in the last three years, provided services or established a significant business relationship with the company or a company which is considered to be in a controlling or group relationship, either directly or as a shareholder, director, manager or officer of the legal person; iv. having been a beneficiary of remuneration paid by the company or by a company which is considered to be in a controlling or group relationship other than the remuneration resulting from the exercise of a director's duties; v. having lived in a non-marital partnership or having been the spouse, relative or any first degree next of kin up to and including the third degree of collateral affinity of company directors or of natural persons who are direct or indirect holders of qualifying holdings, or vi. having been a qualified holder or representative of a shareholder of qualifying holding.	Not Adopted	Item 17 & 18
III.5. The provisions of (i) of recommendation III.4 does not inhibit the qualification of a new director as independent if, between the termination of his/her functions in any of the company's bodies and the new appointment, a period of 3 years has elapsed (cooling-off period).	Not Applicable	
III.6. The supervisory body, in observance of the powers conferred to it by law, should, assess and give its opinion on the strategic lines and the risk policy prior to its final approval by the management body.	Not Adopted	
III.7. Companies should have specialised committees, separately or cumulatively, on matters related to corporate governance, appointments and performance assessment. In the event that the remuneration committee provided for in article 399 of the Commercial Companies Code has been created and should this not be prohibited by law, this recommendation may be fulfilled by conferring competence on such committee in the aforementioned matters.	Not Adopted	
CHAPTER IV . EXECUTIVE MANAGEMENT		
IV.1. The managing body should approve, by internal regulation or equivalent, the rules regarding the action of the executive directors applicable to their performance of executive functions in entities outside of the group.	Adopted	Item 21
IV.2. The managing body should ensure that the company acts consistently with its objects and does not delegate powers, namely, in what regards: i. the definition of the strategy and main policies of the company; ii. the organisation and coordination of the business structure; iii. matters that should be considered strategic in virtue of the amounts involved, the risk, or special characteristics.	Adopted	Item 21
IV.3. In the annual report, the managing body explains in what terms the strategy and the main policies defined seek to ensure the long-term success of the company and which are the main contributions resulting therein for the community at large.	Adopted	Item 50 till 54
CHAPTER V • EVALUATION OF PERFORMANCE, REMUNERATION AND APPOINTMENT		
V.1 Annual evaluation of performance		
V.1.1. The managing body should annually evaluate its performance as well as the performance of its committees and executive directors, taking into account he accomplishment of the company's strategic plans and budget plans, the risk management, the internal functioning and the contribution of each member of the body to these objectives, as well as the relationship with the company's other bodies and committees.	Adopted	Item 25, 69 & 70
V.2 Remuneration		
V.2.1. The company should create a remuneration committee, the composition of which should ensure its independence from the management, which may be the remuneration committee appointed under the terms of article 399 of the Commercial Companies Code.	Adopted	Item 24 & 25
V.2.2. The remuneration should be set by the remuneration committee or the general meeting, on a proposal from that committee.	Adopted	Item 66 & 67
V.2.3. For each term of office, the remuneration committee or the general meeting, on a proposal from that committee should also approve the maximum amount of all compensations payable to any member of a board or committee of the company due to the respective termination of office. The said situation as well as the amounts should be disclosed in the corporate governance report or in the remuneration report.	Adopted	Item 69 & 74

V.2.4. In order to provide information or clarifications to shareholders, the chair or, in case of his/her impediment, another member of the remuneration committee should be present at the annual general meeting, as well as at any other, whenever the respective agenda includes a matter linked with the remuneration of the members of the company's boards and committees or, if such presence has been requested by the shareholders.	Adopted	Item 69 till 70
V.2.5. Within the company's budgetary limitations, the remuneration committee should be able to decide, freely, on the hiring, by the company, of necessary or convenient consulting services to carry out the committee's duties.	Adopted	Item 66
V.2.6. The remuneration committee should ensure that those services are provided independently and that the respective providers do not provide other services to the company, or to others in controlling or group relationship, without the express authorization of the committee.	Adopted	Item 66
V.2.7. Taking into account the alignment of interests between the company and the executive directors, a part of their remuneration should be of a variable nature, reflecting the sustained performance of the company and not stimulating the assumption of excessive risks.	Adopted	Item 25
V.2.8. A significant part of the variable component should be partially deferred in time, for a period of no less than three years, being necessarily connected to the confirmation of the sustainability of the performance, in the terms defined by a company's internal regulation.	Not Adopted	Item 25
V.2.9. When variable remuneration includes the allocation of options or other instruments directly or indirectly dependent on the value of shares, the start of the exercise period should be deferred in time for a period of no less than three years.	Not Applicable	
V.2.10 . The remuneration of non-executive directors should not include components dependent on the performance of the company or on its value.	Not Applicable	
V.3. Appointments		
V.3.1. The company should, in terms that it considers suitable, but in a demonstrable form, promote that proposals for the appointment of the members of the company's governing bodies are accompanied by a justification in regard to the suitability of the profile, the skills and the curriculum vitae to the duties to be carried out.	Adopted	Item 16
V.3.2. The overview and support to the appointment of members of senior management should be attributed to a nomination committee, unless this is not justified by the company's size.	Not Applicable	
V.3.3. This nomination committee includes a majority of nonexecutive, independent members.	Not Applicable	
V.3.4. The nomination committee should make its terms of reference available and should foster, to the extent of its powers, transparent selection processes that include effective mechanisms of identification of potential candidates and that those chosen for proposal are those who present a higher degree of merit, who are best suited to the demands of the functions to be carried out and who will best promote, within the organisation, a suitable diversity, including gender diversity.	Not Applicable	
CHAPTER VI • INTERNAL CONTROL		
VI.1. The managing body should debate and approve the company's strategic plan and risk policy, which should include the establishment of limits on risk-taking.	Adopted	Item 50 till 52
VI.2. The supervisory board should be internally organised, implementing mechanisms and procedures of periodic control that seek to guarantee that risks which are effectively incurred by the company are consistent with the company's objectives, as set by the managing body.	Adopted	Item 50 till 55
VI.3. The internal control systems, comprising the functions of risk management, compliance and internal audit should be structured in terms adequate to the size of the company and the complexity of the inherent risks of the company's activity. The supervisory body should evaluate them and, within its competence to supervise the effectiveness of this system, propose adjustments where they are deemed to be necessary.	Adopted	Item 50 till 55
VI.4. The supervisory body should provide its view on the work plans and resources allocated to the services of the internal control system, including the risk management, compliance and internal audit functions and may propose the adjustments deemed to be necessary.	Adopted	Item 50 till 55
VI.5. The supervisory body should be the recipient of the reports prepared by the internal control services, including the risk management functions, compliance and internal audit, at least regarding matters related to the approval of accounts, the identification and resolution of conflicts of interest and the detection of potential irregularities.	Adopted	Item 54 & 55
VI.6. Based on its risk policy, the company should establish a risk management function, identifying (i) the main risks it is subject to in carrying out its activity; (ii) the probability of occurrence of those risks and their respective impact; (iii) the devices and measures to adopt towards their mitigation; (iv) the monitoring procedures, aiming at their accompaniment.	Adopted	Item 54 & 55
VI.7. The company should establish procedures for the supervision, periodic evaluation and adjustment of the internal control system, including an annual evaluation of the level of internal compliance and the performance of that system, as well as the perspectives for amendments of the risk structure previously defined.	Adopted	Item 54 & 55
CHAPTER VII • FINANCIAL STATEMENTS AND ACCOUNTING		
VII.1. Financial information		
VII.1.1. The supervisory body's internal regulation should impose the obligation to supervise the suitability of the preparation process and the disclosure of financial information by the managing body, including suitable accounting policies, estimates, judgments, relevant disclosure and its consistent application between financial years, in a duly documented and communicated form.	Not Adopted	Item 37
VII.2 Statutory audit of accounts and supervision		
VII.2.1. By internal regulations, the supervisory body should define, according to the applicable legal regime, the monitoring procedures aimed at ensuring the independence of the statutory audit.	Not Adopted	Item 37
VII.2.2. The supervisory body should be the main interlocutor of the statutory auditor in the company and the first recipient of the respective reports, having the powers, namely, to propose the respective remuneration and to ensure that adequate conditions for the provision of services are ensured within the company.	Adopted	Item 37
VII.2.3. The supervisory body should annually assess the services provided by the statutory auditor, their independence and their suitability in carrying out their functions and propose their dismissal or the termination of their service contract by the competent body when this is justified for due cause.	Adopted	Item 45

In relation to the recommendations that are not complied, we wish to provide the following information:

I.2.2. The Company is making efforts to disclose the internal regulations of management, supervisory bodies and internal commissions.

I.2.4. The Company is making efforts to adopt an irregularities communication policy.

II.1. As mentioned in paragraph 12, each group of one hundred shares corresponds to one vote. The Company, given the capital holding structure, sees no likelihood of changing the Articles of Association in this matter.

II.5. The Company's statutes do not have the duty to subject the amendment to the statutory norms at the General Meeting every five years.

III.1 The Board of Directors consists of a total of seven members and an alternate member. The Chairman of the Board of Directors exercises executive functions and as mentioned in paragraph 18, no non-executive member is independent. The Chairman of the board, not being independent, did not appoint a coordinator.

III.4 The recommendation was not adopted since all members of the Board of Directors are not independent.

III.6 In view of the organizational structure and delegated powers by the Board of Directors, strategic matters and risk policy are not placed prior to the approval of the Audit Board.

III.7 The Company, according to its organizational structure, does not foresee the existence of a specialized committee in matters of corporate governance.

V.2.8 The Company's Remuneration Policy does not provide the deferral of all or part of the variable component of the remuneration payment

VII.1.1. and **VII.2.1.** The Audit Board has no internal regulation.

NOTE: This report on Corporate Governance is a translation of the report on Corporate Governance originally issued in Portuguese language. In the event of discrepancies, the Portuguese language version prevails.

ANNEX I

CURRICULUM VITAE

Name: **José Reis da Silva Ramos**

Date and Place of Birth: 15 August 1946, in Vila Nova de Gaia.

Marital Status: Married

Address: Alameda Senhor da Pedra, 262, Miramar Arcozelo, Vila Nova De Gaia

Academic Qualifications: Degree in Metallurgic Engineering

Professional Activity: Companies' Director

Name: **Maria Angelina Martins Caetano Ramos**

Date and Place of Birth: 18 August 1949, in Vila Nova de Gaia.

Marital Status: Married

Address: Alameda Senhor da Pedra, 262, Miramar Arcozelo, Vila Nova De Gaia

Academic Qualifications: Degree in Economics

Professional Activity: Companies' Director

Name: **Salvador Acácio Martins Caetano**

Date and Place of Birth: 30 January 1955, in Vila Nova de Gaia.

Marital Status: Married

Address: Rua Moreira Lobo, 80, Miramar Arcozelo, Vila Nova de Gaia

Academic Qualifications: Degree in Engineering

Professional Activity: Companies' Director

Name: **Miguel Pedro Caetano Ramos**

Date and Place of Birth: 26 September 1971, in Vila Nova de Gaia.

Marital Status: Married

Address: C Carnicero Edif. Puerto Chico, 5 P04 B, Torremolinos – Malaga - Espanha

Academic Qualifications: Degree in Mechanical Engineering

Professional Activity: Companies' Director

Name: **Gisela Maria Falcão Sousa Pires Passos**

Date and Place of Birth: 20 November 1971, in Aldoar - Porto.

Marital Status: Married

Address: Rua Dr. Mário Cal Brandão, nº 81, 4º, hab. 1 - 4100 003 Porto

Academic Qualifications: Degree in Economics

Professional Activity: Economist

exercises the functions of Member of the Board of Directors in the following Companies:

CAETANOBUS – Fabricação de Carroçarias, S.A.

SALVADOR CAETANO INDÚSTRIA, SGPS, S.A.

Name: **José Domingos da Silva Fernandes**

Date and Place of Birth: 28 March 1951, in Cedofeita - Porto.

Marital Status: Married

Domicílio Profissional: Rua Cunha Júnior, 41 – B, 1º Sala 4 4250-186 Porto

Academic Qualifications:

- 1970 Accountant studies, at the former Instituto Comercial do Porto
- 1975 Licenciatura em Economia – Decree in Economics – Porto University

Work experience:

- 1975 – 1993 Technician at Inspeção- Geral de Finanças
- 1987 – 2011 Professor at Porto's Instituto Superior de Contabilidade e Administração
- Since 1982 Registered at the Statutory Auditors' Association and has performed such duties in several entities.
- 2001 – 2005 Chairman of the Disciplinary Board of the Statutory Auditors' Association
- Currently:

1) Performs the duties of Chairman of the Audit Board at other entities

Caetano – Baviera – Comércio de automóveis, S.A. (Grupo Salvador Caetano)

2) Performs the duties of Statutory Auditor at the following entities

Multiponto, S.A.

Summertime - Sociedade Imobiliária, S.A.

Convemaia - Sociedade Imobiliária, S.A.

BDS, SGPS, S.A.

Oniram – Indústria Melomecânica, Lda

Name: **Maria Lívia Fernandes Alves**

Date and Place of Birth: 31 January 1945, in Nine – Vila Nova de Famalicão.

Marital Status: Divorced

Address: Rua Amorim Girão, 161, 1º Dtº, 4460-209 Senhora da Hora

Academic Qualifications: General Studies in Commerce

Name: **Antonieta Isabel da Costa Moura**

Date and Place of Birth: 14 July 1971, in Massarelos, Vila Nova de Gaia

Marital Status: Married

Address: Rua Senhor de Matosinhos, 607 - 2º esq. - 4400 303 Vila Nova de Gaia

Academic Qualifications: Degree in Economics (Univ Évora)

Work experience:

exercises the functions of Member of the Audit Board in the following Companies:
Caetanobus – Fabricação de Carroçarias, S.A.
Salvador Caetano Auto, SGPS, S.A.

ANNEX II

REMUNERATION COMMITTEE DECLARATION

The Remuneration Committee of Toyota Caetano Portugal, S.A states the following:

a) **Compliance with the policy set defined for Financial Year of 2019:**

Analyzed all accounting data and other records of Toyota Caetano Portugal, this Committee verified that the changes occurred in the remuneration of the Governing Bodies during the year 2019 complied with the proposals of this Committee approved in the General Meeting of Shareholders of April 12, 2019.

b) **Policy of Remuneration applicable during the Financial Year 2020:**

In view of the current economic climate and given the forecasts of activity and results for the financial year 2020, provided by the Management of the Company, it is the understanding of this Committee that the amounts of remuneration of the fixed nature for all members of the governing bodies, who maintain executive functions, must respect in its essence the deliberations of the Management concerning the salary policy to be applied to the remaining Employees, in other words, they must in 2020 be updated in a range between 1,4% to 3%.

For the non-Executive, this Committee has the opinion that they shall not receive any remuneration, as it is the practice hitherto followed.

Regarding the Variable Remuneration of the executive members of the Board of Directors, it has been allocated according to the results obtained by the Company, combining with the distribution policy of dividends to the shareholders and the bonus payable to employees.

In 2019, when this remuneration component was attributed, was met the Commission's proposal of not exceeding 3% of the distributable results.

Therefore and referring to paragraph b) of number 3 of article 2 of Law 28/2009 of 19 June, this Remuneration Committee proposes the maintenance of this criteria for 2020, namely that the variable remuneration of the Executive Members of the Board of Directors as a whole does not exceeds 3% of the distributable profits determined in the financial year of 2019.

The decision to award Variable Remuneration depending on the results obtained has implicit the verification of the alignment of interests of the members of the Board of Directors with the interests of the Company and, therefore, is one of the mechanisms to be integrated in paragraph a) of number 3 of article 2 of Law No. 28/2009 of 19 June and simultaneously responding to paragraph e) of the same number of article 2 of Law No.28/2009, ensuring the limitation of the variable remuneration in the case that the results obtained are of a negative nature.

Concerning the information related to paragraph c) of number 3 of article 2 of Law No. 28/2009 of June 19, we certify the absence of any plan of allocation of shares or options to acquire shares by the members of the administration and supervision. This committee proposes to maintain this criterion.

The company's practice in the timing of annual payments must, in our opinion, remain and therefore shall be excluded the possibility stated in paragraph d) of number 3 of article 2 of Law No. 28/2009.

The Remuneration Committee
Alberto Luis Lema Mandim
Maria Conceição Monteiro da Silva
Francelim Costa da Silva Graça

CHARTERED ACCOUNTANT

ALEXANDRA MARIA PACHECO GAMA JUNQUEIRA

BOARD OF DIRECTORS

JOSÉ REIS DA SILVA RAMOS - President
MARIA ANGELINA MARTINS CAETANO RAMOS
SALVADOR ACÁCIO MARTINS CAETANO
MIGUEL PEDRO CAETANO RAMOS
KATSUTOSHI NISHIMOTO
MATTHEW PETER HARRISON
GISELA MARIA FALCÃO SOUSA PIRES PASSOS