2021

Toyota Caetano Portugal, S.A.

Annual Report 2021

WE HELP
PEOPLE
MOVING

to: a **successful career.**

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

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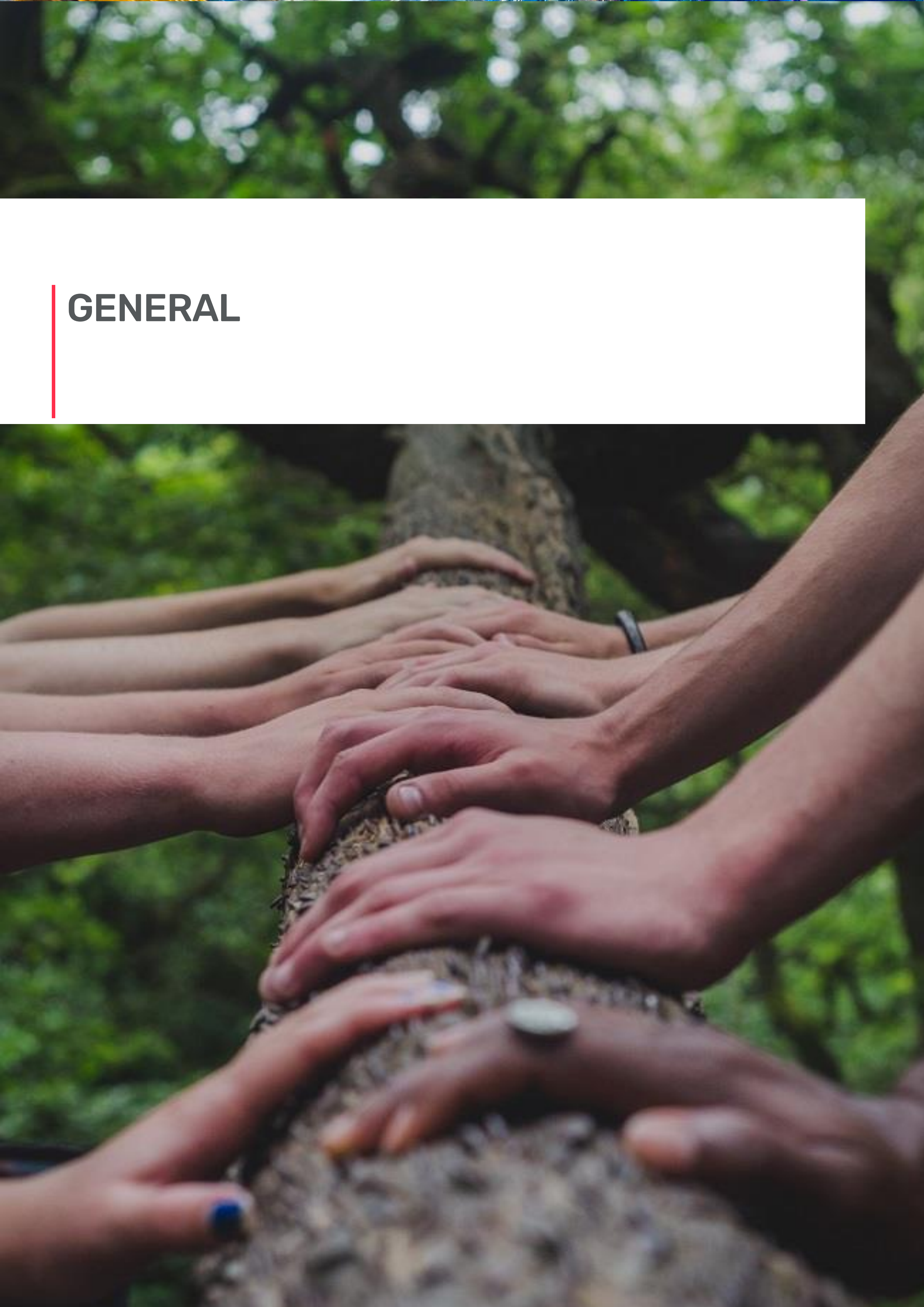


Governing Bodies

Board of the General Meeting

Chairman	Jorge Manuel Coutinho Franco da Quinta
Vice-Chairman	António José da Cruz Espinheira Rio
Secretary	Alírio Ferreira dos Santos
Secretary	João António Ferreira de Araújo Sequeira

Board of Directors

Chairman & CEO	José Reis da Silva Ramos
Member	Maria Angelina Martins Caetano Ramos
Member	Salvador Acácio Martins Caetano
Member	Miguel Pedro Caetano Ramos
Member	Tom Fux
Member	Kazunori Takagi
Member	Gisela Maria Falcão Sousa Pires Passos
Alternate	Masaru Shimada

Supervisory Board

Chairman	José Domingos da Silva Fernandes
Member	Daniel Broekhuizen
Member	Antonieta Isabel da Costa Moura
Alternate	Maria Lívia Fernandes Alves
Alternate	Akito Takami

Statutory Auditor

Effective	Deloitte & Associados, SROC S.A.
Alternate	João Carlos Henriques Gomes Ferreira

Nomination, Appraisal and Remuneration Committee

Member	Alberto Luis Lema Mandim.
Member	Maria da Conceição Monteiro da Silva
Member	Francelim Costa da Silva Graça

SINGLE MANAGEMENT REPORT

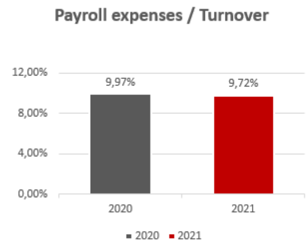
Contents:

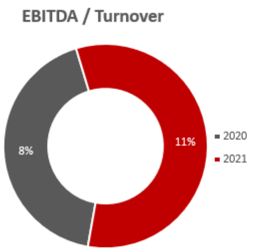
Introduction

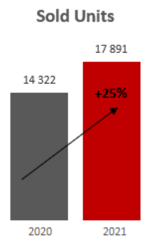
In accordance with the provisions of article 29-G, number 1, subparagraph a) of the Securities Code, the Management Report and the proposal for the application of results presented below, as well as the respective Annexes, were prepared in accordance with the provisions of articles 65, 66 and 508-C of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

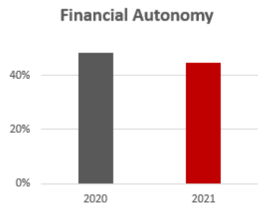
Main indicators of the Group

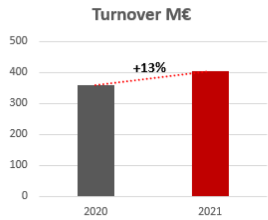
The year 2021 was a year of reinforcement of Toyota Caetano Portugal's commitment to serve society as a whole, putting people first, generating happiness for all and becoming, more and more, a mobility company focused on building a better future.

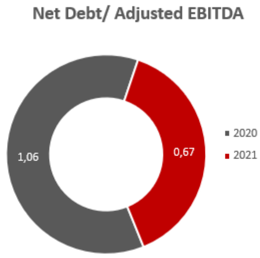


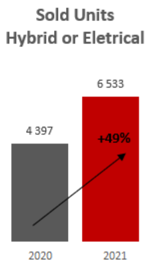








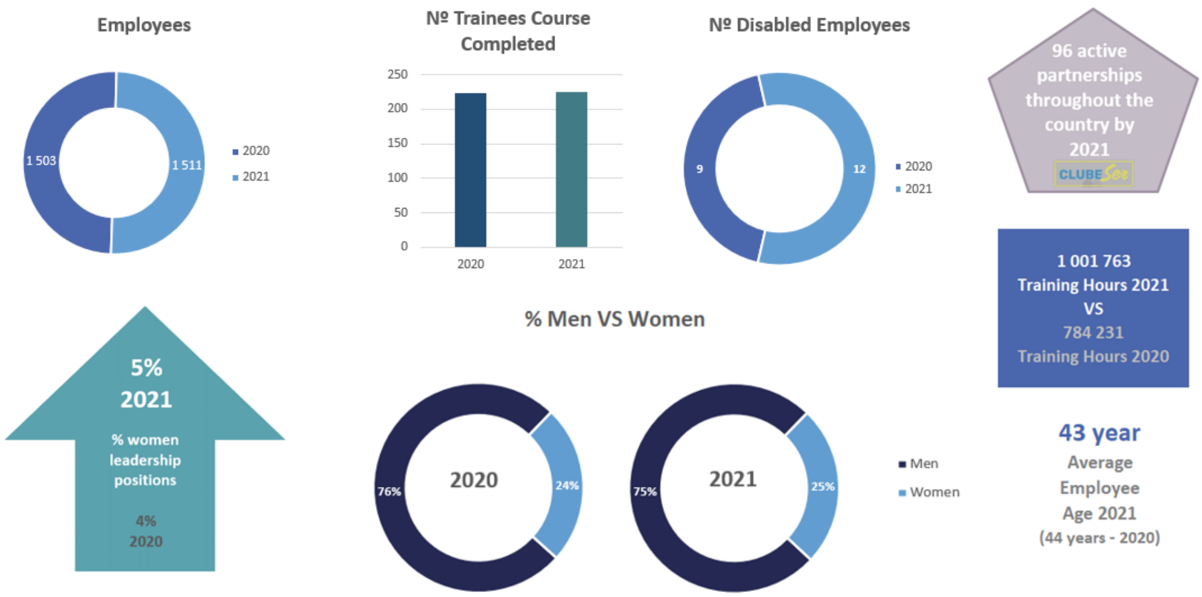




10.5 M€

Distributed Dividends 2022

(0,30€ share)



Message from the Chairman of the Board of Directors

I could start this message in many ways, but any one of them would be incomplete if I didn't express in it my deep pride and gratitude for the way we, together, responded to the adversity we've been dealing with for almost two years now.

If 2020 was a year ruled by the fear of the unknown, 2021 was the year of resistance. Because in the midst of the many uncertainties that still hang over us, there is an unshakable certainty: it is by resisting that we will win. At Toyota Caetano Portugal we resist by adapting, innovating and creating opportunities, without ever neglecting the safety and well-being of those who work and contact us. With our People, their talent and daring, we have overcome yet another challenging year; with our Customers, we saw their trust in our services reinforced; and with our Business Partners, we have strengthened even more the ties that unite us. Therefore, it is with a feeling of reinforced admiration and gratitude that I evaluate the year 2021.

The past year, in Portugal and worldwide, was marked by successive advances and setbacks in the economic situation. In any case, the expectation of improvement was confirmed. The automotive sector was an example of this, registering a recovery that was also seen at Toyota Caetano Portugal. With the Toyota and Lexus brands, we even registered a growth much higher than the market average, reaching a market share of 5.9%, which corresponds to an increase of 1.3 p.p.

compared to the previous year. 2021 was also the year of the launch of the innovative Toyota Mirai, the first car with a hydrogen cell to reach the national market.

In the industrial area, we celebrated the 50th anniversary of our Ovar plant. Here, the production of the Toyota Land Cruiser Series 70 continued in proportion to the success of this bet. An option that attests to Toyota's confidence in the quality of the national industry, reaching an increase of 33% compared to the previous year.

In terms of the Industrial Equipment Division, our market leadership continues to be well established. Despite fierce competition, we maintained the business indicators achieved in 2020.

Specifically, the closing of the year 2021 of Toyota Caetano Portugal was a success with a significant increase in results, that is, far exceeding the forecasts foreseen in the budget.

In a year that remained atypical, although with some of the normality recovered, it was our goal to achieve a balance between responding to the particularities of the pandemic context and meeting our strategic priorities for the future. As such, 2021 represented a reinforcement of the commitment to zero emissions mobility. The partnership with CaetanoBus, celebrated in 2020, has made great progress in the last year: we delivered the first hydrogen-powered buses with Toyota technology and we strengthened the link between both brands through co-branding on zero emissions buses – 100% electric e.City Gold and H2.City Gold, powered by hydrogen. Both now also carry the Toyota brand, allowing the two companies to demonstrate, on the one hand, technical capability and complementary technology and, on the other hand, a true alignment on the path to decarbonization.

It was also with an eye on the future that last year we took another important step towards achieving our strategic goals. Finlog gave way to Kinto, which became Toyota's global mobility services brand. A bet that increasingly representsToyota's rise to become a mobility company. We are thereby responding to new market paradigms, offering all types of transport-related services. This ambition has already reaped its rewards, with the beginning of a partnership with great potential between CaetanoBus and Kinto through the acquisition by the latter of a hydrogen-powered bus for later celebration of an operational leasing contract with a Nordic client.

From another perspective, it was also a year of continuity in our sustainability strategy, maintaining our commitment to the transformation we want to see in the world. It is clear to us that, as a company, we have a responsibility that goes far beyond delivering products or providing services. A certainty that, since our foundation, has manifested itself in our dedication to People

and the Community and, from very early on, also extended to the Planet and its preservation. Moreover, we maintain the conviction that here we can play a leading role in the evolution towards an emission free world. The technological advances that Toyota has always accustomed us to are an example that, in environmental matters, we are in the front row in presenting clean mobility solutions.

For all these reasons, we have kept the United Nations' Sustainable Development Goals (SDGs) as the guiding manual for our actions as a company in society. We have also taken important steps in implementing the “Toyota Environmental Challenge 2050” program. Participation in the sustainable development report “Carbon Disclosure Project (CDP) – Climate Change” continued, preserving our ambition to measure and reduce our carbon footprint.

At the social level, People remained a central element of our work. Inside as well as outside, we owe it to our history to see them as “the main asset.”

Over the 75 years that we are celebrating, there are many examples of philanthropy and initiatives carried out by the brand in response to specific requests from the community. The Training and Learning Centers, spread from north to south of the country, which meet the training needs of young people in the technical-professional area; the daily distribution of meals by social solidarity institutions are some concrete examples. Last year, the first step was taken towards yet another initiative, this time in one of the areas of activity most impacted by the limitations imposed on controlling the pandemic – culture. *One Toyota, One Mission* combines the choice and trust of our After-Sales Customers with the contribution to the community by allocating €1 for each Toyota assisted in the Network to the purchase of food baskets to donate to technical professionals and artists of culture, shows and events.

As a reflection of what we have been building, year after year, 2022 has already started with the distinction of Toyota elected 5-star automotive brand for the third consecutive year.

It is therefore fair to say that, in the face of yet another challenging year, we were able to provide the answer that should be a source of satisfaction for everyone. Respecting the demands of the current context, we have not neglected to focus on our medium-long-term goals, we have reinforced our position as a mobility player in Portugal and, above all, we are moving towards the fulfillment of our main goal: “to operate a profitable, sustainable business and to have it as a great place to work”.

With a feeling of deep satisfaction and appreciation of what we have been able to achieve together, I offer my sincere gratitude to our Employees, Customers and Partners.

José Ramos

(President of the Board of Directors & CEO Toyota Caetano Portugal)

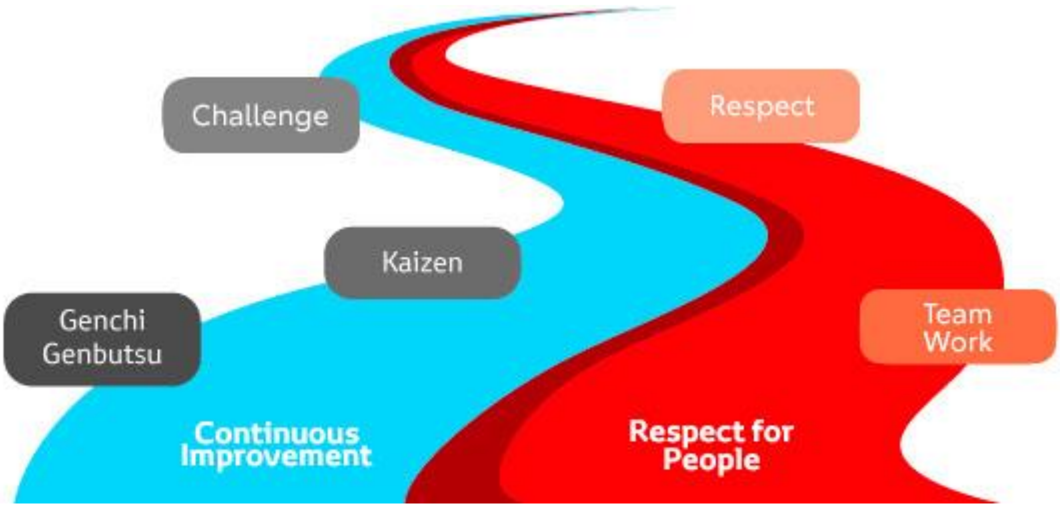
Our Business Model

Operating a sustainable, progressive and profitable business and having this as a great place to grow and work.

We are the most progressive and sought-after mobility brand on the market, so we actively work to achieve carbon neutrality by 2050 with affordable and flexible solutions for the benefit of People and the Community.

Our business model follows the Toyota Way Philosophy- the *Toyota Way* is built on two pillars: **Respect for People**, which encompasses Respect and Teamwork; and **Continuous Improvement**, which encompasses the concepts of Challenge, Kaizen and Genchi Genbutsu.

The definition of Toyota's values and way of working is as follows:



- Challenge: build a long-term vision, accepting challenges with courage and creativity to fulfill our dreams;
- Kaizen: continuously improve our operations, permanently stimulating innovation and evolution;
- Genchi Genbutsu: “going to the source” to find the facts to make the right decisions, build consensus and achieve our goals efficiently;
- Respect: encouraging personal and professional growth, sharing development opportunities and maximizing individual and team performance;
- Teamwork: respecting others, making every effort to understand each other, taking responsibility and doing our best to build mutual trust.

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

Toyota Caetano Portugal			
98,74%	Caetano Auto		
100%	Caetano Renting		
81,25%	Caetano Auto CV		
61,94%	Caetano Bus		
	59%	Cobus	
	100%	Caetano UK	
49%	Kinto		
	100%	Caetano Renting Senegal	

Toyota Caetano Portugal, S.A.

Toyota Caetano Portugal, S.A. is the parent company of this Group; This is where the following activities are concentrated:

- Toyota and Lexus Division – is the business unit of Toyota Caetano Portugal appointed by Toyota Motor Europe, which holds the exclusive activity of Importer of the Toyota and Lexus

Brands, both in the marketing and sale of new vehicles, as well as in reliable used vehicles, through its Exclusive programs TUC (Trusted Used Toyota) and Lexus Select Programs, complemented by the sale of original Toyota and Lexus parts and accessories. This segment also includes the activity of the Toyota and Lexus Hub, where all vehicles are prepared for delivery to customers.

For the sale of the aforementioned products, Toyota Caetano Portugal has a network of Toyota Authorized Dealers and Repairers, appointed, managed and permanently monitored, always with a spirit of exceeding Customer expectations;

- Industrial Equipment Division – import, commercialization (sale and rental), after-sales activity of industrial machines (counterweight forklift trucks and warehouse equipment), as well as business services and solutions, such as short-term rental, used and reconditioned, assistance, maintenance contracts, sale of parts, and fleet management of said equipment;
- Ovar manufacturing division (industrial segment) – manufacturing and assembly of Toyota vehicles as well as components for buses.

Caetano Auto

Caetano Auto, S.A. is the company that includes 11 Toyota dealers and 7 Lexus dealers. It also has the representation of the brands Caetano Colisão and Caetano Glass. It is present from Minho to Algarve in 25 Showrooms and Workshops.

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

CAETANO AUTO
GRUPO SALVADOR CAETANO

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

Founded in 1993, it is one of the pioneering companies in the expansion of Salvador Caetano Group in the African continent.

CAETANO RENTING
GRUPO SALVADOR CAETANO

Caetano Renting, S.A. is the company dedicated, essentially, to the activity of renting Toyota and Lexus vehicles to different clients such as rent-a-car, other large client, as well as occasional rentals to individuals.

KINTO

Created in 1993 as Finlog, it is dedicated to the management of car fleets and operational vehicle rental. In 2020 it had the participation of KINTO EUROPE GMBH in its share capital, moving later that year to the Toyota Caetano Portugal universe with the acquisition, by the latter, of 49% of its share capital.

At the end of 2021, the Company invested in a rebranding process, being increasingly dedicated to development of new products for the automotive market, based on smart, easy-to-use and environmentally friendly mobility concepts.

Kinto Portugal has an associate in Senegal (Caetano Renting Senegal, S.A.) whose mission is to replicate the activity of Kinto Portugal for that market.

CaetanoBus

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

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

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

CaetanoBus has 2 subsidiaries:

COBUS

COBUS Industries GmbH is a global provider of ground support equipment and mobility solutions for airports, based in Wiesbaden, Germany. It was founded in 1983. COBUS is owned by CaetanoBus, as the majority shareholder, and by Daimler Truck AG. It is a leader in the development, manufacture and supply of platform buses, related services and integrated solutions. The company's customers are mainly airport operators, airlines and ground handlers. With over 4.500 buses sold and in operation at around 350 airports in 109 countries, it achieves significant global market share.

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

Caetano UK

Caetano UK is the CaetanoBus company, responsible for the sale, after-sales and supply of parts for Caetano buses present in the UK market. Caetano UK is located in the Midlands and was established almost 40 years ago

The United Kingdom is one of the main markets for CaetanoBus, with the famous National Express buses and, more recently, the e.City Gold urban buses, operated by *Transports for London* with the operator Abellio.

Our History

Toyota has a proud history and an exciting future. It begins in 1968, when Salvador Fernandes Caetano decides to bring the brand to Portugal, at a time when it was still practically unknown in Europe. Since then, a series of reference cars have become part of the Portuguese daily life. Preserving the Toyota Way in its DNA, the brand aims to create safe and responsible mobility for the future society.

1946 Salvador Fernandes Caetano created the company 'Martins, Caetano & Irmãos, Lda.', a factory for the production of bus bodies, which would be the embryo of Salvador Caetano, IMVT, S.A.;

1968 Signing of a contract for the exclusive import and distribution of Toyota brand in Portugal;

1971 Inauguration of the first Toyota plant in Europe, in Ovar. The main activity of this plant was based on the assembly of mini-buses (Caetano), assembly of Toyota light commercial vehicles (Dyna and Hiace) and incorporation of components into commercial vehicles;

1972 Start of retail operation in Portugal with Toyota;

1981 Establishment of the Salvador Caetano Training Center;

1987 Mr. Tatsuro Toyoda, Executive Vice President of Toyota Motor Corporation, visits the Ovar plant;

1993 Accumulated production in Ovar of 200,000 units;

1998 Start of Lexus import activity in Portugal;

2001 30th anniversary of the Ovar plant with the presence of Dr. Schoichiro Toyoda, Honorary President of Toyota Motor Corporation;

2007 New corporate company name changed from Salvador Caetano, IMVT, S.A. to Toyota Caetano Portugal S.A.;

2010 José Ramos becomes President of Toyota Caetano Portugal;

2015 Start of production of the Land Cruiser 70 series exclusively for export to the South African market;

2015 José Ramos receives the decoration of the "Order of the Rising Sun, Rays of Gold with a Bow"; one of the highest distinctions awarded by the Emperor of Japan for contributing to the development of mutual understanding and ties of friendship between Japan and other countries;

2015 Launch of *Clube SER*, created with the aim of improving the Employees' quality of life and health, as well as reinforcing feelings of belonging. To this end, Employees have access to sweepstakes, partnerships, discounts in the most diverse areas, events and wellness services;

2018 Partnership with Toyota Motor Corporation to develop the integration of the Toyota fuel cell in the CaetanoBus hydrogen bus;

2018 Inauguration of *Bosque Ser Caetano*, a space for socializing and leisure for Employees and which assumes the Organization's commitment to a carbon neutral strategy;

2019 The *Ser Caetano Academy* is born in digital, a new solution that responds to the need to diversify professional training through e-learning, in addition to the technical training already provided by the brand;

2020 In December 2020 Toyota Motor Europe bought 51% of Finlog to explore the world of mobility and brought in Toyota Kreditbank, GMBH to offer the right level of accessibility to Customers;

2020 Toyota launched in Portugal its mobility brand *Kinto*, offering transport modes and payment methods from renting to car sharing, through the possibility of subscriptions;

2020 Toyota Caetano Portugal acquires stake in CaetanoBus (61.94%) and in Kinto Portugal (49%);

2021 In July 2021, Caetano Bus and Toyota Motor Europe announced the co-branding of the battery electric city bus (e.City Gold) and the fuel cell electric bus (H2.City Gold);

2021 Celebration of the 75th anniversary of the Salvador Caetano Group and Toyota's 50th Anniversary Celebration.

Our People

We live in an era in which human capital is increasingly valued, and in which People are recognized as the main asset of Companies, in particular those that are truly involved with the Organization's Identity and objectives. At Toyota Caetano Portugal, this ambition goes even further, with the announcement that the Company intends to have a deeper impact on its activity through the mission of "producing happiness for all". For Toyota Caetano Portugal, this motto is materialized in the constant search to improve the experience and satisfaction of our Employees, involving them in the Organization's purpose.

At a time of transformation of the professional context, an additional reinforcement of actions is required to respond to the new challenges. In 2021, the variation of work between face-to-face and distance format continued, so we maintained our commitment to digitalization, without ever neglecting the proximity and humanization of the teams.

At Academi@ Ser Caetano, we continued to promote the passion for knowledge, developing a set of new courses for our Employees and a training offer in face-to-face, digital and hybrid formats, taking into account the content, purpose and recipients. Here, we highlight the reinforcement of the Advanced Development Programs (PDA) and Flash Development Programs (PDF), training courses whose objective is to improve skills and align performance behaviors in specific areas of competence. As an example, the *Ser Caetano High Performance Teams*, *Ser Caetano Service* and *Ser Caetano Strategic Leadership* training courses were developed.

The impact of our Academi@ remains very latent in its indicators. After the end of another year, a total of 521 Employees were involved, which together summed up 15.840 hours of training. In turn, in Youth Training, we received 951 trainees in a total of 53 courses in activity in our seven Training and Learning Poles, which include future Commercial Technicians. For the first time at the Vila Nova de Gaia hub, the opening of this course represented the fulfillment of an old ambition that gives an immediate response to the needs of our business and extends the successful experience of the Commercial Technicians course taking place at the Sintra Hub since 2018.

2021 was also marked by the development of numerous initiatives aimed at consolidating our Organization's *Employer Branding strategy*. This was the case with the organization of Career Day, our Job Festival. It is a fully digital event, with an impact on the consideration of Toyota in Portugal as an employer brand, but also on its commercial brands. This initiative reached 100.000 people throughout the event’s communication and counted with the participation of 1.092 subscribers, who saw with us an opportunity to develop their careers.

But we didn't stop here. With the purpose of bringing and involving our People, the campaign *Somos Caetano. Somos Nós!* (Be Caetano. It's Us!), an internal initiative that resulted in the opening of a photographic exhibition that involved and honored our Employees, who contribute to the growth of the Toyota brand every day. With a participation of hundreds of people, we reinforced our values, culture, while making their faces known.

With regard to the development of our sustainability strategy, its importance to the Organization was also reinforced through a webinar on Social Responsibility. Aimed at all leaders, in partnership with Porto Business School, we discussed, together, a topic that, for us, is currently a major priority.

In addition to all this, our performance was also consolidated by giving continuity to the various projects that we have been developing in recent years. Our Performance and Development Management program has reached the entire Toyota Caetano Portugal universe, turning feedback sharing and continuous development into core elements in People management. In BRiT (Best Retail in Town), we obtained a 99% participation rate, and the goal for 2022is to develop action plans with Toyota area managers in order to increase the satisfaction of the brand’s employees spread across the dealerships. This organizational climate study was complemented in the importer by another edition of the *Barómetro Ser Caetano*, which this year was based on a new tool. With this new digital tool, it became possible to analyze results at the minute, respond to comments from Employees and develop action plans to mitigate undesired results. The *Barómetro Ser Caetano* had the adhesion of all Toyota Caetano Portugal. Looking back, 2021 proved to be a year of continuity in the response to the challenges posed by the pandemic. Once again, the importance of People and of working for them, became clear, so that they always find the necessary conditions to perform their functions. Even more so in adversity, it is of the utmost importance to promote their well-being, stimulate their capacities and, within the imposed limitations, do everything to obtain the greatest balance and normality possible in their daily lives. This is what we have worked for this year and what we will continue to do in the future. For People.

Non-discrimination:

Toyota Caetano Portugal has respect and dignity as the basic elements of its conduct. It is, therefore, our commitment to promote a dignified work environment where each of our Employees feels welcomed and respected. At the same time, the Organization is an active promoter of equal opportunities and 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 practice on the defense of Human Rights and respect for People. Therefore, discriminatory behavior based on race, ethnicity, nationality, social origin, age, sex, ideology, political opinion, religion or any type of physical, personality or social condition is not allowed. Toyota Caetano Portugal also promotes the expansion of these practices in relations with stakeholders, namely with Employees, so that these are taken into their personal relationships.

Diversity:

Toyota Caetano Portugal promotes diversity, from its management to the social bodies. The renewal of management staff is a concern for the Company, which understands experience and knowledge as necessary and indispensable qualifications for the exercise of functions. Only under these conditions can a sustainable strategy be developed. Women also play a leading role in this balance, having progressively occupied more and more leadership positions. In recruitment and training, inter-generational discussion and learning is encouraged. Based on these practices of gender diversity and sharing between generations, Toyota Caetano Portugal assumes itself as a company prepared to face 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 in the scope of employability signed in 2019 with the Salvador Association, which has been essential to help us walk the path of inclusion in our work teams.

Our Context.

At Toyota Caetano Portugal, we are aware that, as a Company, we can be a factor in promoting change among our Employees and our Communities, contributing to the transformation we want to see in the world. A vision that, since the foundation, has been ingrained in our DNA. With an identity very much based on the values of our Founder, the concern to grow, making others grow, is very present. With a focus on People and Planet pillars, we maintain our position as a company that seeks to move towards an increasingly sustainable future.

In this sense, we guide our strategy in 5 axes: knowledge, balance between personal and professional life, diversity and inclusion; sustainable energy and carbon neutrality; and circular economy and water resources. All of them, in close connection with the United Nations' Sustainable Development Goals (SDGs).

As such, many projects and initiatives have been developed to promote and raise awareness to this mission. Highlight for *Bosque Ser Caetano*, which aims to promote the well-being of employees and reinforce the commitment to the community, planet and future generations; and the Webinar *Social Responsibility in Salvador Caetano's DNA*, an event that brought together our leaders and Porto Business School to discuss our impact on society.

For Toyota Caetano Portugal, the purpose goes beyond the simple delivery of a product or service, being focused on joining efforts to make tomorrow a better place.

<u>Fighting corruption and bribery attempts:</u>

At Toyota Caetano Portugal, any behavior that jeopardizes the company's transparency and good name is not tolerated. As such, active or passive forms of bribery or corruption are strongly condemned.

The Company has implemented a system for reporting irregularities that guarantees all interested parties (Shareholders, Employees or others) the possibility of communicating facts that integrate the concept of irregularities identified within the company and its activity. Thus, a policy for reporting irregularities has been established, which can be consulted on the Company's website.

It also has a Code of Conduct and Professional Ethics, approved by the Salvador Caetano Group, applicable to all its subsidiaries. The Code of Conduct and Professional Ethics contains our principles and values as well as a set of rules of conduct that must be respected by all, namely non-discrimination and equal opportunities, integrity in the relationship with customers and suppliers, prohibition of bribery, corruption and influence peddling, conflicts of interest, among others. The Code of Conduct can be consulted on the Society's website.

The Salvador Caetano Group also approved a policy to prevent money laundering and terrorist financing practices, applicable to the Company.

The Compliance Committee of the Salvador Caetano Group is responsible for monitoring the implementation of the Code of Conduct and Professional Ethics and, together with the Company's Supervisory Board, for monitoring reports of irregularities, safeguarding their confidential treatment.

Quality, Environment and Kaizen:

In line with the diagnosis made to the needs of its stakeholders, Toyota Caetano Portugal has been prioritizing over the years the implementation of a policy of ethics and transparency, materializing its sustainability strategy, in socially and environmentally responsible management. During 2021, in addition to its usual activity, Toyota Caetano Portugal had to face the COVID-19 Pandemic. To this end, several actions were carried out, namely updating the Contingency Plan and Business Continuity Manual- COVID-19 Prevention Norms, drawing up informative posters together with occupational medicine regarding COVID prevention measures. The Quality, Environment, Safety and Health at Work and Continuous Improvement strategy, which was defined for the year 2021, is evidenced in the main actions implemented and in the results obtained:

- Within the scope of its Integrated Quality and Environment Management System, internal audits were carried out by the pool of internal auditors created in 2021. Certification was also carried out by an external certification body (multi-site certification) which included imports, distribution and marketing of vehicles, parts, accessories and merchandising of the Toyota and Lexus brands (TCAP NMSC) according to the NP EN ISO 9001:2015 standards; NP EN ISO 14001:2015.

  The multi-site certification allowed the sharing of good practices among the technicians, on the management systems as well as the definition of a concerted strategy. It was also possible to contribute to the reinforcement of *Built-in-Quality* in the area of services and improvement of the results perceived by customers/stakeholders;

- The North Industrial Equipment Division is certified in terms of Quality, Environment, Safety and Energy, namely through NP EN ISO 9001:2015; NP EN ISO 14001:2015; NP EN ISO 45001:2019; NP EN ISO 50001:2019;
- The South Industrial Equipment Division covers the Quality and Environment certification according to the NP EN ISO 9001:2015 standards; NP EN ISO 14001:2015;
- Following the challenge of Toyota Material Handling Europe, participation in the international platform Ecovadis was promoted, regarding the assessment of the level of Social Responsibility and Sustainability of Toyota Caetano Portugal, which resulted in obtaining the Bronze level (Top 50% of all evaluated organizations) in 2020, with participation expected in 2022. This participation mobilized in a transversal way several departments not only of the Industrial Equipment Division, but also of the entire Toyota Caetano Portugal;
- For the eighth consecutive year, Toyota Caetano Portugal participated in the sustainable development report *Carbon Disclosure Project (CDP) – Climate Change*, promoting corporate transparency and accounting for the organization's carbon footprint, having reached level B (Management).

Toyota Caetano Portugal continues to reinforce its strategy of continuous improvement through the *Ser Kaizen* Program, whose results were recognized by the Management among its Employees.

Kaizen team meetings were also implemented, through a digital platform, to maintain the continuity of continuous improvement procedures, when teleworking increased (COVID-19 pandemic prevention).

Environmentally, working with Toyota and Lexus electrified 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 the implementation of its *Toyota Environmental Challenge 2050* program, in coordination with Toyota Motor Europe.

For this result, the Carbon Disclosure Project (CDP), by supporting us in the calculation of the carbon footprint, has greatly contributed to the enhancement of our strategy of massification of electrified vehicles in the national market. Another of the improvements implemented, towards carbon neutrality, was the change from conventional electricity consumption to green energy (from renewable sources).

The energy efficiency actions implemented in our buildings and processes were also subject to significant improvements, namely the gradual transformation of buildings to LED lighting, substantially reducing consumption. All these measures have helped us to improve the results obtained at CDP, with our objective being to move from level B+ to level A (A-Leadership; B-Management; C-Awareness; D-Disclosure).

Our Companies in 2021 and perspectives for 2022

Toyota Caetano Portugal, S.A.

The year 2021 was, for Toyota Caetano Portugal, a year of resilience in unknown, uncertain and tendentially unfavorable contexts.

The different activities of Toyota Caetano Portugal (import and distribution of vehicles and parts; import and sale/rental of industrial and industrial equipment), through its People and processes, not only faced the difficulties they encountered but even largely overcame them.

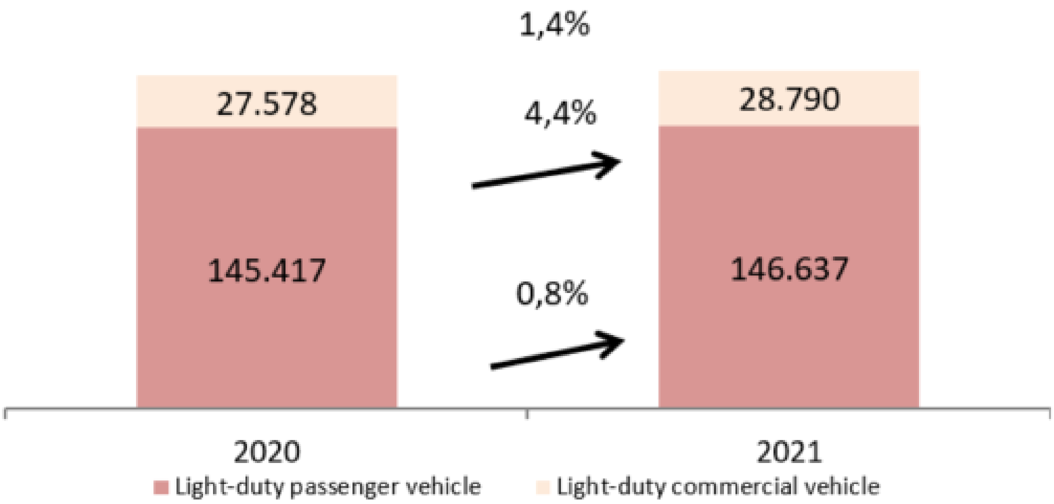
Import and Distribution Activity of Toyota and Lexus Vehicles

I. Framework of the Light-duty Vehicles Market

After the beginning of the recovery from the effects of the first wave of Covid-19 throughout the second half of 2020, the appearance of a new wave at the end of that year and the corresponding new confinement in early 2021, conditioned the expected rapid and expressive recovery that was anticipated for the first half of 2021.

In addition to this situation, the strong supply restrictions experienced by semiconductor producers, which were felt more strongly throughout the second half of the year, affected the entire automotive industry, which was unable to comply with the planned production plans, thus unable to achieve a volume of supply corresponding to the progressive growth in demand resulting from the post-confinement.

As a result of this situation, the second half of the year was marked by monthly sales figures that were continuously lower than those of the previous year, which led to a situation of near stagnation in the light vehicle market as a whole, with a positive variation of only 1,4%The passenger car market grew by only 0.8%, with the light commercial vehicle market having the most significant amount, with a variation of 4.4%.



Source: ACAP

We can thus summarize the following as preponderant factors for the performance of the market:

1. Declaration of the State of Emergency for the period of 3 months between January and March, conditioning the commercial activity of car sales dealers;

2. Restrictions on the availability of vehicles for delivery to most brands as a result of limitations in the supply of semiconductors.

3. As a positive factor, there was some recovery in the rent-a-car market, influenced by the progressive recovery of tourist activity.

II. Toyota vehicles

Contrary to what was seen in the overall market, Toyota stood out for **presenting an expressive growth of 31%,** which corresponded to a total of 10.364 units and the rise from 9th to 6th place in the total light-duty vehicles.

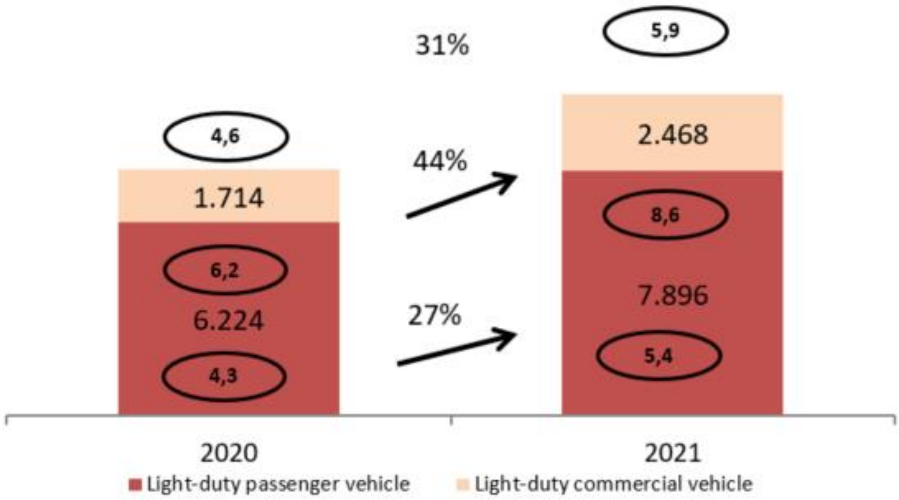
This sales volume corresponded to a total market share of 5.9%, which thus registered a **growth of 1.3 p.p. compared to 2020**.

Breaking down this performance by sub-markets:

- In Passenger Cars, Toyota **presented a growth of 27%**, with a corresponding evolution of market share from 4.3% to 5.4%. Contributing to these results was the consolidation at the top places of the respective segments of the Yaris, elected *Car of the Year 2021*, Corolla and C-HR, and the entry into new and representative segments with the new Yaris Cross models, an B segment SUV, launched in September, and the Plug-in hybrid version of the RAV4, very important for the corporate segment, due to the tax benefits associated with this type of motorization.

  It is also worth mentioning the start of sales of the Toyota Mirai model, the brand's only hydrogen electric model and a pioneer in fuel cell technology, which is expected, with the future availability of hydrogen supply infrastructures, to make an important contribution to the brand's path towards carbon neutrality, in accordance with the *Beyond Zero* strategy, which aims at more than reducing the volume of emissions;

- In light-duty commercial vehicles, Toyota was the brand with the highest volume of growth, with a very expressive record of 44%, which corresponded to its positioning as the fourth brand, with a market share of 8.6% (+2.4 p.p. compared to 2020). This growth was mainly supported by the new Proace City model, which competes in a segment that represents 56% of the Light Commercial Vehicles market, and by the Hilux model, which continues to lead the pick-up segment for the ninth consecutive year.



Source: ACAP

For 2022, the priorities and global objectives defined include:

- Continue to focus on the brand's image and value, asserting leadership in terms of electrification through Hybrid technology, the innovative Fuel Cell technology (FCEV) through the Mirai model and also entering the battery electric vehicle (BEV) segment, with the Toyota bZ4x model, whose sales start are scheduled for the second quarter of 2022;

- Capitalize on the sale of hybrid vehicles through the most representative models in terms of sales – Yaris, Corolla, C-HR and RAV4, supported, in the case of the Yaris, by the recent launch of the Yaris Cross version, which competes in a segment that represents 26% the passenger market;

- Successful launch of the new Aygo X model, a crossover with an innovative positioning in the A-SUV segment and of capital importance for attracting new and young customers to the brand;

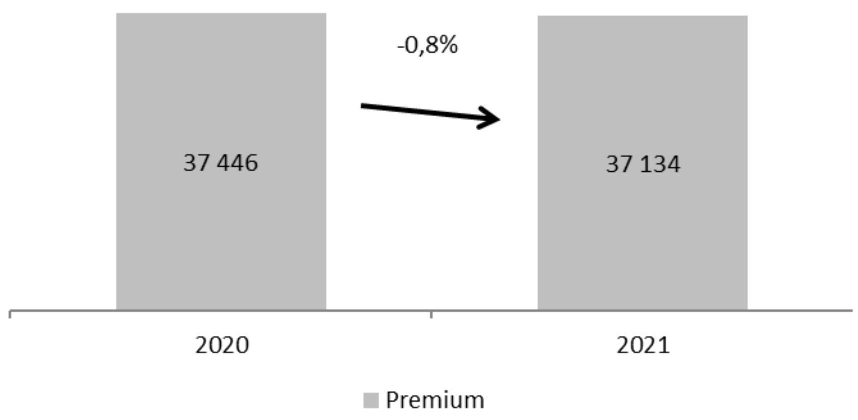
- Continuous focus on the commercial vehicle range, exploring new segments and areas of activity through the recently updated Hilux range, complementing the brand's vast offer with the Proace and Proace City ranges;

- Mitigate the impact of lower stock availability in some models, due to the effects of semiconductor shortages, investing in commercial actions focusing on models with greater stock availability and seeking, together with the Dealers network, to maintain normal sales activity with lower stock levels than usual;

- Provide a wide range of accessible and flexible mobility solutions, through the offer of exchange cycle products in order to maximize the permanence of customers and vehicles in the official network of the Brand, in true communion of efforts with our business partners such as Toyota Financial Services and the GSC Mobility company, Kinto Portugal.

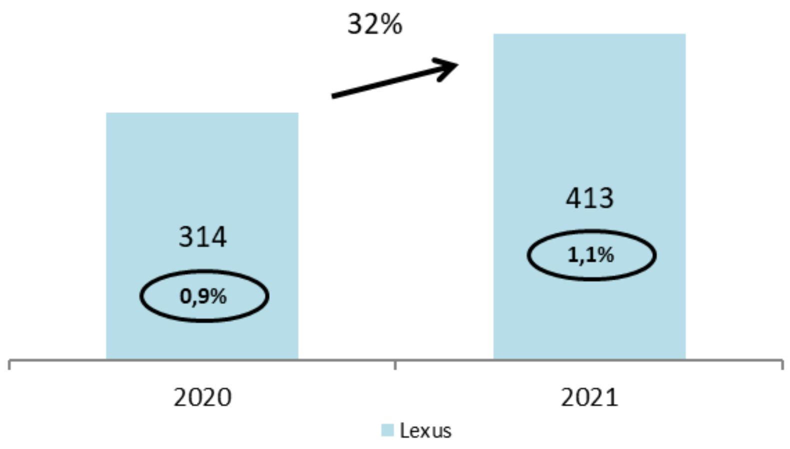
III. Premium Market Framework

The Premium Market, although registering the expressive value of 25% of the total passenger market, showed a slight decrease compared to the values registered in the same period of the previous year (-0.8%), thus being guided by a relatively close alignment, but more negative than that seen in the global market for light passenger vehicles, which was limited to a growth of 0.8%.



IV. Lexus cars

Similar to what happened with Toyota passenger cars, **Lexus also recorded a significant growth of 32%** compared to the same period last year, which corresponded to a premium market share variation of 0.2 p.p.. The brand's good result was mainly based on the **excellent performance of the UX model, in the hybrid and battery-electric variants**. The launch of the new UX300e model, which marked the brand's entry into the fully electric vehicle segment, and the repositioning of the UX250h model, with the launch of a new (hybrid) version, thus made a decisive contribution to this result.



For 2022, the global goals include:

- Reinforce the positioning of innovation and leadership in the area of electrification, leveraged in the wide range of hybrid vehicles, plug-in hybrids (PHEV) through the new NX450+ model, and battery electric vehicles;
- Explore the full potential of the launch in the first quarter of the new NX model, in its hybrid and plug-in hybrid variants, which will allow the brand to be properly present in a segment that represents 20% of the total premium market;
- The availability of electric (UX300e) and plug-in (NX450+) versions will also allow the brand, given the current tax context, to have unprecedented arguments to address the corporate market.

Outlook for 2022

Although with some uncertainty in view of the recent upsurge in the number of new cases of COVID-19 and the uncertainty as to when most brands will return to normal production levels, overcoming the current difficulties with limited availability of semiconductors, it is expected, throughout the year, a significant recovery compared to the last two years of low sales volumes in the automotive market.

Thus, we foresee a progressive recovery in sales volumes throughout the year, which will culminate in the annual growth of the Global Light Vehicles Market, in the order of 26%, which will correspond to a total of 222.000 units, a figure that is still far from the 262.000 units achieved in 2019.

Regarding the Toyota and Lexus brands, which in 2021 recorded very significant sales growth figures compared to the market (+31% and 32% compared to 1.4% of the total market), and despite the possibility of some limitation of supply availability in the first half of the year for some models, growth is expected to be slightly above what the market's growth prospects are.

Import and Distribution of Toyota and Lexus Parts

The After Sales Division earned a total of 35.6 million euros in 2021. This amount includes the *Warranty Extension* and *Total Assistance* services, whose turnover corresponded to 1.5 million euros. In addition, 2.7 million euros were billed in warranty parts.

The commercial activity of parts (genuine & national incorporation), which excludes accessories, guarantees, and services, totaled 28.7 million euros. **This value translates into a growth of 10.1% compared to 2020**.

Parts Sales 2020	Parts Sales 2021	Variation % 2021/2020
26 125 497 €	28 761 790 €	+10,1%

Revenue from accessories (which includes merchandising) totaled 2.6 million euros. **This value is 22.2% above the turnover obtained in 2020**.

Accessories Sales 2020	Accessories Sales 2021	Variation (%) 2021/2020
2 129 395 €	2 602 385 €	+22,2%

In 2021 we are living the second year under the influence of the global pandemic COVID-19, but, although penalized with periods of confinement and restrictions, the evolution of the virus and the expansion of vaccination allowed an increase in customer mobility.

Once again, as it was an atypical year, TCAP was particularly committed to developing actions capable of countering the negative scenario, and which also contributed to the recovery seen in relation to 2020.

We highlight some actions taken:

- The year began with the *2021 Campaign with Confidence*, in which brake shoes and discs, batteries, brushes and cabin and activated carbon filters were promoted;
- Launch of new Workshop Retention Campaigns, during the summer months and at the end of 2021;
- Continuous development of proactive and individual communication with customers through the Toyota Notice Program;
- Strengthening the communication of the 5+ Service, as a strategic pillar of retention;
- National Toyota Day, also playing an important role in customer retention;
- Improved communication of the Vehicle Collection and Delivery Service, as well as other mobility services;
- Development of the Reception Preparation Program;
- Promotion of the sale of accessories with challenges, videos and new products;
- 9 months of Trade promotional actions (focused exclusively on selling items over the counter), as well as training focused on skills;
- Reinforcement of online booking with new Network services, vouchers and other features.

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

Also at this level, TCAP's after-sales performance was also internationally recognized by Toyota Motor Corporation and Toyota Motor Europe, with the attribution of:

- European recognition under the Customer Excellence Award 2020, for leadership, dedication and effort in the past year;
- Selection of the 5+ Service as a “world-class practice”, with a presence on the BIT Hub (TMC portal for sharing good global practices);
- A position in the European TOP 3 for strategic leadership in the Value chain (VCPM21);
- Selection of various initiatives (eg communication of accessories, Toyota Notices Program...) as European best practices within the scope of Value Chain Management.

These recognitions reinforce the continuous commitment of the entire value chain to a "One Stop Shop" concept where the customer will find everything they need for their Toyota, with excellent service, sales of genuine parts and accessories, maintenance contracts, sale of branded insurance, flexible mobility solutions, as well as availability of new or used vehicles.

Outlook for 2022

The year 2022 will once again be a year of great challenges for the after-sales activity.

The scenario of decrease and aging of the vehicle fleet will continue, so it will be necessary to continuously improve proactive contacts with our Customers, from the booking of services to the delivery of vehicles, covering the entire value chain, always focused on exceed the Customer's expectations, investing heavily in the digitalization processes of the activity, in order to increase the incorporation of services/parts and accessories.

It will be with this set of initiatives, based on a young, competent and dynamic team, that Toyota Caetano Portugal will certainly continue to grow in terms of Customer recommendation/retention, and implicitly increase sales of parts and accessories services.

Import and sale / rental of industrial equipment

I. Market analysis

	Market			TOYOTA Sales				
	'20	'21	Variation	'20		'21		Variation
			%	QT	Market Share	QT	Market Share	%
Counterbalanced Forklifts	1.095	2.135	95,0%	210	19,2%	441	20,7%	110,0%
Warehouse Equipment	2.474	3.050	23,3%	421	17,0%	854	28,0%	102,9%
TOTAL MMC	**3.569**	**5.185**	45,3%	**631**	17,7%	**1295**	**25,0%**	105,2%

Source: FEM (European Material Handling Federation)

Despite the impacts of the COVID-19 pandemic, 2021 saw a significant recovery, with the Cargo Handling Machine market growing by around 45%.

With regard to Toyota equipment, in 2021, 1.295 orders were placed, which in a total market of 5.185 units, corresponds to a market share of 25%.

II. Toyota Sales Performance by Segment

With regard to the **Counterbalanced Forklifts** segment, sales increased by 110% over the previous year, putting Toyota's market share in this segment at 20.7%.

In the **Warehouse Equipment** segment, the same trend was also observed, with sales growth of around 102.9% compared to the previous year, placing Toyota's market share at 28%.

It should be noted that this growth in the 2 segments was due, on the one hand, to market growth and to the fact that the negative impact felt in the previous year was very pronounced.

III. Outlook for 2022

Considering the current situation, the outlook for 2022 is very uncertain and volatile.

However, waiting for the health situation to be under control, we believe in the continued recovery of economic activity.

With regard to Toyota's performance, another challenging year is expected in view of the conjuncture, as well as the growing aggressiveness of competing brands that has been observed.

Without losing the focus on customer satisfaction through the provision of a good level of assistance service, flexibility and, above all, a posture of true partnership with our customers, we will also direct our attention to the trilogy *People, Planet and Profit* in the exercise of our activity, seeking to optimize results, through increasingly sustainable processes and assuming a posture of social responsibility with our stakeholders.

Industry – Ovar Factory

The year 2021 was of special importance for Ovar Plant, with the celebration of its 50th anniversary.

Quoting Toyota Caetano Portugal's Chairman, Mr. Eng.º José Ramos, "The Ovar factory was born from the determination, struggle and persistence of our founder, Salvador Fernandes Caetano, a man who worked throughout his life".

Since the beginning of its activity, in 1971, this automotive production unit has experienced several ups and downs, and the strong spirit of resilience and family among all employees was and is one of the fundamental factors that allowed and still allows to overcome the difficulties and always find new solutions.

I. The year 2021

In 2021, Toyota Caetano Portugal – Ovar Plant produced a total of 1.947 Land Cruiser Serie 70 (LC70) model, as part of its main vehicle assembly activity.

In this activity, in the year now ending, there was a continued recovery in production volume that began to be felt at the end of 2020; the year 2021 thus ends with a 33% increase in production volume compared to the same period last year, although this volume was still lower (by 19%) compared to 2019 (pre-pandemic).

Due to the high volume of orders in the last quarter of 2021 and the forecast of an OAP22 (original annual plan 2022) of 3.005 units, it was necessary to prepare the factory for this challenge, namely: carrying out Jishuken's (quick actions to study and implement improvements impacting the production process) leading to an increase in the efficiency of the process and readjust the factory takt-time, that is: prepare the increase in installed capacity to 14 units/day (+40% compared to 2021), to be implemented in January of 2022.

In the activity Post Production Options (installation of options locally) / Pre Delivery Inspection (preparation for delivery) – PPO / PDI – 5.077 units were transformed/prepared, an increase of 16% compared to the same period of the previous year.

Regarding the electric and hydrogen bus chassis for sale to CaetanoBus, 39 chassis were produced, in line with the previous year.

PRODUCTION	2021	2020	2019	2018	2017
Toyota Physical Units (LC70)	1.947	1.465	2.393	2.114	1.913
Transformed/Prepared Physical Units (PPO / PDI)	5.077	4.380	5.577	3.776	3.469
Physical Units Electric Chassis for Buses	39	40	-	-	-
Total Employees	186	184	197	194	177

The following events that took place during 2021 should also be highlighted:

- Visit of senior positions at Toyota Motor Europe in the areas of supply chain, research and development (*R&D*), purchasing and sales, within the scope of the electric mobility projects under study;

- As part of the factory's 50th anniversary celebrations, on September 24, TCAP Ovar's employees were challenged to participate in Team Building activities, throughout a different day, full of conviviality and good mood;
- TCAP – DFO was involved in the production of 565 units referring to the special edition LC70 – 70 years old, model production started in Japan in 1951.

II. Outlook for 2022

The challenge for 2022 is to transform the present and be part of building the future in the area of electric mobility.

Several projects are being studied in partnership with external entities and with the support of Toyota Motor Europe and Toyota Motor Corporation for the production of electric vehicles, which could, in the short term, increase the diversity of products manufactured and reduce dependence on factory of its flagship product, the Toyota Land Cruiser 70.

These projects, strongly geared towards electric mobility, are challenging, given the demand in terms of acquiring and developing new skills for the Ovar plant and, at the same time, highly motivating for presenting themselves as the future and sustainability of these activities.

In terms of current activities, in 2022, an increase in the volume of orders is expected in all areas, more specifically in the LC70, which will allow us to achieve the highest production volume since the beginning of the project, 2015; and in the assembly of the e.Chassis as a result of the planned evolution towards green mobility in the area of buses.

In order to face all the challenges posed, the factory is undergoing a transformation process, in order to become more efficient and ecological, also contributing to the Toyota 2050 zero emissions environmental challenge.

Caetano Auto

I. The year 2021

The activity in 2021 was again conditioned by the context of the COVID-19 pandemic, as we had already experienced in the previous year.

Once again, the measures to control the pandemic, with greater impact in the 1st semester, forced the confinement of people, temporary closure of non-essential activities, teleworking and restrictions on the movement and entry of foreigners. These measures drastically affected people's mobility, which is directly reflected in the car trade and repair sector.

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

In view of the business crisis situation, in the months where the effects of the pandemic were most felt, from February to April, the Company used the Progressive Recovery Support mechanism with a reduction in the normal working hours of our employees. This measure and the reduction of other expenses associated with the drop in activity helped to balance the result through expenditure.

In the **new vehicle** activity, the number of vehicles sold in 2021 was 23% higher than in 2020, a performance superior to that recorded in the national light vehicle market, which grew by only 1.4% compared to the previous year. However, despite this recovery, we are still 16% below the number achieved in 2019.

In **used vehicles**, there is a 3% reduction in units sold compared to 2020 and an 8% drop compared to the level reached in 2019.

	2021	2020	2019	*21 vs 20*	*21 vs 19*
New vehicles sales (units)	4.080	3.304	4.836	*23%*	*-16%*
Used vehicles sales(units)	5.570	5.733	6.061	*-3%*	*-8%*

The constraints in the supply chains, which particularly affected the entire automotive sector, had an impact both on the activity of new vehicles, by extending delivery times, and on the activity of second-hand vehicles, where the lack of product was more reflected in the activity of the 2nd semester.

In the **after-sales service** activity, using the indicator of the number of vehicles that entered our workshops, there is a number of mechanics entries at the same level as the previous year and a 10% growth in collision entries. Even so, compared to 2019, we are 18% down in mechanics and 16% down in collision, which significantly affects the profitability of this activity.

	2021	2020	2019	*21 vs 20*	*21 vs 19*
No. Mechanical Entries	87.059	87.220	105.950	*0%*	*-18%*
No. Collision Entries	23.833	21.755	28.296	*10%*	*-16%*

In global terms, the impact of the pandemic on turnover in 2021 was not as expressive as in 2020, with this year's turnover 12% above the previous year. However, compared to the pre-pandemic benchmark (2019), there is a negative variation of 12%.

	2021	2020	2019	*21 vs 20*	*21 vs 19*
Turnover (k €)	211.630	188.332	241.302	*12%*	*-12%*

Despite the improvements compared to 2020, it was still not possible in 2021 to reach the expected results in terms of turnover. However, the improvement in margins and the containment of expenses allowed Caetano Auto to exceed the estimated operating results.

II. Outlook for 2022

For 2022, despite the uncertainty about the evolution of the pandemic, Caetano Auto is expected to continue on the path of recovery of activity indicators, continuing the strategy started in 2021:

- Sustainability and energy transition: dissemination and sale of electrified vehicles (hybrid, plug-in hybrid, electric, and fuel cell);
- Integrated and flexible mobility solutions on the way to the *MaaS concept – Mobility as a Service*;
- Focus on the customer and employees: to be the best dealership where we are represented (BRiT);
- Digital transformation of the business: digital marketing, video communication with customers, autonomous reception, online service booking, digitalization of administrative processes;
- Provision of complementary services/products: maintenance contracts, warranty extensions, Caetano Go loyalty card, auto insurance, financing.

CAETANO AUTO
GRUPO SALVADOR CAETANO

I. The year 2021

Vehicle sales activity:

BRAND	2021	2020	2021 / 2020 variation	
			Qt.	%
Toyota	495	359	136	37,88%

The year 2021 was a year of recovery when compared to 2020. This positive performance is even more evident when comparing the sales of 2021 with 2019 (last year before the pandemic), in fact, the performance of 2021 in relation to that year was over 61 vehicles, which represents a growth of 14.05%.

Sales in the Starlet and Corolla Cross models stood out, as the respective marketing allowed the Caetano Auto CV to reach again, and in a relevant way, the private customer and company.

As for the rent-a-car segment, it is expected that, with the resumption of tourism activity, the Company will be able to refocus on this segment, further boosting the spread of the brand in the country.

Thus, in 2021, as in 2020, the Company managed to maintain the reduction in dependence on the two main models sold (Hilux and Hiace), strengthening its product offer and mitigating the risks associated with the concentration of sales in specific models with very own.

However, Caetano Auto CV remains the market leader in the pick-up segment with the Hilux model.

After-sales activity:

(Amount expressed in €)

SALES	2021	2020	2021 / 2020 Variation	
			Amount	%
Parts/Accessories	1 208 613	1 330 804	-122 191	-9,18%
Workshop (Labor)	413 540	355 953	57 587	16,18%
Total	1 622 154	1 686 758	-64 604	-3,83%

In the after-sales activity, there was an increase in labor invoicing, which reflects more production, however, the volume of invoicing in parts and accessories did not follow this growth, even reaching a reduction compared to the values of 2020. This performance is essentially related to the choice of customers to use aftermarket parts instead of OEM (Original Equipment Manufacturer) and, as a result of the current context, the price factor is what weighs the most in making the customer decision.

The tourism sector remains in decline (influenced not only by the drop in the number of foreign visitors, but also by the reduction in visits by emigrants to the country), significantly impacting after-sales activity.

The performance at service stations, essentially maintenance (oil and filter changes), reacted late, given the lack of traffic in the city; the financial situation of the population clearly impacted this activity.

II. Outlook for 2022

During 2022, Caetano Auto CV focus will be:

- To maintain its dominant position in the sale of new Toyota vehicles, maximizing the range of products available, thus reaching a larger target audience;
- Dynamize the itinerant trade of parts;

- Improve internal processes in terms of the after-sales organization in order to be able to increase not only sales to private customers, but also through the insurance channel.

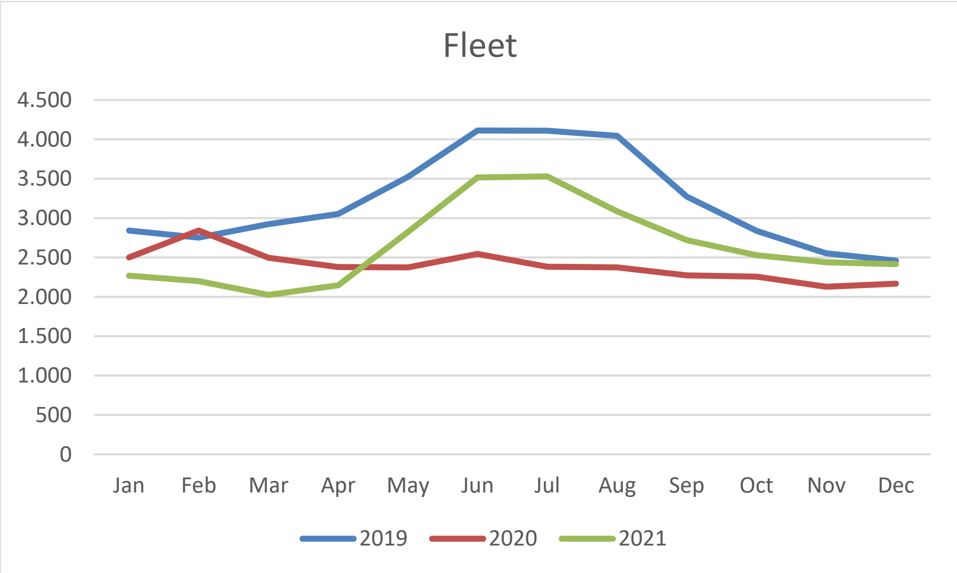
I. The year 2021

The progressive opening of foreign markets and advances in vaccination campaigns allowed a slight recovery in tourism in 2021, which also had a positive impact on rent-a-car activity.

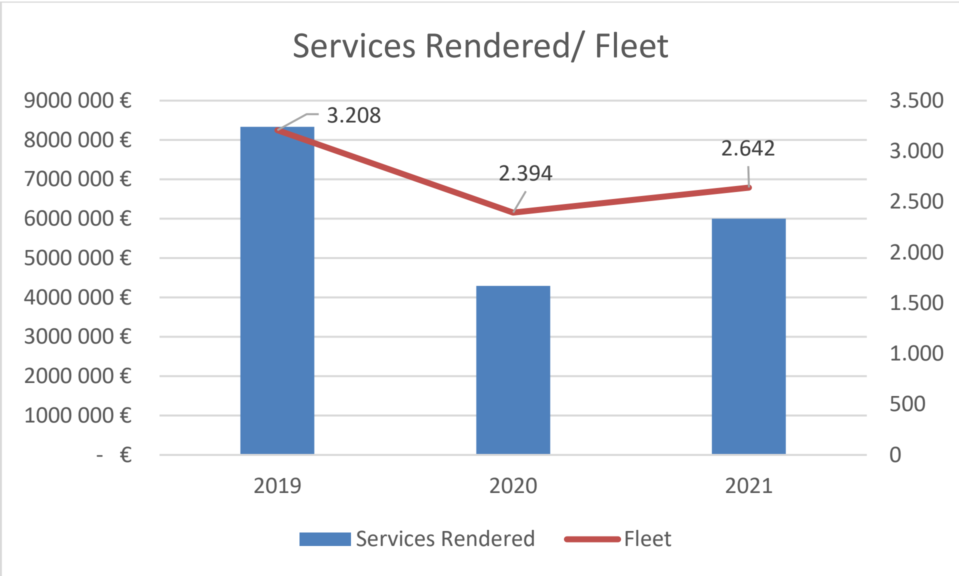
This growth trend was reflected in an average value of units in the fleet of 2.642, which represents an increase of 10.36% compared to 2020, but still 17.64% below the figures for 2019.

Between June and August there was an increase of around 38% of units in the fleet, in relation to the same period of the previous year, having reached a maximum of 3.530 units in the month of July.

We ended the 2021 fiscal year with a fleet of 2.417 units.



As a result of the above, there was an increase in the Services Rendered item, which reached the value of 6M€, which means an increase of around 39.6%, compared to the previous year.



II. Outlook for 2022

Regarding the recovery of the tourism sector, it is not expected to reach pre-pandemic levels in 2022 (2019), however, a relevant growth is expected compared to 2021. The success of the vaccination process in Portugal is a crucial element for attracting tourism confidence.

In this way, the outlook for 2022 is optimistic, with an increase of around 11% in expected deliveries of vehicles to rent-a-car, which is our main market segment.

KINTO PORTUGAL, S.A.

I. The year 2021

The 2021 financial year continued with an atypical period, due to the COVID-19 pandemic that emerged in mid-March last year. The pandemic brought micro and macroeconomic challenges to all economies and its impact naturally varied between sectors, companies and depending on various factors.

As far as the car market is concerned, in 2021 the number of registrations of light vehicles increased by 1.4% to 175.4 thousand units, when compared to the accumulated registration of 2020.

The operational vehicle rental market decreased to 24 500 vehicles (-9.6% compared to 2020 and -34.5% compared to 2019). Nevertheless, Kinto Portugal ends the year with an accumulated market share of 14% (at the end of 2020, it was 13%).

The instability and uncertainty in the market resulting from the pandemic crisis contributed to a significant increase in the extensions of operational renting contracts. In accumulated terms, in 2021, Kinto Portugal registered around 1 082 extensions[1], which represents more than 53% of the requests registered in the same period of the previous year.

KINTO

At the end of 2021, the Company invested in a rebranding process and is increasingly dedicated to investing in new products for the automotive market, based on smart, easy-to-use and environmentally friendly mobility products.

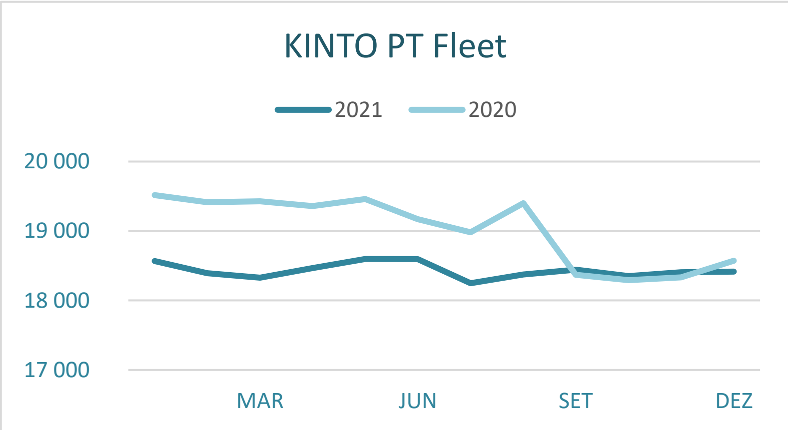
In this sense, we highlight the positive result obtained with the subscription of the Kinto Flex product. This product offers exceptional flexibility for all mobility needs. In addition to the services provided in a traditional lease, the customer can receive the vehicle with a single click for periods between 1 and 12 months with total flexibility.

In terms of electrified fleet, also one of the strategic lines, Kinto Portugal ended the year with the best year ever, with 30% of its monthly orders referring to this type of vehicle.

[1] Extensions are understood to mean the prolongation of operational leasing contracts for a period of more than 6 months.

Evolution of Finlog's FSL[2] and FM[3] fleet

As a result of the pandemic crisis that continued to ravage the world economy during 2021, we found that the active fleet of the car market was significantly impacted by the degree of uncertainty resulting from this crisis.



Kinto Portugal concluded the first half of 2021 with a fleet of 18.596 vehicles, which represents a decrease of 574 vehicles (about -3.0%), when compared to the same period of the previous year.

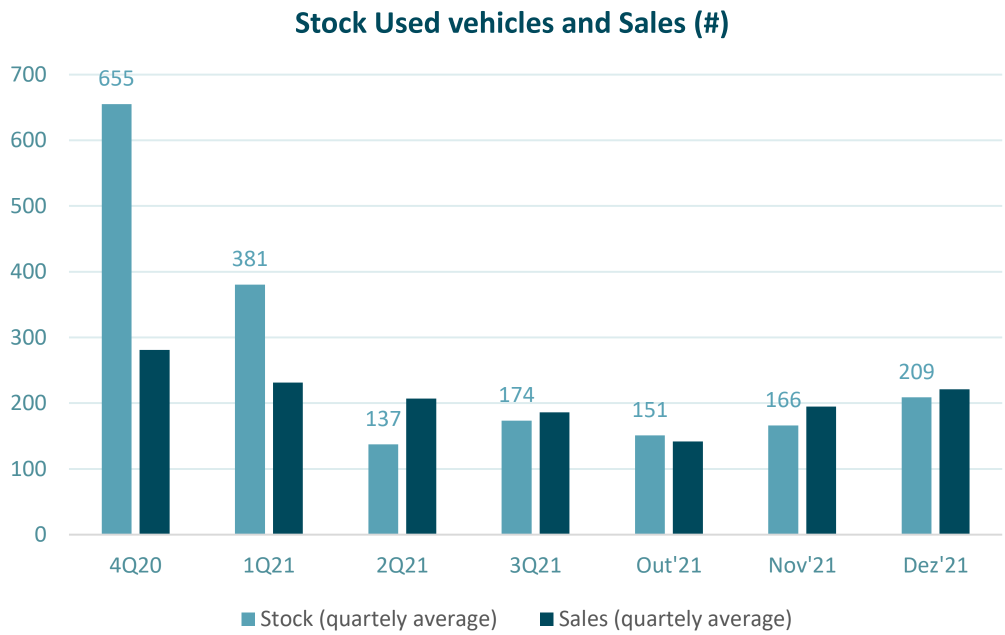
Nevertheless, and despite the recovery recorded in the second half of the year, with the total active fleet on 31 December 2021 being similar to the same period in the previous year, around 18.415 vehicles, it is expected that the registration of the automotive market will continue to decline due to the lack of availability of vehicles[4].

Company Activity

Turnover decreased by about 8.8% compared to the previous period, with the pandemic having adverse and distinct effects for both periods.

	2021	2020
Turnover (millions €)	98,9	108,4

[2] FSL: Full Service Lease
[3] FM: Fleet Maintenance
[4] The figures shown are naturally impacted by the number of extensions mentioned above.



The increase in stock resulting from the initial period of the pandemic provided greater availability of vehicles, and with that an opportunity to launch new products for the reuse of first-cycle renting vehicles: the conclusion of operational renting contracts with used vehicles and also for the Kinto Flex product, as well as sales to the end customer. In this context, the remarketing and logistics of used vehicles was completely revised in order to respond to these challenges in line with the expectations of the various customers.

Compared to the previous year, sales of used vehicles to end customers grew by around 54%, being the best year ever and with significant contributions to remarketing margins. Additionally, it was found that this market segment continued to be strongly affected by the lack of components in the automotive market, which in turn contributed significantly to the high pressure of market prices on used vehicles.

II. Outlook for 2022

Notwithstanding the global pandemic crisis, Banco de Portugal recently presented more optimistic forecasts for the growth of economic activity, with this growth trajectory being fundamentally supported by the expectation of maintaining favorable financial conditions and the expected support from the European Union.

As far as the automotive market is concerned, the sector has invested mainly in the technological and environmental component of vehicles but, in addition to the growing challenge to use electric and hybrid vehicles, new formats of vehicles use are also gaining increasing relevance, as well as connected and autonomous vehicles.

Consumers are increasingly aware that owning a vehicle is not the only solution, with a wide range of solutions available on the market. In this context of supply pressure, transversal to the various sectors including the automobile, Kinto Portugal intends to continue to expand its sustainable mobility solutions beyond Kinto One (renting), such as the recently launched Kinto Flex (flexible renting up to 12 months) and Kinto Share (a fully digital solution that allows shared use of vehicles).

The future will increasingly involve “listening” to the customer and adapting the business to their needs. In this sense, Kinto Portugal's strategy is already based on the construction of a very comprehensive mobility offer in order to fully meet the mobility needs of companies in the market.

CaetanoBus

I. The year 2021

Resulting from the pandemic crisis, CaetanoBus experienced again in 2021, a period of great uncertainty and business instability, preventing the long-awaited return to normality. It was, therefore, a difficult year, with negative effects on the Company's activity and profitability.

The delay or cancellation of national and international tenders, the slowdown in airport activities and the restrictions on mobility imposed by Governments in most countries, greatly penalized CaetanoBus in 2021, reflected in a volume of 178 units sold, 230 units below 2020, a year that already reflected a reduction of 249 units compared to 2019, a year full of activity and historical results for this Company with the sale of 657 units.

The 2021 financial year ended with a turnover of 43 M€, 52% lower than in 2020. In terms of EBITDA, the Company presented a performance significantly lower than the previous year of-4.8M€ in 2021 (-1.6 M€ in 2020 and 7.4 M€ in 2019).

The performance of its subsidiaries (COBUS and Caetano UK) followed the negative trend of CaetanoBus, the gains and losses attributed to these companies shown in the income statement represent a total value of 314m€ (- 70m€ in 2020).

Even in this very adverse context, CaetanoBus accelerated investment in R&D in base technologies for the future growth plan. The most significant amounts of this investment were directed towards product development and prototypes, amounting to around 1,8 M€.

Important goals were achieved, namely the expansion of Zero Emissions products in Europe, the first 2 hydrogen buses were delivered in Cascais and other European cities also received this vehicle: Barcelona, Madrid, Paris, La Roche-Sur-Yon, Wiesbaden, Bielefeld, Luxembourg, Copenhagen, among others.

CaetanoBus won the National Sustainability Award, in a competition organized by the media Cofina Group and was distinguished with the AICEP Honorable Mention in the Best Investment category.

The Company has been strengthening its international presence, with the increase in sales of its zero emission buses. To leverage this growth, in a joint vision with the Toyota organization, the zero emissions buses of CaetanoBus – e.City Gold and H2.City Gold – have, since July 2021, the co-branding Toyota Caetano. It is a very important milestone, which greatly enhances CaetanoBus, to which contributed the change in the shareholder structure (which took place in December 2020), with the entry of Toyota Caetano Portugal (TCAP) as a direct shareholder of CaetanoBus. This strategic alliance reflects Toyota Motor Europe's objective to expand zero emissions mobility and leverage the sustainable bus business by contributing to its development efforts.

Aware of the impacts caused by the pandemic crisis, shareholders Toyota Caetano Portugal and Mitsui & Co, do not give up the strategic plan for expansion and growth of CaetanoBus and, in this context, one of the most significant and symbolic events of the year was the capital increase by 15M€, reinforcing the commitment to the Company.

This capital injection makes it possible to continue implementing ongoing innovation projects in zero emission mobility technologies, meeting the objectives of expanding to other geographic areas, training staff and increasing production volume.

II. Outlook for 2022

Despite the uncertainty that remains about the evolution of the pandemic crisis, CaetanoBus expects a year of 2022 of recovery of activity and profitability compared to the previous year. We estimate that the exogenous factors felt in 2021, limiting the expansion of the business, will be definitively overcome and that the mobility needs of the pre-Covid period will be re-established. At the same time, we are convinced that the release of European funds with a view to the decarbonization of European cities will be a lever in the development and promotion of the business. However, the expected growth will be insufficient to place the Company at levels of profitability similar to 2019, and it is expected that the net results in 2022 will remain in negative territory.

Caetanobus is committed to contributing to a more sustainable society, with zero emission mobility solutions.

Next year, CaetanoBus will not give up its investment path, in the commitment to innovation and the development of new production and process standards. With this in mind, shareholders are committed to supporting the Company in order to carry out its strategic growth plan.

COBUS

I. The year 2021

COBUS activity in 2021 continued to reflect the impacts resulting from the COVID-19 pandemic. Despite the start of the vaccination process that took place this year, the limited vaccine production capacity, on the one hand, and the consequent definition of priorities in vaccination by risk groups, on the other, meant that the airport industries, aviation and tourism did not recover at the expected pace. However, as vaccine production increased and the vaccination process accelerated, the global economy began to grow, albeit slowly.

In these difficult and uncertain times, COBUS was able to fulfill all orders (36 units), which were guaranteed since the beginning of the crisis, in March 2020. In addition to deliveries, with the global recovery starting in the summer of 2021, COBUS' activity saw an increase in Customer conversations and negotiations from which 16 new projects were carried out in 2021 and 46 new orders contracted for 2022 (which corresponds to about 38% of the sales volume planned for 2022).

II. Outlook for 2022

With the easing of mobility restrictions, an acceleration of airport activities is expected, which will naturally cause greater dynamics in the economy and the reopening of sales businesses postponed in recent months. However, given the unpredictability of the pandemic, the 2022 financial year still entails risks of business evolution. It can be assumed, however, that the demand for COBUS products will continue to exist and that the trend in the future will always be one of growth.

Caetano UK

1. The year 2021

The pandemic context had a negative effect on the transport business and in particular on the tourism business, the most important market in this Company.

Caetano UK's activity is significantly dependent on the supply of tourist buses (LEVANTE) to National Express and its operators, as well as on the supply of maintenance services and replacement parts. In 2020 National Express withdrew from service a large part of its fleet which, directly, impacted the acquisition of new vehicles in 2021 with the consequent negative impact on Caetano UK's turnover.

The direct effect of Brexit cannot yet be comprehensively evaluated due to the reduced activity of Caetano UK in 2021, however, at the commercial level, operators are beginning to see a preference for *made in UK*. The increase in bureaucracy and transit time in importing spare parts for stock is becoming a new reality.

During the year, several demonstrations of battery electric and hydrogen electric buses were held with strategic operators, with a view to expanding the range of customers and potential new businesses, which are expected to materialize in 2022.

In 2021, 18 buses were sold, 36 less than in 2020 (with 54 units sold) and compared to 2019, 149 less, the year in which the record of 167 units sold was reached. In terms of turnover, Caetano UK increased from £19m in 2020 to £7.3m in 2021; EBITDA went from £700m to £121m in 2021.

2. Outlook for 2022

2022 will be the year of recovery for Caetano UK.

The renewal of the tourist bus supply contract with National Express is evidence of this and will allow the company to recover and return to sustainable operational levels.

At the same time, the business with the operator Abellio London (which has operated 34 Caetano electric buses since 2020) was reinforced with the acquisition of more units that will start

operating in 2022. Caetano UK thus strengthens its position in after-sales assistance to electric buses in London.

Additionally, as a result of the numerous bus demonstration actions carried out in 2021 as well as the growing appetite for green mobility (namely hydrogen technology) of strategic operators, it is expected that in 2022 the corresponding sales will be completed.

Our Strategy

Toyota Caetano Group operates in several business areas and, although each area has its own strategy, they all converge towards a single purpose:

Being the most progressive and sought-after mobility brand on the market, which is why we are actively working to achieve carbon neutrality by 2050 with affordable and flexible solutions for the benefit of People and the Community.

... in the import and commercialization of Vehicles and Parts

In terms of commercial and after-sales activity, the objective will be to be the most progressive and sought-after mobility brand in the market. To achieve this goal, the strategy is to lead in electrification (hybrid vehicles, plug-in hybrids, 100% EV and Fuel Cell), actively contributing to the goals set at national and European level, in order to achieve carbon neutrality until 2050, presenting solutions for all types and profiles of users. In addition, it will offer a wide range of accessible and flexible mobility solutions, via an exchange cycle product offer, to guarantee the permanence of customers/vehicles in the brand, in true communion of efforts with our business partners such as Toyota Kreditbank GmbH – Branch in Portugal (Toyota Financial Services) and the mobility company of GSC, Kinto Portugal, SA.

Toyota Caetano also wants to guarantee the offer of an excellent customer experience and subsequent recommendation by the same, based on the BRIT Program (Best Retailer in Town), launched in 2019 for the entire dealer network, where everyone aims to be the best dealer in the area where they operate.

In addition to this program, the company has invested in digital channels (Omni-channel), in connectivity and associated services and in the One Stop Shop concept, where the customer will find everything they need, such as a wide range of products in terms of new light passenger and commercial vehicles, used vehicles via the "Usados de Confiança" program, sales of genuine parts and accessories, maintenance contracts, sale of branded insurance, offer of flexible mobility solutions, among others.

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

All these strategies and policies are in line with those of the manufacturer, Toyota Motor Europe, and closely follow the constant innovations in this ever-changing industry.

Toyota Caetano has defined a market share to be achieved in the coming years of 6.3%, which means an increase in sales of around 45% by 2025.

In the same period, we expect to reach levels of recommendation from clients above 80%, reach a customer retention rate in our workshop services of around 80%, generate 50,000 leads and reach 30% of appointments for workshop services via digital channels. Regarding exchange cycle products, which are very important to keep the customer in the brand, the goals were defined as the sale of 1,000 units via Kinto One (GSC car rental channel) and 50% of the units sold to individuals by Toyota Financial Services via the Toyota Easy program.

… in the activity of Industrial Machines

The strategy and objectives of the industrial machinery activity are integrated with the values of the Toyota Caetano Group and perfectly aligned with our stakeholder and main supplier, Toyota Material Handling Europe (TMHE).

For TMHE, the concept of "True North" means the ultimate vision and, pursuing this vision, implies the key attitude of challenging what you should and not what you can.

Toyota Material Handling has defined its own "True North" vision as "Zero Muda": eliminate waiting and waste in the flow of goods and data.

The "Zero Muda" vision thus constitutes the fundamental approach of the strategy: Quality in everything we do, always putting the customer first… and at the center.

Boosting the Quality (of our products and services) and the Customer Experience are, therefore, the pillars of this strategy whose implementation involves:

- Customer Focus: constantly listening to the customer, understanding their needs and offering flexible and customized solutions, responding to their expectations;
- Transformation and adaptation of the offer: (i) Availability of premium products and excellent services: more technology, greater ergonomics, greater sustainability; (ii) Diversified offer not only in terms of product but also in terms of how to operate the business (sale, medium-term rental or short-term rental); (iii) Solutions capable of responding to current challenges: automation, connectivity and productivity, more efficient and sustainable energy solutions;
- Lean Thinking: looking for continuous improvement (kaizen) in everything we do, in the development of products and in the provision of services, both in terms of cost reduction and productivity improvement;
- Competitive Advantages: strong brand image, product quality and reliability, strong focus on innovation, high know-how and experience of resources (both in sales and after sales) imbued with the strong culture of the *Toyota Way*.

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

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

From a perspective of sustainability and orientation towards the future, and with full respect for environmental preservation, TMHE has invested heavily in the development of hydrogen technology and already has hydrogen machines in operation in several European countries, which allows it to keep the brand at the forefront development and help build a more sustainable future for generations to come.

.. in industry pillar

The Ovar Factory is aligned with Toyota's vision with the objective of achieving the "Leading manufacturer for compact car profitability", following a long-term competitive industrial strategic approach.

This strategy focuses on product diversity and investment optimization, including increased production competitiveness accompanied by the construction of a globally competitive supplier base, digital transformation (I4.0), production flexibility and supply chain optimization. All with the common denominator that is carbon neutrality and with the objective of building a more agile, resilient, and qualified organization, capable of self-motivation.

The focus of Ovar's Plant is to ensure that the sustainability of the business is achieved in the long term and that it is a milestone for its future. In this sense, it is committed to exploring new business opportunities in partnership with external entities and with the support of Toyota Motor Corporation and Toyota Motor Europe; and has several projects under analysis for the production and conversion of electric vehicles.

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

As strategies for production improvement activities, Toyota Caetano Portugal, at its Ovar plant, will continue to develop the FMDS (Floor Management Development System) and implement, in all sections, the "Best Process, Best People, Best Management". We also aim at the permanent use of the PDCA cycle and the development of intelligent automation, maintaining a balance between man and machine.

Reinforcing our talent, developing and implementing the “Paperless Factory” digitization project are other pillars of the Ovar Plant's strategy, and we also intend to advance in the implementation of each Hoshin activity and show leadership in each area.

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

1st Challenge: New vehicles with zero CO2 emissions => the reduction of CO2 emissions from Toyota vehicles by 90% by 2050;

2nd Challenge: Product Life Cycle with zero emissions => eliminate CO2 emissions in all vehicle production and driving;

3rd Challenge: Zero CO2 Emissions in Factories => eliminate CO2 emissions in the factory's production process, recycle and reuse as much as possible;

4th Challenge: Minimize and Optimize the use of Water => minimize and optimize the use of water;

5th Challenge: Establish a Recycling System => promote ways of recycling to contribute to an environmentally friendly society;

6th Challenge: Establish a Future Society in harmony with Nature => operationalization of projects that contribute to the conservation of nature.

<u>The integrated strategy / 360º</u>

<u>... in automotive retail, with Caetano Auto and Caetano Auto CV</u>

Caetano Auto's five-year growth strategy aims to reach 2.9% of the light passenger vehicle market in 2026, which represents an increase in units sold in 2413, that is, growth of 60%, compared to an expected market growth of 44 % (new vehicle sales in 2021: 4,080 units, representing a market share of 2.6%); to this end, it will continue to focus on implementing integrated and flexible mobility solutions, reinforcing digital marketing policies, as well as opening and reformulating used car sales spaces.

The strategy in the after-sales area involves growth through the differentiation of the service offered, namely with the implementation of new forms of communication with the customer, digital communication with the use of video, online booking and autonomous reception of vehicles in the workshops- Easy Service.

In addition, Caetano Auto aims to intensify the offer of services in car insurance mediation and vehicle financing solutions using financial partners. Strengthening the promotion and dissemination of the loyalty card- Cartão Caetano Go is another pillar of the strategy being implemented.

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

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

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

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

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

… in the bus and clean mobility industry, with CaetanoBus

Over the last few years, CaetanoBus has been strengthening its international presence, with the increase in sales of its zero emission buses. To combine this growth with urban sustainability and help build the future of cities, in December 2020, Toyota Caetano Portugal became a direct shareholder of CaetanoBus. This strategic alliance reflects Toyota Motor Europe's (TME) goal of expanding zero-emission mobility, by leveraging CaetanoBus' long-standing bus business, and recent efforts in the development and sales of sustainable buses. 2021 was a year to continue this joint strategy. It was also a year of celebrations: on July 4, 2021, CaetanoBus celebrated 75 years. Martins, Caetano & Irmão was born on that day, in 1946, by the hands of Salvador F. Caetano: "75 years of a history that we want to continue writing and of experiences that we want to continue to collect".

In view of the continuity of the strategic partnership with Toyota, in July 2021 the brand co-branded the Zero Emissions products by CaetanoBus (e.City Gold and H2.City Gold), reinforcing the strategic commitment of both companies to expansion of sustainable mobility solutions. CaetanoBus becomes the first bus company in Europe to use Toyota's fuel cell technology, which it has integrated into the H2.City Gold system.

These projects align with Toyota's vision of the future, where zero is not the destination, but going beyond zero emissions (Beyond Zero), through the electrification journey with 100% electric vehicles and hydrogen powered vehicles. Toyota's vision for hydrogen aligns with CaetanoBus' hydrogen projects, to create buses with clean, powerful performance and without any emissions other than water, which adapt to different operating scenarios.

The partnership with Toyota may also allow CaetanoBus to strengthen the commercial area, through the possibility of turning some National Marketing and Sales Companies (NMSC) in Europe into agents that can boost sales of Caetano vehicles locally.

On the other hand, transforming these businesses into mobility solutions, more than companies that build and sell vehicles, is another point that distinguishes these brands: Mobility as a Service is a new concept to be developed, which intends not only to sell vehicles, but commercialize integrated mobility solutions.

In December 2021, the shareholders of CaetanoBus- Toyota Caetano Portugal (62%) and Mitsui & Co (38%)- increased their capital by 15 million euros. The capital increase in CaetanoBus is a strong commitment by Toyota Caetano Portugal and Mitsui & Co in the Portuguese industry, alongside the strategic development plan of the bus company.

2021 reinforced the view that Caetanobus' strategy is right: there were many messages from world leaders calling for the decarbonization of transport. CaetanoBus has been working on green transport for a long time and it will continue to invest in it. Our partners and the cities that embrace these technologies are proof that change can happen.

... in integrated mobility solutions, with Kinto Portugal

Kinto Portugal, SA (which results from the change in the corporate name of Finlog, SA) has extensive experience in managing light passenger vehicle fleets (Kinto One) in the Portuguese market. The result of this broad presence in the sector captured the interest of Kinto Europe, which culminated in the acquisition by the latter, at the beginning of 2020, of 51% of the Kinto Portugal stake. This fact led to its strategic re-framing, making it more comprehensive and with the objective of responding to the needs of sustainable mobility in the future.

Thus, in 2021, Kinto Portugal's strategic transition path began, which aims to accelerate the evolution of a company purely dedicated to the management of car fleets, to a player of

sustainable mobility solutions and services- Mobility as a Service (MaaS)- for people and cities.

The KINTO concept is not a single service or product, limited to a single location, it is genuinely diverse, it is intended to be a “one stop shop” for mobility services, with the aim of making KINTO the mobility provider of choice for all the types of customers.

In this context, an introduction of alternative mobility solutions began to be developed, centered on the concept of using the vehicle, which can go from years to minutes, with or without a driver. In implementing this strategy, in 2021 two new products were added, Kinto Flex and Kinto Share, with a fully digital experience: making available to our customers the possibility of flexible renting options, monthly (Kinto Flex), daily or hourly (Kinto Share), in which sharing the vehicles is recommended.

At the same time, it is intended to intensify the energy transition from combustion engines to electrified vehicles. In the next three years, it is estimated that the percentage of electrified vehicles in the new contracting of Kinto One will rise to values between 40 and 50%. To this end, Kinto Portugal designed a product strategy geared to the specifics of electrification, which includes a unique value proposition, from vehicles to the services needed to manage charging and energy consumption (Mobility as a Service).

Within the scope of mobility solutions for cities, Kinto Portugal, together with CaetanoBus, intends to have unique options oriented towards urban transport. The first step, focused on global fleet management solutions, is the innovation of bus leasing products with clean and sustainable technologies such as Hydrogen (H2.CityGold) as an energy source.

Kinto Portugal's path is very oriented, not only towards mobility solutions with "clean" and naturally sustainable energy, but also combined with digital experiences that allow customers to use them in a very simple, efficient way and that guarantee the integrality of the satisfaction of customer needs in the mobility area.

Our common denominator:

<u>... People and the Community:</u>

To support the entire business strategy and the challenges of our operations, people are "our main asset", the strategic pillar for the success of the business and relationship with the community. This positioning is reflected in the Toyota Caetano Group's strategy to make this house a pleasant place to grow and work.

The strategy to achieve this goal is to focus on 10 different areas:

1. Training: through the Toyota Training Academy / Ser Caetano: training centers, e-learning training offers, Ser Caetano Leadership program, knowledge retention and internships;
2. Internal communication: with a view to employee satisfaction, involvement and commitment, Toyota Caetano will increasingly focus on boosting its communication, through a narrative aligned with the Toyota Way and the dissemination of its human and business achievements, combining formal and technological with humanized and face-to-face dialogues;
3. Feedback tools: Performance and Development Management and regular communication between employees and managers (One-to-one), which constitute permanent communication platforms, as well as skills development and moments of calibration of expectations on both sides;
4. Value proposition for employees: application of flexible benefits and increase in the benefits of Clube Ser, in addition to other elements that already constitute the value proposition for the employee, such as remuneration, meal allowance, Salvador Caetano Foundation, Pension Fund, Life Insurance, Training Programs, etc;
5. Organizational climate study (Barómetro Ser Caetano and EES – Employee Engagement Survey Toyota) that allow for the consultation of Employees and the development of specific Action Plans;
6. Social Responsibility Program aligned with Toyota Ser Sustentável, based on the people and planet pillar, which aims to improve the internal and external perception of the Salvador Caetano/Toyota Caetano Portugal Group in the following attributes: social and environmental awareness; work-life balance people; health and wellness; volunteer programs; diversity and inclusion policies; integration of People with Disabilities; in addition to actions aimed at carbon neutrality;

7. Talent attraction and Recruitment: positioning of the Group and Toyota in the Employer Brand Research Randstad Study; development of outsourcing programs in non-strategic areas; implementation of assessments to analyze personality, cultural fit, language and technical skills;
8. Kaizen Program: based on continuous improvement, process standardization, teamwork and leadership development;
9. Digitization of HR processes with a view to efficiency gains and dematerialization of processes;
10. Multi-site certification at Toyota Caetano with the objective of moving increasingly towards efficiency and effectiveness gains in quality, environment, safety and energy management systems in the different areas of the company's activity.

The Performance of Toyota Caetano Group

World economy

The world economy grew around 5,9%[5] in 2021, with the global Gross Domestic Product (GDP) exceeding its pre-pandemic[6] level. This result is mainly explained by the combined effect of vaccination programs versus COVID-19, with more than 55%[7] of the global population vaccinated with at least one dose, the support of fiscal and monetary policies and the economic reopening.

January projections from the International Monetary Fund (IMF) point to a continuation of growth in the global economy, with an expansion of 4.4% in 2022.

Inflationary pressures should continue to be felt, as a result of visible constraints in supply chains and high energy prices in 2022. Improvements in global logistics and changes in the monetary policy of the various states could contribute to a reduction in the level of inflation.

[5] [IMF, World Economic Outlook, January 2022 Update]

[6] [OECD, Economic Outlook, September 2021]

[7] [IMF, World Economic Outlook, January 2022 Update]

Emerging economies and developing countries are expected to lead growth in 2022 with 4.8% according to the same IMF estimate, compared with 3.9% from advanced economies.

The projections made by the aforementioned institutions for 2022 and beyond assume the non-existence of materially negative developments, in particular related to the pandemic or geostrategic events and their respective consequences in, among others, inflation perspectives, economic growth and monetary policies of the main central banks

European Union

According to European Central Bank (BCE)[8] projections, the Eurozone will show solid economic growth in all 3 years of the forecasting exercise.

GDP is expected to grow 3.7% in 2022 and 2.8% in 2023, growing at a more moderate pace in 2024 with 1.6%. Inflation should stand at 5.1%, falling to 2.1% and 1.9% in 2023 and 2024, setting expectations in 2023 and 2024 close to the 2% benchmark.

The growth dynamics result from a strong contribution from private consumption, driven by the increase in household disposable income and the respective savings accumulated during the pandemic, also against the backdrop of a solid labor market, with the unemployment rate stabilizing in 2022 by 7.3%, decreasing progressively to 7.2% and 7.0% in 2023 and 2024, the latter being the lowest value of this indicator since the eurozone was created in 1999. Additional risks identified for the forecast result from the potential negative evolution of Russia's war in Ukraine, specifically the implications for energy prices, consumer confidence and in the impact on the European economy of sanctions on Russia.

Despite the solid economic growth, the projections assume that the 3-month Euribor rate will remain at an accommodative level in the short term, specifically-0.4% in 2022, rising progressively to 0.3% in 2023 and to 0 .7% in 2024.

Portugal

[8] [IECB, Eurosystem Staff Macroeconomic projections, March 2022]

According to Bank of Portugal[9] projections, the Portuguese economy will have grown by 4.9% in 2021, with economic expansion expected to continue with GDP growth of 4.9% in 2022 and 2.9% and 2% in, respectively, 2023 and 2024.

The maintenance of favorable financial conditions and the injection of European funds contribute positively to growth expectations.

After settling in 2021 at just 0.9%, inflation is expected to accelerate to 4% in 2022, dropping to 1.6% in 2023 and 2024. The unemployment rate drops from 6.6% in 2021 to 5 .9% in 2022, decreasing slightly to 5.7% and 5.6% in 2023 and 2024.

Consolidated analysis of the Toyota Caetano Portugal Group

The year 2021 was a year marked by uncertainty and the advances and setbacks of the world economic situation due to the COVID-19 pandemic, however, it was a year of growth. The declaration of a state of emergency in the first quarter of the year, which conditioned the commercial activity of car sales dealers, and the constraints in the supply of semiconductors, which negatively influenced the availability of vehicles for delivery, had a negative impact on the automotive sector. This impact was balanced with the recovery of the Rent-a-car sector.

In the Group, the 2021 results exceeded expectations, reaching a turnover of around 404 million Euros, an increase of 12,95% compared to the same period of 2020, thus approaching pre-pandemic values (456 M € in 2019).

[9] [BdP, Boletim Económico, Março 2022]

Gross profit as a function of turnover stood 0.67 p.p. above last year's figure. Additionally, both the weight of external supplies and services and personnel costs decreased compared to the same indicators of the same year of the previous year, contributing to an increase in EBITDA.

This year, a property was also sold, contributing positively (0.9 M €) to the consolidated results of the Toyota Caetano Portugal Group.

In 2021, Toyota Caetano Portugal, together with Mitsui & Co., Ltd, shareholders of CaetanoBus, aware of the impacts caused by the pandemic crisis and not giving up on its strategic plan for expansion and growth, carried out a share capital increase in that company, with the aim of accelerating R&D investment in base technologies / product for its future growth plan, as well as strengthening its international presence with increased sales of its zero-emission buses.

The increase in activity seen in 2021 naturally resulted in the increase in current assets of the Toyota Caetano Portugal Group, namely in terms of inventories and accounts receivable.

The reduction in net debt, associated with the increase in EBITDA, led to a relevant improvement in the net debt to EBITDA ratio, which went from 1.06 in 2020 to 0.67 in 2021.

The Group continues to reflect the continued policy of managing available resources for the constitution of an adequate capital structure.

The Group's degree of financial autonomy stands at 44.5%, 3.7 pp below the same period last year, due to the increase in the Company's total assets due to the increase in activity.

In order to summarize the evolution of the performance of the Toyota Caetano Portugal Group, below is a table of comparative indicators, in the monetary unit thousands of Euros and which do not reflect more than everything mentioned above:

m€

	DEZ/20	DEZ/21	Variation
Turnover	357.837	404.159	12,9%
Gross Profit	83.192	96.431	15,9%
% (f) Sales	*23,2%*	*23,9%*	
External Supplies and Services	38.284	40.143	4,9%
% (f) Sales	*10,7%*	*9,9%*	
Payroll Expenses	35.674	39.293	10,1%
% (f) Sales	*10,0%*	*9,7%*	
EBITDA	29.223	44.549	52,4%
% (f) Sales	*8,2%*	*11,0%*	
Operational Income	8.900	23.646	165,7%
% (f) Sales	*2,5%*	*5,9%*	
Financial Result	-2.372	-2.669	12,5%
% (f) Sales	*-0,7%*	*-0,7%*	
Net Profit	4.452	11.826	165,7%
% (f) Sales	*1,2%*	*2,9%*	
Financial Autonomy Ratio	48,2%	44,5%	

The Business Risks

In the development of its activities, Toyota Caetano Portugal SA is subject, in each of its business areas or its subsidiaries, to a multiplicity of risks, which have been identified with the aim of mitigating and controlling them. The Company's risk management is essentially controlled by the finance department of Toyota Caetano Portugal, SA in accordance with policies approved by the Group's Board of Directors. In this sense, the Board of Directors has defined global risk management principles as well as specific policies for certain areas.

Financial Risks

With regard to financial risks, the Company's risk management program, based on a perspective of long-term continuity of operations, is focused on the unpredictability of the financial markets and seeks to minimize the adverse effects arising from this on its performance.

Toyota Caetano Portugal, SA highlights three specific financial risks, the first of which is **credit risk**. This risk translates into the risk that a debtor will not settle the goods/services acquired, in accordance with the negotiated conditions, due to lack of liquidity. At Toyota Caetano Portugal, SA the probability of occurrence of this type of risk is low, however, its impact can be moderate to significant. In order to mitigate and control this risk, the companies of the Toyota Caetano

Portugal Group have set up a specific department to analyze and monitor credit risk, with the main objective of mitigating the risk of default on payment by the customer, implementing processes with using specific tools for credit assessment and monitoring, and putting in place proactive credit management procedures and other mechanisms of coverage such as bank guarantees, payment agreements, clauses for the reservation of ownership associated with vehicles sold or, alternatively, the non-transfer of ownership until full settlement of the vehicles sold, among others.

Another threat to be highlighted is the **interest rate risk**, which essentially translates into the unfavorable variation of interest rates. 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 effects 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 income lines (namely operational) of the Company/Group, thereby partially offsetting the added financial costs (natural hedge); (ii) existence of liquidity or cash available also remunerated at variable rates. It should be noted that the Board of Directors of Toyota Caetano Portugal, SA approves the terms and conditions of the financing, analyzing the debt structure, the inherent risks and the different options available in the market, namely regarding the type of interest rate (fixed /variable) and the conditions and alternatives on the market.

The last financial risk to highlight is the **liquidity risk**. This risk translates into the inability to meet its financial obligations, with this risk having a low probability of occurrence at Toyota Caetano Portugal, SA. Its management aims to ensure that the Company has the ability to obtain the necessary funding in a timely manner to be able to carry out its business activities, implement its strategy and comply with its payment obligations when due, while avoiding, the need to obtain financing under unfavorable conditions. To this end, consistent financial planning is carried out based on cash-flow forecasts at the level of operations according to different time horizons. Furthermore, a diversification of funding sources and a variety of debt maturities are ensured, in order to avoid excessive concentration of debt repayments in short periods of time. In parallel, contracts are made through relationship banks, short-term credit lines, commercial paper programs and other types of financial operations, ensuring a balance between adequate levels of liquidity and commitment fees supported. In this context, the CFO regularly monitors the level of funding obtained, available credit facilities, cash availability as well as the prospects of cash out flow in the short and medium term, including needs resulting from investment plans.

<u>External Risks</u>

Another type of risks are external risks, which, not being directly related to the Company, have an influence on it. Three different risks can be highlighted: the risk of supplying goods and materials, the risk of the macroeconomic context and the risk of competition.

The **risk of supplying goods and materials** translates into the risk of lack of components, materials, raw materials necessary for the production and normal functioning of the Company. The SARS-CoV-2 pandemic led to constraints in the supply chain, with a shortage in the supply of components; in parallel and as a consequence, the logistics associated with the transport of goods were also affected; in fact, the total time associated with the transport of these goods has become longer (longer lead time in the provision of this service), a fact that results from the generalized reduction in the use of this service combined with the need for operators to make the most of the means used. As a result, the relevance of this risk increased, from low to medium to high.

The impact of this risk on the Company's activity is now rated as moderate to significant. To deal with this context, the companies of the Toyota Caetano Portugal Group implemented concrete measures, namely:

- i. the industrial area, namely in the assembly of vehicles, focused on the production of models in which there is less shortage of materials; this strategy is fully coordinated with the customer and relevant suppliers involved in this activity;
- i. in the area of cargo handling machines, considering the weak ability to influence the supply chain, recourse is being had to the placement, with customers, of used equipment on temporary lease or lease;
- ii. III stock management, both upstream (suppliers) and downstream (dealers and end customers) is carried out rigorously, in line with the current scarcity context;
- iii. sales are being oriented towards the most profitable channels;
- iv. The management of demonstration, courtesy and service vehicles was also revised, opting for a lower rotation without compromising the dissemination and promotion of the represented brands;

v. the guidelines on the vehicle exhibition matrix were revised, adapting them to reality, namely: lower number of vehicles on display and placement of semi-new vehicles in the stands allocated to the activity of new vehicles;

vi. the discount policy for customers was also revised;

vii. In a transversal way, and in line with the usual practice, the companies of the Toyota Caetano Portugal Group have reinforced their strategy of reducing costs and optimizing available resources;

viii. additionally, and also as a common denominator for these companies, there is a strengthening of communication with employees, suppliers and customers to inform about the challenges we face; in particular, with customers, the implementation of contracts for later deliveries has been encouraged, thus witnessing an increase in the contract portfolio.

As for the **macroeconomic context risk**, this is the risk of external macroeconomic factors influencing the financial/productive capacity of a company. This risk was also boosted by the pandemic, with the deceleration of economic activity and the increase in interest and inflation rates being the main factors that influenced the increase in the probability of occurrence of this risk from low to medium. The Firm closely monitors all macroeconomic changes in Portugal, Europe and the rest of the world, in order to ensure that it is on top of the situation and ready to act at the right time.

Finally, the **risk of competition** translates into the risk of losing market share to other competitors. In the current scenario, the Firm seeks to ensure that it does not lose its current market share, and thus invests in a strategy based on innovation, service excellence, greater presence in digital channels and sustainability. In addition, it is important to highlight that Toyota is a renowned and prestigious brand, with several proofs given in terms of innovation and product diversification. Examples of this are the Beyond Zero strategy, where the destination is not zero emissions but going beyond that, a strategy combined with the offer of more and better mobility for everyone, promoting a more sustainable future, and the BRIT (Best Retailer in Town) program, which has with the objective of motivating all dealers to be the best in the areas where they operate. It should also be noted that the Company frequently performs benchmarking actions against its competitors. Therefore, this risk is considered to have an average probability of occurrence.

<u>Information technology and cybersecurity risks</u>

IT and cybersecurity risks are fundamentally risks related to the security of information systems. Information systems form the basis of the Group and, as such, the existence of a security culture that provides all employees and partners with a clear perspective of their responsibilities in the field of information security is considered of strategic importance. Any security breach, whether intentional, negligence or criminal, can have an impact significant impact on data confidentiality, on the quality of operations, on the availability of information, among others, which could negatively affect the Company's profitability and reputation. It is essential to ensure that all employees have access to the information necessary for the performance of their activities, but requiring them to respect the implemented information security controls and commitment to the values of confidentiality, integrity and availability. In this sense, the Society adopted the Toyota Motors Corporation safety framework called All Toyota Security Guidelines. This includes a set of technical and organizational measures in different areas, namely in information security management, operational and network security, physical security, incident management, classification and protection of information, access control, in risk analysis and training.

Considering the diversity and complexity of the areas of Information Systems in general and Information Security in particular, Toyota Caetano Portugal, SA outsources services related to Information Systems to Rigor, Consultoria e Gestão SA, a Salvador Caetano Group company with expertise in all domains of Information Systems.

In view of the increase in teleworking, the increase in cybercrime and the evolution of the techniques used by cybercriminals, the Company not only maintains constant monitoring and audits of its systems, but also has plans to implement additional technical and organizational measures to face these new risks.

Safety and Health Risk

The area of safety and health is one of the main pillars of the Toyota Caetano Portugal Group. The safety and health of its employees is a priority for Society and, as such, various training actions are carried out throughout the year with the aim of promoting and maintaining high levels of physical and psychological well-being, as well as preventing and reducing risks. professionals. In addition, employees have access to free occupational health services at Clínica Ser Caetano and financial support for healthcare expenses through the Salvador Caetano Foundation.

The last few years have been particularly challenging in this area due to the SARS-CoV-2 pandemic and the Group has ensured constant monitoring of its employees, either through its Clinic or by sending monthly newsletters with recommendations to all Employees and updating measures. related to COVID-19. This risk, hitherto neglected, has become a risk with a significant impact on the Company and is monitored with the utmost attention by all parties involved.

Risk of attracting and retaining qualified talent

The current context of a highly competitive job market and with increasing levels of talent shortages directly influences the ability of companies to successfully achieve the objectives and strategy foreseen for their activity. In this sense, we may be facing a risk whose probability of occurrence is increasingly high and its impact can be significant.

In order to respond to these new trends in the area of People Management, Toyota Caetano Portugal, SA has implemented measures to retrain its teams, providing them with adequate knowledge for the new challenges being posed by the automotive sector (electrification, digitization, Business Intelligence, e-commerce, among others). In addition, it has invested in an employer branding strategy to affirm Toyota Caetano Portugal, increasingly, as a reference employer, increasingly able to have in its Employees the true ambassadors of its Brand with its Customers.

Organizational Sustainability

Like any Organization, Toyota Caetano Portugal is included in an ecosystem, being directly influenced by its context. Sustainable development is a top concern today, with 90% of consumers saying they expect companies to pay attention to environmental and social issues. In addition, companies with the best performance in the area of sustainability can reduce the turnover rate of Employees by values between 25% and 50%.

Toyota Caetano Portugal, SA recognizes, since its foundation, that its Purpose goes beyond the delivery of a product or service. As such, it has been adopting ambitious and consistent strategies that create long-term value for future generations, focusing its efforts on community development and reducing its ecological footprint. Operating in a sustainable business that is constantly reinventing itself to better meet the expectations of its Customers and having this a great place to work is part of the mission and vision of Toyota Caetano Portugal, SA. In this sense, and in order to take care of the social, ethical and environmental dimension, Toyota Caetano Portugal, SA is developing and implementing a corporate sustainability strategy. Based on our DNA and the Organization's values, there have been several initiatives developed by TCAP, in line with the Sustainable Development Goals (SDGs) established by the United Nations.

Legal, Tax and Regulatory Risks

Toyota Caetano Portugal, SA identifies tax risks arising mainly from the context of permanent legislative change in which we live. If, on the one hand, the requirements resulting from OECD programs and European legislation have been increasing, on the other hand, national legislation itself constantly produces regulatory changes with an impact on the Company's activity.

The context of fiscal regulatory instability can not only lead to losses resulting from non-compliance with current legislation, but also directly and indirectly condition strategic business options, affecting the economic profitability of the same. In addition to the tax risks inherent to business activity, there is also the risk resulting from the unpredictability of motor vehicle taxation, with direct impacts on the behavior of our Customers.

Toyota Caetano is committed to complying with all tax obligations to which it is subject, valuing its reputational asset and taking an active stance in the pursuit of this objective.

To ensure the constant prevention and mitigation of tax risks, it uses internal teams specifically dedicated to this area, and external consultancy provided by entities of recognized ethical and professional standards.

With regard to legal risks, the main risk of the activity of the Company and companies controlled by it has to do with possible legislative changes that may have an impact on operations- namely labor legislation, environmental regulation, European and national regulation in terms of competition and restrictive trade practices, among others – that may affect the development of the activity.

The Legal Department of the Salvador Caetano Group seeks, in close cooperation with the tax area, the human resources area and the operational areas, to safeguard the interests of the Company, in a sustainable way and with respect for the applicable legislation.

Litigation proceedings to which the Company and its subsidiaries are parties are regularly communicated to management, so that preventive measures can be taken to avoid similar proceedings in the future.

The Legal Department is also responsible for preventing and monitoring the risks associated with non-compliance with legislation on the protection of personal data, corporate governance and corruption, striving to verify the application of the code of conduct and monitoring the channel for reporting irregularities.

In both areas- legal and tax- ongoing training, the integrated approach of the various technical and operational teams and the promotion of the best practices identified are valued.

Other information

The Company did not acquire or dispose of its own shares during the year. As at 31 December 2021, the Company did not hold any own shares.

We must also inform you of the inexistence of debts to the state public sector and to Social Security, whose payment 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.

Declaration

We declare, under the terms and for the purposes set out in subparagraph c) of paragraph 1 of article 245 of the Securities Code that, to the best of our knowledge, the individual and consolidated financial statements of Toyota Caetano Portugal, for the year 2021, were prepared in accordance with the applicable accounting standards, giving a true and fair view of the assets and liabilities, the financial situation and the results of this Company and of the companies included in its consolidation perimeter, and that the management report faithfully shows the evolution of the businesses, the performance and position of this Company and its subsidiaries included in the consolidation perimeter, as well as a description of the most significant risks and uncertainties they face.

Subsequent Events

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

Certain of the power of organizations to contribute to a fair society with equal opportunities for all, and bearing in mind that concern for People is one of the Values that guides our activity, from the very beginning we express our full availability in the integration of refugees. Ukrainians in the labor market, through professional opportunities in our companies. At the same time, we are analyzing the possibility of training these citizens, taking advantage of the network of training centers that we have at national level.

With regard to the expected effects of the current war context, we have witnessed greater volatility in the financial markets, with increased risks in terms of inflation, fuel prices and energy costs, with an impact on confidence that may have a negative impact on consumption and investment indicators.

Main impacts on the activity of Toyota Caetano Group:

The Toyota Caetano Portugal Group also sees its activity affected by this war, not only due to its direct implications, but also due to the international situation.

The complex ramifications associated with this conflict make current predictions difficult. Everything will depend on the scale and duration of the same. Below, we summarize our main concerns and point out the main risks.

- Dependence on energy prices on international markets

  The prices of energy materials in international markets in the fossil fuel segment naturally have an impact on the Company's activity; not only in terms of increased expenses, but also in terms of the impact on consumers of the products and services provided by all the companies in this Group.

  It should be noted that in 2021 contracts were signed for the supply of electricity at fixed prices until 2031, with no significant price fluctuations expected. The same, if any, will be carried out only through the regulated components.

At the same time, severe cost control measures are being implemented with the aim of reducing overall company expenses.

- **Increase in the price of raw materials**

As far as the acquisition of raw materials is concerned, a general increase in prices is expected.

To face this challenge:

- Negotiations are being started with suppliers to reduce prices through greater visibility of quantities to be purchased and respective delivery timings (rolling forecast and binding forecast);
- in certain circumstances, the anticipation of placing orders is used in order to fix the current prices, with negotiation of extended delivery and payment deadlines;
- procurement of alternative suppliers and in different geographies;
- - whenever possible, development of alternative solutions with materials less affected by the price increase;
- orientation of the commercial policy towards products and services of greater profitability and controlled management of the sales discounts to be granted .

- **Logistics and supply chains**

As is well known and as mentioned in the “our risks” section, the automotive sector has been operating under supply, production and sales restrictions resulting from the lack of semiconductors combined with the pandemic crisis. This conflict is expected to further extend delivery times.

We still do not know the real impact that this new context may have on vehicles produced in France, England, Turkey, the Czech Republic, Japan and South Africa, which are the origins of our vehicle supplies.

In parts destined for the after-sales market, the same reasoning applies regarding their manufacture, either in factories based in Europe or in Japan/other Asian countries.

At the same time, a considerable increase in costs is expected throughout the transport chain, which will implicitly increase the costs of vehicles and parts for the after-sales market.

- **Consumer/Market Behavior:**

  The successive increases in fuel costs will naturally have short-term effects on consumer habits, who will, on average, use their car less, reducing the km's per vehicle, which negatively impacts the daily activity of the Concessions.

Proposed application of Results

In accordance with the provisions of paragraph b), no. 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 11.695.005,29 expressed in Toyota's individual financial statements Caetano Portugal:

a)	To the account of adjustments on financial assets arising from the application of the equity method:	- 734.405,92 Eur
b)	For dividends to be attributed to capital, 0,20 Eur per share, which, for 35,000,000 shares amounts to a total:	7.000.000,00 Eur
c)	The remainder for the Retained Earnings account	5.429.410,21 Eur

Final Considerations and Acknowledgments

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

- To our Employees who, due to their availability and enthusiasm, were committed to the development of the Company;
- To our Customers and Dealers for the permanent trust they have placed in our products and for the distinction of their choice;

- To the Banking Entities for the collaboration and support they have always shown in monitoring our activity;
- To the other Governing Bodies for their collaboration throughout their work.

Vila Nova de Gaia, 6 April, 2022

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

Tom Fux

Kazunori Takagi

Information on the participation of the Management and Supervisory Bodies of Toyota Caetano Portugal, SA

(Pursuant to article 447 of the Commercial Companies Code and in accordance with subparagraph c) of article 9 and number 4 of article 14, both of CMVM Regulation 5/2008)

In compliance with the provisions of article 447 of the Commercial Companies Code, it is hereby declared that, as of 31 December 2021, the members of the Company's management and supervisory bodies did not hold any shares or obligations of the same.

It is further declared that the members of the Company's management and supervisory bodies did not carry out during the 2021 financial year any acquisitions, encumbrances or terminations of ownership that have as their object shares or bonds of the Company.

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

- The shareholder Salvador Caetano Auto, SGPS, SA (of which Mrs. **Maria Angelina Martins Caetano Ramos** is Chairman 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 a Member of the Board of Directors), acquired: 25 January 2021, 65 shares at a price of €2.80 each; on June 4, 2021, 6,979 shares at a price of €2.80 each; 29 June 2021, 15 shares at a price of €2.80 each, so as at 31 December 2021 it held 24,428,155 shares with a par value of 1 euro each.

- The shareholder COVIM – Sociedade Agrícola, Silvícola e Imobiliária, SA had no movements (of which Mrs. **Maria Angelina Martins Caetano Ramos** is Chairman of the Board of Directors, Mr. **José Reis da Silva Ramos** is the spouse of the Chairman of the Board of Directors), for which as at 31 December 2021 held 393,252 shares, with a par value of 1 euro each.

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

- Mr. **José Reis da Silva Ramos**, Chairman of the Board of Directors, holds 39.49%1 of the share capital of Grupo Salvador Caetano, SGPS, SA, a company in a controlling relationship with the Company; 1 This percentage includes shares held by the spouse
- Mrs. **Maria Angelina Martins Caetano Ramos**, Member of the Board of Directors, holds 39.49%1 of the share capital of Grupo Salvador Caetano, SGPS, SA, a company in a controlling relationship with the Company; 1 This percentage includes shares held by the spouse
- Mr. **Salvador Acácio Martins Caetano**, Member of the Board of Directors, holds 39.49%1 of the share capital of Grupo Salvador Caetano, SGPS, SA, a company in a controlling relationship with the Company; 1 This percentage includes shares held by the spouse
- Mr. **Miguel Pedro Caetano Ramos**, Member of the Board of Directors, holds 0.00223% of the share capital of Grupo Salvador Caetano, SGPS, SA, a company in a controlling relationship with the Company.

Qualified shareholdings

(Pursuant to CMVM Regulation 5/2008)

As at 31 December 2021, the shareholders with qualifying holdings in the company's capital are as follows:

Shareholder	Shares	% voting Rights
Salvador Caetano- Auto- SGPS, S.A.	24.428.155	69,795
Toyota Motor Europe NV/SA	9.450.000	27,000

Annex 1

Non-Financial Report

Toyota Caetano Portugal ("TCAP") is aware of the need for the market to receive transparent and cohesive information not only about its financial affairs, but also about its strategy, risk policy, future expectations and the impact of its activity on society, particularly in three distinct dimensions: environmental, social and corporate governance.

This same need is reflected in DL 89/2017, of 28 July (which transposed Directive no. non-financial information and diversity information that must be included in the annual reports of certain companies.

Toyota Caetano Portugal chose to gather non-financial information in this report, which is part of the Company's management report. It also chose to follow the report model suggested by the CMVM – Securities Market Commission in February 2021, for better consultation and use by interested parties.

PART I- INFORMATION ON THE POLICIES ADOPTED

A. INTRODUCTION

1. Description of the Company's general policy on sustainability issues, indicating any changes to the previously approved policy.

At Toyota Caetano Portugal we are **committed to the priorities and aspirations for global sustainable development**. Certain of the power of organizations in building a future capable of ensuring the quality of life of its citizens, we align our actions with **the United Nations' Sustainable Development Goals (SDGs)**.

Committed to the contribution we can make, it is with a focus on the **People** and **Planet** pillars that we guide our actions towards an increasingly sustainable future. Supported by rigorous **governance** policies, we created the necessary mechanisms to **guide our actions**.

It is based on **five fundamental axes** that we support our social responsibility. In the People pillar, we assume our commitment through:

- **Diversity and Inclusion** – At Salvador Caetano, we want to contribute to a diverse, inclusive and representative future. We bet on the difference that unites and enriches us, having in Talent the only certainty where we are all equal.
- **Conciliation of Personal and Professional Life** – We work every day so that our People find here a pleasant place to live, grow and work, in balance with their needs and personal well-being.
- **Knowledge** – Knowledge is the engine for community development. Through it, we want to reduce social inequalities and promote the balance of opportunities.

In turn, in the Planet pillar, we are committed to:

- **Sustainable Energy and Carbon Neutrality** – We want to operate a successful business that does not compromise environmental well-being. Supported by a growing transformation of our energy sources, we minimize the impact of our activities, while producing more efficient and environmentally friendly solutions.
- **Circular Economy and Water Resources** – We are aware of the importance of efficient management of resources and their reuse. We join efforts to mitigate waste in our production chain and continually improve our practices.

For Toyota Caetano Portugal, our purpose goes beyond the simple delivery of a product or service, being focused on joining efforts to **make tomorrow a better place**.

2. Description of the methodology and reasons for its adoption in the reporting of non-financial information, as well as any changes that have occurred in relation to previous years and the reasons that motivated them.

At Toyota Caetano Portugal, we are aware that, as a company, we must guide our actions towards an effective socio-environmental change, **adopting and promoting good practices and responsible behavior**. To this end, supported by the “People” and “Planet” pillars, and their respective strategic axes, Toyota Caetano Portugal sets out its **operating methodology** as follows:

- In line with the Sustainable Development Goals (SDGs), we mapped the internal and external areas of the organization that could be acted upon;
- We coordinate and develop, in a logic of constant improvement and increment, a corporate sustainability program that aims to educate, raise awareness, support and promote good practices of social and environmental responsibility inside and outside the organization;
- As part of the corporate sustainability program, through a multidisciplinary team, we develop, manage and measure the performance of our Organization in its various strategic axes;
- Through a Sustainability Committee, we monitor the Company's performance in terms of sustainability and the respective achievement of the defined objectives and metrics on a quarterly basis.

With the inclusion of this approach in non-financial reporting, we intend, with our stakeholders, to communicate in a transparent way the systematic development of our sustainability strategy and the evolution of the Company's impacts on the environment and the community.

B. BUSINESS MODEL

General description of the business model and form of organization of the Company/Group, indicating the main business areas and markets in which it operates (if possible using organizational charts, charts or functional tables).

Regarding the business model and form of organization of the Company / Group, reference is made to:

- Management Report, point “our Business Model”;
- Corporate Governance Report, point 21.

C. MAIN RISK FACTORS

1. Identification of the main risks associated with the subject matter of the report and arising from the Company's activities, products, services or commercial relationships, including, where applicable and whenever possible, supply and subcontracting chains.

The identification of the main risks is available in the Toyota Caetano Portugal Management Report, discussed in the section “Business Risks”.

2. Indication of how these risks are identified and managed by the Company.

Regarding this point, reference is made to the Corporate Governance Report, in Part I, C. Internal Organization, Chapter III. Internal Control and Risk Management.

3. Explanation of the internal functional division of competences, including the governing bodies, commissions, committees or departments responsible for identifying and managing/monitoring risks.

Regarding this point, reference is made to the Corporate Governance Report, in Part I, C. Internal Organization, Chapter III. Internal Control and Risk Management.

4. Express indication of the new risks identified by the Company compared to those reported in previous years, as well as the risks that are no longer so.

Toyota Caetano Portugal's risk policy was reorganized during 2021, resulting in a review of the identification and treatment of the Company's risks. Additionally, the exchange rate risk was disregarded as it no longer has an expression that justifies its inclusion in the survey of risks that impact the Company.

5. Indication and brief description of the main opportunities identified by the Company in the context of the topics covered by the report.

In the development and implementation of a Sustainability strategy, Toyota Caetano Portugal identifies the following opportunities:

- Attract, develop and promote diverse talent, favoring an environment conducive to innovation and business development.

- Contribute to the health and well-being of Employees through the development of programs to reconcile personal and professional life and health campaigns promoted within the scope of Clínica Ser Caetano.
- Investing in knowledge as an engine for the development of Employees and the Community, focusing on qualification and development of skills.
- Mitigate the impact of our activity through the development of activities based on the preservation of the environment and biodiversity, in particular through the "1 Toyota, 1 Tree" Program and reforestation of Bosque Ser Caetano.
- Promote the shift to carbon neutrality, through participation in the sustainable development report "Carbon Disclosure Project (CDP) – Climate Change", promoting corporate transparency and accounting for the Organization's carbon footprint.
- Mobilize and involve all the Organization's departments for sustainable development policies and practices through participation in the international platform Ecovadis.
- Reinforce the continuous improvement strategy through the Ser Kaizen Program, whose results are the subject of recognition of the ideas and suggestions of Employees by the Management.
- Contribute to the implementation of the "Toyota Environmental Challenge 2050" Program, in coordination with Toyota Motor Europe, in line with the SDGs.

D. POLICIES IMPLEMENTED

Description of policies: i. environmental, ii. social and fiscal, iii. concerning workers and gender equality and non-discrimination, iv. relating to human rights and v. concerning the Company's fight against corruption and bribery attempts, including due diligence policies, as well as the results of their application, including related non-financial essential performance indicators, and their comparison with the previous year.

I. ENVIRONMENTAL POLICIES

1. Description of the Company's strategic objectives and the main actions to be taken to achieve them.

TCAP is a reference organization in the different sectors where it operates, offering innovative and quality products and services, highlighting its commitment to the environment. In terms of objectives and actions, we highlight, namely:

- Improve the ability to anticipate the growing expectations of environmental performance, through a permanent analysis of market trends and practices and the performance of our Organization;
- Ensure the continuous analysis of legal requirements and environmental policy in general, reducing the risks associated with legal non-compliance, through periodic audits and respective monitoring of the closing of the findings detected within the scope of these audits;
- Promote better management of resources, namely through actions to reduce the amount of paper, waste, water and energy consumption;
- Ensure better control of environmental risks (and associated costs), through effective operational control and the maintenance of monitoring plans that ensure their prevention and/or minimization.

2. Description of the main performance indicators defined.

The Organization intends to:

- reduce paper consumption by 3% compared to the previous year
- reduce emissions associated with energy consumption by 56.5% by 2030 (compared to 2019)
- reduce fuel consumption by 3% compared to the previous year
- reduce the production of hazardous waste by 3% compared to the previous year
- increase sales of 100% electric Lexus vehicles by 30% in 2021
- reduce water consumption by 48% by 2030 (compared to 2019)

3. Indication, compared to the previous year, of the degree of achievement of those objectives, at least with reference to:

i. Sustainable use of resources: consumption of water, other raw materials and energy; indication of measures taken to improve the efficiency of the use of those resources; indication of the use of measures to promote energy efficiency and the use of renewable energies.

Since 2019, TCAP has been developing a project at the Vila Nova de Gaia facilities to reduce water consumption, installing flow reducers in the faucets and showers of all facilities. In addition to this project, a system for harnessing rainwater and reusing water for washing vehicles is also implemented in the same facilities. Electric vehicle chargers were installed in several locations, in order to encourage the use of this type of vehicle, in favor of vehicles with a combustion engine. During 2021, a project started, still in progress, which provides for the replacement of environmental mitigation means to control the spillage of chemical products, improving their state of conservation and providing better materials for use in an emergency, with a view to the prevention of soil and groundwater pollution. Since 2019, TCAP has acquired certificates of origin, which guarantee that the electricity consumed in the facilities comes entirely from renewable energies. Regarding environmental indicators, compliance with the reduction of water consumption by 6%, waste recycling of more than 3% and a reduction of gas consumption by around 3% was observed. On the other hand, the objective regarding the reduction of electricity consumption and reduction of paper consumption was not achieved; sales of 100% electric Lexus vehicles also fell short of the stipulated, reaching 25% and not the 30% desired.

ii. Pollution and climate change: indication of greenhouse gas emissions values; indication of emissions of pollutants to nature; indication of penalties incurred and measures to prevent, reduce or repair said emissions.

TCAP is committed to the complete analysis of emissions resulting from the activity and value chain, encompassing not only direct emissions from operations (scope 1), but also indirect emissions resulting from electricity consumed (scope 2) and activities in our value chain (scope 3). In this follow-up, there was a reduction in emissions from scope 2 and 3 and an increase in emissions from scope 1, resulting from the reduction in production and fixed energy consumption independent of the production volume, as well as a reduction in sales volume and consequently billing, as shown in the tables below.

<table>
<tr><th colspan="4">Years 2019 and 2020</th></tr>
<tr><th rowspan="2">Scope</th><th rowspan="2">Total emissions (tonCO2eq)</th><th colspan="2">Partial Issues</th></tr>
<tr><th>Type</th><th>Total emissions (tonCO2eq)</th></tr>
<tr><td rowspan="2">1</td><td>1323,4 (2020)</td><td>Issues/Sales</td><td>0,035 (2020)
0,025 (2019)</td></tr>
<tr><td>1193,64 (2019)</td><td>Emissions/Production</td><td>1,37 (2020)
1,1 (2019)</td></tr>
<tr><td>2</td><td>967.9 (2020)
1203,77 (2019)</td><td>Issues/Billing</td><td>0,000010 (2020)
0,0000092 (2019)</td></tr>
</table>

Energy (Years 2019 and 2020)	
Type	Consumption (MWh)
Electricity (total)	Total -2059,36 (2020) Total - 13135,79 (2019)
• Renewable	Renewable 1194,43 (2020) 2561,22 (2019)
• Not renovable	Not renovable 864,93 (2020)* 1920,91 (2019)*
Fuels (total)	Total - 3210,32 (2020) Total - 10574,57 (2019)
• Gasoline	Gasoline 252,31 (2020) 395,6 (2019)
• Diesel	Diesel 660,63 (2020) 6583,24 (2019)
• Propane Gas	Propane Gas 2297,38 (2020) 3595,73 (2019)

Scope 3 - Years 2019 and 2020	
Type	Emissions (tonCO2eq)
Upstream Transport	2279,04 (2020) 2279,04 (2019)
Waste	19,39 (2020) 59,16 (2019)
Downstream Transport	2297 (2020) 2963 (2019)
Car Manufacturing	2005,74 (2020) 231183 (2019)
Use of vehicles by customers	24057.15 (2020) 2594,28 (2019)
End-of-life vehicle treatment	0,21 (2020) 0,31(2019)
Emissions from concessions/RTAs	7018,86 (2020) 7868,9 (2019)

Note: In this report we report location-based and market-based values. In market-based emissions, we consider those associated with electricity to be 0, as we acquire certificates of origin that guarantee that electricity comes from renewable sources.

iii. Circular economy and waste management: prevention, recycling, reuse or other forms of waste recovery and disposal.

Several actions were carried out at the Vila Nova de Gaia Ecocentre, in order to raise the awareness of Employees and Students of the Youth Learning Center for the correct separation of waste and for the reuse of obsolete materials in order to improve the production process and

execution of auxiliary means of production. At the Toyota Caetano Portugal factory, in Ovar, water is recirculated to check the watertightness of the vehicles (water proof).

iv. Biodiversity protection: impacts caused by activities or operations in protected areas and measures taken to preserve or restore biodiversity.

TCAP is also concerned about the impact of its activities on biodiversity and, as such, has some actions underway, of which we highlight:

“1 Toyota, 1 Tree”

1 Toyota, 1 Tree” was born in 2005 with the mission of helping to make Portugal greener, offering Nature a tree for every brand vehicle sold. This Program has been developed and grown in order to make it possible to contribute more and more and in a sustainable way over time to the recovery of burnt areas, wastelands and arid lands, using a choice of certified forest plants and shrubs in harmony with biodiversity. of the area to be planted. It was, in fact, through this program that another reforestation of Bosque Ser Caetano was carried out, a space for socializing and leisure for Employees, whose purpose is to reinforce the brand's strategy in the context of carbon neutralization. With this measure, it was possible to offset around 43 ton CO2eq in 2021.

Toyota: Environment Trusted Brand

Toyota has been a pioneer and recognized for its environmentally friendly hybrid automotive technology for over 20 years. This recognition led to its election, for the 12th consecutive year, as the brand that the Portuguese trust the most when it comes to the environment, in parallel with its prominent place in the “Trusted Brand” ranking in the automotive sector.

II. SOCIAL AND TAX POLICIES

1. Description of the Company's strategic objectives and the main actions to be taken to achieve them.

Within the Ser Sustentável Program, the following strategic objectives are defined:

- Make employees and companies aware of social and environmental sustainability
- Invest in Toyota's impact on the community and the planet

- Improve brand positioning as an employer
- Contribute to a more profitable organization by optimizing and integrating Sustainability into Toyota's DNA
- Contribute to sustainable innovation through the “mobility for all” positioning

Over the more than 50 years of Toyota Caetano's history in Portugal, there are many examples of benefits provided to Employees and philanthropic actions, responding to specific requests from the community. In the brand, the sense of responsibility is exercised every day, with a spirit of mission, following a path that brings the Company closer to its People, to those who need it most and to those who share the Organization's Values. Its action is evidenced in several dimensions:

- Integration of People with Disabilities: through a protocol with the Salvador Association, its mission is to promote and intensify the inclusion of people with physical disabilities in the Organization, as well as in society and improve their quality of life, enhancing their talents and raising awareness. for equal opportunities.
- Ser Caetano Academy: in addition to training Employees, emphasis is placed on the education and qualification of young people, with the creation of Learning Centers in 1981. In response to a desire of the Founder, it is based on a structure dedicated exclusively to the qualification of young people , at a national level, offering them the equivalence to the 12th year and preparing them for the job market.
- One Toyota, One Mission: an initiative to support culture that, in 2021, was based on uniting the choice and trust of After-Sales customers in a contribution to the community. Thus, for each Toyota assisted on the Network, €1 is allocated to the purchase of baskets with foodstuffs to donate to technical professionals and artists in the world of culture.
- Support to Institutions: regular provision of vehicles to social solidarity institutions in the municipality of VN de Gaia to support the most varied community projects, especially in the transport of people with disabilities, the elderly and children.
- Distribution of meals: daily and for more than 15 years, meals are distributed by social solidarity institutions in Vila Nova de Gaia and Ovar.
- Value Proposition for Employees: in addition to financial compensation and flexible benefits, the value proposition for Employees also includes a set of other advantages, such as the

Salvador Caetano Foundation, the Pension Fund, Training Programs, among others benefits of an economic, psychological and functional nature. In this context, and promoted by Clube Ser, in partnership with several entities, it is also worth mentioning the initiatives to promote the reconciliation of personal and professional life and sports and social activities, with the aim of improving the quality of life of Employees and your health, as well as to strengthen bonds of belonging, well-being and union. At the Salvador Caetano Foundation level, it has long supported its Employees in the area of health and education, with the co-payment of health protection expenses extended to the household, as well as through the allocation of various study grants. It also includes birth, marriage and death grants.

In terms of tax policy, Toyota Caetano Portugal considers it an ethical and civic duty to contribute to the financing of the general functions of the State, through the payment of taxes and contributions, in accordance with all applicable legislation. In this way, it contributes to the well-being of citizens, to the sustainable development of local businesses and to the creation of value for shareholders.

2. Description of the main performance indicators defined.

The social policies of Toyota Caetano Portugal described above are attributed to all Employees of Toyota Caetano Portugal, and the subsidies shared by the Salvador Caetano Foundation require a bond with more than six months of effective service in the Company.

With regard to community initiatives, we highlight the following indicators:

- “1 Toyota, 1 Mission”: €55,000 support for show and event professionals.
- Distribution of meals to social solidarity institutions: more than 77,000 meals since its creation.
- Youth Learning Center: 4266 trainees since 1983, counting in 2021 with 930 students spread over 7 centers, 43 courses, for an employability of 98%
- Clube Ser – 111 partnerships by the end of 2021

3. Indication, compared to the previous year, of the degree of achievement of those objectives, at least with reference to:

i. **Commitment to the community**: the impact of the Society's activity on employment and local development; the impact of the Society's activity on local populations and the territory; the relationships maintained with the agents of the local community and the respective means of dialogue; partnership or sponsorship actions.

Toyota Caetano Portugal plays a key role in creating employment in the municipalities where it operates, contributing to the development of their social and economic fabric. In addition, it regularly develops partnership or sponsorship actions with various entities in the locations where it is present.

ii. **Subcontracting and suppliers**: inclusion in the procurement policy of social, gender equality and environmental issues; consideration in relations with suppliers and subcontractors of their social, environmental and governance responsibility; control and audit systems and their results. Whenever possible, include a reference to the fact that the Company's suppliers apply policies consistent with those established by the Company.

The assessment of suppliers is carried out periodically, however there may be interim reassessments whenever relevant. The department heads together with the quality department carry out the evaluation of all suppliers according to defined criteria. Suppliers with a significant potential impact on Management Systems will also be evaluated, for example, suppliers of equipment calibration, maintenance, waste management, among others that imply compliance with legal requirements. With regard to the evaluation criteria, we highlight the certification by normative references, namely ISO 14001 and 26000. When sending the qualification survey, the Management Policy and Continuous Improvement, the supplier evaluation criteria and the Code of Good Conduct.

iii. **Consumers:** measures for the health and safety of consumers; systems for receiving complaints and the respective treatment and resolution, namely the number of complaints received and the number of pending complaints, as well as those in which the complainant was justified, satisfaction surveys, and indication of the person responsible for the complaints.

In terms of consumer safety, it is worth mentioning the training of consumers/users of forklifts sold by the Toyota Industrial Equipment Division with the aim of guaranteeing safety conditions in their use and driving. As a measure for consumer safety, Driveco is used, which consists of a platform that allows for real-time monitoring of test drives across the entire range of Toyota hybrid vehicles. The application allows sales teams to access, at any time, the data of each vehicle equipped with the Driveco device. The Driveco app provides a driving guide with useful information to convey to the driver/customer during the vehicle dynamic test. At the end of each test drive, the application automatically sends an email to the customer.

iv. **Responsible investment:** if applicable, information on the responsible investment that the Company sought to attract, including the issue/acquisition of green bonds

Not applicable

v. **Stakeholders:** information on possible ways of listening to stakeholders.

Toyota Caetano Portugal Caetano assumes responsibility for the continuous improvement of its performance in terms of Sustainability, through a commitment to innovation, the commitment of its Employees and a closer relationship with partners, suppliers, customers and the community. The stakeholder contribution is essential for the success of the activities it performs, so it uses a diversified base of media by affinity groups, in order to respond to their needs and expectations. An example of this is the consultation of Customers and visitors, suggestion and complaint systems, barometers for listening to the organizational climate, sharing and knowledge forums, supplier surveys, community involvement projects, written communications, among others.

vi. **Tax information:** information on measures or acts with a tax impact, including any subsidies or any type of subsidy or patrimonial advantage granted by the State

In addition to the natural tax impact resulting from the various initiatives carried out by Toyota Caetano Portugal that constitute a tax cost, during 2021 Toyota Caetano Portugal benefited from the following support:

- Covid-19 Support / Incentives: 0.9 Mio€

- From the IEFP (training and others): 4.1 Mio€

Donations were also made to support professional activities heavily affected by the pandemic in the amount of €55,000.

Additionally, Toyota Caetano Portugal participates in other initiatives (already mentioned above) that have no tax impact.

III. WORKERS AND GENDER EQUALITY AND NON-DISCRIMINATION

1. Description of the Company's strategic objectives and the main actions to be taken to achieve them.

The identification of the strategic objectives in terms of gender equality and non-discrimination is available in the Toyota Caetano Portugal Management Report, addressed in the section “Our People”.

2. Description of the main performance indicators defined.

Indicators associated with Non-Discrimination:

Indicators	2020	2021
% of people with disabilities in the Organization	2.91%	2.11%
% of women vs % of men in the Organization	30.78% - women 69.22% - men	32.04% - women 67.96% - men
% of women in leadership positions in the Organization	27%	30.48%
Wage difference of women vs men (no adjustment)	112.27€	180.73€
% of young people recruited to the Organization (up to 29 years old)	21.13%	23.77%

3. Indication, compared to the previous year, of the degree of achievement of those objectives, at least with reference to:

   i. **Employment**: total number and distribution of workers by gender, age, country and professional classification, as well as the total number and distribution of contractual arrangements (e.g. employment contract, service providers, temporary work, etc.) by gender and age, average duration of contracts; percentage of the workforce receiving the national minimum wage, regardless of contractual relationship; remuneration for equal or average positions in the company, by gender; average remuneration of directors and managers, including variable remuneration, allowances, indemnities, payment to long-term savings schemes and any other payment broken down by gender; workers with disabilities (including an indication of how the Company is complying, or preparing to comply, with Law no.

Indicators associated with Gender Equality:

Indicators	2020	2021
Total Employees	549	568
Average age of Employees	44	43
Number of interns and service providers	26 - interns 3 - service providers	34 - interns 3 - service providers
% of women vs % of men in the Organization	30.78% - women 69.22% - men	32.04% - women 67.96% - men
Country	Vila Nova de Gaia Ovar and Carregado	Vila Nova de Gaia Ovar and Carregado
Contracts (forward, open-ended and uncertain-term)	107 - fixed-term contract 436 - open-ended contract 3 - service providers	447 - contrato sem termo 114 - contrato a termo 1 indefinite term contract
% of people with disabilities equal to or greater than 60%	2.91%	2.11%
Number of Employees with the minimum wage	19	27

The information regarding the Management is detailed in the Corporate Governance Report, in the following points:

- Part I, B. Governing Bodies and Committees, II. Administration and Supervision;
- Part I, D. Remunerations

ii. **Organization of work:** organization of working time, including measures to facilitate separation from work and family life.

Within the scope of the *Ser Sustentável* Program, the reconciliation of Personal Life and Professional Life is a concern. Thus, in order to allow Employees to balance work time and family time, Toyota Caetano Portugal incorporates various practices and actions to improve work organization and balance personal and professional life:

- Flexible hours
- Teleworking modality applied to functions where it is possible
- Promotion of health and well-being within the scope of the Ser Caetano Clinic
- Initiatives to reconcile personal and professional life developed by Clube Ser and Fundação Salvador Caetano
- "Extra day" for the Employee to enjoy at moments he values, such as on his birthday, which is added to the 22 days of vacation
- Social canteen, which also has a take-away meal service.

iii. **iii. Health and safety:** health and safety conditions at work and number of work accidents.

In this context, hazard identifications and risk assessments are carried out annually, in order to promote processes to improve working conditions, namely principles relating to safety, hygiene and health, in order to ensure the well-being of workers and the corporate sustainability. During 2021, there were 6 work accidents resulting in sick leave.

iv. **iv. Social relations:** organization of social dialogue, including information and negotiation procedures with staff, namely the number of interactions held with unions and/or workers' committees, if any; new agreements concluded or revision of agreements in force; number of court cases and complaints to the Authority for Working Conditions; percentage of workers covered by collective agreements by country; evaluation of collective agreements, particularly in the field of health and safety at work.

Toyota Caetano Portugal has a constructive and transparent dialogue with workers' representatives through periodic meetings, to analyze issues that impact the dynamics at work.

v. **v. Training:** the policies applied in the field of training and the type of training (e.g., whether the Company provides its employees with training on matters related to the assessment of the company's performance in "non-financial" matters (e.g., privacy/GDPR, anti-money laundering/AML, human rights in the value chain, etc.); the ratio between training hours and the number of workers.

Within the scope of the Regulations and Code of Conduct and Ethics, training was provided to 273 Employees and 61.5 hours of training were carried out. Training on Protection of Personal Data was made available to 403 Employees and 412.5 hours of training were carried out. Finally, within the scope of Good Practices in Information Security & Cybersecurity, training was provided to 127 Employees and 93 hours of training were carried out.

vi. **vi. Equality**: measures/policies adopted to promote equal treatment and opportunities between genders; equality plans; number of redundancies by gender; protocols against sexual harassment and gender-based harassment; policies for the integration and universal accessibility of people with disabilities; policies against all types of discrimination and, where appropriate, diversity management.

Toyota Caetano Portugal has respect and dignity as the basic elements of its conduct. In this sense, the topic of equality is available in the Toyota Caetano Portugal Management Report, addressed in the section Our People and in our Code of Conduct and Ethics shared on the Institutional website. Additionally, the Organization has a policy in the field of equality and non-discrimination and a procedure to be followed in situations of workplace harassment.

IV. HUMAN RIGHTS

1. Description of the Company's strategic objectives and the main actions to be taken to achieve them.

The identification of the strategic objectives of Human Rights is available in the Toyota Caetano Portugal Management Report, addressed in the section “Our People”.

2. Description of the main performance indicators defined.

We do not have defined performance indicators in the area of Human Rights.

3. Indication, compared to the previous year, of the degree of achievement of those objectives, at least with reference to:

   i. **Due diligence procedures** applied in terms of human rights, in particular with regard to the contracting of suppliers and service providers.

The identification of due diligence procedures is available in the Code of Conduct and Ethics.

   ii. **Measures to prevent the risks** of human rights violations and, where appropriate, measures to correct possible abuses; elimination of discrimination in terms of employment (when not already mentioned above); elimination of forced or compulsory labor; effective abolition of child labor.

The identification of risk prevention measures is available in the Code of Conduct and Ethics.

   iii. **Judicial proceedings** for violation of human rights.

There are no lawsuits for human rights violations.

V. FIGHTING CORRUPTION AND BRIBERY ATTEMPTS

1. **Prevention of corruption**: measures and instruments adopted to prevent corruption and bribery; policies implemented to deter these practices among workers and suppliers; information on the compliance system indicating the respective functional heads, if any; indication of legal proceedings involving the Company, its directors or employees related to corruption or bribery; measures adopted in public procurement, if relevant.

Toyota Caetano Portugal has always been committed to developing its activity in an ethical manner, valuing the values that were at the genesis of its creation and that of its founder. These are the values that guide its internal and external strategy and that contribute to the consolidation of its image and reputation among all stakeholders.

The Company is, as it has always been, in the market and in its internal relationships, with integrity, honesty and respect for all parties with whom it is involved.

It is therefore essential that shareholders, managers and all employees, in general, whatever their functions, in addition to guiding their actions in compliance with applicable laws, guide their actions with respect for these values.

Toyota Caetano Portugal takes its commitment to preventing any corruption and bribery practices very seriously. And it is this commitment that is contained in the eighth article of the Salvador Caetano Group's Code of Conduct and Professional Ethics (and which applies to all its subsidiaries, including Toyota Caetano Portugal), in the following terms:

"Corruption, Bribery and Related Practices

Grupo Salvador Caetano defends transparent and equitable business practices and does not tolerate any active or passive form of bribery, corruption or influence peddling.

Salvador Caetano Group Employees will refuse any offers that may be considered or interpreted as an attempt to influence the Company or the Employee. In case of doubt, the Employee must communicate the situation, in writing, to the respective hierarchy or through the email compliance@salvadorcaetano.pt or by filling in the form for reporting irregularities available on the corporate website of Grupo Salvador Caetano.

Likewise, no Employee may offer any gift or other benefit that could be understood as an attempt to influence a current or future decision process, or as a reward in relation to a decision already taken. In case of doubt, the Employee must communicate the situation, in writing, to the respective hierarchy or through the email compliance@salvadorcaetano.pt or by filling in the form for reporting irregularities available on the corporate website of Grupo Salvador Caetano.”

The aforementioned email – compliance@salvadorcartano.pt – and the aforementioned form for reporting irregularities are also available on the Company's website.

All reported irregularities will be analyzed by the Company's Supervisory Board with the support of the Compliance Committee, which exists at the Salvador Caetano Group, with competence transversal to all the companies of the Group, composed of people with different skills and competences (legal/management /human Resources).

For the year 2022, the Company plans to develop and approve an anti-corruption policy, provide training to its employees and implement the necessary and appropriate measures to comply with DL 109-E/2021 of 9 December.

2. **Prevention of money laundering (for issuing companies subject to this regime):** information on measures to prevent and combat money laundering.

Toyota Caetano Portugal complies with the applicable legislative and regulatory framework in terms of preventing and combating money laundering, whether at national or European level.

Pursuant to Law 83/2017 of 18 August, the Board of Directors pays particular attention to the definition of policies, procedures and internal controls to prevent and mitigate any risks associated with this matter.

At the Salvador Caetano Group, a Compliance Committee was created to ensure compliance with the legal and regulatory provisions applicable to the sectors of its activity, including those relating to the prevention and fight against money laundering.

Also, at the Salvador Caetano Group level, a person responsible for regulatory compliance was appointed under the terms of article 16 of Law 83/2017.

Both entities- committee and person in charge- act at the level of the Salvador Caetano Group as a whole, covering all its subsidiaries, which includes Toyota Caetano Portugal. In carrying out its obligations, the Company fulfills its duties legally imposed by the aforementioned law 83/2017.

Being aware of its responsibility and the importance of the involvement of its employees in this area, Toyota Caetano Portugal provides regular training to its employees, duly certified, available digitally at Academia Ser Caetano, which allows them to become aware of their obligations and to raise their awareness to the global dimension of the topic.

Company employees or any third parties may report any illegal behavior via email or filling out the form referred to in the previous point. It is the Compliance Committee and the person responsible for regulatory compliance, together with those responsible for the respective business areas, that are responsible for analyzing with special care the conduct, potential risk factors, activities or operations whose characterizing elements make them particularly sensitive and strive for compliance with the procedures adopted.

3. **Codes of ethics:** indication of any code of ethics to which the Company has adhered or implemented; indication of the respective mechanisms for implementing and monitoring compliance with it, if applicable.

The Salvador Caetano Group has approved and has in force a Code of Conduct and Professional Ethics, which applies to all its subsidiaries, including Toyota Caetano Portugal, which is available on the Salvador Caetano Group and Toyota Caetano Portugal website. , as well as on the Group's intranet. Monitoring compliance with the code is the responsibility of the Compliance Committee.

4. **Management of conflicts of interest:** measures for the management and monitoring of conflicts of interest, namely the requirement to sign declarations of interests, incompatibilities and impediments by managers and workers.

The Company has approved and is in effect the Regulation on Conflicts of Interest and Transactions with Related Parties, which aims to define the rules regarding conflicts of interest and transactions with related parties, in which Toyota Caetano Portugal is a party and which can be consulted on the website from the internet itself.

PART II- INFORMATION ABOUT THE STANDARDS / GUIDELINES FOLLOWED

1. IDENTIFICATION OF STANDARDS/ GUIDELINES FOLLOWED IN THE REPORTING OF NON-FINANCIAL INFORMATION

At Toyota Caetano Portugal, its performance is in line with the **United Nations' Sustainable Development Goals (SDGs)**.

Bearing this ambition in mind, through the positioning defined in the pillars and axes with which its commitment is based, it responds to a total of 13 SDGs:

10 REDUCED INEQUALITIES

- Integration of People with Disabilities in partnership with Associação Salvador
- Events to promote inclusion practices in the Organization
- Creation of infrastructure at the headquarters for Employees with reduced mobility
- Regular provision of vehicles to social solidarity institutions in the municipality of VN Gaia to support the most varied community projects (transport of people with disabilities, the elderly and children)

2 ZERO HUNGER

10 REDUCED INEQUALITIES

- Distribution of meals by social solidarity institutions (Social and Parish Center of Oliveira do Douro, in VN de Gaia)
- Fighting the pandemic (Provision of 2 buses adapted to the COVID 19 testing unit, provision of vehicles to health professionals and donation of personal protective equipment, Caetano Presente initiative)
- "One Toyota, one mission"- in partnership with União Audiovisual to donate food

4 QUALITY EDUCATION

- Ser Caetano Academy: TalentoPro (Salvador Caetano Training Center), Young Talent Program (partnerships with universities and educational institutions), Internal Talent (training and development of Employees), Senior Talent (Trainer Scholarship) and Ser Caetano Leadership Program
- Porto Futuro- educational volunteer program based on partnerships between schools and companies so that students can be in close contact with the professional reality
- School visits to factories, enabling students to get in touch with the reality of the industry
- Co-payment with investments in equipment to educational entities

3 GOOD HEALTH AND WELL-BEING

- Salvador Caetano Foundation and Health Insurance
- Pension Fund
- Clube Ser: Sports Committee and Ser Caetano Clinic
- Social Benefits (dining spaces- canteen)

17 PARTNERSHIPS FOR THE GOALS

- Code of Conduct and Ethics
- Anti-Corruption Policies
- Compliance Committee
- Irregularities/Complaints Channel
- BCSD Charter of Principles

Energy Efficiency

- Passive solar construction
- nZEB (lighting, HVAC, Energy Control, Management and Monitoring Systems, ...)
- Energy audits
- SGCIE, Intensive Energy Consumption Management System
- ISO 50001, Energy Management Systems Certification
- Innovative technology of Solatube natural lighting systems (solar tubes)

Industry 4.0

- Efficiency of processes and systems (energy reduction and CO2 emissions)
- Automation
- Monitoring
- Data management
- Ecovadis – Company Sustainability Assessment

- Electrification and "hydrogenization" of products and services, as vehicles for decarbonization and carbon neutrality
- Carbon Disclosure Project (CDP)

Sustainable Mobility

- Electric vehicles (BEV or hydrogen)
- Electric charging networks
- Management of electric vehicle charging networks

Governance

- Business Council for Sustainable Development

Water resources

- Elimination of water losses through the installation of efficient faucets and showers
- Harnessing rainwater
- Reuse of washing water (Water Treatment Station)
- Reuse of water for use in toilets

Circular Economy

- Analysis of the ecological footprint of products

- Efficient waste management (waste reduction and collection, recycling and reuse)
- ISO 14001, Environmental Management System

Earth Life

- Support for reforestation and renaturation of cities
- Program "One Toyota, One Tree“
- Zero plastic
- Reduction of paper consumption
- Ser Caetano Forest

2. SCOPE IDENTIFICATION AND INDICATOR CALCULATION METHODOLOGY

Calculation of Indicators under the People pillar. The indicators are presented in the points to which they relate.

- $\frac{Number\ of\ people\ with\ disabilities \times 100\%}{Total\ number\ of\ Employees}$
- $\frac{number\ of\ women \times 100\%}{Total\ number\ of\ Employees}$ e $\frac{Number\ of\ men \times 100\%}{Total\ number\ of\ Employees}$
- $\frac{Number\ of\ women\ in\ leadership\ positions \times 100\%}{Total\ number\ of\ Employees\ in\ leadership\ positions}$
- $Man's\ salary\ -\ Woman's\ salary$
- $\frac{\%\ of\ young\ people\ recruited\ (up\ to\ 29\ years\ old) \times 100\%}{Total\ Number\ of\ Employees}$

Regarding environmental indicators, the calculation is carried out as follows:

Paper consumption- Accounting for reams of paper purchased;

Water consumption- Manual reading of water meters;

Global energy consumption – Total energy consumption (sum of consumption by the following sources: electricity, natural gas, propane shovels, diesel and gasoline);

Fuel consumption- Value in liters of service vehicle fuel supply;

Hazardous waste production – Quantities recorded in waste tracking guides;

Lexus 100% electric vehicle sales – Number of 100% electric Lexus vehicles sold.

3. EXPLANATION IN CASE OF NON-APPLICATION OF POLICIES

At this stage, Toyota Caetano Portugal is in the process of complementing the definition of strategic indicators for the Organization, so the policies that are effectively in force are presented.

4. OTHER INFORMATION

Within the scope of Sustainability, Toyota Caetano Portugal signed the BCSD – Business Council for Sustainable Development Charter of Principles. The Charter of Business Principles for Sustainability is the document that brings together Portuguese companies around common commitments to sustainable development for Portugal.

The Charter is implemented through the 2030 Journey, approved by the Board of BCSD Portugal on March 3, 2021. It comprises 20 objectives, 20 targets and 20 indicators, common to all companies. By subscribing to the Charter, companies commit to carrying out the 2030 Journey.

Environmentally sustainable economic activities and indicators

- Green Taxonomy -

We are going through a new era, of awareness of the need for a more sustainable economy in environmental terms and of the urgency to implement measures that allow the transition.

The sustainability of the economy in environmental terms was consecrated by the European Union as an objective to be pursued by companies, directing investments towards sustainable projects and activities, with a view of meeting the European Union's climate and energy goals for 2030 and achieving the goals of the european green deal.

In this context of Sustainable Finance and with the objective of creating a common classification system for sustainable economic activities or a taxonomy of the European Union, has special relevance the legal regime implemented by Regulation (EU) 2020/852, of the European

Parliament and of the Council, of 18 June 2020 (Taxonomy Regulation) and Delegated Regulation (EU) 2021/2178, of the Commission, of 6 July, 2021 (Delegated Regulation).

In Portugal, one must also consider the «Notification on capital markets and sustainability: Information and organizational requirements and the CMVM's supervisory approach», issued by the CMVM on 21-12-2021, which specifies the perspectives and transversal supervisory expectations of the CMVM in this matter for the year 2022.

In this way, Toyota Caetano Portugal, as the Issuer, which is included in the category of non-financial companies and which is legally obliged to publish non-financial information, has a new legal obligation to include, in its non-financial statement for the year from 2021, information on the form and extent of associating the company's activities with economic activities that qualify as environmentally sustainable.

Therefore, in particular, Toyota Caetano Portugal is obliged to disclose:

a) The proportion of its turnover resulting from products or services associated with economic activities that are qualified as sustainable from an environmental point of view under the terms provided for in the Taxonomy Regulation; and

b) The proportion of its capital expenditures and the proportion of its operating expenses related to assets or processes associated with economic activities that are qualified as sustainable from an environmental point of view under the terms provided for in the Taxonomy Regulation.

It should be noted that the economic activities qualified as sustainable from an environmental point of view for the present purpose are only the activities provided for in articles 3 and 9 of the Taxonomy Regulation, which may constitute a restricted view of the sustainable activities carried out by Toyota Caetano Portugal.

We are therefore guided in this matter by the concepts provided for in the aforementioned Regulations, however Toyota Caetano Portugal carries out activities included in its corporate purpose that could be considered sustainable, but currently do not have a legal framework.

In this way, and for the purpose of determining the degree to which an investment is sustainable from an environmental point of view, Toyota Caetano Portugal considered solely and exclusively activities that fall within the definition of the Taxonomy Regulation, namely: an economic activity is qualified as environmentally sustainable if that economic activity:

a) Contribute substantially to one or more of the environmental objectives set out in article 9 pursuant to articles 10 to 16 of the Taxonomy Regulation;

b) Not significantly harm any of the environmental objectives set out in article 9 under article 17 of the Taxonomy Regulation;

c) It is exercised in accordance with the minimum safeguards provided for in article 18 of the Taxonomy Regulation; and

d) Satisfy the technical evaluation criteria that have been established by the Commission pursuant to article 10º, nº3, of article 11º, nº3, of article 12º, nº2, of article 13º, nº2, of article 14º, nº2, or of article 15º, nº2 of the Taxonomy Regulation.

Following the aforementioned legislation, Toyota Caetano Portugal identified its environmentally sustainable economic activities, with the purpose of:

- Measure sustainable investments;
- Reorient capital flows towards sustainable investments;
- Protect investors from greenwashing;
- Promote transparency in economic and financial operations, defining what is "green" through a common language;

By increasing investment in environmentally sustainable activities, Toyota Caetano Portugal's main objectives are:

- mitigate climate change;
- adapt the business to climate change;
- use resources in a sustainable way;
- transition to a circular economy;
- prevent and control pollution;
- protect and restore the biodiversity of ecosystems.

Based on the description of the activities mentioned in Annexes I and II of the Delegated Climate Act, Toyota Caetano Portugal carried out a survey of its environmentally sustainable economic activities, which are now indicated:

1. Afforestation

   Creation of a forest in our facilities in Vila Nova de Gaia, allowing the increase of local biodiversity, since both the fauna and flora existing in the place are autochthonous.

2. Forest rehabilitation and recovery, including reforestation and natural forest regeneration following extreme events

   The "One Toyota, One Tree" initiative has developed and grown in order to make it possible to contribute more and more in a sustainable way over time to the recovery of burnt areas, wastelands and arid lands, using a choice of certified forest plants and shrubs and in harmony with the biodiversity of the area to be planted.

3. Construction, expansion and operation of water collection, treatment and supply systems

   In terms of water supply, Toyota Caetano Portugal uses both municipal water, mainly in terms of drinking water, as well as water from abstraction systems. These collection systems have two distinct profiles: groundwater is collected for watering green spaces and rainwater is also collected for use in car washing.

4. Construction, expansion and operation of waste water collection and treatment systems

   In addition to the hydrocarbon separator installed in the car wash, Toyota Caetano Portugal also has a grease separator and WWTPs.

5. Collection and transport of fractionated non-hazardous waste, sorted at source

   At its facilities, Toyota Caetano Portugal has places for the storage and sorting of waste. All waste is sorted according to the respective LER code, in order to be collected and transported separately.

6. Installation, maintenance and repair of energy efficient equipment

Toyota Caetano Portugal is continuously investing in the improvement of its electrical installations, trying to maintain its efficiency as much as possible. This is done through constant technical audits of these facilities, in order to promptly repair any failure that may arise, also acting in as prevention.

7. Installation, maintenance and repair of charging stations for electric vehicles assembled in buildings (and parking spaces associated to buildings)

   Bearing in mind the current scenario in which consumers are increasingly purchasing electric vehicles and also considering Toyota's recent commitment to the sale of electric and plug-in vehicles, the need to install electric vehicle charging stations arose, especially in parking lots, in order to allow both customers and employees to have this added value while staying at the facilities.

8. Engineering activities and associated technical consultancy in the field of adaptation to climate change

   Being certified according to the European standard ISO 14001:2015, Toyota Caetano Portugal periodically monitors all the legal requirements applicable to its activity. In order to be able to do this more effectively, it resorts to consulting on environmental legislation, namely the SIAWISE platform.

   Within the scope of the Carbon Disclosure Project, TCAP works together with Enviestudos, to ensure that the information disclosed is completely correct and as transparent as possible.

   Additionally, Toyota Caetano Portugal takes advantage of the energy and environmental consultancy provided by Rigor – Consultoria e Gestão.

9. Non-life insurance: insurance against climate-related risks

   Annually, Toyota Caetano Portugal provides a financial guarantee that allows it to assume the environmental responsibility inherent to the activity carried out. In addition to this guarantee, Toyota Caetano Portugal contracted an environmental insurance for damage to third-party properties adjacent to the industrial facility, resulting from pollution or contamination of water or soil.

We emphasize that, in view of the European legislation mentioned above, Toyota Caetano Portugal does not qualify as an environmentally sustainable economic activity the following activities, which it mainly carries out: sale, rental, repair and maintenance of electric and hybrid vehicles.

In other words, with regard to the proportion of Turnover, OPEX and CAPEX related to activities eligible for the EU taxonomy, in terms of turnover, despite Toyota Caetano Portugal, through the brands it represents, investing in sales, rental, repair and maintenance of electric and hybrid vehicles, the legislation published today does not consider these to be environmentally sustainable economic activities.

Considering this, Toyota Caetano Portugal presents below indicators related to sustainable economic activities from an economic point of view:

Indicator	Value
Sales + Services provided	350 867 404,70 €
Total Operating Expenses	359 157 233,32 €

Indicator	Value
Eligible Activities / Operating Expenses	0,11%
Eligible Activities / Sales + Services provided TCAP	0,12%

Eligible Activities	Value
Bank guarantee/environmental insurance	2 031 €
Tree plantation (forest and 1 Toyota, 1 tree)	178 322 €
Use of WWTPs (CBUS, OVAR and PDI)	29 365 €
Water supply	14 297 €
Installation, maintenance and repair of energy efficiency equipment	11 919 €
installation, maintenance and repair of vehicle charging stations	15 111 €

Installation, maintenance and repair of energy performance measurement and control equipment	54 989 €
Non-hazardous waste management	85 949 €
Environmental consultancy	11 875 €
TOTAL	**403 858 €**

Annex 2

Formulas for the indicators presented in this Report

- Turnover = Sales + Services Rendered
- Dividends per Share = Dividends Distributed / Number of shares
- EBITDA = Operating Results + Amortization and Depreciation
- Net Debt / Adjusted EBITDA = [Financing Obtained – Cash and Equivalent] / [Operating Results + Amortizations and Depreciations + Inventories Impairment + Receivables Impairment + Provisions and Impairment Losses + Results related to Associated and Joint Ventures]
- Financial Autonomy = Total Equity / Total Assets
- Gross Profit = Turnover – Cost of Sales + Variation in Production

SEPARATE FINANCIAL STATEMENTS

STATEMENTS OF FINANCIAL POSITION AS OF DECEMBER 31, 2021 AND 2020
(Amounts expressed in Euros)

ATIVE		Notes	31/12/2021	31/12/2020
NON-CURRENT ASSETS:				
Goodwill		7	611.997	611.997
Intangible assets		8	904.167	598.320
Tangible assets		5	23.080.866	23.409.892
Investment properties		6	11.853.840	12.146.841
Financial investments - equity method		9	91.543.534	81887183
Other financial investments		29	19.600	19.600
Deferred tax assets		15	1.340.220	1.453.007
	Total non-current assets		129.354.225	120.126.841
CURRENT ASSETS:				
Inventories		11	61.227.283	46.842.336
Accounts receivable		12	65.641.520	55.370.533
Other debtors		13	5.519.753	4.337.633
Income tax receivable		15		872.541
Other current assets		14	2.725.115	1.041.347
Other financial investments		10	4.256.303	18.847.237
Cash and cash equivalents		4	12.750.072	8.141.407
	Total current assets		152.120.045	135.453.034
	Total assets		281.474.270	255.579.875
SHAREHOLDER'S EQUITY AND LIABILITIES				
EQUITY:				
Share capital			35.000.000	35.000.000
Legal reserves			7.498.903	7.498.903
Financial assets adjustments			11.548.165	10.540.468
Revaluation reserve			6.195.184	6.195.184
Other reserves			67.892.106	67.197.238
Retained earnings			8.773.475	14.628.750
Net income			11.695.005	4.644.726
	Total equity	16	148.602.839	145.705.269
LIABILITIES:				
NON-CURRENT LIABILITIES:				
Loans		17	21.259.868	21.832.243
Responsibilities for defined benefit plans		21	4.216.434	6.384.523
Deferred tax liabilities		15	88.058	99.169
	Total non-current liabilities		25.564.360	28.315.935
CURRENT LIABILITIES				
Loans		17	20.443.445	15.097.337
Accounts Payable		18	38.901.165	31.015.239
Other creditors		19	17.858.214	13.784.347
Income tax payable		15	4.329.551	
Other current liabilities		20	25.774.696	21.661.749
	Total current liabilities		107.307.071	81.558.671
	Total liabilities		132.871.432	109.874.606
	Total liabilities and equity		281.474.270	255.579.875

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

GISELA MARIA FALCÃO SOUSA PIRES PASSOS

TOM FUX

KAZUNORI TAKAGI

INCOME STATEMENTS BY NATURE FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

(Amounts expressed in Euros)

	Notes	31/12/2021	31/12/2020
Operating income:			
Sales and service rendered	23 e 24	350.867.405	292.720.184
Other gains	27	26.383.249	20.942.688
Variation in production	11	(62.588)	190.974
Total operational gains		377.188.066	313.853.846
Operational expenses			
Cost of goods sold and raw material consumed	11	(282.472.629)	(232.800.343)
External supplies and services	25	(43.674.962)	(39.997.270)
Payroll expenses	26	(16.904.503)	(14.756.963)
Depreciations	5, 6 e 8	(7.010.484)	(8.074.127)
Impairment losses in inventories	22		424.743
Impairment losses in accounts receivable	22	803	(435.784)
Other expenses	27	(9.095.457)	(8.355.502)
Total operational expenses		(359.157.233)	(303.995.247)
Operational income		18.030.832	9.858.599
Gains in financial investments - equity method	9	(734.405)	(1.512.104)
Interest expenses	28	(1.986.487)	(1.870.218)
Interest income	28	179.772	(72.083)
Income before taxes		15.489.712	6.548.361
Income tax for the year	15	(3.794.707)	(1.903.635)
Net income		11.695.005	4.644.726

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CHARTERED ACCOUNTANT

ALEXANDRA MARIA PACHECO GAMA JUNQUEIRA

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

(Amounts expressed in Euros)

	31/12/2021	31/12/2020
Net profit for the period	11.695.005	4.644.726
Components of comprehensive income for the year, liabilities to be subsequently reclassified to the income statement:		
Equity Method in equity	327.910	
Components of comprehensive income, that could not be recycled by profit and loss		
Remeasurement (actuarial losses gross of tax) (Note 21)	896.604	(157.557)
Deferred tax of actuarial losses (Note 15)	(201.736)	35.450
Equity Method in equity	679.786	(141.705)
Comprehensive income	13.397.570	4.380.913

CHARTERED ACCOUNTANT

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STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY FOR THE PERIODS ENDED 31 DECEMBER 2021 AND 2020

				Outhers Reserves						
	Notes	Share capital	Legal Reserve	Revaluation Reseve	Adjustaments to finacial investments	Other reserves	Total of reservs	Resultado transitados	retained earnings	Total Equity
Balance on 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	(11.553.984)	-
Comprehensive income		-	-	-	(141.705)	(122.107)	(263.813)		4.644.726	4.380.913
Balance on 31 December 2020		**35.000.000**	**7.498.903**	**6.195.184**	**10.540.468**	**67.197.239**	**91.431.794**	**14.628.750**	**4.684.726**	**145.705.269**
Balance ont 1 January 2020		**35.000.000**	**7.498.903**	**6.195.184**	**10.540.468**	**67.197.239**	**91.431.794**	**14.628.750**	**4.684.726**	**145.705.269**
Changes in period										
Allocation of profits		-	-	-	-	-	-	4.644.726	(4.644.726)	0
Comprehensive income		-	-	-	1.007.696	694.868	1.702.564		11.695.005	13.397.570
Operations with Shareholders in the period										
Dividends		-	-	-	-	-	-	(10.500.000)	-	(10.500.000)
Balance on 31 December 2020		**35.000.000**	**7.498.903**	**6.195.184**	**11.548.164**	**67.892.107**	**93.134.358**	**8.773.475**	**11.735.006**	**148.602.839**

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STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Amounts expressed in Euros)

STATEMENT OF CASH FLOWS ON OPERATING ACTIVITIES	Note	dez/21		dez/20	
Collections from customers		445.431.318		385.668.926	
Payments to suppliers		(351.876.584)		(293.236.853)	
Payments to personnel		(12.018.760)		(10.967.326)	
Operating flow			81.535.974		81.464.747
Payments of income tax			157.291		(2.233.179)
Other collections/Payments related to operating activities			(75.501.466)		(17.499.670)
Cash flow from operating activities			6.191.799		61.731.899
STATEMENT OF CASH FLOWS ON INVESTING ACTIVITIES					
Collections from:					
Investments					
Loans to associate companies	10	25.745.934		4.147.955	
Investment properties	6	0		1.300.000	
Tangible fixed assets	5	900.532		1.592	
Interest and others			26.646.466		5.449.547
Payments to:					
Investments	9	(9.383.060)		(39.127.191)	
Loans to associate companies	10	(11.155.000)		(21.000.000)	
Investment properties	6			(69.985)	
Tangible fixed assets	5	(409.196)		(541.242)	
Intangible assets	8	(415.549)	(21.362.804)	(300.569)	(61.038.987)
Cash flow from investing activities			5.283.662		(55.589.440)
STATEMENT OF CASH FLOWS ON FINANCING ACTIVITIES					
Collections from:					
Loans	17	198.500.000		62.250.000	
Lease	17	4.968.473	203.468.473		62.250.000
Payments to:					
Loans	17	(193.500.000)		(62.250.000)	
Lease down payments	17	(5.194.445)		(6.241.448)	
Interest and others		(1.154.295)		(1.225.045)	
Outras Credores					
Dividends	16	(10.486.528)	(210.335.268)		(69.716.492)
Cash flow from financing activities			(6.866.795)		(7.466.492)
CASH AND CASH EQUIVALENTS					
Cash and cash equivalents at beginning of period	4		8.141.407		9.465.441
Cash and cash equivalents at end of period	4		12.750.072		8.141.407
Net flow in cash equivalents			4.608.665		(1.324.034)

CHARTERED ACCOUNTANT

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NOTES TO INDIVIDUAL FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2021

(Amounts expressed in Euros)

1. INTRODUCTION

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

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

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

Toyota Caetano is the importer and distributor of the Toyota (vehicles and forklifts), Lexus (vehicles) and BT (forklifts) brands for Portugal, leading a Group ("Toyota Caetano Group") that presents itself as follows on December 31, 2021:

Companies	Thirst
Subsidiaries	
Toyota Caetano Portugal, S.A. ("Parent Company")	Vila Nova de Gaia
Caetano Renting, S.A. ("Caetano Renting")	Vila Nova de Gaia
Caetano - Auto, S.A. ("Caetano Auto")	Vila Nova de Gaia
Caetano Auto CV, S.A. ("Caetano Auto CV")	Praia (Cape Verde)
Joint venture	
Caetanobus – Fabricação de Carroçarias, S.A. ("Caetanobus")	Vila Nova de Gaia
Associated with	
KINTO Portugal, S.A. ("Kinto")	Vila Nova de Gaia

During the year ended December 31, 2020, there was a change in the composition of the perimeter of the Toyota Caetano Group with the acquisition, at the end of that year, of financial interests in Caetanobus – Fabricação de Carroçarias, S.A. (joint venture) and KINTO Portugal, S.A. (previously called Finlog – Aluguer e Comércio Automóvel, S.A. (Note 9)).

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

2. BASIS OF PRESENTATION AND MAIN ACCOUNTING POLICIES

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

2.1BASIS OF PRESENTATION

The attached financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board ("IASB"), the International Accounting Standards Committee ("IAS"), issued by the International Accounting Standards Committee ("IASC") and their interpretations – IFRIC and SIC, issued respectively by the International Financial Reporting Interpretations Committee ("IFRIC") and the Standing Interpretation Committee ("SIC"), which have been endorsed by the European Union, in force for the financial year beginning 1 January 2021.

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

The Board of Directors carried out the assessment of the Company's ability to operate in continuity, based on all relevant information, facts, and circumstances, of a financial, commercial, or other nature, including events after the reference date of the financial statements, available on the future. As a result of the evaluation made, the Board of

Directors concluded that the Company has adequate resources to maintain its activities, with no intention to cease activities in the short term, so it considered appropriate the use of the assumption of continuity of operations in the preparation of the financial statements.

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

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

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

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

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

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

2.2 ADOPTION OF NEW OR REVISED IAS/IFRS

New standards and changes to the standards that became effective on 1 January 2021

Up to the date of approval of these financial statements, the following accounting standards, interpretations, amendments, and revisions have been approved by the European Union, with mandatory application to the financial year beginning 1 January 2021:

Description	Alteration	Effective date
• Amendment to IFRS 16 - Leases - "Covid 19 Related Rent Concessions beyond 30 June 2021"	This amendment extends to June 30, 2022 the application of the optional practical expedient whereby renters are exempted from analyzing whether income concessions up to that date, typically suspensions or income reductions, related to the pandemic "COVID-19" correspond to contractual modifications.	April 1, 2021
• IFRS 4 - deferral of IFRS 9 application	End of deferral of the start of the application of IFRS 9 for entities with insurance activity, postponed to January 1, 2023	January 1, 2021
• IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - Reform of reference interest rates - phase 2	Additional exemptions related to the impacts of the reform of the reference interest rates ("IBOR"), and especially the replacement of a reference interest rate by another alternative in the financial instruments traded	January 1, 2021

No significant effects were produced in the Company's financial statements for the year ended December 31, 2021, resulting from the adoption of the above-mentioned standards and changes.

Standards, interpretations, amendments and revisions will take effect in future years

The following standards, interpretations, amendments, and revisions, with mandatory application in future economic years, have been adopted (endorsed) by the European Union until the date of approval of these financial statements:

Description	Alteration	Effective date
• IAS 16 - Income obtained before it went into operation	Prohibition of deduction of income obtained from the sale of items produced during the testing phase, at the cost of acquiring tangible assets	January 1, 2022
• IAS 37 - Onerous contracts - costs of fulfilling a contract	Clarification on the nature of the expenditure to be considered to determine whether a contract has become costly	January 1, 2022
• IFRS 3 - References to the Conceptual Structure	Update to references to the Conceptual Structure and clarification on the registration of contingent provisions and liabilities within a concentration of business activities	January 1, 2022
• Improvement Cycle 2018 - 2020	Specific and specific changes to IFRS 1, IFRS 9, IFRS 16 and IAS 41	January 1, 2022
• IAS 1 - Disclosure of accounting policies	Requirement for disclosure of material accounting policies, to the detriment of significant accounting policies	January 1, 2023
• IAS 8 - Disclosure of accounting estimates	Definition of accounting estimate. Clarification on the distinction between accounting policy changes and accounting estimated changes	January 1, 2023
• IFRS 17 - Insurance contracts	New accounting for insurance contracts, reinsurance contracts and investment contracts with characteristics of discretionary participation	January 1, 2023

Standards (new and amendments) that became effective after 1 January 2021, not yet endorsed by the European Union.

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

Description	Alteration	Effective date
• IAS 1 - Presentation of financial statements - Classification of liabilities	Classification of a liability as current or non-current, depending on the right of an entity to defer its payment. New definition of "settlement" of a liability	January 1, 2023
• IAS 12 - Deferred tax related to assets and liabilities associated with a single transaction	Requirement for recognition of deferred tax on the registration of assets under right of use/ liabilities of the lease and provisions for decommissioning / related assets, when its initial recognition gives rise to equal amounts of taxable temporary differences and deductible temporary differences, because they are not relevant for tax purposes	January 1, 2023
• - IFRS 17 - Initial application of IFRS 17 and IFRS 9 - Comparative information	This amendment allows the avoidance of temporary accounting mismatches between financial assets and insurance contract liabilities in the comparative information presented, in the application of IFRS 17 for the first time. This amendment allows the application of an "overlay" in the classification of a financial asset for which the entity does not update the comparative information of IFRS 9.	January 1, 2023

These standards have not yet been endorsed by the European Union and, as such, have not been applied by the Company for the year ended 31 December 2021.

For these standards and interpretations, issued by the IASB but not yet endorsed by the European Union, it is not estimated that the future adoption of these will have significant impacts on the accompanying financial statements.

2.3 MAIN ACCOUNTING POLICIES

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

a) Tangible fixed assets

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

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

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

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

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

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

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

Expenses with repair and maintenance of tangible fixed assets are recorded as a cost in the year in which they occur. Significant amounts of benefit that increase the estimated period of use of the respective assets shall be capitalized and depreciated according to the remaining useful life of the corresponding assets.

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

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

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

b) Intangible assets

Intangible assets are recorded at acquisition cost, deducted from accumulated amortizations, and accumulated impairment losses. Intangible assets are only recognized if it is likely that future economic benefits will flow to the Company, if the Company has the power to control them and if their cost can be reliably measured.

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

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

The internal expenses associated with *software* maintenance and development are recorded as expenses in the income statement when incurred, except in the situation where these costs are directly associated with projects for which future economic benefits are likely to be generated for the Company. In these situations, these expenses are capitalized as intangible assets.

Intangible assets are amortized by the straight-line method for a period of three to five years. Asset useful lives 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.

Amortizations for the year of intangible assets are recorded in the income statement under the caption "Depreciation and amortization".

c) Investment properties

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

The Company promotes periodic and rotating valuations of these real estate assets by independent specialized entities. In the years in which a particular real estate asset is not selected for an independent external valuation, the Internal Team of the Group (which has technical skills in this area) is required to valuate the possibility of significant changes in the market value of such real estate assets, in view of the last external valuation obtained.

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

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

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

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

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

Location identification

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

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

On the effective date, the Company recognmizes the 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 interest cost 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 recognized as an adjustment in the RoU.

Assets under right of use

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

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

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

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

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

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

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

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

Rental liabilities

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

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

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

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

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

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

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

Accounting treatment of "Sale and Leaseback" operations

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

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

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

e) Inventories

The Company's inventories associated with the import and retail activity of motor vehicles and industrial equipment (which essentially comprise goods considting of new and used vehicles, cargo handling equipment, 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. The costing formula used for parts and accessories corresponds to the average cost, and in relation to vehicles (new and used) the cost is specific by chassis or license plate.

Net realizable value represents the estimated selling 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 realizable value is less than the cost (such as obsolescence, deterioration, and drop in the selling 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. Except for parts and accessories, adjustments to net realizable value are usually applied item by item.

Finally, in the ongoing work (repair and car assistance), the applied labor is valued at the cost price.

Regarding the industrial activity related to the assembly of vehicles in the manufacturing facilities of Ovar (the inventories in this activity correspond to raw materials and subsidiaries, ongoing production, and finished products), the raw materials are valued at the cost of acquisition, being used as a costing formula the average cost. For the cost of finished and intermediate products, as well as products and work in progress, it corresponds to their cost of production, which includes the cost of raw materials incorporated into production, labor and general manufacturing costs incorporated, 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. The cost formula of the outputs corresponds to the specific cost of each vehicle / chassis produced.

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

f) Government or other public entities' Grants

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

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

g) Impairment of Assets

Non-current assets *except Goodwill*

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

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

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

Goodwill

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

h) Financial Expenses

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

i) Financial Assets

Recognition

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

Classification

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

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

Financial assets can be classified into the following measurement categories:

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

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

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

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

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

As of December 31, 2021, the company's financial assets rating by category are in Note 29.

Measurement

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

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

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

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

Impairment losses

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

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

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

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

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

To all other situations and types of accounts receivable, the Company applies 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 of the initial recognition of the asset. If there is no increase in credit risk, the Company calculates an impairment corresponding to the amount equivalent to the expected losses within a period of 12 months. If there has been an increase in credit risk, the Company calculates an impairment corresponding to the amount equivalent to the expected losses for all contractual flows up to the maturity of the asset.

Derecognition of financial assets

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

Fair Value of Financial Investments

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

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

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

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

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

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

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

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

(i) Cash and cash equivalents

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

(ii) Customers and Other Accounts Receivable

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

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

j) Financial liabilities

Financial liabilities are classified into two categories:

- Financial liabilities at fair value through results; and
- Financial liabilities at amortized cost.

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

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

As of December 31, 2021, the Company has only recognized liabilities classified as "Financial liabilities at amortized cost".

(i) Loans obtained

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

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

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

(ii) Suppliers

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

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

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

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

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

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

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

All actuarial gains and losses resulting from 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 conditional on the permanence of employees in service for a certain period (the period that qualifies for the benefit). In this case, the costs of past services are amortized on a straight-line basis over the period concerned.

Gains and losses generated by a cut or settlement of a defined benefit pension plan are recognized in the results of the year in which the cut or settlement takes place. A cut-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 with the plan.

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

l) Contingent assets and liabilities

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

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

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

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

m) Income taxes

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

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

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

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

n) Accrual basis

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

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

o) Revenue – contracts with customers

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

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

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

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

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

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

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

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

Dividend revenue is recognized when the right to receive payment is established.
The revenue of the Toyota Caetano Portugal Company is composed of the revenue from the activities mentioned in Note 1.

The amounts recorded under the caption "Other debts to third parties" with the amount of EUR 504,757 (EUR 295,608 as of 31 December 2020) are advances from customers (Note 12). The amounts recorded under the caption " Other current liabilities “with the amount of EUR 12,239,643 (EUR 10,342,043 as of December 31, 2020) constitute *contract liabilities* under IFRS 15, including vehicle maintenance contracts (Note 20).

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

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

q) Balances and transactions expressed in foreign currency

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

r) Earnings per Share

Basic:

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

Dilute:

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

s) Segment information

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

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

(i) which develops business activities from which it can obtain reeds and incur expenses.
(ii) the operational results of which are regularly reviewed by the Company's main operational decision-making officer for the purpose of making decisions on the imputation of resources to the segment and the evaluation of its performance; and
(iii) for which separate financial information is available.

Information on the level of the identified operational segments (motor vehicles and industrial equipment) is included in Note 24.

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

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

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

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

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

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

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

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

u) Subsequent events

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

2.4 JUDGMENTS AND ESTIMATES

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

The most significant accounting estimates reflected in the financial statements for the years ended December 31, 2021 and 2020 include:

a) Useful lives of tangible fixed assets and intangible assets, as well as investment properties.
b) Recording adjustments to asset values (receivables and inventories) and provisions.
c) Goodwill (Note 7) *parparity* tests.
d) Recoverability of deferred tax assets.

e) Clearance of responsibilities with reform complements (Note 21).
f) Analysis of the impairment of tangible fixed assets, intangible assets, and investment properties.
g) Analysis of impairment regarding financial investments in subsidiaries, joint ventures, and associates.

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

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

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

2.5 RISK MANAGEMENT POLICIES

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

The Company is also supported by internal departments of the Salvador Caetano Group (shareholder), with which it maintains synergies, such as Legal *Direction and Compliance / Planning* Direction, Management Control and Internal Audit / Taxation / It Services and the

Audit carried out by external auditors. Where appropriate, relevant reports are shared with the Supervisory Board.

The risk policy is prepared by the Board of Directors, evaluated by the Fiscal Council, and finally approved as a Board of Directors.

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

Financial Risks

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

(i) Exchange rate risk

As a company with geographically diversified business relationships, exchange rate risk results essentially from transactions arising from the purchase and sale of products and services in currency other than the functional currency of each business.

The exchange rate risk management policy seeks to minimize the volatility of investments and operations expressed in foreign currency, contributing to a lower sensitivity of the Company's results to exchange rate fluctuations. The Company's exchange risk management policy is towards the case-by-case assessment of the opportunity to cover this risk, considering the specific circumstances of the currencies and countries in equation.

(ii) Price risk

The Company is exposed to changes in the prices of raw materials used in its production processes, in particular automotive components. However, given that the acquisition of raw materials does not agree with a listed price 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 because of the following factors: (i) possible correlation between the level of market interest rates and economic growth, with this having positive effects on other lines of the Company's (including operational) results, thereby partially offsetting the increased financial costs ("*natural hedge* "); and (ii) the existence of liquidity or consolidated cash avails also remunerated at variable rates.

The Board of Directors of Toyota Caetano Portugal approves the financing terms and conditions, analyzing for this the debt structure, the inherent risks and the different options existing in the market, namely as to 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 punctual contracting of derivative financial instruments intended to cover the risk of interest rate.

(iv) Liquidity risk

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

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

The *Company's Chief Financial Officer* regularly monitors the level of financing obtained, available credit facilities, cash cash avails, as well as *cash flow prospects* in the short and medium term (including needs resulting from investment plans, which, except for financial equity acquisitions made at the end of 2020, have been relatively small), have been relatively small), to manage liquidity risk.

Liquidity risk management in the Company and Toyota caetano group aims to:

- liquidity, i.e., ensuring permanent and more efficient access to sufficient funds to meet current payments on their due dates as well as any requests for funds within the time limits set to do so, even if not foreseen.
- security, i.e., minimize the likelihood of non-compliance in the reimbursement of any application of funds; and
- Financial efficiency, that is, ensuring that the Company maximizes the value /minimizes the opportunity cost of liquidity holding in the short term.

Any excess liquidity existing in the Company and its subsidiaries is applied in 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 *transaction-level cash flows* forecasts according to different time horizons (weekly, monthly, annual, and multi-year).

(b) diversification of sources of funding.

(c) diversification of maturities of the debt issued in such a way as to avoid excessive concentration in short periods of time of debt repayments.

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

It should be noted that the Company, except for the financing with secured guarantee where it is provided the covenant ratio between net debt and EBITDA * calculated based on the consolidated accounts of the previous year, has not contracted any debt instruments with accelerated repayment clauses, other than those resulting from the usual clauses related to compliance with obligations by the Company, namely, payment obligations, interruption of activity, ownership clause, pari passu, negative pledge, and the situations in which the financing obtained includes collateral are disclosed in Note 31.

* EBITDA = Operating Results + Depreciation + Impairments

(v) Capital risk

The primary objective of management is to ensure the continuity of operations, providing adequate remuneration to shareholders and the corresponding benefits to the other *stakeholders of* the Company. To achieve this objective, it is essential to carefully manage the capital used in the business, seeking to ensure an optimal structure of them, thus achieving the necessary reduction of their cost. To maintain or adjust the capital structure considered appropriate, the Management may propose to the Shareholders' General Meeting the measures deemed necessary.

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

	2021	2020
Loans	41 703 313	36 929 580
Cash and Cash Equivalents	(12 750 072)	(8 141 407)
Net indebtedness	28 953 241	28.788.173
Equity	148 602 839	145 705 269
Financial leverage ratio	16.31%	16 50%

Gearing remains within acceptable levels as established by management.

(vi) Credit risk

The Company's credit risk essentially results from:

- the risk of recovery of monetary resources delivered to the custody of third parties and
- the risk of the recovery of the credits of entities outside the Company.

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

A significant part of the amounts received from customers is dispersed by many entities a factor that contributes to the reduction of the risk of credit concentration. Generally the Company's customers do not *have an* assigned credit rating.

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

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

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

- Internal credit risk.
- External credit risk (if available).
- current or expected adverse changes in the debtor's operational results.

- Significant increases in the credit risk of the debtor's other financial instruments.
- Significant changes in collateral value over liabilities or in the quality of third-party guarantees.
- Significant changes in the debtor's expected performance and behavior including changes in the debtor's payment terms at the level of the Company to which he or she belongs as well as changes in the level of his operating results.
- Macroeconomic information (such as market interest rates or growth rates) is incorporated into the internal credit model.
- Macroeconomic information (such as market interest rates or growth rates) is incorporated into the internal credit model.

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

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

Dealers and Independent Repairers: this third-party type of retail network concerns the automotive retail network of dealers of the "Toyota" and "Lexus" brands which operate under concession contracts for the purchase resale of vehicles and provision of technical assistance services (the Company currently has 21 contracts established with independent dealers and repairers). Each of these independent dealers maintains a bank *guarantee "on first demand*" in favor of the Company with a *previously established plafond* ensuring the Company that such limit is not exceeded.

Non-compliance shall be considered to exist when the payee does not comply with contractual payments within 90 days of the due date of the invoices. The Company analyzes on a case-by-case analysis the balances received from customers that show problems of collection and realization developing all efforts towards their recovery by way of agreement with the client or by judicial means also maintaining such balances (even if recorded of an loss due to an unevenness) in the statement of financial position until all actions are exhausted to attempt to recover the outstanding balance and the absence of assets for recovery of said balances in the event of bankruptcy are exhausted.

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

In case of recovery of values such amounts are recognized in the results of the year.

Impairment financial assets

(i) Customers and Other Accounts receivable

The Company applies the simplified approach to calculate and record the estimated credit losses required by IFRS 9 which allows the use of impairments for estimated losses for all balances of "Customers" and "Other third-party debts". To measure estimated credit losses customer balances and "Other third-party debts" were aggregated based on shared credit risk characteristics and seniority. Estimated credit losses incorporate information from foresight estimates. The seniority of customer balances is detailed in Note 12.

(ii) Loans granted to related entities Loans granted to related entities

"Financing stakes granted to related entities" is considered to have low credit risk so impairments for credit losses recognized during the period were limited to credit losses estimated at 12 months. These financial assets are considered to have "low credit risk" when they have reduced unchangeability risk and the debtor has a high capacity to meet his contractual liabilities of cash flows in the short term.

For customers representing car dealers and repairers the Company requires the obtaining of bank guarantees "*on first demand*" the amount of which on 31 December 2021 and 2020 was approximately EUR 8 679 470 and EUR 9 114 470 respectively which when exceeded implies the cessation of supplies.

Account receivables are calculated considering (a) the customer's risk profile (b) the average time of receipt and (c) the customer's financial condition. The movements of these adjustments for the years ended December 31 2021 and 2020 are disclosed in Note 22.

As of December 31 2021 and 2020 the Company considers that there is no need for additional impairment losses beyond the amounts recorded on those dates and summarized in Note 22.

The amounts relating to clients and other third-party debts presented in the financial statements which are net of undue represent the Company's maximum exposure to credit risk.

(iii) Cash equivalents

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

Bank Deposits Rating	Rating Agencies	Bank Deposits
A2	Moody's	530 979
A3	Moody's	3 059 105
AA3	Moody's	18 689
B1	Moody's	119 357
B2	Moody's	348 299
Baa2	Moody's	7 993 241
Baa2	Moody's	12 638
	Others without assigned rating	595 186
Total		12 668 493

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

EXTERNAL RISKS

Another type of risk is external risks which are not from the direct spectrum of the Company have influence on it. Three different risks are highlighted: the risk of supplying goods and materials the risk of the macroeconomic context and the risk of competition.

(i) Risk of supplying goods and materials

The risk of supplying goods and materials translates into the risk of lack of components materials raw materials necessary for the production and normal functioning of the Company. The SARS-CoV-2 pandemic led to the occurrence of constraints in the supply chain with the scarcity in the supply of components; in parallel and as a consequence logistics associated with the transport of goods were also affected; in fact the total time associated with the transport of these goods has become longer (*the highest lead time in* the provision of this service) which results from the general reduction in the use of this service combined with the need for profitability by the operators of the means used. Therefore there was an increase in the relevance of this risk from low to medium to high. The impact of this risk on the Company's activity is now quoted as moderate to significant. To address this context Toyota Caetano Portugal implemented concrete measures namely:

- the area of industry in the assembly of vehicles focused on production in models in which there is less shortage of materials; this strategy is fully concerted with the customer and relevant suppliers involved in this activity.
- in cargo handling machines considering the weak capacity to influence the supply chain it is resorting to placing with customers equipment used in temporary rental or lease.
- stock management both upstream (suppliers) and downstream (dealers and end customers) is carried out rigorously in line with the context of scarcity that is being lived.
- there is a sales orientation for the channels with the highest profitability.

- also the management of demonstration courtesy and service vehicles was reviewed opting for less rotation without compromising the dissemination and promotion of the brands represented.

- the guidelines on the display matrix of vehicles were reviewed adapting them to reality namely: fewer vehicles on display and placement of semi-new vehicles in stands allocated to the activity of new vehicles.

- the policy of discounts to customers has also been revised.

- in a transversal way and in the continuity of what is usual practice Toyota Caetano Portugal has strengthened its strategy of reducing costs and optimizing available resources.

- additionally and as a common denominator for these companies there is a strengthening of communication with employees suppliers and customers to inform about the challenges we face; in particular with customers contracts for later deliveries have been encouraged thus increasing the contract portfolio.

(ii) Risk of macroeconomic context

As for the risk of macroeconomic context this is the risk of external macroeconomic factors influencing the financial/productive capacity of a company. This risk was also driven by the pandemic and the slowdown in economic activity and the increase in interest rates and inflation are the main factors that influenced the increased probability of this risk from low to medium. The Company closely monitors all macroeconomic changes in both Portugal Europe and the rest of the world to ensure that it is on top of the event and ready to act at the right time.

(iii) Risk of competition

Finally the risk of competition translates into the risk of losing market share for other competitors. In the current scenario the Company seeks to ensure that it does not lose its current market share and thus bets on a strategy based on innovation service excellence greater presence in digital channels and sustainability. In addition it is important to highlight that Toyota is a renowned and prestigious brand with several proven in terms of innovation and product diversification. Examples of this are *the Beyond Zero strategy* where the target is not zero emissions but go beyond that a strategy combined with the offer of more and better mobility promoting a more sustainable future and the BRIT (*Best Retailer in Town*) program that aims to motivate all dealers to be the best in the areas where they operate. Still to be added that the Company often carries out *benchmarking actions* to its competitors. Therefore this risk is considered to have an average probability of occurrence.

<u>RISKS OF INFORMATION TECHNOLOGIES AND CYBERSECURITY</u>

IT and cybersecurity risks are fundamentally risks related to the security of information systems. Information systems are the basis of the Company and as such the existence of a safety culture that provides all employees and partners with a clear perspective of their responsibilities in the field of information security is considered strategic importance. Any security breach whether intentional negligence or crime can have a significant impact on the confidentiality of the data the quality of operations the availability of information among others which may adversely affect the Profitability and reputation of the Company. It is essential to ensure that all employees have access to the information necessary for the performance of their activities but requiring them to respect the information security controls implemented and the commitment to the values of confidentiality integrity and availability. In this sense the Company adopted the security framework of Toyota Motor Corporation called All *Toyota Security Guidelines*. It includes a range of technical and organizational measures in several areas including information security management operational and network security physical security incident management information classification and protection access control risk analysis and training.

Considering the diversity and complexity of the areas of Information Systems in general and information security in particular Toyota Caetano Portugal S.A. externalizes the services related to Information Systems to Rigor Consulting and Management S.A. a company of the Salvador Caetano Group (shareholder) with valences in all areas of Information Systems.

In the face of increased telework increased cybercrime and the evolution of techniques used by cybercriminals the Company not only maintains constant monitoring and audits of its systems but has also planned the implementation of additional technical and organizational measures to address these new risks.

LEGAL TAX AND REGULATORY RISKS

Toyota Caetano Portugal S.A. identifies tax risks arising mainly from the context of permanent legislative change in which we live. If on the one hand the requirements resulting from OECD programmers and European legislation have been increasing on the other hand national legislation itself constantly produces regulatory changes with an impact on the Company's activity.

The context of fiscal regulatory instability can not only lead to losses resulting from non-compliance with current legislation but also directly and indirectly condition strategic business options affecting its economic profitability. In addition to the tax risks inherent to the business activity there is also the risk resulting from the unpredictability of automotive taxation with direct impacts on the behavior of our Customers.

Toyota Caetano is committed to the fulfillment of all tax obligations to which it is subject valuing its reputational asset and taking an active stance in the pursuit of this objective.

To ensure the constant prevention and mitigation of tax risks it uses internal teams specifically dedicated to this area and the external consulting provided by entities of recognized ethical and professional standards.

As regards legal risks the main risk of the Company's activity and companies dominated by it has to do with any legislative changes that could have an impact on operations – such as labor legislation environmental regulation European and national competition regulation and restrictive trade practices among others – that may affect the development of the activity.

The Legal Direction of the Salvador Caetano Group (shareholder) seeks in close cooperation with the tax area the human resources area and operational areas to protect Company’s interests in a sustainable manner and with respect for applicable legislation.

Litigation proceedings in which the Company and its subsidiaries are a party are regularly reported to management so that preventive measures are taken that can prevent similar proceedings in the future.

The Legal Directorate is also responsible for preventing and monitoring the risks associated with non-compliance with legislation on the protection of personal data corporate governance and corruption strife for the verification of the application of the code of conduct and the monitoring of the irregularity communication channel.

In both areas - legal and tax - continuous training the integrated approach of the various technical and operational teams and the promotion of the best practices identified are valued.

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

During the year ended December 31 2021 there were no changes to accounting policies or material errors for previous years.

4. CASH AND CASH EQUIVALENTS

As of December 31 2021 and December 31 2020 the detail of Cash and Bank Deposits was as follows:

	2021	2020
Cash	81 579	87 994
Bank deposits at Immediate disposal	12 668 493	8 053 413
Total	12 750 072	8 141 407

5. TANGIBLE FIXED ASSETS

During the years ended December 31 2021 and 2020 the movements in tangible fixed assets as well as in their accumulated depreciation and impairment losses were as follows:

2021	Land and natural resources	Buildings and other constructions	Machinery and equipment	Transport equipment	Administrative equipment	Other fixed assets	Construction in Progress	Assets under right of use	Total
Gross value:									
Initial balance	5 421 700	33 601 232	53 993 366	24 223 867	6 268 756	3 048 467	30 280	26 272 588	152 860 256
Increases	-	187 231	236 859	50 535	318	38 770	70 837	-	584 550
Disposals	(11)	(610 154)	(63)	(6 462 750)	-	-	-	(182 958)	(7 255 936)
Transfers (reg stocks)	-	-	-	1 859 306	-	-	-	4 973 347	6 832 653
Transfers and Write-offs	-	-	-	6 047 505	-	-	-	(6 047 505)	-
Final balance	5 421 689	33 178 309	54 230 162	25 718 462	6 269 074	3 087 237	101 118	25 015 472	153 021 523
Accumulated impairment depreciation and loss:									
Initial balance	-	31 277 102	52 127 693	22 109 245	6 228 734	2 962 020	-	14 745 570	129 450 364
Increases	-	272 662	499 638	1 732 816	12 795	30 326	-	4 169 245	6 717 483
Transfers disposals and write-offs	-	(610 154)	(63)	(308 813)			-	(5 308 161)	(6 227 190)
Final balance	-	30 610 939	52 627 268	23 533	6 241 530	2 992 346	-	13 606 654	129 940 656
Net value	5 421 689	2 238 699	1 602 894	2 185 213	27 545	94 891	101 118	11 408 818	23 080 866

2020	Land and natural resources	Buildings and other buildings	Machinery and Equipment	Transport equipment	Administrative equipment	Other tangible fixed assets	Construction in progress	Assets under right of use	Total
Gross value:									
Initial balance	5 421 882	33 049 277	53 442 648	11 171 651	6 261 001	3 027 901	504 267	41 146 951	154 025 580
Increases	-	40 666	281 837	393 722	775	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 00	-	2 160 00	-598 798	(14 874 362)	3 669 437
Final balance	5 421 700	33 601 232	53 993 366	24 223 865	6 268 756	3 048 467	30 280	26 272 589	152 860 257
Accumulated impairment depreciation and loss:									
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	0	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	30 280	11 527 020	23 409 892

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

Transfers in 2021 between the caption "Assets under right of use" and "Tangible fixed assets Industrial equipment" in the amount of 6 047 505 Euros correspond to the reclassification by the Company of the cargo handling machines whose financing contract ended and the Company acquired them in accordance with the congratulation established.

The item "disposals" in 2021 refers to the sale of a building in Vila Nova de Gaia having generated an added value of 900 000 Euros (Note27).

As of December 31 2021 and 2020 the assets used in a leasing regime are as follows:

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

2020	Gross value	Accumulated depreciation	Net value
Assets under right of use Industrial equipment	26 272 589	(14 745 569)	11 527 020

6. INVESTMENT PROPERTIES

As of December 31 2021 and 2020 the caption "Investment properties" corresponds to real estate assets held by the Company that are generating income through its lease or for valuation. These assets are recorded at acquisition cost and are subsequently subject to depreciation in accordance with defined useful lives.

Gains associated with investment properties is recorded under the caption "Other operating income" and amounted to 2 927 645 Euros for the year ended December 31 2021 (3 106 216 Euros as of December 31 2020) disclosed in Note 27.

In addition according to external assessments carried out by independent specialized entities reported on December 31 2021 or previous years the fair value of those investment properties amounted to approximately 65.6 million Euros (61.9 million Euros as of December 31 2020).

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

The detail of the net book value as of 31 December 2021 and 31 December 2020 of the real estate assets registered under the caption "Investment Properties" as well as their fair value can be summarized as follows:

Buildings	Place	2021			2020		
		Carrying amount	Fair value	Appraisal	Carrying amount	Fair value	Appraisal
Industrial facilities	V.N. Gaia	2 257 781	14 903 000	29/12/2020	2 435 727	14 903 000	29/12/2020
Industrial facilities	V.N. Gaia	202 054	625 100	28/12/2020	213 887	625 100	28/12/2020
Industrial facilities	Carregado	4 898 390	19 412 500	30/12/2020	4 922 944	19 412 500	30/12/2020
Industrial warehouse	V.N. Gaia	743 455	8 918 700	20/12/2021	763 797	9 165 200	20/12/2019
Commercial facilities	Cascais	252 003	1 606 000	20/12/2021	266 859	1 000 000	05/03/2018
Commercial facilities	Prior Velho	3 174 172	15 447 300	29/12/2020	3 195 563	15 447 300	29/12/2020
Commercial facilities	Vila Franca Xira	325 985	1 302 500	29/12/2020	348 064	1 302 500	29/12/2020
		11 853 840	62 215 100		12 146 841	61 855 600	

The fair value of external valuations of investment properties that are disclosed on December 31 2021 and December 31 2020 was determined by real estate valuation carried out by independent specialized entities (fair value determined by the average of valuations made by market methods cost method and income method). The Company promotes the periodic and rotating realization of real estate assessments by independent entities specialized in its investment properties thus ensuring that the disclosure of fair value remains up to date.

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

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

The movement of the caption "Investment properties" as of December 31 2021 and 2020 was as follows:

2021	Land	Buildings and other Constructions	Investment in Properties in Progress	Total
Gross asset:				
Initial balance	8 884 303	30 117 653	-	39 001 955
Increases	-	-	-	-
Disposals	-	-	-	-
Transfers and write-offs	-	-	-	-
Final balance	8 884 303	30 117 653	-	39 001 955
Accumulated impairment depreciation and loss:				
Initial balance	-	26 855 114	-	26 855 114
Increases	-	293 001	-	293 001
Transfers disposals and write-offs	-	-	-	0
Final balance	-	27 148 115	-	27 148 115
Net value	8 884 303	2 969 538	-	11 853 840

2020	Land	Buildings and other Constructions	Investment in Properties in Progress	Total
Gross asset:				
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)	(247 771)
Final balance	8 884 303	30 117 653	-	39 001 955
Accumulated impairment depreciation and loss:				
Initial Balance	-	26 836 602	-	26 836 602
Increases	-	343 846	-	343 846
Transfers disposals and slaughters	-	(325 334)	-	(325 334)
Final balance	-	26 855 114	-	26 855 114
Net value	8 884 303	3 262 539	-	12 146 841

The movements that occurred in the year ended December 31 2020 are due to improvements in the facilities of Prior Velho and Vila Nova de Gaia and the sale of Cascais commercial facilities (disposal for 1 300 000 Euros resulting in an increase in the amount of about 1,2 million Euros (Note 27).

7. GOODWILL

During the years ended December 31 2021 and 2020 no movements under the caption "*Goodwill*" occurred.

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

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

To the par hazard analysis the recoverable amount was determined based on the value of use according to the discounted cash flow method based on *business plans developed by the Company's* managers and duly approved by the Company's Board of Directors and using discount ed rates that reflect the inherent risks of the business.

On December 31 2021 and 2020 the method and assumptions used in the measurement of the existence or not of parity were as follows:

	2021	2020
Projection period (years):	5	5
Sales growth rate in the projection period:	2 00%	2 00%
Growth rate (g) (1):	0%	0%
Discount rate used (2):	7.21%	6 75%

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

2 Discount rates applied to *projected cash flows*

The Board of Directors supported by the value of the forecast cash flows discounted at the rate considered applicable concluded that as of December 31 2021 the book value of net *assets including goodwill* (612 thousand Euros) does not exceed its recoverable value (25 million Euros).

Cash flow projections were based on historical performance and expectations for efficiency improvement. Those responsible for this segment believe that a possible change (within a normality scenario) in the main assumptions used in the calculation of recoverable value will not lead to impairment losses.


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8. INTANGIBLE ASSETS

For the years ended December 31 2021 and 2020 the movements in intangible assets as well as in their accumulated amortizations and impairment losses were as follows:

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

2020	Development expenses	Computer programs	Intangible assets in progress	Total
Gross value:				
Starting balance	1 477 217	1 174 902	202 804	2 854 924
Additions	-	-	395 515	395 515
Disposals	-	-	-	-
Transfers and slaughters	-	-	-	-
Final balance	1 477 217	1 174 902	598 320	3 250 439
Accumulated impairment depreciation and loss:				
Starting balance	1 477 217	1 174 902	-	2 652 119
Amortization for the year	-	-	-	-
Transfers disposals and slaughters	-	-	-	-
Final balance	1 477 217	1 174 902	-	2 652 119
Net value	-	-	598 320	598 320

The figures recorded as of December 31 2021 and 2020 caption "Intangible assets in progress" are related to projects for the implementation *of new management software* and are expected to be firm during the years 2022 and 2024.

9. FINANCIAL INVESTMENTS IN SUBSIDIARIES ASSOCIATES AND JOINT VENTURES

Under this caption investments in subsidiaries associates and joint ventures as described in Note 2.3 t) are recorded.

Breakdown of book value of investments in subsidiaries

The movement of financial investments in subsidiaries associates and joint ventures during the years ended December 31 2021 and 2020 is as follows:

	CAETANO AUTO	CAETANO AUTO CV	CAETANO RENTING	MEP Adjustments	TOTAL
Balance at December 31 2019	**40 705 788**	**3 781 702**	**3 252 839**	**(3 326 527)**	**44 413 802**
Acquisitions during the year	22 191				22 191
Disposals during the financial year					
Effect of the application of the equity method					
Net income for the year					
Appropriation of the net income of the company	350 469	(878 310)	(976 651)		(1 504 492)
Suspension of margins on inventories and fixed assets				175 740	175 740
Other adjustments to the 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 integral income of the subsidiary's financial year	(501 875)		(83 477)		(585 352)
Other adjustments to the homogenization of accounting policies				443 646	443 646
	(501 875)		**(83 477)**	**443 646**	**(141 706)**
Balance at December 31 2020	**40 576 573**	**2 903 392**	**2 192 711**	**(2 890 493)**	**42 782 183**
Acquisitions during the year					
Disposals during the financial year	92.738				92 738
Change consolidation method					-
Effect of the application of the equity method					
Net income for the year					
Appropriation of the net income of the company	4.362.074	303.591	751.816		5 417 481
Suspension of margins on inventories and fixed assets				(1.335.085)	(1.335.085)
Other adjustments to the homogenization of accounting policies	(112 173)	23 981			(88.192)
	4 249 901	**327 572**	**751.816**	**(1 335 085)**	**3 994 206**
Other comprehensive income					
Appropriation of the other integral income of the subsidiary's financial year	394.316		5.317		399.633
Other adjustments to the homogenization of accounting policies	280 155				280 155
	674 471	**-**	**5.317**		**679 788**
Balance at December 31 2021	**45 593 683**	**3.230 964**	**2.949.844**	**(4 225 578)**	**47 548 913**

The percentages of capital held in the financial holdings in subsidiaries joint ventures and associates as of December 31 2021 and 2020 may be summable as follows:

	Caetano Auto		Caetano Renting		Caetano Auto CV	
	2021	2020	2021	2020	2021	2020
% Direct	98 74%	98 50%	100 00%	100 00%	81 24%	81 24%

% Indirect	98.74%	98 50%	100 00%	100 00%	81 24%	81 24%

The summary of the financial information of the subsidiary companies joint ventures and associates as of December 31 2021 and 2020 is evidenced in the table below:

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

2020			
	Caetano Auto	Caetano Auto CV	Caetano Renting
Assets			
Current	63 306 582	5 156 424	5 793 908
Non-current	55 992 716	1 337 305	21 455 527
Liabilities			
Current	78 102 026	1 480 474	25 268 361
Non-current	8 495 092	1 439 437	108350
Equity	41 197 272	3 573 817	2 192 711
Sales	169 892 849	11 126 418	22616173
Operational income	845 642	(1 058 449)	(933 839)
Financial income	(82 588)	(198)	(338 564)
Net income	355 792	(1 081 130)	(976 651)

<u>Breakdown of the book value of investments in joint ventures and associates</u>

As of December 31 2021 and December 31 2020 the heading of financial investments in associates and joint ventures is detailed as follows:

	Location	% of detention	12/31/2021	12/31/2020
Associate				
Kinto Portugal SA (consolidated)	Vila Nova de Gaia	49%	23 699 123	22 785 000
joint venture				
CaetanoBus - Fabricação de Carroçarias SA (consolidated)	Vila Nova de Gaia	61.94%	20 295 498	16 320 000
			43 994 621	39 105 000

Regarding CaetanoBus although the percentage of capital held is 61.94% given the existence of an investment agreement with the other shareholder of that company which provides that decisions on the relevant activities (operational and financial) should be taken unanimously by the two shareholders it was considered by the Board of Directors that the investment made corresponds to a joint venture which will be accounted for in accordance with the equity method. In 2020 given that those acquisitions were made only in December the effect of the application of the equivalence method was null and void given the immateriality of the application of that method for some days of December 2020.

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

- Any amendment to the deed of incorporation to the statutes or any other document that is part of the company.
- Any change to the corporate type of society any merger or consolidation with another entity any disposal or transfer of all or a substantial part of the assets or business as well as its liquidation or dissolution.

- Any issue or redemption of shares of society or any other increase decrease or other modification to the share capital of the society.

- Any change to the dividend policy of society or any change in the distribution of profits or assets.

- Constitution of a share or acquisition of another entity by society.

- Any public offering or stock exchange listing of any society stock.

- Adoption or modification of compensation of the directors or managers of the Company or the general compensation policy for employees of the society.

- Granting of guarantees of 500 000 Euros or more to guarantee the obligations of society subsidiaries.

- Amendment and approval of the Annual Business Plan of the society or the New Business Plan.

- Appointment or removal of any Executive Director Chief Financial Officer Chief Operating Officer or any Director or General Manager or any position like the Chief Executive Officer of the society.

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

- Any transactions between society and its subsidiaries except transactions in the ordinary course of business.

- Any sale (other than in the ordinary course of business) of any good or transfer or other disposal or concession of any warranty or other charge on any assets of the society if they are not included or provided for in any of the Business Plans or with a value exceeding 100 000 Euros in a transaction or series of transactions in the same year.

- Initiation of any dispute arbitration or legal process the value of which exceeds 10 000 Euros.

- Any loan or other financing by society (excluding commercial financing to clients in the ordinary course of business up to the individual amount not exceeding 1 000 000 Euros provided that such amount is not covered by letter of credit commercial insurance or any guarantee from trusted institutions such as banks) to any person or any guarantee to be provided by the company to secure obligations of any entity other than company subsidiaries unless such loans or financing are provided up to the individual amount not exceeding 100 000 Euros;

- Any loan or other fact that generates debt or issuance of *bonds or debentures* (whether convertible or not) by society in the amount of more than 1 500 000 Euros in a transaction or in a series of transactions in the same year.

- Any purchase lease (except in the ordinary course of business) or other acquisition of any assets or other investments by society not included in any of the Business Plans or involving an amount exceeding 500 000 Euros in a transaction or series of transactions in the same year.

- Any lease in the normal course of business by society not included in any of the Business Plans or involving an amount exceeding 1 000 000 Euros in a transaction or series of transactions in the same year.

- Conclusion amendment or term of any contract between society and its subsidiaries that contains commitments to repurchase the products sold by the subsidiaries.

- Guarantees provided by the society to guarantee the obligations of any of its subsidiaries or third parties with a value of less than 500.00 Euros.

- Enter alter or terminate a contract with a shareholder or its (shareholder) shareholders.

- Any development of a new product or production line with a value greater than 500 000 Euros for society if not included or provided for in the Business Plan.

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

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

The above constitutes thus the basis of evaluation that the Board of Directors of Toyota Caetano Portugal S.A. considered to conclude on the classification of this investment as a joint venture.

Summarized financial information of the subsidiaries

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

2020		
	Caetanobus	Kinto Portugal
Assets		
Current	49 647 272	34 171 856
Non-current	30 490 160	150 845 872
Liabilities		
Current	52 358 236	65 235 590
Non-current	8 041 750	102 942 484
Equity	19 737 445	16 839 655
Sales	89 606 768	107 997 586
Operational income	(4 467 074)	2 528 803
Financial income	(1 026 458)	(3 167 769)
Net income	(4 500 102)	(818 198)

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

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

The turnover and Operating Income of the associate Kinto Portugal SA and the joint venture CaetanoBus - Fabricação de Carroçarias SA were negatively impacted in 2020 by the Covid-19 Pandemic and in 2021 the operations of that associated showed a markedly positive evolution with a clear recovery of their profitability with the negative effects at the level of the joint venture continued and worsened.

The Board of Directors of that joint venture in view of the existence of signs of impairment in terms of its non-current assets carried out a formal impairment analysis on them having concluded that there was no impairment.

The Board of Directors of the Toyota Caetano Portugal SA Group considering the existing signs of impairment in relation to that joint venture also carried out a formal impairment analysis the results of which and main base assumptions are described in the following section.

Movement occurred during the year

During the years ended December 31 2021 and 2020 the movement that occurred under the heading of financial investments in associates and joint ventures is detailed as follows:

	2021	2020
Associate – Kinto Portugal SA (consolidated)		
Balance on January 1	22 785 000	-
Acquisitions during the year	-	22 785 000
Application of the equity method:		
Effect on net income for the year	871 265	-
Effect on other comprehensive income	42 858	-
Balance on December 31	23 699 123	22 785 000
Joint venture – CaetanoBus – Fabricação de Carroçarias SA (consolidated)		
Balance on January 1	16 320 000	-
Acquisitions during the year	-	16 320 000
Capital increase	9 290 322	-
Application of the equity method:		
Effect on net income for the year	(5 599 875)	-
Effect on other comprehensive income	285 051	-
Balance on December 31	20 295 498	16 320 000
Total	43 994 621	39 105 000

The acquisitions during the 2020 fiscal year refer to the Company's purchase of 12 000 000 Shares of CaetanoBus - Body Manufacturing S.A. previously owned by Salvador Caetano Indústria S.G.P.S. S.A. (related entity belonging to the shareholder perimeter "Salvador Caetano Group") corresponding to approximately 61.94% of its voting rights for 16 320 000 Euros and acquired 7 350 shares of Kinto Portugal S.A. (49%) (formerly Finlog – Car Rental and Trade S.A.) from the parent company Salvador Caetano Auto - S.G.P.S. S.A. (toyota caetano shareholder entity) corresponding to 49% of its voting rights for the amount of 22 785 000 Euros. Extending its activity to other areas of mobility in 2020 Toyota Caetano Portugal became a direct shareholder of CaetanoBus and Kinto companies of the Salvador Caetano Group. In this strategy Toyota Motor Europe (TME) 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 Kinto aims to develop mobility projects.

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

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

a) Associate - Kinto Portugal SA (consolidated)

	12/31/2020	Fair value adjustments	Net assets as of 12/31/2020 (fair value)
Tangible fixed assets	151 874 693	13 976 470	165 851 163
Intangible Assets	87 628	3 456 202	3 543 830
Other financial assets	19 435	-	19 435
inventories	7 163 599	-	7 163 599
Customers	8 708 339	-	8 708 339
Other current assets	16 911 697	-	16 911 697
Cash and cash equivalents	2 225 112	-	2 225 112
Loans	(149 406 140)	-	(149 406 140)
provisions	(1 134 398)	-	(1 134 398)
Deferred tax liabilities	-	(3 922 351)	(3 922 351)
Suppliers	(13 472 533)	-	(13 472 533)
Income tax	(120 307)	-	(120 307)
Other current liabilities	(6 496 520)	-	(6 496 520)
	16 360 605	13 510 321	29 870 926
% of detention			49%
Proportioned net assets			14 636 754
Purchase cost			22 785 000
goodwill			8 148 246

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

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

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

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

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

	12/31/2020	Fair value adjustments	Net assets as of 12/31/2020 (fair value)
Financial investment in joint venture	14 533 921	(5 129 647)	9 404 274
goodwill	475 700	(475 700)	-
Tangible and intangible assets	9 971 138	1 951 718	11 922 856
Deferred tax assets	2 249 927	-	2 249 927
Inventories	39 713 973	2 297 080	42 011 053
Accounts receivable	10 327 931	-	10 327 931
Other current assets	2 818 790	-	2 818 790
Cash and cash equivalents	389 343	-	389 343
Loans	(25 810 618)	-	(25 810 618)
Responsibilities for defined benefit plans	(3 109 843)	-	(3 109 843)
Deferred tax liabilities	-	(847 351)	(847 351)
Lease liabilities	(2 107 970)	-	(2 107 970)
Accounts payable	(16 670 388)	-	(16 670 388)
Income tax	(280 987)	-	(280 987)
Other current liabilities	(12 763 471)	-	(12 763 471)
	19 737 446	(2 203 900)	17 533 546
% of detention			61.94%
Net assets proportionate by percentage of ownership			10 860 278
Purchase cost			16 320 000
goodwill			5 459 722

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

i. Financial investment in a joint venture:

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

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

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

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

ii. In terms of *Goodwill* the amount presented refers to the disregard of the *Goodwill* generated in the acquisition of Caetano UK Ltd. by CaetanoBus - Fabricação de Carroçarias SA in previous years.

iii. In terms of tangible and intangible fixed assets the amount presented refers to the recognition at fair value of real estate assets held by the CaetanoBus Group based on an assessment carried out by a specialized and independent entity.

iv. In terms of inventories the amount presented refers to the recognition at fair value of the inventories of that subsidiary considering the estimated sales value of said assets considering the history of transactions carried out with similar assets and/or agreed sales prices.

Following the analysis carried out the deferred tax liabilities associated with the adjustments were recognized and the Board of Directors understood that the fair value of the remaining net assets did not significantly differ from their carrying amount in the consolidated financial statements of CaetanoBus – Fabricação de Carroçarias SA.

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

Kinto Portugal SA (Consolidated)

	12/31/2021	12/31/2020
Equity without interests without control	20 928 226	16 360 606
% of detention	49%	49%
	10 254 831	8 016 697
goodwill	8 148 246	8 148 246
Valuation at fair value of vehicles	5 478 776	6 848 470
Customer portfolio	1 354 831	1 693 539
Deferred tax liabilities	(1 537 562)	(1 921 952)
financial participation	23 699 123	22 785 000

CaetanoBus – Fabricação de Carroçarias SA (Consolidated)

	12/31/2021	12/31/2020

Equity without interests without control	27 649 244	19 737 446
% of detention	61.94%	61.94%
	17 125 942	12 225 374
goodwill	5 459 722	5 459 722
Joint venture valuation	(3 241 543)	(3 177 303)
Disregard of GW in the subsidiary's accounts	(294 649)	(294 649)
Valuation at fair value of real estate	1 126 470	1 208 894
Valuation at fair value of inventories	418 098	1 422 811
Deferred tax liabilities	(298 184)	(524 849)
Others	(358)	-
financial participation	20 295 498	16 320 000

As described in the section “Summary financial information on subsidiaries” of this Note in the year ended 31 December 2021 signs of impairment were identified in relation to the financial participation in the joint venture CaetanoBus – Fabricação de Carroçarias SA for this reason the Board of Directors carried out a formal impairment analysis on the financial participation.

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

	Portugal	United Kingdom	Germany
Compound growth rate of sales in the projection	49%	27%	37%
EBITDA Margin	[-1%.6%]	[3%.4%]	[1%.3%]
G (perpetuity growth rate)	2.00%	2.00%	2.00%
WACC (discount rate)	5.75%	5.02%	4.64%

The above assumptions in terms of the growth rate of sales and profitability reflect the expectation of the Board of Directors of the Group and that subsidiary of recovery and return to pre-pandemic operating levels from the year 2022.

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

10. LOANS TO ASSOCIATES COMPANIES

During the years ended December 31 2021 and 2020 the movements in this caption are as follows:

	2021	2020
Other financial assets		
Balance as of January 1	18 847 236	1 995 191
Acquisitions during the year	11 155 000	21 000 000
Other Regularizations	(25 745 934)	(4 147 955)
Balance as of December 31	4 256 303	18 847 237

The "Financing to Companies Participated" on December 31 2021 comprises treasury loans granted to subsidiaries Caetano Auto S.A. (2.400.000 Euros) and Caetano Renting S.A. (1.856.303 Euros) winning interest at market rates (Note 30).

11. INVENTORIES

As of 31 December 2021 and 31 December 2020 this caption had the following composition:

	2021	2020
Goods	44 205 972	36 174 245
Raw materials	13 775 081	7 359 274
Finished and intermediate goods	2 687 059	2 106 622
Products and work in progress	696 301	1 339 325
Accumulated impairment losses in inventories (Note 22)	(137 131)	(137 131)
	61 227 283	46 842 336

The value of goods with recognition of loss of injury evidenced in the statement of financial position me 31 December 2021 and 2020 broken down by seniority levels is as follows:

Wares	<6	6 to 12	12 to 24	>24	total
Parts	1 576 599	34 335	182 813	163 688	1 957 435
New Vehicles	29 810 456	568 647	0	0	30 379 103
Used Vehicles	5 794 527	3 122 501	830 324	308 739	10 056 092
Other	1 301 545	98 426	101 072	175 170	1 676 212
Total	38 483 127	3 823 909	1 114 209	647 597	44 068 842

The goods item includes 10 million for used vehicles (Euros 9 9 million as of 31 December 2020).

The Company has defined criteria of unevenness in relation to used vehicles that assume a devaluation in relation to their seniority. The criteria followed by the Company are supported by market information obtained from external entities with reference to December 31 (and the Board of Directors is convinced that such information already reflects the impacts of the Pandemic and the *crisis of chip* /component supply). Thus it is not expected of the Board of Directors that in future years losses will be generated in the process of disposal and realization of said vehicles used.

As of December 31 2021 and 2020 there are no assets in the Company's inventory that are given as a pledge in the guarantee of liabilities.

The cost of sales in the years ended December 31 2021 and 2020 was calculated as follows:

	2021			2020		
	Wares	Raw materials subsidiaries and consumption	Total	Wares	Raw materials subsidiaries and consumption	Total
Early stocks	36 174 245	7 359 274	43 533 520	65 860 457	6 772 894	72 633 351
Net purchases	256 958 035	46 120 247	303 078 282	172 974 755	30 725 756	203 700 511
Inventory regularization	(6 158 119)		(6 158 119)			-
Final stocks	44 205 972	13 775 081	57 981 054	36 174 245	7 359 274	43 533 520
Total	242 768 190	39 704 439	282 472 629	202 660 967	30 139 376	232 800 343

The change in production in the years ended December 31 2021 and 2020 was as follows:

	Finished products intermediates and products and work in progress	
	2021	2020
Final stocks	3 383 359	3 445 947
Early stocks	3 445 947	3 254 973
Total	(62 588)	190 974

12. COSTUMERS

As of 31 December 2021 and 31 December 2020 this caption had the following composition:

	2021	2020
	Current assets	Current assets
Customers current accounts	65 568 270	55 357 953
Customers doubtful accounts	5 330 196	5 270 330
	70 898 466	60 628 283
Accumulated impairment losses on customers (Note 22)	(5 256 947)	(5 257 750)
	65 641 520	55 370 533

As of December 31 2021 and 2020 the detail by typology of clients of the seniority of accounts receivable including information on the existence of credit enhancement instruments available to the Company is as follows:

Customer maturity current account:

2021	- 60 days	60-90 days	90-120 days	+ 120 days	Total	Credit enhancement Instrument
Related Entities	43 591 358	175 696	10 550	146 789	43 924 394	n.a
Public entities	286 655		114		286 770	n.a
Financial entities	2 367 912	594 672	141 417	332 641	3 436 642	n.a
Independent dealers	6 277 434	932	1 189	6 864	6 286 420	Bank Guarantees
Other	11 081 327	238 554	76 641	237 522	11 634 044	nan
Total	63 604 687	1 009 855	229 912	723 817	65 568 270	

2020	- 60 days	60-90 days	90-120 days	+ 120 days	Total	Credit enhancement Instrument
Related Entities	34 583 210	1 175 094	147 651	592 946	36 498 900	n.a.
Public Entities	251 112		449	1 193	252 754	n.a.
Financial entities	61 238		130 086	197 746	389 070	n.a.
Independent dealers	6 017 980	37 919	(1 344)	7 068	6 061 623	Bank Guarantees
Other	10 842 710	514 283	396 174	402 438	12 155 605	n.a.
Total	51 756 250	1 727 296	673 017	1 201 391	55 357 953	

It is the Board of Directors' understanding that the credit risk associated with customers that makes up the oldest age bracket is small because of:

a) Related companies: in this typology of clients are included several entities belonging to the sphere of the Salvador Caetano Group (shareholder) with whom Toyota Caetano Portugal maintains regular commercial transactions and the Company also maintains transactions as a client with entities of the same Salvador Caetano Group (shareholder) with whom Toyota Caetano Portugal maintains regular commercial transactions and the Company also maintains transactions as a client with entities of the same Salvador Caetano Group (shareholder). It is thus understood by the Board of Directors that the values included in the "+120 days" age group for this typology of clients are fully recoverable.

b) Other customers: in this typology are included among others general customers of vehicles for which there is usually a property reservation clause associated with the sold vehicle or alternatively is not transferred to your property until the alienated vehicle is fully liquidated. It takes the Board of Directors however that in this type of client typology there are moderate credit risk situations which are not materially relevant. The Company's credit and collection control department maintains constant monitoring of these situations.

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

It should also be noted that as regards financial instruments corresponding to accounts receivable from customers there was no significant change in the average time of receipt in 2021 in 2021 with only some aggravation in the receivables associated with the *rent-a-car business*. This was considered in the process of analysis of the analysis of the cost of accounts receivable carried out by the Company.

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

13. OTHER ACCOUNTS RECEIVABLE

As of 31 December 2021 and 31 December 2020 this caption had the following composition:

Other accounts receivable	Current Assets	
	2021	2020
Personnel	55 049	27 341
Down payments	45 851	30 409
Shareholders - RETGS (Note 30)	5 418 853	4 279 883
	5 519 753	4 337 633

14. OTHER CURRENT ASSETS

As of 31 December 2021 and 31 December 2020 this caption had the following composition:

	2021	2020
Debtors for accrued incomes		
Recover of sales campaigns	1 340 782	-
Recover of expenses	91 712	-
Interest receivable	52 947	69 493
Insurance claims receivable	-	8 978
Training grants - IEFP	494 897	280 035
Rent	-	4 383
Consulting	98 148	92 698
	2 078 487	455 587
Deferrals		
Insurance	74 687	76 882
Expenses from commercial paper programs	256 654	119 885
Other	315 288	388 992
	646 629	585 759
	2 725 115	1 041 347

The caption "Share to be received from brands" corresponds to amounts to receive performance awards and achievement of objectives achieved in 2021 granted by the Toyota and Lexus brands as well as support for campaigns developed by them.

15. ASSETS AND LIABILITIES FOR DEFERRED TAXES

Income Taxes

The Company is subject to IRC – Corporate Income Tax at the rate of 21% for the tax base plus pours at the rate of 1 5% on taxable income resulting in an aggregate tax rate of a maximum of 22 5%. According to the legislation in force the Company's tax returns are subject to review and correction by the tax administration for a period of four years (five years for Social Security) except where there have been tax losses tax benefits have been granted or inspections claims or challenges are underway in which cases depending on the circumstances the time limits are extended or suspended. Thus the Company's tax returns since 2018 may still be subject to review. The Board of Directors considers that any corrections resulting from revisions/inspections by the tax administration to those tax returns for the years open to inspection should not have a significant effect on the accompanying financial statements.

Pursuant to Article 88 of the Corporate Income Tax Code companies based in Portugal are subject in addition to autonomous taxation on a set of charges at the rates provided for in the above-mentioned article. In addition the excess taxable profit between 1 5 Million Euros and 7 5 Million Euros in addition to a State Spill of 3% more than 7 5 Million Euros and up to 35 Million Euros plus a State Spill of 5% and the taxable profit in excess exceeding 35 Million Euros plus a State Spill of 9%.

In March 2007 the Company opted for the application of the Special Regime for The Taxation of Groups of Companies ("RETGS") provided for in Articles 69 and 70 of the IRC Code beginning in application on January 1 2007. In this regime the dominant company (Toyota Caetano Portugal S.A.) must record the taxes calculated in the subsidiaries included in the fiscal perimeter (Caetano Auto and Caetano Renting) to determine the group's income tax.

The detail of the balance shown in the Statement of Financial Position as of December 31 2021 and 2020 is as follows:

	DEC'21	DEC'20
Corporate income tax for the year (estimate)	(4.235.672)	(1.885.046)
Corporate income tax for the year (payments in advance)	468 819	1 842 126
Withholding tax	662 756	919 710
Corporate income tax for the year (RETGS)	(1.225.455)	(4.248)
	(4.329.551)	872.541

Since the income tax for the year evidenced in the income statement for the years ended December 31 2021 and 2020 can be decomposed as follows:

	2021	2020
Income taxes in year	3 894 767	1 885 046
Deferred income taxes	(100 060)	18 589
	3 794 707	1 903 635

Total current tax	2021	2020
Excess Estimated Tax	(340 905)	
Tax estimate of the year	4 235 672	1 885 046
	3 894 707	1 885 046

The reconciliation of the effective tax charge with the theoretical tax charge for the years ended December 31 2021 and 2020 can be analyzed as follows:

	2021	2020
Income before taxes	**15 489 712**	**6 548 361**
National tax expenses	22 50%	22 50%
Theoretical tax expenses	**3 485 185**	**1 473 381**
Equity method	165 241	340 223
Accounting capital gains		(171 995)
Excess estimated tax	(340 905)	
Others	(202 934)	12 785
Additional income tax	95 725	76 133
State tax	592 395	173 107
Effective tax expenses	**3 794 707**	**1 885 046**

Deferred Taxes

The detail and movement of amounts and the nature of deferred tax assets and liabilities recorded in the financial statements as of December 31 2021 and 2020 can be summarized as follows:

2021	Initial balance	Reflected in income statement		Reflected in income statement		Final balance
		Decrease	Increase	Decrease	Increase	
Deferred tax assets						
Provisions	222.294					222.294
Expenses not accepted for tax purposes	65.868	154.817	(65.868)			154.817
Defined benefit plan liabilities	1.164.845				(201.736)	963.109
	1.453.007	154.817	(65.868)		(201.736)	1.340.220
Deferred tax liabilities						
40% of depreciation as a result of legal	35.374		(1.282)			34.092
effect of the reinvestments of the gains in fixed assets sales	63.796		(9.829)			53.967
	99.169	-	(11.111)	-	-	88.059

2020	Initial balance	Reflected in income statement		Reflected in income statement		Final balance
		Decrease	Increase	Decrease	Increase	
Deferred tax assets						
Provisions	317.861	30.854	(126.421)			222.294
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	36.656		(1.282)			35.374
effect of the reinvestments of the gains in fixed assets sales	73.624		(9.829)			63.796
	110.280	-	(11.111)	-	-	99.168

As of December 31 2021 and 2020 the Company had no reportable tax losses to carryforward.

16. EQUITY

Capital Social

As of December 31 2021 and 2020 the capital of the parent company fully subscribed and realized consists of 35.000.000 nominative shares fully subscribed and held with a nominal value of 1 Euro each.

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

- Salvador Caetano - Auto S.G.P.S. S.A. 69 795%
- Toyota Motor Europe NV/SA 27 00%

In 2021 Salvador Caetano - Auto S.G.P.S. S.A. acquired 7.059 shares with a nominal value of 1 Euro each fully realized and representing 0 02017% of the share capital.

Dividends

During the financial year 2020 and as a result of the conjuncture resulting from the pandemic caused by Covid-19 and the restrictions arising from the support and incentives from which the Toyota Caetano Portugal Group benefited under government measures (regulated by Decree-Law 10-G/2020) no dividends were distributed to shareholders.

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

As of December 31 2021 there are no restrictions on the distribution of dividends.

Legal reserve

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

Adjustments to financial assets

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

Revaluation reserves

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

The amounts distributable in Equity excluding Net Income for the Year total 76.665.581 Euros under the items Free Reserves and Carried Forward Results.

Proposal for the Application of Results 2021

In accordance with paragraph 1(b) of Article 376 of the Commercial Companies Code we propose the following application of the net results calculated in the year in the amount of Euros 11.695.005 29 expressed in Toyota Caetano Portugal's separate financial statements:

- For the account of reserves not distributable by profits in financial holdings arising from the application of the equity method: Eur 734.404 92

- For dividends to be allocated to the capital 0,20 Eur per share which pays attention to its number 35 000 000 shares per eur 7 000 000

- The remainder for the Transited Results account Eur 5.429.410 21

17. LOANS OBTAINED

On December 31 2021 and December 31 2020 the Loans caption has the following detail:

	2021			2020		
	Current	Non-current	TOTAL	Current	Non-current	TOTAL
Secured current accounts	15 000 000	-	15 000 000	-	-	-
Bank loan	-	-	-	10 000 000	-	10 000 000
Lease liabilities	5 443 445	8 759 868	14 203 313	5 097 337	9 332 243	14 429 580
Bond loan	-	12 500 000	12 500 000	-	12 500 000	12 500 000
	20 443 445	21 259 868	41 703 313	15 097 337	21 832 243	36 929 580

The movement in the financing obtained during the years ended December 31 2021 and 2020 was as follows:

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

	2020			
	Starting balance	Increases	Decreases	Final balance
Secure 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 2021 and 2020 the detail of bank loans bank overdrafts Commercial Paper and bond lending programs as well as their respective conditions is as follows:

2021	Used Amount	Limit
Current		

Secured current accounts	15 000 000	22 000 000
Overdrafts	-	4 000 000
Confirming	-	4 500 000
Bank Loans	-	52 000 000
Lease liabilities	5 443 445	5 443 445
	20 443 445	87 943 445
Non-current		
Lease liabilities	8 759 868	8 759 868
Bond loan	12 500 000	12 500 000
	21 259 868	21 259 868
	41 703 313	109 203 313

2020	Used Amount	Limit
Current		
Secured current accounts	-	12 000 000
Bank overdraft	-	4 000 000
Confirming	-	4 350 000
Mutual 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		
Rental liabilities	9 332 243	9 332 243
Lease liability	12 500 000	12 500 000
	21 832 243	21 832 243
	36 929 580	89 279 580

We then detail the amount related to financing obtained or lines of credit contracted for which real guarantees relating to mortgages on real estate were granted (Note 31):

- Commercial Paper: 19 000 000 Euros

Interest on the above-mentioned bank loans is indexed to Euribor (*floor* zero) plus a *spread ranging* from 0.45% to 2.5%.

The Company had credit lines as of December 31 2021 in the amount of approximately 109.2 Million Euros (of which approximately 41.7 million Euros were used as of December 31 2021) that could be used for future operational activities and to meet financial commitments with no restriction on the use of this facility. This value is applied in several financial institutions and there is no excessive concentration in any of them.

The rental liabilities (current and non-current) correspond to the Company's responsibilities such as location related to the rights of use related to cargo handling equipment. In view of the lease agreements established by the Company they did not result from the current market conditions associated with the pandemic caused by the Covid-19 coronavirus relevant impacts on them namely rental support.

The detail of this item as well as the payment plan can be summarized as follows:

		Current	Non-Current					
Contract	Well leased	2022	2023	2024	2025	> 2025	TOTAL	TOTAL
Diverse	Industrial equipment							
	Capital	5 443 445	3 164 101	2 578 766	1 507 471	1 509 531	8 759 868	14 203 313

Debt Maturity

The maturities of existing loans as of 31 December 2021 and 2020 are as follows:

Financing

2021	< 1 year	1 - 3 years	3 - 5 years	> 5 years old	Total
Bank loan	15 000 000	-	-	-	15 000 000
Lease liabilities	5 443 445	7 250 338	1 509 531	-	14 203 313
Bond loan	-	12 500 000	-	-	12 500 000
Total funding	20 443 445	19 750 338	1 509 531	-	41 703 313

2020	< 1 year	1 - 3 years	3 - 5 years	> 5 years old	Total
Bank loan	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 funding	15 097 337	19 487 595	2 304 317	40 331	36 929 580

- Interest

2021	< 1 year	1 - 3 years	3 - 5 years	> 5 years old	Total
Bank loan	97 656	-	-	-	97 656
Lease liabilities	286 593	370 285	34 486	-	691 364

Bond loan	249 670	249 670	-	-	499 340

2020	< 1 year	1 - 3 years	3 - 5 years	> 5 years old	Total
Mutual loan	55 625	-	-	-	55 625
Lease liabilities	302 828	310 648	7 989	-	621 465
Bond loan	256 166	499 340	-	-	755 506

18. SUPPLIERS

On December 31 2021 and 2020 this item was composed of current balances payable to suppliers resulting from the Company's ordinary activity which are all due in the short term.

The Company in the context of financial risk management has implemented policies to ensure that all liabilities will be settled within the defined payment deadlines.

19. OTHER ACCOUNTS PAYABLES

As of 31 December 2021 and 2020 this caption had the following composition:

Other debts to third parties	Current Liabilities	
	2021	2020
Personnel	116 038	34 972
Down payments	485 757	295 608
Public entities	17 231 183	13 388 275
Shareholders	24 954	20 194
Other accounts payable	282	45 299
	17 858 214	13 784 347

The decomposition of the caption "State and Other Public Entities" as of December 31 2021 and 2020 is as follows:

	2021	2020
Income Taxes withheld	211 243	286 135
Value added taxes	14 179 777	10 921 592
Employee’s social contributions	293 593	271 538
Local taxes	167 679	169 463
Others	2 378 890	1 739 547
	17 231 183	13 388 275

The caption "Others" includes the ISV - Vehicle Tax and IMI - Municipal Property Tax.

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

20. OTHER CURRENT LIABILITIES

On December 31 2021 and 2020 the caption "Other current liabilities" can be detailed as follows:

	2021	2020
Creditors for accrued expenses		
Vacations pay and bonus	3 053 379	2 721 354
Sales campaigns	2 838 295	3 694 840
Interest	136 539	132 968
Anticipated costs related with sold vehicles	507 190	442 834
Insurance	9 730	183 190
Car tax on vehicles with disposed vehicles not registered	1 711 789	2 167 552
Warranty claims	56 829	34 855
Personnel	627 541	641 082
Publicity	-	55 367
Anticipated costs related with other supplies	2 275 884	1 088 177
Royalties	104 650	24 115
	11 321 825	11 186 334
Deferrals		
Maintenance vehicles contracts	6 120 106	6 588 386
Subsidies	22 040	24 245
Sales deferral	6 119 536	3 753 657
Others	2 191 187	109 127
	14 452 871	10 475 415
	25 774 696	21 661 749

For the caption "Revenue" it refers to transactions in which there was no transfer of control of the vehicle to another entity thus not being recognized as a sale of the period being the same deferred until the moment when the conditions of transfer of control take effect.

21. RESPONSIBILITIES FOR PENSIONS

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

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

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

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

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

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

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

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

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

- The pension plan is complementary to public Social Security schemes and the pension plan is independent of pensions allocated by Social Security.
- The pension plan provides for the payment of pensions in the event of old-age retirement and invalidity retirement.
- The pension plan provides for acquired rights.
- The updating of pensions is dependent on the decision of the members of the Salvador Caetano Pension Fund.
- The payment of benefits is made directly by the Pension Fund.
- In terms of eligibility workers at least 50 years of age on December 31 2017 who on that same date had completed 15 years in the service of one of the members of the Salvador Caetano Pension Fund are eligible.
- The normal retirement age is the age established by the General Social Security Scheme.
- The pensionable salary corresponds to 14/13 of the last salary paid by the worker.
- The old-age pension and invalidity pension corresponds to 20% of the monthly pension salary.
- These pensions are paid 13 times a year.
- In terms of minimum solvency level the value of the assets of the Salvador Caetano Pension Fund may not be less than the minimum amount of solvency calculated in accordance with the rules laid down by the regulatory standard of the Insurance and Pension Fund Supervisory Authority ("ASF"). The "Minimum Solvency Scenario" is thus calculated (BPI Pensões S.A.) in accordance with Asf Standard No. 21/96-R of December 5.

The Salvador Caetano Pension Fund has currently concluded a management contract with the managing entity BPI Vida e Pensões S.A. acting this managing entity as "Responsible Act". In accordance with the current legislation in force the managing body shall ensure that the assets that are part of the assets of the Salvador Caetano Pension Fund are appropriate to the liabilities arising from the pension plan and shall consider inter alia:

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

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

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

	Limite Mínimo	Valor Central	Limite Máximo
Obrigações dívida Privada da zona Euro	45.0%	50.0%	55.0%
Obrigações dívida Pública da zona Euro	20.0%	25.0%	30.0%
Ações Globais	13.0%	17.0%	22.0%
Retorno Absoluto	3.0%	8.0%	13.0%
Outros ativos	0.0%	-	10.0%
High Yield	0.0%	-	10.0%
Cash	0.0%	0.0%	12.8%

The following is a description of each of the risks in the activity of BPI Vida e Pensões S.A. as well as the information models used for their monitoring:

MARKET RISK

The main market risks come from changes in portfolio bond prices resulting from investors' perception of factors intrinsic to the issuer or markets or geopolitical factors.
The tools used to measure and quantify exposure to market risks are as follows:

VaR - Value at Risk

Value at Risk (VaR) means the estimated maximum expected loss for a portfolio in each time horizon with a certain level of confidence.
Bpi Vida e Pensões S.A.'s VaR calculation system uses historically calculated volatilities and correlations for different securities and prices in the last 365 days determining the VaR of each portfolio for a time interval of 30 days and a confidence level of 95%.

The results of the coverage policies implemented by managers are also evaluated and consolidated through the VaR values determined with and without derivatives.

Stress scenarios
To complement the information provided for each portfolio by VaR which is based on historical series BPI Vida e Pensões S.A. also evaluates exposure to market risks analyzing the impact on the future value and profitability of each portfolio considering the repetition of past stress scenarios.
These *stress scenarios are* applied to the key variables evaluating their individual impact and the joint impact with other variables.

CREDIT RISK (portfolio diversification)

The credit risk of each security is assessed considering the credit risk of each issuer and the nature of its debt as well as *the rating and the* probability of *default*.

LIQUIDITY RISK

To assess liquidity risk each manager constantly monitors the expected flows of portfolio inflows and outflows and maintains liquidity levels appropriate to the maturities of anticipated liabilities.

OPERATIONAL RISK

The operational risk is assessed considering the operational loss database of BPI Vida e Pensões S.A. which provides the registration of all events and their financial impact.

Additionally for the year ended December 31 2021 there was no change early cancellation or settlement of the Defined Benefit Plan.

According to an actuarial study conducted by the fund management company (BPI Vida e Pensões S.A.) the Company has been making contributions to the defined benefit plan allowing the equity situation of this Fund to amount on December 31 2021 to approximately 14 824 thousand Euros (14 720 thousand euros as of December 31 2020). The share of the estimated overall responsibility for the Defined Benefit Plan in the share of the Company amounts to approximately 19 041 thousand Euros (21 105 000 Euros as of December 31 2020).

The actuarial assumptions used for the 2021 and 2020 evaluation by the management company include the Mortality and Disability Tables TV88/90 and Suisse Re 2001 respectively as well as wage growth pension and discount rates of 0% (0% in 2020) 0% (0% in 2020) and 0.99% (0.7% in 2020) respectively.

Regarding the consideration of a future projection of a wage increase of 0% it should be noted that this is because the universe (closed) of participants in the Defined Benefit Plan contemplates on December 31 2021 about 505 people of which only 9 participants were active in Toyota caetano Portugal companies so any estimate of future wage increase would apply only to these. Given that the target population of potential wage increases is residual and is at the end of its career (average ages of about 65 years) it was the decision of the Company's Board of Directors to consider a wage update rate of 0% in the process of discharge of actuarial responsibilities.

	Number of people	Median age
Active	9	65 0
Former participants	15	70 5
Retired	481	74.4

The movement of the Company's responsibilities with the Defined Benefit Plan in the years 2021 and 2020 can be summarized as follows:

	2021	2020
Responsibilities at the beginning of the financial year	21 104 665	19 049 297
Cost of current services	36 000	40 127
Cost of interest	142 832	183 463
(Gains) and actuarial losses	11 978	245 772
Cuts in the *plan (settlement)*	(301 076)	-
Change of mortality table	-	2 668 590
Pension Payments (Benefits paid)	(1 472 045)	(1 486 185)
Net transfers made	-	(129 988)
Changing assumptions	(481 246)	533 589
Responsibilities at the end of the year	19 041 108	21 104 665

The movement of the pension fund's equity situation which covers the defined benefit plan during the financial year 2021 and 2020 was as follows:

	2021	2020
Fund value at the beginning of the financial year	14 720 140	15 365 426
Company Contributions	1 051 100	-
Interest income	98 141	146 625
Gain / (loss) of income	465 043	880 240
Benefits paid	(1 509 751)	(1 542 163)
Net transfers made	-	(129 988)
Fund value at the end of the year	14 824 673	14 720 140

As of December 31 2021 and 2020 the composition of the asset portfolio of the Salvador Caetano Pension Fund that covers the Defined Benefit Plan is as follows:

Fund Portfolio	Wallet weight	Value	Wallet weight	Value
	2021		2020	
Stocks	9 8%	1 449 853	9 9%	1 454 350
Fixed rate bonds	33 2%	4 919 568	30 7%	4 516 139
Variable rate bonds	2 4%	359 498	5 2%	758 087
Real estate	46 2%	6 841 587	44 6%	6 566 654
Cash	3 9%	579 645	3 4%	503 429
Other assets	4 6%	674 523	6 3%	921 481
Total	100 0%	14 824 673	100 0%	14 720 140

As of December 31 2021 individual investments with a weight greater than 5% of the total asset portfolio of the Salvador Caetano Pension Fund covering the Defined Benefit Plan are presented as follows:

Active	Weight Portfolio	Portfolio Value 31-12-2021
Cimóvel - Closed Real Estate Investment Fund	46 15%	31 861 284

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

Defined benefit plan	2021	2020
Responsibility's Values	19 041 108	21.104.665
Fund Value	14 824 673	14 720 740

The company's net liability shown above is safeguarded not only by the assets of the Salvador Caetano Pension Fund but also through a provision of approximately 4 2 million Euros (6 3 million Euros as of December 31 2020) reflected in the financial position statement under the caption "Responsibilities for defined benefit plans".

Additionally and as mentioned above the Company is an integral part of a defined contribution plan having during the year ended December 31 2021 made contributions to it in the amount of 305 702 Euros (185 347 Euros as of December 31 2020) recorded in the income statement in the personnel expenses item.

22. ACCUMULATED PROVISIONS AND IMPAIRMENT LOSSES

The movement in the provisions during the years ended December 31 2021 and 2020 was as follows:

2021	Opening Balances	Increases	Disposals	Write-offs	Final Balances
Doubtful accounts receivable (Note 12)	5 257 750	15 662	0	(16 465)	5 256 947
Inventories (Note 11)	137 131	0		0	137 131
Total	5 394 880	15 662	0	(16 465)	5 394 077

2020	Opening Balances	Increases	Disposals	Write-Offs	Final Balances
Doubtful accounts receivable (Note 12)	4 821 966	514 556	-	(78 772)	5 257 750
Inventory (Note 11)	561 873	137 131		(561 873)	137 131
Total	5 383 839	651 687	-	(640 646)	5 394 880

23. SALES AND SERVICES RENDERED

The detail of sales and services by geographic markets in the years ended December 31 2021 and 2020 was as follows:

	2021	2020	Var (%)	2021	2020	Var (%)	2021	2020	Var (%)
	National			External market			Total		
Light vehicles	235 333 301	198 738 724	18%	46 017 598	32 542 982	41%	281 350 899	231 281 706	22%
Heavy vehicles	5 712 164	-	-	137 509	520 164	-74%	5 849 672	520 164	1025%
Industrial vehicles	8 224 245	8 205 363	0%	33 565	22 855	47%	8 257 809	8 288 218	0%
Spare parts and accessories	36 208 625	32 935 191	10%	717 182	501 207	43%	36 925 807	33 436 399	10%
Other	18 446 450	19 236 710	-4%	36 767	16 988	116%	18 483 217	19 253 697	-4%
	303 924 784	259 115 988	17%	46 942 621	33 604 196	40%	350 867 405	292 780 184	20%

24. SEGMENT INFORMATION

For the years ended December 31 2021 and 2020 the detail of the segment report is as follows:

2021	National					Other	External					TOTAL
	Cars		Industrial equipment			Other	Cars		Industrial equipment			
	Industry	Trade	Machines	Services	Rent		Industry	Trade	Machines	Services	Rent	
REVENUE												
Turnover	5 890 913	272 911 611	8 201 245	4 991 594	11 929 421		38 754 608	8 063 109	56 565	61 808	6 531	350 867 405
FINDINGS												
Operating results	(220 195)	12 587 628	1 295 683	2 019 104	1 201 210		883 859	213 827	2 797	41 603	5 317	18 030 832
Financial results	(17 448)	(1 539 108)	(34 062)	(18 233)	(40 887)		(129 112)	(27 334)	(258)	(251)	(22)	(1 806 715)
Results in associates												
Results in financial holdings in subsidiary companies joint ventures and associates						(734 405)						(734 405)
Income tax year						(3 794 707)						3 794 707
Net results	(237 643)	11 048 521	1 261 621	2 000 871	1 160 324	(4 529 112)	754 747	186 493	2 538	41 352	5 294	11 695 005
Depreciation	244.585	4.366.405	34.689	6576	2.358.229							7 010 484

2020	National					Other	External					TOTAL
	Cars		Industrial equipment				Cars		Industrial equipment			
	Industry	Trade	Machines	Services	Rent		Industry	Trade	Machines	Services	Rent	
REVENUE												
Turnover	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
FINDINGS												
Operating results	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 results	(111)	(1 599 991)	(21 581)	(10 920)	(32 836)		(111 185)	(21 155)	(78)	(203)	(74)	(1 798 134)
Results in financial holdings in subsidiary companies joint ventures and associates						(1 512 104)						(1 512 104)
Income tax year						(1 903 635)						(1 903 635)
Net results	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

The above segment information corresponds to that presented at the board of directors for the purposes of approving the Company's accounts and used in the decision-making process. The sub-segment on industrial vehicle assembly activity is included in the segment "Motor Vehicles - Industry". Additionally the activity training and development of human resources as well as real estate management activity (investment properties) since they represent a secondary activity and without great expression are divided by the various segments. The Board of Directors considers that the presentation of these activities in autonomous segments would not add any added value to the level of the Company's financial reporting.

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

25. EXTERNAL SUPPLIES AND SERVICES

The detail of the External Supplies and Services item for the years ended December 31 2021 and 2020 is as follows:

	2021	2020
Subcontracts	**127 269**	**186 181**
Specialized services	**31 556 356**	**28 169 485**
Professional Services	4 079 194	3 266 234
Advertising	21 694 249	19 457 832
Vigilance and security	403 301	432 169
Professional Fees	1 197 640	960 380
Commissions	145 737	113 690
Repairs and maintenance	1 096 803	1 079 795
Other	2 939 430	2 859 386
Materials	**6 654 073**	**6 878 181**
Tools and utensils	81 037	94 579
Books and technical documentation	314 503	281 522
Office supplies	136 092	168 175
Gifts	37 980	34 776
Others	6 084 461	6 299 129
Energy and fluids	**898 743**	**804 905**
Electricity	334 661	347 829
Fuel	549 785	432 533
Water	14 297	24 543
Travel and transportation	**2 109 317**	**1 790 919**
Traveling expenses	694 592	584 515
Personnel transportation	102 213	86 739
Transportation of materials	1 312 512	1 119 664
Other supplies	**2 329 204**	**2 167 599**
Rent	593 857	551 709
Communications	344 139	433 407
Insurance	552 005	564 806
Royalties	405 725	205 430
Notaries	2 891	6 375
Cleaning and comfort	430 588	405 873
	43 674 962	39 997 270

26. PAYROLL EXPENSES

Personnel expenditure sums for the years ended December 31 2021 and 2020 are composed as follows:

	2021	2020
Payroll – management	403 801	331 477
Payroll – other personnel	11 178 075	9 774 699
Benefit plans	17 316	197 984
Termination indemnities	500 097	403 718
Social Security contributions	3 224 394	2 273 416
Workmen's insurance	251 265	194 887
Others	1 329 555	1 580 782
	16 904 503	14 756 963

During the years ended December 2021 and 2020 the average number of personnel serving the Company was as follows:

Personnel	2021	2020
Employees	382	373
Production Personel	147	156
	529	529

27. OTHER GAINS AND OPERATING EXPENSES

As of 31 December 2021 and 2020 the caption "Other operating income" has the following composition:

Other operating income	2021	2020
Rents Charged (Note 6)	2 927 645	3 106 216
Subsidies	5 289 208	3 933 176
Advertising expenses and sales promotion recovery	463 442	451 141
Gains on Inventories	401 674	62 675
Gains on fixed assets	3 231 675	2 793 935
Investment subsidies	2 204	7 427
Obtained cash discounts	9 589	16 586
Other	14 057 811	10 571 533
	26 383 249	20 942 688

Detailing the main values mentioned above we must mention that:

- The caption "Recovery of advertising charges and sales promotion" essentially includes amounts relating to the recovery of charges (relating to the brands represented with the supplier (and shareholder) Toyota Japan Group). This item also includes the recovery of various charges borne by the Company with marketing and commercial promotion activities associated with its operations with the supplier Toyota Japan Group (shareholder) as well as the recovery of transport charges associated with sales processes. The expenses incurred associated with the recovery of charges are recognized in external supplies and services (where expenses related to car reparations made by independent dealers transportation charges marketing and advertising charges among others are recognized).
- the caption "Real estate income" includes values related to income from investment properties. These rents are derived from rental contracts for real estate assets concluded with several related entities and the respective details are in relation to the years ended December 31 2021 and 2020 as follows:

Entity	2021	2020
Caetano Auto S.A.	673 751	667 562
Caetano Coatings S.A.	558 759	558 050
Caetano Aeronautic S.A.	184 160	233 315
Caetanobus - Body Manufacturing S: A.	792 270	855 100
Rigor - Consulting and Management S.A.	81 902	81 868
Toyota Kredit Bank	30 186	15 784
Toyota Logistic Services Portugal Unip. Lda	577 478	602 586
Other	29 139	91 951
Total	2 927 645	3 106 216

The caption "Farm Subsidies" considers the amount of approximately EUR 4.5 million for support from the IEFP – Institute of Employment and Vocational Training (EUR 3.3 million as of 31 December 2020) in relation to the training actions provided by the Company in its various vocational training centers as well as including government support to deal with the pandemic caused by the new Coronavirus Covid-19 (Note 35).

The caption "Gains on other non-financial investments" includes the gains generated by the sale of real estate properties (building in Vila Nova de Gaia 900 000 Euros in 2021 (Note 5) and commercial premises in Cascais 1 200 000 Euros in 2020 (Note 6) as well as gains generated by the sale of other tangible fixed assets.

The caption "Other" refers essentially to the recovery of expenses with car guarantees that are subsequently redebated to the Toyota brand.

The expenses incurred with the recovery of costs are recognised in the caption "External supplies and services" (where expenses related to vehicle repairs carried out by independent dealers and repairers transport costs marketing and publicity costs among others are recognised).

As of December 31 2021 and 2020 the caption "Other operating expenses" has the following composition:

Other operating expenses	2021	2020
Taxes	713 971	607 986
Inventory losses	9 815	42 411
Cash discount granted	8 844	2 902
Losses on fixed assets	4 426	27 673
Donations	56 080	449
Quotes	16 043	17 097
Fines and penalties	12 868	10 576
Other unspecified	8 273 411	7 674 082
	9 095 457	8 355 502

The caption "Unspecified Others" essentially includes expenses with commercial incentives and bonuses granted to dealers.

28. FINANCIAL EXPENSES AND INCOME

As of December 31 2021 and 2020 financial results are as follows:

Interest and similar expenses borne	2021	2020
Interest	938 983	1 084 245
Other	1 047 504	785 973
	1 986 487	1 870 218

Interest and similar income obtained	2021	2020
Other	179 772	72 083
	179 772	72 083

29. FINANCIAL ASSETS AND LIABILITIES

Below is a summary table of the Company's financial instruments as of December 31 2021 and 2020:

Financial instruments	Note	Financial assets		Financial liabilities	
		2021	2020	2021	2020
Other Financial investments		19 600	19 600		
Loans	10	4 256 303	18 847 237		
Accounts receivable	12	65 641 520	55 370 533		
Other accounts receivable	13	5 538 753	4 337 633		
Other Current Assets	14	2 078 487	455 587		
Loans	17			41 703 313	36 929 580
Other Accounts payable	19			646 031	396 073
Accounts payable	18			38 901 165	31 015 239
Other current liabilities	20			11 321 825	11 186 334
Cash and cash equivalents	4	12 750 072	8 141 407		

30. RELATED ENTITIES

The balances payable and payable with the companies of the Toyota Caetano Portugal Group which on December 31 2021 and 2020 are reflected in the statements of the financial position statement captions "Other accounts receivables" and "Other financial assets" can be summarized as follows:

	2021	2020
Other accoutans receivables - Group companies within the "RETGS" (Note 13)		
Caetano Renting S.A.	(703 771)	(915 693)
Caetano Auto S.A.	6 122 624	5 195 576
	5 418 853	4 279 883
Loans to associte companies (Note 10)		
Caetano Renting S.A.	1 859 302	16 852 045
Caetano Auto S.A.	2 400 000	1 995 192
	4 259 302	18 847 237

The summary table of balances and flows with subsidiaries associates and joint ventures of the Toyota Caetano Portugal Group for the years ended December 31 2021 and 2020 is presented below:

Entities 2021	Dues		Other Current Assets and Liabilities		Goods		Tangible fixed assets		Services	Other		Financial	
	Receiving	Unpaid	Other Current Liabilities	Other Current Assets	Sales and Serv Rendered	Shopping	Acquisitions	Disposals	Obtained	Outgoings	Income	Outgoings	Income
Shareholders	3 916 133	(20 244 541	(141 039)	1 390 000	(38 336 556)	202 456 417	0	0	774 641	0	(6 173 146)	6 337	(383)
Subsidiaries	31 829 373	(109 402)	(3 583 834)	66 452	(126 521 415)	26 919 731	0	(1 033 506)	14 814 939	3 718 414	(2 351 837)	0	(231 144)
Associated	345 646	(153)	(47 305)	0	(2 098 346)	192 113	0	0	910 241	205	(184 811)	0	0
Joint Ventures	2 240 413	(1 961 506)	(47 821)	189 769	(5 801 593)	4 834 060	0	(2 500)	254 975	0	(1 998 116)	0	0

Entities 2020	Commercial debts		Other Current Liabilities	Goods		Fixed assets		Services	Other	
	Receiving	Unpaid	Anticipations	Sales	Shopping	Acquisitions	Disposals	Obtained	Outgoings	Income
Shareholders	441 178	(18 761 000)	(120 932)	(27 517 926)	141 862 037	0	0	426 936	138 930	(3 863 278)
Subsidiaries	30 896 062	(1 677 272)	(2 068 183)	(107 671 023)	15 971 701	0	(518 455)	13 279 623	5 165 929	(2 304 571)
Associated	683 396	0	(343 282)	(2 205 684)	58 001	0	(35 000)	424 221	48 802	(130 971)
Joint Ventures	2 308 265	(134 845)	(280 877)	(4 980 186)	5 414 405	51 858	0	129 519	(161 371)	(1 994 978)

The detail of the balances and transactions between the Company and the related entities to the so-called Salvador Caetano Group the Toyota Motor Corporation Group and Other related Entities can be summarized as follows on December 31 2021 and 2020:

Entities 2021	Dues		Other Current Assets and Liabilities		Goods		Fixed assets		Services	Other		Financial	
	Receiving	Unpaid	Other Current Liabilities	Other Current Assets	Sales and Serv Rendered	Shopping	Acquisitions	Disposals	Obtained	Outgoings	Income	Outgoings	Income
Other related entities Salvador Caetano Group	2 365 865	(1 908 673)	(856 181)	0	(5 658 441)	756 225	228 499	(110 626)	7 798 385	736 457	(1 998 156)	0	0
Other Related Entities Toyota Japan Group	3 219 619	(8 728 073)	(4 701 630)	0	(69 160 653)	58 683 455	39 681	0	797 831	1 538 306	(1 721 234)	290 288	0
Other related Entities	1 621	(45 072)	0	49 200	0	0	111 378	0	316 409	0	(8 726)	0	0

Entities2020	Commercial debts		Other Current Liabilities	Goods		Fixed assets		Services	Other	
	Receiving	Unpaid	Anticipations	Sales	Shopping	Acquisitions	Disposals	Obtained	Outgoings	Income
Other related Entities Salvador Caetano Group	1 542 866	(1 700 847)	(1 051 036)	(5 884 370)	597 505	9 771	(33 955)	5 817 670	198 095	(1 710 843)
Other Related Entities Toyota Japan Group	616 563	(5 574 927)	(80 554)	(46 685 833)	39 290 529	20 200	0	702 607	1 865 167	(1 115 478)
Other related Entities	9 294	(77 314)	(70 000)	(210)	0	114 421	0	231 045	16 280	(9 805)

As of December 31 2021 there are no outstanding current balances with key company management personnel (including Governing Bodies).

The related entities with which the Company has relationships are as follows:

SHAREHOLDERS	
Salvador Caetano Auto SGPS S.A.	Portugal
Toyota Motor Europe Nv/Sa	Belgium

OTHER RELATED ENTITIES GRUPO SALVADOR CAETANO	
Grupo Salvador Caetano SGPS S.A.	Portugal
Amorim Brito & Sardinha Lda.	Portugal
Atlântica- Companhia Portuguesa De Pesca S.A.	Portugal
Caetano Aeronautic S.A.	Portugal
Caetano Baviera- Comércio De Automóveis S.A.	Portugal
Caetano City S.A.	Portugal
Caetano Drive Sport E Urban S.A.	Portugal
Caetano Energy S.A.	Portugal
Caetano Formula Cádiz SLU	Spain
Caetano Fórmula West Africa S.A.	Portugal
Caetano Formula Galicia SLU	Spain
Caetano Fórmula S.A.	Portugal
Caetano Mobility SGPS SA	Portugal
Caetano Motors S.A.	Portugal
Caetano Motors Cádiz SLU	Spain
Caetano Move África S.A.	Portugal
Caetano One Cv Lda	Cape Verde
Caetano Parts Lda.	Portugal

Caetano Power S.A.	Portugal
Caetano Reicomsa Slu	Spain
Caetano Retail España Sau	Spain
Caetano Retail SGPS S.A.	Portugal
Caetano Squadra África S.A.	Portugal
Caetano Star S.A.	Portugal
Caetano Technik S.A.	Portugal
Caetsu Publicidade S.A.	Portugal
Carplus S.A.	Portugal
Choice Car S.A.	Portugal
Fundação Salvador Caetano	Portugal
Gamobar- Sociedade De Representações S.A.	Portugal
Guérin- Rent-A-Car (Dois) Lda.	Portugal
Grupo Salvador Caetano (S.G.P.S.) S.A.	Portugal
Hyundai Portugal S.A.	Portugal
Lidera Soluciones Sl	Spain
Lusilectra- Veículos E Equipamentos S.A.	Portugal
Mds Auto- Mediação Seguros Sa	Portugal
Movicargo- Serviços Aduaneiros Lda.	Portugal
P.O.A.L.- Pavimentações E Obras Acessórias S.A.	Portugal
Portianga- Comércio Internacional E Participações S.A.	Portugal
Rigor- Consultoria E Gestão S.A.	Portugal
Robert Hudson Ltd	Angola
Salvador Caetano Auto África SGPS S.A.	Portugal
Salvador Caetano Indústria SGPS S.A.	Portugal
Sózó Portugal S.A.	Portugal
Turispaiva- Sociedade Turística Paivense S.A.	Portugal
Useragency- Agência De Publicidade Lda.	Portugal
Vas África S.A.	Portugal

OTHER RELATED ENTITIES GRUPO TOYOTA MOTOR CORPORATION

Toyota Motor Corporation	Japan
Toyota Kreditbank Gmbh- Sucursal Em Portugal	Portugal
Toyota Logisticos Serviços Portugal Unipessoal Lda.	Portugal
Toyota Material Handling Deutschland	Germany
Toyota Material Handling Spain Sa	Spain
Toyota Material Handling Europe	Belgium
Toyota Material Handling Europe Brussels	Belgium
Toyota Material Handling Europe Logistics	Sweden

Toyota Material Handling France	France
Toyota Material Handling Manufact France Sas	France
Toyota Material Handling Manufact Italy Spa	Iatly
Toyota Material Handling Manufact Sweden	Sweden
Toyota Material Handling Nerdlands	Nederlands
Toyota Tsusho Asia Pacific Pte Ltd	Singapore
Toyota Tsusho Corporation	Japan
Toyota Tsusho Europe S.A.	Belgium

OTHER RELATED ENTITIES	
Cociga- Construções Civis De Gaia S.A.	Portugal
Covim- Soc Agricola S Imobiliaria S.A.	Portugal
Rarcon- Arquitectura Consultadoria E Med. Imobiliária S.A.	Portugal
Simoga- Sociedade Imobiliária De Gaia S.A.	Portugal
Unboxagency- Agência De Publicidade Unipessoal Lda.	Portugal

31. CONTINGENT ASSETS AND LIABILITIES

Financial commitments made and not included in the Financial Position Statement

As of December 31 2021 and December 31 2020 the Company had made the following financial commitments:

Responsibilities	2021	2020
Security Guarantee	4 000 000	4 000 000
Other guaranties	1 659 071	1 660 174
	5 659 071	5 660 174

Of the amounts submitted on December 31 2021 and 2020 the amount of 4 million Euros refers to the security provided to the A.T.A. (Tax and Customs Authority) which is intended to guarantee with it the payment subsequently of the amounts resulting from the duties and taxes as well as the vehicle tax in the orders and applications for registration made.

Following financing contracted in the amount of 19 million Euros Toyota Caetano granted its financial institution real guarantees related to mortgages on real estate relating to property carried by the Company for about 1.3 million Euros.

Other informations-End-of-life vehicles

In September 2000 the European Commission voted on a Directive on end-of-life vehicles and the corresponding responsibility of Producers/Distributors for their dismantling and recycling.

Producers/Distributors shall according to this regulation must bear at least a significant part of the recovery cost of vehicles placed on the market from 1 July 2002 and for those marketed prior to that date when submitted from 1 January 2007.

This legislation will have an impact on Toyota vehicles sold in Portugal. The Company and its representative Toyota are closely monitoring the development of Portuguese national legislation so that in due course they can quantify the impact of these operations on their financial statements.

It is however our belief in view of the studies already prepared on the Portuguese market and given the possible recovery of waste resulting from the dismantling of the vehicles concerned that the effective impact of this legislation on the Company's accounts will be diminished if not null.

However and to comply with the legislation introduced in the national regulations (Dec./Law 196/2003) the Company carried out the congratulation with "ValorCar – End of Life Vehicle Management Company Lda." – Company licensed as a management entity of the integrated of vVF management system – the transfer of the responsibilities inherent to this whole process.

Other informations- Information on the environmental area

The Company adopts the necessary measures in relation to the environmental area with the objective of complying with current legislation.

The Board of Directors of Toyota Caetano does not estimate that there are risks related to environmental protection and improvement and did not receive any amount related to this matter during the 2021 financial year.

32. EARNINGS PER SHARE

The earnings per share for the years ended December 31 2021 and 2020 were calculated considering the following amounts:

	2021	2020
Net income	11 695 005	4 644 725
Number of shares	35 000 000	35 000 000
Earnings per share (basic and diluted)	0 33	0 13
Comprehensive income	12 233 143	4 522 618
Number of shares	35 000 000	35 000 000
Income integrates l (basic and diluted)	0 38	0 13

During the years ended December 31 2021 and 2020 there was no change in the number of shares.

33. REMUNERATION OF MEMBERS OF THE GOVERNING BODIES

The remuneration of the board members of the Company for the years ended December 31 2021 and 2020 were as follows:

Board Members	2021	2020
Board of Directors	463 750	391 783
Board of Auditors	5 040	6 790

34. REMUNERATION OF THE STATUTORY AUDITOR

The fees paid to the Company's Statutory Auditors in the financial years 2021 and 2020 were as follows:

	2021	2020
Total fees related statutory audit	58 500	27 500

35. COVID-19

Following the declaration by WHO – World Health Organization of the state of Pandemic due to the spread of the new coronavirus Covid-19 in March 2020 which lasted during the year 2021 it is worth mentioning some impacts on the financial statements presented on December 31 2020 and 2021:

<u>Activity/Profitability</u>

As evidenced in the attached financial statements in 2020 the Company's activity suffered a drop of about 22% resulting from the various constraints that the pandemic caused being to highlight the interruptions / production stops or a caused by the restrictive public health measures implemented or caused by logistical difficulties in moving people goods and equipment.

In terms of profitability because of interruptions /stops that occurred with the consequent negative impact on productivity and dilution of fixed costs EBITDA* also fell by about 41%.

'* EBITDA= Res. Operating+Amortizations+Impairment

It should be noted that the company maintained an activity of constant monitoring of the effects of the pandemic throughout the financial year 2021 maintaining adequate control over its operating costs and by accessing vehicles from its main operational suppliers (vehicles and parts) thus reacting to business fluctuations.

The *scarcity of chips*/components that was felt during the 2021 financial year had and continues to have a strong impact on the economy in general not only due to the lack of parts/equipment/raw materials but also to the logistics associated with the transportation of goods.

In fact both in the sale and rental of vehicles and cargo handling equipment as well as in their assistance and also in the assembly of vehicles performed in the production facilities of Ovar Toyota Caetano Portugal has been affected in the various activities it develops. At the same time the transport time of these goods has become longer which results from the general reduction in the use of this service combined with the need to monetize the means used.

In this context Toyota Caetano Portugal has implemented concrete measures to minimize the increased risk resulting from this namely:

i. In the area industry especially in the assembly of vehicles the production was focused on models in which there is less shortage of materials and this strategy is fully concerted with the customer and relevant suppliers involved in this activity.

ii. In the area of cargo handling machines considering the weak capacity to influence the supply chain it was used to place with customers equipment used in temporary rental or lease.

iii. Inventory management both upstream (suppliers) and downstream (dealers and end customers) is carried out rigorously in line with the context of scarcity that is being lived.

iv. Sales were channeled to the channels of higher profitability and the management of demonstration courtesy and service vehicles was also reviewed opting for a lower rotation without compromising the dissemination and promotion of the brands represented.

v. The guidelines on the exposure matrix of vehicles were reviewed adapting them to the reality: fewer vehicles on display and placement of semi-new vehicles in commercial establishments allocated to the activity of new vehicles.

vi. The policy of discounts with customers has been revised.

The extent of the effects of the situation felt in 2021 is not so significant and it also did not significantly impact the main accounting estimates. Nevertheless analyses of impairment signs and where necessary formal impairment analyses (either by determining the use value or by determining the selling value) were carried out from which there was no need to record additional impairment losses. The analyses carried out included the use of current projections containing forward-view information on the evolution of the automotive market in *relation to the timing* of the return to the indicators and volumes achieved in the pre-pandemic period.

It should be noted that the Company's expectations have materialized and as the normal pace of activity resumes profitability has reached the levels achieved in the past

.

The accompanying financial statements show for the financial year 2021 a recovery in the Company's activity of about 20% " because of concrete measures to minimize the various constraints caused by the pandemic.

In terms of profitability EBITDA* also grew by about 40%.

'* EBITDA= Res. Operating+Amortizations+Impairment

<u>Financing</u>

Despite the lower profitability of operations compared to the pre-pandemic period the Company's financing needs were not aggravated having managed to finance its activity through available credit lines without the need to resort to the lines established by the Portuguese State / financial system to cope with the moment of crisis such as the Covid lines and the process of moratoriums established by the Portuguese State / financial system.

On the other hand due to the economic support measures implemented by the Portuguese State there has been no increase in financing costs.

Finally to date no significant worsening has been felt in the average collection period from customers that has affected the Company's financing needs.

<u>Liquidity</u>

In accordance with its management policy aimed at maintaining an adequate liquidity reserve and the Company being aware of the economic and financial effects which will have inherently negative effects on its future activity/profitability it should be noted that unused bank credit lines of more than 67 5 M€ are currently available the continuity of operations for at least 12 months is thus ensured (Note 17).

Support mechanisms made available by the Government

The Government aware of the economic and financial effects on the activity/profitability of companies implemented a series of support measures that the Company used with the following approximate amount of benefit:

- Extraordinary support for the maintenance of the employment contract	194 584 Euros
- Extraordinary support gradual recovery	195 973 Euros
- Incentive to normalize the activity	518 700 Euros

36. SUBSEQUENT EVENTS

Toyota Caetano Portugal SA has been closely following events related to the situation in Ukraine expressing total solidarity with its people.

Certain of the power of organizations to contribute to a fair society with equal opportunities for all and considering that concern for People is one of the Values that guides our activity from the first hour we manifest full availability in the integration of Ukrainian refugees in the labor market through professional opportunities in our companies. At the same time we are looking at the possibility of training these citizens by taking advantage of the network of training centers that we have at national level.

About the effects expected by the current war context we have seen increasing instability in economic and financial markets with unpredictable consequences in terms of inflation exponential rise in fuel prices and energy costs slowdown in consumption and investment.

Main impacts on the activity of the Toyota Caetano Portugal Group:

The Toyota Caetano Portugal Group also sees its activity affected by this war not only due to its direct implications but also because of the instability of foreign markets a result of the global world in which we live.

The complex conjuncture associated with this conflict makes current forecasts difficult. Everything will depend on the scale and duration of it. Below we sum up our main concerns and point out the main risks.

- Dependence on energy prices on international markets

  In the case of the Toyota Caetano Portugal Group the country's high dependence on energy prices in international markets naturally has an impact on the company's activity; not only in terms of the increase in spending but also in the impact on consumers of the products and services made available by all the companies of this Group.

  It should be noted that in 2021 contracts for the supply of electricity at fixed prices were concluded until 2031 and no significant price fluctuations were foreseeable. They shall only be carried out by means of the regulated components.

  In parallel severe cost control measures are implemented with the aim of reducing overall business spending.

- Increase in raw materials

As far as the acquisition of raw materials is concerned there is a general increase in prices.

To meet this challenge:

- negotiations are being initiated with suppliers to reduce prices through greater visibility of quantities to be purchased and their rolling forecast forecast...

- in certain circumstances the anticipation of placing orders is used to fix the current prices with negotiation of extended delivery and payment times.

- procurement of alternative suppliers and in different geographies.

- whenever possible development of alternative solutions with materials less affected by price increase.

- orientation of the commercial policy for products and services with greater profitability and very attentive and controlled management of sales discounts to be granted.

- <u>Logistics and supply chains</u>

As is common knowledge and as mentioned in the "our risks" section the automotive sector has been suffering from supply production and sales restrictions in the face of disruption caused by the lack of semiconductors combined with the crisis for many months. This conflict is expected to further sharpen delivery times.
We are still not sure what impact this context may have on the production of vehicles produced in France England Turkey the Czech Republic Japan and South Africa which are the origins of our car supplies.
In parts destined for the aftersales market the same reasoning applies to their manufacture both in factories based in Europe or in Japan/other Asian countries.
At the same time there is a considerable increase in costs across the transport chain which will implicitly increase the costs of vehicles and parts for the aftersales market.

- <u>Consumer/Market Behavior:</u>

Successive fuel cost increases will naturally have short-term effects on consumer habits who will use much less of their car a situation that translates into a reduction of Km's per car and impacts on the daily activity of concessions.

37. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

These financial statements were approved by the Board of Directors on April 6 2022.

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.

THE CERTIFIED ACCOUNTANT

ALEXANDRA MARIA PACHECO GAMA JUNQUEIRA

THE BOARD OF DIRECTORS

JOSÉ REIS DA SILVA RAMOS- President

MARIA ANGELINA MARTINS CAETANO RAMOS

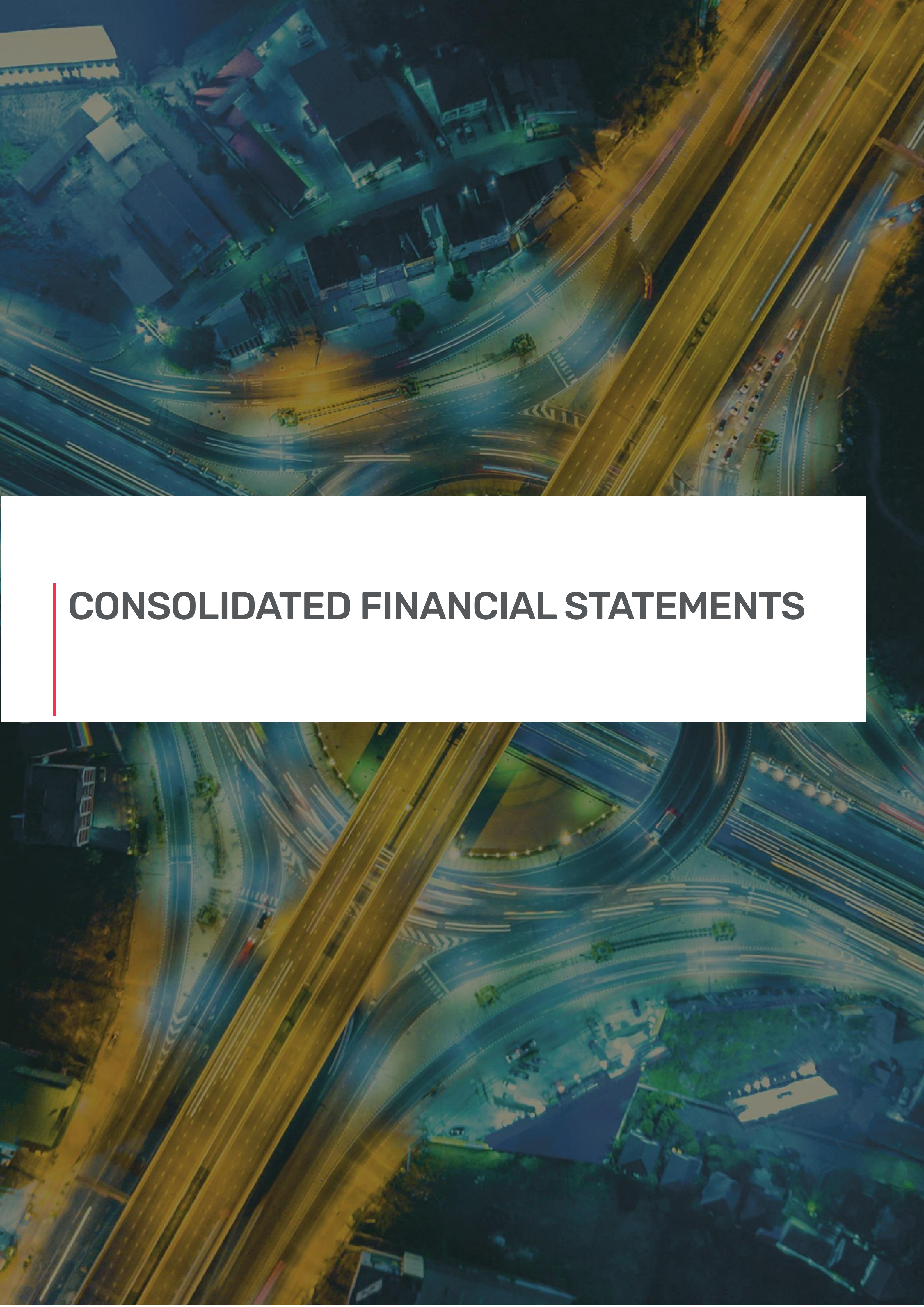
SALVADOR ACÁCIO MARTINS CAETANO

MIGUEL PEDRO CAETANO RAMOS

GISELA MARIA FALCAO SOUSA PIRES PASSOS

TOM FUX

KAZUNORI TAKAGI



CONSOLIDATED FINANCIAL STATEMENTS

STATEMENTS OF CONSOLIDATED FINANCIAL POSITION AS OF DECEMBER 31, 2021 AND 2020

(Amounts expressed in Euros)

ACTIVE	Notes	12/31/2021	12/31/2020
NON-CURRENT ASSETS:			
Goodwill	9	611,997	611,997
Intangible Assets	5	994,965	721,490
Tangible assets	6	101,371,198	96,730,530
Investment properties	7	10,076,343	11,159,678
Financial investments in associates and joint ventures	10	43,994,621	39,105,000
Other investments	11	4,606,025	4,219,437
Deferred tax assets	16	3,528,735	3,148,683
Customers	13	766,236	654,046
Total non-current assets		165,950,120	156,350,861
CURRENT ASSETS:			
Inventories	12	86,801,921	78,708,164
Accounts receivable	13	53,704,915	45,050,337
Other debtors	14	1,028,878	5,574,066
Income tax receivable	23	-	871,404
Other current assets	15	4,130,654	4,754,890
Cash and cash equivalents	17	22,122,760	11,437,547
Total current assets		167,789,128	146,396,408
Non-current assets held for sale	8	3,175,221	2,157,708
Total current assets		170,964,349	148,554,116
Total assets		336,914,469	304,904,977
SHAREHOLDER'S EQUITY AND LIABILITIES			
EQUITY:			
Share capital		35,000,000	35,000,000
Legal reserves		7,498,903	7,498,903
Financial assets adjustments		1,460,711	1,178,658
Other reserves		92,948,220	97,382,982
Net income		11,695,005	4,644,726
	18	148,602,839	145,705,269
Non-controlling interests	19	1,329,406	1,284,674
Total equity		149,932,245	146,989,943
LIABILITIES:			
NON-CURRENT LIABILITIES:			
Loans	20	25,375,771	26,913,455
Responsibilities for defined benefit plans	25	7,105,288	11,171,634
provisions	26	1,918,478	1,973,126
Other creditors	22	2,275,204	-
Deferred tax liabilities	16	1,873,647	1,839,798
Total non-current liabilities		38,548,388	41,898,013
CURRENT LIABILITIES:			
Loans	20	22,280,235	17,341,752
Accounts Payable	21	43,622,927	38,187,645
Other creditors	22	54,687,631	37,571,414
Income tax payable	23	4,307,955	-
Other current liabilities	24	23,535,088	22,916,210
Total current liabilities		148,433,836	116,017,021
Total liabilities		186,982,224	157,915,034
Total liabilities and equity		336,914,469	304,904,977

The notes to the financial statements integrate this statement for the period ending on December 31, 2021

CHARTERED ACCOUNTANT

ALEXANDRA MARIA PACHECO GAMA JUNQUEIRA

THE BOARD OF DIRECTORS

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CONSOLIDATED INCOME STATEMENTS BY NATURE FOR THE YEARS ENDED DECEMBER 31, 2021, AND 2020

(Amounts expressed in Euros)

	Notes	12/31/2021	12/31/2020
Operating income:			
Sales	30	362 895 229	319 482 015
services rendered	30	41 263 502	38 354 623
Other operating income	33	30 396 482	25 061 606
Production variation	12	(43 953)	188 420
Total operating income		434 511 260	383 086 664
Operating expenses:			
cost of sales	12	(307 684 030)	(274 833 481)
External Supplies and services	31	(40 142 735)	(38 284 349)
Payroll expenses	32	(39 293 472)	(35 674 340)
Amortization and depreciation	5 6 and 7	(20 903 183)	(20 323 547)
Impairment losses in inventories	26	959 968	409 735
Impairment losses in accounts receivable	26	443 036	(961 564)
Other provisions and impairment losses	26	208 917	(1 250 192)
Other operating expenses	33	(4 453 640)	(3 269 322)
Total operating expenses		(410 865 139)	(374 187 060)
Operating Income		23 646 121	8 899 604
Income related to associated companies and joint ventures	10	(4 728 610)	-
Expense and financial losses	34	(2 701 575)	(2 388 772)
Income and financial gains	34	32 448	17 162
Pre-tax earnings		16 248 384	6 527 994
Income taxes	27	(4 422 245)	(2 076 261)
Consolidated net income for the period		11 826 139	4 451 733
Attributable consolidated net income:			
to the group		11 695 005	4 644 726
Non-controlling interests	19	131 134	(192 993)
		11 826 139	4 451 733
Earnings per share:			
Basic	28	0.338	0.127
Diluted	28	0.338	0.127

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

CHARTERED ACCOUNTANT

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CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31 2021 AND 2020

(Amounts expressed in Euros)

	Notes	Share Capital	Legal Reserve	Bookings and retained earnings: Fair Value Reserves	Bookings and retained earnings: other reserves and translation reserves	Bookings and retained earnings: Total reserves and translation Reserves	Net Profit	Subtotal	Non-controlling interests	Total
Balances on January 1 2020		35 000 000	7 498 903	883 196	86 348 273	87 231 469	11 593 984	141 324 356	1 514 227	142 838 583
Application of the 2019 consolidated result		-	-	-	11 593 984	11 593 984	(11 593 984)	-	-	-
Consolidated comprehensive income for the year		-	-	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 on December 31 2020		35 000 000	7 498 903	1 178 658	97 382 982	98 561 640	4 644 726	145 705 269	1 284 674	146 989 943
Balances as of January 1 2021		35 000 000	7 498 903	1 178 658	97 382 982	98 561 640	4 644 726	145 705 269	1 284 674	146 989 943
Application of the 2020 consolidated result		-	-	-	4 644 726	4 644 726	(4 644 726)	-	-	-
Consolidated comprehensive income for the year		-	-	282 053	1 420 512	1 702 565	11 695 005	13 397 570	137 040	13 534 610
Acquisition of non-controlling interests		-	-	-	-	-	-	-	(92 308)	(92 308)
Dividend distribution	18	-	-	-	(10 500 000)	(10 500 000)	-	(10 500 000)	-	(10 500 000)
Balances on December 31 2021		35 000 000	7 498 903	1 460 711	92 948 220	94 408 931	11 695 005	148 602 839	1 329 406	149 932 245

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

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CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31 2021 AND 2020

(Amounts expressed in Euros)

	12/31/2021	12/31/2020
Net income	11 826 139	4 451 733
Components of other consolidated comprehensive income for the year liabilities to be subsequently reclassified to the income statement:		
Equity Method - Associates and Joint Venture (Note 10)	327 910	-
Components of other consolidated comprehensive income for the year other than will subsequently be reclassified to the income statement:		
Change in fair value of equity instruments at fair value through equity (Note 11)	282 053	295 462
Variation in liabilities with defined benefit plan - gross amount (Note 25)	1 419 502	(1 546 407)
Change in liabilities with defined benefit plan – tax effect (Note 16)	(319 216)	613 941
Others - gross amount	(1 778)	584 263
Others - tax effect	-	(225 441)
Consolidated comprehensive income for the year	13 534 610	4 173 551
Attributable to:		
Equity holders of the parent company	13 397 570	4 380 913
Non-controlling interests	137 040	(207 362)

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

CHARTERED ACCOUNTANT

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CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31 2021 AND 2020

(Amounts expressed in Euros)

OPERATING ACTIVITIES	12/31/2021	12/31/2020
Collections from Customers	555 201 533	476 780 959
Payments to Suppliers	(411 436 697)	(328 625 355)
Payments to Employees	(35 756 427)	(31 832 823)
Operating Flow	108 008 409	116 322 781
Payment of Income Tax	105 195	(2 265 054)
Other Collections/Payments related to Operating Activities	(76 862 168)	(68 253 194)
Cash Flow from Operating Activities	**31 251 436**	**45 804 533**
INVESTING ACTIVITIES		
Collections from:		
Financial investments	430	-
Investment Properties	79 300	-
Tangible Fixed Assets	1 195 884	1 301 592
Interest and Other Income	9 034	4 600
	1 284 648	1 306 192
Payments relating to:		
Financial investments	(9 383 060)	(39 127 191)
Investment Properties	-	(72 445)
Tangible Fixed Assets	(2 024 135)	(1 679 855)
Intangible Assets	(458 332)	(334 434)
	(11 865 527)	(41 213 925)
Cash Flow from Investment Activities	**(10 580 879)**	**(39 907 733)**
FINANCING ACTIVITIES		
Collections from:		
Loans (Note 20)	198 500 000	62 612 760
Lease (Note 20)	4 968 473	2 370 979
	203 468 473	64 983 739
Payments relating to:		
Financing Obtained (Note 20)	(193 582 230)	(62 250 000)
Leases (Note 20)	(7 490 088)	(7 815 570)
Interest and Other Costs	(1 594 857)	(1 732 058)
Other Creditors	(300 114)	(176 325)
Dividends (Note 18)	(10 486 528)	-
	(213 453 817)	(71 973 953)
Cash Flow from Financing Activities	**(9 985 344)**	**(6 990 214)**
CASH AND EQUIVALENTS		
Cash and Cash Equivalents at the Beginning of the Period (Note 17)	11 437 547	12 530 961
Cash and Equivalents at the End of the Period (Note 17)	22 122 760	11 437 547
Net Flow in Cash Equivalents	**10 685 213**	**(1 093 414)**

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

CHARTERED ACCOUNTANT

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

ON DECEMBER 31 2021

(Amounts expressed in Euros)

1. INTRODUCTORY NOTE

Toyota Caetano Portugal SA ("Toyota Caetano" or "Company") is a public limited company incorporated in 1946 which has its registered office in Vila Nova de Gaia and is the parent company of a Group ("Toyota Caetano Group" or "Group") whose companies mainly carry out economic activities in the automotive sector namely the import assembly and sale of light and heavy vehicles as well as the import and sale of industrial equipment for cargo handling and respective after-sales assistance. sale creation and operation of human resources training and development projects as well as the management of own properties including their leasing and the rental of short or long-term vehicles with or without a driver.

Toyota Caetano Portugal SA belongs to Grupo Salvador Caetano Auto (Group led by the company Grupo Salvador Caetano SGPS SA) being held directly by the company Salvador Caetano Auto - SGPS SA since the end of the year of 2016.

Toyota Caetano is the importer and distributor of the Toyota (vehicles and forklifts) Lexus (vehicles) and BT (forklifts) brands for Portugal heading a Group ("Toyota Caetano Group") whose consolidation perimeter as of 31 December 2021 (Note 4).

The Group also holds financial interests in a joint venture and in an associate which are detailed in Note 10.

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

The attached consolidated financial statements are stated in Euros (rounded by unit) as this is the currency used preferably in the economic environment where the Group operates. Foreign operations are included in the consolidated financial statements as referred to in point 2.3.c).

2. MAIN ACCOUNTING POLICIES

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

2.1 BASIS OF PRESENTATION

The attached financial statements refer to the consolidated financial statements of the Toyota Caetano Group and were prepared according to the International Financial Reporting Standards (“IFRS” – International Financial Reporting Standards) issued by the International Accounting Standards Board (“IASB”) the International Financial Reporting Standards (“IFRS”) Accounting Standards (“IAS”) issued by the International Accounting Standards Committee (“IASC”) and respective interpretations – IFRIC and SIC issued respectively by the International Financial Reporting Interpretations Committee (“IFRIC”) and by the Standing Interpretation Committee (“SIC”) ”) which have been endorsed by the European Union being effective for the financial year beginning on 1 January 2021.

The consolidated financial statements were prepared on the assumption of continuity of operations and based on the principle of historical cost and in the case of some financial instruments fair value based on the accounting books and records of the companies included in the consolidation (Note 4) .

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

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

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

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

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

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

Although these estimates are based on Management's best experience and its best expectations regarding current and future events and actions current and future results may differ from these estimates. Areas that involve a greater degree of judgment or complexity or areas where assumptions and estimates are significant are presented in Note 2.5.

2.2 ADOPTION OF NEW OR REVISED IAS/IFRS

New rules and changes to the rules that became effective January 1 2021

Up to the date of approval of these consolidated financial statements the following accounting standards and amendments to the standards were approved (*endorsed) by the European Union with mandatory application to the year beginning on 1 January 2021:*

Description	change	effective date
• Amendment to IFRS 16 – Leases – " *Covid 19 Related Rent Concessions beyond 30 June 2021* "	This amendment extends to June 30 2022 the application of the optional practical expedient whereby lessees are exempted from analyzing whether rent concessions until that date typically suspensions or reductions of rent related to the "COVID-19" pandemic correspond to contractual modifications	April 1 2021

Description	change	effective date
• IFRS 4 - deferral of the application of IFRS 9	End of the deferral of the start of the application of IFRS 9 for entities with insurance activity postponed to 1 January 2023	January 1 2021
• IFRS 9 IAS 39 IFRS 7 IFRS 4 and IFRS 16 – Reform of benchmark interest rates – phase 2	Additional exemptions related to the impacts of the benchmark interest rate reform ("IBOR") and especially the replacement of a benchmark interest rate by another alternative in traded financial instruments	January 1 2021

There were no significant impacts on the Group's consolidated financial statements for the year ended 31 December 2021 because of the adoption of the standards and amendments referred to above.

Standards interpretations amendments and revisions will take effect in future years

The following standards amendments and revisions with mandatory application in future financial years were until the date of approval of these consolidated financial statements adopted (*endorsed*) by the European Union:

Description	change	effective date
• IAS 16 - Income obtained before entry into operation	Prohibition of deducting income obtained from the sale of items produced during the testing phase from the acquisition cost of tangible assets	January 1 2022
• IAS 37 - Onerous contracts - costs of complying with a contract	Clarification on the nature of expenses to be considered in determining whether a contract has become onerous	January 1 2022
• IFRS 3 - References to Conceptual Framework	Update to references to the Conceptual Framework and clarification on recording provisions and contingent liabilities in connection with a business combination	January 1 2022
• Cycle of Improvements 2018 - 2020	Specific and occasional amendments to IFRS 1 IFRS 9 IFRS 16 and IAS 41	January 1 2022
• IAS 1 - Disclosure of accounting policies	Requirement to disclose material accounting policies to the detriment of significant accounting policies	January 1 2023
• IAS 8 - Disclosure of accounting estimates	Definition of accounting estimate. Clarification regarding the distinction between changes in accounting policies and changes in accounting estimates	January 1 2023

Description	change	effective date
• IFRS 17 - Insurance contracts	New accounting for insurance contracts reinsurance contracts and investment contracts with discretionary participation features	January 1 2023

Regarding these standards amendments and revisions it is not estimated that their future adoption will have significant impacts on the attached consolidated financial statements.

Rules (new and amended) that became effective on or after 1 January 2021 not yet endorsed by the UE

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

Description	change	effective date
• IAS 1 - Presentation of financial statements - Classification of liabilities	Classification of a liability as current or non-current depending on an entity's right to defer its payment. New definition of "settlement" of a liability	January 1 2023
• IAS 12 - Deferred tax related to assets and liabilities associated with a single transaction	Requirement to recognize deferred tax on the registration of assets under right of use / lease liabilities and provisions for decommissioning / related asset when their initial recognition gives rise to equal amounts of taxable temporary differences and deductible temporary differences as they are not material for tax purposes	January 1 2023
• IFRS 17 - Initial application of IFRS 17 and IFRS 9 - Comparative Information	This amendment makes it possible to avoid temporary accounting mismatches between financial assets and liabilities of insurance contracts in the comparative information presented in the application of IFRS 17 for the first time. This amendment allows the application of an "overlay" in the classification of a financial asset for which the entity does not update the comparative information of IFRS 9.	January 1 2023

These standards have not yet been adopted (" *endorsed* ") by the European Union and as such were not applied by the Group in the year ended December 31 2021.

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

2.3 PRINCIPLES OF CONSOLIDATION

The consolidation principles adopted by the Group are as follows:

a) Financial investments in Group companies

Financial holdings in companies in which the Group is exposed or has rights to variable returns because of its involvement in those companies and can affect those returns through power over those companies (definition of control used by the Group) were included in the accompanying consolidated financial statements using the full consolidation method.

The equity and net income of these companies corresponding to third-party interests in them are presented separately in the consolidated statement of financial position and in the consolidated income statement by nature under the heading "Non-controlling interests". The Group companies included in the consolidated financial statements using the full consolidation method are detailed in Note 4.

When the losses attributable to non-controlling shareholders exceed non-controlling interests in the subsidiaries' equity non-controlling interests absorb this excess in proportion to the percentage held.

For business combinations earlier to 2010 the purchase method was used to account for the acquisition of subsidiaries. The cost of an acquisition will correspond to the fair value of the assets delivered equity instruments issued and liabilities incurred or assumed on the acquisition date. The identifiable assets acquired and the liabilities and contingent liabilities assumed in a business combination will initially correspond to the fair value on the acquisition date regardless of the existence of non-controlling interests. The positive difference between the acquisition cost and the fair value of the group's portion of the identifiable net assets acquired is recorded as *Goodwill.* If the acquisition cost is less than the fair value of the net assets of the subsidiary acquired the difference is recognized directly in the consolidated income statement.

For business combinations occurring after 1 January 2010 the Group applied the revised IFRS 3. According to this revised standard the purchase method continues to be applied to mergers of activities with some significant changes:

(i) the amounts that make up the purchase price are valued at fair value with the option from transaction to transaction to measure the “non-controlling interests” by the proportion of the value of the net assets of the Group acquired or the fair value of the assets and liabilities acquired.

(ii) the costs associated with the acquisition are recorded as expenses.

When on the date of acquisition of control the Group already holds a previously acquired shareholding the fair value of that shareholding contributes to the determination of *goodwill* or negative *goodwill.*

The revised IAS 27 has also been applied since January 1 2010 however replaced for this purpose by IFRS 10 which requires that all transactions with non-controlling interests be recorded in Equity when there is no change in control over the Group with no recording of *goodwill* or gains or losses. When there is a loss of control exercised by the Group any remaining interest held by the Group is remeasured at fair value and a gain or loss is recognized in profit or loss for the year.

The results of subsidiaries acquired or sold during the period are included in the consolidated income statement from the date of their acquisition or until the date of their sale.

Whenever necessary adjustments are made to the subsidiaries' financial statements to bring their accounting policies into line with those used by the Group. Transactions margins generated between Group companies balances and dividends distributed between Group companies are eliminated in the consolidation process.

In situations in which the Group has in substance control of other entities created for a specific purpose even if it does not have direct equity interests in these entities they are consolidated using the full consolidation method.

b) Financial investments in associated companies and joint ventures

Financial investments in associated companies (companies where the Group exercises significant influence but does not control them through participation in the financial and operational decisions of the Companies - generally investments representing between 20% and 50% of a company's capital) and joint ventures (companies in which the strategic financial and operational decisions related to the activity require the unanimous consent of the parties that share control) are recorded using the equity method under the heading “Financial investments in associates and joint ventures”.

According to the equity method investments are initially recorded at acquisition cost and annually adjusted by the amount corresponding to the Group's share in changes in equity (including net income) of the subsidiaries against gains or losses year as well as dividends received and other equity variations in the subsidiaries.

Differences between the acquisition cost and the fair value of the associate's identifiable assets and liabilities on the acquisition date if positive are recognized as Goodwill and maintained under the caption “Financial investments in associates and joint ventures” (Note 10). If these differences are negative they are recorded as a gain for the period under the heading of the consolidated income statement “Results related to investments in associates and joint ventures” after reconfirmation of the fair value attributed.

A formal impairment analysis of investments in associates and joint ventures is carried out when there are indications that the asset may be impaired with confirmed impairment losses being recorded as an expense. When impairment losses recognized in previous periods cease to exist they are reversed.

When the Group's proportion of the investee's accumulated losses exceeds the value at which the financial investment is recorded the investment is reported at zero value if the investee's equity is not positive except when the Group has assumed commitments to it in which case a provision is recorded under the liability item “Provisions” to cover these obligations.

Unrealized gains on transactions with associates and joint ventures are eliminated in proportion to the Group's interest in the subsidiary against the financial investment in the same subsidiary. Unrealized losses are similarly eliminated but only to the extent that it does not show that the transferred asset is impaired.

Investments in associates and joint ventures are detailed in Note 10.

c) Conversion of financial statements of foreign entities

The assets and liabilities of the financial statements of foreign entities are converted into Euros using the exchange rates in force at the date of the consolidated statement of financial position and expenses and income as well as cash flows are converted into Euros using the exchange rate. average exchange rate verified in the year. The exchange difference generated after 1 January 2004 is recorded in equity under the caption “Conversion reserves”. The accumulated exchange differences generated up to January 1 2004 (transition date to IFRS) were written off against the equity caption “Other reserves”.

Whenever a foreign entity is disposed the accumulated exchange differences are recorded in the consolidated income statement as a profit or loss on the disposal.

2.4 MAIN VALORIMETRIC CRITERIA

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

a) Tangible fixed assets

Tangible fixed assets acquired up to 1 January 2004 (transition date to IFRS) are recorded at their “deemed *cost”* which corresponds to their acquisition cost or acquisition cost reassessed according to accounting principles generally accepted in Portugal (and in the countries of the respective subsidiaries of the Group) until that date less accumulated depreciation and impairment losses.

Tangible fixed assets acquired after that date are recorded at acquisition cost less accumulated depreciation and 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 for use. Financial costs incurred with loans obtained for the construction of qualifying tangible assets are recognized as part of the asset's construction cost.

Impairment losses detected in the realization value of tangible fixed assets are recorded in the year in which they are estimated against the caption “Impairment losses” in the consolidated income statement.

Depreciation is calculated from the moment the assets are ready for use using the constant quota method according to the following estimated useful lives:

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

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

Expenses with repair and maintenance of tangible fixed assets are considered an expense in the year in which they occur. Significant improvements that increase the estimated period of use of the respective assets are capitalized and depreciated according to the remaining useful life of the corresponding assets.

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

Capital gains or losses resulting from the sale or write-off of tangible fixed assets are determined as the difference between the sale price and the net book value on the date of disposal/write-off being recorded in the consolidated income statement 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 they will generate future economic benefits for the Group if the Group has the power to control them and their value can be reasonably measured.

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

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

Internal costs associated with *software maintenance and development* are recorded as expenses in the consolidated income statement when incurred except when these costs are directly associated with projects for which the generation of future economic benefits for the Group is likely. In these situations these costs are capitalized as intangible assets.

Intangible assets are amortized using the constant quota 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 according to the consumption patterns of the assets. Changes to useful lives are treated as a change in accounting estimate and are applied prospectively.

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

c) Investment properties

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

(Note 7). The Group promotes periodic and rotating appraisals of the real estate assets by independent specialized entities. In the years in which a certain real estate asset is not selected for the purposes of an independent external evaluation the Group's internal team (which has technical expertise in this area) is required to assess the possibility of significant changes in the market value of such real estate assets. compared to the last external evaluation obtained.

Investment properties are also depreciated using the constant quota method over a period of ten to fifty years. Depreciation for the year of investment properties is recorded in the consolidated income statement under the heading “Amortization and depreciation”.

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

When the fair value of these real estate assets proves to be lower than their respective acquisition cost an impairment loss is recorded whenever justified in the year in which it is estimated against the caption “Impairment losses” in the consolidated income statement. When the accumulated impairment losses recorded no longer exist they are immediately reversed against the caption “Impairment losses” in the consolidated income statement up to the limit of the amount that would have been determined net of amortization or depreciation if no impairment loss had been recognized in previous years.

The fair value resulting from external valuations of investment properties which is the subject of disclosure was determined based on real estate valuations carried out by independent specialized entities (usually using the market method the cost method or the income method).

d) Leases (from the lessee's perspective)

Lease identification

A lease is defined as a contract or part of a contract that transfers the right to use an asset (the underlying asset) for a period in exchange for a value. At the beginning of each contract it is 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 lessee obtains substantially all the economic benefits from the use of that asset and whether it has the right to control the use of the asset.

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

On the effective date the Group recognizes the liability related to the lease payments (i.e. the lease liability) and the asset that represents the right to use the underlying asset during the lease period (i.e. the right to use – “right-*of-use”* or “Rout”). The interest cost on the lease liability and the depreciation of the Rout are recognized separately.

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

Assets right to use

The Group recognizes a right-of-use asset on the effective date of the lease (i.e. the date on which the underlying asset is available for use). The right to use the assets is recorded at acquisition cost less accumulated depreciation and accumulated impairment losses and adjusted for possible new measurements of the lease liability. The cost of the right to use the assets includes the initial value of the lease liability any direct costs initially incurred and payments already made before the effective date less any incentives received and plus restoration costs if any. Right-of-use assets are recorded under “Tangible fixed assets” in the consolidated statement of financial position.

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

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

Right-of-use assets are depreciated according to the lease term using the constant quota method or according to the estimated useful life of the right-of-use asset when this is longer than the lease period and management intends to exercise the purchase option.

Unless it is reasonably certain that the Group will obtain ownership of the leased asset at the end of the lease term the right to use the recognized assets is depreciated using the constant quota method over the lease term.

The impairment of rights of use is tested according to IAS 36 – Impairment of assets (note 2.4.i)).

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

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

Lease liabilities

On the effective date the Group recognizes liabilities measured at the present value of future payments to be made until the end of the lease contract and includes the balances under the heading of the consolidated statement of financial position “Financing obtained”.

Lease payments include fixed payments (including fixed payments in substance) deducted any incentives receivable variable payments dependent on an index or a rate and amounts expected to be paid under residual value guarantees. Lease payments also include the exercise price of a purchase option if it is reasonably certain that the Group will exercise the option and payments of penalties for termination of the contract if it is reasonably certain that the Group will terminate the contract.

Payments relating to non-lease components are not recognized as lease liabilities. Variable payments that do not depend on an index or 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 Group uses the incremental borrowing rate at 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 facts and circumstances that create an economic incentive to exercise an extension option or not to exercise a termination option. Most extension options were not included in the lease liability and when exercised they are exercised by the Group and not by the lessor.

The term is revised only if a significant event or a significant change in circumstances occurs that affects that assessment and is within the control of the lessee.

After the effective date the value of the lease liability increases to reflect accrued interest and decreases for payments made. Additionally the carrying amount of the lease liability is remeasured if there is a change such as a change in the lease term fixed payments or the decision to purchase the underlying asset.

Accounting treatment of “Sale and Leaseback” operations

The accounting treatment of *“Sale and Leaseback” Operations* depends on the substance of the transaction by 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. asset as a proportion of the previous carrying amount of the asset that is related to the right of use recognizing as gain and loss only that related to the rights transferred to the buyer-lessor i.e. those that elapse beyond the lease period.

According to IFRS 16 the value of the right of use to be recognized (RoU) is lower than what it would be if the lease agreement had been entered into without the previous sale transaction. Effectively the value of the RoU is calculated by the proportion of the value retained over the value of the asset sold.

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

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

In leases in which the Group acts as lessor under operating lease agreements the values of the assets allocated are maintained in the Group's consolidated statement of financial position and the income is recognized on a straight-line basis over the period of the lease agreement under the heading " Other operating income" when referring to real estate (the Group's real estate activity is presented as secondary and residual) and recognized under the heading "Services rendered" when related to the leasing of vehicles.

f) Non-current assets held for sale

Non-current assets are classified as held for sale when their value is recovered through a sale operation rather than their continued use. However such classification requires that the sale transaction is highly likely that the asset is available for immediate sale that the Group's Board of Directors is committed to the sale of the same and that the sale takes place in the short term (usually but not exclusively within one year).

Non-current assets classified as held for sale are recorded at the lower of their book value or their fair value less costs with their disposal and in the case of fixed assets allocated to the operating unit held for sale the depreciation during that period.

g) Inventories

The Group's inventories associated with the import and retail activity of the automotive and industrial equipment area (which essentially comprise goods composed of new and used vehicles cargo handling equipment as well as parts and accessories) are valued at the lowest value between the cost of acquisition and net realizable value. The cost comprises the expenses incurred to bring the inventories to their current location and condition. The costing formula used for parts and accessories corresponds to the average cost and for vehicles (new and used) the cost is specific by chassis or registration.

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

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

Regarding the industrial activity related to the assembly of vehicles at the Ovar manufacturing facilities (inventories in this activity correspond to raw and subsidiary materials production in progress and finished products) raw materials are valued at acquisition cost being average cost was used as the costing formula. Regarding the cost of finished and intermediate products as well as products and work in progress this corresponds to their production cost which includes the cost of raw materials incorporated in production labor and general manufacturing costs. incorporated based on the normal level of production. The difference in charges capitalized and recognized as these types of inventories between the beginning and the end of the year is recognized as a change in production in the consolidated income statement. The costing formula for departures corresponds to the specific cost of each vehicle / chassis produced.
Impairments are also set up for these inventories to reduce their book value to their realizable value essentially based on turnover indicators.

h) Subsidies from government or other public entities

Government subsidies are recognized at their fair value when there is reasonable assurance that they will be received and that the Group will comply with the conditions required for granting them.

Subsidies related to expenses incurred are recorded as a gain to the extent that there is a reasonable guarantee that they will be received that the Group has already incurred the subsidized expenses and that they comply with the conditions required for granting them.

i) Asset impairment

Non-current assets except Goodwill

An impairment assessment of the Group's assets is carried out at the date of each consolidated statement of financial position whenever an event or change in circumstances is identified that indicate that the amount for which the asset is recorded may not be recoverable.

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

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

Goodwill

The value of *Goodwill* is not amortized and is tested annually at the end of each year to verify if there are any impairment losses that is if the *Goodwill* is not recorded at a value greater than its recoverable amount. The recoverable amount is determined based on the present value of estimated future cash flows expected to arise from the continued use of the asset. *Goodwill* impairment losses are recorded in the consolidated income statement for the year in which the loss is recorded under the heading "Impairment losses". Impairment losses relating to *Goodwill* cannot be reversed.

j) financial charges

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

k) provisions

Provisions are recognized when and only when the Group has a present obligation (legal or constructive) because of a past event whenever it is likely that to resolve this obligation an outflow of resources will occur and the amount of the obligation can be reasonably estimated. Provisions are reviewed on the date of each consolidated statement of financial position and are adjusted to reflect the best estimate of their fair value at that date (Note 26).

l) Financial Assets

Recognition

Purchases and sales of investments in financial assets are recorded on the transaction date that is on the date on which the Group commits to buy or sell the asset.

Classification

The classification of financial assets depends on the business model followed by the Group in managing the receipt of financial assets (receipt of cash flows sale of cash flows or appropriation of changes in fair value) and the contractual terms of cash flows to receive (whether it includes only principal plus interest or whether it includes other variables).

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

Financial assets can be classified into the following measurement categories:

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

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

a) In the case of debt instruments this category includes financial assets that correspond only to the payment of the nominal value and interest for which the business model followed by the management is the receipt of contractual cash flows or occasionally that of its sale.
b) In the case of equity instruments this category includes the percentage of interest held in entities over which the Group does not exercise control joint control or significant influence and which the Group irrevocably chose on the date of initial recognition to designate at fair value through equity as they refer to investments that are not held for trading.

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

The classification of the Group's financial assets by category is shown in Note 35.

Measurement

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

Financial assets at amortized cost are subsequently measured according to the effective interest rate method net of impairment losses. Interest income on these financial assets is included in “Financial income and gains” in financial results.

Financial assets at fair value through other comprehensive income which constitute debt instruments are subsequently measured at fair value with changes in fair value recognized against other comprehensive income apart from changes relating to the recognition of impairments interest income and gains/(losses) from exchange rate differences which are recognized in profit or loss for the year. Financial assets at fair value through other comprehensive income are subject to impairment.

Financial assets at fair value through other comprehensive income that constitute equity instruments are measured at fair value on the date of initial recording and subsequently with changes in fair value recorded directly in other comprehensive income in Equity with no future reclassification takes place even after the derecognition of the investment. Dividends obtained from these investments are recognized as gains in profit or loss on the date they are attributed.

Impairment losses

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

The impairment methodology applied considers the credit risk profile of the debtors with different approaches being applied depending on their nature.

Regarding balances receivable under the headings “Accounts Receivable” and “Other debtors” and Assets from contracts with customers the Group applies the simplified approach allowed by IFRS 9 according to which expected credit losses are recognized from the initial recognition of balances receivable and for the entire period until their maturity considering a matrix of historical default rates for the maturity of balances receivable adjusted by prospective estimates.

Regarding balances receivable from related entities which are not considered part of the financial investment in these entities credit impairment is assessed considering the following criteria: i) whether the balance receivable is immediately payable (“*on demand*”); ii) whether the balance receivable has low risk; or iii) if it has a term of less than 12 months.

In cases where the amount receivable is immediately payable and the related entity can pay the probability of default is close to 0% and therefore the impairment is considered equal to zero. In cases where the balance receivable is not immediately payable the related entity's credit risk is assessed and if this is "low" or if the term is less than 12 months then the Group only assesses the probability of a default occurring for cash flows due in the next 12 months.

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

Derecognition of financial assets

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

Fair Value of Financial Investments

In determining the fair value of a financial asset or liability if there is an active market the market price is applied (Level 1). A market is active if quoted prices are readily and regularly available through exchanges brokerages or regulatory agencies and if these prices represent current and regular transactions taking place on an open market. If there is no active market valuation techniques generally accepted in the market are used based on market assumptions (e.g. discounted cash flow models that incorporate interest rate curves and market volatility in the case of financial instruments derivatives) – Level 2. For the remaining cases valuation techniques are used not based on observable market data – Level 3.

All investments are initially recognized at fair value plus transaction costs the only exception being "investments recorded at fair value through profit or loss". In the latter case investments are initially recognized at fair value and transaction costs are recognized in the consolidated income statement.

The "instruments at fair value through capital" are subsequently held at fair value by reference to their market value at the date of the consolidated statement of financial position without any deduction for transaction costs that may arise up to your 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 the heading "Financial assets adjustments" until the investment is sold received or otherwise disposed of or until the fair value of the investment is below its acquisition cost and this corresponds to an impairment loss at which time the accumulated loss is recorded in the consolidated income statement.

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

The fair value of equity instruments at fair value through equity is based on current market prices. If the market in which the investments are inserted is not an active/liquid market (unlisted investments) the Group records them at acquisition cost considering the existence or not of impairment losses. The Group's Board of Directors is convinced that the fair value of these investments does not significantly differ 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 consolidated statement of financial position.

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

Investments are derecognized when the right to receive cash flows has expired or has been transferred and consequently all associated risks and benefits have been transferred.

(i) Cash and cash equivalents

The amounts included in the caption “Cash and cash equivalents” correspond to cash amounts bank deposits term deposits and other treasury applications maturing in less than three months and which can be mobilized immediately with an insignificant risk of change in value.

Bank overdrafts are presented in the consolidated statement of financial position under current liabilities under the heading “Financing obtained” and are considered in the preparation of the consolidated statement of cash flows as cash and cash equivalents.

(ii) Accounts Receivables and Other Debtors

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

The items “Accounts Receivable” and “Other debts of third parties” are initially recognized at fair value being subsequently measured at amortized cost less adjustments for impairment. Impairment losses of Customers and Other third-party debts are recorded according to the principles described in “Impairment losses”. Identified impairment losses are recorded in the consolidated income statement under “impairment of receivables” and subsequently reversed through profit or loss.

m) Financial liabilities

Financial liabilities are classified into two categories:

- Financial liabilities at fair value through profit or loss; and
- Financial liabilities at amortized cost.

The category “Financial liabilities at amortized cost” includes the liabilities recorded under the headings “Loans” (Note 20) “Accounts Payable” (Note 21) and “Other creditors” (Note 22). These liabilities are initially recognized at fair value net of transaction costs and are subsequently measured at amortized cost according to the effective interest rate.

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

As of 31 December 2021 and 2020 the Group only has recognized liabilities classified as "Financial liabilities at amortized cost".

(i) Loans

Loans obtained are initially recognized at fair value net of transaction costs incurred. Financing is subsequently measured at amortized cost with the difference between the nominal value and the initial fair value recognized in the consolidated income statement over the period of the financing using the effective interest rate method.

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

Financial charges are calculated using the effective interest rate and accounted for in the consolidated income statement for the period on an accruals basis.

(ii) Accounts payable and Other Creditors

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

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

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

n) Pension Fund (Defined Benefit Plan and Defined Contribution Plan)

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

Pension liabilities recognized at the date of the consolidated statement of financial position represent the present value of future benefits adjusted for actuarial gains or losses and/or liabilities for unrecognized past services less the fair value of the net assets of the pension fund (Note 25). This pension plan defines the amount of pension benefit an employee will receive upon retirement normally dependent on one or more factors such as age years of service and compensation. This pension plan is the responsibility of the entity BPI Vida e Pensões SA.

The liability recognized in the consolidated 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 consolidated financial statements. The defined benefit plan obligations are calculated annually by an independent actuary using the projected unit credit method ("Projected *Unit Credit Method"*). The present value of the defined benefit obligation is determined by discounting future cash outflows using the interest rate of high-quality bonds denominated in the same currency in which the benefits will be paid and with maturity terms that approximate those of the liability assumed.

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 profit or loss unless changes to the pension plan are conditional on the employees remaining in service for a certain period (the period that qualifies for the benefit). In this case past service costs are amortized on a straight-line basis over the period in question.

Gains and losses generated by a cut or liquidation of a defined benefit pension plan are recognized in profit or loss for the year in which the cut or liquidation takes place. A cut-off occurs when there is a material reduction in the number of employees or the plan is amended so that defined benefits are reduced with material effect thus giving rise to a reduction in plan liabilities.

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

o) Contingent assets and liabilities

Contingent liabilities are defined by the Group as (i) possible obligations 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 entirely under the control of the Group or (ii) present obligations that arise from past events but are not recognized because it is not likely that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

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

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

Contingent assets are not recognized in the Group's consolidated financial statements but disclosed in the notes to the consolidated financial statements when the existence of a future economic benefit is likely.

p) Income taxes

Income taxes for the year are calculated based on the Special Taxation of Groups of Companies (“RETGS”) which includes the subsidiary companies of the Toyota Caetano Group based in Portugal: Toyota Caetano Portugal SA Caetano Renting SA and Caetano Auto SA.

For other companies based in Portugal and for companies of the Toyota Caetano Group based abroad (Caetano Auto Cabo Verde) taxation is carried out on an individual basis and according to applicable legislation.

Deferred taxes are calculated based on the liability method of the consolidated statement of financial position and reflect temporary differences between the amount of assets and liabilities for accounting reporting purposes and the respective amounts for taxation purposes. Deferred tax assets and liabilities are not recognized when the temporary differences result from *goodwill* or from the initial recognition of assets and liabilities other than through business combination operations. Deferred tax assets and liabilities are calculated and valued annually using the tax rates in force or announced to be in force on the expected date of reversal of the temporary differences.

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

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

q) Accrual basis

Income and expenses are recorded on an accrual's basis by which they are recognized in the period to which they are generated regardless of when they are received or paid. Differences between the amounts received and paid and the corresponding income and expenses generated are recorded under the headings of accruals and deferrals included in the headings "Other current assets" and "Other current liabilities".

Expenses and income whose real value is not known are estimated based on the best assessment of the Board of Directors of the companies in the Group.

r) Revenue - Contracts with customers

Revenue corresponds to the fair value of the amount received or receivable from transactions carried out with customers in the normal course of the Group's activity. Revenue is recorded net of any taxes trade discounts and financial discounts attributed.

In determining the amount of revenue the Group assesses for each transaction the performance obligations it assumes towards customers the transaction price to be allocated to each performance obligation identified in the transaction and the existence of variable price conditions that may give rise to future settlements. to the amount of revenue recorded and for which the Group makes its best estimate.

Revenue is recorded in the consolidated income statement when control over the product or service is transferred to the customer that is when the customer becomes able to manage the use of the product or service and obtain all 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 assumed the transfer of control occurs mostly on a specific date but there may be transactions in which the transfer of control occurs continuously throughout the contractual period. defined.

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

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

When a vehicle or industrial equipment is sold to a *leasing company* and the Group commits 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 assets" in the consolidated 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 vehicle's total package (maintenance contracts) and the Group acts as the principal in fulfilling the service   the value of the additional services is identified separately deducted from consideration receivable recognized as deferred income in the consolidated statement of financial position and subsequently recognized as income when the service is provided or recognized on an entry basis with reference the amount of time elapsed under the contract to which the service relates . These balances are considered contractual liabilities. The consideration allocated to additional services is based on the autonomous sale relative to the price of the additional services within the contract.

When the Group acts as an agent on behalf of a principal in relation to financing for the purchase of vehicles on credit insurance and similar products commission revenue is recognized as revenue under the heading “Services rendered” (Note 30) in the period when the financial product or related insurance is sold and the corresponding payment can be secured.

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

The revenue of the Toyota Caetano Portugal Group comprises revenue from the activities mentioned in Note 1.

The amounts recorded under the heading "Other current assets" in the amount of 357 495 euros (226 209 euros as of 31 December 2020) constitute *contract assets* under IFRS 15 (Note 15). The amounts recorded under the headings "Other creditors" and "Other current liabilities" in the amount of 2 446 886 euros and 3 556 395 euros (1 076 820 euros and 25 161 euros as of 31 December 2020) respectively constitute a *contract liability* under IFRS 15 (Notes 22 and 24).

s) Statement of financial position classification

Assets realizable and liabilities payable for more than one year from the date of the consolidated statement of financial position are classified respectively as non-current assets and liabilities. Additionally by their nature the items “Deferred tax assets” “Deferred tax liabilities” and “Provisions” are classified as non-current assets and liabilities.

t) Balances and transactions expressed in foreign currency

Assets and liabilities stated in foreign currency were translated into Euros using the exchange rates prevailing on the date of the consolidated statement of financial position. Exchange differences favorable and unfavorable arising from differences between the exchange rates in force on the date of the transactions and those in force on the date of collections payments or the date of the consolidated statement of financial position are recorded as gains and expenses in the statement of financial position. consolidated statement of results for the year.

u) Earnings per share policy

<u>Basic:</u>

Basic earnings per share are calculated by dividing taxable income to shareholders by the weighted average number of common shares issued during the period excluding common shares acquired by the company and held as treasury stock.

Diluted:

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

v) Segment information

In each year all the business segments applicable to the Group are identified. They are defined according to the Group's functional organization chart and the way in which management information is organized.

According to IFRS 8 an operating segment is a Group component:

(i) that engages in business activities from which it may earn revenue and incur expenses.

(ii) whose Operating Income are regularly reviewed by the Group's chief operating decision maker for the purpose of making decisions on allocating resources to the segment and evaluating its performance; and

(iii) for which distinct financial information is available.

Information related to the identified operating segments (motor vehicles and industrial equipment) is included in Note 29.

This note also provides information by geography and sub-segments. For the motor vehicle segment the sub-segments industry commerce services and rental were added. The machinery services and rental sub-segment was added to the industrial equipment segment.

w) Subsequent events

Events occurring after the date of the consolidated statement of financial position that provide additional information about conditions that existed at the date of the consolidated statement of financial position ("adjusting *events*") are reflected in the consolidated financial statements. Events after the consolidated statement of financial position date that provide information on conditions occurring after the consolidated statement of financial position date (“non *adjusting events”*) if material are disclosed in the notes to the consolidated financial statements.

2.5 JUDGMENTS AND ESTIMATES

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

The most significant accounting estimates reflected in the consolidated financial statements for the years ended December 31 2021 and 2020 include:

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

b) Registration of adjustments to asset’s values (accounts receivable and inventories) and provisions.

c) Impairment tests performed to *Goodwill and sensibility tests* (Note 9).

d) Asset recovery by deferred taxes.

e) Determination of liabilities with retirement complements (Note 25).

f) Impairment analysis of tangible fixed assets intangible assets and investment properties.

g) Impairment analyzes for financial investments in joint ventures and associates (Note 10).

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

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

2.6 FINANCIAL RISK MANAGEMENT POLICIES

In the Toyota Caetano Portugal SA Group the risk control inherent to the activity is carried out directly by the Board of Directors and evaluated annually by the Supervisory Board.

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

The risk policy is prepared by the Board of Directors evaluated by the Supervisory Board and finally approved by the Board of Directors.

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

FINANCIAL RISKS

The Group's risk management is essentially controlled by the finance department of Toyota Caetano Portugal SA according to policies approved by the Group's Board of Directors. In this sense the Board of Directors has defined global risk management principles as well as specific policies for certain areas such as exchange rate risk price risk interest rate risk liquidity risk capital risk and credit risk.

(i) Exchange rate risk

In the development of its activity the Group operates internationally and has a subsidiary operating in Cape Verde and since December 2020 an associated company operating in the United Kingdom (the subsidiary of the Caetano Bus Group the Caetano UK entity). By Group policy a functional currency is defined for each subsidiary (Escudo de Cabo Verde in relation to the subsidiary Caetano Auto Cabo Verde and Pound Sterling in relation to the subsidiary of Caetano Bus based in the United Kingdom) corresponding to the currency of its environment. economic main and the one that best represents the composition of its *cash flows.* Exchange rate risk thus essentially results from commercial transactions arising from the purchase and sale of products and services in a currency different from the functional currency of each business.

The Group's exchange rate risk management policy is aimed at assessing the opportunity to hedge this risk on a case-by-case basis particularly considering the specific circumstances of the currencies and countries in question.

The exchange rate risk associated with the conversion of financial statements of foreign entities also known as accounting risk reflects the potential for changes in the parent company's equity due to the need to convert the financial statements of subsidiaries abroad.

As mentioned in Note 2.3 c) the assets and liabilities of foreign entities are converted into Euros using the exchange rates prevailing at the date of the consolidated statement of financial position and the expenses and gains of these entities are converted into Euros using the average exchange rate of the exercise. The resulting exchange difference is recorded in equity under the heading “Conversion reserves - Exchange”.

The amount of assets and liabilities (in Euros) of the Group recorded in a currency other than the Euro can be summarized as follows:

	Active		liabilities	
	2021	2020	2021	2020
Cape Verde Escudo (CVE)	8 087 466	6 493 729	4 139 952	2 919 912
British Pound (GBP)	-	-	1 830	-
Japanese Yen (JPY)	137 899	-	1 546 703	236 610
Angolan Kwanza (AOA)	-	-	80	-

The Group's sensitivity to exchange rate variations can be summarized as follows:

		2021		2020	
	Variation	Net income	Equity	Net Income	Equity
British Pound (GBP)	5%	(92)	-	-	-
Japanese Yen (JPY)	5%	(77 335)	-	(11 830)	-
US Dollar (USD)	5%	(4)	-	-	-

Regarding the sensitivity of changes in the Cape Verde Escudo (CVE) exchange rate given that the defined exchange rate does not change (fixed exchange rate against the Euro) the Group has no associated exchange rate risk.

(ii) Price risk

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

Additionally the Toyota Caetano Group during the years 2021 and 2020 was exposed to the risk of price changes in "Other investments". As of 31 December 2021 and 2020 that item is composed only by shares of the closed property investment fund Cimóvel – Fundo de Investimento Imobiliário. As those financial instruments are classified as an instrument at fair value through capital the effect of changes in the respective fair value is recognized according to the principles described in Note 2.4.l) for that type of financial instrument.
The Group's sensitivity to price changes in instruments at fair value through capital can be summarized as follows (increases/(decreases)):

		2021		2020	
	Variation	Net income	Equity	Net income	Equity
CIMÓVEL FUND	10%	-	447 466	-	419 260
CIMÓVEL FUND	-10%	-	(447 466)	-	(419 260)

(iii) Interest rate risk

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

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

Interest rate risk sensitivity analysis

The interest rate risk sensitivity analysis described below was calculated based on the exposure to interest rates for financial instruments existing at the date of the consolidated statement of financial position. For floating rate liabilities the following assumptions were considered:

- The effective interest rate is 0.25 pp higher than the supported interest rate.
- The basis used for the calculation was the Group's financing at the end of the year.
- Spreads maintenance throughout the year.

Sensitivity analyzes are based on the manipulation of one variable keeping all others constant. This assumption is hardly verified and changes in some of the assumptions may be related.

The Group's sensitivity to changes in interest rates is summarized as follows (increases/(decreases)):

		2021		2020	
	Variation	Net income	Equity	Net income	Equity
Guaranteed checking accounts	0.25 pp	37 500	-	-	-
Bank Overdrafts	0.25 pp	21	-	312	-
Bank loan	0.25 pp	701	-	25 907	-
bond loan	0.25 pp	31 250	-	31 250	-
Total		69 472	-	57 469	-
Guaranteed checking accounts	(0.25 pp)	(37 500)	-	-	-
Bank Overdrafts	(0.25 pp)	(21)	-	(312)	-
Bank loan	(0.25 pp)	(701)	-	(25 907)	-
bond loan	(0.25 pp)	(31 250)	-	(31 250)	-
Total		(69 472)	-	(57 469)	-

(iv) Liquidity risk

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

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

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

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

- Liquidity which is to ensure permanent and most efficient access to sufficient funds to meet current payments on the respective due dates as well as any unexpected requests for funds.
- Safety which is the minimization of the probability of default in the repayment of any application of funds; and
- Financial efficiency that is ensuring that Companies maximize value / minimize the opportunity cost of holding excess liquidity in the short term.

All excess liquidity existing in the Group is applied to the amortization of short-term debt according to criteria of economic and financial reasonableness.

For this purpose liquidity management comprises the following aspects:

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

b) Diversification of funding sources.

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

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 "commitment *fees"* supported.

The following table shows the maturity of each of the passive financial instruments with undiscounted amounts and based on the most pessimistic scenario that is the shortest period in which the liability becomes payable.

2021	less than 1 year	Between 1 to 2 years	Between 2 and 4 years	more than 4 years	Total
Loans	22 280 235	17 447 880	6 152 931	1 774 960	47 656 006
Suppliers	43 622 927	-	-	-	43 622 927
Other creditors	33 812 518	2 275 204	-	-	36 087 722
	99 715 680	19 723 084	6 152 931	1 774 960	127 366 655

2020	less than 1 year	Between 1 to 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
Suppliers	38 187 645	-	-	-	38 187 645
Other creditors	22 643 270	-	-	-	22 643 270
	78 172 667	6 124 815	19 161 101	1 627 539	105 086 122

As of 31 December 2021 and 2020 the Group had a net debt of 25 533 246 Euros and 32 817 660 Euros respectively divided between current and non-current financing (Note 20) and cash and cash equivalents (Note 17) contracted with different institutions. The credit lines available and not used at that date totaled approximately 69 million Euros.

It should be noted that the Company with the exception of secured financing which provides for the covenant ratio between net debt and EBITDA* calculated on the basis of the consolidated accounts of the previous year has not contracted any debt instruments with accelerated repayment clauses in addition to those arising from the usual clauses related to the fulfillment of obligations by the Company namely payment obligations interruption of activity ownership clause pari passu negative pledge and the situations in which the financing obtained includes real guarantees are found if disclosed in Note 37.

* EBITDA = Res. Operational + Depreciations + Impairments

(v) Capital risk

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

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

	2021	2020
Debt	47 656 006	44 255 207
Cash and Cash Equivalents	(22 122 760)	(11 437 547)
Net debt	25 533 246	32 817 660
Equity	149 932 245	146 989 943
Financial leverage ratio	14.55%	18.25%

Gearing remains within *acceptable* levels as established by management.

(vi) Credit risk

The Group's credit risk essentially results from:

- the risk of recovering the monetary assets handed over to third parties and
- the risk of recovering the loans granted to entities outside the Group.

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

A significant portion of the amounts receivable from customers is spread over many entities a factor that contributes to reducing the risk of credit concentration. As a general rule the Group's customers are not assigned a credit *rating*.

The monitoring of credit risk is carried out by the Group's financial department supervised by the Board of Directors based on: i) the corporate nature of the debtors; ii) the type of transactions originating the balances receivable; iii) the experience of transactions carried out in the past; iv) in the credit limits established for each customer and v) in the possible guarantees provided by some customers namely dealers and independent repairers with whom car concession contracts are signed.

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

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

- Internal credit risk.
- External credit risk (if available).
- Current or expected adverse changes in the debtor's Operating Income.
- Significant increases in the credit risk of the debtor's other financial instruments.
- Significant changes in the value of collateral on liabilities or in the quality of third-party guarantees.
- Significant changes in the performance and expected behavior of the debtor including changes in the debtor's payment terms at the level of the Group to which it belongs as well as changes in its Operating Income.
- Macroeconomic information (such as market interest rates or growth rates) is incorporated into the domestic credit model.

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

In terms of credit improvement instruments associated with accounts receivable from customers the Group has the following situations:

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

ii. General vehicle customers: even though this type of customer generally purchases vehicles for cash there are however situations in which the Group accepts payment terms in installments (namely with some customers in the *rent-a-car area* and driving schools). In most of these situations the sale made considers a reservation of title clause associated with the vehicle sold or alternatively its ownership is not transferred until the vehicle is fully liquidated.

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

Accordingly financial assets corresponding to trade accounts receivable are derecognized when there is no real expectation of recovery and after the process described above has been completed and the necessary internal approvals are obtained for such derecognition. Therefore there are no situations of possibility of recovering accounts receivable that have been subject to derecognition at the level of the consolidated financial statements.

Impairment of financial assets

(i) Accounts receivable and other debtors

The Group applies the simplified approach to calculate and record estimated credit losses required by IFRS 9 which allows the use of impairments for estimated losses for all balances of “Accounts Receivable” and “other debtors”. To measure expected credit losses “Accounts receivable” and “Other debtors” were aggregated based on shared credit risk characteristics and seniority. Expected credit losses incorporate information from forward-looking estimates. The age of customer balances is detailed in Note 13.

(ii) Loans granted to related entities

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

In fact for customers representing car dealers and repairers the Group requires the obtaining of bank guarantees “on *first demand*” the amount of which as of 31 December 2021 and 2020 was approximately 8 679 470 Euros and 9 114. 470 Euros respectively which when exceeded implies the cessation of supplies.

Impairments on accounts receivable are calculated considering (a) the customer's risk profile (b) the average collection period and (c) the customer's financial condition. The movements of these adjustments for the years ended on 31 December 2021 and 2020 are disclosed in Note 26.

As of 31 December 2021 and 2020 the Group considers that there is no need for additional impairment losses beyond the amounts recorded on those dates and summarized in Note 26.

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

(iii) Cash equivalents

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

2021

Rating Deposits	Rating Agency	Value
A2	Moody's	575 024
A3	Moody's	3 957 555
Aa3	Moody's	18 689
B1	Moody's	615 096
B2	Moody's	536 638
Baa2	Moody's	12 075 366
Baa3	Moody's	12 638
	Others without rating assigned	4 213 816
Total		22 004 822

	2020	
Rating Deposits	Rating Agency	Value
A2	Moody's	24 184
A3	Moody's	227 042
Aa3	Moody's	11 674
B1	Moody's	130 762
B2	Moody's	540 560
Baa1	Moody's	4 453 811
Baa3	Moody's	3 766 115
	Others without rating assigned	2 160 158
Total		11 314 308

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

EXTERNAL RISKS

Another type of risk is external risks which do not affect the Group's direct spectrum. Three different risks should be highlighted: the risk of supplying goods and materials the risk of the macroeconomic context and the risk of competition.

(i) Risk of supply of goods and materials

The risk of supplying goods and materials translates into the risk of lack of components materials and raw materials necessary for the Group's production and normal operation. The SARS-CoV-2 pandemic led to constraints in the supply chain with a shortage in the supply of components; in parallel and as a consequence the logistics associated with the transport of goods were also affected; in fact the total time associated with the transport of these goods has become longer (longer *lead time* in the provision of this service) a fact that results from the generalized reduction in the use of this service combined with the need for operators to make the most of the means used. As a result the relevance of this risk has increased going from low to medium to high.

The impact of this risk on the Group's activity is now rated as moderate to significant. To face this context the Toyota Caetano Portugal Group has implemented concrete measures namely:

- in the industrial area namely in the assembly of vehicles it focused on the production of models in which there is less scarcity of materials; this strategy is fully coordinated with the relevant customers and suppliers involved in this activity.

- in cargo handling machines considering the weak ability to influence the supply chain recourse is being had to the placement with customers of used equipment on temporary lease or on loan.
- stock management both upstream (suppliers) and downstream (dealers and end customers) is carried out rigorously in line with the context of scarcity experienced.
- sales are being oriented towards the most profitable channels.
- The management of demonstration courtesy and service vehicles was also revised opting for a lower rotation without compromising the dissemination and promotion of the represented brands.
- the guidelines on the vehicle exhibition matrix were revised adapting them to reality namely: lower number of vehicles on display and placement of semi-new vehicles in the stands allocated to the activity of new vehicles.
- the discount policy for customers was also revised.
- in a transversal way and in the continuity of the usual practice the companies of the Toyota Caetano Portugal Group have reinforced their strategy of reducing costs and optimizing the available resources.
- additionally and as a common denominator for these companies there is a strengthening of communication with employees suppliers and customers to inform about the challenges we face; in particular with customers the implementation of contracts for later deliveries has been encouraged thus witnessing an increase in the contract portfolio.

(ii) Macroeconomic context risk

Regarding the macroeconomic context risk it is the risk of external macroeconomic factors influencing the financial/productive capacity of a company. This risk was also boosted by the pandemic with the deceleration of economic activity and the increase in interest and inflation rates being the main factors that influenced the increase in the probability of occurrence of this risk from low to medium.

The Group closely monitors all macroeconomic changes in Portugal Europe and the rest of the world to ensure that it is on top of the situation and ready to act at the right time.

(iii) Competition risk

Competition risk translates into the risk of losing market share to other competitors. In the current scenario the Group seeks to ensure that it does not lose its current market share and thus bets on a strategy based on innovation service excellence greater presence in digital channels and sustainability. Furthermore it is important to point out that Toyota is a renowned and prestigious brand with several proofs given in terms of innovation and product diversification. Examples of this are the *Beyond Zero strategy* where the destination is not zero emissions but going beyond that a strategy combined with the offer of more and better mobility for all promoting a more sustainable future and the BRIT (Best *Retailer in Town)* program that aims to motivate all dealers to be the best in the areas where they operate.

It should also be noted that the Group frequently carries out *benchmarking actions* against its competitors. Therefore this risk is considered to have an average probability of occurrence.

INFORMATION TECHNOLOGY AND CYBERSECURITY RISKS

IT and cybersecurity risks are fundamentally risks related to the security of information systems. Information systems form the basis of the Group and as such the existence of a security culture that provides all employees and partners with a clear perspective of their responsibilities in the field of information security is considered of strategic importance. Any security breach whether intentional negligence or criminal can have a significant impact on data confidentiality on the quality of operations on the availability of information among others which could negatively affect the Group's profitability and reputation. It is essential to ensure that all employees have access to the information necessary for the performance of their activities but requiring them to respect the implemented information security controls and commitment to the values of confidentiality integrity and availability.

In this sense the Group adopted the Toyota Motors Corporation safety framework called the *All-Toyota Security Guidelines.* This includes a set of technical and organizational measures in different areas namely in information security management operational and network security physical security incident management classification and protection of information access control in risk analysis and training.

Considering the diversity and complexity of the areas of Information Systems in general and Information Security in particular Toyota Caetano Portugal SA outsources services related to information systems to Rigor - Consultoria e Gestão SA a company of the Salvador Caetano Group with valences in all domains of Information Systems.

In view of the increase in teleworking the increase in cybercrime and the evolution of the techniques used by cybercriminals the Group not only maintains constant monitoring and audits of its systems but also has plans to implement additional technical and organizational measures to face these new risks.

LEGAL TAX AND REGULATORY RISKS

The Toyota Caetano Portugal SA Group identifies tax risks arising mainly from the context of permanent legislative change in which we live. If on the one hand the requirements resulting from OECD programs and European legislation have been increasing on the other hand national legislation itself constantly produces regulatory changes with an impact on the Group's activity.

The context of fiscal regulatory instability can not only lead to losses resulting from non-compliance with current legislation but also directly and indirectly condition strategic business options affecting the economic profitability of the same. In addition to the tax risks inherent to business activity there is also the risk resulting from the unpredictability of automobile taxation with direct impacts on the behavior of our customers.

The Toyota Caetano Group is committed to complying with all tax obligations to which it is subject valuing its reputational assets and taking an active stance in the pursuit of this objective. To ensure the constant prevention and mitigation of tax risks it uses internal teams specifically dedicated to this area and external consultancy provided by entities of recognized ethical and professional standards.

Regarding legal risks the main risk of the Group's activity has to do with possible legislative changes that may have an impact on operations - namely labor legislation environmental regulation European and national regulation in terms of competition and restrictive trade practices among others – that may affect the development of the activity.

The Legal Department of the Salvador Caetano Group seeks in close cooperation with the tax area the human resources area and the operational areas to safeguard the interests of the Group in a sustainable way and with respect for the applicable legislation.

Litigation processes in which the Group is involved are regularly communicated to management so that preventive measures can be taken to avoid similar processes in the future.

The Legal Department is also responsible for preventing and monitoring the risks associated with non-compliance with the legislation on the protection of personal data corporate governance and corruption striving to verify the application of the code of conduct and monitoring the channel for reporting irregularities.

In both areas - legal and tax - ongoing training the integrated approach of the various technical and operational teams and the promotion of the best practices identified are valued.

3. CHANGES IN ACCOUNTING POLICIES AND CORRECTION OF MISSTATEMENTS

During the year ended December 31 2021 there were no changes in accounting policies or material errors relating to previous years.

4. GROUP COMPANIES INCLUDED IN CONSOLIDATION

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

	Effective Percentage HELD	
	2021	2020
Toyota Caetano Portugal SA	Mother emprise	
Caetano Auto CV SA	81.24%	81.24%
Caetano Renting SA	100.00%	100.00%
Caetano - Auto SA	98.74%	98.50%
Destaque Mourisco - Sociedade Imobiliária Lda. a)	56.28%	-

a) Company incorporated in the year 2021 being directly held by the company Caetano-Auto SA in 57%

These companies were included in the consolidation using the full consolidation method as established by IFRS 10 – “Consolidated financial statements” (control of the subsidiary through majority of voting rights and exposure to returns from relevant activities).

5. INTANGIBLE ASSETS

In the years ended 31 December 2021 and 2020 the movements in intangible assets as well as in the respective accumulated amortizations and accumulated impairment losses were as follows:

2021	Development Expenses	Industrial property	Goodwill	Computer programs	Intangible assets in progress	Total
Gross assets:						
Opening balance on December 31 2020	1 504 751	615 996	81 485	2 154 870	598 319	4 955 421
additions	-	-	-	13 607	337 552	351 159
Disposals and Write-offs	-	(30 000)	-	-	-	(30 000)
Inventories transfer	(27 534)	81 485	(81 485)	27 534	-	-
Closing balance on December 31 2021	1 477 217	667 481	-	2 196 011	935 871	5 276 580
Accumulated amortizations and impairment losses:						
Opening balance on December 31 2020	1 477 217	523 250	81 485	2 151 979	-	4 233 931
Amortization for the year	-	70 831	-	6 853	-	77 684
Disposals and Write-offs	-	(30 000)	-	-	-	(30 000)
Inventories Transfer	-	81 485	(81 485)	-	-	-
Closing balance on December 31 2021	1 477 217	645 566	-	2 158 832	-	4 281 615
Net value	-	21 915	-	37 179	935 871	994 965

2020	Development Expenses	Industrial property	Goodwill	Computer programs	Intangible assets in progress	Total
Gross assets:						
Opening balance on December 31 2019	1 477 217	615 996	81 485	2 154 870	202 804	4 532 372
additions	27 534	-	-	-	395 515	423 049
Closing balance on December 31 2020	1 504 751	615 996	81 485	2 154 870	598 319	4 955 421
Accumulated amortizations and impairment losses:						
Opening balance on December 31 2019	1 477 217	358 038	81 485	2 150 245	-	4 066 985
Amortization for the year	-	165 212	-	1 734	-	166 946
Closing balance on December 31 2020	1 477 217	523 250	81 485	2 151 979	-	4 233 931
Net value	27 534	92 746	-	2 891	598 319	721 490

The amounts recorded as of 31 December 2021 and 2020 under the heading “Intangible assets in progress” are related to projects to implement new management *software* and are expected to become firm during the years 2022 and 2024.

6. TANGIBLE FIXED ASSETS

During the years ended on 31 December 2021 and 2020 the movements in tangible fixed assets as well as in the respective depreciation and accumulated impairment losses were as follows:

2021

	Land	Buildings and other constructions	Machinery and Equipment	Transport Equipment	Administrative Equipment	Other Fixed Assets	Tangible Assets in Progress	Right-Of-Use Assets	Total
Gross assets:									
Opening balance on December 31 2020	17 195 624	88 367 387	63 523 819	61 104 368	9 042 508	4 895 565	75 520	39 305 385	283 510 176
additions	-	508 378	569 531	26 317	113 387	133 472	420 657	773 059	2 544 801
Disposals and Write-offs	(11)	(625 094)	(20 643)	(6 746 705)	-	-	-	(182 956)	(7 575 409)
Perimeter variations	-	-	-	-	-	-	-	-	-
Transfers from/to Inventory	-	-	-	6 790 784	-	-	-	4 973 347	11 764 131
Transfers and reclassifications	-	-	-	-	-	-	-	-	-
Others	150 000	-	-	-	-	-	-	634 163	784 163
Reversal of assets to the entity at lease termination	701 350	2 109 541	103 432	6 047 505	-	-	(16 891)	(8 944 937)	-
Closing balance on December 31 2021	18 046 963	90 360 212	64 176 139	67 222 269	9 155 895	5 029 037	479 286	36 558 061	291 027 862
Accumulated depreciation and impairment losses:									
Opening balance on December 31 2020	-	65 148 062	59 035 719	33 351 180	8 050 869	4 429 953	-	16 763 863	186 779 646
Depreciation for the year	-	1 803 885	876 166	11 950 602	211 978	109 365	-	5 587 832	20 539 828
Disposals and Write-offs	-	(615 010)	(16 971)	(5 544 696)	-	-	-	(137 783)	(6 314 460)
Transfers from/to Inventory	-	-	-	(11 832 090)	-	-	-	-	(11 832 090)
Transfers and reclassifications	-	-	-		-	-	-	-	-
Others	-	-	-	-	-	-	-	483 740	483 740
Reversal of assets to the entity at lease termination	-	498 891	22 087	5 170 379	-	-	-	(5 691 357)	-
Closing balance on December 31 2021	-	66 835 828	59 917 001	33 095 375	8 262 847	4 539 318	-	17 006 295	189 656 664
Net value	18 046 963	23 524 384	4 259 138	34 126 894	893 048	489 719	479 286	19 551 766	101 371 198

2020

	Land	Buildings and other constructions	Machinery and Equipment	Transport Equipment	Administrative Equipment	Other Fixed Assets	Tangible Assets in Progress	Right-of-use assets	Total
Gross assets:									
Opening balance on December 31 2019	17 195 806	87 612 619	62 460 383	38 454 361	8 950 525	4 797 117	1 142 255	71 191 220	291 804 286
additions	-	277 524	792 684	3 273 621	91 813	102 467	94 123	7 220 328	11 852 560
Disposals and Write-offs	(182)	(417 283)	(9 320)	(13 085 693)	170	(4 019)	-	(1 340 945)	(14 857 272)
Transfers from/to Inventory	-	-	-	(5 303 139)	-	-	-	-	(5 303 139)
Transfers and reclassifications	-	894 527	280 072	37 765 218	-	-	(1 160 858)	(37 765 218)	13 741
Closing balance on December 31 2020	17 195 624	88 367 387	63 523 819	61 104 368	9 042 508	4 895 565	75 520	39 305 385	283 510 176
Accumulated depreciation and impairment losses:									
Opening balance on December 31 2019	-	64 066 808	58 138 994	16 443 832	7 528 716	4 325 527	-	31 280 803	181 784 680
Depreciation for the year	-	2 027 817	906 091	11 352 869	220 567	106 061	-	5 106 098	19 719 503
Disposals and Write-offs	-	(946 563)	(9 366)	(6 789 728)	169	(1 635)	-	(1 072 751)	(8 819 874)
Transfers from/to Inventory	-	-	-	(6 206 080)	301 417	-	-	-	(5 904 663)
Transfers and reclassifications	-	-	-	18 550 287	-	-	-	(18 550 287)	-
Closing balance on December 31 2020	-	65 148 062	59 035 719	33 351 180	8 050 869	4 429 953	-	16 763 863	186 779 646
Net value	17 195 624	23 219 325	4 488 100	27 753 188	991 639	465 612	75 520	22 541 522	96 730 530

The movement in tangible fixed assets as well as in the respective accumulated depreciation and impairment losses for the 2020 financial year presented above differs from the version presented in the report and accounts published on December 31 2020 insofar as during the 2021 errors were identified in its preparation. The version presented above is the corrected version without changing the net book value.

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

The transfers between the caption “Assets under right of use” and “Transport equipment” in the amount of 877 126 Euros correspond to the reclassification by the Group of cargo handling machines whose financing contract has ended having the Group acquired them according to the established congratulation.

The value of accumulated impairment losses as of 31 December 2020 amounted to 150 000 Euros. As of December 31 2021 this amount was fully reversed.

As of 31 December 2021 and 2020 the assets used under lease are as follows:

Fixed Tangible Assets Acquired Through Financial Leases	AFT values in 2021			AFT values in 2020		
	gross amount	Accumulated Depreciation	Net Tangible Assets	gross amount	Accumulated Depreciation	Net Tangible Assets
Santarém Stand	-	-	-	1 400 000	346 500	1 053 500
Santarém Colisão	235 000	21 738	213 262	235 000	18 212	216 788
Carnaxide	3 246 231	750 691	2 495 540	3 246 231	689 824	2 556 407
Santa Maria da Feira	-	-	-	670 950	39 838	631 112
Caldas da Rainha	936 837	70 263	866 574	936 837	52 697	884 140
Maia Colisão	-	-	-	723 050	52 146	670 904
Workshop Equipment	-	-	-	103 432	15 623	87 809
Industrial Equipment	25 015 473	13 606 654	11 408 819	26 272 588	14 745 570	11 527 018
Guimarães – Building	940 138	355 957	584 181	217 552	98 887	118 665
Trofa – Building	89 117	89 117	-	81 634	32 654	48 980
Aveiro – Building	416 274	176 312	239 962	59 185	49 321	9 864
Take – Stand	39 630	21 009	18 621	11 672	7 003	4 669
Tomar – Officine	27 582	15 799	11 783	6 592	5 274	1 318
Rio de Mouro – Building	5 131 055	1 795 869	3 335 186	4 967 761	599 557	4 368 204
Braga – Garage	368 245	98 199	270 046	372 900	10 757	362 143
Machinery and Equipment	112 479	4 687	107 792	-	-	-
TOTAL	36 558 061	17 006 295	19 551 766	39 305 384	16 763 863	22 541 52

7. INVESTMENT PROPERTIES

As of 31 December 2021 and 2020 the heading "Investment properties" corresponds to real estate assets held by the Group that are generating income through the respective lease or for appreciation. These assets are recorded at acquisition cost and are subsequently subject to depreciation according to their defined useful lives as well as to the recording of impairment losses whenever necessary.

The rents obtained referring to Investment Properties amounted to 2 333 194 Euros in the year ended on 31 December 2021 (2 523 363 Euros on 31 December 2020) which are included in the disclosure made in Note 33.

Additionally according to external assessments carried out by independent specialized entities reported as of 31 December 2021 or prior years the fair value of those investment properties amounted to approximately 51.3 million Euros (53.1 million Euros on December 31 2020).

Management understands that a possible change (within a normality scenario) in the main assumptions used in the calculation of fair value will not give rise to impairment losses in addition to the losses that are reflected on December 31 2021.

The detail of the net book value as of 31 December 2021 and 31 December 2020 of the real estate assets recorded under the heading "Investment Properties" as well as the respective fair value can be summarized as follows:

	2021			2020		
Location	Net Accounting Value	Fair value	External assessment date	Net accounting Value	Fair Value	External assessment date
Vila Nova de Gaia - Av. Da República	113 999	1 179 900	12/18/2020	117 984	1 179 900	12/18/2020
Braga - Av. Da Liberdade	-	2 146 800	12/20/2021	-	2 330 000	11/12/2019
Porto – Rua do Campo Alegre	680 918	2 886 000	12/20/2021	719 327	3 315 000	09/14/2018
Caldas da Rainha - Rua Dr. Miguel Bombarda	17 531	86 000	12/28/2021	17 531	85 000	12/31/2012
Amadora - Rua Elias Garcia	167 185	160 200	12/18/2020	170 641	160 200	12/18/2020
Portalegre – Zona Industrial	163 249	156 100	12/21/2020	168 391	156 100	12/21/2020
Portimão – Cabeço do Mocho	724 781	707 700	12/20/2021	724 781	487 100	12/23/2020
Rio Maior	107 000	117 100	12/21/2020	107 000	117 100	12/21/2020
Castelo Branco – Workshop	-	-	-	680 334	1 100 000	12/28/2020
Teivas	-	-	-	117 333	72 800	12/27/2019
Vila Nova de Gaia - Av. Vasco da Gama (buildings A and B)	2 257 781	14 903 000	12/29/2020	2 435 728	14 903 000	12/29/2020
Vila Nova de Gaia - Av. Vasco da Gama (building G)	743 455	8 918 700	12/20/2020	763 797	9 165 200	12/20/2019
Carregado - Quinta da Boa Água / Quinta do Peixoto	4 898 390	19 412 500	12/30/2020	4 922 944	19 412 500	12/30/2020
Vila Nova de Gaia - Rua das Pereiras	202 054	625 100	12/28/2020	213 887	625 100	12/28/2020
	10 076 343	51 299 100		11 159 678	53 109 000	

The fair value of the external appraisals of investment properties that are subject to disclosure as of 31 December 2021 and as of 31 December 2020 was determined by real estate appraisal carried out by independent specialized entities using one of the following methods depending on the specific situation of the property: Comparative Market Methods Cost Method or Income Method. The Company promotes periodic and rotating real estate appraisals by independent and specialized entities of its investment properties thus ensuring that the disclosure of fair value is kept up to date.

Regarding the real estate asset located in Braga – Avenida da Liberdade it is an old property acquired in 1981 for which on the respective acquisition date no amount was considered for the "land" component. Consequently at the current date the entirety of that acquisition cost was depreciated thus presenting that asset with a zero net book value.

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

The independent external appraisals carried out are essentially based on the application of the comparative market method which has as inputs namely the unit sales index per square meter of comparable assets and the area of the property and the income method which has as *inputs* the income likely to be generated by it and a capitalization rate (yield*)* considered adequate in view of the characteristics and location of the real estate asset in question.

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

2021

Gross Assets:	land	buildings	Total
Opening balance on December 31 2020	7 259 140	32 696 944	39 956 084
Transfers	(339 913)	(3 756 688)	(4 096 601)
Closing balance on December 31 2021	6 919 227	28 940 256	35 859 483
Accumulated depreciation and impairment losses:			
Opening balance on December 31 2020	-	28 796 406	28 796 406
Depreciation for the year	-	285 671	285 671
Transfers	-	(3 298 937)	(3 298 937)
Closing balance on December 31 2021	-	25 783 140	25 783 140
Net value	6 919 227	3 157 116	10 076 343

2020

Gross Value:	land	buildings	Total
Opening balance on December 31 2019	8 995 216	35 252 218	44 247 434
additions	-	77 758	77 758
transfers	(1 736 076)	(2 633 032)	(4 369 108)
Closing balance on December 31 2020	7 259 140	32 696 944	39 956 084
Accumulated depreciation and impairment losses:			
Opening balance on December 31 2019	-	30 570 706	30 570 706
Depreciation for the year	-	437 099	437 099
transfers	-	(2 211 399)	(2 211 399)
Closing balance on December 31 2020	-	28 796 406	28 796 406
Net value	7 259 140	3 900 538	11 159 678

The value of impairment losses accumulated in 2021 and 2020 amounts to 200 000 euros.

The transfers that took place in Investment Properties in 2021 refer to properties transferred to Non-Current Assets held for Sale.

8. NON-CURRENT ASSETS HELD FOR SALE

As of 31 December 2021 and 2020 “Non-Current Assets Held for Sale” corresponded to the Group's non-operating assets that were covered by promissory purchase and sale agreements and the Board of Directors expects that the corresponding sale will take place in the year 2022.

The detail of non-current assets held for sale as of 31 December 2021 and 2020 is:

Non-current assets held for sale	2021	2020
- Castelo Branco property	646 218	-
- Property in Teivas Viseu	1 034 116	662 821
- Property in Quinta do Cano Viseu	1 494 887	1 494 887
Net value	3 175 221	2 157 708

9. GOODWILL

During the years ended December 31 2021 and 2020 there were no movements in the item “Goodwill”.

The item “Goodwill” fully refers to the amount determined in the acquisition in previous years of the subsidiary Movicargo whose activity was transferred (through a merger process) to the parent company Toyota Caetano Portugal SA in previous years.

Goodwill *is* not amortized. Impairment tests are carried out on the value of *Goodwill* on an annual basis.

For the purposes of the impairment analysis the recoverable amount was determined based on the value in use according to the discounted cash flow method based on *business plans* developed by the Group's managers and duly approved by the Board of Directors using discounts that reflect the inherent risks of the business.

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

	2021	2020
Projection period (years):	5	5
Growth rate in the projection period:	2.00%	2.00%
Growth rate (g) (1):	0%	0%
Discount rate used (2):	7.21%	6.75%

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

2 Discount rates applied to projected *cash flows*

The Board of Directors supported by the value of the estimated cash flows discounted at the rate considered applicable concluded that as of 31 December 2021 and 2020 the book value of net assets including *goodwill* (612 thousand Euros) does not exceed its recoverable value.

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

10. FINANCIAL INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

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

As of December 31 2021 and December 31 2020 the heading of financial investments in associates and joint ventures is detailed as follows:

	Location	% of detention	12/31/2021	12/31/2020
Associate				
Kinto Portugal SA (consolidated)	Vila Nova de Gaia	49%	23 699 123	22 785 000
joint venture				
CaetanoBus - Fabricação de Carroçarias SA (consolidated)	Vila Nova de Gaia	61.94%	20 295 498	16 320 000
			43 994 621	39 105 000

Regarding CaetanoBus despite the percentage of capital held being 61.94% given the existence of an investment agreement with the other shareholder of that company which provides that decisions on relevant activities (operational and financial) must be taken with unanimously by the two shareholders the Board of Directors considered that the investment made corresponds to a joint venture which is why it is accounted according to the equity method. In 2020 given that the mentioned acquisitions were only made in December the effect of applying the equivalence method was null given the immateriality of the application of the method in relation to some days of December 2020.

Within the scope of the transaction carried out the investment agreement that was previously in the headquarters of the previous shareholder structure was fully maintained and transferred to the shareholder structure after the transaction. Thus this agreement which was already considered by the previous shareholder and seller of the stake as a joint venture was subject to an evaluation and analysis by the Board of Directors of Toyota Caetano Portugal SA which maintained the same understanding. In fact the investment agreement (and the Articles of Association of the acquired company) establishes that decisions on the relevant activities of the subsidiary require unanimity at the General Shareholders' Meeting. The main activities / relevant decisions are at the level of the General Meeting as follows:

- Any change to the deed of incorporation the articles of association or any other document constituting the company.
- Any change to the Company's corporate type any merger or consolidation with another entity any sale or transfer of all or a substantial part of the assets or business as well as their liquidation or dissolution.

- Any issue or redemption of shares in the Company or any other increase decrease or other modification to the share capital of the Company.
- Any change to the Company's dividend policy or any change to the distribution of profits or assets.
- Incorporation of a subsidiary or acquisition of another entity by the Company.
- Any public offering or listing on a stock exchange of any shares of the Company.
- Adoption or modification of the compensation of the Company's administrators or managers or of the general compensation policy for the Company's employees.
- Granting of guarantees in an amount equal to or greater than 500 000 Euros to guarantee the obligations of the Company's subsidiaries.
- Amendment and approval of the Company's Annual Business Plan or New Business Plan.
- Appointment or removal of any Chief Executive Officer Chief Financial Officer Chief Operating Officer or any Chief Executive Officer or Chief Executive Officer or any similar position to the Chief Executive Officer of the Company.

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

- Any transactions between the Company and its subsidiaries except transactions in the ordinary course of business.
- Any sale (other than in the ordinary course of business) of any property or transfer or other disposal or grant of any guarantee or other charge on any assets of the Company provided they are not included or provided for in any of the Business Plans or with an amount exceeding 100 000 Euros in a transaction or series of transactions in the same year.
- Commencement of any litigation arbitration or legal process the value of which exceeds 10 000 Euros.
- Any loan or other financing by the Company (excluding commercial financing to customers in the ordinary course of business up to an individual amount not exceeding 1 000 000 Euros provided that such amount is not covered by a letter of credit commercial insurance or any guarantee from trusted as banks) to any person or any guarantee to be provided by the Company to guarantee obligations of any entity other than the Company or its subsidiaries unless said loans or financing are provided up to the individual amount that does not exceed 100 000 Euros;

- Any loan or other event that generates debt or issuance of bonds or debentures (whether convertible or not) by the Company in an amount exceeding 1 500 000 Euros in a transaction or series of transactions in the same year.
- Any purchase lease (except in the ordinary course of business) or other acquisition of any property or other investments by the Company not included in any of the Business Plans or involving an amount exceeding 500 000 Euros in one transaction or series of transactions in the same year.
- Any lease in the ordinary course of business by the Company not included in any of the Business Plans or involving an amount exceeding 1 000 000 Euros in a transaction or series of transactions in the same year.
- Signing amending or terminating any agreement between the Company and its subsidiaries that contains commitments to repurchase products sold by the subsidiaries.
- Guarantees provided by the Company to guarantee the obligations of any of its subsidiaries or third parties with a value of less than 500.00 Euros.
- Enter amend or terminate an agreement with a shareholder or its subsidiaries (the shareholder).
- Any development of a new product or production line with a value exceeding 500 000 Euros by the Company if not included or foreseen in the Business Plan.
- Enter amend or terminate any contract for a term exceeding one year or involving an amount greater than EUR 10 million in a transaction or series of transactions or for any distribution agency sales representative or other framework agreement master agreement or master agreement or any agreement that grants exclusivity to any person or entity.

Finally according to the investment agreement it should be noted that in the event of a *deadlock* (stalemate) an eventual decision will never be based on a simple majority of voting rights and any of the shareholders is ultimately entitled to acquire the participation to the other shareholder.

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

<u>Summarized financial information of the subsidiaries</u>

As of 31 December 2021 and 2020 the summarized financial information of the associate and joint venture detailed above can be analyzed as follows:

Caption	CaetanoBus Consolidated [a)]		Kinto Portugal Consolidated [b)]	
	2021	2020	2021	2020
non-current asset	33 523 649	27 230 686	158 001 149	151 981 756
current asset	50 570 262	53 250 037	48 046 846	35 008 747
total assets	84 093 911	80 480 723	206 047 995	186 990 503
non-current liabilities	7 268 551	8 041 750	93 741 924	104 137 548
Current liabilities	49 176 116	52 701 527	91 377 845	66 492 350
equity	27 649 244	19 737 446	20 928 226	16 360 605
Equity without non-controlling interests	27 649 244	19 737 446	20 928 226	16 360 606
Sales and Services Rendered	51 163 531	97 611 030	98 908 826	108 388 706
Operating income	(7 958 329)	(4 055 562)	9 419 552	2 520 507
Financial Income	(1 036 922)	(1 043 550)	(3 141 025)	(3 224 592)
Tax	1 757 691	996 671	(1 798 373)	(157 084)
net Profit	(7 548 440)	(4 500 103)	4 480 154	(861 169)
Net Profit without non-controlling interests	(7 548 440)	(4 500 103)	4 480 154	(861 169)

a) Regarding the Kinto Portugal Group the consolidated accounts presented are "pro-forma" accounts prepared for inclusion in the Toyota Caetano Portugal Group's consolidated as the current closing calendar of Kinto Portugal is different from December 31 closing on March 31st. Kinto Portugal SA has an associate in Senegal (Caetano Renting Senegal SA).

b) CaetanoBus – Fabricação de Carroçarias SA has a joint venture in Germany (Cobus Industries GmbH) and a subsidiary in the United Kingdom (Caetano UK Ltd).

The turnover and Operating Income of the associate Kinto Portugal SA and the joint venture CaetanoBus - Fabricação de Carroçarias SA were negatively impacted in 2020 by the Covid-19 Pandemic and in 2021 the operations of that associated showed a markedly positive evolution with a clear recovery of their profitability with the negative effects at the level of the joint venture continued and worsened.

The Board of Directors of that joint venture in view of the existence of signs of impairment in terms of its non-current assets carried out a formal impairment analysis on them having concluded that there was no impairment.

The Board of Directors of the Toyota Caetano Portugal SA Group considering the existing signs of impairment in relation to that joint venture also carried out a formal impairment analysis the results of which and main base assumptions are described in the following section.

Movement occurred during the year

During the years ended December 31 2021 and 2020 the movement that occurred under the heading of financial investments in associates and joint ventures is detailed as follows:

	2021	2020
Associate – Kinto Portugal SA (consolidated)		
Balance on January 1	22 785 000	-
Acquisitions during the year	-	22 785 000
Application of the equity method:		
Effect on net income for the year	871 265	-
Effect on other comprehensive income	42 858	-
Balance on December 31	23 699 123	22 785 000
Joint venture – CaetanoBus – Fabricação de Carroçarias SA (consolidated)		
Balance on January 1	16 320 000	-
Acquisitions during the year	-	16 320 000
Capital increase	9 290 322	-
Application of the equity method:		
Effect on net income for the year	(5 599 875)	-
Effect on other comprehensive income	285 051	-
Balance on December 31	20 295 498	16 320 000
Total	43 994 621	39 105 000

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

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

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

a) Associate - Kinto Portugal SA (consolidated)

	12/31/2020	Fair value adjustments	Net assets as of 12/31/2020 (fair value)
Tangible fixed assets	151 874 693	13 976 470	165 851 163
Intangible Assets	87 628	3 456 202	3 543 830
Other financial assets	19 435	-	19 435
inventories	7 163 599	-	7 163 599
Customers	8 708 339	-	8 708 339
Other current assets	16 911 697	-	16 911 697
Cash and cash equivalents	2 225 112	-	2 225 112
Loans	(149 406 140)	-	(149 406 140)
provisions	(1 134 398)	-	(1 134 398)
Deferred tax liabilities	-	(3 922 351)	(3 922 351)
Suppliers	(13 472 533)	-	(13 472 533)
Income tax	(120 307)	-	(120 307)
Other current liabilities	(6 496 520)	-	(6 496 520)
	16 360 605	13 510 321	29 870 926
% of detention			49%
Proportioned net assets			14 636 754
Purchase cost			22 785 000
goodwill			8 148 246

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

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

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

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

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

	12/31/2020	Fair value adjustments	Net assets as of 12/31/2020 (fair value)
Financial investment in joint venture	14 533 921	(5 129 647)	9 404 274
goodwill	475 700	(475 700)	-
Tangible and intangible assets	9 971 138	1 951 718	11 922 856
Deferred tax assets	2 249 927	-	2 249 927
Inventories	39 713 973	2 297 080	42 011 053
Accounts receivable	10 327 931	-	10 327 931
Other current assets	2 818 790	-	2 818 790
Cash and cash equivalents	389 343	-	389 343
Loans	(25 810 618)	-	(25 810 618)
Responsibilities for defined benefit plans	(3 109 843)	-	(3 109 843)
Deferred tax liabilities	-	(847 351)	(847 351)
Lease liabilities	(2 107 970)	-	(2 107 970)
Accounts payable	(16 670 388)	-	(16 670 388)
Income tax	(280 987)	-	(280 987)
Other current liabilities	(12 763 471)	-	(12 763 471)
	19 737 446	(2 203 900)	17 533 546
% of detention			61.94%
Net assets proportionate by percentage of ownership			10 860 278
Purchase cost			16 320 000
goodwill			5 459 722

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

i. Financial investment in a joint venture:

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

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

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

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

ii. In terms of *Goodwill* the amount presented refers to the disregard of the *Goodwill* generated in the acquisition of Caetano UK Ltd. by CaetanoBus- Fabricação de Carroçarias SA in previous years.

iii. In terms of tangible and intangible fixed assets the amount presented refers to the recognition at fair value of real estate assets held by the CaetanoBus Group based on an assessment carried out by a specialized and independent entity.

iv. In terms of inventories the amount presented refers to the recognition at fair value of the inventories of that subsidiary considering the estimated sales value of said assets considering the history of transactions carried out with similar assets and/or agreed sales prices.

Following the analysis carried out the deferred tax liabilities associated with the adjustments were recognized and the Board of Directors understood that the fair value of the remaining net assets did not significantly differ from their carrying amount in the consolidated financial statements of CaetanoBus – Fabricação de Carroçarias SA.

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

Kinto Portugal SA (Consolidated)

	12/31/2021	12/31/2020
Equity without interests without control	20 928 226	16 360 606
% of detention	49%	49%
	10 254 831	8 016 697
goodwill	8 148 246	8 148 246
Valuation at fair value of vehicles	5 478 776	6 848 470
Customer portfolio	1 354 831	1 693 539
Deferred tax liabilities	(1 537 562)	(1 921 952)
financial participation	23 699 123	22 785 000

CaetanoBus – Fabricação de Carroçarias SA (Consolidated)

	12/31/2021	12/31/2020
Equity without interests without control	27 649 244	19 737 446
% of detention	61.94%	61.94%
	17 125 942	12 225 374
goodwill	5 459 722	5 459 722
Joint venture valuation	(3 241 543)	(3 177 303)
Disregard of GW in the subsidiary's accounts	(294 649)	(294 649)
Valuation at fair value of real estate	1 126 470	1 208 894
Valuation at fair value of inventories	418 098	1 422 811
Deferred tax liabilities	(298 184)	(524 849)
Others	(358)	-
financial participation	20 295 498	16 320 000

As described in the section "Summary financial information on subsidiaries" of this Note in the year ended 31 December 2021 signs of impairment were identified in relation to the financial participation in the joint venture CaetanoBus – Fabricação de Carroçarias SA for this reason the Board of Directors carried out a formal impairment analysis on the financial participation.

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

	Portugal	United Kingdom	Germany
Compound growth rate of sales in the projection	49%	27%	37%
EBITDA Margin	[-1%.6%]	[3%.4%]	[1%.3%]
G (perpetuity growth rate)	2.00%	2.00%	2.00%
WACC (discount rate)	5.75%	5.02%	4.64%

The above assumptions in terms of the growth rate of sales and profitability reflect the expectation of the Board of Directors of the Group and that subsidiary of recovery and return to pre-pandemic operating levels from the year 2022.

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

11. OTHER INVESTMENTS

As of 31 December 2021 and 2020 the item “Other Investments” is detailed as follows:

Participation	2021	2020
Cimóvel - Closed Real Estate Investment Fund	4 474 657	4 192 604
Others	131 368	26 833
	4 606 025	4 219 437

During the years ended December 31 2021 and 2020 the movements that occurred under the heading “Other investments” were as follows:

	2021	2020
Other investments		
Fair value on January 1	4 219 437	3 923 974
Acquisitions during the year	104 535	-
Increase/(decrease) in fair value	282 053	295 463
Fair value on the reference date	4 606 025	4 219 437

As at 31 December 2021 the caption “Other investments” includes the amount of 4 474 657 Euros (4 192 604 Euros as at 31 December 2020) corresponding to 580 476 investment units in Cimóvel - Fundo de Investimento Imobiliário Closed (9.098%) being recorded at the value of the Participation Unit disclosed on 31 December 2021 (the acquisition cost of the aforementioned participation units amounted to 3 013 947 Euros) and a capital reserve has been constituted (Fair Value Reserve) in the amount of 1 460 711 Euros. This investment measured at fair value by other comprehensive income was designated as such on the date of its recognition.

The remaining amount represents small-scale investments in unlisted companies and the Board of Directors believes that the net value at which they are accounted is close to their fair value.

Additionally the effect on equity in the years ended 31 December 2021 and 2020 of the registration of the participation in Fundo Cimóvel at its fair value can be summarized as follows:

	2021	2020
Change in fair value	282 053	295 463
Effect on equity	282 053	295 463

12. INVENTORIES

As of 31 December 2021 and 31 December 2020 this caption was made up as follows:

	2021	2020
Raw Materials Subsidiaries and Consumables	13 775 081	7 359 274
Products and Work in Progress	765 005	1 386 890
Finished and Intermediate Products	2 687 059	2 106 622
Merchandise	71 414 389	70 741 590
	88 641 534	81 594 376
Accumulated impairment losses in inventories (Note 26)	(1 839 613)	(2 886 212)
	86 801 921	78 708 164

The value of the goods shown in the consolidated statement of financial position as of 31 December 2021 and 2020 broken down by age brackets is as follows:

2021

Merchandise	- 6 months	6 - 12 months	12 - 24 months	+ 24 months	Total
Parts	2 618 658	99 436	343 946	781 746	3 843 786
new vehicles	36 984 034	677 774	83 731	33 218	37 778 757
used cars	17 161 235	8 230 424	3 314 617	999 731	29 706 007
Others	85 839	-	-	-	85 839
Total	56 849 766	9 007 634	3 742 294	1 814 695	71 414 389

2020

Merchandise	- 6 months	6 - 12 months	12 - 24 months	+ 24 months	Total
Parts	1 895 079	139 266	238 072	677 204	2 949 621
new vehicles	31 365 309	2 322 812	594 038	20 382	34 302 542
used cars	15 352 982	7 392 500	9 708 310	985 390	33 439 183
Others	50 244	-	-	-	50 244
Total	48 663 615	9 854 577	10 540 421	1 682 977	70 741 590

As can be seen in the table above goods with more than 24 months of age on 31 December 2021 amount to approximately 1.8 million Euros (approximately 1.7 million Euros on 31 December 2020) with respect to this universe impairments in the amount of approximately 574 thousand Euros (1.3 million Euros as of 31 December 2020) were constituted.

The Group has defined impairment criteria for used vehicles that assume a devaluation in relation to their age. The criteria followed by the Group are supported by market information obtained from external entities as of 31 December (the Board of Directors is convinced that such information already reflects the impacts of the pandemic and the crisis in the supply of *chips* / components) . Therefore the Board of Directors does not expect that in future years losses will be generated in the process of disposal and realization of said used vehicles.

As of 31 December 2021 the heading of inventories includes the amount of 28 million euros related to used vehicles (31 million euros as of 31 December 2020).

As of 31 December 2021 and 2020 there are no assets in the Group's inventory that are pledged to guarantee liabilities.

The cost of sales for the years ended December 31 2021 and 2020 was determined as follows:

	2021			2020		
	Merchandise	Raw Materials Subsidiaries and Consumables	Total	Merchandise	Raw Materials Subsidiaries and Consumables	Total
Initial Inventories	70 741 590	7 359 274	78 100 864	98 814 645	6 772 894	105 587 539
net purchases	289 387 652	46 009 069	335 396 721	219 496 248	30 738 657	250 234 905
Transfers from/to Inventories	(23 596 221)	-	(23 596 221)	(601 524)	-	(601 524)
Inventories Adjustments	2 972 136	-	2 972 136	(2 286 575)	-	(2 286 575)
Ending Stocks	(71 414 389)	(13 775 081)	(85 189 470)	(70 741 590)	(7 359 274)	(78 100 864)
Total	268 090 768	39 593 262	307 684 030	244 681 205	30 152 277	274 833 481

The variation in production in the years ended December 31 2021 and 2020 was determined as follows:

	2021			2020		
	Finished and semi-finished Products	Products in Process	Total	Finished and Semi-finished Products	Production in Process	Total
Ending Stocks	2 687 059	765 005	3 452 064	2 106 622	1 386 890	3 493 512
Inventories Adjustments	(21 302)	18 797	(2 505)	(7 364)	33 436	26 072
Initial Inventories	(2 106 622)	(1 386 890)	(3 493 512)	(2 567 925)	(763 239)	(3 331 164)
Total	(559 135)	603 088	(43 953)	468 667	(657 087)	188 420

13. ACCOUNTS RECEIVABLE

As of 31 December 2021 and 31 December 2020 this caption was made up as follows:

	CURRENT ASSETS		NON-CURRENT ASSETS	
	2021	2020	2021	2020
Customers current accounts	53 783 729	44 821 308	766 236	654 046
Doubtful Accounts Receivable	9 898 488	10 649 367	-	-
	63 682 217	55 470 675	766 236	654 046
Accumulated impairment losses on accounts receivable (Note 26)	(9 977 302)	(10 420 338)	-	-
	53 704 915	45 050 337	766 236	654 046

As of 31 December 2021 and 2020 the breakdown by customer type of the age of accounts receivable including information on the existence of credit improvement instruments available to the Group is as follows:

<u>Accounts receivable ageing</u>

2021

	- 60 days	60-90 days	90-120 days	+ 120 days	Total	Credit improvement instruments
Participated companies	3 609 799	52 308	32 057	127 710	3 821 874	n.a
state	354 071	18 250	5 433	51 031	428 785	n.a
financial	5 715 379	663 182	174 490	464 373	7 017 424	n.a
Insurers	1 227 093	113 172	33 697	74 083	1 448 045	n.a
Customers with Payment Agreements	17 012	331	147	748 746	766 236	payment agreements
other customers	31 989 928	829 982	223 561	1 404 184	34 447 655	n.a
Independent Dealers	6 279 052	1 455	1 913	337 526	6 619 946	Banking guarantees
Total	49 192 335	1 678 680	471 297	3 207 654	54 549 965	

2020

	- 60 days	60-90 days	90-120 days	+ 120 days	Total	Credit improvement instruments
Participated companies	3 985 884	95 321	118 902	583 678	4 783 785	n.a
state	574 179	12 029	5 059	36 855	628 122	n.a
financial	2 189 707	120 229	175 799	327 028	2 812 763	n.a
Insurers	1 327 788	51 653	(528)	76 581	1 455 495	n.a
Customers with Payment Agreements	-	-	-	654 046	654 046	payment agreements
other customers	24 577 274	1 116 799	796 234	2 589 213	29 079 519	n.a
Independent Dealers	6 017 980	37 919	(1 344)	7 068	6 061 623	Banking guarantees
Total	38 672 812	1 433 951	1 094 122	4 274 469	45 475 354	

Accounts receivable ageing considering impairment losses

2021

	- 60 days	60-90 days	90-120 days	+ 120 days	Total
Doubtful Accounts Receivable	68 951	11 656	25 969	9 791 912	9 898 488
Total	68 951	11 656	25 969	9 791 912	9 898 488

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

It is the understanding of the Board of Directors that the credit risk associated with customers who make up the oldest age group is small because of:

a) Customers with payment agreements : considering the credit analyzes carried out the knowledge of the customers in question and the external information obtained on their financial situation it is understood that these customers do not present significant credit risk and the Board of Management regularly monitors compliance with established agreements involving a small number of entities.

b) Related Companies : this type of customer includes several entities belonging to the Salvador Caetano Group with whom the Toyota Caetano Portugal Group maintains regular commercial transactions and the Group also maintains transactions as a customer with entities of the same Salvador Group Caetano. The Board of Directors understands that the amounts included in the “+120 days” age group relating to this type of customer are fully recoverable.

c) Other customers : this type of customer includes among others general customers of vehicles for which there is usually a reservation of ownership clause associated with the vehicle sold or alternatively their ownership is not transferred until the vehicle sold is fully liquidated. However the Board of Directors believes that in this type of customer there are situations of moderate credit risk which are not materially relevant. The Group's credit control and collections department constantly monitors these situations.

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

It should also be noted that regarding financial instruments corresponding to accounts receivable from customers there was generally no relevant change in the average time of receipt in 2021 with only some aggravation in accounts receivable associated with the *rental business. -a-car* . This fact was considered in the process of analyzing the impairment of accounts receivable carried out by the Group.

The amounts presented in the consolidated statement of financial position are net of accumulated impairment losses for doubtful accounts that were estimated by the Group according to its experience and based on its assessment of the economic situation and environment on the date of the statement of position. consolidated financial. Therefore the Board of Directors believes that the book values of accounts receivable from customers are close to their fair value.

14. OTHER DEBTORS

As of 31 December 2021 and 31 December 2020 this caption was made up as follows:

	CURRENT ASSETS	
	2021	2020
Accrued Payments to Suppliers	59 135	37 217
State and other public entities (VAT)	149 751	3 127 197
Other debtors	819 992	2 409 652
	1 028 878	5 574 066

The caption "Other debtors" includes as of 31 December 2020 the amount of approximately 800 000 Euros receivable from the related company Salvador Caetano Auto Africa SGPS SA. this amount having been fully settled in 2021.

Finally it should be noted that this caption also includes a balance receivable in the amount of 13 822 Euros from the related party Fundação Salvador Caetano (649 625 Euros as of 31 December 2020).

15. OTHER CURRENT ASSETS

As of 31 December 2021 and 31 December 2020 this caption was made up as follows:

	2021	2020
Accrued Income		
Contributions to be received from brands	1 933 690	1 546 478
Recovery Support (exploitation subsidies "Covid-19")	-	542 290
Training subsidies (IEFP)	494 897	280 035
Intermediation fees (financing and insurance)	357 495	226 209
Rents	140 575	220 138
Consultancy	98 148	92 698
Warranty Claims	98 107	85 911
Others	226 799	654 275
	3 349 711	3 648 034
Deferred expenses		
Insurance	141 934	138 480
Rents	51 733	140 582
Commercial paper charges	256 654	119 885
Others	330 622	588 025
	780 943	1 106 857
Total	4 130 654	4 754 890

The item “Contributions to be received from brands” corresponds to amounts receivable from performance awards and achievement of goals achieved in 2021 granted by the Toyota and Lexus brands as well as support for campaigns developed by them.

16. DEFERRED TAX ASSETS AND LIABILITIES

The detail and movement of the amounts and nature of deferred tax assets and liabilities recorded in the attached consolidated financial statements as of 31 December 2021 and 2020 can be summarized as follows:

2021

	2020	Other Variations	Profit and Loss Impact	Equity Impact	2021
Deferred tax assets:					
Impairment losses and provisions not accepted for tax purpose	278 676	-	579 709	-	858 385
Defined Benefit Plan Liabilities	2 225 687	-	(285 473)	(319 216)	1 620 998
Write-off of tangible assets/inventories	578 453	-	387 103	(71 020)	894 536
Other Operating Income	65 867	-	88 949	-	154 816
	3 148 683	-	770 288	(390 236)	3 528 735
Deferred tax liabilities:					
Depreciation because of legal and free revaluation of fixed assets	(1 514 350)	3 547	19 784	-	(1 491 019)
Effect of the reinvestment of the surplus in fixed assets sales	(60 248)	(3 547)	9 829	-	(53 966)
Fair value of fixed assets	(265 200)	-	(63 462)	-	(328 662)
	(1 839 798)	-	(33 849)	-	(1 873 647)
Net effect (Note 27)		-	736 439	(390 236)	

	2019	Impact on Results	Impact on Equity	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 because of legal and free revaluation of fixed assets	(1 430 283)	(60 831)	(23 236)	(1 514 350)
Effect of the reinvestment of the surplus in fixed assets 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 27)		(194 226)	391 985	

As of 31 December 2021 and 2020 the Group companies had no tax losses.

As of 31 December 2021 and 2020 the tax rates used to calculate deferred tax assets and liabilities were as follows:

	tax rate	
	2021	2020
Country of origin of the branch:		
Portugal	22.5%- 21%	22.5%-21%
Cape Green	25%	25.5%

Subsidiary companies of the Toyota Caetano Group based in Portugal are subject to Corporate Income Tax according to the Special Taxation Regime for Groups of Companies ("RETGS") provided for in articles 69 and 70 of the Corporate Income Tax Code.

According to current legislation tax returns by Toyota Caetano and Group companies based in Portugal are subject to review and correction by the tax authority for a period of four years. In this way tax returns for the years 2018 to 2021 may still be subject to review. Declarations relating to Social Security can be reviewed over a period of five years. The Group's Board of Directors understands that any corrections resulting from revisions/inspections by the tax authority to those tax returns for the years open to inspection should not have a significant effect on the attached consolidated financial statements.

Pursuant to article 88 of the Corporate Income Tax Code Group companies based in Portugal are additionally subject to autonomous taxation on a set of charges at the rates provided for in the article. Additionally to the taxable profit calculated more than between 1.5 million euros and 7.5 million euros there is a State Surcharge of 3% more than 7.5 million euros and up to 35 million euros plus a State Surcharge of 5% and to the taxable profit calculated more than 35 million Euros is added a State Surcharge of 9%.

17. CASH AND CASH EQUIVALENTS

As of December 31 2021 and December 31 2020 the cash and cash equivalents breakdown was as follows:

	2021	2020
Cash	117 938	123 239
Bank deposits	22 004 822	11 314 308
	22 122 760	11 437 547

18. EQUITY

Share capital

As of 31 December 2021 and 2020 the share capital of the Parent Company fully subscribed and paid up comprises 35 000 000 registered shares fully subscribed and paid up with a nominal value of 1 Euro each.

The entities with more than 20% of the subscribed capital is as follows:

- Salvador Caetano - Auto SGPS SA	69.79%
- Toyota Motor Europe NV/SA	27.00%

In 2021 Salvador Caetano - Auto SGPS SA acquired 7 059 shares with a nominal value of 1 Euro each fully paid up and representing 0.02017% of the share capital.

Dividends

During the 2020 financial year and because of the situation resulting from the pandemic caused by Covid-19 and the restrictions arising from the support and incentives that the Toyota Caetano Portugal Group benefited from under government measures (regulated by Decree-Law 10-G /2020) no dividends were distributed to shareholders.

At the Extraordinary General Meeting held on 30 November 2021 the distribution of dividends in the amount of 10.5 million Euros was approved by the shareholders by application of amounts recorded under the heading “Retained earnings”.

As of December 31 2021 there are no restrictions on the distribution of dividends.

Legal reserve

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

Revaluation Reserves

Financial assets adjustments reflect changes in the fair value of equity instruments at fair value through equity and cannot be distributed or used to absorb losses (Note 11).

Other reserves

Under Portuguese legislation the number of distributable reserves is determined according to the individual financial statements of Toyota Caetano Portugal SA presented according to International Financial Reporting Standards (IFRS) as adopted by the European Union.

In the year ended December 31 2021 the Group reviewed the presentation of equity reserves also reclassifying the comparative so that the information presented is clearer and more relevant.

19. NON-CONTROLLING INTERESTS

The movement of this item during the years ended December 31 2021 and 2020 was as follows:

	2021	2020
Opening balance on January 1	1 284 674	1 514 227
Non-controlling interests' acquisition	430	-
Acquisition of non-controlling interests	(86 832)	(36 559)
Net profit attributable to non-controlling interests	131 134	(192 993)
	1 329 406	1 284 674

The breakdown of the value by subsidiary company is as follows in 2021 and 2020:

Subsidiary	% NCI	Non-controlling interests	Net profit attributable to non-controlling interests
Caetano Auto CV	18.76%	731 836	75 643
Caetano Auto	1.26%	597 201	55 551
Moorish Highlight	43.72%	369	(60)
		1 329 406	131 134

2020	% 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)

The summary of the financial information of the subsidiary companies listed above is shown in the table below:

	Caetano Auto		Caetano Auto CV		Moorish Highlight
Heading	dec/21	dec/20	dec/21	dec/20	dec/21
Non-Current Assets	52 534 776	55 992 716	1 235 518	1 337 305	-
Current Asset	61 030 895	60 680 227	6 851 947	5 156 424	861
Total Assets	113 565 671	116 672 943	8 087 465	6 493 729	861
Non-Current Liabilities	9 523 420	8 495 092	1 439 437	1 439 437	-
Current Liabilities	57 957 899	66 980 580	2 700 514	1 480 474	-
Equity	46 084 352	41 197 272	3 947 514	3 573 817	861
Revenues	211 630 931	188 332 072	14 409 965	11 482 372	-
Operating Results	5 473 784	845 643	412 776	(1 058 449)	(139)
Financial results	(288 113)	(82 588)	(9 906)	(198)	-
Taxes	(767 930)	(407 263)	(29 173)	(22 482)	-
Net income	4 417 741	355 792	373 697	(1 081 130)	(139)

20. LOANS

As of December 31 2021 and December 31 2020 the item "Loans" has the following detail:

	2021			2020		
	Current	Non-Current	TOTAL	Current	Non-Current	TOTAL
Bank loans	15 280 530	-	15 280 530	10 362 760	-	10 362 760
Bank Overdrafts	8 203	-	8 203	124 994	-	124 994
Bond Loan	-	12 500 000	12 500 000	-	12 500 000	12 500 000
Leases	6 991 502	12 875 771	19 867 273	6 853 998	14 413 455	21 267 453
	22 280 235	25 375 771	47 656 006	17 341 752	26 913 455	44 255 207

The movement in bank loans bank overdrafts other loans Commercial Paper programs and bond loans during the years ended December 31 2021 and 2020 was as follows:

2021	Opening balance	increases	Decreases	Other variations (*)	Final balance
Bank loans	10 362 760	-	10 082 230	-	280 530
Bank Overdrafts	124 994	-	-	(116 791)	8 203
Guaranteed accounts	-	85 000 000	70 000 000	-	15 000 000
commercial paper	-	113 500 000	113 500 000	-	-
Bond Loan	12 500 000	-	-	-	12 500 000
Leases	21 267 453	-	7 490 088	6 089 908	19 867 273
	44 255 207	198 500 000	201 072 318	5 973 117	47 656 006

2020	Opening balance	increases	Decreases	Other variations (*)	Final balance
Bank loans	10 000 000	362 760	-	-	10 362 760
Bank Overdrafts	162 681	-	-	(37 687)	124 994
Guaranteed accounts	-	13 250 000	13 250 000	-	-
commercial 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

(*) No impact on the cash flow statement

As of 31 December 2021 and 2020 the details of bank loans bank overdrafts Commercial Paper programs and bond loans as well as their respective conditions are as follows:

2021

Description / Beneficiary company	Used Amount	Limit	Beginning Date	Date-Limit
not current				
bond loan				
Toyota Caetano Portugal	12 500 000	12 500 000	09/08/2018	5 years
	12 500 000	12 500 000		
Current				
Guaranteed accounts				
Toyota Caetano Portugal	15 000 000	20 000 000	12/03/2021	1 year
Toyota Caetano Portugal	-	2 000 000	11/27/2011	3 months (*)
Covid Line Loan				
Caetano Auto CV	280 530	280 530		
bank overdrafts	8 203	5 500 000		
Confirming	-	4 500 000		
Commercial paper:				
Toyota Caetano Portugal	-	19 000 000	02/27/2021	5 years
Toyota Caetano Portugal	-	10 000 000	08/18/2020	5 years
Toyota Caetano Portugal	-	4 000 000	07/17/2017	5 years
Toyota Caetano Portugal	-	4 000 000	02/24/2021	1 year
		15 000 000	06/14/2021	5 years
	15 288 733	84 280 530		
	27 788 733	96 780 530		

(*) renewable quarterly

2020

Description / Beneficiary company	Used amount	Limit	start date	Date-Limit
Non-Current				
Mutual Loans				
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		
Loans - mutual				
Toyota Caetano Portugal	10 000 000	10 000 000	03/11/2016	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	02/27/2020	1 year
Toyota Caetano Portugal	-	10 000 000	08/18/2020	5 years
Toyota Caetano Portugal	-	4 000 000	07/17/2017	5 years
Toyota Caetano Portugal	-	4 000 000	02/24/2020	1 year
	10 487 754	64 212 760		
	22 987 754	76 712 760		

Below we detail the amount related to financing obtained or lines of credit contracted for which real guarantees related to mortgages on real estate were granted (Note 37):

- Commercial Paper: 19 000 000 Euros
- Covid Line Loan: 280 530 Euros

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

The Group and its subsidiaries have contracted lines of credit as of 31 December 2021 in the amount of approximately 97 million euros (of which around 28 million euros were used as of 31 December 2021) that can be used to future OPERATING ACTIVITIES and to meet financial commitments with no restrictions on the use of these facilities. This amount is invested in several financial institutions and there is no excessive concentration in any of them.

The heading Lease liabilities (current and non-current) corresponds to the Group's responsibilities as lessee related to the rights of use related to cargo handling equipment and leased properties to carry out a reduced part of its operations since the most of the Group's operating activity is carried out on its own properties. In view of the lease contracts established by the Group the current market conditions associated with the pandemic caused by the Covid-19 coronavirus did not have relevant impacts on them namely support from lessors/landlords.

Responsibilities by maturity ranges:

Financing

2021

	12m	12-24m	24-36m	36-48m	>48m	Total
Bank loan	15 280 530	-	-	-	-	15 280 530
bond loan	-	12 500 000	-	-	-	12 500 000
Bank Overdrafts	8 203	-	-	-	-	8 203
Leases	6 991 502	4 947 880	3 999 009	2 153 922	1 774 960	19 867 273
Total Loans	22 280 235	17 447 880	3 999 009	2 153 922	1 774 960	47 656 006

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
Leases	6 853 998	6 124 814	3 672 045	2 989 056	1 627 539	21 267 453
Total Loans	17 341 752	6 124 814	3 672 045	15 489 056	1 627 539	44 255 207

Interests

2021

	12m	12-24m	24-36m	36-48m	>48m	Total
Bank loan	97 656	-	-	-	-	97 656
Leases	414 532	291 748	160 781	76 716	42 024	985 801
bond loan	249 670	249 670	-	-	-	499 340
Total interests	761 858	541 418	160 781	76 716	42 024	1 582 797

2020

	12m	12-24m	24-36m	36-48m	>48m	Total
Mutual Loans	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

21. ACCOUNTS PAYABLE

As of 31 December 2021 and 2020 this caption consisted of current balances payable to suppliers which are fully due in the short term.

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

22. OTHER CREDITORS

As of 31 December 2021 and 2020 this caption was made up as follows:

	CURRENT LIABILITIES		NON-CURRENT LIABILITIES	
	2021	2020	2021	2020
Income Taxed withheld	436 836	501 841	-	-
Value-added tax	14 697 609	10 735 683	-	-
Vehicles Tax	2 378 890	1 739 547	-	-
Employee’s Social Contributions	740 956	698 562	-	-
Municipality Tax	167 679	169 463	-	-
Others	6 257	6 228	-	-
Subtotal	18 428 227	13 851 324	-	-
shareholders	24 954	20 798	-	-
Advances from Customers	2 446 886	1 076 820	-	-
Other creditors	33 787 564	22 622 473	2 275 204	-
Subtotal	36 259 404	23 720 091	2 275 204	-
	54 687 631	37 571 414	2 275 204	-

In certain situations the Group is resorting to the financial entity of the represented brands namely the entity Toyota Kreditbank GMBH - Branch in Portugal (Note 36) for the purpose of acquiring vehicles necessary for the levels of activity developed. The amounts owed to this entity are included in the caption “Other creditors” and amount to 35 280 151 Euros as of 31 December 2021 (21 924 724 Euros as of 31 December 2020).

It is the understanding of the Board of Directors that the accounts payable to Toyota Kreditbank GMBH – Branch in Portugal for the purpose of acquiring vehicles have specific characteristics that justify a separate presentation of the financing obtained and from suppliers. In fact the Group finances the acquisition of new vehicles (for exhibition) and registered vehicles (destined for demonstration courtesy and rental) through the financial entity of the Toyota Japan Group Toyota Kreditbank GMBH – Branch in Portugal with the said agreements entered with this entity determine that the settlement of the liability must be carried out on the most recent of the following dates: the maturity date of the agreement or the date of sale of the vehicle. This is a relevant specific and unique characteristic of this type of liabilities a fact that was considered by the Board of Directors in the process of evaluating the classification of the referred to financial liability. In the aforementioned *assessment* the Board of Directors also considered it to be a sector practice not to present this type of liabilities as obtained financing when it is specifically associated with the acquisition of vehicles.

The amounts outstanding with Toyota Kreditbank GMBH – Branch in Portugal as of 31 December 2021 and 2020 refer to financing with maturities of less than 640 days interest rates between 1.45% and 2% with companies in the Toyota Caetano Portugal Group guarantee the same through the delivery of a blank promissory note with the respective filling agreement.

There are no outstanding debts to the State and Social Security.

23. INCOME TAX (Statement of financial position)

The breakdown of the income tax heading as of 31 December 2021 and 2020 is as follows:

	2021	2020
Current Assets		
Public Entities	-	-
Income tax receivable	-	871 404
	-	871 404
credit balances		
Public Entities		
Income tax payable	4 307 955	-
	4 307 955	-

24. OTHER CURRENT LIABILITIES

As of 31 December 2021 and 2020 the item “Other current liabilities” can be detailed as follows:

	2021	2020
Accrued Cost		
Vacation pays and bonus	6 148 853	5 598 535
Advertising campaigns and sales promotion	746 823	2 526 622
Commissions	217 178	825 623
Accrual for Vehicles Tax	1 711 789	2 167 552
Advance External Supplies and Services	1 178 933	1 282 396
Rappel charges attributable to fleet management	308 099	268 057
Specialization of costs assigned to vehicles sold	1 119 811	990 729
Insurance	32 420	243 651
Interest	136 539	133 176
Municipal Property Tax	98 723	113 000
Royalties	104 650	24 115
Others	1 736 527	1 794 350
	13 540 345	15 967 806
Deferred Income		
Vehicle Maintenance / Assistance Contracts	6 192 449	6 777 533
Revenue deferral	3 556 395	25 161
Others	245 899	145 710
	9 994 743	6 948 404
Total	23 535 088	22 916 210

As of 31 December 2021 the heading “Revenue deferral” includes invoicing issued to customers in connection with sales processes in progress for which the associated performance obligation has not yet been fulfilled.

As of 31 December 2021 and 31 December 2020 the heading “Vehicle Maintenance / Assistance Contracts” includes the deferred amount related to multi-annual vehicle maintenance contracts already billed and received for which the obligation to pay associated performance has not yet been met which is why the respective revenue is deferred. This amount is recognized as the performance obligation is fulfilled.

25. PENSION FUND

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

As of December 31 2021 the following subsidiaries of the Toyota Caetano Group were members of the Salvador Caetano Pension Fund:

- Toyota Caetano Portugal SA
- Caetano Auto SA
- Caetano Renting SA

This established Pension Fund provided that if its members maintained the decision to make contributions to the fund that most workers could earn from the date of retirement a non-updatable supplement determined based on a percentage of maturity among other conditions configuring a defined benefit plan. To cover these liabilities an Autonomous Fund has been set up (which is currently managed by BPI Vida e Pensões SA).

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

The aforementioned proposal to amend the pension supplements regime duly approved by the Pension Fund Monitoring Committee includes the maintenance of a Defined Benefit regime for those retired and beneficiaries of deferred pensions as well as for all employees of the members of the Salvador Caetano Pension Fund who on January 1 2008 had completed 50 years of age and more than 15 years of service in the members of the Salvador Caetano Pension Fund and a new group was also created (formed by the remaining universe of workers at the service of members of the Salvador Caetano Pension Fund) which as of that date was included in a Defined Contribution Plan.

On December 29 2008 a letter was received containing the approval by the ISP – Instituto de Seguros de Portugal of the intended changes in force since 1/1/2008.

The ISP determined in the approval that employees of Salvador Caetano Pension Fund members who on January 1 2008 had attained 15 years of service to the member and were under 50 years of age (and who will become part of a Defined Contribution) were entitled to an individual "initial capital" under the new plan determined based on the actuarial liabilities calculated with reference to December 31 2007 and based on the assumptions and criteria used in that year. The assets of the Salvador Caetano Pension Fund were on that date allocated to those two Plans according to the rules then established by the ISP thus maintaining that format until the current date.

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

The main features of the Salvador Caetano Pension Plan in terms of defined benefits are as follows:

- The pension plan is complementary to the public Social Security schemes the plan being independent of the pensions awarded by the Social Security.
- The pension plan provides for the payment of pensions in the event of old-age retirement and disability retirement.
- The pension plan provides for the existence of acquired rights.
- The updating of pensions depends on the decision of the Salvador Caetano Pension Fund members.
- Payment of benefits is made directly by the Pension Fund.
- In terms of eligibility workers who are at least 50 years of age on December 31 2017 and who on that same date had completed 15 years in the service of one of the members of the Salvador Caetano Pension Fund are eligible.
- The normal retirement age respects the age established by the General Social Security System.
- The pensionable salary corresponds to 14/13 of the last salary earned by the worker.
- The old-age and disability retirement pension corresponds to 20% of the monthly pensionable salary.
- These pensions are paid 13 times a year.
- In terms of the minimum solvency level the value of the Salvador Caetano Pension Fund's assets cannot be less than the minimum solvency amount calculated according to the rules established by the regulatory standard of the Insurance and Pension Funds

Supervisory Authority ("ASF "). The "Minimum Solvency Scenario" is calculated by the responsible actuary (BPI Pensões SA) according to ASF Norm 21/96-R of December 5th.

The Salvador Caetano Pension Fund has currently signed a management contract with the management entity BPI Vida e Pensões SA with this management entity acting as the "Responsible Actuary". According to the current legislation in force the management entity must ensure that the assets that make up the Salvador Caetano Pension Fund's assets are adequate for the responsibilities arising from the pension plan considering in particular:

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

Thus under the management contract established with BPI Vida e Pensões SA the management entity must use the methods or techniques it deems most consistent with the objective of ensuring with a high level of reasonableness that unfavorable fluctuations in the value of the assets they do not jeopardize the payment of the liabilities assumed especially those relating to pensions in payment. In this sense BPI Vida e Pensões SA has developed a model for analyzing the compatibility between the assets and liabilities of the Pension Fund called the "ALX Model" which aims to determine the appropriate composition of a portfolio of financial assets matching the nature risk duration and profitability of the assets with the average maturity of the Fund's liabilities whether in respect of pensions in payment or with regard to pensions payable in the future for workers still in active employment. This model does not however eliminate the use of more sophisticated and complete ALM (*Asset Liability Management*) models.

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

	Minimum limit	Core Value	Maximum limit
Eurozone Private Debt Bonds	45.0%	50.0%	55.0%
Eurozone public debt bonds	20.0%	25.0%	30.0%
Global Actions	13.0%	17.0%	22.0%
Absolute Return	3.0%	8.0%	13.0%
other assets	0.0%	-	10.0%
high yield	0.0%	-	10.0%
cash	0.0%	0.0%	12.8%

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

MARKET RISK

The main market risks arise from changes in the prices of securities in the portfolios resulting from investors' perception of factors intrinsic to the issuer or markets or even to geopolitical factors.
The tools used to measure and quantify exposure to market risks are as follows:

VaR - Value at Risk

Value *at Risk* (VaR) is the estimate of the maximum expected loss for a portfolio in each time horizon with a given confidence level.
The BPI Vida e Pensões SA VaR calculation system uses the volatilities and correlations historically calculated for the different securities and prices in the last 365 days determining the VaR of each portfolio for a time interval of 30 days and a confidence level of 95%.
The results of the hedging policies implemented by the managers are also evaluated and consolidated namely through the VaR values determined with and without derivatives.

Stress scenarios

To complement the information provided for each portfolio by the VaR which is based on historical series BPI Vida e Pensões SA also assesses the exposure to market risks analyzing the impact on the value and respective future profitability of each portfolio considering the repetition of past stress scenarios.
stress scenarios are applied to the key variables evaluating their individual impact and the joint impact with other variables.

CREDIT RISK (portfolio diversification)

The credit risk of each security is evaluated considering the credit risk of each issuer and the nature of its debt as well as the rating notation *and* the probability of *default* .

LIQUIDITY RISK

To assess liquidity risk each manager permanently monitors the expected inflows and outflows of the portfolios and maintains levels of liquidity adequate to the expected maturities of liabilities.

OPERATIONAL RISK

Operational risk is assessed considering the operational loss database of BPI Vida e Pensões SA which provides a record of all events and their respective financial impact.
Additionally for the year ended December 31 2021 there was no change early cancellation or settlement of the Defined Benefit Plan.

According to an actuarial study carried out by the Fund's management company (BPI Vida e Pensões SA) the Group has been making contributions to the defined benefit plan allowing the Fund's equity position to rise on December 31 2021 to approximately 24 948 thousand Euros (24 701 thousand Euros as of 31 December 2020). The share of global liability estimated actuarially for the Defined Benefit Plan in the share relating to the Group amounts to approximately 32 053 thousand Euros as of 31 December 2021 (35 872 thousand Euros as of 31 December 2020).

The actuarial assumptions used for the valuation of 2021 and 2020 by the management company include the Mortality and Disability Tables TV88/90 and Suisse Re 2001 respectively as well as salary pension and discount rates of 0% (0% in 2020) 0% (0% in 2020) and 0.99% (0.7% in 2020) respectively.

Regarding the consideration of a future projection of a salary increase of 0% it should be noted that this is because the (closed) universe of participants in the Defined Benefit Plan contemplates on 31 December 2021 about 853 people of these only 14 participants were active in the companies of the Toyota Caetano Portugal Group so any estimate of a future salary increase would only apply to them. Given that the target population of potential salary increases is residual and is at the end of its career (average age of around 65 years) it was the decision of the Group's Board of Directors to consider a salary update rate of 0% in the process of determination of actuarial liabilities.

In the year ended December 31 2021 the *duration* of the responsibilities determined by the Responsible Actuary is 9 years. Regarding the number and average age of beneficiaries it is detailed by Toyota Caetano Portugal Group component and type of participant as follows:

	Caetano Auto SA		Toyota Caetano Portugal SA		Caetano Renting SA	
	Number of people	Middle Ages	Number of people	Middle Ages	Number of people	Middle Ages
Participants (Active and former participants)						
Assets < 66 years	4	64.7	8	64.8	-	-
Active > 66 years	1	66.5	1	66.4	-	-
former participants	11	70.4	15	70.5	-	-
pre-retired	-	-	-	-	-	-
	16	68.7	24	68.4	-	-
Retired						
Old age retirement	312	74.0	469	74.5	4	68.6
Disability retirement	16	71.6	12	70.8	-	-
	328	73.9	481	74.4	4	68.6

The movement of the Group's responsibilities under the Defined Benefit Plan in 2021 and 2020 can be summarized as follows:

	2021	2020
Opening balance	35 872 461	32 274 303
Effect on net income for the year		
Current service costs	66 039	84 137
interest costs	242 935	311 218
cuts in the plane	(892 545)	-
Effects on other comprehensive income		
(Gains) and actuarial losses	135 644	501 931
Expected benefits	(2 466 640)	(2 473 454)
Change of Assumptions	(810 674)	914 111
Change in the mortality table - already covered in 2019	-	2 966 826
Change in the mortality table	-	1 555 820
Net transfers made	(93 958)	(262 431)
Final balance	32 053 262	35 872 461

The movement in the equity situation of the Salvador Caetano Pension Fund which covers the defined benefit plan during the years 2021 and 2020 was as follows:

	2021	2020
Fund Value on December 31 2019	24 700 826	25 765 129
Effect on net income for the year		
interest income	164 735	246 126
Effects on other comprehensive income		
Income gains/(losses)	777 926	1 475 801
Pension Payments (Paid Benefits)	(2 500 094)	(2 523 799)
Net transfers made	(93 958)	(262 431)
Company contributions (includes direct payments)	1 898 540	-
Final balance	24 947 975	24 700 826

As of December 31 2021 and 2020 the composition of the Salvador Caetano Pension Fund asset portfolio that covers the Defined Benefit Plan is as follows:

Fund Portfolio	Portfolio Weight	Value 12-31-2021	Portfolio Weight	Value 12-31-2020
Shares	9.80%	2 444 901	9.90%	2 445 382
Fixed rate bonds	33.20%	8 282 728	30.70%	7 583 153
variable rate bonds	2.40%	598 751	5.20%	1 284 444
real estate	46.20%	11 525 965	44.60%	11 016 568
Liquidity	3.90%	972 971	3.40%	839 828
Other Assets	4.50%	1 122 659	6.20%	1 531 451
Total	100.00%	24 947 975	100%	24 700 826

As of 31 December 2021 individual investments with a weight greater than 5% of the total asset portfolio of the Salvador Caetano Pension Fund which covers the Defined Benefit Plan are presented as follows:

Active	Portfolio Weight	Value 12-31-2021
Cimóvel - Closed Real Estate Investment Fund	46.20%	11 525 965

The net liability of the Toyota Caetano Portugal Group shown above is covered not only by the assets of the Salvador Caetano Pension Fund allocated to the defined benefit plan but also through a provision constituted in the amount of approximately 7 105 288 Euros (11 171 .634 Euros as of 31 December 2020) reflected in the consolidated statement of financial position under the heading “Liability for defined benefit plans”.

In addition and as mentioned above the Group is an integral part of a defined contribution plan having made contributions to it in the amount of 564 897 Euros in the year ended 31 December 2021 (590 070 Euros as of 31 December 2020). recorded in the consolidated income statement under personnel costs.

26. PROVISIONS AND ACCUMULATED IMPAIRMNET LOSSES

The movement in provisions during the years ended December 31 2021 and 2020 was as follows:

2021

headings	Opening Balances	variation of Perimeter	increases	Decreases	Others regularizations	Ending Balances
Accumulated impairment losses on tangible assets (Note 6)	150 000			(150 000)		-
Accumulated impairment losses on investment properties (Note 7)	200 000	-	-		-	200 000
Accumulated impairment losses on non-current assets held for sale	2 328 814			(219 845)		2 108 969
Accumulated impairment losses in accounts receivable (Note 13)	10 420 338	-	1 064 731	(1 507 767)	-	9 977 302
Accumulated impairment losses in inventories (Note 12)	2 886 212	-	3 193 706	(4 153 674)	(86 631)	1 839 613
provisions	1 973 126	-	360 928	(200 000)	(215 576)	1 918 478

2020

headings	balances initials	increases	uses and Decreases	Others regularizations	Total
Accumulated impairment losses on tangible assets (Note 6)	150 000	-	-	-	150 000
Accumulated impairment losses on investment properties (Note 7)	2 528 814	-	-	(2 328 814)	200 000
Accumulated impairment losses on non-current assets held for sale	-	-	-	2 328 814	2 328 814
Accumulated impairment losses on accounts receivable (Note 13)	9 458 773	1 049 507	(87 942)	-	10 420 338
Accumulated impairment losses in inventories (Note 12)	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

In 2020 the amount considered in the column "Other adjustments" at the level of investment properties corresponds to the transfer of impairments associated with real estate assets previously classified under this heading to the heading "Non-current assets held for sale" due to the properties in question are in the process of alienation.

As of 31 December 2021 and 2020 the detail of the item "Provisions" can be summarized as follows:

provisions	2021	2020
Warranties to customers	276 626	278 329
Ongoing legal proceedings	1 439 438	1 439 437
Claims in vehicles without damages	52 414	55 360
Other risks and charges	150 000	200 000
	1 918 478	1 973 126

The caption "Legal proceedings in progress" essentially considers a provision created in 2020 in the amount of approximately 1.4 million Euros corresponding to a litigation process involving the subsidiary Caetano Auto CV SA with the customs authority of Cape Green. It is the understanding of the Board of Directors supported by its legal advisors that the outcome of this process could result in impacts for the Group which is why it decided to recognize a provision for the amount at risk.

27. INCOME TAX (Consolidated income statement)

The income tax recognized for the years ended December 31 2021 and 2020 are detailed as follows:

	2021	2020
Income Tax	5 158 684	1 882 035
Deferred tax (Note 16)	(736 439)	194 226
	4 422 245	2 076 261

The reconciliation of the effective tax charge with the theoretical tax charge for the years ended December 31 2021 and 2020 can be analyzed as follows:

	2021	2020
Profit before taxation	16 248 384	6 527 994
Nominal tax rate	22.50%	22.50%
Theoretical tax (Collection + Spill)	3 655 886	1 468 799
Provisions that didn't origin recognition of deferred income taxes	-	301 614
Differences between accounting and fiscal gains and losses	-	(231 020)
Additional Income Tax	289 119	269 150
State Tax	720 395	173 107
Tax benefits	124 564	-
Excess/Insufficient Tax Estimate	(331 617)	-
Others	(36 102)	94 611
effective tax	4 422 245	2 076 261

28. EARNINGS PER SHARE

Earnings per share for the years ended December 31 2021 and 2020 were calculated considering the following amounts:

	2021	2020
Net income		
Basic	11 826 139	4 451 733
Diluted	11 826 139	4 451 733
Number of Shares	35 000 000	35 000 000
Earnings per share (basic and diluted)	0.338	0.127

During the years ended December 31 2021 and 2020 there was no change in the number of shares.

29. SEGMENT INFORMATION

For the years ended December 31 2021 and 2020 the reporting detail by segments is as follows:

	2021														
	NATIONAL								FOREIGN					REMOVALS	CONSOLIDATED
	Automotive Vehicles				Industrial Equipment			Others	Automotive Vehicles		Industrial Equipment				
	Industry	Business	services	rental	machines	services	rental		Industry	Business	machines	services	rental		
REVENUE															
Turnover	5 890 913	491 999 582	18 722 222	5 433 099	10 330 375	4 991 594	13 043 562	-	38 754 608	22 473 074	56 565	61 808	6 531	(204 245 850)	407 518 083
RESULTS															
Operational Income	(220 333)	15 352 508	3 175 558	1 159 828	1 295 683	2 019 104	1 455 695	-	883 859	626 603	2 797	41 603	5 317	(2 152 101)	23 646 121
Financial Income	(17 310)	(1 580 795)	(424 564)	(398 732)	(34 062)	(18 233)	(40 887)	-	(129 112)	(37 240)	(259)	(251)	(24)	12 342	(2 669 127)
Income tax for the period								(4 422 245)							(4 422 245)
Net income with non-controlling assets	(184 173)	10 165 497	2 345 058	543 914	977 757	1 550 675	1 153 736	(4 728 610)	584 929	518 229	1 967	32 047	4 103	(1 138 990)	11 826 139
OTHER INFORMATION															
Depreciation	244 585	6 068 960	2 304 422	9 503 341	34 689	6 576	3 115 026	-	-	175 299	-	-	-	(549 715)	20 903 183

2020

	NATIONAL								FOREIGN					REMOVALS	CONSOLIDATED
	Motor Vehicles				Industrial Equipment			Others	Motor Vehicles		Industrial Equipment				
	Industry	Business	services	rental	machines	services	rental		Industry	Business	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
RESULTS															
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															
Depreciation and amortization	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

The information by segments presented above corresponds to that which is presented to the Board of Directors for the purposes of approving the Group's accounts and used in the decision-making process. The sub-segment relating to the industrial vehicle assembly activity is included in the “Motor Vehicles - Industry” segment. Additionally the training and development of human resources as well as the activity of property management (investment properties) since they represent a secondary activity and without great expression are divided between the various segments. The Board of Directors understands that the presentation of these activities in autonomous segments is not presented as relevant in terms of the Group's financial reporting.

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

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

30. SALES AND SERVICES RENDERED BY GEOGRAPHIC MARKETS

The detail of sales and services rendered by geographic markets in the years ended December 31 2021 and 2020 was as follows:

	2021		2020	
Market	Value	%	Value	%
Home Market	350 015 281	86.60%	316 274 113	88.39%
Belgium	38 346 846	9.49%	27 536 353	7.70%
African Countries with Official Portuguese Language	15 514 193	3.84%	13 844 054	3.87%
Spain	83 204	0.02%	67 519	0.02%
United Kingdom	153 000	0.04%	9 273	0.00%
Germany	-	-	7 258	0.00%
Other Markets	46 207	0.01%	98 068	0.02%
	404 158 731	100.00%	357 836 638	100.00%

31. EXTERNAL SUPPLIES AND SERVICES

The detail of the External Supplies and Services item for the years ended December 31 2021 and 2020 is presented as follows:

	2021	2020
Subcontracts	**1 941 582**	**1 886 006**
Professional services	**22 181 096**	**19 875 209**
Professional works	6 303 803	5 467 585
Advertising	11 923 217	10 552 463
Surveillance and Security	536 641	546 090
Professional Fees	1 280 293	1 047 198
Commissions	135 720	171 210
Repairs and Maintenance	2 001 422	2 090 663
Materials	**758 702**	**773 397**
Tools	215 628	229 725
Books and technical documentation	315 239	282 259
Office Material	167 116	199 719
Offers	60 719	61 694
Utilities	**2 697 100**	**2 619 888**
Electricity	979 638	1 068 665
fuels	1 385 348	1 200 365
Water	147 621	168 073
Others	184 493	182 785
Travel and transportation	**2 500 012**	**2 235 973**
Traveling expenses	932 796	861 556
Personnel transportation	96 489	83 090
Transportation of materials	1 470 727	1 291 327
Other supplies	**10 064 243**	**10 893 876**
Short-term low-value leases	1 365 033	1 735 857
Communication	578 364	672 655
Insurance	1 161 714	1 252 388
royalties	405 725	205 430
Litigation and Notary	14 604	34 534
Cleaning and comfort	1 155 380	1 049 437
Other services	5 383 423	5 943 575
	40 142 735	38 284 349

32. PAYROLL EXPENSES

Payroll expenses for the years ended December 31 2021 and 2020 show the following detail:

	2021	2020
Management Payroll the parent company	355 250	343 840
Management Payroll in subsidiaries	314 125	301 560
Personnel Payroll	28 143 350	25 492 504
Pension Plans	312 307	255 769
Indemnities	950 383	998 573
Social Security Contribution	6 774 591	4 885 828
Employees Insurance	401 823	337 475
Other	2 041 643	3 058 791
	39 293 472	35 674 340

During the years ended in December 2021 and 2020 the average number of personnel employed by the Group was as follows:

Personnel	2021	2020
Employees	1 092	1 046
Workers	419	457
	1 511	1 503

33. OTHER OPERATING INCOME AND EXPENSES

As of 31 December 2021 and 2020 the heading “Other operating income” has the following composition:

Other operating income	2021	2020
Warranty recovered	8 415 719	5 972 619
Rents charged	3 373 233	3 712 400
Works of the Company for itself	3 256 417	3 083 412
Subsidies	6 421 277	5 065 186
Advertising expenses and sales promotion recovered	3 493 223	1 161 437
Services provided	2 483 041	2 858 917
Expenses recovered	1 439 641	1 567 060
Gains with the disposal of Tangible Fixed Assets	1 105 830	1 360 381
Corrections related to previous exercises	194 634	202 830
Commissions obtained	155 377	75 666
Claims compensation	58 090	1 698
	30 396 482	25 061 606

Detailing the main values mentioned above we must mention that:

- the headings “Recovery of costs with guarantees and other operating expenses” and “Recovery of costs with advertising and sales promotion” essentially include amounts related to the recovery of costs (relating to the represented brands with the supplier Toyota Japan Group) with repairs carried out under guarantees in the amounts of 2 840 thousand Euros (as of 31 December 2021) and 2 975 thousand Euros (as of 31 December 2020). This heading also includes the recovery of various charges borne by the Group with marketing and commercial promotion activities associated with its operations with the supplier Toyota Japan Group as well as the recovery of transport charges associated with sales processes. Expenses incurred associated with that recovery of charges are recognized in several headings of the consolidated income statement namely: (i) cost of goods sold and materials consumed (in relation to materials incorporated and consumed in vehicle repair processes (ii)) personnel expenses (in relation to the labor used in the vehicle repair processes) and (iii) external supplies and services (where expenses related to vehicle repairs carried out by dealers and independent repairers transport charges marketing and advertising charges among others).

- the item “Rents collected” includes an amount related to rents on investment properties of around 2.3 million euros (2.5 million euros in 2020). The rents are partially derived from lease contracts for real estate assets entered with various related entities with the respective detail for the years ended December 31 2020 and 2021 as follows:

Entity	2021	2020
CaetanoBus - Fabricação de Carroçarias SA	792 270	855 010
Toyota Logistics. Services Portugal Unip. Lda.	577 478	602 586
Caetano Aeronautic SA	184 160	233 315
Other Related Parties	181 089	173 452

- the item “Services Rendered” essentially refers to administrative fees due to companies outside the Toyota Caetano perimeter including several related entities. The detail of “Services Rendered” with related parties for the years ended December 31 2021 and 2020 is as follows:

Entity	2021	2020
CaetanoBus - Fabricação de Carroçarias SA	677 413	446 740
Caetano Retail SGPS SA	263 812	285 201
Caetano Baviera - Comércio de Automóveis SA	183 880	179 052
Rigor - Consultoria e Gestão SA	130 772	78 395
Caetano Aeronautic SA	113 083	123 551
Guérin - Rent-a-Car (Two) SA	77 912	96 405
Other related parties	404 071	369 481
Others	632 098	1 280 092
Total	2 483 041	2 858 917

- the item “Recovery of expenses” includes among others income related to social services (debit of expenses with canteen and training to related companies).
- the caption “Gains on the sale of assets” includes the amount of approximately 900 thousand Euros corresponding to the capital gain obtained by the Group from the sale of commercial facilities used in its activity located in Vila Nova de Gaia.
- the heading “Operating subsidies” considers the amount of around 6.4 million Euros relating to support from the IEFP – Instituto de Emprego e Formação Profissional (5 million Euros as of 31 December 2020) regarding training actions provided by the Group in its various vocational training centers as well as government support to face the pandemic caused by the new Covid-19 coronavirus (Note 40).

As of 31 December 2021 and 2020 the heading “Other operating expenses” is made up as follows:

Other operating expenses	2021	2020
Taxes	1 213 198	1 167 963
Corrections related to previous years	170 990	73 468
Fines and penalties	39 013	34 345
Inventories losses	68 472	171 721
Subscriptions	32 222	45 525
Bad Debts	1 473 672	570 167
donations	60 204	3 949
Other unspecified	1 395 869	1 202 184
	4 453 640	3 269 322

The item “Other unspecified” essentially includes expenses with commercial incentives and bonuses granted to concessionaires.

34. FINANCIAL INCOME AND EXPENSES

As of December 31 2021 and 2020 the consolidated financial results are as follows:

Expenses and Losses	2021	2020
Interest	1 372 103	1 592 105
Interest on Leases (IFRS 16)	196 191	-
Other Financial Expenses	1 133 281	796 667
	2 701 575	2 388 772

Income and Earnings	2021	2020
Interest	32 448	17 162
	32 448	17 162

35. FINANCIAL ASSETS AND LIABILITIES

We summarize in the table of the Group's financial instruments as of 31 December 2021 and 2020:

Caption	Note	Financial Assets at Amortized Cost	Assets at Fair Value Through Comprehensive Income	Other non-financial assets	Total
As of December 31 2021					
non-current assets					
Other investments	11	131 368	4 474 657	-	4 606 025
Accounts Receivable	13	766 236	-	-	766 236
		897 604	4 474 657	-	5 372 261
current assets					
Accounts Receivable	13	53 704 915	-	-	53 704 915
Other Credits	14	819 992	-	208 886	1 028 878
Other current assets	15	3 349 711	-	780 943	4 130 654
Cash and Cash Equivalents	17	22 122 760	-	-	22 122 760
		79 997 378	-	989 829	80 987 207

Caption	Note	Financial Assets at Amortized Cost	Assets at Fair Value through comprehensive income	Other non-financial assets	Total
As of December 31 2020					
non-current assets					
Other investments	11	26 833	4 192 604	-	4 219 437
Accounts Receivable	13	654 046	-	-	654 046
		680 879	4 192 604	-	4 873 483
Current Assets					
Accounts Receivable	13	45 050 337	-	-	45 050 337
Other Creditors	14	2 409 652	-	3 164 414	5 574 066
Other current assets	15	3 648 034	-	1 106 857	4 754 891
Cash and cash equivalents	17	11 437 547	-	-	11 437 547
		62 545 570	-	4 271 271	66 816 841

Caption	Note	Financial Liabilities at Amortized Cost	Other non-financial liabilities	Total
As of December 31 2021				
non-current liabilities				
Loans	20	25 375 771	-	25 375 771
Other creditors	22	2 275 204	-	2 275 204
		27 650 975	-	27 650 975
Current liabilities				
Loans	20	22 280 235	-	22 280 235
Suppliers	21	43 622 927	-	43 622 927
Other Debts	22	33 812 518	20 875 113	54 687 631
Other current liabilities	24	13 540 345	9 994 743	23 535 088
		113 256 025	30 869 856	144 125 881

Description	Note	Financial Liabilities at Amortized Cost	Other non-financial liabilities	Total
As of December 31 2020				
non-current liabilities				
Loans	20	26 913 455	-	26 913 455
		26 913 455	-	26 913 455
Current liabilities				
Loans	20	17 341 752	-	17 341 752
Suppliers	21	38 187 645	-	38 187 645
Other Debts	22	22 643 270	14 928 144	37 571 414
Other current liabilities	24	15 967 806	6 948 404	22 916 210
		94 140 473	21 876 548	116 017 021

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

- Level 1- quoted prices- investment in Fundo Cimóvel recorded under the caption “Other investments” (Note 11): 4 474 657 Euros (4 192 604 Euros as of 31 December 2020).

- Level 2- inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly (prices) or indirectly (derived from prices).
- Level 3- inputs for the asset or liability that are not based on observable market data (unobservable

inputs).

36. RELATED PARTIES

Balances and transactions between the Parent Company and its subsidiaries which are related entities of the Parent Company were eliminated in the consolidation process and therefore will not be disclosed in this Note. The detail of balances and transactions between the Toyota Caetano Group and related entities (including associated entities and joint ventures) can be summarized as follows as of December 31 2021 and 2020:

2021

Related Company	commercial debts		Other current Liabilities		Products		Fixed Assets		services		Others	
	receivable	Payable	Other Current Liabilities	Other Current Assets	Sales	Purchases	acquisitions	Alienations	rendered	obtained	Expenses	income
Participated companies	3 821 874	2 057 884	438 507	215 919	15 242 877	5 385 329	-	2 500	443 525	1 908 872	10 030	2 186 511
Shareholder	3 916 133	20 244 541	141 039	1 390 000	38 336 556	202 456 417	-	-	-	774 641	-	6 173 146
Other related parties - Salvador Caetano Group	4 388 856	4 252 770	1 061 123	183 766	10 745 681	8 947 381	339 877	110 626	1 152 744	11 131 015	743 513	3 689 201
Other Related Parties - Toyota Japan Group	3 967 927	10 513 067	36 147 957	464 064	71 549 131	88 825 865	39 681	-	2 647 494	823 764	1 973 778	2 373 457
	16 094 790	37 068 262	37 788 626	2 253 749	135 874 245	305 614 992	379 558	113 126	4 243 763	14 638 292	2 727 321	14 422 315

2020

Related Company	commercial debts		Current Assets and Liabilities		Products		Fixed Assets		services		Others	
	receivable	Payable	Other Current Liabilities	Other Current Assets	Sales	Purchases	acquisitions	Alienations	rendered	obtained	Expenses	income
Participated companies	4 783 784	172 558	343 282	-	11 351 683	10 543 409	51 858	35 000	548 951	1 550 107	48 802	1 827 144
Shareholder	441 178	18 761 000	120 932	-	27 517 926	141 862 037	-	-	-	426 936	138 930	3 863 278
Other related parties - Salvador Caetano Group	3 268 100	3 186 587	1 126 502	5 466	7 729 390	8 542 494	124 192	33 955	2 305 263	8 855 691	214 374	2 065 931
Other Related Parties - Toyota Japan Group	786 865	8 191 202	6 665 684	304	21 167 721	41 886 566	20 200	-	2 463 969	813 954	1 865 167	1 115 479
	9 279 927	30 311 347	8 256 400	5 770	67 766 720	202 834 506	196 250	68 955	5 318 183	11 646 688	2 267 273	8 871 832

The related entities of the Parent Company are as follows:

Related Company	
Shareholder	
Salvador Caetano Auto (SGPS) SA	Portugal
Toyota Motor Europe NV/SA	Belgium
Affiliated companies	
Kinto Portugal SA	Portugal
Caetano UK Ltd	United Kingdom
CaetanoBus - Fabricação de Carroçarias SA	Portugal
Cobus Industries GMBH	Germany
Other related companies - Grupo Salvador Caetano	
Amorim Brito & Sardinha Lda.	Portugal
Atlantica - Portuguese Fishing Company SA	Portugal
Auto Partner Imobiliária SA	Portugal
Cape Verde Rent-a-Car Lda.	Cape Green
Caetano Aeronautic SA	Portugal
Caetano Baviera - Comércio de Automóveis SA	Portugal
Caetano Formula Cádiz SLU	Spain
Caetano Formula East Africa SA	Portugal
Caetano Formula Galicia SLU	Spain
Caetano Formula Galicia SLU	Spain
Caetano City and Active (North) SA	Portugal
Caetano Mobility SGPS SA	Portugal
Caetano Motors Cádiz SLU	Spain
Caetano Drive Sport and Urban SA	Portugal
Caetano Energy SA	Portugal
Caetano Formula SA	Portugal
Caetano Formula West Africa SA	Portugal
Caetano Motors SA	Portugal
Caetano Move África SA	Portugal
Caetano One CV Lda.	Cape Green
Caetano Parts Lda.	Portugal
Caetano Power SA	Portugal

Caetano Retail (SGPS) SA	Portugal
Caetano Retail Espana SAU	Portugal
Caetano Squadra Africa SA	Portugal
Caetano Star SA	Portugal
Caetano Technik Lda.	Portugal
Caetsu Publicidade SA	Portugal
Carplus - Comércio de Automóveis SA	Portugal
Choice Car SA	Portugal
COCIGA - Construções Civil de Gaia SA	Portugal
COVIM - Soc. Agrícola Silvícola e Imobiliária SA	Portugal
Salvador Caetano Foundation	Portugal
Gamobar - Sociedade de Representações SA	Portugal
Salvador Caetano Group (SGPS) SA	Portugal
Guérin - Rent-a-Car (Dois) Lda.	Portugal
Hyundai Portugal SA	Portugal
Ibericar Motors Cádiz SL	Spain
Ibericar Reicomsa SA	Spain
Lidera Solutions SL	Spain
Lusilectra - Veículos e Equipamentos SA	Portugal
MDS Auto - Insurance Mediation SA	Portugal
Movicargo - Industrial Movement Lda.	Portugal
POAL - Pavements and Accessory Works SA	Portugal
Portianga - Comércio Internacional e Participações SA	Portugal
RARCON - Arquitectura e Consultadoria SA	Portugal
Rigor - Consultoria e Gestão SA	Portugal
Robert Hudson LTD	Angola
Salvador Caetano Auto Africa (SGPS) SA	Portugal
Salvador Caetano Capital (SGPS) SA	Portugal
Salvador Caetano Equipamentos SA	Portugal
Salvador Caetano Industria (SGPS) SA	Portugal
SIMOGA - Sociedade Imobiliária de Gaia SA	Portugal
Sozo Portugal SA	Portugal
Turispaiva - Paivense Tourist Society SA	Portugal
UNBOXAGENCY - Advertising Agency Unipessoal Lda.	Portugal
USERAGENCY - Advertising Agency Unipessoal Lda.	Portugal

VAS Africa (SGPS) SA	Portugal
Vas Cabo Verde Sociedad Unipessoal SA	Cape Green
Others - Toyota Japan Group	
Toyota Motor Corporation	Japan
Toyota Kredibank GMBH - Branch in Portugal	Portugal
Toyota Logisticos Serviços Portugal Unipessoal Lda.	Portugal
Toyota Material Handling Deutschland	Germany
Toyota Material Handling Spain SA	Spain
Toyota Material Handling Europe	Belgium
Toyota Material Handling Europe Brussels	Belgium
Toyota Material Handling Europe Logistics	Sweden
Toyota Material Handling France	France
Toyota Material Handling Manufact France SAS	France
Toyota Material Handling Manufact Italy SPA	Italy
Toyota Material Handling Manufact Sweden	Sweden
Toyota Material Handling Nederland	Netherlands
Toyota Tsusho Asia Pacific PTE Ltd	Singapore
Toyota Tsusho Corporation	Japan

Regarding the disclosure of the remuneration of key management personnel of the Group and in addition to that mentioned in Note 32 it is important to mention that the companies of the Toyota Caetano Portugal Group (with the exception of Caetano Auto Cabo Verde as it is a company incorporated under Cabo Verdean law)) provide all their employees (including members of the Governing Bodies who make up their staff and who earn remuneration) access to the Salvador Caetano Pension Fund under the conditions established in its Articles of Incorporation which are the same for all provided that the specific conditions of access to each of the existing plans are met (Defined Contribution or Defined Benefit Note 25).

Additionally all employees of the companies (and their families) also have access to contributions to their health and education expenses and they also benefit from subsidies (birth and death). This support is provided to the members of the Board of Directors under the same conditions as those granted to other employees.

As of 31 December 2021 there are no relevant outstanding current balances with the key management personnel of the Toyota Caetano Portugal Group (including Governing Bodies).

37. CONTINGENT ASSETS AND LIABILITIES

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

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

Commitments	2021	2020
Guarantees of Imports	4 000 000	4 000 000
Other financial guarantees	1 947 262	1 906 565
	5 947 262	5 906 565

The amount presented on December 31 2021 and 2020 related to “Guarantees of Imports” refers to the guarantee provided to the Customs Authorities which is intended to guarantee the subsequent payment of the amounts resulting from duties and taxes as well as the vehicle tax on orders and registration requests made.

Following the contracted financing in the amount of around 26.8 million Euros Toyota Caetano granted to the respective financial institutions real guarantees relating to mortgages on real estate in the amount of around 14 million Euros.

Other information - End of life vehicles

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

According to this regulation Producers/Distributors will have to bear at least a significant part of the cost of taking back vehicles placed on the market from 1 July 2002 as well as for those sold before this date when presented from 1 July 2002 onwards. from 1 January 2007.

This legislation will have an impact on Toyota vehicles sold in Portugal. The Company and its representative Toyota are closely monitoring the development of Portuguese National Legislation so that in due course they can quantify the impact of these operations on their financial statements.

It is however our conviction 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.

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

Other information - Information related to the environmental area

The Group adopts the necessary measures in the environmental area to comply with current legislation.

The Board of Directors of the Toyota Caetano Group does not estimate that there are any risks related to environmental protection and improvement and did not receive any administrative offenses related to this matter during the 2021 financial year.

38. REMUNERATION OF BOARD MEMBERS

The remuneration of the board members during the years 2020 and 2019 was as follows:

Board Members	2021	2020
Board of Directors		
Remuneration at the Parent Company	355 250	343 840
Remuneration in subsidiaries	314 125	301 560
Fiscal Council	5 040	6 790

39. REMUNERATION OF STATUTORY AUDITOR

The fees paid to the Group's Statutory Auditors of the Group as of 31 December 2021 and 2020 were as follows:

	2021	2020
Total Fees for Accounts Review	78 500	47 000
	78 500	47 000

40. COVID-19

Following the declaration by the WHO - World Health Organization of the state of Pandemic due to the spread of the new Covid-19 coronavirus in March 2020 which lasted throughout 2021 it is important to mention some impacts on the consolidated financial statements presented on December 31 2020 and 2021:

Activity/Profitability

As evidenced in the attached consolidated financial statements in 2020 the activity of the Toyota Caetano Portugal Group suffered a drop of around 22% because of the various constraints caused by the pandemic with emphasis on production interruptions / stoppages caused by the measures

public health restrictions implemented sometimes caused by logistical difficulties in moving people goods and equipment.

In terms of profitability because of the interruptions / stoppages that occurred with the consequent negative impact on productivity and the dilution of fixed costs EBITDA* also suffered a drop of around 41%.

'* EBITDA= RES. Operational + Depreciations + Impairments

It should be noted that the Group maintained an activity of constant monitoring of the effects of the pandemic throughout 2021 maintaining adequate control over its operating costs and adapting the acquisition of vehicles from its main operational suppliers (vehicles and parts) thus reacting to business fluctuations.

The shortage of *chips* /components that was felt throughout 2021 had and continues to have a strong impact on the economy in general not only due to the lack of parts/equipment/raw materials but also in terms of logistics associated with the transport of goods.

In fact both in the sale and rental of vehicles and cargo handling equipment as well as in the respective assistance and in the assembly of vehicles carried out in the production facilities of Ovar Toyota Caetano Portugal has been affected in the various activities it develops. At the same time the transport time for these goods became longer a fact that results from the generalized reduction in the use of this service combined with the need to make the means used more profitable.

In this context Toyota Caetano Portugal has implemented concrete measures to minimize the increased risk resulting from this namely:

i. In the industrial area mainly in the assembly of vehicles production was focused on models in which there is less shortage of materials this strategy being fully coordinated with the customer and relevant suppliers involved in this activity.

ii. In the area of cargo handling machines considering the weak ability to influence the supply chain recourse was made to the placement with customers of used equipment on temporary lease or on loan.

iii. Inventory management both upstream (suppliers) and downstream (dealers and end customers) is carried out rigorously in line with the context of scarcity experienced.

iv. The channeling of sales to the most profitable channels was promoted and the management of demonstration courtesy and service vehicles was also reviewed opting for a lower rotation without compromising the dissemination and promotion of the represented brands.

v. The guidelines on the vehicle exhibition matrix were revised adapting them to reality: lower number of vehicles on display and placement of semi-new vehicles in commercial establishments allocated to the activity of new vehicles.

vi. The discount policy for customers was revised.

The dimension of the effects of the conjuncture felt in 2021 was therefore not significant having also not significantly impacted the main accounting estimates. Nevertheless analyzes of evidence of impairment were carried out and when necessary formal impairment analyzes were carried out (either by determining the value of use or by determining the sale value) which did not result in the need to record additional impairment losses. The analyzes carried out included the use of current projections that contain prospective information on the evolution of the automotive market namely in relation to the *timing* of return to the indicators and volumes achieved in the pre-pandemic period.

It should be noted that the Group's expectations were fulfilled and as the normal pace of activity resumed profitability returned to the levels achieved in the past.

The attached consolidated financial statements show an upturn in the Group's activity for the year 2021 by around 13% because of concrete measures to minimize the various constraints caused by the pandemic.

In terms of profitability EBITDA* also grew by around 43%.

'* EBITDA= RES. Operational + Depreciations + Impairments

<u>Financing</u>

Despite the lower profitability of operations compared to the pre-pandemic period the financing needs of the Toyota Caetano Portugal Group did not worsen having managed to finance its activity through credit lines made available without the need to resort to the lines established by the State / system Portuguese financial system to face the moment of crisis such as the Covid lines and the moratorium process established by the State / Portuguese financial system.

On the other hand because of 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 collection period for customers that has affected the Group's financing needs.

Liquidity

According to its management policy aimed at maintaining an adequate liquidity reserve and as the Group is aware of the economic and financial consequences which will inherently have negative effects on its future activity/profitability it should be noted that they are available in the currently unused bank credit lines in the amount of more than 68 million Euros thus being ensured in our opinion the continuity of operations for at least a period of 12 months.

Support mechanisms made available by the Government

The Government aware of the economic and financial impact 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 contract	198 051
Extraordinary support progressive recovery	195 973
Incentive for the normalization of activity	1 591 714

41. SUBSEQUENT EVENTS

Grupo Toyota Caetano Portugal SA has been following the events related to the situation in Ukraine expressing total solidarity with its people.

Certain of the power of organizations to contribute to a fair society with equal opportunities for all and bearing in mind that concern for People is one of the Values that guides our activity from the very beginning we express our full availability in the integration of refugees. Ukrainians in the labor market through professional opportunities in our companies. At the same time we are analyzing the possibility of training these citizens taking advantage of the network of training centers that we have at the national level.

Regarding the expected effects of the current war context we have witnessed greater volatility in the financial markets with increased risks in terms of inflation fuel prices and energy costs with an impact on confidence indices that may have a negative impact on consumption and investment indicators.

Main impacts on the activity of the Toyota Caetano Portugal Group:

The Toyota Caetano Portugal Group also sees its activity affected by this war not only due to its direct implications but also due to the international situation.
The complex ramifications associated with this conflict make current predictions difficult. Everything will depend on the scale and duration of the same. Below we summarize our main concerns and point out the main risks.

- Dependence on energy prices on international markets

The prices of energy materials in international markets in the fossil fuel segment naturally have an impact on the Group's activity; not only in terms of increased expenses but also in terms of the impact on consumers of the products and services made available by the companies in this Group.

It should be noted that in 2021 contracts were signed for the supply of electricity at fixed prices until 2031 with no significant price fluctuations expected. The same if any will be carried out only through the regulated components.

At the same time severe cost control measures are being implemented with the aim of reducing general company expenses.

- Increase in the price of raw materials

Regarding the acquisition of raw materials a general increase in prices is expected.

To face this challenge:

  – Negotiations are underway with suppliers to reduce prices through greater visibility of the quantities to be purchased and the respective delivery timings (*rolling forecast* and *binding forecast*).

- in certain circumstances the anticipation of placing orders is used to fix the current prices with negotiation of extended delivery and payment periods.
- *procurement* of alternative suppliers and in different geographies.
- whenever possible development of alternative solutions with materials less affected by the price increase.
- orientation of the commercial policy towards products and services of greater profitability and very attentive and controlled management of the sales discounts to be granted.

▪ <u>Logistics and supply chains</u>

As is well known and as mentioned in the “our risks” section the automotive sector has been operating under supply production and sales restrictions resulting from the lack of semiconductors combined with the pandemic crisis. This conflict is expected to further exacerbate delivery times.

We still do not know the real impact that this new context may have on vehicles produced in France England Turkey the Czech Republic Japan and South Africa which are the origins of our vehicle supplies.

In parts destined for the aftersales market the same reasoning applies to their manufacture either in factories based in Europe or in Japan/other Asian countries.

At the same time a considerable increase in costs is expected throughout the transport chain which will implicitly increase the costs of vehicles and parts for the aftersales market.

▪ <u>Consumer/Market Behavior</u>

The successive increases in fuel costs will naturally have short-term effects on consumer habits who will on average use less

vehicle reducing the km's per vehicle which negatively impacts the daily activity of the Concessions.

42. FINANCIAL STATEMENTS APPROVAL

These consolidated financial statements were approved by the Board of Directors on April 6 2022.

43. 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

GISELA MARIA FALCÃO SOUSA PIRES PASSOS

TOM FUX

KAZUNORI TAKAGI

OPINIONS

Report and opinion of the Fiscal Council

Dear Shareholders:

1. In accordance with the terms of item g) of article 420.º of the “Código das Sociedades Comerciais” and the Articles of Association it is our duty submit to your appreciation the report concerning the activity performed and to issue opinion regarding the documents and statements of the individual and consolidated accounts of TOYOTA CAETANO PORTUGAL SA referring to the financial year of 2019 which were presented to us by the Board of Directors.

2. In accordance with the assignments conferred to us during this exercise we proceeded to the follow-up of the social business and to its evolution and with the frequency and extent considered advisable and appropriate to the general analysis of the financial procedures accounting policies and measurement criteria adopted by the company.

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

4. We analysed the Individual Legal Certification of Accounts and the Consolidated Legal Certification of Accounts issued by the Statutory External Auditor with which we agree.

Thus

5. All members of the Fiscal Council of TOYOTA CAETANO PORTUGAL S.A. under the terms of item c) of number 1 of article 245.º of the “Código de Valores Mobiliários” hereby declare that as far as it is their knowledge the information provided in item a) of the above referred article including documents of individual and consolidated accounts was elaborated according to the accounting rules applicable evidencing a correct and clear image of the assets and liabilities of the financial situation and results of TOYOTA CAETANO PORTUGAL SA and that the management report clearly shows the business evolution the performance and the position of the Company and companies included in its perimeter of consolidation evidencing as well a description of the mains risks and incertitude’s to be faced.

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 2021;

b) Approve the proposal for the net result application contained in the management report of the Board of Directors.

Vila Nova de Gaia 29th April 2022

José Domingos da Silva Fernandes- Presidente

Antonieta Isabel da Costa Moura – Vogal

Daniel Broekhuizen – Vogal

Statement of the Fiscal Council

All members of the Fiscal Council of TOYOTA CAETANO PORTUGAL S.A. under the terms of item c) of number 1 of article 245.º of the “Código de Valores Mobiliários” hereby declare that as far as it is their knowledge the information provided in item a) of the above referred article including documents of individual and consolidated accounts was elaborated according to the accounting rules applicable evidencing a correct and clear image of the assets and liabilities of the financial situation and results of TOYOTA CAETANO PORTUGAL SA and that the management report clearly shows the business evolution the performance and the position of the Company and companies included in its perimeter of consolidation evidencing as well a description of the mains risks and incertitude’s to be faced.

Vila Nova de Gaia 29th April 2022

José Domingos da Silva Fernandes- Presidente

Antonieta Isabel da Costa Moura – Vogal

Daniel Broekhuizen – Vogal

STATUTORY AUDITOR'S REPORT

(Free translation of a report originally issued in Portuguese language: in case of doubt the Portuguese version will always prevail)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of Toyota Caetano Portugal, S.A. ("the Entity"), which comprise the statement of financial position as at December 31, 2021 (showing a total of Euro 281,4742,270 and total equity of Euro 148,602,839, including a net result of Euro 11,695,005), the statement of profit and loss by natures, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the accompanying notes to the financial statements, including a summary of the significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the financial position of Toyota Caetano Portugal, S.A. as at December 31, 2021 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted in the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and further technical and ethical standards and guidelines as issued by Ordem dos Revisores Oficiais de Contas (the Portuguese Institute of Statutory Auditors). Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section below. We are independent the Entity in accordance with the law and we have fulfilled other ethical requirements in accordance with the Ordem dos Revisores Oficiais de Contas code of ethics.

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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 financial statements)	
As referred to in note 11 of the notes to the financial statements, as of December 31, 2021, the Entity inventories amount to million Euro 61,2 (representing approximately 22% of the Entity's net assets), of which the amount of million Euro 10 corresponds to used vehicles. In accordance with IAS 2 Inventories, used vehicles are valued at the lower of the acquisition cost and the net realizable value. The accumulated impairment losses reflect the difference between the acquisition cost and the net realizable value of inventories (Note 2.3 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 Entity operates as a result of the Pandemic caused by the new coronavirus and the current crisis in the supply of chips in the automotive sector, meanwhile worsened by the outbreak of the recent armed conflict in Ukraine and the related sanctions against the Russian Federation and Belarus which could have a significant impact on European economies.	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, 2021; • 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, 2021 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, 2021 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, 2021; • Assessment of the adequacy of the disclosures made in the financial statements.

Description of the most significant risks of material misstatement identified	Summary of the auditor's responses to the assessed risks of material misstatement
Impairment of financial investment in the joint venture Caetanobus – Fabricação de Carroçarias, S.A. (Notes 2.3 t) and 9 of the notes to the financial statements)	
The Entity has a financial investment in a joint venture, Caetanobus – Fabricação de Carroçarias, S.A., acquired during the year ended in 2020, whose accounting value as at December 31, 2021 amounts to 20.3 million euros (Note 9). This financial investment is measured in accordance with the equity method, less impairment losses (Note 2.3 t)). The Entity recognizes impairment losses on financial investments in joint ventures when it is determined that the recovery value of a given asset is lower than its accounting value. In Note 9 of the notes to the financial statements, the Entity warns of the negative effects of the pandemic caused by Covid-19 on the turnover and profitability of the above referred joint venture in 2021 and 2020, this fact being an indication of impairment in relation to that financial investment. Impairment tests incorporate complex judgments, materialized in business plans, which are based on various assumptions, associated with discount rates, expected margins, short and long-term growth rates, investment plans and demand behaviours. These assumptions consider the prospects associated with the resumption of activity in the post-pandemic period. However, the recent ongoing armed conflict in Ukraine and related sanctions against the Russian Federation and Belarus could have a significant impact on European economies, the main destination for the sales of Caetanobus – Fabricação de Carroçarias, S.A.. As a result of its analysis process, the Entity did not record in its financial statements as at December 31, 2021 any impairment loss in relation to said joint venture. Considering the relevance of said asset in the financial statements, the inherent complexity of the impairment analysis carried out, supported on	Our audit procedures in this area have included: • The assessment of the relevant controls related to the identification of impairment signs in relation to financial investments in joint ventures held by the Entity, as well as the analysis of the exercise of assessment of impairment losses in situations in which impairment signs are identified; • Considering that the financial statements as of December 31, 2021 of Caetanobus – Fabricação de Carroçarias, S.A. were audited by other statutory auditors, we carried out the following procedures: – Submission of audit instructions to the component´s statutory auditors, as provided for in ISA 600 - Special Considerations – Audits of Group Financial Statements (Including the Work of Component Auditors); – Assessment of the technical competence of the said statutory auditors; involvement in the planning process of the referred audit; review of the statutory auditors' working papers, ensuring that the significant risks identified by us have been adequately addressed; and evaluation of the conclusions of the procedures carried out to mitigate such risks; – Analysis of the audit reports issued by the statutory auditors of Caetanobus – Fabricação de Carroçarias, S.A., discussing with its representatives the respective conclusions. • Regarding the valuation of the recovery amount used by the Entity in the impairment analysis process, our procedures included:

Description of the most significant risks of material misstatement identified	Summary of the auditor's responses to the assessed risks of material misstatement
Impairment of financial investment in the joint venture Caetanobus – Fabricação de Carroçarias, S.A. (Notes 2.3 t) and 9 of the notes to the financial statements)	
estimates and assumptions based on economic and market forecasts, in an environment of increased uncertainty associated with the aforementioned events, we consider this area as a relevant audit matter.	– Obtaining the valuation model used to determine the recoverable amount of the financial investment and testing the arithmetic correctness of this model; – Assessment of the methodology used by the Entity in the process of determining the value in use, namely in view of the requirements of the applicable accounting standards; – Assessment of the assumptions underlying the model, namely in terms of the discount rates and long-term growth rates used; – Analysis of the sensitivity tests performed; – Conducting discussions with the Entity's Management; – Assessment of the adequacy of disclosures made in the financial statements.

Other matters

The attached financial statements refer to the Entity's activity at an individual level and were prepared for approval and publication in accordance with the applicable legislation. As mentioned in Note 2.3 t) of the notes to the financial statements, investments in subsidiaries are recorded at acquisition cost less impairment losses. The attached financial statements do not include the effect of full consolidation, which will be done in consolidated financial statements to be approved and published separately. Additional information on subsidiaries is provided in Note 9 of notes to the financial statements.

Responsibilities of management and supervisory body for the financial statements

Management is responsible for:

- the preparation of financial statements that give a true and fair view of the Entity's financial position, financial performance and cash flows in accordance with International Financial Reporting Standards (IFRS) as adopted in the European Union;
- the preparation of the management report, corporate governance report, non-financial information and remuneration report in accordance with applicable laws and regulations;
- designing and maintaining an appropriate internal control system to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;

- the adoption of accounting policies and principles appropriate in the circumstances; and
- assessing the Entity's ability to continue as a going concern, and disclosing, as applicable, the matters that may cast significant doubt about the Entity's ability to continue as a going concern.

The supervisory body is responsible for overseeing the Entity's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our responsibility is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional 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 global content of the financial statements, including the disclosures, and whether those financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- communicate with those charged with governance, including the supervisory body, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit;
- determine, from the matters communicated with those charged with governance, including the supervisory body, those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter;

- provide the supervisory body with a statement that we have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, which measures have been taken to eliminate the threats or what safeguards have been applied.

Our responsibility also includes the verification that the information contained in the management report is consistent with the financial statements and the verification of the requirements as provided in numbers 4 and 5 of article 451º of the Portuguese Companies' Code ("Código das Sociedades Comerciais"), in matters of corporate governance, as well as the verification that the non-financial information and the remuneration report were presented.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

European Single Electronic Format (ESEF)

The financial statements of Toyota Caetano Portugal, S.A. for the year ended December 31, 2021 must comply with the applicable requirements set out in the Commission Delegated Regulation (EU) 2019/815 of December 17, 2018 ("ESEF Regulation").

Management is responsible for the preparation and disclosure of the annual report in accordance with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance about whether the financial statements, included in the annual report, are presented in accordance with the requirements set out in the ESEF Regulation.

Our procedures have considered the Technical Application Guide (*"Guia de Aplicação Técnica")* of Ordem dos Revisores Oficiais de Contas (OROC) (the Portuguese Institute of Statutory Auditors) on reporting in ESEF and included, among others, gaining an understanding of the financial reporting process, including the presentation of the annual report in valid XHTML format.

In our opinion, the financial statements, included in the annual report, are presented, in all material respects, in accordance with the requirements set out in the ESEF Regulation.

About the management report

Pursuant to article 451º, 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 financial statements and, having regard to our knowledge and assessment over the Entity, we have not identified any material misstatements.

About the corporate governance report

Pursuant to article 451º, n.º 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 29.º-H of the Portuguese Securities Code ("Código dos Valores Mobiliários"), and we have not identified any material misstatements on the information disclosed therein, which, accordingly, complies with the requirements of items c), d), f), h), i) and l), of no. 1 of said article.

About the remuneration report

Pursuant to article 26-G, n.º 6, of the Portuguese Securities Code ("Código dos Valores Mobiliários"), we inform that the Entity has included in a separate chapter, in its corporate governance report, the information provided for in n.º 2 of said article.

About the additional matters provided in article 10 of Regulation (UE) 537/2014

Pursuant to article 10º of Regulation (UE) 537/2014 of the European Parliament and of the Council of April 16, 2014, and in addition to the key audit matters mentioned above, we also report on the following:

- We were appointed as auditors of Toyota Portugal, S.A. for the first time in the shareholders' general assembly held on July 1, 2020 to complete the ongoing mandate comprised between 2019 and 2022.
- Management has confirmed us that they are not aware of any fraud or suspicion of fraud having occurred that has a material effect on the financial statements. In planning and executing our audit in accordance with ISA, we maintained professional scepticism and we designed audit procedures to respond to the risk of material misstatements in the 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 29, 2022.
- We declare that we have not provided any prohibited services as described in the previous article 77, number 8, of the Ordem dos Revisores Oficiais de Contas statutes (Legal Regime of the Portuguese Statutory Auditors), in the meantime revoked, and in article 5º, number 1, of Regulation (EU) n.º 537/2014, and that we have remained independent from the Entity in conducting the audit.

Porto, April 29, 2022

Deloitte & Associados, SROC S.A.
Represented by Miguel Nuno Machado Canavarro Fontes, ROC
Register in OROC n.º 1397
Register in CMVM n.º 20161007

STATUTORY AUDITOR'S REPORT

(Free translation of a report originally issued in Portuguese language: In case of doubt the Portuguese version will always prevail)

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of Toyota Caetano Portugal, S.A. ("the Entity") and of its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at December 31, 2021 (showing a total of Euro 336,914,469 and total equity of Euro 149,932,245, including a net result of Euro 11,695,005), 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, 2021 and of its financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted in the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and further technical and ethical standards and guidelines as issued by Ordem dos Revisores Oficiais de Contas (the Portuguese Institute of Statutory Auditors). Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section below. We are independent from the entities that constitute the Group in accordance with the law and we have fulfilled other ethical requirements in accordance with the Ordem dos Revisores Oficiais de Contas code of ethics.

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of the most significant risks of material misstatement identified	Summary of the auditor's responses to the assessed risks of material misstatement
Impairment of used vehicles (Notes 2.4 g), 12 and 26 of the notes to the consolidated financial statements)	
As referred to in note 12 of the notes to the consolidated financial statements, as of December 31, 2021, the Group's inventories amount to million Euro 86,8 (representing approximately 25,8% of the Entity's net consolidated assets), of which the amount of million Euro 28 corresponds to used vehicles. In accordance with IAS 2 Inventories, used vehicles are valued at the lower of the acquisition cost and the net realizable value. The accumulated impairment losses reflect the difference between the acquisition cost and the net realizable value of inventories (Note 2.4 g)). 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 and the current crisis in the supply of chips in the automotive sector, meanwhile worsened by the outbreak of the recent armed conflict in Ukraine and the related sanctions against the Russian Federation and Belarus which could have a significant impact on European economies.	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, 2021; • 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, 2021 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, 2021 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, 2021; • Assessment of the adequacy of the disclosures made in the consolidated financial statements.

Description of the most significant risks of material misstatement identified	Summary of the auditor's responses to the assessed risks of material misstatement
Impairment of financial investment in the joint venture Caetanobus – Fabricação de Carroçarias, S.A. (Notes 2.3 b) and 10 of the notes to the consolidated financial statements)	
The Group has a financial investment in a joint venture, Caetanobus – Fabricação de Carroçarias, S.A., acquired during the year ended in 2020, whose accounting value as at December 31, 2021 amounts to 20.3 million euros (Note 10). This financial investment is measured in accordance with the equity method, less impairment losses. The Entity recognizes impairment losses on financial investments in joint ventures when it is determined that the recovery value of a given asset is lower than its accounting value. In Note 10 of the notes to the consolidated financial statements, the Entity warns of the negative effects of the pandemic caused by Covid-19 on the turnover and profitability of the above referred joint venture in 2021 and 2020, this fact being an indication of impairment in relation to that financial investment. Impairment tests incorporate complex judgments, materialized in business plans, which are based on various assumptions, associated with discount rates, expected margins, short and long-term growth rates, investment plans and demand behaviours. These assumptions consider the prospects associated with the resumption of activity in the post-pandemic period. However, the recent ongoing armed conflict in Ukraine and related sanctions against the Russian Federation and Belarus could have a significant impact on European economies, the main destination for the sales of Caetanobus – Fabricação de Carroçarias, S.A.. As a result of its analysis process, the Entity did not record in its consolidated financial statements as at December 31, 2021 any impairment loss in relation to said joint venture. Considering the relevance of said asset in the consolidated financial statements, the inherent complexity of the impairment analysis carried out, supported on estimates and assumptions based on economic and market forecasts, in an environment of	Our audit procedures in this area have included: • The assessment of the relevant controls related to the identification of impairment signs in relation to financial investments in joint ventures held by the Group, as well as the analysis of the exercise of assessment of impairment losses in situations in which impairment signs are identified; • Considering that the financial statements as of December 31, 2021 of Caetanobus – Fabricação de Carroçarias, S.A. were audited by other statutory auditors, we carried out the following procedures: – Submission of audit instructions to the component´s statutory auditors, as provided for in ISA 600 - Special Considerations – Audits of Group Financial Statements (Including the Work of Component Auditors); – Assessment of the technical competence of the said statutory auditors; involvement in the planning process of the referred audit; review of the statutory auditors' working papers, ensuring that the significant risks identified by us have been adequately addressed; and evaluation of the conclusions of the procedures carried out to mitigate such risks; – Analysis of the audit reports issued by the statutory auditors of Caetanobus – Fabricação de Carroçarias, S.A., discussing with its representatives the respective conclusions. • Regarding the valuation of the recovery amount used by the Entity in the impairment analysis process, our procedures included:

Description of the most significant risks of material misstatement identified	Summary of the auditor's responses to the assessed risks of material misstatement
Impairment of financial investment in the joint venture Caetanobus – Fabricação de Carroçarias, S.A. (Notes 2.3 b) and 10 of the notes to the consolidated financial statements)	
increased uncertainty associated with the aforementioned events, we consider this area as a relevant audit matter.	– Obtaining the valuation model used to determine the recoverable amount of the financial investment and testing the arithmetic correctness of this model; – Assessment of the methodology used by the Group in the process of determining the value in use, namely in view of the requirements of the applicable accounting standards; – Assessment of the assumptions underlying the model, namely in terms of the discount rates and long-term growth rates used; – Analysis of the sensitivity tests performed; – Conducting discussions with the Entity's Management; – Assessment of the adequacy of disclosures made in the consolidated financial statements.

Responsibilities of management and supervisory body for the consolidated financial statements

Management is responsible for:

- the preparation of consolidated financial statements that give a true and fair view of the Group's financial position, financial performance and cash flows in accordance with International Financial Reporting Standards (IFRS) as adopted in the European Union;
- the preparation of the management report, corporate governance report, non-financial information and remuneration report in accordance with applicable laws and regulations;
- designing and maintaining an appropriate internal control system to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error;
- the adoption of accounting policies and principles appropriate in the circumstances; and
- assessing the Group's ability to continue as a going concern, and disclosing, as applicable, the matters that may cast significant doubt about the Group's ability to continue as a going concern.

The supervisory body is responsible for overseeing the Group's financial reporting process.

Auditor’s responsibilities for the audit of the consolidated financial statements

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Entity to cease to continue as a going concern;
- evaluate the overall presentation, structure and global content of the consolidated financial statements, including the disclosures, and whether those financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion;
- communicate with those charged with governance, including the supervisory body, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit;
- determine, from the matters communicated with those charged with governance, including the supervisory body, those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter;
- provide the supervisory body with a statement that we have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be

thought to bear on our independence, and where applicable, which measures have been taken to eliminate the threats or what safeguards have been applied.

Our responsibility also includes the verification that the information contained in the management report is consistent with the consolidated financial statements and the verification of the requirements as provided in numbers 4 and 5 of article 451º of the Portuguese Companies' Code ("Código das Sociedades Comerciais"), in matters of corporate governance, as well as the verification that the non-financial information and the remuneration report were presented.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

European Single Electronic Format (ESEF)

The consolidated financial statements of Toyota Caetano Portugal, S.A. for the year ended December 31, 2021 must comply with the applicable requirements set out in the Commission Delegated Regulation (EU) 2019/815 of December 17, 2018 (ESEF Regulation).

Management is responsible for the preparation and disclosure of the annual report in accordance with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements, included in the annual report, are presented in accordance with the requirements set out in the ESEF Regulation.

Our procedures have considered the Technical Application Guide (*"Guia de Aplicação Técnica")* of Ordem dos Revisores Oficiais de Contas (OROC) (the Portuguese Institute of Statutory Auditors) on reporting in ESEF and included, among others:

- gaining an understanding of the financial reporting process, including the presentation of the annual report in valid XHTML format; and
- the identification and assessment of the risks of material misstatement associated with the tagging of information in the consolidated financial statements, in XBRL format, using iXBRL technology. This assessment was based on the understanding of the process implemented by the Entity to tag the information.

In our opinion, the consolidated financial statements, included in the annual report, are presented, in all material respects, in accordance with the requirements set out in the ESEF Regulation.

About the management report

Pursuant to article 451º, 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, n.º 7 of the Portuguese Companies' Code ("Código das Sociedades Comerciais"), this opinion is not applicable to the non-financial information included in the management report.

About the corporate governance report

Pursuant to article 451º, n.º 4, of the Portuguese Company's Code ("Código das Sociedades Comerciais"), we conclude that the corporate governance report includes the elements required to the Group under the terms of article 29.º-H of the Portuguese Securities Code ("Código dos Valores Mobiliários"), and we have not identified any material misstatements on the information disclosed therein, which, accordingly, complies with the requirements of items c), d), f), h), i) and l), of no. 1 of said article.

About the non-financial information

Pursuant to article 451º, n.º 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 508º-G of the Portuguese Company's Code ("Código das Sociedades Comerciais").

About the remuneration report

Pursuant to article 26-G, n.º 6, of the Portuguese Securities Code ("Código dos Valores Mobiliários"), we inform that the Group has included in a separate chapter, in its corporate governance report, the information provided for in n.º 2 of said article.

About the additional matters provided in article 10 of Regulation (UE) 537/2014

Pursuant to article 10º of Regulation (UE) 537/2014 of the European Parliament and of the Council of April 16, 2014, and in addition to the key audit matters mentioned above, we also report on the following:

- We were appointed as auditors of Toyota Portugal, S.A. for the first time in the shareholders' general assembly held on July 1, 2020 to complete the ongoing mandate comprised between 2019 and 2022.
- Management has confirmed us that they are not aware of any fraud or suspicion of fraud having occurred that has a material effect on the financial statements. In planning and executing our audit in accordance with ISA, we maintained professional scepticism and we designed audit procedures to respond to the risk of material misstatements in the consolidated financial statements due to fraud. As a result of our work, we have not identified any material misstatement on the consolidated financial statements due to fraud.
- We confirm that the audit opinion issued is consistent with the additional report that we prepared and delivered to the Group's supervisory body as at April 29, 2022.
- We declare that we have not provided any prohibited services as described in the previous article 77, number 8, of the Ordem dos Revisores Oficiais de Contas statutes (Legal Regime of the Portuguese Statutory Auditors), in the meantime revoked, and in article 5º, number 1, of Regulation (EU) n.º 537/2014, and that we have remained independent from the Group in conducting the audit.

Porto, April 29, 2022

Deloitte & Associados, SROC S.A.
Represented by Miguel Nuno Machado Canavarro Fontes, ROC
Register in OROC n.º 1397
Register in CMVM n.º 20161007

CORPORATE GOVERNANCE

GOVERNANCE REPORT

REGARDING THE YEAR 2021

CONTENTS

PART I – INFORMATION ON SHAREHOLDER STRUCTURE ORGANIZATION AND CORPORATE GOVERNANCE

A. SHAREHOLDER STRUCTURE

I. CAPITAL STRUCTURE

1. The capital structure (Share Capital Number of Shares Distribution of Capital by Shareholders etc.) including Indication of Shares that are Not Admitted to Trading Different Classes of Shares Rights and Duties of Same and Capital Percentage that Each Class Represents (art. 245.º-a n.1 al a) of the Portuguese Securities Code - PSC)

As of 31 December 2021 the Company's share capital is €35 000 000 comprising 35 000 000 registered shares fully subscribed and paid-up with a par value of 1 Euro each all shares being admitted to trading on Euronext Lisbon.

All shares are common and there are no different categories of shares.

There are no shareholders with special rights.

2. Restrictions on the transfer of shares such as clauses on consent for disposal or limits on the ownership of shares (Art. 245.º-A n.1 al a) of the Portuguese 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.ºa 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 their disclosure would be seriously detrimental to the company; this exception does not apply where the company is specifically required to disclose

said information pursuant to other legal requirements (art. 245.º-a n.1 al j) of the Portuguese 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 of Toyota Caetano Portugal ("TCAP") 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 SA calculated under the terms of paragraph 1 of Article 20 of the PSM based on the totality of shares in accordance with paragraph b of paragraph 3 of article 16. C on December 31 2021 were the following:

Shareholder	Number of Shares	% Share Capital with voting rights
Salvador Caetano Auto (S.G.P.S) S.A.	24.428.155	69 795%
Toyota Motor Europe NV/SA	9.450.000	27 000%

8. A list of the number of shares and bonds held by members of the management and supervisory boards (Pursuant to paragraph 5 of Art. 447 of the Commercial Companies Code - CCC)

The members of the Board of Directors and the members of the Supervisory Board don’t have any shares or bonds from the Company.

The members of the Board of Directors and of the Supervisory Board did not carry out in a personal capacity during the year of 2021 any acquisitions encumbrances or terminations of ownership that have as their object shares or bonds of the Company.

9. Special powers of the board of directors namely regarding 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 granted

Increases in the Company's share capital require a resolution by the General Shareholders’ Meeting. All the duties of the Board of Directors are contained in its Articles of Association which can be consulted on the Company's website https://toyotacaetano.pt/en/investors/corporate-governance/ in the tab “Articles of association.

10. Information on any significant business relationships between the holders of qualifying holdings and the company

During the 2021 financial year the operations and commercial transactions between the Company and the holders of qualifying holdings or entities that are in any relationship with them as detailed in Note 36 of the Annex to the consolidated financial statements are operations and transactions that occur in the normal course of action of the activities of the Toyota Caetano Portugal Group (“TCAP”) not having been carried out outside of normal market conditions.

B. CORPORATE BOARDS AND COMMISSIONS

I. GENERAL SHAREHOLDERS' MEETING

The General Shareholders' Meeting consists of all shareholders with voting rights.

The Company makes the necessary and adequate human resources and logistic support available for the members of the board of the General Shareholders' Meeting through the Company's legal department. The latter collaborates actively in the preparation of the General Shareholders' Meetings ensuring publication of the respective convening notices receipt and control of all communications from shareholders and financial intermediaries working closely and also guaranteeing all the logistics of the general shareholders' meetings.

a) Composition of the Presiding Board of the General Meeting

11. Identification and position of the members of the presiding board of the general meeting and respective term of office (beginning and end)

The Board of the General Shareholders' Meeting consists of 4 members as follows:

- Jorge Manuel Coutinho Franco da Quinta – President
- António José da cruz Espinheira Rio – Vice-President
- Alírio Ferreira dos Santos – Secretary
- João António Ferreira de Araújo Sequeira – Secretary

The current board of the General Shareholders' Meeting was elected on 12 April 2019 for a period of 4 years and ends its mandate on 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 for highlighting rights of equity content (art. 245.º-a n.1 al f) of PSC)

Under Article 4 (6) of the Articles of Association to each group of one hundred shares corresponds one vote. Shareholders who do not have the minimum number of one hundred shares may form a group in order to complete it and in this case they must be represented by only one of them whose identification must appear in a letter addressed to the President of the Board of the General Meeting.

Attendance at the General Meeting is not subject to the holding of a number of shares.

<u>In-person vote:</u>

Shareholders wishing to attend the General Meeting must comply with the requirements set out in each of the notices and in article 23-C of the PSC.

Thus in 2021 shareholders who met the following conditions were able to participate and vote at the General Meetings:

- who on the registration date held shares that conferred at least one vote;
- who declared that intention in writing to the President of the Board of the General Meeting and to the financial intermediary where the individual registration account was open no later than 23:59 hours (GMT) of the day prior to the date of registration may for this purpose use the electronic mail and the declaration forms that are available at the Company's headquarters and on its website https://toyotacaetano.pt/en/investors/general-meeting/ and for declarations to the President of the Board of the General Meeting it can be used the email address assembleiageral@toyotacaetano.pt.
- if by 23:59 (GMT) on the day of registration the financial intermediary that is informed of the intention of its Client Shareholders to participate in the General Meeting has sent such information to the President of the Board of the General Meeting and may for this purpose use the email address assembleiageral@toyotacaetano.pt.

If there is co-ownership of shares only the common representative or a representative may participate in the General Meeting.

<u>Correspondence voting:</u>

The Company's Shareholders may exercise the right to vote by correspondence under the following terms:

- Votes by correspondence must be addressed to the Company's registered office and received there by registered letter with acknowledgment of receipt addressed to the President of the Board of the General Meeting at least five working days prior to the date of the General Meeting a letter that will include a statement issued by a financial intermediary proving ownership of the shares and also a closed envelope containing the declaration of vote;

- The declaration of vote must be signed by the legitimate holder of the shares or by his legal representative and the shareholder if he is a natural person must accompany the declaration with a certified copy of his identity card and if he is a legal person the signature must be notarized in quality and empowered to act;

- Votes by correspondence will be considered at the time for voting at the General Meeting being added to those exercised there;

- Declarations of vote will only be considered valid where expressly and unequivocally it appears:

  - indication of the General Meeting and the item or items on the respective agenda to which it relates;

  - the specific proposal for which it is intended with an indication of the proponent or proponents of the same being however allowed to a shareholder to send a declaration of vote regarding a certain proposal to declare that he votes against all the other proposals in the same point of the order of works without other specifications.

  - the precise and unconditional indication of the voting decision for each proposal as well as whether it will be maintained if the proposal is altered by its proposer the shareholder being able to condition the voting direction for a certain proposal to the approval or rejection of another under the same agenda item.

- It is understood that shareholders who send voting declarations by correspondence vote negatively on all resolution proposals submitted at a time subsequent to the issuance of the vote.

Toyota Caetano Portugal S.A. makes available on the Company's website https://toyotacaetano.pt/en/investors/general-meeting/) a model for exercising the right to vote by correspondence.

As described the voting declarations must be received by the Company up to five days before the General Meeting is held.

Vote by telematic means

Pursuant to article 337 6 subparagraph b) unless otherwise provided in the Company's articles of association the General Meeting may be held by telematic means. Consequently since such means are not prohibited by the social pact meetings by telematic means are possible.

This possibility which is recognized by the Company as a way of enhancing the exercise of their rights by shareholders is disclosed in the notices issued for the Company's General Meetings and on the institutional website.

Thus shareholders who have communicated this and indicated their email address in the written declaration of intention to participate in the General Meeting addressed to the President of the Board of the General Meeting may participate in General Meetings by telematic means.

In this case a link will be sent to the provided email to attend the meeting through Teams/Zoom platform or equivalent.

13. Details of the maximum percentage of voting rights that may be exercised by a single shareholder or by shareholders that are in any relationship as set out in art. 20 n.1

There are no statutory rules in the Company's Articles of Association that provide for the existence of shares that do not confer the right to vote or that establish that voting rights above a certain number are not counted when issued by a single shareholder or by related shareholders.

14. Details of shareholders' resolutions that imposed by the articles of association may only be taken with a qualified majority in addition to those legally provided and details of said majority

A qualified majority of 75% is required for the adoption of the following matters:

- Changes to the Articles of Association;
- Incorporation of reserve funds in the share capital namely and specifically revaluation reserves;
- 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;
- Reduction or increase in capital;
- Profit Sharing and setting of the dividend percentage as well as the eventual distribution of funds from Free Reserves;
- Issuance of bonds;

- Election or dismissal of all or some members of the governing bodies;
- Election or dismissal of the members of the Nomination Appraisal and Remuneration Committee;
- Merger split or dissolution of the Company as well as the appointment of liquidators;
- 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 that advocates the separation of the management and supervisory bodies as well as a double supervision consisting of a Supervisory Board and a Statutory Auditor. From the assessment made by the Board of Directors it is concluded that the adoption of this model allows the existence of a supervisory body with effective and strengthened supervisory powers.

16. Statutory rules on procedural requirements and materials for the appointment and replacement of the board of directors (art. 245-a/1/h PSC). Diversity policy.

The members of the Board of Directors are elected by the General Shareholder's Meeting for a period of four years renewable and are responsible for carrying out all the management acts in the implementation of operations inherent to its corporate purpose within the interest of the Company shareholders and employees in mind. The General Meeting may also elect two replacing directors.

The requirements for the appointment of the members of the Board of Directors are described in the Internal regulation of the Board of Directors requirements that are considered adequate to verify the adequacy of the profile knowledge and experience to the role to be performed.

In accordance with Article 17 of Toyota Caetano Portugal's Articles of Association the appointment and replacement of the members of the management body abide by the following rules:

- By the call for substitutes made by the Chairman of the Board of Directors respecting the order in which they appear on the list submitted to the General Shareholders' Meeting;
- In case there are 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;
- Should no co-option have been affected the alternate member shall be designated by the Supervisory Board;
- By election of a new board member.

The appointment of new non-executive Directors is carried out by election at the General Meeting.

As of 2022 the Nomination Appraisal and Remuneration Committee will play an active role in the appointment of the members of the Board of Directors in accordance with its rules of procedure attached to this report.

Diversity Policy

The shareholders maintained the safeguarding of the diversity of gender age qualifications and professional background in the selection of the members of the management and supervisory bodies under the terms provided for in no. 1 paragraph r) of the Article 245 A PSC given by Decree-Law No. 89/2017 of 28 July.

In the current composition of the Board of Directors the principles of diversity of gender age professional qualifications and professional background are considered safeguarded.

17. Composition as applicable of the Board of Directors the Executive Board of Directors and the General and Supervisory Board indicating the minimum and maximum statutory number of members statutory duration of term of office number of effective members date of first appointment and date of end of term of office of each member

The Board of Directors was elected in 2019 for a period of four years ending his term in 2022 composed in accordance with the Company's Articles of Association of seven effective members and one alternate member elected by the General Meeting.

Composition as of 31.12.2021:

Member	Function		Independence	Date of first designation
José Reis da Silva Ramos	Chairman	Executive	No	29/01/2010
Maria Angelina Martins Caetano Ramos	Member	Executive	No	30/03/1989
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
Tom Fux	Member	Non-executive	No	01/07/2021
Kiyohito Morimoto	Member	Non-Executive	No	01/07/2021
Masaru Shimada	Member	Non-Executive	No	26/10/2017

The term of office of all the above mentioned members ends on 31.12.2022.

18. Distinction of executive members and non-executive directors and concerning the nonexecutive members identification of which may be deemed to be independent.

The Company seeks a balance in the composition of the Board of Directors between executive and non-executive Directors in accordance with recommendation 2005/162/EC of the European Union Commission of 15.02.2015 executive directors being those responsible for the management of the Company and non-executive Directors those who are not.

All non-executive directors have a generic duty to monitor supervise support the strategy and decision-making of the Board of Directors.

All non-executive directors have a generic duty to monitor supervise support the strategy and decision-making of the Board of Directors.

In item 17 are discriminated executive and non-executive directors as well as those who are considered independent.

At the moment the Board of Directors comprises three executive and four non-executive directors as well as one alternate non-executive member.

The non-executive members of the Board of Directors of Toyota Caetano Portugal S.A. cannot be considered independent as their appointment also corresponds to proposals from the two largest shareholders of Toyota Caetano Portugal S.A.

The assessment of the independence of the Board of Directors' members carried out by the management body is based on Article 414 (5) of Código das Sociedades Comerciais (Portuguese Commercial Companies Code) and the recommendation III.4 of Código de Governo das Sociedades do IPCG (Portuguese Governance Companies form IPCG Code) of 2018 reviewed in 2020.

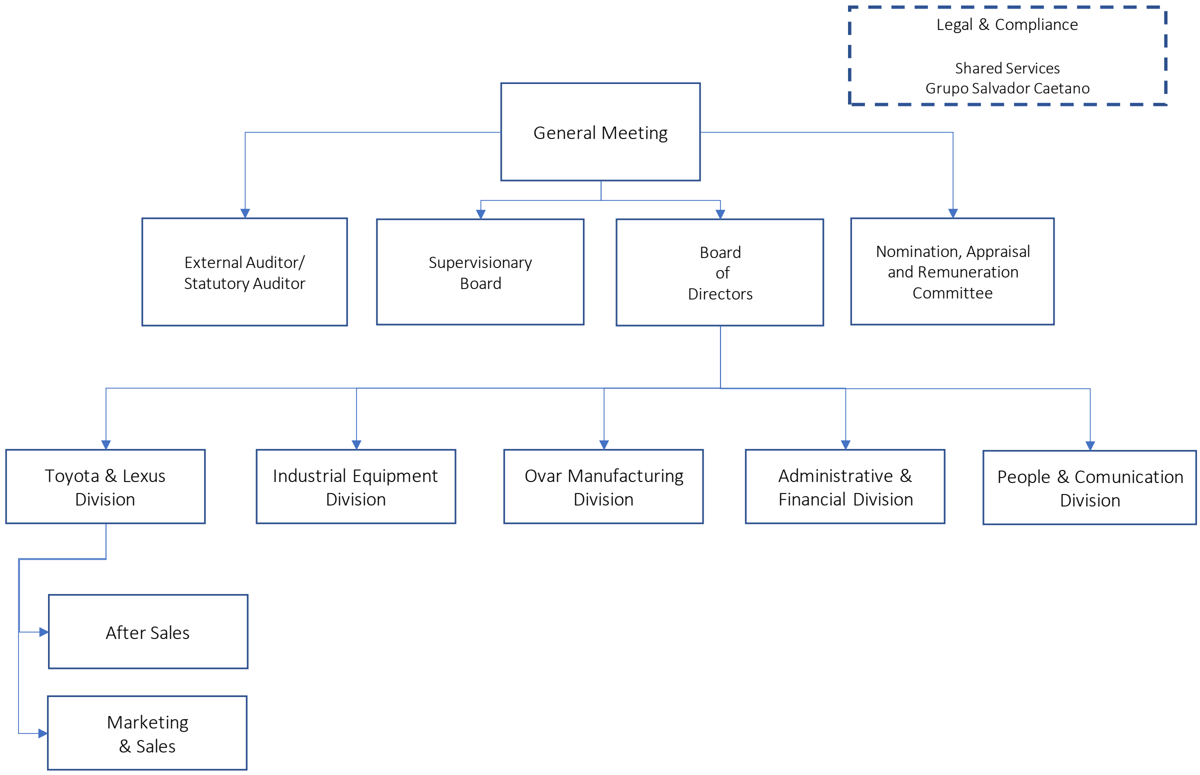
19. Professional qualifications and other relevant curricular elements of each member of the board of directors

The professional qualifications of the effective members of the Board of Directors are disclosed in attachment (Attachment I). In addition to the curriculum of each of the effective members of the Board of Directors – demonstrating their qualifications and professional background the Company is commited as of 2022 and for new appointments to seeking an individual assessment carried out by the Human Resources department and validated by the Nomination Appraisal and Remuneration Committee which will also be as of 2022 the committee responsible for assessing applications for members of the corporate bodies.

20. Customary and significant family professional or business relationships of the members of the board of directors with shareholders to whom a qualifying holding greater than 2% of the voting rights is attributable

No member of the Board of Directors holds shares in the Company and there are no usual and significant family professional or commercial relationships between the members of the Board of Directors and shareholders to whom a qualified holding greater than 2% of the voting rights is attributable.

21. Organizational chart relating to the division of powers among the various corporate bodies committees and/or departments within the company including information on delegating powers particularly with regard to delegation of the company's daily management



<u>Board of Directors</u>

It is up to the Board of Directors to exercise the broadest powers of management and definition of the Company's strategy representing the Company in and out of court actively and passively as well as performing all acts aimed at achieving the corporate purpose. In particular under the terms of the Social Pact it has the following powers:

- Without the need for shareholder deliberation it can create branches agencies delegations or other local forms of representation either in Portugal or abroad;
- Install or acquire maintain transfer or close establishments factories laboratories workshops warehouses or warehouses;
- Acquire dispose of and oblige in any way own shares and bonds as decided by the General Meeting;
- Acquire real estate and with the prior opinion of the Supervisory Board sell them;
- Negotiate with any credit institutions namely banks any and all operations that it deems necessary namely taking out loans Commercial Paper Issuance Programs under the terms conditions and manner deemed convenient;

- Handling bank accounts depositing and withdrawing money issuing withdrawing accepting and endorsing bills of exchange promissory notes checks invoice statements and any other credit instruments;
- Confess desist or compromise in any actions;
- Appoint representatives of the Company;
- Perform the other functions provided for in these Articles of Association in other regulations or in the law.

It also has the following powers under the terms of its internal regulations:

- Define the risk policies and strategic lines of the Company;
- Protect and enhance the Company's assets;
- Implement and ensure compliance with the Company's strategic guidelines and companies controlled by it;
- Ensure the continuity of the Company within a long-term and sustainability perspective which incorporates economic social environmental and ethical considerations in the definition of the Company's business and companies controlled by it.

The executive members of the Board of Directors provide all the Corporate Bodies namely the Supervisory Board and the Board of the General Meeting with the information requested by them namely notices and minutes of Board meetings in a timely and appropriate manner.

The Board of Directors regulates its operation by the regulation attached as Annex II.

<u>Supervisory Board</u>

It is incumbent upon the Supervisory Board among other functions to supervise the administration verify the regularity of the Company's accounts accounting records and supporting documents and verify compliance with the law and the Company's contract.

As part of its supervisory role the Supervisory Board has access to all reports prepared by management which include among others matters related to the rendering of accounts.

It is also responsible for representing the Company before and supervising the activity and independence of the External Auditor interacting directly with him in terms of his powers and operating rules.

The Supervisory Board has an internal regulation which is attached as Annex III and which lists all its powers. The internal regulation is also available in the website of the company in the tab mentioned on Item 61 (relevant addresses).

<u>Executive Committee and Managing Directors</u>

The Company does not have an executive committee or managing directors.

<u>Operational directions</u>

The Company assigns powers to a set of operational departments by area of activity as described in the organizational chart above which perform the day-to-day management of the activity in question and with which the Board of Directors meets periodically to analyze and monitor the activity carried out and compliance with the defined annual budget.

The Company is organized by areas of activity each managed by an operational department which reports to the Company's Board of Directors:

- Toyota and Lexus Division (commercial segment) - is the business unit of Toyota Caetano Portugal appointed by Toyota Motor Europe which holds the exclusive activity of Importer of the Toyota and Lexus brands both in the marketing and sale of new vehicles and in the reliable used vehicles through its Exclusive TUC (Trusted Used Toyota) and Lexus Select Programs complemented by the sale of original Toyota and Lexus parts and accessories. This segment also includes the activity of the Toyota and Lexus Hub where all vehicles are prepared for delivery to customers.

- Industrial Equipment Division – import commercialization (sale and rental) after-sales activity of industrial machines (counterweight forklift trucks and warehouse equipment) as well as business services and solutions such as short-term rental used and reconditioned assistance maintenance contracts sale of parts and fleet management of said equipment;

- Ovar manufacturing division (industrial segment) - manufacturing and assembly of Toyota vehicles as well as components for buses.

b) Operation

22. Existence and place where the operating regulations of the Board of Directors may be consulted

The Board of Directors' Internal Regulations are available on the Company's website under the tab mentioned in point 61 (relevant addresses).

23. Number of meetings held and degree of attendance of each member

The Board of Directors meets regularly its resolutions being valid only when the majority of its members are present.

During 2021 the Board of Directors met seven times with the corresponding minutes recorded in the minutes book of the Board of Directors.

All its members were present at all meetings with the exception of two meetings in which two directors were represented by another. (Matthew Peter Harrison and Katsutoshi Nishimoto who have since ceased their duties).

The degree of attendance during 2021 was as follows:

José Reis da Silva Ramos	100% (7 out of 7)
Maria Angelina Martins Caetano Ramos	100% (7 out of 7)
Salvador Acácio Martins Caetano	100% (7 out of 7)
Miguel Pedro Caetano Ramos	100% (7 out of 7)
Gisela Maria Falcão Sousa Pires Passos	100% (7 out of 7)
Tom Fux	100% (2 out of 2 since nomination)
Kiyohito Morimoto	100% (2 out of 2 since nomination)
Matthew Peter Harrison	50% (2 out of 4 since replacement)
Katsutoshi Nishimoto	50% (2 out of 4 since replacement)

24. Indication of the company bodies competent to carry out the performance evaluation of executive directors

The performance assessment of executive Directors is attributed to the Nomination Appraisal and Remuneration Committee.

The Nomination Appraisal and Remuneration Committee is responsible within the scope of the approved Remuneration Policy to assess the individual and collective performance of the executive Directors considering their relevance and impact on the achievement of the Company's results and to assess their alignment with the Company's interests.

25. Pre-determined criteria for evaluating the performance of executive directors.

As stipulated in the Remuneration Policy in force there are pre-determined criteria for the evaluation of Executive Directors which result from this same policy which can be verified in Annex IV. This policy is also available on the company’s website in the tab referred to in item 61 (relevant addresses).

26. Availability of each of the members of the board of directors with indication of positions held simultaneously in other business in and out of the group and other relevant activities held by members of those bodies during the year.

The members of the Board of Directors are fully committed to the performance of their duties and aligned with the sustainable growth of the Company.

The executive members of the Board of Directors also carry out management duties in the following companies:

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,	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.	Menber Board Directors.
	Salvador Caetano Auto, SGPS, S.A:	Menber Board Directors
	Caetano Aeronautic, S.A.	Menber Board Directors
	Caetano Renting, S.A.	Menber Board Directors
	Atlântica – Comp. Portuguesa de Pesca, S.A.	Menber Board Directors
	Soc. Imobiliária Quinta da Fundega, Lda.	Manager
	Movicargo - Serviços Aduaneiros, Lda.	Manager
	Crustacil – Comércio de Marisco, Lda.	Manager

NAME	COMPANY	FUNCTION
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
	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.	Member
	Caetano - Baviera - Comércio de Automóveis, S.A.	Member
	Salvador Caetano Auto África, SGPS, S.A.	Member
	Caetano Auto CV, S.A.	Member
	Crustacil – Comércio de Marisco, Lda.	Manager
	Maqtin - Comércio e Indústria de Máq. Ferramentas e Tintas, Lda.	Manager

NAME	COMPANY	FUNCTION
Salvador Acácio Martins Caetano Member Board Directors. TOYOTA CAETANO PORTUGAL, S.A.	Grupo Salvador Caetano, SGPS, S.A.	Chairman Board Directors
	Caetano-Baviera – Comércio de Automóveis, S.A.	Chairman Board Directors
	Caetano Retail, SGPS, S.A.	Chairman Board Directors
	Turispaiva – Soc. Turística Paivense, s.a	Chairman Board Directors
	Lavorauto - Administração Imb. E Cons. de Empresas, S	Chairman Board Directors
	Salvador Caetano-Auto, SGPS, S.A.	Member
	Rigor - Consultoria e Gestão, S.A.	Member
	Caetano Renting, S.A.	Member
	Portianga – Com. Int. E participações, S.A.	Member
	Cociga – Construções Civis de Gaia, S.A.	Member
	Salvador Caetano Auto Africa, SGPS, S.A.	Member
	Fundação Salvador Caetano	Member
	Maqtin - Comércio e Indústria de Máq. Ferramentas e Tintas, Lda.	Manager

NAME	COMPANY	FUNCTION
Miguel Pedro Caetano Ramos Member Board Directors. TOYOTA CAETANO PORTUGAL, S.A	Caetano Fórmula East África, S.A.	Chairman Board Directors
	Caetano Mobility, SGPS, S.A.	Chairman Board Directors
	Caetanolyrsa, S.A.	Chairman Board Directors
	Drive Angola, S.A.	Chairman Board Directors
	Caetano Retail España, S.A.U.	Chairman Board Directors
	Lidera Soluciones, S.L.	Chairman Board Directors
	Grupo Salvador Caetano, SGPS, S.A.	Member
	Caetano - Baviera - Comércio de Automóveis, S.A.	Member
	Salvador Caetano Capital (SGPS), S.A.	Member
	Portianga - Comércio Internacional e Participações, S.A	Member
	Caetano Retail, SGPS, S.A.	Member
	Rigor - Consultoria e Gestão, S.A.	Member
	Salvador Caetano - Auto, SGPS, S.A.	Member
	Salvador Caetano Auto África, SGPS, S.A.	Member
	Caetano Aeronautic, S.A.	Member
	Salvador Caetano Indústra, SGPS, S.A.	Member
	Ibericar Barcelona Premium, S.L.	Member
	MAPFRE Seguros Gerais, S.A.	Member
	LATAM OPERACIONAL, S.L.U.	Member
	Caetanobus - Fabricação de Carroçaria, S.A.	Member
	Kinto Portugal, S.A.	Member
	Robert Hudson, Limitada	Manager
	Simba Caetano Fórmula, Limited	Manager
	Caetsu Publicidade - Comércio e Serviços (SU), Lda	Manager
	Caetano Renting Angola, LDA	Manager
	Caetano Peças - Comércio e Serviços (SU), Lda	Manager

NAME	COMPANY	FUNCTION
Gisela Maria Falcão Sousa Pires Passos Vogal do Cons. Adm. TOYOTA CAETANO PORTUGAL, S.A	Caetanobus - Fabricação de Carroçaria, S.A.	Member
	Salvador Caetano Indústria (SGPS), S.A.	Member
	Kinto Portugal, S.A.	Member

NAME	COMPANY	FUNCTION
Tom Fux Member Board Directors. TOYOTA CAETANO PORTUGAL, S.A	Toyota Deutschland GmbH	Managing director - President
	Bauda AS	Vice-President Board Directors
	Kinto Europe GmbH	Managing director - until 1.07.2021
	Toyota Austria GmbH	Managing director

NAME	COMPANY	FUNCTION
Kiyohito Morimoto Member Board Directors. TOYOTA CAETANO PORTUGAL, S.A	Toyota Motor Europe NV/SA	Member

NAME	COMPANY	FUNCTION
Masaru Shimada Member Board Directors. TOYOTA CAETANO PORTUGAL, S.A (alternate)	Toyota Auto Finland OY	Member (alternate)

As can be seen from the information on the above lists the Executive members of the Board of Directors perform functions in the management bodies of subsidiary companies and in companies within the perimeter of the so-called Salvador Caetano Group which as they are companies that are mainly or secondarily dedicated to the same line of business – automobile branch they draw from this clear synergies for the performance of their functions within the Company so that the functions performed in other companies have not affected the executive directors' availability to monitor the Company's affairs as evidenced by the degree of attendance at the meetings of the Board of Directors.

c) Committees within the board of directors and board delegate

27. Identification of the committees created within the board of directors and place where the operating regulations may be consulted

Considering the composition of the Board of Directors the governance model and the shareholder structure of the Company the Board of Directors does not believe that the creation of specialized committees is adequate to its specificities with the exception of the Nomination Appraisal and Remuneration Committee.

28. Composition of the executive committee and/or identification of the managing director(s).

Considering the composition of the Board of Directors the governance model and the shareholder structure of the Company the Board of Directors does not believe that the creation of an executive committee and/or delegated directors is adequate to its specificities.

29. Indication of the powers of each of the commissions created and summary of the activities carried out in the exercise of these powers.

The Nominations Assessments and Remuneration Committee's main functions are:

- to prepare and submit the Remuneration Policy of the governing bodies for approval by the General Meeting;

- to set the respective annual remunerations including the respective complements in accordance with such policy;
- support the Board of Directors in identifying and assessing the suitability of the profile knowledge and curriculum of the members of the governing bodies to be designated;
- conduct the performance evaluation of the members of the Board of Directors

The Rules of Procedure of the Nomination Appraisal and Remuneration Committee can be found in Annex VII. This internal regulation i salso available on the company's website in the tap referred to in item 61 (relevant addresses).

III. SUPERVISION (Supervisory Board)

a) Composition

30. Identification of the supervisory body (Supervisory Board) corresponding to the adopted model.

The supervisory body adopted in accordance with the Latin model of corporate governance was the Supervisory Board.

31. Composition of the Supervisory Board indicating the minimum and maximum statutory number of members statutory term of office number of effective members date of first appointment and date of term of office of each member which may be referred to a point in the report where this information already appears pursuant to the provisions of paragraph 18. Diversity Policy.

The Fiscal Council is composed under the terms of the Articles of Association of three effective members and two alternates.

The current Supervisory Board was elected on 04.12.2019 for a period of 4 years ending its term on 31.12.2022.

On July 1st 2020 due to the resignation of the member Alberto Luis Lema Mandim from the position of Member of the Supervisory Board the shareholder Salvador Caetano Auto S.G.P.S. S.A. nominated Antonieta Isabel da Costa Moura to exercise the function of Member for the period not yet elapsed of the four-year period in course.The Supervisory Board its functions independence and date of first appointment are detailed as follows:

Member	Function	Independence	Nº Shares	Date first designation
José Domingos da Silva Fernandes	Presidente	Sim	0	28/04/2011
Antonieta Isabel da Costa Moura	Vogal	Sim	0	01/07/2020
Daniel Broekhuizen	Vogal	Sim	0	28/04/2016
Maria Lívia Fernandes Alves	Suplente	Sim	0	27/04/2012
Akito Takami	Suplente	Sim	0	28/04/2018

The Company considers the number of members of the Supervisory Board to be adequate allowing it to efficiently carry out the functions assigned to it taking into account the size of the Company and the risks inherent to its activity.

The Supervisory Board may also freely rely on the recommendations and reports of the External Auditor.

32. Identification of the members of the Supervisory Board who are considered independent under the terms of art. 414.º no. 5 CSC reference may be made to the section of the report where this information is already included pursuant to the provisions of no. 19.

The Chairman of the Supervisory Board and Members comply with the independence requirements under the terms of the Commercial Companies Code.

33. Professional qualifications of each of the members of the Supervisory Board and other relevant curricular elements which may be referred to a point in the report where this information already appears pursuant to the provisions of paragraph 21.

The members of the Supervisory Board have the appropriate powers to perform their duties and the Chairman is adequately supported by the other members of the Supervisory Board. For this purpose the professional qualifications of the members of the supervisory body are attached in Annex I. As of 2022 all new members of the Supervisory Board will be duly evaluated in advance by the human resources department which will produce a report that must also be validated by the Nomination Appraisal and Remuneration Committee.

b) Operation

34. Existence and place where the regulations on the functioning of the Fiscal Council may be consulted; reference may be made to the item in the report where this information is already contained by virtue of the provisions of no. 24.

The internal Supervisory Board Regulation is available on the Company's website under the tab mentioned in point 61 (relevant addresses).

35. Number of meetings held and attendance rate at meetings held by each member of Supervisory Board; reference may be made to the item in the report where this information already appears pursuant to paragraph 25.

The Supervisory Board met six times during 2021 with the corresponding minutes recorded in the Supervisory Board's minutes book.

Attendance level:

José Domingos da Silva Fernandes	100% (6 out of 6)
Antonieta Isabel da Costa Moura	100% (6 out of 6)
Daniel Broekhuizen	50% (3 out of 6)

36. Availability of each of the members of the Supervisory Board with an indication of the positions held simultaneously in other companies inside and outside the group and other relevant activities carried out by the members of that body during the course of the year which may be referred to a point in the report where this information already appears pursuant to the provisions of paragraph 26.

The members of the Supervisory Board carry out other duties in the following companies:

<u>José Domingos da Silva Fernandes</u>

Chairman of the Supervisory Board of the company Caetano – Baviera – Comércio de Automóveis SA (Grupo Salvador Caetano)

Statutory Auditor in the following companies:

- Summertime – Sociedade Imobiliária SA
- Convemaia – Sociedade Imobiliária SA
- BDS SGPS SA

Antonieta Isabel da Costa Moura

Member of the Fiscal Council of the companies:

- CAETANOBUS – Fabricação de Carroçarias SA
- Salvador Caetano Auto SGPS SA.

Daniel Broekhuizen

Member of the Supervisory Board of the company

- Toyota Motor Kazakhstan LLP

Member of the Board of Directors of the company:

- Toyota Logistics Services Ireland Ltd

Maria Lívia Fernandes Alves

Member of the Supervisory Board at the company Caetano Auto SA

Akito Takami:

Member of the Board of Directors of the companies:

- OOO “Toyota Motor”
- Toyota Denmark A/S
- Toyota Logistics Services Sweden AB

Regardless of the performance of other functions in other companies all the members of the Supervisory Board were always available for the exercise of their functions in the Company during 2021 participating in corporate life whenever this was necessary or convenient.

c) Powers and functions

37. Procedures and criteria for intervention of the audit board for the purpose of employment of additional services to the external auditor.

It is the responsibility of the Company's Supervisory Board to interact with the External Auditor in terms of its powers and operating rules the Supervisory Board being the first recipient of the External Auditor's Report and the Company's interlocutor in the relationship with the latter.

Additionally the Supervisory Board is responsible for ensuring that within the Company adequate conditions are ensured for the provision of services by the External Auditor.

Finally the Supervisory Board annually assesses the External Auditor proposing to the General Meeting his dismissal whenever there is just cause to do so.

It is therefore up to the Supervisory Board to verify and decide on the contracting of additional services from the External Auditor which is subject to verification of adequacy and prior approval duly founded by the same Board.

38. Other functions of the audit board

In summary the Supervisory Board is responsible for overseeing the business and verifying the implementation of the defined policies.

The Supervisory Body does not perform functions other than those provided for in the law in the articles of association in its internal regulations and those briefly described above.

IV. STATUTORY AUDITOR

39. Identification of the statutory auditor and the statutory audit partner who represents him

The Statutory Auditor is Deloitte & Associados SROC SA registered under number 20161389 with CMVM - Securities Market Commission and at OROC - Order of Statutory Auditors under number 43 and represented by Miguel Nuno Machado Canavarro Fontes ROC No. 1397.

40. Number of years in the statutory accounts held together consecutively functions of the company and / or group

The current Statutory Auditor has been with the Company since 1st July 2020.

41. Description of other services that the Statutory Auditor provides to the company

The Board of Directors when requesting services from the current Statutory Auditor ensures before the respective award that the auditors and their respective network are not contracted for services that under the terms of European Commission Recommendation No. C (2002) 1873 of 16 of May 2002 could jeopardize its independence.

During 2021 the Statutory Auditor provided the Company with statutory audit services as well as the following additional services:

- conducting a limited review of the consolidated financial statements of Toyota Caetano Portugal S.A. for the 1st semester of 2021;
- holding two training sessions for about 20 employees of Toyota Caetano Portugal SA at a distance in online format on direct and indirect taxation associated with the acquisition of electric hybrid and plug-in hybrid vehicles (service provided not directly by the Statutory Auditor but by another company of the so-called “Deloitte Network” called Deloitte Tax – Economists Specialists in Taxation SP SA).

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. Identification of the number of years that the external auditor and the respective partner that represents same in carrying out these duties have consecutively carried out duties with the company and/or group.

The external auditor and the partner that represents it have been carrying out duties with the Company since 1st July 2020.

44. Rotation policy and frequency of rotation of the external auditor and the respective partner that represents it in carrying out these duties

Is not internally defined any policy of mandatory rotation of external auditor in addition to the legally applicable to public interest entities being the period of mandatory rotation of statutory social accounts representing the External Auditor on the performance of these functions due to the combination the paragraph. 2 of article 54. Statutes of the Order of Statutory Auditors (7 years).

45. Body responsible for assessment of external auditor and frequency with which this assessment is made

The Supervisory Board annually evaluates the work of the External Auditor and may propose its replacement whenever it deems there are justifiable reasons to do so.

46. Identification of works other than auditing performed by the external auditor for the company and/or for companies that are in a controlling relationship with it as well as an indication of the internal procedures for the purpose of approving the contracting of such services and indication reasons for hiring them.

Indicated in point 41 above. All additional services were necessary for the regular activity of the Company and after consideration it was understood that this company was the most suitable for their provision not affecting either by its nature or by its value the independence of the External Auditor in the exercise of its functions. The Audit Committee is responsible for appraising and approving the contracting of such services.

47. Annual remuneration paid by the company and / or by a collective of or in relation to the field group auditor and other individuals or collective in the same network and discrimination of percentage of every type of service (for the purposes of this information the concept of a network is that derived from European Commission Recommendation nº. C (2002) 1873 of 16 may)

The remuneration paid to the auditors of the company and to other legal persons belonging to the same network ("Deloitte Network") by the company and by companies in a controlling or group relationship amounts to 82 000 Euros distributed as follows:

Company	**Value**	**%**
Value of audit services	58 500 00 €	71 3%
Other services	3 500 00 €	4 3%
Group Companies		
Value of audit services	20 000 00 €	24 4%

C. INTERNAL ORGANIZATION

I. ARTICLES OF ASSOCIATION

48. Rules applicable to the amendment of the articles of association (Art. 245-A/1/h) PSC).

The amendment of the articles of association is only possible 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. Means and policy for communication of irregularities occurring in the company

The Company has implemented a system for reporting irregularities in accordance with the Regulations for the Reporting of Irregularities in force and published on the company's website (Annex V). Any communication of facts likely to frame an irregularity must be made in writing by e-mail or letter addressed to the chairman of the Supervisory Board to the following addresses:

E-mail:

compliance@salvadorcaetano.pt

Adress:

A/C Chairman of Supervisory Board

Toyota Caetano Portugal SA

Av. Vasco da Gama 1410

4430-247 Vila Nova de Gaia

III. INTERNAL CONTROL AND RISK MANAGEMENT

50. People bodies or committees responsible for internal audit and/or for the implementation of internal control systems

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

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

The risk policy is prepared by the Board of Directors evaluated by the Supervisory Board and finally approved by the Board of Directors.

51. Explanation also including organizational chart of the hierarchical and/or functional relationships of other company bodies or committees

The Company produces financial information on a regular basis and all the management information produced for both internal use and to be used by other entities it is prepared using computer systems.

The Company Board of Directors delegates powers in the directors responsible for each of the divisions Company which meets periodically for analysis and monitoring of developed financial information subject to regular monitoring carried out by the Board of Directors and the operational direction of the Company.

Chart in paragraph 21 of part I.

52. Existence of other functional areas with competences for risk control

There are no other functional areas with exclusive competencies within the scope of risk control and in view of the governance model all areas have a share of responsibility in risk control.

53. Identification of the main types of risk (economic financial and legal) to which the company is exposed when conducting business

In the development of its activities Toyota Caetano Portugal S.A. is subject in each of its business areas or its subsidiaries to a multiplicity of risks which have been identified with the aim of mitigating and controlling them. The Company's risk management is essentially controlled by the finance department of Toyota Caetano Portugal S.A. in accordance with policies approved by the Group's Board of Directors. In this sense the Board of Directors has defined global risk management principles as well as specific policies for certain areas.

<u>Financial Risks</u>

With regard to financial risks the Company's risk management program based on a perspective of long-term continuity of operations is focused on the unpredictability of the financial markets and seeks to minimize the adverse effects arising from this on its performance.

Toyota Caetano Portugal S.A. highlights three specific financial risks the first of which is **credit risk**. This risk translates into the risk that a debtor will not settle the goods/services acquired in accordance with the negotiated conditions due to lack of liquidity. At Toyota Caetano Portugal S.A. the probability of occurrence of this type of risk is low however its impact can be moderate to significant. In order to mitigate and control this risk the companies of the Toyota Caetano Portugal Group have set up a specific department to analyze and monitor credit risk with the main objective of mitigating the risk of default on payment by the customer implementing processes using specific tools for credit assessment and monitoring and putting in place proactive credit management procedures and other mechanisms of coverage such as bank guarantees payment agreements clauses for the reservation

of ownership associated with vehicles sold or alternatively the non-transfer of ownership until full settlement of the vehicles sold among others.

Another threat to be highlighted is the **interest rate risk** which essentially translates into the unfavorable variation of interest rates. 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 effects 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 income lines (namely operational) of the Company/Group thereby partially offsetting the added financial costs (natural hedge); (ii) existence of liquidity or cash available also remunerated at variable rates. It should be noted that the Board of Directors of Toyota Caetano Portugal S.A. approves the terms and conditions of the financing analyzing the debt structure the inherent risks and the different options available in the market namely regarding the type of interest rate (fixed /variable) and the conditions and alternatives on the market.

The last financial risk to highlight is the **liquidity risk**. This risk translates into the inability to meet its financial obligations with this risk having a low probability of occurrence at Toyota Caetano Portugal S.A.. Its management aims to ensure that the Company has the ability to obtain the necessary funding in a timely manner to be able to carry out its business activities implement its strategy and comply with its payment obligations when due while avoiding the need to obtain financing under unfavorable conditions. To this end consistent financial planning is carried out based on cash-flow forecasts at the level of operations according to different time horizons. Furthermore a diversification of funding sources and a variety of debt maturities are ensured in order to avoid excessive concentration of debt repayments in short periods of time. In parallel contracts are made through relationship banks short-term credit lines commercial paper programs and other types of financial operations ensuring a balance between adequate levels of liquidity and commitment fees supported. In this context the CFO regularly monitors the level of funding obtained available credit facilities cash availability as well as the prospects of cash out flow in the short and medium term including needs resulting from investment plans.

External Risks

Another type of risks are external risks which not being directly related to the Company have an influence on it. Three different risks can be highlighted: the risk of supplying goods and materials the risk of the macroeconomic context and the risk of competition.

The **risk of supplying goods and materials** translates into the risk of lack of components materials raw materials necessary for the production and normal functioning of the Company. The SARS-CoV-2 pandemic led to constraints in the supply chain with a shortage in the supply of components; in parallel and as a consequence the logistics associated with the transport of goods were also affected; in fact the total time associated with the transport of these goods has become longer (longer lead time

in the provision of this service) a fact that results from the generalized reduction in the use of this service combined with the need for operators to make the most of the means used. As a result the relevance of this risk increased from low to medium/high.

The impact of this risk on the Company's activity is now rated as moderate to significant. To deal with this context the companies of the Toyota Caetano Portugal Group implemented concrete measures namely:

- the industrial area namely in the assembly of vehicles focused on the production of models in which there is less shortage of materials; this strategy is fully coordinated with the customer and relevant suppliers involved in this activity;
- in the area of cargo handling machines considering the weak capacity to influence the supply chain recourse is being made to placing used equipment with customers on temporary rental or lease;
- stock management both upstream (suppliers) and downstream (dealers and end customers) is carried out rigorously in line with the current shortage context;
- sales are being oriented towards the most profitable channels;
- the management of demonstration courtesy and service vehicles was also revised opting for a lower rotation without compromising the dissemination and promotion of the represented brands;
- the guidelines on the vehicle exhibition matrix were revised adapting them to reality namely: lower number of vehicles on display and placement of semi-new vehicles in the stands allocated to the activity of new vehicles;
- the discount policy for customers was also revised;
- in a transversal way and in line with the usual practice the companies of the Toyota Caetano Portugal Group have reinforced their strategy of reducing costs and optimizing available resources;
- additionally and also as a common denominator for these companies there is a strengthening of communication with employees suppliers and customers to inform about the challenges we face; in particular with customers the implementation of contracts for later deliveries has been encouraged thus witnessing an increase in the contract portfolio.

As for the **macroeconomic context risk** this is the risk of external macroeconomic factors influencing the financial/productive capacity of a company. This risk was also boosted by the pandemic with the deceleration of economic activity and the increase in interest and inflation rates being the main factors that influenced the increase in the probability of occurrence of this risk from low to medium. The Company closely monitors all macroeconomic changes in Portugal Europe and the rest of the world in order to ensure that it is on top of the situation and ready to act at the right time.

Finally the **risk of competition** translates into the risk of losing market share to other competitors. In the current scenario the Company seeks to ensure that it does not lose its current market share and thus invests in a strategy based on innovation service excellence greater presence in digital channels and sustainability. In addition it is important to highlight that Toyota is a renowned and prestigious brand with several proofs given in terms of innovation and product diversification. Examples of this are the Beyond Zero strategy where the destination is not zero emissions but going beyond that a strategy combined with the offer of more and better mobility for everyone promoting a more sustainable future and the BRIT (Best Retailer in Town) program which has with the objective of motivating all dealers to be the best in the areas where they operate. It should also be noted that the Company frequently performs benchmarking actions against its competitors. Therefore this risk is considered to have an average probability of occurrence.

Information technology and cybersecurity risks

IT and cybersecurity risks are fundamentally risks related to the security of information systems. Information systems form the basis of the Group and as such the existence of a security culture that provides all employees and partners with a clear perspective of their responsibilities in the field of information security is considered of strategic importance. Any security breach whether intentional negligence or criminal can have a significant impact on data confidentiality on the quality of operations on the availability of information among others which could negatively affect the Company's profitability and reputation. It is essential to ensure that all employees have access to the information necessary for the performance of their activities but requiring them to respect the implemented information security controls and commitment to the values of confidentiality integrity and availability. In this sense the Society adopted the Toyota Motors Corporation safety framework called All Toyota Security Guidelines. This includes a set of technical and organizational measures in different areas namely in information security management operational and network security physical security incident management classification and protection of information access control in risk analysis and training.

Considering the diversity and complexity of the areas of Information Systems in general and Information Security in particular Toyota Caetano Portugal S.A. outsources services related to Information Systems to Rigor Consultoria e Gestão S.A. a Salvador Caetano Group company with expertise in all domains of Information Systems.

In view of the increase in teleworking the increase in cybercrime and the evolution of the techniques used by cybercriminals the Company not only maintains constant monitoring and audits of its systems but also has plans to implement additional technical and organizational measures to face these new risks.

Safety and Health Risk

The area of safety and health is one of the main pillars of the Toyota Caetano Portugal Group. The safety and health of its employees is a priority for Society and as such various training actions are carried out throughout the year with the aim of promoting and maintaining high levels of physical and psychological well-being as well as preventing and reducing professional risks. In addition employees have access to free occupational health services at Clínica Ser Caetano and financial support for healthcare expenses through the Salvador Caetano Foundation.

The last few years have been particularly challenging in this area due to the SARS-CoV-2 pandemic and the Group has ensured constant monitoring of its employees either through its Clinic or by sending monthly newsletters with recommendations to all Employees and updating measures related to COVID-19. This risk hitherto neglected has become a risk with a significant impact on the Company and is monitored with the utmost attention by all parties involved.

Risk of attracting and retaining qualified talent

The current context of a highly competitive job market and with increasing levels of talent shortages directly influences the ability of companies to successfully achieve the objectives and strategy foreseen for their activity. In this sense we may be facing a risk whose probability of occurrence is increasingly high and its impact can be significant.

In order to respond to these new trends in the area of People Management Toyota Caetano Portugal S.A. has implemented measures to retrain its teams providing them with adequate knowledge for the new challenges being posed by the automotive sector (electrification digitization Business Intelligence e-commerce among others). In addition it has invested in an employer branding strategy to affirm Toyota Caetano Portugal increasingly as a reference employer increasingly able to have in its Employees the true ambassadors of its Brand with its Customers.

Organizational Sustainability

Like any organization Toyota Caetano Portugal is included in an ecosystem being directly influenced by its context. Sustainable development is a top concern today with 90% of consumers saying they expect companies to pay attention to environmental and social issues. In addition companies with the best performance in the area of sustainability can reduce the turnover rate of Employees by values between 25% and 50%.

Toyota Caetano Portugal S.A. recognizes since its foundation that its purpose goes beyond the delivery of a product or service. As such it has been adopting ambitious and consistent strategies that create long-term value for future generations focusing its efforts on community development and reducing its ecological footprint. Operating in a sustainable business that is constantly reinventing itself

to better meet the expectations of its customers and having this a great place to work is part of the mission and vision of Toyota Caetano Portugal S.A.. In this sense and in order to take care of the social ethical and environmental dimension Toyota Caetano Portugal S.A. is developing and implementing a corporate sustainability strategy. Based on our DNA and the organization's values there have been several initiatives developed by TCAP in line with the Sustainable Development Goals (SDGs) established by the United Nations.

<u>Legal Tax and Regulatory Risks</u>

Toyota Caetano Portugal S.A. identifies tax risks arising mainly from the context of permanent legislative change in which we live. If on the one hand the requirements resulting from OECD programs and European legislation have been increasing on the other hand national legislation itself constantly produces regulatory changes with an impact on the Company's activity.

The context of fiscal regulatory instability can not only lead to losses resulting from non-compliance with current legislation but also directly and indirectly condition strategic business options affecting the economic profitability of the same. In addition to the tax risks inherent to business activity there is also the risk resulting from the unpredictability of motor vehicle taxation with direct impacts on the behavior of our Customers.

Toyota Caetano is committed to complying with all tax obligations to which it is subject valuing its reputational asset and taking an active stance in the pursuit of this objective.

To ensure the constant prevention and mitigation of tax risks it uses internal teams specifically dedicated to this area and external consultancy provided by entities of recognized ethical and professional standards.

With regard to legal risks the main risk of the activity of the Company and companies controlled by it has to do with possible legislative changes that may have an impact on operations - namely labor legislation environmental regulation European and national regulation in terms of competition and restrictive trade practices among others – that may affect the development of the activity.

The Legal Department of the Salvador Caetano Group seeks in close cooperation with the tax area the human resources area and the operational areas to safeguard the interests of the Company in a sustainable way and with respect for the applicable legislation.

Litigation proceedings to which the Company and its subsidiaries are parties are regularly communicated to management so that preventive measures can be taken to avoid similar proceedings in the future.

The Legal Department is also responsible for preventing and monitoring the risks associated with non-compliance with legislation on the protection of personal data terrorism financing and money

laundering corporate governance and corruption striving to verify the application of the code of conduct and professional ethics and monitoring the channel for reporting irregularities.

In both areas - legal and tax - ongoing training the integrated approach of the various technical and operational teams and the promotion of the best practices identified are valued.

54. Description of the risk identification assessment monitoring control and management process

At Toyota Caetano Portugal S.A. the control of risks inherent to the activity is carried out directly by the Board of Directors and evaluated annually by the Supervisory Board. Notwithstanding this hierarchical level of control risk management is inherent to all management processes as risk can have a significant impact on the development and continuity of the business.

Risk management is intended to identify manage and control opportunities and threats thus creating value for society. Therefore the Company's Board of Directors relies on the directors responsible for each of the divisions with whom it meets periodically to analyze and monitor financial and non-financial information.

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

At the same time an analysis of its impact on the Company's activity is carried out assessing the degree of repercussion it will have on the activity and determining short and medium/long term strategies to prevent react and address these risks.

With the objective of anticipating and mitigating negative impacts that may arise from the identified risks several mechanisms were developed among others namely:

- With regard to the management of financial risks they are monitored on a monthly basis and the results are reported by the Financial Administrative Division to the Company's Board of Directors;
- As for external risks and these being of a broader nature specific working groups are created to manage these risks with the participation of those responsible for the areas involved;

  External entities are also involved whenever deemed appropriate to provide support in this matter;
- The management of information technology and cybersecurity risks is based on the Toyota Motors Corporation security framework called All Toyota Security Guidelines;

- With regard to the management of health and safety risk actions are taken to prevent and correct identified risks;
- Regarding the risk of attracting and retaining qualified talent the Company has invested in the requalification of its teams and in an employer branding strategy;
- Management of organizational sustainability risk is carried out within the scope of the corporate sustainability strategy;
- With regard to the management of legal tax and regulatory risks an analysis and permanent monitoring is carried out by internal and external teams.

It should also be noted that this risk management includes:

- sensitivity analysis (measurement of potential impacts according to the probability of occurrence of each risk);
- strategic alignment of the Company in terms of the risks actually incurred;
- mechanisms to control the implementation of the adopted risk management measures and their effectiveness;
- internal information and communication mechanisms on the different components of the risk alert system.

55. Main elements in the internal control and risk management systems implemented at the company with regard to the financial information disclosure process (art. 245º a nº1 m)

The Board of Directors is highly committed to ensuring the reliability of the Company's financial reporting namely ensuring that the Company has implemented appropriate policies which reasonably guarantee that transactions are recorded and reported in accordance with generally accepted accounting principles and that expenses are only incurred when duly authorized.

The risks involved in financial reporting are mitigated through the segregation of responsibilities and the implementation of prevention and detection controls which involve limiting access to IT systems and a comprehensive performance monitoring system.

Internal control and risk management procedures are evaluated annually by the Supervisory Board and they may be adjusted based on such evaluation.

IV. INVESTOR SUPPORT

56. Office responsible for investor support composition functions services provided by such information and elements for contact

Although no Investor Assistance Office has yet been formally established this task is carried out by the market liaison officer. Whenever necessary the market liaison officer ensures the provision to the market of all relevant information regarding noteworthy events facts susceptible of inclusion within the framework of relevant facts quarterly disclosure of income and answers to any clarification requests made by investors or by the general public as regards financial information of a public nature.

57. Market liaison officer

Currently the Market liaison officer is:

Gisela Maria Falcão Sousa Pires Passos.

Telephone: 227867202

E-mail: gisela.passos@toyotacaetano.pt

58. Information on the extent and deadline for replying to the requests for information received throughout the year or pending from preceding years

The Market Relations Representative receives calls from time to time with various questions including clarifications on dividends general meetings and others generally responded immediately or within a reasonable time appropriate to the nature of the request.

During 2021 requests were received in writing or by email that were promptly responded to.

There are no requests for information pending response.

V. WEBSITE

59. Address

The website of the Company www.toyotacaetano.pt is available in Portuguese and in English according to CMVM VI.1 recommendation.

60. Place where information on the firm public company status headquarters and other details mentioned in article 171 of the company's code

On the Company's Website within the tab identified as "Investors" there is a tab related to "Company" where it is published information on the Company the public Company status headquarters and remaining data provided for in Article 171 of the Commercial Companies Code – https://toyotacaetano.pt/en/investors/company/

61. Place where the Articles of Association and regulations on the functioning of the bodies and/or committees can be found.

On the Company's website under the tab identified as "Investors" there is a tab marked "Corporate Governance" and within this one "Articles of Association" where the updated Articles of Association of the company are published - https://toyotacaetano.pt/en/investors/corporate-governance/

On the same page within the same tab identified as "Investors" under the tab "Corporate Governance" there is a tab called "Policies and Regulations" where the Internal Regulations of the Board of Directors the Supervisory Board and the Nomination Appraisal and Remuneration Committee can be consulted.

62. Place where information is available on the identity of the members of the governing bodies the representative for market relations the investor support office or equivalent structure respective functions and means of access.

On the Company's website under the tab marked "Investors" within the tab marked "Corporate Governance" there is a tab marked "Governing Bodies" where information is published on the composition of the Governing Bodies. - https://toyotacaetano.pt/en/investors/corporate-governance/

Also on the Company's website within the tab identified as "Investors" there is a tab related to "Investor Support" where information is published on the identity of the representative for relations with the market and investors as well as the contacts. - https://toyotacaetano.pt/en/investors/investor-support/

63. Place where the financial statements are available which must be accessible for at least five years as well as the half-yearly calendar of company events published at the beginning of each semester including among others general meetings disclosure of annual and half-yearly accounts.

On the Company's website under the tab marked "Investors" there is a tab marked "Reports and Accounts" where the financial statements are disclosed and remain accessible for at least five years:

https://toyotacaetano.pt/en/investors/reports-and-accounts/On the Company's website within the tab identified as "Investors" there are tabs identified as "Corporate Events" "Announcements" "General Meetings" and "Report and Accounts" where the calendar of corporate events and another information is available.

64. Place where the notice convening the general meeting and all the preparatory and subsequent information related thereto are disclosed.

On the Company's website under the tab marked "Investors" there is a tab relating to "General Meetings" where notices of meeting proposals for resolutions and the minutes of the General Meeting are posted. - https://toyotacaetano.pt/en/investors/general-meeting/.

65. Location where the historical collection with the resolutions taken at the company's general meetings the share capital represented and the results of voting with reference to the previous 3 years is made available.

On the Company's website within the tab identified as "Investors" there is a tab related to "General Meetings" where there is a historical collection with the resolutions taken at the meetings of the Company's General Meetings the share capital represented and the results of the respective votes: https://toyotacaetano.pt/en/investors/general-meeting/

D. REMUNERATION

I. JURISDICTION TO DETERMINE

66. Indication as to the jurisdiction to determine the remuneration of governing bodies of members of the managing director and executive officers of the company

The remuneration of the members of the governing bodies is set by the Nomination Appraisal and Remuneration Committee. The remuneration policy of the Management and Supervisory Bodies is defined by the same Committee based on criteria that meet the ability to create shareholder value. In defining the criteria set out above several factors are taken into account including comparative market data and macroeconomic data.

II. REMUNERATION COMMITTEE

67. Composition of the remuneration committee including identification of individuals or collective contracted for support and declaration of independence of each of the members and advisors

The Nomination Appraisal and Remuneration Committee consists of the following members:

- Alberto Luis Lema Mandim
- Maria Conceição Monteiro Silva
- Francelim Costa da Silva Graça

None of the members of this Committee is a member of the Board of Directors of the Company nor has a spouse relatives or similar in these circumstances nor has any relationship with the members of the Board of Directors that could affect their impartiality in the exercise of their functions.

Thus all members of the Nominations Appraisal and Remuneration Committee are considered independent.

68. Knowledge and experience in remuneration policy issues by members of the remuneration committee

The professional experience of the members of the Nomination Appraisal and Remuneration Committee allows them to exercise their responsibilities effectively safeguarding the interests of the Company. In this regard reference should be made to the seniority of the members of the Committee in the exercise of their functions or in management functions their experience in terms of human resources management and their knowledge of the Salvador Caetano Group which gives them the necessary skills for the proper exercise of its functions.

Their professional qualifications are listed in Annex I.

This Committee may hire natural or legal persons to assist it in the performance of its functions also counting on the support of the human resources department and transversal legal department of

Salvador Caetano Group. If the Company decides to do so (contract an external entity) it shall ensure that it does so independently in compliance with the requirements described below.

The Nomination Appraisal and Remuneration Committee has not hired to assist it in the performance of its duties any individual or legal entity that provides or has provided over the past three years services to any structure under the direction of the Board of Directors to the Board of Directors of the Company itself or that has a current relationship with the Company or with a consultant of the Company.

III. REMUNERATION STRUCTURE

69. Description of the remuneration policy of the board of directors and audit board referred to in article 2. º law no. 28/2009 of 19 June

The remuneration policy for the Management and Supervisory Bodies is approved by the General Meeting on the proposal of the independent Nomination Appraisal and Remuneration Committee.

The establishment of the remuneration amounts of the members of the Governing Bodies of Toyota Caetano Portugal S.A. must consider as a general principle the functions performed by each of the members the economic situation of the Company and the market situation in which it operates.

- The remuneration of the members of the Company's Management and Supervisory Bodies and in general of all employees must be appropriate to the Company's business strategy its interests and objectives as well as its sustainability.

- For the purposes of the previous number the principles listed above must be followed in general terms as well as the following:

    - Alignment of the interests of the members of the Management and Supervisory Bodies with the interests of the Company which may be done through variable remuneration components and other benefits to be specified and defined by the Nomination Appraisal and Remuneration Committee;

    - Individual performance should constitute a criterion for determining the variable component of remuneration if applicable without prejudice to other criteria that may be relevant namely the Company's own performance and the macroeconomic framework;

    - Medium and long term interests of the Company;

- The national and international context particularly in the sectors where the Society operates.

- This remuneration policy especially with regard to executive Directors takes into account the conditions of employment and remuneration of employees of the Company as a whole aiming at a level of balance and internal equity.

The members of the Board of Directors are remunerated as follows:

- The remuneration will consist of a fixed part and eventually a variable part;
- The remuneration values of a fixed nature must accompany the salary policy to be applied to the remaining employees and take into account the functions performed on the one hand and market practices for equivalent responsibilities on the other;
- The fixed remuneration is defined by the Nomination Appraisal and Remuneration Committee and by this annual review and unless otherwise decided by it will correspond to a monthly salary paid 14 times;
- There is no place to pay attendance fees;
- Whether or not there is a variable remuneration will be defined annually by the Nomination Appraisal and Remuneration Committee and the calculation of the final amount of the variable remuneration will be based on an annual individual performance evaluation. This assessment is based on a set of quantitative indicators that must be in line with the Company's strategic objectives and on aspects of a qualitative nature considered essential for the long-term sustainability of the business namely:
  - Quantitative Indicators - compliance with the Company's global budget
    - Turnover (in Millions of €)
    - EBITDA (in % of Turnover)
    - EBT (in % of Turnover)
  - Qualitative Indicators in line with “Ser Caetano” Values
    - Ambition
    - Commitment
    - Trust

- Cooperation
- Responsibility

▪ Quantitative individual objectives weigh 90% in the calculation of individual performance and reflect financial performance related to the company's actual growth and the return generated for shareholders. Qualitative individual objectives weigh 10% in the calculation of individual performance.

▪ The allocation of the annual variable component must meet the following criteria:

  - Annually values / weight will be defined for each of the identified indicators;
  - Considering individual performance and applying the metrics mentioned above there will be room for the attribution or not of variable remuneration.

▪ Variable remuneration may be paid in cash or in kind.

▪ The variable remuneration of the members of the Board of Directors as a whole must not exceed 3% of distributable results for the year in question.

▪ The payment of the variable remuneration may be deferred for a period of up to 3 years if that is the decision of the Nomination Appraisal and Remuneration Committee.

▪ The non-executive members of the Board of Directors are not remunerated.

The members of the Supervisory Board may be remunerated in which case they must earn a maximum remuneration equivalent to a monthly minimum wage in force in Portugal on the date of their attribution for 14 months.

Complementary non-monetary benefits may be granted to members of the Governing Bodies under the terms and conditions to be resolved by the Nomination Appraisal and Remuneration Committee.

The Salvador Caetano Group grants to all the Company's employees a supplementary pension plan under the Salvador Caetano Group Pension Fund which can be extended to members of the Governing Bodies with the following rules:

▪ Plan A - (Defined Benefit): covers all employees (including directors) who on 01.01.2008 had already reached cumulatively 50 years of age and 15 years of seniority in the Company. It is embodied in the right to a supplementary pension paid by the aforementioned Pension Fund in the amount equivalent to 20% of the last pensionable salary and this supplementary pension will only be guaranteed if the Employee/Member of the Governing Body reaches the legal age of reform at the service of society.

- Plan B – (Defined Contribution): covers all other employees. It embodies the right to a supplementary retirement pension paid by the Pension Fund calculated as follows: the Company contributes to the Pension Fund every year with an amount corresponding to 3% of the gross annual salary of each employee covered by this Plan with this value being allocated to the worker. Upon reaching the Company's legal retirement age the accumulated value of contributions plus the income generated in the meantime will be transformed into a lifetime annuity to be paid to the Employee/Member of the Governing Body.

Complementary non-cash benefits that may be attributed to members of the Governing Bodies should not have a relevant weight and should represent less than 10% of the total remuneration cost.

70. Information on how remuneration is structured so as to enable the aligning of the interests of the members of the board of directors with the company's long-term interests and how it is based on the performance assessment and how it discourages excessive risk taking

As a result of the remuneration policy described in point 69 above the remuneration is structured to allow the alignment of the interests of the members of the Board of Directors with the long-term interests of the Company.

The establishment of fixed and variable remuneration and the dependence of the definition of the variable remuneration on a qualitative and quantitative assessment based on the degree of achievement of perfectly defined objectives (KPI's) determine that the performance of the management is carried out considering the interests of the Company not only in the short term but also in the medium and long term.

The performance evaluation process of the Directors is annual with six-monthly monitoring based on concrete evidence and made available to the Nomination Appraisal and Remuneration Committee for regular monitoring of the level of compliance with the approved targets.

71. Reference if applicable to the existence of a variable remuneration component and information about possible impact of performance appraisal in this component

The remuneration of Directors with executive functions comprises a fixed and a variable component. The variable component depends on the degree of fulfillment of pre-defined objectives which are included in the Remuneration Policy and which are evaluated by the Nomination Appraisal and Remuneration Committee.

72. Deferred payment of variable remuneration component with mention of deferred Period

Under the terms of the remuneration policy it is possible to defer the variable component for up to 3 years. During 2021 there was no deferral of the payment of the variable component.

73. The criteria whereon the allocation of variable remuneration on shares is based and also on maintaining company shares that the executive directors have had access to on the possible share contracts including hedging or risk transfer contracts the corresponding limit and its relation to the total annual remuneration value

There is no attribution of variable remuneration in shares and taking into account the remuneration model the members of the Board of Directors of the Company did not enter into contracts either with the Company or with third parties aimed at mitigating the risk inherent to the variability of remuneration.

There is no agreement entered into by the members of the Management Bodies for the attribution of variable remuneration in shares.

There is no plan for the attribution of shares to Directors.

74. The criteria whereon the allocation of variable remuneration on options is based and details of the deferral period and the exercise price

There is no plan for the attribution of share purchase options to the Directors.

75. The key factors and grounds for any annual bonus scheme and any additional nonfinancial benefits

All executive Directors have their variable remuneration depending on the degree of fulfillment of pre-defined objectives.

All Directors are entitled to other complementary benefits as described in point 69 above.

76. Key characteristics of the supplementary pensions or early retirement schemes for directors and statement on the date when said schemes were approved at the general meeting on an individual basis

Toyota Caetano Portugal S.A. (together with other associates) created a pension fund by public deed dated December 29 1988. This established Pension Fund provided that while its associates maintained the decision to make contributions to the aforementioned fund that most workers could

from the date of retirement receive a non-updatable supplement determined on the basis of a percentage of salary among other conditions configuring a defined benefit plan.

In view of the economic situation on 1 January 2008 changes were made to the conditions of the Salvador Caetano Pension Fund which were briefly modified as follows:

- Maintenance of a Defined Benefit scheme (20% of the Social Security pensionable salary at the time of retirement - 65 years old) for those retired and beneficiaries of deferred pensions as well as for all employees of the Salvador Caetano Pension Fund members who as of January 1 2008 had completed 50 years of age and more than 15 years of service in the members of the Salvador Caetano Pension Fund;
- Creation of a new group (formed by the remaining universe of workers at the service of members of the Salvador Caetano Pension Fund) which as of that date was included in a Defined Contribution Plan.

The members of the Board of Directors benefit from the Fundo Pensões Salvador Caetano if they fulfill all the requirements required for any other employee of one of the companies in the universe of the Pension Fund.

Currently the Pension Fund covers the members of the Board of Directors who meet the conditions.

IV. REMUNERATION DISCLOSURE

77. Details on the amount relating to the annual remuneration paid as a whole and individually to members of the company's board of directors including fixed and variable remuneration and as regards the latter reference to the different components that give rise to same

The remuneration earned by the members of the Board of Directors of Toyota Caetano Portugal S.A. during the years 2021 and 2020 in the exercise of their functions in the Company was as follows:

By the Company	2020		2021	
	Fixed Component	Variable Component	Fixed Component	Variable Component
José Reis da Silva Ramos	157 920 €	50 000 €	164 500 €	50 000 €
Maria Angelina M. Caetano Ramos	115 920 €	20 000 €	120 750 €	20 000 €
Rui Manuel Noronha Mendes	47 943 €	- €	- €	- €
Gisela Maria Falcão S. Pires Passos	- €	- €	108 500 €	- €
Total	**321 783 €**	**70 000 €**	**393 750 €**	**70 000 €**

The Director Rui Manuel Noronha Mendes was replaced by the Director Gisela Maria Falcão Sousa Pires Passos in July 2020 and this Director started to be remunerated only in January 2021.

The remaining Directors not being executives are not remunerated.

The salary policy adopted by Toyota Caetano Portugal is defined in order to ensure a balance between the various factors essential to the sustainability of the business.

The total remuneration practiced in 2021 complies with the adopted salary policy. In fact the principles listed in the Company's salary Policy are manifested in the performance of the members of the Governing Bodies. In 2021 despite the turmoil resulting from the pandemic context and with all the impacts that resulted both in the economy and in the Society it was an exceptional year in terms of its main indicators.

In terms of fixed remuneration and in line with what was stipulated by the Nomination Appraisal and Renumeration Committee there was no update of the respective amounts. The variation seen in terms of total annual values (reported in the maps above) reflects the loss of remuneration in 2020 associated with the "simplified layoff" (state measure of extraordinary support to employers affected by the COVID-19 pandemic but which implies a salary reduction).

The attribution of variable remuneration as it depends on the fulfillment of key performance indicators is not guaranteed. The set of indicators selected for this purpose in coordination with the strategic goals determined ensure the necessary alignment between the performance of the Executive Directors and the performance of the Company in the long term.

In 2020 the following information is verified:

Qualitative Indicators	2020		
	Actual	Budget	Actual vs Budget
Turnover (€)	488 067 819 €	357 836 638 €	73,32%
EBITDA (as % on Turnover)	8,22%	8,67%	105,53%
EBT (as % on Turnover)	3,21%	1,82%	56,85%

In terms of qualitative indicators as a result of the performance assessment of the Executive Directors carried out by the Nomination Appraisal and Remuneration Committee a 100% performance is recorded in all Ser Caetano Values (Ambition / Commitment / Trust / Cooperation / Responsibility).

Combining these results with the remaining variables defined in the Salary Policy in force and by the Nomination Appraisal and Renumeration Committee the aforementioned variable remunerations were determined.

The chart below shows the annual variation of the Company's performance (measured via Net Income) and the average remuneration of employees (in terms of the Company's full-time equivalent excluding members of the management and supervisory bodies) during the last 5 periods:

Indicators => Annual Variation	2017	2018	2019	2020	2021
Average remuneration of employees (without GB)	-2,12%	2,57%	2,68%	3,02%	1,55%
Net result (Company performance)	56,93%	2,57%	-9,33%	-59,94%	151,79%

The negative variation in the average remuneration of employees in 2017 (versus 2016) is justified by the fact that there were departures of employees with relevant salaries and well above the salaries of new hires.

On the other hand the change in employee remuneration in 2021 which stood at 1.55% reflected containment as a result of the current macroeconomic context.

There is no provision for the possibility of requesting the refund of a variable salary.

There is no deviation from the procedure for applying the remuneration policy.

78. Any amounts paid for any reason whatsoever by other companies in a control or group relationship or are subject to a common control

The remuneration earned by the members of the Management Body of Toyota Caetano Portugal S.A. during the years 2021 and 2020 in the exercise of their functions in entities included in the Toyota Caetano Portugal Group was as follows:

By other Group Companies	2020		2021	
	Fixed Component	Variable Component	Fixed Component	Variable Component
José Reis da Silva Ramos	- €	- €	- €	- €
Maria Angelina M. Caetano Ramos	301 560 €	- €	314 125 €	- €
Rui Manuel Noronha Mendes	- €	- €	- €	- €
Gisela Maria Falcão S. Pires Passos	- €	- €	- €	- €
Total	**301 560 €**	**- €**	**314 125 €**	**- €**

79. Remuneration paid in the form of profit-sharing and/or bonus payments and the reasons for said bonuses or profit sharing being awarded

The Company has not paid any remuneration to Directors in the form of profit sharing or bonuses.

80. Compensation paid or owed to former executive directors concerning contract termination during the financial year

During the year ended 31 December 2021 no executive directors functions were ceased and no compensation was paid to former directors.

81. Details on the amount relating to the annual remuneration paid as a whole and individually to members of the Audit Board for the purposes of Law No. 28/2009 of 19 June

The remuneration earned by the members of the Supervisory Board of Toyota Caetano Portugal S.A. during the years 2021 and 2020 in the exercise of their functions in the Company and in Group Companies was as follows:

José D. Silva Fernandes:

- 2020: 5.040 00€
- 2021: 5.040 00€

The remaining members of the Supervisory Board did not receive remuneration in 2021.

This amount was fully paid by Toyota Caetano Portugal S.A..

82. Year remuneration of the chairman of the general assembly

In 2021 the Chairman and Vice-Chairman of the Board of the General Meeting did not receive any remuneration.

V. AGREEMENTS WITH IMPLICATIONS REMUNERATION

83. The envisaged contractual restraints for compensation payable for the unfair dismissal of directors and the relevance thereof to the remuneration’s variable component

There are no contractual limitations provided for the compensation payable for dismissal without just cause of the Company's Directors or any form of termination of duties this matter being regulated by the provisions of the applicable legislation.

84. Reference to the existence and description with details of the sums involved of agreements between the company and members of the board of directors and managers pursuant to art. 248-b/3 of the 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))

There are no agreements for the payment of any compensation in addition to the legally due if the termination or dismissal is due to inadequate performance of the Director as well as providing for compensation in the event of dismissal dismissal without just cause or termination of the employment relationship following of a change of control of the Company.

VI. SHARE ALLOCATION AND/OR 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 in as much as the voting rights are not directly exercised by said employees (art. 245-a/1/e) PSC)

There is no system of employee participation in the capital so there is no justification for the existence of control mechanisms insofar as the voting rights are not exercised directly by them.

E. TRANSACTIONS WITH RELATED COMPANIES

I. CONTROL MECHANISMS AND PROCEDURES

89. Mechanisms implemented by the company for purposes of controlling transactions with related parties (please see the concept resulting from IAS 24)

Dated March 31 2021 the “Regulation on conflicts of interest and transactions with related parties” was approved by the Board of Directors which establishes the procedures and criteria that must be observed when approving transactions with any related party and the respective disclosure (Annex VI).

Non-recurring extraordinary operations that leave the normal exercise of the Company's activity as these are operations of relevance to the Company require the prior opinion of the Supervisory Board.

Any case of conflict of interest or detection of irregularities must be shared with the Supervisory Board under the terms of the policy for reporting irregularities.

90. Indication of the transactions which were subject to control in the reference year

Transactions of a commercial nature carried out between the Company and holders of qualifying holdings or entities that are in any relationship with them under the terms of article 20 of the Securities Code were carried out under normal market conditions and the transactions and respective balances may and additional information can be consulted in Note 36 of the Annex to the consolidated financial statements as of December 31 2021.

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 intervention and prior assessment of the Supervisory Board to be carried out between the Company and holders of qualifying holdings or entities that are in any relationship with them is governed by the provisions of the Regulation on conflicts of interest and transactions with related parties.

During 2021 no transactions were identified that required prior assessment by the Supervisory Board.

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

Businesses with related parties are described in Note 36 of the Annex to the consolidated financial statements of the 2021 Annual Report.

PART II - CORPORATE GOVERNANCE ASSESSMENT

1. Identification of the Corporate Governance Code adopted

The Company adopted the IPCG Corporate Governance Code of 2018 in the version updated in 2020 (which is published on the website of this institution at https://cgov.pt/base-de-dados/codigos-de-governo) as it understands that it ensures an adequate level of protection of shareholders' interests and company's corporate governance transparency.

2. Compliance with Corporate Governance Code adopted

RECOMMENDATIONS	COMPLIANCE	REPORT

Chapter I. GENERAL DISCLOSURES I.1. Company’s relationship with investors and disclosure		
I.1.1. The Company should establish mechanisms to ensure the timely disclosure of information to its governing bodies shareholders investors and other stakeholders financial analysts and to the markets in general.	Adopted	Items 21 56 and 58 to 65
I.2. Diversity in the composition and functioning of the company’s governing bodies		
I.2.1. Companies should establish standards and requirements regarding the profile of new members of their governing bodies which are suitable according to the roles to be carried out. Besides individual attributes (such as competence independence integrity availability and experience) these profiles should take into consideration general diversity requirements with particular attention to gender diversity which may contribute to a better performance of the governing body and to the balance of its composition.	Adopted	Items 16 to 19 26 31 and 31 to 3 and Internal Regulations of th Board of Directors and Superviso Board
I.2.2. The company’s managing and supervisory boards as well as their committees should have regulations — namely regulating the performance of their duties their Chairmanship periodicity of meetings their functioning and the duties of their members — disclosed in full on the company’s website. Minutes of the meetings of each of these bodies should be drawn out.	Adopted	Items 22 and 34
I.2.3 The composition and the number of annual meetings of the managing and supervisory bodies as well as of their committees should be disclosed on the company’s website.	Adopted	Items 23 and 35 and company website

I.2.4. A policy for the communication of irregularities (whistleblowing) should be adopted that guarantees the suitable means of communication and treatment of those irregularities with the safeguarding of the confidentiality of the information transmitted and the identity of its provider whenever such confidentiality is requested	Adopted	Item 49 and company's website
I.3. Relationships between the company bodies		
I.3.1. The bylaws or other equivalent means adopted by the company should establish mechanisms that within the limits of applicable laws permanently ensure the members of the managing and supervisory boards are provided with access to all the information and company's collaborators in order to appraise the performance current situation and perspectives for further developments of the company namely including minutes documents supporting decisions that have been taken calls for meetings and the archive of the meetings of the managing board without impairing the access to any other documents or people that may be requested for information.	Adopted	Items 21 59 to 65
I.3.2. Each of the company's boards and committees should ensure the timely and suitable flow of information especially regarding the respective calls for meetings and minutes necessary for the exercise of the competences determined by law and the bylaws of each of remaining boards and committees	Adopted	Item 21
I.4 Conflicts of interest		
	Adopted	Items 49 and 89 and respecti

		Regulations
I.4.1. The members of the managing and supervisory boards and the internal committees are bounded by internal regulation or equivalent to inform the respective board or committee whenever there are facts that may constitute or give rise to a conflict between their interests and the company's interest.	Adopted	Items 49 89 and respecti Regulations
I.4.2. Procedures should be adopted to guarantee that the member in conflict does not interfere in the decision-making process without prejudice to the duty to provide information and other clarifications that the board the committee or their respective members may request.		
I.5. Related party transactions		
I.5.1. The managing body should disclose in the corporate governance report or by other means publicly available the internal procedure for verifying transactions with related parties.	Adopted	Item 89 and Regulation of Confli of Interest and Transactions wi Related Parties
I.5.2. The managing body should report to the supervisory body the results of the internal procedure for verifying transactions with related parties including the transactions under analysis at least every six months.	Adopted	Items 80 90 and Regulation Conflict of Interest and Transactio with Related Parties
Chapter II · SHAREHOLDERS AND GENERAL MEETINGS		
II.1. The company should not set an excessively high number of shares to confer voting rights and it should make its choice clear in the corporate governance report every time its choice entails a diversion from the general rule: that each share has a corresponding vote.	Not Adopted	Given the size of the Company th shareholder structure and the lo liquidity of the securities this wa the option that the shareholde considered to be the mo

		appropriate
II.2. The company should not adopt mechanisms that make decision making by its shareholders (resolutions) more difficult specifically by setting a quorum higher than that established by law.	Adopted	It is understood that taking certa decisions requiring a qualifie majority protects minori interests.
II.3. The company should implement adequate means for the remote participation by shareholders in the general meeting which should be proportionate to its size.	Adopted	Item 12
II.4. The company should also implement adequate means for the exercise of remote voting correspondence and electronic means.	Adopted	Item 12
II.5. The bylaws which specify the limitation of the number of votes that can be held or exercised by a sole shareholder individually or in coordination with other shareholders should equally provide that at least every 5 years the amendment or maintenance of this rule will be subject to a shareholder resolution — without increased quorum in comparison to the legally established — and in that resolution all votes cast will be counted without observation of the imposed limits.	Not Applicable	Item 12
II.6. The company should not adopt mechanisms that imply payments or assumption of fees in the case of the transfer of control or the change in the composition of the managing body and which are likely to harm the free transferability of shares and a shareholder assessment of the performance of the members of the managing body.	Adopted	Item 4
Chapter III · NON-EXECUTIVE MANAGEMENT		

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 Applicable	There are no Independe Administrators Items 17 and 18
III.2. The number of non-executive members in the managing body as well as the number of members of the supervisory body and the number of the members of the committee for financial matters should be suitable for the size of the company and the complexity of the risks intrinsic to its activity but sufficient to ensure with efficiency the duties which they have been attributed. The formation of such suitability judgment should be included in the corporate governance report.	Adopted	Items 17 and 18
III.3. In any case the number of non-executive directors should be higher than the number of executive directors.	Adopted	Items 17 and 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;	Not Adopted	Items 17 and 18

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.			
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.	Adopted	Item 50	

III.7. Companies should have specialized committees separately or cumulatively on matters related to corporate governance appointments and performance assessment. In the event that the remuneration committee provided for in article 399 of the Commercial Companies Code has been created and should this not be prohibited by law this recommendation may be fulfilled by conferring competence on such committee in the aforementioned matters.	Adopted	The Company has a Remuneratio Committee which is als responsible as of 2022 for th appointment and performanc evaluation of the members of th governing bodies changing i name to the Nomination Apprais and Remuneration Committe Governance matters are handled b Grupo Salvador Caetano's legal ar compliance department.
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 22
IV.2. The managing body should ensure that the company acts consistently with its objects and does not delegate powers namely in what regards: i. the definition of the strategy and main policies of the company; ii. the organization and coordination of the business structure; iii. matters that should be considered strategic in virtue of the amounts involved the risk or special characteristics.	Adopted	Item 21
IV.3. In the annual report the managing body explains in what terms the strategy and the main policies defined seek to ensure	Adopted	Items 50 to 54 and Manageme Report

the long-term success of the company and which are the main contributions resulting therein for the community at large.		
CHAPTER V · EVALUATION OF PERFORMANCE REMUNERATION AND APPOINTMENT V.1. Annual evaluation of performance		
V.1.1. The managing body should annually evaluate its performance as well as the performance of its committees and executive directors taking into account he accomplishment of the company's strategic plans and budget plans the risk management the internal functioning and the contribution of each member of the body to these objectives as well as the relationship with the company's other bodies and committees.	Adopted	The Governing Body has r Commissions or Delegate administrators. The performanc evaluation of the Members of th Management Body is carried out a of 2022 by the Nominatic Appraisal and Remuneratic Committee. The Board itself w carry out its self-assessment at th account's approval meeting. Item 25.
V.2. Remuneration		
V.2.1. The company should create a remuneration committee the composition of which should ensure its independence from the management which may be the remuneration committee appointed under the terms of article 399 of the Commercial Companies Code.	Adopted	Items 66 and 67
V.2.2. The remuneration should be set by the remuneration committee or the general meeting on a proposal from that committee.	Adopted	Item 66
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	Adopted	Items 69 and 83 and remuneratic policy

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.		
V.2.4. In order to provide information or clarifications to shareholders the chair or in case of his/her impediment another member of the remuneration committee should be present at the annual general meeting as well as at any other whenever the respective agenda includes a matter linked with the remuneration of the members of the company's boards and committees or if such presence has been requested by the shareholders.	Adopted	Items 69 to 70 and regulation of th Nomination Appraisal ar Remuneration Committee.
V.2.5. Within the company's budgetary limitations the remuneration committee should be able to decide freely on the hiring by the company of necessary or convenient consulting services to carry out the committee's duties.	Adopted	Item 68
V.2.6. The remuneration committee should ensure that those services are provided independently and that the respective providers do not provide other services to the company or to others in controlling or group relationship without the express authorization of the committee.	Adopted	Item 68
V.2.7. Taking into account the alignment of interests between the company and the executive directors a part of their remuneration should be of a variable nature reflecting the sustained performance of the company and not stimulating the assumption of excessive risks.	Adopted	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	Not Adopted	According to the remuneratio policy it is possible to defer th

confirmation of the sustainability of the performance in the terms defined by a company's internal regulation.		Variable component but it ha been understood so far not to us this option.
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	As of 2022 the election of th members of the Governing Bodie will comply with the criteria set o in the internal regulations of eac governing body and will b preceded by an assessment human resources and th Nomination Appraisal ar Remuneration Committee.
V.3.2. The overview and support to the appointment of members of senior management should be attributed to a nomination committee unless this is not justified by the company's size.	Adopted	Function performed by th Nomination Appraisal ar Remuneration Committee fro 2022
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	Adopted	Function performed by th Nomination Appraisal ar Remuneration Committee fro

mechanisms of identification of potential candidates and that those chosen for proposal are those who present a higher degree of merit who are best suited to the demands of the functions to be carried out and who will best promote within the organization a suitable diversity including gender diversity.		2022
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	Items 21 50 to 52 and 54
VI.2. The supervisory board should be internally organized implementing mechanisms and procedures of periodic control that seek to guarantee that risks which are effectively incurred by the company are consistent with the company's objectives as set by the managing body.	Adopted	Items 50 to 55
VI.3. The internal control systems comprising the functions of risk management compliance and internal audit should be structured in terms adequate to the size of the company and the complexity of the inherent risks of the company's activity. The supervisory body should evaluate them and within its competence to supervise the effectiveness of this system propose adjustments where they are deemed to be necessary.	Adopted	Items 50 to 55
VI.4. The supervisory body should provide its view on the work plans and resources allocated to the services of the internal control system including the risk management compliance and internal audit functions and may propose the adjustments deemed to be necessary.	Not Adopted	
VI.5. The supervisory body should be the recipient of the reports prepared by the internal control services including the	Adopted	Items 54 55 and 89

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.			
VI.6. Based on its risk policy the company should establish a risk management function identifying (i) the main risks it is subject to in carrying out its activity; (ii) the probability of occurrence of those risks and their respective impact; (iii) the devices and measures to adopt towards their mitigation; (iv) the monitoring procedures aiming at their accompaniment.	Adopted	Items 54 and 55 and Manageme Report	
VI.7. The company should establish procedures for the supervision periodic evaluation and adjustment of the internal control system including an annual evaluation of the level of internal compliance and the performance of that system as well as the perspectives for amendments of the risk structure previously defined.	Adopted	Items 54 and 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.	Adopted	Item 34 and Internal Regulation the Supervisory Board	
VII.2 Statutory audit of accounts and supervision			
VII.2.1. By internal regulations the supervisory body should define according to the applicable legal regime the monitoring	Adopted	Item 34 and Internal Regulation the Supervisory Board	

procedures aimed at ensuring the independence of the statutory audit;			
VII.2.2. The supervisory body should be the main interlocutor of the statutory auditor in the company and the first recipient of the respective reports having the powers namely to propose the respective remuneration and to ensure that adequate conditions for the provision of services are ensured within the company	Adopted	Item 37	
VII.2.3. The supervisory body should annually assess the services provided by the statutory auditor their independence and their suitability in carrying out their functions and propose their dismissal or the termination of their service contract by the competent body when this is justified for due cause.	Adopted	Item 45	

Annex I   Professional Qualifications of Members:

. of the Board of Directors; .

. of the Supervisory Board and .

. of the Nomination Appraisal and Remuneration Committee

José Reis Da Silva Ramos

Birthdate: 15/08/1946 Location**:** Vila Nova de Gaia

PROFESSIONAL EXPERIENCE

Currently serves as Chairman of the Board of Directors in the following Companies:

- Rigor - Consultoria e Gestão S.A
- Caetano Auto S.A.
- Caetanobus - Fabricação de Carroçarias S.A.
- Lusilectra – Veículos. e Equipamentos S.A.
- Caetano Auto CV S.A.
- Portianga - Comercio Internacional e Participações S.A.
- Salvador Caetano - Indústria (SGPS) S..A.
- Salvador Caetano Auto África SGPS S.A.
- Fundação Salvador Caetano

Currently serves as a member of the Board of Directors in the following Companies

- Grupo Salvador Caetano SGPS S.A.
- Salvador Caetano Auto SGPS S.A:
- Caetano Aeronautic S.A.
- Caetano Renting S.A
- Atlântica – Comp. Portuguesa de Pesca S.A.

Currently works as a Manager in the following Companies:

- Soc. Imobiliária Quinta da Fundega Lda.
- Movicargo - Serviços Aduaneiros Lda.

EDUCATION

Degree in Metallurgical Engineering University of Porto

COMPLEMENTARY TRAINING

Frequency of Management Courses

Participation in National and International Seminars and Congresses

Knowledge of Spoken and Written English

OTHER ACTIVITIES

Vice-President of the Automobile Association of Portugal (ACAP) after serving as President of this Association between 2007 and 2013. At this time he accumulates this role with the position held since 1999 of President of the Industrial Association of Automobile Assembly (AIMA) which would later be integrated into ACAP. Honorary Consul General of Japan in Porto since 2002.

AWARDS

Kaizen Award 2018 awarded by the Kaizen Institute Portugal. This distinction reflects its direct involvement in the promotion of a business culture of continuous improvement and its attitude to do more and better every day in all areas and involving all the people of the Organization.

Professional Tribute of the Year by Rotary Club Gaia Sul in 2017 in recognition of his professional career and personal commitment to service to the community of Vila Nova de Gaia highlighting his contribution to the development of the region and employability.

Gold Municipal Merit Medal awarded by the Municipality of Ovar in 2016 for his personal commitment to local economic activity creation of jobs and maintenance of existing ones.

“Order of the Rising Sun Golden Rays with a Bow” in 2015. It is one of the highest distinctions granted by the Emperor of Japan to foreign citizens who have contributed greatly to the promotion of mutual understanding and friendship ties between the Japan and the other countries.

Medal of Merit of the Parish of Oliveira de Douro in 2013.

Honor Award awarded by ACAP in 2013 in recognition of the contribution and personal dedication given during the 2 terms he assumed as Chairman of the Board.

Gold Medal from the City of Vila Nova de Gaia in 2009 for his personal commitment to promoting local economic activity and community development.

Maria Angelina Martins Caetano Ramos

Birthdate: 18/08/1949 Location: Vila Nova de Gaia

PROFESSIONAL EXPERIENCE

Currently holds the position of Chairman of the Board of Directors in the following Companies:

- Salvador Caetano Auto SGPS S.A.
- Caetano Renting S.A
- Atlântica – Comp. Portuguesa de Pesca S.A.
- Auto Partner - Imobiliária S.A.
- Cociga – Construções Civis de Gaia S.A.
- Covim - Soc. Agrícola Silvícola e Imobiliária S.A.
- Salvador Caetano Capital SGPS S.A.

Currently holds the position of Vice-Chairman of the Board of Directors in the following Companies:

- Grupo Salvador Caetano SGPS S.A.

Currently holds the position of Member of the Board of Directors in the following Companies:

- Toyota Caetano Portugal S.A.
- Portianga – Com. Int. e Participações S.A.
- Caetano Baviera - Comércio de Automóveis S.A.
- Salvador Caetano Auto África SGPS S.A.
- Caetano Auto CV S.A.

EDUCATION

Degree in Economics University of Porto

Salvador Acácio Martins Caetano

Birthdate: 30/01/1955 Location**:** Vila Nova de Gaia

PROFESSIONAL EXPERIENCE

Currently serves as Chairman of the Board of Directors in the following Companies:

- Grupo Salvador Caetano SGPS S.A.
- Caetano Baviera – Comércio de Automóveis S.A.
- Caetano Retail SGPS S.A.
- Turispaiva – Soc. Turística Paivense S.A
- Lavorauto - Administração Imb. E Cons. de Empresas S.A.

Currently serves as Vice-Chairman of the Board of Directors at the following Company:

- Salvador Caetano-Auto SGPS S.A.

Currently serves as a Volgal on the Board of Directors in the following Companies:

- Toyota Caetano Portugal S.A.
- Rigor - Consultoria e Gestão S.A.
- Caetano Renting S.A.
- Portianga – Com. Int. E participações S.A.
- Cociga – Construções Civis de Gaia S.A.
- Salvador Caetano Auto África SGPS S.A.
- Simoga - Sociedade Imobiliária de Gaia S.A.
- Fundação Salvador Caetano

EDUCATION

Degree in Mechanical Engineering University of Porto

Miguel Pedro Caetano Ramos

Birthdate: 26/09/1971 Location: Vila Nova de Gaia

PROFESSIONAL EXPERIENCE

Currently holds the position of Chairman of the Board of Directors in the following Companies:

- Caetano Fórmula East África S.A.
- Caetano Mobility SGPS S.A.
- Caetanolyrsa S.A.
- Drive Angola S.A.
- Caetano Retail España S.A.U.

Currently holds the position of Vice-President of the Board of Directors:

- Lidera Soluciones S.L.

Currently holds the position of Vice-President of the Board of Directors:

- Toyota Caetano Portugal S.A
- Grupo Salvador Caetano SGPS S.A.
- Caetano Baviera - Comércio de Automóveis S.A.
- Salvador Caetano Capital (SGPS) S.A.
- Portianga - Comércio Internacional e Participações S.A.
- Caetano Retail SGPS S.A.
- Rigor - Consultoria e Gestão S.A.
- Salvador Caetano Auto SGPS S.A.
- Salvador Caetano Auto África SGPS S.A.
- Caetano Aeronautic S.A.
- Salvador Caetano Indústra SGPS S.A.
- Ibericar Barcelona Premium S.L.
- MAPFRE Seguros Gerais S.A.
- LATAM OPERACIONAL S.L.U.
- Caetanobus - Fabricação de Carroçaria S.A.
- Kinto Portugal S.A.

Currently holds the position of Manager in the following Companies:

- Robert Hudson Limitada
- Simba Caetano Fórmula   Limited
- Caetano Renting Angola LDA
- Caetano Peças - Comércio e Serviços (SU) Lda

2015 - 2022 - CEO Salvador Caetano Auto SGPS

2003 - 2015 - Responsible for International Strategy   Mergers   Acquisitions at Grupo Salvador Caetano

2002 - Responsible for the internationalization of the automotive sector in Spain

2000 - 2001 - Implementation of COL (Customer Oriented Logistics) Toyota

Development of IT strategies

Launch and implementation of Carplus - Used Car Megastore Concept

Toyota used car project implementation

1999 - 2000 - Launch of rent-a-car and fleet management operations (Guerin Finlog)

Acquisition and restructuring Altitude SW

Implementation of the PDN program (Toyota Business Development Plan)

1997 - Marketing and Sales Management Toyota Caetano Portugal

1994 - 1997 - Toyota Motorsports Management

1993 - Internship at Grupo Salvador Caetano in the After Sales area Toyota Caetano Portugal

EDUCATION

MBA in International Business and Finance European University

Degree in Mechanical Engineering University of Porto

COMPLEMENTARY TRAINING

2017 – Singularity University Executive Program Silicon Valley

2003 - Toyota Senior Management Development Program - IMD International Lausanne

Participation in national and international seminars and courses on Business Strategy and Business Management.

.

OTHER ACTIVITIES

Honorary General Consul of South Korea Porto

Tom Fux

Birthdate: 19/12/1973 **Localization:** Ljubljana Slovenia

PROFESSIONAL EXPERIENCE

2021 - Vice President Sales Business Unit Toyota Motor Europe

2020 - Vice President Mobility Toyota Motor Europe

2018 - Executive Director Toyota Fleet Mobility

2014 - President Toyota Germany 2012 - Sales Director Toyota Motor Europe

2010 - Planning and Toyota Motor Europe Sales

2008 - Sales Planning Manager Toyota Motor Europe

1998 - 2008 Sales and Marketing General Manager Toyota Adria

EDUCATION

Degree in Economics University Ljubljana

Bachelor's in marketing

Kiyohito Morimoto

Birthdate: 29/10/1960 Location**:** Osaka Japan

PROFESSIONAL EXPERIENCE

Exercised the functions of Member of the Board of Directors in the following Companies::

- Toyota Caetano Portugal SA
- Toyota Motor Europe NV/SA

EDUCATION

Degree in Engineering

Gisela Maria Falcão Sousa Pires Passos

Birthdate: 20/11/1971 Location: **Porto**

PROFESSIONAL EXPERIENCE

2021 - ongoing – CFO Financial Department Toyota Caetano Portugal SA

2015 - 2020 – Financial Department CaetanoBus Fabricação de Carroçarias SA

2005 - 2015 - Department of Studies and Strategic Planning - Rigor Consultoria e Gestão SA

2004 - 2005 - Studies and Projects Office - Fogeca SGPS SA

1999 - 2003 - Studies and Projects Office - Salvador Caetano IMVT SA

1997 - 1999 - Financial Management- Autovia Soc. Automóveis Lda

1994 - 1997 - Audit Department - Arthur Andersen

EDUCATION

Degree in Economics University of Porto

COMPLEMENTARY TRAINING

2021 - Ser Caetano Strategic Leadership Advanced Development Program (PDA) focused on the application of Neuroscience to Leadership Next Leader

2018/2019 - Ser Caetano Leadership Porto Business School

2018 - Performance Assessment Porto Business School

2017 - International Standards of Financial Reporting PWC VNGaia

2016 - Leading the future routes Program Porto Business School

2013 - Team Leadership Teambuilding

2013 - Introduction to Japanese language and culture Toyota Caetano Portugal

2008 - Mergers and Acquisitions Course EGP - University of Porto Business School

2008 - Business Spanish CESAE

2004 - Segmented Training - Incorporation Dissolution Liquidation and Transformation of Companies

2001 - Advanced Management Program for Executives Universidade Católica Portuguesa

OTHER ACTIVITIES

Member of the Board of Directors in the following Companies:

- Toyota Caetano Portugal SA

- Caetanobus - Fabricação de Carroçaria S.A.

- Salvador Caetano Indústria (SGPS) S.A.

- Kinto Portugal S.A.

José Domingos Silva Fernandes

Birthdate: 28/03/1951 Location**:** Porto

PROFESSIONAL EXPERIENCE

Currently serves as Chairman of the Supervisory Board at Caetano Baviera SA and at Toyota Caetano SA and as ROC at the following companies:

- Summertime - Sociedade Imobiliária SA
- Convemaia - Sociedade Imobiliária SA
- BDS SGPS SA 2001-2005
- Chairman of the Disciplinary Board of the Association of Statutory Auditors Since

1982 - Member of the Portuguese Association of Statutory Auditors having performed these functions in several public and private entities

1987-2011 Lecturer at the Instituto Superior de Contabilidade e Administração do Porto

1975-1993 - Technician of the General Inspection of Finance

EDUCATION

Accounting Course from the former Commercial Institute of Porto

Degree in Economics from the University of Porto

OTHER ACTIVITIES

Monitor of various training actions in the areas of Accounting and Taxation promoted by the Order of Certified Accountants and the Portuguese Association of Accountants

Antonieta Isabel da Costa Moura

Birthdate: 14/07/1971 Location**:** Porto

PROFESSIONAL EXPERIENCE

2017 - Present - Director of the Taxation Department Grupo Salvador Caetano

2007 - 2017 - Accounting Director Caetano Retail Portugal Salvador Caetano Group

2006 - 2017 - Financial Management Fifanta

2003 - 2005 - Financial Management Soporgás

1995 - 2003 - Senior Audit at Deloitte

EDUCATION

Degree in Economics University of Évora

COMPLEMENTARY TRAINING

Member of the Order of Certified Accountants (nº 59915)

2016 - Leading the future routes Program Porto Business School

2017 - International Financial Reporting Standards PWC VNGaia

2017/2018/2019 - EY's Annual International Tax Conference Global Tax Policy New York Marriott Marquis

2017/2018/2019 - Retreat Ahead of Tax EY National and International Trends in Taxation Torres Vedras

2018/2019 - Ser Caetano Leadership Porto Business School

2019 - Taxation of Assets and Liabilities Association of Statutory Auditors Accounts Porto

2020 - VAT and Quick Fixes Cuatrecasas Fundação AEP Porto

2020 - Corporate and labor reorganization Cuatrecasas E-learning 2020 - Tax Process Order of Solicitors E-learning

2020 - Financial restructuring - tax aspects Cuatrecasas E-learning

2020 - Recent changes in leases (IFRS and SNC) and tax effects Deloitte E-learning

2020 - Tax Function of the Future PWC E-learning

2021 - Tax and Customs Implications Brexit PWC E-learning

Continuing training in the areas of auditing accounting national and international taxation - Closing of accounts VAT Stamp Duty Heritage Taxation Electronic invoicing Global Tax Transfer pricing Enforcement of agreements International Double Taxation Digital Tax Compliance Permanent Establishment Across Europe Tax in supply chain.

OTHER ACTIVITIES

Member of the Supervisory Board - Caetanobus – Fabricação de Carroçaria SA

Alternate Member of the Supervisory Board - Salvador Caetano Auto SGPS SA

Daniel Broekhuizen

Birthdate: 26/07/1965 Location**:** Jutphaas The Netherlands

PROFESSIONAL EXPERIENCE

Works in the following companies:

- Member of the Supervisory Board Toyota Caetano Portugal SA
- Member of the Supervisory Board Toyota Motor Kazakhstan LLP
- Member of the Board of Directors Toyota Logistics Services Ireland Ltd

EDUCATION

Master's in management and International Taxation from Boston University / VUB Bachelor degree in Business Economics and Tax Law

Alberto Luís Lema Mandim

Birthdate:: 07/05/1939 Location: Porto

PROFESSIONAL EXPERIENCE

Worked as Executive Director in several companies in the automotive sector:

1979 to 1999 - Director of Administrative Division / Management Assistant Salvador Caetano IMVT SA

1966 to 1979 - Administrative and Financial Director Soc. Construções Soares da Costa SA

1964 to 1966 - Responsible for Accounting and Personnel Moto Meca RL

1961 to 1964 - Bank employee Banco Espírito Santo

EDUCATION

2008 - Evaluation of Companies CTOC

1990 - Analysis of Information Systems IBM

1964 - Accountant ICP

1966 - Official Accountant member n°3927 of the OTOC

1968 - Programming in FORTRAN EDP

1981 - Programming in RPG IBM

Francelim Costa da Silva Graça

Birthdate: 15/08/1952 Location**:** Cortegaça Ovar

PROFESSIONAL EXPERIENCE

Currently serves as Chairman of the Board of Directors - Caetano Energy SA

Member of the Remuneration Committee Toyota Caetano Portugal SA

Served as Executive Director in several companies in the automotive sector having exercised the functions of CEO

1990-2008 - Administrative and Financial Director of Baviera - Comércio de Automóveis SA. Amorim Brito & Sardinha Lda and Tovicar SA.

1985 – 1989 - Director of Management Control at Salvador Caetano IMVT

1982 – 1984 - Administrative and Financial Director at Weber Transportes SA. Transnautica-Transportes e Navegação Lda. and Transnautica -Viagens e Turismo Lda.

1979 – 1982 - Worked at the Salvador Caetano IMVT Company at Dep. Accounting

1978 - Professional internship at Siderurgia Nacional Ep in the financial procurement and national steel plan areas

1975 – 1978 - Worked as a teacher in secondary education in subjects in Accounting and Economics.

EDUCATION

Degree in Finance from the Higher Institute of Economics of the Technical University of Lisbon

Maria da Conceição Monteiro da

Birthdate: 20/05/1954 Location**:** Vieira do Minho

PROFESSIONAL EXPERIENCE

Currently she is a member of the Remuneration Committee of:

- Toyota Caetano Portugal S.A.
- Caetano Auto S.A.
- Caetano Baviera - Comércio de Automóveis S.A.

She has worked as Executive Director in several companies in the automotive sector having held roles as CFO and CEO

EDUCATION

Degree in Economics University of Porto

Annex II Internal Regulations of the Board of Directors

INTERNAL REGULATION OF THE BOARD OF DIRECTORS

of

TOYOTA CAETANO PORTUGAL SA

ARTICLE 1

COMPOSITION OF THE BOARD AND COMMITTEES

1. The Board of Directors has the composition that is decided by the General Meeting or by the articles of association and is made up of executive and non-executive members.

2. The Board of Directors elects its Chairman from among its members.

3. Non-executive members of the Board of Directors have a monitoring and supervisory role.

4. The Board of Directors may set up specialized committees all with an advisory nature in order to support the activities of the directors and to ensure maximum efficiency in the management of the work carried out by the Board of Directors.

5. Each of the committees will consist of a maximum number of five members appointed by the Board of Directors who may not be members of the Board of Directors.

6. The Board of Directors may delegate some of its powers to an executive committee or to delegated directors.

7. The Board of Directors may invite external persons to attend its meetings.

ARTICLE 2

PROFILE OF THE MEMBERS OF THE BOARD OF DIRECTORS

1. Only natural persons with the following profile can be appointed as members of the Board of Directors:

   a. License Degree or appropriate training for the performance of duties;

   b. More than 3 years of experience in similar functions;

   c. More than 8 years of professional experience;

   d. Presentation of a Certificate of No Criminal Records;

2. In addition to the above mentioned criteria the nominees must have a positive evaluation by the Nomination Appraisal and Remuneration Committee. For this purpose the alignment with the attitude and

the values “Ser Caetano” ("Being Caetano") should be evaluated as well as integrity and availability to perform their duties.

ARTICLE 3

SKILLS

1. The Board of Directors will perform its duties in accordance with the interest of the company and with the applicable legal and statutory provisions taking into account the general objectives and fundamental principles of the Company the long-term interests of its shareholders and the sustainable development of the Company's activity and its subsidiary(ies). Corporate governance must promote and enhance the performance of the company and consolidate the confidence of investors workers and the general public in terms of quality and transparency of the company's management audit and sustainable development.

2. It is incumbent upon the Board of Directors to ensure the management of the company's business and to carry out all operations related to the corporate purpose for which it is granted the broadest powers including those contained in the company's articles of association.

3. In particular the Board of Directors is responsible for:

   a. Creating branches agencies delegations or other local forms of representation both in Portugal and abroad.

   b. Installing or acquiring maintaining transferring or closing establishments factories laboratories workshops storages or warehouses;

   c. Acquiring disposing of and obliging in any way its own shares and bonds as resolved at the General Meeting;

   d. Acquiring real estate and with the prior opinion of the Audit Committee dispose of them.

   e. Negotiating with any credit institutions namely banks and any operations that it deems necessary namely taking out loans commercial paper issuance program under the terms conditions and form it deems convenient;

   f. Handling bank accounts depositing and withdrawing money issuing withdrawing accepting and endorsing bills of exchange promissory notes checks invoice statements and any other credit instruments;

   g. Confessing waiving or compromising any actions;

   h. Appointing representatives of the Company;

i. Defining the company's risk policies and strategic guidelines;

j. Protecting and enhancing the Company's heritage;

k. Implementing and ensuring compliance with the strategic lines of the company and of the companies controlled by it;

l. Caring for the continuity of the company within a long-term and sustainability perspective which incorporates economic social environmental and ethical considerations in the definition of the company's business and the business of the companies dominated by it;

m. Performing the other functions provided for in the statutes in other regulations or in the law.

4. The Board of Directors must carry out an annual self-assessment.

ARTICLE 4

APPOINTMENT OF THE COMPANY'S SECRETARY

It is the responsibility of the Board of Directors to appoint the permanent and alternate Company Secretary whose duties shall be those provided for in the Law namely to:

a) watch over the minutes and attendance list of the General Meeting of the Shareholders;

b) send the notices and other legal documents necessary for the General Meeting to be held;

c) supervise the preparation of supporting documents for the General Meeting and Board of Directors meetings and prepare the respective minutes of such meetings;

d) respond to requests for information from shareholders under the terms of the law;

e) proceed with the legal registration of any act or resolution of the Company's governing bodies.

ARTICLE 5

OPERATION

1. The Board of Directors ordinarily meets at least once a quarter and in addition whenever the Chairman or other members convene it.

2. Any director may be represented at Board's meetings by another Director by means of a letter addressed to the Chairman of the Board which shall specify the day and time of the meeting for which it is intended and which will be mentioned in the minutes and then filed.

3. The meetings of the Board of Directors may be held via electronic means under the terms provided for by law.

4. Without prejudice to a timely and adequate response to requests for information addressed to them by the Board of Directors the members of the established committees who are also members of the Board of Directors must summarily inform at each meeting of the Board the remaining members about the relevant facts relating to the execution of its attributions.

ARTICLE 6

QUORUM AND DELIBERATIONS

The Board of Directors shall deliberate under the terms of the law and the articles of association.

ARTICLE 7

RULES OF CONDUCT

In the exercise of their functions as members of the Board of Directors and of the committees constituted by the Board the following must be complied with:

a) Salvador Caetano Group's Code of Ethics and Conduct applicable to the company;

b) the procedures adopted in terms of transactions with related parties;

c) the procedures adopted in terms of conflicts of interest;

d) the procedures adopted for reporting irregularities;

e) the Company’s articles of association;

f) other regulation and applicable law.

ARTICLE 8

TRANSACTIONS WITH RELATED PARTIES AND CONFLICTS OF INTEREST

1. Transactions with related parties must be carried out in accordance with the law and regulations on conflicts of interest and transactions with related parties.

2. Each Director must promptly inform the Chairman of the Board of Directors of any interest direct or indirect that he/she may have on his/hers own behalf or that of a third party potentially or effectively in conflict with the interest of the Company in the context of a certain resolution or any other situation relating to

the Director or to a third party connected to the Director that may in that context limit their impartiality in any way describing the nature and extent of such interest or situation.

3. In that case the member in question must provide the board with all the information/clarification requested abstaining from voting on the decision in question.

ARTICLE 9

SHARING OF INFORMATION

The Chairmen of the Board of Directors and of the created committees will ensure in a timely and adequate manner the flow of information necessary for the exercise of the legal and statutory powers of each of the other bodies and committees facilitating in particular in a non-limiting manner the necessary resources to the availability of the notices minutes and supporting documents for the decisions taken.

ARTICLE 10

PERFORMANCE OF DUTIES IN ENTITIES OUTSIDE SALVADOR CAETANO'S GROUP

1. The members of the Board of Directors must annually communicate to the Board of Directors all entities outside Salvador Caetano's Group in which they exercise executive functions describing such functions.

2. The exercise of functions in other entities outside Salvador Caetano's Group will be allowed as long as it does not negatively affect the availability and commitment of the member in question to the Company.

ARTICLE 11

REMUNERATION

The remuneration of the members of the Board of Directors will be defined in accordance with the remuneration policy applicable to the company.

ARTICLE 12

NON-EXECUTIVE DIRECTORS

1. Non-executive members of the Board of Directors have a role in supervising the performance of the executive management.

2. The Board of Directors shall be responsible for granting its non-executive members an effective capacity to monitor evaluate and supervise the executive management of the Company namely by including an adequate number of non-executive Directors.

ARTICLE 13

STRATEGIC GUIDELINES AND RISK POLICY

The Board of Directors must ask the Audit Committee to monitor evaluate and provide an opinion on the strategic lines and risk policy defined by the management body

ARTICLE 14

FINAL PROVISIONS

Any amendment to these regulations is the exclusive responsibility of the Company's Board of Directors.

This Regulation enter into force on the date of their approval at a meeting of the Company's Board of Directors-28/02/2022.

This regulation is published on the Company’s website.

Annex III Internal Regulation of the Supervisory Board

INTERNAL REGULATION OF SUPERVISIONARY BOARD

TOYOTA CAETANO PORTUGAL SA

ARTICLE 1

CONSTITUTION

1. The Audit Committee consists of three permanent members and two alternates under the terms of the articles of association elected by the Company's General Meeting.

2. The General Meeting shall appoint the Audit Committee’s Chairman.

3. The alternate members will be responsible for replacing the permanent members who are prevented or who have ceased their functions and shall remain in their position until the next General Meeting which will fill the vacancy. If there are no alternates a new election will be carried out by the General Meeting.

ARTICLE 2

INDEPENDENCE AND INCOMPATIBILITIES

1. The members of the Audit Committee must meet the independence requirements established in article 414 (5) of the Commercial Companies Code and must not be in any situation of incompatibility as established in article 414 of the same legal instrument.

2. If during the course of their mandate any fact occurs that results in the loss of independence or incompatibility the concerned member must immediately inform the Chairmen of the Audit Committee and the Board of Directors as well as the Statutory Auditor of the Company.

3. The occurrence of any reason for incompatibility established in article 414-A of the Commercial Companies Code determines the termination of the designation.

ARTICLE 3

PROFILE

a. In addition to the independence and compatibility requirements members of the Audit Committee must meet the following criteria:

    a. License Degree or appropriate training for the performance of duties;

    b. More than 3 years of experience in similar functions;

c. More than 8 years of professional experience;

d. Presentation of a Certificate of No Criminal Records;

b. In addition to the above-mentioned criteria the nominees must have a positive evaluation by the Nomination Appraisal and Remuneration Committee. In this context the alignment with the attitude and values “Ser Caetano” ("Being Caetano") should be evaluated as well as competence integrity and availability to perform their duties.

ARTICLE 4

JURISDICTION

It is incumbent to the Audit Committee to:

a) Supervise the management of the company;

b) Monitor compliance with the law and the articles of association;

c) Check the conformity of the books accounting records and supporting documents;

d) Verify the accuracy of the accountability documents;

e) Check that the accounting policies and valuation criteria adopted by the Company lead to a correct valuation of the assets and results;

f) Comment on the company's strategic guidelines and risk policy;

g) Supervise the adequacy of the process of preparing and disclosing financial information by the management body including the adequacy of accounting policies estimates and relevant disclosures and their consistent application between financial years;

h) Monitor the effectiveness of the risk-management system of the internal control system and of the internal audit system if applicable;

i) Receive reports of irregularities presented by shareholders company employees or others as well as conflicts of interest and analyze them together with the Compliance Committee of the Group Salvador Caetano in accordance with the company's irregularities communication policy;

j) Hire whenever necessary the services of specialists to assist one or more of its members in the performance of their duties. The hiring and remuneration of specialists should take into account the importance of the matters entrusted to them and the company's economic situation;

k) Carry out all verification and inspection acts deemed necessary for the fulfillment of its supervisory obligations;

l) Give a prior opinion on the sale of real state;

m) Participate in board meetings and attend general meetings as well as administration meetings whenever the chairman convenes or when the accounts for the year are assessed;

n) Exercise a conscientious and impartial supervision;

o) Keep confidential any facts and information that they become aware of by virtue of their duties without prejudice to the provisions of the law;

p) Inform the management of any checks inspections and investigations that have been done and the results thereof;

q) Inform shareholders of any irregularities and inaccuracies that might have been verified as well as obtaining the clarifications needed to perform their duties;

r) Record in writing all checks audits complaints and investigations that have been made or received and the results thereof;

s) Approve in advance the provision of audit services as well other services additional to the auditing provided by the external auditor or by any entities that are in a participation relationship with the auditor or that are part of the same network and approve the respective remuneration ensuring that the provision of services is permitted by law does not exceed reasonable limits and does not prejudice the independence of the external auditor;

t) Supervise the activity developed by the internal audit if any;

u) Define the necessary procedures to ensure the independence of the Official Auditor and/or External Auditor proposing adequate remuneration for the performance of their duties and ensuring that they have adequate conditions for their provision of services;

v) To be the main representative of the Official Auditor and/or External Auditor interacting directly with him and receiving first-hand the related reports;

w) Issue a prior report on transactions under the terms defined in the regulation on conflict of interests and Transactions with Related Parties;

x) Annually evaluate the External Auditor/Official Auditor and propose their dismissal whenever it proves to be justified and appropriate.

y) Comply with the other duties of the law or the articles of association.

c. Bearing in mind the performance of its duties the Audit Committee will define its annual activity plan and calendar and will obtain from the Board of Directors the information necessary for the exercise of its activity.

d. The Audit Committee will carry out a self-assessment of its activity and performance annually;

e. The Audit Committee will prepare a report annually on its supervisory action for the financial year and will issue an opinion on the report accounts and proposals presented by the Management in order to comply with the legal deadlines for disclosure considering the date established for the annual General Meeting. The Audit Committee's report shall include all conclusions on related party transactions.

ARTICLE 5

OBLIGATIONS

The Audit Committee and each of its members must comply with the obligations imposed by law as members of the supervisory body of a public company with shares admitted to trading on a regulated market.

ARTICLE 6

OPERATION

1. The Audit Committee shall meet at least every quarter and in addition whenever the Chairman convenes it (or at the convening of two of its members) on its own initiative or at the request of the Chairman of the Board of Directors.

2. Decisions are taken by a majority of the members of the Audit Committee and the reasons for dissenting votes must be recorded.

3. Internal and external auditors and the Statutory Auditor will be present at the meetings of the Audit Committee as appropriate to the content of the matters discussed as well as a representative of the Board of Directors whenever meetings deal with the analysis of the Company's operational or financial evolution.

4. Minutes of the meetings are to be recorded and entered in the respective book and shall be signed by all participants.

ARTICLE 7

CONFLICT OF INTERESTS

1. Members of the Audit Committee are obliged to inform the Chairman of the Audit Committee whenever there are facts that may constitute or give rise to a conflict between their interests and the social interest.

2. In the event of a conflict of interest the member concerned must provide the Committee with all the information and clarifications requested abstaining from voting on the decision in question.

ARTICLE 8

TERM

1. This Regulation was approved by all the members of the Audit Committee and enter into force on the date of their approval – 28/02/2022
2. Any amendment to this regulation is the exclusive responsibility of the Audit Committee.
3. This regulation is published on the Company’s website.

Annex IV Remuneration Policy

TOYOTA CAETANO PORTUGAL SA

REMUNERATION POLICY

The setting of the remuneration of the members of the corporate bodies of Toyota Caetano Portugal SA (public-held company) must take into account as a general principle the role performed by each of the members the Company's economic situation and the market situation in that it is included being established in accordance with the provisions of law 50/2020 the CMVM regulations and the Commercial Companies Code.

In particular it should take into account the following principles:

- Company's Competitiveness;
- Effectiveness of exercising the functions and associated responsibilities;
- Equity;
- Evaluation of the performance of the members of the governing bodies included in this remuneration policy according to the roles and level of responsibility assumed;
- Alignment of the interests of the members of the governing bodies concerned in this remuneration policy with the interest of the Company;
- Economic Perspectives of the Company;
- Clearness and transparency;
- Consistency with prudent risk management and control;
- Adaptation to the long-term objectives and interests of the company its customers employees and shareholders;
- Conjunction with the policy of distribution of dividends to shareholders and premiums to be paid to employees;
- Proportionality;
- Equality;

By following the above principles setting maximum remuneration parameters and the policy described herein it is intended to ensure that the company will not incur excessive costs in relation to its financial capacity.

I. SCOPE

This policy applies to members of the management and supervisory bodies of Toyota Caetano Portugal SA.

II. FRAMEWORKD OF THE REMUNERATION POLICY

1. The remuneration of the members of the company’s management and supervisory bodies and all employees shall be appropriate to the company's business strategy its interests and objectives as well as its sustainability.
2. For the purposes of the previous number the principles listed above must be followed in general terms as well as the following:
    a. Alignment of the interests of the members of the management bodies with the interests of the company which can be done through variable components of remuneration and other benefits to be specified.
    b. Individual performance should be a criterion for determining the variable component of remuneration if applicable without prejudice to other criteria which may be relevant the performance of the company itself and the macroeconomic.
    c. Medium- and long-term interests of the company.
    d. The national and international context particularly in the sectors where the company is part.
3. This remuneration policy especially regarding executive directors considers the employment conditions and remuneration of employees of the company as a whole aiming at a level of balance and internal equity.

III. REMUNERATION

i. MEMBERS OF THE BOARD OF DIRECTORS

The members of the board of directors are remunerated as follows:

- The remuneration shall be composed of a fixed part and eventully a variable part.

- Fixed remuneration amounts shall accompany the salary policy to be applied to other employees and consider the roles performed on the one hand and market practices for similar responsibilities on the other.
- The fixed remuneration is defined by the remuneration committee and by this review annually unless otherwise agreed and it will correspond to a monthly salary paid 14 times.
- There is no place for payment of attendance fees.
- The existence or not of a variable remuneration will be defined annually by the Remunaration Committee and its calculation is based on an annual individual performance assessment. This assessment is based on a set of quantitative indicators that must be in line with the company's strategic objectives and on qualitative aspects considered essential for the long-term sustainability of the business namely:
  - Quantitative KPI's:

    Compliance with the company's global budget

    - Turnover (in Mio€)

    - EBITDA (% on Turnover)

    - EBT (% on Turnover).
  - Qualitative KPI's: Compliance with Ser Caetano values (Ambition / Commitment / Trust / Cooperation / Responsibility)
- Quantitative individual targets weigh 90% in the calculation of individual performance and reflect financial performance related to the company's actual growth and the return generated for shareholders. Qualitative individual goals weigh 10% when calculating individual performance.
- The assignment of the annual variable component must meet the following criteria:
  - Annually values/weight will be defined for each of the indicators identified.
  - Considering individual performance and applying the above metrics variable remuneration will take place or not.
- Variable remuneration may be paid in cash or in kind.
- The evaluation process of the directors' performance is annual with half-yearly monitoring based on concrete evidence and made availableto the Remuneration Committee for regular monitoring of the level of compliance of the approved targets.

- The variable remuneration of the members of the Board of Directors as a whole shall not exceed 3% of the distributable profits calculated in the financial year concerned.
- The payment of variable remuneration may be deferred for a period of up to 3 years if that is the decision of the Remuneration Committee.
- The company cannot request the variable remuneration already delivered.
- To the extent that the company's performance is one of the criteria for determining the variable remuneration of the members of the management body its deterioration may justify given the specific circumstances the limitation of such remuneration under the terms and conditions to be decided by the Remuneration Committee.
- Non-executive board members are not remunerated.

ii. MEMBERS OF SUPERVISORY BODY

The members of the supervisory board may be remunerated in which case they must receive a maximum remuneration equivalent to a monthly minimum wage in force in Portugal at the date of their attribution for 14 months.

IV. OTHER BONUSES AND BENEFITS

Members of the governing bodies may be granted non-cash supplementary benefits under the terms and conditions to be deliberated by the Remuneration Committee.

The Salvador Caetano Group assigns to all employees of the company a supplementary pension plan under the Salvador Caetano Group Pension Fund which can be extended to members of the bodies of the company with the following rules.

Plan A - (Defined Benefit): Covers all employees (including directors) who as of 01.01.2008 had already completed cumulatively 50 years of age and 15 years of service in the company. It consists in the right to a supplementary pension paid by the Pension Fund equivalent to 20% of the last pensionable salary and this supplementary pension will only be guaranteed if the Employee/Member of the Corporate Body reaches the legal retirement age at the service of the company.

Plan B – (Defined Contribution): Covers all other employees. It consists in the right to a supplementary pension paid by the Pension Fund calculated as follows: Every year the company contributes to the Pension Fund with an amount corresponding to 3% of the gross annual salary of each covered employee by this Plan this value being allocated to the employer. Upon reaching the company's statutory retirement age the accumulated value of contributions plus the income generated in the meantime will be transformed into a life annuity to be paid to the Employee/Member of the Governing Body.

Additional non-cash benefits that may be awarded to members of the governing bodies should not have a relevant weight representing less than 10% of the total remuneration cost.

V. APPOINTMENT

The members of the governing bodies are appointed by the general meeting for a maximum term of 4 years renewable in compliance with the articles of association and applicable law.

VI. CONTRACTS OR AGREEMENTS WITH THE MEMBERS OF THE COMPANY'S GOVERNING BODIES

- There are currently no contracts or agreements with members of the company's supervisory or management bodies.
- The right to receive compensation or indemnification is not provided for to the members of the corporate bodies beyond that provided for in the legal terms.

VII. VERIFICATION OF COMPLIANCE WITH THIS POLICY

The remuneration committee shall receive annually elements justifying the financial and non-financial elements considered for the attribution of fixed and variable remuneration validating its agreement with the criteria and methods defined in this policy.

VIII. VALIDITY OF THIS POLICY AND PREVENTION OF CONFLICTS OF INTEREST

This policy was prepared and signed by all members of the company's Remuneration Committee with the objective of being proposed to the General Meeting to be held on 30 November 2021 coming into force from 1 Jan. 2022 in relation to fiscal year 2022.

The supervision and inspection of the application and compliance with this policy must be carried out throughout each financial year by the company's Remuneration Committee which must be independent from the management and supervisory bodies to avoid any conflicts of interest.

The members of the management and supervisory bodies as such are prevented from voting on any resolutions of the respective governing bodies that have as their object or are related to their own remuneration.

Pursuant to and for the purposes of number two of article 26-F of the CVM this remuneration policy is in force until the company's General Meeting approves a new remuneration policy.

The review of this remuneration policy and any changes to it are the responsibility of the company's remuneration committee and are subject to the decision of the Company's General Meeting.

The company may temporarily derogate from the Remuneration Policy if such derogation is necessary exceptionally to serve long-term interests and its sustainability or to ensure its viability under the terms and for the purposes of article 26-D of the CVM.

Derogation from the remuneration policy under the terms set out above shall be decided by the company's remuneration committee.

IX. PUBLICATION

This policy is published on the company's website and must remain available to the public at least while it is in force and must also mention the date of the General Meeting in which it was approved as well as the results of the vote.

Approved by the remuneration committee at 27th October 2021 and approved by the shareholders meeting at 30th November 2021.

Annex V Policy for the communication of irregularities

TOYOTA CAETANO PORTUGAL SA

POLICY FOR THE COMMUNICATION OF IRREGULARITIES

I. Communication of Irregularities

Toyota Caetano Portugal SA hereinafter referred to as "TCAP" has developed in compliance with the law namely law Nº. 93/2021 20th of December the IPCG recommendation I.2.4 and its corporate and social responsibility a procedure for reporting irregularities with the objective of implementing conditions for the timely detection of possible irregularities so that they can be resolved.

II. Scope of application - Definition of Irregularities

Irregularities are considered to be all situations that may

a. substantiate illegal practices infractions or irregularities related to violations of laws regulations statutory deontological or professional ethics standards by members of the governing bodies and employees of TCAP or companies controlled by it in the exercise of their professional positions;

b. jeopardize the assets of TCAP and companies controlled by it as well as the assets of customers shareholders suppliers and business partners of TCAP or any company controlled by it;

c. affect good management practices and the image or reputation of TCAP or any company controlled by it.

d. Any other situation under nº. 1 of article 2º of Law 93/2021 20th December;

Complaints presented regarding the quality of services or products provided/sold by TCAP or any company controlled by TCAP or any fact that goes beyond the provisions of this clause will not be considered irregularities for the purposes set forth herein.

III. Procedure for Communicating Irregularities

a. Any communication of facts susceptible of framing an irregularity under the terms of clause II above must be made in writing by e-mail or letter addressed in both cases to the Chairman of the Audit Committee to the following addresses:

(i) E-mail address: compliance@salvadorcaetano.pt

(ii) Mailing Address:

C/O Chairman of the Audit Committee

Toyota Caetano Portugal SA

Av. Vasco da Gama 1410

4430- 247 Vila Nova de Gaia

b. The communication must contain a description of the facts that support it and whenever possible included in a format material or digital that guarantees its respective inviolability until its reception by the respective recipient.

IV. Confidentiality. Personal Data

a. The confidentiality of the communication author’s identity is always assured and the identity it will only be known to the members that make up the Audit Committee and Salvador Caetano's Group Compliance Committee which advises the Audit Committee in the investigation process of reported irregularities not being shared with third parties.

b. The communication author’s identity can be shared only in case of legal obligation or a court decision or with the express consent of the author.

c. The confidentiality of the identity of the author of the communication will not prevent him/her from being contacted by the members of the Audit Committee and/or by the members of the Compliance Committee in order to better determine information that may be considered relevant.

d. The author of the communication of the Irregularity is guaranteed the right to information access elimination and rectification of his/her Personal Data except to the extent that the exercise of these rights may conflict with other rights that must prevail such as compliance with legal obligations or legitimate orders from authorities or that could jeopardize the effectiveness of ongoing investigations. Under no circumstances may the Author of the Irregularity be provided with the identity of the author of the communication unless authorized by the latter.

e. The personal data collected within the scope of this process will be processed by TCAP or companies controlled by it which is the entity responsible for its treatment. The personal data protection policy can be consulted at: https://toyotacaetano.pt/en/investors/corporate-governance/ available on the tab “policies and regulations” drafted according to the applicable law in particular nº. 1 of article 19º of Law 93/2021 20th of December.

V. Conflicts of interest

The members of the corporate bodies and committees of the company must immediately inform the respective body (or the respective committee) about any facts that may constitute or give rise to a conflict between their interests and the social interest. This communication must then be communicated to the Chairman of the Audit Committee.

VI. Investigation of Irregularities and Conflict of Interest

a. TCAP's Audit Committee will transmit the communications received to the Compliance Committee and both bodies will carry out together all investigative steps on the facts that may substantiate irregularities or conflicts of interest under the terms of this regulation. They will have access to all instruments considered relevant and that may be provided for this purpose by the company and/or its subsidiaries.

b. As a way of guaranteeing the transparency and impartiality of the investigation and decision-making process people who may directly or indirectly have a conflict of interest with the subject under investigation will be automatically excluded from it.

VII. The process of Handling Irregularities

a. The Audit Committee and the Compliance Committee must ensure when analyzing irregularities that are reported to them that they are promptly dealt with.

b. The Audit Committee or the Compliance Committee must inform the author of the communication:

   i. In 7 days about the receipt of the communication and the rights established on the nº. 2 of article 7 article 12º and article 14º of the Law 93/2021 20th of December;

   ii. In three months about the conclusion of the investigation process and what possible measures have been applied as a result of the investigation process of the reported irregularity.

c. If the reported Irregularity is subject to disciplinary liability or relates to a labor issue it must be forwarded to Human Resources always complying with the obligation to assure the author’s identity confidentiality.

VIII. Conclusions of the Evaluation Process and Corrective Measures

a. Upon completion of the investigation process following it and whenever this is recommended or necessary the Audit Committee or the Compliance Committee will propose to the governing bodies of TCAP or to the governing bodies of any other company controlled by it the adoption of measures deemed necessary to remedy the reported irregularity proven by the investigation process.

b. On a quarterly basis the Audit Committee shall communicate to TCAP's Board of Directors the list identifying the irregularities and/or conflicts of interest that were communicated to it (from TCAP and companies controlled by it) as well as an indication of the corrective measures that might have been applied.

IX. Prohibition of Reprisals

a. TCAP guarantees under the law 93/2021 20th of December that it will not allow in the company and in companies controlled by it the author of any complaint to suffer reprisals as a result of it namely dismissal suspension or any type of harassment.

b. The exclusion referred to in the previous paragraph will not apply in case of possible participation of the author in the commission of any irregularity object of the complaint or in case of evidence of the author's bad faith in issuing a complaint that he/she knew to be unfounded.

Policy approved by the Board of Directors held on 28/02/2022 with entry into force on the aforementioned approval date and published on the Company’s website.

Annex VI Regulation of conflicts of interest and related parties’ transactions

TOYOTA CAETANO PORTUGAL SA

REGULATION ON CONFLICTS OF INTEREST AND RELATED PARTIES' TRANSACTIONS

FIRST

(Objective)

The present regulation aims to define the rules related to conflicts of interest and transactions with related parties in which Toyota Caetano Portugal SA is a party (hereinafter the "Company") in addition to the internal mechanisms that the Company has in force for the purposes of complying with the international accounting standard (IAS) 24 and the CVM (Securities market code) without prejudice to the other obligations of the Company.

SECOND

(Procedures and criteria)

1. The transactions to be entered into between the Company or any subsidiary on the one hand and any Related Party on the other must be carried out (i) within the scope of the current activity of the Company or any of its subsidiaries (ii) under market normal conditions.
2. Transactions with Related Parties that do not meet the requirements set out in the previous paragraph must be approved by the Board of Directors after a previous opinion issued by the Fiscal Council.
3. Within the scope of the internal control mechanisms of Transactions with Related Parties the following procedures and criteria must be respected:
   a. Until the end of the month following the end of each quarter the Board of Directors will verify and transmit to the Fiscal Council the value and nature of the Transactions carried out in the previous quarter with each Related Party;
   b. The Fiscal Council must assess all transactions that took place and verify that they all followed the criteria set out in the previous paragraph 1.
   c. The execution of Transactions with Related Parties will be submitted to a prior opinion of the Fiscal Council followed by a specific decision of the Board of Directors in the following cases:
      i. Transactions whose value per transaction exceeds 1% of the value of the total assets of the company;
      ii. Transactions carried out exceptionally outside normal market conditions regardless of their value.

d. D. The previous opinion of the Fiscal Council as well as the specific resolution of the Board of Directors will not be necessary when respecting contracts with continuous execution or renewals in terms substantially similar to the contract previously in force.

e. E. For the purposes of assessing the transaction in question and issuing the opinion by the Fiscal Council the Board of Directors must provide the Fiscal Council with the necessary information and a suitable justification.

THIRD

(Disclosure of transactions)

Without prejudice to compliance with the rules applicable to the disclosure of transactions with Related Parties as defined by the applicable legal and regulatory rules and other information obligations to which the Company is bound at any time transactions with related parties must in any case be disclosed to the market under the terms of the current legislation and / or accounting rules namely IAS 24 and Law 50/2020.

FOURTH

(Conflict of interests)

1. There is a Conflict of Interest whenever any decision maker or participant in a decision-making process is in a position that viewed objectively is likely to compromise its independence and cause in its judgment influence of interests other than the interests of the Company.

2. With a view to adequate prevention identification and resolution of conflicts of interest it is the duty of decision-makers and / or participants:

    a. Communicate the existence of a conflict of interest although potential to the superior or in the case of a member of a collegiate body to the body in question;

    b. Refrain from interfering or participating in the decision-making process whenever they are in conflict of interest and record this impediment in the minutes or in another written document that documents the decision without prejudice to the duty to provide the information and clarifications that the body concerned and its members request it.

The present regulation was approved by the Fiscal Council on the day 31 March 2021 and by the Board of Directors on the same day and shall take effect immediately.

Annex VII Internal Regulation of the Nomination Appraisal and Remuneration Committee

RULES OF PROCEDURE OF THE NOMINATION APPRAISAL AND REMUNERATION COMMITTEE

TOYOTA PORTUGAL SA

Article 1

(Scope)

1. The present regulation establishes the rules for the functioning of the Nomination Appraisal and Remuneration Committee (hereinafter “Committee”);

2. The Committee is established in accordance with the provisions of number 1 of article 399 of the Commercial Companies Code and article 26 of the articles of association and in compliance with the provisions of the Securities Code and the recommendations on corporate governance of the Portuguese Institute of Corporate Governance (IPCG);

3. The provisions of this Regulation apply to all members of the Nomination Appraisal and Remuneration Committee who must observe the rules contained therein regardless of when and how they are appointed.

Article 2

(Composition and Term)

1. The Nomination Appraisal and Remuneration Committee is composed of three members appointed by the General Meeting in accordance with the provisions of article 26 of the Articles of Association with adequate knowledge and experience in matters of remuneration policy.

2. The term of office of the members of the Nomination Appraisal and Remuneration Committee shall be four calendar years renewable with reference to the calendar year of the appointment.

3. The resolution that elects the members of the Nomination Appraisal and Remuneration Committee also designates the respective Chairman.

Article 3

(Powers)

As part of its duties and without prejudice to other powers assigned to it by the Company's Board of Directors it is in particular the responsibility of the Committee with regard to the governing bodies:

(A) In terms of appointment:

a. To assess the suitability of the profile knowledge and curriculum of members of the governing bodies to be designated;

b. To make its terms of reference available and to the extent of its competencies to induce transparent selection processes that include effective mechanisms for identifying potential candidates and to choose those with the greatest merit who best suit the requirements of the role and that promote within the organization adequate diversity including gender;

c. To follow up and support the designation of senior management of the Company

(B) In terms of evaluation:

a. To monitor the management's performance evaluation system and as well as the Company's remuneration system;

b. To give an opinion on the proposals for the annual individual performance evaluation of the members of the Executive Committee if any issued by the company's human resources;

c. To monitor the overall assessment of the performance of the Board of Directors as a body taking into account the compliance with the Company's strategic plan and budget risk management its internal functioning and the contribution of each member to the achievement of the company's results as well as its alignment with the interests of the company.

(C) In terms of remuneration:

a. To submit a remuneration policy proposal for consideration and approval by the General Meeting at least every four years and whenever there is a significant change in the current remuneration policy.

b. To approve or submit for approval by the General Meeting for each term of office the maximum amount of all compensation to be paid to the member of any body or committee of the company in accordance with the respective termination of duties;

c. To monitor the dissemination of external information on the company's remuneration and

remuneration policy.

Article 4

(Powers of the Members)

1. Without prejudice to other powers granted to them by the present regulation the members of the Committee may acting jointly or separately obtain from the members of the various governing bodies all clarifications and information regarding the Company necessary for the performance of their duties.

2. For the performance of their duties the members of the Committee may be assisted by experts specially hired for this purpose. The proposal to hire such experts must be presented to the Board of Directors taking into account the complexity of the matters under analysis and the economic situation of the Company.

3. The Committee must ensure that the services indicated above are provided independently and that the respective providers will not be contracted to provide any other services to the company itself or to other companies that are in a domain or group relationship with it without the committee's express authorization.

Article 5

(Duties of the Members)

As part their duties and in addition to other duties that in this context are applicable to them the members of the Committee must:

a. Keep themselves informed and diligently prepare the meetings of the Committee as well as the meetings of the other governing bodies in which their presence in this capacity is requested;

b. Participate in the annual General Meeting and in any others if the respective agenda includes a matter related to the remuneration of the members of the company's bodies and committees or if such presence has been requested by shareholders.

c. Participate in Committee meetings with an active and constructive intervention in order to contribute to making the most appropriate decisions for the pursuit of social interests;

d. Treat confidentially all Company documentation to which they have access in the exercise of their

duties;

e. Make available to the governing bodies of the Company and other committees in a timely and appropriate manner all the information and documentation requested of them related to their functions.

Article 6

(Meetings and resolutions)

1. The Committee must meet at least every semester.

2. The Committee may meet extraordinarily on the initiative of its chairman or at the request of any of its members. Whoever takes the initiative must propose a date and agenda for that purpose.

3. All meetings must be convened with an indication of the agenda preferably in writing and by email;

4. The Committee may meet without observing any prior formalities provided that all its members are present and that all of them express their willingness to meet and deliberate on a given matter and to take unanimous resolutions in writing - the email may be used for this purpose - which will be ratified at the subsequent meeting.

5. The Committee can only deliberate if the majority of its members are present or represented.

6. The Committee's deliberations are taken by majority. Members who do not agree with them must include the reasons for their disagreement in the minutes.

7. If a member of the Committee cannot be present at the meeting he/she may be represented by another member of the Committee indicated for that purpose by letter addressed to the Chairman or if the latter is the absent member by letter addressed to the Committee. The representation letter is only valid for the meeting for which it was issued.

8. Minutes of each meeting will be recorded in the respective book or in single sheets signed by all the participants.

9. The minutes must include a mention of the members present at the meeting as well as the most relevant verifications carried out by the members of the Committee and any deliberations that may be taken.

Article 7

(Order or business)

1. The order of business is determined by the Committee's Chairman.

2. Any member of the Committee may request the inclusion of items on the order of business. Such request must be addressed to the Chairman of the Committee as far in advance as possible to the planned date of the meeting and accompanied by the respective supporting elements.

3. The content of the Committee's meetings is confidential as is all documentation relating to its preparation and holding.

Article 8

(Attendance)

In addition to the members of the Committee representatives of the other governing bodies or even third parties may be present at the respective meetings as long as they are invited by the Chairman or whoever replaces him/her at that meeting if deemed convenient in accordance with matters to be discussed.

Article 9

(Conflicts of Interest)

1. Whenever any member of the Committee considers that there is a circumstance or fact that constitutes or may determine the existence of a conflict of interest under the Regulation on Conflict of Interest and Transactions with Related Parties that member of the Committee must promptly inform the Committee of such circumstance or fact.

2. The member of the Committee who has an interest in conflict with the interest of the Company shall not vote on resolutions in relation to which this conflict occurs and is bound to provide all the information and clarifications requested by the Committee or by the other members.

3. No member of the Committee may participate or vote in discussions and deliberations related to their own assessment.

Article 10

(Assessment of the Committee's Activity)

1. The Committee should assess any difficulties and obstacles encountered by its members in relation to the exercise of their functions and make every effort to ensure that appropriate measures are taken to remove such difficulties and obstacles;
2. Annually the Commission shall carry out the assessment of:

a. the activity carried out and the contribution of the respective members to it;

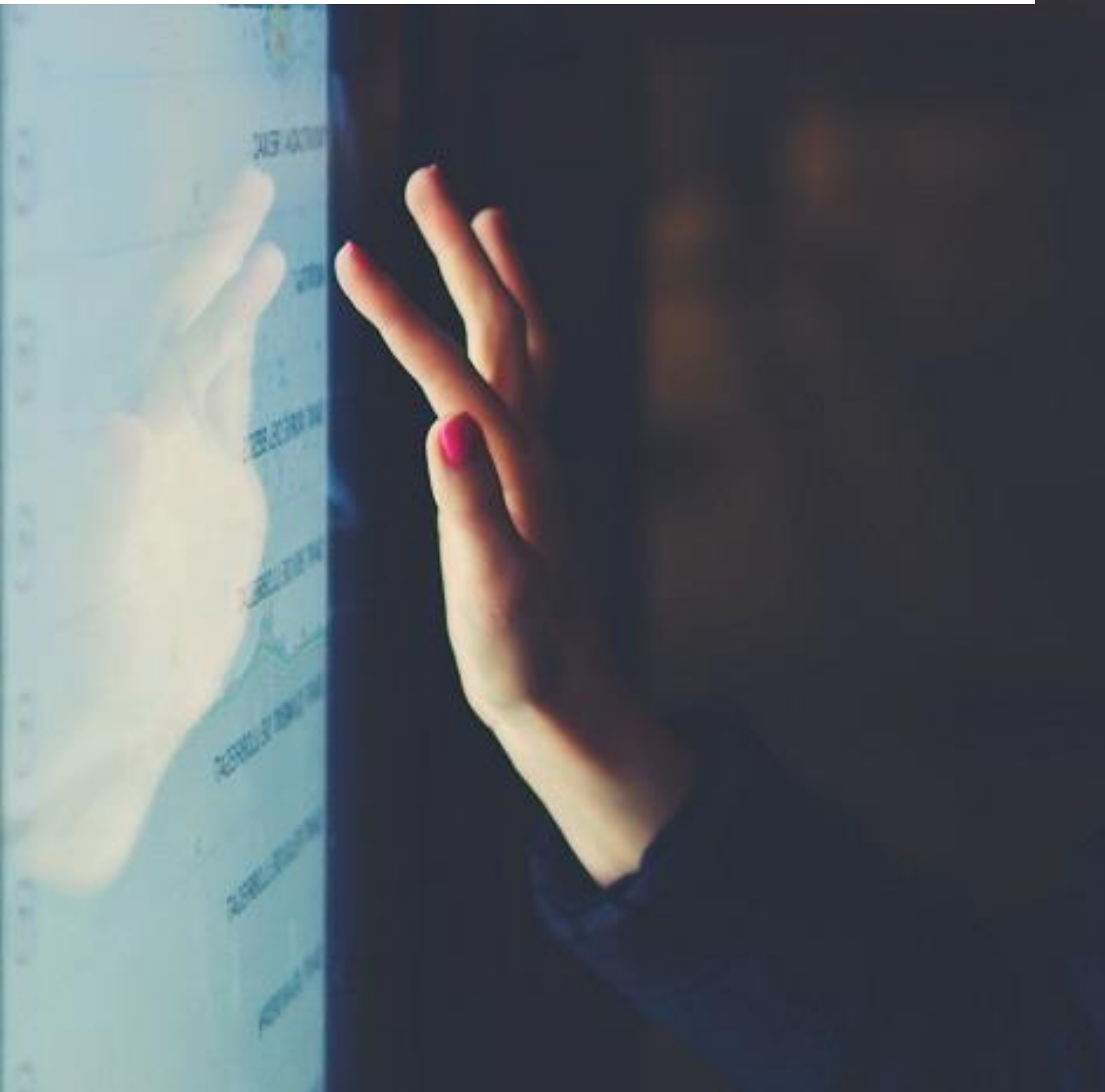
b. the application of this Regulation reviewing it if necessary.

Article 11

(Entry into force and amendments)

1. This regulation enters into force on the date of its approval by the Board of Directors (28/02/2022) and is published on the Company's institutional website.
2. Any amendment to the present regulation must be approved by resolution of the Board of Directors.

OTHR INFORMATION



Other information

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Date of Establishment: 4th July 1946

Tax identification number: 500 239 037

Registered at Vila Nova de Gaia Companies Registry Office nº. 500 239 037

The company did not change its name in 2021.