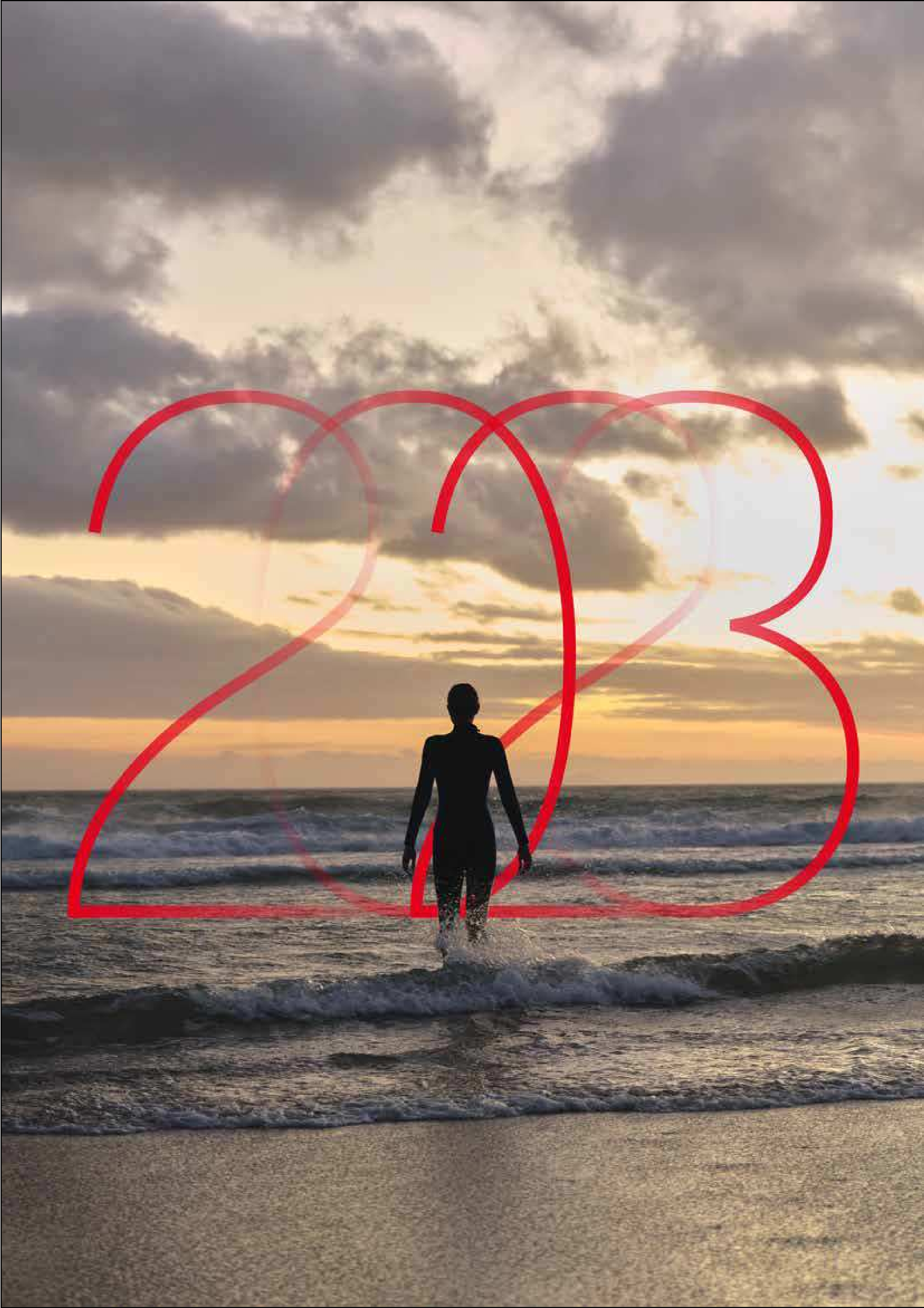


TOYOTA CAETANO PORTUGAL SA

ANNUAL REPORT

2023

PDF version of the Financial Statements.

If there are discrepancies between this version and the ESEF version, the latter shall prevail.

INDEX:

GENERAL

GOVERNING BODIES

SHAREHOLDERS´ GENERAL MEETING

President: Jorge Manuel Coutinho Franco da Quinta

Secretary: António José da Cruz Espinheira Rio

BOARD OF DIRECTORS

President: José Reis da Silva Ramos

Member: Maria Angelina Martins Caetano Ramos

Member: Miguel Pedro Caetano Ramos

Member: Gisela Maria Falcão Sousa Pires Passos

Member: Tom Fux

Member: Kazunori Takagi

Substitute: Florian Patrice Gregory Aragon

FISCAL BOARD

President: Maria da Conceição Monteiro da Silva

Member: José Domingos da Silva Fernandes

Member: Daniel Broekhuizen

Substitute: Francelim Costa da Silva Graça

Substitute: Tomokazu Takeda

CHARTERED ACCOUNTANT

Effective: Deloitte & Associados, SROC S.A.

Substitute: João Carlos Henriques Gomes Ferreira

NOMINATIONS, EVALUATIONS AND REMUNERATION COMMITTEE

President: João António Ferreira de Araújo Sequeira

Member: Rui Manuel Machado de Noronha Mendes

Member: Jorge Manuel Cerqueira Magalhães

MANAGEMENT REPORT

INDEX

INTRODUCTION

In accordance with the provisions of paragraph a) of number 1 of article 29.º-G of the Securities Code (“*Código dos Valores Mobiliários*”), the Management Report and the proposal for application of results presented below were prepared, as well as the respective Appendixes, in accordance with the provisions of Articles 65º, 66º and 508º-C of the Commercial Companies Code (“*Código das Sociedades Comerciais*”). For each of the Companies that are part of the consolidation perimeter of Toyota Caetano Portugal, S.A. ("TCAP"), an indication of the main events that occurred during the year and their respective impact on the financial statements will be presented.

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

MESSAGE FROM THE PRESIDENT OF THE BOARD OF DIRECTORS

2023 was, for everyone, a synonymous of challenges. The consequences of the succession of events we have seen in recent years have continued to be felt. We are therefore dealing with a period of great volatility and an unfavourable external environment. Inflation continued to impact the cost of living for the Portuguese; entropy in supply chains will hamper market-imposed responsiveness; Political instability has brought uncertainty in the country's governance.

Despite this, for us, 2023 was, above all, synonymous of achievements. As such, we reinforce the certainty that, for each challenge that arises, we always have a guarantee: the Toyota Family.

In it we find the experience, competence and passion that offer the solidity and confidence with which our partners, customers and community get used to. With it, we have made this last year another example of growth, new projects, products and ambitions.

At Toyota, we have added to the good results, the innovation that has always characterized us with the launch of the Toyota Relax 10-year warranty, a fundamental instrument for us to be able to further increase our retention rates. It is this ambition to continue to evolve that characterizes us and that, now, more than ever, is also reflected in what is the new positioning of our brand, launched in 2023. Now, with Toyota, "We Go Further." A positioning that demonstrates the path we want to take as a brand for the future.

And this path is also made up of motivated professionals prepared to serve customers. Thus, with BRiT Live, we continue to empower our dealerships to be the *Best Retailer in Town*. Today, as a result of this and other projects, we have a network of dealers revitalized and ready to meet consumer demand.

The good work developed by all is recognized with the attribution of the "5 Star Brand" award for the fifth consecutive year.

In the Industrial Equipment Division, we have shown that we are able to overcome challenges and exceed turnover targets. These results are reflected in our market share, which determines our continued leadership in the sector. A result that makes us very proud and that keeps our brand as a reference.

At Toyota Caetano Portugal – Ovar, the past year has been synonymous of new projects. As we have done in the past, we have proven that we are up to the challenges of those who believe in us.

Toyota Motor Europe, 53 years later, keeps its trust in our work intact. We respond to it with dedication, persistence and innovation.

It is from this conviction that at our manufacturing unit in Ovar another project was born, the APM: Accessible People Mover, an inclusive electric mobility vehicle. With a production of 250 units and an investment of approximately 10 million euros, the APM will be at the Olympic and Paralympic Games – Paris 2024.

CaetanoBus also continues to show its important contribution to zero-emission collective mobility. Today, our brand is already the market leader in hydrogen buses. The achievement of this milestone, is largely due to the various contracts signed over the last year that promise to take our vehicles further and further. The reputation of our brand and *know-how* in the field of hydrogen has also led to a new partnership established with TEMSA in the development of a hydrogen electric bus, tourism segment, which should hit the roads in early 2025.

At KINTO, 2023 was another year of affirmation of our goals for the brand: to be a "one stop shop" of mobility services, becoming the reference for all types of Customers. In this context, the introduction of alternative mobility solutions began to be developed, focused on adapting the offer to the typology of vehicle use during the years 2021 and 2022. Thus, 2023 meant the consolidation of these new products.

The commitment to the continuous improvement and evolution of our operations increasingly extends to sustainability. Through the Being Sustainable Program, we will continue to help people move towards a better tomorrow. Through our commitment to people and the planet, we embody our responsibility.

On the environmental side, we keep our eyes on the optimization and efficiency of our processes, buildings and resources: we continue to invest in the production and use of renewable energies, improve waste management and treatment, reduce water consumption and use recyclable products.

In the same line, with a view to reducing the impact of its operations, Toyota Caetano Portugal – Ovar Plant, took another step towards building a business increasingly aligned with the environmental challenges of the present and the future. For this reason, together with 20 other companies, it will participate in the construction of a roadmap for the decarbonization of the sector.

As to people, we continue to have them as the central element of our action. Valuing human capital is essential for the success of our operations. Promoting, therefore, a healthy and productive work environment that respects the uniqueness of each one and enhances their main skills is, for us, an obligation. For this reason, we base our work on three axes: prioritizing diversity, equity and inclusion, reconciling personal, professional and family life and the training of our people. Together, they represent an environment that fosters creativity, growth and continuous development, empowering our people to reach their full potential.

Together with the community, we strengthen our connection and proximity, a deep mark of our performance. We continue with the "1 Toyota, 1 Mission" initiative, this time, in partnership with Acreditar (Portuguese Association of Parents and Friends of Children with Cancer). This initiative allowed the donation of €33,000, providing rooms for families of children undergoing cancer treatments.

For all this good performance, I am convinced that, regardless of the situation that awaits us in the new year, we will continue to show our competence.

2024 will certainly be a year of challenges and some uncertainties: the political and social context, economic developments and the world in contraction. These variables will have a natural impact on our operations, but we start with the fundamental ingredients: a strong brand dynamics, a structured organization, with cohesive teams and a great sharing spirit.

This is how we earn the trust of customers, partners and suppliers. To which we will continue to respond with commitment, innovation and quality. This is what is expected from a leading brand and national reference.

With all of them, "we go further".

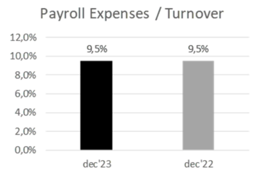
Thank you very much.

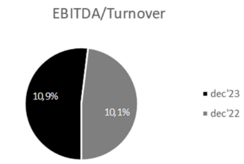
José Ramos

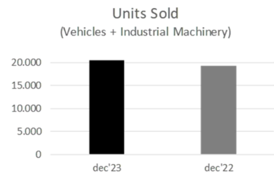
President & CEO Toyota Caetano Portugal

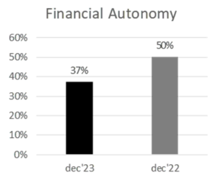
KEY GROUP INDICATORS

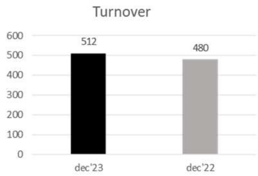
For Toyota Caetano Portugal, the year 2023 was challenging: we aimed at exceeding the proposed objectives, continuing to invest in People and a better, more sustainable and inclusive future.

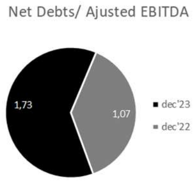


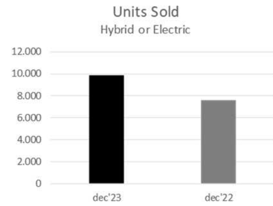




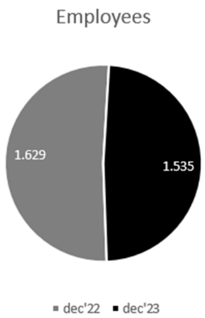


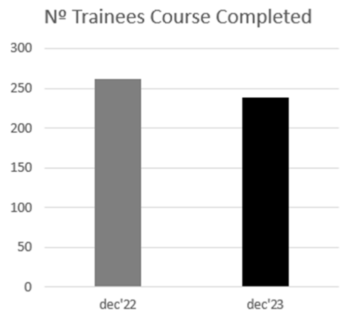


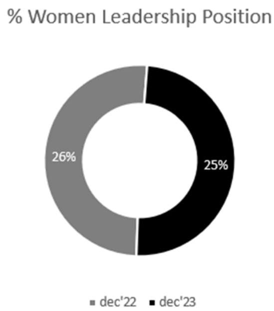


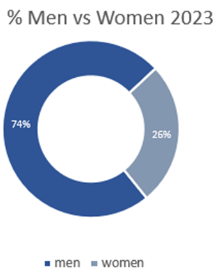


8,75 M€
Distributed Dividends
december 2023
(0,25€/share)









44 years
Average employee age
2023

(43 years - 2022)

285 active partnerships
throughout the
coutry as of
2023

THE BUSINESS MODEL

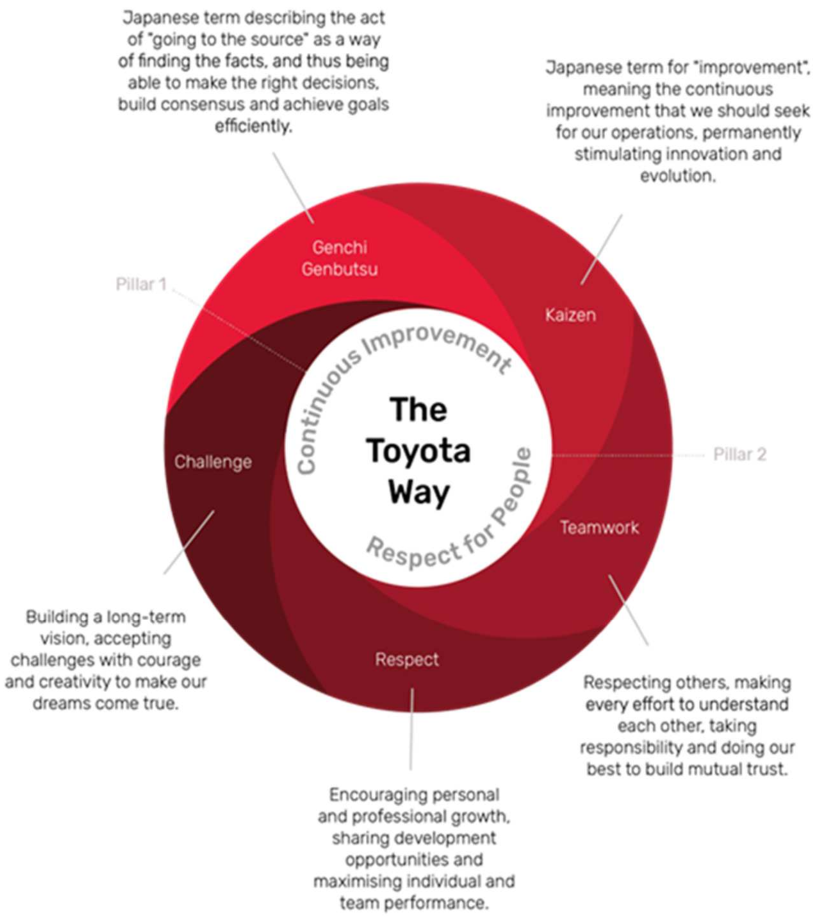
The Toyota Caetano Group is composed of the operating companies represented in the organizational chart below:

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

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

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

Our business model follows the *Toyota Way Philosophy*:



THE COMPANIES OF THE TOYOTA CAETANO GROUP: PRESENTATION, STRATEGY AND PERFORMANCE

This chapter presents each of the companies that are part of the Toyota Caetano Group, their strategy and business evolution: performance in 2023 and perspectives for 2024.

TOYOTA CAETANO PORTUGAL SA

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

Toyota and Lexus Division

It is the business unit of Toyota Caetano Portugal appointed by Toyota Motor Europe, which holds the exclusive import activity of the Toyota and Lexus brands, both in the marketing and sale of new vehicles and in the sale of 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. Also included in this segment is the activity of the Toyota and Lexus Hub, where all vehicles are prepared for delivery.

For the sale of the products mentioned above, Toyota Caetano Portugal has a network of Authorized Toyota and Lexus Dealers and Repairers, appointed by it, managed and permanently monitored, always with a spirit of exceeding Customers expectations.

Industrial Equipment Division

Business area responsible for the import, commercialization (sale and rental) and after-sales activity of industrial equipment (counterbalanced forklifts and warehouse equipment), as well as presentation of other services and business solutions.

Ovar Manufacturing Division (industrial segment)

Manufacture and assembly of Toyota vehicles and bus components.

Toyota Caetano Portugal, S.A.'s strategy is distinctive, although complementary, in the 3 business areas it develops:

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

To achieve this goal, the strategy is to lead in electrification, offering a wide range of technologies (hybrid vehicles – HEV, plug-in hybrids – PHEV, battery electric – BEV and hydrogen fuel cell – FCEV), actively contributing to the goals set at national and European level, in order to achieve carbon neutrality by 2050, presenting solutions for all types and user profiles. In addition, it will offer several accessible and flexible mobility solutions, in partnership with our business partners Toyota Kreditbank GmbH – Branch in Portugal (Toyota Financial Services / Lexus Financial Services) and the mobility company Kinto Portugal, S.A..

Toyota Caetano Portugal also wants to ensure the offer of an excellent customer experience and subsequent recommendations by the customer, based on the BRiT (Best Retailer in Town) Program, 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*), connectivity and associated services and the One Stop Shop concept, where customers will find everything they need, such as a wide range of new and used passenger and commercial vehicles, sale of genuine parts and accessories, maintenance contracts, sale of branded insurance, offering flexible mobility solutions, among others.

Despite the ambitious goal, Toyota Caetano Portugal does not neglect the contribution it wants to leave to society. Thus, it considers it essential to enhance the brand's strong reputation through the partnership with the Olympic and Paralympic Games, the offer of sustainable mobility solutions, underlying a perspective of total decarbonization, leaving no one behind, the development and testing of new technologies in the extreme context of automotive competition and always being at the forefront of innovation. Based on this assumption, during 2023, we outlined a brand strategy where we focused on the ambition to always go further.

Our long-term commitment to society and the environment is also reflected in the "One Toyota One Tree" initiative, which began in 2005, and plants a tree for every Toyota sold. In 2019, we launched the "One Toyota, One Mission" action, which supports social solidarity projects.

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

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

TMHE has defined its own vision, aiming to achieve "*Zero Muda*", i.e., eliminating all inefficiencies and waste along the various production, supply and supply chains to customers.

The "*Zero Muda*" vision is therefore the fundamental approach of the strategy: quality in everything we do, always putting the customer first and at the center of the activity.

Enhancing the quality (of our products and services) and providing an excellent customer experience are, therefore, the pillars of this strategy, the implementation of which includes:

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

- Transformation and adequacy of the offer: (i) availability of premium products and services of excellence: 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: seeking continuous improvement (*Kaizen*) in everything we do, in the development of products and in the provision of services, both in terms of reducing costs for the customer and in terms of improving productivity;

- Competence as a competitive advantage: strong brand image, product quality and reliability, continuous commitment to innovation, high know-how and experience of resources (both in sales and after-sales), always imbued with the strong culture of the Toyota Way.

Toyota equipment helps move the world in a way that is efficient 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 sustainability and orientation perspective towards the future, and with full respect for environmental preservation, TMHE has heavily invested in the development of new technologies, such as hydrogen technology, and intends to keep the brand at the forefront of development, helping to build a more sustainable future for the coming generations.

The Ovar Manufacturing Division, in line with Toyota's vision, aims to achieve the Leading manufacturer for compact car profitability, following a long-term competitive industrial strategic approach.

This strategy is based on the focus on product diversity and investment optimization, including increasing production competitiveness accompanied by building 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-motivating and retaining talent.

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

With regard to safety, Toyota Caetano Portugal is committed to ensuring that it remains an absolute priority, namely to guarantee zero accidents and to apply 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 implement the FMDS (Floor Management Development System), develop its people through continuous and close training and implement, in all sections, the "Best Process, Best People, Best Management". It also aims at the permanent use of the PDCA (Plan, Do, Check, Act) cycle and the development of intelligent automation, maintaining a balance between man and machine.

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

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

- 1st Challenge: New vehicles with zero CO_2 emissions => the reduction of CO_2 emissions from Toyota vehicles by 90.0% by 2050;
- 2nd Challenge: Product Life Cycle with zero emissions => eliminate CO_2 emissions in all vehicle production and driving;
- 3rd Challenge: Zero CO_2 Emissions in Factories => eliminate CO_2 emissions in the factory production process, recycle and reuse as much as possible;
- 4th Challenge: Minimize and Optimize Water Use;
- 5th Challenge: Establish a Recycling System => promote forms 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.

TOYOTA AND LEXUS DIVISION

For Toyota Caetano Portugal, the year 2023 was marked by a varied set of challenges and new projects.

Once again with the commitment, dedication and effort of all people, the challenges were successfully overcome.

IMPORT AND DISTRIBUTION OF TOYOTA VEHICLES

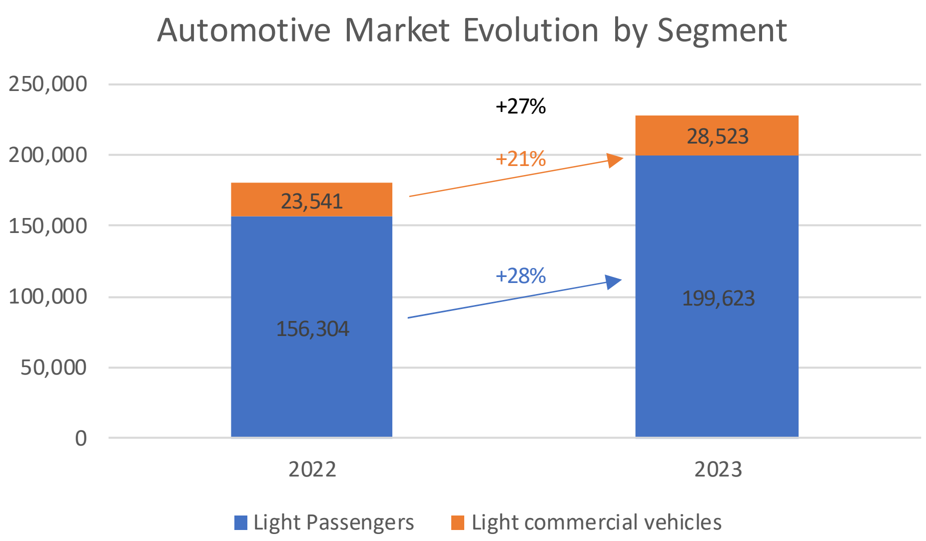
THE YEAR 2023

Light Vehicle Market Framework

The evolution of the light vehicle market registered a significant growth of 27% compared to the previous year, showing a normalization in terms of supplies for most brands.

After the sharp drop in 2020, the recovery took place at a much slower pace as a result of the production and supply constraints that the entire automotive industry faced, as a result of the limited availability of semiconductors and other components of the extensive and complex supply chain.

In this way and reflecting this progressive normalization of supply chains that allowed to meet the greater demand and the satisfaction of orders still pending, the market for light passenger vehicles registered a growth of 28%, while the market for commercial vehicles, still conditioned by some supply limitations, registered a growth of 21%.



Source: ACAP

Toyota Vehicles

The performance of the Toyota brand resulted in an increase in sales volume of 1,522 units, which corresponded to a growth of 14%.

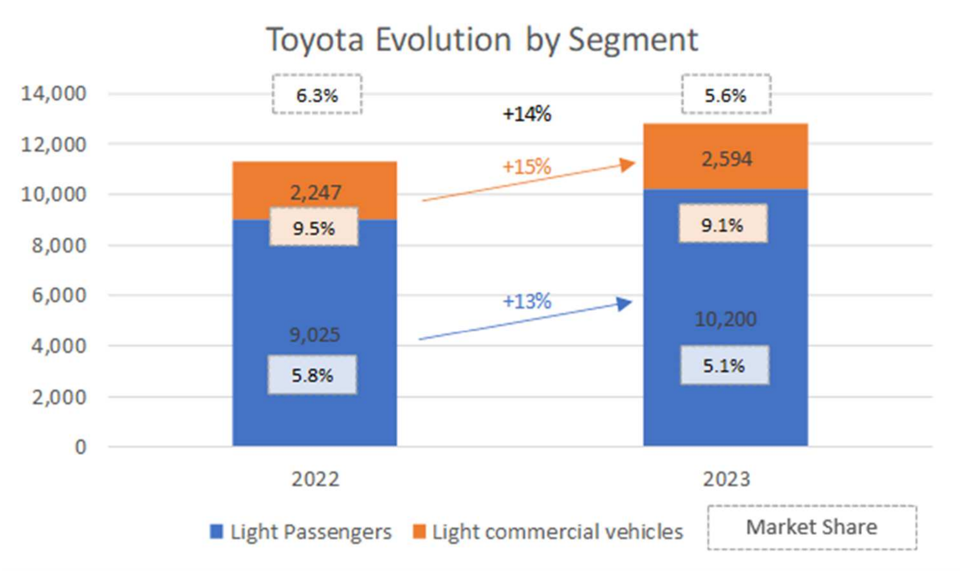
After a year of strong growth in terms of market share, the year 2023 reflected some slowdown as a consequence of supply constraints in some models with higher sales potential, where it was not possible to convert high demand indices into sales. Despite this situation, the brand ranked 6th in light vehicle sales with a 5.6% share.

Breaking down this performance by segments:

- In Passenger Cars, Toyota posted a growth of 13% with a high contribution from the Yaris, Yaris Cross, Corolla Cross, C-HR and bZ4X models;

  Also noteworthy is the start of sales of the new Prius Plug-In / PHEV model, which complements and diversifies the brand's offer in Plug-In hybrid powertrains, joining the RAV4 SUV. The wide range of electrified vehicles with hybrid (10 models), plug-in hybrid (2 models), battery electric (1 model) and hydrogen fuel cell (1 model) technologies, makes an important contribution to the brand's path to achieving carbon neutrality, which aims to provide flexible and sustainable mobility solutions for the most diverse usage profiles. In 2023, electrified vehicles already accounted for about 77% of total Toyota passenger car sales.

- In Light Commercial Vehicles, the growth volume was a little more expressive, which allowed the maintenance of the market share at the level of 9%, also rising the brand to the 4th position in the ranking of commercial vehicle sales.



Source: ACAP

OUTLOOK FOR THE YEAR 2024

Despite some uncertainties in the evolution of interest rates and some uncertainty about the global socio-political context, it is expected that the market will maintain the recovery trend, with a growth of approximately 5.0% in the total market for light vehicles.

Regarding the Toyota brand, greater stability in the availability of supply of some models is already expected, which will allow it to achieve a growth value slightly higher than that projected for the market.

The priorities and objectives set for 2024 include:

- Continue to invest in the reputation and value of the brand, underlining the leadership in terms of reducing emissions, through a diversified portfolio of vehicles with various electrification technologies: hybrid – HEV; plug-in hybrid – PHEV; battery electric – BEV; hydrogen fuel cell – FCEV.

- Focus on the segments with the highest sales volume (segments B and C), where the brand will present new products during the year 2024. In the B segment, it will expand the offer to the Yaris and Yaris Cross models with the introduction of a new 130 horsepower hybrid powertrain (HEV), making Toyota the only brand to present 2 hybrid powertrains in this segment. In the C-segment, the Plug-In Powertrain (PHEV) will also be introduced for the C-HR model, increasing Toyota's options in this market.

- To maintain the focus on the commercial vehicle range, continuing the Hilux model's long leadership in its segment and exploring new segments and areas of activity through the renewal, in May, of the Proace and Proace City models, both in their battery electric and diesel versions. At the end of 2024 with the launch of the Proace Max (large van), Toyota will have models in all segments of the commercial market, further consolidating the brand's strength in this market.

- Continue to expand the offer of accessible and flexible mobility solutions, with our partners Toyota Financial Services and Kinto Portugal.

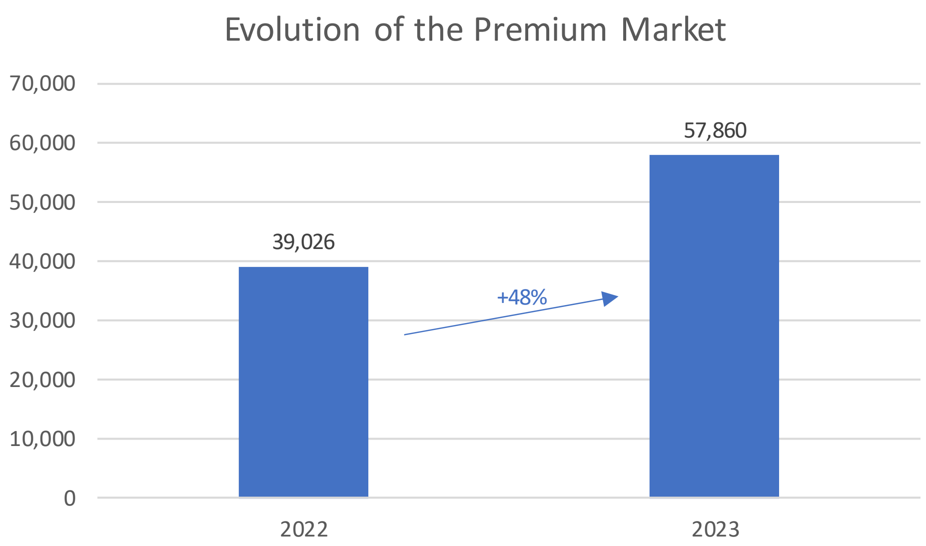
IMPORT AND DISTRIBUTION OF LEXUS VEHICLES

THE YEAR 2023

Framework of the Premium Car Market

The Premium Market registered a growth volume of 48%, higher than that seen in the global passenger car market, thus increasing its representativeness in this market to 29% of total sales.

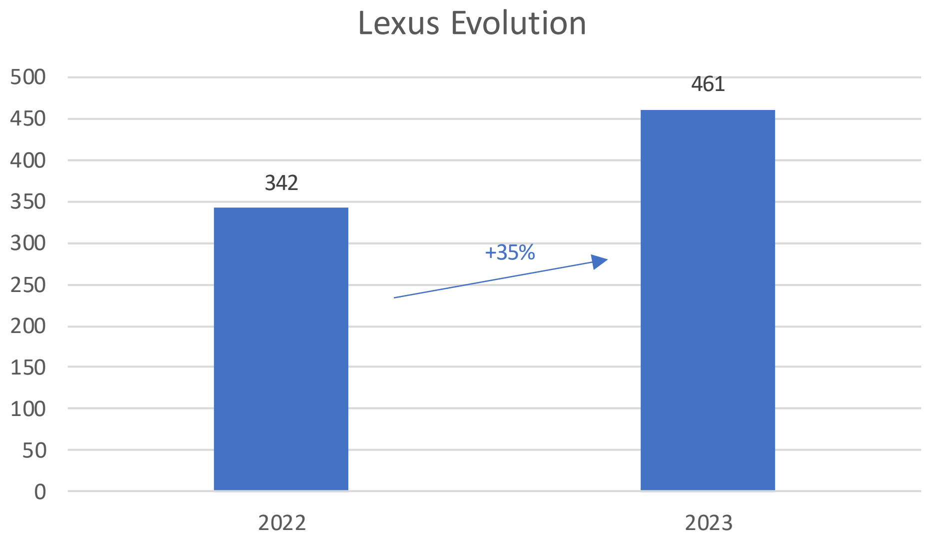
During 2023, there was a growth in the Premium Market strongly driven by the transition to battery electric vehicles and plug-in hybrids, which accounted for 2/3 of total sales.



Source: ACAP

Lexus Cars

Lexus, during 2023, achieved its third best result ever, with a total of 461 vehicles registered and a Premium Market share of 0.8%. This result was marked by the performance of the NX and RX (PHEV engines) and RZ (BEV engines) models, which accounted for 66% of the brand's total registrations. The target audience for this type of powertrain is predominantly the business market, as a result of the set of tax benefits applicable to vehicles with PHEV and BEV engines, and in which Lexus has been able to integrate effectively. The brand's financial products (Lexus Financial Services and Kinto) played an important role in the brand's results, with them being the Lexus Customer's choice in the Retail Network in 44% of new cars sold.



Source: ACAP

OUTLOOK FOR THE YEAR 2024

With the expected greater stability in terms of supply availability in most models and with the brand's entry into the B SUV segment, with the launch of the new LBX model scheduled for March, the perspectives are to continue the trend of significant growth.

The introduction of the LBX model will fill the gap left by the discontinuation of the CT200h model in 2021, becoming the main access model to the brand.

The priorities and objectives for the year 2024 include:

- Capitalize on the good results obtained and the opportunity for growth in the range of *Plug-In* (NX 450h+, RX 450h+) and battery electric (RZ450e) vehicles;
- Exploit the new market opportunities provided by the introduction of the new LBX model;
- Boost the offer of accessible and flexible mobility solutions, with our partners Lexus Financial Services and Kinto Portugal.

TOYOTA AND LEXUS AFTER-SALES ACTIVITY

THE YEAR 2023

The After Sales Activity plays a fundamental role in Toyota's strategy, enhancing customer retention in the Toyota network and placing the brand as the first option when purchasing a new vehicle.

For Toyota Caetano Portugal, the After Sales invoicing, in 2023, generated a total of 45.2 Mio€. This figure includes parts and services related to Extended Warranty and Full Service.

The commercial activity of parts, excluding warranties and services, amounted to 39.1 million euros. This figure translates into a growth of 10.0% compared to 2022.

	2023	2022	Variation (%) 2023/2022
Parts	39,126,182 €	35,578,279 €	10.0%

Despite the uncertainties with which the year 2023 began, it showed consolidated growth in the After Sales area. However, it was still a year of many challenges. For this reason, TCAP has maintained a focus on customer-oriented strategy, responding to customer needs and providing excellent service. The positive results indicate that we are on the right track.

Some of the initiatives undertaken that contributed to the results are highlighted:

- Launch and dissemination of the Toyota and Lexus Relax Program – 10 years Warranty, for all Toyota and Lexus (new and on the road). It is a pioneering project in the market, with a unique and differentiating proposal that reinforces the quality image of Toyota and Lexus vehicles. The Toyota/Lexus Relax warranty is the warranty that reaches up to 10 years or 200,000 km (first of the two to end) and available to all customers. Based on the trust we place in our vehicles and our specialized service, a more extensive warranty has been created, with the customer only having to have it serviced at an authorized Toyota / Lexus workshop to enjoy it. At the end of 2023, there were already more than 25 thousand customers enjoying this service;

- Holding of Toyota *Day* nationwide, managing to bring together about 3,700 customers on a day of celebration of the brand;

- Extension and update of the 5+ Service, now including a wide range of commercial vehicles;

- Launch of several campaigns with incentives for the sale of various relevant components to customers, in order to increase retention in the Workshops;
- Carrying out several national *trade* campaigns, to boost the sale of parts over the counter;
- Renewal of the Incentive Program for the sale of tires, as well as promotion of this product through campaigns.

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

- European recognition within the scope of the *Customer Excellence Award*, for leadership, dedication and effort in the previous year;
- European leadership in the area of value chain management (VCPM 25) as well as selection of various initiatives (e.g. accessories communication, Toyota Advisory Program) as European best practices in the field of Value Chain Management.

OUTLOOK FOR THE YEAR 2024

The year 2024 will continue to be a year of transformation for After Sales, building a new course in the face of a true mobility brand. More than ever, the TCAP team maintains its motivation and focus on retaining its customers.

TOYOTA AND LEXUS ACCESSORIES ACTIVITY

THE YEAR 2023

Accessories turnover (including *merchandising*) totalled around €3.8 in 2023, which represents a growth of 50.6% compared to the turnover obtained in 2022.

	2023	2022	Variation (%) 2023/2022
Acessories	3,786,598 €	2,513,813 €	50.6%

The following topics contributed to the increase in the turnover of accessories:

- Increasing electrification of the range of Toyota and Lexus vehicles and consequent growth in the sale of Wallboxes and charging cables;

- Development of an accessories policy for Demonstration and Exhibition Vehicles at the launch of a new model;
- Reformulation of the strategy for standard built-in accessories;
- Excellent performance of the Hilux model, the model with the highest ratio of incorporation of accessories;
- Invest in affordable cleaning and care products, such as the Car Care Kit;
- Greater presence of accessories in used vehicles.

OUTLOOK FOR THE YEAR 2024

With the aim of increasing the incorporation of accessories in 2024, it is expected that there will be a greater focus on light goods vehicles, used vehicles, a growth in *online merchandising* sales and the use of new platforms to support the sale of accessories.

INDUSTRIAL EQUIPMENT DIVISION

THE YEAR 2023

The year 2023 was, for the Industrial Equipment Division of Toyota Caetano Portugal, a very challenging year, in which inflationary pressure and the exponential increase in interest rates, as well as all the uncertainty and insecurity generated by the war conflict in Ukraine, negatively impacted Portuguese economic activity. Specifically, in the activity of industrial equipment, such factors resulted in the increase of difficulty in the realization of new business or renewal of fleets, having in some cases implied the postponement of investment decisions.

Nevertheless, and despite these adverse external circumstances, the activity managed, through a restructuring of its processes and the continuous commitment of its employees, to successfully overcome these difficulties, fulfilling its objectives.

Market Analysis

	Market			Toyota Sales				
	Set'23	Set'22	Variation (%) 2023/2022	Set'23 Qt	Set'23 Quota	Set'22 Qt	Set'22 Quota	Variation (%) 2023/2022
Counterbalanced Forklifts	924	1,271	-27.3%	173	18.7%	447	35.2%	-61.3%
Warehouse Equipment	1,974	2,659	-25.8%	662	33.5%	753	28.3%	-12.1%
Total	2,898	3,930	-26.3%	835	28.8%	1,200	30.5%	-30.4%

Source: FEM (European Material Handling Federation)

Analysing the data available as of September 2023[1], there was a decrease in the Cargo Handling Machinery (CMM) market of around 26%, which equally affected both segments (counterbalanced and warehouse equipment).

In relation to TCAP, in the same period, orders for Industrial Equipment to factories decreased by about 30%. The combination of these factors implied a slight decrease in market share from 30.5% to 28.8%, which is still a very significant indicator.

Toyota Plant Sales/Order Performance by Segment

Regarding the Counterbalanced Forklift segment, there was a decrease in orders to the factory compared to the same period of the previous year by 61.3%, placing Toyota's market share in this segment at 18.7%. It should be noted that in 2022, in order to cope with supply chain constraints, TCAP opted for a policy of strengthening its stocks, which, if on the one hand allowed to reduce delivery times, on the other hand also inflated the number of orders to the factory in 2022.

In the Warehouse Equipment segment, the same trend was also observed, but with weaker values - 12.1%, placing Toyota's market share at 33.5%.

OUTLOOK FOR THE YEAR 2024

Considering the current situation, uncertainty and volatility are expected to continue to mark the year 2024, so the brand's outlook suggests some caution and conservatism.

Nevertheless, Toyota Material Handling intends to maintain its strategy of focusing on customer satisfaction, on the presentation of innovative and flexible proposals and on the provision of excellent service, consolidating its position as a reliable partner, always ready to present solutions that meet the needs and expectations of our customers.

[1] By community imposition, in 2022 the statistical data started to be released with a delay of 3 months so, to date, only the data for September 2023 is available.

Sustainability continues to be a priority theme for the organization, which, basing its performance on the People, Planet and Profit trilogy in the exercise of its various activities, remains on the path of optimizing its results, both by the efficiency of processes and by the performance of people, always assuming social responsibilities with all its stakeholders.

OVAR MANUFACTURING DIVISION

PROJECTS MOBILIZING/GREEN AGENDAS FOR BUSINESS INNOVATION

Toyota Caetano Portugal, through this Ovar Manufacturing Division, participates in the Mobilizing/Green Agendas for Business Innovation program integrated in Component 5 – Capitalization and Business Innovation of the Recovery and Resilience Plan ("*Plano de Recuperação e Resiliência* – PRR"), having integrated applications for Phase I "Expression of Interest" (Notice No. 01/C05-i01/2021) and Phase II "Final Proposal" (Notice No. 02/C05-i01/2022), which were approved by IAPMEI.

In this sense, it participates in 3 Agendas that, in addition to having a strong orientation towards strengthening the competitiveness and resilience of the Portuguese economy through, in particular, increasing exports of goods and services, increasing investment in R&D, changing the specialization profile of the Portuguese economy, through investment in higher value-added and knowledge-intensive activities, oriented towards international markets and the creation of qualified jobs, they also seek to promote the decarbonization of the economy and the energy transition, aiming at carbon neutrality by 2050, as provided for in the National Energy and Climate Plan 2030 (PNEC 2030).

Alliance for Energy Transition

Within the scope of this Agenda, TCAP advocates ensuring the electrification of the Toyota LC 70, produced at the Ovar plant, with a view to replacing the traditional internal combustion engine and related components with a powertrain and electric batteries. In this sense, in a first phase, (i) the development and prototyping of double cab units of the electric Toyota LC 70 and (ii) the testing and homologation of the product in a real environment, and in a second phase, a set of strategic investments is foreseen in order to enable TCAP of infrastructures and technological means for production, efficient and sustainable, of the new electrified vehicle model.

In this way, TCAP will position itself as the first plant in the world to produce an electric version of the Toyota LC 70, which, in addition to ensuring the high robustness and durability characteristic of this model, will configure a more environmentally friendly vehicle. It should be noted that the application of this new vehicle in the mining sector is envisaged, contributing to the decarbonization of this sector.

This project involves an investment of around €3.9 Mio €, to be carried out between 2022 and 2025, with an estimated non-refundable incentive of 1.3 Mio €, the remaining amount being financed with the Company's own resources (self-financing).

BeNeutral

As part of this Agenda, TCAP recommends, in a first phase, the development of a small electric utility vehicle for large events (L7E model), which will be on demonstration as early as 2024 and which will serve as a proof of concept for the development of a new commercial vehicle (L6E model) with high potential to support more sustainable urban mobility.

In this sense, a biannual project schedule was defined for each model in question, including the development activities of the new vehicles and their components to be integrated into them. It should be noted that the project has CEIIA as a co-promoter responsible for the selection of materials and definition of the manufacturing methodologies of the new vehicles. In a second phase, strategic investments will be made in order to empower TCAP with the infrastructure and technological means for the industrialization of the new small electric utility vehicle for large events (L7E model) and the new commercial vehicle (L6E model) with high potential to support more sustainable urban mobility.

This project involves an investment of around 11.8 Mio€, to be carried out between 2022 and 2025, with an estimated non-refundable incentive of 4.0 Mio€, with the remaining amount being financed with the Company's own resources (self-financing).

AM2R

Within the scope of this Agenda, TCAP advocates developing and producing an electric bicycle for transporting light loads (to be called an e-Cargo bike). Specifically, in order to obtain this product, a research and development project for the new e-Cargo bike will be carried out, in a first phase, in which it is foreseen (i) the development and prototyping of the new electric cargo bike and (ii) the testing and approval of the product in a real environment. In a second phase, the realization of a set of strategic investments in order to enable TCAP with technological means for the production of the new typology of electrified vehicle, with the guarantee of the trinomial quality, cadence and efficiency.

In addition to being more environmentally friendly (zero CO2 emissions and zero noise), it is expected that this vehicle will guarantee a high performance in the light goods delivery market segment, as it will enable a greater number of deliveries in the shortest possible time as a result of the possibility of access to both bicycle paths and pedestrian paths. In terms of technical characteristics, mobility through cycle paths and walking paths, a maximum speed of 25 km/h, a range of 65 km, weather protection, lighting and interchangeable batteries, as well as a load capacity of 2,000 liters with a limit of 150 kg of cargo stand out.

This project involves an investment of around 3.0 Mio€, to be carried out between 2023 and 2025, with an estimated non-refundable incentive of 0.95 Mio€, the remaining amount being financed with the Company's own resources (self-financing).

THE YEAR 2023

The year 2023 was, for the Ovar Factory, a very demanding year. There was a period of decreased orders and a *model year change* in the LC70, which forced adjustments to the tack time and the production process itself. On the other hand, the development of the APM project, part of the BeNeutral agenda, for the manufacture of 260 vehicles for the 2024 Olympic and Paralympic Games in Paris forced an adjustment and increased demand for resources.

These fluctuations, combined with a workforce with little experience in production processes and disruptions in the supply chain, have led to instability in the processes.

The various mobility projects that are being carried out at the plant are in progress. Not always at the initially defined pace, some with changes compared to the initial concepts for the business, but all of them with prospects of success.

Production Indicators

In 2023, Toyota Caetano Portugal – Ovar Plant produced a total of 1,874 Land Cruiser Series 70 (LC70) vehicles, representing a decrease of 36.9% compared to the same period of the previous year.

This drop in vehicle orders was essentially due to the limitations of the production of components by TMC, which forced it to readjust the factory's production capacity to minimize impacts on productivity. Two takt-time changes were made, which resulted in a reduction of the line's capacity to 12 units/day.

The combination of the disruption in the supply chain with takt-time adjustments forced 27 days of downtime during the 1st semester, which were used to provide training to employees, on-the-job training and development of other skills.

In the 2nd half of the year, the *model year change* of the LC70 model in September/October forced readjustments in the production process, especially in the area of welding and logistics. The training of employees, in ramp up, and confirmation of new models meant that production in this period was further reduced. New *Katashikis* (versions) were introduced, of which an automatic gearbox version of the model stands out. The Kick-off of the Confirmation Vehicle phase of the APM Project (Accessible People Mover, an inclusive electric mobility vehicle) was also carried out.

In the activity of Toyota vehicles: Post Production Options (assembly of options locally) and Pre Delivery Inspection (preparation for delivery) – PPO / PDI – 7,229 units were transformed/prepared, an increase of 26.6% compared to the same period of the previous year.

	2023	2022	Variação (%) 2023/2022
Toyota Units (LC70)	1,874	2,969	-36.9%
Transformed / Prepared Units	7,229	5,708	26.6%
Eletric Chassis Units for Buses	13	63	-79.4%
Total Employees	191	193	-1.0%

It should also be noted that during the 1st half of the year, the last electric chassis were produced, in a project that started in 2019. The transfer of production to Caetanobus took place in February 2023.

Also noteworthy are the following events that occurred during the year 2023:

- Visit of several TME elements, with emphasis on Mr. Matt Harrison, Mr. Marvin Cooke, Mr. Gerald Killman; Mr. Stiijn Peeters, Mr. Sugiura-Sa & others from TME, to monitor and evaluate mobility projects in preparation for the SOP;
- Regular support from TME teams in Ovar to support the APM Project;
- Green Areas Requalification Project, with the objective of making these areas more comfortable and promoting coexistence among employees;

- Holding of the 14th local QCC (Quality Control Circle) Convention. The winning teams were to represent TCAP at the European Convention (United Kingdom, in September) and World Convention (Japan, in October);
- Audit of Tokyo Marine, with the objective of evaluating and supporting the DFO in the area of Industrial Safety;
- APCER audit of the integrated Management System for Quality, Environment, Safety and Health at Work.

OUTLOOK FOR THE YEAR 2024

The year 2024 will be important for the definition and implementation of new projects at the Ovar Plant related to Electric Mobility. Several projects are under analysis that are expected to be a productive reality in the short/medium term.

In terms of current activities, the forecasts are more conservative. The unstable macroeconomic context conditions the production of the LC70 model for 2024, pointing to 2,367 units.

It is expected to deliver, by May, 260 units of the APM vehicle for the Paris Olympic Games.

Also in the 1st half of 2024, an increase in the activity of Physical Units- Transformed / Prepared (PPO/PDI) is estimated with prospects for fleet business and preparation of vehicles for rent-a-car, and it is foreseeable that, in the second half of the year, this activity will stabilize to values equivalent to 2023.

Caetano Auto

Caetano Auto, S.A. is the company that encompasses 11 Toyota dealerships and 7 Lexus dealerships. It also has the representation of the *Caetano Colisão* and GlassBack brands and is present from Minho to the Algarve in 26 Showrooms and Workshops.

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

Caetano Auto holds stakes in 2 companies:

- Destaque Mourisco – Sociedade Imobiliária, Lda.: a limited liability company established with the objective of operationalizing the allotment of a plot of land that Caetano Auto partially owns in Portimão. It is a partnership with owners of other parcels of the same land. This company had no operational activity in 2023;

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

Caetano Auto's five-year growth strategy (2024 – 2028) aims to reach 3.0% of the light vehicle market in 2028, which represents an increase in units sold of 1,946, i.e., a growth of 32.5%, compared to an expected market growth of 14.0% in the same period (new vehicle registrations in 2023: 5,979 units, representing a market share of 2.6%); To this end, it will continue to focus on implementing integrated and flexible mobility solutions, promoting trade-in cycle products and reinforcing digital marketing policies.

In the after-sales area, the goal is to grow 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 marking and digitalization of the reception and monitoring of vehicles in the workshops.

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

The reinforcement in the promotion and dissemination of the loyalty card- Caetano Go Card is another of the pillars 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 fleet in Portugal, through the dissemination and sale of electrified vehicles for the various user profiles (hybrids, plug-in hybrids, 100% EV and Fuel Cell).

As part 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 its teams and customers, keeping the focus on the customer. Motivated employees and customers who recommend us are a strategic pillar for the Company's sustainability. Another strategic pillar of Caetano Auto is the digitalization of processes, both at an administrative and operational level. This pillar, in addition to motivating employees, also aims to eliminate paper and waste. The elimination of waste (*Zero Muda*) is something that is very present in the DNA of Caetano Auto and, of course, Toyota Caetano Portugal, associated with the culture of continuous improvement – Kaizen.

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

THE YEAR 2023

Activity in 2023 started to be conditioned by inflationary pressure and the context of rising interest rates, which affects the decisions of economic agents. There were also impacts of the break in supply chains, which were smaller throughout the year. However, especially in the automotive industry and in the brands we represent, the shortage of stocks and the extension of delivery times were still conditioning the business.

In the new vehicle activity, the number of vehicles sold by Caetano Auto in 2023 was 21.2% higher than in 2022, which is close to the performance recorded in the national light vehicle market, which grew by around 27% (ACAP data) compared to the previous year. At Caetano Auto, the growth was more significant in passenger cars (23.8%) and lower in light commercial vehicles (11.5%), as stock restrictions were more significant in these models.

In used vehicles, there is a reduction of 3.2% in units sold compared to 2022 and a drop of 32.6% compared to the level reached in 2019. By sales channel, the biggest change was in the sales channel of Used cars to professionals, where the drop was 7.2% compared to the previous year, because the waiting times for delivery of new vehicles led to a drop in trade-in rates.

	2023	2022	2019	Variation (%) 2023/2022	Variation (%) 2023/2019
New Car Sales	5,510	4,548	4,836	21.2%	13.9%
Used Car Sales	4,087	4,224	6,061	-3.2%	-32.6%

In the after-sales activity, although the car fleet continues with a downward trend, in 2023 there was a growth of 5.7% in mechanical entries and a decrease of 1.0% in collisions. Even so, this indicator remains below the values of 2019:-10.0% in mechanics and-12.9% in collision.

	2023	2022	2019	Variation (%) 2023/2022	Variation (%) 2023/2019
No. of Mechanical Inputs	95,317	90,137	105,950	5.7%	-10.0%
No. Collision Entries	24,643	24,886	28,296	-1.0%	-12.9%

Overall, Caetano Auto's turnover in 2023 amounted to 273 Mio€, which represents an increase of 15,4% compared to the previous year.

OUTLOOK FOR THE YEAR 2024

For 2024, despite the uncertainty about the evolution of the macroeconomic and geopolitical context, Caetano Auto expects to continue the strategy of sustained growth, focusing on the following aspects:

- Sustainability and energy transition: dissemination and sale of electrified vehicles (Hybrids, *plug-in* hybrids, battery electric, and hydrogen fuel cell), investment in renewable energies for self-consumption and rainwater harvesting, making the buildings used for the activity more sustainable;

- Integrated and flexible mobility solutions on the path to the *MaaS – Mobility as a Service* concept, namely, boosting the Kinto Share and Kinto Flex products, in sales and after sales;

- Focus on the customer and employees: to be the best dealer in the local environment where we are represented (BRiT – *Best Retailer in Town*); promote employee development and talent retention program;

- Environmental sustainability and digital transformation of the business: *digital marketing*, video communication with customers, autonomous reception, online service booking, digitalization and simplification of administrative processes;

- Loyalty of our customers with the provision of complementary services / products: maintenance contracts, Relax warranty extension, Caetano Go loyalty card, Auto Insurance and Financing;

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

Caetano Auto CV, S.A. is the entity responsible for the import and marketing of the Toyota brand for the Cape Verde market.

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

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

Caetano Auto CV also seeks to diversify its range following the brand's global strategy in terms of electrification, as well as the Cape Verde government's own greener orientation.

THE YEAR 2023

In 2023, the instability in the supply of vehicles and parts continued, which is one of the main obstacles to maintenance and business development.

With the opposite impact on the activity carried out by Caetano Auto Cabo Verde, the Government of Cape Verde invested in the transition of the country's fleet from combustion vehicles to electric vehicles, granting exemption from import taxes and incentives for 100% electric vehicles.

The impact of the logistical difficulties described was, therefore, partially offset by the Government's fiscal policy through measures to encourage the commercialization of electric vehicles. In addition, the Company's participation in tenders contributed to the growth, in 2023, of 9.6% in the new vehicle sales activity.

Toyota	2023	2022	Variation (%) 2023/2022
Units	536	489	9.6%

Despite this growth, it was not possible to avoid the increase in dependence on two specific models: Hiace and Hilux; in fact, the weight of sales of these models in the Company's total sales increased from 45% in 2022 to 56% in 2023.

It should be noted that this increase was also due to constraints in the supply of other models such as the Rush, Urban Cruiser, Vitz, Belta and Starlet, where there was a drop in sales by about 40.

It is also important to highlight that a relevant part of the sales of the Land Cruiser model was sold tax-free for the executive passenger transport area, an exemption that ends at the end of 2023.

In the After Sales area, there was a significant increase in the turnover of parts and labour:

Vendas	2023	2022	Variation (%) 2023/2022
Parts and Accessories	1,402,580 €	1,204,967 €	16.4%
Workshop - Labour	526,463 €	475,799 €	10.6%
Total labour	1,929,042 €	1,680,765 €	14.8%

At the service stations, communication and promotion campaigns continue to be developed in order to publicize the existence of other services made available to customers in addition to oil and filter change services.

OUTLOOK FOR THE YEAR 2024

During 2024, the Company intends to continue it's strategy, namely:

- Maintain its dominant position in the marketing of new vehicles of the Toyota brand, maximizing the range offer, thus achieving a larger target audience;
- To further boost the itinerant trade of parts;
- Maintain and improve internal processes at the level of the after-sales organization in order to increase not only sales to private customers, but also further deepen sales through the insurance channels.

CAETANO RENTING
GRUPO SALVADOR CAETANO

Caetano Renting is the company dedicated to the rental of vehicles without a driver, essentially of the Toyota and Lexus brands, to various customers, such as Rent-a-Car companies, other large customers and occasionally to private customers.

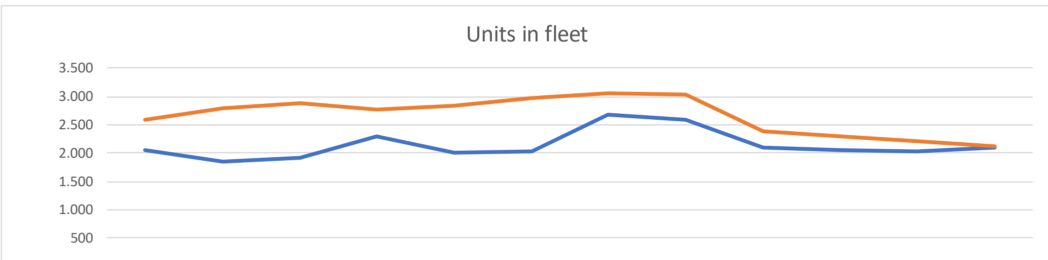
THE YEAR 2023

In 2023, the automotive market saw a 26.9% increase in sales of passenger cars for rent-a-car companies.

However, in a year in which the rent-a-car activity has a greater supply of available vehicles, occupancy rates were slightly lower than in the previous year, which led to lower rental prices; this context directly impacted the profitability of companies in this sector.

The regions of the country that recorded the biggest drops were Lisbon and the Algarve, while Porto, Madeira and the Azores recorded better occupancy rates, compared to the rest of the country, but still lower than 2022, which was clearly the best year ever for rent-a-car activity.

It is in this context that Caetano Renting reaches an average value of units in the fleet of 2,144, which represents a decrease of almost 20% compared to 2022, having ended the year with a fleet of 2,098 units, a value slightly lower when compared to 2022 (2,112 vehicles).



	January	February	March	April	May	June	July	August	September	October	November	December
2023	2.053	1.852	1.925	2.291	2.013	2.027	2.678	2.597	2.094	2.058	2.037	2.098
2022	2.597	2.798	2.872	2.773	2.834	2.976	3.067	3.038	2.391	2.307	2.213	2.112

The value of the provision of services reflected the above, thus witnessing a reduction of around 6.5% when compared to the same period of the previous year.

	2023	2022	Variation (%) 2023/2022
Services Provision	6,456,999 €	6,908,163 €	-6.5%

OUTLOOK FOR THE YEAR 2024

The forecasts for tourism activity for 2024 should be measured with caution, as there are several factors (global economic and geopolitical context) that may lead to a decrease in tourism demand and that will influence the performance of companies linked to this activity.

Caetano Renting will continue to invest in promoting its activity, focusing on improving customer service, optimizing the management of its fleet and the resilience of its people.

KINTO

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

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

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

In this sense, and also in 2021, KINTO PORTUGAL began its strategic transition path, in which it intends to accelerate the evolution of the company previously purely dedicated to the management of automotive fleets, to a player in sustainable mobility solutions and services Mobility as a Service *(MaaS)* - for people and cities.

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

It was in this context that alternative mobility solutions began to be developed, focused on adapting the offer to the typology of vehicle use, which can range from years to minutes. In the implementation of this strategy, also in 2021 and 2022, two new products were added, KINTO Flex and KINTO Share, respectively, with a fully digital experience; offering the possibility to its customers to have access to flexible renting, with monthly (KINTO Flex), daily or hourly (KINTO Share) terms, in the latter also promoting the shared use of vehicles. The operationalization of these new products was consolidated during the 2023 financial year.

In 2023, the KINTO Flex product made more than 70,000 rental days. The KINTO Share product has reached more than 3,000 rental days per month.

At the same time, KINTO intends to continue to intensify the energy transition from combustion engines to electrified vehicles. In this sense, KINTO Portugal will continue to invest in its product strategy oriented to the specificities of electrification, which includes a unique value proposition, from vehicles to the services necessary for the management of charging and energy consumption (Mobility as a Service).

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

THE YEAR 2023

The 2023 financial year continued to be characterized by a high sense of uncertainty and volatility. The prolongation of the Russian military invasion of Ukraine and the emergence of an armed conflict in the Middle East have contributed to the continuation of a period of inflation, high interest rates, high cost of living and monetary constraints.

As far as the automotive market is concerned, the production of semiconductors was re-established during 2023, thus contributing to an increase in new vehicles available on the market, leading to a closer relationship between the supply of vehicles and the respective demand.

However, when compared to the cumulative record of 2022, the number of light vehicle registrations increased by 27% to 228,146 units[2]. The market for operational *vehicle leasing* increased by 15.5% to 15,678 vehicles[3].

As a result of the instability and uncertainty in the market, the 2023 financial year was marked by a significant decrease in the extensions of operating lease contracts. In cumulative terms, in 2023, KINTO Portugal registered around 1,794 extensions, which represents less than 25.8% of the requests registered in the same period of the previous year.

Also following the rebranding process started in 2021, we highlight the positive result obtained in the period under review, with the subscription of the new KINTO Flex product – a product that offers exceptional flexibility for all mobility needs. In addition to the services provided in a traditional lease, the customer can receive the vehicle with a single click for terms between 1 and 12 months with total flexibility and in a fully digital process. In 2023, the average fleet of active

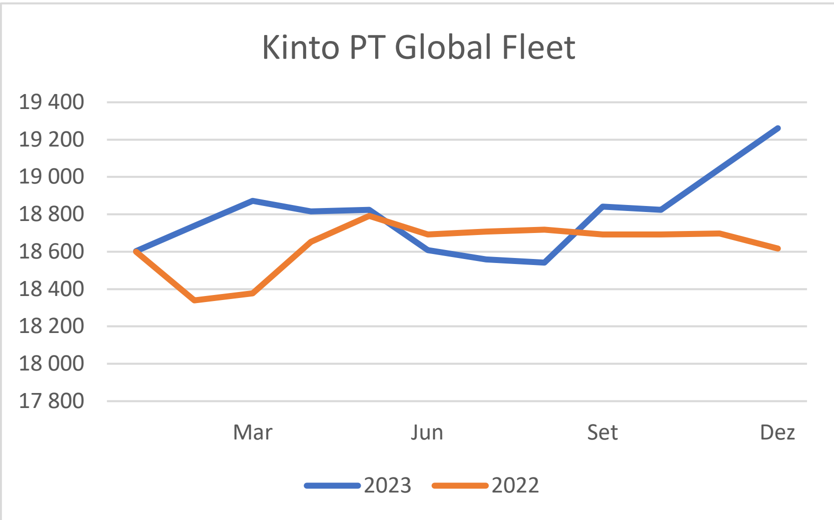
[2] June 2023 Report of ALF – Portuguese Association of Leasing, Factoring and Renting
[3] June 2023 Report of ALF – Portuguese Association of Leasing, Factoring and Renting

vehicles allocated to this type of service grew by 70% compared to the same period of the previous year.

In 2022, KINTO introduced a new product, KINTO Share, to the market. This product is a solution that immediately provides daily car rental, and the customer can reserve a vehicle for 30 minutes or up to 30 days. In 2023, the average fleet of vehicles allocated to this type of service more than quintupled compared to the same period last year. This product is available for both individuals and companies and can be rented only for the time strictly necessary, either through a mobile application or *website*, such as KINTO Flex.

In terms of electrified fleet, also one of the strategic lines, KINTO Portugal ended 2023 with 43.9% of its orders relating to this type of vehicle (vs. 38.9% in 2022).

<u>Evolution of KINTO's FSL and FM fleet</u>



The active fleet of the automotive market and operational leasing of vehicles has been impacted by the degree of uncertainty resulting from the world events that have devastated the global economy.

With regard to the fleet under the management of KINTO Portugal, we can see that it has shown a recovery, which results from the combined effect of the activations of new contracts and the extensions of existing contracts with customers.

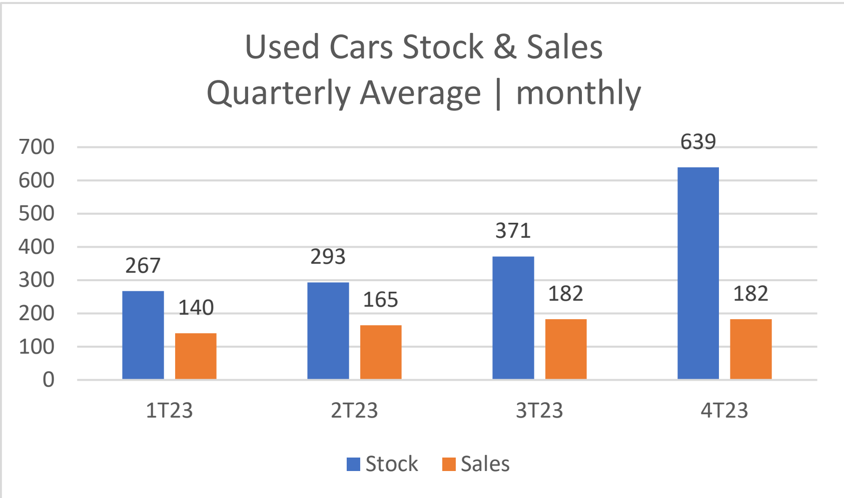
KINTO Portugal concluded the 2023 financial year with a fleet of 19,261 vehicles, which represents a variation of over 640 contracts when compared to the same period of the previous year.

However, and despite the favourable developments recorded, it is expected that the automotive market will continue to recover due to the factors already mentioned.

Turnover grew by around 11.3% compared to the previous period, mainly as a result of the increase in the volume of services provided, by approximately 12.4%, while the volume of sales of used vehicles registered a more modest increase, standing at 4.1% compared to 2022.

	2023	2022	Variation (%) 2023/2022
Turnover	106,362,191 €	95,578,908 €	11.3%

Regarding the evolution of used car sales, KINTO Portugal had a very positive exercise due to the higher price situation, having carefully managed its stocks. In this context, the *remarketing* and logistics activity of used vehicles continued to be thoroughly reviewed and monitored to respond to all the challenges of the market and the different customers.



Compared to 2022, sales of used vehicles to end customers grew by around 16.9% (about 291 more vehicles) and still registered a level below the average sales in the last 4 years. Despite the favourable evolution of sales volume, when compared to the same period of the previous year, the level of vehicles in stock in 2023 increased considerably. The recovery of the new car market and the concentration of fleet renewal with large customers in the last quarter of 2023 largely contributed to the evolution of this indicator.

This increase provided a greater availability of vehicles for the completion of operational leasing contracts with used vehicles and also for KINTO Flex and Share products – and this reorganization enhanced the internal logistics process of vehicles, a trend that is part of the strategy to promote the reuse of vehicles.

OUTLOOK FOR THE YEAR 2024

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

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

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

KINTO intends to continue expanding its sustainable mobility solutions, ensuring a KINTO solution for every person, regardless of the type of mobility each person chooses.

CaetanoBus

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

It is in CaetanoBus that all the industrial activity of manufacturing bodies and buses, intended for the urban transport service, tourism, airport and minibus, is concentrated. Most of its products are aimed 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- owned by CaetanoBus, as the majority shareholder, and Daimler Truck AG.
- Caetano UK- fully owned by CaetanoBus.

In a context of global awareness of the population for the need to preserve the environment and reduce pollution rates, CaetanoBus is positioned at the forefront of the development of differentiated and highly innovative "green mobility" solutions. It is intended to achieve relevant sales volumes and results, accelerating its position in the emerging and growing market for battery vehicles (BEV) or hydrogen fuel cell vehicles (FCV), seeking growth either by its own effort and efficiency, or by establishing partnerships, which promote the sharing of investment costs in the development of new technologies and costs with the monitoring of markets in the promotion of products.

THE YEAR 2023

Despite the constraints encountered throughout the year, the 2023 financial year was marked by growth in activity, which reflected the first positive signs in the company's financial indicators. However, despite the perceived improvement, the company's activity is still far from the desired performance.

The nature of the constraints resulted in different impacts on the company's activity:

- Armed conflict between Ukraine and Russia, with disruptions in the expectation of the recovery of the European economy and in the confidence of economic agents, namely in the trend towards a more conservative profile of public investment, with interference in the provision of subsidies, and in the private investment package due to future uncertainty and excessive financing costs;

- High employee turnover, driven by a strong dynamic in the job market, with an impact on all areas of the company, especially the Engineering and Production teams. These effects have caused inevitable delays in internal development projects and also in the company's productive capacity. This, consequently, limited CaetanoBus in its objective of reaching production levels defined in the business plan;

- Delays in supply chains, given the high dependence on single-source supplies and their exposure to intercontinental logistics flows, all the international geopolitical tension has directly or indirectly implied in the production of CaetanoBus. Recently, the conflict of dominance in the Red Sea has interfered in the strategic route of the West, forcing maritime operators to identify alternative routes, with an impact on the supply agenda and with an increase in operating costs;

- High inflationary tensions have led to an additional upward pressure on all production costs, namely in the wage factor, which we generally accommodate in the margins practiced;

- With a cautious impact, but which should be highlighted, energy costs are back on the agenda with an additional concern. In this regard, 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. In 2022, the contracts for the supply of natural gas were renegotiated, resulting in an expected increase in the price to be paid, but with the advantage of fixing it until mid-2025;

- High interest rates, as a result of the global financial context, the evolution of index rates showed an increasing behaviour in 2023 with significant impacts on the company's financial cost. In addition, with a double effect, there was an increased need for financing during the financial year 2023.

Aware of the impacts of these adversities, shareholders Toyota Caetano Portugal and Mitsui & Co did not give up on the strategic plan for expansion and growth. Reinforcing the commitment to the company, additional support took place in 2023: at the end of the financial year, there is a shareholders´ loan contract of 7.6 million euros and a new equity increase (via Supplementary Capital) of 12.4 million euros. It should be noted that already in 2021 and 2022 financial years, shareholders had injected 25 million euros into the capital of CaetanoBus, totalling in 2023 the amount of 37.4 million euros.

The capital injection, together with the support via the supply contract, allowed us to continue and implement the ongoing innovation projects in zero-emission mobility technologies, respond to the expansion objectives to other geographical areas, training of the company's staff and growth in production volume.

With the ambition of reaching the units sold in the pre-pandemic year (2019) with 656 units, CaetanoBus managed to reach 355 units sold in 2023, representing an increase of 31% compared to the previous year. It should be noted that in the previous financial year, it had already achieved a growth of 52%, compared to the 2021 financial year.

CaetanoBus closed the 2023 financial year with a turnover of €108 million, doubling the amount reached in 2022. With the exception of the Minibus segment, CaetanoBus grew in the Urban, Tourism and Airport segments, representing growth of 318%, 100% and 71%, respectively, compared to the previous year.

In 2023, EBITDA improved by more than €4.5 million compared to the previous year, reaching a negative value of €3.9 million. Despite the growth in activity, this was insufficient to put EBITDA in positive territory.

With regard to the Balance Sheet, the increase in sales led to a balance of working capital with a particular impact on accounts receivable (total of €21.9 million in 2023 vs €21 million in 2022) and inventories (total of €48 million in 2023 vs €41 million in 2022).

CaetanoBus continued to invest in R&D in basic technologies for the future growth plan, amounting to 1.4 M€ in 2023.

In view of the negative EBITDA presented and the investment plan, liquidity management in 2023 required a careful strategy and the search for opportunities with national and international banks.

OUTLOOK FOR THE YEAR 2024

Despite the continued difficulty in countering the negative results of recent years, CaetanoBus expects to achieve positive operating results in 2024; It continues to identify strong commercial opportunities to leverage the business, and expects a new sales growth impulse for 2024, already with a firm order plan that supports a new growth perspective.

CaetanoBus is committed to contributing to a more sustainable society, with zero-emission mobility solutions. In the coming year, CaetanoBus will continue to focus on innovation and the development of new production and process standards, for future growth as markets grow in the replacement of their fleets. Thus, the year 2024 will be a year of promoting changes in management, through optimization for growth, which in the face of increasingly fierce competition from Asian OEMs, leaves no alternative but to follow a strategy of alliances, promoting cost sharing, investments and development of new technologies.

COBUS

COBUS Industries GmbH is the result of a partnership with Daimler AG, with CaetanoBus holding a 59.18% stake in the share capital of COBUS Industries. COBUS' core business is the worldwide sale and service of airport buses. COBUS does not have its own production, acquiring chassis from Daimler Busses and using CaetanoBus for the production of its bodies and assembly.

The recovery of aviation industries is underway and the pre-pandemic number of passengers worldwide is expected to be reached again by 2025. With the expectation that there will be no mobility restrictions in the coming years, an acceleration of airport activities is expected, which will naturally lead to greater dynamics in economies and the reopening of sales businesses postponed in recent years, and COBUS is well positioned to meet these needs.

COBUS also intends to follow the commitment of Airports to the carbon neutrality of their parking platforms by 2035.

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

THE YEAR 2023

The 2023 financial year continued to be characterized by the negative consequences of the war in Ukraine, including the still very high prices of fossil fuels and other critical raw materials, as well as the still difficult flow of logistics and supply chain.

The recovery of aviation industries is underway and pre-pandemic global passenger numbers are expected to reach again by 2025 (although at some airports in certain regions this has already occurred). For COBUS Industries, the increase in air traffic has not yet had a significant impact on new bus sales, as customers have continued to limit investments to an absolute minimum due to significant losses during the pandemic. In the 2023 financial year, COBUS sold 108 (vs. 110 in 2022) buses. In terms of turnover, COBUS increased from €32 million in 2022 to €47 million in 2023; with a positive EBITDA of €955 million (€358 million more compared to 2022).

The trend towards alternative driving concepts is a reality, especially as airports around the world have committed to achieving "carbon neutrality" on their parking platforms by 2035. After launching COBUS VEGA in 2022, COBUS Industries has continued to take important steps towards expanding its existing product portfolio. The introduction of the new e.COBUS ER (Extended Range), with LFP batteries, offers a solution with double battery capacity, reducing costs. COBUS has once again positioned itself more strongly against the competition and has been able to win important tenders. The COBUS After-Sales Service Platform and the COBUS *REAL* (*Remote Expert Assistance Live*) Remote Service App, which were presented at the GSE Expo Europe Fair in 2022, continued to be developed in 2023 and are already showing results in their use by customers.

OUTLOOK FOR THE YEAR 2024

With the expectation that 2024 will be a full year without mobility restrictions, an acceleration of airport activities is expected, which will naturally lead to greater dynamics in economies and the reopening of sales businesses postponed in recent years. At the same time, the shift from fossil-fuel-based technology to electric mobility is a growing trend and will lead to an additional desire to renew operators' fleets. The year 2024 is expected to see an increase in sales of more than 20% compared to 2023. This growth potential is reflected in the order book already recorded, which in February 2024 corresponds to around 65% of the annual sales forecast for 2024.

Caetano UK

Caetano UK is a company wholly owned by CaetanoBus, which is dedicated to the marketing and after-sales services of CaetanoBus buses in the United Kingdom.

The main customers are *National Express* and its operators and partners in the coach segment and *Abellio London in the* zero-emission city bus segment.

The current contract with National Express remains in force until the end of 2024, with the option to extend for another year, which is expected to happen due to the excellent performance of CaetanoBus as a manufacturer and Caetano UK for the management of the operation in the United Kingdom. However, the next renewal of the contract is expected to take place in 2025 and will last for 3 years, at which point it already includes zero-emission vehicles ensuring a solid basis for business in the UK in the coming years.

During 2023, several demonstrations of our products were carried out, in partnership with Toyota UK with customers and strategic operators, which are expected to translate into sales for Caetano UK in the near future.

It is important to highlight Caetano UK's great spirit of resilience, as the company suffered a lot from the Covid 19 pandemic outbreak and is now stabilized. It has been recovering its relationships with important partners, which has ensured an exceptional growth in its sales.

YEAR 2023

During 2023, several marketing operations and demonstrations of Caetano models were carried out with major operators in London and other locations with the aim of promoting battery-electric and hydrogen-electric buses. Many of these marketing actions were carried out with the support of Toyota UK, in order to promote Caetano's zero-emission city buses, in co-branding.

The year 2023 marked a very positive chapter for Caetano UK, with significant advances in the commercialization of the tourism model, LEVANTE. Especially, considering the severe impact that the Covid 19 pandemic outbreak has had on the company over the past 3 years.

In 2022, sales resumed for National Express, delivering 50 units of the LEVANTE model. In 2023, this segment witnessed remarkable growth, more than doubling the number of units sold to 116. In addition, deliveries of the LEVANTE III models have been completed and delivery of the latest model, the LEVANTE IIIA, has begun. Also noteworthy is the fulfilment of the deliveries of 9 more units of Caetano e.City Gold, to Abellio, which was the second order of this important London operator.

It should be noted, however, that Brexit has introduced logistical challenges for Caetano UK, as well as intensified operators' preference for "*made in UK",* particularly in battery-electric buses, favouring UK OEMs. These have undoubtedly been major obstacles to the commercialization of Caetano's zero-emission city buses in the UK.

In 2023, Caetano UK sold 125 buses, very positive numbers, considering the 50 units sold in 2022 and the 18 units in 2021. The company recorded a turnover of around 47.7 M£.

OUTLOOK FOR THE YEAR 2024

For the year 2024, deliveries will continue to be made in accordance with the existing framework contract with National Express. At the same time, the commitment to further strengthen the partnership with this important customer and business partner is maintained, with the aim of closing the next contract for the supply of buses of the LEVANTE model, which will already include zero-emission solutions. This ongoing collaboration is a testament to the trust placed in Caetano products and services, and Caetano UK is excited about the opportunity to continue to deliver innovative and efficient transport solutions for National Express.

THE MACROECONOMIC CONTEXT AND THE PERFORMANCE OF THE TOYOTA CAETANO GROUP

WORLD ECONOMY

The world economy has revealed, according to the World Bank[4], a markedly resilient profile in the face of the various shocks to which it has been subject in the last 4 years, with the main economies emerging, for the most part, reasonably unscathed from what was the fastest increase in interest rates in 40 years, in particular avoiding traditional negative impacts on the unemployment rate or financial collapses. The ongoing disinflationary process is being implemented without precipitating the world economy into a recession, contrary to the past experience in which it is rare for countries to be able to reduce their inflation rate without negatively impacting their economic performance, thus presenting the so-called "soft landing" as the base case by this institution.

Global economic growth in 2023 will have been 2.6%, an upward revision of 0.5 p.p. compared to the forecast for the same period made in June 2023 by the World Bank. Growth in 2024 is expected to moderate to 2.4% and then accelerate to 2.7% in 2025. The expected economic growth is strongly influenced by the economic performance of emerging markets and developing economies, with growth forecast at 4.0%, 3.9% and 4.0% for the years 2023 to 2025 respectively, with advanced economies growing by 1.5%, 1.2% and 1.6% over the same time horizon.

Of particular note is the expected expansion in the pace of growth in global trade volume, which in 2023 will have expanded by only 0.2%, the lowest in non-recession periods in the last 50 years, and is expected to accelerate to 2.3% and 3.1% in 2024 and 2025. Headline inflation, meanwhile, is expected to have settled at 4.9% in 2023 and is expected to shrink to 3.8% in 2024 and 3.2% in 2025, according to World Bank forecasts.

EUROPEAN UNION

According to the European Commission's Autumn Forecast, the Union's economy will have slowed down from the strong pace of post-pandemic expansion, with its GDP expected to have grown by 0.6% in 2023, but with a further acceleration expected in 2024 to 1.3% and in 2025 to 1.7%, with contributions from consumption via the recovery of the purchasing power of real wages, investment and external demand. The labour market continues to be dynamic, with the

[4] World Bank, Global Economic Prospectus, January 2024

unemployment rate standing at 6.0% in 2023 and with a stable outlook for 2024 and 2025, respectively at 6.0% and 5.9%. In turn, inflation, measured in the Eurozone, will have been 5.6% in 2023, and should remain on a markedly disinflationary path, with a forecast of 3.5% in 2024 and 2.2% in 2025, with the latter value reasonably in line with the European Central Bank's objective, which may allow some easing in monetary policy according to the expectations of market agents[5].

PORTUGAL

The Portuguese economy grew by 2.3% in 2023 according to the National Statistics Institute (INE) and is expected to continue to expand for 2024 and 2025 according to the European Commission's autumn forecast, with GDP growth rates of 1.3% and 1.8%. The inflation rate, as measured by the harmonized index of consumer prices, was 5.3% according to INE, an improvement compared to 8.1% in 2022, resulting, among others, from a strong contribution from the slowdown in energy prices. According to the European Commission, inflation in Portugal is expected to continue on a strongly downward path, estimated at 3.2% for 2024 and 2.4% for 2025.

The labour market is expected to remain robust, with the same unemployment rate forecast in 2023 and 2024, at 6.5%, and a slight decrease in 2025 to 6.4%. In 2023, the highlight was the increase in the level of employment in the tourism, construction and administrative services sectors, as well as a high level of labour activity, with a strong contribution from foreign workers, with these two indicators reaching record levels, with wages growing above the inflation rate.

The expansion of the Portuguese economy, although limited by restrictive monetary policy and some weakness in external demand, is expected to be supported by domestic consumption resulting from an increase in household purchasing power, the recovery of global trade volumes and the implementation of the Recovery and Resilience Plan.

CONSOLIDATED ANALYSIS OF THE TOYOTA CAETANO GROUP

In 2023, Toyota Caetano Portugal recorded a consolidated turnover of 512 Mio€, growing by around 6,5% compared to the previous year. Gross profit also showed a growth trend, surpassing 2022 figures, reaching 25% due to turnover. Following the strategy of previous years, the Group's companies prioritized stock management, sales and cost containment. As a result, the share of external supplies and services on sales remained in line with the same period of the previous year. Despite a reduction in the number of employees, personnel expenses remained similar to the

[5] Reuters poll, 12 – 17 January 2024

same period last year, representing 9,5% of sales, thus demonstrating the Company's effort towards its employees. Consolidated EBITDA thus reached €56 million, an increase of around €7.3 million (+15%) compared to the same period last year. Financial results stood at negative €5.8 million, a very considerable increase compared to the previous year (+106%), which is justified both by the increase in interest rates and by the level of financing, as a result of the growth in activity. Consolidated net income amounted to €17.5 Mio€, representing an increase of 18% compared to the previous year. It should also be noted that net investment grew by 99.6% year-on-year, thus denoting the considerable effort that the Group is making in the different areas where it operates. The financial autonomy of the Toyota Caetano Portugal Group stands at 37.3%, which demonstrates an effective management of the capital structure. Also in the first half of this year, the shareholders of CaetanoBus granted, in proportion to the participation that each one holds in the capital of that company, shareholders´ loans to support the respective activity in the total amount of 20 Mio€; Toyota Caetano Portugal contributed €12,388,000. At the end of 2023, the conversion of the shareholders´ loans granted by Toyota Caetano Portugal to CaetanoBus was approved for transition to supplementary capital.

The following table presents a summary of the comparative indicators, in thousands of euros, that show the Group's performance:

Thousands€

	dec'23	dec'22	Variation
Turnover	511,571	480,226	6.5%
Gross Profit	130,167	119,257	9.1%
% (f) Turnover	*25.4%*	*24.8%*	
External Supplies and Services	49,998	46,751	6.9%
% (f) Turnover	*9.8%*	*9.7%*	
Personnel expenses	48,798	45,815	6.5%
% (f) Turnover	*9.5%*	*9.5%*	
EBITDA	55,853	48,539	15.1%
% (f) Turnover	*10.9%*	*10.1%*	
Operational Income	36,860	32,761	12.5%
% (f) Turnover	*7.2%*	*6.8%*	
Financial Results	-5,813	-2,818	106.3%
% (f) Turnover	*-1.1%*	*-0.6%*	
Consolidated Net Profit	17,468	14,820	17.9%
% (f) Turnover	*3.4%*	*3.1%*	
Net investment	33,940	17,006	99.6%
% (f) Turnover	*6.6%*	*3.5%*	
Financial Autonomy Ratio	37.3%	50.0%	

THE BUSINESS RISKS

RISK APPROACH

The practice of risk management defines how the company identifies, assesses, monitors, and manages risks that may affect its business, operations, and bottom line. This approach is critical to ensure that the Company can make informed decisions and mitigate risks that could damage its performance or reputation. An effective approach to risk can help the Company protect its assets and ensure the continuity of its business.

A risk management system will be effective when the risk culture is mature in the Company. Organizational culture should promote risk awareness and responsibility. This means that all employees, from top management to the bottom, understand the importance of risk management and are encouraged to report and discuss potential risks.

The Toyota Caetano Group has implemented a risk management model with four lines of defence, with the involvement of the various levels of the organization, particularly top management. At Toyota Caetano Portugal, S.A., the risk policy and risk control is carried out directly by the Board of Directors and evaluated annually by the Fiscal Board.

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

RISK MATRIX

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

The impact of the risk in the Company is carried out by assessing the degree of repercussion that they will have on the activity and determining short, medium/long-term strategies to prevent, react and mitigate these risks. It should be noted that this risk management includes:

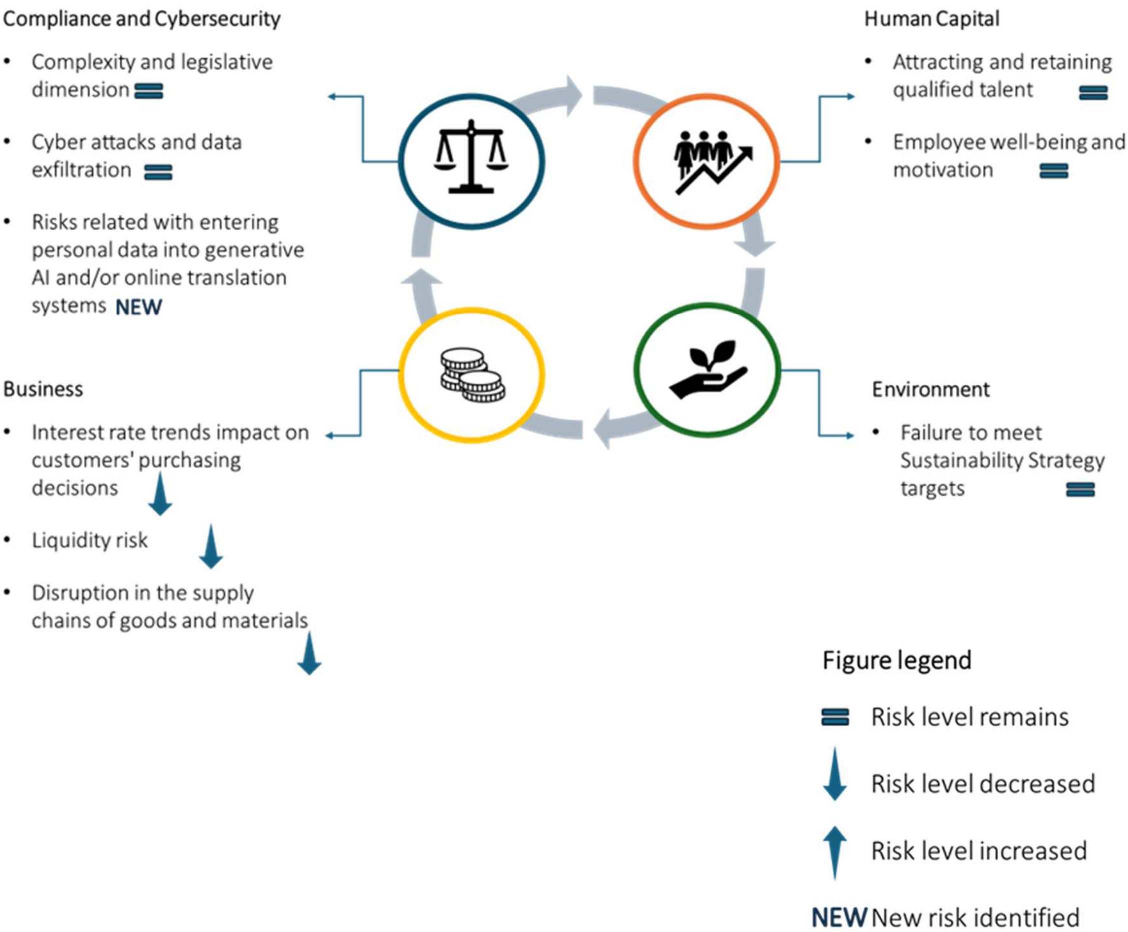
- sensitivity analysis (measurement of potential impacts as a function of the probability of occurrence of each risk);
- strategic alignment of the Company according to the risks actually incurred;
- mechanisms to monitor the implementation of the risk management measures adopted and their effectiveness;
- internal information and communication mechanisms on the various components of the risk alert system.

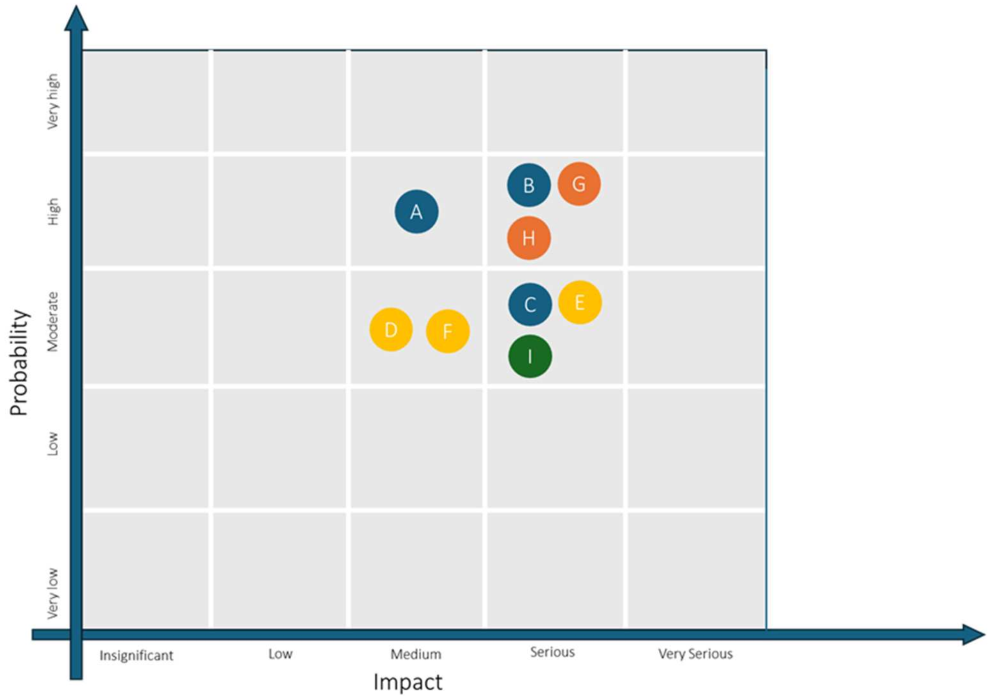
The Fiscal Board monitors and takes note of the work and its results carried out by the internal control, risk management, compliance and internal audit services.

In 2023, the Company continued to develop the substantial update of its risk management model, which began in 2022, with a focus on the monitoring and control system for the most relevant risks in its areas of activity. The current model gives the Company a more resilient position and preparation to face the challenges ahead with greater confidence and efficiency.

Regarding the risk management carried out, it should be noted that the risks have evolved compared to last year, with a decrease in some of the risk levels. In this assessment, a new risk related to the Compliance and Cybersecurity area was identified, namely in terms of Artificial Intelligence (AI), in which it is intended to manage the risks related to the use of personal data in generative AI.

In addition, in the area of Human Capital, there was an aggregation. With the evolution in 2023, the topic of talent retention has acquired an importance at the same level as attraction. The analysis of the risks of 'Increase in the employee turnover rate' and 'Attraction and retention of qualified talent', led to the consideration of their agglutination into a single risk, in order to achieve a more effective management and an integrated approach to global risks.


Compliance and Cybersecurity
Complexity and legislative dimension
Cyber attacks and data exfiltration
Risks related with entering personal data into generative AI and/or online translation systems NEW
Human Capital
Attracting and retaining qualified talent
Employee well-being and motivation
Business
Interest rate trends impact on customers' purchasing decisions
Liquidity risk
Disruption in the supply chains of goods and materials
Environment
Failure to meet Sustainability Strategy targets
Figure legend
Risk level remains
Risk level decreased
Risk level increased
NEW New risk identified



- A Complexity and legislative dimension
- B Cyber attacks and data exfiltration
- C Risks related with entering personal data into generative AI and/or online translation systems
- D Interest rate trends impact on customers' purchasing decisions
- E Disruption in the supply chains for goods and materials
- F Liquidity
- G Attraction and retention of qualified talent
- H Employee well-being and motivation
- I Failure to meet Sustainability Strategy targets

AREA	RISK	FACTORS CONTRIBUTING TO RISK	INITIATIVES TO CONTROL RISK
Compliance and Cybersecurity	Complexity and legislative dimension	• Geographic dispersion of the Group. • Complexity of regulatory changes and focus on multiple legislative strands. • Substantial increase in the areas covered by new regulations. • Normative variability. • Rapid technological evolution has an impact on business models with compliance requirements and the digital transformation of supervisory authorities. • Risks resulting from climate, health and social change resulting in regulatory measures. • Potential legal consequences resulting from non-compliance.	• Centralized and specialized compliance teams by areas. • Daily analysis of legislation issued. • External consultancy in the identification of legal requirements, support in the monitoring and implementation of changes resulting from legislation, when necessary. • Reinforcement in the preparation and availability of team resources. • Regular specific training of the teams. • E-learning training is permanently available to all employees. • Periodic internal newsletters. • Communication and dissemination of information specifically aimed at those responsible for the various areas covered. • Periodic monitoring.
	Cyber attacks and data exfiltration	• Increase in cyberattacks (such as Phishing, Ransomware, Malware, among others). • Increase in successful ransomware and data breach attacks on the Toyota brand (globally). • Data Breach Incidents. • High level of integration with computer systems of the represented brands: dependence on the level of security of these entities can enhance vulnerabilities. • Denial-of-service (DDoS) attacks. • Exposure to situations that give rise to fines and administrative penalties.	• ATSG *Governance* Policy - All Toyota Security Guidelines. • SC Group Security Policy - SCG Security Guidelines. • Segmentation and segregation of communications. • Periodic audit plan. • Dedicated cybersecurity teams. • Periodic training and awareness actions for employees. • Regular phishing drills. • 24*7 SOC service. • Website protection and Anti-DDoS system. • EDR on all endpoints. • WAF on the most critical external systems. • Second Factor Authentication (MFA) • Implementation of Data Lost Prevention (DLP).

AREA	RISK	FACTORS CONTRIBUTING TO RISK	INITIATIVES TO CONTROL RISK
	Risks related to the introduction of personal data into generative AI and/or online translation systems.	• Lack of control over the use and processing of personal data within generative AI systems, which may lead to breaches of confidentiality and data protection. • Possibility of personal data leaks due to security flaws in generative AI systems. • Potential algorithmic bias or discrimination by introducing personal data into generative AI models, leading to unfair or harmful decisions. • Lack of transparency in generative AI algorithms, making it difficult to understand how user data is used and what impacts it has on their privacy. • Need to comply with data protection regulations, such as GDPR, when handling personal data in generative AI contexts, which can increase complexity and operational costs for organizations. • Lack of control over the use of external systems, the information of which can be used by generative AI systems. E.g. online dictionaries and image processing software.	• Implementation of clear and strict policies for the use of personal data in generative AI systems, including explicit user consent protocols. • Development and implementation of robust cybersecurity measures to protect personal data against unauthorized access or information leakage. • Conducting impact assessments to identify and mitigate potential risks related to the introduction of personal data into generative AI systems. • Investment in research and development of ethical and transparent AI techniques that minimize algorithmic bias and ensure fairness in the use of personal data. • Promoting transparency and accountability on the part of those who develop generative AI, encouraging the disclosure of algorithms and processes used in the manipulation of personal data. • Training and awareness of users on the risks associated with the introduction of personal data into generative AI systems, along with best practices for protecting their privacy.

AREA	RISK	FACTORS CONTRIBUTING TO RISK	INITIATIVES TO CONTROL RISK
Human Capital	Attracting and retaining qualified talent	• Difficulty in attracting qualified human resources. • Reduction of the employee retention rate, with special attention to younger profiles. • Situation of almost full employment in core sectors for the organization. • Long training period in various functions. • Need for very specific roles with supply shortages in the labour market. • A new generation of employees who are looking for an organizational culture that is increasingly aligned with their values and purpose.	• Evaluation and review of the overall employee benefits package. • Flexible schedule policies. • Investment in better communication of employer branding and feedback from managers. • *Ser Caetano* Barometer – listening to the level of employee satisfaction, defining action plans, monitoring them and implementing countermeasures when applicable. • Intensive training programs that promote the acquisition of new skills and professional growth, in order to respond more quickly to needs. • Senior Talent Program. • Optimization of internal mobility and career promotion within the Group. • Level 3 Kaizen - standards of processes, procedures and norms. • Reinforcement of initiatives that encourage participatory and collaborative leadership. • Training in Artificial Intelligence.
	Employee well-being and motivation	• Increased mental illness or burnout, as a result of the high levels of anxiety and stress amplified by the pandemic, but also resulting from the quantity, diversity and complexity of requests resulting from the fast pace and change in business models. • Difficulty in reconciling professional and personal life.	• Introduction of psychology consultations. • Introduction of work-life balance measures. • Leadership development training in time management, organization, productivity and data analytics. • *Ser Caetano* Leadership Program to promote transformational leadership and mentoring. • *Clube Ser* with protocols and discounts in various companies and teambuilding activities. • Team 24 app for psychological support and wellness resources.

AREA	RISK	FACTORS CONTRIBUTING TO RISK	INITIATIVES TO CONTROL RISK
Business	Uncertainty in the evolution of interest rates and impact on customers' purchase decision, postponing or suspending the acquisition	• An increase in indexes and spreads, as well as the requirements of lenders to grant credit, cause an increase in the cost of credit. • Interest rate volatility increases uncertainty in the decision. • Ability for customers to obtain financing.	• Advance negotiation of conditions and solutions that are more advantageous to customers. • New financing and/or product diversification solutions. • New commercial campaigns.
	Potential liquidity risk affecting the normal course of operational activity	• Unfavourable evolution of indexes and spreads. • Increased requirements from lenders for granting credit. • Increased cost of bank guarantees. • Difficulty in logistics chains and product flow, leading to higher stock levels.	• Negotiation with the Bank. • Attentive management of the components of working *capital*. • Periodic *stress* tests. • Treasury planning. • Diversification of the source of financing by instrument, Bank, interest rates and maturities. • Permanent negotiation with partners, in order to increase the range of offers.
	Disruption in supply chains for goods and materials	• Substantial increase in the delivery time of products and materials. • Difficulty associated with increased logistical complexity and transport prices. • Failures in the supply chain can jeopardize the survival of component suppliers or service providers that are difficult to replace. • Substantial increase in energy costs. • Significant increase in the cost of raw materials.	• Whenever possible, centralized stock management making it more efficient. • Expansion of the supplier portfolio, when the business allows it. • Optimization of logistics flows. • Alternative solutions that ensure customer satisfaction. • Negotiation with logistics operators supported by Toyota channels.
Environmental	Failure to achieve Sustainability Strategy targets	• Differing visions, businesses, needs, structures, and organizational cultures can lead to a loss of focus. • Maturity of some of the technologies needed to replace gas with electricity, which could jeopardize the objective. Potential impediment to achieving CO2 emission reductions. • Increase in legislative volume and complexity.	• Sustainability Committee. • Centralization of information and transfer of know-how. • Implementation of the centralized coordination process. • Assessment of the impact on productivity by the introduction of electric cabinets, in order to accelerate the change (even if it implies an increase in investment). • Evaluate alternative solutions such as hydrogen. • Search for alternative decarbonization solutions in differentiated areas in order to mitigate the difficulty of reduction in some areas. • Initiatives to increase the resilience of facilities to climatic events (autonomy in energy and water) or expected increases in energy costs. • Stratify activities by degree of importance and define different methods of follow-up.

OTHER INFORMATION

The Company did not acquire or dispose of its own shares during the year. As of December 31, 2023, the Company did not hold any shares of its own.

We must also inform that there are no debts to the State Public Sector and to Social Security, the payment of which is in arrears.

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

No business was conducted between the Company and its directors.

STATEMENT

We declare under the terms and for purposes set out in clause c) of number 1 of article 29º. – G of the Securities Code that, to the best of our knowledge, the individual and consolidated financial statements of Toyota Caetano Portugal, for the year 2023, have been prepared in accordance with the applicable accounting standards, giving a true and fair view of assets and liabilities, the financial condition and results of this Company and of the companies included in its consolidation perimeter and that the Management Report presents faithfully the evolution of the business, performance and position of this Company and its subsidiaries included in the consolidation perimeter, as well as a description of the most significant risks and uncertainties they face.

SUBSEQUENT EVENTS

On March 10, elections to the Assembly of the Republic took place in Portugal, the results of which allow us to conclude that no political force or pre-electoral coalition has achieved a result in mandates that would allow them, unilaterally, to form a majority government solution. The possible geometry of coalitions and parliamentary support and the question about the level of support in the Assembly for a new Government places uncertainty on the immediate time horizon, namely about the sustainability of any governmental solution that may not be able to approve budgets and/or central diplomas in its program, in the eventuality of which the country could go to elections again. The political situation is markedly relevant to the country's economic performance, namely due to the necessary clarification of central issues in the country's economic life that were widely debated in the electoral context, namely the State's budgetary sustainability, fiscal policy, particularly IRS and IRC rates, implementation of the PRR ("*Plano de Recuperação e Resiliência*") and major public investments, regulation of various economic sectors.

PROPOSAL FOR APPLICATION OF PROFITS

In accordance with the provisions of item b) of number 1 of Article 376º of the Commercial Companies Code, we propose the following application of the net income for the year, in the amount of 17.119.170,02 € expressed in the individual financial statements of Toyota Caetano Portugal:

a) For the account of adjustments to financial assets arising from the application of the equity method: 4.340.219,57 €

b) For dividends to be attributed to the capital, 0,30 € per share, which, given its number (35 000 000) makes the following: 10.500.000,00 €

c) For the Retained Earnings account: 2.278.950,45 €

FINAL THOUGHTS AND ACKNOWLEDGMENTS

In concluding this report, we would like to say a word of thanks:

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

Approved at the Board of Directors meeting held on 23rd April 2024

The Board of Directors:

José Reis da Silva Ramos – President

Maria Angelina Martins Caetano Ramos

Miguel Pedro Caetano Ramos

Gisela Maria Falcão Sousa Pires Passos

Tom Fux

Kazunori Takagi

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

Pursuant to number 5 of article 447º of the Commercial Companies Code, it is hereby declared that, as of 31 December 2023, the members of the Company's management and supervisory bodies did not hold any shares or bonds of the Company.

It is also hereby declared that the members of the Company's management and supervisory bodies did not carry out any acquisitions, encumbrances or assignments of ownership related to the Company's shares or bonds during the financial year 2023.

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

- the shareholder Salvador Caetano Auto, SGPS, S.A. (of which Maria Angelina Martins Caetano Ramos is Chairman of the Board of Directors, José Reis da Silva Ramos and Miguel Pedro Caetano Ramos are Members of the Board of Directors), had no movements, so that on December 31, 2023 it held 24,429,144 shares with a nominal value of 1 euro each.

- the shareholder COVIM – Sociedade Agrícola, Silvícola e Imobiliária, S.A. had no movements (of which Maria Angelina Martins Caetano Ramos is Chairman of the Board of Directors, José Reis da Silva Ramos is the spouse of the Chairman of the Board of Directors), so that on December 31, 2023 it held 393,252 shares, with a nominal value of 1 euro each.

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

- José Reis da Silva Ramos, Chairman of the Board of Directors, holds 39.49% of the share capital of Grupo Salvador Caetano, SGPS, S.A., a company that has a controlling relationship with the Company;

- Maria Angelina Martins Caetano Ramos, Member of the Board of Directors, holds 39.49% of the share capital of Grupo Salvador Caetano, SGPS, S.A., a company that has a controlling relationship with the Company;

- Miguel Pedro Caetano Ramos, Member of the Board of Directors, holds 0.00223% of the share capital of Grupo Salvador Caetano, SGPS, S.A., a company that is in control of the Company.

FORMULAS

In this report, the following indicators are used with the following formulas:

- Financial Autonomy = Total Equity / Total Assets
- Employees = Average number of employees
- Net Debt = Financing Obtained – Cash and Equivalents
- Dividend per Share = Dividends Distributed / Number of Shares
- EBITDA = Operating Results + Amortization and Depreciation + Impairment of Inventories + Impairment of Receivables + Provisions and Impairment Losses
- Adjusted EBITDA = EBITDA + Results related to associated companies and joint ventures
- Gross Profit = Turnover + Cost of Sales + Variation in Production
- Number of Trainees completed = Departures to the labour market
- Turnover (Human Resources) = [Number of Employees who left the Company in the last 6 months / Total Number of Employees in the Company at the reference date of the indicator) x 100
- Units sold = Sales of new and used vehicles + sale of new and used forklifts
- Turnover = Sales + Services

INDIVIDUAL

ACCOUNTS

STATEMENTS OF FINANCIAL POSITION AS OF DECEMBER 31, 2023 AND 2022

(Amounts expressed in Euros)

ASSETS	NOTES	31-12-2023	31-12-2022
NON-CURRENT ASSETS:			
Goodwill	8	611,997	611,997
Intangible assets	9	4,489,020	2,375,303
Tangible fixed assets	5	31,134,424	25,314,203
Investment properties	6	10,874,890	11,374,484
Financial investments in subsidiaries and associates	10	112,868,487	96,995,572
Other financial assets	29	4,600	19,600
Deferred tax assets	16	1,366,355	628,800
Total non-current assets		**161,349,774**	**137,319,960**

CURRENT ASSETS:			
Inventories	12	90,492,269	40,839,400
Accounts receivable	13	87,481,499	83,414,863
Other debtors	14	4,569,720	1,475,937
Other current assets	15	5,504,458	888,644
Other financial assets	11	-	3,375,000
Cash and cash equivalents	4	16,743,033	5,501,727
Total current assets		**204,790,978**	**135,495,572**
Non-current assets held for sale	7	299,181	-
Total assets		**366,439,933**	**272,815,532**

The accompanying notes form an integral part of this statement for the year ended December 31, 2023.

Chartered Accountant: Alexandra Maria Pacheco Gama Junqueira

Board of Directors: José Reis Da Silva Ramos - Chairman; Maria Angelina Martins Caetano Ramos; Miguel Pedro Caetano Ramos; Gisela Maria Falcão Sousa Pires Passos; Tom Fux; Kazunori Takagi

STATEMENTS OF FINANCIAL POSITION AS OF DECEMBER 31, 2023 AND 2022

(Amounts expressed in Euros)

SHAREHOLDERS' EQUITY & LIABILITIES	NOTES	31-12-2023	31-12-2022
EQUITY:			
Share capital		35,000,000	35,000,000
Legal reserve		7,498,903	7,498,903
Adjustments in financial assets		8,586,944	9,322,533
Revaluation reserve		6,195,184	6,195,184
Other reserves		69,280,449	70,168,977
Retained earnings		24,539,929	17,128,213
Net income for the year		17,119,170	14,701,870
Total equity	17	**168,220,580**	**160,015,681**
LIABILITIES:			
NON-CURRENT LIABILITIES:			
Loans	18	30,802,469	11,933,595
Provisions	23	1,571,316	-
Defined benefit plan liabilities	22	1,169,598	284,397
Deferred tax liabilities	16	80,031	78,658
Total non-current liabilities		**33,623,415**	**12,296,650**
CURRENT LIABILITIES:			
Loans	18	64,150,514	37,837,462
Accounts payable	19	23,665,778	27,313,547
Other creditors	20	27,192,503	14,220,705
Income tax payable	16	3,133,679	1,984,769
Other current liabilities	21	46,453,465	19,146,718
Total current liabilities		**164,595,938**	**100,503,201**
Total liabilities		**198,219,353**	**112,799,851**
Total liabilities and shareholder' equity		**366,439,933**	**272,815,532**

The accompanying notes form an integral part of this statement for the year ended December 31, 2023.

Chartered Accountant: Alexandra Maria Pacheco Gama Junqueira

Board of Directors: José Reis Da Silva Ramos - Chairman; Maria Angelina Martins Caetano Ramos; Miguel Pedro Caetano Ramos; Gisela Maria Falcão Sousa Pires Passos; Tom Fux; Kazunori Takagi

INCOME STATEMENTS BY NATURE FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(Amounts expressed in Euros)

	NOTES	31/12/2023	31/12/2022
Operating Income:			
Sales	24	465,479,354	421,705,653
Other operating income	27	24,014,466	21,382,709
Variation of production	12	-2,255,711	3,526,956
Total operating income		**487,238,109**	**446,615,317**
Operating expenses:			
Cost of sales	12	-379,971,277	-341,826,900
External supplies and services	25	-49,972,755	-46,393,505
Payroll expenses	26	-20,869,822	-19,053,704
Depreciations and amortizations	5, 6 and 9	-9,207,512	-7,006,390
Impairment losses in accounts receivable	23	-36,890	-14,309
Provisions	23	-1,571,316	-
Other operating expenses	27	-2,860,925	-10,275,781
Total operating expenses		**-464,490,496**	**-424,570,589**
Operational Income		**22,747,613**	**22,044,728**
Results related to financial holdings in subsidiaries and associates	10	4,340,220	119,716
Interest and other financial expenses	28	-5,386,819	-2,262,860
Income and financial gains	28	859,067	57,330
Profit before taxation		**22,560,081**	**19,958,913**
Income tax for the year	16	-5,440,911	-5,257,043
Net profit for the year		**17,119,170**	**14,701,870**

The accompanying notes form an integral part of this statement for the year ended December 31, 2023.

Chartered Accountant: Alexandra Maria Pacheco Gama Junqueira

Board of Directors: José Reis Da Silva Ramos - Chairman; Maria Angelina Martins Caetano Ramos; Miguel Pedro Caetano Ramos; Gisela Maria Falcão Sousa Pires Passos; Tom Fux; Kazunori Takagi

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(Amounts expressed in Euros)

	NOTES	Share capital	Legal reserve	Revaluation reserve	Adjustments in financial assets	Other reserves	Total reserves	Retained earnings	Net income for the year	Total equity
Balances at 1 of January 2022		**35,000,000**	**7,498,903**	**6,195,184**	**11,548,164**	**67,892,107**	**93,134,358**	**8,773,476**	**11,695,006**	**148,602,839**
Changes in the period:										
Application of the net income of the prior year		-	-	-	-734,406	-	-734,406	5,429,411	-4,695,005	0
Comprehensive income for the year		-	-	-	1,434,101	2,276,871	3,710,972		14,701,870	18,412,842
Transactions with equity holders in the period					-2,925,326		-2,925,326	2,925,326		0
Distributed dividends	17	-	-	-	-	-	-	-	-7,000,000	-7,000,000
Balances at 31 of December 2022		**35,000,000**	**7,498,903**	**6,195,184**	**9,322,533**	**70,168,977**	**93,185,598**	**17,128,213**	**14,701,870**	**160,015,681**
Balances at 1 of January 2023		**35,000,000**	**7,498,903**	**6,195,184**	**9,322,533**	**70,168,977**	**93,185,598**	**17,128,213**	**14,701,870**	**160,015,681**
Changes in the period:										
Application of the net income of the prior year		-	-	-	119,716	-	119,716	5,832,154	-5,951,869	0
Comprehensive income for the year		-	-	-	724,258	-888,528	-164,270		17,119,170	16,954,900
Other changes recognized in equity		-	-	-	-1,579,562	-	-1,579,562	1,579,562	-	-
Transactions with equity holders in the period										
Distributed dividends	17	-	-	-	-	-	-	0	-8,750,000	-8,750,000
Balances at 31 of December 2023		**35,000,000**	**7,498,903**	**6,195,184**	**8,586,944**	**69,280,449**	**91,561,481**	**24,539,929**	**17,119,170**	**168,220,580**

The accompanying notes form an integral part of this statement for the year ended December 31, 2023.

The Chartered Accountant: Alexandra Maria Pacheco Gama Junqueira

The Board of Directors: José Reis Da Silva Ramos- Chairman; Maria Angelina Martins Caetano Ramos; Miguel Pedro Caetano Ramos; Gisela Maria Falcão Sousa Pires Passos; Tom Fux; Kazunori Takagi

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(Amounts expressed in Euros)

	31/12/2023	31/12/2022
Net profit for the year	17,119,170	14,701,870
Components of other comprehensive income, that will be subsequently recycled to the income statement:		
Equity Method - Impact in Equity (Note 10) Associates	123,883	309,376
Components of other comprehensive income, that will not be subsequently recycled to the income statement:		
Remeasurements (actuarial losses, gross amount) (Note 22)	-890,542	2,937,898
Deferred tax actuarial losses (Note 16)	2,014	-661,027
Equity method - Impact in Equity (Note 10) Subsidiaries	600,375	1,124,725
Consolidated comprehensive income for the year	**16,954,900**	**18,412,842**

The accompanying notes form an integral part of this statement for the year ended December 31, 2023.

The Chartered Accountant: Alexandra Maria Pacheco Gama Junqueira

The Board of Directors: José Reis Da Silva Ramos- Chairman; Maria Angelina Martins Caetano Ramos; Miguel Pedro Caetano Ramos; Gisela Maria Falcão Sousa Pires Passos; Tom Fux; Kazunori Takagi

CASH FLOW STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(Amounts expressed in Euros)

	NOTES	31/12/2023	31/12/2022
OPERATING ACTIVITIES:			
Collections from customers		639,656,800	502,887,327
Payments to suppliers		-529,135,218	-392,215,725
Payments to employees		-14,896,733	-12,544,732
Operating flow		**95,624,849**	**98,126,870**
Payments of Corporate Income Tax		-5,504,427	-3,302,086
Other collections/payments related to operating activities		-100,089,115	-97,652,277
Cash flow from operating activities		**-9,968,692**	**-2,827,493**
INVESTMENT ACTIVITIES:			
Collections arising from:			
Financing granted to participated companies	10	-	9,581,303
Financial Investments	11	10,001,630	-
Tangible fixed assets	5		135,000
Investment property	6	-	570,000
Non-current assets held for sale	7	410,000	-
Investment subsidies		923,781	521,809
Interest and other income		-	69,980
Dividends	10	1,579,562	2,295,328
		12,914,973	**13,173,419**
Payments related to:			
Financial investments	10	-12,388,000	-6,193,549
Financing granted to participated companies	11	-6,626,630	-8,700,000
Tangible fixed assets	5	-4,875,983	-1,805,584
Intangible assets	8	-2,156,827	-809,395
		-26,047,440	**-17,508,528**
Cash flow from investment activities		**-13,132,467**	**-4,335,109**
FINANCING ACTIVITIES:			
Collections arising from:			
Loans obtained	18	375,500,083	124,500,000
Lease Liabilities	18	9,062,112	6,601,048
		384,562,195	**131,101,048**
Payments related to:			
Loans obtained	18	-335,000,083	-117,500,000
Amortization of Lease Liabilities	18	-4,380,187	-5,533,304
Interest and other costs		-2,099,771	-1,149,564
Dividends	17	-8,739,690	-7,003,924
		-350,219,729	**-131,186,791**
Cash flow from financing activities		**34,342,466**	**-85,743**
Cash and cash equivalents			
Cash and cash equivalents at beginning of period	4	5,501,727	12,750,072
Cash and cash equivalents at end of period	4	16,743,033	5,501,727
Net flow in cash and cash equivalents	4	**11,241,306**	**-7,248,345**

The accompanying notes form an integral part of this statement for the year ended December 31, 2023.

The Chartered Accountant: Alexandra Maria Pacheco Gama Junqueira

The Board of Directors: José Reis Da Silva Ramos - Chairman; Maria Angelina Martins Caetano Ramos; Miguel Pedro Caetano Ramos; Gisela Maria Falcão Sousa Pires Passos; Tom Fux; Kazunori Takagi

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2023

(Amounts expressed in Euros)

1. INTRODUCTORY NOTE

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

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

Toyota Caetano Portugal, S.A., belongs to the Salvador Caetano Group (Group led by the company Grupo Salvador Caetano, S.G.P.S., S.A.), and has been 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 (cars and forklifts), Lexus (vehicles) and BT (forklifts) brands for Portugal, leading a Group ("Toyota Caetano Group") that presents itself as follows on December 31, 2023:

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

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

2. BASIS OF PRESENTATION AND MAIN ACCOUNTING POLICIES

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

2.1 BASIS OF PRESENTATION

The attached financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), the International 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 the Standing Interpretation Committee ("SIC"), which have been endorsed by the European Union, in force for the financial year beginning on January 1, 2023.

The accompanying financial statements of the Company have been prepared on a going concern basis and on the basis of the principle of historical cost and, in the case of some financial instruments, of fair value, from the Company's books and records.

The Board of Directors has assessed the Company's ability to operate on a continuing basis, based on all relevant information, facts and circumstances, whether financial, commercial or otherwise, including events subsequent to the reference date of the financial statements, available for the future. As a result of the assessment carried out, the Board of Directors concluded that the Company has adequate resources to maintain its activities, and there is no intention to cease activities in the short term, and therefore considered it appropriate to use the going concern assumption in the preparation of the financial statements.

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

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

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

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

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

Although these estimates are based on management's best experience and expectations of 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 January 1, 2023

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

Description	Alteration	Effective date
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 on the distinction between	January 1, 2023

Description	Alteration	Effective date
	changes in accounting policies and changes in accounting estimates	
IFRS 17 – Insurance Contracts	New accounting for insurance contracts, reinsurance contracts and investment contracts with discretionary participation characteristics in terms of aggregation, recognition, measurement, presentation and disclosure	January 1, 2023
IFRS 17 – Initial application of IFRS 17 and IFRS 9 – Comparative Information	This amendment avoids temporary accounting mismatches between financial assets and insurance contract liabilities in the comparative information submitted in the application of IFRS 17 for the first time, This amendment allows for the application of an overlay on the classification of a financial asset, for which the entity does not update the IFRS 9 comparative information	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/lease liabilities and provisions for dismantling/related assets, when their initial recognition gives rise to equal amounts of taxable temporary differences and deductible temporary differences, as they are not relevant for tax purposes	January 1, 2023
IAS 12 – International Taxation Reform – Pillar Two Model Rules	Introduction of a temporary exception to the requirements for the recognition and disclosure of information on deferred taxes, assets and liabilities related to income taxes of the Pillar Two model, Targeted disclosure requirements for affected entities (entities belonging to multinational groups that have	Immediately or January 1, 2023

Description	Alteration	Effective date
	consolidated revenues of €750 million in at least two of the last four years)	

There were no significant effects on the Company's financial statements for the year ended December 31, 2023, as a result of the adoption of the above standards and amendments to the standards.

Published rules (new and amended), the application of which is mandatory for annual periods starting on or after January 1, 2024, and which the European Union has already endorsed

Up to the date of approval of these financial statements, the following accounting standards and amendments to the standards have been endorsed by the European Union, with mandatory application to the financial years starting on January 1, 2024:

Description	Alteration	Effective date
IAS 1 – Classification of liabilities as non-current and current and Non-current liabilities with covenants	Classification of a liability as current or non-current, depending on an entity's right to defer payment beyond 12 months after the reporting date when subject to covenants	January 1, 2024
IFRS 16 – Lease liabilities in sale and leasehold transactions	Requirements for accounting for sale and leasehold transactions after the transaction date when some or all lease payments are variable	January 1, 2024

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

Published rules (new and amended), the application of which is mandatory for annual periods starting on or after January 1, 2024, and which the European Union has not yet endorsed:

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

Description	Alteration	Effective date
IAS 7 and IFRS 7 – Supplier Financing Agreements	Additional disclosure requirements on supplier financing arrangements (or reverse factoring), the impact on liabilities and cash flows, as well as the impact on liquidity risk analysis and how the entity would be affected if these arrangements were to cease to be available	January 1, 2024
IAS 21 – Effect of changes in exchange rates: Lack of interchangeability	Requirements to determine whether the currency can be exchanged for another currency and where it is not possible to exchange it for a long period, the options for calculating the spot exchange rate to be used, Disclosure of the impacts of this situation on the entity's liquidity, financial performance and financial position, as well as the spot exchange rate used on the reporting date	January 1, 2025

These standards have not yet been endorsed by the European Union and, as such, have not been applied by the Company in the year ended December 31, 2023.

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

2.3 MAIN VALUATION CRITERIA

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 (the date of transition to IFRS) are recorded at its deemed cost, which corresponds to its acquisition cost, or acquisition cost revalued in accordance with generally accepted accounting principles up to 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 costs directly attributable to its acquisition and the costs incurred in preparing the asset to be put into its usable condition. Finance costs incurred from borrowing for the construction of qualifying tangible assets are recognized as part of the cost of building the asset.

Impairment losses detected in the realisation value of tangible fixed assets are recorded in the year in which they are estimated, as a counterpart to the caption "Impairment losses" in the profit and loss account.

Depreciation is calculated from the moment the goods are in usable condition, using the straight line method, according to the following estimated useful lives:

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

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

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

Tangible fixed assets in progress represent tangible assets still in the construction/development phase, and are recorded at acquisition cost less accumulated impairment losses. These assets are transferred to tangible fixed assets and depreciated as from the moment the underlying assets are available for use and under 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 sales price and the net accounting value on the date of disposal/write-off, and are recorded in the income statement as "Other operating income" or "Other operating expenses".

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

b) Intangible assets

Intangible assets are recorded at acquisition cost, less accumulated depreciation and accumulated impairment losses. Intangible assets are only recognised if they are likely to generate future economic benefits to the Company, if the Company has the power to control them and can reasonably measure their value.

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

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

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

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

The depreciation of intangible assets for the year is recorded in the profit and loss statement under the caption "Amortisation and depreciation".

c) Investment properties

Investment properties, which are real estate assets held for income through their 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 and their fair value is disclosed (Note 6).

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

Investment properties are also depreciated under 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 "Amortizations and depreciations".

Expenses incurred with investment properties in use, such as maintenance, repairs, insurance and property taxes (municipal property tax), are recognised in the income statement for the financial year to which they relate. Leasehold improvements, which are estimated to generate additional economic benefits in the future, are capitalised.

When the fair value of these real estate assets is lower than their respective acquisition cost, an impairment loss is recorded, whenever justified, in the year in which it is estimated, through the recognition of "Impairment losses" in the income statement. When the accumulated impairment losses recorded cease to occur, they are immediately reversed against the item "Impairment losses" in the income statement up to the limit of the amount that would have been determined, net of amortisation or depreciation, if no impairment loss had been recognised in previous years.

The fair value resulting from external valuations of investment properties, which is subject to disclosure, has been determined on the basis of real estate valuations carried out by independent specialised entities (usually using the Market method, the Cost method or the Yield method).

d) Leases (from the lessee´s point of view)

Identification of leases

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 of judgment as to whether each contract is dependent on a particular asset, whether the Company, as a lessee, derives substantially all the economic benefits from the use of that asset, and whether it has the right to control the use of the asset.

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

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

Lease liabilities are remeasured when certain events occur (such as 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 lease liabilities is recognised as an adjustment in the RoU.

Right of use assets

The Company recognizes a right of use asset on the effective date of the lease agreement (i.e., the date on which the underlying asset is available for use). The right to use the assets is recorded at the acquisition cost, less accumulated depreciation and accumulated impairment losses and adjusted for any new measurements of lease liabilities. The cost of the right of 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 plus restoration costs, if any. Right-of-use assets are recorded under the caption "Tangible fixed assets" in the statement of financial position.

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

Lease incentives (e.g., rent grace periods) are recognized as elements of measurement of the right of use and lease liabilities. 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 the payment occurs.

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

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

The impairment of rights of use is tested in accordance with the recommendations of IAS-36 – impairment of assets (Note 2.3 h).

In the case of low-value, short-term asset leases, the Company does not recognize the rights to use assets or lease liability, recognizing the expenditures associated with these leases as expenses for the year during the life of the contracts.

Lease agreements can contain both lease and non-lease components. However, the practical expedient provided for in the standard of not separating the service components from the leasing components was considered, thus accounting for them as a single leasing component.

Lease liabilities

On the effective date, the Company recognises liabilities measured at the present value of future payments to be made by the end of the lease agreement, and includes such balances under the caption of the statement of financial position "Loans obtained".

Lease payments include lump sum payments (including lump sum payments in substance), less any incentives receivable, variable payments, dependent on an index or rate, and amounts expected to be paid under residual value guarantees. Lease payments also include the exercise price of a call option, if it is reasonably certain that the Company exercises the option, and payments of termination penalties for termination of the contract, if it is reasonably certain that the Company will terminate the contract.

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

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

Extension and termination options are provided for in a number of lease agreements and are implemented on the basis of operational maximisation. In determining the term of the lease, 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 of the extension options have not been included in the lease liabilities and, when exercised, are exercised by the Company and not by the lessor.

The term is revised only if a significant event or a significant change in circumstances occurs that affects this assessment and is within the control of the lessor.

After the effective date, the value of the lease liability increases to reflect the accrual of interest and decreases for payments made. Additionally, the accounting value of the lease liability is remeasured if there is a modification, such as a change in the lease term, in fixed payments, or in the decision to purchase the underlying asset.

Accounting treatment of Sale and Leaseback operations

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

According to IFRS 16, the value of the right of use to be recognized (RoU) is lower than it would be if the lease agreement was entered into without the previous sale transaction. Effectively, the value of the RoU is calculated by the ratio of the value retained over the value of the asset sold.

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

e) Non-current assets held for sale

Non-current assets are classified as held for sale when the value of the assets is recovered through a sales transaction, rather than through their continued use. However, such classification requires that the sale transaction is highly likely, that the asset is available for immediate sale, that the Company's Board of Directors is committed to the disposal of the asset and that the sale occurs 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 accounting value, or fair value, less the costs of their disposal, and, in the case of fixed assets assigned to the operating unit held for sale, depreciation is interrupted during that period.

f) Inventories

The Company's inventories associated with the import and retail activity of the automotive area and industrial equipment (which essentially comprise goods consisting of new and used vehicles, cargo handling equipment, as well as parts and accessories) are valued at the lowest value between the acquisition cost and the 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 in relation to vehicles (new and used) the costing is specific by chassis or license plate.

The net realizable value represents the estimated sales price less all estimated completion costs and costs to be incurred in marketing, selling, and distributing. Used vehicles are accounted for at the lesser of cost or fair value less selling costs, usually based on available external market data for used vehicles. An inventory impairment is recognized in situations where the net realizable value is less than the cost (as a result of obsolescence, deterioration, and a decline in the selling price). When calculating impairment, the Board of Directors considers the nature and state of the inventory (vehicle) as well as applies assumptions around the possibility of early sale, determined under the conditions existing at the end of the financial reporting period. With the exception of 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 service), the labour applied is valued at cost price.

Regarding the industrial activity related to the assembly of vehicles at the Ovar manufacturing facilities (the inventories in this activity correspond to raw materials and subsidiaries, production in progress and finished products), the raw materials are valued at the acquisition cost, and the average cost is used as a costing formula. As for the cost of finished and intermediate products, as well as products and work in progress, it corresponds to their production cost, which includes the cost of raw materials incorporated in production, labour and manufacturing overheads incorporated, based on the normal level of production. The differential of capitalized and recognized charges as these types of inventories between the beginning and the end of the year is recognized as a change in production in the income statement. The costing formula for the outputs corresponds to the specific cost of each vehicle/chassis produced.

Impairments are also considered to reduce their accounting value to their realizable value, essentially on the basis of turnover indicators.

g) Subsidies from the government or other public entities

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

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

h) Asset impairment

<u>Non-current assets other than *Goodwill*</u>

An impairment 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 that indicates that the amount for which the asset is recorded may not be recoverable.

Where the amount for which the asset is recorded is greater than its recoverable amount (defined as the higher of the net sale price and use value, or as the net sale price for assets held for disposal), an impairment loss is recognised, recorded in the profit and loss account 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, less the costs directly attributable to the disposal. Usage 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, either individually or, if this is not possible, for the cash flow generating unit to which the asset belongs.

The reversal of impairment losses recognised in prior periods is recorded when it is concluded that the impairment losses recognised no longer exist or have decreased. This analysis is carried out where there are indications that the impairment loss previously recognised has reversed. The reversal of impairment losses is recognized in the 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 recognised (net of amortisation or depreciation) if the impairment loss had not been recorded in previous years.

Goodwill

The value of Goodwill is not amortized and is tested annually, at the end of each financial year, to check if there are impairment losses, that is, if Goodwill is not recorded for an amount higher 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 recorded under the caption "Impairment losses" or, in the case of joint ventures or associated ventures, such impairment losses from Goodwill included in the financial investment are considered under the caption "Income from associated companies and joint ventures". Impairment losses related to Goodwill cannot be reversed.

i) Financial costs

Financial costs related to loans obtained shall be recognised as an expense in the income statement for the period in which they are incurred, in accordance with the accrual principle, unless such charges are directly related to the acquisition, construction or production of a fixed asset that necessarily takes a substantial period of time to be ready for its intended use or sale, in which case they are capitalized, forming part of the cost of the asset. The capitalisation of these charges starts 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 borrowing directly related to a specific investment is deducted from the finance charges eligible for capitalisation.

j) Provisions

Provisions are recognized when, and only when, the Company has a present obligation (legal or constructive) resulting from a past event, where it is probable that for the resolution of that obligation an outflow of funds will occur and the amount of the obligation can be reasonably estimated. Provisions are reviewed at the date of each statement of financial position and are adjusted to reflect the best estimate of their fair value at that date (Note 23).

k) Financial Assets

Recognition

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

Classification

The classification of financial assets depends on the business model followed by the Company in managing the collection of financial assets (collection of cash flows, sale of cash flows, or appropriation of variations in fair value) and the contractual terms of the cash flows receivable (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 are 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 the collection 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 collection of contractual cash flows or their occasional 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 joint control or significant influence, and which the Company irrevocably elected, on the date of initial recognition, to designate at fair value through equity, as they relate 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 Company's financial assets by category is disclosed in Note 29.

Measurement

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

Financial assets at amortised cost are subsequently measured in accordance with the effective interest rate method and deducted from impairment losses. The interest income from these financial assets is included under "Financial income and gains" in the 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 recognised as as other comprehensive income, with the exception of changes relating to the recognition of impairments, interest income and gains/(losses) on exchange rate differences, which are recognised in profit or loss. 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 recognition and subsequently, and changes in fair value are recorded directly in the other comprehensive income, in equity, and there is no future reclassification even after the derecognition of the investment. The dividends obtained from these investments are recognized as gains, in profit or loss, on the date on which they are awarded.

Impairment losses

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

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

With regard to receivables under the captions "Customers" and "Other debtors" and Customer Contract Assets, the Company applies the simplified approach allowed by IFRS 9, whereby estimated credit losses are recognised from the initial recognition of receivables and for the entire period to maturity, considering a matrix of historical default rates for the maturity of receivables, adjusted for forward-looking estimates.

With regard to receivables from related entities, which are not considered part of the financial investment in those entities, credit impairment shall be assessed by taking into account the following criteria: (i) whether the receivable balance 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 has the capacity to pay, the probability of default is close to 0% and therefore the impairment is considered to be zero. In cases where the receivable balance is not immediately payable, the credit risk of the related entity is assessed and if this is "low" or if the term is less than 12 months, then the Company only assesses the probability of a default occurring for the cash flows that mature in the next 12 months.

For all other situations and natures of receivables, the Company applies the general impairment model approach, assessing at 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 has been no increase in credit risk, the Company calculates an impairment corresponding to the amount equivalent to the expected losses within 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 to maturity of the asset.

Derecognition of financial assets

The Company derecognises 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 of the risks and benefits arising from ownership of the asset.

Fair value of financial investments

In determining the fair value of a financial asset or liability, if there is an active market, the market price is applied – Level 1. A market is considered active if there are prices that are easily and regularly quoted through exchanges, brokerage or regulatory agencies, and if those prices represent current and regular transactions taking place in a market in free competition. In the absence of an active market, generally accepted valuation techniques are used, 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. For the remaining cases, valuation techniques are used, not based on observable market data – Level 3.

Investments are all initially recognised at fair value plus transaction costs, with the only exception being "investments recorded at fair value through profit or loss". In the latter case, investments are initially recognised at fair value and transaction costs are recognised in the income statement.

"Equity instruments at fair value by way of capital" are subsequently held at fair value by reference to their market value at the date of the statement of financial position, without any deduction for transaction costs that may occur until they are sold.

Gains or losses arising from a change in the fair value of capital instruments at fair value by way of equity shall be recorded in equity under the caption "Fair value reserves" until the investment is sold, received or otherwise disposed of, or until the fair value of the investment is below its acquisition cost and this represents an impairment loss, point at which the accumulated loss is recorded in the income statement.

All purchases and sales of financial investments are recognized on the date of the transaction, i.e., on the date on which the Company assumes all risks and obligations inherent to the purchase or sale of the asset.

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

The Company carries out valuations at the date of each statement of financial position whenever there is objective evidence that a financial asset may be impaired. In the case of equity instruments classified as available-for-sale, a significant or prolonged fall in their fair value to levels below their cost is indicative that the asset is impaired. If there is any evidence of impairment for 'Capital instruments at fair value by way of capital', the accumulated losses – calculated by the difference between the acquisition cost and the fair value minus any impairment loss previously recognised in the income statement – are taken out of equity and recognised in the income statement.

Investments are derecognised 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 item "Cash and cash equivalents" correspond to the amounts of cash, bank deposits, term deposits and other treasury investments, which are less than three months past due and can be immediately withdrawn with negligible risk of change in value.

(ii) Accounts receivable and Other Debtors

These captions mainly include customer balances resulting from sales and services rendered within the scope of the Company's ordinary business and other balances related to operating activities. Balances are classified as current assets when the 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 captions "Accounts receivable" and "Other debtors" are initially recognised at fair value and subsequently measured at amortised cost, less impairment adjustments. Account receivables' impairment losses and other third-party debts are recorded in accordance with the principles described in "Impairment Losses". The impairment losses identified are recorded in the income statement under "impairment of receivables" and subsequently reversed by profit or loss.

l) Financial liabilities

Financial liabilities are classified into two categories:

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

(ii) Financial liabilities at amortized cost.

The category "Financial liabilities at amortised cost" includes liabilities under the captions "Loans obtained" (Note 18), "Accounts payable" (Note 19) and "Other creditors" (Note 20). These liabilities are initially recognised at fair value net of transaction costs and are subsequently measured at amortised cost at the effective interest rate.

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

As of December 31, 2023 and 2022, the Company only has recognized liabilities classified as "Financial liabilities at amortized cost".

(i) Loans obtained

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

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

Finance charges are calculated in accordance with the effective interest rate and accounted for in the profit and loss statement for the period in accordance with the accrual principle.

(ii) Accounts payable and Other creditors

These captions generally include balances of suppliers of goods and services that the Company has acquired in the ordinary course of its business. The items that comprise them will be classified as current liabilities if the payment is due within 12 months or less, otherwise the "Accounts payable" and "Other creditors" accounts will be classified as non-current liabilities.

These financial liabilities are initially recognized at fair value. Subsequent to their initial recognition, the liabilities presented under the caption "Accounts payable" 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 present realizable value. However, these amounts are not discounted because the effect of their financial adjustment is not considered material.

m) Retirement complements (Defined Benefit Plan and Defined Contribution Plan)

Toyota Caetano Portugal set up, together with other entities ("Associates"), by public deed dated December 29, 1988, the Salvador Caetano Pension Fund, subsequently amended on February 2, 1994, 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 statement of financial position represent the present value of future benefits, adjusted for actuarial gains or losses and/or unrecognized past service liabilities, reduced from the fair value of the pension fund's net assets (Note 22). This pension plan defines the amount of pension benefit an employee will receive in retirement, usually dependent on one or more factors, such as age, years of service, and pay. This pension plan is managed by the independent external entity BPI Vida e Pensões, S.A.

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

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

Past service costs are immediately recognized in profit or loss, unless changes to the pension plan are conditional on employees remaining 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 in question.

Gains and losses arising from a cut-off or liquidation of a defined benefit pension plan are recognized in the profit or loss for the year in which the cut-off or liquidation occurs. A cut occurs when there is a material reduction in the number of employees or the plan is changed so that the defined benefits are reduced, with material effect, thus leading to a reduction in plan liabilities.

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

n) Contingent assets and liabilities

Contingent liabilities are defined by the Company as (i) possible liabilities that arise from past events and the existence of which will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not fully under the Company's control or (ii) present obligations that arise from past events but which are not recognized because an outflow of funds 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 disclosed at all.

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

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

o) Income taxes

Income taxes for the year are calculated on the basis of the Special Taxation Regime for Groups of Companies ("RETGS") provided for in articles 69 and 70 of the Corporate Income Tax Code, which started on January 1, 2007. Under this regime, the dominant company, Toyota Caetano Portugal, S.A., must record the taxes calculated in the subsidiaries headquartered in Portugal included in the tax perimeter, Caetano Renting, S.A., Caetano Auto, S.A. and Salvador Caetano Seguros – Mediação de Seguros Unipessoal, Lda., in order to determine the income tax.

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

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

Deferred taxes are recorded as expenses 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 item.

p) Accrual basis

Income and expenses are recorded according to the accrual principle, whereby 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 in the accruals and deferrals items included in the "Other current assets" and "Other current liabilities" items.

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

q) 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 Company's activity. Revenue is recorded net of any taxes, trade discounts, and financial discounts awarded.

In determining the value of revenue, the Company evaluates for each transaction the performance obligations it assumes towards customers, the price of the transaction to be allocated to each performance obligation identified in the transaction and the existence of variable price conditions that may lead to future adjustments to the value of the recorded revenue, 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. at the moment 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 occurs on a continuous basis throughout the defined contractual period.

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 safely measured. The obligation to transfer goods to the customer is deemed to be satisfied when the vehicles or parts are invoiced and physically dispatched or collected.

Revenue from the provision of customer services is considered satisfied when the service is performed.

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

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

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

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

The amounts recorded under the caption "Other creditors" amounting to 4,387,093 Euros at December 31, 2023 (636,706 Euros at December 31, 2022) represent advances from customers (Note 20). The amounts recorded under the caption "Other current liabilities" in the amount of 28,899,330 Euros at December 31, 2023 (9,164,794 Euros at December 31, 2022) represent contract liabilities under IFRS 15, including vehicle maintenance contracts (Note 21).

r) Classification of Assets and Liabilities in the Statement of Financial Position

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

s) Balances and transactions denominated in foreign currency

Assets and liabilities denominated in foreign currency were converted into Euros using the exchange rates prevailing on the date of the statement of financial position. Exchange rate differences, favourable and unfavourable, arising from 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 on the date of the statement of financial position, are recorded as gains and expenses in the income statement for the year.

t) Earnings per share policy

Basic:

Basic income per share is calculated by dividing the 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 own shares.

Diluted:

Diluted earnings per share are calculated by dividing earnings attributable to shareholders, adjusted for dividends on convertible preferred stock, interest on convertible debt, and gains and expenses resulting from 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 potential diluting common stock.

u) Segment information

In each fiscal year, all business segments applicable to the Company are identified. They are defined according to the Company's functional organizational chart and the way management information is organized.

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

(i) that carries out business activities from which it can obtain revenue and incur expenses;

(ii) whose operating results are regularly reviewed by the Company's principal operational decision-maker for the purposes of making decisions on the allocation of resources to the segment and evaluating its performance; and

(iii) for which separate financial information is available.

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

In this note, information is also given by geography and by subsegments. For the vehicles segment, the sub-segments, industry, trade, services and rental were added. For the industrial equipment segment, the machinery, services and rental sub-segment were added.

v) Financial investments in subsidiaries, joint ventures and associates

Financial investments in subsidiary Companies (Companies controlled by the Entity), joint ventures (Companies in which the Company has joint control) and associated Companies (Companies where the Company 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) are recorded by the equity method.

According to the equity method, financial investments are initially recorded at their acquisition cost and annually adjusted by the amount corresponding to the Company's participation in 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 occurring in the subsidiaries.

The differences between the acquisition cost and the fair value of the investor's identifiable assets and liabilities on the acquisition date, if positive, are recognized as Goodwill and maintained in the value of the caption "Financial interests in subsidiaries, joint ventures and associates". If these differences are negative, they are recorded as a gain for the period under the income statement caption "Income from investments in subsidiaries, joint ventures and associates", after reconfirmation of the fair value attributed.

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

When the Company's proportion of the subsidiary's accumulated losses exceeds the value at which the financial investment is recorded, the investment is carried forward to zero value as long as the subsidiary's equity is not positive, except when the Company has made commitments to the subsidiary, in which case a provision is recorded to meet these obligations.

Unrealized gains in transactions with subsidiaries are eliminated proportionally to the Company's interest in the investor, in return for the financial investment in the same entity. Unrealized losses are similarly eliminated, but only to the extent that it does not show that the transferred asset is impaired.

w) Subsequent events

Events occurring after the date of the statement of financial position that provide additional information on conditions that existed at the date 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 occurring 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

In preparing the financial statements, the Company's Board of Directors has relied on the best knowledge and experience of past and/or current events, considering certain assumptions regarding future events.

The most significant accounting estimates reflected in the financial statements for the years ended December 31, 2023 and 2022 include:

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

b) Recording of adjustments to asset values (accounts receivable and inventories) and provisions;

c) Impairment tests carried out on Goodwill (Note 8);

d) Recoverability of deferred tax assets;

e) Calculation of liabilities with pension complements (Note 22);

f) Impairment analysis of tangible fixed assets, intangible assets and investment properties; and

g) Impairment analyses in relation to financial investments in joint ventures and associates (Note 10).

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

The assumptions with the greatest impact on the estimates referred to above are those of the discount rate, for the purpose of calculating pension liabilities, impairment of Goodwill and financial investments, and the mortality tables for the purpose of calculating pension liabilities.

The main estimates and significant judgments regarding future events included in the preparation of the financial statements are described in the relevant accompanying notes.

2.5 RISK MANAGEMENT POLICY

At Toyota Caetano Portugal, S.A., the risk policy and risk control 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 where it operates and with which it maintains synergies, such as the Legal and Compliance Department / Compliance Committee / Planning Department, Management Control and Internal Audit / Taxation / IT Services and by the Audit carried out by the External Auditors. Whenever appropriate, the reports are shared with the Fiscal Council.

In this context, it has adopted a four-line model of defense, with the involvement of the various levels of the organization, particularly top management:

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

Risk management aims to detect, manage, control and mitigate threats, as well as identify and enhance opportunities, thus creating added value for the Company. Therefore, the Company's Board of Directors is supported by the officers 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 the occurrence of risks by the Company's Board of Directors arises through (i) regular and very close monitoring of the activities carried out; (ii) participation in seminars, trainings and workshops promoted by external entities and corporate departments of Salvador Caetano; (iii) meetings and internal committees of Salvador Caetano to share information and experiences, among others.

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

It should also be noted that this risk management includes:

- sensitivity analysis (measurement of potential impacts as a function of the probability of occurrence of each risk);
- strategic alignment of the Company according to the risks actually incurred;
- mechanisms to monitor the implementation of the risk management measures adopted and their effectiveness;
- internal information and communication mechanisms on the various components of the risk alert system.

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

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

FINANCIAL RISKS

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

a) Exchange Rate Risk

In the development of its activity, the Company operates internationally and has a subsidiary operating in Cape Verde and, since December 2020, a joint venture operating in the United Kingdom (the subsidiary of the Caetano Bus Group, the Caetano UK entity) and an associate operating in Senegal (an associate of the Kinto Group, Caetano Renting Senegal). In accordance with the Company's policy, a functional currency is defined for each subsidiary (Cape Verde Escudo, in relation to the subsidiary Caetano Auto Cabo Verde, the Sterling Pound in relation to the subsidiary of Caetano Bus based in the United Kingdom and the Senegalese Franc, in relation to the Kinto Group's associate based in Senegal), corresponding to the currency of its main economic environment and the one that best represents the composition of its *cash flows*. Exchange rate risk thus results essentially from commercial transactions, arising from the purchase and sale of products and services in a currency other than the functional currency of each business.

The Company's exchange rate risk management policy is aimed at assessing on a case-by-case basis the appropriateness of hedging this risk, taking into account, in particular, 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 net assets of the parent company due to the need to convert the financial statements of foreign subsidiaries.

b) Interest rate risk

The Company's indebtedness is mainly indexed to variable interest rates, exposing the cost of debt to a high risk of volatility. The impact of this volatility on the Company's results or equity is not significant due to the effect of the following factors:

(i) possible correlation between the level of market interest rates and economic growth, with the latter having positive effects on other lines of the Company's results (namely operative), thus partially offsetting the increased financial costs ("natural hedge"); and

(ii) existence of liquidity or equally remunerated cash at variable rates.

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, through the permanent monitoring of the conditions and alternatives existing in the market, it is responsible for deciding on the one-off contracting of derivative financial instruments to hedge interest rate risk.

c) Liquidity risk

Liquidity risk is defined as the risk of a lack of ability to settle or meet obligations within 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 holding this same liquidity, in a safe and efficient manner.

The Board of Directors understands that this is one of the Company's main risks. However, from the risk analysis carried out during 2023, it emerged that the Board of Directors of Toyota Caetano Portugal, S.A. understood that there was a decrease in the level of this risk as a result not only of the robustness of the Company's accounts but also considering the value of the negotiated and unused credit lines, as well as the willingness of financial institutions to support the Company's activity. In addition, the recessionary impact associated with the increase in interest rates did not materialize to the expected extent.

The Company's Chief Financial Officer regularly monitors the level of financing obtained, available credit facilities, cash holdings, as well as the short and medium-term cash outflow prospects, in order to manage liquidity risk.

The Company's liquidity risk management aims to:

(i) Liquidity, i.e. ensuring permanent and most efficient access to sufficient funds to meet current payments on their due dates, as well as any requests for funds within the deadlines set for this purpose, even if not foreseen;

(ii) Security, i.e. minimizing the likelihood of default in the repayment of any investment of funds; and

(iii) Financial efficiency, i.e., ensuring that the Company maximizes the value/minimizes the opportunity cost of holding excess liquidity in the short term.

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

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

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

(ii) Attentive and close monitoring of the various components of the Working Capital;

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

(iv) Diversification of debt maturities in order to avoid excessive concentration of debt repayments over short periods of time;

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

It should be noted that the Company, with the exception of secured financing where the covenant ratio between net debt and EBITDA* calculated on the basis of the consolidated accounts of the previous year is foreseen, has not contracted any debt instruments with accelerated repayment clauses, other than those arising from the usual clauses related to the Company's compliance with obligations, namely, payment obligations, business interruption, ownership clause, pari passu, negative pledge, and the situations in which the financing obtained includes collateral are disclosed in Note 31.

* EBITDA = Operating Assets + Depreciation/Amortization + Impairments, Inventories/Receivables + Provisions and other impairments

d) Capital risk

The primary objective of the Management is to ensure the continuity of operations, providing adequate remuneration to shareholders and the corresponding benefits to the other stakeholders of the Company. In order to achieve this objective, it is essential to carefully manage the capital used in the business, seeking to ensure an optimal structure of the same, thus achieving the necessary reduction of its cost. In order to maintain or adjust the capital structure deemed appropriate, the Management may propose to the General Shareholders' Meeting the measures deemed necessary.

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

	2023	2022
Loans obtained	94,952,983	49,771,058
Cash and Cash Equivalents	(16,743,033)	(5,501,727)
Net indebtedness	78,209,950	44,269,331
Equity	168,220,582	160,015,680
Financial Leverage Ratio	31.73%	21.67%

Gearing remains within acceptable levels as set by management.

e) Credit risk

Credit risk is assessed at an early stage and over time in order to monitor its evolution.

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

Credit risk monitoring is carried out by the Company's finance 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 receivable; (iii) 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, namely dealers and independent repairers with whom car dealership contracts are concluded.

The Company considers the likelihood of default upon initial recognition of the asset and as a result of the occurrence of significant increases in credit risk on an ongoing basis in each reporting period. In order to assess whether there has been a significant increase in credit risk, the Company compares the risk of default occurring by reference to the reporting date with the default risk assessed by reference to the initial recognition date.

In order to assess whether there has been a significant increase in credit risk, the Company takes into account, among others, the following indicators:

- Internal credit risk;
- External credit risk (if available);
- Current or expected adverse changes in the debtor's operating results;
- Significant increases in the credit risk of the debtor's other financial instruments;
- Significant changes in the value of collateral over liabilities, or in the quality of third-party guarantees;
- Significant changes in the performance and expected behaviour 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 results;
- Macroeconomic information (such as market interest rates or growth rates) is incorporated into the domestic credit model.

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

In terms of credit improvement instruments associated with customer receivables, the Company has the following situation:

- Independent Dealers and Repairers: this type of third party refers to 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 and repairers maintains a bank guarantee "*on first demand*" in favor of the Company, with a previously established ceiling, ensuring that such limit is not exceeded.

Default is considered to exist when the counterparty fails to comply with contractual payments within 90 days of the due date of the invoices. The Company analyses on a case-by-case basis the balances receivable from customers that show problems of collection and realization, making every effort to recover them, by means of an agreement with the customer or by judicial means, also maintaining such balances (even if subject to a record of an impairment loss) in the statement of financial position, until all actions to recover the outstanding balance have been exhausted and the non-existence of assets for the recovery of said balances in the event of bankruptcy has been verified.

In this way, the financial assets corresponding to customer receivables 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. Thus, there are no situations in which it is possible to recover accounts receivable that have been derecognized at the level of the financial statements.

<u>Impairment of financial assets</u>

(i) Customers and Other Debtors

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 Debtors". In order to measure estimated credit losses, Customer balances and "Other debtors" were aggregated based on shared credit risk characteristics and seniority. Estimated credit losses incorporate forward-looking information.

(ii) Financing granted to related entities

The balances of "Financing to related entities" are considered to have low credit risk, and therefore 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 risk of collectability and the debtor has a high capacity to meet its contractual cash flow responsibilities in the short term.

In fact, with regard to customers representing car dealers and repairers, the Company requires them to obtain bank guarantees on first demand, the amount of which, on December 31, 2023 and 2022, was approximately 8,859,771 Euros and 9,129,470 Euros, respectively, which, when exceeded, implies the interruption of supplies.

Accounts receivable impairments are calculated by taking into account (a) the customer's risk profile, (b) the average receivable, and (c) the customer's financial condition. The movements of these adjustments for the years ended December 31, 2023 and 2022 are disclosed in Note 23.

As of December 31, 2023 and 2022, the Company considers that there is no need for additional impairment losses beyond the amounts recorded on those dates and shown, in a summarized manner, in Note 23.

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

(iii) Cash equivalents

The following tables provide a summary at December 31, 2023 and December 31, 2022 of the credit quality of bank deposits:

LP Deposits Rating	Rating Agency	Demand Deposits 31 Dec, 2023
A2	Moody's	5,551,607
A3	Moody's	8,310,339
Baa2	Moody's	555,181
Baa3	Moody's	1,126,740
	Others unrated	1,093,074
Total	(Note 4)	**16,636,940**

LP Deposits Rating	Rating Agency	Demand Deposits 31 Dec, 2022
A1	Moody's	30,627
A3	Moody's	575,799
Aa3	Moody's	14,418
Ba3	Moody's	715,288
Baa2	Moody's	3,514,410
	Others unrated	563,435
Total	(Note 4)	**5,413,977**

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

OTHER RISKS

The Company is also faced with other types of risks, which, although not within its direct spectrum, have an influence on it.

It is worth highlighting the following, which the Board of Directors considers to be the most significant, considering, for each one, the combination of the two vectors: (i) the probability of occurrence and (ii) foreseeable impact:

a) Business Risks:

- Impact of interest rate developments on customers' purchase decisions;
- Disruption in the supply chains of goods and materials.

b) Human capital risks:

- Attraction and retention of qualified talent;
- Employee well-being and motivation.

c) Compliance and Cybersecurity

- Complexity and legislative dimension;
- Computer attacks and data exfiltration;
- Risks related to the introduction of personal data into generative AI and/or online translation systems.

d) Environmental

- Failure to achieve the goals of the sustainability strategy.

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

3. CHANGES TO ACCOUNTING POLICIES, CORRECTION OF ERRORS AND CHANGES TO ESTIMATES

During the year ended December 31, 2023, there were no changes to accounting policies or corrections of material errors relating to previous years.

4. CASH FLOWS

On December 31, 2023 and December 31, 2022, the details of Cash and bank deposits were as follows:

	2023	2022
Cash	106,092	87,750
Bank deposits immediately callable	16,636,940	5,413,977
Net financial resources	16,743,033	5,501,727

5. TANGIBLE FIXED ASSETS

During the years ended December 31, 2023 and 2022, the movements in property, plant and equipment, as well as in the respective accumulated impairment and impairment losses, were as follows:

2023	Land and natural resources	Buildings and other constructions	Basic equipment and tools	Transportation equipment	Administrative equipment	Other tangible fixed asset	Ongoing tangible fixed assets	Assets under right of use	Total
Gross value:									
Opening Balance	6,373,889	33,209,769	54,607,678	31,778,926	6,284,124	3,209,150	579,422	20,427,141	156,470,100
Additions	-	67,107	3,544,104	447,073	36,628	358,909	710,039	9,083,066	14,246,926
Disposals	-	-	-26,324	-1,028,846	-	-	-	-	-1,055,170
Transfers (inventory reg,)	-	-	792	-4,201,918	-	-	-3,250	-406,714	-4,611,090
Transfers classes	-141,686	-	-372,095	2,997,277	-	609,676	-801,307	-1,594,838	697,027
Closing balance	6,232,203	33,276,876	57,754,155	29,992,512	6,320,752	4,177,735	484,904	27,508,655	165,747,792
Accumulated impairment and impairment losses:									
Opening Balance	-	31,200,735	53,153,015	28,707,285	6,254,737	3,034,021	-	8,806,103	131,155,896
Depreciation for the year	-	263,654	1,151,759	2,172,990	20,255	299,916	-	4,561,501	8,470,075
Disposals	-	-	-15,295	-541,472	-	-	-		-556,767
Transfers (inventory reg,)	-	-	-	-4,087,653	-	-	-	-368,183	-4,455,836
Transfers classes	-	-	-	1,387,573	-	-	-	-1,387,573	-
Closing balance	0	31,464,389	54,289,479	27,638,723	6,274,992	3,333,937	-	11,611,848	134,613,368
Net Worth	6,232,203	1,812,487	3,464,676	2,353,789	45,760	843,798	484,904	15,896,807	31,134,424

2022	Land and natural resources	Buildings and other constructions	Basic equipment and tools	Transportation equipment	Administrative equipment	Other tangible fixed asset	Ongoing tangible fixed assets	Assets under right of use	Total
Gross value:									
Opening 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
Additions	952,200	31,460	211,382	950,849	15,050	78,871	814,185	6,625,583	9,679,581
Disposals	-	-	-31,866	-5,447,329	-	-	-	-	-5,479,195
Transfers (Inventory reg,)	-	-	-		-	-	-	-656,971	-656,971
Transfers and reductions	-	-	198,000	10,556,944	-	43,042	-335,880	-10,556,944	-94,838
Closing balance	6,373,889	33,209,769	54,607,678	31,778,926	6,284,124	3,209,150	579,422	20,427,141	156,470,100
Accumulated impairment and impairment losses:									
Opening Balance	-	30,939,610	52,627,268	23,533,249	6,241,530	2,992,346	-	13,606,654	129,940,656
Depreciation for the year	-	261,125	557,612	1,118,075	13,208	41,675	-	4,612,536	6,604,231
Disposals	-	-	-31,866	-4,830,352	-	-	-	-526,774	-5,388,992
Transfers, disposals and write-offs	-	-	-	8,886,313	-	-	-	-8,886,313	-
Closing balance	0	31,200,735	53,153,015	28,707,285	6,254,737	3,034,021	-	8,806,103	131,155,896
Net Worth	6,373,889	2,009,034	1,454,664	3,071,642	29,387	175,129	579,422	11,621,038	25,314,203

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

The transfers between the item "Assets under right of use" and "Transport equipment" in the net depreciation amount of 207,265 Euros at December 31, 2023 (1,670,631 Euros at December 31, 2022) correspond to the reclassification by the Company of the cargo handling machines whose financing contract has ended, having acquired them in accordance with the established contract.

As of December 31, 2023 and 2022, the assets used under leasing are as follows:

2023	Gross value	Accumulated depreciation	Net Worth
Assets under right of use - Industrial equipment	27,508,655	-11,611,848	15,896,807

2022	Gross value	Accumulated depreciation	Net Worth
Assets under right of use - Industrial equipment	20,427,141	-8,806,103	11,621,038

6. INVESTMENT PROPERTIES

As of December 31, 2023 and 2022, the caption "Investment properties" corresponds to real estate assets held by the Company that are generating income through their lease or for appreciation. These assets are recorded at acquisition cost and are subsequently subject to depreciation in accordance with defined useful lives.

Income associated with Investment Properties is recorded under the caption "Other operating income" and amounted to 3,582,155 Euros in the year ended December 31, 2023 (3,466,571 Euros as of December 31, 2022), disclosed in Note 27.

In addition, according to external valuations carried out by independent specialized entities, referring to December 31, 2023 or previous years, the fair value of those investment properties amounted to, approximately, 63,3 million Euros (64,9 million Euros as of December 31, 2022).

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

The breakdown of the net accounting value at December 31, 2023 and December 31, 2022 of the real estate assets recorded under the caption "Investment Properties", as well as their fair value, can be summarized as follows:

		2023			2022		
Property	Location	Net book value	Appraisal Value	Date of external appraisal	Net book value	Appraisal Value	Date of external appraisal
Manufacturing Facilities- Av, Vasco da Gama (Ed, A e B)	V,N, Gaia	1,901,890	17,169,000	27/12/2022	2,079,836	17,169,000	27/12/2022
Manufacturing Facilities- Quinta da Boa Água e Quinta do Peixoto	Carregado	4,857,014	19,172,000	29/12/2022	4,877,702	19,172,000	29/12/2022
Industrial Warehouse - Av, Vasco da Gama (Ed, G)	V,N, Gaia	702,770	8,878,000	27/12/2023	723,112	8,918,700	20/12/2021
Commercial facilities	Cascais	-	-	-	237,147	1,606,000	20/12/2021
Commercial facilities	Prior Velho	3,131,389	16,368,000	29/12/2022	3,152,780	16,368,000	29/12/2022
Commercial facilities	Vila Franca Xira	281,828	1,762,000	28/12/2022	303,906	1,762,000	28/12/2022
		10,874,890	63,349,000		11,374,484	64,995,700	

The fair value of the external valuations of investment properties that are disclosed on December 31, 2023 and December 31, 2022 has been determined by real estate valuation carried out by independent specialized entities by one of the following methods depending on the specific situation of the property: Market comparison method, Cost method or yield Method. The Company promotes the realization, every two years, of real estate valuations by an independent and specialized entity of its investment properties, thus ensuring that the disclosure of fair value remains up to date.

With regard to the classification of the valuation methodologies referred to above, for the purposes of the fair value hierarchy (IFRS 13), they are essentially classified at Level 3 (fair value determined on the basis of inputs not observable in the market, developed to reflect the assumptions to be used by market agents).

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

During the 2023 financial year, a promissory contract for the purchase and sale of the Cascais Commercial Facilities, known as the "Alcabideche Property", was entered into and is now recognized as a non-current asset held for sale (Note 7).

The movement of the caption "Investment properties" at December 31, 2023 and 2022 was as follows:

2023	Land and natural resources	Buildings and other constructions	Total
Gross Assets:			
Opening Balance	8,812,413	29,880,991	38,693,404
Additions	-	-	0
Disposals and write-offs	-	-594,237	-594,237
Transfers and write-offs	-157,495	-	-157,495
Closing balance	8,654,917	29,286,753	37,941,671
Accumulated depreciation and impairment losses:			
Opening Balance	-	27,318,920	27,318,920
Depreciation for the year	-	262,446	262,446
Transfers, disposals and write-offs	-	-514,585	-514,586
Closing balance	-	27,066,780	27,066,780
Net Worth	8,654,917	2,219,973	10,874,890

2022	Land and natural resources	Buildings and other constructions	Total
Gross Assets:			
Opening Balance	8,884,303	30,117,653	39,001,955
Additions	-	-	0
Disposals	-71,890	-236,662	-308,551
Transfers and write-offs	-	-	0
Closing balance	8,812,413	29,880,991	38,693,404
Accumulated depreciation and impairment losses:			
Opening Balance	-	27,148,115	27,148,115
Depreciation for the year	-	277,302	277,302
Transfers, disposals and write-offs	-	-106,497	-106,498
Closing balance	-	27,318,920	27,318,920
Net Worth	8,812,413	2,562,071	11,374,484

7. NON-CURRENT ASSETS HELD FOR SALE

During the year ended December 31, 2023, the "Non-Current Assets Held for Sale" correspond to non-operating assets of the Group that were under promissory purchase and sale agreements entered into during the year, and the Board of Directors expects that the corresponding sale will take place during 2024.

The breakdown of non-current assets held for sale as of December 31, 2023 is as follows:

	2023
Property Alcabideche	195,463
Property São João da Talha	103,718
Net book value	299,181

8. GOODWILL

During the financial years ended December 31, 2023 and 2022, no movements occurred under the caption Goodwill.

The Goodwill item relates in its entirety to the BT Activity (forklifts) resulting from the acquisition, in previous years, of the subsidiary Movicargo, whose activity was transferred (through a merger process) to Toyota Caetano Portugal, S.A. 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 on the basis of the use value, in accordance with the discounted cash flow method, based on business plans developed by the Company's managers and duly approved by the Board of Directors and using discount rates that reflect the inherent risks of the business.

On December 31, 2023 and 2022, the method and assumptions used to assess the existence, or not, of impairment were as follows:

	2023	2022
Projection periods (years)	5	5
Sales growth rate in the projection period	2,00%	2,00%
Growth rate (g) (1)	0%	0%
Discount rate used (2)	7,94%	8,14%

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

2 Discount Rate Applied to Projected Cash Flows

The Board of Directors, based on the value of the forecast cash flows, discounted at the rate considered applicable, concluded that as at December 31, 2023 the book value of the net assets, including Goodwill (612 thousand Euros), does not exceed their recoverable value.

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

9. INTANGIBLE ASSETS

In the years ended December 31, 2023 and 2022, the movements in intangible assets, as well as in the respective accumulated depreciation and impairment losses, were as follows:

2023	Development Expenses	Computer Programs	Intangible assets in progress	Total
Gross value:				
Opening Balance	1,477,217	1,549,472	2,125,590	5,152,279
Additions	255,989	-	1,686,856	1,942,845
Transfers between classes	765,139	-	-119,277	645,862
Closing balance	2,498,345	1,549,472	3,693,170	7,740,987
Accumulated depreciation and impairment losses:				
Opening Balance	1,477,217	1,299,758	-	2,776,976
Depreciation for the year	350,134	124,857	-	474,991
Closing balance	1,827,351	1,424,615	-	3,251,966
Net Worth	670,994	124,857	3,693,170	4,489,020

2022	Development Expenses	Computer Programs	Intangible assets in progress	Total
Gross value:				
Opening Balance	1,477,217	1,174,902	904,167	3,556,287
Additions	-	51,034	1,519,743	1,570,777
Transfers between classes	-	323,536	-298,320	25,216
Closing balance	1,477,217	1,549,472	2,125,590	5,152,279
Accumulated depreciation and impairment losses:				
Opening Balance	1,477,217	1,174,902	-	2,652,119
Depreciation for the year	-	124,857	-	124,857
Closing balance	1,477,217	1,299,758	-	2,776,976
Net Worth	-	249,713	2,125,590	2,375,303

The amounts recorded on December 31, 2023 and 2022 under the caption "Intangible assets in progress" are related to projects for the implementation of new management software and mobility projects, and are expected to become firm during the years 2024 and 2025.

10. FINANCIAL INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

This caption includes investments in subsidiaries, associates and joint ventures, The details of the financial investments in subsidiaries as of December 31, 2023 and 2022 are as follows:

	Subsidiaries			Equity method adjustments	TOTAL
	CAETANO AUTO	CAETANO AUTO CV	CAETANO RENTING		
Financial Holdings - Associates					
Balance at December 31, 2021	**45,593,683**	**3,230,964**	**2,949,844**	**-4,225,578**	**47,548,912**
Effect of the application of the equity method on Net Income for the year					
Appropriation of the net income of the subsidiary	4,884,498	246,474	3,508,645	-	8,639,617
Suspension of margins on inventories and fixed assets	-	-	-	-19,107	-19,107
Other adjustments to the homogenisation of accounting policies	-157,024	7,005	-	-	-150,019
	4,727,475	253,479	3,508,645	-19,107	8,470,493
Other Comprehensive Income					
Appropriation of other comprehensive income from the year of the subsidiary	907,440	-	-	-	907,440
Other adjustments to the homogenisation of accounting policies	217,285	-	-	-	217,285
	1,124,725	-	-	-	1,124,725
Balance at December 31, 2022	**51,445,882**	**3,484,443**	**6,458,488**	**-4,244,685**	**57,144,129**
Effect of the application of the equity method on Net Income for the year					
Appropriation of the net income of the subsidiary	7,410,518	1,056,805	1,335,797	-	9,803,121
Suspension of margins on inventories and fixed assets	-	-	-	-415,112	-415,112
Other adjustments to the homogenisation of accounting policies	-227,251	34,775	-	-	-192,476
	7,183,267	1,091,580	1,335,797	-415,112	9,195,533
Other Comprehensive Income					
Appropriation of other comprehensive income from the year of the subsidiary	582,015	-	18,360	-	600,375
	582,015	-	18,360	-	600,375
Balance at December 31, 2023	**59,211,164**	**4,576,023**	**7,812,645**	**-4,659,797**	**66,940,037**

The percentages of capital held in the financial holdings in subsidiaries as of December 31, 2023 and 2022 can be summarized as follows:

Caetano Auto		Caetano Renting		Caetano Auto CV	
2023	2022	2023	2022	2023	2023
98.74%	98.74%	100.00%	100.00%	81.24%	81.24%

As of December 31, 2023 and 2022, the main financial indicators of the subsidiaries are shown in the table below, with reference to December 31, 2023 and 2022:

	2023		
	Caetano Auto	Caetano Auto CV	Caetano Renting
Assets			
Current	101,991,943	8,944,551	4,289,569
Non-current	51,825,359	1,142,651	36,804,813
Liabilities			
Current	89,926,653	3,151,975	29,497,992
Non-current	4,268,017	1,439,482	3,783,742
Equity	59,722,632	5,495,845	7,812,647
Turnover	273,373,786	19,366,383	38,861,037
Operating income	9,958,216	1,548,364	2,789,597
Financial results	12,205	28,412	-1,099,381
Net Income	7,505,082	1,300,793	1,335,797

	2022		
	Caetano Auto	Caetano Auto CV	Caetano Renting
Assets			
Current	56,571,322	7,034,359	3,087,909
Non-current	50,747,466	1,232,801	33,222,748
			,
Liabilities			,
Current	49,975,178	2,632,509	28,980,766
Non-current	5,392,037	1,439,437	871,402
			,
Equity	51,951,573	4,195,214	6,458,489
			,
Turnover	236,799,136	16,073,817	35,756,404
Operating income	6,876,228	384,197	3,963,393
Financial results	(339,342)	14,703	(532,413)
Net Income	4,948,216	303,389	3,508,645

Detail of the accounting value of investments in joint ventures and associates

As of December 31, 2023 and December 31, 2022, the caption financial investments in associates and joint ventures is detailed as follows:

	Headquarters	% of detention	2023	2022
Associate				
Kinto Portugal, S.A. (consolidated)	Vila Nova de Gaia	49%	23,597,473	21,459,516
Joint venture				
CaetanoBus - Fabricação de Carroçarias, S.A. (consolidated)	Vila Nova de Gaia	61,94%	22,330,978	18,391,927
			45,928,450	**39,851,443**

With regard to CaetanoBus, although the percentage of capital held is 61.94%, given the existence of an investment agreement with the other shareholder of that company, which provides that decisions on the relevant activities (operational and financial) must be taken with the unanimity of the two shareholders, it was considered by the Board of Directors that the investment made corresponds to a joint venture. This is why it is accounted for according to the equity method.

Within the scope of the transaction held, the investment agreement that was previously in force under the previous shareholder structure was fully maintained and transposed to 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 subject to an evaluation and analysis by the Board of Directors of Toyota Caetano Portugal, S.A., which maintained the same understanding. In fact, the investment agreement (and also the Articles of Association of the acquired company) establishes that decisions on the relevant activities of the subsidiary require unanimity at the level of the General Shareholders' Meeting. The main relevant activities/decisions are at the level of the General Meeting, as follows:

- Any amendment to the deed of incorporation, the articles of association or any other constituent document of the company;

- Any change in the corporate type of the company, 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 its liquidation or dissolution;

- Any issuance or redemption of shares of the company or any other increase, decrease or other modification to the capital stock 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 the stock exchange of any shares of the company;
- Adoption or modification of the compensation of the company's managers or of the general compensation policy for the company's employees;
- Granting of guarantees of 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 Director or General Manager, or any position similar to the Chief Executive Officer of the company.

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

- Any transactions between the company and its subsidiaries, except transactions in the ordinary course of business;
- Any sale (other than in the ordinary course of business) of any asset, or transfer or other disposal or grant of any security or other charge on any assets of the company, provided that they are not included or provided for in any of the Business Plans or with a value exceeding 100,000 Euros in one transaction or a series of transactions in the same year;
- Initiation of any litigation, arbitration or legal proceeding, 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 the 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 reliable institutions such 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, except if such loans or financing are provided up to an 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 the company, in the amount of more than 1,500,000 Euros in one transaction or in a series of transactions in the same year;

- Any purchase, lease (other than in the ordinary course of business) or other acquisition of any assets or other investments by the company not included in any of the Business Plans or involving an amount exceeding 500,000 Euros in one transaction or a 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 one transaction or a series of transactions in the same year;

- Execution, amendment or termination of any agreement between the company and its subsidiaries that contains commitments to repurchase the products sold by the subsidiaries;

- Guarantees provided by the company to guarantee the obligations of any of its subsidiaries or third parties, with a value of less than 500,000 Euros;

- To enter into, amend or terminate a contract with a shareholder or its subsidiaries (of the shareholder);

- Any development of a new product or production line with a value of more than 500,000 Euros by the company, if it is 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 of any distribution, agency, sales representative or other framework contract, master contract or basic contract or any contract granting exclusivity to any person or entity.

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

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

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

Summarized financial information of the investments:

As of December 31, 2023 and 2022, the summary financial information of the associate and joint venture detailed above can be analyzed as follows:

2023	Caetanobus consolidated b)	Kinto Portugal consolidated a)
Assets		
Current	92,467,592	33,940,981
Non-current	32,696,743	232,501,506
Liabilities		
Current	87,434,226	76,735,263
Non-current	11,006,614	169,296,608
Equity	26,723,495	20,410,616
Turnover	135,193,062	108,378,266
Operating income	-7,846,753	11,121,342
Financial results	-3,335,360	-4,818,686
Net Income	-11,164,497	4,574,549

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

The turnover and operating results of the joint venture CaetanoBus – Fabricação de Carroçarias, S.A. were negatively impacted by the Covid-19 Pandemic in 2020, having extended throughout 2021 and until early 2022 with bottlenecks in the supply chain, namely of electronic components and delays in the provision of subsidies, leading to further postponements of national and international tenders. In February 2022, the unleashing of the invasion of Ukraine added a new negative effect on the initial expectation of a recovery in activity, causing an increase in energy costs and consequently high inflationary tensions which, in turn, led to an increase in benchmark interest rates. The above facts have determined the establishment of negative operating results and net results in 2023 and previous years, having contributed to a deterioration in the financial and operating situation of the joint venture. In view of this situation, the shareholders made capital injections in the form of capital increases and shareholders 'loans between December 31, 2021 and December 31, 2023 in the total amounts of 10,000,000 Euros and 20,000,000 Euros, of which the amounts of 6,193,549 Euros and 12,388,000 Euros, respectively, were made by Toyota Caetano Portugal, S.A..

At the end of 2023, the conversion of the shareholders ´loan granted by the Company to CaetanoBus, in the amount of 12,388,000 Euros, was approved for supplementary capital.

The Board of Directors of Toyota Caetano Portugal, in coordination with the Board of Directors of that joint venture, in view of the existence of indications of impairment in terms of its non-current assets, carried out a formal impairment analysis on them. Considering the historical results of this company, the current volatility of the markets and the uncertainty associated with a change in strategy / partnership, the Company's Board of Directors assumed a conservative scenario and, as a result of this analysis process, recorded, in its financial statements as of December 31, 2023, an impairment loss in the amount of 1,578,107 Euros, corresponding to the total amount of goodwill associated with this joint venture (further information on this point is detailed later in this Note).

During the years ended December 31, 2023 and 2022, the movement that occurred under the caption of financial investments in associates and joint ventures is detailed as follows:

	Joint venture CAETANOBUS	Associate KINTO	TOTAL
Balance at December 31, 2021	20,295,498	23,699,124	43,994,621
Acquisitions during the year	6,193,549		6,193,549
Effect of the application of the equity method			
Net income for the year			
Appropriation of the net income of the investment	-8,092,272	1,514,046	-6,578,226
Adjustment	-448,539	-1,324,011	-1,772,550
	-8,540,811	**190,035**	**-8,350,774**
Other Comprehensive Income			
Other adjustments to the homogenisation of accounting policies	443,690	-134,314	309,376
	443,690	-134,314	309,376
Dividends received	-	-2,295,328	-2,295,328
	443,690	-2,429,642	-1,985,952
Balance at December 31, 2022	18,391,926	21,459,517	39,851,443
Realization of Supplementary Capital	12,388,000	-	12,388,000
Effect of the application of the equity method			
Net income for the year			
Appropriation of the net income of the investment	-6,914,785	5,041,529	-1,873,256
Adjustment	-79,939	-1,324,011	-1,403,950
	-6,994,724	**3,717,518**	**-3,277,206**
Other Comprehensive Income			
Other adjustments to the homogenisation of accounting policies	123,883	-	123,883
	123,883	-	123,883
Dividends received	-	-1,579,562	-1,579,562
	-	**-1,579,562**	**-1,579,562**
Goodwill Impairment	-1,578,107		-1,578,107
	-1,578,107		-1,578,107
Balance at December 31, 2023	22,330,978	23,597,473	45,928,450

In 2020, Toyota Caetano Portugal, S.A. purchased 12,000,000 shares of CaetanoBus – Fabricação de Carroçarias, S.A. previously held by the company Salvador Caetano Indústria, S.G.P.S., S.A. (related entity belonging to the shareholder perimeter "Grupo Salvador Caetano"), corresponding to approximately 61.94% of the respective voting rights, for 16,320,000 Euros and acquired 7,350 shares of the company Kinto Portugal, S.A. (49%) (formerly called Finlog – Aluguer e Comércio de Automóveis, S.A.) to the parent company Salvador Caetano Auto - S.G.P.S., S.A. (shareholder of Toyota Caetano) corresponding to 49% of the respective voting rights, 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, plays a leading role. If, until now, TME had already supplied CaetanoBus with the fuel cell to integrate into the hydrogen-powered bus, the strengthening of the partnership allows Toyota Caetano Portugal to contribute to the expansion of sustainable mobility, exploiting synergies with CaetanoBus in the development, production and sale of "zero emissions" buses. The strengthening of the partnership with Kinto aims to develop mobility projects.

The exercise of determining the fair value of identifiable assets and liabilities and consequent determination of the Goodwill implied in these transactions, carried out in the 2021 financial year, can be summarized as follows:

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

	2020	Fair value adjustments	Net assets at 31/12/2020 (fair value)
Tangible fixed assets	151,874,693	13,976,470	165,851,163
Intangible assets	87,628	3,456,202	3,543,830
Other Financial Assets	19,435	-	19,435
Inventories	7,163,599	-	7,163,599
Accounts receivable	8,708,339	-	8,708,339
Other current assets	16,911,697	-	16,911,697
Cash and cash equivalents	2,225,112	-	2,225,112
Loans obtained	(149,406,140)	-	(149,406,140)
Provisions	(1,134,398)	-	(1,134,398)
Deferred tax liabilities	-	(3,922,351)	(3,922,351)
Accounts payable	(13,472,533)	-	(13,472,533)
Income tax	(120,307)	-	(120,307)
Other current liabilities	(6,496,520)	-	(6,496,520)
	16,360,605	**13,510,321**	**29,870,926**
% of detention			49%
Proportional net assets			14,636,754
Acquisition 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, taking into account the estimated sale value of said vehicles, taking into account the history of transactions carried out in relation to similar assets;

ii. Recognition, as an intangible asset, of the customer relationships s 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 these adjustments were recognized, and it was the understanding of the Board of Directors that the fair value of the remaining net assets did not differ significantly from the carrying amount of the same in the consolidated financial statements of Kinto Portugal, S.A.

b) Joint venture - CaetanoBus – Fabricação de Carroçarias, S.A. (consolidated)

	2020	Fair value adjustments	Net assets at 31/12/2020 (fair value)
Financial investment in joint venture	14,533,921	(5,129,647)	9,404,274
Goodwill	475,700	(475,700)	-
Tangible and intangible fixed 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 obtained	(25,810,618)	-	(25,810,618)
Liabilities for defined benefit plans	(3,109,843)	-	(3,109,843)
Deferred tax liabilities	-	(847,351)	(847,351)
Lease liabilities	(2,107,970)	-	(2,107,970)
Accounts payable	(16,670,388)	-	(16,670,388)
Income tax	(280,987)	-	(280,987)
Other current liabilities	(12,763,471)	-	(12,763,471)
	19,737,446	**(2,203,900)**	**17,533,546**

% of detention	62%
Proportional net assets by percentage of holding	10,860,278
Acquisition cost	16,320,000
Goodwill	**5,459,722**
Write-off of the Goodwill Cobus	(3,586,966)
Write-off of Goodwill Caetano UK	(294,649)
Net Goodwill	**1,578,107**

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

i. Financial investment in joint venture:

   a. Write-off of the Goodwill generated in the acquisition of Cobus Industries, GmbH by CaetanoBus – Fabricação de Carroçarias, S.A. in previous years;

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

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

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

In addition, it was the understanding of the Board of Directors that the fair value of the remaining net assets did not differ significantly from the carrying amount of the same in the consolidated financial statements of CaetanoBus – Fabricação de Carroçarias, S.A..

On December 31, 2023 and 2022, the reconciliation of the equity of those investee entities with the amount recorded as financial participation is detailed as follows:

	Caetano Bus		Kinto	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Capital próprio sem interesses que não controlam	14,335,495	25,299,973	20,410,616	19,059,663
% of detention	61,94%	61,94%	49,00%	49,00%
	8,879,406	**15,670,803**	**10,001,202,**	**9,339,235,**
Supplementary capital	12,388,000	-		
Valuation at fair value of real estate	1,365,682	1,457,877	-	-
Valuation at fair value of vehicles - Fixed assets	-	-	2,739,389	4,109,083
Client Portfolio	-	-	677,416	1,016,123
Fair Value Valuation of Inventories	-	12,830		-
Deferred Tax Liabilities	(302,109)	(327,690)	(768,781)	(1,153,171)
Goodwill	-	1,578,107	8,148,246	8,148,246
	22,330,979	**18,391,927**	**20,797,472**	**21,459,516**

As described in the "Summary of financial information of the investments" section of this Note, in the years ended December 31, 2023 and 2022, evidence of impairment was identified in relation to the financial participation in the joint venture CaetanoBus – Fabricação de Carroçarias, S.A., and for this reason the Board of Directors carried out a formal impairment analysis on said financial participation.

The main assumptions that served as the basis for this analysis, in the years ended December 31, 2023 and 2022, broken down by geography in which the joint venture operates, are as follows:

2023	Portugal	United Kingdom	Germany
Compound sales growth rate in the projection	27,2%	-5,1%	30,8%
EBITDA Margin	[1,0% to 6,6%]	[3,1% to 4,3%]	[2,6% to 4,4%]
G (growth rate in perpetuity)	2,00%	2,00%	2,00%
WACC (Discount Rate)	10,93%	10,39%	10,08%

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

The assumptions considered in the impairment test prepared by the Board of Directors reflect (i) the perspectives associated with the resumption of activity in the post-pandemic period, (ii) a structural change in the segment of activity associated with the manufacture and assembly of urban buses, which involves the implementation of a partnership that involves the subcontracting of a significant part of the production and assembly of those buses, (iii) as well as the materialization of the growth projected by the management body of that joint venture for the respective target market, in relation to the most environmentally sustainable bus models.

As a result of its analysis process, and taking into account some uncertainty regarding the expected continuation of the resumption of activity and recovery of the profitability of the joint venture, which is associated with the above-mentioned partnership, as well as the current global macroeconomic environment impacted by the current ongoing armed conflicts in Ukraine and the Middle East that may continue to produce adverse effects on the main destination economies of Caetanobus – Fabricação de Carroçarias, S.A. sales, the Company recorded in its financial statements on December 31, 2023, an impairment loss in the amount of 1,578,107 Euros, corresponding to the total goodwill associated with the acquisition of the aforementioned joint venture.

11. LOANS TO PARTICIPATED COMPANIES

During the financial years ended December 31, 2022 and 2023, the movements under this caption were as follows:

	2023	2022
Other Financial Assets		
Balance on January 1	3,375,000	4,256,303
Disbursements during the year	19,014,630	8,700,000
Repayments during the year	-10,001,630	-9,581,303
Conversion into supplementary instalments	-12,388,000	
Balance on December 31	-	3,375,000

"Loans to Participated Companies" comprise treasury loans granted to subsidiaries at market rates.

The balance as at December 31, 2022 relates exclusively to Caetano Renting (Note 30). During 2023, the Company maintained its support to this company, which amortized the outstanding amounts until the end of that year.

In addition, also in 2023, the Company granted shareholders ´loans to Caetanobus in the amount of 12,388,000 Euros, an amount that, at the end of the year, was converted into supplementary capital in that company (Note 10).

12. INVENTORIES

On December 31, 2023 and December 31, 2022, this caption was composed as follows:

	2023	2022
Merchandise	77,732,497	21,753,732
Raw Materials, Subsidiaries and Consumables	8,242,298	12,312,484
Finished and intermediate products	2,052,019	3,945,939
Products and work in progress	2,602,585	2,964,376
	90,629,399	40,976,531
Accumulated impairment losses on inventories (Note 23)	-137,131	-137,131
	90,492,269	40,839,400

The value of the merchandise shown in the statement of financial position as at December 31, 2023, broken down by seniority intervals, is as follows:

Merchandise	<6	6 to 12	12 to 24	>24	total
Parts	1,187,639	148,520	133,496	57,115	1,526,770
New Vehicles	51,114,977	1,388,185	553	-	52,503,714
Used Vehicles	13,125,563	6,258,612	1,476,566	329,040	21,189,782
Others	2,011,437	403,483	83,854	13,456	2,512,231
Total	67,439,616	8,198,801	1,694,469	399,611	77,732,497

The merchandise includes the amount of 21.2 million Euros related with used vehicles (10.5 million Euros at December 31, 2022).

The Company has defined impairment criteria for used vehicles that consider a depreciation in relation to their age. The criteria followed by the Company are supported by market information obtained from external entities with reference to December 31. Thus, it is not the expectation of the Board of Directors that in future years losses will be generated in the process of sale and realization of the referred used vehicles.

As of December 31, 2023 and 2022, there are no assets in the Company's inventory that are pledged as collateral for contracted liabilities.

The cost of sales for the years ended December 31, 2023 and 2022 was calculated as follows:

	2023			2022		
	Merchandise	Raw Materials, Subsidiaries and Consumables	Total	Merchandise	Raw Materials, Subsidiaries and Consumables	Total
Initial inventories	21,753,732	12,312,484	34,066,216	44,205,972	13,775,081	57,981,054
Net purchases	403,352,752	38,649,893	442,002,645	261,593,262	63,327,789	324,921,051
Inventory regularization	-10,122,788	-	-10,122,788	-7,008,988	-	-7,008,988
Closing inventories	77,732,497	8,242,298	85,974,796	21,753,732	12,312,484	34,066,216
Total	337,251,198	42,720,079	379,971,277	277,036,515	64,790,386	341,826,900

The change in production in the years ended December 31, 2023 and 2022 was calculated as follows:

	Finished products, intermediates and products and work in progress	
	2023	2022
Closing inventories	4,654,604	6,910,315
Initial inventories	6,910,315	3,383,359
Total	-2,255,711	3,526,956

13. ACCOUNTS RECEIVABLE

On December 31, 2023 and December 31, 2022, this caption was composed as follows:

	2023 Current assets	2022 Current assets
Customers, current account	87,384,977	83,378,896
Doubtful Billing Customers	5,398,000	5,307,223
	92,782,977	88,686,119
Accumulated impairment losses on customers (Note 23)	-5,301,478	-5,271,256
	87,481,499	83,414,863

As of December 31, 2023 and 2022, the breakdown by type of customer of the age of accounts receivable, including information on the existence of credit improvement instruments available to the Company, is as follows:

2023	- 60 days	60-90 days	90-120 days	+ 120 days	Total	Instrument of credit improvement
Related Parties	52,657,045	782,307	317,241	3,404,095	57,160,688	n,a,
Public entities	1,138,220	90,236	125,047	-	1,353,503	n,a,
Financial entities	3,725,512	63,828	123,486	633,689	4,546,515	n,a,
Independent dealers	7,466,270	263	-32,072	7,382	7,441,844	Bank Guarantees
Others	13,917,977	1,367,773	879,881	716,797	16,882,427	n,a,
Total	78,905,024	2,304,406	1,413,583	4,761,963	87,384,977	

2022	- 60 days	60-90 days	90-120 days	+ 120 days	Total	Instrument of credit improvement
Related Parties	55,730,507	2,082,813	493,979	2,062,170	60,369,469	n,a,
Public entities	591,837	4,464	217	-	596,518	n,a,
Financial entities	5,239,352	153,614	155,898	728,243	6,277,108	n,a,
Independent dealers	7,491,485	4,928	-	6,919	7,503,333	Bank Guarantees
Others	7,868,613	475,414	88,117	200,325	8,632,469	n,a,
Total	76,921,794	2,721,233	738,211	2,997,658	83,378,896	

Maturity of debts with recognition of impairment loss

2023	- 60 days	60-90 days	90-120 days	+ 120 days	Total
Doubtful accounts receivable	1,796	1,552	2,240	5,392,412	5,398,000

Maturity of debts with recognition of impairment loss

2022	- 60 days	60-90 days	90-120 days	+ 120 days	Total
Doubtful accounts receivable	17,328	-	543	5,289,352	5,307,223

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

- Customers with payment agreements: taking into account the credit analyses carried out, the knowledge of the customers concerned and the external information obtained about their financial situation, it is understood that these customers do not present significant credit risk, and the Board of Directors regularly monitors compliance with the agreements established, involving a small number of entities in such agreements;

- Related companies: this type of customer includes several entities belonging to the perimeter of the Salvador Caetano Group, with whom Toyota Caetano Portugal maintains regular commercial transactions, and the Company also maintains transactions as a customer with entities of the same Salvador Caetano Group. It is therefore the understanding of the Board of Directors that the amounts included in the age group "+120 days" related to this type of customers are fully recoverable, and a substantial part of that amount relates to the joint venture held by the Company, CaetanoBus – Fabricação de Carroçarias, S.A.;

- Other customers: this typology includes, among others, general customers of vehicles for whom there is usually a reservation of title clause associated with the vehicle sold or, alternatively, their ownership is not transferred until the vehicle sold is fully liquidated. The Board of Directors considers, however, that, in this type of customer, there are situations of moderate credit risk, which are not materially relevant. The Company's credit control and collections department is constantly monitoring these situations.

Regarding the application of the Expected Credit Losses model recommended in IFRS 9, the Company applied in the analysis carried out the simplified approach of recognizing the expected credit losses in the economic life of commercial receivables, taking into account that they do not have a significant financing component.

It should also be noted that, with regard to financial instruments corresponding to customer receivables, there was generally no material change in the average receipt time in the financial year 2023.

The amounts presented in the statement of financial position are net of accumulated impairment losses for doubtful accounts that have been estimated by the Company, in accordance with its experience and based on its assessment of the economic environment and environment at the date of the statement of financial position. Thus, the Board of Directors understands that the accounting values of customer receivables are close to their fair value.

14. OTHER DEBTORS

On December 31, 2023 and December 31, 2022, this caption was composed as follows:

Other debtors	Current assets	
	2023	2022
Employees	206,383	146,023
Advances to suppliers	2,711,063	175,400
Shareholders (Note 30)	1,652,274	1,154,514
	4,569,720	1,475,937

15. OTHER CURRENT ASSETS

On December 31, 2023 and December 31, 2022, this caption was composed as follows:

	2023	2022
Debtors for accrued income		
Recovery of charges	50,616	15,197
Interest receivable	42,223	26,112
Training grants	623,009	384,597
Rents	-	32,545
Others	410,832	67,080
	1,126,680	525,532
Deferred expenses		
Insurance paid in advance	166,801	166,342
Financing charges with “commercial paper”	92,573	102,906
Others	4,118,405	93,865
	4,377,778	363,112
	5,504,458	888,644

The "Others" item in "Deferred expenses" includes charges borne by the Company in the amount of 3.7 million Euros associated with the APM (Accessible People Mover) project, related to the development of a small electric utility vehicle for large events, which will be on demonstration, as early as 2024, at the Paris Olympic Games, and whose investment is part of the BeNeutral agenda of the Recovery and Resilience Program (RRP). These amounts (which correspond essentially to direct costs with internal employees, external supplies and services, and material consumption) will be recognized as a cost in the 2024 financial year when the sale (and recognition of profit) of these vehicles will occur, which will be made to a related entity of the multinational Toyota Group.

16. DEFERRED TAX ASSETS AND LIABILITIES

Corporate Income Taxes

The Company is subject to Corporate Income Tax at the rate of 21% for the corporate income tax base, plus a surcharge at the rate of 1.5% on taxable income, resulting in an aggregate tax rate of a maximum of 22.5%.

According to the legislation in force, the Company's tax returns are subject to review and correction by the Tax Authority for a period of four years (five years for Social Security), except when there have been tax losses, tax benefits have been granted, or inspections, complaints or challenges are ongoing, in which cases, depending on the circumstances, time limits are extended or suspended. As a result, the Company's tax returns since 2020 may still be subject to review. The 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 financial statements.

Pursuant to article 88º of the Corporate Income Tax Code, companies headquartered in Portugal are additionally subject to autonomous taxation on a set of charges at the rates provided for in the aforementioned article. In addition, in relation to the taxable profit calculated in excess between 1.5 Million Euros and 7.5 Million Euros, there is a State Surcharge of 3%, exceeding 7.5 Million Euros and up to 35 Million Euros is added a State Surcharge of 5% and to the taxable profit calculated in excess exceeding 35 Million Euros is added a State Surcharge of 7%.

In March 2007, the Company opted for the application of the Special Taxation Regime for Groups of Companies ("RETGS") provided for in articles 69º and 70º of the Corporate Income Tax Code, which has started to apply on January 1, 2007. Under this regime, the dominant company (Toyota Caetano Portugal, S.A.) must record the taxes calculated in the subsidiaries included in the tax perimeter (Caetano Auto, Salvador Caetano Seguros and Caetano Renting) in order to determine the Group's income tax.

The balance detail evidenced in the statement of financial position on December 31, 2023 and 2022 is as follows:

	2023	2022
Entity individual corporate income tax estimate	(6,175,079)	(5,216,050)
Payments on account / special payment on account	4,705,855	4,009,674
Retention on source	452,426	543,017
RETGS	(2,116,881)	(1,321,409)
	(3,133,679)	**(1,984,769)**

The income tax evidenced in the income statement of the financial years ended December 31, 2023 and 2022 may be deailed as follows:

	2023	2022
Current tax	6,175,079	5,216,050
Deferred tax	(734,168)	40,993
	5,440,911	**5,257,043**

Reconciliation of the effective tax expense with the theoretical tax charge for the financial years ended December 31, 2023 and 2022 can be analyzed as follows:

	2023	2022
Result before tax	22,560,081	19,958,913
Nominal tax rate	22.50%	22.50%
Theoretical tax (tax base + surcharge)	5,076,018	4,490,755
Equity method	-1,331,624	-26,936
Others	1,999,885	-135,967
Autonomous taxation	88,148	120,870
Municipality surcharge	342,651	767,328
Effective tax expense	6,175,079	5,216,050

The details and movement of amounts and the nature of deferred tax assets and liabilities recorded in the financial statements at December 31, 2023 and 2022 can be summarized as follows:

2023	Initial balance	Movements reflected in results		Movements reflected in equity		Final balance
		Increase	Decrease	Increase	Decrease	
Deferred Tax assets:						
Provisions and adjustments not accepted as tax cost	222,294	4,779	-191,440	-	-	35,634
Non taxable accruals	104,424	1,026,629	-104,424	-	-	1,026,629
Liabilities for pensions	302,082	-	-	-	2,014	304,093
	628,800	1,031,409	-295,864	-	2,014	1,366,355
Deferred tax liabilities:						
40% depreciation resulting from legal revaluations performed	34,092	-	5,470	-	-	39,562
Geradoss with disposals of fixed assets	44,567	-	-4,097	-	-	40,470
	78,658	-	1,373	-	-	80,031

2022	Initial balance	Movements reflected in results		Movements reflected in equity		Ending balance
		Increase	Decrease	Increase	Decrease	
Deferred Tax assets:						
Provisions and adjustments not accepted as tax cost	222,294	-	-	-	-	222,294
Non taxable accruals	154,817	104,427	(154,821)	-	-	104,424
Liabilities for pensions	963,109	-	-	661,027	-	302,082
	1,340,220	104,427	(154,821)	661,027	-	628,800
Deferred tax liabilities:						
40% depreciation resulting from legal revaluations performed	34,092	-	-	-	-	34,092
Generated with disposals of fixed assets	53,967	-	(9,400)	-	-	44,567
	88,058	-	(9,400)	-	-	78,658

As of December 31, 2023 and 2022, the Company had no tax losses available to carry forward.

17. EQUITY

Share capital

As of December 31, 2023 and 2022, the Company's capital, fully subscribed and paid-up, consists of 35,000,000 registered shares, fully subscribed and paid-up, with a nominal value of 1 Euro each.

The identification of legal persons with more than 20% of the subscribed capital is as follows:

- Salvador Caetano - Auto S.G.P.S., S.A.: 69.79%

- Toyota Motor Europe NV/SA: 27.00%

Dividends

At the General Ordinary Meeting held on May 30, 2023, the shareholders approved the distribution of dividends to be attributed to the capital of 0.25 Euros per share, in the amount of 8.75 million Euros.

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

As of December 31, 2023, 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 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 may be used to absorb losses after the other reserves have been exhausted, or incorporated into the capital.

Adjustments in financial assets

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

Revaluation reserves

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

The amounts distributable in Shareholders' Equity, excluding Net Income for the year, present a total of 93,820,378 Euros under the caption Free Reserves and Retained Earnings.

Proposal for Application of Results 2023

In accordance with the provisions of Article 376º nº1 (b) of the Commercial Companies Code, we propose the following application of the net results for the year, in the amount of 17,119,170.02 Euros expressed in the individual financial statements of Toyota Caetano Portugal:

- For the account of non-distributable reserves for profits on financial participations arising from the application of the equity method: 4,340,219,57 Euros;
- For dividends to be attributed to the capital, 0,3 Euros per share, which given its number of 35,000,000 shares, totals 10,500,000,00 Euros;
- The remainder for the Retained Earnings account is 2,278,950,45 Euros.

18. LOANS OBTAINED

As of December 31, 2023 and December 31, 2022, the “Loans obtained” caption has the following details:

	2023			2022		
	Current	Non current	TOTAL	Current	Non current	TOTAL
Current account facilities	20,000,000	-	20,000,000	15,000,000	-	15,000,000
Commercial paper	40,000,000	-	40,000,000	7,000,000	-	7,000,000
Lease liabilities	4,150,514	15,802,469	19,952,983	3,337,462	11,933,595	15,271,058
Bond loan	-	15,000,000	15,000,000	12,500,000	-	12,500,000
	64,150,514	30,802,469	94,952,983	37,837,462	11,933,595	49,771,058

The movement in loans obtained during the financial years ended December 31, 2023 and 2022 was as follows:

	2023			
Captions	Initial balance	Increases	Decreases	Final balance
Current account facilities	15,000,000	47,000,000	42,000,000	20,000,000
Commercial paper	7,000,000	313,500,083	280,500,083	40,000,000
Lease liabilities	15,271,058	9,062,112	4,380,187	19,952,983
Bond loan	12,500,000	15,000,000	12,500,000	15,000,000
	49,771,058	384,562,195	339,380,270	94,952,983

	2022			
Captions	Initial balance	Increases	Decreases	Final balance
Current account facilities	15,000,000	60,000,000	60,000,000	15,000,000
Commercial paper	0	64,500,000	57,500,000	7,000,000
Lease liabilities	14,203,313	6,601,048	5,533,304	15,271,058
Bond loan	12,500,000	-	-	12,500,000
	41,703,313	131,101,048	123,033,304	49,771,058

On December 31, 2023 and 2022, the details of bank loans, bank overdrafts, commercial paper and bond lending programs, as well as their respective terms, are as follows:

2023	Amount used	Limit
Current		
Current account facilities	20,000,000	22,000,000
Bank overdrafts	-	4,000,000
Confirming	-	10,000,000
Commercial paper	40,000,000	49,500,000
Lease liabilities	4,150,514	4,150,514
	64,150,514	89,650,514
Non current		
Lease liabilities	15,802,469	15,802,469
Bond loan	15,000,000	15,000,000
	30,802,469	30,802,469
	94,952,983	120,452,983

2022	Amount used	Limit
Current		
Current account facilities	15,000,000	22,000,000
Bank overdrafts	-	4,000,000
Confirming	-	4,500,000
Commercial paper	7,000,000	48,000,000
Lease liabilities	3,337,462	3,337,462
Bond loan	12,500,000	12,500,000
	37,837,462	94,337,462
Non current		
Lease liabilities	11,933,595	11,933,595
Bond loan		
	11,933,595	11,933,595
	49,771,058	106,271,058

In the current financial year, the Company issued two bond loans by private and direct offer, one of them for 7,500,000 Euros, at a variable rate and the other, of the same amount, at a fixed rate; both for a term of 5 years (from the date of subscription: August 7, 2023) and with bullet repayment at the end of the term. This financing was intended to repay the previous bond loan, in the amount of 12,500,000 Euros that matured at the beginning of August 2023.

Following, we present a breakdown of the amount relating to the loans obtained or lines of credit contracted for which collateral has been granted in respect of mortgages on real estate assets (Note 31):

- Commercial Paper: 15,000,000.

The interest on the above-mentioned bank loans is indexed to Euribor (floor zero), plus a spread ranging from 0.45% to 2.0%.

The Company had credit lines as of December 31, 2023 in the amount of, approximately, 120,4 million Euros (of which, approximately, 94,9 million Euros were used as of December 31, 2023) that can 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 caption Lease liabilities (current and non-current) corresponds to the Company's liabilities, as lessee, relating to the rights of use related to cargo handling equipment.

The detail of this caption, as well as the reimbursement plan can be summarized as follows:

		Current	Non current					
Contract	Leased asset	2024	2025	2026	2027	> 2028	TOTAL	TOTAL
Miscellaneous	Industrial equipment							
	Capital	4,150,514	3,986,863	3,737,320	3,320,720	4,757,567	15,802,469	19,952,983
	Interest	637,100	1,135,922	850,269	560,508	461,976	3,008,675	3,645,775
	Total Capital	4,150,514	3,986,863	3,737,320	3,320,720	4,757,567	15,802,469	19,952,983
	Total interest	637,100	1,135,922	850,269	560,508	461,976	3,008,675	3,645,775

Debt Maturity

The maturities of the loans existing as of December 31, 2023 and 2022 are as follows:

Loans

2023	< 1 year	1 - 3 years	3 - 5 years	> 5 years	Total
Current account facilities	20,000,000	-	-	-	20,000,000
Commercial paper	40,000,000	-	-	-	40,000,000
Lease liabilities	4,150,514	7,724,183	6,139,621	1,938,666	19,952,983
Bond loan	-	-	15,000,000	-	15,000,000
Total financing	64,150,514	7,724,183	21,139,621	1,938,666	94,952,983

2022	< 1 year	1 - 3 years	3 - 5 years	> 5 years	Total
Current account facilities	15,000,000	-	-	-	15,000,000
Commercial paper	7,000,000	-	-	-	7,000,000
Lease liabilities	3,337,462	7,156,498	4,609,990	167,107	15,271,058
Bond loan	12,500,000	-	-	-	12,500,000
Total financing	37,837,462	7,156,498	4,609,990	167,107	49,771,058

Interest

Years	2024	2025	2026	2027	> 2028	Total
Current account facilities	239,483	-	-	-	-	239,483
Lease liabilities	637,100	1,135,922	850,269	560,508	461,976	3,645,775
Bond loan	719,910	719,003	719,003	719,003	720,064	3,596,984

19. ACCOUNTS PAYABLE

On December 31, 2023 and 2022, this caption was composed of current balances payable to suppliers resulting from the Company's ordinary activity, all of which are due in the short term.

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

20. OTHER CREDITORS

On December 31, 2023 and 2022, this caption was composed as follows:

Other creditors	Current liabilities	
	2023	2022
Employees	53,720	254,350
Customer advances	4,387,093	636,706
State and other public entities	22,134,349	13,164,669
Shareholders	40,088	29,742
Other debts to third parties	577,252	135,238
	27,192,503	14,220,705

Associated with the APM (Accessible People Mover) project, related to the development of a small electric utility vehicle for large events, which will be on demonstration, as early as 2024, at the Paris Olympic Games, the Company received an advance in the amount of 4,1 million euros on account of the sale of these vehicles to be carried out in the 2024 financial year.

The breakdown of the “State and other Public Entres” line on December 31, 2023 and 2022 is as follows:

	2023	2022
Individual Income tax withheld	191,781	183,585
Value added tax	18,746,083	11,436,656
Social Security contributions	271,458	293,314
Tribute of local authorities	163,897	165,839
Others	2,761,130	1,085,276
	22,134,349	13,164,669

As of December 31, 2023, there are no overdue to the State and Social Security.

21. OTHER CURRENT LIABILITIES

On December 31, 2023 and 2022 the caption "other current liabilities" can be detailed as follows:

	2023	2022
Creditors for accrued costs		
Remunerations to be settled	3,623,623	3,943,520
Sales promotion support	5,619,483	2,067,027
Interest payable	515,783	203,479
Accrual for expenses related to vehicles sold	743,033	399,635
Insurance to be settled	85,257	5,834
Car tax for cars sold and not registered	2,461,012	1,032,644
Warranty claims	39,670	10,535
Staff	731,178	622,828
Anticipation of external supplies and services	1,262,029	995,919
Royalties	62,077	152,285
	15,143,144	9,433,706
Deferred income		
Vehicle maintenance contracts	6,334,817	6,146,284
Investment grants	1,461,018	539,441
Deferred revenue	22,564,513	3,018,510
Others	949,974	8,777
	31,310,322	9,713,012
	46,453,465	19,146,718

Regarding the item "Deferred revenue", it refers to transactions in which there was no transfer of control of the vehicle to the respective customer, thus not being recognized as a sale of the year, being deferred until the moment when the conditions for the transfer of control are effective.

22. PENSION LIABILITIES

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

That constituted Pension Fund provided that, as long as its members maintained the decision to make contributions to that fund, that the majority of employees could receive, from the date of retirement, a non-upgradable supplement, determined on the basis of a percentage of salary, 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, S.A.).

On December 18, 2007, a dossier was sent to the ASF - Insurance and Pension Funds Supervisory Authority - containing the proposals for amendments to the Constitutive Contract of the Salvador Caetano Pension Fund, as well as the minutes of their approval by the Fund's Monitoring Committee, proposing, with effect from January 1, 2008, the approval by that body of those amendments.

The aforementioned proposal, to amend the pension complement regime duly approved by the Pension Fund Monitoring Committee, includes the maintenance of a Defined Benefit Scheme (Plan A) for the then 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 employees at the service of the members of the Salvador Caetano Pension Fund) which, as of that date, became, from that date, to be included in a Defined Contribution Plan (Plan B).

On 29 December 2008, a letter was received containing the approval by the ASF of the intended changes in force from 1/1/2008.

The ASF determined in the aforementioned approval that the 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 50 years of age (and who will become part of a Defined Contribution Plan) were entitled to an individual "initial capital" according to the new plan, determined on the basis of the actuarial liabilities established with reference to December 31, 2007 and on the basis of the assumptions and criteria used in that financial year.

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

At the end of 2023, a new Defined Contribution plan (Plan C) was created that covers all employees hired after December 1, 2023.

Thus, the Salvador Caetano Pension Fund is a single fund and includes three distinct plans: a Defined Benefits plan (Plan A) and two Defined Contribution plans (Plan B and Plan C).

The main features of these three plans are as follows:

Plan A - (Defined Benefit): Covers all employees (including members of the governing bodies) who, as of 01.01.2008, had already reached 50 years of age and 15 years of seniority in the company. It is embodied in the right to the attribution of a supplementary pension paid by the aforementioned Pension Fund, in an amount equivalent to 20% of the last pensionable salary.

Plan B – (Defined Contribution): Covers all employees (including members of the governing bodies) hired until November 30, 2023. The benefit results from the accumulated value of the contributions made by the company and the employee, if the latter decides to contribute, and from the income generated by the contributions. The company contributes, on an annual basis, to the Pension Fund an amount corresponding to 3% of the annual gross salary of each employee covered by this Plan. At the statutory retirement age, 2/3 of the accumulated amount will be transformed into a monthly amount to be paid to the Employee/Member of the Governing Body, given that 1/3 of the accumulated amount can be received in the form of capital.

Plan C – (Defined Contribution): covers all employees (including members of the governing bodies) hired after 1 Dec. 2023. The benefit results from the accumulated value of the contributions made by the company and the employee, if the latter decides to contribute, and from the income generated by the contributions. The company contributes, on an annual basis, to the Pension Fund an amount corresponding to 0.5% of the annual gross salary of each employee covered by this Plan. At the statutory retirement age, 2/3 of the accumulated amount will be transformed into a monthly amount to be paid to the Employee/Member of the Governing Body, given that 1/3 of the accumulated amount can be received in the form of capital.

With regard to the Defined Benefit Plan and in terms of the minimum level of solvency, the value of the assets of the Salvador Caetano Pension Fund may not be lower than the minimum amount of solvency calculated in accordance with the rules established by the ASF regulatory standard. The "Minimum Solvency Scenario" is thus calculated by the actuary in charge in accordance with Rule No. 12/2023-R, of December 12, which amends Rule No. 8/2021-R, of November 16.

The Salvador Caetano Pension Fund is currently managed by BPI Vida e Pensões Companhia de Seguros, S.A.. In accordance with the current legislation in force, the managing body must ensure that the assets that are part of the assets of the Salvador Caetano Pension Fund are adequate to the liabilities arising from the pension plans, and for this purpose must take into account, in particular:

- the nature of the planned benefits;
- the time horizon of the responsibilities;
- the established investment policy and the risks to which the assets are subject; and
- The level of funding of the liabilities as they relate to the Defined Benefit Plan.

In accordance with the investment policy established in the Pension Fund Management Agreement, the table below shows the objective allocation ("weight") excluding real estate and other national assets:

	Minimum limit	Central value	Maximum limit
Euro area private debt Bonds	45.0%	50.0%	55.0%
Public Debt Euro Zone Bonds	20.0%	25.0%	30.0%
Global shares	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%

In addition, for the year ended December 31, 2023, there was no change, early cancellation or liquidation of the Defined Benefit Plan.

According to an actuarial study carried out by the Actuary in Charge, the Company has been making contributions to the defined benefit plan, allowing the equity situation of this Fund to amount to, approximately, 13,123 thousand Euros (13,762 thousand Euros as of December 31, 2022). As of December 31, 2023, the share of the Defined Benefit Plan is estimated at approximately 14,293 thousand Euros (14,046 thousand Euros as of December 31, 2022).

The actuarial assumptions used for the valuation of 2023 and 2022 by the responsible Fund Manager are as follows:

	2023	2022
Discount rate	3.05%	3.60%
Pensions growth rate	0.00%	0.00%
Wage growth rate	0.00%	0.00%
Mortality Table	TV 88/90	TV 88/90
Date of calculation effect	December 31	December 31

In the year ended December 31, 2023, the duration of the responsibilities determined by the Actuary in Charge is 7 years,

With reference to December 31, 2023, the company's population is presented as follows:

	Number of people	Average age
Participants (Active and former-participants)		
Actives < 66 years	-	-
Actives > 66 years	1	68.4
Former-participants	11	74.4
Pre-retired	0	0
	12	73.93
Retired		
Age retirement	462	76.1
Disability retirement	12	72.8
Pre-retirement/early retirement	0	0
Widow	0	0
	474	**76.0**

The movement of responsibilities with the benefit plan defined in the financial years ended December 31, 2023 and 2022 can be summarized as follows:

	2023	2022
Initial situation	14,046,066	19,041,108
Effect on the result of the year:		
Cost of current services	12,484	26,613
Interest cost	481,005	181,578
Effect in comprehensive income of the year:		
(Gains) and actuarial losses	798,630	-616,430
Anticipated benefits	-1,394,576	-1,452,948
Changes in plan		
Change of assumptions	530,356	-3,064,157
Net transfers made	-181,351	--69,698
Final situation	14,292,614	14,046,066

The movement of the net assets of the Pension Fund in relation to the share of the defined benefit Plan during the financial year 2023 and 2022 was as follows:

	2023	2022
Initial situation	13,761,669	14,824,674
Effect on the result of the year:		
Cost of current services		
Interest cost	470,767	139,836
Effect in comprehensive income of the year:		
Actuarial (Gains) and losses	545,092	-712,200
Anticipated benefits	-1,473,159	-1,483,437
Changes in the plan		
Company contributions (includes direct payments)		1,062,494
Net transfers made	-181,351	-69,698
Final situation	13,123,018	13,761,669

On December 31, 2023 and 2022, the composition of the assets portfolio of the Salvador Caetano Pension Fund covering the defined benefit Plan is as follows:

Fund portfolio	Portfolio weight	Value	Portfolio weight	Value
	2023		2022	
Shares	**7.8%**	918,611	7.4%	1,018,364
Fixed rate bonds	**30.6%**	3,936,905	30.0%	4,128,501
Variable rate bonds	**0.1%**	393,691	2.7%	371,565
Real estate	**54.2%**	6,692,739	50.9%	7,004,690
Liquidity	**4.1%**	524,921	4.4%	605,513
Absolute Return	**3.3%**	656,151	4.6%	633,037
Total	100.0%	13,123,018	100.0%	13,761,669

As of December 31, 2023, individual investments weighing more than 5% of the total assets portfolio of the Salvador Pension Fund are as follows:

	Wallet weight	Value 31-12-2023
Cimóvel – Fundo de Investimento Imobiliário Fechado	54.2%	6,692,739
MGI Funds-PLC-Global EQ,Fund-M7	7.8%	918,611

The responsibilities of the Company with the Defined Benefit Plan and the net assets situation of the Salvador Caetano Pension Fund can be summarized as follows:

Defined benefit plan	2023	2022
Liability value	14,292,615	14,046,066
Fund value	13,123,017	13,761,669

The Company's net liability evidenced above is safeguarded, not only by the assets of the Salvador Caetano Pension Fund allocated to the Defined Benefit Plan, but also through a provision of approximately 1.2 million Euros (284 thousand Euros as of December 31, 2022), reflected in the statement of financial position under the caption "Liabilities for defined benefit plans".

In addition, and as mentioned above, the Company is an integral part of a defined contribution plan, having made contributions to it during the year ended December 31, 2023 in the amount of 300,143.26 Euros (130,000 Euros as of December 31, 2022), recorded in the income statement under personnel expenses.

23. PROVISIONS AND ACCUMULATED IMPAIRMENT LOSSES

The movement in provisions during the financial years ended December 31, 2023 and 2022 was as follows:

2023	Initial balance	Increases	Utilizations	Reversals	Final balance
Impairment of receivables (Note 13)	5,271,256	55,135	-6,667	-18,245	5,301,478
Impairment of inventories (Note 12)	137,131	-	-	-	137,131
Provisions	-	1,571,316	-	-	1,571,316
Total	5,408,386	1,626,451	-6,667	-18,245	7,009,925

In the financial year 2023, in the light of the information of a possible litigation procedure, the Company recorded a provision of 1,5 million Euros.

2022	Initial balance	Increases	Utilizations	Reversals	Final balance
Impairment of receivables (Note 13)	5,256,947	35,540	-	(21,231)	5,271,256
Impairment of inventories (Note 12)	137,131	-	-	-	137,131
Total	5,394,077	35,540	-	(21,231)	5,408,386

24. SALES AND SERVICES RENDERED BY GEOGRAPHIC MARKETS AND SEGMENT INFORMATION

The details of sales and services rendered by geographic markets, in the financial years ended December 31, 2023 and 2022, were as follows:

	Internal market			External market			Total		
	2023	2022	VAR (%)	2023	2022	VAR (%)	2023	2022	VAR (%)
Light vehicles	323,341,154	291,926,773	11%	47,339,131	69,587,515	-32%	370,680,285	361,514,288	3%
Heavy duty vehicles	6,990,227	4,702,929	49%	573,677	483,850	19%	7,563,904	5,186,779	46%
Industrial machines	14,915,524	9,121,584	64%	1,676	2,068	-19%	14,917,200	9,123,652	64%
Parts and accessories	51,837,801	43,069,750	20%	477,453	371,380	29%	52,315,255	43,441,130	20%
Others	19,977,269	2,420,425	725%	25,440	19,380	31%	20,002,709	2,439,805	720%
	417,061,976	351,241,461	19%	48,417,378,06	70,464,192	-31%	465,479,354	421,705,653	10%

SEGMENT INFORMATION

In the financial years ended December 31, 2023 and 2022, the detail of segment reporting is as follows:

2023	National						External					TOTAL
	Vehicles		Industrial equipment			Others	Vehicles		Industrial equipment			
	Industry	Trade	Machines	Services	Rental		Industry	Trade	Machines	Services	Rental	
REVENUE												
Turnover	8,161,654	385,917,180	14,915,524	5,849,994	2,217,623		39,001,473	9,294,582	1,676	67,444	52,203	465,479,354
RESULTS												
Operational results	121,801	13,901,837	2,157,249	2,696,332	701,687		-2,483,071	5,612,154	412	34,209	5,003	22,747,613
Financial results	-70,25	-3,820,874	-162,393	-42,404	-35,164		-328,194	-66,935	-18	-969	-75	-4,527,751
Results in associates Financial equity results in subsidiary companies, joint ventures and associates						4,340,220						4,320,220
Corporate income tax						-5,440,911						-5,440,911
Net results	51,076	11,276,906	1,546,013	2,056,794	516,555	-1,100,691	-2,811,265	5,545,219	394	33,240	4,928	17,119,170
OTHER INFORMATION												
Depreciation	1,642,735	1,325,957	113,591	61,826	6,063,403		-	-	-	-	-	9,207,512

2022	National						External					TOTAL
	Vehicles		Industrial equipment			Others	Vehicles		Industrial equipment			
	Industry	Trade	Machines	Services	Rental		Industry	Trade	Machines	Services	Rental	
REVENUE												
Turnover	4,736,868	321,406,810	9,121,584	4,954,666	11,021,531		62,552,375	7,842,365	2,068	61,648	5,736	421,705,653
RESULTS												
Operational results	-909,504	18,287,075	1,503,083	1,739,600	1,545,648		-24,603	-120,507	298	20,777	2,861	22,044,728
Financial results	-15,375	-1,764,675	-66,406	-19,519	-39,057		-272,346	-27,870	-4	-257	-20	-2,205,530
Financial equity results in subsidiary companies, joint ventures and associates						119,716						119,716
Income tax of the year						-5,257,043						-5,257,043
Net results	-924,878	16,522,399	1,436,677	1,720,080	1,506,590	-5,137,327	-296,950	-148,378	294	20,520	2,841	14,701,869
Depreciation	617,940	1,033,543	111,152	60,409	5,183,345							7,006,390

The segment information presented above corresponds to that which is presented to the Board of Directors for the purpose of approving the Company's accounts and also used in the decision-making process. The sub-segment relating to the industrial activity of vehicle assembly is included in the "Vehicles - Industry" segment. In addition, the activity of training and development of human resources, as well as the activity of real estate management (investment properties), since they represent a secondary activity and without great relevance, are divided into the various segments. The Board of Directors understands that the presentation of these activities in autonomous segments would not provide any added value in terms of the Company's financial reporting.

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

25. EXTERNAL SUPPLIES AND SERVICES

The details of the external supplies and services caption for the financial years ended December 31, 2023 and 2022 are as follows:

	2023	2022
Subcontracts	790,316	880,905
Specialized services	33,793,484	31,876,914
Specialized work	4,446,926	5,266,589
Advertising and publicity	20,142,647	18,393,385
Surveillance and security	497,877	428,272
Fees	1,402,980	1,326,358
Commissions	573,839	712,041
Maintenance and repair	3,021,695	2,192,904
Others	3,707,520	3,557,366
Materials	8,086,991	6,863,279
Tools and dies	154,283	141,437
Books and technical documentation	258,470	278,057
Office supplies	172,522	128,224
Items for offer	35,546	32,051
Others	7,466,170	6,283,512
Energy and fluids	1,297,664	794,928
Electricity	297,965	195,076
Fuels	882,082	573,018
Water	117,617	26,834
Others		
Travel, stays and transport	3,677,604	3,206,925
Travel and stays	1,796,471	1,310,003
Personnel transport	88,266	112,523
Transportation of goods	1,792,868	1,784,400
Others		
Miscellaneous services	2,326,695	2,770,555
Rentals and leases	604,611	641,911
Communication	287,019	299,736
Insurance	792,524	862,892
Royalties	253,580	464,520
Litigation and notary	3,863	3,868
Hygiene and comfort	385,098	497,629
	49,972,755	46,393,505

26. PERSONNEL EXPENSES

Staff expenses for the financial years ended December 31, 2023 and 2022 are detailed as follows:

	2023	2022
Remuneration of social bodies	572,296	410,078
Remuneration of staff	13,059,531	12,246,048
Pensions	341,383	174,470
Indemnities	412,413	406,611
Remuneration charges	3,886,681	3,578,951
Occupational accident insurance and occupational diseases	295,551	301,069
Other staff expenses	2,301,967	1,936,477
	20,869,822	19,053,704

During the financial years ended in December 2023 and 2022, the average number of staff employed by the Company was as follows:

Staff	2023	2022
Employees	405	393
Wage earners	175	154
	580	547

27. OTHER INCOME AND OPERATING EXPENSES

On December 31, 2023 and 2022, the caption “other operating income” is composed as follows:

Other operating income	2023	2022
Real estate income (Note 6)	3,582,155	3,466,571
Operating subsidies	4,744,663	4,216,900
Recovery of advertising charges and sales promotion	514,033	383,275
Gains in inventories	159,065	170,905
Gains on other non-financial investments	539,511	737,077
Allocation of investment grants	-	4,408
Prompt payment discounts obtained	5,892	9,269
Others not specified	14,469,146	12,394,304
	24,014,466	21,382,709

Detailing the main values mentioned above, we have to mention that:

- The item "Recovery of advertising charges and sales promotion" includes the recovery of various charges incurred by the Company with marketing and commercial promotion activities associated with its operations, from the supplier Toyota Japan Group. The expenses incurred in connection with that recovery of charges are recognized under the caption "External supplies and services";

- The caption “Property income” includes the value related with rents of investment properties. These rents are mainly derived from rental contracts for real estate assets with several related parties, with their details regarding the financial years ended on December 31, 2023 and 2022, as follows:

Entity	2023	2022
Caetano Auto, S.A.	672,440	656,240
Caetano Coatings, S.A.	567,784	560,761
Caetano Aeronautic, S.A.	174,471	169,206
Caetanobus – Fabricação de Carroçarias, S.A.	1,419,770	1,361,773
NIW - IT Services & Consulting, S.A.	87,400	82,196
Toyota Kreditbank, Gmbh - Sucursal Em Portugal	38,087	35,861
Toyota Logistic Services Portugal, Unip, Lda.	571,839	569,109
Others	50,365	31,426
Total	3,582,155	3,466,571

- The caption "Operating subsidies" refers to support from the IEFP – *Instituto de Emprego e Formação Profssional* associated with training actions provided by the Company in its various vocational training centers, as well as employment support.

- The item "Others not specified" refers essentially to services rendered, recovery of expenses with car warranties to the Toyota and Lexus brands that are previously charged by the concessions, and transportation costs, The expenses incurred in connection with the recovery of charges are recognized under the caption "External supplies and services".

On December 31, 2023 and 2022, the caption “other operating expenses” is composed as follows:

Other operating expenses	2023	2022
Taxes	916,550	761,876
Losses in inventories	59,168	32,660
Prompt payment discounts granted	2,241	2,589
Losses on other non-financial investments	106,463	10,640
Donations	72,027	37,986
Contributions	17,965	23,777
Fines and penalties	19,722	10,627
Others not specified	1,666,789	9,395,625
	2,860,925	10,275,781

The item "Others not specified" mainly includes in the year ending 2022 expenses with commercial incentives and bonuses granted to car dealers.

In the 2023 financial year, these incentives and bonuses started to be recorded in discounts and rebates on sales.

28. FINANCIAL EXPENSES AND INCOME

On December 31, 2023 and 2022, the financial results are composed as follows:

Interest and similar income obtained	2023	2022
Others	859,067	57,330
	859,067	57,330

Interest and similar expenses incurred	2023	2022
Bank loans and leases	3,975,017	1,013,642
Others	1,411,802	1,249,219
	5,386,819	2,262,860

29. FINANCIAL ASSETS AND LIABILITIES

Below is a summary table of the Company's financial instruments as of December 31, 2023 and 2022:

Financial instruments		Financial assets		Financial liabilities	
	Note	2023	2022	2023	2022
Other financial assets		4,600	19,600		
Loans to participating companies	11	-	3,375,000		
Customers	13	87,481,499	83,414,863		
Other debtors	14	4,569,720	1,475,937		
Other current assets	15	1,126,680	525,532		
Loans obtained	18			94,952,983	49,771,058
Other creditors	20			5,058,153	1,056,036
Accounts payable	19			23,665,778	27,313,547
Other current liabilities	21			15,143,144	9,433,706
Cash and cash equivalents	4	16,743,033	5,501,727		

Financial instruments at fair value		Financial assets		Financial liabilities	
	Note	2023	2022	2023	2022
Other financial assets		4,600	19,600		

30. RELATED PARTIES

The balances to be received and payable with the companies of the Toyota Caetano Portugal Group, which on December 31, 2023 and 2022 are reflected in the captions of the statement of financial position "Accounts receivable", "Accounts payable," Shareholders", and "Other Financial Assets" can be summarized as follows:

	2023	2022
Accounts receivable	46,449,879	32,556,747
Accounts payable	(3,919,790)	(1,618 516)
Group companies inserted in "RETGS" (Note 14)		
Caetano Renting, S.A.	(1,046,330)	(77,665)
Caetano Auto, S.A.	2,664,598	1,232,179
Salvador Caetano Seguros - Mediação de Seguros, Unipessoal, Lda.	34,005	
	1,652,274	1,154,514
Loans to participating companies (Note 11)		
Caetano Renting, S.A.		3,375,000
		3,375,000

The following table summarizes balances and transactions (customers and suppliers accounts) with subsidiaries, associates and joint ventures of the Toyota Caetano Portugal Group for the financial years ended December 31, 2023 and 2022:

Related companies 2023	Debts		Other current assets and liabilities		Products		Fixed assets		Services	Others	
	Receivable	Payable	Other Current Liabilities	Other Current Assets	Sales and Services Rendered	Purchases	Acquisitions	Disposals	Obtained	Expenses	Income
Subsidiaries	36,933,786	- 4,627,842	- 3,518,044	217,414	- 202,798,421	33,344,772	41,612	- 579,979	14,980,290	828,546	- 3,272,641
Associated	3,135,355	- 117,371	- 469,376	-	- 8,022,328	836,796	-	-	988,324	758	- 235,894
Joint ventures	9,079,341	- 220,906	- 570	65,068	- 8,315,580	536,657	-	- 15,984	82,420	-	- 3,052,411

Related companies 2022	Debts		Other current Assets and Liabilities		Products		Property, plant and equipment		Services	Others		Financial	
	Receivable	Payable	Other Current Liabilities	Other Current Assets	Sales and Services Rendered	Purchases	Acquisitions	Disposals	Obtained	Expenses	Income	Expenses	Income
Subsidiaries	33,788,926	-1,696,181	-1,081,724	29,627	-156,740,235	29,165,060	245	-613,235	11,586,806	4,595,359	-2,632,112	-	-69,664
Associated	223,933	-49,322	-362,582	-	-3,111,918	294,195	-	-	939,357	60	198,958	-	-
Joint ventures	3,845,427	-354,394	-	31,794	-4,848,515	4,007,313	-	-	283,388	-	-2,362,200	-	-

The details of the balances and transactions between the Company and the related parties (essentially belonging to the Salvador Caetano Group and the Toyota Motor Corporation Group) can be summarized as follows on December 31, 2023 and 2022:

	Debts		Other current Assets and Liabilities		Products				Fixed assets	Services		Others	Financial
Related companies 2023	Receivable	Payable	Other Current Liabilities	Other Current Assets	Sales and Services rendered	Purchases	Acquisitions	Disposals	Obtained	Expenses	Income	Expenses	Income
Shareholders	3,838,252	- 42,534,349	- 514,152	-	- 38,375,401	345,372,259	-	-	1,024,515	59,501	- 3,640,868	962,894	- 144,976
Other Related parties Salvador Caetano Group	5,133,805	- 4,408,949	- 1,010,268	57,119	- 8,440,951	1,140,755	335,728	- 202,063	12,411,530	927,429	- 3,389,431	-	-
Other Related parties Toyota Japan Group	1,717,559	- 12,097,190	- 7,268,030	-	- 55,400,893	64,749,491	27,962	-	397,603	20,428	- 1,629,692	600,857	-
Other Related parties	42,006	- 241,945	-	-	- 29,842	21,650	595	-	2,457,098	-	- 7,497	-	-

Related companies 2022	Debts		Other current assets and liabilities		Products		Property, plant and equipment		Services	Others		Financial	
	Receivable	Payable	Other Current Liabilities	Other Current Assets	Sales and Services Rendered	Purchases	Acquisitions	Disposals	Obtained	Expenses	Income	Expenses	Income
Shareholders	18,567,535	-25,544,597	-4,316,026	-	-62,101,443	222,618,618	-	-	943,529	17,000	-4,392,783	31,565	-11,040
Related entities Salvador Caetano Group	5,183,085	-2,540,088	-903,489	-	-7,560,192	865,609	334,756	174,750	8,663,051	727,483	-2,099,610	48	-
Related entities Toyota Japan Group	-15,179	-9,978,657	1,988	6,449,870	-52,491,200	78,550,878	3,500	-	462,465	1,202,230	-1,340,237	60,385	-
Other related entities	7,921	-115,921	-108,033	-	-70	-	1,838	-	766,001	6,540	-9,560	-	-

As of December 31, 2023, there are no outstanding current balances with the Company's key management personnel (including Governing Bodies).

The related parties with which the Company has relationships are as follows:

SHAREHOLDERS	
Salvador Caetano Auto, SGPS, S.A.	Portugal
Toyota Motor Europe, NV/Sa	Belgium

SUBSIDIARIES	
Caetano Auto, S.A.	Portugal
Caetano Auto CV, S.A.	Cape Verde
Caetano Renting S.A.	Portugal
Salvador Caetano Seguros - Mediação de Seguros Unipessoal Lda.	Portugal

ASSOCIATED	
Kinto Portugal, S.A.	Portugal

JOINT VENTURES	
Caetanobus - Fabricação de Carroçarias, S.A.	Portugal
Cobus industries, GMBH	Germany
Caetano UK, LTD.	England

OTHER RELATED PARTIES SALVADOR CAETANO GROUP	
Grupo Salvador Caetano, SGPS, S.A.	Portugal
23 Portugal, S.A.	Portugal
Amorim, Brito & Sardinha, Lda.	Portugal
Caetano Active, S.A.	Portugal
Caetano Aeronautic, S.A.	Portugal
Caetano Automotive Portugal, S.A.	Portugal
Caetano City, S.A.	Portugal
Caetano Drive, Sport e Urban, S.A.	Portugal
Caetano Energy, S.A.	Portugal
Caetano Fórmula Cádiz, SLU	Spain
Caetano Fórmula West África, S.A.	Portugal
Caetano Fórmula Galicia, SLU	Spain
Caetano Fórmula, S.A.	Portugal
Caetano Gamobar Motors, S.A.	Portugal

OTHER RELATED PARTIES SALVADOR CAETANO GROUP	
Caetano Move África, S.A.	Portugal
Caetano Parts, Lda.	Portugal
Caetano Power, S.A.	Portugal
Caetano Retail España, Sau	Spain
Caetano Retail, SGPS, S.A.	Portugal
Caetano Shared Services, SA	Manual
Caetano Squadra África, S.A.	Portugal
Caetano Star, S.A.	Portugal
Caetano Tec, S.A.	Portugal
Caetsu Publicidade, S.A.	Portugal
Carplus, S.A.	Portugal
Choice Car, S.A.	Portugal
Fundação Salvador Caetano	Portugal
Gocharge, S.A.	Portugal
Guérin - Rent-A-Car (Dois), Lda.	Portugal
Hyundai Portugal, S.A.	Portugal
Lidera Soluciones, Sl	Spain
Lusilectra - Veículos e Equipamentos, S.A.	Portugal
MDS Auto - Mediação Seguros, S.A.	Portugal
NIW-IT Services and Consulting, S.A.	Portugal
P,O,A,L, - Pavimentações e Obras Acessórias, S.A.	Portugal
Portianga - Comércio Internacional e Participações, S.A.	Portugal
Robert Hudson, Ltd,	Angola
Salvador Caetano Auto África, SGPS, S.A.	Portugal
Salvador Caetano Capital, SGPS, S.A.	Portugal
Sózó Portugal, S.A.	Portugal
Turispaiva - Sociedade Turística Paivense, S.A.	Portugal
VAS África, S.A.	Portugal

OTHER RELATED PARTIES TOYOTA MOTOR CORPORATION GROUP	
Toyota Motor Corporation	Japan
Toyota Kreditbank, GmbH - Sucursal em Portugal	Portugal
Toyota Logísticos Serviços Portugal, Unipessoal, Lda.	Portugal
Toyota Material Handling Deutschland	Germany
Toyota Material Handling Spain, S.A.	Spain
Toyota Material Handling Europe	Belgium
Toyota Material Handling Europe Brussels	Belgium
Toyota Material Handling Europe Logistics	Sweden
Toyota Material Handling France	France
Toyota Material Handling Manufact, France, SAS	France
Toyota Material Handling Manufact, Italy, Spa	Italy
Toyota Material Handling Manufact, Sweden	Sweden
Toyota Material Handling Netherlands	Netherlands
Toyota Tsusho Asia Pacific Pte, Ltd,	Singapore
Toyota Tsusho Corporation	Japan

OTHER RELATED PARTIES TOYOTA MOTOR CORPORATION GROUP	
Toyota Tsusho Europe, S.A.	Belgium

OTHER RELATED PARTIES	
Cociga - Construções Civis de Gaia, S.A.	Portugal
Covim - Soc. Agrícola S. Imobiliária, 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 assumed and not included in the Statement of Financial Position:

On December 31, 2023 and December 31, 2022, the Company had made the following financial commitments:

Responsibilities	2023	2022
Surety	4,000,000	6,000,000
Other financial guarantees	545,132	566,490
	4,545,132	6,566,490

Of the amounts presented on December 31, 2023 and 2022 related to "Responsibilities", the amount of 4 million Euros refers to the surety provided to the A.T.A. (Tax and Customs Authority – *Autoridade Tributária e Aduaneira*) which is intended to guarantee subsequent payment of the amounts resulting from the duties and taxes, as well as the vehicle tax on the orders and registration requests made.

Following loans obtained in the amount of 15 million Euros, Toyota Caetano granted the respective financial institution, real guarantees related to mortgages on real estate assets valued at, approximately, 22.2 million Euros.

End-of-life vehicles

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

According to these regulations, the Producers/Distributors will have to bear at least a significant part of the cost of taking back the vehicles placed in the market from July 1, 2002, as well as for those marketed before this date, when presented as from January 1, 2007.

This legislation will have an impact on Toyota vehicles sold in Portugal. The Company and its represented company Toyota are closely monitoring the development of the Portuguese National Legislation in order to be able to quantify the impact of these operations on their financial statements in due course.

It is, however, our conviction, in view of the studies already carried out on the Portuguese market, and in view of the possible recovery of the waste resulting from the dismantling of the vehicles concerned, that the actual impact of this legislation on the Company's accounts will be small, if not nil.

In the meantime, and in order to comply with the legislation introduced in the national regulations (Decree/Law 196/2003), the Company concluded the contract with "ValorCar – Sociedade de Gestão de Veículos em Fim de Vida, Lda." – a company licensed as the managing entity of the integrated ELV management system – the transfer of the responsibilities inherent to this entire process.

Information related to the environmental area

The Company adopts the necessary measures in relation to the environmental area, in order to comply with current legislation.

Toyota Caetano's Board of Directors does not estimate that there are risks related to environmental protection and improvement, and has not received any administrative penalties related to this matter during the 2023 financial year.

32. EARNINGS PER SHARE

The earnings per share for the years ended December 31, 2023 and 2022, were calculated taking into account the following amounts:

	2023	2022
Result	17,119,170	14,701,870
Number of shares	35,000,000	35,000,000
Results per share (basic and diluted)	0,49	0,42
Comprehensive income	16,954,901	18,412,842
Number of shares	35,000,000	35,000,000
Comprehensive income (basic and diluted)	0,48	0,53

During the years ended December 31, 2023 and 2022, there was no change in the number of shares.

33. REMUNERATION OF THE MEMBERS OF THE GOVERNING BODIES

The remuneration of the members of the Company's social bodies in the financial years ended December 31, 2023 and 2022 were as follows:

Social bodies	2023	2022
Board of Directors	670,598	514,185
Fiscal Council	8,149	5,040

34. STATUTORY AUDITOR'S REMUNERATION

The fees paid to the Company´s Statutory Auditors in the financial years 2023 and 2022 were as follows:

	2023	2022
Total fees for the statutory audit	72,200	60,220
Total fees for other assurance services	24,050	70,206
	96,250	130,426

35. SUBSEQUENT EVENTS

On March 10, elections for the Portuguese Government (*Assembleia da República)* took place in Portugal, the results of which allow us to conclude that no political force or pre-electoral coalition reached a result in mandates that would allow them, unilaterally, to form a majority government solution. The possible geometry of coalitions and parliamentary support and the question about the level of support in the Assembly for a new Government places uncertainty on the immediate time horizon, namely about the sustainability of any governmental solution that may not be able to approve budgets and/or central diplomas in its program, in the eventuality of which the country could go to elections again. The political situation is significantly relevant to the country's economic performance, namely due to the necessary clarification of central issues in the country's economic life that were widely debated in the electoral context, namely the State's budgetary sustainability, fiscal policy, particularly IRS and IRC rates, implementation of the PRR program and major public works, regulation of various economic sectors.

36. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the Board of Directors on April 23, 2024.

The Chartered Accountant: Alexandra Maria Pacheco Gama Junqueira

The Board of Directors: José Reis Da Silva Ramos- Chairman; Maria Angelina Martins Caetano Ramos; Miguel Pedro Caetano Ramos; Gisela Maria Falcão Sousa Pires Passos; Tom Fux; Kazunori Takagi.

CONSOLIDATED ACCOUNTS

STATEMENTS OF CONSOLIDATED FINANCIAL POSITION AS AT DECEMBER 31, 2023 AND 2022

(Amounts expressed in euro)

ACTIVE	NOTES	31/12/2023	31/12/2022
NON-CURRENT ASSETS:			
Goodwill	9	875,997	611,997
Intangibles assets	5	4,502,520	2,404,404
Tangible fixes assets	6	114,839,875	106,237,907
Investment property	7	9,238,419	9,495,026
Financial investments in associates and joint ventures	10	45,928,451	39,851,443
Other investments	11	5,394,224	4,966,404
Deferred tax assets	16	3,158,216	2,386,092
Accounts receivable	13	52,314	146,833
Total non-current assets		**183,990,016**	**166,100,106**
CURRENT ASSETS:			
Inventories	12	147,053,173	70,247,870
Accounts receivable	13	86,171,610	67,701,452
Other debtors	14	3,877,802	2,277,279
Other current assets	15	7,103,855	2,975,313
Cash and cash equivalents	17	24,827,114	11,299,747
Total current assets		**269,033,554**	**154,501,661**
Non-current assets held for sale	8	2,474,403	2,175,221
Total current assets		**271,507,957**	**156,676,882**
Total of the asset		**455,497,973**	**322,776,988**

The accompanying notes form an integral part of this statement for the year ended December 31, 2023.

The Chartered Accountant: Alexandra Maria Pacheco Gama Junqueira

The Board of Directors: José Reis Da Silva Ramos- Chairman; Maria Angelina Martins Caetano Ramos; Miguel Pedro Caetano Ramos; Gisela Maria Falcão Sousa Pires Passos; Tom Fux; Kazunori Takagi.

STATEMENTS OF CONSOLIDATED FINANCIAL POSITION AS AT DECEMBER 31, 2023 AND 2022

(Amounts expressed in euro)

EQUITY AND LIABILITIES	NOTES	31/12/2023	31/12/2022
EQUITY:			
Share capital		35,000,000	35,000,000
Legal reserve		7,498,903	7,498,903
Fair value reserves		2,042,622	1,723,238
Other reserves and retained earnings		106,559,886	101,091,670
Consolidated net profit for the year		17,119,170	14,701,869
	18	**168,220,581**	**160,015,680**
Non-controlling interests	19	1,807,434	1,451,563
Total equity		**170,028,015**	**161,467,243**
LIABILITIES:			
NON-CURRENT LIABILITIES:			
Loans obtained	20	32,431,252	14,663,934
Responsibilities for defined benefit plans	15 and 25	1,211,669	542,455
Provisions	26	3,337,677	1,887,033
Other creditors	22	2,417,931	805,640
Deferred tax liabilities	16	3,392,365	1,941,436
Total non-current liabilities		**42,790,894**	**19,840,498**
CURRENT LIABILITIES:			
Loans obtained	20	80,796,382	39,520,309
Accounts payable	21	27,892,084	30,945,755
Other creditors	22	71,247,771	44,209,031
Corporate Income tax payable	23	3,333,158	2,116,541
Other current liabilities	24	59,409,669	24,677,611
Total current liabilities		**242,679,064**	**141,469,247**
Total liabilities		**285,469,958**	**161,309,745**
Total liabilities and equity		**455,497,973**	**322,776,988**

The accompanying notes form an integral part of this statement for the year ended December 31, 2023.

The Chartered Accountant: Alexandra Maria Pacheco Gama Junqueira

The Board of Directors: José Reis Da Silva Ramos- Chairman; Maria Angelina Martins Caetano Ramos; Miguel Pedro Caetano Ramos; Gisela Maria Falcão Sousa Pires Passos; Tom Fux; Kazunori Takagi.

CONSOLIDATED STATEMENTS OF INCOME BY NATURES FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(Amounts expressed in euro)

	Notes	31/12/2023	31/12/2022
Operating income:			
Sales	30	464,900,086	437,323,345
Services rendered	30	46,670,546	42,903,032
Other operating income	33	27,739,438	24,942,817
Production variation	12	(2,205,290)	3,556,721
Total operating income		**537,104,780**	**508,725,915**
Operating expenses:			
Cost of sales	12	(379,198,024)	(364,526,087)
External supplies and services	31	(49,997,937)	(46,751,125)
Staff expenses	32	(48,798,349)	(45,814,618)
Amortization and depreciation	5, 6 and 7	(16,992,177)	(15,093,762)
Impairment of inventories	26	(779,622)	(211,348)
Impairment of receivables	26	427,844	(281,420)
Provisions and impairment losses	26	(1,648,880)	(191,634)
Other operating expenses	33	(3,257,713)	(3,095,147)
Total operating expenses		**(500,244,858)**	**(475,965,141)**
Operational results		**36,859,922**	**32,760,774**
Results related with associate companies and joint ventures	10	(4,855,313)	(8,350,777)
Financial expenses and losses	34	(6,554,306)	(2,871,186)
Financial income and gains	34	740,929	53,169
Results before taxes		**26,191,232**	**21,591,980**
Corporate income taxes	27	(8,723,608)	(6,772,416)
Consolidated net profit for the financial year		**17,467,624**	**14,819,564**
Consolidated net result attributable:			
To the Group		17,119,170	14,701,869
To non-controlling interests	19	348,454	117,695
		17,467,624	**14,819,564**
Basic	28	0,499	0,423
Diluted	28	0,499	0,423

The accompanying notes form an integral part of this statement for the year ended December 31, 2023.

The Chartered Accountant: Alexandra Maria Pacheco Gama Junqueira

The Board of Directors: José Reis Da Silva Ramos- Chairman; Maria Angelina Martins Caetano Ramos; Miguel Pedro Caetano Ramos; Gisela Maria Falcão Sousa Pires Passos; Tom Fux; Kazunori Takagi.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(Amounts expressed in euro)

	Notes	Capital	Legal reserve	Fair value reserves	Other reserves and retained earnings	Total reserves and retained earnings	Net consolidated profit for the fyear	Subtotal	Non-controlling interests	Total Equity
Balances on January 1, 2022		**35,000,000**	**7,498,903**	**1,460,711**	**92,948,220**	**94,408,931**	**11,695,005**	**148,602,839**	**1,329,406**	**149,932,245**
Application of the consolidated result of 2021		-	-	-	11,695,005	11,695,005	(11,695,005)	-	-	-
Consolidated comprehensive income for the year		-	-	262,527	3,448,445	3,710,972	14,701,869	18,412,841	122,157	18,534,998
Dividends distribution	18	-	-	-	(7,000,000)	(7,000,000)	-	(7,000,000)	-	(7,000,000)
Balances at December 31, 2022		**35,000,000**	**7,498,903**	**1,723,238**	**101,091,670**	**102,814,908**	**14,701,869**	**160,015,680**	**1,451,563**	**161,467,243**
Balances on January 1, 2023		**35,000,000**	**7,498,903**	**1,723,238**	**101,091,670**	**102,814,908**	**14,701,869**	**160,015,680**	**1,451,563**	**161,467,243**
Application of the consolidated result of 2022		-	-	-	14,701,869	14,701,869	(14,701,869)	-	-	-
Consolidated comprehensive income for the year		-	-	319,384	(483,653)	(164,269)	17,119,170	16,954,901	355,871	17,310,772
Dividends distribution	18	-	-	-	(8,750,000)	(8,750,000)	-	(8,750,000)	-	(8,750,000)
Balances at December 31, 2023		**35,000,000**	**7,498,903**	**2,042,622**	**106,559,886**	**108,602,508**	**17,119,170**	**168,220,581**	**1,807,434**	**170,028,015**

The accompanying notes form an integral part of this statement for the year ended December 31, 2023.

The Chartered Accountant: Alexandra Maria Pacheco Gama Junqueira

The Board of Directors: José Reis Da Silva Ramos- Chairman; Maria Angelina Martins Caetano Ramos; Miguel Pedro Caetano Ramos; Gisela Maria Falcão Sousa Pires Passos; Tom Fux; Kazunori Takagi.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(Amounts expressed in euro)

	31/12/2023	31/12/2022
Consolidated net profit for the year	17,467,624	14,819,564
Components of other consolidated comprehensive income for the year, which may subsequently be reclassified to the income statement:		
Equity method - Associates and Joint venture (Note 10)	123,883	309,376
Components of other consolidated comprehensive income for the year, which will not subsequently be reclassified to the income statement:		
Change in the fair value of equity instruments at fair value through capital - gross value (Note 11)	417,363	343,061
Change in the fair value of equity instruments at fair value through capital - tax effect (Note 11)	(93,907)	(77,189)
Change in responsibilities with defined benefit Plan – Gross value (Note 25)	(525,698)	4,123,710
Change in responsibilities with defined benefit Plan – Tax effect (Note 16)	(78,493)	(927,835)
Other – Gross value	-	(55,689)
Consolidated comprehensive income for the year	**17,310,772**	**18,534,998**
Attributable to:		
Shareholders of the parent company	16,954,901	18,412,841
Non-controlling interests	355,871	122,157

The accompanying notes form an integral part of this statement for the year ended December 31, 2023.

The Chartered Accountant: Alexandra Maria Pacheco Gama Junqueira

The Board of Directors: José Reis Da Silva Ramos- Chairman; Maria Angelina Martins Caetano Ramos; Miguel Pedro Caetano Ramos; Gisela Maria Falcão Sousa Pires Passos; Tom Fux; Kazunori Takagi.

CONSOLIDATED CASH FLOW STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(Amounts expressed in euro)

	31/12/2023	31/12/2022
OPERATIONAL ACTIVITIES:		
Customers collections	775,586,738	808,275,460
Payments to suppliers	(635,954,524)	(671,288,835)
Payments to personnel	(43,123,360)	(40,689,981)
Flow generated by operations	**96,508,854**	**96,296,644**
Payment of Corporate Income Tax	(6,822,815)	(2,667,421)
Other collections/payments related to operational activity	(102,544,616)	(93,820,127)
Flow of operational activities	**(12,858,577)**	**(190,904)**
INVESTMENT ACTIVITIES:		
Collections from:		
Investment Properties	100,000	695,000
Non-current assets held for sale (Note 8)	410,000	885,000
Tangible fixes assets	1,184	159,364
Investment subsidies	923,781	521,809
Interest and similar income	13,557	69,980
Dividends (Note 10)	1,579,562	2,305,405
	3,028,084	**4,636,558**
Payments relating to:		
Financial investments (Note 10)	(12,388,000)	(6,193,549)
Tangible fixed assets	(8,100,045)	(5,063,614)
Intangible assets	(2,420,827)	(825,596)
	(22,908,872)	**(12,082,759)**
Flow of Investment activities	**(19,880,788)**	**(7,446,201)**
FINANCING ACTIVITIES:		
Collections from:		
Loans obtained (Note 20)	390,500,083	124,500,000
Lease liabilities (Note 20)	9,062,112	6,601,048
Interest and similar income	30,477	-
	399,592,672	**131,101,048**
Payments relating to:		
Loans obtained (Note 20)	(335,136,286)	(117,644,327)
Rents of lease liabilities (Note 20)	(6,034,944)	(7,487,497)
Interest and similar costs	(3,178,431)	(1,937,790)
Other creditors	(236,590)	(213,418)
Dividends (Note 18)	(8,739,690)	(7,003,924)
	(353,325,941)	**(134,286,956)**
Flow of financing activities	**46,266,731**	**(3,185,908)**
CASH AND EQUIVALENTS		
Cash and its equivalents at the beginning of the year (Note 17)	11,299,747	22,122,760
Cash and its equivalents at the end of the year (Note 17)	24,827,114	11,299,747
Variation in cash and its equivalents	**13,527,367**	**(10,823,013)**

The accompanying notes form an integral part of this statement for the year ended December 31, 2023.

The Chartered Accountant: Alexandra Maria Pacheco Gama Junqueira

The Board of Directors: José Reis Da Silva Ramos- Chairman; Maria Angelina Martins Caetano Ramos; Miguel Pedro Caetano Ramos; Gisela Maria Falcão Sousa Pires Passos; Tom Fux; Kazunori Takagi.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

ON DECEMBER 31, 2023

(Amounts expressed in Euros)

1. INTRODUCTORY NOTE

Toyota Caetano Portugal, S.A. ("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 carry out, mainly, economic activities in the automotive sector, namely the import, assembly and marketing of light and heavy vehicles, as well as the import and sale of industrial cargo handling equipment and respective after-sales assistance, the creation and operationalization of training and human resources development projects, as well as the management of own properties, including their rental, and also the rental of short or long-term vehicles, with or without a driver.

Toyota Caetano Portugal, S.A. belongs to the Salvador Caetano Auto Group (Group led by the company Grupo Salvador Caetano, S.G.P.S., S.A.), and has been 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") whose consolidation perimeter as of December 31, 2023 is detailed in Note 4.

The Group also holds financial interests in a joint venture and an associate, which are detailed in Note 10.

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

The attached consolidated financial statements are presented in Euros (rounded to the nearest unit), as this is the currency preferentially used in the economic environment in which the

Group operates. Foreign transactions are included in the consolidated financial statements as referred to in point 2.3. c).

2. BASIS OF PRESENTATION AND MAIN ACCOUNTING POLICIES

The basis of presentation and 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 relate to the consolidated financial statements of the Toyota Caetano Group and have been prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and the International 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 the Standing Interpretation Committee ("SIC"), which have been endorsed by the European Union, in force for the financial year beginning on January 1, 2023.

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

The Board of Directors has assessed the Group's ability to operate on a going concern basis, taking in consideration all relevant information, facts and circumstances, whether financial, commercial or otherwise, including events subsequent to 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, and that there is no intention to cease activities in the short term, and therefore considered it appropriate to use the going concern assumption in the preparation of the consolidated financial statements.

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

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

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

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

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

Although these estimates are based on management's best experience and expectations of 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 2.5.

2.2 ADOPTION OF NEW OR REVISED IAS/IFRS

New standards and changes to the standards that became effective on January 1, 2023:

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

Description	Amendment	Effective Date
IAS 1 – Disclosure of accounting policies	Requirement for disclosure of “material” accounting policies, to the detriment of “significant” accounting policies	January 1, 2023

Description	Amendment	Effective Date
IAS 8 – Disclosure of accounting estimates	Accounting estimate definition, Clarification of the distinction between changes in accounting policies and changes in accounting estimates	January 1, 2023
IFRS 17 – Insurance contracts	New accounting for insurance contracts, reinsurance contracts and investment contracts with characteristics of discretionary participation in the results, in terms of aggregation, recognition, measurement, Presentation and Disclosure	January 1, 2023
IFRS 17 – initial application of IFRS 17 and IFRS 9- comparative information	This amendment avoids temporary accounting gaps between financial assets and insurance contract liabilities in the comparative information presented in the implementation of IFRS 17 for the first time. This change allows the application of a "*overlay*" in the classification of a financial asset, for which the entity does not update the IFRS 9 Comparative information	January 1, 2023
IAS 12- deferred tax related to assets and liabilities associated with a single transaction	Requirement for the recognition of deferred tax on the registration of assets under lease rights/liabilities and provisions for related decommissioning/assets, where their initial recognition gives rise to equal values of taxable temporary differences and deductible temporary differences, as they are not relevant for tax purposes	January 1, 2023
IAS 12 – Reform of international taxation – rules of the Pillar two model	Introduction of a temporary exception to the requirements for the recognition and disclosure of information on Deferred tax assets and income tax liabilities of the Pillar two model. Disclosure requirements targeted at affected entities (entities belonging to multinational groups that have consolidated revenues of €750 million in at least two of the last four years)	Immediately or January 1, 2023

There were no significant effects on the Group's consolidated financial statements for the year ended December 31, 2023 as a result of the adoption of the above standards and amendments to the standards.

Published rules (new and amended), the application of which is mandatory for annual periods starting on or after January 1, 2024, and which the European Union has already endorsed:

Up to the date of approval of these consolidated financial statements, the following accounting standards and amendments to the standards have been approved ("endorsed") by the European Union, with mandatory application to the financial years starting on January 1, 2024:

Description	Amendment	Effective Date
IAS 1 – Classification of liabilities as non-current and non-current currents and liabilities with “covenants”	Classification of a liability as current or non-current, depending on the right of an entity to defer its payment beyond 12 months after the reporting date, when subject to “covenants”	January 1, 2024
IFRS 16 – Lease liabilities in sale and leaseback transactions	Accounting requirements for sales transactions and leaseback after the transaction date, when some or all lease payments are variable	January 1, 2024

With regard to these standards (new and amended), it is not estimated that their future adoption will have a significant impact on the attached consolidated financial statements.

Published rules (new and amended), the application of which is mandatory for annual periods starting on or after January 1, 2024, and which the European Union has not yet endorsed:

The following accounting standards and amendments to the standards have been issued by the IASB with mandatory application in future financial years and which, as of the date of approval of these consolidated financial statements, have not yet been endorsed by the European Union:

Description	Amendment	Effective Date
IAS 7 and IFRS 7 – Supplier financing Agreements	Additional disclosure requirements on supplier financing agreements (or “reverse factoring”), the impact on liabilities and cash flows, as well as the impact on liquidity risk analysis and how the entity would be affected if these agreements were no longer available	January 1, 2024

Description	Amendment	Effective Date
IAS 21 – Effect of changes in exchange rates: Lack of interchangeability	Requirements to determine if the currency is interchangeable with another currency and when the exchange cannot be made for a long period, the options to calculate the exchange rate for the purpose to be used. Disclosure of the impacts of this situation on the entity's liquidity, financial performance and equity situation, as well as the spot exchange rate used on the reporting date	January 1, 2025

These standards have not yet been endorsed by the European Union and, as such, have not been applied by the Group for the year ended December 31, 2023.

With regard to these standards, issued by the IASB but not yet endorsed by the European Union, it is not estimated that their future adoption will have a significant impact on the attached consolidated financial statements.

2.3 CONSOLIDATION BASIS AND PRINCIPLES

The consolidation principles adopted by the Group are as follows:

a) Financial investments in Group companies

Financial investments in companies to which the Group is exposed, or has rights, to variable returns as a result of its involvement in those companies, and has the ability to affect those returns, through power over those companies (definition of control used by the Group), have been included in the attached consolidated financial statements by the full consolidation method.

Equity and net income of these companies, corresponding to the participation of third parties in them, are presented separately in the statement of consolidated financial position and in the consolidated statement of profit or loss by natures, under the caption "Non-controlling interests". The Group companies included in the consolidated financial statements using the full consolidation method are detailed in Note 4.

When the losses attributable to the non-controlling shareholders exceed the non-controlling interests in the equity of the subsidiaries, the non-controlling interests absorb that excess in proportion to the percentage held.

For business combinations prior to 2010, the purchase method was used to account for the acquisition of subsidiaries. The cost of an acquisition will be the fair value of the goods delivered, capital instruments issued and liabilities incurred or assumed on the date of acquisition. Identifiable assets acquired and contingent liabilities and liabilities assumed in a business combination will initially be at fair value at the date of acquisition, irrespective of the existence of non-controlling interests. The positive difference between the acquisition cost and the fair value of the group share of identifiable net assets acquired is recorded as Goodwill. If the acquisition cost is less than the fair value of the acquired subsidiary's net assets, the difference is recognized directly in the consolidated income statement.

For business combinations occurring after January 1, 2010, the Group has applied the revised IFRS 3. According to this revised standard, the purchase method continues to be applied in business combinations, with some significant changes:

(i) the amounts that make up the purchase price are valued at fair value, with the option, on a transaction-by-transaction basis, to measure the "non-controlling interests" by the proportion of the value of the Group's net assets acquired or of the fair value of the assets and liabilities acquired;

(ii) The costs associated with the acquisition are recorded as expenses.

When, at the time 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.

Since January 1, 2010, the revised IAS 27 has also been applied, since it has been replaced for this purpose by IFRS 10, which requires that all transactions with interests that they do not control be recorded in Equity, when there is no change in control over the Group, and there is no need to record 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 recognised in the results 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 financial statements of the subsidiaries to adapt their accounting policies with those used by the Group. Transactions, margins generated between Group companies, balances and dividends distributed among Group companies are eliminated in the consolidation process.

In situations where the Group has, in substance, control of other entities created for a specific purpose, even if it does not have equity interests directly in those entities, they are consolidated using the full consolidation method.

b) Financial investments in associate companies and joint ventures

Financial investments in associate companies (companies where the Group exerts 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 strategic, financial and operational decisions related to the activity require the unanimous consent of the parties sharing the control) are recorded using the equity method under the caption "Financial investments in associates and joint ventures".

According to the equity method, financial holdings are initially recorded at their acquisition cost and annually adjusted by the amount corresponding to the Group'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 changes occurring in the subsidiaries.

The differences between the acquisition cost and the fair value of the identifiable assets and liabilities of the acquired company on the acquisition date, if positive, are recognized as Goodwill and maintained in the value of 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 consolidated income statement caption "Income from 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, and the impairment losses that are confirmed are recorded as an expense. When impairment losses recognised in previous periods cease to exist, they are reversed.

When the Group's proportion of the subsidiary's accumulated losses exceeds the value at which the financial investment is recorded, the investment is valued at zero, as long as the subsidiary's equity is not positive, except when the Group has assumed commitments to it, in which case a provision is recorded under the liability caption "Provisions" to meet these obligations.

Unrealized gains in transactions with associates and joint ventures are eliminated proportionally to the Group's interest in the investment, against the financial investment in the same participated entity. Unrealized losses are similarly eliminated, but only to the extent that it does not show that the transferred asset is impaired.

Shareholdings 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 statement of consolidated financial position, and expenses and income as well as cash flows are converted into Euros using the average exchange rate for the year. The exchange rate difference generated after January 1, 2004 is recorded in shareholders' equity under the caption "Conversion reserves". The accumulated exchange rate differences generated up to January 1, 2004 (date of transition to IFRS) were written-off out against the equity caption "Other reserves and retained earnings".

Whenever a foreign entity is disposed, the accumulated foreign exchange difference is recognized in the consolidated income statement as a gain or loss on the disposal.

2.4 MAIN VALUATION 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 January 1, 2004 (date of transition to IFRS) are recorded at their deemed cost, which corresponds to their acquisition cost, or acquisition cost revalued in accordance with accounting principles generally accepted in Portugal (and in the countries of the respective Group subsidiaries) up to that date, deducted from 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 costs directly attributable to its acquisition and the costs incurred in preparing the asset to be put into its usable condition. Finance costs incurred from borrowing for the construction of qualifying tangible assets are recognized as part of the cost of building the asset.

Impairment losses identified in the realisation value of tangible fixed assets are recorded in the year in which they are estimated, against the caption "Impairment losses" of the consolidated profit and loss statement.

Depreciation is calculated from the moment the assets are in usable condition, using the straight-line method, in accordance with the following estimated useful lives:

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

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

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

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

Capital gains resulting from the sale or write-off of tangible fixed assets are determined as the difference between the sales price and the net accounting value on the date of disposal/write-off, and are recorded in the consolidated income statement as "Other operating income" or "Other operating expenses".

In the case of vehicles held for lease, the measurement criteria is the acquisition cost deducted of the residual value and depreciation and impairments. Depreciation is calculated based on the term of the lease.

In the case of capital gains or losses resulting from the sale of vehicles classified as tangible fixed assets, the income from these assets are transferred to inventories and are recognised in the income statement as "sales" and "cost of sales".

The Group has lease agreements entered into with third parties, adopting IFRS 16- Leases from the lessor's point of view, and the accounting in accordance with this standard does not differ from the accounting treatment previously adopted in accordance with IAS 17- Leases. At the end of the lease agreements with third parties, the Group reclassifies the leased tangible fixed assets under the caption "Inventories", subsequently promoting the respective disposal, usually to related entities belonging to the Toyota Caetano Portugal Group.

b) Intangible assets

Intangible assets are recorded at acquisition cost, less accumulated depreciation and accumulated impairment losses. Intangible assets are only recognised if they are likely to generate future economic benefits to the Group, if the Group has the power to control them and can reasonably measure their value.

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

Development expenses, for which the Group demonstrates the ability to complete its development and commence its commercialization and/or use and for which the asset created is likely to generate future economic benefits, are capitalized. Development expenses that do not meet these criteria are recorded as expenses in the consolidated income statement for the year in which they are incurred.

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

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

The depreciation of intangible assets for the year is recorded in the consolidated income statement under the caption "Amortizations and depreciations".

c) Investment Properties

Investment properties, which correspond to real estate assets held for income through leasing or capital appreciation, and not for use in the production or supply of goods and services or for administrative purposes, are recorded at acquisition cost and their fair value is disclosed (Note 7). The Group promotes the periodic and rotating valuation of these real estate assets by independent specialized entities. In the financial years in which a certain real estate asset is not selected for the purposes of an independent external valuation, the Group's internal team (which has technical expertise in this area) is required to assess the possibility of relevant changes in the market value of such real estate assets, compared to the last external valuation obtained.

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

Expenses incurred with investment properties in use, such as maintenance, repairs, insurance and property taxes (municipal property tax), are recognised in the consolidated income statement for the year to which they relate. Leasehold improvements, which are estimated to generate additional economic benefits in the future, are capitalised.

When the fair value of these real estate assets is lower than their respective acquisition cost, an impairment loss is recorded, whenever justified, in the year in which it is estimated, against the caption "Impairment losses" in the consolidated income statement. When the accumulated impairment losses recorded cease to occur, 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 amortisation or depreciation, if no impairment loss had been recognised in previous years.

The fair value resulting from external valuations of investment properties, which is subject to disclosure, has been determined on the basis of real estate valuations carried out by independent specialised entities (usually using the Market method, the Cost method or the Yield method).

d) Leases (from the lessee point of view)

Identification of locations

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 of judgement as to whether each contract is dependent on a specific asset, whether the Group, as a lessee, derives 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 lease agreements are accounted for by the lessee on the basis of a single recognition model in the statement of consolidated financial position.

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

Lease liabilities are remeasured when certain events occur (such as 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 lease liabilities is recognised as an adjustment in the *RoU*.

Right-of-Use assets

The Group recognises an asset under right-of-use on the effective date of the lease agreement (i.e. the date on which the underlying asset is available for use). The right to use the assets is recorded at the acquisition cost, less accumulated depreciation and accumulated impairment losses and adjusted for any new measurements of lease liabilities. The cost of the right-of-use asset 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 plus restoration costs, if any. Right-of-use assets are recorded under the caption "Tangible fixed assets" in the statement of consolidated financial position.

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

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

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

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

The impairment of right-of-use assets is tested in accordance with the recommendations of IAS 36 – Impairment of assets (note 2.4.i)).

In the case of leases of low-value and short-term assets, the Group does not recognise the rights to use assets or lease liabilities, recognising the expenditures associated with these leases as expenses for the year during the life of the contracts.

Lease agreements can contain both lease and non-lease components. However, the practical expedient provided for in the standard of not separating the service components from the leasing components was considered, thus resulting in accounting for them as a single leasing component.

Lease liabilities

On the effective date, the Group recognises liabilities measured at the present value of future payments to be made by the end of the lease and includes these balances under the caption of the statement of consolidated financial position "Loans obtained".

Lease payments include lump sum payments (including lump sum payments in substance), less any incentives receivable, variable payments, dependent on an index or rate, and amounts expected to be paid under residual value guarantees. Lease payments also include the exercise price of a call option, if it is reasonably certain that the Group exercises the option, and payments of termination penalties, if it is reasonably certain that the Group will terminate the contract.

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

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

Extension and termination options are provided for in a number of lease agreements and are implemented on the basis of operational maximisation. In determining the term of the lease, 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 of the extension options have not been included in the lease liabilities and, when exercised, are exercised by the Group and not by the lessor.

The deadline is revised only if a significant event or a significant change in circumstances occurs that affects this assessment and is within the control of the lessor.

After the effective date, the value of the lease liability increases to reflect the accrual of interest and decreases for payments made. Additionally, the accounting value of the lease liability is remeasured if there is a modification, such as a change in the lease term, fixed payments, or the decision to purchase the underlying asset.

Accounting treatment of sale and leaseback operations

The accounting treatment of "Sale and Leaseback" operations depends on the substance of the transaction by application of the principles explained in the 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*) asset as a proportion of the previous accounting value of the asset that is related to the right of use, thus recognising only as gain and loss those related to the rights transferred to the buyer-lessor, i.e., those that run beyond the rental period.

According to IFRS 16, the value of the right-of-use to be recognized (*RoU*) is lower than it would be if the lease agreement was entered into without the previous sales transaction. Effectively, the value of the *RoU* is calculated by the ratio 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 rental period.

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

In leases where the Group acts as lessor under operating lease agreements, the values of the assigned assets are maintained in the statement of the Group's consolidated financial position and the income is recognised on a straight-line basis during the lease period under the caption "Other operating income" when relating to real estate assets (the Group's real estate activity is secondary and residual), and recognised under the caption "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 the value of the assets is recovered through a sales transaction, rather than through their continued use. However, such classification requires that the sales transaction is highly likely, that the asset is available for immediate sale, that the Group's Board of Directors is committed to the disposal of the asset 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 accounting value, or fair value, less the costs of their disposal, and in the case of fixed assets assigned to the operating unit held for sale, depreciation is interrupted 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 merchandise consisting of new and used vehicles, cargo handling equipment, as well as parts and accessories) are stated at the lowest value between the acquisition cost and the 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 in relation to vehicles (new and used) the costing is specific by chassis or license plate.

The net realizable value represents the estimated sales price less all estimated completion costs and costs to be incurred in marketing, selling, and distribution. Used vehicles are accounted for at the lower of cost or fair value less selling costs, usually based on available external market data for used vehicles. An inventory impairment is recognized in situations where the net realizable value is less than the cost (as a result of obsolescence, deterioration, and a drop in the selling price). When calculating impairment, the Board of Directors considers the nature and state of the inventory (vehicle) as well as applies assumptions around the possibility of early sale, determined under the conditions existing at the end of the financial reporting period. With the exception of 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 service), the labour applied is valued at cost price.

Regarding the industrial activity related to the assembly of vehicles at the Ovar manufacturing facilities (the inventories in this activity correspond to raw and subsidiary materials, production in progress and finished products), the raw materials are valued at the acquisition cost, and the average cost is used as a costing formula. As 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 in production, labour and manufacturing overheads incorporated, based on the normal level of production. The variation of these capitalized and recognized expenses 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 the outputs corresponds to the specific cost of each vehicle/ chassis produced.

Impairments are also recorded for these inventories in order to reduce their accounting value to their realizable value, essentially on the basis of turnover indicators.

h) Government or other public entities subsidies

Government subsidies are recognised at fair value when there is a reasonable assurance that they will be received and that the Group will comply with the conditions required for their award.

Subsidies related to expenses incurred are recorded as an income 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 meet the conditions required for their grant.

i) Assets impairment

Non-current assets other than Goodwill

An impairment assessment of the Group's assets shall be carried out at the date of each statement of consolidated financial position whenever an event or change in circumstances is identified which indicates that the amount for which the asset is recorded may not be recoverable.

Where the amount for which the asset is recorded is greater than its recoverable amount (defined as the higher of the net sales price and value in use, or as the net sales price for assets held for disposal), an impairment loss is recognised, recorded in the consolidated 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, less the costs directly attributable to the disposal. 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 its disposal at the end of its useful life. The recoverable amount is estimated for each asset, either individually or, if this is not possible, for the cash flow generating unit to which the asset belongs.

The reversal of impairment losses recognised in prior periods is recorded when it is concluded that the impairment losses recognised no longer exist or have decreased. This analysis is carried out where there are indications that the impairment loss previously recognised 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 recognised (net of amortisation or depreciation) if the impairment loss had not been recorded in previous years.

Goodwill

The value of Goodwill is not amortized and is tested annually, at the end of each financial year, to check if there are impairment losses, that is, if Goodwill is not recorded for an amount higher 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 consolidated income statement for the year in which the loss is shown under the caption "Impairment losses" or, in the case of joint ventures or associates, such impairment losses from Goodwill included in the financial investment under the caption "Profit and loss relating to associated companies and joint ventures. Impairment losses related to Goodwill cannot be reversed.

j) Financial expenses

Financial expenses related with loans obtained shall be recognised as an expense in the consolidated income statement for the period in which they are incurred, in accordance with the accrual principle, unless such expenses are directly related with the acquisition, construction or production of a fixed asset that necessarily takes a substantial period of time to be ready for its intended use or sale, in which case they are capitalized, forming part of the cost of the asset. The capitalisation of these expenses starts 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 borrowing directly related to a specific investment is deducted from the finance expenses eligible for capitalisation.

k) Provisions

Provisions are recognised when, and only when, the Group has a present obligation (legal or constructive) resulting from a past event, where it is likely that an outflow of funds will occur for the resolution of that obligation and the amount of the obligation can be reasonably estimated. Provisions are revised at the date of each statement of consolidated 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 date of the transaction, i.e. on the date on which the Group commits itself to buy or sell the asset.

Classification

The classification of financial assets depends on the business model followed by the Group in managing the collection of financial assets (collection of cash flows, sale of cash flows, or appropriation of variations in fair value) and the contractual terms of the cash flows receivable (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 are equity instruments, and 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 the collection 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 collection of contractual cash flows or the occasional sale of them;

b. In the case of equity instruments, this category includes the percentage of interest held in entities over which the Group does not exercise, 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 amortised 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 given 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, to financial assets that are not measured at fair value through profit or loss. The transaction costs of financial assets at fair value through profit or loss are recorded in profit or loss for the year when incurred.

Financial assets at amortised cost are subsequently measured in accordance with the effective interest rate method and deducted from impairment losses. The interest income from these financial assets is included under "Financial income and gains" in the financial results.

Financial assets at fair value through other comprehensive income, which represent debt instruments, are measured subsequently, at fair value with changes in fair value recognised as a counterpart to other comprehensive income, with the exception of changes relating to the recognition of impairments, interest income and gains/(losses) on exchange rate differences, which are recognised in profit or loss. Financial assets at fair value through other comprehensive income are subject to impairment.

Financial assets at fair value through other comprehensive income that represent equity instruments are measured at fair value on the date of initial recognition and subsequently, and changes in fair value are recorded directly in the other comprehensive income, in equity, and there is no future reclassification even after the derecognition of the investment. The dividends obtained from these investments are recognized as gains, in profit or loss, on the date on which they are awarded.

Impairment losses

The Group assesses on a prospective basis the estimated credit losses associated with the financial assets, which are debt instruments, classified at amortised cost and at fair value through other comprehensive income.

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

With regard to receivables under the caption "Accounts receivable" and "Other debtors" and Customer Contract Assets, the Group applies the simplified approach allowed by IFRS 9, whereby estimated credit losses are recognised from the initial recognition of receivables and for the entire period to maturity, considering a matrix of historical default rates for the maturity of receivables, adjusted for forward-looking estimates.

With regard to receivables from related entities, which are not considered part of the financial investment in those entities, credit impairment shall be assessed by taking into account the following criteria: (i) whether the receivable balance is immediately payable ("on demand"); (ii) whether the balance receivable is 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 has the capacity to pay, the probability of default is close to 0% and therefore the impairment is considered to be zero. In cases where the balance receivable is not immediately payable, the credit risk of the related entity is assessed and if this is "low" or if the term is less than 12 months, then the Group only assesses the probability of a default occurring for the cash flows that mature in the next 12 months.

For all other situations and natures of receivables, 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 the initial recognition of the asset. If there has been no increase in credit risk, the Group calculates an impairment corresponding to the amount equivalent to the expected losses within a period of 12 months. If there has been an increase in credit risk, the Group calculates an impairment corresponding to the amount equivalent to the expected losses for all contractual flows until the maturity of the asset.

Derecognition of financial assets

The Group derecognises 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 of the risks and benefits arising from ownership of the asset.

Fair Value of Financial Investments

In determining the fair value of a financial asset or liability, if there is an active market, the market price is applied (Level 1). A market is considered active if there are prices that are easily and regularly quoted through exchanges, brokerage or regulatory agencies, and if those prices represent current and regular transactions taking place in a market in free competition. In the absence of an active market, generally accepted valuation techniques are used, 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. For the remaining cases, valuation techniques are used, not based on observable market data – Level 3.

Investments are all initially recognised at fair value plus transaction costs, with the only exception being "investments recorded at fair value through profit or loss". In the latter case, the investments are initially recognised at fair value and the transaction costs are recognised in the consolidated profit and loss statement.

"Equity instruments at fair value through capital" are subsequently held at fair value by reference to their market value at the date of the statement of consolidated financial position, without any deduction for transaction costs that may occur until they are sold.

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

All purchases and sales of financial investments are recognized on the date of the transaction, i.e., on the date on which the Group assumes all risks and obligations inherent to the purchase or sale of the asset.

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

The Group carries out valuations at the date of each statement of consolidated financial position where there is objective evidence that a financial asset may be impaired. In the case of equity instruments classified as available-for-sale, a significant or prolonged fall in their fair value to levels below their cost is indicative that the asset is impaired. If there is any evidence of impairment for Capital Instruments at fair value by way of capital, the accumulated losses – calculated by the difference between the acquisition cost and the fair value less any impairment loss previously recognised in the consolidated income statement – are removed from equity and recognised in the consolidated income statement.

Investments are derecognised 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 item "Cash and cash equivalents" correspond to the amounts of cash, bank deposits, term deposits and other treasury investments, which are less than three months past due and can be immediately withdrawn with negligible risk of change in value.

Bank overdrafts are presented in the statement of consolidated financial position, in current liabilities, under the caption "Loans obtained", and are considered in the preparation of the consolidated statement of cash flows, as cash and cash equivalents.

(ii) Accounts receivable and Other debtors

These items mainly include customer balances resulting from sales and services rendered within the scope of the Group's ordinary business and other balances related to operational activities. Balances are classified as current assets when the 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 captions "Accounts receivable" and "Other debtors" are initially recognised at fair value and subsequently measured at amortised cost, less impairment adjustments. Account receivables' impairment losses and other debtors are recorded in accordance with the principles described in "Impairment losses". The impairment losses identified are recorded in the consolidated income statement under "impairment of receivables" and are subsequently reversed through profit or loss.

m) Financial liabilities

Financial liabilities are classified into two categories:

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

(ii) Financial liabilities at amortized cost.

The category "Financial liabilities at amortised cost" includes liabilities under the captions "Loans obtained" (Note 20), "Accounts payable" (Note 21) and "Other creditors" (Note 22). These liabilities are initially recognised at fair value net of transaction costs and are subsequently measured at amortised cost at the effective interest rate.

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

As of December 31, 2023 and 2022, the Group only has recognized liabilities classified as "Financial liabilities at amortised cost".

(i) Loans obtained

The loans obtained are initially recognised at fair value, net of transaction costs incurred. Financing is subsequently measured at amortised cost and the difference between nominal value and initial fair value is recognised in the consolidated income statement over the financing period, using the effective interest rate method.

The loans obtained are classified as current liabilities, unless the Group has an unconditional right to defer the payment of the liability for at least 12 months after the date of financial reporting, in which case it is classified as non-current liabilities.

The financial expenses are calculated in accordance with the effective interest rate and recorded in the consolidated income statement for the period in accordance with the accrual principle.

(ii) Accounts payable and Other creditors

These captions generally include balances of suppliers of goods and services that the Group has acquired in the ordinary course of its business. The items that comprise them will be classified as current liabilities if the payment is due within 12 months or less, otherwise the "Accounts payable" and "Other creditors" accounts will be classified as non-current liabilities.

These financial liabilities are initially recognised at fair value. Subsequent to their initial recognition, the liabilities presented under the caption "Accounts payable" are measured at amortised 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 present realizable value. However, these amounts are not discounted because the effect of their financial adjustment is not considered material.

n) Retirement complements (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, April 30, 1996, August 9, 1996, July 4, 2003, February 2, 2007, December 30, 2008, December 23, 2011 and December 31, 2013.

Pension liabilities recognised at the date of the statement of consolidated financial position represent the present value of future benefits, adjusted for actuarial gains or losses and/or unrecognised past service liabilities, deducted by the fair value of the pension fund's net assets (Note 25). This pension plan defines the amount of pension benefit an employee will receive in retirement, usually dependent on one or more factors, such as age, years of service, and remuneration. This pension plan is managed by the independent external entity BPI Vida e Pensões, S.A..

The liability recognised in the statement of consolidated financial position in relation to the defined benefit plan is the present value of the defined benefit obligation as of the date of the consolidated financial statements. Defined benefit plan obligations are calculated annually by an independent actuary using the *Projected Unit Credit Method*. The present value of the defined benefit obligation is determined by discounting future cash outflows, using the interest rate on high-quality bonds denominated in the same currency in which the benefits will be paid and with maturity terms approaching those of the assumed liability.

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

Past service costs are immediately recognized in profit or loss, unless changes to the pension plan are conditional on employees remaining in service for a certain period (the period that qualifies for the benefit). In this case, the costs of past services are amortised on a straight-line basis over the period in question.

Gains and losses generated by a cut-off or liquidation of a defined benefit pension plan are recognized in the profit or loss for the year in which the cut-off or liquidation occurs. 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 leading to a reduction in plan liabilities.

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

o) Contingent assets and liabilities

Contingent liabilities are defined by the Group as (i) possible obligations arising from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly under the Group's control or (ii) present obligations arising from past events but which are not recognised because an outflow of funds 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 recognised in the Group's consolidated financial statements, but 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 disclosed at all.

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

Contingent assets are not recognised in the Group's consolidated financial statements, but disclosed in the notes to the consolidated financial statements when future economic benefit is likely to exist.

p) Corporate Income taxes

Corporate income taxes for the year are calculated based on the Special Taxation Regime for Groups of Companies ("RETGS"), which includes the subsidiary companies of the Toyota Caetano Group headquartered in Portugal: Toyota Caetano Portugal, S.A., Caetano Renting, S.A., Caetano Auto, S.A. and Salvador Caetano Seguros, Unipessoal, Lda..

For the remaining companies headquartered in Portugal and for the companies of the Toyota Caetano Group headquartered abroad (Caetano Auto Cabo Verde), taxation is carried out on an individual basis and in accordance with the applicable legislation.

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

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

Deferred taxes are recorded as expenses 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 item.

q) Accrual basis

Income and expenses are recorded according to the accrual basis principle, whereby they are recognised 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 in the accruals and deferrals captions included in the "Other current assets" and "Other current liabilities" items.

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

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 awarded.

In determining the value of the revenue, the Group assesses for each transaction the performance obligations it assumes towards customers, the price of the transaction to be allocated to each performance obligation identified in the transaction and the existence of variable price conditions that may lead to future adjustments to the recorded value of the revenue, 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, i.e. when the customer becomes able to manage the use of the product or service and obtain all the remaining economic benefits associated with it.

The Group considers that, given the nature of the product or service that is associated with the performance obligations 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 on a continuous basis throughout the defined contractual period.

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

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

Where a vehicle or industrial equipment is sold to a leasing company and the Group undertakes to repurchase the vehicle for a specified amount at a predetermined date, the sale is not recognised on the basis that the possibility of the buy-back being exercised is highly likely. Consequently, such vehicles and equipment are retained within "tangible fixed assets" in the statement of consolidated financial position at cost and are depreciated at 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 (including maintenance contracts) and the Group acts as the principal in the fulfilment of the service, the value of the additional services is identified separately, deducted from the consideration receivable, recognised as deferred revenue in the statement of consolidated financial position and subsequently recognised 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 consideration allocated to additional services is based on the stand-alone sale relative to the price of the additional services within the contract.

Where the Group acts as an agent on behalf of a principal in relation to financing for the purchase of credit vehicles, insurance and similar products, the revenue from the commission is recognised as revenue under the caption "Services rendered" (Note 30) for the period in which the financial product or related insurance is sold and the corresponding payment can be secured.

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

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

The amounts recorded under the caption "Other current assets" with the amount of 263,830 Euros (311,573 Euros at December 31, 2022) represent contract assets under IFRS 15 (Note 15). The amounts recorded under the captions "Other creditors" and "Other current liabilities" with the amount of 7,392,363 Euros and 30,009,772 Euros (3,254,006 Euros and 1,488,904 Euros as at December 31, 2022), respectively, represent contract liabilities under IFRS 15 (Notes 22 and 24).

s) Classification in the statement of consolidated financial position

Realisable assets and liabilities due more than one year from the date of the statement of consolidated financial position are classified as non-current assets and liabilities, respectively. In addition, 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 denominated in foreign currency

Assets and liabilities denominated in foreign currency were converted into Euros using the exchange rates prevailing on the date of the statement of consolidated financial position. Exchange rate differences, both favourable and unfavourable, caused 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 on the date of the statement of the consolidated financial position, are recorded as gains and expenses in the consolidated statement of income for the year.

u) Earnings per share policy

Basic:

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

Diluted:

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

v) Segment information

In each financial year, all the business segments applicable to the Group are identified. They are defined according to the Group's functional organizational chart and the way in which management information is organized.

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

(i) that carries out business activities from which it can obtain revenue and incur expenses;

(ii) whose operating results are regularly reviewed by the Group's main operational decision-maker for the purposes of making decisions on the allocation of resources to the segment and evaluating its performance; and

(iii) for which separate financial information is available.

Information on the level of the identified operating segments (vehicles and industrial equipment) is included in Note 29.

In such note, information is also given by geography and by subsegments. For the vehicle segment, the sub-segments, industry, trade, services and rental were added. For the industrial equipment segment, the machinery, services and rental sub-segment were added.

w) Subsequent events

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

2.5 JUDGMENTS AND ESTIMATES

In preparing the consolidated financial statements, the Group's Board of Directors has relied on the best knowledge and experience of past and/or current events, taking into account certain assumptions regarding future events.

The most significant accounting estimates reflected in the consolidated financial statements for the years ended December 31, 2023 and 2022 include:

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

b) Recording of adjustments to asset values (accounts receivable and inventories) and provisions;

c) Impairment tests carried out on Goodwill (Note 9);

d) Recoverability of deferred tax assets;

e) Calculation of liabilities with pension complements (Note 25);

f) Impairment analysis of tangible fixed assets, intangible assets and investment properties;

g) Impairment analyses in relation to financial investments in joint ventures and associates (Note 10).

The underlying estimates and assumptions have been determined on the basis of the best knowledge existing at the time of approval of the consolidated financial statements of ongoing events and transactions, as well as experience of past and/or current events. However, situations may occur in subsequent periods that, although not foreseeable at the date of approval of the consolidated financial statements, were not considered in these estimates. Changes to estimates occurring 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 results on a forward-looking basis, as provided for in IAS 8.

The assumptions with the greatest impact on the estimates referred to above are those of the discount rate, for the purpose of calculating pension liabilities and impairment of Goodwill and financial investments, and of the mortality tables for the purpose of calculating pension liabilities.

The key estimates and material judgments relating to future events included in the preparation of the consolidated financial statements are described in the relevant accompanying notes.

2.6 RISK MANAGEMENT POLICY

In the Toyota Caetano Portugal Group, the risk policy and risk control is carried out directly by the Board of Directors and evaluated annually by the Fiscal Council.

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

In this context, it has adopted a four-line model of defence, with the involvement of the various levels of the organisation, particularly top management:

- Operational areas: first line of defence, operationalization of procedures, and risk control mechanisms;
- Risk management and compliance: planning and control; risk monitoring, management support;
- Board of Directors: the risk strategy is defined by the Board of Directors, whose main function is control;
- Audit: internal and external audit line, validation of the effectiveness of risk management mechanisms. The risk strategy and policy is evaluated by the Fiscal Council, who issues a reasoned opinion.

Risk management aims to detect, manage, control and mitigate threats, as well as to identify and enhance opportunities, thus creating added value for the Group. Therefore, the Board of Directors is supported by the directors responsible for each of the divisions, with whom it meets periodically to analyse and monitor financial and non-financial information.

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

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

It should also be noted that this risk management includes:

- sensitivity analysis (measurement of potential impacts as a function of the probability of occurrence of each risk);
- strategic alignment of the Group according to the risks actually incurred;

- mechanisms to monitor the implementation of the risk management measures adopted and their effectiveness;

- internal information and communication mechanisms on the various components of the risk alert system.

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

In the development of its activities, the Toyota Caetano Portugal S.A. 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 financial risk management is essentially controlled by the financial 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 the global risk management principles as well as specific policies for certain areas, such as (a) exchange rate risk, (b) price risk, (c) interest rate risk, (d) liquidity risk, (e) capital risk and (f) credit risk.

a) Exchange Rate Risk

In the development of its activity, the Group operates internationally and has a subsidiary operating in Cape Verde and, since December 2020, a joint venture operating in the United Kingdom (the subsidiary of the CaetanoBus Group, the Caetano UK entity) and an associate operating in Senegal (an associate of the Kinto Group, Caetano Renting Senegal). In accordance with the Group's policy, a functional currency is defined for each subsidiary (Cape Verde Escudo, in relation to the subsidiary Caetano Auto Cabo Verde, the Sterling Pound, in relation to the subsidiary of CaetanoBus based in the United Kingdom and the Senegalese Franc, in relation to the Kinto Group's associate based in Senegal), corresponding to the currency of its main economic environment and the one that best represents the composition of its cash flows. Exchange rate risk thus results essentially from commercial transactions, arising from the purchase and sale of products and services in a currencies other than the functional currency of each business.

The Group's exchange rate risk management policy is aimed at assessing on a case-by-case basis the appropriateness of hedging this risk, taking into account, in particular, 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 net assets of the parent company due to the need to convert the financial statements of foreign subsidiaries.

As mentioned in Note 2.3(c), the assets and liabilities of foreign entities are converted into Euros using the exchange rates existing at the date of the statement of consolidated financial position and the expenses and income of these entities are converted into Euros using the average exchange rate for the year. The resulting exchange rate difference is recorded in shareholders' equity under the caption "Other reserves and retained earnings".

The amount of Group assets and liabilities (in euro) recorded in currency other than Euro can be summarized as follows:

	Assets		Liabilities	
	2023	2022	2023	2022
Cape Verde Escudo (CVE)	10,087,592	8,267,160	4,591,534	4,071,946
Sterling Pound (GBP)	-	-	30,413	1,405
Japanese Yene (JPY)	-	-	1,460,702	1,699,333
United States Dollar (USD)	-	-	-	11,193

The Group's sensitivity to exchange rate variations can be summarized as follows:

		2023		2022	
	Variation	Results	Equity	Results	Equity
Sterling Pound(GBP)	5%	(1,521)	-	(70)	-
Japanese Yene (JPY)	5%	(73,035)	-	(84,967)	-
United States Dollar (USD)	5%	-	-	(560)	-

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

b) Price Risk of Other Investments

During 2023 and 2022, the Toyota Caetano Group was exposed to the risk of price variation of "Other investments". That caption is composed on December 31, 2023 and 2022 solely of Participation Units of Cimóvel – Fundo de Investimento Imobiliário Fechado. Because those financial instruments are classified as "Equity instruments at fair value through capital", the effect of changes in their fair value is recognised in accordance with the principles described in Note 2.4.l) for that type of financial instrument.

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

		2023		2022	
	Variation	Results	Equity	Results	Equity
FUNDO CIMÓVEL	10%	-	523,508	-	481,772
FUNDO CIMÓVEL	-10%	-	(523,508)	-	(481,772)

c) Interest rate risk

The Group's indebtedness is mainly indexed to variable interest rates, exposing the cost of debt to a high risk of volatility. The impact of this volatility on the Group's results or equity is not significant due to the effect of the following factors:

(i) possible correlation between the level of market interest rates and economic growth, with the latter having positive effects on other lines of the Group's results (namely operational), thereby partially offsetting the increased financial costs ("natural hedge"); and

(ii) existence of liquidity or consolidated cash equivalents also remunerated at variable rates.

The Board of Directors of the Toyota Caetano Portugal Group approves the terms and conditions of the financing, analysing 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 the permanent monitoring of the conditions and alternatives existing in the market, It is responsible for deciding on the casual contracting of derivative financial instruments to hedge interest rate risk.

Interest rate risk sensitivity analysis

The interest rate risk sensitivity analysis described below has been calculated on the basis of the interest rate exposure for the financial instruments existing at the date of the statement of consolidated financial position. For variable-rate liabilities, the following assumptions were considered:

(i) The effective interest rate is 0,25 p,p, higher than the interest rate incurred;

(ii) The basis used for the calculation was the Group's financing at the end of the year;

(iii) Maintenance of negotiated spreads.

Sensitivity analysis assumes the manipulation of one variable, keeping all the others constant. In reality, this assumption is hardly true, and changes in some of the assumptions may be related.

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

		2023		2022	
	Variation	Results	Equity	Results	Equity
Current credit facilities	0,25 p,p,	50,000	-	37,500	-
Bank overdrafts	0,25 p,p,	155	-	17	-
Commercial Paper	0,25 p,p,	100,000	-	17,500	-
Bank loan	0,25 p,p,	37,500	-	341	-
Bond loan	0,25 p,p,	37,500	-	31,250	-
Total		**225,155**	**-**	**86,608**	**-**
Current credir facilities	(0,25 p,p,)	(50,000)	-	(37,500)	-
Bank overdrafts	(0,25 p,p,)	(155)	-	(17)	-
Commercial Paper	(0,25 p,p,)	(100,000)	-	(17,500)	-
Bank loan	(0,25 p,p,)	(37,500)	-	(341)	-
Bond loan	(0,25 p,p,)	(37,500)	-	(31,250)	-
Total		**(225,155)**	**-**	**(86,608)**	**-**

d) Liquidity risk

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

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

The Board of Directors understands that this is one of the Group's main risks. However, from the risk analysis carried out during 2023, it resulted that the Board of Directors understood that there had been a decrease in the level of this risk as a result not only of the robustness of the accounts of this group of companies but also considering the value of the negotiated and unused credit lines, as well as the willingness of financial institutions to support the Group's activity. In addition, the recessionary impact associated with the increase in interest rates did not materialise to the expected extent.

The Group'*s* Chief Financial Officer regularly monitors the level of financing obtained, available credit facilities, cash holdings, as well as the prospects for cash outflow in the short and medium term, in order to manage liquidity risk.

Liquidity risk management at the Toyota Caetano Group aims to:

(i) Liquidity, i,e, ensuring permanent and most efficient access to sufficient funds to meet current payments on their due dates, as well as any requests for funds within the deadlines set for this purpose, even if not foreseen;

(ii) Security, i,e, minimising the likelihood of default in the repayment of any investment of funds; and

(iii) Financial efficiency, i,e, ensuring that companies maximise the value/minimise the opportunity cost of holding excess liquidity in the short term.

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

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

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

(ii) Attentive and close monitoring of the various components of working capital;

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

(iv) Diversification of debt maturities in order to avoid excessive concentration of debt repayments over short periods of time;

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

The following table shows the maturity of each of the passive financial instruments, with undiscounted values and based on the most pessimistic scenario, that is, the shortest period in which the liability becomes chargeable,

2023	Less than 1 year	Between 1 and 2 years	Between 2 and 4 years	Over 4 years	Total
Loans obtained	80,796,382	4,574,125	7,451,306	20,405,821	113,227,634
Accounts payable	27,892,084	-	-	-	27,892,084
Other creditors	40,519,072	2,417,931	-	-	42,937,003
	149,207,538	**6,992,056**	**7,451,306**	**20,405,821**	**184,056,721**

2022	Less than 1 year	Between 1 and 2 years	Between 2 and 4 years	Over 4 years	Total
Loans obtained	39,520,309	5,857,359	5,800,384	3,006,191	54,184,243
Accounts payable	30,945,755	-	-	-	30,945,755
Other creditors	26,988,302	805,640	-	-	27,793,942
	97,454,366	**6,662,999**	**5,800,384**	**3,006,191**	**112,923,940**

As of December 31, 2023 and 2022, the Group has net indebtedness of 88,400,520 Euros and 42,884,496 Euros, respectively, divided between current and non-current loans (Note 20) and cash and cash equivalents (Note 17) contracted with various institutions. The available and unused credit lines at that date amounted to, approximately, 27 million Euros.

It should be noted that the Group, with the exception of the secured financing where the covenant between net debt and EBITDA[6] calculated on the basis of the consolidated accounts of the previous year is foreseen, has not contracted any debt instruments with accelerated repayment clauses, other than those arising from the usual clauses related to the Group's fulfilment of obligations, namely, payment obligations, business interruption, ownership

[6] EBITDA = Operating Results + Depreciation/Amortization + Impairments, Inventories/Receivables + Provisions and other impairments

clause, *pari passu*, negative pledge, and the situations in which the loans obtained include collaterals are disclosed in Note 37.

e) 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 Group. In order to achieve this objective, it is essential to carefully manage the capital used in the business, seeking to ensure an optimal structure of the same, thus achieving the necessary reduction of its cost. In order to maintain or adjust the capital structure deemed appropriate, Management may propose to the General Shareholders' Meeting the measures deemed necessary.

The Group 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 on the basis of the financial leverage ratio (defined as: Net remunerated debt / (net remunerated debt + equity)).

	2023	2022
Loans obtained	113,227,634	54,184,243
Caash and cash equivalents	(24,827,114)	(11,299,747)
Net indebtedness	**88,400,520**	**42,884,496**
Equity	170,028,015	161,467,243
Financial leverage ratio	34.21%	20.99%

The gearing thus remains within acceptable levels as set by the management.

f) Credit risk

Credit risk is assessed at an early stage and over time in order to monitor its evolution.

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

Credit risk monitoring is carried out by the Group's finance 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 receivable; (iii) 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, namely dealers and independent repairers with whom car dealership contracts are established.

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. In order to assess whether there has been a significant increase in credit risk, the Group compares the risk of default occurring by reference to the reporting date with the default risk assessed by reference to the initial recognition date.

In order to assess whether there has been a significant increase in credit risk, the Group takes into account, among others, the following indicators:

- Internal credit risk;
- External credit risk (if available);
- Current or expected adverse changes in the debtor's operating results;
- Significant increases in the credit risk of the debtor's other financial instruments;
- Significant changes in the value of collateral over liabilities, or in the quality of third-party guarantees;
- Significant changes in the performance and expected behaviour 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 results;
- Macroeconomic information (such as market interest rates or growth rates) is incorporated into the internal credit model.

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

In terms of credit improvement instruments associated with customer receivables, the Group has the following situations:

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

(ii) General vehicle customers: although this type of customer generally purchases vehicles in cash, there are, however, situations in which the Group accepts payment terms in instalments (namely in some customers in the rent-a-car area and driving schools). In most of these situations, the sale made considers a retention 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 fails to comply with contractual payments within 90 days of the due date of the invoices. The Group analyses on a case-by-case basis the balances receivable from customers that show collection and realisation problems, making every effort to recover them, either by means of an agreement with the customer or by judicial means, also maintaining such balances (even if an impairment loss is recorded) in the statement of the consolidated financial position, until all actions to recover the outstanding balance have been exhausted and the non-existence of assets for recovery (including the component relating to Value Added Tax with the Tax Authority) of said balances in the event of bankruptcy has been verified.

In this way, the financial assets corresponding to customer receivables 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. Thus, there are no situations in which it is possible to recover accounts receivable that have been derecognised 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 the 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". In order to measure the estimated credit losses, the balances of "Accounts receivable" and "Other debtors" were aggregated based on shared credit risk characteristics and seniority. Estimated credit losses incorporate forward-looking information from credit losses.

(ii) Loans granted to related entities

The balances of "Loans to related entities" are considered to have low credit risk, and therefore the impairments for credit losses recognised 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 risk of collectability and the debtor has a high capacity to meet its contractual cash flow responsibilities in the short term.

Indeed, with regard to customers representing car dealers and repairers, the Group requires them to obtain bank guarantees "on first demand", the amount of which, on December 31, 2023 and 2022, was approximately 8,859,771 Euros and 9,129,470 Euros, respectively, which, when exceeded, implies the interruption of supplies.

Accounts receivable impairments are calculated by taking into account (a) the customer's risk profile, (b) the average receivable, and (c) the customer's financial condition. The movements of these adjustments for the years ended December 31, 2023 and 2022 are disclosed in Note 26.

As at December 31, 2023 and 2022, the Group considers that there is no need for additional impairment losses beyond the amounts recorded on those dates and summarised in Note 26.

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

(iii) Cash equivalents

The following tables provide a summary on December 31, 2023 and 2022 of the credit quality of bank deposits:

2023		
Rating deposits	Rating Agency	Value
A1	Moody's	162,436
A2	Moody's	6,434,102
A3	Moody's	10,354,863
Aa3	Moody's	19,177
Baa2	Moody's	958,214
Baa3	Moody's	1,156,032
	Others without *assigned rating*	5,601,350
Total	Note 17	**24,686,174**

2022		
Rating deposits	Rating Agency	Value
A1	Moody's	30,872
A2	Moody's	(2,392)
A3	Moody's	1,241,409
Aa3	Moody's	16,778
BA3	Moody's	794,565
Baa2	Moody's	5,056,126
Baa3	Moody's	5,709
	Others without *assigned rating*	4,030,696
Total	Note 17	**11,173,763**

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

OTHER RISKS

The Group is also faced with other types of risks, which, although not within its direct spectrum, have an influence on it.

The most significant risks that are considered by the Board of Directors, assuming, for each one, the combination of the two vectors: (i) the probability of occurrence and (ii) foreseeable impact, are as follows:

a) Business Risks

- Impact of interest rate evolution on customers' purchase decisions;
- Disruption in the supply chains of goods and materials.

b) Human capital risks

- Attraction and retention of qualified talent;
- Employee well-being and motivation.

c) Compliance and Cybersecurity

- Complexity and legislative dimension;
- Computer attacks and data exfiltration;
- Risks related with the introduction of personal data into generative AI and/or online translation systems.

d) Environmental

- Failure to achieve the goals of the sustainability strategy.

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

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

During the year ended December 31, 2023, there were no changes in accounting policies or corrections of material errors relating to previous years,

4. SUBSIDIARY COMPANIES INCLUDED IN CONSOLIDATION

The Group companies included in the consolidation by the full consolidation method and their share of the capital held on December 31, 2023 and 2022 are as follows:

Companies	Percentage of participation effective	
	2023	2022
Toyota Caetano Portugal, S.A.	Parent Company	
Caetano Auto CV, S.A.	81.24%	81.24%
Caetano Renting, S.A.	100.00%	100.00%
Caetano - Auto, S.A.	98.74%	98.74%
Destaque Mourisco - Sociedade Imobiliária, Lda. a)	56.28%	56.28%
Salvador Caetano Seguros - Mediação de Seguros, Unipessoal Lda.	98.74%	98.74%

These companies were included in consolidation by the full consolidation method as set out in IFRS 10 – "Consolidated Financial Statements" (control of the subsidiary through the majority of voting rights and exposure to returns from the relevant activities).

5. INTANGIBLE ASSETS

In the financial years ended December 31, 2023 and 2022, the movements in intangible assets, as well as in their depreciation and accumulated impairment losses, were as follows:

2023	Development expenses	Industrial property and other rights	Computer programs	Other Intangible assets	Intangible assets in progress	Total
Gross asset:						
Initial balance as at December 31, 2022	**1,477,217**	**669,006**	**2,572,231**	**5,070**	**2,125,589**	**6,849,113**
Additions	338,125	-	-	-	1,686,856	**2,024,981**
Transfers	683,003	-	-	-	(119,277)	**563,726**
Final balance as at December 31, 2023	**2,498,345**	**669,006**	**2,572,231**	**5,070**	**3,693,168**	**9,437,820**
Depreciation and accumulated impairment losses:						
Initial balance as at December 31, 2022	**1,477,217**	**667,631**	**2,298,557**	**1,304**	**-**	**4,444,709**
Depreciation for the year	350,134	198	138,569	1,690	-	**490,591**
Final balance as at December 31, 2023	**1,827,351**	**667,829**	**2,437,126**	**2,994**	**-**	**4,935,300**
Net amount	**670,994**	**1,177**	**135,105**	**2,076**	**3,693,168**	**4,502,520**

2022						
	Development expenses	Industrial property and other rights	Computer programs	Other Intangible assets	Intangible assets in progress	Total
Gross asset:						
Initial balance as at December 31, 2021	**1,477,217**	**667,481**	**2,196,011**	**-**	**935,871**	**5,276,580**
Additions	-	1,525	52,684	5,070	1,532,769	**1,592,048**
Disposals and write-offs	-	-	-	-	(44,731)	**(44,731)**
Transfers	-	-	323,536	-	(298,320)	**25,216**
Final balance as at December 31, 2022	**1,477,217**	**669,006**	**2,572,231**	**5,070**	**2,125,589**	**6,849,113**
Depreciation and accumulated impairment losses:						
Initial balance as at December 31, 2021	**1,477,217**	**645,566**	**2,158,832**	**-**	**-**	**4,281,615**
Depreciation for the year	-	22,065	139,725	1,304	-	**163,094**
Final balance as at December 31, 2022	**1,477,217**	**667,631**	**2,298,557**	**1,304**	**-**	**4,444,709**
Net amount	**-**	**1,375**	**273,674**	**3,766**	**2,125,589**	**2,404,404**

The amounts recorded on December 31, 2023 and 2022 under the caption "Intangible assets in progress" are related to projects for the implementation of new management software and mobility projects under the PRR – Recovery and Resilience Plan (*"Plano de Recuperação e Resiliência"*), and are expected to become firm during the years 2024 and 2025.

6. TANGIBLE FIXED ASSETS

During the financial years ended December 31, 2023 and 2022, the movements in tangible fixed assets, as well as their accumulated depreciation and impairment losses, were as follows:

2023	Land and natural resources	Buildings and other buildings	Basic Equipment	Transport Equipment	Administrative Equipment	Other tangible fixed assets	Tangible fixed assets in progress	Right of use assets	Total
Gross asset:									
Initial balance as at December 31, 2022	**19,412,062**	**92,682,469**	**65,730,043**	**72,380,654**	**9,189,032**	**5,592,669**	**819,504**	**31,269,026**	**297,075,459**
Additions	-	242,561	4,457,933	6,473,049	102,150	943,311	2,110,162	9,680,107	**24,009,273**
Disposals nad write-offs	-	(701,544)	(40,141)	(837,941)	(292)	-	(183)	-	**(1,580,101)**
Transfers to and from inventories (Note 12)	-	-	792	(7,701,804)	-	-	(3,250)	(406,714)	**(8,110,976)**
Transfers and reclassifications	(32,500)	683,461	(437,906)	65,811	4,513	659,313	(1,506,418)	-	**(563,726)**
Transfer to non-current assets held for sale (Note 8)	(299,181)	-	-	-	-	-	-	-	**(299,181)**
Reversal of assets to the entity with termination of lease	-	-	-	1,594,838	-	-	-	(1,594,838)	-
Final balance as at December 31, 2023	**19,080,381**	**92,906,947**	**69,710,721**	**71,974,607**	**9,295,403**	**7,195,293**	**1,419,815**	**38,947,581**	**310,530,748**
Accumulated depreciations and impairment losses:									
Initial balance as at December 31, 2022	**-**	**68,851,701**	**60,829,835**	**34,631,385**	**8,483,951**	**4,674,235**	**-**	**13,366,444**	**190,837,551**
Depreciation for the year	-	1,684,764	1,536,548	6,287,109	225,206	453,267	-	6,058,084	**16,244,978**
Disposals nad write-offs	-	(560,866)	(27,333)	(825,782)	(292)	-	-	-	**(1,414,273)**
Transfers to and from inventories (Note 12)	-	-	-	(9,609,200)	-	-	-	(368,183)	**(9,977,383)**
Transfers and reclassifications	-	(6,317)	-	6,317	-	-	-	-	-
Reversal of assets to the entity with termination of lease	-	-	-	1,387,573	-	-	-	(1,387,573)	-
Final balance as at December 31, 2023	**-**	**69,969,282**	**62,339,050**	**31,877,402**	**8,708,865**	**5,127,502**	**-**	**17,668,772**	**195,690,873**
Net amount	**19,080,381**	**22,937,665**	**7,371,671**	**40,097,205**	**586,538**	**2,067,791**	**1,419,815**	**21,278,809**	**114,839,875**

2022	Land and natural resources	Buildings and other buildings	Basic Equipment	Transport Equipment	Administrative Equipment	Other tangible fixed assets	Tangible fixed assets in progress	Right of use assets	Total
Gross asset:									
Initial balance as at December 31, 2021	**18,046,963**	**90,360,212**	**64,176,139**	**67,222,269**	**9,155,895**	**5,029,037**	**479,286**	**36,558,061**	**291,027,862**
Additions	1,072,140	661,303	1,388,224	3,206,132	70,913	473,185	1,626,253	7,185,835	**15,683,985**
Disposals nad write-offs	-	-	(32,321)	(5,443,057)	(43,748)	-	(184,667)	(89,117)	**(5,792,910)**
Transfers to and from inventories (Note 12)	-	-	-	(3,161,634)	-	-	-	(656,971)	**(3,818,605)**
Transfers and reclassifications	-	781,733	198,000	-	5,973	90,447	(1,101,369)	-	**(25,216)**
Other regularizations	-	343	-	-	-	-	-	-	**343**
Reversal of assets to the entity with termination of lease	292,960	878,878	-	10,556,944	-	-	-	(11,728,782)	-
Final balance as at December 31, 2022	**19,412,063**	**92,682,469**	**65,730,042**	**72,380,654**	**9,189,033**	**5,592,669**	**819,503**	**31,269,026**	**297,075,459**
Accumulated depreciations and impairment losses:									
Initial balance as at December 31, 2021	**-**	**66,835,828**	**59,917,001**	**33,095,375**	**8,262,847**	**4,539,318**	**-**	**17,006,295**	**189,656,664**
Exercise Depreciation	-	1,896,121	942,905	5,500,821	220,697	134,916	-	5,975,444	**14,670,904**
Disposals nad write-offs	-	-	(30,071)	(4,783,766)	407	-	-	(89,117)	**(4,902,547)**
Transfers to and from inventories (Note 12)	-	-	-	(8,067,354)	-	-	-	(526,774)	**(8,594,128)**
Other regularizations	-	6,659	-	-	-	-	-	-	**6,659**
Reversal of assets to the entity with termination of lease	-	113,091	-	8,886,313	-	-	-	(8,999,404)	-
Final balance as at December 31, 2022	**-**	**68,851,699**	**60,829,835**	**34,631,389**	**8,483,951**	**4,674,234**	**-**	**13,366,444**	**190,837,552**
Net amount	**19,412,063**	**23,830,770**	**4,900,207**	**37,749,265**	**705,082**	**918,435**	**819,503**	**17,902,582**	**106,237,907**

The movements recorded under the caption "Transport equipment" refer essentially to vehicles and cargo handling machines ("Forklifts") used by the Group, as well as for operational rental to customers.

The transfers between the captions "Right of use assets" and "Transport equipment" in the amount of 207,265 Euros (1,670,631 Euros as of December 31, 2022) correspond to the reclassification by the Group of the cargo handling machines whose financing contract has ended, with the Group having acquired them in accordance with the established agreement.

During 2023, a promissory contract for the purchase and sale of the land of S. João da Talha and Alcabideche was signed, thus resulting in the recognition of those items as non-current assets held for sale (Note 8).

As at December 31, 2023 and 2022, no accumulated impairment losses on tangible fixed assets are recognised.

On December 31, 2023 and 2022, the assets used in leasing arrangements (financial or operational) are as follows:

Position of items purchased through *leasing*	Values in TFA in 2023			Values in TFA in 2022		
	Gross value	Accumulated depreciations	Net amount	Gross value	Accumulated depreciations	Net amount
Carnaxide	3,246,231	872,425	**2,373,806**	3,246,231	811,558	**2,434,673**
Industrial equipments	27,508,656	11,611,847	**15,896,809**	20,427,141	8,806,103	**11,621,038**
Guimaraes - building	949,578	591,990	**357,588**	940,138	472,794	**467,344**
Aveiro - building	421,044	293,178	**127,866**	417,314	234,153	**183,161**
Tomar - stand	39,630	34,975	**4,655**	39,630	27,992	**11,638**
Tomar - repair and after sales building	28,370	26,914	**1,456**	28,370	21,085	**7,285**
Rio de Mouro - building	5,193,810	3,878,691	**1,315,119**	5,145,728	2,826,595	**2,319,133**
Braga - Garage	368,245	171,849	**196,396**	368,245	135,024	**233,221**
Basic equipment	112,479	32,806	**79,673**	112,479	18,746	**93,733**
Maia	515,751	45,845	**469,906**	515,751	11,461	**504,290**
Tomar	27,999	6,533	**21,466**	27,999	933	**27,066**
Rio Tinto	535,788	101,719	**434,069**	-	-	-
TOTAL	**38,947,581**	**17,668,772**	**21,278,809**	**31,269,026**	**13,366,444**	**17,902,582**

7. INVESTMENT PROPERTIES

As of December 31, 2023 and 2022, the caption "Investment properties" corresponds to real estate assets held by the Group that are generating income through their rental or for appreciation. These assets are recorded at acquisition cost and are subsequently subject to depreciation in accordance with the defined useful lives, as well as impairment losses, where necessary.

Rents obtained from Investment properties amounted to 3,006,341 Euros in the year ended December 31, 2023 (2,888,331 Euros as at December 31, 2022), which are included in the disclosure made in Note 33.

In addition, in accordance with the external valuations carried out by independent experts, referring to December 31, 2023 or previous years, the fair value of those investment properties amounted to, approximately, 52.7 million Euros (52.6 million Euros as of December 31, 2022).

Management understands that a possible change (within a normal scenario) in the main assumptions used in the calculation of fair value will not lead to impairment losses, beyond the losses that are reflected as at December 31, 2023.

The detail of the net accounting value as at December 31, 2023 and 2022 of the real estate assets recorded under the caption "Investment properties", as well as their fair value, can be summarized as follows:

Location	2023			2022		
	Net accounting value	Valuation amount	External valuation date	Net accounting value	Valuation amount	External valuation date
Vila Nova de Gaia - Av, da República	106,022	1,164,000	29/12/2022	110,010	1,164,000	29/12/2022
Braga - Av, da Liberdade	-	2,146,800	20/12/2021	-	2,146,800	20/12/2021
Porto - Rua do Campo Alegre	627,064	3,009,000	27/12/2023	652,719	2,886,000	20/12/2021
Caldas da Rainha - Rua Dr, Miguel Bombarda	17,531	88,000	27/12/2023	17,531	86,000	28/12/2021
Amadora - Rua Elias Garcia	135,265	139,000	29/12/2022	138,724	139,000	29/12/2022
Portalegre - Industrial Zone	138,581	144,000	29/12/2022	143,108	144,000	29/12/2022
Portimão - Cabeço do Mocho	707,282	708,000	27/12/2023	707,282	707,700	20/12/2021
Rio Maior	45,000	48,000	29/12/2022	45,000	48,000	29/12/2022
Vila Nova de Gaia - Av, Vasco da Gama (buildings A and B)	1,901,890	17,169,000	27/12/2022	2,079,836	17,169,000	29/12/2022
Vila Nova de Gaia - Av, Vasco da Gama (buildings G)	702,770	8,878,000	27/12/2023	723,114	8,918,700	20/12/2020
Carregado - Quinta da Boa Àgua / Quinta do Peixoto	4,857,014	19,172,000	29/12/2022	4,877,702	19,172,000	29/12/2022
	9,238,419	**52,665,800**		**9,495,026**	**52,581,200**	

The fair value of the external valuations of investment properties that are disclosed on December 31, 2023 and 2022 was determined by real estate valuations carried out by independent specialised entities, using one of the following methods, depending on the specific situation of each property: Market Benchmarking method, Cost method or Yield method. The Group promotes the periodic and rotating realization of real estate valuations by independent and specialized entities to its investment properties, thus ensuring that the disclosure of fair value remains up to date.

With regards to the classification of the valuation methodologies referred to above, for the purposes of framework, in the context of the fair value hierarchy (IFRS 13), they are essentially classified as Level 3 (fair value determined on the basis of inputs not observable in the market, developed to reflect the assumptions to be used by market agents).

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

The movement under the caption "Investment Properties" on December 31, 2023 and 2022 was as follows:

2023			
	Land	Buildings	Total
Gross amount:			
Initial balance as at December 31, 2022	**6,785,337**	**28,703,594**	**35,488,931**
Disposals nad write-offs	-	-	-
Final balance as at December 31, 2023	**6,785,337**	**28,703,594**	**35,488,931**
Accumulated depreciations and impairment losses:			
Initial balance as at December 31, 2022	**-**	**25,993,905**	**25,993,905**
Depreciation of the year	-	256,607	256,607
Final balance as at December 31, 2023	**-**	**26,250,512**	**26,250,512**
Net amount	**6,785,337**	**2,453,082**	**9,238,419**

2022			
Gross amount:	Land	Buildings	Total
Gross amount:			
Initial balance as at December 31, 2021	**6,919,227**	**28,940,256**	**35,859,483**
Disposals and write-offs	(133,890)	(236,662)	(370,552)
Final balance as at December 31, 2022	**6,785,337**	**28,703,594**	**35,488,931**
Accumulated depreciations and impairment losses:			
Initial balance as at December 31, 2021	**-**	**25,783,140**	**25,783,140**
Depreciation of the year	-	259,763	259,763
Disposals and write-offs	-	(106,498)	(106,498)
Impairment loss	-	57,500	57,500
Final balance as at December 31, 2022	**-**	**25,993,905**	**25,993,905**
Net amount	**6,785,337**	**2,709,689**	**9,495,026**

The value of impairment losses accumulated on December 31, 2023 and 2022 amounts to 257,500 Euros (Note 26).

In 2022, the property located on Rua das Pereiras in Vila Nova de Gaia was sold.

8. NON-CURRENT ASSETS HELD FOR SALE

On December 31, 2023 and 2022, the "Non-Current Assets Held for Sale" corresponded to non-operating assets of the Group that were under promissory purchase and sale agreements entered into during the year, and the Board of Directors expects that the corresponding sale will essentially take place in 2024.

The detail of non-current assets held for sale on December 31, 2023 and 2022 is as follows:

Non-current assets held for sale	2023	2022
- Property of Castelo Branco	680,334	680,334
- Property of Quinta do Cano, Viseu	1,494,887	1,494,887
- Alcabideche plot	195,464	-
- Land in São João da Talha	103,718	-
Net amount	**2,474,403**	**2,175,221**

The movements in the year ended as of December 31, 2023 were as follows:

2023	Non-current assets held for sale	Total
Gross amount:		
Initial balance as at December 31, 2022	**3,505,221**	**3,505,221**
Transfers of tangible fixed assets (Note 6)	299,182	299,182
Final balance as at December 31, 2023	**3,804,403**	**3,804,403**
Accumulated impairment losses and depreciations (Note 26):		
Initial balance as at December 31, 2022	**(1,330,000)**	**(1,330,000)**
Final balance as at December 31, 2023	**(1,330,000)**	**(1,330,000)**
Net amount	**2,474,403**	**2,474,403**

9. GOODWILL

Within the scope of the transfer contract for the Leiria facility, which took place on December 1, 2023, carried out by the subsidiary Caetano Auto, a Goodwill in the amount of 261,800 Euros was recorded.

The "Goodwill" caption also includes the amount of 611,997 Euros computed 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, S.A. 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 on the basis of the value in use, in accordance with the discounted cash flow method, based on business plans developed by the Group's managers, and duly approved by the Board of Directors, using discount rates that reflect the inherent risks of the business.

On December 31, 2023 and 2022, the method and assumptions used to measure whether or not impairment existed were as follows:

	2023	2022
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):	7.94%	8.14%

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

(2) Discount rate applied to projected cash flows

The Board of Directors, based on the value of the forecasted cash flows, discounted at the rate considered applicable, concluded that, as at December 31, 2023 and 2022, the accounting value of the net assets, including Goodwill (612 thousand Euros), does not exceed their recoverable value.

Cash flow projections were based on historical performance and expectations of efficiency improvement. Those responsible for this segment consider that a possible change (within a normal scenario) in the main assumptions used in the calculation of the recoverable value will not lead to impairment losses.

10. FINANCIAL INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

Detail of the accounting value of investments in joint ventures and in the associate company

On December 31, 2023 and 2022, the caption financial investments in associates and joint ventures was as follows:

	Headquarters	% detention	2023	2022
Associate				
Kinto Portugal, S.A. (consolidated)	Vila Nova de Gaia	49.00%	23,597,472	21,459,516
Joint venture				
CaetanoBus - Fabricação de Carroçarias, S.A. (consolidated)	Vila Nova de Gaia	61.94%	22,330,979	18,391,927
			45,928,451	**39,851,443**

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

Within the scope of the transaction, the investment agreement that was previously in force under the previous shareholder structure was fully maintained and transposed to the post-transaction shareholder structure. Thus, such 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, S.A., which maintained the same understanding. In fact, the investment agreement (and also the Articles of Association of the acquired company) establishes that decisions on the relevant activities of the subsidiary require unanimous decisions at the level of the General Shareholders' Meeting. The main relevant activities/decisions are, at the level of the General Shareholders' Meeting, as follows:

- Any amendment to the deed of incorporation, the articles of association or any other constituent document of the company;
- Any change in the corporate type of the Company, 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 its liquidation or dissolution;
- Any issuance or redemption of shares of the Company or any other increase, decrease or other modification to the Company's share capital;
- 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 the stock exchange of any shares of the Company;
- Adoption or modification of the compensation of the Company's managers or directors or of the general compensation policy for the Company's employees;

- Granting of guarantees of 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 Director or General Manager, or any position similar to the Company's Chief Executive Officer.

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

- Any transactions between the Company and its subsidiaries, except transactions in the ordinary course of business;

- Any sale (other than in the ordinary course of business) of any asset, or transfer or other disposal or grant of any security or other charge on any assets of the Company, provided that they are not included or provided for in any of the Business Plans or with a value exceeding 100,000 Euros in one transaction or in a series of transactions in the same year;

- Initiation of any litigation, arbitration or legal proceeding, 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 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 reliable institutions such 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, except if such loans or financing are provided up to an 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 the Company, in the amount of more than 1,500,000 Euros in one transaction or in a series of transactions in the same year;

- Any purchase, lease (other than in the ordinary course of business) or other acquisition of any assets or other investments by the Company not included in any of the Business Plans or involving an amount exceeding 500,000 Euros in one transaction or in a 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 one transaction or in a series of transactions in the same year;

- Execution, amendment or termination of any agreement between the Company and its subsidiaries that contains commitments to repurchase the products sold by the subsidiaries;

- Guarantees provided by the Company to guarantee the obligations of any of its subsidiaries or third parties, with a value of less than 500,000 Euros;

- To enter into, amend or terminate a contract with a shareholder or its subsidiaries (of the shareholder);

- Any development of a new product or production line with a value of more than 500,000 Euros by the Company, if it is not included or foreseen 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 of any distribution, agency, sales representative or other framework contract, master contract or basic contract or any contract granting exclusivity to any person or entity.

Finally, in accordance with that investment agreement, it should be noted that in the event of *a* deadlock, any decision will never be taken by a simple majority of voting rights, and either shareholder is ultimately entitled to acquire the shareholding from the other shareholder.

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

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

Summarized financial information of the subsidiaries

On December 31, 2023 and 2022, the summarized financial information of the associate and the joint venture above can be analyzed as follows:

Caption	Consolidated Caetanobus [7]		Consolidated Kinto Portugal [8]	
	2023	2022	2023	2022
Non current assets	32,696,743	33,287,088	232,501,506	173,354,526
Current assets	92,467,592	77,302,409	33,940,981	18,485,521
Total assets	125,164,335	110,589,497	266,442,487	191,840,047
Non current liabilities	11,006,614	4,798,185	169,296,608	98,130,080
Current liabilities	87,434,226	80,491,339	76,735,263	74,650,304
Equity	26,723,495	25,299,973	20,410,616	19,059,663
Equity without non-controlling interests	26,723,495	25,299,973	20,410,616	19,059,663
Sales and Services Rendeerd	135,193,062	64,275,565	108,378,266	97,427,189
Operational result	(7,846,753)	(12,486,798)	11,121,342	8,923,089
Financial result	(3,335,360)	(1,613,693)	(4,818,686)	(3,046,306)
Taxes	(359,767)	911,494	(1,728,107)	(2,786,893)
Net result	(11,164,497)	(13,065,648)	4,574,549	3,089,890
Net result without non-controlling interests	(11,164,497)	(13,065,648)	4,574,549	3,089,890

Movement occurred during the year

During the years ended December 31, 2023 and 2022, the movement in the caption of financial investments in associates and joint ventures, was as follows:

7 CaetanoBus S.A. owns a joint venture in Germany (Cobus Industries, GmbH) and a subsidiary in the United Kingdom (Caetano UK, Ltd).

8 Kinto Portugal, S.A. owns an associate in Senegal (Caetano Renting Senegal, S.A.).

	2023	2022
Financial investments - associates		
Balance on 1 January	**21,459,516**	**23,699,123**
Application of the equity method:		
Effect on the net result of the year	3,717,518	190,035
Effect on the other comprehensive income	-	(134,317)
Distributed dividends	(1,579,562)	(2,295,325)
Balance as of December 31	**23,597,472**	**21,459,516**
Financial participations - Joint ventures		
Balance on 1 January	**18,391,927**	**20,295,498**
Capital increase	-	6,193,548
Supplementary capital	12,388,000	-
Application of the equity method:		
Effect on the net result of the year	(6,994,724)	(8,540,812)
Impairment of Goodwill	(1,578,107)	-
Effect on the other comprehensive income	123,883	443,693
Balance as of December 31	**22,330,979**	**18,391,927**
Total	**45,928,451**	**39,851,443**

The turnover and the operational results of the joint venture CaetanoBus - Fabricação de Carroçarias, S.A. were negatively impacted by the Covid-19 Pandemic in 2020, having extended throughout 2021 and until early 2022 with bottlenecks in the supply chain, namely of electronic components and delays in the provision of subsidies, leading to further postponements of national and international tenders. In February 2022, the unleashing of the invasion of Ukraine added a new negative effect on the initial expectation of a recovery in activity, causing an increase in energy costs and consequently high inflationary tensions which, in turn, led to an increase in benchmark interest rates. The facts reported above determined the establishment of negative operating results and net results in 2023 and previous years, having contributed to a deterioration in the financial and operating situation of the joint venture. In view of this situation, the shareholders made capital injections by way of capital increases and shareholders ´loans between December 31, 2022 and December 31, 2023 in the total amounts of 10,000,000 Euros and 20,000,000 Euros, of which the amounts of 6,193,549 Euros and 12,388,000 Euros, respectively, were made by Toyota Caetano Portugal, S.A.. At the end of 2023, the conversion of the shareholders ´loans granted by Toyota Caetano Portugal, S.A. to CaetanoBus in the amount of 12,388,000 Euros were approved for conversion in supplementary capital.

The Group's Board of Directors, in view of the existence of indications of impairment in terms of its non-current assets, carried out a formal impairment analysis in relation to such assets. Considering the historical results of this company, the current volatility of the markets and the uncertainty associated with a change in a strategy / partnership, the Group's Board of Directors assumed a conservative scenario and, as a result of this analysis process, recorded in its financial statements as of December 31, 2023, an impairment loss in the amount of 1,578,107 Euros, corresponding to the total amount of Goodwill associated with this joint venture (further information on this point is detailed later in this Note).

In 2020, Toyota Caetano Portugal, S.A. purchased 12,000,000 shares of CaetanoBus – Fabricação de Carroçarias, S.A. previously held by the company Salvador Caetano Indústria, S.G.P.S., S.A. (related entity belonging to the shareholder perimeter "Grupo Salvador Caetano"), corresponding to approximately 61.94% of the respective voting rights, for 16,320,000 Euros and acquired 7,350 shares of the company Kinto Portugal, S.A. (49%) (formerly named Finlog – Aluguer e Comércio de Automóveis, S.A.) to the parent company Salvador Caetano Auto - S.G.P.S., S.A. (shareholder of Toyota Caetano) corresponding to 49% of the respective voting rights, 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, plays a leading role. If, until now, TME had already supplied CaetanoBus with the fuel cell to integrate into the hydrogen-powered bus, the strengthening of the partnership allows Toyota Caetano Portugal to contribute to the expansion of sustainable mobility, exploiting synergies with CaetanoBus in the development, production and sale of "zero emissions" buses. The strengthening of the partnership with Kinto aims to develop mobility projects.

The exercise of determining the fair value of identifiable assets and liabilities and consequent determination of the Goodwill implied in these transactions, carried out in the 2021 financial year, can be summarized as follows:

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

	2020	Fair value adjustments	Net assets at 31/12/2020 (fair value)
Tangible fixed assets	151,874,693	13,976,470	165,851,163
Intangibles 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 obtained	(149,406,140)	-	(149,406,140)
Provisions	(1,134,398)	-	(1,134,398)
Deferred tax liabilities	-	(3,922,351)	(3,922,351)
Accounts payable	(13,472,533)	-	(13,472,533)
Income tax	(120,307)	-	(120,307)
Other current liabilities	(6,496,520)	-	(6,496,520)
	16,360,605	**13,510,321**	**29,870,926**

% of detention	49%
Proportionate net assets	14,636,754
Acquisition cost	22,785,000
Goodwill	**8,148,246**

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

I. Recognition of vehicles at fair value recorded in tangible fixed assets, taking into account the estimated sales value of said vehicles, taking into account the history of transactions carried out in relation to similar assets;

II. Recognition, as an intangible asset, of the customers´ relationships 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 these adjustments were recognised, and it was the Board of Directors understanding that the fair value of the remaining net assets did not differ significantly from the carrying amount of the same in the consolidated financial statements of Kinto Portugal, S.A..

b) Joint undertaking- CaetanoBus – Fabricação de Carroçarias, S.A. (consolidated)

	2020	Fair value adjustments	Net assets at 31/12/2020 (fair value)
Financial investment in joint venture	14,533,921	(5,129,647)	9,404,274
Goodwill	475,700	(475,700)	-
Tangible fixed assets and Intangible asstes	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
Customers	10,327,931	-	10,327,931
Other current assets	2,818,790	-	2,818,790
Cash and cash equivalents	389,343	-	389,343
Loans obtained	(25,810,618)	-	(25,810,618)
Responsibilities for defined benefit plans	(3,109,843)	-	(3,109,843)
Deferred tax liabilities	-	(847,351)	(847,351)
Lease liabilities	(2,107,970)	-	(2,107,970)
Accounts payable	(16,670,388)	-	(16,670,388)
Income tax	(280,987)	-	(280,987)
Other current liabilities	(12,763,471)	-	(12,763,471)
	19,737,446	**(2,203,900)**	**17,533,546**

% of detention	62%
Proportionate net assets by holding percentage	10,860,278
Acquisition cost	16,320,000
Goodwill	**5,459,722**
Write-off of Goodwill Cobus	(3,586,966)
Write-off of Goodwill Caetano UK	(294,649)
Net Goodwill	**1,578,107**

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

I. Financial investment in joint venture:

a. Write-off of the Goodwill generated in the acquisition of Cobus Industries, GmbH by CaetanoBus – Fabricação de Carroçaris, S.A. in previous years;

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

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

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

In addition, it was the Board of Directors understanding that the fair value of the remaining net assets did not differ significantly from the carrying amount of the same in the consolidated financial statements of CaetanoBus – Fabricação de Carroçarias, S.A..

On December 31, 2023 and 2022, the reconciliation of those participating entities equity with the value recorded as financial investment, is as follows:

	Caetano Bus		Kinto	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Equity without non-controlling interests	14,335,495	25,299,973	20,410,616	19,059,663
% of detention	62%	62%	49%	49%
	8,879,406	**15,670,803**	**10,001,202**	**9,339,235**
Supplementary capital	12,388,000	-	-	-
Valuation at fair value of real estate assets	1,359,623	1,457,877	-	-
Valuation at fair value of vehicles - fixed assets	-	-	5,539,388	4,109,082
Customers 'Relations	-	-	677,417	1,016,123
Valuation at fair value of inventories	-	12,830	-	-
Deferred tax liabilities	(302,109)	(327,690)	(768,781)	(1,153,171)
Goodwill	-	1,578,107	8,148,246	8,148,246
	22,330,979	**18,391,927**	**23,597,472**	**21,459,516**

As described in the "Summarized financial information of the participated companies" section of this Note, in the years ended December 31, 2023 and 2022, evidence of impairment was identified in relation to the financial participation in the joint venture CaetanoBus – Fabricação de Carroçarias, S.A., and for this reason the Board of Directors carried out a formal impairment analysis on said financial participation.

The main assumptions underlying this analysis, in the financial years ended December 31, 2023 and 2022, divided by geography in which this joint venture operates, are as follows:

2023	Portugal	United Kingdom	Germany
Compound sales growth rate in the projection	27.2%	-5.1%	30.8%
EBITDA margin	[1,0% to 6,6%]	[3,1% to 4,3%]	[2,6% to 4,4%]
G (perpetuity growth rate)	2.00%	2.00%	2.00%
WACC (discount rate)	10.93%	10.39%	10.08%

2022

	Portugal	United Kingdom	Germany
Compound sales growth rate in the projection	33.6%	35%	31.8%
EBITDA margin	[0,6% to 6,6%]	[2,8% to 3,8%]	[1,0% to 1,5%]
G (perpetuity growth rate)	2.00%	2.00%	2.00%
WACC (discount rate)	8.07%	6.90%	6.13%

The assumptions that underlie the impairment test prepared by the Board of Directors consider (i) the perspectives associated with the resumption of activity in the post-pandemic period, (ii) a structural change in the segment of activity associated with the manufacture and assembly of urban buses, which involves the implementation of a partnership that considers the outsourcing of a significant part of the production and assembly of those buses, (iii) as well as the materialization of the growth projected by management of that joint venture for the respective target market, in relation to the most environmentally sustainable bus models.

As a result of its analysis process, and taking into account some uncertainty regarding the expected continuation of the resumption of activity and recovery of the profitability of the joint venture, which is associated with the above-mentioned partnership, as well as the current global macroeconomic environment impacted by the current ongoing armed conflicts in Ukraine and in the Middle East that may continue to produce adverse effects on the main destination economies of Caetanobus – Fabricação de Carroçarias, S.A. sales, the Group recorded in its financial statements on December 31, 2023 an impairment loss in the amount of 1,578,107 Euros, corresponding to the total Goodwill associated with the acquisition of the aforementioned joint venture.

11. OTHER INVESTMENTS

On December 31, 2023 and 2022, the caption "other investments" is as follows:

Participation	2023	2022
Cimóvel - Fundo de Investimento Imobiliário Fechado	5,235,080	4,817,718
Others	159,144	148,686
	5,394,224	**4,966,404**

During the years ended December 31, 2023 and 2022, movements under the caption “Other investments” were as follows:

	2023	2022
Other investments		
Fair value on January 1	**4,966,404**	**4,606,025**
Acquisitions during the year	10,458	17,318
Increase/(decrease) in fair value	417,362	343,061
Fair value on the reference date	**5,394,224**	**4,966,404**

As of December 31, 2023, the item "Other investments" includes the amount of 5,235,080 Euros (4,817,718 Euros on December 31, 2022) corresponding to 580,476 participation units in Cimóvel – Fundo de Investimento Imobiliário Fechado (Investment Fund) (9.098%), which are recorded at the value of the Participation Unit disclosed on December 31, 2023 (the acquisition cost of these units amounted to 3,013,947 Euros), and a Capital reserve recorded in equity (Fair Value Reserve) in the amount of 2,046,693 Euros (1,723,238 Euros as of December 31, 2022). This investment, measured at fair value through other comprehensive income, was designated as such on the date of its recognition.

The remaining amount represents small investments in unlisted companies, and the Board of Directors understands that the net value at which they are accounted for is close to their fair value.

In addition, the effect in equity in the financial years ended December 31, 2023 and 2022 of the recognition of the investment in Cimóvel investment fund at its fair value can be summarized as follows:

	2023	2022
Variation in fair value	417,362	343,061
Deferred taxes	(93,907)	(77,189)
Effect on equity	**323,455**	**265,872**

12. INVENTORIES

On December 31, 2023 and 2022, this caption was composed as follows:

	2023	2022
Raw materials, subsidiaries, and consumable materials	8,242,299	12,312,484
Products and work in progress	2,753,976	3,065,627
Finished goods and intermediate goods	2,052,019	3,945,939
Merchandise	136,724,869	52,930,168
	149,773,163	**72,254,218**
Accumulated impairment losses in inventories (Note 26)	(2,719,990)	(2,006,348)
	147,053,173	**70,247,870**

The value of merchandise shown in the statement of the consolidated financial position on December 31, 2023 and 2022, split in ageing classes, is as follows:

	2023				
Merchandise	- 6 months	6 - 12 months	12 - 24 months	+ 24 months	Total
Parts	3,498,858	366,858	266,759	472,970	**4,605,445**
New vehicles	75,982,760	1,813,235	84,407	13,456	**77,893,858**
Used vehicles	31,718,597	14,410,340	7,345,944	667,675	**54,142,556**
Others	83,011	-	-	-	**83,011**
Total	**111,283,225**	**16,590,433**	**7,697,110**	**1,154,102**	**136,724,869**

	2022				
Merchandise	- 6 months	6 - 12 months	12 - 24 months	+ 24 months	Total
Parts	2,696,421	268,710	328,620	394,387	**3,688,138**
New vehicles	13,114,952	279,285	115,893	29,198	**13,539,328**
Used vehicles	27,421,913	5,332,458	1,166,173	1,681,057	**35,601,601**
Others	101,101	-	-	-	**101,101**
Total	**43,334,387**	**5,880,453**	**1,610,686**	**2,104,642**	**52,930,168**

As can be seen in the table above, merchandise with more than 24 months of age amount to approximately 1.15 million Euros on December 31, 2023 (approximately 2.1 million Euros on December 31, 2022), and, in relation to such universe, impairments were recorded in the amount of, approximately, 669 thousand Euros (586 thousand Euros on December 31, 2022).

The Group has defined impairment criteria for used vehicles that depreciate in relation to their age. The criteria followed by the Group are supported by market information obtained from external entities with reference to December 31. Thus, it is not the Board of Directors expectation that in future years losses will be generated in the process of sale and realization of the referred used vehicles.

As at December 31, 2023, the inventory caption includes the amount of 54.1 million Euros relating to used vehicles (35.6 million Euros at December 31, 2022).

As of December 31, 2023 and 2022, there are no items in the Group's inventory that are pledged as collateral for contracted liabilities.

The Cost of sales, in the financial years ended December 31, 2023 and 2022, was determined as follows:

	2023			2022		
	Goods	Raw materials, subsidiaries and consumption	Total	Goods	Raw materials, subsidiaries and consumption	Total
Initial inventories	52,930,168	12,312,484	**65,242,652**	71,414,389	13,775,081	**85,189,470**
Net purchases	425,075,115	38,729,399	**463,804,514**	282,698,870	63,409,691	**346,108,561**
Transfers to and from inventories (Note 6)	(1,866,407)	-	**(1,866,407)**	(4,775,523)	-	**(4,775,523)**
Inventory regularization	(3,015,567)	-	**(3,015,567)**	3,246,231	-	**3,246,231**
Final inventories	(136,724,869)	(8,242,299)	**(144,967,168)**	(52,930,168)	(12,312,484)	**(65,242,652)**
Total	**336,398,440**	**42,799,584**	**379,198,024**	**299,653,799**	**64,872,288**	**364,526,087**

Production variation in the financial years ended December 31, 2023 and 2022 was computes as follows:

	2023			2022		
	Finished products, intermediate products	Products and work in progress	Total	Finished products, intermediate products	Products and work in progress	Total
Final inventories	2,052,019	2,753,976	**4,805,995**	3,945,939	3,065,627	**7,011,566**
Inventories regularization	(460,469)	460,750	**281**	(69,201)	66,420	**(2,781)**
Initial inventories	(3,945,939)	(3,065,627)	**(7,011,566)**	(2,687,059)	(765,005)	**(3,452,064)**
Total	**(2,354,389)**	**149,099**	**(2,205,290)**	**1,189,679**	**2,367,042**	**3,556,721**

13. ACCOUNTS RECEIVABLE

On December 31, 2023 and 2022, this caption was composed as follows:

	CURRENT ASSETS		NON-CURRENT ASSETS	
	2023	2022	2023	2022
Customers, current account	86,111,776	67,638,633	52,314	146,833
Doubtful accounts receivable	8,935,953	9,508,485	-	-
	95,047,729	**77,147,118**	**52,314**	**146,833**
Accumulated impairment losses in accounts receivable (Note 26)	(8,876,119)	(9,445,666)	-	-
	86,171,610	**67,701,452**	**52,314**	**146,833**

On December 31, 2023 and 2022, the detail by type of customer in accordance with the respective ageing, including information on the existence of credit improvement instruments available to the Group, is as follows:

Accounts receivable ageing

	2023					
	- 60 days	60-90 days	90-120 days	+ 120 days	Total	Credit improvement instruments
Related companies	9,728,015	517,174	228,809	2,736,745	13,210,743	no,
Public entities	2,137,434	96,955	138,972	55,915	2,429,276	no,
Financial entities	9,762,203	859,707	338,327	818,822	11,779,059	no,
Insurance companies	1,763,749	207,132	38,140	94,553	2,103,574	no,
Other customers	36,751,804	1,319,915	386,918	108,433	38,567,070	no,
Independent Dealers	14,446,899	1,429,593	879,881	1,317,995	18,074,368	Bank guarantees
Total	**74,590,104**	**4,430,476**	**2,011,047**	**5,132,463**	**86,164,090**	

	2022					
	- 60 days	60-90 days	90-120 days	+ 120 days	Total	Credit improvement instruments
Related companies	3,703,785	1,303,063	43,618	222,194	**5,272,660**	no,
Public entities	864,112	89,224	6,985	37,227	**997,548**	no,
Financial entities	7,081,434	217,683	160,952	768,130	**8,228,199**	no,
Insurance companies	1,915,656	111,289	114,442	126,556	**2,267,943**	no,
Customers with payment agreements	-	-	-	146,833	**146,833**	Payment agreements
Other customers	39,039,241	1,493,714	698,407	1,286,748	**42,518,110**	no,
Independent Dealers	7,717,640	99,512	26,294	510,727	**8,354,173**	Bank guarantees
Total	**60,321,868**	**3,314,485**	**1,050,698**	**3,098,415**	**67,785,466**	

Maturity of debts with recognition of impairment losses

2023	- 60 days	60-90 days	90-120 days	+ 120 days	Total
Other customers	3,872	5,018	2,434	8,924,629	8,935,953
Total	**3,872**	**5,018**	**2,434**	**8,924,629**	**8,935,953**

2022	- 60 days	60-90 days	90-120 days	+ 120 days	Total
Other customers	22,753	5,322	6,523	9,473,887	9,508,485
Total	**22,753**	**5,322**	**6,523**	**9,473,887**	**9,508,485**

It is the Board of Directors understanding that the credit risk associated with customers in the older ageing group is reduced, as a result of:

a) Customers with payment agreements: taking into account the credit analysis carried out, the knowledge of the referred customers and the external information obtained about their financial situation, it is understood that these customers do not present significant credit risk, and the Board of Directors regularly monitors compliance with the agreements established, involving a small number of entities. As of December 31, 2023, no such situations existed;

b) Related Companies: this type of customers include several entities belonging to the perimeter of the Salvador Caetano Group, with whom the Toyota Caetano Portugal Group maintains regular commercial transactions, and the Group also maintains transactions as a customer with entities of the same Salvador Caetano Group. It is therefore the Board of Directors understanding that the amounts included in the ageing group "+120 days" related to this type of customers are fully recoverable, and a substantial part of that amount relates to the joint venture held by the company CaetanoBus – Fabricação de Carroçarias, S.A. (Note 10);

c) Other customers: this type of customer includes, among others, general customers of vehicles for whom 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. The Board of Directors considers, however, 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 is constantly monitoring 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 recognising expected credit losses in the economic life of accounts receivable, taking into account that they do not have a significant funding component.

It should also be noted that, with regard to financial instruments corresponding to customer receivables, there was generally no material change in the average collection time in the financial year 2023.

The amounts presented in the statement of consolidated financial position are net of accumulated impairment losses for doubtful accounts that have been estimated by the Group, in accordance with its experience and based on its assessment of the economic environment at the date of the statement of consolidated financial position. Thus, the Board of Directors understands that the accounting values of customer receivables are close to their fair value.

14. OTHER DEBTORS

On December 31, 2023 and 2022, this caption was composed as follows:

	CURRENT ASSETS	
	2023	2022
Advances to suppliers	2,711,466	191,982
State and other public entities (VAT)	-	913,240
Other debtors	1,166,336	1,172,057
	3,877,802	**2,277,279**

It should be noted that this caption also includes a balance receivable in the amount of 41,597 Euros from the related party Fundação Salvador Caetano (11,227 Euros on December 31, 2022).

15. OTHER CURRENT ASSETS

On December 31, 2023 and December 31, 2022, this caption was composed as follows:

	2023	2022
Debtors for accrued income		
Fleets, Campaigns, Bonus, Rappel and brand compensation receivables	852,714	1,312,063
Training subsidies (IEFP)	623,009	384,596
Intermediation commissions (finance and insurance)	263,830	311,573
Rents	-	32,545
Warranty claims	126,139	127,048
Others	474,929	188,523
	2,340,621	**2,356,348**
Deferred costs		
Insurance	231,401	219,990
Rents	143,413	130,320
Pension Fund	141,820	-
Financing charges "Comercial Paper"	92,573	102,906
Others	4,154,027	165,749
	4,763,234	**618,965**
Total	**7,103,855**	**2,975,313**

The caption "Fleets, Campaigns, Bonus, Rappel and brand compensation receivables " corresponds to amounts receivable from performance awards and accomplishment of objectives granted by the Toyota and Lexus brands, as well as support for campaigns developed by them.

The "Others" item of the Deferred costs, includes charges borne by the Group in the amount of 3.7 million Euros associated with the APM (Accessible People Mover) project, related to the development of a small electric utility vehicle for large events, which will be on demonstration as early as 2024, at the Paris Olympic Games, and whose investment is part of the *BeNeutral* agenda of the Recovery and Resilience Programme (*“PRR – Plano de Recuperação e Resiliência”*). These amounts (which correspond essentially to direct costs with internal employees, external supplies and services, and material consumption) will be recognised as a cost in 2024 when the sale (and corresponding income recognition) of these vehicles will be made, which will be invoiced to a related entity of the multinational Toyota Group.

16. DEFERRED TAX ASSETS AND LIABILITIES

The details and movement of the amounts and the respective nature of deferred tax assets and liabilities recorded in the accompanying consolidated financial statements on December 31, 2023 and December 31, 2022 may be summarized as follows:

2023					
	2022	Other variations	Impact on results	Impact in Equity	2023
Deferred tax assets:					
Impairment losses and provisions recorded and not accepted as tax costs	669,887	-	(223,978)	-	445,909
Responsibilities for defined benefit plans	368,042	31,909	-	(78,493)	321,458
Write-off of tangible fixed assets/inventories	1,243,740	-	120,484	-	1,364,224
Others - Revenue recognition	104,423	-	922,202	-	1,026,625
	2,386,092	**31,909**	**818,708**	**(78,493)**	**3,158,216**
Deferred tax liabilities:					
Depreciation resulting from legal and free revaluations	(1,491,019)	-	(10,773)	-	(1,501,792)
Effect of reinvestment of gains generated with disposals of fixed assets	(44,566)	-	9,400	-	(35,166)
Amortizations not accepted for tax purposes	-	-	(1,323,740)	-	(1,323,740)
Fair value of financial assets	(405,851)	-	-	(93,907)	(499,758)
Responsibilities for defined benefit plans	-	(31,909)	-	-	(31,909)
	(1,941,436)	**(31,909)**	**(1,325,113)**	**(93,907)**	**(3,392,365)**
Net effect (Note 27)		**-**	**(506,405)**	**(172,400)**	

2022				
	2021	Impact on results	Impact in Equity	2022
Deferred tax assets:				
Impairment losses and provisions recorded and not accepted as tax costs	858,385	(188,498)	-	669,887
Responsibilities for defined benefit plans	1,620,998	(325,121)	(927,835)	368,042
Write-off of tangible fixed assets/inventories	894,536	349,204	-	1,243,740
Other - Revenue recognition	154,816	(50,393)	-	104,423
	3,528,735	**(214,808)**	**(927,835)**	**2,386,092**
Deferred tax liabilities:				
Depreciation resulting from legal and free revaluations	(1,491,019)	-	-	(1,491,019)
Effect of reinvestment of gains generated with disposals of fixed assets	(53,966)	9,400	-	(44,566)
Fair value of financial assets	(328,662)	-	(77,189)	(405,851)
	(1,873,647)	**9,400**	**(77,189)**	**(1,941,436)**
Net effect (Note 27)		**(205,408)**	**(1,005,024)**	

As of December 31, 2023 and December 31, 2022, the Group companies had no tax losses available to carry forward,

On December 31, 2023 and December 31, 2022, the tax rates used for the calculation of deferred tax assets and liabilities were as follows:

	Tax rate	
	2023	2022
Country of origin of subsidiary:		
Portugal	22.5%- 21%	22.5%-21%
Cape Verde	25%	25%

17. CASH AND CASH EQUIVALENTS

On December 31, 2023 and December 31, 2022 the detail of cash and cash equivalents was as follows:

	2023	2022
Cash	140,940	125,984
Bank deposits	24,686,174	11,173,763
	24,827,114	**11,299,747**

18. EQUITY

Share capital

As of December 31, 2023 and 2022, the capital of the Parent company, fully subscribed and paid-up, consists of 35,000,000 registered shares, fully subscribed and paid-up, with a nominal value of 1 Euro each.

The identification of legal persons with more than 20% of the subscribed capital is as follows:

- Salvador Caetano- Auto S.G.P.S., S.A. 69.80%

- Toyota Motor Europe NV/SA 27.00%

Dividends

At the Annual General Meeting held on May 30, 2023, the shareholders approved the distribution of dividends to be attributed to the capital of 0.25 Euros per share, in the amount of 8.75 million Euros.

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

As of December 31, 2023, 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 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 may be used to absorb losses after the other reserves have been exhausted, or incorporated into share capital.

Fair value reserves

Fair value reserves reflect changes in the fair value of capital instruments at fair value through capital and cannot be distributed or used to absorb losses (Note 11).

Other reserves and retained earnings

Under Portuguese law, the amount of distributable reserves is determined in accordance with the individual financial statements of Toyota Caetano Portugal, S.A., presented in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

19. NON-CONTROLLING INTERESTS

The movement of this CAPTION during the years ended December 31, 2023 and 2022 was as follows:

	2023	2022
Initial balance on 1 January	1,451,563	1,329,406
Others	7,417	4,462
Result of the year attributable to the non-controlling interests	348,454	117,695
	1,807,434	**1,451,563**

The breakdown of the value by fully consolidated subsidiary company in the financial statements presented on December 31, 2023 and December 31, 2022 is as follows:

2023			
Subsidiary	% IQNC	Non-controlling interests	Result of the year of non-controlling interests
Caetano Auto CV	18.76%	1,031,990	252,068
Caetano Auto	1.26%	768,704	92,080
Destaque Mourisco	43.72%	(1,085)	(318)
Salvador Caetano Seguros	1.26%	7,825	4,624
		1,807,434	**348,454**

2022			
Subsidiary	% IQNC	Non-controlling interests	Result of the year of non-controlling interests
Caetano Auto CV	18.76%	779,922	58,533
Caetano Auto	1.26%	669,207	57,097
Destaque Mourisco	43.72%	(767)	(1,136)
Salvador Caetano Seguros	1.26%	3,201	3,201
		1,451,563	**117,695**

The summary of the financial information of the subsidiaries described above is shown in the table below:

Caption	Caetano Auto 2023	Caetano Auto 2022	Caetano Auto CV 2023	Caetano Auto CV 2022
Non current assets	51,825,359	50,747,466	1,080,482	1,170,588
Current assets	101,991,943	56,571,322	9,007,110	7,096,573
Total Assets	**153,817,302**	**107,318,788**	**10,087,592**	**8,267,161**
Non current liabilities	4,268,017	5,392,037	1,439,437	1,439,438
Current liabilities	89,826,653	49,975,178	3,152,097	2,632,509
Equity	**59,722,632**	**51,951,573**	**5,496,058**	**4,195,214**
Sales and Services Rendered	273,373,786	236,799,136	19,367,131	16,073,817
Operational results	10,325,700	6,865,534	1,548,425	384,197
Financial results	12,205	(74,281)	28,413	14,703
Taxes	(2,832,823)	(1,843,037)	(275,994)	(95,511)
Net result	**7,505,082**	**4,948,216**	**1,300,844**	**303,389**

Heading	Moorish highlight 2023	Moorish highlight 2022	Salvador Caetano Seguros 2023	Salvador Caetano Seguros 2022
Non current assets	-	-	-	-
Current assets	653	653	738,354	333,790
Total Assets	**653**	**653**	**738,354**	**333,790**
Non current liabilities	3,118	2,391	111,503	74,423
Current liabilities	**(2,465)**	**(1,738)**	**626,851**	**259,367**
Equity				
	-	-	916,109	332,498
Sales and Services Rendered	(728)	(2,599)	401,491	328,355
Operational results	-	-	-	(139)
Taxes	-	-	(34,006)	(73,849)
Net result	**(728)**	**(2,599)**	**367,485**	**254,367**

20. LOANS OBTAINED

As of December 31, 2023 and December 31, 2022, the “Loans obtained” caption has the following details:

	2023			2022		
	Current	Non current	TOTAL	Current	Non current	TOTAL
Bank loans	75,000,000	-	**75,000,000**	22,136,203	-	**22,136,203**
Bank overdrafts	62,185	-	**62,185**	6,800	-	**6,800**
Bond loan	-	15,000,000	**15,000,000**	12,500,000	-	**12,500,000**
Lease liabilities	5,734,197	17,431,252	**23,165,449**	4,877,306	14,663,934	**19,541,240**
	80,796,382	**32,431,252**	**113,227,634**	**39,520,309**	**14,663,934**	**54,184,243**

The movement in bank loans, bank overdrafts, commercial paper programs and bond loans during the financial years ended December 31, 2023 and December 31, 2022 was as follows:

2023	Opening balance	Increases	Decreases	Other variations (*)	Ending balance
Bank loans	136,203	15,000,000	136,203	-	**15,000,000**
Bank overdrafts	6,800	-	-	55,385	**62,185**
Current credit facilities	15,000,000	47,000,000	42,000,000	-	**20,000,000**
Commercial paper	7,000,000	313,500,083	280,500,083	-	**40,000,000**
Bond loan	12,500,000	15,000,000	12,500,000	-	**15,000,000**
Lease liabilities	19,541,240	9,062,112	6,034,944	597,041	**23,165,449**
	54,184,243	**399,562,195**	**341,171,230**	**652,426**	**113,227,634**

2022	Opening balance	Increases	Decreases	Other variations (*)	Ending balance
Bank loans	280,530	-	144,327	-	**136,203**
Bank overdrafts	8,203	-	-	(1,403)	**6,800**
Current credit facilities	15,000,000	60,000,000	60,000,000	-	**15,000,000**
Commercial paper	-	64,500,000	57,500,000	-	**7,000,000**
Bond loan	12,500,000	-	-	-	**12,500,000**
Lease liabilities	19,867,273	6,601,048	7,487,497	560,416	**19,541,240**
	47,656,006	**131,101,048**	**125,131,824**	**559,013**	**54,184,243**

(*) No impact on the statement of cash flows

On December 31, 2023 and 2022, the details of bank loans, bank overdrafts, commercial paper programs and bond loan, as well as their respective terms, are as follows:

	2023			
Description/beneficiary Company	Amount used	Limit	Start Date	Term
Non current				
Bond loan				
Toyota Caetano Portugal	15,000,000	15,000,000	09/08/2023	5 years
	15,000,000	**15,000,000**		
Current				
Current credit facilities				
Toyota Caetano Portugal	20,000,000	20,000,000	05/12/2021	1 year (**)
Toyota Caetano Portugal	-	2,000,000	27/11/2011	3 months (*)
Bank overdrafts	62,185	5,500,000		
Invoices discounted under "confirming" arrangements	15,000,000	25,000,000	21/12/2023	5 years
Commercial paper:				
Toyota Caetano Portugal	-	5,000,000	27/02/2021	5 years
Toyota Caetano Portugal	10,000,000	10,000,000	27/02/2021	5 years
Toyota Caetano Portugal	10,000,000	10,000,000	18/08/2020	5 years
Toyota Caetano Portugal	4,000,000	4,000,000	17/07/2022	5 years
Toyota Caetano Portugal	10,000,000	10,000,000	24/02/2020	1 year (**)
Toyota Caetano Portugal	-	-		
Toyota Caetano Portugal	6,000,000	10,500,000	14/06/2021	5 years
	75,062,185	**102,000,000**		
	90,062,185	**117,000,000**		

2022				
Description/beneficiary Company	Amount used	Limit	Start Date	Term
Non current				
Bond loan				
Toyota Caetano Portugal	12,500,000	12,500,000	09/08/2018	5 years
	12,500,000	**12,500,000**		
Current				
Current credit facilities				
Toyota Caetano Portugal	15,000,000	20,000,000	03/12/2021	1 year (**)
Toyota Caetano Portugal	-	2,000,000	27/11/2011	3 months (*)
Loan "Covid" facility				
Caetano Auto CV	136,203	136,203		
Bank overdrafts	6,800	5,500,000		
Invoices discounted under "confirming" arrangements	-	4,500,000		
Commercial paper:				
Toyota Caetano Portugal	7,000,000	7,000,000	27/02/2021	5 years
Toyota Caetano Portugal	-	10,000,000	27/02/2021	5 years
Toyota Caetano Portugal	-	10,000,000	18/08/2020	5 years
Toyota Caetano Portugal	-	4,000,000	17/07/2017	5 years
Toyota Caetano Portugal	-	4,000,000	24/02/2021	1 year
Toyota Caetano Portugal	-	13,000,000	14/06/2021	5 years
	22,143,003	**80,136,203**		
	34,643,003	**92,636,203**		

(*) renewable quarterly
(**) renewable annually

In the current year, the Parent company issued two bond loans through a private and direct offer, one of them, of 7,500,000 Euros, at a variable rate and the other, of the same amount, at a fixed rate; both for a term of 5 years (from the date of subscription: August 7, 2023) and with bullet repayment at the end of the term. These loans were intended to repay the previous bond loan, in the amount of 12,500,000 Euros that matured at the beginning of August 2023.

We subsequently detail the amount relating to financing obtained or credit lines contracted for which a collateral has been granted in respect of mortgages on real estate assets (Note 37):

- Commercial Paper: 15,000,000 Euros

The interest on the above-mentioned bank loans is indexed to Euribor (floor zero), plus a spread ranging from 0.45% to 2.0%.

The Group and its subsidiaries have contracted credit lines on December 31, 2023 in the amount of, approximately, 107 Million Euros (of which, approximately, 90 Million Euros were used on December 31, 2023) that may be used for future operational activities and to meet financial commitments, with no restriction on the use of such facilities. This amount is contracted with several financial institutions, and there is no excessive concentration in any of them.

The icaption Lease liabilities (current and non-current) corresponds to the Group's liabilities, as lessee, relating to the rights of use associated with cargo handling equipment and leased properties to carry out a small part of its operations, since most of the Group's operating activity is carried out in its own properties.

Responsibilities by maturity intervals:

Financing

	2023					
	12m	12-24m	24-36m	36-48m	>48m	Total
Bank loans	20,000,000	-	-	-		**20,000,000**
Bond loan	-	-	-	-	15,000,000	**15,000,000**
Confirming	15,000,000	-	-	-	-	**15,000,000**
Bank overdrafts	62,185	-	-	-	-	**62,185**
Commercial paper	40,000,000	-	-	-	-	**40,000,000**
Lease liabilities	5,734,197	4,574,125	3,999,833	3,451,473	5,405,821	**23,165,449**
Total financing	**80,796,382**	**4,574,125**	**3,999,833**	**3,451,473**	**20,405,821**	**113,227,634**

	2022					
	12m	12-24m	24-36m	36-48m	>48m	Total
Bank loans	15,136,203	-	-	-	-	**15,136,203**
Bond loan	12,500,000	-	-	-	-	**12,500,000**
Bank overdrafts	6,800	-	-	-	-	**6,800**
Commercial paper	7,000,000	-	-	-	-	**7,000,000**
Lease liabilities	4,877,306	5,857,359	3,334,527	2,465,857	3,006,191	**19,541,240**
Total financing	**39,520,309**	**5,857,359**	**3,334,527**	**2,465,857**	**3,006,191**	**54,184,243**

Interest

	2023					
	12m	12-24m	24-36m	36-48m	>48m	Total
Bank loans	239,483	-	-	-	-	**239,483**
Lease liabilities	700,528	1,167,537	874,135	579,714	526,436	**3,848,350**
Bond loan	719,910	719,003	719,003	719,003	720,064	**3,596,983**
Total interest	**1,659,921**	**1,886,540**	**1,593,138**	**1,298,717**	**1,246,500**	**7,684,816**

	2022					
	12m	12-24m	24-36m	36-48m	>48m	Total
Bank loans	547,804	-	-	-	-	**547,804**
Lease liabilities	377,005	240,351	138,588	77,399	96,987	**930,330**
Bond loan	203,039	347,482	-	-	-	**550,521**
Total interest	**1,127,848**	**587,833**	**138,588**	**77,399**	**96,987**	**2,028,655**

21. ACCOUNTS PAYABLE

On December 31, 2022 and December 31, 2023, this caption consisted of current balances payable to suppliers, which are due in full 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 deadlines.

22. OTHER CREDITORS

On December 31, 2023 and December 31, 2022, this caption was composed as follows:

	CURRENT LIABILITIES		NON-CURRENT LIABILITIES	
	2023	2022	2023	2021
Income tax withholding	434,168	447,802	-	-
Value Added Tax	19,203,182	11,491,072	-	-
Vehicle Tax	2,761,299	1,085,276	-	-
Social Security contributions	769,632	771,947	-	-
Local Authorities' taxes	163,897	165,839	-	-
Others	4,158	4,787	-	-
State and other Public entities - Subtotal	**23,336,336**	**13,966,723**	**-**	**-**
Shareholders	40,108	29,742	-	-
Customer advances	7,392,363	3,254,006	-	-
Other debts to third parties	40,478,964	26,958,560	2,417,931	805,640
Other debts to third parties - Subtotal	**47,911,435**	**30,242,308**	**2,417,931**	**805,640**
	71,247,771	**44,209,031**	**2,417,931**	**805,640**

In certain situations, the Group is using the financial entity of its represented brands, namely the Toyota Kreditbank entity, GMBH – Sucursal em Portugal, for the purpose of acquiring vehicles, necessary for the levels of activity developed. The amounts due to this entity are included under the caption "Other debts to third parties" and amount to 41,865,049 Euros as of December 31, 2023 (26,779,908 Euros as of December 31, 2022).

It is the Board of Directors understanding that the accounts payable to Toyota Kreditbank, GMBH – Sucursal em Portugal for the purpose of purchasing vehicles, have specific characteristics that justify a separate presentation in relation to the captions of loans obtained and suppliers. In fact, the Group finances the acquisition of new vehicles (for exhibition) and registered vehicles (intended for demonstration, courtesy and rental) through the financial entity of the Toyota Japan Group, Toyota Kreditbank, GMBH – Sucursal em Portugal, and the aforementioned agreements signed with this entity determine that the settlement of the liability must be carried out on the most recent of the following dates: the date of maturity 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 taken into account by the Board of Directors in the process of assessing the classification of that financial liability. In the aforementioned assessment, the Board of Directors also considered that it is the sector's practice not to present this type of liabilities as financing obtained, when it is specifically associated with the acquisition of vehicles.

The amounts outstanding with Toyota Kreditbank, GMBH – Sucursal em Portugal on December 31, 2023 and December 31, 2022 relate to financing with maturities of less than 640 days, interest rates between 3.85% and 5.85%, and the companies of the Toyota Caetano Portugal Group guarantee them through the delivery of a blank promissory note with the respective filling agreement.

Associated with the APM (Accessible People Mover) project, relating to the development of a small electric utility vehicle for large events, which will be on display as early as 2024 at the Paris Olympic Games, the Group received an advance of 4.1 million euros on account of the sale of these vehicles to be carried out in the 2024 financial year.

There are no overdue debts in relation to the State and Social Security.

23. CORPORATE INCOME TAX (STATEMENT OF FINANCIAL POSITION)

The breakdown of the Corporate Income Tax caption on December 31, 2023 and December 31, 2022 is as follows:

	2023	2022
Creditor balances		
Corporate Income Tax		
Income tax payable	3,333,158	2,116,541
	3,333,158	**2,116,541**

24. OTHER CURRENT LIABILITIES

On December 31, 2023 and December 31, 2022, the caption "Other current liabilities" can be detailed as follows:

	2023	2022
Creditors for accrued costs		
Vacation pay and vacation allowances	7,683,427	8,307,798
Advertising campaigns and sales promotion	2,002,660	362,692
Commissions to be settled	813,230	833,575
Vehicle tax for cars sold and not registered	2,461,012	1,032,644
Charges for external supplies and services to be settled	1,576,870	1,281,760
Rappel charges attributable to fleet management entities	692,235	613,556
Accrued costs related with sold vehicles	2,143,505	1,170,239
Insurance to be settled	111,620	37,054
Interest payable	605,871	203,479
IMI - Municipal Property Tax	166,784	152,959
Royalties	62,077	152,285
Others	2,296,139	2,245,595
	20,615,430	**16,393,636**
Deferred Income		
Vehicle Maintenance / Service contracts	6,334,817	6,251,670
Revenue deferral	30,009,772	1,488,904
Others	2,449,650	543,401
	38,794,239	**8,283,975**
Total	**59,409,669**	**24,677,611**

As of December 31, 2023, the item "Others" of creditors for accrued costs includes anticipations related with maintenance contracts with replacement vehicles in the amount of, approximately, 795,338 Euros (599,297 Euros in 2022).

As of December 31, 2023 and December 31, 2022, the item "Revenue deferral" includes invoicing issued to customers in respect of ongoing sales processes for which the associated performance obligation has not yet been fulfilled.

On December 31, 2023 and December 31, 2022, the item "Vehicle Maintenance / Service contracts" includes the deferred amount related with multi-year vehicle maintenance contracts, already invoiced and received, for which the associated performance obligation has not yet been fulfilled, which is why the respective revenue is deferred. That amount shall be recognised to the extent that the performance obligation is fulfilled.

25. PENSION LIABILITIES

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

That constituted Pension Fund provided that, as long as its members maintained the decision to make contributions to that fund, that the majority of employees could receive, from the date of retirement, a non-amendable remuneration complement, determined on the basis of a percentage of salary, 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, S.A.).

On December 18, 2007, a dossier was sent to the ASF – Autoridade de Supervisão de Seguros e Fundos de Pensões- containing the proposals for amendments to the Constitutive Contract of the Salvador Caetano Pension Fund, as well as the minutes of their approval by the Fund's Monitoring Committee, proposing, with effect from January 1, 2008, the approval by that body of those amendments.

The aforementioned proposal to amend the pension complement regime, duly approved by the Pension Fund Monitoring Committee, includes the maintenance of a Defined Benefit (Plan A) scheme for those then 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 already 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 employees at the service of the members of the Salvador Caetano Pension Fund) which, as of that date, became, from that date, to be included in a Defined Contribution Plan (Plan B).

On December 29, 2008, a letter was received containing the approval by the ASF of the intended changes in force from 1/1/2008.

The ASF determined in the aforementioned approval that the 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 50 years of age (and who will become part of a Defined Contribution Plan) were entitled to an individual "initial capital" according to the new plan, determined on the basis of the actuarial liabilities established with reference to December 31, 2007 and on the basis of the assumptions and criteria used in that financial year.

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

At the end of 2023, a new Defined Contribution plan (Plan C) was created that covers all employees hired after December 1, 2023.

Thus, the Salvador Caetano Pension Fund is a single fund and includes three distinct plans: a Defined Benefits plan (Plan A) and two Defined Contribution plans (Plan B and Plan C).

The main features of these three plans are as follows:

Plan A - (Defined Benefit): Covers all employees (including members of the governing bodies) who, as of 01.01.2008, had already reached 50 years of age and 15 years of seniority in the company. It is embodied in the right to the attribution of a supplementary pension paid by the aforementioned Pension Fund, in an amount equivalent to 20% of the last pensionable salary.

Plan B – (Defined Contribution): Covers all employees (including members of the governing bodies) hired until November 30, 2023. The benefit results from the accumulated value of the contributions made by the company and the employee, if the latter decides to contribute, and from the income generated by the contributions. The company contributes, on an annual basis, to the Pension Fund an amount corresponding to 3% of the annual gross salary of each employee covered by this Plan. At the statutory retirement age, 2/3 of the accumulated amount will be transformed into a monthly amount to be paid to the Employee/Member of the Governing Body, given that 1/3 of the accumulated amount can be received in the form of capital.

Plan C – (Defined Contribution): covers all employees (including members of the governing bodies) hired after 1 Dec. 2023. The benefit results from the accumulated value of the contributions made by the company and the employee, if the latter decides to contribute, and from the income generated by the contributions. The company contributes, on an annual basis, to the Pension Fund an amount corresponding to 0.5% of the annual gross salary of each employee covered by this Plan. At the statutory retirement age, 2/3 of the accumulated amount will be transformed into a monthly amount to be paid to the Employee/Member of the Governing Body, given that 1/3 of the accumulated amount can be received in the form of capital.

With regard to the Defined Benefit Plan and in terms of the minimum level of solvency, the value of the assets of the Salvador Caetano Pension Fund may not be lower than the minimum amount of solvency calculated in accordance with the rules established by the ASF regulatory standard. The "Minimum Solvency Scenario" is thus calculated by the actuary in charge in accordance with Rule No. 12/2023-R, of December 12, which amends Rule No. 8/2021-R, of November 16.

The Salvador Caetano Pension Fund is currently managed by BPI Vida e Pensões - Companhia de Seguros, S.A.. In accordance with the current legislation in force, the managing body must ensure that the assets that are part of the assets of the Salvador Caetano Pension Fund are adequate to the liabilities arising from the pension plans, and for this purpose must take into account, 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 funding of the liabilities as they relate to the Defined Benefit Plan.

In accordance with the investment policy established in the Pension Fund Management Agreement, the table below shows the objective allocation ("weight") excluding real estate and other national assets:

	Minimum limit	Central value	Maximum limit
Euro area private debt bonds	45.0%	50.0%	55.0%
Euro area public debt bonds	20.0%	25.0%	30.0%
Global shares	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%

In addition, for the year ended December 31, 2023, there was no change, early cancellation or liquidation of the Defined Benefit Plan.

The actuarial assumptions used for the valuation of 2023 and 2022 by the responsible Pension Fund Manager are as follows:

	2023	2022
Discount rate	3.05%	3.60%
Pensions growth rate	0.00%	0.00%
Wage growth rate	0.00%	0.00%
Mortality table	TV 88/90	TV 88/90
Date of calculation effect	December 31	December 31

For the year ended December 31, 2023, the duration of liabilities determined by the Pension Fund Manager in Charge is 7 years.

a) Subsidiary companies of the Toyota Caetano Group associated with the Salvador Caetano Pension Fund

As of December 31, 2023, the following subsidiaries of the Toyota Caetano Group were members of the Salvador Caetano Pension Fund:

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

In what respects to the number and average age of beneficiaries, it is detailed by component of the Toyota Caetano Portugal Group and participant type, as follows:

	Caetano Auto, S.A.		Toyota Caetano Portugal, S.A.		Caetano Renting, S.A.	
	Number of people	Average age	Number of people	Average age	Number of people	Average age
Participants (active and fomer participants)						
Active < 66 years	0	0	0	0	0	0
Active > 66 years	2	66	1	68	0	0
Former participants	10	72	11	74	0	0
Pre-retired	0	0	0	0	0	0
	12	**71**	**12**	**74**	**0**	**0**
Retired						
Old-age retirement	304	75	462	76	4	70
Disability retirement	16	73	12	72	0	0
Pre-retirement/early retirement	0	0	0	0	0	0
Widow/Orphanty	0	0	0	0	0	0
	320	**75**	**474**	**76**	**4**	**70**

According to an actuarial study carried out by the Fund's management company (BPI Vida e Pensões, S.A.), the Group has been making contributions to the defined benefit plan, allowing the Fund's equity position to amount to, approximately, 23,034 thousand Euros as of December 31, 2023 (23,929 thousand Euros as of December 31, 2022). The share of the actuarially estimated global liability for the Defined Benefit Plan, in the Group's share, amounts as of December 31, 2023 to, approximately, 24,103 thousand Euros (24,294 thousand Euros as of December 31, 2022).

The movement of Group responsibilities with the defined benefit plan in 2023 and 2022 can be summarized as follows:

	2023	2022
Initial balance	**24,294,343**	**32,053,262**
Effect on net result of the year		
Current service costs	12,484	35,944
Interest costs	831,861	305,541
Plan cuts	-	-
Effects on other comprehensive income		
(Gains) and actuarial losses	459,825	(191,269)
Anticipated benefits	(2,405,503)	(2,452,845)
Change of assumptions	1,136,394	(5,329,082)
Net transfers made	(225,780)	(127,208)
Final balance	**24,103,624**	**24,294,343**

The movement of the net assets of the Pension Fund in relation to the share of the defined benefit Plan during the financial year 2023 and 2022 was as follows:

	2023	2022
Initial balance	**23,929,047**	**24,947,975**
Effect on net result of the year		
Interest income	818,596	235,200
Effects on other comprehensive income		
Income gains/ losses	958,504	(1,195,473)
Pensions payments (paid benefits)	(2,446,592)	(2,476,204)
Net transfers made	(225,780)	(127,208)
Company contributions (includes direct payments)	-	2,544,757
Final balance	**23,033,775**	**23,929,047**

On December 31, 2023 and 2022, the composition of the assets portfolio of the Salvador Caetano Pension Fund allocated to the Group companies that cover the defined benefit Plan, are as follows:

Fund portfolio	Portfolio weight	Value 31-12-2023	Portfolio weight	Value 31-12-2022
Shares	7.8%	1,796,634	7.4%	1,770,750
Fixed rate bomds	30.6%	7,048,335	30.0%	7,178,714
Variable rate bomds	0.1%	23,034	2.7%	646,085
Real estate	54.2%	12,484,306	50.9%	12,179,885
Liquidity	4.1%	944,385	4.4%	1,052,878
Other assets	3.2%	737,081	4.6%	1,100,735
Total	**100.0%**	**23,033,775**	**100.0%**	**23,929,047**

On December 31, 2023, individual investments weighing more than 5% of the total net assets portfolio of the Salvador Caetano Pension Fund are as follows:

Active	Wallet weight	Value 31-12-2023
Cimóvel – Fundo de Investimento Imobiliário Fechado	54.2%	12,484,306
MGI Funds-PLC-Global EQ,Fund-M7	7.8%	1,796,634

The responsibilities of the Group with the defined benefit Plan and the asset situation of the Salvador Caetano allocated to the Pension Fund can be summarized as follows:

Defined benefit Plan	2023	2022
Liability value	24,103,624	24,294,343
Value of the fund allocated to the defined benefit plan	23,033,775	23,929,047

The net liability of the Toyota Caetano Portugal Group highlighted above is safeguarded, not only by the net assets of the Salvador Caetano Pension Fund allocated to the defined benefit plan, but also through a provision of 1,211,669 Euros (542,455 Euros as of December 31, 2022), reflected in the statement of consolidated financial position under the caption

"Liabilities for defined benefit plans", as well as a value of 141,820 Euros, recorded under the caption "Other current assets" (Note 15).

Additionally, and as mentioned above, the Group is an integral part of a defined contribution plan, having made contributions to it during the year ended December 31, 2023 in the amount of 753,089 Euros (381,975 Euros as of December 31, 2022), recorded in the consolidated income statement under the caption Personnel expenses.

b) Joint venture of the Toyota Caetano Group, which is part of the Salvador Caetano Pension Fund

On December 31, 2023, CaetanoBus – Fabricação de Carroçarias, S.A. is also part of the Salvador Caetano Pension Fund and consolidates through the equity method in the Toyota Caetano Group (Note 10).

As regards the number and average age of beneficiaries affected by this participating entity, it is detailed by participant type as follows:

	CaetanoBus, S.A.	
	Number of people	Average age
Participants (active and former participants)		
Active < 66 years	0	0
Active > 66 years	0	0
Former participants	6	73
Pre-retired	0	0
	6	**73**
Retired		
Old-age retirement	211	72
Disability retirement	8	73
Pre-retirement/early retirement	0	0
Widow/Orphanty	0	0
	219	**72**

The movement of the responsibilities of the participated company participating defined benefit plan in 2023 and 2022 can be summarized as follows:

	2023	2022
Initial balance	**6,938,575**	**8,620,338**
Effect on net result of the year		
Current service costs	-	1,186
Interest costs	238,275	82,345
Effects on other comprehensive income		
(Gains) and actuarial losses	(282,541)	471,342
Anticipated benefits	(639,676)	(607,606)
Change of assumptions	259,019	(1,629,030)
Final balance	**6,513,652**	**6,938,575**

The movement of the net assets of the Pension Fund in relation to the share of the defined benefit Plan, allocated to that participating company, during the financial years 2023 and 2022, was as follows:

	2023	2022
Initial balance	**6,804,900**	**6,604,438**
Effect on net result of the year		
Interest income	233,462	62,388
Effects on other comprehensive income		
Income gains/ losses	280,062	(316,288)
Pensions payments (paid benefits)	(597,823)	(598,616)
Company contributions (includes direct payments)	-	1,052,978
Final balance	**6,720,601**	**6,804,900**

On December 31, 2023 and 2022, the composition of the net assets portfolio of the Salvador Caetano Pension Fund allocated to the participating company CaetanoBus which covers the defined benefit Plan, are as follows:

Fund portfolio	Portfolio weight	Value 31-12-2023	Portfolio weight	Value 31-12-2022
Shares	7.8%	524,207	7.4%	503,563
Fixed rate bonds	30.6%	2,056,504	30.0%	2,041,470
Variable rate bonds	0.1%	6,721	2.7%	183,732
Real estate	54.2%	3,642,566	50.9%	3,463,694
Liquidity	4.1%	275,545	4.4%	299,416
Other assets	3.2%	215,058	4.6%	313,025
Total	**100.0%**	**6,720,601**	**100.0%**	**6,804,900**

As of December 31, 2023, individual investments weighing more than 5% of the total net assets portfolio of the Salvador Pension Fund are as follows:

	Wallet weight	Value 31-12-2023
Cimóvel – Fundo de Investimento Imobiliário Fechado	54.18%	3,642,566
MGI Funds-PLC-Global EQ,Fund-M7	7.8%	524,207

During the year ended December 31, 2023, CaetanoBus made contributions to the defined contribution plan in the amount of 372,409 Euros (146,228 Euros as of December 31, 2022), recorded in the consolidated income statement under the caption "Results related to associated companies and joint ventures".

26. ACCUMULATED IMPAIRMENT PROVISIONS AND LOSSES

The movement in provisions and accumulated impairment losses during the years ended December 31, 2023 and 2022 was as follows:

2023					
Captions	Opening Balances	Increases	Decreases	Utilizations	Ending Balances
Accumulated impairment losses in investment properties (Note 7)	257,500	-		-	257,500
Accumulated impairment losses on non-current assets held for sale (Note 8)	1,330,000		-	-	1,330,000
Accumulated impairment losses in receivables (Note 13)	9,445,666	94,955	(522,799)	(141,703)	8,876,119
Accumulated impairment losses in inventories (Note 12)	2,006,348	820,835	(41,213)	(65,980)	2,719,990
Provisions	1,887,033	1,648,880	-	(198,236)	3,337,677

2022					
Captions	Opening Balances	Increases	Decreases	Utilizations	Ending Balances
Accumulated impairment losses in investment properties (Note 7)	200,000	57,500		-	257,500
Accumulated impairment losses on non-current assets held for sale (Note 8)	2,108,969		-	(778,969)	1,330,000
Accumulated impairment losses in receivables (Note 13)	9,977,302	924,820	(643,400)	(813,056)	9,445,666
Accumulated impairment losses in inventories (Note 12)	1,839,613	238,292	(26,944)	(44,613)	2,006,348
Provisions	1,918,478	134,134	-	(165,579)	1,887,033

On December 31, 2023 and 2022, the detail of the caption “provisions” can be summarized as follows:

Provisions	2023
Customer warranties	157,300
Legal proceedings in progress	2,661,331
Vehicles insurance claims	19,623
Other risks and charges	499,423
	3,337,677

The item "Legal proceedings in progress" 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, S.A. with the customs authority of Cabo Verde.

In 2023, in view of the information of a possible litigation process, a provision in the amount of 1.5 million Euros was recorded in the subsidiary Toyota Caetano Portugal.

It is the Board of Directors understanding, supported by its legal advisors, that the outcome of this process may result in impacts for the Group, a fact for which it has decided to recognize a provision for the amount at risk.

27. CORPORATE INCOME TAX (CONSOLIDATED INCOME STATEMENT)

Corporate income taxes recognized in the years ended December 31, 2023 and 2022 are detailed as follows:

	2023	2022
Current tax	8,217,203	6,567,008
Deferred Tax (Note 16)	506,405	205,408
	8,723,608	**6,772,416**

Reconciliation of the effective tax expense with the theoretical tax charge for the financial years ended December 31, 2023 and 2022 can be analyzed as follows:

	2023	2022
Results before taxes	26,191,232	21,591,980
Nominal tax rate	22.50%	22.50%
Theoretical tax (tax collection + additional tax)	**5,893,027**	**4,858,196**
Autonomous taxation	326,855	346,525
State surplus tax	826,369	914,706
Tax benefits	-	(64,566)
Tax corrections	(821)	9,008
Tax refunds	-	(1,974)
Others	1,678,178	710,521
Effective Tax	**8,723,608**	**6,772,416**
Effective Tax	**8,723,608**	**6,772,416**

Considering the planned changes in the level of taxation of Group´s income, namely, the implementation of the Directive that aims to implement a global minimum level of taxation (Pillar Two Directive) in several countries, we inform that Portugal did not transpose the aforementioned Directive into Portuguese national legislation within the defined deadline (December 31, 2023). It is therefore not yet possible for us to present the expected impact on the tax for the year by the future adoption of such Directive.

Notwithstanding the above, Article 47º of Council Directive (EU) 2022/2523 regulating Pillar Two, sets out the tax treatment of deferred tax assets, deferred tax liabilities and assets transferred in the transition period, providing that "when determining the effective tax rate for a jurisdiction in a transition year, and for each subsequent fiscal year, the multination group of companies or a large-scale domestic group shall take into account all Deferred Tax Assets and Deferred Tax Liabilities reflected or disclosed in the Financial Statements of all constituent entities in a jurisdiction for the transition year."

To this end, we disclose the situations that generated the creation of Deferred Taxes in the Company on December 31, 2023 and 2022, as well as the situations that, although they did not generate Deferred Taxes, would have been susceptible to such registration if the Group had continued with a different accounting treatment than the one carried out.

28. EARNINGS PER SHARE

The earnings per share of the financial years ended December 31, 2023 and 2022 were calculated taking into account the following amounts:

	2023	2022
Result		
Basic	17,467,624	14,819,564
Diluted	17,467,624	14,819,564
Number of shares	35,000,000	35,000,000
Earnings per share (basic and diluted)	0,499	0,423

During the years ended December 31, 2023 and 2022, there was no change in the number of shares.

29. SEGMENT INFORMATION

In the financial years ended December 31, 2023 and 2022, the detail of segment reporting is as follows:

	2023														
	NATIONAL								EXTERNAL					ELIMINATIONS	CONSOLIDATED
	Motor vehicles			Industrial Equipment				Others	Motor vehicles		Industrial Equipment				
	Industry	Trade	Services	Rental	Machines	Services	Rental		Industry	Trade	Machines	Services	Rental		
REVENUE															
Turnover	8,161,654	668,992,040	23,296,371	6,176,633	14,987,574	5,849,994	2,748,642	-	39,001,473	28,661,712	1,676	67,444	52,203	(286,426,784)	511,570,632
RESULTS															
Operational results	121,801	19,410,311	4,763,271	2,458,995	2,157,249	2,696,332	930,373	-	(2,483,071)	7,160,578	412	34,209	5,003	(395,541)	36,859,922
Financial results	(70,725)	(4,068,168)	5,586	(1,072,331)	(162,393)	(42,404)	(35,164)	-	(328,194)	(38,522)	(18)	(969)	(75)	-	(5,813,377)
Income tax for the year	-	-	-	-	-	-	-	(8,723,608)	-	-	-	-	-	-	(8,723,608)
Net results with non-controlling interests	39,584	12,192,275	3,645,426	1,050,301	1,546,013	2,056,794	745,242	(6,077,206)	(2,811,265)	5,598,388	306	25,761	3,819	(547,814)	17,467,624
OTHER INFORMATION															
Depreciation and amortization	1,642,735	3,065,287	2,296,320	4,021,858	113,591	61,826	6,150,555	-	-	172,837	-	-	-	(532,832)	16,992,177

	2022														
	NATIONAL								EXTERNAL					ELIMINATIONS	CONSOLIDATED
	Motor vehicles				Industrial Equipment			Others	Motor vehicles		Industrial Equipment				
	Industry	Trade	Services	Rental	Machines	Services	Rental		Industry	Trade	Machines	Services	Rental		
REVENUE															
Turnover	4,736,868	565,909,594	20,405,894	6,642,430	9,642,464	4,954,666	11,837,584	-	62,552,375	23,916,183	2,068	61,648	5,736	(230,441,133)	480,226,377
RESULTS															
Operational results	(909,504)	23,249,069	1,473,376	3,347,685	1,831,438	1,739,600	2,011,239	-	(24,603)	263,690	298	20,777	2,861	(245,153)	32,760,773
Financial results	(15,375)	(1,852,846)	(37,155)	(501,725)	(66,406)	(19,519)	(39,197)	-	(272,346)	(13,167)	(4)	(257)	(20)	-	(2,818,017)
Income tax for the year								(6,772,416)							(6,772,416)
Net results with non-controlling interests	(924,878)	16,238,424	733,641	2,987,545	1,367,792	1,167,608	1,798,654	(8,350,777)	(296,950)	155,012	294	20,520	2,841	(80,163)	14,819,563
OTHER INFORMATION															
Depreciation and amortization	617,940	2,681,752	2,414,525	3,795,824	111,152	60,409	5,742,196	-	-	168,212	-	-	-	(498,248)	15,093,762

The information presented above corresponds to that presented to the Board of Directors for the purpose of approving the Group's accounts and also used in the decision-making process. The sub-segment relating to the industrial activity of vehicle assembly is included in the "Motor Vehicles- Industry" segment. In addition, the activity of training and development of human resources, as well as the activity of real estate management (investment properties), since they represent a secondary activity and without great relevance, are included in the various segments. The Board of Directors understands that the presentation of these activities in autonomous segments is not relevant in terms of the Group's financial reporting.

The "Eliminations" column essentially includes the cancellation of transactions between 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 details of sales and services rendered by geographic markets, in the years ended December 31, 2023 and 2022, were as follows:

Activity	2023		2022	
	Value	%	Value	%
Vehicles	397,346,291	77.67%	377,324,445	78.57%
Parts	64,979,302	12.70%	57,701,849	12.02%
Repairs	46,670,546	9.12%	42,903,032	8.93%
Others	2,574,493	0.50%	2,297,051	0.48%
	511,570,632	**100.00%**	**480,226,377**	**100.00%**

31. EXTERNAL SUPPLIES AND SERVICES

The detail of caption external supplies and services for the years ended December 31, 2023 and 2022 is as follows:

	2023	2022
Subcontracts	**3,117,597**	**2,901,459**
Specialized services	**26,894,519**	**26,578,005**
Specialized work	7,539,497	8,117,304
Advertising and publicity	12,653,644	12,656,902
Surveillance and security	650,911	572,244
Fees	1,547,928	1,426,794
Commissions	566,172	719,608
Maintenance and repair	3,936,367	3,085,153
Materials	**901,207**	**812,176**
Tools and dies	358,389	324,213
Books and technical documentation	261,173	276,924
Office supplies	241,819	170,651
Items for offer	39,826	40,388
Energy and fluids	**2,982,649**	**2,613,279**
Electricity	629,591	627,471
Fuels	1,844,358	1,612,159
Water	285,506	171,865
Others	223,194	201,784
Travel, travel and transport	**4,289,464**	**3,734,699**
Travel and stays	2,237,341	1,672,826
Personnel transport	90,063	112,310
Transport of merchandise	1,962,060	1,949,563
Miscellaneous services	**11,812,501**	**10,111,507**
Short term and low value leases	1,527,498	1,440,667
Communication	480,905	489,201
Insurance	1,386,447	1,430,422
Royalties	253,580	464,520
Litigation and notary	42,001	22,015
Cleanliness, hygiene and comfort	1,166,253	1,247,282
Other services	6,955,817	5,017,400
	49,997,937	**46,751,125**

32. PERSONNEL EXPENSES

Personnel expenses for the years ended December 31, 2023 and 2022 are as follows:

	2023	2022
Remuneration of social bodies in the parent company	670,599	514,185
Remuneration of the social bodies in the subsidiaries	314,125	314,125
Staff remuneration	32,739,968	31,309,062
Pensions	727,969	399,806
Indemnities	969,216	933,379
Remuneration social charges	8,416,204	7,878,099
Insurance for labor accidents and diseases	487,836	468,363
Other staff expenses	4,472,432	3,997,599
	48,798,349	**45,814,618**

During the years ended December 31, 2023 and 2022, the average number of staff employed by the Group was as follows:

Staff	2023	2022
Employees	1,122	1,086
Salaried workers	454	444
	1,576	**1,530**

33. OTHER OPERATING INCOME AND OTHER OPERATING EXPENSES

On December 31, 2022 and 2023, the caption "other operating income" is composed as follows:

Other operating income	2023	2022
Recovery of warranty charges and other operating expenses	9,526,805	8,440,601
Rents charged	4,173,526	3,913,476
Works for the entity	3,085,848	2,687,603
Operating subsidies	4,833,412	4,295,900
Recovery of advertising charges and sales promotion	431,838	415,567
Services provided	3,299,576	2,530,553
Recovery of expenses	2,017,897	1,757,606
Capital gains in the disposal of assets	168,716	756,624
Corrections for prior years	4,515	8,262
Intermediary commissions on car financing	138,391	133,692
Insurance claims indemnities	58,914	2,933
	27,739,438	**24,942,817**

Detailing the main values mentioned above, we have to mention that:

- the items "Recovery of warranty charges and other operating expenses" and "Recovery of advertising and sales promotion charges" essentially include figures relating to the recovery of charges (relating to the represented brands, from the supplier Toyota Japan Group) with repairs carried out under the warranty period in the amounts of 3,594 thousand Euros at December 31, 2023 (2,901 thousand Euros at December 31, 2022). This caption also includes the recovery of various charges incurred by the Group with marketing and commercial promotion activities associated with its operations from the supplier Toyota Japan Group, as well as the recovery of transport charges associated with sales processes.

- The caption "Rents charged" includes an amount relating to rents for investment properties of around 3 million Euros (2,9 million Euros in 2022). These rents are mainly derived from rental contracts for real estate assets with several related entities, with their details regarding the years ended on December 31, 2023 and 2022, as follows:

Entity	2023	2022
CaetanoBus - Fabricação de Carroçarias, S.A.	1,419,770	1,361,773
Toyota Logistic, Serviços Portugal, Unip,, Lda.	571,839	569,109
Caetano Aeronautic, S.A.	174,471	169,206
Other Related parties	163,859	187,057

- The caption “Services rendered” refers essentially to the charges of administrative fees to companies outside the Toyota Caetano perimeter, including several related entities. The details of the “Services rendered” with related parties for the years ended December 31, 2023 and 2022 are as follows:

Entity	2023	2022
CaetanoBus - Fabricação de Carroçarias, S.A.	976,823	676,511
Caetano Automotive Portugal, S.A.	652,529	473,840
Caetano Shared Services, S.A.	171,749	118,831
Caetano Aeronautic, S.A.	162,265	131,588
Guérin - Rent-a-Car (Dois), S.A.	76,794	81,042
Other Related parties	819,181	437,985
Others	440,235	610,757
Total	**3,299,576**	**2,530,553**

- the caption "Recovery of expenses" includes, among others, income related to social services (charge of canteen and training expenses to related companies);

- the caption "Capital gains on the sale of assets" includes, on December 31, 2022, the amount of, approximately, 318 thousand Euros, corresponding to the capital gain obtained by the Group with the disposal of the investment property located at Rua das Pereiras, in Vila Nova de Gaia;

- the caption "Operating subsidies" considers the amount of around 4,8 million Euros related to support from the IEFP – Instituto do Emprego e Formação Profissional in relation to the training actions provided by the Group in its various vocational training centres (4,3 million Euros on December 31, 2022), as well as employment support;

On December 31, 2023 and 2022, the caption "Other operating expenses" is composed as follows:

Other operating expenses	2023	2022
Taxes	1,371,891	1,303,038
Corrections for prior years	11,389	61,273
Fines and penalties	58,056	33,561
Losses in inventories	100,434	43,838
Contributions	28,005	35,844
Donations	93,956	56,564
Others	1,593,983	1,561,029
	3,257,714	**3,095,147**

The item "Others" mainly includes expenses with commercial incentives and subsidies granted to car dealers, In 2023, these incentives and bonuses started to be recorded as discounts and rebates on sales.

34. FINANCIAL EXPENSES AND INCOME

As of December 31, 2023 and 2022, consolidated financial results are composed as follows:

Expenses and losses	2023	2022
Interest supported	4,945,530	1,583,135
Interest on leases (IFRS 16)	111,996	109,015
Other financial expenses and losses	1,496,780	1,178,896
	6,554,306	**2,871,046**

Income and gains	2023	2022
Interest earned	740,929	53,169
	740,929	**53,169**

35. FINANCIAL ASSETS AND LIABILITIES

Below is a summary table of the Group's financial instruments as of December 31, 2023 and 2022:

Description	Note	Assets at amortized cost	Assets recorded at fair value through comprehensive income	Other non-financial assets	Total
On December 31, 2023					
Non-current assets					
Other investments	11	159,144	5,235,080	-	5,394,224
Customers	13	52,314	-	-	52,314
		211,458	**5,235,080**	**-**	**5,446,538**
Current assets					
Customers	13	86,171,610	-	-	86,171,610
Other debtors	14	1,166,336	-	2,711,466	3,877,802
Other current assets	15	2,340,621	-	4,763,234	7,103,855
Cash and cash equivalents	17	24,827,114	-	-	24,827,114
		114,505,681	**-**	**7,474,700**	**121,980,381**

Description	Note	Assets at amortized cost	Assets recorded at fair value through comprehensive income	Other non-financial assets	Total
On December 31, 2022					
Non-current assets					
Other investments	11	148,686	4,817,718	-	4,966,404
Customers	13	146,833	-	-	146,833
		295,519	**4,817,718**	**-**	**5,113,237**
Current assets					
Customers	13	67,701,452	-	-	67,701,452
Other debtors	14	1,172,057	-	1,105,222	2,277,279
Other current assets	15	2,356,348	-	618,965	2,975,313
Cash and cash equivalents	17	11,299,747	-	-	11,299,747
		82,529,604	**-**	**1,724,187**	**84,253,791**

Description	Note	Liabilities at amortized cost	Other non-financial liabilities	Total
On December 31, 2023				
Non current liabilities				
Loans obtained	20	32,431,252	-	32,431,252
Other creditors	22	2,417,931	-	2,417,931
		34,849,183	**-**	**34,849,183**
Current liabilities				
Loans obtained	20	80,796,382	-	80,796,382
Accounts payable	21	27,892,084	-	27,892,084
Other creditors	22	40,519,072	30,728,699	71,247,771
Other current liabilities	24	20,615,430	38,794,239	59,409,669
		169,822,968	**69,522,938**	**239,345,906**

Description	Note	Liabilities at amortized cost	Other non-financial liabilities	Total
On December 31, 2022				
Non current liabilities				
Loans obtained	20	14,663,934	-	14,663,934
Other creditors	22	805,640	-	805,640
		15,469,574	**-**	**15,469,574**
Current liabilities				
Loans obtained	20	39,520,309	-	39,520,309
Accounts payable	21	30,945,755	-	30,945,755
Other creditors	22	26,988,302	17,220,729	44,209,031
Other current liabilities	24	16,393,636	8,283,975	24,677,611
		113,848,002	**25,504,704**	**139,352,706**

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

a) Level 1- quoted prices- participation in the Cimóvel Fund, recorded under the caption "Other investments" (Note 11): 5,235,080 Euros (4,817,718 Euros on December 31, 2022);

b) Level 2- inputs other than the quoted prices included in level 1 that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices);

c) Level 3- inputs to the asset or liability that are not based on observable market data (unobservable inputs),

36. RELATED ENTITIES

The balances and transactions between the Parent company and its subsidiaries, which are related entities of the Parent company, have been eliminated in the consolidation process and will not be disclosed in this Note. The detail of the balances and transactions between the Toyota Caetano Group and related entities (including associate entities and joint ventures) can be summarized as follows on December 31, 2023 and 2022:

2023	Commercial debts		Other assets and liabilities Current		Products		Tangible fixed assets		Services		Others	
Related Companies	Receivable	Payable	Other current liabilities	Other current assets	Sales	Purchases	Acquisitions	Disposals	Rendered	Obtained	Expenses	Income
Participating companies	13,210,743	476,910	469,946	65,068	25,679,353	1,914,470	-	15,984	673,659	2,001,162	758	3,313,145
Shareholders	3,838,252	42,534,349	514,152	-	38,375,401	345,372,259	-	-	-	1,024,857	59,501	3,640,868
Other Related parties - Salvador Caetano Group	6,458,061	6,043,060	1,053,253	142,976	14,234,826	9,042,391	294,409	176,250	865,285	19,105,364	928,635	5,231,550
Other Related parties - Toyota Japan Group	2,326,737	15,580,389	8,027,866	4,017,646	60,251,227	87,753,586	-	-	2,652,480	398,578	1,072,347	2,358,826
	25,833,793	**64,634,708**	**10,065,217**	**4,225,690**	**138,540,807**	**444,082,706**	**294,409**	**192,234**	**4,191,424**	**22,529,961**	**2,061,241**	**14,544,389**

2022	Commercial debts		Other assets and liabilities Current		Products		Tangible fixed assets		Services		Others	
Related Companies	Receivable	Payable	Other current liabilities	Other current assets	Sales	Purchases	Acquisitions	Disposals	Rendered	Obtained	Expenses	Income
Participating companies	5,272,660	542,864	362,582	31,794	15,784,532	4,645,920	-	-	485,966	2,282,853	27,680	2,592,896
Shareholders	18,567,576	25,540,127	4,316,026	-	62,101,443	222,618,618	-	-	-	939,059	17,000	4,392,893
Other Related parties - Salvador Caetano Group	6,736,335	5,492,438	1,022,749	99,632	12,672,347	8,293,640	336,594	174,750	1,075,136	13,219,475	746,416	3,856,618
Other Related parties - Toyota Japan Group	213,598	10,564,255	(1,988)	8,294,150	55,830,258	96,700,186	3,500	-	2,118,520	462,873	1,798,273	2,133,748
	30,790,169	**42,139,684**	**5,699,369**	**8,425,576**	**146,388,580**	**332,258,364**	**340,094**	**174,750**	**3,679,622**	**16,904,260**	**2,589,369**	**12,976,155**

The related entities of the Parent company are as follows:

Related Company	
Shareholders	
Salvador Caetano Auto, (S,G,P,S,), S.A.	Portugal
Toyota Motor Europe, NV/SA	Belgium
Participated companies	
Kinto Portugal, S.A.	Portugal
Caetano UK, Ltd,	United Kingdom
CaetanoBus - Fabricação de Carroçarias, S.A.	Portugal
Cobus Industries, GMBH	Germany
Other related companies - Salvador Caetano Group	
23 Portugal, S.A.	Portugal
Amorim Brito & Sardinha, Lda.	Portugal
Auto Partner Imobiliária, S.A.	Portugal
Cabo Verde Rent-a-Car, Lda.	Cape Verde
Caetano Aeronautic, S.A.	Portugal
Caetano Automotive Portugal, S.A.	Portugal
Caetano City, S.A.	Portugal
Caetano Drive, Sport e Urban, S.A.	Portugal
Caetano Energy, S.A.	Portugal
Caetano Fórmula, S.A.	Portugal
Caetano Fórmula Cádiz , S.L.U.	Spain
Caetano Fórmula Galicia , S.L.U.	Spain
Caetano Fórmula West África, S.A.	Portugal
Caetano Move África, S.A.	Portugal
Caetano One CV, Lda.	Cape Verde
Caetano Parts, Lda	Portugal
Caetano Power, S.A.	Portugal
Caetano Automotive España, S.A.U.	Spain
Caetano Shared Services, S.A.	Portugal
Caetano SQuadra África, S.A.	Portugal
Caetano Star, S.A.	Portugal
Caetano TEC, S.A.	Portugal
Caetano Technik, Lda.	Portugal
Caetsu Publicidade, S.A.	Portugal
Carplus - Comércio de Automóveis, S.A.	Portugal
Choice Car, S.A.	Portugal
COCIGA - Construções Civis de Gaia, S.A.	Portugal
COVIM - Soc, Agrícola, Silvícola e Imobiliária, S.A.	Portugal
Fundação Salvador Caetano	Portugal
Grupo Salvador Caetano, (S,G,P,S,), S.A.	Portugal
Gocharge, S.A.	Portugal

Related Company	
Other related companies - Salvador Caetano Group	
Guérin - Rent-a-Car (Dois), Lda.	Portugal
Hyundai Portugal, S.A.	Portugal
Lidera Soluciones, S.L.	Spain
Lusilectra - Veículos e Equipamentos, S.A.	Portugal
MDS Auto - Mediação de Seguros, S.A.	Portugal
NIW - IT Services and Consulting, S.A.	Portugal
P,O,A,L, - Pavimentações e Obras Acessórias, S.A.	Portugal
Portianga - Comércio Internacional e Participações, S.A.	Portugal
RARCON - Arquitectura e Consultadoria, S.A.	Portugal
Robert Hudson, LTD,	Angola
Salvador Caetano Auto África, (S,G,P,S,), S.A.	Portugal
Salvador Caetano Capital, (S,G,P,S,), S.A.	Portugal
SIMOGA - Sociedade Imobiliária de Gaia, S.A.	Portugal
Sózó Portugal, S.A.	Portugal
Turispaiva - Sociedade Turística Paivense, S.A.	Portugal
VAS África (S,G,P,S,), S.A.	Portugal
Other - Toyota Japan Group	
Toyota Motor Corporation	Japan
Toyota Kreditbank, GMBH - Sucursal em Portugal	Portugal
Toyota Logistics Serviços Portugal, Unipessoal, Lda.	Portugal
Toyota Material Handling Spain S.A.	Spain
Toyota Material Handling Europe	Belgium
Toyota Material Handling Europe Brussels	Belgium
Toyota Material Handling Europe Logistics AB (Geleegweg)	Belgium
Toyota Material Handling Europe Logistics AB (Mjölby)	Sweden
Toyota Material Handling Finland OY	Finland
Toyota Material Handling France	France
Toyota Material Handling Manufact, France, SAS	France
Toyota Material Handling Manufact, Italy, Spa	Italy
Toyota Material Handling Manufact, Sweden	Sweden
Toyota Material Handling Netherlands	Netherlands
Toyota Tsusho Asia Pacific PTE Ltd,	Singapore
Toyota Tsusho Corporation	Japan
Toyota Tsusho Europe S.A. Czech	Czech Republic
Toyota Tsusho Systems Europe GmbH	Belgium

Regarding the disclosure of the remuneration of the key personnel of the Group's management, and in addition to what is mentioned in Note 32, it should be noted that the companies of the Toyota Caetano Portugal Group (with the exception of Caetano Auto Cabo Verde, as it is a company incorporated under Cape Verdean law) provide all their employees (including members of the Governing Bodies who are part of their staff and who receive remuneration) access to the Salvador Caetano Pension Fund in the conditions established in its Articles of Incorporation, and which are the same for all, provided that the specific access conditions to each of the existing plans are met (Defined Contribution or Defined Benefit, Note 25).

In addition, all employees of the aforementioned companies (and their family members) also have access to reimbursement of their health and education expenses, and 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 December 31, 2023, there are no relevant outstanding current balances with key management personnel of the Toyota Caetano Portugal Group (including Governing Bodies).

38. CONTINGENT ASSETS AND LIABILITIES

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

On December 31, 2023 and 2022, the Toyota Caetano Group had the following financial commitments:

Responsibilities	2023	2022
Bails provided	4,000,000	6,000,000
Other financial guarantees	670,702	835,592
	4,670,702	**6,835,592**

The amount presented on December 31, 2023 relating to "Bails provided" of 4 million Euros (6 million Euros on December 31, 2022), refers to guarantees provided to the A.T.A. (*Autoridade Tributária e Aduaneira*) which are intended to guarantee the subsequent payment of the amounts resulting from duties and levies, as well as the vehicle tax on dispatches and registration requests made.

Following financing contracts in the amount of approximately 22.3 million Euros, the Toyota Caetano Group granted to the respective financial institutions, real guarantees related to mortgages on real estate assets in the amount of 13 million Euros.

Other Information: 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.

According to these regulations, the Producers/Distributors will have to bear at least a significant part of the cost of taking back the vehicles placed in the market from July 1, 2002 as well as, for those marketed before this date, when presented from January 1, 2007.

This legislation will have an impact on Toyota vehicles sold in Portugal. Toyota Caetano and its represented Toyota, are closely monitoring the development of the Portuguese National Legislation in order to, in due course, be able to 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 in view of the possible recovery of the waste resulting from the dismantling of the vehicles concerned, that the actual impact of this legislation on the Group's accounts will be small, if not nil.

In the meantime, and in order to comply with the legislation introduced in the national regulations (Decree/Law 196/2003), the Group concluded the contract with "ValorCar – Sociedade de Gestão de Veículos em Fim de Vida, Lda." – a company licensed as the managing entity of the integrated ELV management system – the transfer of the responsibilities inherent to this entire process.

39. REMUNERATION OF THE MEMBERS OF THE GOVERNING BODIES

The remuneration paid to the governing bodies of the Parent company in the several Group subsidiaries on December 31, 2023 and 2022 were as follows:

Social bodies	2023	2022
Board of Directors		
Remuneration in the parent company	670,599	514,185
Remuneration in subsidiaries	316,371	314,125
Fiscal Council	5,040	5,040

40. STATUTORY AUDITOR'S REMUNERATION

The fees paid to the Group's Statutory Auditors on December 31, 2023 and 2022 were as follows:

	2023	2022
Total fees for statutory audits	114,420	102,300
Total fees for other assurance services	24,050	-
	138,470	**102,300**

41. SUBSEQUENT EVENTS

On March 10, elections for the General Republic Assembly (*"Assembleia Geral da República"*) took place in Portugal, the results of which allow us to conclude that no political force or pre-electoral coalition reached a result in mandates that would allow them, unilaterally, to form a majority government solution. The possible geometry of coalitions and parliamentary support and the question about the level of support in the Assembly for a new Government places uncertainty on the immediate time horizon, namely about the sustainability of any governmental solution that may not be able to approve budgets and/or central diplomas in its program, in the eventuality of which the country could go to elections again. The political situation is markedly relevant to the country's economic performance, namely due to the necessary clarification of central issues in the country's economic life that were widely debated in the electoral context, namely the State's budgetary sustainability, fiscal policy, particularly IRS and IRC rates, implementation of the PRR (*"Programa de Recuperação e Resiliência"*) and major public works, regulation of various economic sectors.

42. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements were approved by the Board of Directors on April 23, 2024.

The Chartered Accountant: Alexandra Maria Pacheco Gama Junqueira

The Board of Directors: José Reis Da Silva Ramos- Chairman; Maria Angelina Martins Caetano Ramos; Miguel Pedro Caetano Ramos; Gisela Maria Falcão Sousa Pires Passos; Tom Fux; Kazunori Takagi.

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE REPORT

ON THE FINANCIAL YEAR 2023

CONTENT

This report describes, in detail, the corporate governance strategy, structure and practices adopted by Toyota Caetano Portugal, S.A. and its subsidiaries during 2023.

INDEX

PART I

A. OUR STRATEGY

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

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

The strategy of the Toyota Caetano Group can be consulted in the Management Report – The companies of the Toyota Caetano Group: Presentation, Strategy and Performance.

B. SOCIAL AND ENVIRONMENTAL OBJECTIVES

On the other hand, the Company takes its social and environmental commitments very seriously, which culminated in the preparation of a sustainability report, which can be consulted at the following link: https://toyotacaetano.pt/en/sustainability-and-environment/by clicking on "Learn more here about the Toyota 2050 Environmental Challenge."

PART II – INFORMATION ON SHAREHOLDER STRUCTURE, ORGANIZATION AND CORPORATE GOVERNANCE

A. SHARE CAPITAL STRUCTURE

I. CAPITAL STRUCTURE

1. Capital Structure (Share Capital, Number of Shares, Distribution of Capital to Shareholders, etc,), Including Listing of Shares Not Admitted to Trading, Different Categories of Shares, Rights and Duties Inherent to Them and Percentage of Capital That Each Category Represents (art, 245,º-A, no,1 (a) of the Securities Code - CVM).

As of December 31, 2023, the Company's share capital is €35,000,000, consisting of 35,000,000 registered shares, fully subscribed and paid-up, with a nominal value of €1 each, all of which are admitted to trading on Euronext Lisbon.

All shares are ordinary and there are no different categories of shares.

There are no shareholders holding special rights.

2. Restrictions on the transferability of shares, such as consent clauses for the sale, or limitations on the ownership of shares (Article 245-A, no,1 (b) CVM).

There are no restrictions on the transferability of shares or limitations on the ownership of shares.

3. Number of own shares, percentage of corresponding share capital and percentage of voting rights to which own shares would correspond (Article 245-A, no, 1 (a) CVM).

There are no own shares as of 31,12,2023.

4. Significant agreements to which the Company is a party and which enter into force, are amended or terminate in the event of a change of control of the Company following a takeover bid, as well as the effects thereof, unless by their nature the disclosure of such agreements would be seriously

detrimental to the Company, unless the Company is specifically required to disclose such information by virtue of other legal imperatives (Art, 245-A, no, 1 (j) CVM).

The Company is not a party to significant agreements that come into force, are amended or terminate in the event of a change of control. Existing agreements are not such as to prejudice the economic interest in the transfer of shares and the free appreciation by shareholders of the performance of the directors.

Without forgetting, according to market practice, some financing contracts include clauses limiting the company's control, with the possibility for financial entities to request early repayment. These contracts do not, however, have an adverse effect on the transfer of shares in the company, nor on the free assessment of the performance of the directors by the shareholders.

The company has not adopted any measure that could involve payments or the assumption of charges by the company in the event of a change of control or a change in the composition of the Board of Directors that appear likely to impair the transferability of the shares and the assessment of the performance of the members of the Board of Directors by the shareholders.

5. Regime subject to the renewal or revocation of defensive measures, in particular those that provide for the limitation of the number of votes that may be held or exercised by a single shareholder individually or in coordination with other shareholders.

The Company does not provide for or adopt any defensive measures that provide for the limitation of the number of votes that may be held or exercised by a single shareholder individually or in coordination with other shareholders.

6. Shareholders' agreements that are known to the company and may lead to restrictions on the transfer of securities or voting rights (article 245-A, no, 1 (g) CVM).

To the best of the Company's knowledge, there are no shareholders' agreements between shareholders of Toyota Caetano Portugal, namely those that may lead to restrictions on the transfer of securities or voting rights.

II. SHAREHOLDINGS AND BONDS HELD

7. Identification of individuals or legal persons who, directly or indirectly, hold qualifying holdings (Article 245-A, no,1 (a), (c) and (d) CVM and article 16 CVM), with a detailed indication of the percentage of capital and votes attributable and the source and causes of attribution.

The holders of qualifying holdings in the share capital of Toyota Caetano Portugal, S.A., calculated pursuant to number 1 of article 20 of the CVM, based on all the shares in accordance with point b) of number 3 of article 16º C, as of December 31, 2023 were as follows:

SHAREHOLDER	NO, OF SHARES	% SHARE CAPITAL WITH VOTING RIGHTS
Salvador Caetano Auto (S,G,P,S), S.A.	24,429,144	69.797%
Toyota Motor Europe NV/SA	9,450,000	27.000%

8. Indication of the number of shares and bonds held by members of the management and supervisory bodies (in accordance with number 5 of Article 447 of the CSC).

The members of the Board of Directors and the Fiscal Board do not hold, in their personal capacity, shares or bonds of the Company.

The members of the Board of Directors and the Fiscal Board did not carry out, in their personal capacity, during the financial year 2023, any acquisitions, encumbrances or terminations of ownership that have as their object shares or bonds of the Company.

9. Special powers of the management body, namely with regard to capital increase resolutions (article 245-a(1)(I) CVM), indicating, as regards these, the date on which they were granted, the period up to which that power may be exercised, the maximum quantitative limit for the increase in share capital, the amount already issued under the attribution of powers and the manner in which the powers assigned are to be implemented.

Increases in the Company's share capital require resolution by the General Meeting. All the duties of the Board of Directors are set out in it’s Articles of Association, which can be consulted on the Company´s website, in the "Articles of Association" tab, or derive from the law.

10. Information on the existence of significant commercial links between the holders of qualifying holdings and the company.

During the financial year 2023, 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 take place in the normal course of the activities of the Toyota Caetano Portugal Group, and have not been carried out outside normal market conditions.

B. GOVERNING BODIES AND COMMITTEES

I. GENERAL MEETING

The General Meeting is composed of all shareholders with voting rights.

The Company makes available to the members of the Board of the General Meeting the human and logistical resources and support appropriate to their needs, through the legal department that supports the Company. It is also this legal department that actively collaborates in the preparation of the General Meetings, ensuring the publication of the respective notices, receipt and control of all communications from shareholders and financial intermediaries, working closely and also ensuring all the logistics of the General Meetings.

a) Composition of the Board of the General Meeting

11. Identification and position of the members of the board of the general meeting and their term of office (beginning and end).

The Board of the General Meeting is composed of 2 members, as follows:

- Jorge Manuel Coutinho Franco da Quinta – President
- António José da Cruz Espinheira Rio – Secretary

The current board of the General Meeting was elected on May 30, 2023 for a term of 4 years.

b) Exercise of the voting rights

12. Possible restrictions on voting rights, such as limitations on the exercise of voting dependent on the ownership of a number or percentage of shares, deadlines imposed for the exercise of voting rights or systems that highlight voting rights (Article 245-A no,1 (f) CVM.

Under the terms of the Company's Articles of Association, Article 4(6), each group of one hundred shares has one vote. Shareholders who do not have the minimum number of one hundred shares may group together in order to complete it, in which case they must be represented by only one of them, whose identification must be included in a letter addressed to the Chairman of the General Meeting.

Attendance at the General Meeting is not conditional on the holding of a number of shares.

In-person voting:

Shareholders who wish to be present at the General Meeting must comply with the requirements set forth in each of the notices and in article 23º-C of the CVM.

Thus, in 2023, shareholders who met the following conditions were able to participate and vote at the General Meeting:

- who, on the date of registration, held shares conferring at least one vote;
- who has declared this intention, in writing, to the President of the General Meeting and to the financial intermediary where the individual registration account was open, at the latest, until 11:59 p.m. (GMT) of the day prior to the date of registration, and may, for this purpose, use the e-mail and declaration forms that are available at the Company's registered office and on the Company's website, and for declarations to the President of the General Meeting, the following e-mail address may be used assembleiageral@toyotacaetano.pt.
- if, until 11:59 p.m. (GMT) on the day of registration, the financial intermediary that is informed of the intention of its clients to participate in the General Shareholders' Meeting, has sent such information to the President of the General Meeting, and may, for this purpose, use the e-mail address assembleiageral@toyotacaetano.pt.

In the event of joint ownership of shares, only the common representative or a representative may participate in the General Meeting.

Postal voting:

The Company's Shareholders may exercise their right to vote by correspondence under the following terms:

- Postal votes must be addressed to the Company's head office and received there, by registered letter, with acknowledgment of receipt, addressed to the President of the General Meeting, at least five working days in advance of the date of the Meeting, which letter shall include a statement issued by a financial intermediary proving the ownership of the shares and, also, a closed envelope containing the explanation of vote;

- The declaration of vote must be signed by the legitimate holder of the shares or by their legal representative, and the shareholder, if he is an individual person, must accompany the declaration with a certified copy of his identity card, and if he is a collective person, the signature must be recognized in the capacity and with powers for the act;

- Postal votes shall be considered at the time intended for voting at the General Meeting, and shall be added to those exercised therein;

- Only explanations of vote will be considered valid if they expressly and unequivocally state:

  - the indication of the General Meeting and the item or items on the respective agenda to which it relates;

  - the specific proposal to which it is intended, with an indication of the proponent or proponents of the proposal, but a shareholder who submits an explanation of vote in respect of a given proposal is allowed to declare that he or she votes against all other proposals on the same agenda item, without further specification;

  - the precise and unconditional indication of the voting direction for each proposal, as well as whether it is maintained if the proposal is changed by its proponent, and the shareholder may condition the voting direction for a certain proposal to the approval or rejection of another, within the scope of the same item on the agenda.

- It is understood that shareholders who send explanations of vote by mail will vote against all proposals for resolutions submitted after the issuance of the vote.

Toyota Caetano Portugal, S.A. makes available on the Company's website (https://toyotacaetano.pt/en/investors/general-meeting/) a model for the exercise of the right to vote by post.

As per the description, explanations of vote must be received by the Company no later than five days before the General Meeting.

Telematic voting

Pursuant to Article 337º no, 6 (b) of the CSC), unless otherwise provided for in the Company's Articles of Association, the General Meeting may be held by telematic means, Consequently, since such means are not prohibited by the Articles of Association, telematic meetings are possible.

This possibility of participation and voting in the General Meetings, which is recognized by the Company as a way to enhance the exercise of its rights by shareholders, is disclosed on the institutional website, in each of the respective notices.

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 General Meeting, may participate and vote at the General Shareholders' Meeting by telematic means.

In this case, you will be sent a link, by email, to join the meeting through the *Teams/Zoom* platform or equivalent.

13. Indication of the maximum percentage of voting rights that may be exercised by a sole shareholder or by shareholders who are in any of the relationships referred to in number 1 of Article 20, CVM.

The Company's Articles of Association do not include statutory rules that provide for the existence of shares that do not confer voting rights or that establish that voting rights above a certain number are not counted when issued by a sole shareholder or by shareholders related to him.

14. Identification of shareholder resolutions that, by requirement of the articles of association, can only be taken with a qualified majority, in addition to those required by law, and indication of said majorities.

The following resolutions of the Shareholders' Meeting shall only be valid when voted by shareholders holding shares representing at least seventy-five percent of the share capital:

a) Amendment of the Company's contract;

b) Incorporation of reserve funds into the share capital, namely and specifically revaluation reserves;

c) Transfer, lease or transfer of operation of all or a significant part of the company's activity, and succession or acceptance of the activity of a third entity;

d) Reduction or increase of capital;

e) Profit sharing and fixing of the percentage of dividends, as well as the possible distribution of free reserve funds;

f) Issuance of bonds;

g) Election or dismissal of all or some of the members of the governing bodies;

h) Election or dismissal of the members of the Remuneration Committee;

i) Merger, scission or dissolution of the Company, as well as the appointment of liquidators;

j) Acquisition, disposal, transfer, lease and assignment of fixed assets with a transaction value of more than two million five hundred thousand euros.

If, in order to resolve on the matters referred to in the preceding paragraph, in the first call, the majority required therein is not present, the General Meeting, to resolve on the same matters, shall operate fifteen days later, on second call, and requiring that the respective decision be voted by a majority of seventy-five percent of the votes of the shareholders present or represented.

II. MANAGEMENT AND SUPERVISION

a) Composition

15. Identification of the governance model adopted.

The Company adopts the governance model that advocates the separation between the management and supervisory bodies, as well as a dual audit, composed of a Fiscal Board and a Statutory Auditor. From the assessment carried out by the Board of Directors, it is concluded that the adoption of this model allows for the existence of a supervisory body with effective and strengthened supervisory powers.

16. Statutory rules on procedural and substantive requirements applicable to the appointment and replacement of members of the board of directors (Article 245-A no,1 (h) CVM), Diversity Policy.

The members of the Board of Directors are elected by the General Meeting, for a period of four years, renewable, and the Board of Directors is responsible for carrying out all management acts in the implementation of operations inherent to its corporate purpose, with the purpose of the Company, shareholders and employees. The General Meeting may also elect two substitute 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, which are considered appropriate to verify the suitability of the profile, knowledge and experience for the function to be performed.

In accordance with Article 17º of the Articles of Association of Toyota Caetano Portugal, S.A., the appointment and replacement of the members of the Board of Directors follow the following rules:

- By the call of substitutes made by the President of the Board of Directors, observing the order in which they appear on the list submitted to the General Meeting;

- If there are no substitutes, by co-optation, to be made within sixty days from the definitive absence, unless there are not enough Directors in office for the Board of Directors to function;

- If there is no co-optation, the substitute will be appointed by the Fiscal Board;

- By election of a new Director.

The Nominations, Evaluations and Remuneration Committee plays an active role in the appointment of the members of the Board of Directors, in accordance with its Internal Regulation. All appointments are preceded by an evaluation carried out by the human resources department, namely in terms of curriculum and *Ser Caetano* values, subsequently verified by the Nominations, Evaluations and Remuneration Committee, which will give its final opinion on such appointment.

Diversity Policy:

Shareholders maintained the safeguarding of 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 Article 245º-A CVM (1)(r) as amended by Decree-Law No. 89/2017, of July 28.

In the current composition of the Board of Directors, the principles of diversity of gender, age, professional qualifications and professional background are considered safeguarded, in a structure that is considered appropriate to the company's business model and its strategic lines.

17. Composition, as applicable, of the Board of Directors, the Executive Board of Directors and the General and Supervisory Board, indicating the minimum and maximum number of statutory members, statutory duration of the term of office, number of effective members, date of first appointment and date of expiry of each member's term of office.

Board of Directors elected in 2023, for a period of four years, ending its term of office in 2026, composed, in accordance with the Company's Articles of Association, of six effective members and one substitute member, elected by the General Meeting.

Composition as of 31.12.2023:

HOLDER	FUNCTION		INDEPENDENT	DATE FIRST ASSIGNMENT
José Reis da Silva Ramos	President	Executive	No	29/01/2010
Maria Angelina Martins Caetano Ramos	Member	Executive	No	30/03/1989
Miguel Pedro Caetano Ramos	Member	Executive	No	23/04/2010
Gisela Maria Falcão Sousa Pires Passos	Member	Executive	No	01/07/2020
Tom Fux	Member	Non-executive	No	01/07/2021
Kazunori Takagi	Member	Non-Executive	No	23/02/2022
Florian Patrice Gregory Aragon	Substitute Member	Non-Executive	No	30/05/2023

18. Distinction of executive and non-executive members of the board of directors and, for non-executive members, identification of members who may be considered 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, with executive directors being those who are in charge of the day-to-day management of the Company and non-executive directors those who are not.

All non-executive directors have a general duty to monitor, supervise, support the strategy and decision-making of the Board of Directors.

In the table above, includeed in this point 17, the executive and non-executive directors are listed, as well as an assessment of their independence.

Currently, the Board of Directors comprises four executive directors and two non-executive directors, as well as one substitute member, also non-executive. The Company considers that taking into account its size, organizational structure, family-owned nature, history, level of exposure to risks and activity in general, the ratio between the number of executive directors and the number of non-executive directors is balanced and adequate.

The non-executive members of the Board of Directors of Toyota Caetano Portugal, S.A. cannot be considered independent because their appointment also corresponds to proposals from the two largest shareholders of Toyota Caetano Portugal, S.A..

The assessment of the independence of the members of the Board of Directors carried out by the management body is based on article 414º, number 5 of the Commercial Companies Code and recommendation III.4 of the IPCG Corporate Governance Code, of 2018, revised in 2020.

In view of the fact that there are only two non-executive directors, the appointment of a coordinator is not considered appropriate as both have direct and immediate access to all other members and relevant information.

19. Professional qualifications and other relevant curricula of each of the members of the board of directors.

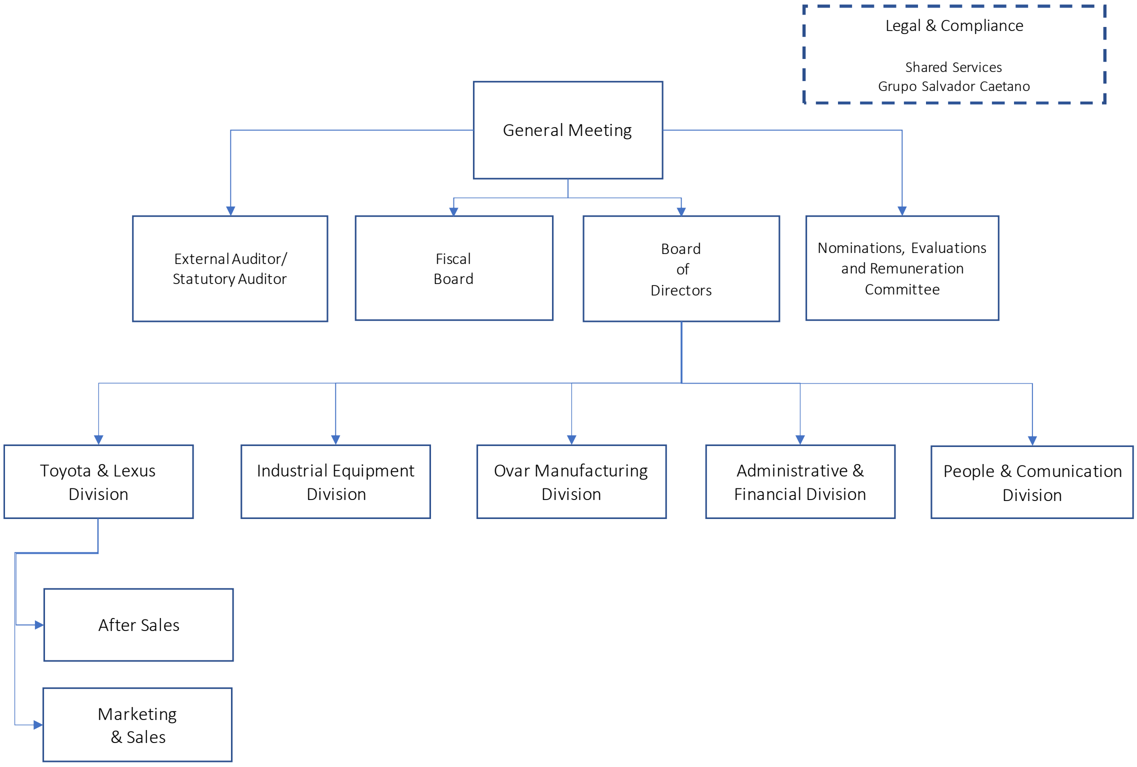
The professional qualifications of the members of the Board of Directors are disclosed in an Annex (Annex I).

The specific profile appropriate to the performance of the respective functions is detailed in the Internal Regulation of the Board of Directors. In addition to the curriculum vitae of each of the effective members of the Board of Directors – demonstrating their qualifications, skills and professional background that are considered appropriate to the activity carried out by the Company, the Company seeks to assess, through its human resources department, which supports the Nominations, Evaluations and Remuneration Committee – the committee responsible for evaluating applications for members of the governing bodies – whether the candidate's profile is suitable for the functions to be performed, namely in terms of experience and in terms of compliance with the *Ser Caetano* values. After an evaluation of the Human Resources, the Nominations, Evaluations and Remuneration Committee carries out its final evaluation.

20. Family, professional or commercial relationships of the members of the board of directors with shareholders to whom a qualifying holding of more 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 business relationships of the members of the Board of Directors with shareholders to whom a qualifying holding of more than 2% of the voting rights is attributable.

21. Organizational chart relating to the division of responsibilities between the various corporate bodies, committees and/or departments of the company, including information on delegation of powers, in particular with regard to the delegation of the day-to-day management of the company.



Board of Directors

The Board of Directors is responsible for exercising 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 Company's purpose and, in particular:

a) Without the need for shareholders' deliberation, create branches, agencies, delegations or other local forms of representation, whether in Portugal or abroad;

b) To set up or acquire, maintain, transfer or close establishments, factories, laboratories, workshops, deposits or warehouses;

c) To acquire, dispose of and obligate in any way its own shares and obligations, as resolved at the Shareholders' Meeting;

d) Acquire real estate and, with the prior opinion of the Fiscal Board, dispose of it;

e) Negotiate with any credit institutions, namely banks, any and all operations it deems necessary, namely contracting loans, Commercial Paper Issuance Programs, under the terms, conditions and form it deems appropriate;

f) Operate bank accounts, deposit and withdraw money, issue, withdraw, accept and endorse bills, promissory notes, checks, invoice statements and any other credit instruments;

g) Confess, give up, or compromise in any actions;

h) To appoint the Company's representatives;

i) Perform the other functions provided for in the Articles of Association.

It also has the following powers, under the terms of its internal regulations:

- Define the Company's risk policies and strategic lines;
- Protect and enhance the Company's assets;
- Implement and ensure compliance with the strategic lines of the Company and the companies it controls;
- To 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 the companies it controls.

The executive members of the Board of Directors shall make available to all the Governing Bodies, namely the Fiscal Board and the Board of the General Meeting, information requested by them, namely notices and minutes of the Board meetings, in a timely manner and in a manner appropriate to the respondent.

The Board of Directors regulates its operation by the Internal Regulation, which can be consulted at https://toyotacaetano.pt/en/investors/corporate-governance/.

The Board of Directors meets regularly, in accordance with it's Articles of Association and regulations, and minutes of all meetings are drawn up, which are recorded in its own book.

The Board of Directors annually evaluates its own performance as well as that of its commissions, taking into account compliance with the strategic plan, budget and risk management, and also evaluates its functioning.

In 2023, this assessment was carried out at the meeting held on 12.04.2023, for 2022.

There are no agreements that may determine payments or the assumption of charges by the Company in the event of a transition of control or a change in the composition of the management body.

Fiscal Board

Currently, the Fiscal Council has three sitting members and two substitutes. The Company considers that taking into account its size, organizational structure, family-owned nature, history, level of exposure to risks and activity in general, the number of members is balanced and adequate, allowing it to efficiently carry out the functions assigned to it.

The Fiscal Board is responsible for, among other functions, supervising the Management, verifying the regularity of the Company's accounts, accounting records and supporting documents and verifying compliance with the law and the Company's contract.

As part of its supervisory function, the Fiscal Board has access to all reports prepared by management, which include, among others, matters related to the presentation of accounts.

It is also its responsibility to represent the Company before and supervise the activity and independence of the External Auditor, interacting with him directly in accordance with its competences and operating rules.

The Fiscal Board is also responsible to assess and pronounce in advance on the strategic lines and risk policy approved by the Board of Directors, as well as to assess whether the risks assumed by the Company are appropriate to its size and activity, according to the meetings held on 02.28.2022 and 04.12.2023. The Fiscal Board has an Internal Regulation that describes all its responsibilities. The Internal Regulation of the Fiscal Board Is also available on the Company's website in the tab mentioned at point 61 (relevant addresses).

The members of the Fiscal Board shall make available to all the Governing Bodies, namely the Board of Directors and the Board of the General Meeting, information requested by them, namely notices and minutes of their meetings, in a timely manner and in a manner appropriate to the respondent.

The Fiscal Board meets regularly, in accordance with its rules and regulations, and minutes of all meetings are drawn up, which are recorded in its own book.

Executive Committee and Chief Executive Officers

The Company does not have an executive committee or managing directors.

The only existing committee is the Nominations, Remuneration and Evaluations Committee.

The governing bodies and the existing committee shall ensure, in a timely and appropriate manner, the flow of information necessary for the exercise of the functions of each body and commission, namely in terms of the respective minutes and notices.

Operational Directions

The Company assigns responsibilities to a set of operational managers 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 analyse and monitor the activity carried out and comply with the established annual budget.

The Company is organized by areas of activity, each of which is managed by an operational manager, which reports to the Company's Board of Directors:

- Toyota and Lexus Division (commercial segment) - It is the business unit of Toyota Caetano Portugal appointed by Toyota Motor Europe, which holds the exclusive Import activity of the Toyota and Lexus brands, both in the commercialization and sale of new and 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. Also included in this segment is the activity of the Toyota and Lexus Hub, where all vehicles are prepared for delivery. For the sale of the products mentioned above, Toyota Caetano Portugal has a network of Authorized Toyota Dealers and Repairers, appointed by it, managed and permanently monitored, always with a spirit of exceeding the expectations of Customers.

- Industrial Equipment Division – Area responsible for the import, marketing (sale or rental) and after-sales activity of industrial equipment (counterbalanced forklifts and warehouse equipment), as well as presentation of other services and business solutions.

- Ovar Manufacturing Division (industrial segment) - Manufacture and assembly of Toyota vehicles and components for buses.

b) Operation

22. Existence and location where the regulations of the Board of Directors may be consulted.

The Internal Regulation of the Board of Directors Is available in 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 of the board of directors.

The Board of Directors meets regularly, and its resolutions are valid only when the majority of its members are present.

During 2023, the Board of Directors met nine times, with the preparation of the minutes corresponding to each meeting, which are recorded in the Board of Directors' minute book.

All its members were present or represented at all meetings.

Thus, the degree of attendance during 2023 was as follows:

José Reis da Silva Ramos	9/9
Maria Angelina Martins Caetano Ramos	8/9 (1 time represented)
Miguel Pedro Caetano Ramos	9/9
Gisela Maria Falcão Sousa Pires Passos	9/9
Tom Fux	6/9 (3 times represented)
Kazunori Takagi	7/9 (2 times represented)

24. Indication of the company's bodies competent to carry out the performance evaluation of executive directors,

The evaluation of the performance of the Executive Directors is attributed to the Nominations, Evaluations and Remuneration Committee.

It is up to the Nominations, Evaluations and Remuneration Committee, 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.

On the other hand, non-executive directors, as part of their supervisory function, monitor the performance of executive directors.

In addition, the Board of Directors annually evaluates its performance (including that of the executive directors) and its committees.

In 2023, this assessment was carried out at the meeting held on 12/04/2023, in reference to the year 2022.

25. Pre-determined criteria for the performance evaluation of executive directors

As stipulated in the Remuneration Policy in force, there are predetermined criteria for the evaluation of Executive Directors, which result from this policy, The remuneration policy is available on the Company's website in https://toyotacaetano.pt/en/remuneration/.

26. Availability of each of the members of the board of directors 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 those bodies during the exercise.

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.

Each of the members of the Board of Directors also perform management functions in the following companies (as of 31,12,2023):

José Reis da Silva Ramos	NiW - It Services and Consulting, S.A.	President of the Board
	Caetano Shared Services, S.A.	President of the Board
	Caetanobus – Fabricação, de Carroçarias, S.A.	President of the Board
	Lusilectra – Veículos, e Equipamentos, S.A.	President of the Board
	Salvador Caetano Auto África, SGPS, S.A.	President of the Board
	Salvador Caetano - Indústria (SGPS), S.A.	President of the Board
	Fundação Salvador Caetano	President of the Board
	Grupo Salvador Caetano, SGPS, S.A.	Member of the Board of Directors
	Salvador Caetano Auto, SGPS, S.A.	Member of the Board of Directors
	Caetano Renting, S.A.	Member of the Board of Directors
	Atlântica – Comp, Portuguesa de Pesca, S.A.	Member of the Board of Directors
	Soc, Imobiliária Quinta da Fundega, Lda.	Manager
	Crustacil – Comércio de Marisco, Lda.	Manager

Maria Angelina Martins Caetano Ramos	Grupo Salvador Caetano, SGPS, S.A.	President of the Board
	Salvador Caetano Auto, SGPS, S.A.	President of the Board
	Caetano Renting, S.A.	President of the Board
	Atlântica – Comp, Portuguesa de Pesca, S.A.	President of the Board
	Poal - Pavimentações e Obras Acessosórios, S.A.	President of the Board
	Auto Partner - Imobiliária, S.A.	President of the Board
	Cociga – Construções Civis de Gaia, S.A.	President of the Board
	Covim - Soc, Agrícola, Silvícola e Imobiliária, S.A.	President of the Board
	Salvador Caetano Capital,SGPS, S.A.	President of the Board
	Caetano Automotive Portugal, S.A.	Member of the Board of Directors
	Crustacil – Comércio de Marisco, Lda.	Manager

Miguel Pedro Caetano Ramos	Caetano Fórmula East África, S.A.	President of the Board
	Caetano Mobility, SGPS, S.A.	President of the Board
	Drive Angola, S.A.	President of the Board
	Caetano Retail España, S.A.U.	President of the Board
	Lidera Soluciones, S.L.	President of the Board
	Gocharge, S.A.	President of the Board
	Caetano Auto CV, S.A.	President of the Board
	Grupo Salvador Caetano, SGPS, S.A.	Member of the Board of Directors
	Caetano Automotive Portugal, S.A.	Member of the Board of Directors
	Salvador Caetano Capital (SGPS), S.A.	Member of the Board of Directors
	Caetano Shared Services, S.A.	Member of the Board of Directors
	NiW - It Services and Consulting, S.A.	Member of the Board of Directors
	Caetano Aeronautic, S.A.	Member of the Board of Directors
	Salvador Caetano - Auto, SGPS, S.A.	Member of the Board of Directors
	Salvador Caetano Auto África, SGPS, S.A.	Member of the Board of Directors
	Salvador Caetano Indústra, SGPS, S.A.	Member of the Board of Directors
	Ibericar Barcelona Premium, S.L,	Member of the Board of Directors
	LATAM OPERACIONAL S.L.U.	Member of the Board of Directors
	Caetanobus - Fabricação de Carroçaria, S.A.	Member of the Board of Directors
	Kinto Portugal, S.A.	Member of the Board of Directors
	HEDIN CAETANO AB	Member of the Board of Directors
	RN Nordic AB	Member of the Board of Directors
	RN Danmark	Member of the Board of Directors
	Autowallis Caetano Holding ZRT,	Single Director
	Robert Hudson, Limitada	Director
	Simba Caetano Fórmula, Limited	Manager
	Caetano Renting Angola, LDA.	Manager
	Caetano Peças - Comércio e Serviços (SU), Lda.	Manager

Gisela Maria Falcão Sousa Pires Steps	Caetanobus - Fabricação de Carroçaria, S.A.	Member of the Board of Directors
	Salvador Caetano Indústria (SGPS), S.A.	Member of the Board of Directors
	Kinto Portugal, S.A.	Member of the Board of Directors
	Caetano Renting, S.A.	Member of the Board of Directors

Tom Fux	Toyota Deutschland Gmbh Toyota Austria Gmbh Toyota Motor Russia "000"

Kazunori Takagi	Toyota Motor Manufacturing UK

As can be seen from the information in the lists above, the Executive members of the Board of Directors hold positions in the management bodies of subsidiary companies and in companies within the perimeter of the so-called Salvador Caetano Group (Salvador Caetano Auto) which, as they are companies that are dedicated, in a main or secondary way, to the same type of activity – automotive Industry, they derive clear synergies for the performance of their duties within the Company, so that the functions performed in other companies have not affected the availability of the executive directors 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 management or supervisory body and managing directors.

27. Identification of the committees created within the Board of Directors and where the operating regulations can 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 consider the creation of specialized committees, with the exception of the Nominations, Evaluations and Remuneration Committee, appropriate to its specificities. Its Internal Regulation Is available in the Company's website in https://toyotacaetano.pt/en/investors/corporate-governance/.

28. Composition of the executive committee and/or identification of CEO(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 consider the creation of an executive committee and/or managing directors appropriate to its specificities.

29. Indication of the competences of each of the commissions created and a summary of the activities carried out in the exercise of these competences,

The main duties of the Nominations, Evaluations and Remuneration Committee are:

- prepare and submit the Remuneration Policy of the corporate bodies to the approval of the General Meeting;
- set their annual remuneration, including their supplements, in accordance with such policy;
- support the Board of Directors in identifying and assessing the suitability of the profile, knowledge and curriculum vitae of the members of the governing bodies to be appointed;
- evaluate the performance of the members of the Board of Directors.

The Internal Regulation of the Nominations, Evaluations and Remuneration Committee are available on the Company's website at https://toyotacaetano.pt/en/investors/corporate-governance/.

The Nominations, Evaluations and Remuneration Committee met 6 times during 2023, and the corresponding minutes were drawn up and recorded in the respective minute book.

The members of the Nominations, Evaluations and Remuneration Committee shall make available to all the Governing Bodies, namely the Fiscal Board and the Board of the General Meeting, information requested by them, namely notices and minutes of the Committeee meetings, in a timely manner and in a manner appropriate to the respondent, which are also available, at all times, on the Company's internal digital platform.

The Company is also supported by the *Compliance* Committee, which exists transversally at the level of Salvador Caetano (Salvador Caetano Auto). This committee is composed of Salvador Caetano's legal director (Salvador Caetano Auto), Salvador Caetano's human resources director (Salvador Caetano Auto), Salvador Caetano's labour legal officer (Salvador Caetano Auto) and the regulatory compliance officer and is advised by external consultants specialized in governance matters, corruption and money laundering. This Committee provides shared services to all Salvador Caetano Auto companies, namely Toyota Caetano Portugal.

III. SUPERVISION (FISCAL BOARD)

a) Composition

30. Identification of the supervisory body (Fiscal Board) corresponding to the adopted model.

The supervisory body adopted in accordance with the Company's Latin governance model was the Fiscal Board.

31. Composition of the Fiscal Board with indication of the minimum and maximum statutory number of members, statutory duration of the mandate, number of effective members, date of first appointment, and date of the end of the term of office of each member, which may be referred to a point in the report where this information is already included pursuant to the provisions of number 18. Diversity policy.

The Fiscal Council is composed, under the terms of the Articles of Association, of three effective members and two substitutes.

The current Fiscal Board was elected on 30.05.2023 for a period of 4 years, ending its term of office on 31.12.2026.

The composition of the Fiscal Board as of 31.12.2023, its functions, independence and date of first appointment is detailed as follows:

HOLDER	FUNCTION	INDEPENDENT	NO, OF SHARES	DATE FIRST ASSIGNMENT
Maria da Conceição Monteiro da Silva	President	Yes	0	30/05/2023
José Domingos da Silva Fernandes	Member	Yes	0	28/04/2011
Daniel Broekhuizen	Member	Yes	0	28/04/2016
Francelim Costa da Silva Graça	Substitute	Yes	0	30/05/2023
Tomokazu Takeda	Substitute	Yes	0	30/05/2023

The Company considers the number of members of the Fiscal 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 rely freely on the recommendations and reports of the Statutory Auditor/External Auditor.

32. Identification of the members of the Fiscal Board who consider themselves independent, pursuant to article 414º no, 5 of the CSC, and may refer to a point in the report where this information is already included pursuant to the provisions of number 19.

The Chairman of the Fiscal 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 is already included by virtue of the provisions of number 21.

The members of the Fiscal Board have appropriate competences to perform their duties and the President is adequately supported by the other members of the Fiscal Board. To this end, the professional qualifications of the members of the Fiscal Board are included In Annex I. All appointed members of the Fiscal Board are duly evaluated in advance by the human resources department and by the Nominations, Evaluations and Remuneration Committee, which makes its final evaluation.

b) Operation

34. Existence and place where the operating regulations of the Fiscal Board may be consulted, and reference may be made to a point in the report where this information is already contained by virtue of the provisions of number 24.

The Internal Regulation of the Fiscal Board Is available In the Company's website, in the tab mentioned in point 61 (relevant addresses).

35. Number of meetings held and degree of attendance at meetings held by each member of the Fiscal Board and may be referred to a point in the report where this information is already included by virtue of the provisions of number 25.

The Fiscal Board met nine times during the year 2023, and the corresponding minutes are recorded in the minutes book of the Fiscal Board.

Degree of attendance:

José Domingos da Silva Fernandes	9 out of 9
Antonieta Isabel da Costa Moura	4 out of 9 (present at all meetings until the election of new members)
Daniel Broekhuizen	7 out of 9 (2 times represented)
Conceição da Silva Monteiro	5 out of 9 (present at all meetings after appointment)

36. Availability of each of the members of the Fiscal 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 financial year, and may be referred to a point in the report where this information is already included by virtue of the provisions of number 26.

The members of the Fiscal Board currently perform other functions in the following companies:

Maria da Conceição Monteiro da Silva

Member of the Remunerations Committee of Caetano Auto, S.A.

José Domingos da Silva Fernandes

Chairman of the Fiscal Board at Caetano Baviera – Comércio de Automóveis, SA (Grupo Salvador Caetano)

Statutory Auditor in companies:

- Summertime – Sociedade Imobiliária, S.A.
- Convemaia – Sociedade Imobiliária, S.A.
- BDS, SGPS, S.A.

Daniel Broekhuizen

Member of the company's Fiscal Board

- Toyota Motor Kazakhstan LLP

Member of the Board of Directors of the company:

- Toyota Logistics Services Ireland Ltd

Regardless of the performance of other functions in other companies, all members of the Fiscal Board were always available to perform their duties in the Company during the year 2023, participating in corporate life whenever necessary or convenient.

(c) Competences and functions

37. Description and procedures and criteria applicable to the intervention of the supervisory body for the purpose of contracting additional services to the external auditor.

It is the responsibility of the Company's Fiscal Board to interact with the External Auditor, in accordance with its powers and operating rules, with the Fiscal Board being the first addressee of the Statutory Auditor/External Auditor's Report and the Company's connection in the relationship with the latter.

In addition, the Fiscal Board is responsible for ensuring that the appropriate conditions for the provision of services by the Statutory Auditor/External Auditor are ensured within the Company.

Finally, the Fiscal Board proposes the remuneration of the Statutory Auditor/External Auditor, for the purpose of contracting additional services.

The Fiscal Board annually evaluates its provision of services, proposing to the General Meeting its dismissal whenever there is just cause for this purpose. The Fiscal Board must also ensure that the Statutory Auditor/External Auditor enjoys the appropriate conditions for its provision of services.

It is therefore the responsibility of the Fiscal Board to verify and pronounce on the contracting of additional services to the Statutory Auditor/External Auditor, which is subject to the verification of adequacy and prior approval, duly substantiated, of the same Fiscal Board.

38. Other functions of the Fiscal Board

Briefly, the Fiscal Board is responsible for supervising the business and verifying the implementation of the defined policies.

The Fiscal Board shall not perform functions other than those provided for by law, the articles of association, its rules of procedure and those briefly described above.

IV. STATUTORY AUDITOR

39. Identification of the Statutory Auditor and the Statutory Audit Partner representing the Statutory Auditor.

The firm's Statutory Auditor is Deloitte & Associados, SROC S.A., registered under No. 20161389 with the CMVM – Portuguese Securities Market Commission, and with OROC – Order of Statutory Auditors under No. 43, and represented by Miguel Nuno Machado Canavarro Fontes, ROC No. 1397.

40. Identification of the number of years in which the statutory auditor has held consecutive positions with the company and/or group.

The current Statutory Auditor has been working with the Company since 1 July 2020.

41. Description of other services provided by the Statutory Auditor to the Company.

The Board of Directors, when requesting services from the current Statutory Auditor, ensures, prior to 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 May 2002, may jeopardise their independence.

During the financial year 2023, the Statutory Auditor (and its network companies) provided statutory audit services to the Company, as well as the following additional services:

- Support in the provision of services related to the monitoring of projects integrated in the applications approved under the Mobilizing Agendas of the Recovery and Resilience Plan ("*PRR - Plano de Recuperação e Resiliência*") "ATE - Alliance for the Energy Transition", "BE, Neutral - Mobility Agenda for Carbon Neutrality in Cities" and "AM2R - Mobilizing Agenda for Business Innovation in the Two Wheels Sector";

- Support in the provision of services for the issuance of Statutory Auditor Statements on the Investment Expenditure Statements submitted by the Company regarding payment requests associated with the investment projects "ATE - Alliance for the Energy Transition", "Be.Neutral - Mobility Agenda for Carbon Neutrality in Cities" and "AM2R - Mobilizing Agenda for Business Innovation in the Two Wheels Sector";

- Support in the provision of assurance services for IAPMEI - Institute for the Support of Small and Medium Enterprises and Innovation, I.P., within the scope of the mobilizing agendas PRR (Recovery and Resilience Plan), namely the "Be.Neutral" Agenda, the "AM2R" Agenda and the "ATE" Agenda.

42. Communication between governing bodies.

All corporate bodies and committees ensure the necessary information to the other bodies and committees so that they can, in an informed manner, have an informed perspective of the Company's activity and development, namely, minutes, documentation to support decisions and notices.

In this regard, it should be noted that the Company has a digital platform that is the repository of all the calls, minutes and supporting documents for the meetings, which can be accessed by the members of the governing bodies and committees at any time.

V. EXTERNAL AUDITOR

43. Identification of the external auditor appointed for the purposes of article 8 and of the statutory audit partner who represents him or her in the performance of these duties, as well as the respective registration number with the CMVM.

Deloitte & Associados, SROC S.A. is the Company's External Auditor, represented by Miguel Nuno Machado Canavarro Fontes (ROC No. 1397), registered with OROC No. 43 and with the CMVM under No. 20161389.

44. Identification of the number of years in which the external auditor and the respective Statutory Auditor who represents him or her in the performance of those duties have held consecutive positions with the company and/or the group.

The External Auditor, as well as the partner who represents it, have been working with the Company since July 1, 2020.

45. Policy and frequency of rotation of the external auditor and of the respective statutory audit partner who represents him or her in the fulfilment of these duties.

There is no internal definition of any mandatory rotation policy for the External Auditor, other than that legally applicable to public interest entities, and the mandatory rotation period of the statutory auditor who represents the External Auditor in the performance of these functions is the result of the combination of the provisions of number 2 of article 54 of the *Ordem dos Revisores Oficiais de Contas* (7 years).

46. Identification of the body responsible for the external auditor's assessment and the frequency with which this assessment is carried out.

The Fiscal Board annually evaluates the work of the Statutory Auditor/External Auditor and may propose his replacement whenever it deems there are justifying reasons for this.

47. Identification of work, other than auditing, carried out by the external auditor for the company and/or for companies that are in a relationship of control with it, as well as an indication of the internal procedures for the purpose of approving the contracting of such services and indicating the reasons for their contract.

Indicated in point 41 above. All the 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 its provision, not affecting either by its nature or by its value, the independence of the Statutory Auditor/External Auditor in the exercise of its functions, It is the Fiscal Board that is responsible for assessing and approving the contracting of such services.

48. Indication of the amount of the annual remuneration paid by the company and/or legal persons in a controlling or group relationship to the auditor and other Individual or collective persons belonging to the same network and a breakdown of the percentage for the following services (For the purposes of this information, the concept of network is derived from European Commission Recommendation No C (2002) 1873, of 16 May).

The remuneration paid to the Company's auditors and to other collective persons belonging to the same network ("Deloitte Network"), by the Company and by the companies in a controlling or group relationship, amounts, during the financial year 2023, to 134,850 Euros, distributed as follows:

	Value	**%**
By the Company		
Audit Services	72,200.00 €	53.5%
Other Services	24,050.00 €	17.8%
By entities that are part of the group		
Audit Services	38,600.00 €	28.6%

C. INTERNAL ORGANIZATION

I. ARTICLES OF ASSOCIATION

49. Rules applicable to the amendment of the company's articles of association (Article 245º-A no,1 (h) CVM).

The amendment of the Company's Articles of Association is only possible upon approval at the General Meeting by a majority of 75% of the share capital.

If, in order to resolve on the matter referred to in the preceding paragraph, the majority required therein is not present on the first call, the General Meeting, to resolve on the same matters, shall operate fifteen days later, on second call, and requiring that the respective decision be voted by a majority of 75% of the votes of the shareholders present or represented.

II. REPORTING OF IRREGULARITIES

50. Means and communications policy of irregularities that have occurred 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 (https://toyotacaetano.pt/en/investors/corporate-governance/). Any communication of facts that may constitute an irregularity must be made in writing, by e-mail or letter sent to the following addresses:

E-mail Address:

compliance@salvadorcaetano.pt

Postal Address:

Attn: President of the Fiscal Board

Toyota Caetano Portugal, S.A.

Av, Vasco da Gama, 1410

4430-247 Vila Nova de Gaia

The Company also has an online reporting channel available on its institutional website to report any potential irregularity (https://gsc.wemake.pt/reporting-channel/097e8).

In addition to these channels, the Company has several internal mechanisms for the detection and prevention of irregularities, embodied in different documents, such as the Code of Ethics and Professional Conduct and in its policies for the prevention of corruption, prevention of terrorist financing and money laundering.

III. INTERNAL CONTROL AND RISK MANAGEMENT

51. Persons, bodies or committees responsible for internal audit and/or the implementation of internal control systems.

At Toyota Caetano Portugal, S.A., the risk policy and risk control is carried out directly by the Board of Directors and evaluated annually by the Fiscal Board. This assessment carried out by the Fiscal Board includes an analysis of the risks assumed and their adequacy to the objectives set by the Board of Directors and an analysis of the degree of internal compliance with the control system implemented, as well as its performance.

The potential risks to which the Company is subject have been identified and are regularly monitored and can be consulted in the Company's Management Report, in the chapter – Business Risks.

The Fiscal Board also pronounces on the work plans and resources allocated to the internal control services, and may propose adjustments to them, if it deems necessary.

The Company is supported by Salvador Caetano's internal departments (Salvador Caetano Auto), with which it maintains synergies, such as the Legal and Compliance Department / Compliance Committee

/ Planning Department, Management Control and Internal Audit / Taxation / IT Services - cybersecurity area, responsible for regulatory compliance, DPO, sustainability team and the Audit carried out by the External Auditors.

Where appropriate, the internal control reports are shared with the Fiscal Board and the Board of Directors.

Thus, it is understood that although there is no specialized committee on risk matters, this internal control system is appropriate to the size of the Company and the complexity of the risks identified.

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

As a result of an increasing awareness, on the part of all decision-makers, of the need to identify and monitor, in a structured and professionalized manner, the Company's risks and respective anticipation and/or mitigation measures, during the year 2022 and 2023, the Company developed, with the collaboration of an external entity, a significant work of systematization of the most relevant risks in its areas of activity, which resulted in a structural update to the risk management model. Accordingly, an updated risk policy was approved by the Board of Directors during the 2023 financial year.

Throughout 2023, a risk matrix was also prepared within the scope of corruption prevention, by a committee composed of the heads of each of the Company's areas of activity, the person responsible for regulatory compliance at Salvador Caetano, the legal officer at Salvador Caetano, the person responsible for compliance with the GDPR and the person responsible for the cybersecurity area.

This matrix identifies the main risks by area of activity, the probability of their occurrence, their impact, corresponding mitigation measures and monitoring metrics and can be consulted on the Company's website: https://toyotacaetano.pt/en/investors/corporate-governance/ in the tab " Policies and Regulations / Plan for the prevention of risks of corruption and related infractions".

ARTIFICIAL INTELLIGENCE

The Company has not used any artificial intelligence mechanisms in the decision-making of any governing bodies.

52. Explanation, even if by inclusion of an organizational chart, of the hierarchical and/or functional dependence relations with other bodies or committees of the company.

The Company produces financial information on a regular basis, and all management information produced, both for internal use and for disclosure to other entities, is prepared based on computer systems.

The Company's Board of Directors assigns day-to-day management powers to its operational departments, with which it meets periodically to analyse and monitor the financial information developed subject to periodic control carried out by the Board of Directors and the Company's Operational Management.

Organizational chart contained in point 21 of Part I.

53. Existence of other functional areas with competences in risk control.

There are no other functional areas with exclusive competences in the scope of risk control, and in view of the governance model, all areas have a share of responsibility in risk control.

54. Identification and description of the main types of risks (economic, financial and legal) to which the company is exposed in the exercise of its activity.

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, such risks can be consulted in the Company's Management Report, in the chapter "Business Risks".

55. Description of the process for identifying, assessing, monitoring, controlling and managing risks.

The effectiveness of risk management depends on the integration into the governance of the organization of procedures associated with the monitoring, management and control of them.

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 Board. Notwithstanding this hierarchical level of control, risk management is inherent in all management processes, as risk can have a significant impact on business development and continuity.

In this context, it has adopted a four-line model of defence, with the involvement of the various levels of the organization, particularly top management:

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

Risk management aims to detect, manage, control and mitigate threats, as well as identify and enhance opportunities, thus creating added value for the Company.

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

In addition, the Company's Board of Directors is supported by the officers responsible for each of the divisions, with whom it meets periodically to analyse and monitor financial and non-financial information.

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

It should also be noted that this risk management includes:

- sensitivity analysis (measurement of potential impacts as a function of the probability of occurrence of each risk);
- strategic alignment of the Company according to the risks actually incurred;
- mechanisms to monitor the implementation of the risk management measures adopted and their effectiveness;
- internal information and communication mechanisms on the various components of the risk alert system.

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

The Fiscal Board is internally organized, implementing periodic control mechanisms and procedures in order to ensure that the risks effectively incurred by the Company are consistent with the objectives set by the Board of Directors, through the receipt of regular reports.

56. Main elements of the internal control and risk management systems implemented in the company in relation to the financial disclosure process (Article 245º-A no, 1 (m) CVM).

The Board of Directors is highly committed to ensuring the reliability of the Company's financial reporting, in particular by ensuring that the Company has appropriate policies in place that reasonably ensure that transactions are recorded and reported in compliance with generally accepted accounting principles and that expenses are only incurred when duly authorized.

The risks involved in financial reporting are mitigated through the segregation of responsibilities and the implementation of prevention and detection controls, which involve limiting access to IT systems, and a comprehensive performance monitoring system.

It is considered that the clear identification of the risks involving the Company, with the participation of the Company's key departments, contributes effectively to the control and mitigation of any risks identified.

Furthermore, it is considered that the internal control and risk management systems implemented at the moment are structured in a manner appropriate to the size of the Company, its history, its market framework and strategy, as well as the complexity of the risks identified.

The internal control and risk management procedures are evaluated annually by the Fiscal Board and may be adjusted according to such assessment.

IV. INVESTOR SUPPORT

57. Service responsible for investor support, composition, functions, information provided by these services and contact details.

Although there is no formal Investor Support Office, this function is provided by the Market Relations Representative. Whenever necessary, the Representative ensures the provision to the market of all relevant information regarding milestone events, facts that can be classified as material facts, half year disclosure of results and response to any requests for clarification by investors or the general public on financial information of a public nature.

58. Market Relations Representative

Currently, the Representative for market relations is

Gisela Maria Falcão Sousa Pires Passos.

Phone: 22 786 7000

Email: gisela.passos@toyotacaetano.pt

59. Information on the proportion and deadline for responding to requests for information received in the year or pending from previous years.

The Market Relations Representative periodically receives calls and e-mails with various questions, including clarifications on dividends, general meetings and others, usually answered immediately or within a reasonable time, appropriate to the nature of the request.

During 2023, all requests were promptly answered and there were no requests for information pending response.

V. WEBSITE

60. Address

The Company's website, https://www.toyotacaetano.pt/en/homepage/ is available in Portuguese and English, in accordance with CMVM recommendation VI.1.

61. Place where you can find information about the company, its status as a public interest company, its registered office and other elements mentioned in Article 171º of the Commercial Companies Code,

In the Company's website, within the tab identified as "Investors", there is a tab relating to "Company", where information about the Company, the status of public Interest company, the registered office and the other elements mentioned in article 171º of the Commercial Companies Code are published - https://toyotacaetano.pt/en/investors/company/.

62. Place where the articles of association and regulations for the functioning of the bodies and/or commissions are located.

In the Company's website, within the tab identified as "Investors", there is a tab called "Corporate Governance" and within this other tab called "Articles of Association" where the Company's updated Articles of Association are published, - https://toyotacaetano.pt/en/investors/corporate-governance/.

On the same page, within the same tab identified as "Investors", within the "Corporate Governance" tab there is a tab called "Policies and Regulations" where the Internal Regulations of the Board of Directors, the Fiscal Board and the Nominations, Evaluations and Remuneration Committee, duly updated, can be consulted.

63. A place where information is made available on the identity of the members of the corporate bodies, the representative for market relations, the investor support office or equivalent structure, their functions and means of access.

On the Company's website, within the tab identified as "Investors", within the "Corporate Governance" tab, there is a tab called "Corporate Bodies" where information on the composition of the Corporate Bodies is published. - https://toyotacaetano.pt/en/investors/corporate-governance/.

Also on the Company's website, within the tab identified as "Investors" there is a tab on "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/corporate-governance/.

64. Place where the documents of presentation of accounts are made available, which must be accessible for at least five years, as well as the half year calendar of corporate events, disclosed at the beginning of each semester, including, among others, meetings of the general meeting, disclosure of annual and half year accounts.

On the Company's website, within the tab identified as "Investors", there is a tab relating to "Reports and Accounts", where the financial statements that remain accessible for at least five years are disclosed, - 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 other information considered relevant is available.

65. Place where the notice of the general meeting and all preparatory and subsequent information related thereto are disclosed.

On the Company's website, within the tab identified as "Investors", there is a tab relating to "General Meetings" where the notices, proposals for resolutions and minutes of the General Meetings are disclosed, - https://toyotacaetano.pt/en/investors/general-meeting/ .

66. Place where the historical collection is made available with the resolutions taken at the meetings of the company's general meetings, the share capital represented and the results of the votes, with reference to the previous 3 years.

On the Company's website, within the tab identified as "Investors", there is a tab relating to "General Meetings" where you will find 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. COMPETENCE FOR DETERMINATION

67. Indication of the competence to determine the remuneration of the corporate bodies, the members of the executive committee or the managing director and the directors of the company.

The remuneration of the members of the governing bodies is set annually by the Nominations, Evaluations and Remuneration Committee, based on the remuneration policy in force. The remuneration policy of the Management and Supervisory Bodies is defined by the same Committee, based on the criteria that meet the capacity to create shareholder value. A number of factors, including comparative market data and macroeconomic data, are taken into account in defining the criteria set out above.

II. REMUNERATION COMMITTEE

68. Composition of the remuneration committee, including identification of the single or collective persons hired to provide support and statement of the independence of each of the members and advisors.

The Nominations, Evaluations and Remuneration Committee is composed of the following members:

- João António Ferreira de Araújo Sequeira (President)
- Rui Manuel Machado de Noronha Mendes
- Jorge Manuel Cerqueira Magalhães

None of the members of this Committee is a member of the Company's Board of Directors nor does he or she have a spouse, relatives or relatives in such circumstances, nor does he or she have relationships with the members of the Board of Directors that may affect his or her impartiality in the performance of his or her duties.

All members of the Nominations, Evaluations and Remuneration Committee are therefore considered to be independent.

The Chairman of the Nominations, Evaluations and Remuneration Committee shall be present at all shareholders' meetings where remuneration is discussed, as well as at any other to which he or she is convened.

69. Knowledge and experience of the members of the remuneration committee in relation to remuneration policy.

The professional experience of the members of the Nominations, Evaluations and Remuneration Committee enables them to carry out their responsibilities effectively, safeguarding the interest of the Company. Mention should be made in this regard of the length of service of the Members of the

Committee in the performance of their duties or in managerial positions, their experience in terms of human resources management and their knowledge of the Toyota Group, which gives them the necessary skills to carry out their duties properly.

Their professional qualifications are listed in Annex I.

This Committee may hire single or collective persons to support it in the performance of its functions, also counting on the support of the human resources department and the legal department of Salvador Caetano Auto. If you choose to hire, you must ensure that you do so independently, complying with the requirements described below.

The Nominations, Evaluations and Remuneration Committee did not hire, during the year 2023, to support it in the performance of its duties, any single or collective person, using the support of Salvador Caetano Auto's human resources department.

III. REMUNERATION STRUCTURE

70. Description of the remuneration policy of the management and supervisory bodies referred to in article 2º of Law no, 28º/2009, of 19 June.

The remuneration policy of the Management and Supervisory Bodies is approved by the General Meeting on the proposal of the independent Nominations, Evaluations and Remuneration Committee.

The determination of the remuneration amounts of the members of the Governing Bodies of Toyota Caetano Portugal, S.A. must take into account, as a general principle, the functions performed by each of the members, the economic situation of the Company and the situation of the market 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 paragraph, the principles listed above must be generally followed, 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 carried out through variable components of compensation and other benefits to be specified and defined by the Nominations, Evaluations and Remuneration Committee;

    - Individual performance should be 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 environment;

    - Company's interests in the medium and long term;

    - The national and international context, particularly in the sectors in which the Company operates.

- The remuneration policy, especially with regard to the Executive Directors, takes into account the conditions of employment and remuneration of the employees of the Company as a whole, aiming at a level of balance and internal equity.

The members of the Board of Directors shall be remunerated as follows:

- The remuneration consists of a fixed component and, where appropriate, a variable component;
- Remuneration amounts of a fixed nature must follow the salary policy to be applied to other employees and take into account, on the one hand, the functions performed and, on the other hand, market practices for equivalent responsibilities.
- The fixed remuneration is defined by the Nominations, Evaluations and Remuneration Committee and annually reviewed, unless otherwise decided by it, will correspond to a monthly salary paid 14 times a year.
- There is no need to pay attendance remuneration.
- The existence or absence of variable remuneration will be defined annually by the Nominations, Evaluations and Remuneration Committee and the calculation of the final amount of variable remuneration will be based on an annual individual performance evaluation of each member. 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 Indicators - compliance with the Company's overall budget:
    - Turnover (in Mio€),
    - EBITDA (% of Turnover)
    - EBT (% of Turnover)
  - Qualitative Indicators aligned with the *Ser Caetano* Values:
    - Ambition
    - Commitment
    - Confidence
    - Cooperation
    - Responsibility
- Quantitative individual targets account for 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 in at 10% when calculating individual performance.
- The allocation of the annual variable component shall meet the following criteria:
  - Annually, values/weight will be defined for each of the identified indicators;
  - Considering individual performance and applying the above metrics, variable remuneration will be awarded, or not.
- Variable remuneration may be paid in cash or in kind, including through flexible benefits.

- The variable remuneration of the members of the Board of Directors, as a whole, shall not exceed 3% of the distributable profit and loss established in the financial year in question.

- The payment of variable remuneration may be deferred for a period of up to 3 years, if this is the decision of the Nominations, Evaluations and Remuneration Committee.

- Non-executive members of the Board of Directors are not remunerated.

The members of the Fiscal Board may be remunerated, in which case they must receive a maximum annual remuneration equivalent to a minimum monthly wage in force in Portugal at the time of their assignment, for 14 months.

The members of the Governing Bodies may be granted additional non-cash benefits, under the terms and conditions to be decided by the Nominations, Evaluations and Remuneration Committee.

The Salvador Caetano Group (Salvador Caetano Auto) assigns to all employees of the Company a supplementary pension plan, under the Pension Fund of the Salvador Caetano Group, which may be extended to the members of the Governing Bodies, with the following rules:

- Plan A - (Defined Benefit): covers all employees (including members of the governing bodies) who, as of 01.01.2008, had already cumulatively reached 50 years of age and 15 years of seniority in the Company. It is embodied in the right to the attribution of a supplementary pension paid by the aforementioned Pension Fund, in an amount equivalent to 20% of the last pensionable salary.

- Plan B – (Defined Contribution): covers all other employees (including members of the governing bodies) hired until November 30, 2023. It is embodied in 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 annual gross salary of each employee covered by this Plan, and this amount is allocated to the employee. At the legal retirement age, the amount accumulated with acquired rights from contributions plus the income generated in the meantime will be transformed into a monthly amount to be paid to the Employee/Member of the Governing Body.

- Plan C – (Defined Contribution): covers all employees (including members of the governing bodies) hired after December 1, 2023. It is embodied in 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 0.5% of the annual gross salary of each employee covered by this Plan, and this amount is allocated to the employee. At the legal retirement age, the amount accumulated with acquired rights from contributions plus the income generated in the meantime will be transformed into a monthly amount to be paid to the Employee/Member of the Governing Body.

The non-pecuniary supplementary benefits that may be granted to the members of the Governing Bodies should not have a relevant weight and should represent less than 10% of the cost of the total remuneration.

71. Information on how remuneration is structured in such a way as to align the interests of the members of the management body with the long-term interests of the company, as well as on how it is based on performance appraisal and discourages excessive risk-taking.

As is apparent from the remuneration policy described in point 69 above, remuneration is structured in such a way as to allow the interests of the members of the Management Body to be aligned with the long-term interests of the Company.

The establishment of a fixed remuneration and a variable remuneration and the dependence of the definition of variable remuneration on a qualitative and quantitative evaluation, based on the degree of fulfilment of objectives (*KPI's*), perfectly defined, determine that the performance of the management is carried out taking into account 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 half year monitoring, based on concrete evidence and made available to the Nominations, Evaluations and Remuneration Committee for regular monitoring of the level of achievement of the approved goals.

72. Reference, if applicable, to the existence of a variable component of remuneration and information on the possible impact of performance appraisal on this component.

The remuneration of Directors with executive functions comprises a fixed component and, where appropriate, a variable component. The variable component is dependent on the degree of compliance with pre-defined objectives, which are set out in the Remuneration Policy and which are evaluated by the Nominations, Evaluations and Remuneration Committee.

73. Deferral of the payment of the variable component of the remuneration, with reference to the deferral period.

Under the terms of the remuneration policy, it is possible to defer the variable component for up to 3 years, During the financial year 2023, there was no deferral of the payment of the variable component.

74. Criteria on which the attribution of variable remuneration in shares is based, as well as on the maintenance, by the executive directors, of these shares, on the possible conclusion of contracts related to these shares, namely hedging or risk transfer contracts, their limit, and their relation to the value of the total annual remuneration.

There is no variable remuneration in shares and, taking into account the remuneration model, the members of the Company's Board of Directors have not entered 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 to assign shares to Directors.

75. Criteria on which the attribution of variable remuneration in options is based and indication of the deferral period and the strike price.

There is no plan to allocate stock options to the Directors.

76. Main parameters and rationale of any annual bonus scheme and any other non-cash benefits.

All Executive Directors have their variable remuneration dependent on the degree of compliance with pre-defined objectives.

All Directors are entitled to other supplementary benefits, as described in point 69 above.

77. Main characteristics of supplementary pension or early retirement schemes for directors and the date on which they were approved at the general meeting, on an individual basis.

Toyota Caetano Portugal, S.A. (together with other associates) set up a pension fund by public deed dated December 29, 1988. That constituted Pension Fund provided that, as long as its members maintained the decision to make contributions to that fund, that the majority of employees could receive, from the date of retirement, a non-upgradable 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 January 1, 2008, changes were made to the conditions of the Salvador Caetano Pension Fund, which briefly included the following changes:

- Maintenance of a Defined Benefit scheme (20% of the pensionable salary of Social Security at the date of retirement - 65 years) for those then retired and beneficiaries of deferred pensions, as well as for all employees of the members of the Salvador Caetano Pension Fund who, as of January 1, 2008, had completed 50 years of age and more than 15 years of service in the members of the Salvador Caetano Pension Fund;

- Establishment of a new group (formed by the remaining population of employees at the service of the 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 Salvador Caetano Pension Fund as long as they meet all the requirements required for any other employee of one of the companies in the perimeter of the Pension Fund.

Currently, the Pension Fund covers the members of the Board of Directors who meet the conditions mentioned above.

IV. DISCLOSURE OF REMUNERATION

78. Indication of the annual amount of remuneration received, on an aggregated and individual basis, by the members of the company's management bodies, from the company, including fixed and variable remuneration and, in relation to the latter, a mention of the different components that gave rise to it.

The remuneration earned by the members of the Board of Directors of Toyota Caetano Portugal, S.A. during the financial years 2022 and 2023 in the exercise of their duties at the Company was as follows:

By the Company	2023		2022	
	Fixed Component	Variable Component	Fixed Component	Variable Component
José Reis da Silva Ramos	189,000 €	82,128 €	164,500 €	76,287 €
Maria Angelina M. Caetano Ramos	122,500 €	44,170 €	120,750 €	39,198 €
Gisela Maria Falcão S. Pires Passos	122,500 €	31,551 €	113,450 €	30,190 €
Miguel Pedro Caetano Ramos	78,750 €	- €	- €	- €
Total	**512,750 €**	**157,849 €**	**398,700 €**	**145,675 €**

The remaining Directors, not being executives, are not remunerated.

The performance reward framework focuses on its total remuneration, composed of fixed remuneration and variable remuneration, so that remuneration is comparable in global terms and in line with Toyota Caetano Portugal's overall performance and individual performance, measured not only on the basis of results and shareholder value creation but also on the basis of projects, of team leadership and adherence to the *Ser Caetano* values.

On the other hand, the Company considers other relevant factors, including the practice of other Salvador Caetano Auto companies and market practices.

The remuneration 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 2023 complies with the remuneration policy adopted, having taken into account all the factors reflected therein. In particular, it was considered the Company's exceptional year in terms of its main indicators, despite the turbulent macroeconomic context experienced in 2023, resulting from all the uncertainties associated with (i) the post-pandemic recovery; (ii) the inflationary trend and consequent monetary policy; (iii) wars (Ukraine, the Middle East); (iv) the pressure felt in the labour market and difficulties in retaining talent; (v) cybersecurity challenges; and (vi) the growing concern with sustainability and climate change issues. In terms of fixed amount, we highlight, on the one hand, the repositioning of the remuneration of the Company's CEO in order to bring it closer to market practices and, on the other hand, the extension of the responsibilities of the Director Miguel Pedro Caetano Ramos, who became an executive.

The attribution of variable remuneration, because it depends on the fulfilment of key performance indicators, is not guaranteed. The set of indicators selected for this purpose, in coordination with the determined strategic objectives, ensure the necessary alignment between the performance of the Executive Directors and the Company's long-term performance.

Specifically, regarding the 2022 data, it was verified:

Qualitative Indicators	2022		
	Actual	Budget	Actual vs Budget
Turnover (€)	480,226,377 €	545,164,793 €	88.09%
EBITDA (as % on Turnover)	10.11%	7.65%	132.21%
EBT (as % on Turnover)	4.50%	3.84%	117.20%

As for the qualitative indicators, as a result of the performance evaluation of the Executive Directors carried out by the Nominations, Evaluations and Remuneration Committee, a performance of 100% is matched in all the *Ser Caetano* Values (Ambition / Commitment / Trust / Cooperation / Responsibility).

From the combination of these results with the other variables defined in the Remuneration Policy in force and by the Nominations, Evaluations and Remuneration Committee, the variable remuneration referred to was determined.

The table below reflects the annual variation in the Company's performance (measured via Net Income) and the average remuneration of employees (in terms equivalent to the Company's full-time, excluding members of the Management and Supervisory Bodies) during the last 5 financial years:

Indicators => Annual Variation	2019	2020	2021	2022	2023
Average remuneration of employees (without GB)	3.03%	2.90%	1.44%	-1.76%	4.66%
Net Result (Company Performance)	-9.33%	-59.94%	151.79%	25.71%	20.86%

The change in employee remuneration in 2023, which stood at 4.66%, reflects the positive evolution in the activity of the companies that make up this Group.

There is no provision for the possibility of claiming a refund of variable remuneration.

There is no departure from the procedure for applying the remuneration policy.

79. Amounts paid in any way by other companies in a controlling or group relationship or subject to a common domain.

The remuneration earned by the members of the Board of Directors of Toyota Caetano Portugal, S.A. during the financial years 2022 and 2023, in the exercise of their functions in entities included in the Toyota Caetano Portugal Group, were as follows:

By other Group Companies	2023		2022	
	Fixed Component	Variable Component	Fixed Component	Variable Component
José Reis da Silva Ramos	99,900 €	- €	- €	- €
Maria Angelina M. Caetano Ramos	216,471 €	- €	314,125 €	- €
Gisela Maria Falcão S. Pires Passos	- €	- €	- €	- €
Miguel Pedro Caetano Ramos	- €	- €	- €	- €
Total	**316,371 €**	**- €**	**314,125 €**	**- €**

The changes that have occurred reflect the shift in responsibilities between Directors.

80. Remuneration paid in the form of profit-sharing and/or payment of premiums and the reasons why such premiums and/or profit-sharing were granted.

The Company has not paid Directors any remuneration in the form of profit sharing or bonuses.

81. Compensation paid or payable to former executive directors in respect of the termination of their duties during the financial year.

During the year ended December 31, 2023, no compensation was paid to former Directors and no compensation was payable to any former Director.

It is further informed that during the year 2023, the following members ceased their duties:

From the Nominations, Evaluations and Remuneration Committee:

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

From the Fiscal Board:

- Maria Lívia Fernandes Alves (substitute)
- Antonieta Isabel da Costa Moura
- Akito Takami (alternate)

From the Board of Directors:

- Kyoshimoto Morimoto
- Masaru Shimada (alternate)

82. Indication of the annual amount of remuneration earned, in aggregate and individually, by the members of the supervisory bodies of the company, for the purposes of Law No, 28/2009, of June 19.

The remuneration received by the members of the Fiscal Board of Toyota Caetano Portugal, S.A. during the financial year 2023, in the exercise of their duties in the Company and in Companies of the Toyota Caetano Portugal Group were as follows:

José D, Silva Fernandes:

- 2022: €5,040,00
- 2023: €5,040,00

Maria da Conceição Monteiro da Silva

- It was considered that she should receive a monthly remuneration of 360 euros, as of May 30, 2023, which will only be processed in 2024.

The remaining members of the Fiscal Board did not receive remuneration in 2023.

This amount has been and will be paid in full by Toyota Caetano Portugal, S.A..

83. Indication of the remuneration in the reference year of the president of the general meeting.

In 2023, the President and Vice-President of the General Meeting did not receive any remuneration.

V. AGREEMENTS WITH REMUNERATION IMPLICATIONS

84. Contractual limitations provided for the compensation to be paid for the unjust dismissal of a director and its relationship with the variable component of the remuneration.

There are no contractual limitations on the compensation to be paid for the unjust dismissal of the Company's Directors or any form of termination of functions, and this matter is regulated by the provisions of the applicable legislation.

85. Reference to the existence and description, with an indication of the amounts involved, of agreements between the company and the members of the board of directors and managers, within the meaning of number 3 of article 248º-B of the Securities Code, which provide for compensation in the event of dismissal, unfair dismissal or termination of the employment relationship following a change of control of the company, (Article 245º-A no,1, (l) CVM).

There are no agreements for the payment of any compensation, other than that legally due, if the termination or dismissal is due to inadequate performance of the Director, as well as that provide for compensation in the event of dismissal, unfair dismissal or termination of the employment relationship, following a change of control of the Company.

VI. STOCK ASSIGNMENT PLANS OR STOCK OPTIONS

86. Identification of the plan and its recipients.

There is no plan for the allocation of shares or for the allocation of stock options to the members of the Governing Bodies, nor to their employees.

87. Characterization of the plan (conditions of allocation, clauses of inalienability of shares, criteria relating to the price of the shares and the exercise price of the options, period during which the options may be exercised, characteristics of the shares or options to be assigned, existence of incentives for the acquisition of shares and/or the exercise of options).

As described in 85, above, there are no share allocation plans or stock options and therefore this provision does not apply.

88. Option rights granted for the acquisition of shares ("stock options") of which the company's employees and collaborators are beneficiaries.

As described in 86, above, there are no share allocation plans or stock options and therefore this provision does not apply.

89. Control mechanisms provided for in a possible system of employee participation in the capital to the extent that voting rights are not exercised directly by them (Article 245º-A no,1, (e)).

There is no system of employee participation in the capital, so there is no justification for the existence of control mechanisms in so far as voting rights are not exercised directly by them.

E. RELATED PARTY TRANSACTIONS

I. CONTROL MECHANISMS AND PROCEDURES

90. Mechanisms implemented by the Company for the purpose of controlling transactions with related parties (for this purpose, reference is made to the concept resulting from IAS 24)

On March 31, 2021, the Board of Directors approved the "Regulation on Conflicts of Interest and Transactions with Related Parties", which establishes the procedures and criteria that must be observed in the approval of transactions with any related party and their respective disclosure. These regulations are available on the Company's website in https://toyotacaetano.pt/en/investors/corporate-governance/.

Non-recurring extraordinary transactions that come out of the normal course of the Company's activity, as they are operations of relevance to the Company, require a prior opinion from the Fiscal Board.

Any case of conflict of interest or detection of irregularities must be shared with the Fiscal Board.

91. Indication of transactions that were subject to control in the reference year.

The commercial transactions carried out between the Company and holders of qualifying holdings or entities that are in any relationship with them, pursuant to article 20 of the Securities Code, were carried out under normal market conditions, and the transactions and their balances and additional information may be consulted in Note 36 of the Annex to the consolidated financial statements as at December 31, 2023.

92. Description of the procedures and criteria applicable to the intervention of the Fiscal Board for the purposes of the prior evaluation of the business to be carried out between the Company and holders of qualified holdings or entities that are in any relationship with them, pursuant to article 20 of the CVM.

The intervention and prior evaluation of the Fiscal 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 2023, no transactions were identified with holders of qualifying holdings or entities that are in any relationship with them that required prior evaluation by the Fiscal Board.

II. BUSINESS-RELATED ELEMENTS

93. Indication of the location of the documents of presentation of accounts where information on business with related parties is available, in accordance with IAS 24, or, alternatively, reproduction of such information.

The related party transactions are described in Note 36 of the Annex to the consolidated financial statements of the 2023 Annual Report.

PART III – EVALUATION OF CORPORATE GOVERNANCE

1. Identification of the adopted Corporate Governance Code

The Company adopted the IPCG Corporate Governance Code of 2018, in the version updated in 2020 (which is published on the IPCG website in https://cgov.pt/codigo-de-governo-das-sociedades/o-codigo/cgs-em-vigor), as it believes that it ensures an adequate level of protection of shareholders' interests and transparency of Corporate Governance

2. Analysis of compliance with the adopted Corporate Governance Code

RECOMMENDATION	ADOPTION	REMISSION
Chapter I. THE COMPANY'S RELATIONSHIP WITH SHAREHOLDERS, STAKEHOLDERS AND THE COMMUNITY AT LARGE		
I.1	Adopted	Part I
I.2	Adopted	Sustainability report; Company strategy (Part I)
II.1.1. The company shall establish mechanisms that ensure, in an adequate and rigorous manner, the timely circulation or disclosure of the necessary information to its governing bodies, to the company's secretary, to shareholders, to investors, to financial analysts, to other parties and to the market in general	Adopted	Points 21, 42, 57 and 59 to 66 and the company's website
II.2		
II.2.1. Companies shall establish, in advance and in the abstract, criteria and requirements relating to the profile of members of the company's bodies appropriate to the function to be performed, considering, inter alia, individual attributes (such as competence, independence, integrity, availability and experience) and diversity requirements and (with particular attention to equality between men and women), which can contribute to the improvement of the performance of the body and to the balance in its composition.	Adopted	Points 16 to 19, 31 to 33 and Internal Regulations of the Board of Directors and Fiscal Board.

RECOMMENDATION	ADOPTION	REMISSION
II.2.2. The management and supervisory bodies and their internal committees shall have regulations — in particular on the exercise of their respective powers, chairmanship, frequency of meetings, functioning and framework of duties of their members — published in full on the website, and detailed minutes of their meetings shall be drawn up.	Adopted	Points 22, 29 and 34, Internal regulations available on the company's website
II.2.3 The composition and number of meetings each year of the management and supervisory bodies and their committees shall be disclosed via the company's website.	Adopted	Points 23 and 35 and the Company's website
II.2.4. Companies shall adopt a whistleblowing policy that sets out the main guarantees and the appropriate means for reporting and processing irregularities, while safeguarding the confidentiality of the information transmitted and the identity of the submitter, whenever requested.	Adopted	Point 50 and the Company's website
II.2.5. Companies have specialized committees in matters of corporate governance, remuneration, appointment of members of the company's bodies and performance evaluation, separately or cumulatively. In the event that the remuneration committee provided for in Article 399º of the CSC has been created, this recommendation may be complied with by conferring on this committee, if not prohibited by law, competence in these matters	Partially adopted	As for corporate governance, it is the legal department and the compliance committee that are responsible for regulating governance matters, Nominations, remuneration and evaluations, - Points 27 and 29
II.3. Relationship between the company's governing bodies		
II.3.1. The articles of association or other equivalent means adopted by the company shall establish mechanisms to ensure that, within the limits of the applicable legislation, the members of the management and supervisory bodies are guaranteed at all times access to all information necessary for the evaluation of the performance, situation and development prospects of the company, including in particular, the minutes, the documentation supporting the decisions taken, the notices and the archive of the meetings of the executive management body, without prejudice to access to any other documents or persons from whom clarification may be requested.	Adopted	Points 21, 42, 57 and 59 to 66

RECOMMENDATION	ADOPTION	REMISSION
II.3.2. Each governing body and committee of the company ensures, in a timely and appropriate manner, the inter-organic flow of information, necessary for the exercise of the legal and statutory powers of each of the other governing bodies and commissions.	Adopted	Points 21, 29 and 42
I.4 Conflicts of interest		
II.4.1. By internal regulation or equivalent, the members of the management and supervisory bodies and the internal committees are obliged to inform the respective body or committee whenever there are facts that may constitute or give rise to a conflict between their interests and those of the company	Adopted	Points 50 and 90 and the respective Regulations of the governing bodies, as well as regulations on transactions between related parties and conflicts of interest.
II.4.2. The company shall adopt procedures to ensure that the member in conflict does not interfere in the decision-making process, without prejudice to the duty to provide information and clarifications that the body, the committee or its members may request.	Adopted	Points 50, 90 and respective Regulations + Regulation on Transactions between Related Parties and Conflicts of Interest.
II.5. Transactions with related parties		
II.5.1. The management body discloses, in the governance report or by other publicly available means, the internal procedure for verifying transactions with related parties.	Adopted	Points 90, 91 and Regulation on Transactions with Related Parties and Conflicts of Interest,
Chapter III. SHAREHOLDERS AND GENERAL MEETING		
III.1. The company shall not set an excessively high number of shares necessary to confer the right to one vote and shall inform in the governance report of its option, whenever each share does not correspond to one vote.	Not Adopted	Given the size of the Company, the shareholder structure and the low liquidity of the securities, this was the option that the shareholders considered to be the most appropriate.
III.2. The company that has issued shares with a special right to plural voting shall identify, in the governance report, the matters that, due to the accuracy of the company's articles of association, are excluded from the scope of plural voting.	Not applicable	
III.3. The company shall not adopt mechanisms that hinder the taking of resolutions by its shareholders, namely by setting a deliberative	Not Adopted	Although not adopted, it is understood that the taking of certain decisions with the

RECOMMENDATION	ADOPTION	REMISSION
quorum higher than that provided for by legislation.		need for a qualified majority protects minority interests.
III.4. The company implements the appropriate means for the non-face-to-face participation of shareholders in the General Meeting, in terms proportional to its size.	Adopted	Points 12 and the company's website, Shareholders may participate in the AGM by telematic means.
III.5. The company shall also implement appropriate means for the non-face-to-face exercise of the right to vote, including by mail and electronic means.	Adopted	Points 12 and the company's website.
II.6. The company's articles of association which provide for the limitation of the number of votes that may be held or exercised by a single shareholder, individually or in coordination with other shareholders, shall also provide that, at least every five years, the amendment or maintenance of that statutory provision is subject to a resolution by the general meeting – without requirements of a quorum increased in relation to the legal one – and that, in this deliberation, all the votes cast without that limitation being in effect are counted.	Not applicable	
II.7. Measures shall not be adopted which determine payments or the assumption of charges by the company in the event of a transition of control or a change in the composition of the management body and which appear to be prejudicial to the economic interest in the transfer of the shares and to the free assessment by the shareholders of the performance of the directors.	Adopted	Points 4 and 21
Chapter IV. NON-EXECUTIVE MANAGEMENT AND SUPERVISION		
IV.1.1. The management body shall ensure that the company acts in accordance with its purpose and does not delegate powers, namely with regard to: i) defining the company's strategy and main policies; (ii) organization and coordination of the business structure; (iii) matters that should be considered strategic by virtue of their size, risk or special characteristics.	Adopted	Articles of association of the company and internal regulation of the Board of Directors and point 21.

RECOMMENDATION	ADOPTION	REMISSION
IV.1.2. The management body approves, by means of a regulation or by equivalent, the regime of action of the executive directors applicable to the exercise by them of executive functions in entities outside the group	Adopted	Internal Regulation of the Board of Directors.
IV.2.1. Without prejudice to the legal functions of the President of the Board of Directors, if the President of the Board of Directors is not independent, the independent directors shall appoint a coordinator from among themselves to, namely, (i) act, whenever necessary, as an interlocutor with the President of the Board of Directors and with the other directors, (ii) ensure that they have all the conditions and means necessary for the performance of their duties; and (iii) coordinate them in the evaluation of performance by the management body provided for in recommendation V.1.1.. Alternatively, the company may establish another equivalent mechanism to ensure such coordination.	Not adopted, as not applicable	There are no Independent Directors. In view of the size of the company, the small number of non-executive directors and their degree of proximity to the executive directors, there is no need for a coordinator of the executive directors.
IV.2.2 The number of non-executive members of the management body must be appropriate to the size of the company and the complexity of the risks inherent to its activity, but sufficient to efficiently ensure the functions entrusted to them, and the management report must include the formulation of this adequacy judgment.	Adopted	Points 17, 18 and 21.
IV.2.3. The number of non-executive directors is higher than the number of executive directors.	Not Adopted	
IV.2.4. The number of non-executive directors complying with the independence requirements shall be plural and shall not be less than one third of the total number of non-executive directors. For the purposes of this recommendation, a person is considered independent if he or she is not associated with any specific interest group in the company, nor is he or she in any circumstance that may affect his or her exemption from analysis or decision, in particular because: i. Has exercised for more than twelve years, continuously or interspersed, functions in any body of the company; ii. Has been a collaborator of the company or of a company that is in a controlling or group	Not applicable	The company has no independent directors, whether they are executives or not.

RECOMMENDATION	ADOPTION	REMISSION
relationship with it in the last three years; iii. Have, in the last three years, provided services or established a significant commercial relationship with the company or with a company that is in a controlling or group relationship with it, either directly or as a partner, director, manager or director of a legal person; iv. Be the beneficiary of remuneration paid by the company or by a company that is in a controlling or group relationship with it, in addition to the remuneration arising from the exercise of the functions of director; v. Living in a de facto union or being a spouse, relative or relative in the direct line and up to the 3rd degree, inclusive, in the collateral line, of company directors, directors of a legal person holding a qualifying holding in the company or natural persons directly or indirectly holding a qualifying holding; vi. Hold a qualifying holding or represent a shareholder holding qualifying holdings.		
IV.2.5. The provisions of paragraph (i) of recommendation III.4 shall not preclude the classification of a new director as independent if, between the end of his duties in any body of the company and his new appointment, at least three years (cooling-off period) have elapsed in the meantime.	Not applicable	
V.1. With respect to the powers conferred on it by law, the fiscal board shall take note of the strategic lines and shall assess and pronounce on the risk policy, prior to its final approval by the management body.	Adopted	Points 21 and 51 and Internal Regulations of the Fiscal Board

RECOMMENDATION	ADOPTION	REMISSION
V.2. The number of members of the supervisory bodies and of the committee for financial matters shall be appropriate to the size of the company and the complexity of the risks inherent in its activity.	Partially adopted	The number of members of the fiscal board is appropriate to the size of the company. On the other hand, and given the size of the company, its nature and degree of maturity, it is not considered necessary or appropriate to have a specific committee for financial matters, The Board of Directors is supported by various departments in this regard.
CHAPTER VI. PERFORMANCE APPRAISAL, REMUNERATION AND NOMINATIONS		
V.1 Annual Performance Review		
V.1.1. The management body - or committee with competence in the matter, composed of a majority of non-executive members - annually evaluates its performance, as well as the performance of its committees and managing directors, taking into account compliance with the company's strategic plan and budget, risk management, its internal functioning and the contribution of each member to that end, and the relationship between the company´s corporate bodies and committees.	Adopted	The Management Body annually evaluates its performance and the performance of the Nominations, Evaluations and Remuneration Committee. Points 21 and 24. The performance evaluation of the Members of the Management Body is carried out by the Nominations, Evaluations and Remuneration Committee. Points 25.
VI.2 Remuneration		
VI.2.1. The company shall constitute a remuneration committee, the composition of which ensures its independence from the management, which may be the remuneration committee designated under the terms of article 399º of the Commercial Companies Code.	Adopted	Points 27, 29, 67 and 68.

RECOMMENDATION	ADOPTION	REMISSION
VI.2.2. The remuneration of the members of the management and fiscal board and of the committees of the company shall be determined by the remuneration committee or the general meeting, on a proposal from that committee.	Adopted	Point 67.
VI.2.3. The company shall disclose in the governance report, or in the remuneration report, the termination of the functions of the members of the company' s governing bodies or committees, indicating the amounts of all the company's expenses related to the termination of functions, in any capacity, in the year in question.	Adopted	Point 81 and remuneration policy.
VI.2.4. In order to provide information or clarifications to the shareholders, the president or, in his or her absence, another member of the remuneration committee must be present at the annual general meeting and at any other meetings if the respective agenda includes a matter related to the remuneration of the members of the company's governing bodies and committees or if such presence has been requested by shareholders.	Adopted	Points 67 to 71 and Internal Regulation of the Committee on Nominations, Evaluations and Remuneration.
VI.2.5. Within the company's budgetary constraints, the remuneration committee should be free to decide whether the company engages consultancy services necessary or convenient for the performance of its duties.	Adopted	Point 69
VI.2.6. The Remuneration Committee shall ensure that these services are provided independently.	Adopted	Point 69
VI.2.7. The providers of these services shall not be contracted to provide any other services to the company itself or to others with it in a controlling or group relationship without the express authorisation of the Committee.	Adopted	Point 69.
VI.2.8. In view of the alignment of interests between the company and the executive directors, a part of the remuneration of the latter shall be of a variable nature that reflects the sustained performance of the company and does not encourage excessive risk-taking.	Adopted	Remuneration policy.

RECOMMENDATION	ADOPTION	REMISSION
VI.2.9. A significant part of the variable component must be partially deferred in time, for a period of not less than three years, necessarily associating it with the confirmation of the sustainability of the performance, under the terms defined in the company's internal regulations.	Not adopted	Although such a possibility was foreseen, it has not been the Company's choice.
VI.2.10. Where the variable remuneration includes options or other instruments directly or indirectly dependent on the value of the shares, the beginning of the exercise period shall be deferred for a period of not less than three years.	Not applicable	Variable remuneration does not include options or other instruments directly or indirectly dependent on the value of shares.
VI.2.11. The remuneration of non-executive directors shall not include any component the value of which depends on the company's performance or its value.	Not applicable	Non-executive directors are not remunerated.
VI.3. Appointments		
VI.3.1. The company promotes, under the terms it deems appropriate, but in a manner that can be demonstrated, that the proposals for the election of the members of the corporate bodies are accompanied by a statement of reasons regarding the suitability of each of the candidates for the function to be performed.	Adopted	Points 16 and 33, The election of the members of the governing bodies shall comply with the criteria laid down in the internal regulations of each governing body and shall be preceded by an evaluation of the human resources and the Nominations, Evaluations and Remuneration Committee.
VI.3.2. The Committee for the Nomination of Members of Corporate Bodies shall include a majority of independent non-executive members.	Adopted	All members of the Nominations, Evaluations and Remuneration Committee are independent. Point 68.
VI.3.3. Unless the size of the company does not justify it, the task of monitoring and supporting the appointments of management shall be assigned to a nomination committee.	Adopted	Function performed by the Nominations, Evaluations and Remuneration Committee, Point 67.

RECOMMENDATION	ADOPTION	REMISSION
VI.3.4. The nominating committee shall make its terms of reference available and shall induce, to the extent of its competences, transparent selection procedures that include effective mechanisms for the identification of potential candidates, and that those who show the greatest merit, best suit the requirements of the function and promote, within the organisation, adequate diversity, including gender diversity.	Adopted	Function performed by the Nominations, Evaluations and Remuneration Committee, in accordance with the remuneration policy. Point 67.
Chapter VII. RISK MANAGEMENT		
VII.1. The Management body shall discuss and approve the company's strategic plan and risk policy, which shall include setting limits on risk-taking, defining levels of risk considered acceptable.	Adopted	Points 21, 51 to 53 and 55.
VII.2. The company shall have a specialised committee or a committee composed of risk experts which reports regularly to the management body.	Not adopted	The firm has several internal risk analysis teams, namely, compliance, legal, cybersecurity, finance, but not organized in a specialized committee.
VII.3. The supervisory body is internally organised, implementing periodic control mechanisms and procedures in order to ensure that the risks actually incurred by the company are consistent with the objectives set by the management body.	Adopted	Points 51 to 56
VII.4. The internal control system, comprising the risk management, compliance and internal audit functions, shall be structured in terms appropriate to the size of the company and the complexity of the risks inherent to its activity, and the supervisory body shall evaluate it and, within the scope of its competence to monitor the effectiveness of this system, propose any necessary adjustments.	Adopted	Points 51 to 56
VII.5. The company shall establish procedures for the supervision, periodic evaluation and adjustment of the internal control system, including an annual assessment of the degree of internal compliance and the performance of that system, as well as the prospect of changing the risk framework previously defined.	Adopted	Point 51

RECOMMENDATION	ADOPTION	REMISSION
VII.6. Based on its risk policy, the company establishes a risk management function, identifying (i) the main risks to which it is subject in the development of its activity, (ii) the probability of their occurrence and their impact, (iii) the instruments and measures to be adopted with a view to mitigating them and, (iv) monitoring procedures, with a view to their follow-up.	Adopted	Management Report - chapter "Management Risks".
VII.7. The company establishes processes to collect and process data related to environmental and social sustainability, to alert the management body about the risks that the company is incurring and to propose strategies for their mitigation.	Adopted	Sustainability report, available on the Company's website + Company's Strategy (Part I).
VII.8. Company informs on how climate change is considered in the organisation and on how it considers climate risk analysis in decision-making processes.	Adopted	Sustainability report, available on the Company's website + Company's Strategy (Part I).
VII.9. The company informs, in the government report, about the terms under which artificial intelligence mechanisms have been used as a decision-making tool by the governing bodies.	Adopted	Point 51.
VII.10. The supervisory body shall decide 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 any necessary adjustments.	Adopted	Points 55 and 56 and 90.
VII.11. The Fiscal Board shall be the recipient of reports made by the internal control services, including the risk management, compliance and internal audit functions, at least when matters related to accountability, the identification or resolution of conflicts of interest and the detection of potential irregularities are concerned.	Adopted	Points 55 and 56 and the Internal Regulation of the Fiscal Board.
VI.6. Based on its risk policy, the company shall establish a risk management function, identifying (i) the main risks to which it is subject in the development of its activity, (ii) the probability of their occurrence and their impact, (iii) the instruments and measures to be adopted with a view to mitigating them, and (iv)	Adopted	Points 54 and 55 and Management Report - Chapter "Business risks".

RECOMMENDATION	ADOPTION	REMISSION
monitoring procedures, with a view to their follow-up.		
Chapter VIII. FINANCIAL INFORMATION		
VIII.1 Financial information		
VIII.1.1. The regulation of the supervisory body requires the supervisory body to monitor the adequacy of the process of preparation and disclosure of financial information by the management body, including the adequacy of accounting policies, estimates, judgments, material disclosures and their consistent application between years, in a duly documented and communicated manner.	Adopted	Point 34 and Internal Regulation of the Fiscal Board.
VIII.2 Statutory audit and monitoring		
VIII.2.1. By means of rules of procedure, the Supervisory Board shall define, in accordance with the applicable legal framework, the audit procedures to ensure the independence of the statutory auditor.	Adopted	Point 34 and Internal Regulation of the Fiscal Board.
VIII.2.2. The supervisory body is the main interlocutor of the statutory auditor in the company and the first recipient of the respective reports, and is responsible, in particular, for proposing the respective remuneration and ensuring that the appropriate conditions for the provision of services are ensured within the company.	Adopted	Point 37.
VIII.2.3. The supervisory body shall annually assess the work carried out by the statutory auditor, his independence and suitability for the performance of his duties and propose to the competent body his dismissal or the termination of the contract for the provision of his services whenever there is just cause for this purpose.	Adopted	Point 46.

Annex I Professional qualifications of the members:

. of the Board of Directors;

. of the Fiscal Board and

. of the Nominations, Evaluations and Remuneration Committee

José Reis Da Silva Ramos

Date of birth: 15/08/1946 Location: Vila Nova de Gaia

PROFESSIONAL ACTIVITY

Chairman of the Board of Directors of the following companies:

- Toyota Caetano Portugal, S.A.
- NiW - It Services and Consulting, S.A.tag,
- Caetano Shared Services, S.A.
- Caetanobus - Fabricação de Carroçarias, S.A.
- Lusilectra - Veículos e Equipamentos, S.A.
- Salvador Caetano Auto África, SGPS, S.A.
- Salvador Caetano - Indústria (SGPS), S.A.
- Fundação Salvador Caetano

Member of the Board of Directors of the following companies:

- Grupo Salvador Caetano, SGPS, S.A.
- Salvador Caetano Auto, SGPS, S.A.
- Caetano Renting, S.A.
- Atlântica – Comp, Portuguesa de Pesca, S.A.

Manager in the following companies:

- Soc, Imobiliária Quinta da Fundega, Lda.
- Crustacil – Comércio de Marisco, Lda.

Director in the following company:

- Lusilectra-Vehiculos y Equipamientos, S.L.U.

GRADUATION

Degree in Metallurgical Engineering from the University of Porto

Course in Electrotechnics and Machinery, from the former Technical Institute of Porto

ADDITIONAL TRAINING

Attendance of Management Courses

Participation in National and International Seminars and Congresses

Knowledge of Spoken and Written English

OTHER ACTIVITIES

President of ACAP - Associação Automóvel de Portugal, since 2019, a position he has held between 2007 and 2013, alternating with the Vice-Presidency of the Board. At this time, he combined this function with the position held, since 1999, as President of the Associação Industrial de Montagem de Automóveis (AIMA), which would later be integrated into ACAP.

General Honorary Consul of Japan in Porto, since 2002.

AWARDS

Recognition Award in the 2022 edition of the *Prémios Auto Observador*.

Personality of the Year Award 2020, awarded by the SIC/Expresso Executive Committee, within the scope of the Essilor Car of the Year/Crystal Steering Wheel Award. This distinction is largely due to his contribution and personal commitment to the development of the automotive sector in Portugal, with special emphasis on its valorization and competitiveness.

Kaizen Award 2018, awarded by the Kaizen Institute Portugal. This distinction reflects its direct involvement in promoting a corporate culture of continuous improvement and its attitude to do more and better every day, in all areas, and involving all people in the Organization.

Professional Tribute of the Year, by the Rotary Club Gaia Sul, in 2017, in recognition of his professional career and his 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 Medal of Merit awarded by the Municipality of Ovar, in 2016, for his personal commitment to local economic activity, creation of jobs and maintenance of existing ones.

"Order of the Rising Sun, Golden Rays with Bow", in 2015. This is one of the highest distinctions bestowed by the Emperor of Japan on foreign nationals that has greatly contributed to the promotion of mutual understanding and bonds of friendship between Japan and other countries.

Medal of Merit of the Parish of Oliveira de Douro, in 2013.

Award of Honour awarded by ACAP, in 2013, in recognition of the contribution and personal dedication provided throughout the 2 mandates he assumed as Chairman of the Board.

Gold Medal of the City of Vila Nova de Gaia in 2009 for his personal commitment to promoting local economic activity and community development.

LANGUAGES

Portuguese

English

Spanish

French

Japanese

SKILLS

MS Office

SAP

Maria Angelina Martins Caetano Ramos

Date of birth: 18/08/1949 Location: Porto

PROFESSIONAL EXPERIENCE

Chairman of the Board of Directors of the following companies:

- Grupo Salvador Caetano, SGPS, S.A.
- Salvador Caetano Auto, SGPS, S.A.
- Caetano Renting, S.A.
- Salvador Caetano Capital, SGPS, S.A.
- Cociga - Construções Civis de Gaia, S.A.
- Atlântica – Comp, Portuguesa de pesca, S.A.
- Poal - Pavimentações e Obras Acessórias, S.A.
- Auto Partner - Imobiliária, S.A.
- Covim - soc, Agrícola, Silvícola e Imobiliária, S.A.

Member of the Board of Directors at Caetano Automotive Portugal, S.A.

Manager at Crustacil – Comércio de Marisco, Lda.

GRADUATION

Bachelor's Degree in Economics, University of Porto

Miguel Pedro Caetano Ramos

Date of birth: 26/09/1971 Location: Vila Nova de Gaia

PROFESSIONAL ACTIVITY

Chairman of the Board of Directors of the following companies:

- Caetano Formula East África, S.A.

- Caetano Mobility, SGPS, S.A.

- Drive Angola, S.A.

- Caetano Retail España, S.A.U,

- Lidera Soluciones, S.L.

- Gocharge, S.A.

- Caetano Auto CV, S.A.

Member of the Board of Directors of the following companies:

- Grupo Salvador Caetano, SGPS, S.A.

- Caetano Automotive Portugal, S.A.

- Salvador Caetano Capital (SGPS), S.A.

- Caetano Shared Services, S.A.

- NiW - It Services and Consulting, S.A.

- Caetano Aeronautic, S.A.

- Salvador Caetano - Auto, SGPS, S.A.

- Salvador Caetano Auto África, SGPS, S.A.

- Caetano Aeronautic, S.A.

- Salvador Caetano Indústria, SGPS, S.A.

- Ibericar Barcelona Premium, S.L.

- LATAM OPERACIONAL S.L.U.

- Caetanobus - Fabricação de Carroçarias, S.A.

- Kinto Portugal, S.A.

- HEDIN CAETANO AB

- RN Nordic AB

Sole Director of the following Company:

- RN Danmark

Director in the following Company:

- Autowallis Caetano Holding ZRT.

Manager in the following Companies:

- Robert Hudson, Limited

- Simba Caetano Fórmula, Limited

- Caetano Renting Angola, LDA.

- Caetano Peças - Comércio e Serviços (SU), Lda.

PROFESSIONAL EXPERIENCE

2015 - 2022 - CEO Salvador Caetano Auto, SGPS

2003 - 2015 - Responsible for International Strategy, Mergers, Acquisitions and Investments at Salvador Caetano Group

2002 - Responsible for the internationalization of the automotive sector in Spain

2000 - 2001 - Implementation of COL (Customer Oriented Logistics), Toyota

Development of the Human Resources policy

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)

Launch of the rapid adaptation project - Autocenter

Altitude Software, Acquisition & Restructuring

Implementation of the PDN program (Business Development Plan at Toyota)

1997 - Toyota Sales and Marketing Management

1994 - 1997 - Toyota Motorsports Management

1993 - Internship at Salvador Caetano Group in the area of after sales, Toyota

GRADUATION

International MBA in Business and Finance, European University

Degree in Mechanical Engineering and Industrial Management from the University of Porto

ADDITIONAL TRAINING

Singularity University Executive Program in Silicon Valley

Toyota Senior Management Development Program, IMD International Lausanne

Participation in Seminars and Courses of Corporate Strategy and Business Management national and international

OTHER ACTIVITIES

General Honorary Consul of South Korea in Porto

LANGUAGES

Fluent in:

English

Spanish

Italian

French

Tom Fux

Date of birth: 19/12/1973

Location: Ljubljana, Slovenia

OCCUPATION

Director of the following companies:

- Toyota Deutschland Gmbh

- Toyota Austria Gmbh

- Toyota Motor Russia "000"

PROFESSIONAL EXPERIENCE

2021 - Vice President of Sales Business Unit, Toyota Motor Europe

2020 - Vice President Mobility, Toyota Motor Europe

2018 - Managing Director, Toyota Fleet Mobility

2014 - President Toyota Germany

2012 - Sales Director, Toyota Motor Europe

2010 - Director of Planning and Sales, Toyota Motor Europe

2008 - Head of Sales Planning, Toyota Motor Europe

1998 - 2008 General Manager of Sales and Marketing, Toyota Adria

GRADUATION

Bachelor's Degree in Economics, University Ljubljana

Bachelor's Degree in Marketing

Kazunori Takagi

Date of Birth: 15/02/1969

OCCUPATION

Director at the following company: Toyota Motor Manufacturing UK

PROFESSIONAL EXPERIENCE

2022 - Joined TME, Manufacturing Support Role, and EMC, Senior Vice President

2021 - Div. Motomachi Administration, Managing Director

2019 - Div. Motomachi Plant Assembly General Manager

2018 - Div. Assembly of the Motomachi plant, Deputy General Manager

2013 - Director of TMR-SP Plant

2012 - Div. Assembly of the Motomachi plant, Deputy General Manager

2009 - Div. Assembly of the Motomachi plant, Paint Shop Manager

2007 - Div. Assembly of the Motomachi factory, Group Manager

2003 - Coordinator of the TMCA automaker (Assistant Manager)

1998 - Div. Assembly of the Motomachi plant, engineer

1997 - Div. Motomachi Administration, Factory Logistics Group Engineer

1995 - Div. Assembly of the Motomachi plant, engineer

1994 - Assembly PE Div, Plant Management Group Engineer

1991 - Joined TMC, Assembly Division of the Motomachi plant, engineer

1991 - Graduated from Tokai University

GRADUATION

Tokai University, College of Engineering, Electronics

Gisela Maria Falcão Sousa Pires Passos

Date of birth: 20/11/1971 Location: Porto

OCCUPATION

She is a Member of the Board of Directors of the following companies:

- Toyota Caetano Portugal, S.A.

- Caetanobus - Fabricação de Carroçarias, S.A.

- Salvador Caetano Indústria (SGPS), S.A.

- Kinto Portugal, S.A.

- Caetano Renting, S.A.

PROFESSIONAL EXPERIENCE

2021 - present – CFO Financial Department, Toyota Caetano Portugal, S.A.

2015 - 2020 – Financial Department, CaetanoBus, Fabricação de Carroçarias, S.A.

2005 - 2015 - Department of Studies and Strategic Planning - Rigor, Consultoria e Gestão, S.A.

2004 - 2005 - Office of Studies and Projects - Fogeca, SGPS, S.A.

1999 - 2003 - Office of Studies and Projects - Salvador Caetano, IMVT, S.A.

1997 - 1999 - Financial Department- Autovia, Soc, Automóveis, Lda.

1994 - 1997 - Audit Department - Arthur Andersen

GRADUATION

Degree in Economics, Faculty of Economics of Porto

ADDITIONAL TRAINING

2021 - Advanced Development Program (PDA) of Strategic Leadership *Ser Caetano*, focused on the application of Neuroscience to Leadership, Next Leader

2018/2019 - Leadership *Ser Caetano*, Porto Business School 2018 - Performance Evaluation, Porto Business School

2017 - International Financial Reporting Standards, PWC, V,N,Gaia

2016 - Leading the future routes programme, 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 Formation - Incorporation, Dissolution, Liquidation and Transformation of Companies

2001 - Advanced Management Program for Executives, Catholic University of Portugal

Maria da Conceição Monteiro da Silva

Date of birth: 20/05/1954 Location: Vieira do Minho

OCCUPATION

She works in the following companies:

Chairman of the Fiscal Board of Toyota Caetano Portugal, S.A.

Member of the Remuneration Committee of:

- Caetano Auto, S.A.
- Caetano Automotive Portugal, S.A.

PROFESSIONAL EXPERIENCE

She has served as an Executive Director in several companies in the automotive sector, having held the positions of CFO and CEO

GRADUATION

Degree in Economics from the Faculty of Economics of the University of Porto

José Domingos Silva Fernandes

Date of birth: 28/03/1951 Location: Porto

OCCUPATION

He currently works in the following companies:

President of the Fiscal Board at Caetano Baviera, S.A.

Member of the Fiscal Board of Toyota Caetano, S.A.

Statutory Auditor in companies:

- Summertime - Sociedade Imobiliária, S.A.
- Convemaia - Sociedade Imobiliária, S.A.
- BDS, SGPS, S.A.

PROFESSIONAL EXPERIENCE

2001-2005 - Chairman of the Disciplinary Council of the Portuguese Association of Statutory Auditors

Since 1982 - Member of the Portuguese Association of Statutory Auditors, having held these positions in various public and private entities

1987-2011 Lecturer at the Higher Institute of Accounting and Administration of Porto

1975-1993 - Technician of the General Inspectorate of Finance

GRADUATION

Accountant Course, from the former Commercial Institute of Porto

Bachelor's Degree in Economics from the University of Porto

OTHER ACTIVITIES

Monitor of several training actions, in the areas of Accounting and Taxation, promoted by the Order of Certified Accountants and the Portuguese Association of Accountants

Daniel Broekhuizen

Date of Birth: 26/07/1965 Location: Jutphaas, The Netherlands

OCCUPATION

He works in the following companies:

- Member of the Fiscal Board, Toyota Caetano Portugal, S.A.

- Member of the Supervisory Board, Toyota Motor Kazakhstan LLP

- Member of the Board of Directors Toyota Logistics Services Ireland Ltd

EDUCATION

Master's Degree in International Management and Taxation from Boston University / VUB

Bachelor's Degree in Business Economics and Tax Law

João António Ferreira de Araújo Sequeira

Date of birth: 10/06/1948 Location: Santo Ildefonso- Porto

OCCUPATION

Member of the Board of Directors of the following companies:

- P.O.A.L – Pavimentações e Obras Acessórias, S.A.
- TURISPAIVA – Sociedade Turística Paivense, S.A.

Chairman of the Fiscal Board in the following companies:

- CAETANOBUS – Fabricação de Carroçarias, S.A.

Member of the Fiscal Council in the following companies:

- Salvador Caetano Auto, SGPS, S.A.
- Fundação Salvador Caetano

Member of the Nominations, Evaluations and Remuneration Committee at Toyota Caetano Portugal, S.A.

Member of the Remuneration Committee at Caetano Auto, S.A.

GRADUATION

- Bachelor's degree in Accounting from Instituto Comercial do Porto (Instituto Superior de Contabilidade)
- Bachelor's degree in Economics (Not completed)

Rui Manuel Machado de Noronha Mendes

Date of birth: 08/08/1954

Location: Leça da Palmeira - Matosinhos

OCCUPATION

Member of the Remuneration Board in the following companies:

- Caetano Auto, S.A.
- Caetano Automotive Portugal, S.A.

President of the Supervisory Board at Fundação Salvador Caetano

Member of the Nominations, Evaluations and Remuneration Committee at Toyota Caetano Portugal, S.A.

Member of the Monitoring Committee of the Salvador Caetano Pension Fund

GRADUATION

Bachelor's Degree in Economics

Jorge Manuel Cerqueira Magalhães

Date of birth: 16/10/1967

Location: Miragaia - Porto

OCCUPATION

Member of the Nominations, Evaluations and Remuneration Committee at Toyota Caetano Portugal, S.A.

GRADUATION

Degree in Accounting and Administration, from the Higher Institute of Accounting and Administration of Porto

OTHER INFORMATION

OTHER INFORMATION

Headquarters

Av. Vasco da Gama. 1410

4431-956 Vila Nova de Gaia

Portugal

Phone: +351 227 867 000

Ovar Manufacturing Unit

Rua de Olho Marinho (EN109), nº 1427

3885-113 Arada, Ovar

Portugal

Phone: +351 256 790 042

Industrial Equipment Division, South

Carregado

Estrada Nacional 3 – km1

2580-595 Carregado

Portugal

Phone: +351 263 857 244

Date of Incorporation: July 4, 1946

N.I.P.C. 500 239 037

Commercial Registry Office of Vila Nova de Gaia, nº 500239037

The Company did not change its corporate name in 2022.

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Registo na CMVM n.º 20161389
Bom Sucesso Trade Center
Praça do Bom Sucesso, 61 - 13º
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STATUTORY AUDITOR’S REPORT

(Free translation of a report originally issued in Portuguese language:
in case of doubt the Portuguese version will always prevail)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of Toyota Caetano Portugal, S.A. (“the Entity”), which comprise the statement of financial position as at December 31, 2023 (showing a total of Euro 366,439,933 and total equity of Euro 168,220,580, including a net result of Euro 17,119,170), 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 material information about the accounting policy.

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, 2023 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 f), 12 and 23 of the notes to the financial statements)	
As of December 31, 2023, the Entity´s inventories amount to million Euro 90,5 (representing approximately 25% of the Entity's net assets), of which the amount of million Euro 21,2 corresponds to used vehicles. In accordance with IAS 2 Inventories, used vehicles are valued at the lower of the acquisition cost and the net realizable value. The accumulated impairment losses reflect the difference between the acquisition cost and the net realizable value of inventories. The net realizable value of the used vehicles is determined by applying devaluation criteria defined by the Entity´s Management, considering their age, as well as by consulting market indicators obtained from external sources, which also consider the characteristics and age of each vehicle. This matter is considered a relevant audit matter due to the volatility of the market value of used vehicles and the judgmental nature associated with the determination of impairment losses.	Our audit procedures included the analysis of the valuation process carried out by the Entity for inventories corresponding to used vehicles, verifying their compliance with the provisions of the accounting standards, and aiming at mitigating the risk that the value of such inventories may be higher than the respective net 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, 2023; • Validation of the criteria adopted by the Entity's Management regarding the recording of impairments for used vehicles and carrying out arithmetic tests; • Analysis of the historical margins on used vehicle sales; • Analysis and comparison of the net accounting values of used vehicles as of December 31, 2023 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, 2023 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, 2023; • Assessment of the adequacy of the disclosures made in the financial statements.

<table>
<tr><th>Description of the most significant risks of material misstatement identified</th><th>Summary of the auditor’s responses to the assessed risks of material misstatement</th></tr>
<tr><td colspan="2">Impairment of financial investment in joint venture
(Notes 2.3 v) and 10 of the notes to the financial statements)</td></tr>
<tr><td>The Entity has a financial investment in a joint venture, Caetanobus – Fabricação de Carroçarias, S.A., acquired during the year of 2020, whose accounting value as at December 31, 2023 amounts to Euro 22,3 million. This financial investment is measured in accordance with the equity method, less impairment losses.

The Entity recognizes impairment losses on financial investments in joint ventures when it is determined that the recovery value of a given asset is lower than its accounting value.

The above referred joint venture recorded negative operating and net results from 2020 to 2023, situation that constitutes an indication of impairment in relation to that financial investment.

Impairment tests incorporate complex judgments, materialized in business plans, which are based on various assumptions, associated with discount rates, expected margins, short and long-term growth rates, investment plans and demand behaviors.

These assumptions consider (i) the perspectives associated with the resumption of activity in the post-pandemic period, (ii) a structural change in the business segment associated with the manufacturing and assembly of urban buses, which considers the implementation of a partnership that involves the outsourcing of a significant part of the production and assembly of those buses, (iii) as well as the materialization of the growth projected by the management of such joint venture for the respective target market, in relation to more environmentally sustainable bus models. We emphasize that, however, the current armed conflicts taking place in Ukraine and in the Middle East may continue to have a significant impact on the main destination economies for Caetanobus – Fabricação de Carroçarias, S.A. sales.

As a result of its analysis process, and taking into account some uncertainty regarding the expectation of continued resumption of activity and recovery of profitability of the joint venture, which is associated with the aforementioned partnership, the Entity recorded in its consolidated financial statements as of December 31, 2023 an impairment loss in the amount</td><td>Our audit procedures in this area have included:

• The assessment of the relevant controls related with the identification of impairment signs in relation to financial investments in joint ventures held by the Entity, as well as the analysis of the exercise of assessment of impairment losses in situations in which impairment signs are identified;

• Considering that the financial statements as of December 31, 2023 of Caetanobus – Fabricação de Carroçarias, S.A. were audited by other statutory auditors, we carried out the following procedures:

– Submission of audit instructions to the component´s statutory auditors, as provided for in ISA 600 - Special Considerations – Audits of Group Financial Statements (Including the Work of Component Auditors);

– Assessment of the technical competence of the said statutory auditors; involvement in the planning process of the referred audit; review of the statutory auditors' working papers, ensuring that the significant risks identified by us have been adequately addressed; and evaluation of the conclusions of the procedures carried out to mitigate such risks;

– Analysis of the audit reports issued by the statutory auditors of Caetanobus – Fabricação de Carroçarias, S.A., discussing with its representatives the respective conclusions.

• Regarding the valuation of the recovery amount estimated by the Entity in the impairment analysis process, our procedures included:

– Obtaining the valuation model used to determine the recoverable amount of the financial investment and testing the arithmetic correctness of this model;</td></tr>
</table>

Description of the most significant risks of material misstatement identified	Summary of the auditor's responses to the assessed risks of material misstatement
Impairment of financial investment in joint venture (Notes 2.3 v) and 10 of the notes to the financial statements)	
of 1,6 million euros in relation to the aforementioned joint venture. Considering the relevance of the aforementioned asset in the financial statements, the inherent complexity of the impairment analysis carried out, supported on estimates and assumptions based on economic and market forecasts, in an environment of increased uncertainty associated with the current economic situation at European level, we consider this area as a relevant audit matter.	− Assessment of the methodology used by the Entity in the process of determining the value in use, namely in view of the requirements of the applicable accounting standards; − Assessment of the assumptions underlying the model, namely in terms of the discount rates and long-term growth rates used; − Analysis of the sensitivity tests performed; − Conducting discussions with the Entity's Management; − Verification of the compliance and consistency of the impairment analysis provided to us with the impairment analysis provided to the statutory auditors of Caetanobus – Fabricação de Carroçarias, S.A.; − Assessment of the adequacy of the disclosures made in the financial statements.

Other matters

The attached financial statements refer to the Entity's activity at an individual level and were prepared for approval and publication in accordance with the applicable legislation. As mentioned in Note 2.3 v) 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 10 of the notes to the financial statements.

Responsibilities of management and supervisory body for the financial statements

Management is responsible for:

- the preparation of financial statements that give a true and fair view of the Entity's financial position, financial performance and cash flows in accordance with International Financial Reporting Standards (IFRS) as adopted in the European Union;
- the preparation of the management report, corporate governance report, non-financial information and remuneration report in accordance with applicable laws and regulations;
- designing and maintaining an appropriate internal control system to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- the adoption of accounting policies and principles appropriate in the circumstances; and

- assessing the Entity's ability to continue as a going concern, and disclosing, as applicable, the matters that may cast significant doubt about the Entity's ability to continue as a going concern.

The supervisory body is responsible for overseeing the Entity's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our responsibility is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Entity to cease to continue as a going concern;
- evaluate the overall presentation, structure and global content of the financial statements, including the disclosures, and whether those financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- communicate with those charged with governance, including the supervisory body, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit;
- determine, from the matters communicated with those charged with governance, including the supervisory body, those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter;

- provide the supervisory body with a statement that we have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, which measures have been taken to eliminate the threats or what safeguards have been applied.

Our responsibility also includes the verification that the information contained in the management report is consistent with the financial statements and the verification of the requirements as provided in numbers 4 and 5 of article 451.º 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, 2023 must comply with the applicable requirements set out in the Commission Delegated Regulation (EU) 2019/815 of December 17, 2018 ("ESEF Regulation").

Management is responsible for the preparation and disclosure of the annual report in accordance with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance about whether the financial statements, included in the annual report, are presented in accordance with the requirements set out in the ESEF Regulation.

Our procedures have considered the Technical Application Guide ("*Guia de Aplicação Técnica")* of Ordem dos Revisores Oficiais de Contas (OROC) (the Portuguese Institute of Statutory Auditors) on reporting in ESEF and included, among others, gaining an understanding of the financial reporting process, including the presentation of the annual report in valid XHTML format.

In our opinion, the financial statements, included in the annual report, are presented, in all material respects, in accordance with the requirements set out in the ESEF Regulation.

About the management report

Pursuant to article 451º, nº 3, al. e) of the Portuguese Companies' Code ("*Código das Sociedades Comerciais*"), it is our opinion that the management report was prepared in accordance with the applicable legal and regulatory requirements, and the information contained therein is consistent with the audited financial statements and, having regard to our knowledge and assessment over the Entity, we have not identified any material misstatements.

About the corporate governance report

Pursuant to article 451º, nº 4, of the Portuguese Company's Code ("*Código das Sociedades Comerciais*"), we conclude that the corporate governance report includes the elements required to the Entity under the terms of article 29º-H of the Portuguese Securities Code ("*Código dos Valores Mobiliários*"), and we have not identified any material misstatements on the information disclosed therein, which, accordingly, complies with the requirements of items c), d), f), h), i) and l), of no. 1 of said article.

About the non-financial information

Pursuant to article 451º, nº 6, of the Portuguese Company's Code ("*Código das Sociedades Comerciais*"), we inform that the Group will prepare a separate report from the management report, named Sustainability Report ("*Relatório de sustentabilidade*") that includes the consolidated non-financial information, as provided for in article 508º-G of the Commercial Companies Code ("*Código das Sociedades Comerciais*"), which must be published on its website within the legal deadline.

About the remuneration report

Pursuant to article 245º-C, nº 6, of the Portuguese Securities Code ("*Código dos Valores Mobiliários*"), we inform that the Entity has included in a separate chapter, in its corporate governance report, the information provided for in nº 2 of said article.

About the additional matters provided in article 10 of Regulation (UE) nr. 537/2014

Pursuant to article 10º of Regulation (UE) nº 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. We were subsequently appointed in the shareholders´ general assembly held on May 30, 2023 for a second mandate, comprising the quadrennium 2023-2026.
- Management has confirmed us that they are not aware of any fraud or suspicion of fraud having occurred that has a material effect on the financial statements. In planning and executing our audit in accordance with ISA, we maintained professional skepticism and we designed audit procedures to respond to the risk of material misstatements in the financial statements due to fraud. As a result of our work, we have not identified any material misstatement on the financial statements due to fraud.
- We confirm that the audit opinion issued is consistent with the additional report that we prepared and delivered to the Entity's supervisory body as of April 30, 2024.
- We declare that we have not provided any prohibited services as described in article 5º, number 1, of Regulation (EU) nº 537/2014, and that we have remained independent from the Entity in conducting the audit.

Porto, April 30, 2024

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Deloitte & Associados, SROC S.A.
Represented by Miguel Nuno Machado Canavarro Fontes, ROC
Register in OROC nr. 1397
Register in CMVM nr. 20161007

Deloitte.

Deloitte & Associados, SROC S.A.
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STATUTORY AUDITOR'S REPORT

(Free translation of a report originally issued in Portuguese language:
In case of doubt the Portuguese version will always prevail)

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of Toyota Caetano Portugal, S.A. ("the Entity") and of its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at December 31, 2023 (showing a total of Euro 455,497,973 and total equity of Euro 170,028,015, including a net result of Euro 17,119,170), 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 notes to the consolidated financial statements, including material information about the accounting policy.

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, 2023 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.

<table>
<tr><th>Description of the most significant risks of material misstatement identified</th><th>Summary of the auditor's responses to the assessed risks of material misstatement</th></tr>
<tr><td colspan="2">Impairment of used vehicles
(Notes 2.4 g), 12 and 26 of the notes to the consolidated financial statements)</td></tr>
<tr><td>As of December 31, 2023, the Group's inventories amount to million Euro 147 (representing approximately 32% of the Entity's net consolidated assets), of which the amount of million Euro 54,1 corresponds to used vehicles.

In accordance with IAS 2 Inventories, used vehicles are valued at the lower of the acquisition cost and the net realizable value. The accumulated impairment losses reflect the difference between the acquisition cost and the net realizable value of inventories.

The net realizable value of the used vehicles is determined by applying devaluation criteria defined by the Entity´s Management, considering their age, as well as by consulting market indicators obtained from external sources, which also consider the characteristics and age of each vehicle.

This matter is considered a relevant audit matter due to the volatility of the market value of used vehicles and the judgmental nature associated with the determination of impairment losses.</td><td>Our audit procedures included the analysis of the valuation process carried out by the Entity for inventories corresponding to used vehicles, verifying their compliance with the provisions of the accounting standards, and aiming at mitigating the risk that the value of such inventories may be higher than the respective net realizable value. Among other procedures carried out, we highlight the following:
• Test of detail on the acquisition cost of used vehicles as of December 31, 2023;
• Validation of the criteria adopted by the Entity's Management regarding the recording of impairments for used vehicles and carrying out arithmetic tests;
• Analysis of the historical margins on used vehicle sales;
• Analysis and comparison of the net accounting values of used vehicles as of December 31, 2023 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, 2023 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, 2023;
• Assessment of the adequacy of the disclosures made in the consolidated financial statements.</td></tr>
</table>

<table>
<tr><th>Description of the most significant risks of material misstatement identified</th><th>Summary of the auditor's responses to the assessed risks of material misstatement</th></tr>
<tr><td colspan="2">Impairment of financial investment in the joint venture Caetanobus – Fabricação de Carroçarias, S.A.
(Notes 2.3 b) and 10 of the notes to the consolidated financial statements)</td></tr>
<tr><td>The Group has a financial investment in a joint venture, Caetanobus – Fabricação de Carroçarias, S.A., acquired during the year of 2020, whose accounting value as at December 31, 2023 amounts to Euro 22,3 million. This financial investment is measured in accordance with the equity method, less impairment losses.

The Entity recognizes impairment losses on financial investments in joint ventures when it is determined that the recovery value of a given asset is lower than its accounting value.

The above referred joint venture recorded negative operating and net results from 2020 to 2023, situation that represents an indication of impairment in relation to that financial investment.

Impairment tests incorporate complex judgments, materialized in business plans, which are based on various assumptions, associated with discount rates, expected margins, short and long-term growth rates, investment plans and demand behaviors.

These assumptions consider (i) the perspectives associated with the resumption of activity in the post-pandemic period, (ii) a structural change in the business segment associated with the manufacturing and assembly of urban buses, which considers the implementation of a partnership that involves the outsourcing of a significant part of the production and assembly of those buses, (iii) as well as the materialization of the growth projected by the management of such joint venture for the respective target market, in relation to more environmentally sustainable bus models. We emphasize that, however, the current armed conflicts taking place in Ukraine and in the Middle East may continue to have a significant impact on the main destination economies for Caetanobus – Fabricação de Carroçarias, S.A. sales.

As a result of its analysis process, and taking into account some uncertainty regarding the expectation of continued resumption of activity and recovery of profitability of the joint venture, which is associated with the aforementioned partnership, the Entity recorded in its consolidated financial statements as of December 31, 2023 an impairment loss in the amount</td><td>Our audit procedures in this area have included:

• The assessment of the relevant controls related to the identification of impairment signs in relation to financial investments in joint ventures held by the Group, as well as the analysis of the exercise of assessment of impairment losses in situations in which impairment signs are identified;

• Considering that the financial statements as of December 31, 2023 of Caetanobus – Fabricação de Carroçarias, S.A. were audited by other statutory auditors, we carried out the following procedures:

− Submission of audit instructions to the component´s statutory auditors, as provided for in ISA 600 - Special Considerations – Audits of Group Financial Statements (Including the Work of Component Auditors);

− Assessment of the technical competence of the said statutory auditors; involvement in the planning process of the referred audit; review of the statutory auditors' working papers, ensuring that the significant risks identified by us have been adequately addressed; and evaluation of the conclusions of the procedures carried out to mitigate such risks;

− Analysis of the audit reports issued by the statutory auditors of Caetanobus – Fabricação de Carroçarias, S.A., discussing with its representatives the respective conclusions.

• Regarding the valuation of the recovery amount estimated by the Entity in the impairment analysis process, our procedures included:

− Obtaining the valuation model used to determine the recoverable amount of the financial investment and testing the arithmetic correctness of this model;</td></tr>
</table>

Description of the most significant risks of material misstatement identified	**Summary of the auditor's responses to the assessed risks of material misstatement**
Impairment of financial investment in the joint venture Caetanobus – Fabricação de Carroçarias, S.A. (Notes 2.3 b) and 10 of the notes to the consolidated financial statements)	
of 1,6 million euros in relation to the aforementioned joint venture. Considering the relevance of the aforementioned asset in the consolidated financial statements, the inherent complexity of the impairment analysis carried out, supported on estimates and assumptions based on economic and market forecasts, in an environment of increased uncertainty associated with the current economic situation, we consider this area as a relevant audit matter.	− Assessment of the methodology used by the Group in the process of determining the value in use, namely in view of the requirements of the applicable accounting standards; − Assessment of the assumptions underlying the model, namely in terms of the discount rates and long-term growth rates used; − Analysis of the sensitivity tests performed; − Conducting discussions with the Entity's management; − Verification of the compliance and consistency of the impairment analysis provided to us with the impairment analysis provided to the statutory auditors of Caetanobus – Fabricação de Carroçarias, S.A.; − Assessment of the adequacy of the disclosures made in the consolidated financial statements.

Responsibilities of management and supervisory body for the consolidated financial statements

Management is responsible for:

- the preparation of consolidated financial statements that give a true and fair view of the Group's financial position, financial performance and cash flows in accordance with International Financial Reporting Standards (IFRS) as adopted in the European Union;
- the preparation of the management report, corporate governance report, non-financial information and remuneration report in accordance with applicable laws and regulations;
- designing and maintaining an appropriate internal control system to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error;
- the adoption of accounting policies and principles appropriate in the circumstances; and
- assessing the Group's ability to continue as a going concern, and disclosing, as applicable, the matters that may cast significant doubt about the Group's ability to continue as a going concern.

The supervisory body is responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Entity to cease to continue as a going concern;
- evaluate the overall presentation, structure and global content of the consolidated financial statements, including the disclosures, and whether those financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion;
- communicate with those charged with governance, including the supervisory body, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit;
- determine, from the matters communicated with those charged with governance, including the supervisory body, those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter;
- provide the supervisory body with a statement that we have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, which measures have been taken to eliminate the threats or what safeguards have been applied.

Our responsibility also includes the verification that the information contained in the management report is consistent with the consolidated financial statements, and the verification of the requirements as provided in numbers 4 and 5 of article 451.º 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, 2023 must comply with the applicable requirements set out in the Commission Delegated Regulation (EU) 2019/815 of December 17, 2018 (ESEF Regulation).

Management is responsible for the preparation and disclosure of the annual report in accordance with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements, included in the annual report, are presented in accordance with the requirements set out in the ESEF Regulation.

Our procedures have considered the Technical Application Guide ("*Guia de Aplicação Técnica")* of Ordem dos Revisores Oficiais de Contas (OROC) (the Portuguese Institute of Statutory Auditors) on reporting in ESEF and included, among others:

- gaining an understanding of the financial reporting process, including the presentation of the annual report in valid XHTML format; and
- the identification and assessment of the risks of material misstatement associated with the tagging of information in the consolidated financial statements, in XBRL format, using iXBRL technology. This assessment was based on the understanding of the process implemented by the Entity to tag the information.

In our opinion, the consolidated financial statements, included in the annual report, are presented, in all material respects, in accordance with the requirements set out in the ESEF Regulation.

About the management report

Pursuant to article 451º, nº 3, al. e) of the Portuguese Companies' Code ("*Código das Sociedades Comerciais*"), it is our opinion that the management report was prepared in accordance with the applicable legal and regulatory requirements, and the information contained therein is consistent with the audited consolidated financial statements and, having regard to our knowledge and assessment over the Group, we have not identified any material misstatements.

About the corporate governance report

Pursuant to article 451º, nº 4, of the Portuguese Company's Code ("*Código das Sociedades Comerciais*"), we conclude that the corporate governance report includes the elements required to the Group under the terms of article 29.º-H of the Portuguese Securities Code ("*Código dos Valores Mobiliários*"), and we have not identified any material misstatements on the information disclosed therein, which, accordingly, complies with the requirements of items c), d), f), h), i) and l), of no. 1 of said article.

About the consolidated non-financial information

Pursuant to article 451º, nº 6, of the Portuguese Company's Code ("*Código das Sociedades Comerciais*"), we inform that the Group will prepare a separate report from the management report, named Sustainability Report ("*Relatório de sustentabilidade*") that includes the consolidated non-financial information, as provided for in article 508º-G of the Commercial Companies Code ("*Código das Sociedades Comerciais*"), which must be published on its website within the legal deadline.

About the remuneration report

Pursuant to article 26º-G, nº 6, of the Portuguese Securities Code ("*Código dos Valores Mobiliários*"), we inform that the Group has included in a separate chapter, in its corporate governance report, the information provided for in nº 2 of said article.

About the additional matters provided in article 10 of Regulation (UE) nº 537/2014

Pursuant to article 10º of Regulation (UE) nº 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. We were subsequently appointed in the shareholders´ general assembly held on May 30, 2023 for a second mandate, comprising the quadrennium 2023-2026.
- Management has confirmed us that they are not aware of any fraud or suspicion of fraud having occurred that has a material effect on the financial statements. In planning and executing our audit in accordance with ISA, we maintained professional scepticism and we designed audit procedures to respond to the risk of material misstatements in the consolidated financial statements due to fraud. As a result of our work, we have not identified any material misstatement on the consolidated financial statements due to fraud.
- We confirm that the audit opinion issued is consistent with the additional report that we prepared and delivered to the Group's supervisory body as at April 30, 2024.
- We declare that we have not provided any prohibited services as described in article 5º, number 1, of Regulation (EU) nº 537/2014, of April 16, 2014, and that we have remained independent from the Group in conducting the audit.

Porto, April 30, 2024

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Deloitte & Associados, SROC S.A.
Represented by Miguel Nuno Machado Canavarro Fontes, ROC
Register in OROC nr. 1397
Register in CMVM nr. 20161007

Toyota Caetano Portugal, S.A.

Registered Office: Av. Vasco da Gama, n.º 1410, Vila Nova de Gaia

Share Capital: 35.000.000 Euros

Solo Tax and Registry Number at the Commercial

Registry Office of Vila Nova de Gaia 500 239 037

Report and opinion of the Fiscal Council

Dear Shareholders:

1. In accordance with the terms of item g) number 1 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 2023, 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 g) of number 1 of article 420.º of the "Código das Sociedades Comerciais", 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 to in article 29º-H 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, 2023;

b) Approve the proposal for the net result application, contained in the management report of the Board of Directors.

Vila Nova de Gaia, 30th April 2024

Toyota Caetano Portugal, S.A.

Registered Office: Av. Vasco da Gama, n.º 1410, Vila Nova de Gaia
Share Capital: 35.000.000 Euros
Solo Tax and Registry Number at the Commercial
Registry Office of Vila Nova de Gaia 500 239 037

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 29.º-G 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 companies included in its perimeter of consolidation, 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 uncertainties they face.

Vila Nova de Gaia, 30th April 2024