ANNUAL REPORT
2021

UN_
LOCK_
ING
TOMORROW.

www.ascendum.pt

ASCENDUM

2021 will be remembered as an exceptional year for Ascendum as we surpassed 1 Billion Euros in turnover, for the first time in our history. A milestone that sets the tone for the years to come.

Looking at the future, we foresee many challenges taking shape, but we are ready to unlock progress.

Having in mind what the market asks of us and with all the key elements — Talent, Passion, Innovation and Direction — we are prepared to embrace the opportunities and changes the future will bring.

JOIN US ON THIS JOURNEY TO UNLOCK TOMORROW.

ANNUAL REPORT
2021

UN_ LOCK_ ING

TOMORROW.

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ASCENDUM

ASCENDUM GROUP WORLDWIDE

Present with 80 branches in Portugal, Spain, USA, Turkey, Mexico, Austria, Hungary, Czech Republic, Slovakia, Romania, Croatia, Slovenia, Bosnia-Herzegovina, Moldova, Angola and Mozambique.

PORTUGAL (HQ)
Albergaria
Coimbra
Faro
Leiria
Lisboa
Porto
Viseu

SPAIN
Barcelona
Granada
Madrid
Madrid - Ciempozuelos
Santiago
Valladolid

SUB-DEALERS:
Alava
Asturias & Leon
Baleares
Burgos
Murcia & Almeria

USA
GEORGIA:
Buford
Macon
Savannah

NORTH CAROLINA:
Asheville
Charlotte
Greenville
Raleigh

NORTH DAKOTA:
Bismarck
Fargo
Williston

SOUTH CAROLINA:
Charleston
Columbia
Piedmont

TENNESSEE:
Chattanooga
Knoxville

TURKEY
Ankara
Bursa
Istanbul-Asia - Orhanli
Istanbul-Europe - Kirac
Samsun

SUB-DEALERS:
Akça
Ceylan
Yiğiter

MEXICO
Guadalajara
Monterrey
Tultitlan

CENTRAL EUROPE:

AUSTRIA
Bergheim
Gumpoldskirchen
Lieboch
St. Marien
Villach
Volders

CROATIA
Zagreb

CZECH REP.
Brno Ceské Budejovice
Lodenice
Olomouc
Ostrava
Plzen
Podebrady
Tachlovice

HUNGARY
Budapest Notarius utca
Szekesfehervar

ROMANIA
Brasov
Bucharest
Timisoara (Izvin)

SLOVAKIA
Bratislava
Prešov Zilina
Zvolen

SUB-DEALERS:
Slovenia - Ajdovšcina
Bosnia Herzegovina -
Sarajevo

62

FAMILY-RU

1,464

35,000

MULTINAT

1,025M€

YEARS
OF HISTORY

UN

CORPORATE
GROUP

EMPLOYEES

MACHINES
WORKING
AROUND
THE WORLD

IONAL

COMPANY
BASED
IN PORTUGAL

TURNOVER
IN 2021

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TALENT IS THE KEY THAT UNLOCKS INNOVATION.

1. COMPANY PROFILE

ASCENDUM

1.1. MESSAGE FROM THE CHAIRMAN OF THE EXECUTIVE BOARD OF DIRECTORS

"So, the historic sales and earnings records we achieved in 2021 are due mainly to the fact that all of us, without exception, believed it would be possible to return to pre-pandemic market and sales levels while employing substantially lower levels of resources."

João Manuel de Pinho Mieiro — CEO of Ascendum Group

Truth be told, 2021 began to take shape at the beginning of the second half of the previous year.

When we saw that the production rhythm at VCE factories was showing signs of a certain normalisation, we began to believe that all the changes we introduced in the company under the motto 'do more with less' could lead us to spectacular results, as soon as the market recovered to earlier levels.

It's a fact that during Q1 2021, with the resurgence of the pandemic, some issues re-emerged. But the truth is that we all saw the market eager to make up for lost time.

So, the historic sales and earnings records we achieved in 2021 are due mainly to the fact that all of us, without exception, believed it would be possible to return to pre-pandemic market and sales levels while employing substantially lower levels of resources.

When we mention resources, we are obviously thinking of reduced operating costs - logically reflected in the Net Results we obtained - but we would also highlight the volume of assets and liabilities whose management allowed us to present an unprecedented picture of the Balance Sheet.

We would really like to thank all those who contributed with their effort and dedication to make 2021 a truly historic year for the Ascendum Group. ■

1.2. CORPORATE BODIES AND GOVERNANCE STRUCTURE

ASCENDUM's management is currently divided into executive and non-executive duties, carried out by the following bodies:

ASCENDUM S.A.

SHAREHOLDERS MEETING	BOARD OF DIRECTORS	EXECUTIVE BOARD
Ernesto Gomes Vieira **Chairman**	João Manuel de Pinho Mieiro **Chairman**	João Manuel de Pinho Mieiro **Chairman**
Tomás de Paiva Rosado **Secretary**	Angela Maria Silva Vieira Lança de Morais	Angela Maria Silva Vieira Lança de Morais
	Ernesto Silva Vieira	Nuno Miguel da Costa Colaço
	José Jensen Leite de Faria	Paulo Vieira do Nascimento Mieiro
	Nuno Miguel da Costa Colaço	Pedro Hugo Martins Arêde
	Paulo Vieira do Nascimento Mieiro	Rui António Faustino
	Pedro Hugo Martins Arêde	
	Pedro Vieira do Nascimento Mieiro	
	Rui António Faustino	
	Rui Manuel Lima Pinho de Miranda	
	Tomás Jervell	

STATUTORY AUDITOR

PriceWaterHouseCoopers & Associados – Sociedade de Revisores Oficiais de Contas, Lda. (Audit Firm)

Palácio Sottomayor, Rua Sousa Martins, no. 1, 3.° andar (3rd floor) – 1069-316 Lisbon

REPRESENTED BY:

António Joaquim Brochado Correia

Nuno Miguel Costa Guimarães Cordeiro Tavares

ALTERNATE AUDITOR:

Joaquim Miguel de Azevedo Barroso

EXECUTIVE BOARD

From left to right: João Mieiro (CEO & Chairman), Paulo Mieiro, Angela Vieira Lança de Morais, Rui Faustino, Pedro Arêde, Nuno Colaço (Executive Board Members).

BOARD OF DIRECTORS

“The resilience of our company in such a challenging environment provides us the confidence that Ascendum will be successful in its modernization path ahead and will be able to continue to perform in the future.”

From left to right: Tomás Jervell, Rui Faustino, José Leite de Faria, Paulo Mieiro, Ernesto Silva Vieira, Rui Miranda, João Mieiro (CEO & Chairman), Angela Vieira Lança de Morais, Pedro Mieiro, Pedro Arêde and Nuno Colaço.

1.3. HIGHLIGHTS

1.3.1. RELEVANT FACTS

After an unprecedent year of 2020 – with all the changes, challenges, and new ways of living and working, in consequence of the coronavirus pandemic (COVID-19) – 2021 presented a major opportunity to improve our Group and strengthen our foundations, helping us to assist our customers in the recovery phase of these hard and unprecedent times.

In 2021, the Group was able to shape himself to the new reality and, as a consequence, Ascendum achieved the best financial performance ever, with a consolidated Turnover over 1 billion euros (surpassing for the first time in the Group's history the 1bn euros of Turnover), a 3 digit EBITDA (111 million euros and an underlying 11% margin), a Net Income of 42.6 million euros (4% margin) and Net Debt around 79 million euros and Equity of 200 million euros, resulting on robust solvency ratios Net Debt/EBITDA of 0.7x and Equity/Assets of 34%.

2021 was also marked by some M&A operations and legal & organizational restructuring within the Group with:

01. THE START OF THE IMPORTATION AND DISTRIBUTION OF VALTRA AGRICULTURAL EQUIPMENT IN PORTUGAL, THROUGH A NEW DEDICATED COMPANY;

02. THE CLOSURE OF AIR-RAIL POLAND OPERATION;

03. THE MERGER BETWEEN THE HOLDING & OPERATIONAL TURKISH COMPANIES;

04. THE DISPOSAL OF THE FORKLIFTS BUSINESS UNIT IN PORTUGAL.

In addition, from an operational process standpoint, the company focused on its aftersales business with the development of the Employer Value Proposition for Service Technicians which aims to hire & retain service technicians and, also with the kick-off of Service 2.0 project in Spain which aims to transform the approach to which the Group serves its aftersales clients with a more client centric & digital approach. Both these projects reflect the focus of the Group on its aftersales activity, in terms of human capital & process levels, with Service 2.0 aiming to increase productivity by transforming Ascendum after sales organization with a deeper and proactive customer orientation, ensuring proactive technical activities, mobile field service capabilities and single customer view. The first phase of the new model was launched in December.

"In 2021, the Group was able to shape himself to the new reality and, as a consequence, Ascendum achieved the best financial performance ever, with a consolidated Turnover over 1 billion euros (surpassing for the first time in the Group's history the 1bn euros of Turnover)"

1.3.2. MAIN ECONOMIC, FINANCIAL AND OPERATIONAL INDICATORS

MAIN ECONOMIC, FINANCIAL AND OPERATIONAL INDICATORS (FIGURES IN THOUSAND EUROS)	2021	2020	Δ (21/20)
Turnover	1,025,416	780,415	31.4%
EBITDA (1)	111,391	78,214	42.4%
EBIT (2)	66,017	32,961	100.3%
Net Income with non-controlling interests	42,641	15,234	179.9%
Equity (with non-controlling interests)	200,693	160,574	25.0%
Net Debt (3)	78,957	50,608	56.0%
Net Debt / EBITDA	0.7x	0.6x	0.1x
Equity / Net Debt	2.5x	3.2x	-0.6x
Equity / Total Assets	39%	31%	7.8 pp
Number of employees	1,464	1,421	3.0%

(1) Earnings before depreciations & amortizations, impairments & provisions, financial expenses, net FX differences and taxes.
(2) Earnings before financial expenses, net FX differences and taxes.
(3) Net Debt corresponds to the interest bearing financial liabilities deducted from cash and bank deposits, and market value of the financial participations held by Ascendum in Millennium BCP.

From an economic, financial, and operational perspective, 2021 was a challenging year for the Group, with common economic conditions and circumstances amongst the Group geographic platforms, as follows:

Global macroeconomic context of growth, following the first global contraction since 2009 in consequence of the COVID-19 pandemic:

— In 2021, the global economy recovered from a contraction of 4.4% in 2020 – the first since 2009 – recording a growth of 8.2% (according to the IMF estimate for the World Gross Domestic Product growth rate);
— Emerging economies showed a higher growth rate than the one registered in advanced economies in 2021 (emerging economies with a real GDP growth rate of 6.4%, and advanced economies of 5.2%);
— In terms of the economies where Ascendum is present, economic growth followed the same trend – in the Euro Area, real GDP growth rate inverted the negative trend of 2020, increasing from -6.3% to +5.0% in 2021; in the USA, real GDP growth rate rose from -4.3% in 2020 to 3.1% in 2021; and in Turkey, real GDP growth rate rose from - 5.0% in 2020 to +5.0% in 2021.

Appreciation of USD and devaluation of TRY against the Euro in 2021:

— The appreciation of the US Dollar against the Euro in 2021 (from EUR/USD 1.2271 on the 31st of December 2020 to EUR/USD 1.1326 on the 31st of December 2021) had a positive impact on the contribution of the USA operation to the Group's results and Equity;
— On the other hand, the 67.2% devaluation of the Turkish Lira against the Euro in 2021 (from EUR 9.1131 on 31st December 2020 to 15.2335 on 31st December 2021) penalized the Group's results by increasing the net exchange rate differences, based on the exposure to monetary assets in Turkey expressed in TRY (based on EUR functional currency), contributing to negative exchange rate differences of 1.8 million euros in the Turkish operation.

Growth in Ascendum addressable market[1], yet below the level recorded in the "peak" year:

- After the negative impact of the COVID-19 pandemic over the markets where Ascendum operates (except made for the Turkish market, since the starting point was already very low due the 2018 financial crisis), 2021 was marked by the global recovery, with a 42% increase in the number of units sold compared to 2020;
- In 2021, Ascendum's addressable market (Portugal, Spain, USA, Turkey, Mexico and Central Europe) represented around 85% of the Group's market in 2007 ("peak" year).

The optimization and efficiency measures adopted by Ascendum, as well as the focus on knowledge sharing systems and investment in human resources, had a positive effect in 2021:

- In **Portugal**, as in previous years, Ascendum focused its efforts on optimizing the operational structure and adapting the products and services portfolio to customers' needs. 2021, is also marked by the acquisition of the importation business of Valtra in Portugal reinforcing the Group's investment in the agricultural sector in Portugal. On the opposite sense, the Group decided to divest its operation in the forklifts in Portugal to a fully focused operator;
- In **Spain**, the Group developed its activity with a focus on operational optimization (e.g. optimization of the cost structure, sharing of best practices/knowledge amongst the company branches), development of the used machinery business, enhancement of the after-sales segment (e.g. expansion of the product/service portfolio);
- In the **USA**, Ascendum developed its activity with a constant effort to respond to customer needs more efficiently, while improving internal processes and operational structure;
- In **Turkey**, economy is still recovering from the adverse shock that affected its economy in 2018/2019. Nevertheless, Ascendum adjusted its strategy by implementing measures to consolidate the core business, control structural costs and focus on treasury management. In addition, Ascendum continued the implementation project of the new SAP (already implemented in Portugal, Spain and Central Europe [Austria, Czech Republic, Slovakia, Hungary, Croatia and Romania]), with the project roll-out to Turkey (go-live on April 2022);
- In **Mexico**, despite the challenging macroeconomic and market context, the Group focused on improving internal controls and processes on all functional and business areas, optimizing the operational structure and strengthening the financial position of the operations through a direct interface with the Spanish operation and the Group's Corporate Center;
- In **Central Europe**, the Group focused on optimizing processes improving the after-sales service.

Thus, despite the still challenging macroeconomic and sectoral framework, Ascendum's efforts contributed to a positive 2021 performance:

- **Operational performance** – in 2021, the Group achieved Turnover of 1,025 million euros, EBITDA of 111.4 million euros (11% margin) and Net Income of 42.6 million euros (4% margin);
- **Financial robustness** – following the efforts in terms of increasing the operational efficiency, working capital cycle optimization and adaptation of the liquidity needs of each geographical platform to the cycle and maturity of its business, Ascendum improved its solvency ratios with a Net Debt/EBITDA ratio of 0.7x and Equity/Assets of 34%, maintaining healthy financial indicators, despite the investment effort made in recent years (due to its internationalization strategy) and the exposure to macroeconomic and sectoral challenges amongst the Group's geographic platforms

1 Excluding backhoe loaders and motorgraders – products discontinued by Volvo CE in 2014.

1.4. HOW ASCENDUM IS ORGANIZED

1.4.1. VISION

To be one of the world's largest suppliers of global solutions for infrastructure machinery, construction, industry, cars, and trucks.

What does this vision mean?

"To be one of the world's largest suppliers of global solutions for infrastructures, machinery, construction, industry, cars and trucks"

- Ascendum is present in 14 countries: Portugal, Spain, USA, Turkey, Mexico, Austria, Hungary, Czech Republic, Slovakia, Romania, Croatia, Slovenia, Bosnia-Herzegovina and Moldova.
- It represents about 30 brands of Construction Equipment, industry, infrastructures, transports and logistics, being one of the world's largest distributors of Volvo Construction Equipment (Volvo CE). In Portugal, the Group is also present in car and truck markets.
- Ascendum's organizational structure enables it to address customer needs and projects anywhere in the world through the "Follow the Customer" Service.

"Equipment and global solutions"

- Ascendum's core business is the sale of machines, equipment and parts, but also the provision of technical assistance, after-sales services and solutions for the entire equipment value chain, including finance, logistics, technical training and maintenance.
- The services provided also extend to equipment rentals as an alternative designed to meet the needs of short- and medium-term projects.
- The ability to swiftly structure solutions tailored to customer needs and deliver turnkey solutions are Ascendum's unique value proposition and key to its competitiveness.

"Infrastructures, construction and industry"

- The equipment Ascendum supplies aids in the work of hundreds of companies in the three sectors of activity, especially mining and manufacturing industry, civil construction and public works, recycling and environment, forestry, agriculture, ports, airports, railways, logistics and transports.
- Ascendum's customers include construction companies, quarries, mines, pulp and paper, marble, glass and wood industries, industrial waste, waste and biomass operators, domestic and international freight companies, port terminals, city councils, armed forces and many other public and private entities.
- Ascendum establishes partnerships with manufacturers of benchmark equipment in each area of expertise, ensuring quality, robustness, experience and reliability.

"Cars and trucks"

- Regarding cars and trucks, Ascendum sells new and used vehicles.
- Associated with the automotive business area, Ascendum offers a series of integrated solutions and after-sales services which enable a tailor-made solution to be combined with the strictest requirements of each of the represented brands.
- The truck business area also provides a range of services to meet customer needs such as the "Follow the Customer" Service and the "Volvo Action Service" (24-hour assistance).

1.4.2. VALUES

Ascendum's corporate values reflect who we are and how we operate. They reflect our culture and identity, as well as our attitude and performance. Being part of Ascendum's team entails being committed to these three values:

WE ARE AMBITIOUS

- We are open minded to innovation
- We are results-oriented
- We have initiative and we make it happen
- We face the world with ambition, foreseeing obstacles, and opportunities

We like to look forward and set the bar high in everything we do, taking risks and searching for new ideas and businesses that will challenge and allow us to keep growing. We obtain results that guarantee our sustainability.

WE INSPIRE TRUST

- We work together and celebrate together
- We share our knowledge We have know-how and technical strength
- We develop each person's talent to have specialized and robust teams that deliver with credibility

We work as a team with discipline and know-how, overcoming adversities and expectations. We celebrate each conquest, showing pride in everything we do and believe in.

WE ARE CLIENT-CENTRIC

- We are close to our clients
- We are committed
- We challenge and are challenged by our clients

We build close and trusting relationships with our clients, challenging, and adding value, because we want to go further together. We put our knowledge and experience at their service, contributing towards their success.

1.4.3. ASCENDUM'S CHARACTERIZATION AND STRATEGY

1.4.3.1. Characterization

Established in 1959, ASCENDUM is an international reference in the Construction sector, active in supplying Construction and Industrial Equipment, Cars, Trucks and Parts, as well as providing technical assistance, complementing its offer with equipment rental and logistics. In addition, Ascendum's business lines also include equipment for ports, airports and railways, agricultural machinery, and the segment of multi-brand parts for industrial applications. With around 1,464 employees, Ascendum is currently one of the largest distributors of Volvo Construction Equipment worldwide, operating directly in markets such as Portugal, Spain, USA, Turkey, Mexico and nine Central European countries (Austria, Hungary, Czech Republic, Slovakia, Romania, Croatia, Slovenia, Bosnia- Herzegovina and Moldova).

At the same time, Ascendum has developed a "follow the customer" solution to assist its customers and thereby expand its presence to Africa, Eastern Europe, and South America. Given its presence throughout the automotive sector value chain, Ascendum has an extensive portfolio of high-quality products/brands for application in industries as diverse as construction and public works, mining, logistics, agriculture, recycling, etc.

Ascendum's performance excellence in the markets in which it operates has placed it in a prominent position among VCE dealers and it is now recognized as one of the largest and best dealers worldwide. At the same time, the Group has repeatedly achieved better performances (leading to increased recognition, turnover, and market share) than Volvo CE itself as a dealer in the markets in which it is established.

1.4.3.2. Product portfolio

		Import	Retail	Rental	Aftermarket	Remarketing
Portugal	Construction and Industrial Equipment	VOLVO Sennebogen Ponsse Mecalac Gomaco	VOLVO Sennebogen Ponsse Mecalac Gomaco	VOLVO Sennebogen Mecalac	VOLVO Sennebogen Ponsse Mecalac Gomaco Ascendum Lubricants Ascendum Energy	Multi-brand
Portugal	Trucks		VOLVO Mitsubishi Fuso		VOLVO Mitsubishi Fuso	
Portugal	Cars		VOLVO Mitsubishi Maxus		VOLVO Mitsubishi Maxus	
Portugal	Infrastructure Equipment	Air-Rail	Air-Rail	Air-Rail	Air-Rail	
Portugal	Agriculture Equipment	Kioti Valtra				
Spain	Construction and Industrial Equipment	VOLVO Terex Fuchs ANACONDA Lännen A-Ward Genesis and ALLU Terex GENIE SBM mobile crushers and mobile concrete plants	VOLVO Terex Fuchs ANACONDA Lännen A-Ward Genesis and ALLU Terex GENIE SBM mobile crushers and mobile concrete plants	VOLVO Terex Fuchs ANACONDA Lännen A-Ward Genesis and ALLU Terex GENIE SBM mobile crushers and mobile concrete plants	VOLVO Terex Fuchs ANACONDA Lännen A-Ward Genesis and ALLU Terex GENIE SBM mobile crushers and mobile concrete plants VOLMAQ oils HARDPARTS NTN & TIMKEN	Multi-brand
Spain	Infrastructure Equipment	Air-Rail Zephir	Air-Rail Zephir	Air-Rail Zephir	Air-Rail Zephir	
USA	Construction and Industrial Equipment	Bergmann	VOLVO Sennebogen Doosan Sandvik Leeboy Volvo Penta SDLG K-TEC Bergmann	VOLVO Sennebogen Doosan Sandvik Leeboy Volvo Penta SDLG K-TEC	VOLVO Sennebogen Doosan Sandvik Leeboy Volvo Penta SDLG K-TEC Bergmann	VOLVO Sennebogen Doosan Sandvik Leeboy Volvo Penta SDLG K-TEC
Turkey	Construction and Industrial Equipment	VOLVO SDLG Metso	VOLVO SDLG Metso	VOLVO SDLG Metso	VOLVO SDLG Metso	VOLVO SDLG
Turkey	Infrastructure Equipment	SANY	SANY		SANY	
Mexico	Construction and Industrial Equipment	VOLVO Sennebogen SDLG Powerscreen Shantui	VOLVO Sennebogen SDLG Powerscreen Shantui	VOLVO SDLG	VOLVO SDLG Terex Trucks Sennebogen Powerscreen Shantui	VOLVO SDLG
Central Europe*	Construction and Industrial Equipment	VOLVO Sennebogen Epiroc Rammer	VOLVO Sennebogen Epiroc Rammer	VOLVO Sennebogen	VOLVO Sennebogen Epiroc Rammer Volvo Penta	VOLVO Sennebogen

"(*) Ascendum operates in the following countries of Central Europe: Austria, Hungary, Czech Republic, Slovakia, Romania, Croatia, Slovenia, Bosnia and Herzegovina and Moldova"

1.4.3.3. Strategy

Ascendum's strategy is based on two key pillars of growth: firstly, to consolidate and expand the construction and industrial equipment, truck and car business segment in order to maintain its leadership in the markets in which it operates; secondly, to diversify its activity by participating in new business lines and creating a more extensive product portfolio:

Ascendum's strategy

1. Consolidation and expansion of business

- Optimize current business;
- Launch business in other geographical platforms/emerging markets;
- Expand the core product portfolio to other brands.

2. Diversification of the business by participating in new business/ a broader product portfolio

- Expand the product portfolio through the inclusion of infrastructure and agriculture equipments;
- Strengthen the presence in the logistics equipment segment;
- Boost the after sales multi-brand business;
- Expand the service to include "turnkey" customers.

During these past ten years (2012-2021), major steps have been taken to achieve these objectives, namely:

2012

1. Consolidation of the reorganization process started in 2011;

2. Start of the Volvo Construction Equipment industrial machinery and equipment distribution operation in Mexico.

2013

1. Acquisition of the Volvo Construction Equipment operation in Central Europe;

2. Acquisition of the Volvo Construction Equipment and industrial machinery and equipment distribution operation from an independent VCE dealer in North Dakota.

3. Development of a partnership in the Turkish agricultural sector.

2014

1. Operational optimization in Mexico: improvement of internal processes, focus on training, improved facilities to enhance comfort, brand image and confidence;

2. Reorganization of the operation in Central Europe: adoption of a new governance model and Group efficiency metrics;

3. Expansion of product portfolio:
i. Start of generator operation in Portugal, through Ascendum Energy;
ii. Representation of new core product brands: SDLG, among others.

2015

1. Business optimization: focus on improving internal processes to ensure more cohesive support for decision making;

2. Improved internal communication: launch of **My Ascendum**, the Group's intranet platform, aiming at maximizing communication and efficiency between Ascendum's different geographic platforms and promoting Group culture;

3. Development of human resources: investment in training, with emphasis on the launch of the e-learning platform, an integral part of the Ascendum Academy;

4. Expansion of the product portfolio: representing new core product brands: Terex Fuchs, Genesis, Rammer, among others.

During these past ten years (2012-2021), major steps have been taken to achieve these objectives, namely:

2016

1. Business optimization: focus on improving internal processes to ensure more cohesive support for decision making;

2. Increased investment in the Ascendum brand at global level;

3. Kick-off of development of the Group's digital engagement strategy;

4. Business diversification:
i. Initiating import of Kioti agricultural equipment to Portugal (direct sales to dealers only);
ii. Generac solutions for lighting systems, generators, transfer and aspiration pumps in Spain;
iii. Stewart-Amos mechanical sweepers in the United States, among others.

5. Expanding the product portfolio: representing new core product brands such as Volvo Penta (United States), SDLG (Mexico), Terex (Portugal, Spain and Turkey) and Terex Trucks (Turkey and Spain), Genie (Spain), among others;

6. SAP go-live in Austria.

2017

1. Disposal of the entire financial participation in Banco BPI, through the Spanish subsidiary Ascendum España, S.L., as part of a Public Tender Offer made by CaixaBank;

2. Disposal of the entire financial participation in VORTAL SGPS, SA;

3. Demerger of Ascendum II – Veículos Unipessoal Lda. (whose trade name was changed to Ascendum Automóveis, Unipessoal, Lda) whereby its trucks business unit was transferred to the new subsidiary – Ascendum Camiões, Unipessoal Lda., established for this purpose;

4. Opening of a new branch in Samsun (Turkey);

5. Refurbishment of Ascendum facilities in Lieboch (Austria);

6. SAP go-live in Hungary and Croatia.

2018

1. Refurbishment of the Ascendum Auto facilities in Lisbon, Portugal;

2. Transfer of the Cabanillas operation to the new Ciempozuelos facilities in Madrid, Spain (opening in January 2019);

3. Opening of the new Ascendum Makina facilities in Ankara, Turkey;

4. Opening of new facilities in Macon, GA (USA);

5. SAP go-live in Portugal, Spain, Czech Republic and Slovakia.

2019

1. Opening of Ascendum Maquinaria new facilities in Ciempozuelos in Madrid, Spain;

2. Refurbishment of Ascendum Maquinaria facilities in Granada, Spain;

3. Refurbishment of Ascendum Baumaschinen facilities in Vienna, Austria.

2020

1. Start of the Bergmann dumpers importation to the USA through the new company Bergmann Americas, Inc.;

2. Opening of Ascendum Stavební Stroje (Czech Republic) new facilities in Chrášťany;

3. Opening of Ascendum Machinery Romania new facilities in Bucharest;

4. Refurbishment of Ascendum Maquinaria facilities in Galicia, Spain;

5. Refurbishment of Ascendum Stavebné Stroje Slovensko S.R.O. facilities in Petrovany, Slovakia;

6. Opening of Ascendum Machinery, Inc. new branch in Charlotte;

7. Opening of Bergmann Americas, Inc. facilities in Spartansburg.

2021

1. Start of importation and distribution of Valtra agricultural equipment in Portugal, through the new company Ascendum AGRO, Lda.;

2. Closure of Air-Rail Poland activity;

3. Merge between the holding and operational Turkish companies;

4. Disposal of the Forklifts Business Unit in Portugal;

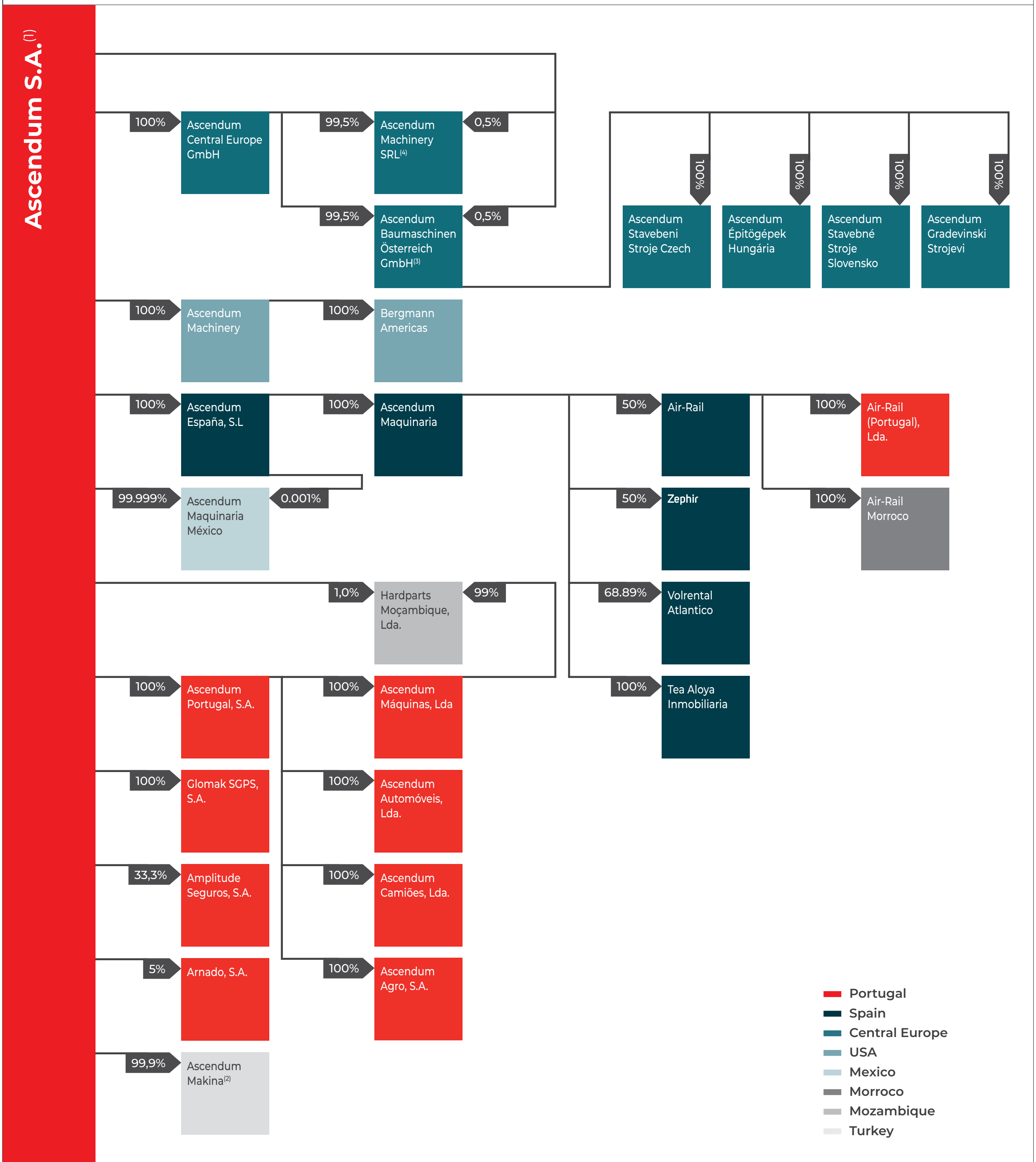
5. Kick-off of **Service 2.0** project in Portugal and Spain;

6. Development of **Employer Value Proposition** for Service Technicians to hire and adequate Ascendum technicians to market reality;

7. Implementation of **Ascendum Academy** to empower the expertise and learning in soft skills of Ascendum staff.

1.4.4. ASCENDUM ORGANIZATION

1.4.4.1. Corporate Organizational Chart



(1) Ascendum, S.A. holds a minor participation in Banco Comercial Português;
(2) Company with 3 shareholders: Ascendum, S.A., Ascendum Portugal e Ascendum III – Máquinas;
(3) Develops operations in Bosnia and Herzegovina and Slovenia through local subdealers;
(4) Develops operations in Moldova.

1.4.4.2. Business Organizational Chart

Portugal

Construction and Industrial Equipment
Ascendum Máquinas

Rent
Ascendum Máquinas

Aftermarket
Ascendum Máquinas

Agriculture Equipment
Ascendum Máquinas
Ascendum Agro

Cars
Ascendum Automóveis

Trucks
Ascendum Camiões

Infrastructure Equipment
Air-Rail 50%

Spain

Construction and Industrial Equipment
Ascendum Maquinaria

Rent
Ascendum Maquinaria

Aftermarket
Ascendum Maquinaria

Infrastructure Equipment
Air-Rail 50%
Zephir 50%

USA

Construction and Industrial Equipment
Ascendum Machinery
Bergmann Americas, Inc.

Rent
Ascendum Machinery

Aftermarket
Ascendum Machinery

Turkey

Construction and Industrial Equipment
Ascendum Makina

Rent
Ascendum Makina

Aftermarket
Ascendum Makina

Mexico

Construction and Industrial Equipment
Ascendum Maquinaria México

Rent
Ascendum Maquinaria México

Aftermarket
Ascendum Maquinaria México

Central Europe

Construction and Industrial Equipment
Ascendum Baumaschinen
Ascendum Machinery
Ascendum Stavebeni stroje
Ascendum Épitögépek
Ascendum Stavebné stroje
Ascendum Gradevinski

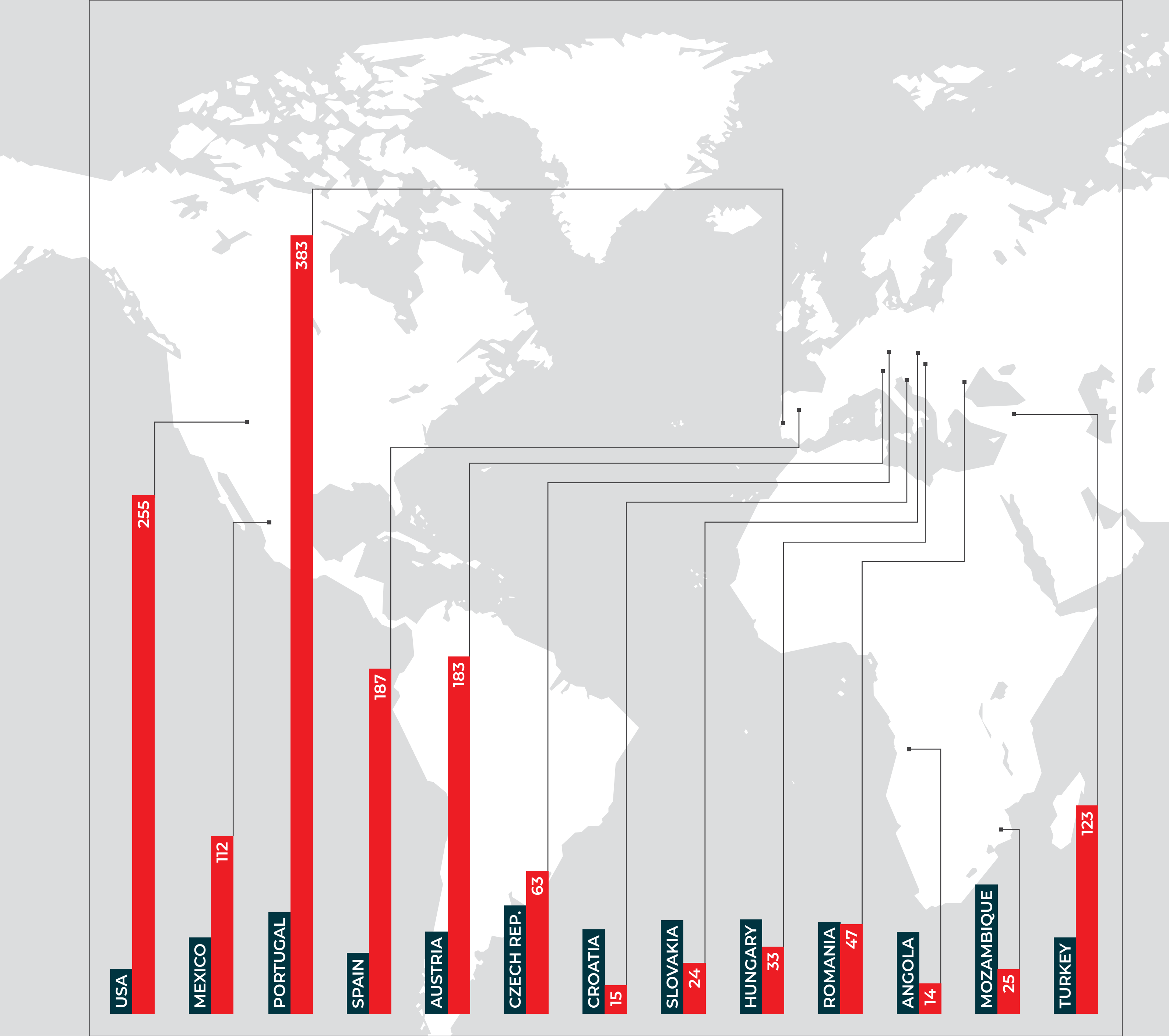
Rent
Ascendum Baumaschinen
Ascendum Stavebeni stroje

Aftermarket
Ascendum Baumaschinen
Ascendum Machinery
Ascendum Stavebeni stroje
Ascendum Épitögépek
Ascendum Stavebné stroje
Ascendum Gradevinski

1.4.5. PEOPLE TRANSFORMATION

In 2021, the People area continued to be very attentive to the health of our employees and their wellbeing while focusing on reinforcing our teams and continue the improvement and consolidation of our Human Capital Management processes and Models.

The following map shows the distribution of employees by geography on 31 December 2021, 1,464 in total:



BOARD MEMBERS AND MANAGING DIRECTORS

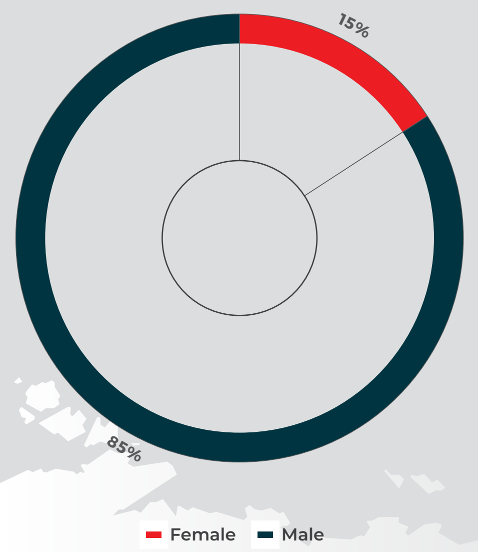
30

TOTAL EMPLOYEES

1,464

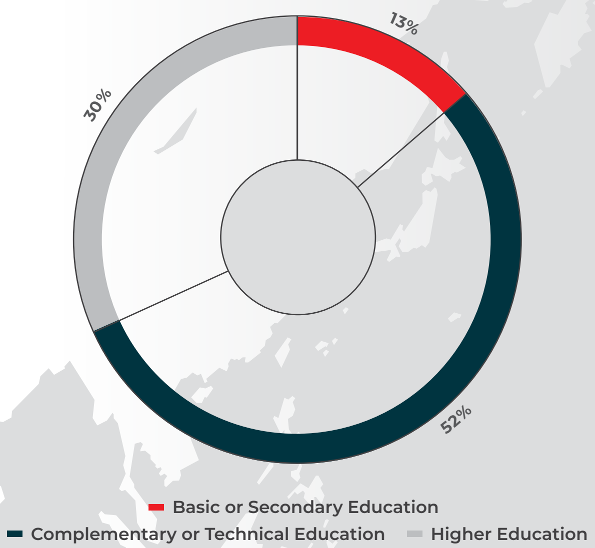
TOTAL EMPLOYEES

BY GENDER



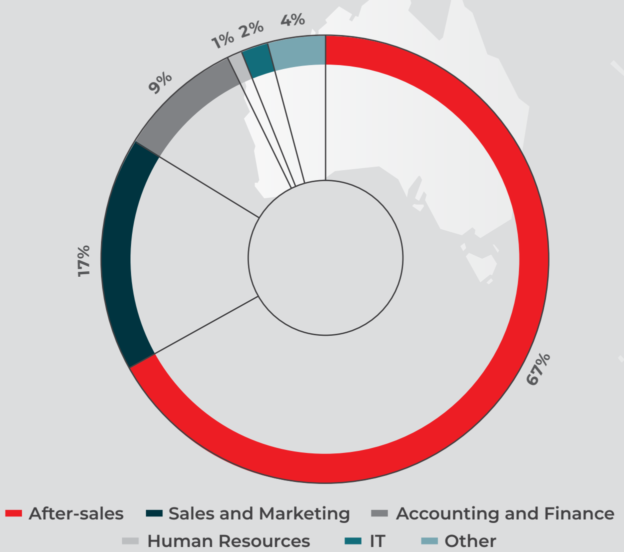
TOTAL EMPLOYEES

BY LEVEL OF EDUCATION



TOTAL EMPLOYEES

BY ROLE



Similarly, to the representativeness of the businesses from the financial point of view, from the human standpoint the construction equipment business area also maintained its strong preponderance in Ascendum's operations, representing around 86% of the Group's total number of employees. In terms of gender, Ascendum's human resources are essentially composed of male employees (85%) and, in terms of qualifications, 13% have completed basic or secondary education, 52% have completed complementary or technical education, and 30% have some level of higher education.

Regarding the distribution of employees by type of role, the After-Sales area is the most significant with 67% of the employees. Regarding distribution by management line, the Group has 33 Board Members and Managing Directors, 57 Directors and 172 Managers, with the remaining employees distributed between the 4th and 5th lines.

Given the ongoing pandemic situation, 2021 was a year where we continued to focus on keeping our people safe and healthy without forgetting our strategic Human Capital goals of promoting a more agile and modernized Ascendum.

PROMOTING HEALTH & SAFETY OF OUR TEAMS

The pandemic reached all the geographies where Ascendum operates, albeit in different periods and with different social and humanitarian impacts. Moreover, it became imperative to improve sharing of knowledge within the company due to scarcity of information about the new virus and its impact in different geographies.

We reinforced the usage of a management tool that closed the physical distance and supported teams of human resources and leaders with the best possible decisions. We maintained the Weekly COVID dashboard with all the relevant information to accompany our people and support the best operational decisions with:

- The evolution of the virus country by country, in number of infected and deaths;
- The absenteeism rate by location in each workplace;
- The team's operational availability in each workplace, according to the state of health (infected, quarantine, sick leave) or work model (home-office, at the branch or mixed model); and
- Work organization measures to protect employees and customers;
- Country Support Measures - proposed by local governments.

PROMOTING AN AGILE AND MODERNIZED ASCENDUM

01. NEW WAYS OF WORKING AND COLLABORATING

The pandemic led us to rethink our work tools that replace physical presence and, during 2020 we took this as an opportunity for modernization and digitalization of our employees.

During 2021 we continued this transformation process by promoting more digitally driven business and team management behaviors, through awareness, sharing and example. These actions reinforced the emergence of new virtual work models:

- The chat grew exponentially, being used mainly for short communications;
- Virtual meetings have become the model par excellence of working together;
- Document sharing platforms were alternative options to traditional information delivery by email.

With these working models: we shortened the physical distances between the teams and leverage digital dexterity of our employees.

02. NEW WAYS OF LEARNING AND COLLABORATING

2020 was the year of transformation of the training models of the “Ascendum Academy”. We implemented 100% digital training, a Client Centric Training.

In 2021 we reinforced the learning tools by implementing the Quick Learning Model and delivering new content to our learning tools, thus ensuring the consolidation of the necessary support tool to ensure the evolution of our teams and business.

03. NEW WAYS OF MANAGING OUR PEOPLE

2021 was also a pivotal year for the:

- Implementation of new People Management tools as we expanded our Performance Management Model throughout the geographies and will continue to do so in 2022;
- Setting of the cornerstones for our Group Strategy implementation by rethinking some of our critical roles and functions, namely the Service roles, skills and Employee Value Proposition that will be fulfilled and implemented in 2022.

1.4.6. MAIN CONSOLIDATED INDICATORS

KEY PERFORMANCE INDICATORS (FIGURES IN THOUSAND EUROS)	2021	2020	Δ (21/20)
Turnover	1,025,416	780,415	31.4%
EBITDA (1)	111,391	78,214	42.4%
EBIT (2)	66,017	32,961	100.3%
Net Income with non-controlling interests	42,641	15,234	179.9%
Net Income margin	4,2%	2,0%	2.2 pp
Total Assets w/o cash & deposits	511,614	511,526	0.0%
Net Debt (3)	79,613	141,402	-43.7%
Cash & deposits	78,957	50,608	56.0%
Equity with non-controlling interests	200,693	160,574	25.0%
Invested Capital (4)	280,306	301,976	-7.2%
Return on Equity (5)	21%	9%	11.8 pp
Equity / Assets	39%	31%	7.8 pp
Net Debt / EBITDA	0.7x	1.8x	-1.1x
EBIT / Invested Capital	24%	11%	12.6 pp
Number of employees	1,464	1,421	3.0%

(1) Earnings before depreciations & amortizations, impairments & provisions, financial expenses, net FX differences and taxes.
(2) Earnings before financial expenses, net FX differences and taxes.
(3) Net Debt corresponds to the interest bearing financial liabilities deducted from cash and bank deposits, and market value of the financial participations held by Ascendum in Millennium BCP.
(4) Equity with non-controlling interests and Net Debt.
(5) Ratio between Net Income with non-controllings interest and Equity with non-controlling interests.

In terms of economic performance, the Group surpassed for the first time the 1 billion euros threshold, with a Total Turnover of 1,025 million euros, EBITDA of 111 million euros and Net Income of 42.6 million euros.

Regarding the financial performance levels, Ascendum presented solid solvency ratios, with a Net Debt/EBITDA ratio of 0.7x and Equity/Assets of 34%, maintaining healthy financial indicators, despite the investment effort made in recent years (due to its strategy of internationalization) and the exposure to macroeconomic and sectoral challenges amongst the Group's geographic platforms.

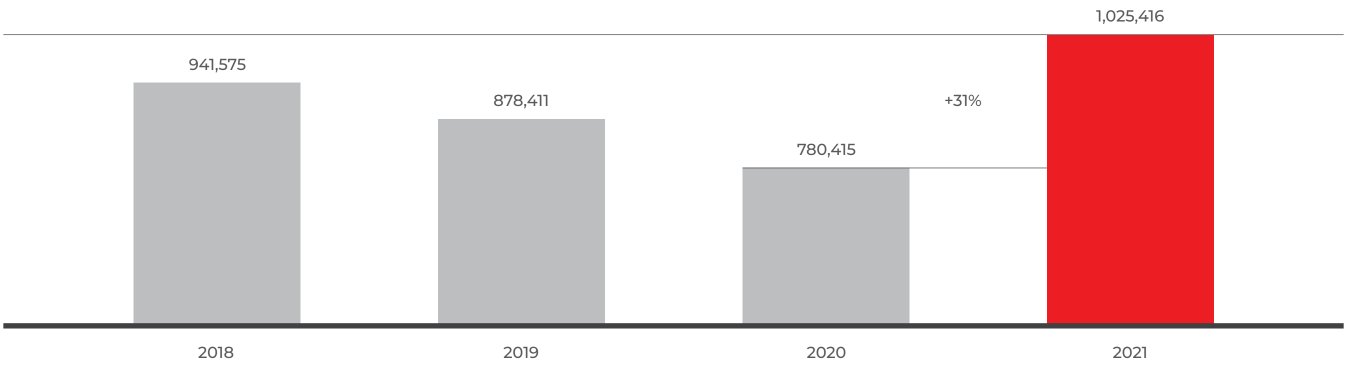
Ascendum's performance throughout 2021 results not only from all the efforts made in recent years, related to the structural optimization and improvement of efficiency levels, but also from the consolidation of its position in the markets in which it operates. Thanks to the success of its growth strategy, diversification of the markets in which it operates, as well as sharing of best practices in each of the geographies in which it operates, the Group achieved a remarkable track record of trust and value creation, translated, year after year, into a positive economic and financial performance.

Turnover

In 2021, Ascendum's Turnover increased by 31% to 1,025 million euros (surpassing for the first time in the Group's history the 1 billion euros score), with all the operations contributing positively.

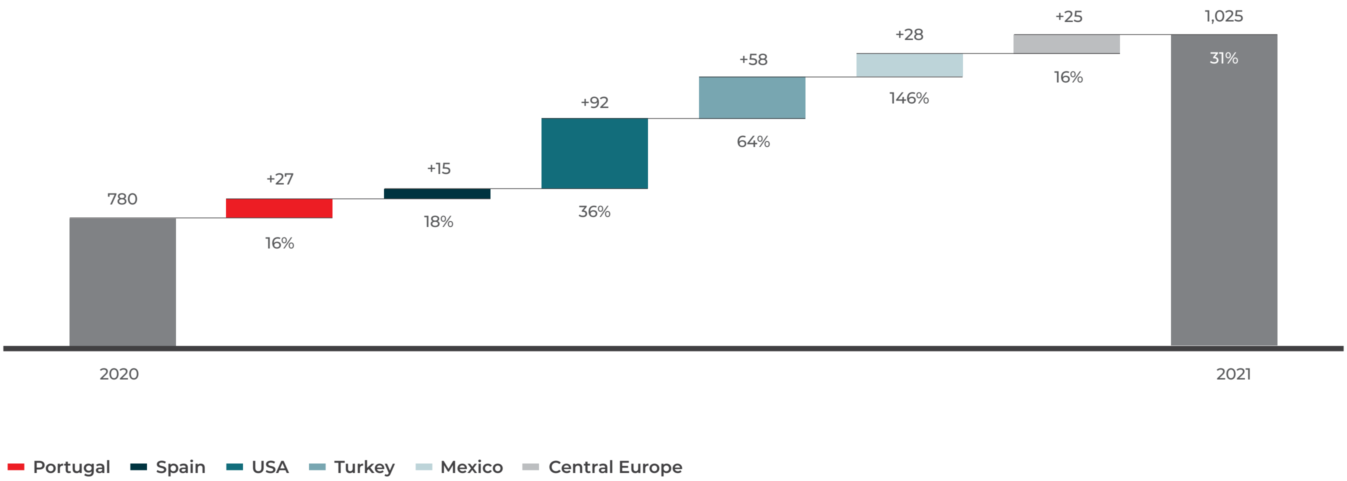
TURNOVER EVOLUTION

THOUSAND EUROS

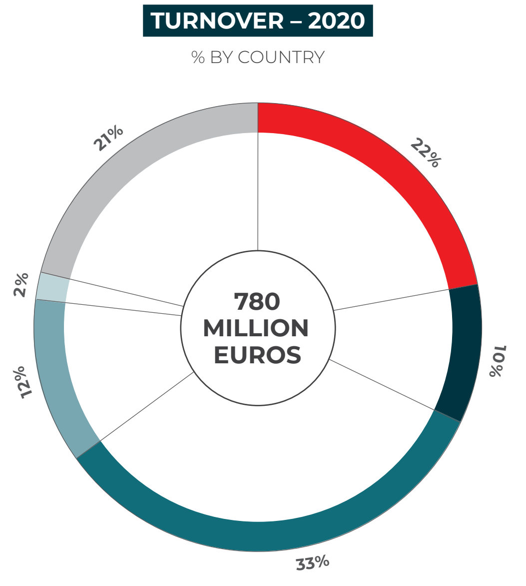


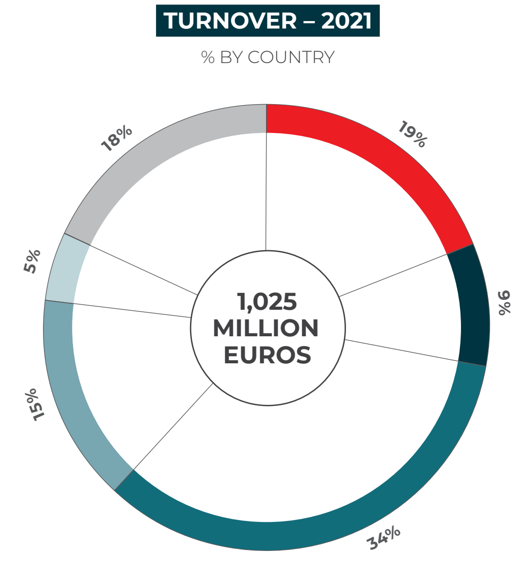
CONTRIBUTION TO THE TURNOVER GROWTH RATE

MILLION EUROS / % GROWTH RATE FROM 2020 TO 2021

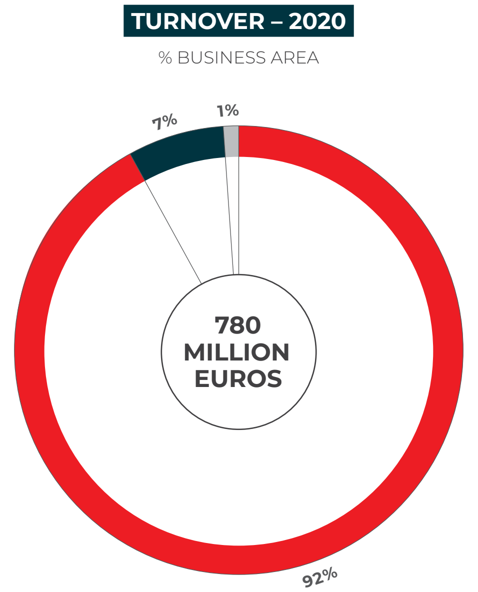


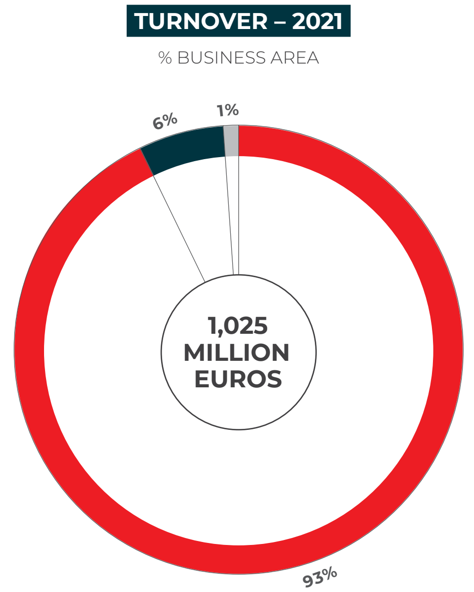
External markets (Spain, USA, Turkey, Mexico, and Central Europe) accounted for 81% of the Group's consolidated Turnover in 2021, while the operation in the US remained the Group's largest contributor with a relative weight over 34%.





Portugal · Spain · USA · Turkey · Mexico · Central Europe





Construction and Industrial Equipment · Infrastructure Equipment · Vehicles

In terms of business areas, the construction and industrial equipment segment maintained its weight compared to 2020 (increasing 1p.p when compared with the homologue period, and with a 33% growth), representing 93% of the Group's Overall Turnover at the end of 2021. The Vehicles (car and truck) business area saw its relative weight decrease from 7% to 6% (a decrease of 1% in absolute terms compared to the same period of the previous year, mainly due to cars and trucks delivery issues from manufacturers), while Agriculture represented 1% of the 2021 total turnover (maintaining the overall contribution of 2020 in terms of weight in the total turnover).

EBITDA

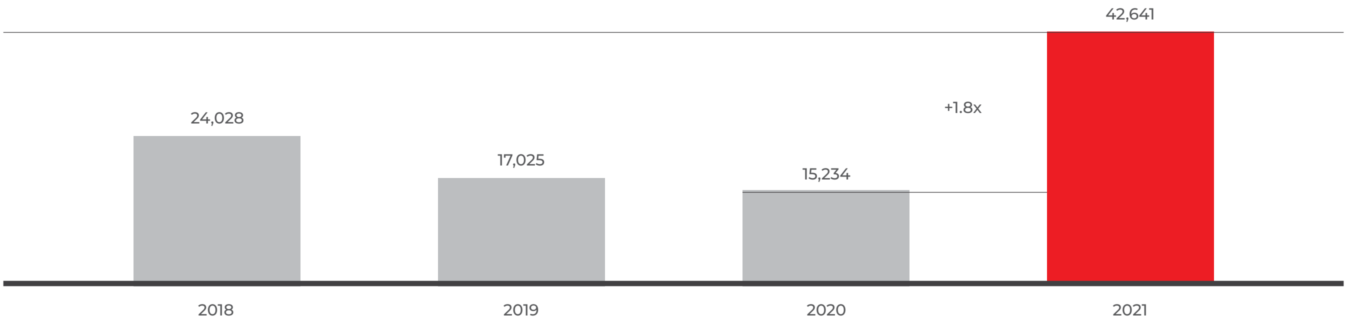
In 2021, Ascendum's EBITDA reached 3 digits, with 111.4 million euros, equivalent to 10.9% of the Group's consolidated Turnover, corresponding to a 42.4% increase compared to 2020. In addition, the Group's management efforts in terms of measures to mitigate the negative impact of the pandemic, allowed the Group to improve the EBITDA margin by 0.9 pp in 2021.

Net Income

In 2021, Ascendum's Net Income equaled 42.6 million euros (1.8x higher when compared to 2020), equivalent to 4.2% of consolidated Turnover (a 2.2 pp increase compared to 2020).

NET INCOME EVOLUTION

THOUSAND EUROS

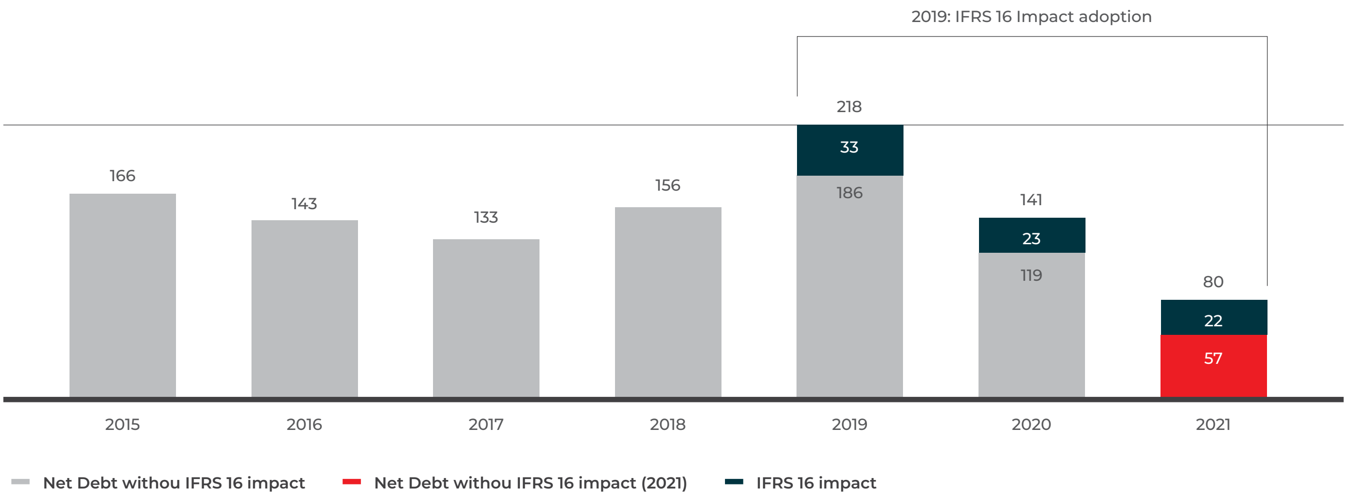


Consolidated Net Debt

As of 31 December 2021, Net Debt was equal to 80 million euros (including the impact of the IFRS 16 adoption), compared to 141 million euros in 2020, a reduction of 62 million euros (35%).

NET DEBT EVOLUTION

MILLION EUROS



In addition, consolidated gross debt totaled 159 million euros, out of which 70% is medium and long-term debt (equivalent to 111.1 million euros) and 30% short-term debt (equivalent to 47.4 million euros).

At the end of the year, the Net Debt/EBITDA ratio was equal to 0.7x (1.1x below the ratio of 2020), while the Equity/Net Debt ratio stood at around 2.5x.

In 2021, the Group continued its efforts to optimize financial debt management, balancing the liquidity needs of each geographic platform with the cycle and maturity of its business, as well as focusing, as in previous years, on consolidating its position in the markets in which it operates and in optimizing the working capital cycle.

Net Assets and Equity

In 2021, Ascendum's Assets totaled 591 million euros, representing an asset turnover ratio decrease from 72% to 58%.

In absolute terms, Ascendum's Total Assets increased by 28.4 million euros compared to 2020, mainly due to the 1.6x increase of the cash and bank deposits.

In addition, in 2021, Equity (with non-controlling interests) totaled 200.7 million euros, representing an increase of 25% compared to 2020, equivalent to 40.1 million euros, whereas the ratio Equity/Assets was equal to 34%.

COMMITMENT IS THE KEY THAT UNLOCKS TRUST.

2. ECONOMIC AND FINANCIAL INFORMATION

ASCENDUM

2.1. MACROECONOMIC CONTEXT

After a 2020 marked by the beginning of the coronavirus (COVID-19) pandemic, 2021 registered a resurging pandemic with different variants that posed unique policy challenges.

With the introduction of the vaccination against the coronavirus, countries with better access to vaccines had a booster to fight the negative effects of the pandemic.

On the other hand, the unequal access to vaccines, lower vaccination rates / vaccination negationism, and higher infectiousness (due the different variants) have left many people still susceptible, fueling the pandemic, with all the (negative) impacts of it.

In 2021, Global growth returned to positive grounds with an estimated growth of 5.9%, after a severe contraction of 3.1% in 2020.

Supply disruptions were felt throughout 2021, hindering global manufacturing capacity. A resurgence in COVID cases (particularly in Europe) also held back a broader recovery. In China, disruptions from COVID outbreaks, interruptions to industrial production from power outages, declining real estate investment, and a faster-than-expected withdrawal of public investment all contributed to a second-half of the year slowdown. Although there were signs of a global turnaround in November – with a pickup in international trade and higher services activity and industrial production – this only partially offset previous months declines.

Inflation continued to rise throughout the second half of 2021, driven by several factors of varying importance across regions. Fossil fuel prices have almost doubled in the past year, driving up energy costs and causing higher inflation, most prominently in Europe. Rising food prices have contributed to higher inflation, for example in sub-Saharan Africa. Meanwhile, ongoing supply chain disruptions, clogged ports, land-side constraints, and high demand for goods have also led to broadening price pressures, especially in the United States. Higher imported goods prices have contributed to inflation.

In the United States, with price and wage pressures broadening, the Federal Reserve decided to accelerate its taper of asset purchases and signaled that it will raise rates further in 2022 beyond previously announced. The European Central Bank (ECB) has announced it will end net asset purchases under the Pandemic Emergency Purchase Program in March 2022, while it will temporarily increase net purchases by a modest amount under its longer-standing Asset Purchase Program. The ECB has also committed to maintaining its key interest rates at current levels until adequate progress is made toward stabilizing

Among major currencies, the US dollar recovered against Euro (when comparing with 2020 closing rate).

MACROECONOMIC INDICATORS	WORLD	CHINA	JAPAN	EURO ZONE	PORTUGAL	SPAIN	USA	TURKEY	MEXICO	AUSTRIA	CZECH REP.	CROATIA	HUNGARY	ROMANIA
Total population														
2021E (millions of people)	7,832	1,408	125	343	10	47	331	85	130	9	11	4	10	19
CAGR (21E-25E)	n.a	0.2%	-0.5%	n.a	-0.2%	0.4%	0.4%	1.1%	1.0%	0.5%	0.1%	-0.5%	-0.2%	0.0%
Gross Domestic Product														
2021E - nominal (B USD)	94,935	16,493	5,103	14,518	257	1,451	21,922	652	1,095	490	279	66	172	289
Real growth rate (20-21E)	5.9%	8.2%	2.3%	5.0%	6.5%	7.2%	3.1%	5.0%	3.5%	4.6%	5.1%	6.0%	3.9%	4.6%
CAGR (16-21E)	-5.1%	6.0%	0.0%	-4.8%	0.8%	0.1%	1.2%	2.2%	-0.4%	0.8%	1.8%	1.0%	2.3%	3.0%
CAGR (21E-25E)	3.8%	5.7%	1.1%	2.2%	2.8%	3.0%	2.2%	3.6%	2.2%	1.9%	3.5%	3.5%	3.4%	3.7%
Other Indicators (2021E)														
Inflation	4.3%	2.7%	0.3%	2.2%	1.1%	0.8%	2.8%	11.9%	3.3%	1.8%	2.4%	0.8%	3.4%	2.5%
GFCF - real growth rate (20-21E)	n.a	n.a	0.9%	5.2%	5.4%	3.7%	6.8%	8.3%	3.0%	8.3%	6.4%	7.4%	7.6%	8.8%
Unemployment rate	n.a	3.6%	2.8%	8.0%	7.7%	16.8%	7.3%	12.4%	5.8%	5.5%	3.4%	10.3%	4.7%	6.0%
Gross Public Debt (% of GDP)	n.a	66.5%	264.0%	98.9%	130.0%	121.3%	133.6%	45.5%	65.6%	84.3%	41.4%	85.5%	75.9%	49.6%
CIT (or equivalent)	24%	25%	31%	20.7%	21%	25%	27%	20%	30%	25%	19%	18%	9%	16%
VAT (or equivalent)	15%	13%	10%	21.5%	23%	21%	0%	18%	16%	20%	21%	25%	27%	19%
Central Bank Ref. Rate 31-Dec	n.a	3.70%	-0.10%	0.00%	0.00%	0.00%	0.50%	14.00%	6.00%	0.00%	3.75%	2.50%	2.40%	1.75%

Sources: World Bank, IMF (Economic Outlook - October 2021), AMECO, KPMG and Central Banks (respective reference interest rates).

Concerning the Euro Area's macroeconomic scenario, 2021 is marked by a recovery in economic growth, with estimated GDP expansion of 5.0% as opposed to a contraction of 6.3% recorded in 2020. In terms of unemployment rate, it was recorded a light decrease from 8.0% in 2020 to 7.9% in 2021.

Regarding the United States, economic activity also expanded in 2021 by 7.3% after a contraction of 1.6% in 2020.

After the 2 decreases during 2020 (lowering from 1,75% to 0.25%), in 2021 the Fed Fund Rate was registered no changes.

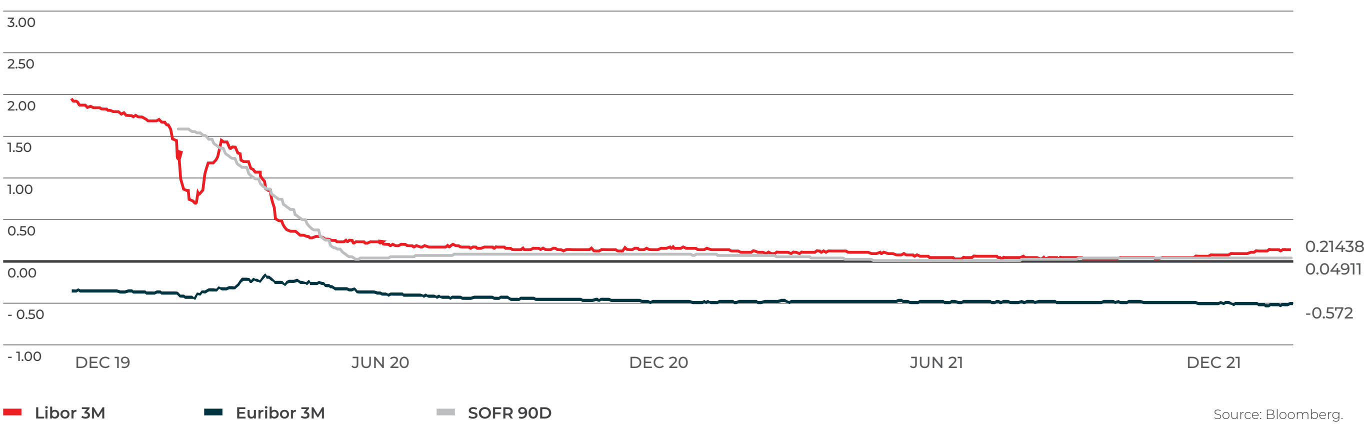
EVOLUTION OF ECB AND US FEDERAL RESERVE REFERENCE INTEREST RATES

PERCENTAGE POINTS

Source: Bloomberg.

EVOLUTION OF EURIBOR 3M, LIBOR 3M AND SOFR 90D INTEREST RATES

PERCENTAGE POINTS



Source: Bloomberg.

EURIBOR 3M (%)	2019	2020	2021
Maximum	-0.306	-0.161	-0.529
Average	-0.357	-0.425	-0.549
Minimum	-0.448	-0.546	-0.605
Close	-0.383	-0.545	-0.572

LIBOR 3M (%)	2019	2020	2021
Maximum	2.824	2.804	0.241
Average	2.311	2.328	0.162
Minimum	1.694	1.885	0.114
Close	2.797	1.908	0.209

SOFR 90D (%)	2019	2020	2021
Maximum	N/A	1.562	0.086
Average	N/A	0.351	0.043
Minimum	N/A	0.039	0.010
Close	N/A	0.086	0.049

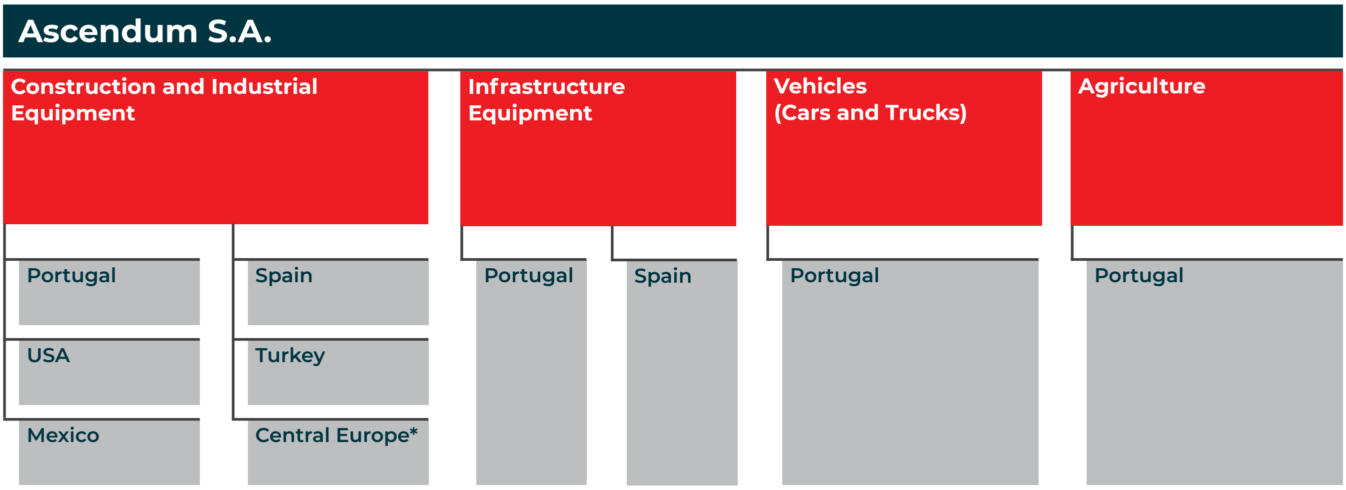
In terms of developments in the foreign exchange market in countries in which Ascendum operates, in 2021, the overall trend was of depreciation of the Euro against all the currencies, exception made for Turkey, Hungary and Romania currencies.

EXCHANGE RATES (YEAR-END)	2020	2021	Δ (20/21)
EUR/USD	1,227	1,133	-7.7%
EUR/TRY	9,113	15,234	67.2%
EUR/MXN	24,416	23,144	-5.2%
EUR/CZK	26,242	24,858	-5.3%
EUR/HUF	363,890	369,190	1.5%
EUR/HRK	7,552	7,516	-0.5%
EUR/RON	4,868	4,949	1.7%
EUR/AOA	798,429	629,015	-21.2%
EUR/MZN	92,015	72,320	-21.4%

2.2. ASCENDUM'S PERFORMANCE IN 2021

Ascendum operates mainly in three major business areas – construction and industrial equipment, infrastructure equipment and vehicles (cars and trucks), with a direct presence in 14 countries.

Since 2021, Ascendum is also present in Agriculture business area with a fully dedicated company, in Portugal:



* Austria, Hungary, Czech Republic, Slovakia, Romania, Croatia, Slovenia, Moldova and Bosnia and Herzegovina.

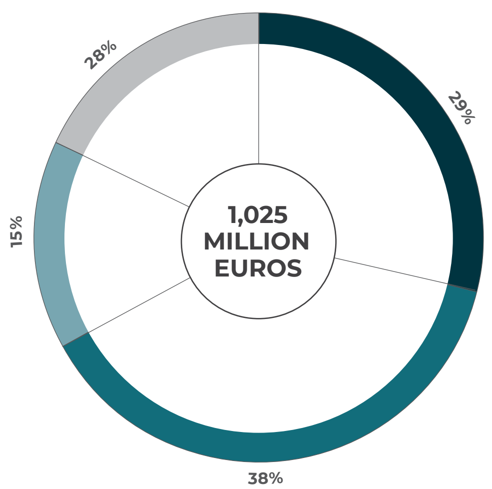
In 2021, the Construction and Industrial Equipment segment once again positioned itself as the largest contributor to the Group's Turnover, with a relative weight of 93%, with the Americas – USA and Mexico – as the leading geographic platform (38%), followed by the Iberian Peninsula (29%), Central Europe (18%) and Turkey (15%).

BUSINESS AREA THOUSANDS OF EUROS	IBERIAN PENINSULA	AMERICAS	TURKEY	CENTRAL EUROPE	TOTAL
Construction and Industrial Equipment	221,953	393,627	149,676	187,388	952,643
Agriculture	14,666	n.a.	n.a.	n.a.	14,666
Vehicles	58,106	n.a.	n.a.	n.a.	58,106
Total	**294,725**	**393,627**	**149,676**	**187,388**	**1,025,416**

Vehicles · Construction and Industrial Equipment

TURNOVER – 2021

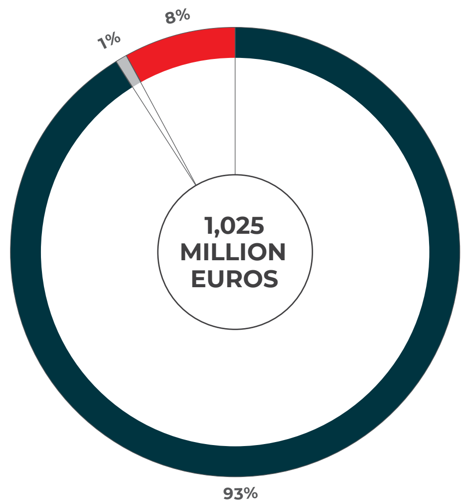
%



Iberian Peninsula · Americas · Turkey · Central Europe

TURNOVER – 2021

%

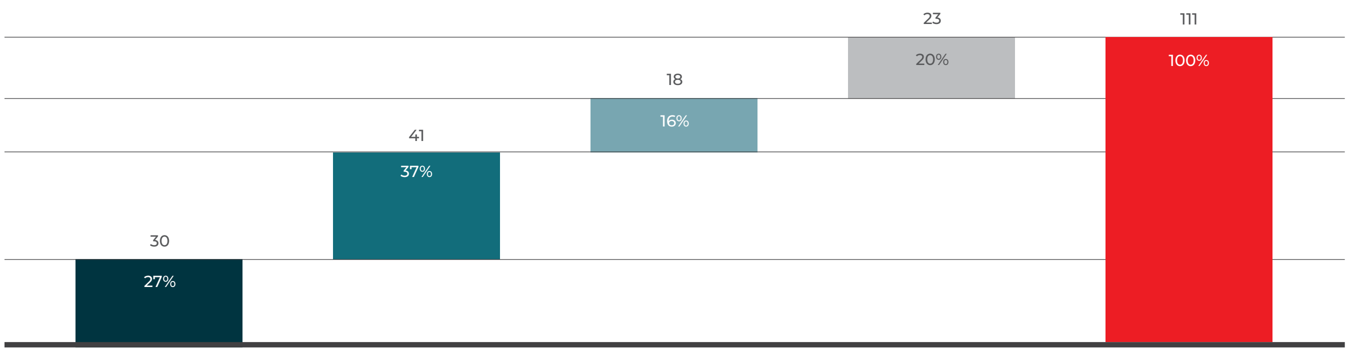


Vehicles · Construction and Industrial Equipment · Agriculture

Regarding EBITDA, the Americas (USA and Mexico) were the main contributors to Ascendum's total EBITDA, with a relative weight of 37% in the Group's total EBITDA.

CONTRIBUTION OF EACH GEOGRAPHIC PLATFORM FOR ASCENDUM GROUP EBITDA

MILLION EUROS / % WEIGHT IN 2021

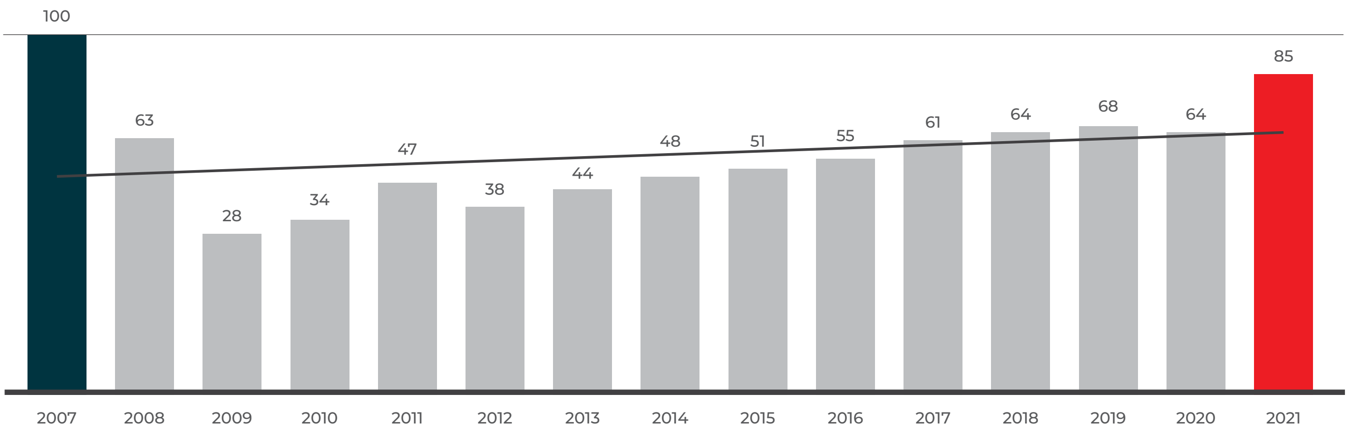


Iberian Peninsula · Americas · Turkey · Central Europe · Total

The construction and industrial equipment market where Ascendum operates which had been steadily recovering from the world financial crisis of 2008 to 2010 reached an inflection point in 2020, due the COVID-19 pandemic. In 2021, the addressable market[2] recovered the positive trend by 33% corresponding to c. 85% of the peak year (2007).

ASCENDUM ADDRESSABLE MARKET INDEX EVOLUTION

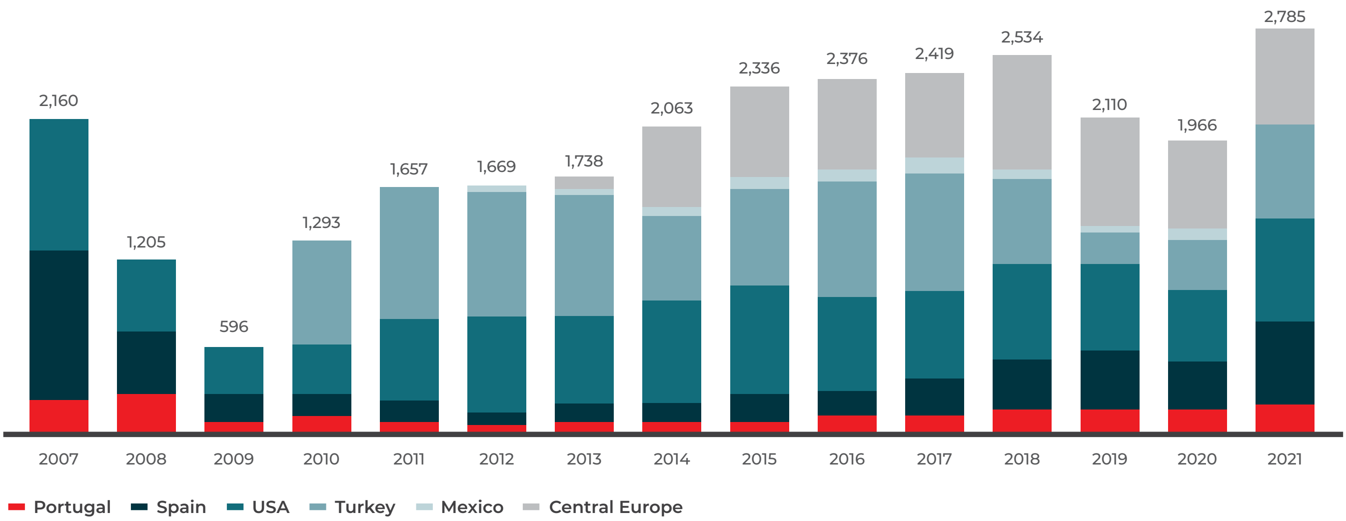
HISTORICAL PEAK YEAR 2007 = 40,972 UNITS (INDEX 100 = 2007)



Following its strategy of portfolio growth and diversification, in 2021, Ascendum sold 2,785 units[2], which corresponds to an increase of 42%, compared to 2020, with positive performances across all the countries where Ascendum operates in.

CONTRIBUTION OF EACH GEOGRAPHIC PLATFORM FOR ASCENDUM GROUP EBITDA

MILLION EUROS / % WEIGHT IN 2021



2 Excluding backhoe loaders, motorgraders and skid steers.

In what concerns market share[3], Ascendum showed a good overall performance, particularly in the GPE segment, with an overall market share of 14.1%, of which we highlight the higher penetration by of the Iberian, Slovakian and Austrian operations.

2021	PORTUGAL[1]	SPAIN[2]	USA	TURKEY	MEXICO	CENTRAL EUROPE	TOTAL[3]
Total market	1,451	3,332	14,765	4,686	1,254	8,280	33,768
GPE	513	1,248	5,088	3,480	962	2,730	14,021
CSE	859	1,594	9,154	847	127	4,621	17,202
Road Machinery	79	490	523	359	165	929	2,545
Ascendum units sold	219	564	665	622	97	618	2,785
GPE	111	253	561	564	79	411	1,979
CSE	104	122	59	55	5	199	544
Road Machinery	4	189	45	3	13	8	262
Market share	15.1%	16.9%	4.5%	13.3%	7.7%	7.5%	8.2%
GPE	21.6%	20.3%	11.0%	16.2%	8.2%	15.1%	14.1%
CSE	12.1%	7.7%	0.6%	6.5%	3.9%	4.3%	3.2%
Road Machinery	5.1%	38.6%	8.6%	0.8%	7.9%	0.9%	10.3%

Note: The presented figures correspond mainly to new Volvo machines. Backhoe loaders, motorgraders and skid steers not included.
(1) Data related to Ascendum Máquinas
(2) Data related to Ascendum Maquinaria
(3) Average values for market segments

2.2.1. CONSTRUCTION EQUIPMENT

2.2.1.1. PORTUGAL

Following the 2020 trend, the construction sector in Portugal demonstrated great resilience in light of the COVID-19 pandemic impacts.

The residential segment continued to benefit from the low level of interest rates and both national and foreign demand remained high. The non-residential segment suffered a small increase as the trade and tourism sectors return to pre-pandemic activity levels and also with the boost of the public demand.

However, the Construction Confidence Indicator, which is based on the entrepreneurs' assessment of their companies' orders-on-hand portfolio, and their expectation regarding the future employment level, declined by 8.5% (-16% in 2020 and -11% in 2019).

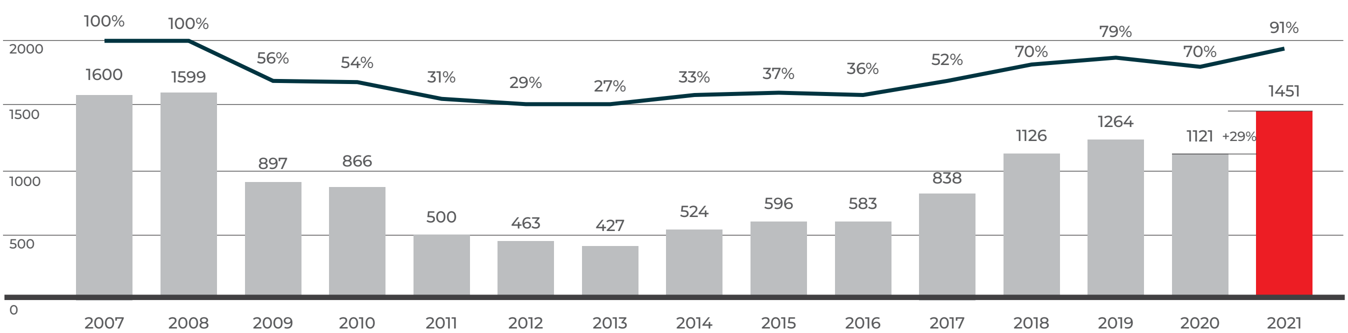
The Industry Confidence Indicator's declined to 5% (17% in 2020) explained by the evolution of production prospects, product stocks and demand in general.

Ascendum operates in Portugal through Ascendum Máquinas, a company that distributes and markets VCE construction and industrial equipment, across the country, to sectors as diverse as construction and public works, forestry, recycling, etc. At the same time, the company offers its customers rental services and after-sales assistance.

In 2021, the domestic market of construction equipment where Ascendum Máquinas operates recovered from the COVID-19 pandemic impact, growing by 29%, reaching 91% of the peak year (2007).

EVOLUTION OF THE PORTUGUESE MARKET WHERE ASCENDUM MÁQUINAS OPERATES

UNITS SOLD



Peak level index (2007=100%)

Source: ACAP (from 2007 to 2016). The data presented from 2017 onwards corresponds to the market estimate provided by Volvo Construction Equipmet.

3 Excluding backhoe loaders, motorgraders and skid steers.

Ascendum Máquinas' turnover increased by 13.1% to 67.1 million euros in 2021, driven by a 13.3% increase on the sale of construction equipment, in line with the market increase.

The other business segments (as forklifts) decreased 24.6%, mainly driven by the disposal of that business in Portugal (operation which occurred during 2021).

The after sales of Construction Equipment segment had a very positive performance, increasing by 19.6% to a total of 14,6 million euros of turnover in 2021, while the Rental shrunk 6.4% from 3.5 million euros to 3.2 million euros.

Additionally, the agricultural segment which remains in Ascendum Máquinas (Kioti business) rose by 15.4%.

MILLION EUROS	2020	2021	Δ (21/20)
New and used machines	34.1	39.9	17.3%
After sales	12.2	14.6	19.6%
Rental	2.8	2.8	1.5%
Other businesses (e.g. Forklifts)	5.4	4.1	-24.6%
Agriculture (Kioti)	4.8	5.6	15.4%
Total turnover	**59.3**	**67.1**	**13.1%**

2.2.1.2. SPAIN

Ascendum operates in Spain through Ascendum Maquinaria, a company that imports and distributes VCE construction and industrial equipment, across the country, with its physical presence in Madrid, Barcelona, Granada, Valladolid, and Santiago de Compostela.

Ascendum Maquinaria relies on a vast network of agents to carry on its business, offering a wide range of products and services, and is considered by its main customers as one of the companies with the highest quality, in its line of business, in the Spanish market.

In 2021, the domestic market of construction equipment where Ascendum Maquinaria operates[4] returned to the positive trend initiated in 2013 – and interrupted by the COVID-19 pandemic impact – and expanded 35% to 3,332 units sold. The current addressable market represents 35% of the addressable market of 2007 (peak year).

EVOLUTION OF THE SPANISH MARKET WHERE ASCENDUM MAQUINARIA OPERATES

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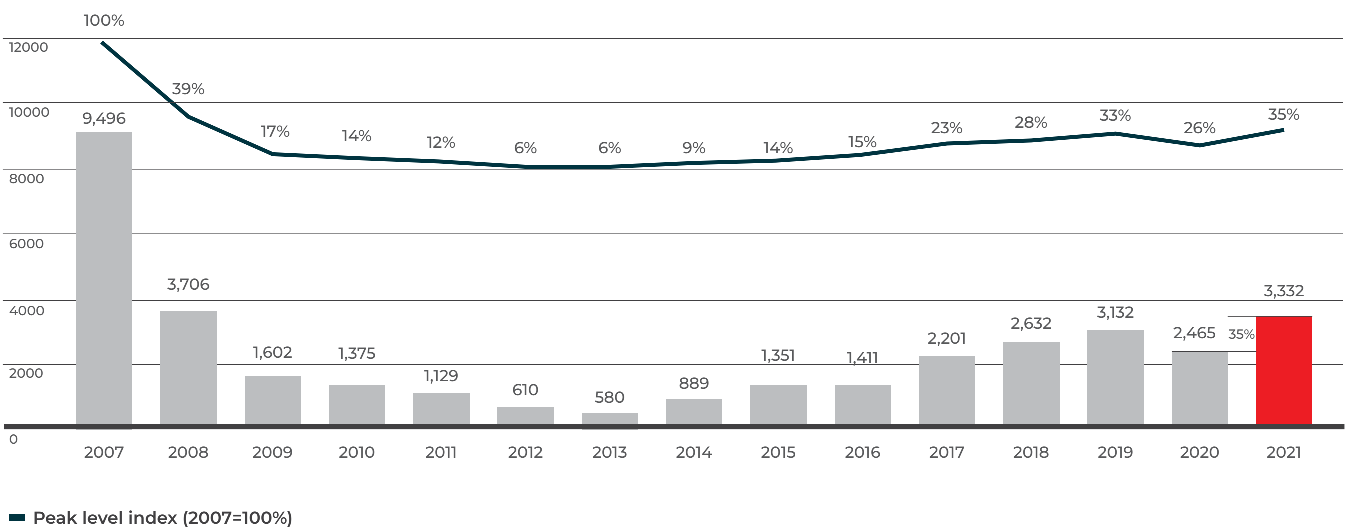


Following the market trend in 2021, Ascendum Maquinaria's turnover increased by 18.0% to 98.5 million euros, mainly driven by the recovery on the sale of new equipment.

The used equipment business shrunk 4.1% in 2021 as the company made efforts to find new sources of used equipment. The rental business experienced a slight decrease of 4.9% in 2021 while the after sales service increased by 6.3%.

Given the different performances of each business segment, the sales mix was subject to a rebalance, with equipment sales representing 70.3% of overall turnover in 2021 (66.7% in 2020), followed by the after sales with 26.9% (29.9% in 2020) and the rental with 2.7% (3.4% in 2020).

4 Excluding backhoe loaders, motorgraders and skid steers.

MILLION EUROS	2020	2021	Δ (21/20)
New machines	44.3	58.4	31.7%
Used machines	11.4	10.9	-4.1%
After sales	24.9	26.5	6.3%
Rental	2.8	2.7	-4.9%
Total turnover	**83.5**	**98.5**	**18.0%**

2.2.1.3. USA

In the USA, Ascendum operates through Ascendum Machinery, Inc., a company incorporated in 2004 after the Group acquired the assets of Saba Holding (a Volvo Group company), which currently holds the distribution of Volvo construction equipment to a wide area of the country, integrating the states of North Carolina, South Carolina, Georgia, Tennessee and North Dakota.

With activity in business segments relating to the sale, rental and after-sales service of VCE construction and industrial equipment (among other brands), Ascendum Machinery has been recognized as the largest Volvo dealer in North America since 2005, having received several awards both in the financial and technical areas, at Volvo dealership meetings.

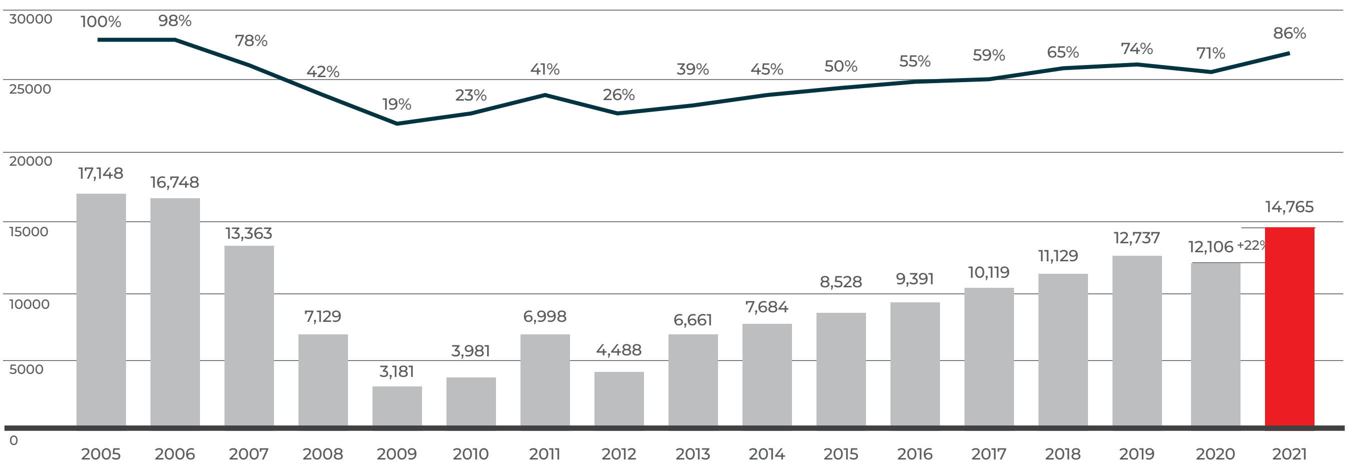
From January 2020, Ascendum expanded its operations by adding Bergmann dumpers to its product portfolio.

Returning to the growing trend previous to the COVID-19 pandemic, the domestic market of construction equipment where Ascendum Machinery operates[5] – expanded by 22% to 14,765 units sold[5] after a contraction by 5% in 2020

In 2021, the operation in the USA showed a strong turnover growth of 41.6%, mainly driven by the sale of construction equipment, which increased by 56.8% to 322.5 million US dollars (272.8 million euros), representing 78.2% of 2021 turnover (70.6% in 2020).

EVOLUTION OF THE NORTH AMERICAN MARKET WHERE ASCENDUM MACHINERY OPERATES

UNITS SOLD



The rental business rose by 6.3% to 23.8 million US dollars (20.2 million euros) in 2021, and the after sales services 4.7% to 66.3 million US dollars (56.1 million euros).

MILLION US DOLLARS	2020	2021	Δ (21/20)
New and used machines	205.6	322.5	56.8%
Rental	22.4	23.8	6.3%
After sales	63.3	66.3	4.7%
Total turnover	**291.3**	**412.6**	**41.6%**

5 Excluding backhoe loaders, motorgraders and skid steers.

2.2.1.4. TURKEY

On 30 June 2010, Ascendum acquired the import and distribution of VCE construction and industrial equipment of the entire Turkish territory from two Volvo Construction Equipment A.B subsidiaries (VTC Holding Holland N.V. and Volvo Automotive Holding B.V).

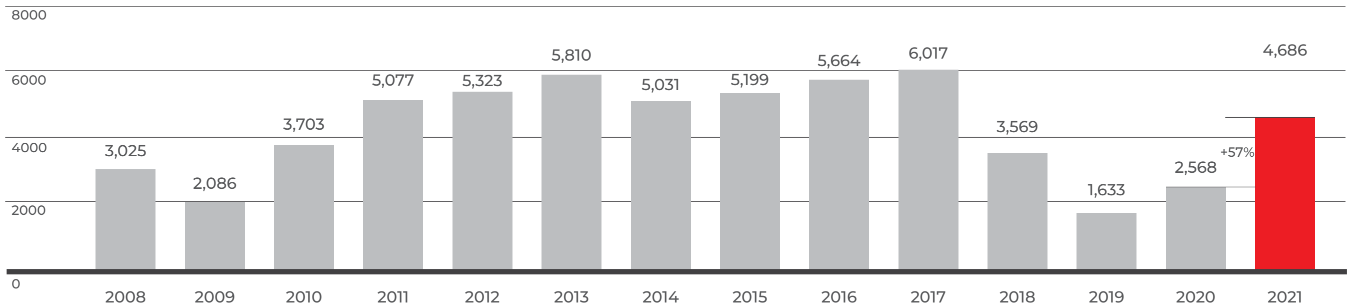
The current overall macroeconomic picture was more vulnerable and uncertain, given rising inflation, contracting investment, elevated corporate and financial sector vulnerabilities. There were also significant external headwinds due to ongoing geopolitical tensions in the subregion in 2021.

GDP is expected to grow by around 10 percent in 2021 but regaining monetary policy credibility and containing high and rapidly rising inflation will be the major challenges in 2022. The inflation reached to 36% in the end of December 2021. Exports were buoyed by a strong recovery in external demand, a currency depreciation, and an opportunity for Turkey to gain market share in the EU as Asian exporters grappled with rising logistic costs and global supply chain constraints.

The market where Ascendum Makina operates confirmed the recovery tendency since the 2018 crisis and rose by 57% from 2,568 units sold in 2020 to 4,686 units in 2021.

EVOLUTION OF THE TURKISH MARKET WHERE ASCENDUM MAKINA OPERATES

UNITS SOLD



Despite product availability issues, Ascendum Makina exhibited a strong performance and its turnover rose by 63.8% to 149.9 million euros, boosted by the strong performance on the sale of equipment, which added 284 units in 2021 and by the after sales increase by 27.8% to 28.5 million euros in 2021.

Maintaining the performance trends of the last periods, the sales mix was subject again to a rebalance, with equipment sales representing 80.0% of overall turnover in 2021 (73.1% in 2020 and 63.5% in 2019), followed by the after sales services with 19.0% (24.4% in 2020 and 32.2% in 2019) and the rental business with 0.9% (2.5% in 2020 and 4.3% in 2019).

MILLION EUROS	2020	2021	Δ (21/20)
New and used machines	66.9	119.9	79.3%
Rental	2.3	1.4	-39.6%
After sales	22.3	28.5	27.8%
Total turnover	**91.6**	**149.9**	**63.7%**

2.2.1.5. MEXICO

Having started its activity in March 2012, Ascendum Maquinaria México is the Group's company dedicated to the sale of VCE construction and industrial equipment in Mexico.

Following the trend since 2019, public investment in civil engineering remains at low levels, exception made for some major Presidential projects as *Dos Bocas* refinery, the *General Felipe Angeles International Airport* (in Mexico City) and the *Mayan Train* railway project.

The participation of Ascendum Maquinaria México in the Mayan Train project was the booster for the 2021 positive performance.

Additionally, private investment focused on the recovery of the resource industry (non-metallic for construction, metallic as commodities and industry) and manufacturing, allowed also the company to perform in allied brands as *Sennebogen* and *Powerscreen*.

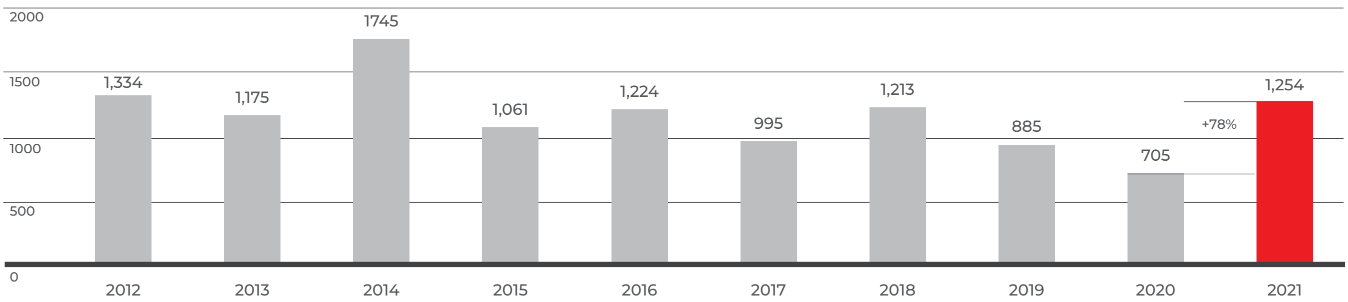
In 2021, Ascendum continued its strategy of strengthening the Mexican market operation, focusing on process improvement, optimization of the operational structure and enhancing employee skills.

The domestic market of construction equipment where Ascendum Maquinaria México operates increased by 78% to 1,254 units[6] sold in 2021.

6 Excluding backhoe loaders, motorgraders and skid steers.

EVOLUTION OF THE MEXICAN MARKET WHERE ASCENDUM MAQUINARIA MÉXICO OPERATES

UNITS SOLD



Following the positive trend on its addressable market, Ascendum Maquinaria Mexico saw its turnover increase by 1.6x to 55.5 million US dollars (46.9 million euros) in 2021, the highest sales volume since company's inception.

MILLION US DOLLARS	2020	2021	Δ (21/20)
New and used machines	17.4	44.8	157.0%
Rental	0.7	3.5	392.2%
After sales	3.6	7.2	99.7%
Total turnover	**21.7**	**55.5**	**155.1%**

2.2.1.6. CENTRAL EUROPE

In October 2013, Ascendum began operations in nine Central European countries, by (i) acquiring the entire share capital of Austrian company Volvo Baumaschinen Österreich GmbH, which held 100% of the companies in Hungary, Czech Republic, Slovakia and Croatia and (ii) purchasing the construction equipment division integrated in the Romanian subsidiary of Volvo AB. In addition to these countries, the Group has operations in Slovenia, Bosnia and Herzegovina, and in Moldova through local sub-dealers.

The domestic market of construction equipment where Ascendum operates rose by 30.0% from 6,368 units sold in 2020 to 8,280 units[7] in 2021, as Austria, Czech Republic and Hungary markets combined recovered more than 1,500 units.

Of all the markets[7] encompassed in the Central Europe operation, the Austrian market is the largest one, accounting for 34.1% of total units sold in 2021, followed by Czech Republic (25.9%) and Romania (15.5%). In fact, 79.1% of the sale of new machines performed by Ascendum in 2021 in Central Europe took place in one of those 3 markets, with particular emphasis on Austria, which alone accounted for 54.7%.

Ascendum sold 618 units in Central Europe in 2021, which corresponds to an increase of 3.2%, compared to 2020, 66.5% of which pertain to general-purpose equipment. As with other geographies, product availability and production shortages negatively impacted Group operations in Central Europe.

2021	AUSTRIA	CZECH REP.	ROMANIA	HUNGARY	CROATIA	SLOVAKIA	TOTAL(*)
Total market	2,820	2,147	1,287	1,052	573	401	8,280
GPE	1,081	597	481	275	206	90	2,730
CSE	1,409	1,315	611	643	332	311	4,621
Road Machinery	330	235	195	134	35	0	929
Ascendum units sold	338	102	54	47	53	24	618
GPE	253	55	27	27	32	17	411
CSE	83	46	25	17	21	7	199
Road Machinery	2	1	2	3	0	0	8
Market share	12.0%	4.8%	4.2%	4.5%	9.2%	6.0%	7.5%
GPE	23.4%	9.2%	5.6%	9.8%	15.5%	18.9%	15.1%
CSE	5.9%	3.5%	4.1%	2.6%	6.3%	2.3%	4.3%
Road Machinery	0.6%	0.4%	1.0%	2.2%	0.0%	-	0.9%

Note: The presented figures correspond mainly to new Volvo machines. Backhoe loaders, motorgraders and skid steers not included.
(*) Average values for market segments.

7 Excluding backhoe loaders, motorgraders and skid steers.

In 2021, the operation in Central Europe showed a strong turnover growth of 15.4%, mainly driven by the sale of construction equipment, which increased by 22.7%, representing 68.4% of 2021 turnover (64.4% in 2020). In terms of origination, 61.9% of the 2021 turnover comes from Austria, followed by Czech Republic with 19.4% and Hungary with 7.4%.

MILLION EUROS	2020	2021	Δ (21/20)
New and used machines	104.5	128.3	22.7%
Rental	12.8	13.3	3.7%
After sales	45.1	45.8	1.7%
Total turnover	**162.4**	**187.4**	**15.4%**

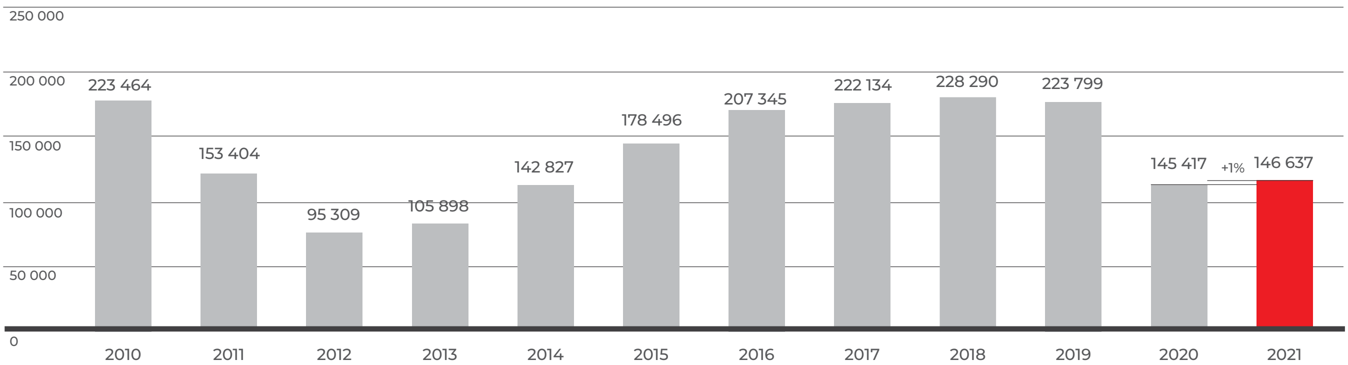
2.2.2. VEHICLES (CARS AND TRUCKS)

Regarding the car and truck business, the Group operates in Portugal through Ascendum Automóveis and Ascendum Camiões, respectively, representing the Volvo and Mitsubishi brands in Lisbon, Coimbra, Viseu, Leiria and Albergaria (trucks only).

According to ACAP, the Portuguese passenger car market slightly increased by 1% in 2021 to 146,637 new registered units (145,417 in 2020).

EVOLUTION OF THE PORTUGUESE PASSENGER CARS MARKET

UNITS SOLD



Source: ACAP.

While the sale of cars powered by fossil fuels continues declining, the sale of vehicles powered by alternative energy sources & hybrids took off changing the mix in the market. ACAP estimates the weight of diesel cars to have decreased by 11 p.p. to 22% (33% in 2020) and gasoline cars by 1 p.p. to 43% (44% in 2020), whereas the weight of vehicles powered by alternative energy sources & hybrids to have increased by 12 p.p. to 35% (23% in 2020).

The average age of the Portuguese car fleet is expected to rise above the 13.2 years observed in 2020, of which 22.6% of the car fleet was over 20 year (approximately 1.2 million cars).

The year 2021 was the second best ever for Volvo cars in terms of market share in Portugal, reaching 2.71% (2.8% in 2020), and maintaining itself as the third premium brand nationwide. 3,987 new Volvo cars were registered in Portugal (4,074 in 2020), corresponding to a 2,4% decline mainly due to Volvo cars availability issues.

In turn, the sale of Mitsubishi cars in the Portuguese market increased 14.3% to 3,115 units in 2021 (2,726 units in 2020).

Starting in Portugal in 2021, the new brand Maxus sold a total of 31 units (representing 0.1% of market share).

Ascendum Automóveis' turnover experienced a slight decrease of 8.7% in 2021 to 33.1 million euros, in all three segments (new cars, used cars and after sales).

MILLION US DOLLARS	2020	2021	Δ (21/20)
New cars	25.4	24.2	-4.7%
Used cars	5.6	3.9	-31.5%
After sales	5.2	5.0	-3.8%
Total turnover	**36.2**	**33.1**	**-8.7%**

The domestic market of heavy goods vehicles, with a gross weight over 10 tons, increased by 15% to 4,218 units in 2021.

In this segment (gross weight > 10 tons), Volvo's market share slightly decreased to 19.8% (22.9% in 2020 and 13.8% in 2019) by selling 836 units (843 in 2020). Ascendum Camiões had a 11.2% weight on Volvo brand, which represents a 6.1 p.p. decline compared to 2020.

EVOLUTION OF THE PORTUGUESE TRUCKS MARKET (GROSS WEIGHT > 10 TON.)

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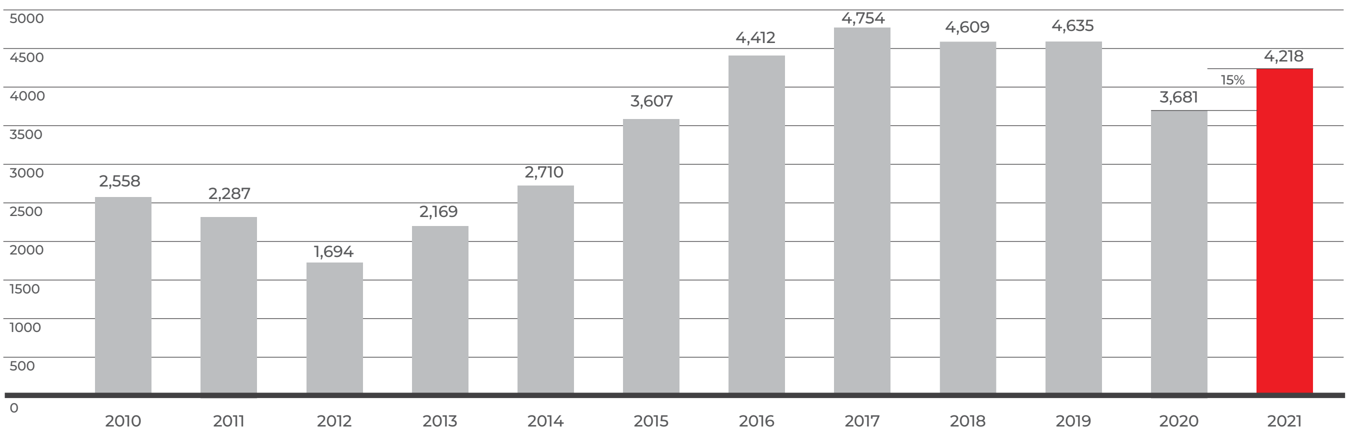


Source: NORS.

Ascendum Camiões' turnover increase by 9.4% in 2021 to 25.4 million euros, mainly driven by the used trucks and after sales businesses, which increased by 80.9% and 21.3%, respectively. On the other hand, the new truck revenue decreased by 15.2% (from 11.9 million euros in 2020, to 10.1 million euros in 2021).

MILLION EUROS	2020	2021	Δ (21/20)
New trucks	11.9	10.1	-15.2%
Used trucks	2.7	4.8	80.9%
After sales	8.7	10.5	21.3%
Total turnover	**23.3**	**25.4**	**9.4%**

2.2.3. AGRICULTURE

In 2021, the Group decided to invest in the agriculture business in Portugal through a fully dedicated company – Ascendum Agro – which distributes the Valtra brand in Portugal through a network of dealerships.

In the agricultural sector – in Portugal –, the real market registered an overall increase of around 10%, driven by the specialist segment (Vineyards, orchards, and crawlers) which registered a 29% increase over the previous year.

In the conventional segment, there was an increase in new registered units in the order of 8.5% when compared to 2020 (2,327 vs 2,145).

Valtra reinforced its position in the high-power segment with a market share of 45.5%, remaining above 4% in general for conventional vehicles.

MILLION EUROS	2021
New machines	7,338.0
After sales	1,816.0
Total turnover	**9,154.0**

2.3. SUSTAINABILITY POLICY

Ascendum's Sustainability Policy stems from the balance between three fundamental pillars – Economic, Social and Environmental – supported by a Quality policy which aims to continuously improve the Group's performance in all its operational areas.

ECONOMIC PILLAR

Ascendum has been since its foundation, focused on its sustainable growth. Ascendum growth decisions have always been supported on the impact they bring to our stakeholders and is guided by a set of principles such as entrepreneurship, innovation, and quality, as means to create and share value with customers, suppliers, partners and the community in general.

CORPORATE SOCIAL RESPONSIBILITY PILLAR

Ascendum focuses on valuing people and the communities in which it operates, especially in the integration of disadvantaged young people and those at risk of dropping out of school. Although Ascendum has an integrated and global policy and strategy, given the operations dispersion the Corporate Social Responsibility initiatives must be a mix of Corporate and Local to effectively impact on all the communities.

CORPORATE INITIATIVES

Our Corporate Center focused its initiatives on the support of associations and NGOs that promote social integration, fight against school abandonment and the practice of amateur sports. Some examples of the Corporate Center initiatives are:

- Financial support and mentorship involvement with EPIS ("Empresários pela Inclusão Social"). Ascendum is a founding member and supporter of EPIS, an organization that fights school abandonment by mentoring and financially supporting children and young adults during their studies and insertion in society;
- Sponsorship and participation in activities in the GDD ("Grupo Desportivo Direito"), the largest amateur sports club in Portugal and a non-profit organization recognized as of public utility that promotes the amateur rugby practice (a sport with a set of values similar to Ascendum's), fights school abandonment and promotes insertion in the communities through sports.

SPAIN INITIATIVES

Our Spain operation focused its initiatives on the support of associations and NGOs that promote social integration and fight against school abandonment. Some examples of initiatives are:

- Outsourcing of cleaning services to a special center for people with disabilities, promoting their integration into the labor market and promoting an equal opportunities policy;
- Donation to the NGO "Ordenadores sin fronteras": 18 laptops, 10 computers, 2 printers and 1 screen. This NGO mission is to recover old technical equipment to give them a second life with groups with social exclusion vulnerabilities.

UNITED STATES OF AMERICA INITIATIVES

Our US operation focused its initiatives on the support of associations and NGOs that promote social integration, fight against school abandonment and the practice of sports. Some examples of initiatives are:

- Participation in the construction of a house for Humanity (Habitat for Humanity is a nonprofit organization that helps families build and improve places to call home);
- Local charities donations in each of the branches and corporate offices;
- Financial support of the Recycling Association of North Carolina (RANC - state-wide nonprofit trade association for those involved in the metals recycling industry);
- Assisted the "Dream On 3" (non-profit organization headquartered in Charlotte that provides over-the-top, personalized sports dreams to kids with ages 5-21 who are living with a disability or life-altering condition).

TURKEY INITIATIVES

Our Turkey operation focused its initiatives on the adoption of quality standards focused on industry, innovation, and infrastructure and on the support of associations and NGOs that promote climate action. Some examples of initiatives are:

- Cooperation with "TEMA" – The Turkish Foundation for Combating Soil Erosion, for Reforestation and Protection

of Natural Habitats" continues. Ascendum Turkey finances the planting of a tree for each new machine sold, sending a gift certificate to the customer, and for every employee's birthday. The mission of TEMA is to create effective and conscious public opinion on environmental problems, specifically soil erosion, deforestation, desertification, climate change and biodiversity loss.
- The services offered are being managed in accordance with the quality standards of ISO 9001:2015 and ISO 10002, providing the sustainability of the functions, success, customer satisfaction and maintaining continuous efficiency of the organization.

CENTRAL EUROPE GROUP INITIATIVES

Our CEG Operations focused its initiatives on the support of associations and NGOs that promote children good health and well-being and fight against school abandonment. Some examples of initiatives are:

- In Romania our operations gave financial support to the projects "Daruieste Viata" (Give Life) – a project for building an Oncology Hospital for Children and "Magi Camp" (Magic Camp) – a camp for leukemia children and their parents with summer and winter activities.
- In Austria, Ascendum Baumaschinen Österreich GmbH supported financially the child protection center Salzburg for "Reconstruction and Adaptation of the Counselling and Therapy Rooms".
- Our operations in Czech Republic gave financial support to KRTEK, a pediatric oncology fund to help children with the medical treatments they need.
- In Hungary our operations supported financially the Foundation for the Piarist High School in Vác city in Memory of András Berkes.

ENVIRONMENT, QUALITY AND SAFETY PILLAR

Ascendum has had, since its foundation, environmental concerns and has systematically strived to ensure the minimization of its environmental footprint as well as the compliance with the Quality and Safety standards. As such, all the Group's operations are strictly compliant with the environmental, safety and quality legislation in force in the various regions and countries.

Regarding the Environment, as a result of the Group's demanding environmental policy, in 2021 it continued its effort to implement a set of environmental awareness campaigns in various geographic platforms, focusing especially on improving energy performance, waste separation, recycling and reduction in the consumption of natural resources. In various locations in the United States, additional safeguards were put in place to prevent spills and leakage from outside storage tanks, and spill containment systems were installed. In Turkey, a partnership was developed with a certified organization for the collection and treatment of used oils and all branch locations continue to have recycling of all waste materials and have in place a recycling program for the disposal of all recyclable materials. At Ascendum, the companies in Portugal and Austria have certified Environmental Management Systems (ISO 14001), which are subject to internal and external audits.

In matters concerning Quality, the Group maintained its bet on ensuring the application of the Quality processes across geographies and Portugal, Spain, Turkey, Austria and Hungary maintained the procedures already implemented as part of their certified Quality Management Systems (ISO 9001 and ISO 10002: 2004 in Turkey), performing their internal and external audits during the year, in order to ensure sustainability, customer satisfaction and Ascendum's continued efficiency.

In the matter of Health and Safety, Ascendum implemented a safety program in all geographies and continued to promote safety and health among its employees. The Group's focus was to support our employees during the COVID-19 pandemic and to place as many safeguards as possible to reduce the spread of the virus. The health and safety of employees is an ongoing concern at Ascendum and additional investments were made to improve our Health Insurance, better control the COVID-19 transmission and the support to sick and working from home employees.

2.4. RISKS AND UNCERTAINTIES

2.4.1. LIQUIDITY RISK

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

The existence of liquidity in the Group's companies requires for performance parameters to be set in the management function of that liquidity, in order to maximize return and minimize opportunity costs related to holding this liquidity in a safe and efficient manner.

Ascendum Group's liquidity risk management aims to ensure:

i. Liquidity, to ensure the most efficient continued access to sufficient funds to meet current payments on their due dates as well as possible requests for funds by the deadlines set, even if these are not planned for;

ii. Security, to minimize the likelihood of default in repayment of any investment of funds; and

iii. Financial efficiency, to ensure that Companies maximize the value/minimize the opportunity cost of holding excess liquidity in the short term.

The strategy adopted by the Ascendum Group for liquidity risk management is based on the following factors, among others:

i. Financial planning and integrated financial management of the Group, based on the cash flow budgets of the various companies;

ii. Diversification of funding sources and suitability of the maturity of financial commitments in line with the cash flow generation;

iii. Suitability of the maturity of financial commitments concerning investments in non-current assets, in line with their cash flow generation;

iv. Contracting short-term lines of credit to address occasional cash need peaks.

Any and all surplus liquidity is applied so as to best serve the Group's liquidity and profitability objectives, either in short-term financial investments or by repaying short-term debt, in accordance with reasonable economic and financial criteria.

As of 31 December 2021, and 2020, the Group had a net debt of 79,612,996 euros and 141,402,616 euros, respectively, divided between current and non-current loans and cash equivalents entered into/ invested with several institutions. The Group has lines of credit in the amount of 521 million euros.

In addition, it should be noted that on 31 December 2021 Current Assets are higher (+53%, +126 million euros) than Current Liabilities; therefore, this risk is minimized.

2.4.2. EXCHANGE RATE RISK

Exchange rate risk reflects the possibility of recording losses or gains as a result of changes in exchange rates between currencies other than the functional currency.

Ascendum's exposure to exchange rate risk results from (i) the existence of subsidiaries located in countries where the functional currency is not the Euro (namely the USA, Mexico, Hungary, Czech Republic, Romania and Croatia), (ii) transactions carried out between these subsidiaries and other Ascendum companies, and (iii) the financial/ operational transactions carried out in a currency other than the local/functional currency (bank loans, trade payables, trade receivables), leading to foreign exchange gains/losses due to the variation of this credit/debit and payment/receipt contraction.

Therefore, Ascendum Group's exposure to exchange risk results from the fact that, on the one hand, the preparation of the Group's consolidated financial statements requires the translation of the financial statements of the subsidiaries into euros and, on the other hand, due the existence of transactions/ financing in currencies other than local/ functional currencies (local financial statements).

The following table presents the closing exchange rates for the currencies in which the Group directly operates:

HISTORICAL EXCHANGE RATES	2017	2018	2019	2020	2021
EUR / Currency					
USD	1.199	1.145	1.123	1.227	1.133
TRY	4.546	6.059	6.684	9.113	15.234
MXN	23.661	22.492	21.220	24.416	23.144
CZK	25.535	25.724	25.408	26.242	24.858
HUF	310.33	320.98	330.53	363.89	369.19
HRK	7.440	7.413	7.440	7.552	7.516
RON	4.659	4.664	4.783	4.868	4.949

Source: Banco de Portugal

Any exchange rate variations that occurred in the currencies of these countries against the Euro will affect the conversion of the results attributable to the Ascendum Group and will, therefore, have an impact on the Group's results and financial position.

In this context, and due to the uncertainty regarding the evolution of the price of the US Dollar, Czech Koruna, Hungarian Forint, Romanian Leu and Croatian Kuna against the Euro in the coming years, the exchange rate risk management policy followed by the Ascendum Group will aim to reduce, as much as possible, the sensitivity of its results to currency fluctuations through natural currency hedging policies.

2.4.3 INTEREST RATE RISK

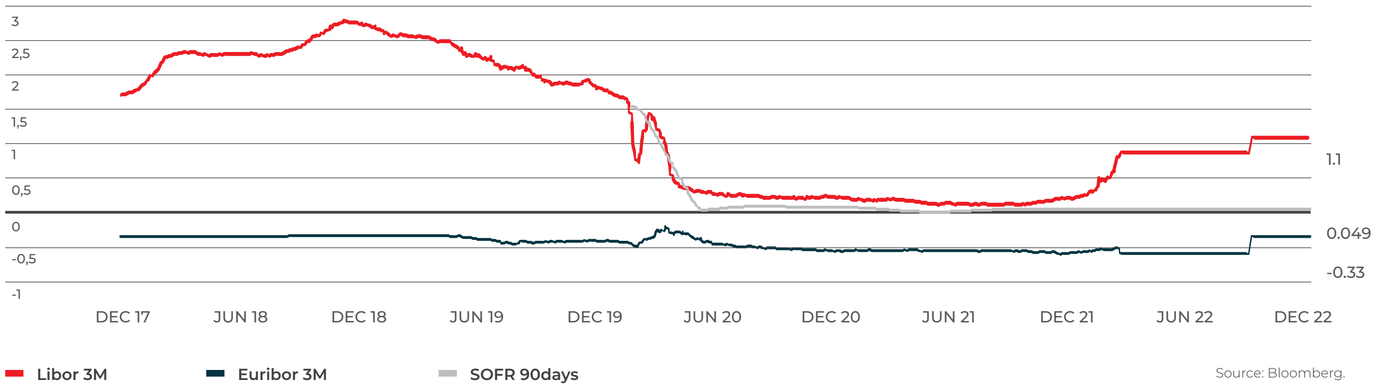
Interest rate risk reflects the possibility of fluctuations in the amount of future financial expenses on loans taken out, due to the evolution of the market interest rate level, which could adversely affect Ascendum Group's results.

The Group's indebtedness is mainly related to variable interest rates, which exposes the cost of the debt to high volatility risk. The impact of this volatility on the Group's results or equity is not significant due to the effect of the following factors: (i) a possible correlation between the level of market interest rates and economic growth, which has a positive effect on other lines of the consolidated (and operational) results of the Group, thereby partially offsetting the increased financial costs (natural hedge); and (ii) the existence of liquidity or cash equivalents, which are also remunerated at variable rates.

Ascendum's Board of Directors has approved the terms and conditions of financing by analyzing the structure of the debt, its inherent risks and the different market options available. These include the type of interest rate (fixed/variable) and, by continuously monitoring conditions and alternatives in the market, it is responsible for any decisions to enter into occasional derivative financial instruments to hedge interest rate risk exposure.

PROJECTED EVOLUTION OF LIBOR 3M, SOFR 90 DAYS AND EURIBOR 3M INTEREST RATES

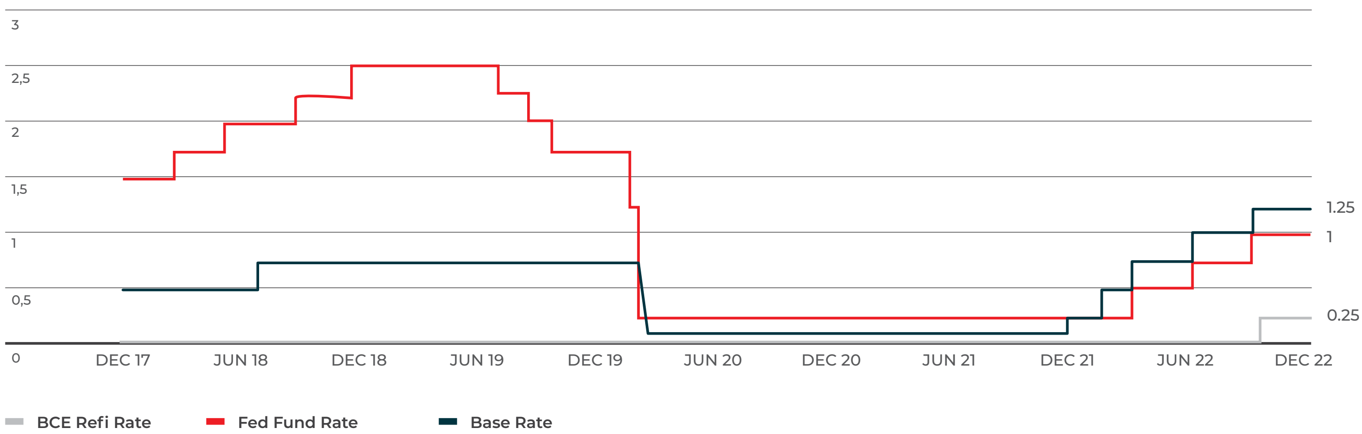
PERCENTAGE POINTS



Source: Bloomberg.

PROJECTED EVOLUTION OF REFERENCE INTEREST RATES

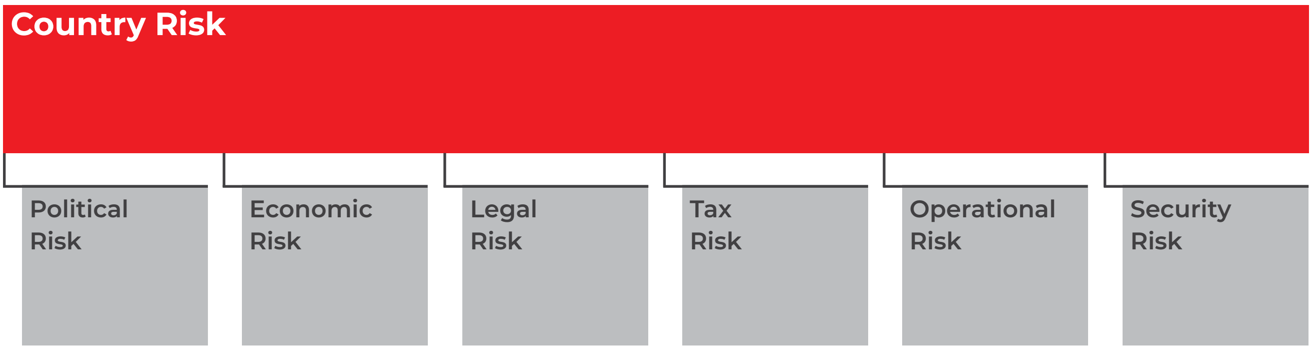
PERCENTAGE POINTS



2.4.4. COUNTRY RISK

Country risk is an economic and financial concept concerning the possibility that changes in the business environment of a given country may adversely impact the results or value of the assets of foreign companies established in that country, as well as on the profits, dividends or royalties that they expect to obtain from the investments made therein.

The concept of country risk encompasses several risk categories that can be associated with a country, namely:



It is in this context, and regarding the assessment of country risk, that risk rating agencies, including Moody's, Standard & Poor's and Fitch Ratings, operate. Their main activity involves assigning classifications or ratings to the countries under analysis to indicate the security offered by the government and companies to foreign investors who invest their funds in debt securities of those countries.

The country risk management policy followed by the Ascendum Group aims to reduce, as much as possible, its exposure to countries whose risk is deemed to be high, by always carrying out a careful and thorough analysis of all the markets in which it intends to establish operations, prior to any investment decision.

As of 31 December 2021, the ratings of the countries in which the Group directly operates (Portugal, Spain, USA, Turkey, Mexico, Austria, Czech Republic, Hungary, Romania, Slovakia and Croatia) were the following:

RATINGS AT 31/12/2021

Country	Moody's	Standard & Poor's	Fitch
Portugal	Baa2[1]	BBB	BBB
Spain	Baa1	A-	A-
USA	Aaa	AA+	AAA
Turkey	B2	B-[3]	BB-
Mexico	Baa1	BBB	BBB-
Austria	Aa1	AA+	AA+
Czech Republic	Aa3	AA-	AA-
Hungary	Baa2[2]	BBB	BBB
Romania	Baa3	BBB-	BBB-
Slovakia	A2	A2	A
Croatia	Ba1	BBB-	BBB(4)

(1) Upgrade from Baa3 on the 17 September 2021;
(2) Upgrade from Baa3 on the 24 September 2021;
(3) Downgrade from B+ on the 10 December 2021; (4) Upgrade from BBB- on the 12 November 2021.

Investment Grade — Non Investment Grade

Source: Bloomberg.

RATING SCALE

Moody's	Standard & Poor's	Fitch	Grade
Aaa	AAA	AAA	Investment Grade
Aa1	AA+	AA+	
Aa2	AA	AA	
Aa3	AA-	AA-	
A1	A+	A+	
A2	A	A	
A3	A-	A-	
Baa1	BBB+	BBB+	
Baa2	BBB	BBB	
Baa3	BBB-	BBB-	
Ba1	BB+	BB+	Non Investment Grade
B1	B+	B+	
B2	B	B	
B3	B-	B-	
Caa1	CCC+	CCC	
Caa2	CCC	DDD	
Caa3	CCC-	DD	
Ca	CC	D	
-	D	-	

Source: Bloomberg.

2.5. FUTURE PERSPECTIVES

In addition, in order to maximize the size of Ascendum's operation and to seek a return from the strong investment in training and internal knowledge sharing mechanisms, a set of cross-cutting projects will be implemented amongst the Group geographic platforms, taking advantage of the operations' global dimension. Ascendum Strategy, back in 2010, established two main strategic axes upon which intended to accomplish a turnover of 1 billion euros company:

i. Consolidation and growth of the Construction Equipment business; and

ii. Diversification of products portfolio.

After a decade of significant growth and integration, Ascendum revisited its strategy focusing its attention in two main drivers:

i. diversification; and

ii. Increasing Group's profitability and efficiency.

As a consequence, the Group will invest the necessary resources in the coming years on a group-wide set of initiatives which will prepare Ascendum to face future challenges

2.5.1. RELEVANT FACTS THAT OCCURRED AFTER THE END OF THE YEAR

On top of the global inflationary pressures amid rising food and energy prices and disrupted supply chains following the coronavirus pandemic, the war between Russia and Ukraine is exacerbating supply demand tensions, damaging consumer sentiment, and threatening global economic growth.

As a first impact of this war over the worldwide economy, the World Bank and the IMF lowered its initial growth forecasts, cutting down the expectations of a strong recovery after two years dealing with the COVID-19 pandemic impacts.

At this moment, the activity of the Group has not been directly affected, however we foresee some challenges on the supply chain and product availability on the nearest future.

Notwithstanding all the constraints and challenges that might be placed in the future, the Ascendum Group is currently showing extremely healthy financial indicators and has at its disposal financial instruments of different natures which can be mobilized in order to ensure the timely fulfilment of its commitments.

No other facts that affect the released financial information have occurred since the reference date of the results up until the release of this report.

2.5.2 DATE OF ANNUAL REPORT

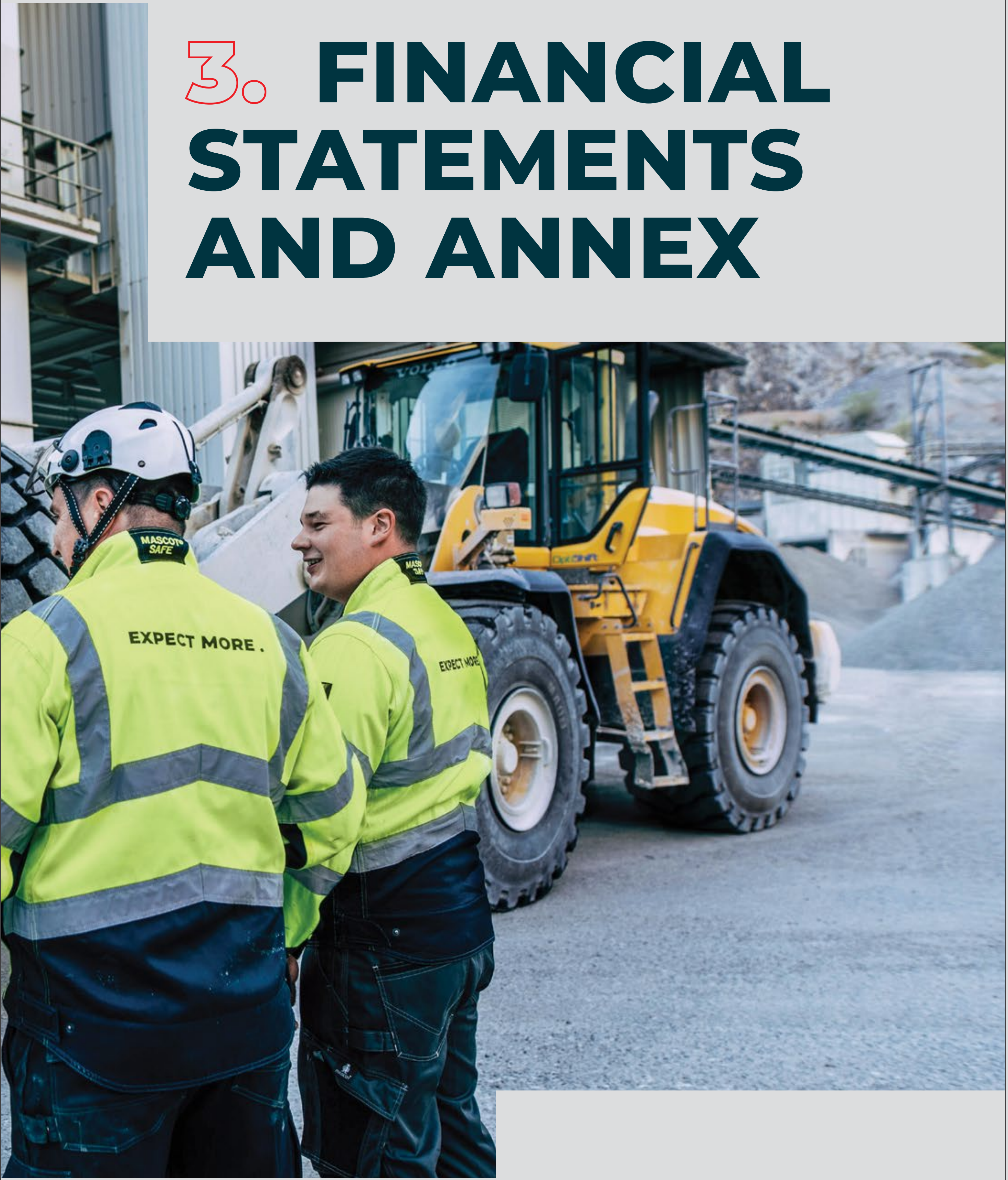
29th April 2022

THE BOARD OF DIRECTORS

Angela Vieira
Ernesto S. Vieira
João Mieiro (Presidente)
José Jense L. Faria
Nuno Colaço
Paulo Mieiro
Pedro Arede
Pedro Mieiro
Rui A. Faustino
Rui Miranda
Tomas Jervell

PASSION IS THE KEY
THAT UNLOCKS
ACHIEVEMENT.

3. FINANCIAL STATEMENTS AND ANNEX



ASCENDUM

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT DECEMBER 31, 2021 AND 2020

Amounts expressed in Euros

	NOTES	31/12/21	31/12/20
Assets			
Non current Assets			
Property, plant and equipment	7, 31	163,776,027	157,742,836
Investment properties	8	3,245,057	3,194,857
Goodwill	9	24,427,532	25,170,152
Intangible assets	6	11,659,975	9,819,087
Investments accounted for using the equity method	10	12,057,227	11,970,150
Financial assets at fair value through profit and losses	10	427	683
Other accounts receivable	13	302,200	497,895
Other financial assets	10	71,904	59,426
Deferred income tax assets	15	10,016,304	11,351,945
		225,556,652	**219,807,031**
Current Assets			
Inventories	11, 31	165,694,420	171,470,889
Trade and other receivables	12, 31	104,604,934	101,348,884
Prepayments to suppliers	13	241,154	18,596
Income tax	23	4,251,145	7,278,575
State and other public entities	23	7,901,256	8,609,912
Other Accounts receivables	13, 31	2,195,944	2,190,747
Deferrals	14	1,168,058	801,291
Cash and bank deposits	16	78,956,887	50,608,497
		365,013,798	**342,327,392**
Total Assets		**590,570,449**	**562,134,423**
EQUITY AND LIABILITIES			
Equity			
Share capital	17	15,000,000	15,000,000
Legal reserves	18	3,000,000	3,000,000
Revaluation reserves	18	7,244,939	7,244,939
Retained earnings	18	21,059,255	62,825,351
Other reserves	18	111,754,957	57,475,838
Profit for the year	18	42,218,044	15,227,264
		200,277,195	**160,773,392**
Non-controlling interests	19	415,888	(-199,485)
Total Equity	18	**200,693,083**	**160,573,907**
Liabilities			
Non current liabilities			
Provisions	25, 31	13,736,090	9,849,743
Borrowings	20, 31	111,150,013	129,968,101
Deferred income tax liabilities	15, 31	18,676,411	22,294,875
Other liabilities	22, 31	7,521,916	36,676,958
		151,084,429	**198,789,677**
Current liabilities			
Trade and other payables	21, 31	113,183,194	86,451,771
Prepayments from customers	12	10,206,314	3,517,656
Income tax	23	5,892,716	3,547,251
State and other public entities	23	8,124,066	9,042,086
Borrowings	20, 31	47,419,868	62,043,012
Other liabilities	22, 31	34,094,861	23,761,948
Deferrals	24	19,871,918	14,407,115
		238,792,937	**202,770,839**
Total Liabilities		**389,877,366**	**401,560,516**
Total Equity and Liabilities		**590,570,449**	**562,134,423**

CERTIFIED ACCOUNTANT

Luís Manuel Almeida

THE BOARD OF DIRECTORS

Angela Vieira, Ernesto S. Vieira, João Mieiro (Presidente), José Jensen L. Faria, Nuno Colaço, Paulo Mieiro, Pedro Arêde, Pedro Mieiro, Rui A. Faustino, Rui Miranda e Tomas Jervell

CONSOLIDATED STATEMENT OF INCOME AT DECEMBER 31, 2021 AND 2020

Amounts expressed in Euros

INCOME AND EXPENSES	NOTES	2021	2020
Sales and services rendered	31	1,025,415,768	780,414,835
Changes in inventories of production	11, 31	2,036,447	(149,295)
Works for the entity		3,155,175	3,673,259
Cost of sales	11, 31	(793,410,008)	(594,039,160)
Gross Profit		**237,197,381**	**189,899,638**
External supplies and services	31, 38	(48,137,782)	(41,952,102)
Personnel expenses	30, 31, 39	(85,716,208)	(76,171,963)
Inventories impairments (losses/reversals)	25, 31	(3,109,951)	169,972
Accounts receivable impairments (losses/reversals)	25, 31, 35	12,541	(1,115,796)
Provisions (increase/decrease)	25, 31	(4,683,026)	(4,359,412)
Impairment of non depreciable/amortizable investments (losses/reversals)	10.2, 31	13	260
Fair value (increase/decrease)	10.2, 31	54	(241)
Government grants	26, 31	1,950,660	4,501,167
Gains/losses on subsidiaries, associated companies and joint ventures	10.1, 31	371,554	(899,741)
Other income and gains	31, 32	10,656,170	5,775,460
Other expenses and losses	31, 40	(4,930,161)	(2,937,837)
Depreciation and amortization expenses/reversals	6, 7, 31	(37,344,169)	(39,482,729)
Impairment of depreciable/amortizable investments (losses/reversals)		(249,635)	(465,840)
Operating profit (before finance results and income tax)		**66,017,440**	**32,960,836**
Interest and similar finance incomes	31, 33, 35	101,611	263,373
Interest and similar finance costs	31, 33, 35	(6,616,834)	(8,351,121)
Net exchange differences	31, 35	(1,035,715)	(4,512,657)
Profit before income tax		**58,466,502**	**20,360,431**
Income tax expense	28, 31	(15,825,598)	(5,126,340)
Profit for the year	**31**	**42,640,904**	**15,234,091**
Attributable to:			
Owners of the parent		42,218,044	15,227,264
Non-controlling interests	19	422,860	6,827
	29, 31	42,640,904	15,234,091
Earnings per share	29	2.84	1.02

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Rui Miranda
Tomas Jervell

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AT DECEMBER 31, 2021 AND 2020

Amounts expressed in Euros

	Share Capital	Reserves		
		Legal Reserves	Revaluation Reserves	Retained Earnings
As at January 1, 2020	**15,000,000**	**3,000,000**	**7,243,702**	**71,558,888**
Changes in the period:				
Consolidated profit application - 2019				16,422,333
Reclassification of reserves				(15,560,624)
Exchange to Equity Method (Air Rail)				
Financial statements exchange differences				(7,661,626)
Others			1,237	(1,933,619)
	0	**0**	**1,237**	**(8,733,536)**
Profit for the Year				
Comprehensive income for the year				
Other changes in equity of the subsidiaries				
Distributions				
	0	**0**	**0**	**0**
As at December 31, 2020	**15,000,000**	**3,000,000**	**7,244,939**	**62,825,352**
As at January 1, 2021	**15,000,000**	**3,000,000**	**7,244,939**	**62,825,352**
Changes in the period:				
Consolidated profit application - 2020				15,227,264
Reclassification of reserves				(54,279,118)
Other changes in equity of subsidiaries				(1,564,801)
Financial statements exchange differences				6,885,211
Others				(34,652)
	0	**0**	**0**	**(33,766,096)**
Profit for the Year				
Comprehensive income for the year				
Operations with shareholders in the period:				
Distributions				(8,000,000)
	0	**0**	**0**	**(8,000,000)**
As at December 31, 2021	**15,000,000**	**3,000,000**	**7,244,939**	**21,059,256**

The notes to the consolidated financial statements are an integral part of this statement at December 31, 2021

CERTIFIED ACCOUNTANT

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Reserves		Profit for the year	Subtotal	Non-controlling Interests	Total
Other Reserves	Total reserves				
49,915,388	**131,717,978**	**16,422,333**	**163,140,310**	**4,325,372**	**167,465,681**
	16,422,333	(16,422,333)	0		0
15,560,624	0		0		0
	0		0	(4,069,218)	(4,069,218)
	(7,661,626)		(7,661,626)	(367,779)	(8,029,405)
(173)	(1,932,555)		(1,932,555)	(94,687)	(2,027,242)
15,560,451	**6,828,152**	**(16,422,333)**	**(9,594,181)**	**(4,531,684)**	**(14,125,865)**
		15,227,264	15,227,264	6,827	15,234,091
		5,633,083	5,633,083	(455,639)	5,177,444
			0		0
(8,000,000)	(8,000,000)		(8,000,000)		(8,000,000)
(8,000,000)	**(8,000,000)**	**0**	**(8,000,000)**	**0**	**(8,000,000)**
57,475,839	**130,546,129**	**15,227,264**	**160,773,392**	**(199,485)**	**160,573,907**
57,475,839	**130,546,129**	**15,227,264**	**160,773,392**	**(199,485)**	**160,573,907**
	15,227,264	(15,227,264)	0		0
54,279,118	0		0		0
	(1,564,801)		(1,564,801)	(26,155)	(1,590,956)
	6,885,211		6,885,211	218,668	7,103,879
	(34,652)		(34,652)		(34,652)
54,279,118	**20,513,022**	**(15,227,264)**	**5,285,758**	**192,513**	**5,478,271**
		42,218,044	42,218,044	422,860	42,640,904
		47,503,802	47,503,802	615,373	48,119,175
					0
	(8,000,000)		(8,000,000)		(8,000,000)
0	**(8,000,000)**	**0**	**(8,000,000)**	**0**	**(8,000,000)**
111,754,957	**143,059,151**	**42,218,044**	**200,277,194**	**415,888**	**200,693,083**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEARS ENDED AT DECEMBER 31, 2021 AND 2020

Amounts expressed in Euros

	2021	2020
Consolidated profit for the year including non-controlling interests	**42,640,904**	**15,234,091**
Itens reclassified subsequently to net income:		
Fair value variation on available for sale financial assets		
Other changes in equity of the subsidiaries	(1,590,956)	(2,028,479)
Financial statements exchange differences	7,103,879	(8,029,405)
Other movements	(34,652)	1,237
Comprehensive income for the year	**48,119,175**	**5,177,444**
Owners of the parent	47,503,802	5,633,083
Non-controlling interests	615,373	(455,639)

The notes to the consolidated financial statements are an integral part of this statement at December 31, 2021

CERTIFIED ACCOUNTANT

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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED AT DECEMBER 31, 2021 AND 2020

Amounts expressed in Euros

	NOTES	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Accounts receivable		1,174,704,338	798,897,882
Accounts payable		(946,067,293)	(623,672,448)
Staff payable		(83,591,067)	(76,688,472)
Operating cash flows		**145,045,978**	**98,536,962**
Income tax payable/receivable		(14,743,777)	(7,561,283)
Other receivables/payables		(30,272,744)	(24,671,038)
Cash flows from operating activities (1)		**100,029,457**	**66,304,641**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments:			
Property, plant and equipment		(49,210,848)	(21,918,331)
Intangible assets		(1,414,358)	(513,192)
Receipts:			
Property, plant and equipment		24,083,040	8,296,813
Interest and similar income		1,373,295	1,375,810
Cash flows from investing activities (2)		**(25,168,871)**	**(12,758,900)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts:			
Borrowings			
Payments:			
Borrowings	20	(33,441,232)	(14,139,579)
Interest and similar costs		(6,611,247)	(8,398,675)
Dividends		(8,000,000)	(8,000,000)
Cash flows from financing activities (3)		**(48,052,479)**	**(30,538,254)**
Net increase/decrease in cash and cash equivalents (1+2+3)		**26,808,108**	**23,007,487**
Changes in perimeter variations		1,201,765	(2,017,924)
Net foreign exchange difference		338,516	(423,441)
Cash and cash equivalents at 1 January	16	**50,608,497**	**30,042,375**
Cash and cash equivalents at 31 December	16	**78,956,887**	**50,608,497**

The notes to the consolidated financial statements are an integral part of this statement at December 31, 2021

CERTIFIED ACCOUNTANT

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ANNEX TO THE CONSOLIDATED FINANCIAL STATEMENTS ON 31ST DECEMBER 2021

1. INTRODUCTORY NOTE

The ASCENDUM Group consists of a group of companies located in Portugal, Spain, USA, Turkey, Mexico, and Central Europe (Austria, Croatia, Slovakia, Hungary, Romania and the Czech Republic), Poland, Morocco, Angola and Mozambique. The parent company – ASCENDUM S.A., was founded in 1959 and had its headquarters in Coimbra until the end of 2011. On 28th November 2011, the shareholders decided to transform the company into a joint-stock company and also transfer its headquarters to Praça Marquês de Pombal, 3-A, 5° andar in LISBON – PORTUGAL. ASCENDUM mainly operates in the import and distribution of equipment for construction and public works, logistics, port and airport infrastructures, railways and agriculture, and in Portugal it is also the representative of the Volvo and Mitsubishi vehicle brands for part of the country. It also imports and distributes parts and components and has repair workshops for the equipment and vehicles it represents.

On 31st December 2021, the ASCENDUM Group companies and their headquarters were as follows:

COMPANY	Headquarters	% shareholding
Headquartered in Portugal:		
AIR-RAIL (PORTUGAL), Sociedade Unipessoal, LDA.	Estrada Nacional 10, Apartado 2094, 2696-801 São João da Talha, Loures - PORTUGAL	50%
AMPLITUDE SEGUROS - Corretores de Seguros, S.A.	R. Conde da Covilhã, n° 1637, 4100-189 PORTO	33.3%
ARNADO - Sociedade de Exploração e Administração de Imóveis S.A.	R. João de Ruão 12 - 3000-229 COIMBRA - PORTUGAL	5%
ASCENDUM AGRO, Equipamentos Agrícolas, S.A.	Parque Ind. Vale do Alecrim, Rua do Ferro 150, 2950-007 Palmela	100%
ASCENDUM AUTOMÓVEIS, UNIPESSOAL LDA.	R. Vasco da Gama n° 15, 2685-244 PORTELA - PORTUGAL	100%
ASCENDUM CAMIÕES, UNIPESSOAL LDA.	R. Vasco da Gama n° 15, 2685-244 PORTELA - PORTUGAL	100%
ASCENDUM MÁQUINAS, UNIPESSOAL LDA.	R. Vasco da Gama n° 15, 2685-244 PORTELA - PORTUGAL	100%
ASCENDUM PORTUGAL, Serviços de Gestão, S.A.	R. Vasco da Gama n° 15, 2685-244 PORTELA - PORTUGAL	100%
ASCENDUM, S.A.	Praça Marquês de Pombal n° 3 A - 5°, 1250-161 LISBOA - PORTUGAL	Parent company
GLOMAK SGPS, S.A.	R. Vilar de senhor, 461, 4455-213, Lavra, Matosinhos - PORTUGAL	100%

COMPANY	Headquarters	% shareholding
Headquartered in other countries:		
AIR RAIL MAROC, S.A.R.L.A.U.	4 Lotissement La Coline - Sidi Maarouf - 20270 - Casablanca - MOROCCO	50%
AIR-RAIL POLSKA, Sp. Z.o.o.	Ul. Szpitalna 8 lokal 9, 00-0031 Warsawa - POLAND	25%
AIR-RAIL, S.L.	Calle Alsasua, 16, 28023 MADRID - SPAIN	50%
BERGMANN AMERICAS, INC.	160 Conway Black Road, Spartanburg, SC 29307 - USA	100%
ASCENDUM MACHINERY, INC.	9115 Harris Corner Parkway, suite 450, CHARLOTTE, NC 28269 - USA	100%
ASCENDUM MAQUINARIA MEXICO, S.A. DE C.V.	Carretera Mexico Queretaro KM 32.5 - MEXICO	100%
ASCENDUM MAKİNA TİCARET A.Ş.	Fatih Mahallesi Katip Çelebi Caddesi, nº 43, 34956 - Tuzla, ISTANBUL - TURKEY	100%
ASCENDUM BAUMASCHINEN ÖSTERREICH GMBH	Grafenholzweg 1, 5101 Bergheim bei Salzburg, Bergheim - AUSTRIA	100%
ASCENDUM ÉPÍTOGÉPEK HUNGÁRIA KERESKEDELMI Kft	1141 Budapest, Nótárius utca 13-15 - HUNGARY	100%
ASCENDUM ESPAÑA, S.L.	Parque Empresarial San Fernando, Edificio Munich, Planta 3, 28830 MADRID - SPAIN	100%
ASCENDUM CENTRAL EUROPE GMBH	Grafenholzweg 1, 5101 Bergheim bei Salzburg, Bergheim - AUSTRIA	100%
ASCENDUM GRADEVINSKI STROJEVI HRVATSKA d.o.o	Karlovačka cesta 94, 10250 Lučko/Zagreb, Croatia	100%
ASCENDUM MACHINERY SRL	Şoseaua Odăii Nr. 439 Sector 1, et.2. 013606 Bucureşti, Romania	100%
ASCENDUM TÜRKİYE YATIRIM HOLDİNG ANONİM ŞİRKETİ	Fatih Mahallesi Katip Çelebi Caddesi, nº 43, 34956 - Tuzla, ISTANBUL - TURKEY	100%
ASCENDUM STAVEBNÍ STROJE CZECH S.R.O	Plzeňská 430, 267 12 Loděnice, Czech Republic	100%
ASCENDUM STAVEBNÉ STROJE SLOVENSKO S.R.O	Pestovateľská 10, 821 04 Bratislava - SLOVAKIA	100%
HARDPARTS MOÇAMBIQUE, Limitada	Avenida Julius Neyerere, 2399, Maputo - MOZAMBIQUE	100%
Importadora Distribuidora de Maquinaria Industrial ZEPHIR, S.L.	Calle Alsasua, 16, 28023 MADRID, SPAIN	50%
TEA ALOYA INMOBILIARIA, S.A.U.	Parque Empresarial San Fernando, Edificio Munich, Planta 3, 28830 MADRID - SPAIN	100%
ASCENDUM MAQUINARIA, S.A.	Parque Empresarial San Fernando, Edificio Munich, Planta 3, 28830 MADRID - SPAIN	100%
VOLRENTAL ATLÁNTICO, S.A.U.	Parque Empresarial San Fernando, Edificio Munich, Planta 3, 28830 MADRID - SPAIN	68.89%

The accompanying financial statements are presented in euros (rounded to the nearest unit). External operations that use a functional currency other than the euro are included in the consolidated financial statements in line with the policy described in paragraph 2.2 d).

2. MAIN ACCOUNTING POLICIES

The main accounting policies used in preparing the consolidated financial statements are the following:

2.1. BASIS OF PRESENTATION

The accompanying financial statements relate to the consolidated financial statements of ASCENDUM and were prepared according to 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 their interpretations – IFRIC and SIC issued respectively by the International Financial Reporting Interpretations Committee (IFRIC) and by the Standard Interpretations Committee (SIC), adopted by the European Union and in force for the financial years beginning on 1st January 2021.

2.1.1. The impact of the adoption of the new standards and amendments to standards that became effective as of 1st January 2020 is as follows:

a. **IFRS 16** (amendment), 'Leases – COVID-19 related rent concessions'. This amendment introduces a practical expedient for lessees (but not for lessors), which exempts them from assessing whether the rent concessions granted by lessors due to the COVID-19 pandemic are a modification to the lease contract, when three criteria are cumulatively met: i) the change in lease payments results in a revised fee for the lease that is substantially equal to, or less than, the fee immediately prior to the change; ii) any reduction in lease payments only affects payments due on or before June 30, 2021; and iii) there are no substantive changes to other lease terms and conditions. Lessees that qualify to apply this practical expedient, recognise the change in rent payments, as variable rents in the period(s) in which the event or condition that triggers the reduced payment occurs. This amendment is applied retrospectively with the impacts reflected as an adjustment to retained earnings (or another equity component, as appropriate) at the beginning of the annual reporting period in which the lessee applies this amendment for the first time. This amendment did not have material effects on the Consolidated Financial Statements.

b. **IFRS 4** (amendment), 'Insurance contracts – deferral of IFRS 9'. This amendment addresses the temporary accounting consequences of the different effective dates of IFRS 9 Financial Instruments and the forthcoming IFRS 17 Insurance Contracts. In particular, the amendments to IFRS 4 extend the expiry date of the temporary exemption from applying IFRS 9 until 2023 in order to align the effective date of IFRS 9 with the new IFRS 17.

This amendment did not have material effects on the Consolidated Financial Statements.

c. IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (amendment) 'Interest rate benchmark (IBOR) reform – phase 2'. These amendments address issues that arise during the reform of an interest rate benchmark, including the replacement of one benchmark with an alternative one, providing exemptions like: i) changes to designations and hedging documentation; ii) amounts accumulated in the cash flow hedge reserve; iii) assessment of retrospective effectiveness on a hedge relationship under IAS 39; iv) amendments to hedge relationships for groups of items; v) presumption that an alternative benchmark rate designated as a non-contractually specified risk component is separately identifiable and qualifies as a hedged risk; and vi) update the effective interest rate, with no gain or loss recognised, for financial instruments measured at amortised cost with changes in the contractual cash flows as a result of IBOR reform, including leases that are indexed to an IBOR. These amendments did not have material effects on the Consolidated Financial Statements.

2.1.2. Standards (new and amendments) that have been published and are mandatory for the accounting periods beginning on or after 1st January 2022, already endorsed by the EU

a. IAS 16 (amendment), 'Proceeds before intended use' (effective for annual periods beginning on or after 1st January 2022). This amendment changes the accounting treatment of the proceeds obtained from the sale of products that resulted from the production test phase of property, plant and equipment, prohibiting their deduction to the acquisition cost of assets. This amendment is applied retrospectively without restating comparatives. It is not expectable that this amendment implies material impacts on the Consolidated Financial Statements.

b. IAS 37 (amendment), 'Onerous Contracts – Cost of Fulfilling a Contract' (effective for annual periods beginning on or after 1st January 2022). This amendment specifies that when assessing whether a contract is onerous or not, only expenses directly related to the performance of the contract, such as incremental costs related to direct labour and materials and the allocation of other expenses directly related to the allocation of depreciation expenses of tangible assets used to carry out the contract, can be considered. This amendment must be applied to contracts that, at the beginning of the first annual reporting period to which the amendment is applied, still include contractual obligations to be satisfied, without restating comparatives. It is not expectable that this amendment implies material impacts on the Consolidated Financial Statements.

c. IFRS 3 (amendment), 'Reference to the Conceptual framework' (effective for annual periods beginning on or after 1st January 2022). This amendment updates the references to the Conceptual Framework in the text of IFRS 3, without changing the accounting requirements for business combinations. This amendment also clarifies the accounting treatment to be given to contingent liabilities and liabilities under IAS 37 and IFRIC 21, incurred separately versus within a business combination. This amendment is applied prospectively. It is not expectable that this amendment implies material impacts on the Consolidated Financial Statements.

d. IFRS 16 (amendment), 'Leases – COVID-19 related rent concessions beyond 30th June 2021' (effective for annual periods beginning on or after 1st April 2021). This amendment extends the date of application of the IFRS 16 – 'Leases – COVID-19 related rent concessions' amendment from 30th June 2021 to 30th June 2022. The conditions required to apply the practical expedient remain unchanged, such that: i) if the lessee already applied the 2020 practical expedient it is required to continue to apply the practical expedient consistently, to all lease contracts with similar characteristics and in similar circumstances; and ii) If the lessee did not apply the 2020 practical expedient to eligible lease concessions, it is prohibited from applying the extension of the practical expedient, as per this amendment. This amendment is applied retrospectively with the impacts reflected as an adjustment to the opening balance of retained earnings of the annual reporting period in which the lessee applies this amendment for the first time. It is not expectable that this amendment implies material impacts on the Consolidated Financial Statements.

e. IFRS 17 (new), 'Insurance contracts' (effective for annual periods beginning on or after 1st January 2023). This new standard replaces IFRS 4 and applies to all entities issuing insurance contracts, reinsurance contracts and investment contracts with discretionary participation characteristics. IFRS 17 is based on the current measurement of technical liabilities at each reporting date. The current measurement can be based on a general model "building block approach" or a simplified one "premium allocation approach". The "building block approach" is based on discounted, probability-weighted cash flows, a risk adjustment and a contractual service margin ('CSM'), which represents the unearned profit of the contract. Subsequent changes in estimated cash flows are adjusted against the contractual service margin, unless it becomes negative. IFRS 17 is applied retrospectively. This standard is not applicable to Ascendum Group.

f. IFRS 17 (amendment), 'Insurance contracts' (effective for annual periods beginning on or after 1st January 2023). This amendment includes specific changes in eight areas of IFRS 17, such as: i) scope; ii) level of aggregation of insurance contracts; iii) recognition; iv) measurement; v) modification and derecognition; vi) presentation of the Statement of Financial Position; vii) recognition and measurement of the Income statement; and viii) disclosures. This amendment also includes clarifications, which aim to simplify some of the requirements of this standard and ease transition. IFRS 17 is applied retrospectively. On the issue this amended the end date for applying IFRS 9 (temporary exemption or overlay approach) under the IFRS 4 standard, was extended to 1st January 2023, aligned with the effective date of IFRS 17. This standard is not applicable to Ascendum Group.

g. **Annual Improvements 2018 - 2020** (effective for annual periods beginning on or after 1st January 2022). The 2018-2020 annual improvements impact: IFRS 1, IFRS 9, IFRS 16 and IAS 41. This standard is still subject to endorsement by the European Union. It is not expectable that these amendments imply material impacts on the Consolidated Financial Statements.

2.1.3. Standards (new and amendments) that have been published and are mandatory for the accounting periods beginning on or after 1st January 2022, but are not yet endorsed by the EU

a. **IAS 1** (amendment), 'Presentation of financial statements – classification of liabilities' (effective for annual periods beginning on or after 1st January 2023). This amendment intends to clarify that liabilities are classified as either current or non-current balances depending on the rights that an entity has to defer its payment, at the end of each reporting period. The classification of liabilities is not affected by the entity's expectations (the assessment should determine whether a right exists but should not consider whether or not the entity will exercise that right), or by events occurring after the reporting date, such as the non-compliance with a given "covenant". This amendment also introduces a new definition of "settlement" of a liability. This amendment is applied retrospectively. It is not expectable that this amendment implies material impacts on the Consolidated Financial Statements.

b. **IAS 1** (amendment), 'Disclosure of accounting policies' (effective for annual periods beginning on or after 1st January 2023). This amendment is still subject to endorsement by the European Union. Amendment to the requirement to disclose the accounting policies based on "material" instead of "significant". The amendment specifies that an accounting policy information is expected to be material if, in its absence, the users of the financial statements would be unable to understand other material information in those same financial statements. Immaterial accounting policy information need not be disclosed. The IFRS Practice Statement 2 was also amended to provide guidance for the application of the concept of material" to accounting policy disclosures. It is not expectable that this amendment implies material impacts on the Consolidated Financial Statements.

c. **IAS 8** (amendment), 'Disclosure of accounting estimates' (effective for annual periods beginning on or after 1st January 2023). This amendment is still subject to endorsement by the European Union. Introduction of the concept of accounting estimate and the way it is distinct from changes to accounting policies. The accounting estimates are defined as corresponding to monetary amounts that are subject to measurement uncertainty, used to achieve an accounting policy's objective(s). It is not expectable that this amendment implies material impacts on the Consolidated Financial Statements.

d. **IAS 12** (amendment), 'Deferred tax related to assets and liabilities arising from a single transaction' (effective for annual periods beginning on or after 1st January 2023). This amendment is still subject to endorsement by the European Union. IAS 12 will require entities to recognise deferred tax on specific transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. These applies to the recognition of: i) right-of-use assets and lease liabilities; and ii) decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related asset, when not relevant for tax purposes. Such temporary differences are no longer subject to the initial recognition exemption for deferred taxes. The cumulative effect of initially applying the amendment is recognised as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the earliest comparative period presented. It is not expectable that this amendment implies material impacts on the Consolidated Financial Statements.

e. **IFRS 17** (amendment), 'Initial Application of IFRS 17 and IFRS 9 – Comparative Information' (effective for annual periods beginning on or after 1st January 2023). This amendment is still subject to endorsement by the European Union. This amendment relates only to insurers' transitioning to the IFRS 17 and allows the adoption of a classification overlay to a financial asset for which the entity does not restate IFRS 9 comparative information. This amendment seeks to avoid temporary accounting mismatches between financial assets and insurance contract liabilities in the comparative information presented, when applying IFRS 17 for the first time, providing for (i) the application on a financial asset-by-financial asset basis; (ii) the presentation of comparative information as if the classification and measurement requirements of IFRS 9 had been applied to that financial asset, but without requiring an entity to apply the impairment requirements of IFRS 9; and (iii) the obligation to use reasonable and supported information available at the transition date, to determine how the entity expects that financial asset to be classified in accordance with IFRS 9. This standard is not applicable to Ascendum Group.

New standards summary:

DESCRIPTION	Changes	Effective date
1. Standards (new and amendments) effective as at 1st January 2021		
IFRS 16 – Leases – COVID-19 related rent concessions	Application of exemption in the recognition of rent concessions granted by lessors related to COVID-19, as modifications.	1st June 2021
IFRS 4 – Deferral of IFRS 9	The end of the exemption of applying IFRS 9 by the entities with insurance activity was deferred to 1st January 2023.	1st January 2021
IFRS 9, IAS 39 and IFRS 7 – Interest rate benchmark (IBOR) reform – phase 2	Provide practical expedients to address issues that arise from the implementation of the reforms, including the replacement of one benchmark with an alternative one. Required disclosures about the exposure to the change of interest rate benchmark.	1st January 2021
2. Standards (new and amendments) that will become effective, on or after 1st January 2022, already endorsed by the EU		
IAS 16 – Proceeds before intended use	Prohibition of deducting the proceeds obtained from the sale of items produced during the testing phase, to the acquisition cost of property, plant and equipment.	1st January 2022
IAS 37 – Onerous contract – cost of fulfilling a contract	Clarification about the nature of the expenses to be considered in determining whether a particular contract has become onerous.	1st January 2022
IFRS 3 – Reference to the Conceptual framework	Update to references to the Conceptual Framework and clarification on the registration of provisions and contingent liabilities within the scope of a business combination.	1st January 2022
IFRS 16 – Leases – COVID-19 related rent concessions beyond 30th June 2021	Extension of the application period for the exemption in the recognition of rent concessions granted by lessors related to COVID-19, as modifications, until 30th June 2022.	1st April 2021
IFRS 17 – Insurance contracts	New accounting for insurance contracts, reinsurance contracts and investment contracts with discretionary participating features.	1st January 2023
IFRS 17 – Insurance contracts (amendments)	The amendments to IFRS 17 relate to changes in areas such as: i) scope; ii) level of aggregation of insurance contracts; iii) recognition; iv) measurement; v) modification and derecognition; vi) presentation of the Statement of Financial Position; vii) recognition and measurement of the Income statement; and viii) disclosures.	1st January 2023
Annual improvement 2018 – 2020	Specific amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41.	1st January 2022
3. Standards (new and amendments) that will become effective, on or after 1st January 2022, not yet endorsed by the EU		
IAS 1 – Presentation of financial statements – classification of liabilities	Classification of a liability as current or non-current, depending on an entity's right to defer its payment. New definition of "settlement" of a liability.	1st January 2023
IAS 1 – Disclosure of accounting policies	Disclosure requirement for material accounting policies, rather than significant accounting policies.	1st January 2023
IAS 8 – Disclosure of accounting estimates	Definition of accounting estimate. Clarification as to the distinction between changes to accounting policies and changes to accounting estimates.	1st January 2023
IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction	Requirement to recognize deferred tax on the recognition of assets under right of use / lease liability and provisions for decommissioning / related asset, when their initial recognition gives rise to equal amounts of taxable temporary differences and deductible temporary differences, because of not being relevant for tax purposes.	1st January 2023
IFRS 17 – Initial Application of IFRS 17 and IFRS 9 – Comparative Information	This amendment allows to avoid temporary accounting mismatches between financial assets and insurance contract liabilities in the comparative information presented, when first applying IFRS 17. This amendment allows the application of a classification overlay to a financial asset for which the entity does not restate IFRS 9 comparative information.	1st January 2023

2.2. CONSOLIDATION PRINCIPLES

The consolidation principles adopted by the Group are the following:

a. Financial investments in Group companies

The financial investments in companies in which the Group has direct and/or indirect voting rights of over 50% of the voting rights at the General Meeting of Shareholders or Partners and in which it has the power to control its financial and operating policies in order to benefit from their activities, have been included in the consolidated financial statements using the full consolidation method. The equity and net income of these companies, attributable to the investments of third parties in those same companies, are included separately in the consolidated statement of financial position and the consolidated income statement, under "Non-controlling interests". The Group companies included in the consolidated financial statements are detailed in Note 4.

The accumulated losses of a subsidiary are attributed to the non-controlling interests, in the proportions held, which may result in the recognition of negative non-controlling interests.

In business combinations prior to 2010 the purchase method was followed. The assets and liabilities of each subsidiary are measured at fair value on the acquisition date. Any excess in the acquisition cost over the fair value of net assets and liabilities acquired is recognised as goodwill (Note 2.2 c)). If the difference between the acquisition cost and the fair value of net assets and liabilities acquired is negative, it is recognised as income in the income statements after reconfirming their assigned fair value. The interests of holders of non-controlling interests are presented proportionally to the fair value of identified assets and liabilities.

For business combinations after 1st January 2010, the Group has applied the revised IFRS 3. According to this revised standard, the purchase method continues to be applied to business combinations, but with some significant amendments:

i. all amounts that make up the purchase price are valued at fair value and there is the option to measure "non-controlling interests," on a transaction-by-transaction basis, by the proportion of the value of the acquired entity's net assets or at the fair value of the acquired assets and liabilities.

ii. all costs related to the acquisition are recorded as expenses.

Since 1st January 2010, the revised IAS 27 has also been applied. This requires all transactions with "non-controlling interests" to be recorded in Equity if there is no change in control over the Entity, and so no goodwill or gains and losses shall be recorded. When there is a loss of control over the entity, any remaining interest in the entity is remeasured at fair value and gain or loss is recognized in the income statement for the period.

The results of subsidiaries acquired or sold in the period are included in the consolidated income statement from the effective date of acquisition or until the date of sale.

Whenever necessary, adjustments are made to the financial statements of subsidiaries to keep their accounting policies in line with those used by the Group. Transactions, margins generated between Group companies, balances and dividends distributed between Group companies are eliminated in the consolidation process.

In situations where the Group holds, in substance, control of other entities created for a specific purpose, even if it has no direct shareholdings in these entities, they are consolidated by the full consolidation method.

b. Financial investments in associated companies

Financial investments in associated companies (companies in which the Group exercises significant influence but does not have control, through involvement in the financial and operational decisions of the Companies – generally investments of 20% to 50% of the share capital of a company) are recorded using the equity method.

Under the equity method, financial investments are initially recorded at their acquisition cost and adjusted annually by the amount representing the Group's share in changes in the equity (including net profit) of associates, against gains or losses in the period as well as dividends received and other changes in equity recorded in the associates.

Differences between purchase cost and fair value of the assets and liabilities associated at the purchase date are recognized as goodwill if they are positive and are recorded under "Financial investments in associates" (Note 2.2 c)). If these differences are negative, they are recorded as a gain in the period under "Other income and gains" in the income statement, following reconfirmation of fair value.

Investments in associates are evaluated, when there are indicators that the asset might be impaired, and any confirmed impairment losses are recorded as an expense. When impairment losses recognized in previous periods no longer exist, they are reversed.

When the Group's share of the associate's accumulated losses exceeds the carrying value of the financial investment, the investment is recorded at nil value for as long as the associate's equity is negative, except when the Group has made commitments to the associate. In this case, a provision to meet these obligations is recorded.

Unrealized gains on transactions with associates are eliminated in proportion to the Group's interest in the associate, against the financial investment in that associate. Unrealized losses are similarly eliminated but only to the point where they are not a sign that the transferred asset is impaired.

c. Goodwill

Differences between the acquisition cost of investments in Group companies, plus the share of non-controlling interests in the fair value of acquired assets and liabilities (including contingent liabilities) or alternatively, plus the fair value of the share of the non-controlling interests in the acquired subsidiary and the fair value of the total net assets and liabilities of the acquired subsidiary, when positive, are recorded as "goodwill" (Note 9). When negative, they are recorded directly in the income statement as gains, following reconfirmation of their recognized fair value.

Differences between the acquisition cost of investments in associated companies and the amount attributed to the fair value of the identifiable assets and liabilities of those companies at the purchase date, when positive, are recorded under "Financial investments in associates." When negative, they are recorded directly as gains in the income statement, following reconfirmation of the recognized fair value.

The goodwill amount is not amortized and is tested for impairment losses on an annual basis. The recoverable amount is determined based on the current value of estimated future cash flow expected to arise from continued use of the asset. Goodwill impairment losses recorded in the period are recorded in the income statement under "Impairments of non-depreciable/amortizable investments."

Impairment losses relating to goodwill cannot be reversed.

d. Conversion of financial statements of foreign entities

The assets and liabilities included in the financial statements of foreign entities are converted into euros using the exchange rates at the date of the statement of financial position. Income and expenses and cash flows are converted into euros using the average exchange rate recorded in the period. Exchange rate differences arising after 1st January 2010 are recorded as equity.

When a foreign entity is sold, accumulated exchange rate differences are recognized in the income statement as a gain or loss.

In the 2021 and 2020 financial years, the rates used in the conversion of financial statements of foreign subsidiaries into Euros were the following:

2021 COMPANY	Currency	Year end exchange rate 2021	Average historical exchange rate 2021	Exchange rate Establishment date / Acquired	Year end exchange rate 2020
ASCENDUM MACHINERY INC	USD	1.13	1.18	1.36	1.23
BERGMANN AMERICAS. INC	USD	1.13	1.18	1.11	1.23
ASCENDUM MAKİNA TİCARET A.Ş.	TRY	-	-	1.94	-
HARDPARTS MOÇAMBIQUE. LIMITADA	MZN	72.32	77.41	39.75	92.02
AIR RAIL POLSKA	PLN	4.60	4.57	4.18	4.56
ASCENDUM MAQUINARIA MEXICO	USD	1.13	1.18	1.36	1.23
AIR-RAIL MAROC	MAD	10.52	10.63	11.16	10.94
ASCENDUM ÉPÍTOGÉPEK HUNGÁRIA KERESKEDELMI KFT	HUF	369.19	358.44	298.15	363.89
ASCENDUM GRADEVINSKI STROJEVI HRVATSKA D.O.O	HRK	7.52	7.53	7.62	7.55
ASCENDUM MACHINERY SRL	RON	4.95	4.92	4.46	4.87
ASCENDUM STAVEBNÍ STROJE CZECH S.R.O	CZK	24.86	25.64	25.73	26.24
Applicability		Statement of financial position accounts except for equity	P&L	Issued Capital	Retained earnings

2020 COMPANY	Currency	Year end exchange rate 2020	Average historical exchange rate 2020	Exchange rate Establishment date / Acquired	Year end exchange rate 2019
ASCENDUM MACHINERY INC	USD	1.23	1.14	1.36	1.12
BERGMANN AMERICAS, INC	USD	1.23	1.14	1.11	
ASCENDUM MAKİNA TİCARET A.Ş.	TRY	-	-	1.94	-
ASCENDUM TÜRKİYE YATIRIM HOLDİNG ANONİM ŞİRKETİ	TRY	-	-	1.94	-
HARDPARTS MOÇAMBIQUE, LIMITADA	MZN	92.02	79.57	39.75	68.90
AIR RAIL POLSKA	PLN	4.56	4.44	4.18	4.26
ASCENDUM MAQUINARIA MEXICO	USD	1.23	1.14	1.36	1.12
AIR-RAIL MAROC	MAD	10.94	10.82	11.16	10.76
ASCENDUM ÉPÍTOGÉPEK HUNGÁRIA KERESKEDELMI KFT	HUF	363.89	351.25	298.15	330.53
ASCENDUM GRADEVINSKI STROJEVI HRVATSKA D.O.O	HRK	7.55	7.54	7.62	7.44
ASCENDUM MACHINERY SRL	RON	4.87	4.84	4.46	4.78
ASCENDUM STAVEBNÍ STROJE CZECH S.R.O	CZK	26.24	26.46	25.73	25.41
Applicability		Statement of financial position accounts except for equity	P&L	Issued Capital	Retained earnings

2.3. MAIN VALUATION CRITERIA

The main valuation criteria used by ASCENDUM in preparing the consolidated financial statements are the following:

a. Property, Plant and Equipment

Property, plant and equipment purchased before 1st January 2009 (date of the transition to IFRS) are recorded at deemed cost, which is their acquisition cost or revalued acquisition cost in line with generally accepted accounting principles in Portugal (and in the countries of the Group's subsidiaries) until that date, minus the accumulated depreciation and accumulated impairment losses.

Property, plant and equipment acquired after that date are recorded at cost minus accumulated depreciation and impairment losses.

Impairment losses identified in the realizable value of property, plant and equipment are recorded in the year in which they are estimated, under "Impairment of Depreciable/ Amortizable Investments" in the income statement.

Depreciations are calculated from the moment that the assets are available for use, by the straight-line depreciation method, according to the following estimated useful lives:

	Years
Buildings and other constructions	20 - 50
Basic equipment	6 - 16
Transport equipment	4 - 5
Tools and utensils	4 - 14
Administrative equipment	3 - 14
Other tangible assets	4 - 8

Expenditure on property, plant and equipment repairs and maintenance are considered an expense in the period in which they occur. Improvements of significant amounts, which increase the estimated period of use of the assets are capitalized and depreciated in accordance with the remaining useful life of the corresponding assets.

Property, plant and equipment in progress are tangible assets still under construction/development and are recorded at acquisition cost minus the accumulated impairment losses. These assets are transferred to property, plant and equipment and depreciated from the moment that the underlying assets are available to be used in the operating conditions required by management.

Gains or losses resulting from the sale or write-down of property, plant and equipment are considered to be the difference between the sale price and the net book value on the sale/write-down date. They are recorded in the income statement as "Other income and gains" or "Other expenses and losses."

b. Intangible assets

Intangible assets are recorded at acquisition cost minus the accumulated amortization and impairment losses. Intangible assets are only recognized if they are likely to result in future economic benefits for the Group, if the Group has the power to control them and if their value can be reasonably measured.

Research costs incurred with new technical knowledge are recognized as an expense in the income statement, when incurred.

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

Internal costs associated with software maintenance and development are recorded as expenses in the income statement when they are incurred, except where these costs are directly related to projects that are likely to generate future economic benefits for the Group. In these cases, the costs are capitalized as intangible assets.

Intangible assets are amortized by the straight-line depreciation method over a period of three to five years, except those related to concession rights, which are considered to have an indefinite useful life and, as such, are not amortized and are subject to annual impairment testing.

Amortization of intangible assets in the period is recorded in the income statement under "Depreciation and amortization expenses."

c. Investment properties

Investment properties, which are real estate assets owned to generate income from rental or capital gains, rather than for use in the production or supply of goods or services or for administrative purposes, are recorded at acquisition cost and their fair value is disclosed (Note 8).

Investment properties acquired before 1st January 2009 (date of the transition to IFRS) are recorded at "deemed cost," which is their acquisition cost or revalued acquisition cost in line with generally accepted accounting principles in Portugal (and in the countries of the Group's subsidiaries) until that date, minus the accumulated depreciation and accumulated impairment losses.

Investment properties purchased after that date are recorded at acquisition cost minus the accumulated depreciation and impairment losses.

Whenever the fair value of these assets is deemed to be less than their respective carrying amount, an impairment loss is recorded in the period in which the loss is estimated, under the "Impairment of depreciable/amortizable investments" in the income statement. As soon as the recorded accumulated impairment losses cease to exist, they are immediately reversed through a counter-entry under "Impairment on depreciable/amortizable investments" in the income statement to the maximum that would have been established, net of depreciation or amortization, if no impairment loss had been recognized in previous periods.

The fair value of investment properties that is subject to disclosure was based on property valuations carried out by independent specialists.

d. Leases

Identifying a Lease

At inception of a contract, an entity shall assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset for a period of time, an entity shall assess whether, throughout the period of use, the customer has both of the following:

i. the right to obtain substantially all the economic benefits from use of the identified assets; and

ii. the right to direct the use of the identified assets.

Lease Term

An entity shall determine the lease term as the non-cancellable period of a lease, together with both:

i. periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and

ii. periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

Recognition and Measurement

At the commencement date, a lessee shall recognize a right-of-use asset and a lease liability.

At the commencement date, a lessee shall measure the right-of-use asset at cost. The cost of the right-of-use asset shall comprise (i) the amount of the initial measurement of the lease liability, (ii) any lease payments made at or before the commencement date, less any lease incentives received, (iii) any initial direct costs incurred by the lessee, and (iv) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset. After the commencement date, a lessee shall measure the right-of-use asset applying at cost, less any accumulated depreciation and any accumulated impairment losses, adjusted for any remeasurement of the lease liability.

The depreciable amount of the right-of-use asset shall be allocated on a systematic basis over its useful life. The lessee shall depreciate the right-of-use asset from the commencement date to the end of the useful life of the underlying asset, if the lease transfers ownership of the underlying asset to the lessee by the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option. Otherwise, the lessee shall depreciate the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The depreciation charge for each period shall be recognized in profit or loss. The average of the useful life for the right-of-use assets is:

	Years
Buildings and other constructions	4
Basic equipment - machines	4
Transport equipment - vehicles	3

At the commencement date, a lessee shall measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments included in the measurement of the lease liability comprise (i) fixed payments, less any lease incentives receivables, (ii) variable lease payments, (iii) amounts expected to be payable by the lessee under residual value guarantees, (iv) the exercise price of a purchase option if it is certain, and (v) payments of penalties for terminating the lease. The variable lease payments do not include remunerations linked to the turnover of the lessee.

In the statement of financial position, the right of use assets is included in the Property, Plant and Equipment account and the lease liability is included in the Borrowings account.

The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined (the rate of interest that causes the present value of the lease payments and the unguaranteed residual value to equal the fair value of the underlying asset). If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate (the rate of interest that a lessee would have to pay to borrow over a similar term the funds necessary to obtain an asset of a similar value to the underlying asset).

After the commencement date, a lessee shall measure the lease liability by:

i. increasing the carrying amount to reflect interest on the lease liability (computed with the discount rate applied in the initial measurement of the lease liability and recognized in profit and loss statement);

ii. reducing the carrying amount to reflect the lease payments made; and

iii. remeasuring the carrying amount to reflect any reassessment or lease modifications (ex: terms, lease payments).

The company applies the following practical expedient under IFRS 16:

i. The contracts that contain lease and services components, the company do not separate the services from lease components;

ii. (ii) Leases, that, at the commencement date, have a lease term of 12 months or less are excluded from the scope of IFRS 16;

iii. (iii) Leases for which the underlying asset has a value below 5,000 euros are excluded from the scope of IFRS 16.

For the leases excluded from the scope of IFRS 16, the lease payments associated with those leases shall be recognized as an expense on a straight-line basis over the lease term in the External supplies and services - Rents and leases account.

Sale and Leaseback Transactions

If an entity (the seller-lessee) transfers an asset to another entity (the buyer-lessor) and leases that asset back from the buyer-lessor, both the seller-lessee and the buyer-lessor shall account for the transfer contract and the lease applying as follows:

i. Transfer of the asset is a sale

If the transfer of an asset by the seller-lessee satisfies the requirements of IFRS 15 to be accounted for as a sale of the asset:

The seller-lessee shall measure the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use retained by the seller-lessee. Accordingly, the seller-lessee shall recognize only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor. The buyer-lessor shall account for the purchase of the asset applying applicable Standards, and for the lease applying the lessor accounting requirements in IFRS 16.

ii. Transfer of the asset is not a sale

If the transfer of an asset by the seller-lessee does not satisfy the requirements of IFRS 15 to be accounted for as a sale of the asset:

The seller-lessee shall continue to recognize the transferred asset and shall recognize a financial liability equal to the transfer proceeds, applying the accounting requirements in IFRS 9. The buyer-lessor shall not recognize the transferred asset and shall recognize a financial asset equal to the transfer proceeds, applying the accounting requirements in IFRS 9.

e. Inventories

Goods classified as construction equipment and vehicles are stated at their specific acquisition cost, while parts, components and raw materials, subsidiary materials and consumables are valued at average acquisition cost, which is lower than their respective market value.

Work in progress is valued at production cost, which is lower than market value. Production costs include the cost of the raw materials used, direct labour, manufacturing overheads and services carried out externally.

Impairment losses reflect the difference between the cost of acquisition and/or production and the net realizable market value of inventories.

f. Grants from government or other public entities

Government grants are recognized at fair value when it can be reasonably assured that they will be received and that the Company will meet the conditions of the grant.

Grants and non-refundable contributions received to finance property, plant and equipment are recorded, only when there is reasonable assurance of receipt, under "Deferred income" and are recognized as a gain in the income statement in proportion to the depreciation of the subsidized property, plant and equipment.

Grants related to incurred expenses are recorded as a gain to the extent that there is reasonable assurance that they will be received, that the company has already incurred the subsidized expenses and that conditions of eligibility are met.

g. Impairment of assets other than goodwill and concession rights

An impairment of the company's assets is assessed on the date of each statement of financial position and whenever an event or change in circumstances is identified that means the asset's carrying amount may no longer be recoverable.

Whenever the asset's carrying amount is higher than its recoverable amount (established as the higher of the net sales price and its value in use, or as the net sales price for assets held for sale), an impairment loss is recognized and recorded in the income statement. The net sales price is the amount that would be obtained through the sale of the asset in a transaction between two independent entities, minus costs directly attributable to the sale. Value in use is the present value of estimated future cash flows expected to arise from continuing use of the asset and from its disposal at the end of its useful life. The recoverable amount is estimated for each asset, individually or, if that is not possible, for the cash-generating unit to which the asset belongs.

To evaluate indicators of impairment of assets, the company uses available external and internal sources which prove to be most suitable, such as: (i) significantly higher-than-expected decrease, in that period, of the market value of an asset; (ii) change in the technological, market, economic or legal environment, with a direct impact on the asset or on the entity itself; (iii) the asset's carrying amount is greater than its market capitalization; (iv) evidence of obsolescence or physical damage of/to the asset; (v) evidence that the economic performance of an asset is, or will be, significantly lower than expected.

Reversal of impairment losses recognized in previous years is recorded when it is concluded that the impairment losses no longer exist or have decreased. This analysis is carried out whenever there are signs that a previously recognized impairment loss has been reversed. A reversal of impairment losses is recognized in the income statement in the respective impairment items. However, reversal of the impairment loss is recorded up to the amount that would be recognized (net of amortization or depreciation) if the impairment loss had not been recognized in previous periods.

h. Financial charges

Financial charges related to loans (interest, premiums, ancillary costs and interest on leases) are capitalized if they relate to assets that qualify; otherwise, they are recognized as an expense in the period in which they are incurred, in line with the accrual principle.

i. Provisions

Provisions are recognized when, and only when, the Group has a current (legal or constructive) obligation as a result of a past event, whenever it is likely that, to settle the obligation, an outflow of resources will take place, and the amount of the obligation can reasonably be estimated. Provisions are reviewed on the date of each statement of financial position and are adjusted to reflect the best estimate of their fair value on that date (Note 25).

Provisions for restructuring costs are recognized by the Group whenever a formal and detailed restructuring plan has been put in place and when it has been communicated to the parties involved.

j. Financial instruments

FINANCIAL ASSETS

The company classifies its financial assets into the following categories:

- Debt instruments; and
- Equity instruments.

Debt instruments

a. Debt instruments at amortized cost

Debt instruments are measured at amortized cost if both of the following criteria are met:

- Assets are held to receive their contractual cash flows; and
- The asset's contractual cash flows represent only payments of principal and interest.

Financial assets included in this category are initially recognized at fair value and subsequently measured at amortized cost.

Trade and Other Receivables and Cash and bank deposits are debt instruments at amortized cost.

b. Debt instruments at fair value through equity

Debt instruments are measured at fair value through equity if both of the following criteria are met:

- The purpose of the business model is achieved by both the receiving of contractual cash flows and the sale of financial assets; and
- The asset's contractual cash flows represent only payments of principal and interest.

Financial assets included in the category of fair value through equity are initially recognized and subsequently measured at fair value. Movements in the carrying amount are recorded through other comprehensive income, except for the recognition of impairment gains or losses, interest income and exchange gains or losses, which are recognized in the income statement. When the financial asset is de-recognized, the accumulated gain or loss previously recognized in other comprehensive income is reclassified from equity to income.

c. Debt instruments at fair value through profit and loss

Financial assets are classified at fair value through profit and loss if they do not meet the fair-value criteria through other comprehensive income or amortized cost. This occurs when the initial goal is to recover the investment through the sale of the financial asset.

The financial assets included in the category of fair value through profit and loss are measured at fair value with all the variations recorded against the income statement.

Equity instruments

Investments in equity instruments (shares below 20%) are measured at fair value. Equity instruments held for trading are measured at fair value, with changes in fair value recorded under profit and loss. All other shares are measured at fair value, with changes in fair value (except dividends) recorded in other comprehensive income.

The amounts are not recycled from other comprehensive income to income (even in the case of sale of an equity instrument). Accumulated gains or losses are reclassified within equity through retained earnings.

Equity instruments measured at fair value through equity are not reclassified to equity instruments at fair value through profit and loss.

Equity instruments at fair value through profit and loss are not subject to impairment testing.

Equity instruments at fair value through equity are subject to impairment testing, that impairment being accounted for in other comprehensive income.

Trade and Other Receivables

These items mainly include the balances of customers resulting from services rendered as part of the Group's activity 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.

"Customer" and "Other debtors" are initially recognized at fair value and are subsequently measured at amortized cost, less the impairment adjustments. Identified impairment losses are recorded in the income statement and other comprehensive income in "Impairment of receivables" and are subsequently reversed by profit and loss.

With the introduction of IFRS 9, the company started to recognize the impairment of receivables on third parties based on the sum of the following two components:

- Specific impairment of all receivables in litigation.
- Expected impairment of all receivables, which are not in the process of litigation, using the following risk matrix, based on the observations occurring in the behavior of the receipts in the two previous years:

Receipt before the due date	% in debt
Receipt up to 30 days after the due date	% in debt
Receipt between 31 and 60 days after the due date	% in debt
Receipt between 61 and 90 days after the due date	% in debt
Receipt between 91 and 365 days after the due date	% in debt
Amounts not collected after 365 days from the due date	% in debt

Cash and bank deposits

The amounts included under "Cash and bank deposits" are cash, bank deposits, term deposits and other treasury applications which mature in less than three months and can be immediately mobilized with negligible risk of change in value.

Bank overdrafts are presented in the statement of financial position, in current liabilities, under "Borrowings." On 31st December 2021, Ascendum has equity instruments at fair value through profit and loss and debt instruments at amortized cost (customers and receivables).

FINANCIAL LIABILITIES

Financial liabilities are classified into two categories:

i. Financial liabilities at fair value through profit and loss; and

ii. Financial liabilities at amortised cost.

Financial liabilities at amortized cost are initially recognized at fair value net of transaction costs and are subsequently measured at amortized cost at the effective interest rate.

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

Financial liabilities are de-recognized when the underlying obligations are extinguished by payment, are cancelled or expire.

Borrowings

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

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

Trade payables

These items generally include balances of suppliers of goods and services that the Group acquired in the normal course of its business. These items will be classified as current liabilities if the payment is due within 12 months or less; otherwise, the accounts of "Trade payables" will be classified as non-current liabilities.

These financial liabilities are initially recognized at fair value. Subsequent to its initial recognition, the liabilities presented under "Trade payables" are measured at amortized cost using the effective interest method.

k. Contingent assets and liabilities

Contingent liabilities are defined by the Group as (i) potential obligations arising from past events whose existence will only be confirmed by the occurrence, or not, of one or more uncertain future events not fully under the Group's control or (ii) current obligations arising from past events, but which are not recognized because it is unlikely that an outflow of resources including economic benefits will be required to settle the obligation, or its amount cannot be measured with sufficient reliability.

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

Contingent assets are potential assets resulting from past events and that will only be confirmed by the occurrence or not of one or more uncertain future events, not fully under the Group's control.

Contingent assets are not recognized in the Group's financial statements but are disclosed in the Notes to the Consolidated Financial Statements, when it is likely that there will be future economic benefits.

l. Income Tax

Income tax for the financial year is calculated based on the taxable results of companies included in the consolidation, in accordance with the tax rules in force at the headquarters of each Group company. It also considers deferred taxation.

Current income tax is calculated based on the taxable results of companies included in the consolidation.

Deferred taxes are calculated based on the statement of financial position liability method and reflect the temporary differences between assets and liabilities for accounting purposes and the corresponding amounts for taxation purposes. Deferred tax assets and liabilities are calculated and valued on an annual basis, using current taxation rates, or those that have been announced for the future, on the expected date of reversal of provisional differences.

Deferred tax assets are only recognized when future tax profits can be reasonably expected for their use, or in situations where there are temporary taxable differences that offset temporary deductible differences in the reversion period. At the end of each financial year, deferred taxes are reviewed and reduced whenever their future use is no longer likely.

Deferred taxes are recorded as gains or losses for the year, unless they relate to items recognized directly in Equity. In this case, a counter-entry of deferred tax is also made under the same heading.

m. Tax consolidation

In Portugal, income tax for the year is calculated based on the Special Taxation Scheme for Corporate Groups ("RETGS"), which includes Portugal-based companies in which ASCENDUM S.A. has had a shareholding of at least 75% for over a year.

In Austria, Ascendum Central Europe GmbH is taxed on a consolidated basis by incorporating, in its tax return, the tax results of its direct subsidiary Ascendum Baumaschinen Österreich GmbH, as well as the tax losses, if any, of foreign subsidiaries: Ascendum Épiutogépek Hungaria Kereslkederlmi Ktf. – Hungary; Ascendum Gradevinski Strojevi Hrvatska, d.o.o. – Croatia; Ascendum Stavebné Stroje Slovensko, s.r.o. – Slovakia and Ascendum Machinery, S.R.L., – Romania.

The remaining Group companies are taxed on an individual basis, according to applicable law.

n. Accrual basis

Income and costs are recorded on an accrual basis, whereby revenue and expenditure are stated when they are earned or incurred, regardless of the moment when they are received or paid. The differences between the amounts received and paid and corresponding revenues and expenses are recorded under "Other accounts receivable," "Other accounts payable" and "Deferrals."

Gains and income whose real amount are not known are estimated based on the best assessment of the Board of Directors.

o. Revenue from Contracts with Customers

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

In determining the value of revenue, the Company evaluates, for each transaction, its performance obligations to its customers, the price of the transaction to be affected by each performance obligation identified in the transaction, and the existence of variable price conditions that may lead to future 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 the control over the product or service is transferred to the customer, that is, at the moment 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 Company considers that, given the nature of the product or service that is associated with the assumed performance obligations, the transfer of control occurs mostly on a specific date, but in some kind of services the obligation is performed continuously over the time.

p. Subsequent Events

Events occurring after the date of the statement of financial position that provide additional information about conditions at the date of the statement of financial position ("adjusting events") are reflected in the consolidated financial statements. Events after the statement of financial position date that provide information on conditions that occur after the date of the statement of financial position ("non-adjusting events"), if they are material, are disclosed in the Notes to the Consolidated Financial Statements.

q. Classification of statement of financial position

Realizable assets and payable liabilities after more than one year from the date of the statement of financial position are classified as non-current assets and liabilities. Deferred tax assets and liabilities are also included in these headings.

r. Balances and transactions expressed in foreign currency

Assets and liabilities expressed in foreign currencies have been converted to Euros based on the exchange rate on the date of the statement of financial position. Exchange differences – gains and losses – resulting from differences between the exchange rates on the transaction date and on the date of the collection, payment or on the date of the statement of financial position, are recorded as gains or losses in the consolidated income statement for the period.

2.4. JUDGMENTS AND ESTIMATES

The Board of Directors of ASCENDUM based its preparation of the consolidated financial statements on the best knowledge and experience of past and/or current events, taking into account certain assumptions about future events.

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

a. Lifetime of tangible and intangible assets and investment properties;

b. Recording of adjustments in the value of assets (accounts receivable and inventories) and provisions;

c. Impairment tests for goodwill;

d. Deferred tax assets and liabilities measurement.

New waves of the COVID-19 Pandemic continue to create unpredictable future impacts on the operations of the Ascendum Group, although, so far, this has not been materially felt, reason why there are no indicators of the existence of impairments on tangible fixed assets and inventories, due to the pandemic.

On the other hand, the Management of the Ascendum Group is monitoring all developments arising from the war between Russia and Ukraine that broke out at the end of February and the instability caused in global geopolitics and markets.

Even though it is not yet possible to estimate the impacts that this conflict may have on the Group's operating activity, Management decided to create in 2021 a provision of 5 million euros for adaptation and counter measures in the operations currently carry out by the Group, which may have to be taken in the future.

Estimates and underlying assumptions were determined based on the best knowledge, on the approval date of the financial statements, of events and transactions in progress, and experience of past and/or current events. However, situations may arise in subsequent periods that are unforeseeable on the approval date of the financial statements and the estimates have not taken these into consideration. For this reason, and given the related degree of uncertainty, the actual results of the transactions may differ from their corresponding estimates.

Changes to these estimates, which occur after the date of the consolidated financial statements, will be adjusted in the income statement prospectively, in accordance with IAS 8.

The main estimates and assumptions about future events included in the preparation of the consolidated financial statements are disclosed in the corresponding notes.

2.5. RISK MANAGEMENT

In the development of its activity, the Group is exposed to a variety of risks: market risk (including exchange rate risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program, inherent to the outlook for ongoing long-term operations, focuses on the unpredictability of financial markets and seeks to minimize any adverse effects that this may have on its financial performance.

The Group's risk management is essentially the responsibility of the finance department, based on the policies approved by the Group's Board of Directors. Accordingly, the Board of Directors has set out the key principles of overall risk management as well as policies covering specific areas, such as interest rate risk and credit risk.

According to International Accounting Standards, financial risk is the risk of possible future change in one or more interest rates, financial instrument prices, commodity prices, exchange rates, price indices or rates, credit ratings or credit indices or any other specified variable, provided that, in the case of a non-financial variable, the variable is not a specific part of the contract.

a. Exchange rate risk

As mentioned in Note 2.2.d), the assets and liabilities of the financial statements of foreign entities are translated into Euros using the exchange rates prevailing on the date of the statement of financial position. The profit and loss in the income statement is translated into Euros using the average exchange rate for the year. Resulting exchange rate differences are recorded as equity.

The assets and liabilities included in the Consolidated Statement of Financial Position, arising from conversion of Financial Statements in currencies other than the Euro, are summarized as follows:

	ASSETS				LIABILITIES			
	dec-21		dec-20		dec-21		dec-20	
US Dollar (USD)	217,222,151	37%	151,855,233	27%	104,543,485	27%	129,528,811	32%
Polish Zloty (PLN)	2,463	0%	2,484	0%		0%		0%
New Romanian Leu (RON)	5,761,964	1%	5,015,243	1%	2,409,510	1%	3,744,035	1%
Moroccan Dirham (MAD)	(22,832)	0%	(77,370)	0%		0%		0%
Hungarian Forint (HUF)	3,167,277	1%	1,761,674	0%	1,954,687	1%	1,324,957	0%
Croatian Kuna (HRK)	1,443,647	0%	1,500,112	0%	(97,645)	0%	900,871	0%
Czech Koruna (CZK)	12,825,516	2%	11,179,047	2%	10,195,635	3%	12,166,196	3%
Sub-Total	**240,400,187**	**41%**	**171,236,422**	**30%**	**119,005,672**	**31%**	**147,664,869**	**37%**
Total - Consolidated Balance Sheet - IFRS	**590,570,449**	**100%**	**562,134,423**	**100%**	**389,877,366**	**100%**	**401,560,516**	**100%**

Considering the impact that foreign subsidiaries, with a functional currency different from Euro, have in consolidated financial statements, a test of sensitivity to exchange rate variability was conducted, assuming a variation of +2% and -2%, to all currencies other than the Euro, with the results below:

	Var. effect + 2%	Var. effect - 2%
Assets	(4,713,817)	4,713,817
Profit for the year	(201,493)	201,493
Equity	(2,378,978)	2,378,978
Liabilities	(2,334,172)	2,334,172

b. Price risk

Price risk reflects the degree of exposure of a company to price changes in fully competitive markets, for goods which include, always, its inventories, along with other assets and financial instruments that the company holds, with the intention of future sale.

1. The Group's price risk management of goods in stock is mainly monitored by the sales departments of each company, based on policies approved by ASCENDUM's Board of Directors. Accordingly, the Board of Directors issues guidelines for anticipating trends in the prices of traded goods and to best adapt the purchasing and inventories management policy to circumstances. ASCENDUM's Board of Directors believes that the risk associated with the price of goods in stock is under control to a reasonable extent.

2. On the other hand, the relationships that the various group companies have with their main suppliers are established in contracts and duly formalized protocols, so the risk of commodity price, or credit is reasonably controlled and monitored by the Board of Directors of the group, thus guaranteeing the normal continuity of the operations and development of the various activities and business.

c. Interest rate risk

The Group's indebtedness is mainly related to variable interest rates, which exposes the cost of the debt to high volatility risk. The impact of this volatility on the Group's results or equity is not significant due to the effect of the following factors: (i) a possible correlation between the level of market interest rates and economic growth, which has a positive effect on other lines of the consolidated (and operational) results of the Group, thereby partially offsetting the increased financial costs (natural hedge); and (ii) the existence of liquidity or cash equivalents, which are also remunerated at variable rates.

ASCENDUM's Board of Directors has approved the terms and conditions of financing by analyzing the structure of the debt, its inherent risks and the different market options available. These include the type of interest rate (fixed/variable) and, by continuously monitoring conditions and alternatives in the market, it is responsible for any decisions to enter into occasional derivative financial instruments to hedge interest rate risk exposure.

Interest rate risk sensitivity analysis

The interest rate risk sensitivity analysis described below was calculated based on exposure to interest rates for financial instruments existing on the date of the statement of financial position. For liabilities with variable rates, the following assumptions were made:

i. The actual interest rate is higher/lower than the interest rate borne, by 1 percentage point;

ii. The basis for the calculation was the average indebtedness of the Group in that financial year;

iii. Maintenance of traded spreads.

Sensitivity analyses assume the manipulation of a single variable while all others remain constant. This assumption is unlikely to hold true and there may be related changes in some of the assumptions.

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

	Variation	dec-21 P&L	dec-20 P&L
Bank loans	1 p.p	1,384,383	2,454,032
Bank loans	(1 p.p)	(1,384,383)	(2,454,032)

d. Liquidity risk

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

The existence of liquidity in the Group companies requires performance parameters to be set in the management function of that liquidity, in order to maximize return and minimize opportunity costs related to holding this liquidity in a safe and efficient manner.

The ASCENDUM Group's liquidity risk management has the following objectives:

i. Liquidity, which is to ensure continued access in the most efficient manner for sufficient funds to meet current payments on their due dates as well as any requests for funds by the deadlines set, even if these are not foreseen;

ii. Safety, which is to minimize the likelihood of default in repayment of any investment of funds; and

iii. Financial efficiency, which is to ensure that the Companies maximize the value/minimize the opportunity cost of holding excess liquidity in the short term.

The strategy adopted by the Group to manage liquidity risk is based on the following factors, among others:

i. Financial planning and integrated financial management of the Group, based on the cash budgets of the various companies;

ii. Diversification of funding sources and suitability of the maturity of financial commitments in line with the rate of liquidity generation;

iii. Suitability of the maturity of financial commitments concerning investments in non-current assets, at their cash generation rate;

iv. Contracting short-term credit lines to address occasional cash requirement peaks.

Any surplus liquidity is applied with a view to best serve the Group's liquidity and profitability objectives, either in short-term financial investments or by repaying short-term debt, in line with economic and financial reasonableness criteria.

An analysis of the maturity of the financing of each class of financial liabilities is outlined in Note 20, presenting undiscounted amounts and based on the worst-case scenario, i.e., the shortest period in which the liability became payable.

On 31st December 2021 and 2020, the Group had a current bank net debt (current bank net debt = current bank borrowings - cash and bank deposits) of (-) 38,252,533 euros and 3,939,507 euros, respectively.

In addition, we emphasize that current assets are much higher than current liabilities and current bank debt, so this risk is minimized.

e. Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations, resulting in losses to the Group.

The Group's exposure to credit risk is mainly related to accounts receivable arising from operations.

Managing this risk aims to ensure actual debt recovery within the set terms, without affecting the Group's financial health. This risk is regularly monitored, and the aim of its management is to: (i) limit credit granted to customers, taking into account average customer payment periods, homogeneous groups of customers and individually by customer; (ii) monitor the evolution of the amount of credit provided; (iii) regularly carry out impairment analyses of amounts receivable. The Group secures credit guarantees, whenever a customer's financial position might suggest it is advisable.

The Group also uses credit rating agencies and has specific departments for credit control, collection and management of legal proceedings, which all work towards mitigating that risk.

Adjustments to accounts receivable are calculated by taking into consideration: (a) the customer's risk profile; (b) the average collection period; (c) the customer's financial position. The movements of these adjustments for the years ended 31st December 2021 and 2020 are disclosed in Note 25.

On 31st December 2021 and 2020, the Group considered that there was no need for additional impairment losses beyond the amounts recorded on those dates and outlined, in short, in Note 25.

The amount related to customers and other accounts receivable recorded in the financial statements, presented net of impairment losses, represents the Group's maximum credit risk exposure.

f. Capital management

The group's Board of Directors adopts a conservative and prudent management of the company's financial position, to guarantee the timely fulfillment of its obligations, well reflected in the main financial indicators, disclosed in this management report, namely in Equity/Total asset and the debt coverage by equity (Equity/Net debt).

3. CHANGES IN ACCOUNTING POLICIES AND CORRECTION OF BASIC ERRORS

During the financial year ended 31st December 2021, there were no correction of errors related to prior years nor changes in accounting policies.

4. GROUP COMPANIES INCLUDED IN THE CONSOLIDATION

The Group companies included in the consolidation and the proportion of capital held at 31st December 2021 and 2020 are as follows:

COMPANY	Effective Shareholding percentage		Consolidation method
	dec-21	dec-20	
ASCENDUM, S.A.	Parent Company		Full
AIR-RAIL (PORTUGAL), SOCIEDADE UNIPESSOAL, LDA.	50%	50%	Equity Method(*)
AIR RAIL MAROC, S.A.R.L.A.U.	50%	50%	Equity Method(*)
AIR-RAIL POLSKA, SP. Z.O.O.	25%	25%	Equity Method(*)
AIR-RAIL, S.L.	50%	50%	Equity Method(*)
AMPLITUDE SEGUROS - CORRETORES DE SEGUROS, S.A.	33%	33%	Equity Method
ASCENDUM AGRO, EQUIPAMENTOS AGRÍCOLAS, S.A.	100%		Full (***)
ASCENDUM AUTOMÓVEIS, UNIPESSOAL LDA.	100%	100%	Full
ASCENDUM CAMIÕES, UNIPESSOAL LDA.	100%	100%	Full
ASCENDUM MACHINERY, INC.	100%	100%	Full
BERGMANN AMERICAS, INC.	100%	100%	Full
ASCENDUM MAQUINARIA MEXICO, S.A. DE C.V.	100%	100%	Full
ASCENDUM MÁQUINAS, UNIPESSOAL LDA.	100%	100%	Full
ASCENDUM MAKİNA TİCARET A.Ş.	100%	100%	Full
ASCENDUM BAUMASCHINEN ÖSTERREICH GMBH	100%	100%	Full
ASCENDUM ÉPÍTOGÉPEK HUNGÁRIA KERESKEDELMI KFT	100%	100%	Full
ASCENDUM ESPAÑA, S.L.	100%	100%	Full
ASCENDUM CENTRAL EUROPE GMBH	100%	100%	Full
ASCENDUM GRADEVINSKI STROJEVI HRVATSKA D.O.O	100%	100%	Full
ASCENDUM MACHINERY SRL	100%	100%	Full
ASCENDUM TÜRKİYE YATIRIM HOLDİNG ANONİM ŞİRKETİ		100%	Full(**)
ASCENDUM PORTUGAL, SERVIÇOS DE GESTÃO, S.A.	100%	100%	Full
ASCENDUM STAVEBNÍ STROJE CZECH S.R.O	100%	100%	Full
ASCENDUM STAVEBNÉ STROJE SLOVENSKO S.R.O	100%	100%	Full
GLOMAK SGPS, S.A.	100%	100%	Full
HARDPARTS MOÇAMBIQUE, LDA.	100%	100%	Full
IMPORTADORA DISTRIBUIDORA DE MAQUINARIA INDUSTRIAL ZEPHIR, S.L.	50%	50%	Equity Method (*)
TEA ALOYA INMOBILIARIA, S.A.U.	100%	100%	Full
ASCENDUM MAQUINARIA, S.A.	100%	100%	Full
VOLRENTAL ATLÁNTICO, S.A.U.	68.9%	68.9%	Full

(*) In January 2020 the group lost the majority's votes in the Board and has change the consolidation methodology to the Equity Method
(**) In March 2021 this company was merged with ASCENDUM MAKINA TICARET A.Ş.
(***) In March 2021 the group acquired ASCENDUM AGRO, Equipamentos Agrícolas, S.A.

5. CHANGES IN THE CONSOLIDATION PERIMETER

During the year ended on 31st December 2021, the changes occurred within the consolidation perimeter were:

- The acquisition of the agriculture tractors (Valtra), from the company Valtatractor – Comércio de Tractores e Máquinas Agrícolas, S.A., renamed to Ascendum Agro, Equipamentos Agrícolas, S.A.. This acquisition did not have no material impact on the Groups' financial statements and on their comparability;
- Ascendum Turkiye Holding A.S. was merged by incorporation into Ascendum Makina Ticaret A.S. in March of 2021.

During the year ended on 31st December 2020 the changes occurred within the consolidation perimeter were:

- Due to the loss of control on Air Rail's board of directors, for this company, and their direct subsidiaries (AIR-RAIL (PORTUGAL), Sociedade Unipessoal, LDA. / AIR RAIL MAROC, S.A.R.L.A.U. / AIR-RAIL POLSKA, Sp. Z.o.o. / IMPORTADORA DISTRIBUIDORA DE MAQUINARIA INDUSTRIAL ZEPHIR, S.L.) the Group has changed the consolidation methodology from the full consolidation method to the equity method;
- The subsidiary Tractorrastos was merged with Ascendum Maquinas, Unipessoal, Lda., on 30th June 2020;
- A new company (Bergmann Americas, INC.) was created in the United States to represent a new line of equipment.

6. INTANGIBLE ASSETS

During the financial years ended on 31st December 2021 and 2020, movements in intangible assets and in the respective amortizations and accumulated impairment losses, were as follows:

2021	Industrial Property and other rights	Computer Programs	Intangible assets in progress	Total
Gross assets:				
2021 Opening balance	6,780,291	7,200,495	1,163,845	15,144,631
Increase/Decrease	(163,032)	325,388	1,836,405	1,998,761
Translation differences	512,581	2,058		514,640
Transfers and write-offs				
December 31, 2021 Final balance	7,129,839	7,527,942	3,000,251	17,658,032
Amortizations and accumulated impairment losses:				
2021 Opening balance	(1,010,898)	(4,314,646)	0	(5,325,544)
Amortization for the year	(151,812)	(587,489)		(739,301)
Translation differences	(19,489)	50,041		30,552
Disposals, transfers and write-offs	36,236			36,236
December 31, 2021 Final balance	(1,145,963)	(4,852,094)	0	(5,998,057)
Net Value	**5,983,876**	**2,675,848**	**3,000,251**	**11,659,975**

2020	Industrial Property and other rights	Computer Programs	Intangible assets in progress	Total
Gross assets:				
2020 Opening balance	7,344,207	6,974,847	1,051,810	15,370,864
Change in the consolidation method (Air Rail)		(177,345)		(177,345)
Additions	3,447	405,434	112,036	520,917
Translation differences	(567,364)	(2,441)		(569,804)
Transfers and write-offs				
December 31, 2020 Final balance	6,780,291	7,200,495	1,163,845	15,144,631
Amortizations and accumulated impairment losses:				
2020 Opening balance	(928,055)	(3,871,842)	0	(4,799,897)
Change in the consolidation method (Air Rail)		149,576		149,576
Amortization for the year	(119,421)	(555,175)		(674,597)
Translation differences	36,579	(37,204)		(626)
Disposals, transfers and write-offs				0
December 31, 2020 Final balance	(1,010,898)	(4,314,646)	0	(5,325,544)
Net Value	**5,769,393**	**2,885,849**	**1,163,845**	**9,819,087**

During 2021, the increase of 1.8 million euros in intangible assets in progress is a result of the main IT projects (Service 2.0; Parts Pricing, Success Factor/HR), integrated into the technological transformation program of the Ascendum Group called "Light House" that might be carried out successively over the next three to five years.

In 2020, the intangible assets in progress are mainly due to the investments made in IT systems in Ascendum SA, amounting 1,115 thousand euros.

7. TANGIBLE FIXED AND RIGHT-OF-USE ASSETS

7.1. PROPERTY, PLANT AND EQUIPMENT:

During the financial years ended on 31st December 2021 and 2020, movements in property, plant and equipment, as well as in depreciations and accumulated impairment losses, were as follows:

2021	Land and Natural Resources	Buildings and Other Constructions	Basic Equipment	Transport Equipment	Administrative Equipment	Other Fixed Assets	Fixed assets in progress	Total
Gross Assets:								
2021 Opening balance	26,567,079	71,455,123	140,832,978	17,159,262	14,602,363	794,046	1,937,083	273,347,935
Additions	397,823	125,219	41,886,870	4,020,857	1,664,805	186,822	928,452	49,210,848
Disposals, transfers and write-offs	(3,385,737)	(965,445)	(8,102,139)	(9,442,508)	(529,454)	(227,883)	(1,429,874)	(24,083,040)
Translation differences	594,512	1,883,725	2,387,425	305,548	341,157	18,408		5,530,775
December 31, 2021 Final balance	24,173,677	72,498,622	177,005,135	12,043,159	16,078,871	771,394	1,435,661	304,006,518
Depreciations and accumulated impairment losses:								
2021 Opening balance	(19,110)	(30,953,327)	(91,476,554)	(3,955,538)	(11,471,197)	(673,276)	0	(138,549,001)
Depreciation for the year	(187,341)	(2,204,029)	(23,010,580)	(1,408,126)	(1,112,306)	(39,311)		(27,961,693)
Disposals, transfers and write-offs	16,897	421,471	3,150,590	157,187	655,017	108,674		4,509,837
Translation differences	(99,725)	(92,133)	(211,774)	(123,472)	(267,828)	(14,041)		(808,974)
Impairment losses			(122,234)					(122,234)
December 31, 2021 Final balance	(289,279)	(32,828,018)	(111,670,552)	(5,329,948)	(12,196,314)	(617,953)	0	(162,932,064)
Net Value	**23,884,398**	**39,670,604**	**65,334,583**	**6,713,211**	**3,882,556**	**153,441**	**1,435,661**	**141,074,454**

2020	Land and Natural Resources	Buildings and Other Constructions	Basic Equipment	Transport Equipment	Administrative Equipment	Other Fixed Assets	Fixed assets in progress	Total
Gross Assets:								
2020 Opening balance	27,279,628	66,797,139	162,186,418	15,599,279	15,807,530	936,834	3,758,894	292,365,722
Change in the consolidation method (Air Rail)			(13,561,440)	(609,509)	(312,219)	(67,165)		(14,550,333)
Additions		8,103,978	22,440,207	4,031,479	1,182,736	66,610		35,825,010
Disposals, transfers and write-offs		(1,449,029)	(27,476,373)	(1,619,691)	(1,667,571)	(112,367)	(1,821,811)	(34,146,842)
Translation differences	(712,549)	(1,996,964)	(2,755,834)	(242,296)	(408,112)	(29,866)		(6,145,621)
December 31, 2020 Final balance	26,567,079	71,455,123	140,832,978	17,159,262	14,602,363	794,046	1,937,083	273,347,935
Depreciations and accumulated impairment losses:								
2020 Opening balance	(19,110)	(30,077,085)	(95,840,026)	(4,091,540)	(12,445,602)	(832,262)	0	(143,305,625)
Change in the consolidation method (Air Rail)			4,918,111	298,489	279,401	114,414		5,610,415
Depreciation for the year		(1,834,437)	(25,128,854)	(1,013,529)	(996,818)	(45,368)		(29,019,006)
Disposals, transfers and write-offs		325,420	24,310,446	726,842	1,355,148	69,798		26,787,655
Translation differences		632,775	263,769	124,201	336,674	20,142		1,377,560
December 31, 2020 Final balance	(19,110)	(30,953,327)	(91,476,554)	(3,955,538)	(11,471,197)	(673,276)	0	(138,549,001)
Net Value	**26,547,969**	**40,501,796**	**49,356,424**	**13,203,724**	**3,131,166**	**120,771**	**1,937,083**	**134,798,935**

In 2021 and 2020, the "Basic equipment" asset class justifies the main amount of investment in property, plant and equipment.

7.2. RIGHT-OF-USE ASSETS:

During the financial years ended on 31st December 2021 and 2020, movements in right-of-use assets, as well as in depreciations and accumulated impairment losses, were as follows:

2021	Buildings and Other Constructions	Basic Equipment	Transport Equipment	Other Fixed Assets	Total
Gross Assets:					
2021 Opening balance (1)	21,092,004	4,254,680	15,300,731	0	40,647,416
Increase/Decrease in the Period (2)	4,043,132	(792,743)	613,538		3,863,927
2021 Final balance (1)+(2)=3	25,135,136	3,461,937	15,914,270	0	44,511,343
Depreciations and accumulated impairment losses:					
2021 Opening balance (4)	7,905,954	2,575,078	7,222,483	0	17,703,514
Increase/Decrease in the Period (5)	(773,403)	(1,078,090)	(2,316,891)		(4,168,384)
Depreciation for the year (6)	3,876,259	686,907	3,711,474		8,274,640
2021 Final balance (4)+(5)+(6)=7	11,008,811	2,183,894	8,617,066	0	21,809,771
Net Value (3)-(7)=8	**14,126,325**	**1,278,043**	**7,297,204**	**0**	**22,701,573**

2020	Buildings and Other Constructions	Basic Equipment	Transport Equipment	Other Fixed Assets	Total
Gross Assets:					
2020 Opening balance (1)	20,137,384	41,858,853	13,028,314	131,034	75,155,585
Change in the consolidation method (Air Rail) (2)	(618,321)	(33,997,288)	(465,784)		(35,081,393)
Increase/Decrease in the Period (3)	1,572,941	(3,606,884)	2,738,201	(131,034)	573,224
2020 Final balance (1)+(2)+(3)=4	21,092,004	4,254,680	15,300,731	0	40,647,416
Depreciations and accumulated impairment losses:					
2020 Opening balance (5)	4,064,380	12,614,663	3,664,500	66,056	20,409,598
Change in the consolidation method (Air Rail) (6)	(128,702)	(8,451,170)	(107,783)		(8,687,655)
Increase/Decrease in the Period (7)	(281,485)	(3,180,912)	(246,346)	(98,815)	(3,807,557)
Depreciation for the year (8)	4,251,761	1,592,496	3,912,111	32,759	9,789,127
2020 Final balance (5)+(6)+(7)+(8)=9	7,905,954	2,575,078	7,222,483	0	17,703,514
Net Value (4)-(9)=10	**13,186,050**	**1,679,602**	**8,078,249**	**0**	**22,943,901**

The increase of right-of-use assets, in 2021, is mainly due to new Corporate Center facility of Ascendum Machinery Inc., located in Charlotte, new lease contracts and/or term renewals for current leases, in Turkey and Portugal.

7.3. PROPERTY, PLANT AND EQUIPMENT RECOGNIZED IN THE FINANCIAL STATEMENTS:

2021	Land and Natural Resources	Buildings and Other Constructions	Basic Equipment	Transport Equipment	Administrative Equipment	Other Fixed Assets	Fixed assets in progress	Total
Property, plant and equipment	23,884,398	39,670,604	65,334,583	6,713,211	3,882,556	153,441	1,435,661	141,074,454
Right-of-Use Assets		14,126,325	1,278,043	7,297,204				22,701,573
Total	**23,884,398**	**53,796,929**	**66,612,626**	**14,010,415**	**3,882,556**	**153,441**	**1,435,661**	**163,776,027**

2020	Land and Natural Resources	Buildings and Other Constructions	Basic Equipment	Transport Equipment	Administrative Equipment	Other Fixed Assets	Fixed assets in progress	Total
Property, plant and equipment	26,547,969	40,501,796	49,356,424	13,203,724	3,131,166	120,771	1,937,083	134,798,935
Right-of-Use Assets		13,186,050	1,679,602	8,078,249				22,943,901
Total	**26,547,969**	**53,687,847**	**51,036,027**	**21,281,973**	**3,131,166**	**120,771**	**1,937,083**	**157,742,836**

8. INVESTMENT PROPERTIES

On 31st December 2021 and 2020, the "Investment properties" item refers to real estate assets held by the Group that are generating income through their lease or for capital appreciation purposes. These assets are recorded at acquisition cost or re-valued cost on the date IFRS was first applied (01-01-2009).

In order to collect updated market indicators to assess whether there were signs of impairment in relation to the book values of investment properties, independent valuations and/or internal evaluations were conducted based on previous external evaluations of the most representative goods of this class of assets.

In 2019, independent external valuations were carried out on Ascendum Sa´s assets (the main contributor to the total value of the group's investment properties). The main Ascendum`s assets with a book value 1,615,624 euros were valuated at 2,237,000 euros. The Board considers the external valuation carried out in 2019 as adequate, supporting the internal valuations performed in 2021 and 2020.

The valuation assumptions used by the experts were comparative market values or the market value. The results of these valuations showed market values higher than the book values on 31st December 2021; therefore, the Board of Directors considered that there is no evidence that they are impaired and that the book values of the investment properties properly reflect their fair value on that date.

The investment properties included in the consolidated statement of financial position for 2021 and 2020 represent land that the Group holds with the intention of future appreciation.

The following table shows the position of the investment properties at the end of 2021 and 2020:

	Dec-20 Opening Balance	Increases	Decreases	Depreciation for the year	Dec-21 Final Balance
ASCENDUM, S.A.	2,438,029	319,285		(368,535)	2,388,780
GLOMAK, S.G.P.S, S.A.	676,311		(89,721)		586,590
ASCENDUM III, Máquinas, Lda	2,258		(282)		1,975
TEA ALOYA INMOBILIARIA, S.A.	78,260				78,260
ASCENDUM BAUMASCH ÖSTERREICH	(0)	189,453			189,453
TOTAL	**3,194,857**	**508,739**	**(90,003)**	**(368,535)**	**3,245,057**

	Dec-19 Opening Balance	Increases	Decreases	Change in the consolidation method (Air Rail)	Dec-20 Final Balance
AIR RAIL, S.L.	128,266			(128,266)	0
ASCENDUM, S.A.	2,466,196		(28,167)		2,438,029
GLOMAK, S.G.P.S, S.A.	657,929	18,382			676,311
ASCENDUM III, Máquinas, Lda	2,540		(282)		2,258
TEA ALOYA INMOBILIARIA, S.A.	78,260				78,260
ASCENDUM BAUMASCH ÖSTERREICH	251,798		(251,798)		(0)
TOTAL	**3,584,987**	**18,382**	**(280,247)**	**(128,266)**	**3,194,857**

During 2021 and 2020, there was neither income nor expense related to investment properties.

9. GOODWILL

The following table discloses the opening and closing balances and variations of Goodwill during 2021 and 2020.

GOODWILL	2021	2020
Gross Assets:		
Opening balance	27,262,338	35,987,868
Change in the consolidation method (Air Rail)		(8,550,607)
Additions		
Transfers write-offs and adjustments	(742,620)	(174,924)
Final balance	26,519,718	27,262,338
Amortizations and accumulated impairment losses:		
Opening balance	(2,092,186)	(2,092,186)
Final balance	(2,092,186)	(2,092,186)
Net Value	**24,427,532**	**25,170,152**

The total amount of Goodwill on 31st December 2021 and 2020 is presented in the following tables, as well as the methods and assumptions used to determine whether they are impaired:

2021	ASCENDUM MÁQUINAS	ASCENDUM MACHINERY, INC	ASCENDUM MAKİNA TİCARET A.Ş.	ASCENDUM MAQUINARIA MEXICO	ASCENDUM GMBH	ASCENDUM ROMANIA
Goodwill	943,773	571,356	8,656,512	1,096,155	8,898,227	911,697
Forecast period	Cash flow projections for 5 years	Cash flow projections for 5 years	Cash flow projections for 5 years	Cash flow projections for 5 years	Cash flow projections for 5 years	Cash flow projections for 5 years
Growth rate (g) (1)	2%	3%	3%	3%	2%	2%
Applied discount rate (2)	5.9%	13.0%	22.5%	9.4%	5.4%	5.4%

2021 (CONTINUATION)	ASCENDUM PORTUGAL	GLOMAK S.G.P.S.	GRANADA – SPAIN*	VOLCATALAN	TOTAL
Goodwill	155,000	202,085	2,255,828	736,897	24,427,532
Forecast period	Cash flow projections for 5 years	Cash flow projections for 5 years	Cash flow projections for 5 years	Cash flow projections for 5 years	
Growth rate (g) (1)	2%	0%	2%	2%	
Applied discount rate (2)	5.9%	8.0%	4.8%	4.8%	

2020	ASCENDUM MÁQUINAS	ASCENDUM MACHINERY, INC	ASCENDUM TÜRKİYE YATIRIM HOLDİNG	ASCENDUM MAQUINARIA MEXICO	ASCENDUM GMBH	ASCENDUM ROMANIA
Goodwill	943,773	527,356	9,510,723	1,011,739	8,898,227	928,524
Forecast period	Cash flow projections for 5 years	Cash flow projections for 5 years	Cash flow projections for 5 years	Cash flow projections for 5 years	Cash flow projections for 5 years	Cash flow projections for 5 years
Growth rate (g) (1)	2%	3%	3%	3%	2%	2%
Applied discount rate (2)	5.7%	13.0%	18.0%	9.6%	5.6%	5.6%

2020 (CONTINUATION)	ASCENDUM PORTUGAL	GLOMAK S.G.P.S.	GRANADA – SPAIN*	VOLCATALAN	TOTAL
Goodwill	155,000	202,085	2,255,828	736,897	25,170,152
Forecast period	Cash flow projections for 5 years	Cash flow projections for 5 years	Cash flow projections for 5 years	Cash flow projections for 5 years	
Growth rate (g) (1)	2%	0%	2%	2%	
Applied discount rate (2)	5.7%	8.0%	5.6%	5.6%	

(*) Goodwill related to the acquisition of the dealer from Granada
(1) Rate of growth 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 projected cash flows, discounted at the deemed applicable rate, concluded that, on 31st December 2021, the book value of the net assets, including goodwill, did not exceed their recoverable value.

Projected cash flows were based on past performance and expected efficiency improvements. The responsible for these segments believe that a possible change (within a normal scenario) in the main assumptions used to calculate the recoverable amount will not result in impairment losses.

In the impairment tests performed, it was concluded that the recoverable value in major CGUs is well above the Goodwill.

Sensitivity analyses performed for the variation of + or – 0.5% of the WACC and Perpetuity Rate, haven't resulted in evidences of impairment.

10. FINANCIAL INVESTMENTS AND OTHER FINANCIAL ASSETS

	2021	2020
Investments accounted for using the equity method	12,057,227	11,970,150
Financial assets at fair value through profit & loss	427	683
Other non-current financial assets	71,904	59,426

10.1. INVESTMENTS IN ASSOCIATES (EQUITY METHOD)

2021	Total, Equity	Net profit for the year	%,Share, capital,held	Participation book value	Appropriated result
AIR-RAIL, S.L.	4,857,784	394,719	50.00%	2,428,892	197,360
AIR RAIL MAROC, S.A.R.L.A.U.	(45,666)	114,396	50.00%	(22,832)	57,198
AIR-RAIL POLSKA, Sp. Z.o.o.	9,854		25.00%	2,463	0
AIR-RAIL (PORTUGAL) Sociedade Unipessoal, LDA.	800,699	1,901	50.00%	400,350	950
Importadora Distribuidora de Maquinaria Industrial ZEPHIR, S.L.	259,269	(13,042)	50.00%	129,634	(6,521)
Goodwill at the acquisition date (*)				8,674,136	
AIR-RAIL, S.L. (Gain at the date of control loss)				259,509	
Sub total AIR RAIL	**5,881,940**	**497,973**		**11,872,152**	**248,987**
Amplitude Seguros - Corretores de Seguros S.A.	555,225	367,701	33.33%	185,075	122,567
Total	**6,437,165**	**865,674**		**12,057,227**	**371,554**
(*) Forecast period	Cash flow projections for 5 years				
Growth rate (g) (1)	0,02	0,02			
Applied discount rate (2)	0,047	0,047			

2020	Total Equity	Net profit for the year	% Share capital held	Participation book value	Appropriated result
AIR-RAIL, S.L.	4,839,090	(1,739,416)	50.00%	2,427,191	(869,708)
AIR RAIL MAROC, S.A.R.L.A.U.	(154,743)	(90,724)	50.00%	(77,370)	(45,362)
AIR-RAIL POLSKA, Sp. Z.o.o.	9,934		25.00%	2,484	0
AIR-RAIL (PORTUGAL), Sociedade Unipessoal, LDA.	798,799	(14,752)	50.00%	399,399	(7,376)
Importadora Distribuidora de Maquinaria Industrial ZEPHIR, S.L.	272,310	5,847	50.00%	136,155	2,923
Goodwill at the acquisition date (*)				8,674,136	
AIR-RAIL, S.L. (Gain at the date of control loss)				259,199	
Sub total AIR RAIL	**5,765,390**	**(1,839,045)**		**11,821,194**	**(919,522)**
Amplitude Seguros - Corretores de Seguros S.A.	446,864	59,342	33.33%	148,956	19,781
Total	**6,212,254**	**(1,779,702)**		**11,970,150**	**(899,741)**
(*) Forecast period	Cash flow projections for 5 years				
Growth rate (g) (1)	0,02	0,02			
Applied discount rate (2)	0,056	0,056			

The incorporation of the new business areas related to equipment for ports, airports and railways, within the Ascendum Group, through the joint financial investment in Air Rail and Zephir, generated a global goodwill of 8,674,136 euros. The fact that these dealerships are in separate companies, implied, from an accounting perspective, that the distribution of goodwill would be relative to the two subsidiaries as a whole. In order to execute the strategy to enter these new markets segments, the total price paid was set for the Air Rail subgroup, so investment valuation and impairment tests are jointly carried out for all Air Rail companies.

10.2. EQUITY INSTRUMENTS AT FAIR VALUE THROUGH PROFIT AND LOSS

a. Securities portfolio:

In the financial years ended on 31st December 2021 and 2020, the Group held the following securities portfolio:

	Shares	Share value Dec-21	Value at Dec-21
BCP	3,030	0,141	427
ESFG	1,020,000		0
Totals			**427**

	Shares	Share value Dec-20	Value at Dec-20
BCP	3,030	0,123	373
ESFG	1,020,000	0	0
Others			310
Totals			**683**

The movements in the securities portfolio of each financial year were as follows:

	Dec-21	Dec-20
Fair Value on January, 1st	683	614
Increase/(decrease) in Fair Value - P&L	54	(241)
Other adjustments	(310)	310
Fair Value on December, 31st	427	683
Non current assets	427	683
Total	**427**	**683**

The impact on the income statement was recorded under "Increase/decrease in fair value."

10.3. OTHER FINANCIAL ASSETS

	Dec-20 Opening Balance	Increase/ Decrease	Dec-21 Final Balance
ASCENDUM AGRO	0	56	56
ASCENDUM, S.A.	12,352	3,204	15,557
ASCENDUM CAMIÕES, UNIPESSOAL LDA.	4,597	1,158	5,755
ASCENDUM PORTUGAL, Serviços de Gestão, S.A.	924	430	1,354
GLOMAK SGPS, S.A.	7,934	3,009	10,943
ASCENDUM AUTOMÓVEIS, UNIPESSOAL LDA.	9,592	3,003	12,595
ASCENDUM MÁQUINAS, UNIPESSOAL LDA.	24,026	1,617	25,644
Total	**59,426**	**12,478**	**71,904**

11. INVENTORIES

As of 31st December 2021 and 2020, this account has the following composition:

	Dec-21	Dec-20
Products and works in progress	5,577,618	2,937,333
Goods	169,074,053	176,980,110
Accumulated Inventories Impairments (Note 25)	(8,957,251)	(8,446,554)
Total	**165,694,420**	**171,470,889**

Despite the turnover has been increased significantly in 2021, compared to 2020, the level of stocks was reduced by around 6 million euros due to a more robust action of the inventory´s management coordinated by the Executive Commission.

The cost of sales in the financial years ended on 31st December 2021 and 2020 is as follows:

	Dec-21 Goods	Dec-20 Goods
Opening inventories	176,980,110	216,067,439
Net purchases	785,503,952	554,951,830
Final inventories	169,074,053	176,980,110
Total	**793,410,008**	**594,039,160**

Changes in inventories of Work in progress (WIP) for the financial years ended on 31st December 2021 and 2020 are as follows:

	Finished, intermediate products, and works in progress	
	Dec-21	Dec-20
Final inventories	5,577,618	2,937,333
Inventory adjustments	603,838	(867,384)
Opening inventories	2,937,333	3,954,013
Total	**2,036,447**	**(149,295)**

12. TRADE AND OTHER RECEIVABLES

On 31st December 2021 and 2020, this account has the following breakdown:

	Dec-21	Dec-20
Customers - current	103,956,898	99,306,833
Customers - trade bills receivable	5,536,442	7,479,071
Customers - doubtful debts	12,364,266	15,309,147
	121,857,607	122,095,051
Accumulated impairment losses (Note 25)	(17,252,673)	(20,746,167)
	104,604,934	**101,348,884**

The amounts presented in the statement of financial position are net of accumulated impairment losses for bad debts, which the Group estimated based on the adopted accounting policy and its assessment of the macroeconomic climate on the date of the statement of financial position. Credit risk concentration is limited, as the customer base is broad and non-relational. The Board of Directors, therefore, believes that the carrying amounts of accounts receivable are close to their fair value.

The trade receivables balance amounts recorded as assets are not affected by advances made by them for goods and services yet to be purchased. These are presented as liabilities under "Prepayments from customers," which at year-end 2021 and 2020 amounted to 10,206,314 euros and 3,517,656 euros, respectively.

Given the Group's terms and conditions of sale and the fact that transactions with medium/long-term deferred payments are carried out in partnership with financial institutions, the overall amount of the customer's item represents credits with agreed maturity of up to 12 months.

In 2021 and 2020, the profile of customer´s payments, excluding mainly the old balances in litigation (2021: 16,768,532 euros; 2020: 19,371,602 euros), and the assessment of default risk are shown in the following tables:

	2021	2020
Paid between 0 and 30 days	84.2%	81.4%
Paid between 30 and 60 days	8.0%	8.8%
Paid between 60 and 90 days	3.3%	3.7%
Paid between 90 and 365 days	4.3%	5.6%
Paid above 365 days	0.2%	0.3%
Invoices not paid	0.1%	0.2%
Total	**100%**	**100%**

PROBABILITY OF DEFAULT % 2021

Total	Current [0-30]	30 - 60 days	60 - 90 days	90 - 365 days	After 365 days
0.6%	0.1%	0.4%	0.6%	1.5%	55.6%

PROBABILITY OF DEFAULT % 2020

Total	Current [0-30]	30 - 60 days	60 - 90 days	90 - 365 days	After 365 days
1.5%	0.2%	0.5%	1.1%	2.3%	50.7%

13. OTHER ACCOUNTS RECEIVABLE AND PREPAYMENTS TO SUPPLIERS

On 31st December 2021 and 2020, this item has the following breakdown:

	Dec-21		Dec-20	
	Current	Non Current	Current	Non Current
Prepayments to suppliers	241,154		18,596	
Sub-total	**241,154**	**-**	**18,596**	**-**
Other accounts receivable	901,673	302,200	1,198,367	497,895
Accrued income	1,294,272		992,380	
Sub-total	**2,195,944**	**302,200**	**2,190,747**	**497,895**
Total	**2,437,098**	**302,200**	**2,209,343**	**497,895**

Accrued income mainly includes interest, bonuses and other miscellaneous accruals.

14. DEFERRALS — (ASSETS)

On 31st December 2021 and 2020, this item has the following breakdown:

	Dec-21	Dec-20
Deferred Costs:		
Insurance	148,211	168,437
Rents	141,148	23,838
Others	878,699	609,017
Total	**1,168,058**	**801,291**

ASCENDUM recognizes expenses on an accrual basis regardless of their moment of payment. At the end of the financial year, expenses already paid are deferred under this item, but they should only affect, economically, the following financial year(s).

The amounts disclosed in the table above are related to the payments of insurance, interest, etc. which, based on the accrual accounting principle, should not affect the results of each of the respective years.

15. DEFERRED TAXES

Details of the amounts and nature of deferred tax assets and liabilities recorded in the consolidated financial statements on 31st December 2021 and 2020, are summarized as follows:

2021	Dec-20	P&L Impact	Equity Impact	Dec-21
Deferred Tax Assets:				
Non-tax deductible impairments	3,666,676	(2,075,873)		1,590,804
Carry forward tax losses	4,004,889	1,429,231		5,434,120
IFRS 16 recognition	74,067	(46,950)		27,117
Non-tax deductible amortizations	1,239,120	(389,794)		849,326
Amortization of Goodwill - Tax deductible	1,110,119	(155,363)		954,757
Carry forward of net Financing Expenses	438,053			438,053
Elimination - Internal Margins	283,471	(131,205)		152,266
Taxable Deferrals	60,164	18,522		78,685
Benefits (retirement plans)	408,440	15,791		424,231
Investment Properties Impairments	66,944			66,944
	11,351,945	(1,335,641)	0	10,016,304
Deferred Tax Liabilities:				
Depreciations resulting from legal and free revaluations	(3,321,659)	(80,426)		(3,402,085)
Effect of reinvesting capital gains generated by fixed assets disposals	(16,592,278)	4,683,286	(1,013,225)	(12,922,217)
Others	(2,380,937)	28,829		(2,352,108)
	(22,294,875)	**4,631,689**	**(1,013,225)**	**(18,676,411)**
Net effect	**(10,942,930)**	**3,296,048**	**(1,013,225)**	**(8,660,107)**

2020	Dec-19	P&L Impact	Equity Impact	Dec-2o
Deferred Tax Assets:				
Non-tax deductible impairments	5,890,756	(2,224,079)		3,666,676
Carry forward tax losses	6,614,325	(2,609,435)		4,004,889
IFRS 16 recognition	112,114	(38,047)		74,067
Non-tax deductible amortizations	1,349,135	(110,014)		1,239,120
Amortization of Goodwill - Tax deductible	1,265,482	(155,363)		1,110,119
Carry forward of net Financing Expenses	438,053			438,053
Elimination - Internal Margins	249,293	34,178		283,471
Taxable Deferrals	98,489	(38,325)		60,164
Benefits (retirement plans)	289,779	118,661		408,440
Investment Properties Impairments	66,944			66,944
	16,374,370	(5,022,425)		11,351,945
Deferred Tax Liabilities:				
Depreciations resulting from legal and free revaluations	(3,321,659)			(3,321,659)
Effect of reinvesting capital gains generated by fixed assets disposals	(20,025,470)	2,889,151	544,041	(16,592,278)
Others	(2,447,112)	66,175		(2,380,937)
	(25,794,242)	**2,955,325**	**544,041**	**(22,294,875)**
Net effect	**(9,419,871)**	**(2,067,100)**	**544,041**	**(10,942,930)**

a. Tax losses carried forward:

2021	Tax losses carried forward	Deadline for the use of tax losses	Deferred tax base	Tax rate	Deferred tax assets
ASCENDUM ESPAÑA. S.L. - 2001	587,925	N/A	587,925	25%	146,981
ASCENDUM ESPAÑA, S.L. - 2002	248,503	N/A	248,503	25%	62,126
ASCENDUM ESPAÑA, S.L. - 2012	32,407	N/A	32,407	25%	8,102
ASCENDUM ESPAÑA, S.L. - 2013	88,196	N/A	88,196	25%	22,049
ASCENDUM MEXICO - 2019	5,666,188	2029	4,360,905	30%	1,308,271
ASCENDUM MEXICO - 2020	2,262,295	2030	1,741,144	30%	522,343
GLOMAK SPAIN - 2010	978,162	N/A	978,162	25%	244,540
GLOMAK SPAIN - 2011	1,716,675	N/A	1,716,675	25%	429,169
GLOMAK SPAIN - 2012	2,255,621	N/A	2,255,621	25%	563,905
GLOMAK SPAIN - 2013	1,199,837	N/A	1,199,837	25%	299,959
GLOMAK SPAIN - 2014	419,355	N/A	419,355	25%	104,839
GLOMAK SPAIN - 2015	925,878	N/A	925,878	25%	231,469
GLOMAK ANGOLA - 2018	3,006,906	2023	3,006,906	25%	751,727
GLOMAK ANGOLA - 2019	1,013,861	2024	1,013,861	25%	253,465
GLOMAK MOZAMBIQUE - 2019	1,516,169	2024	1,516,169	32%	485,174
Total	**21,917,976**		**20,091,543**		**5,434,120**

2020	Tax losses carried forward	Deadline for the use of tax losses	Deferred tax base	Tax rate	Deferred tax assets
ASCENDUM ESPAÑA, S.L. - 2001	175,301	N/A	175,301	25%	43,825
ASCENDUM ESPAÑA, S.L. - 2002	248,503	N/A	248,503	25%	62,126
ASCENDUM ESPAÑA, S.L. - 2012	32,407	N/A	32,407	25%	8,102
ASCENDUM ESPAÑA, S.L. - 2013	88,196	N/A	88,196	25%	22,049
TEA ALOYA INMOBILIARIA, S.A.U.- 2017	1,531	N/A	1,531	25%	383
TEA ALOYA INMOBILIARIA, S.A.U.- 2018	3,029	N/A	3,029	25%	757
TEA ALOYA INMOBILIARIA, S.A.U.- 2019	1,644	N/A	1,644	25%	411
TEA ALOYA INMOBILIARIA, S.A.U.- 2020	1,592	N/A	1,592	25%	398
GLOMAK SPAIN - 2009	1,475,513	N/A	1,475,513	25%	368,878
GLOMAK SPAIN - 2010	1,502,386	N/A	1,502,386	25%	375,596
GLOMAK SPAIN - 2011	1,716,675	N/A	1,716,675	25%	429,169
GLOMAK SPAIN - 2012	2,255,621	N/A	2,255,621	25%	563,905
GLOMAK SPAIN - 2013	1,199,837	N/A	1,199,837	25%	299,959
GLOMAK SPAIN - 2014	419,355	N/A	419,355	25%	104,839
GLOMAK SPAIN - 2015	925,878	N/A	925,878	25%	231,469
GLOMAK ANGOLA - 2017	154,883	2020	154,883	30%	46,465
GLOMAK ANGOLA - 2018	2,755,186	2021	2,755,186	30%	826,556
GLOMAK ANGOLA - 2019	797,590	2022	797,590	30%	239,277
GLOMAK MOZAMBIQUE - 2019	1,189,767	2024	1,189,767	32%	380,726
Total	**14,944,891**		**14,944,891**		**4,004,889**

According to the current legislation in Portugal, tax losses can be carried forward and subject to deduction from taxable profits during reporting period up to 70% of taxable income, for the following timeline:

- 14 years for taxes losses related to 2014, 2015 and 2016;
- 7 years for taxes losses related to 2017, 2018 and 2019;
- 12 years for taxes losses related to 2020 and 2021.

In Spain, a change has occurred in the tax losses regime, which came into force in 2015, with retroactive effect, stating that there is no time limit to deductible tax losses.

In the United States, under the new legislation, tax losses reported after 31st December 2017 are reportable for subsequent years for a non-determined period. However, the amount of tax losses that may be deductible in a given year is limited to 80% of the taxable profit reported in that year.

In Turkey, tax losses can be offset for a period of five years.

ASCENDUM Group companies with headquarters in Portugal, of which at least 75% of their capital has been held for over a year, are taxed according to the Corporate Income Tax (IRC) rules, under the Special Taxation System for Groups of Companies ("RETGS") outlined in Articles 70 and 71 of the IRC Code. For financial years beginning 1st January 2012, taxable income in excess of 1.5 million euros is also subject to a surcharge of 3% to 9%.

In accordance with the current legislation, the tax return of the ASCENDUM Group and companies headquartered in Portugal is subject to review and corrections by the Tax Authority over a period of up to four years (five years for Social Security), except for a set of circumstances (when there have been tax losses, tax benefits have been granted or claims or appeals are ongoing), situations in which, depending on the circumstances, deadlines may be extended or suspended. ASCENDUM's Board of Directors considers that possible corrections arising from reviews/inspections by the tax authorities of the income statements for the years open to inspection will not have significant impact on the attached consolidated financial statements.

Pursuant to article 88 of the Corporate Income Tax Code, companies headquartered in Portugal are additionally liable to autonomous taxation on several classes of expenses listed in the abovementioned article.

In line with current legislation, the ASCENDUM Group's income tax returns and the companies with headquarters in Spain are subject to review and correction by the tax authorities for a period of four years.

Austrian subsidiary Ascendum Central Europe GmbH consolidates its individual taxable profits with the taxable profits of Ascendum Baumaschinen Österreich GmbH, jointly with the taxable losses of the subsidiaries in Hungary, Croatia, Slovakia and Romania.

In the United States, the tax returns of the Group's company – Ascendum Machinery Inc., are subject to review and correction by the tax authorities for a period of three years.

In Turkey, limitation period is five years; the tax returns for the Group's companies may subject to review and correction by the tax authorities for a period of five years.

In Mexico, the tax returns for the Group's company are subject to review and correction by the tax authorities for a period of ten years.

INCOME TAX RATE BY COUNTRY

	2021	2020
Austria	25.0%	25.0%
Angola	25.0%	30.0%
Croatia	18.0%	18.0%
Slovakia	21.0%	21.0%
Spain	25.0%	25.0%
United States of America	21.0%	21.0%
Hungary	9.0%	9.0%
Mexico	30.0%	30.0%
Portugal	21.0%	21.0%
Czech Republic	19.0%	19.0%
Romania	16.0%	16.0%
Mozambique	32.0%	32.0%
Turkey	22.0%	22.0%

On each reporting date, the Group carries out a precise assessment of the ability to recover the tax carried forward, in order to recognize the corresponding Deferred Tax Assets. In the 2021 financial year, Deferred Tax Assets were recognized only on the basis of tax losses that were likely to be recovered in future taxable profits, according to the business plans of the respective companies, based on tax rates in effect in the future, to be known on this date.

16. CASH AND BANK DEPOSITS

On 31st December 2021 and 2020, the breakdown of cash and cash equivalents was as follows:

	Dec-21	Dec-20
Cash	107,015	115,643
Current Bank Deposits	78,849,872	50,492,855
	78,956,887	**50,608,497**

All funds from Cash and Bank Deposit accounts are readily available for use.

17. SHARE CAPITAL STRUCTURE

On 31st December 2021, the capital of the parent company – ASCENDUM, S.A. – fully subscribed and paid up, is represented by 15,000,000 nominal shares of 1 euro each.

The legal entities with more than 20 % of the subscribed capital are the following:

Ernesto Vieira & Filhos, S.A.	50%
NORS, S.A.	50%

18. EQUITY

Dividends

The dividend policy is the responsibility of the Shareholders' General Meeting.

According to a decision from the Shareholders' General Meeting held on the 20th of April 2021, dividends in the amount of 8,000,000 euros were paid.

The dividend payment that is deliberated by the shareholders will have no tax impact for the Group.

Legal reserve

Portuguese corporate law states that at least 5% of the annual profit of each company for the year, as calculated in their individual accounts, must be assigned to legal reserves, until they represent up to 20% of the total share capital. These reserves cannot be distributed, except in case of Company liquidation, but can be used to absorb losses after other reserves have been used or incorporated into share capital.

Revaluation reserves

Revaluation reserves relate to the amount of the property, plant and equipment revaluation reserve, net of deferred taxes. This reserve can only be distributed after its realization, which occurs through the use or disposal of revaluated assets.

Other reserves

This includes the amounts of any available reserves, whose allocation is determined by the shareholders.

Retained earnings

The net result of the previous year is recorded under this caption. It is subsequently moved according to any application of profits or hedging of losses that may be decided.

The reserves available to distribute to shareholders are determined based on the individual Financial Statements of ASCENDUM, S.A.

19. NON-CONTROLLING INTERESTS

Movements in this heading in the financial years ended on 31st December 2021 and 2020 were as follows:

	Dec-21	Dec-20
Opening balance on January, 1st	(199,485)	4,325,372
Net profit for the period attributed to non-controlling interests	422,860	6,826
Other variations in equity	192,514	(4,531,683)
Final balance on December, 31st	**415,888**	**(199,485)**

NON-CONTROLLING INTERESTS DETAIL	Dec-21	Dec-20
GLOMAK - SGPS, S.A.	289,112	(326,922)
VOLRENTAL ATLANTICO, S.A.	126,776	127,437
Total	**415,888**	**(199,485)**

20. BORROWINGS

On 31st December 2021 and 2020, the structure of this item was as follows:

	Dec-21		Dec-20	
	Current	Non Current	Current	Non Current
Bank loans/current accounts /overdrafts	76%	35%	82%	34%
Commercial papers	10%	51%	6%	54%
Lease liabilities	14%	14%	12%	12%
	100%	**100%**	**100%**	**100%**

	Dec-20	Net amortization in the year	Dec-21
Bank Loans Obtained			
Long Term (1)	114,044,955	(18,636,382)	95,408,573
Short Term (2)	54,548,005	(13,843,651)	40,704,354
Sub Total (1)+(2)	**168,592,960**	**(32,480,033)**	**136,112,927**
Lease Liabilities			
Long Term (3)	15,923,146	(181,706)	15,741,440
Short Term (4)	7,495,008	(779,493)	6,715,515
Sub Total (3)+(4)	**23,418,154**	**(961,199)**	**22,456,955**
Total (1)+(2)+(3)+(4)	**192,011,113**	**(33,441,232)**	**158,569,881**

Of the non-current bank loans obtained at the date of 31st December 2021, 7.5% is due in 5 years or more.

Bank loans bear interest according to market rules and spreads traded by the Group, based, in most cases, on the three-month Euribor rate.

In 2021 the net cash flow related to bank loans obtained from financial entities represented a net payment of 32,480,033 euros.

21. SUPPLIERS

On 31st December 2021 and 2020, this item was comprised of current payable balances to suppliers, all of which are due in the short term.

On 31st December 2021 and 2020, the aggregate balance of the Suppliers item was not conditioned by payment plans that incorporated interest payments and, thus, the financial risk related to changes in interest rates is residual here.

22. OTHER LIABILITIES

On 31st December 2021 and 2020, this account had the following breakdown:

	Current liabilities		Non-Current Liabilities	
	Dec-21	Dec-20	Dec-21	Dec-20
Accrued expenses liabilities	23,604,813	18,949,287		
Asset suppliers	(350)	(350)	113,221	114,718
Other creditors	10,490,398	4,813,011	7,408,695	36,562,240
	34,094,861	**23,761,948**	**7,521,916**	**36,676,958**

The accrued expenses include accruals for staff payments and charges, interest payable, taxes, and other miscellaneous operating expenses.

The decrease of the non-current liabilities in 2021 is mainly due to the reduction of the non-bearing interest rate of VFS debt, as a consequence of an increase in the available funds of Group.

23. INCOME TAX AND STATE AND OTHER PUBLIC ENTITIES

On 31st December 2021 and 2020, "Income Tax" and "State and Other Public Entities" have the following breakdown:

	Assets		Liabilities	
	Dec-21	Dec-20	Dec-21	Dec-20
Income Tax	4,251,145	7,278,576	5,892,716	3,547,251
Sub-Total	**4,251,145**	**7,278,576**	**5,892,716**	**3,547,251**
Value Added Tax	7,685,446	8,505,184	6,083,928	6,999,597
Withholding income tax			609,944	782,126
Social Security Contributions			1,288,553	1,122,114
Others	215,810	104,727	141,641	138,249
Sub-Total	**7,901,256**	**8,609,911**	**8,124,066**	**9,042,086**
Total	**12,152,400**	**15,888,487**	**14,016,782**	**12,589,337**

In the table above the main variations in 2021 compared to 2020, were the following:

The reduction in income tax asset is mainly explained by the adjustment of around 2 million euros in the income tax refund from Ascendum Machinery Inc..

The increase of income tax in liabilities is basically explained by 1.3 million euros from Ascendum Makina Ticaret A.S. and 1.7 million euros from the consolidation income tax of Portuguese subsidiaries, both as a result of high profit before income tax recognized compared to 2020.

Group Ascendum complies scrupulously with its tax obligations and does not have any outstanding tax debts.

24. DEFERRALS — LIABILITIES

On 31st December 2021 and 2020, the item "Revenue deferrals" has the following structure:

	Dec-21	Dec-20
Revenue deferrals		
Sales and services to recognize	8,381,476	5,059,289
Guarantees	11,440,325	8,865,017
Others	50,117	482,809
Total	**19,871,918**	**14,407,115**

The Group recognizes revenues in an accrual basis of the financial year regardless of their payment. At the end of the financial year, this item defers transactions that have already been invoiced for which, on 31st December, not all requirements had been met for their recognition as revenue in the period. This is notable because not all the inherent rights of ownership of the goods involved in the transaction had been transferred on that date.

The amount recorded under "Guarantees" refers to warranty extensions, billed on the date of sale of the equipment, which are deferred and will be recognized in the income statement over the life of the warranty agreement.

25. PROVISIONS AND ACCUMULATED IMPAIRMENTS

Movements in provisions in the financial years ended on 31st December 2021 and 2020 were as follows:

2021 DESCRIPTION	Opening balance	Exchange Rate effect	Perimeter variation	PL Increases	PL Reversals	Utilizations/ Adjustments	Total
Accumulated impairment losses - accounts receivable (Note 12)	20,746,167	220,408	18,710	499,311	(511,852)	(3,720,071)	17,252,673
Accumulated impairment losses - inventories (Note 11)	8,446,554	287,194	116,893	4,069,804	(959,852)	(3,003,341)	8,957,251
Provisions	9,849,743	12,337	-	5,776,897	(1,093,871)	(809,017)	13,736,090

2020 DESCRIPTION	Opening balance	Exchange Rate effect	Perimeter variation	PL Increases	PL Reversals	Utilizations/ Adjustments	Total
Accumulated impairment losses - accounts receivable (Note 12)	21,239,324	(228,589)	(11,971)	1,799,303	(683,507)	(1,368,393)	20,746,167
Accumulated impairment losses - inventories (Note 11)	6,623,442	(343,346)	113,000	852,905	(1,022,877)	2,223,429	8,446,554
Provisions	5,943,078	(482,951)	-	4,953,158	(593,746)	30,204	9,849,743

On 31st December 2021 and 2020, the details of “Provisions” presented in the consolidated statement of financial position were as follows:

DESCRIPTION	Dec-21	Dec-20
Provisions for guarantees	2,325,014	1,875,833
Provisions for risks and costs - Litigation	227,515	310,879
Other provisions	11,183,561	7,663,031
Total	**13,736,090**	**9,849,743**

Under Provisions for Guarantees, the Group discloses its best estimates for current obligations of uncertain timing related to guarantees provided to customers as a result of the normal flow of operations.

“Provisions for risks and costs – Litigation” also discloses the best estimates of total outflows that may occur in the future, due to legal proceedings filed by third parties.

“Other Provisions” provides a set of estimates of other current obligations of uncertain timing not included in the two previous categories.

In 2021, a provision of 5 million euros was recognized to safeguard potential negative impacts arising from the current markets´ instability for the main raw materials, disruption of supply chains, inflationary pressures, all of which aggravated in result of the current crisis caused by the war between Russia and Ukraine, which may imply future measures to adapt the operations, currently developed by the Group.

In 2020, a provision of 4.5 million euros has been recognised, in order to counter the potential unknown negative effects that the Covid-19 pandemic might cause to the operational activity of the Group, considering the current uncertainties as to the world economic prospects in the years to come, as well as the noticeable evidence of profound technological disruption in the construction sector, possibly implying future adaptation measures to current operational models.

26. GOVERNMENT GRANTS

GOVERNMENT GRANTS	2021	2020
ASCENDUM BAUMASCHINEN ÖSTERREICH GMBH	153,584	441,442
ASCENDUM MACHINERY, INC.	1,691,855	3,805,739
ASCENDUM CENTRAL EUROPE GMBH	1,777	42,376
ASCENDUM STAVEBNÉ STROJE SLOVENSKO S.R.O	42,570	45,270
GLOMAK SGPS, S.A.	15,581	31,989
ASCENDUM GRADEVINSKI STROJEVI HRVATSKA d.o.o	45,293	16,793
ASCENDUM AUTOMÓVEIS, UNIPESSOAL LDA.		59,208
ASCENDUM CAMIÕES, UNIPESSOAL LDA.		45,022
ASCENDUM MÁQUINAS, UNIPESSOAL LDA.		13,330
Total	1,950,660	4,501,167

The government grants received by Ascendum Group in 2021 and 2020 are related to the governments aid for the COVID-19 pandemic.

27. FINANCIAL COMMITMENTS AND CONTINGENT ASSETS AND LIABILITIES

On 31st December 2021 and 2020, ASCENDUM has the following financial commitments:

	Dec-21	Dec-20
Bank Guarantees	6,710,677	10,445,460
Warranties granted to importers of represented brands	7,509,495	2,646,998
Guarantees provided in public tenders	258,835	349,331
Guarantees for suppliers of water, electricity, fuel and similar	208,861	230,649
Other guarantees	11,017,190	5,108,363
Total	**25,705,057**	**18,780,801**

In the table above, the main variations have occurred in the items of bank guaranties, guaranties provided in public tenders and other guarantees, as detailed below:

Bank guaranties:

The decrease verified in this item is related to bank guaranties provided by Ascendum Sa on behalf of the subsidiary Ascendum Mexico.

Warranties granted to importers of represented brands:

The increase has occurred mainly in:

— Glomak SGPS, S.A.; 3 million euros
— Ascendum Portugal S.A.; 2 million euros

Other guarantees:

The increase has resulted mainly from the subsidiary of Ascendum Central Europe, GMBH.

28. INCOME TAX

Income tax recognised in the financial years ended on 31st December 2021 and 2020 is as follows:

	Dec-21	Dec-20
Current Income Tax	19,121,647	3,059,241
Deferred Income Tax (Note 15)	(3,296,049)	2,067,100
Total	**15,825,598**	**5,126,340**

The increase in “Current income tax” in 2021, when compared to 2020 is essentially explained by the increase of the turnover.

The reconciliation of income tax is detailed below:

INCOME TAX		Tax 2021		Tax 2020
Profit before income tax	58,466,502		20,360,431	
Income tax	22%	12,920,405	22%	4,385,187
Tax resulting from adjustments to the tax base		2,905,193		741,154
Total		**15,825,598**		**5,126,340**

29. EARNINGS PER SHARE

Earnings per share can be expressed as "basic earnings" or "diluted earnings."

Basic earnings per share are calculated by dividing profit or loss for the financial year by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share are calculated by dividing profit or loss for the financial year by the weighted average number of ordinary shares outstanding during the period, plus the number of ordinary shares that may be issued as a result of conversion of other instruments issued by the entity.

The parent company, ASCENDUM, S.A., was transformed into a joint stock company, with share capital of 15,000,000 euros, represented by 15,000,000 shares with a nominal value of 1 (one) euro each.

In the 2021 and 2020 financial years, there was no other issuance/reduction or withdrawal of shares and, therefore, the average number of ordinary shares in circulation during the year was 15,000,000.

There was also no issuance/amortization of any instruments that could be converted into ordinary shares.

There are no shares with special and/or limited rights.

Earnings per share are as follows:

	Dec-21	Dec-20
Net Profit/Loss of the period	42,640,904	15,234,091
Average number of ordinary shares	15,000,000	15,000,000
Basic earnings per share	**2.84**	**1.02**
Diluted earnings per share	**2.84**	**1.02**

30. NUMBER OF EMPLOYEES

In the financial years ended on 31st December 2021 and 2020, the average number of employees working for the Group was as follows:

STAFF	2021	2020
Board	30	31
Directors	57	62
Managers	171	140
Human Resources	13	9
Financial and Administrative	91	90
Logístics, IT, General support and others	52	67
Commercial	186	199
After-Sales	864	824
Total	**1 464**	**1 422**

31. CONTRIBUTION OF GEOGRAPHICAL AREAS TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION AND THE CONSOLIDATED INCOME STATEMENT ON 31ST DECEMBER 2021 AND 2020

The contribution of sales and services rendered by geographical market for the financial years ended on 31st December 2021 and 2020 were as follows:

MARKET	2021		2020	
	Amount	%	Amount	%
Portugal	163 ,525 ,110	15.95%	142 ,755 ,896	18.29%
Spain	122 ,342 ,734	11.93%	101 ,233 ,361	12.97%
United States of America	346 ,697 ,917	33.81%	255 ,064 ,817	32.68%
Turkey	149 ,675 ,712	14.60%	91 ,511 ,721	11.73%
Mexico	46 ,928 ,867	4.58%	19 ,040 ,460	2.44%
Austria	115 ,991 ,725	11.31%	90 ,652 ,473	11.62%
Hungary	10 ,434 ,246	1.02%	10 ,779 ,323	1.38%
Romania	12 ,766 ,167	1.24%	12 ,346 ,285	1.58%
Croatia	10 ,191 ,969	0.99%	11 ,703 ,375	1.50%
Czech Republic	30 ,261 ,111	2.95%	29 ,030 ,891	3.72%
Slovakia	7 ,742 ,682	0.76%	7 ,726 ,612	0.99%
Mozambique	8 ,857 ,528	0.86%	8 ,569 ,620	1.10%
Total	**1 ,025 ,415 ,768**	**100%**	**780 ,414 ,835**	**100%**

The following tables show the main items of the Statement of Financial Position and Income Statement broken down by the geographical markets in which ASCENDUM operates, for 2021 and 2020:

2021	Non-current Assets		Current Assets		
	Property, Plant and Equipment	Other Assets	Inventories	Trade Receivables and Other Assets	Assets total
Portugal	31,999,472	28,676,915	27,425,779	43,479,479	131,581,644
Spain	26,394,446	9,670,433	16,924,656	31,186,795	84,176,331
United States of America	56,413,755	7,273,400	60,270,528	27,652,336	151,610,018
Turkey	5,416,468	645,082	10,846,519	55,610,929	72,518,998
Mexico	3,584,339	2,943,932	20,186,927	7,489,411	34,204,608
Austria	30,977,084	11,329,938	13,373,212	20,073,416	75,753,651
Hungary	642,047	473	1,141,802	1,382,956	3,167,277
Romania	2,204,742	915,307	1,434,983	1,206,932	5,761,964
Croatia	476,864	2,727	526,294	437,763	1,443,647
Czech Republic	4,570,186	248,269	3,977,694	4,029,368	12,825,516
Slovakia	597,430	67,018	1,142,612	644,525	2,451,585
Mozambique	499,195	7,132	8,443,414	6,125,468	15,075,210
Total	**163,776,027**	**61,780,625**	**165,694,420**	**199,319,377**	**590,570,449**

2021 (CONTINUATION)	Non-current Liabilities		Current Liabilities		
	Borrowings	Other Liabilities	Trade Payables and Other Liabilities	Borrowings	Liabilities Total
Portugal	87,043,738	12,768,781	29,922,812	22,564,129	152,299,461
Spain	1,526,538	1,255,423	15,339,368	895,762	19,017,091
United States of America	6,497,763	23,531,871	38,625,122	2,431,573	71,086,330
Turkey	613,962	0	35,658,499	15,807,985	52,080,446
Mexico	4,501,794	0	15,618,562	1,822,064	21,942,420
Austria	6,921,761	1,278,275	38,781,039	2,561,513	49,542,587
Hungary	62,109	74,664	1,761,470	56,443	1,954,687
Romania	164,355	128,673	2,017,551	98,931	2,409,510
Croatia	170,506	72,038	(398,326)	58,137	(97,645)
Czech Republic	3,203,116	318,052	5,701,454	973,013	10,195,635
Slovakia	223,720	33,718	(23,797)	124,696	358,337
Mozambique	220,651	472,922	8,369,315	25,621	9,088,509
Total	**111,150,013**	**39,934,416**	**191,373,069**	**47,419,868**	**389,877,366**

2020	Non-current Assets		Current Assets		
	Property, Plant and Equipment	Other Assets	Inventories	Trade Receivables and Other Assets	Assets total
Portugal	33,993,161	24,156,333	27,812,804	40,855,163	126,817,461
Spain	26,874,858	9,684,577	16,626,787	30,000,455	83,186,677
United States of America	50,915,579	7,927,663	78,740,751	21,598,019	159,182,012
Turkey	4,831,684	4,764,234	9,699,052	44,165,860	63,460,830
Mexico	3,370,439	2,718,738	17,597,006	6,661,887	30,348,070
Austria	28,086,565	11,111,246	8,043,709	11,387,893	58,629,414
Hungary	590,378	575	1,148,742	681,577	2,421,272
Romania	1,208,680	931,824	1,535,646	2,400,053	6,076,203
Croatia	1,451,906	2,487	277,629	586,002	2,318,024
Czech Republic	5,380,783	269,988	4,101,374	4,175,343	13,927,488
Slovakia	461,675	66,412	1,386,505	1,170,885	3,085,477
Mozambique	577,128	430,118	4,500,884	7,173,365	12,681,494
Total	**157,742,836**	**62,064,194**	**171,470,889**	**170,856,503**	**562,134,423**

2020 (CONTINUATION)	Non-current Liabilities		Current Liabilities		
	Borrowings	Other Liabilities	Trade Payables and Other Liabilities	Borrowings	Liabilities Total
Portugal	106,061,749	8,700,368	12,775,767	22,405,416	149,943,301
Spain	7,741,795	1,199,243	13,790,430	3,187,067	25,918,535
United States of America	3,461,281	54,714,512	32,340,291	9,531,796	100,047,879
Turkey	315,783	4,944	32,473,081	14,997,438	47,791,245
Mexico	1,811,905	-	8,139,801	8,592,200	18,543,906
Austria	5,878,008	3,221,702	21,452,192	1,948,256	32,500,158
Hungary	27,307	91,645	1,149,976	56,028	1,324,957
Romania	263,353	108,289	3,248,780	123,677	3,744,099
Croatia	227,544	67,236	545,649	60,442	900,871
Czech Republic	3,889,647	186,705	7,052,180	1,037,663	12,166,196
Slovakia	106,953	57,225	872,279	98,807	1,135,263
Mozambique	182,777	469,705	6,887,402	4,222	7,544,106
Total	**129,968,101**	**68,821,575**	**140,727,827**	**62,043,012**	**401,560,516**

2021	Sales and services rendered	Costs of sales	External supplies and services	Personnel costs	Other gains/ losses	Net Profit/Loss for the period
Portugal	163,525,110	(129,914,452)	(13,697,574)	(16,523,984)	(3,530,836)	(141,736)
Spain	122,342,734	(91,020,209)	(7,141,140)	(11,052,300)	(5,542,968)	7,586,117
United States of America	346,697,917	(277,534,291)	(4,622,854)	(25,900,780)	(22,327,921)	16,312,070
Turkey	149,675,712	(118,986,963)	(7,098,107)	(4,515,592)	(10,013,968)	9,061,082
Mexico	46,928,867	(36,743,918)	(2,447,588)	(5,591,972)	(1,859,257)	286,132
Morocco					57,198	57,198
Austria	115,991,725	(81,234,920)	(7,623,872)	(14,784,262)	(7,982,102)	4,366,570
Hungary	10,434,246	(7,493,123)	(562,630)	(964,428)	(791,995)	622,069
Romania	12,766,167	(8,956,166)	(696,352)	(1,449,146)	(360,496)	1,304,006
Croatia	10,191,969	(8,009,816)	(329,354)	(560,927)	(676,911)	614,962
Czech Republic	30,261,111	(21,816,112)	(2,085,477)	(3,054,376)	(2,015,302)	1,289,844
Slovakia	7,742,682	(5,354,381)	(715,419)	(938,089)	(491,759)	243,034
Mozambique	8,857,528	(6,345,656)	(1,117,416)	(380,352)	25,450	1,039,555
Total	**1,025,415,768**	**(793,410,008)**	**(48,137,782)**	**(85,716,208)**	**(55,510,867)**	**42,640,904**

The net income from Portugal for the 2021 financial year is influenced by the recognition of the provision of 5 million euro mentioned in note 25.

2020	Sales and services rendered	Costs of sales	External supplies and services	Personnel costs	Other gains/ losses	Net Profit/Loss for the period
Portugal	142,755,896	(114,836,976)	(10,468,628)	(17,084,245)	(5,232,696)	(4,866,650)
Spain	101,233,361	(74,561,333)	(7,050,810)	(10,342,530)	(5,334,575)	3,944,114
United States of America	255,064,817	(194,875,927)	(3,906,356)	(24,026,293)	(19,015,257)	13,240,985
Turkey	91,511,721	(73,487,845)	(5,515,709)	(3,992,852)	(7,510,168)	1,005,147
Mexico	19,040,460	(15,706,523)	(4,150,201)	(304,682)	(2,440,050)	(3,560,997)
Morocco					(45,362)	(45,362)
Austria	90,652,473	(60,450,966)	(6,013,403)	(13,558,692)	(7,532,612)	3,096,800
Hungary	10,779,323	(7,564,314)	(776,850)	(874,795)	(1,040,250)	523,114
Romania	12,346,285	(8,908,345)	(594,857)	(1,378,547)	(449,392)	1,015,143
Croatia	11,703,375	(9,124,741)	(458,915)	(522,819)	(1,086,683)	510,216
Czech Republic	29,030,891	(20,912,955)	(1,955,273)	(2,722,098)	(2,922,687)	517,879
Slovakia	7,726,612	(5,549,727)	(507,067)	(1,000,144)	(569,096)	100,578
Mozambique	8,569,620	(8,059,508)	(554,031)	(364,265)	161,307	(246,877)
Total	**780,414,835**	**(594,039,160)**	**(41,952,102)**	**(76,171,963)**	**(53,017,520)**	**15,234,091**

The net income from Portugal for the 2020 financial year is influenced by the recognition of the provision of 4.5 million euro mentioned in note 25.

Additionally, the segmentation of sales and after-sales (parts and services) by activity is the following:

MARKET	2021		2020	
	Amount	%	Amount	%
Construction equipment and other equipment	967,309,491	94.33%	721,159,573	92.41%
Vehicles	32,872,644	3.21%	36,101,224	4.63%
Trucks	25,233,633	2.46%	23,154,038	2.97%
Total	**1,025,415,768**	**100%**	**780,414,835**	**100%**

32. OTHER INCOME AND GAINS

In 2021 and 2020, “Other income and gains” was comprised by:

	2021	2020
Cash discounts obtained	971,304	539,266
Claims	210,562	111,749
Excess of income tax estimate	28,319	34,287
Adjustments related to prior years	111,931	7,116
Others	9,334,054	5,083,042
Total	**10,656,170**	**5,775,460**

The item “Others” derives from various income and recovery of expenses related to normal business activity.

In 2021, the item “Others” includes the divestiture of Cargo Handling Unit made by Ascendum Máquinas, amounting to around 1.7 million euros.

33. FINANCIAL RESULTS

a. On 31st December 2021 and 2020, financial results had the following composition:

INTEREST AND SIMILAR COSTS	2021	2020
Interests for Leases	1,107,233	1,400,146
Bank Interests	5,509,602	6,950,975
Total	**6,616,834**	**8,351,121**

The separate line disclosure, in 2021 and 2020, of interest on lease contracts results from the disclosure rules of the new IFRS 16, which came into force on 01-01-2019.

The decrease in Bank Interests was caused by the lower level of debt occurred in 2021.

INTEREST AND SIMILAR INCOME	2021	2020
Interests	101,611	263,373
Total	**101,611**	**263,373**

b. Exchange differences on financial assets and liabilities related to operating activities in 2021 and 2020 were as follows:

GAIN / (LOSS)	2021	2020
Operational Foreign Exchange Gain (+) / Loss (-)	(4,346,026)	(4,974,414)
Financial Foreign Exchange Gain (+) / Loss (-)	3,310,311	461,758
Total	**(1,035,715)**	**(4,512,657)**

The major contributors to the Exchange differences indicated for 2021 were Turkey, amounting 1.8 million euros.

34. RELATED PARTIES

A related party is a party that controls or is controlled by the other party, or that has a significant influence over it, exercises joint control, is a member of the key management personnel, or a close member of the staff controlling the entity or of the key management individuals, or the party is a post-employment benefits plan for the entity's employees.

Balances and transactions between the parent company and its subsidiaries or between subsidiaries, where these are related parties, have been eliminated in the consolidation process and are, therefore, not disclosed in this Note. The details of balances and transactions between ASCENDUM S.A. and related parties can be summarized as follows:

ACCOUNTS RECEIVABLES	Dec-21	Dec-20
Key management personnel	77,431	83,893

BALANCES WITH RELATED PARTIES	Dec-21	Dec-20
Customers/other accounts receivable:		
Nors, S.A.	399,335	622,084
Suppliers/other accounts payable:		
Nors, S.A.	5,583,596	5,921,139

TRANSACTIONS WITH RELATED PARTIES 2021	Sales	Services rendered	Purchases	Other Expenses	Other Income
Nors S.A.	1,547,495	1,711,134	14,727,868	326,511	33,468

TRANSACTIONS WITH RELATED PARTIES 2020	Sales	Services rendered	Purchases	Other Expenses	Other Income
Nors S.A.	852,949	1,687,986	17,418,295	319,178	15,380

The purchase and sale of goods and services rendered to related parties were performed at market prices.

35. FINANCIAL ASSETS AND LIABILITIES

On 31st December 2021, financial assets and liabilities had the following composition:

FINANCIAL ASSETS	Category	Book value	Valuation method
Financial assets at fair value through profit and losses (Note 10)	equity instruments	427	fair value through other comprehensive income
Other accounts receivable (Note 13)	debt instruments	1,203,872	amortized cost
Other non-current financial assets (Note 10)	debt instruments	71,904	amortized cost
Trade and other receivables (Note 12)	debt instruments	104,604,934	amortized cost
Prepayments to suppliers (Note 13)	debt instruments	241,154	amortized cost
Cash and bank deposits (Note 16)	debt instruments	78,956,887	amortized cost
		185,079,176	

FINANCIAL LIABILITIES	Category	Book value	Valuation method
Borrowings (Note 20)	amortized cost	136,112,927	amortized cost
Other liabilities (Note 22)	amortized cost	18,011,963	amortized cost
Trade and other payables (Note 21)	amortized cost	113,183,194	amortized cost
Prepayments from Customers	amortized cost	10,206,314	amortized cost
		277,514,398	

Impairment losses on Financial Assets (Customers, Other accounts receivable and Equity instruments at fair value through profit and loss) are listed in Notes 10.2, 12 and 25.

Gains and losses in 2021 and 2020 for impairments of financial assets were as follows:

GAIN / (LOSS)	2021	2020
Accounts receivable impairments (losses/reversals)	12,541	(1,115,796)
	12,541	**(1,115,796)**

36. REMUNERATION OF THE MEMBERS OF THE GOVERNING BODIES

The remuneration of the members of the governing bodies of the ASCENDUM Group in 2021 and 2020 were as follows:

BOARD	2021	2020
Board	4,187,166	4,102,134

37. REMUNERATION OF THE STATUTORY AUDITOR

The fees paid to the Statutory Auditor, PricewaterhouseCoopers & Associados – S.R.O.C., Lda., in the 2021 and 2020 financial years were as follows:

	Currency	2021	2020
Portugal	EUR	76,000	68,000
Spain	EUR	52,250	54,250
United States of America	USD	141,000	141,000
Mexico	USD	32,200	26,000
Turkey	EUR	15,000	15,000
Romania	EUR	13,500	13,300
Hungary	EUR	12,000	9,000
Austria	EUR	25,175	20,300
Croatia	EUR	9,500	6,500
Slovakia	EUR	12,800	10,600
Czech Republic	EUR	16,770	16,406

38. EXTERNAL SUPPLIES AND SERVICES

In 2021 and 2020, external supplies and services had the following breakdown:

	2021	2020
Subcontracts/ Specialized services	22,859,230	18,553,935
Advertising and promotion	1,399,577	1,078,187
Surveillance and security	621,401	653,973
Maintenance/repairs/tools	2,405,806	1,175,089
Office supplies/technical documentation	769,627	745,129
Electricity/fuels/water/other fluids	799,641	232,432
Travel and accommodation	2,617,925	2,369,761
Transport of goods	4,638,462	3,404,036
Rents and leases	3,037,666	3,437,633
Communications	1,359,518	1,507,514
Insurance	2,649,655	2,640,819
Clean hygiene and comfort	1,164,909	1,139,553
Other external supplies and services	3,814,365	5,014,041
Total	**48,137,782**	**41,952,102**

The increase in External Suppliers and Services expenses occurred in 2021, when compared with 2020 is justified by the increase of activity, as well as the enhancement of modernization projects, transformation of the way of work and support systems, which were frozen, in the previous year, in response to the negative effects caused by the COVID-19 Pandemic.

39. PERSONNEL EXPENSES

In 2021 and 2020, the Personnel Expenses had the following breakdown:

	2021	2020
Payroll	49,328,171	51,034,645
Social charges	9,013,941	3,897,359
Insurance against labour accident	151,955	178,885
Commissions	10,457,872	5,827,507
Awards and Bonuses	8,280,151	6,724,463
Indemnities	105,546	1,629,921
Other staff related expenses	8,378,571	6,879,183
Total	**85,716,208**	**76,171,963**

Personnel expenses have increased in 2021, due to an increase in the number of employees (1,464 in 2021 versus 1,422 in 2020) and an increase in commissions paid in 2021 (more 4 million euros) related to the increase in turnover in 2021 (more 243 million euros than 2020).

The item “Other staff costs” essentially includes costs related to insurance and travel expenses.

40. OTHER EXPENSES AND LOSSES

In 2021 and 2020 other expenses and losses had the following breakdown:

	2021	2020
Taxes and fees	1,710,033	1,580,631
Bank commissions and other charges	1,189,904	1,039,920
Adjustments related to prior years	41,320	12,689
Donations	31,355	232,653
Subscriptions and contributions	18,799	18,909
Other costs	1,938,749	53,034
Total	**4,930,161**	**2,937,837**

Other costs have increased mainly due to adjustments in inventory in Ascendum Máquinas, 1.1 million euros, and Ascendum Maquinaria España, 0.7 million euros.

41. ENVIRONMENTAL INFORMATION

The Group adopts necessary measures on environmental matters to comply with current legislation.

ASCENDUM's Board of Directors, in 2022, does not estimate any risks related to environmental protection and improvement, and was not notified of any administrative notifications of offences in this matter in the 2021 financial year.

42. SUBSEQUENT EVENTS

Nevertheless, and when the world economy was getting ready to recover from the effects of the Covid 19 pandemic, has occurred, at the end of February 2022, a conflict between Russia and Ukraine, with the invasion of this country, by the Russian army.

Being still difficult to predict the duration of this conflict and whether it will spread to other blocs, there is already an exponential increase in the prices of cereals, oil, natural gas and other raw materials, areas in which these countries are major world producers.

These facts have occurred after the date of the Statement of Financial Position are considered subsequent events non-adjustable.

The Ascendum's management will be particularly attentive to all this international context and prepared to take all the necessary measures to mitigate the potential negative impacts that this crisis may have on our operational activity.

No other facts that affect the released financial information have occurred since the reference date of the results up until the release of this report.

43. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were approved by the Board of Directors on 29th April 2022. Additionally, the financial statements attached on 31st December 2021 are awaiting approval by the General Assembly Meeting. However, ASCENDUM's Board of Directors believes they will be approved without significant changes.

THE CERTIFIED ACCOUNTANT	THE BOARD OF DIRECTORS
Luis Manuel Almeida	Angela Vieira
	Ernesto S. Vieira
	João Mieiro (Presidente)
	José Jensen L. Faria
	Nuno Colaço
	Paulo Mieiro
	Pedro Arêde
	Pedro Mieiro
	Rui A. Faustino
	Rui Miranda
	Tomas Jervell

PURPOSE IS THE KEY THAT UNLOCKS DIRECTION.

4. LEGAL CERTIFICATE OF CONSOLIDATED ACCOUNTS AND OPINION OF STATUTORY AUDITOR

ASCENDUM

Statutory Audit Report

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Ascendum, S.A (The Group), which comprise the consolidated statement of financial position as at December 31, 2021 (which shows total assets of Euro 590,570,449 and total shareholders' equity of Euro 200,693,083, including a net profit of Euro 42,218,044), the consolidated statement of income by nature, 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 a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Ascendum S.A. as at December 31, 2021, and their consolidated financial performance and their consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and other technical and ethical standards and recommendations issued by the Institute of Statutory Auditors. Our responsibilities under those standards are described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section below. In accordance with the law we are independent of the entities that are included in the Group and we have fulfilled our other ethical responsibilities in accordance with the ethics code of the Institute of Statutory Auditors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management for the consolidated financial statements

Management is responsible for:

a) the preparation of the consolidated financial statements, which present fairly the financial position, the financial performance and the cash flows of the Group in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union;

b) the preparation of the consolidated management report in accordance with the applicable law and regulations;

c) the creation and maintenance of an appropriate system of internal control to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;

d) the adoption of appropriate accounting policies and criteria;

e) the assessment of the Group's ability to continue as a going concern, disclosing, as applicable, events or conditions that may cast significant doubt on the Group's ability to continue its activities.

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 misstatement, 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:

a) 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;

b) 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;

c) evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

d) 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 auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;

e) evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

f) 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;

g) communicate with those charged with governance 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;

Our responsibility also includes verifying that the information included in the consolidated management report is consistent with the consolidated financial statements.

Report on other legal and regulatory requirements

Director's report

In compliance with paragraph 3 e) of article No. 451 of the Portuguese Company Law, it is our understanding that the consolidated management report has been prepared in accordance with applicable requirements of the law and regulation, that the information included in the consolidated management report is consistent with the audited consolidated financial statements and, taking into account the knowledge and assessment about the Group, no material misstatements were identified.

May 9, 2021

PricewaterhouseCoopers & Associados
- Sociedade de Revisores Oficiais de Contas, Lda.
represented by:

Nuno Miguel Costa Guimarães Cordeiro Tavares

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