ANNUAL REPORT

UN_ LOCK_ ING 2022

ASCENDUM

UN_ LOCK_ ING2022

In 2022, we unlocked our new and inspiring motto, “EXPECT MORE. ASCENDUM IS MORE THAN YOU EXPECT,” which reflects our evolving mindset to strengthen our company and our human capital, increase efficiency and taking our service to the next level.

By unlocking our full potential, we become more competitive, more agile and resilient, positioning the company for long-term success and sustainability.

Despite complex and uncertain conditions such as geopolitical, macroeconomic, and market-wise challenges, we were able to achieve another historical turnover in 2022, surpassing 1.2 billion euros, with a 17.2% increase compared to 2021. A result that makes us proud and confident about the years to come.

As we proceed on our journey to unlock the future, we want to emphasize that ASCENDUM will continue to exceed your expectations. EXPECT MORE.


ASCENDUM

63

YEARS OF HISTORY
FAMILY-RUN
CORPORATE GROUP

+1,500

EMPLOYEES

35k

MACHINES WORKING
AROUND THE WORLD

Turnover
1.2 B€
in 2022

ASCENDUM GROUP WORLDWIDE

MEXICO
Guadalajara
Monterrey
Tultitlán

USA
GEORGIA:
Buford
Macon
Savannah
NORTH CAROLINA:
Asheville
Charlotte
Greenville
Raleigh
NORTH DAKOTA:
Fargo
Williston
SOUTH CAROLINA:
Charleston
Columbia
Piedmont
TENNESSEE:
Chattanooga
Knoxville

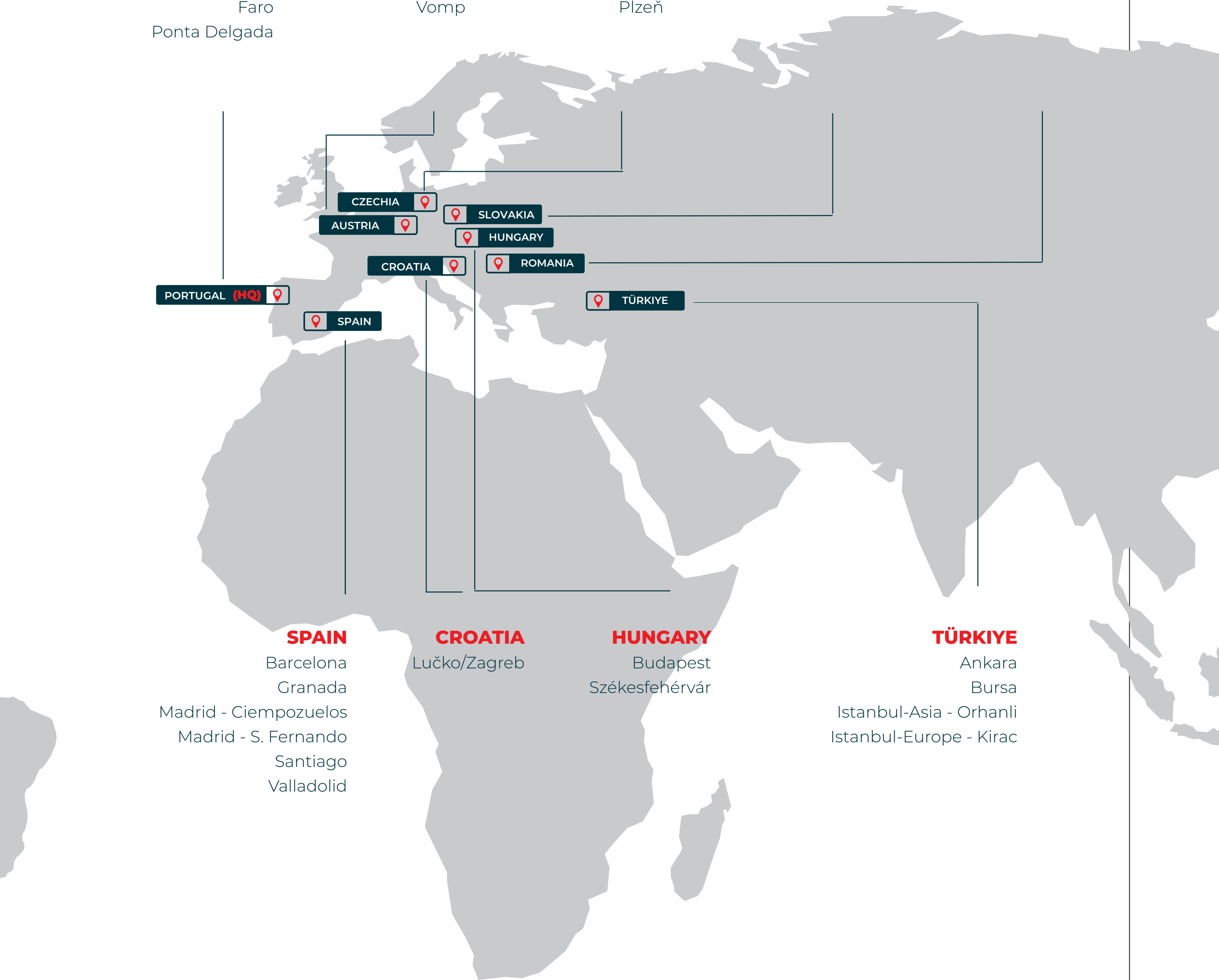
PORTUGAL
Porto
Viseu
Albergaria
Coimbra
Leiria
Lisboa
Faro
Ponta Delgada

AUSTRIA
Bergheim
Gumpoldskirchen
Lieboch
Salzburg
St. Marien
Villach
Vomp

CZECHIA
Brno
České Budějovice
Chrášťany
Libice nad Cidlinou
Olomouc - Slavonín
Ostrava
Plzeň

SLOVAKIA
Budča
Petrovany
Senec
Strečno

ROMANIA
Brasov
Chiajna
Timisoara



SPAIN
Barcelona
Granada
Madrid - Ciempozuelos
Madrid - S. Fernando
Santiago
Valladolid

CROATIA
Lučko/Zagreb

HUNGARY
Budapest
Székesfehérvár

TÜRKIYE
Ankara
Bursa
Istanbul-Asia - Orhanli
Istanbul-Europe - Kirac

PRESENT WITH 80 BRANCHES IN PORTUGAL, SPAIN, USA, TÜRKIYE, MEXICO, AUSTRIA, CZECHIA, HUNGARY, SLOVAKIA, ROMANIA, CROATIA, SLOVENIA, BOSNIA-HERZEGOVINA, MOLDOVA, ANGOLA AND MOZAMBIQUE.

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CONSOLIDATED MANAGEMENT REPORT

UNLOCKING BUSINESS TRANSFORMATION


ASCENDUM
UPTIME | PORTUGAL
ASCENDUM UPTIME \\ DASHBOARD
ASCENDUM
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ASCENDUM
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1.

MESSAGE FROM THE CHAIRMAN OF THE EXECUTIVE BOARD OF DIRECTORS

Dear Shareholders,

I would like to begin this message with a well-deserved recognition for the **strong commitment and inestimable contribution of our more than 1,500 employees,** who ensured that our objectives for 2022 were greatly exceeded.

I would also like to **thank our shareholders and financial partners for their support over the years** and to **our more than 31,000 customers** across the Group's various geographical platforms for the continuous trust and preference.

2022 was the year in which, without neglecting the traditional commercial focus, **Ascendum achieved historical sales volume, surpassing 1.2 billion euros** (17.2% increase compared to 2021), improved its profitability levels, by reaching 151 million euros EBITDA and a net profit margin of 7%, not compromising its financial indicators – Equity/Assets of 40% and Net debt/EBITDA of 0.3x, even though the operation was carried out under complex and uncertain conditions – geopolitical, macroeconomic, FX and market wise.

Under a new and inspiring motto **"EXPECT MORE. ASCENDUM IS MORE THAN YOU EXPECT"**, 2022 was also the year where we consolidated important investments, not only in human capital (attracting and retaining the best talent), but also in our business digitalization strategy, through initiatives that enhance both our employee value proposition, and also the way we work and connect with our customers, **optimizing our service and value added to the customer**, thus increasing the company's efficiency and productivity.

More than highlighting Ascendum's 2022 performance, I want to emphasize the enormous pride in our journey, one where we were capable to grow and evolve, while earning continuous trust from our stakeholders, which should make everyone in the Ascendum Family proud.

Ascendum is and will definitely be much more than we all expect!

"2022 was the year in which, without neglecting the traditional commercial focus, Ascendum achieved historical sales volume, surpassing 1.2 billion euros"

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 OF DIRECTORS
Ernesto Gomes Vieira **Chairman**	João Manuel de Pinho Mieiro **Chairman**	João Manuel de Pinho Mieiro **Chairman**
Tomás Nestor Rodrigues 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.º 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 OF DIRECTORS


João Manuel de Pinho Mieiro
Chairman


Paulo Vieira do Nascimento Mieiro


Angela Maria Silva Vieira Lança de Morais


Rui António Faustino


Pedro Hugo Martins Arêde


Nuno Miguel da Costa Colaço

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.

3. HIGHLIGHTS

3.1. RELEVANT FACTS

After the remarkable year of 2021, Ascendum was able to overcome all its targets – operational & from a financial & economical standpoint, so that 2022 will be remembered as the best year (so far) in Ascendum's history.

With a new focus on the business transformation in course, preparing for a more connected and digitalized future, and new reinforced emphasis on profitability, **Ascendum achieved the best financial performance ever, with a consolidated Turnover over 1.2 billion euros, a 13% EBITDA margin and an historic Net Income of 80.4 million euros (7% margin)** which lead to the strongest financial position ever with a Net Debt of 42 million euros and Equity of 268 million euros, resulting on robust solvency ratios Net Debt/ EBITDA of 0.3x and Equity/Assets of 40%.

EBITDA OF
150.6
Million Euros

EBITDA MARGIN
13%

NET INCOME OF
80.4
Million Euros

EQUITY OF
268
Million Euros

NET DEBT/EBITDA OF
0.3X

EQUITY/ASSETS OF
40%

TURNOVER OVER
1.2 B€

In terms of M&A, 2022 was marked by the disposal of the car business, a deep strategic reflection for a greater focus on Ascendum's core and on increasing share of mind on new growth opportunities.

The Group has embraced a new motto **"EXPECT MORE. ASCENDUM IS MORE THAN YOU EXPECT"** which is foundation of the way we do business with our customers and how we interact with our employees. The after-sales business is at the core, powered by the development of the Employee Value Proposition and Employer Brand initiatives, which aim to hire & retain service technicians and, also with the kick-off of Service 2.0 project in Portugal and Spain aiming to transform the approach to which the Group serves its customers with a more client centric & digital approach. Both these projects reflect the focus of the Group on its after-sales 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. In parallel, Sales 2.0 project, which aims to modernize and simplify the way we work and interact with our customers, was launched in the USA with very promising results.*

* More information on Global Initiatives on page 30.

3.2. MAIN ECONOMIC, FINANCIAL AND OPERATIONAL INDICATORS

MAIN ECONOMIC, FINANCIAL AND OPERATIONAL INDICATORS (FIGURES IN THOUSAND EUROS)	2022	2021	Δ (22/21)
Turnover	1,201,622	1,025,416	17.2%
EBITDA (1)	150,646	111,391	35.2%
EBITDA as a % of Turnover	12.5%	10.9%	1.7 pp
EBIT (2)	116,453	66,018	76.4%
EBIT as a % of Turnover	9.7%	6.4%	3.3 pp
Net Income with non-controlling interests	80,387	42,641	88.5%
NI as a % of Turnover	6.7%	4.2%	2.5 pp
Equity (with non-controlling interests)	267,848	200,693	33.5%
Net Debt (3)	42,209	79,613	-47.0%
Return on Equity (4)	30%	21%	8.8 pp
Return on Invested Capital (5)	38%	24%	14.0 pp
Net Debt / EBITDA	0.3x	0.7x	-0.4x
Equity / Net Debt	6.3x	2.5x	3.8x
Equity / Total Assets	40%	34%	6.5 pp
Number of employees	1,525	1,464	4.2%

(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) Ratio between Net Income with non-controllings interest and Equity with non-controlling interests.
(5) Ratio between EBIT and Invested Capital.

From an economic, financial, and operational perspective, 2022 was a challenging year for the Group, with challenging economic conditions and circumstances amongst the Group geographic platforms, as follows:

GLOBAL MACROECONOMIC CONTEXT

Global macroeconomic context of growth tainted by the uncertainty that emerged with the war in Ukraine, raising inflation and interest rates and some supply-chain bottlenecks that started with the COVID-19 pandemic:

- In 2022, the global economy is expected to have grown by 3.2% in real terms (according to the IMF estimate for the World Gross Domestic Product growth rate);

- In terms of the economies where Ascendum is present, economic growth is expected, although at a slower pace when compared with 2021 – in the Euro Area, real GDP growth slowed from +5.0% in 2021 to +3.1% in 2022; in the USA, real GDP growth rate declined from 3.1% in 2021 to 1.6% in 2022; and in Türkiye, real GDP growth rate stabilized at + 5.0% in 2022 (same as in 2021).

APPRECIATION OF USD AND DEVALUATION OF TRY AGAINST THE EURO IN 2022:

The appreciation of the US Dollar against the Euro in 2022 (from EUR/USD 1.1326 on the 31 st of December 2021 to EUR/USD 1.0666 on the 31st of December 2022) had a positive impact on the contribution of the USA operation to the Group's results and Equity;

On the other hand, the 31.1% devaluation of the Turkish Lira against the Euro in 2021 (from EUR/TRY 15.2335 on 31st December 2021 to 19.9649 on 31st December 2022) penalized the Group's results by increasing the net exchange rate differences, based on the exposure to monetary assets in Türkiye expressed in TRY (based on EUR functional currency), contributing to negative exchange rate differences of 0.8 million euros in the Turkish operation.

GROWTH IN ASCENDUM ADDRESSABLE MARKET[1], FOR THE FIRST TIME OVER 15 YEARS, ALMOST AT THE "PEAK" YEAR LEVEL:

2022 was marked by a global expansion, with a 15% increase in the number of units sold compared to 2021, totaling 38,723 units;

In 2022, Ascendum's addressable market (Portugal, Spain, USA, Türkiye, Mexico and Central Europe) represented around 98% of the Group's market in 2007 ("peak" year).

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

THE OPTIMIZATION AND EFFICIENCY MEASURES ADOPTED BY ASCENDUM, AS WELL AS THE FOCUS ON KNOWLEDGE SHARING SYSTEMS, DIGITALIZATION AND INVESTMENT IN HUMAN RESOURCES, HAD A POSITIVEEFFECT IN 2022:

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. 2022, is also marked by the divestment of its operation in the car business in Portugal;

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 **Türkiye**, economy is still recovering from the financial crisis that affected its growth in 2018/2019 but still with challenges related with inflation. Nevertheless, Ascendum adjusted its strategy by implementing measures to consolidate the core business, control structural costs and focus on treasury management;

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 also being able to develop its customer base;

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 2022 PERFORMANCE:

Operational performance – in 2022, the Group achieved Turnover of 1,202 million euros, EBITDA of 150.6 million euros (13% margin) and Net Income of 80.4 million euros (7% 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 0.3x and Equity/Assets of 40%, maintaining healthy financial indicators, despite the exposure to macroeconomic and sectoral challenges amongst the Group's geographic platforms.

4. HOW ASCENDUM IS ORGANIZED

4.1. VISION

OUR VISION

“TO BE ONE OF THE WOR
OF GLOBAL MACHIN
CONSTRUCTION, INDUS
AND TR

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

Ascendum is present in 14 countries: Portugal, Spain, USA, Türkiye, Mexico, Austria, Hungary, Czechia, 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 the trucks market.

Ascendum’s organizational structure enables it to address customer needs and projects anywhere in the world.

“Global machinery 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.

“Construction, industry and infrastructure”

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.

LD’S LARGEST SUPPLIERS ERY SOLUTIONS FOR STRY, INFRASTRUCTURE RUCKS”.

WHAT DOES THIS VISION MEAN?

“Trucks”

Ascendum offers a series of integrated solutions and after-sales services regarding Trucks, 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 “Volvo Action Service” (24-hour assistance).

4.2. VALUES

Ascendum's corporate values reflect who we are and how we operate. They represent our culture and identity, as well as our attitude and performance. Being part of Ascendum's team implies 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.

4.3. ASCENDUM'S CHARACTERIZATION AND STRATEGY

4.3.1. CHARACTERIZATION

Established in 1959, Ascendum is an international reference in the Automotive sector, active in supplying Construction and Industrial Equipment, 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 1,525 employees, Ascendum is currently one of the largest distributors of Volvo Construction Equipment worldwide, operating directly in markets such as Portugal, Spain, USA, Türkiye, Mexico and nine Central European countries (Austria, Hungary, Czechia, Slovakia, Romania, Croatia, Slovenia, Bosnia-Herzegovina, and Moldova).

At the same time, Ascendum assists its customers in their expansion 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 we operate has placed us in a prominent position among VCE dealers and the Group is now recognized as one of the largest and best dealers worldwide. At the same time, Ascendum has raised its performance every year (leading to increased recognition, turnover, and market share), surpassing Volvo CE itself as a dealer in the markets in which it is established.

OUR PERFORMANCE

"ASCENDUM'S PERFORMANCE EXCELLENCE IN THE MARKETS IN WHICH WE OPERATE HAS PLACED US IN A PROMINENT POSITION AMONG VCE DEALERS."

4.3.2. PRODUCT PORTFOLIO

	Portugal				Spain	
	Construction, Industrial and Infrastructure Equipment	**Trucks**	**Airport/ Railways/Ports Infraestructure Equipment**	**Agriculture Equipment**	**Construction, Industrial and Infrastructure Equipment**	**Airport/ Railways/Ports Infraestructure Equipment**
Import	VOLVO SENNEBOGEN PONSSE METSO:OUTOTEC MECALAC GOMACO		TLD YUTONG HYCOM FEMISA JMS ZEPHIR IME-AUTOLIFT GRUALIA DMA KONECRANES LIFTACE MAFI STEELBRO	KIOTI VALTRA	VOLVO ANACONDA LÄNNEN A-WARD GENESIS AND ALLU TEREX GENIE SBM MOBILE CRUSHERS AND MOBILE CONCRETE PLANTS	TLD TREPEL YUTONG GUINAULT MALLAGHAN TIPS JMS ZEPHIR SPA AUTOLIFT
Retail	VOLVO SENNEBOGEN PONSSE METSO:OUTOTEC MECALAC GOMACO	VOLVO	TLD YUTONG HYCOM FEMISA JMS ZEPHIR IME-AUTOLIFT GRUALIA DMA KONECRANES LIFTACE MAFI STEELBRO		VOLVO ANACONDA LÄNNEN A-WARD GENESIS AND ALLU TEREX GENIE SBM MOBILE CRUSHERS AND MOBILE CONCRETE PLANTS	ACTREN MAPNER BOMBAS IDEAL
Rental	VOLVO MECALAC		TLD YUTONG FEMISA ZEPHIR KONECRANES LIFTACE MAFI		VOLVO ANACONDA LÄNNEN A-WARD GENESIS AND ALLU TEREX GENIE SBM MOBILE CRUSHERS AND MOBILE CONCRETE PLANTS	MENZIES AVIATION AVIAPARTNER WFS AAS GH IH HANDLING INTERSERVE AIRBUS MAERO-MASA CEMENTOS ALFA COVESTRO RENFE F. y M. TERMINALES PORTUARIAS TRANSFESA UTE MARIA CRISTINA SANTS ALGESPOSA
Aftermarket	VOLVO SENNEBOGEN PONSSE METSO:OUTOTEC MECALAC GOMACO ASCENDUM LUBRIFICATS ASCENDUM ENERGY	VOLVO	TLD YUTONG HYCOM FEMISA ZEPHIR IME-AUTOLIFT GRUALIA DMA KONECRANES LIFTACE MAFI STEELBRO		VOLVO ANACONDA LÄNNEN A-WARD GENESIS AND ALLU TEREX GENIE SBM MOBILE CRUSHERS AND MOBILE CONCRETE PLANTS VOLMAX OILS HARDPARTS NTN vs TIMKEN	MENZIES AVIATION AVIAPARTNER WFS AAS IH HANDLING GH INTERSERVE AIRBUS MAERO-MASA FERROCARRILS GC RENFE ALQUILER IBERPOTASH ADIF REPSOL BUTANO
Remarketing	MULTI-BRAND		TLD YUTONG FEMISA ZEPHIR KONECRANES | LIFTACE MAFI		MULTI-BRAND	TLD YUTONG JOFRAUTO FACIM FREIGHTQUIP EMPRETEC SAMS

	USA	Türkiye		Mexico	Central Europe*
	Construction, Industrial and Infrastructure Equipment	**Construction, Industrial and Infrastructure Equipment**	**Airport/ Railways/Ports Infraestructure Equipment**	**Construction, Industrial and Infrastructure Equipment**	**Construction, Industrial and Infrastructure Equipment**
Import	BERGMANN	VOLVO SDLG METSO	SANY	VOLVO SENNEBOGEN SDLG POWERSCREEN SHANTUI	VOLVO SENNEBOGEN ATLAS COPCO EPIROC RAMMER VENIERI
Retail	VOLVO SENNEBOGEN DOOSAN SANDVIK LEEBOY VOLVO PENTA SDLG K-TEC BERGMANN	VOLVO SDLG METSO	SANY	VOLVO SENNEBOGEN SDLG POWERSCREEN SHANTUI	VOLVO SENNEBOGEN ATLAS COPCO EPIROC RAMMER VENIERI
Rental	VOLVO SENNEBOGEN DOOSAN SANDVIK LEEBOY VOLVO PENTA SDLG K-TEC BERGMANN	VOLVO SDLG METSO		VOLVO SENNEBOGEN SDLG SHANTUI	VOLVO SENNEBOGEN
Aftermarket	VOLVO SENNEBOGEN DOOSAN SANDVIK LEEBOY VOLVO PENTA SDLG K-TEC BERGMANN	VOLVO SDLG METSO	SANY	VOLVO TEREX TRUCKS SENNEBOGEN POWERSCREEN SHANTUI SDLG	VOLVO SENNEBOGEN ATLAS COPCO EPIROC RAMMER VENIERI VOLVO PENTA
Remarketing	VOLVO SENNEBOGEN DOOSAN SANDVIK LEEBOY VOLVO PENTA SDLG K-TEC BERGMANN	VOLVO SDLG		VOLVO SENNEBOGEN SDLG	VOLVO SENNEBOGEN

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

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, and truck 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 (CIE, and Trucks).	2. Diversification of the business by participating in new business/a broader product portfolio
Optimize current business;	Expand the product portfolio through the inclusion of infrastructure and agriculture equipments;
Launch business in other geographical platforms/emerging markets;	Strengthen the presence in the logistics equipment segment;
Expand the core product portfolio to other brands.	Boost the after sales multi-brand business;
	Expand the service to include "turnkey" customers.

4.3.4. MAJOR STEPS TAKEN TO ACHIEVE STRATEGIC OBJECTIVES (2012-2022)

DURING THESE PAST ELEVEN YEARS (2012-2022), MAJOR STEPS HAVE 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 to maximize 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 ELEVEN YEARS (2012-2022), MAJOR STEPS HAVE 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 Türkiye) and Terex Trucks (Türkiye 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 (Türkiye);

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,Türkiye;

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

5. SAP go-live in Portugal, Spain, Czechia 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 (Czechia) 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, USA;

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

2021

1. Start of importation and distributionof 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 **Employee Value Proposition** for Service Technicians to hire and adequate Ascendum to market reality;

7. Launch of our **new intranet MY ASCENDUM**, upgraded to become a single point of entry to all Ascendum information and tools, including to **ASCENDUM LEARNING**, our new digital training platform.

2022

1. Disposal of the car business - Ascendum Automóveis (Portugal);

2. SAP go-live in Türkiye;

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

4. Opening of Ascendum Agro new facilities in São Miguel Island, Azores;

5. Opening of Ascendum Baumaschinen new premises in Vomp, Austria;

6. Opening of Ascendum Stavební Stroje new premises in Olomouc, Czechia;

7. Opening of Ascendum Stavebné Stroje Slovensko S.R.O. new premises in Senec, Slovakia;

8. Opening of Ascendum Machinery, Inc. new facility in Savannah, USA;

9. New dealership with Volvo CE related to thxqxe distribution of new electric machines and the rigid haulers in the USA;

10. Refurbishment of Ascendum Maquinaria Mexico facilities in Tultitlán, Guadalajara, and Monterrey.

11. Launch of our **Employer Brand Campaign** under the powerful Motto “EXPECT MORE. ASCENDUM IS MORE THAN YOU EXPECT”;

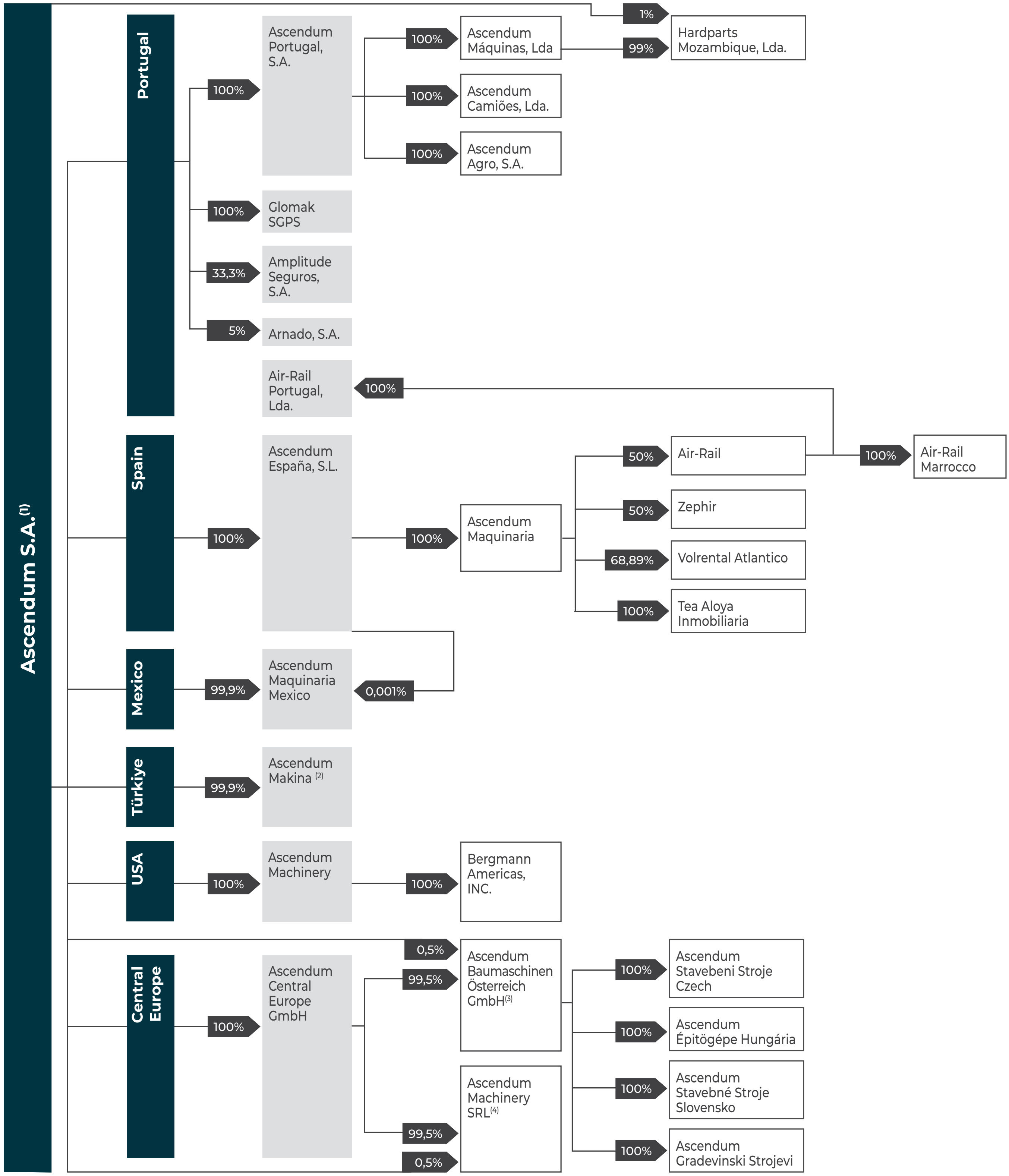
12. Ascendum joined Volvo CE as sponsor of the 2022 FIA Electric World Rallycross Championship, being the CE Dealer Team Gold Sponsor and Hosting Dealer on Montalegre, Portugal and Barcelona, Spain races.

13. Kick-off of Service 2.0 project in Austria;

14. Kick-off of Sales 2.0 project in USA.

4.4. ASCENDUM ORGANIZATION

4.4.1. CORPORATE ORGANIZATIONAL CHART



(1) Ascendum, S.A. holds a minor participation in Banco Comercial Portugues;
(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.

4.4.2. BUSINESS ORGANIZATIONAL CHART

	Portugal	Spain	USA	Türkiye	Mexico	Central Europe
Construction, Industrial and Infrastructure Equipment	Ascendum Máquinas	Ascendum Maquinaria	Ascendum Machinery Bergmann Americas, Inc.	Ascendum Makina	Ascendum Maquinaria México	Ascendum Baumaschinen Ascendum Machinery Ascendum Stavebeni stroje Ascendum Építögépek Ascendum Stavebné stroje Ascendum Gradevinski
Rent	Ascendum Máquinas	Ascendum Maquinaria	Ascendum Machinery	Ascendum Makina	Ascendum Maquinaria México	Ascendum Baumaschinen Ascendum Stavebeni stroje
Aftersales	Ascendum Máquinas	Ascendum Maquinaria	Ascendum Machinery	Ascendum Makina	Ascendum Maquinaria México	Ascendum Baumaschinen Ascendum Machinery Ascendum Stavebeni stroje Ascendum Építögépek Ascendum Stavebné stroje Ascendum Gradevinski
Agriculture Equipment	Ascendum Máquinas Ascendum Agro					
Trucks	Ascendum Camiões					
Airport/ Railways/Ports Infraestructure	Air-Rail 50%	Air-Rail 50% Zephir 50%				

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

4.5. GLOBAL INITIATIVES

4.5.1. BRAND & COMMUNICATION

A - EMPLOYER BRAND CAMPAIGN

EXPECT MORE. ASCENDUM IS MORE THAN YOU EXPECT is the inspiring motto that gave live to our more recent Employer Brand Campaign.

Service is at the core of Ascendum's vision for the future and one of our key strategic pillars in our path to Optimize Service Performance and thus enhancing Customer loyalty and satisfaction in our markets.

To be better capacitated to battle for retaining and attracting talent in a very competitive Service area, Ascendum revitalized its Employee Value Proposition, redesigning entirely the Service Technicians career, implementing training programs and improving performance management, with the objective of adding value to these jobs and making them more attractive.

The EXPECT MORE campaign was developed to accomplish these main goals:

GOALS

- **TO RETAIN TALENT INTERNALLY;**
- **TO POSITION ASCENDUM AS A GOOD EMPLOYER, TO ATTRACT NEW TALENT;**
- **TO MAKE THE SERVICE ROLES MORE VALUED AND ATTRACTIVE.**

Through a series of impactful campaign visuals and strategic headlines, **the campaign was amplified through:**

- **An inspiring Campaign Video**
- **Digital Strategy, with website and social media communication**
- **Branch Activation**
- **New Branded Uniforms**
- **New Branded Service Vans.**

Ascendum also improved digital recruitment by launching its Talent Community: a new Careers & Recruitment area available on Ascendum websites, with local versions that include the geography's vacancies and a global version which links directly to all the Talent Communities around the world and gives an overall picture of all the opportunities in the Ascendum's universe.

All these concerted efforts generated results above expectations, as recruitment for the Service Technician role has grown 111% globally, representing 165 more Service Technicians hired in 2022. A success strategy that we will pursue in the years to come.

B - WRX PARTNERSHIP WITH VOLVO

The most disruptive transformation in automotive history is happening now, so it's crucial that we inspire our Construction Equipment target to make the shift to a more diverse and sustainable future.

It was with this mindset that Ascendum joined Volvo CE as a sponsor of the 2022 FIA World Rallycross Championship (WRX), following Volvo CE partnership with the International

Automobile Federation (FIA) for the 2022 FIA World Rallycross Championship, a competition 100% electric, in which Volvo CE was the construction equipment supplier.

We believed from the start that this was the perfect platform to raise the awareness of all customers and partners to the need for greater sustainability and the importance of electric mobility in the machinery and equipment sector.

Ascendum partnered with Volvo CE as GOLD sponsor of the Volvo CE team - The CE Dealer Team, and as Hosting Dealer of the Portuguese and Spanish Rounds in this Championship:

- Montalegre, Portugal, which took place on the 17th/18th of September
- Barcelona / Catalunyia, in Spain, last October 29th/30th.

We engaged with more than 400 customers in different initiatives: electric machinery exhibition, excavator challenge, seminars, watch the race series and machines in action, meet the CE Dealer team and paddock experience.
A full-scale experience that was definitively crucial to increase internal teams and customers' knowledge about e-mobility solutions as it enabled us to showcase the growing range of electric machines and innovative services available on our market. Our teams and customers could see the new electric machines in action, doing all the track maintenance, building laps and even acting as car rescuers.

CUSTOMERS	RACES
400	2

It was the first year of a commitment that Ascendum assumed for 3 years, and an extremely positive experience, given the amazing feedback from Customers, from Volvo CE and from Ascendum Teams.

We are pleased to have shared this experience with our customers and partners, leading the electric transformation in the construction equipment sector together with Volvo CE and showing the world that e-mobility is not the future – it is clearly the present.

We have no doubt that the WRX Championship is an important partnership to activate customers and accelerate e-mobility, but also to lift our internal culture and help on talent retention and attraction. So, we are thrilled to continue this mission with VCE and expect to have the opportunity to explore more iconic locations and to cover more Ascendum markets.

C - GLOBAL DIGITAL STRATEGY OF ASCENDUM'S PUBLIC WEBSITES

Modern, better adapted to our business needs and able to provide a better user experience, so visitors can easily get a clear picture of Ascendum's offer.

This was the starting point for a global web strategy that aims at a global alignment of our websites. Supported by the content management platform WordPress, it was piloted by Ascendum Austria in 2021 and has the full involvement and curatorship of the Corporate Brand & Communication Department and the support of Corporate IT, both ensuring that the strategy is followed and properly implemented.

In 2022, we started to rollout this global digital strategy to other geographies and so far, we have launched 4 new websites in Austria, United States, Czechia, and Romania, which will be followed by the Portuguese website, kicked-off at the end of the year. The other Ascendum geographies will follow, according to the defined implementation plan.

WEBSITES
GLOBAL DIGITAL STRATEGY
4 NEW
WORDPRESS WEBSITES LAUNCHED

D - CONTINUOUS INVESTMENT IN PREMISES

One of Ascendum's objectives is to constantly invest in new premises as well as in the modernization of current ones, which in 2022 was materialized in the opening and refurbishment of the following premises:

NEW PREMISES

- **Opening of Ascendum Agro new facilities in São Miguel Island, Azores;**
- **Opening of Ascendum Baumaschinen new premises in Vomp, Austria;**
- **Opening of Ascendum Stavební Stroje new premises in Olomouc, Czechia;**
- **Opening of Ascendum Stavebné Stroje Slovensko S.R.O. new premises in Senec, Slovakia.**

4.5.2. BUSINESS TRANSFORMATION PROJECTS

A - SAP IMPLEMENTATION IN TÜRKIYE

SAP, under the name of "CORE" project, was implemented in Türkiye, strengthening the Group's integration. After the official "Go Live" in April 2022, Ascendum Türkiye has now fully harmonized core processes within SAP implementation and is more aligned on the road of digital transformation, following the Group's strategy.

Türkiye was the last geography to benefit from CORE implementation after Portugal, Spain, Austria, Romania, Hungary, Slovakia, Croatia, and Czechia.

B - SERVICE 2.0: THE NEW AFTER-SALES WORKING MODEL

Service 2.0 is one of the projects taking Ascendum to a new level of customer support and allowing us to optimize service performance, thanks to a new after-sales working model and an integrated digital vision powered by Salesforce software.

In a single platform, our teams have a digital window to all the relevant and updated information about customers' equipment and their needs.

This is also reflected in a new three-dimensional working model, more agile and efficient, composed by the Ascendum Uptime Center, the Workshop (both using the platform desktop version) and the Jobsite Services where the Field Technicians use the Pulsar app. The Uptime Center is the new Customer attendance Center, being the most visible face of Service 2.0 and the new single point of contact for all the customers.

These new three dimensions make it possible to eliminate paper and bureaucracy and allow agility and more proactivity of the technical services. Service management is optimized, while maximizing customers' machines uptime and their satisfaction.

Service 2.0 was first implemented in Portugal and Spain. In these two countries, the model is already up and running. The next rollout has already started in Austria at the end of 2022.

C- SALES 2.0: IMPLEMENTATION IN THE UNITED STATES

Sales 2.0 is the global project that aims to modernize and simplify the way of working and interacting with our customers, fueled by Salesforce CRM software. After the kick-off in 2021, 2022 was the year of the implementation of this project in the USA. The pioneer geography got to take advantage of the benefits of this new platform, that includes a totally customized configurator for Ascendum that ensures a full response to our sales needs. This new system represents a major improvement in the way we manage sales, namely by streamlining sales processes, improving the way we manage customer relationships, and using invaluable insights from sales data that will increase both customer satisfaction and Ascendum's revenue.

4.5.3. PERFORMANCE AWARDS

A - CEO OF THE YEAR AWARD IN SPAIN

In July, Ascendum Spain CEO, Juan Antonio Zurera, received the "CEO of the year 2022" award in the field of construction machinery distribution, awarded by the Spanish Newspaper La Razón.

This award represents an important recognition of his extensive professional career, valuing his work and effort, and also the entire Ascendum Spain team. Thanks to this, Ascendum further reinforces its image of leadership in the sector.

B - ASCENDUM TRUCKS DISTINGUISHED AT THE PERFORMANCE 2021 AWARDS

In Portugal, Ascendum Trucks was rewarded at Volvo Trucks "Performance 2021 Awards", thanks to the performance of its Dealer Network. Ascendum won a total of 12 awards in all the six categories:

- **Premium Dealer,**
- **Marketing and Sales,**
- **Customer Satisfaction,**
- **Stock and Warehouse Management,**
- **Workshop Management,**
- **Front Line.**

VOLVO TRUCKS PERFORMANCE AWARDS

12 AWARDS

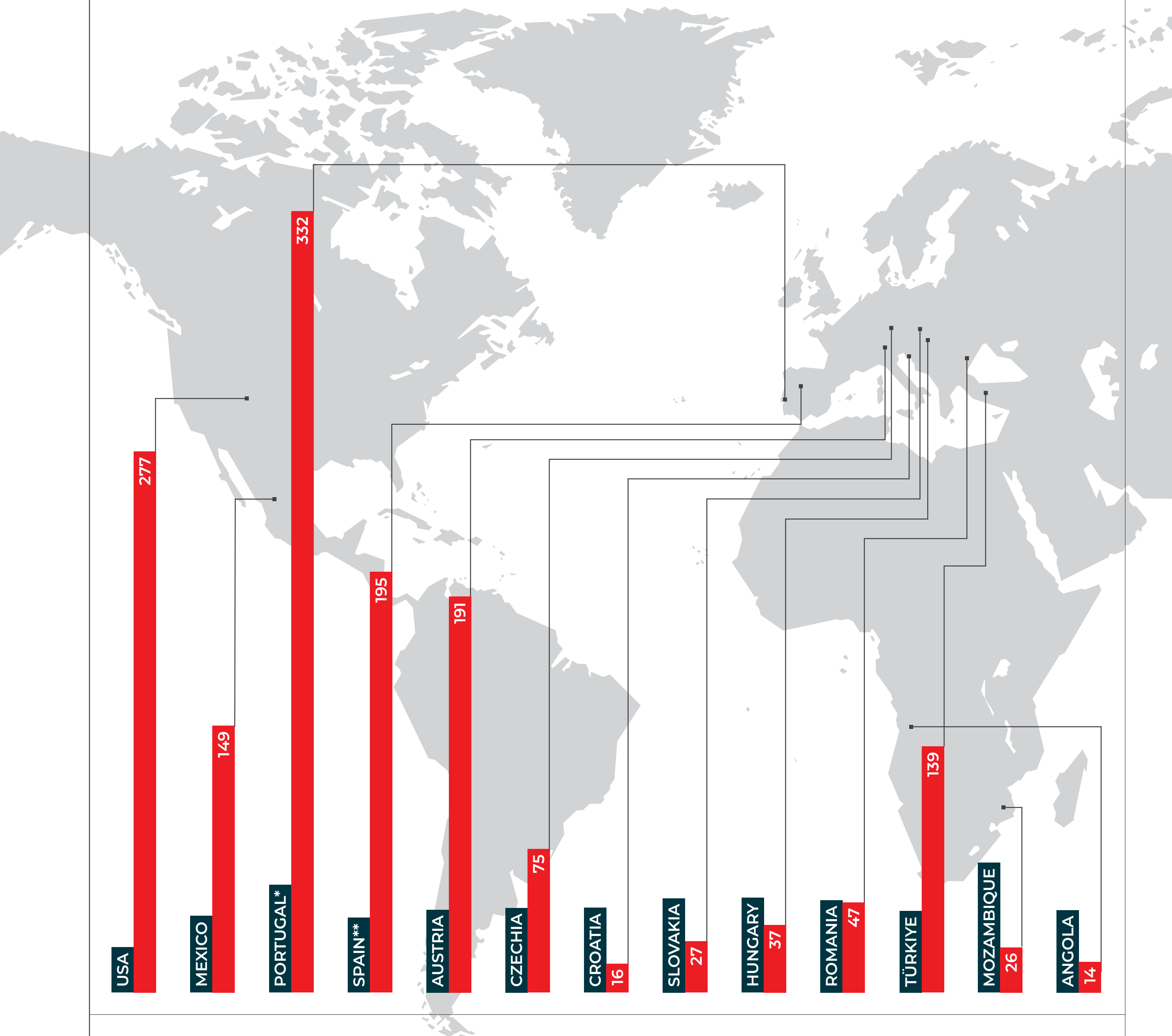
6 CATEGORIES

4.6. PEOPLE TRANSFORMATION

In 2022, the People & Culture 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 at 31st December 2022, 1,525 in total:

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 92% 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, 31% have completed



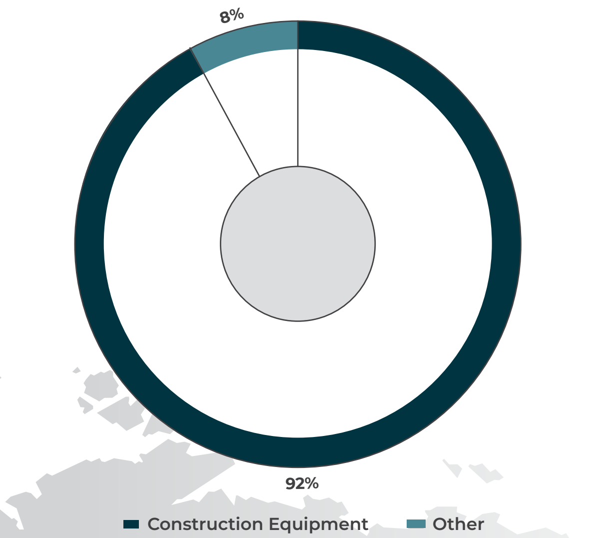
BOARD MEMBERS AND MANAGING DIRECTORS
24

TOTAL EMPLOYEES
1,525

*Number of employees in Portugal refers to Corporate Center: 39 employees; Ascendum Portugal and Máquinas: 158 employees; Trucks: 72 employees; Agro: 8 employees; Glomak: 55 employees;
**Number of employees in Spain refers to Ascendum Maquinaria: 168 employees; Glomak: 27 employees

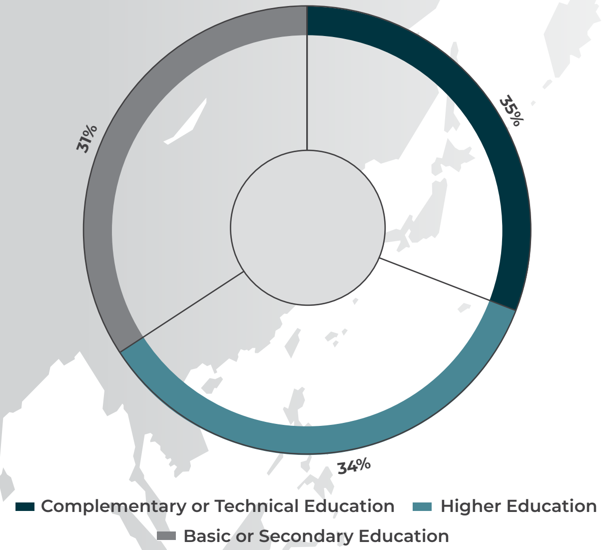
TOTAL EMPLOYEES

BY BUSINESS AREA



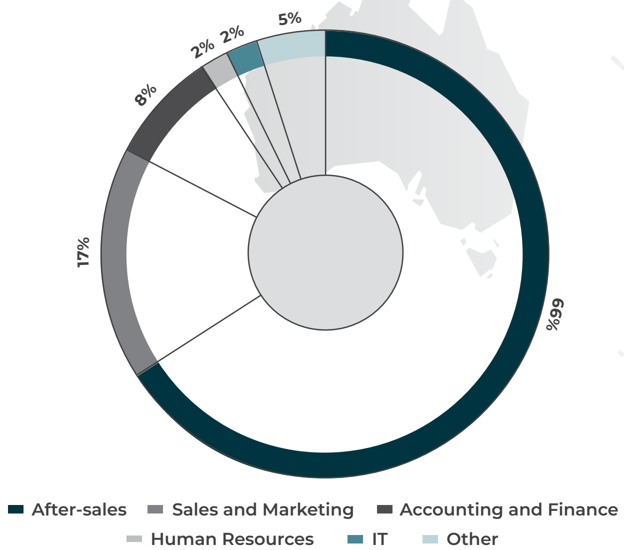
TOTAL EMPLOYEES

BY LEVEL OF EDUCATION



TOTAL EMPLOYEES

BY ROLE



basic or secondary education, 35% have completed complementary or technical education, and 34% have some level of higher education.

Regarding the distribution of employees by type of role, the After-Sales area is the most significant with 66% of the employees. Regarding distribution by management line, the Group has 24 Board Members and Managing Directors, 64 Directors and 156 Managers, with the remaining employees distributed between the 4th and 5th lines.

After the pandemic, 2022 was a year in which Ascendum, without losing its focus on the health and safety of its employees, plus a focus on its economic capacity by carefully monitoring and tracking inflation rates in the various geographies, and implementing compensation adjustments accordingly, focused on the growth needs of its corporate team, on business transformation centered on the strategic objectives of Human Capital, and on promoting a more digital, more agile and more customer-centric Ascendum.

EMPLOYEE VALUE PROPOSITION AND EMPLOYER BRAND AT ASCENDUM

In 2022, Ascendum focused on the business transformation that corporised our strategy, namely by beggining the service transformation through the revision of our Service model and roles as well as our Employee Value Proposition (EVP) and Employer Brand, building a statement that articulates the unique benefits and experiences that we offer our employees. This included the revision and upgrade of the Service Roles to accommodate the new business challenges and the revision of their recruitment and selection, compensation, career and learning and development models, as well as a higher focus on work-life balance and organizational culture. This revision has effectively contributed to:

1. Increase employee satisfaction and motivation,
2. Better develop the existing talent,
3. Attract and retain new talent to potentiate our growth,
4. Define a clear career path that provides growth opportunities to our service teams, and
5. Manage their performance in a consistent way.

This also contributed to differentiate Ascendum from its competitors and create a compelling employer brand. Our employer brand strategy, focused on the motto "Ascendum is more than you expect", was our strategic approach to building and communicating Ascendum's reputation as a great place to work. This included leveraging various marketing and communication channels to share our mission, values, and culture, as well as demonstrating the benefits and experiences that future employees can expect as part of our organization.

By investing in these strategies, Ascendum aimed to create a positive and inclusive work environment, improve collaboration, and drive overall business success.

CHANGE MANAGEMENT

With eyes set on the challenges presented by digitalization and customer-centricity, Ascendum partnered with NOVA School of Business and Economics, recognized as one of the best business schools worldwide to develop a Change Management Program, inspired by Ascendum's present challenges. This program had the goal to prepare our key Ascendum leaders (approximately 90 managers and directors) to be qualified ambassadors of change, with the mission of enable and encourage, spread, and successfully implement the new projects and ambitions with bravery while facing the challenges ahead.

Involvement of Leadership Teams in change management process is important for the following reasons:

1. OWNERSHIP AND COMMITMENT:

When Leaders are involved in change management process, they demonstrate their commitment to the change and ownership of the process. This creates a sense of buy-in and ownership among other stakeholders, leading to increased likelihood of successful implementation of the change.

2. LEAD BY EXAMPLE:

Leaders serve as role models for other employees and their involvement in the change process sets the tone for the rest of the organization.

3. ALLOCATION OF RESOURCES:

Leaders have the ability to allocate necessary resources for the change, such as funding, manpower and technology. Their involvement ensures that these resources are made available in a timely and effective manner.

4. OVERCOMING RESISTANCE:

Employees may resist change, but leadership roles can use their influence to overcome resistance and encourage employees to embrace change.

5. COMMUNICATION:

Leaders have the ability to communicate the vision, goals, and benefits of the change to the rest of the organization. This helps employees understand the reasoning behind the change and increases their support.

4.7. MAIN CONSOLIDATED INDICATORS

KEY PERFORMANCE INDICATORS (FIGURES IN THOUSAND EUROS)	2022	2021	Δ (22/21)
Turnover	1,201,622	1,025,416	17.2%
EBITDA (1)	150,646	111,391	35.2%
EBITDA as a % of Turnover	12.5%	10.9%	1.7 pp
EBIT (2)	116,453	66,018	76.4%
EBIT as a % of Turnover	9.7%	6.4%	3.3 pp
Net Income with non-controlling interests	80,387	42,641	88.5%
NI as a % of Turnover	6.7%	4.2%	2.5 pp
Total Assets	661,950	590,570	12.1%
Net Debt (3)	42,209	79,613	-47.0%
Equity with non-controlling interests	267,848	200,693	33.5%
Invested Capital (4)	310,057	280,306	10.6%
Return on Equity (5)	30%	21%	8.8 pp
Return on Invested Capital (6)	38%	24%	14.0 pp
Equity / Assets	40%	34%	6.5 pp
Net Debt / EBITDA	0.3x	0.7x	-0.4x
Number of employees	1,525	1,464	4.2%

(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.
(6) Ratio between EBIT and Invested Capital.

For the second year, the Group surpassed the 1 billion euros turnover threshold, with a total Turnover of 1,202 million euros, EBITDA of 151 million euros and Net Income of 80.4 million euros, the highest in the history of the Group.

Regarding the financial performance levels, Ascendum presented solid solvency ratios, with a Net Debt/EBITDA ratio of 0.3x and Equity/Assets of 40%, 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.

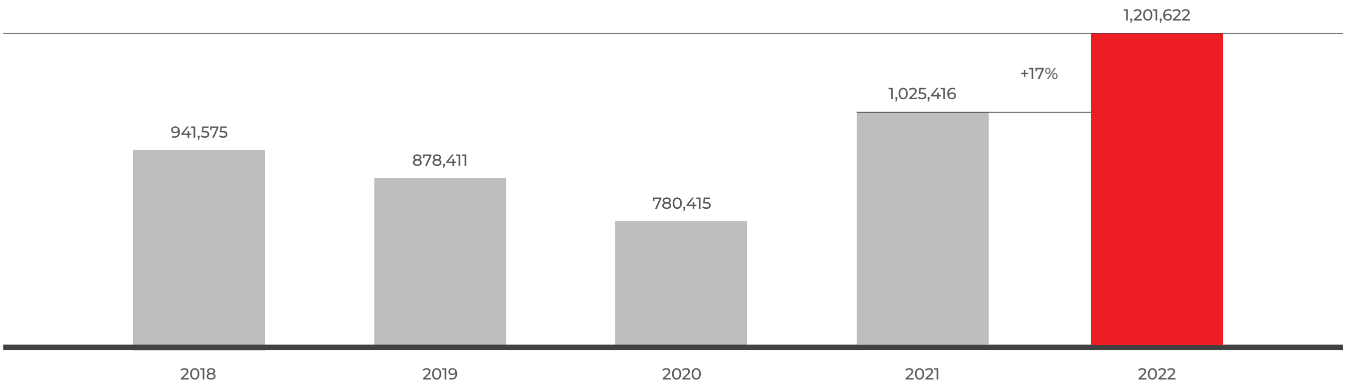
Ascendum's performance throughout 2022 results from the continued efforts made in recent years, related to the structural optimization and improvement of efficiency levels, but also from the consolidation of its position in the markets in which it operates. Thanks to the success of its growth strategy, 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 2022, Ascendum's Turnover increased by 17% to 1,202 million euros (surpassing for the first time in the Group's history the 1.2 billion euros score), with all the operations contributing positively.

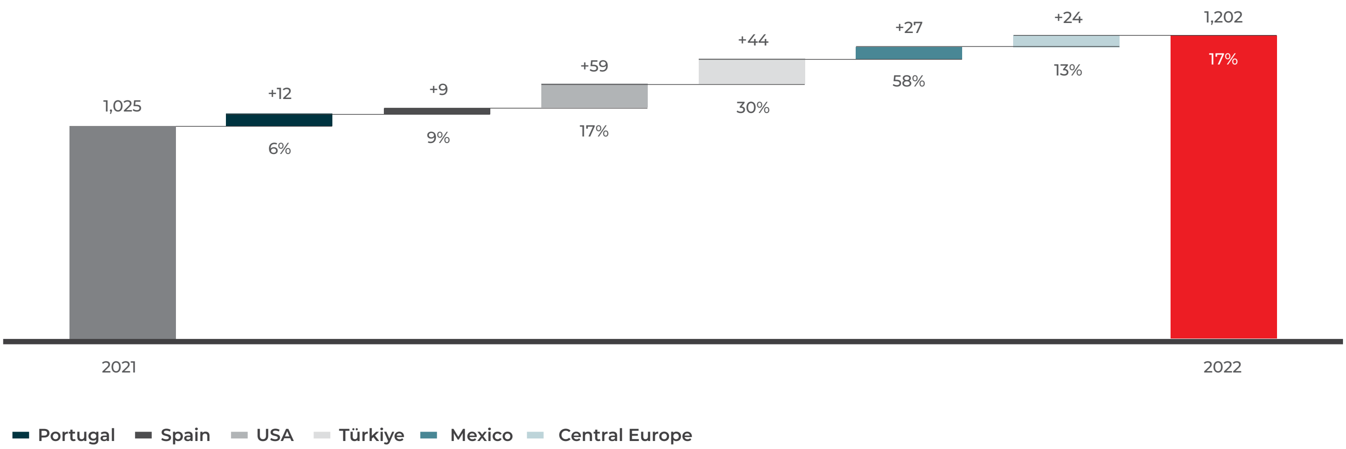
TURNOVER EVOLUTION

THOUSAND EUROS

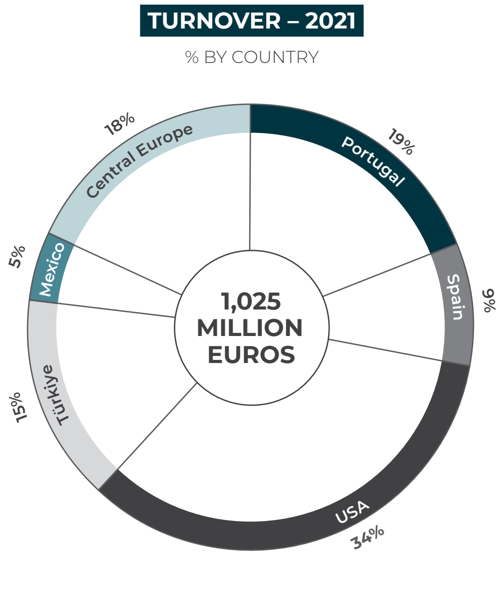


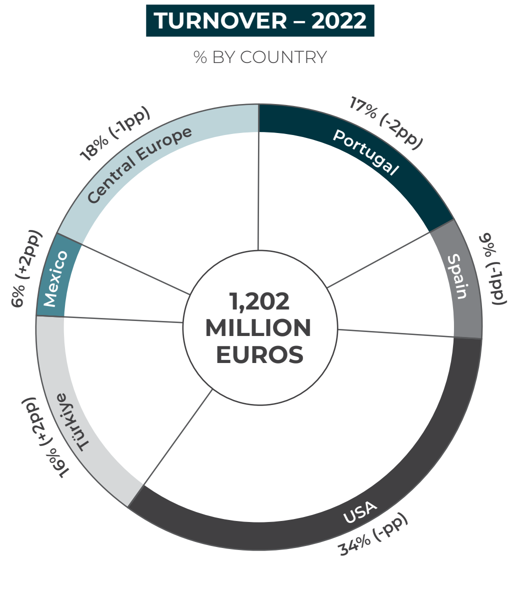
CONTRIBUTION TO THE TURNOVER GROWTH RATE

MILLION EUROS / % GROWTH RATE FROM 2021 TO 2022

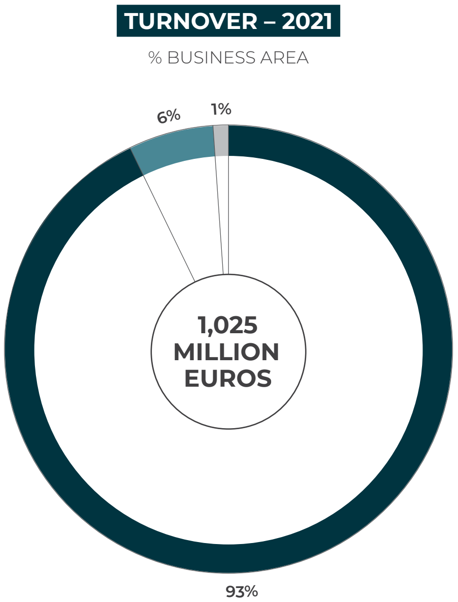


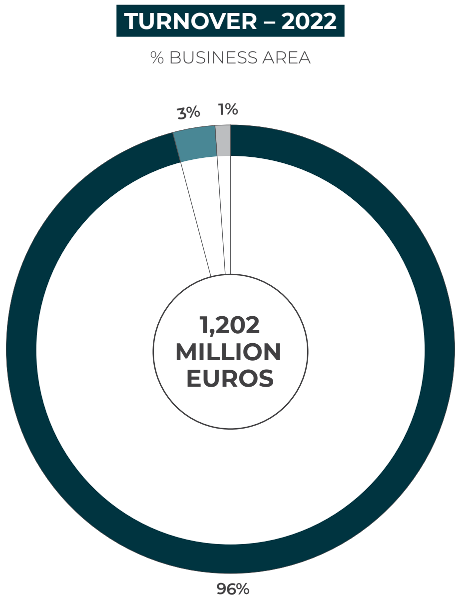
External markets (Spain, USA, Türkiye, Mexico, and Central Europe) accounted for 83% of the Group's consolidated Turnover in 2022, while the operation in the US remained the Group's largest contributor with a relative weight over 34%.





Portugal Spain USA Türkiye Mexico Central Europe





Construction and Industrial Equipment Vehicles Agriculture

In terms of business areas, the construction and industrial equipment segment maintained its weight compared to 2021 (increasing 3 p.p. when compared with the homologue period, and with a 21% growth), representing 96% of the Group's Overall Turnover at the end of 2022. The Vehicles (car and truck) business area saw its relative weight decrease from 6% to 3% (a decrease of 3% in absolute terms compared to the same period of the previous year, mainly due to the disposal of the car business in July 2022), while Agriculture represented 1% of the 2022 total turnover (maintaining the overall contribution of 2021 in terms of weight in the total turnover).

EBITDA

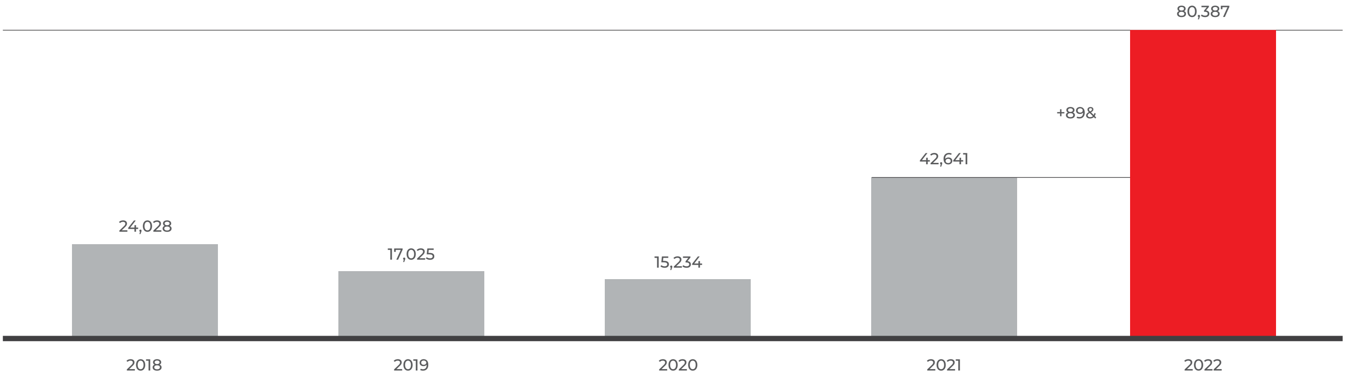
In 2022, Ascendum's EBITDA reached 150.6 million euros, equivalent to 12.5% of the Group's consolidated Turnover, corresponding to a 35.2% increase compared to 2021. In addition, the Group's management efforts in terms of measures implemented to improve profitability allowed the improvement of the EBITDA margin by 1.7 p.p. in 2022.

NET INCOME

In 2022, Ascendum's Net Income reached 80.4 million euros, the highest since the Group's inception, corresponding to an increase of 89%, from the previous year, and corresponding to a turnover margin of 6.7% (a 2.5 p.p. increase compared to 2021).

NET INCOME EVOLUTION

THOUSAND EUROS

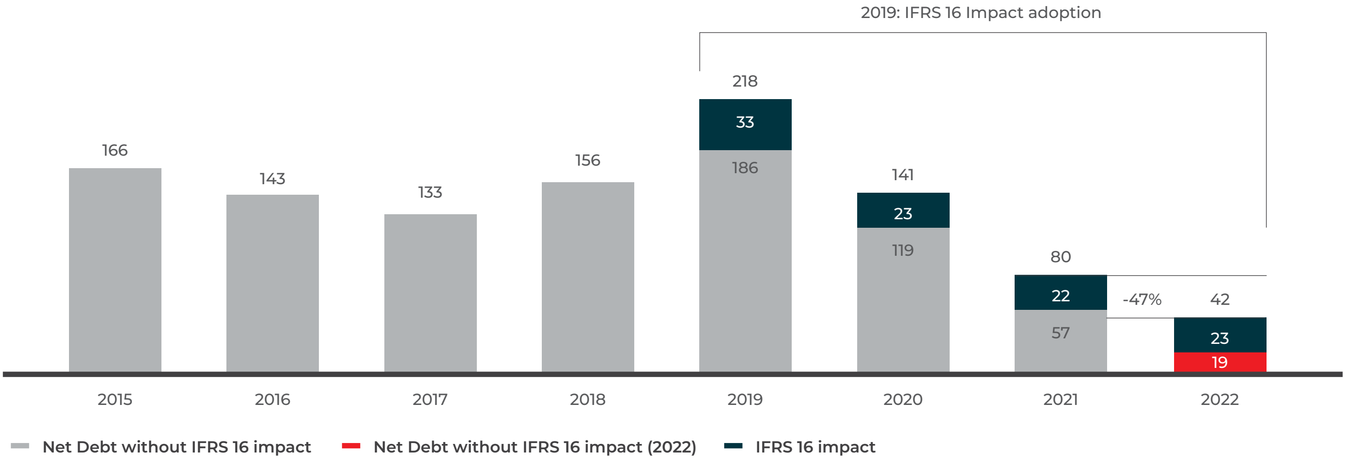


CONSOLIDATED NET DEBT

As of 31 December 2022, Net Debt was equal to 42 million euros (including the impact of the IFRS 16 adoption), almost half of the 2021 level.

NET DEBT EVOLUTION

MILLION EUROS



In addition, the consolidated gross debt totaled 136 million euros, out of which 62% of medium and long-term debt (equivalent to 84.3 million euros) and 38% short-term debt (equivalent to 52.0 million euros).

At the end of the year, the Net Debt/EBITDA ratio was equal to 0.3x (0.4x below the ratio of 2021), while the Equity/Net Debt ratio stood at 6.3x.

In 2022, 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 2022, Ascendum's Assets totaled 662 million euros, representing an asset turnover ratio decrease from 58% to 55%. In absolute terms, Ascendum's Total Assets increased by 71.4 million euros compared to 2021, to support the higher level of activity.

In addition, in 2022, Equity (with non-controlling interests) totaled 267.8 million euros, representing an increase of 34% compared to 2021, equivalent to 67.2 million euros, whereas the ratio Equity/Assets was equal to 40%.

5. MACROECONOMIC CONTEXT

If we define 2022 in a single word, it would be "uncertainty". Driven by several factors simultaneously, uncertainty has to be considered, more than ever.

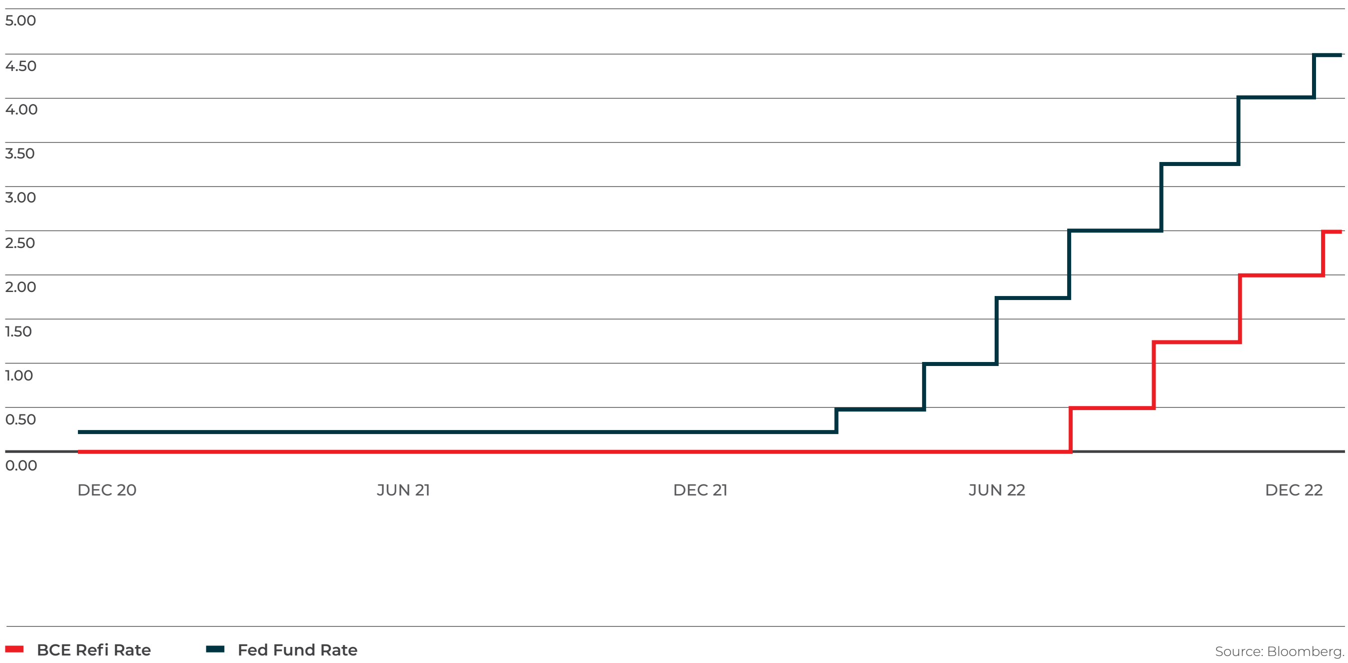
The war in Ukraine, increased political fragmentation, rising energy and food costs, higher overall inflation, higher interest rates to correct inflation and consequent slower economic growth have all contributed to higher uncertainty.

Supply-chain bottlenecks, started in the Covid-19 pandemic, continued to take effect, limiting sales in many sectors, generating backlogs, and contributing to inflation, which reached a 40-year record, to a world average of 8.8%.

Economic contraction is anticipated to occur in 2023, due to the tighter monetary policy of central banks, mainly in the US (Federal Reserve) and in Europe (ECB), as shown below:

EVOLUTION OF ECB AND US FEDERAL RESERVE REFERENCE INTEREST RATES

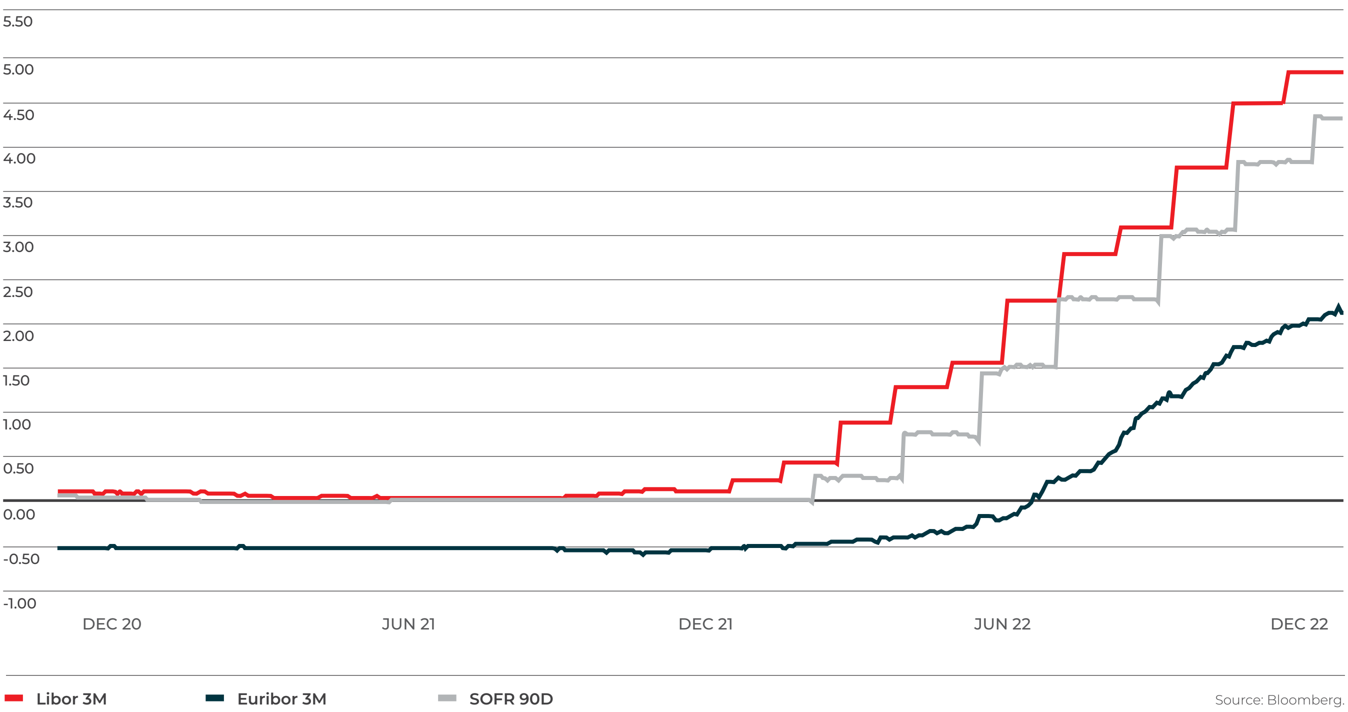
PERCENTAGE POINTS



Source: Bloomberg.

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

PERCENTAGE POINTS



Source: Bloomberg.

Despite the forecasted decrease in economic growth, as a consequence of higher cost-of-living, it will remain positive, at a 2.7% of GDP, if central banks act in a coordinated manner, to avoid pushing the global economy into a harsh and unnecessary recession and also maintaining its own credibility for the future to come.

Macroeconomic indicators are illustrated below:

MACROECONOMIC INDICATORS	WORLD	CHINA	JAPAN	EURO ZONE	PORTUGAL	SPAIN	USA
Total population							
2022E (millions of people)	7,954	1,413	125	343	10	48	333
CAGR (22E-26E)	n.a	-0.1%	-0.5%	n.a	-0.2%	0.4%	0.3%
Gross Domestic Product							
2022E - nominal (B USD)	101,561	18,321	4,301	13,974	256	1,390	25,035
Real growth rate (21-22E)	3.2%	3.2%	1.7%	3.1%	6.2%	4.3%	1.6%
CAGR (17-22E)	2.5%	5.2%	-0.2%	1.0%	1.5%	0.4%	1.8%
CAGR (22E-26E)	3.1%	4.5%	1.1%	1.5%	1.8%	2.2%	1.5%
Other Indicators (2022E)							
Inflation	8.75%	2.17%	1.99%	8.31%	7.90%	8.83%	8.05%
GFCF - real growth rate (20-21E)	n.a	n.a	n.a	2.8%	4.0%	4.8%	-0.4%
Unemployment rate	n.a	4.20%	2.55%	6.8%	6.11%	12.69%	3.67%
Gross Public Debt (% of GDP)	n.a	76.89%	263.92%	93.0%	114.74%	113.57%	122.10%
CIT (or equivalent)	n.a	25%	23%	n.a	21%	25%	21%
VAT (or equivalent)	n.a	13%	10%	21%	23%	21%	0%
Central Bank Ref. Rate 31-Dec	n.a	3.65%	-0.10%	2.50%	2.50%	2.50%	4.50%

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

MACROECONOMIC INDICATORS	EURO ZONE	TÜRKIYE	MEXICO	AUSTRIA	CZECHIA	CROATIA	HUNGARY	ROMANIA
Total population								
2022E (millions of people)	343	86	130	9	11	4	10	19
CAGR (22E-26E)	n.a	1.1%	0.8%	0.5%	0.1%	-0.2%	0.0%	0.0%
Gross Domestic Product								
2022E - nominal (B USD)	13,974	853	1,425	468	296	69	185	300
Real growth rate (21-22E)	3.1%	5.0%	2.1%	4.7%	1.9%	5.9%	5.7%	4.8%
CAGR (17-22E)	1.0%	4.3%	0.1%	1.2%	1.2%	2.7%	3.6%	3.1%
CAGR (22E-26E)	1.5%	3.0%	1.8%	1.6%	2.9%	3.0%	2.7%	3.5%
Other Indicators (2022E)								
Inflation	8.31%	73.13%	8.03%	7.73%	16.34%	9.76%	13.88%	13.34%
GFCF - real growth rate (20-21E)	2.8%	3.5%	n.a.	-0.6%	5.3%	9.4%	n.a.	4.7%
Unemployment rate	6.8%	10.76%	3.43%	4.47%	2.50%	6.90%	3.41%	5.50%
Gross Public Debt (% of GDP)	93.0%	37.48%	56.82%	78.53%	41.47%	72.58%	74.83%	49.65%
CIT (or equivalent)	n.a	23%	30%	25%	19%	18%	9%	16%
VAT (or equivalent)	21%	18%	16%	20%	21%	25%	27%	19%
Central Bank Ref. Rate 31-Dec	2.50%	9.00%	10.50%	2.50%	7.00%	2.50%	13.00%	6.75%

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

Inflation pressures have triggered a rapid and synchronized tightening of monetary conditions, alongside an appreciation of the US dollar against most other currencies, at levels not seen since the early 2000s, requiring other countries to calibrate monetary policy and let exchange rates adjust accordingly.

EXCHANGE RATES (YEAR-END)	2021	2022	Δ (21/22)
EUR/USD	1.133	1.067	-5.8%
EUR/TRY	15.234	19.965	31.1%
EUR/MXN	23.144	20.856	-9.9%
EUR/CZK	24.858	24.116	-3.0%
EUR/HUF	369.190	400.870	8.6%
EUR/HRK	7.516	7.537	0.3%
EUR/RON	4.949	4.950	0.0%
EUR/AOA	629.015	537.438	-14.6%
EUR/MZN	72.320	68.124	-5.8%

Learning from events in the macroeconomic context of 2022, greater uncertainty requires different responses from organizations, namely reinforced attention to politics, gaining flexibility and contingency planning, in order to continue building resiliency.

6. ASCENDUM'S PERFORMANCE IN 2022

Ascendum operates mainly in three major business areas – construction and industrial equipment, infrastructure equipment and vehicles (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:

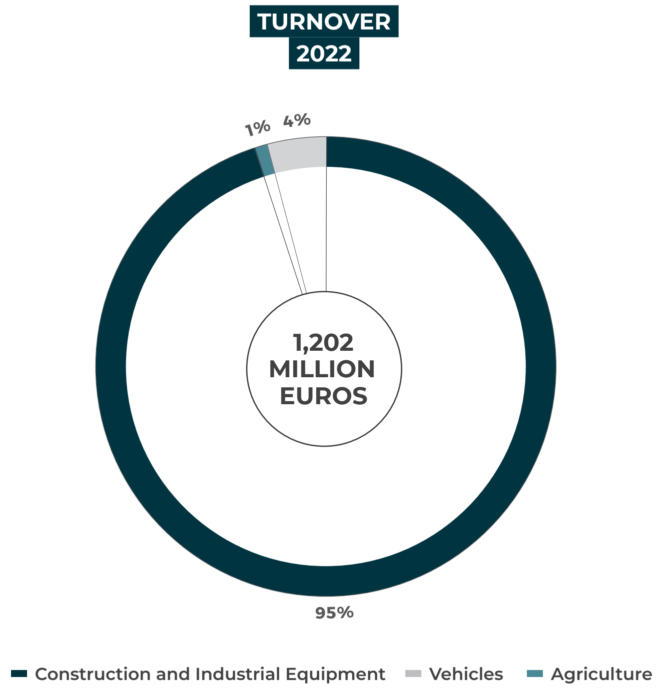
Ascendum S.A.

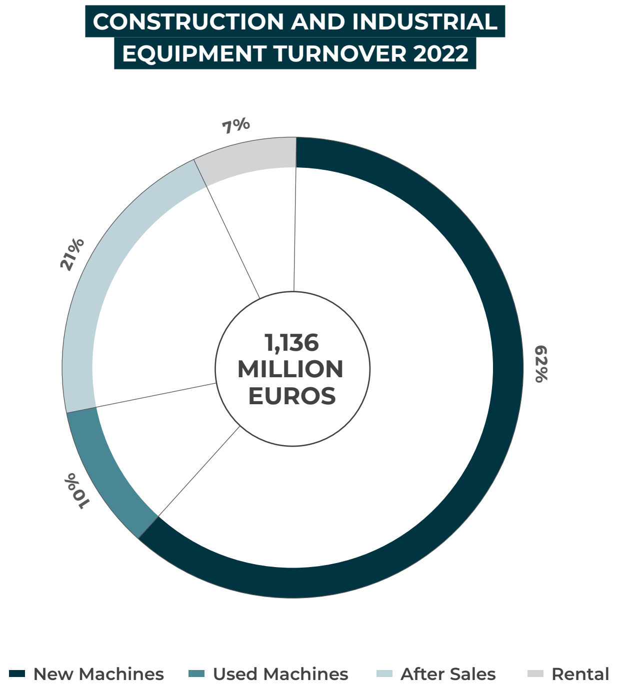
- **Construction and Industrial Equipment**
  - Portugal
  - USA
  - Mexico
  - Spain
  - Türkiye
  - Central Europe*
- **Infrastructure Equipment**
  - Portugal
  - Spain
- **Vehicles (Trucks)**
  - Portugal
- **Agriculture**
  - Portugal

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

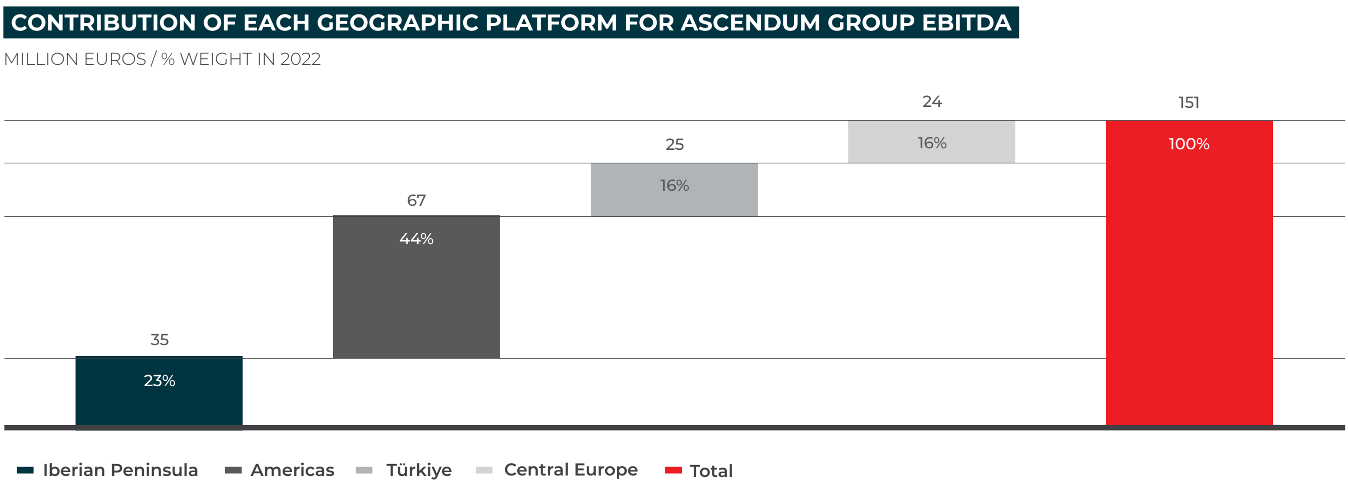
In 2022, the Construction and Industrial Equipment segment once again positioned itself as the largest contributor to the Group's Turnover, with a relative weight of 95%, with the Americas – USA and Mexico – as the leading geographic platform (40%), followed by the Iberian Peninsula (26%), Central Europe (18%) and Türkiye (16%).

BUSINESS AREA THOUSANDS OF EUROS	IBERIAN PENINSULA	AMERICAS	TÜRKIYE	CENTRAL EUROPE	TOTAL
Construction and Industrial Equipment	250 607	479 696	194 151	211 839	1 136 294
Agriculture	17 443	n.a.	n.a.	n.a.	17 443
Vehicles	47 885	n.a.	n.a.	n.a.	47 885
Total	**315 935**	**479 696**	**194 151**	**211 839**	**1 201 622**





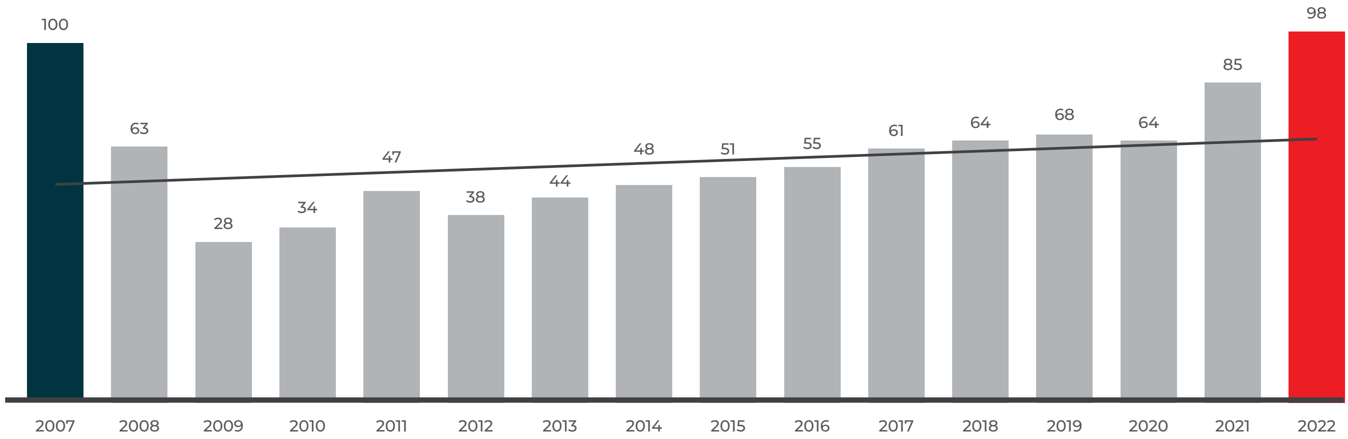
Regarding EBITDA, the Americas (USA and Mexico) were the main contributors to Ascendum's total EBITDA, with a relative weight of 44% in the Group's total EBITDA.



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 2022, the addressable market recovered the positive trend by 15% corresponding to c. 98% of the peak year (2007).

ASCENDUM ADDRESSABLE MARKET INDEX EVOLUTION

HISTORICAL PEAK YEAR 2007 = 39,702 UNITS (INDEX 100 = 2007)

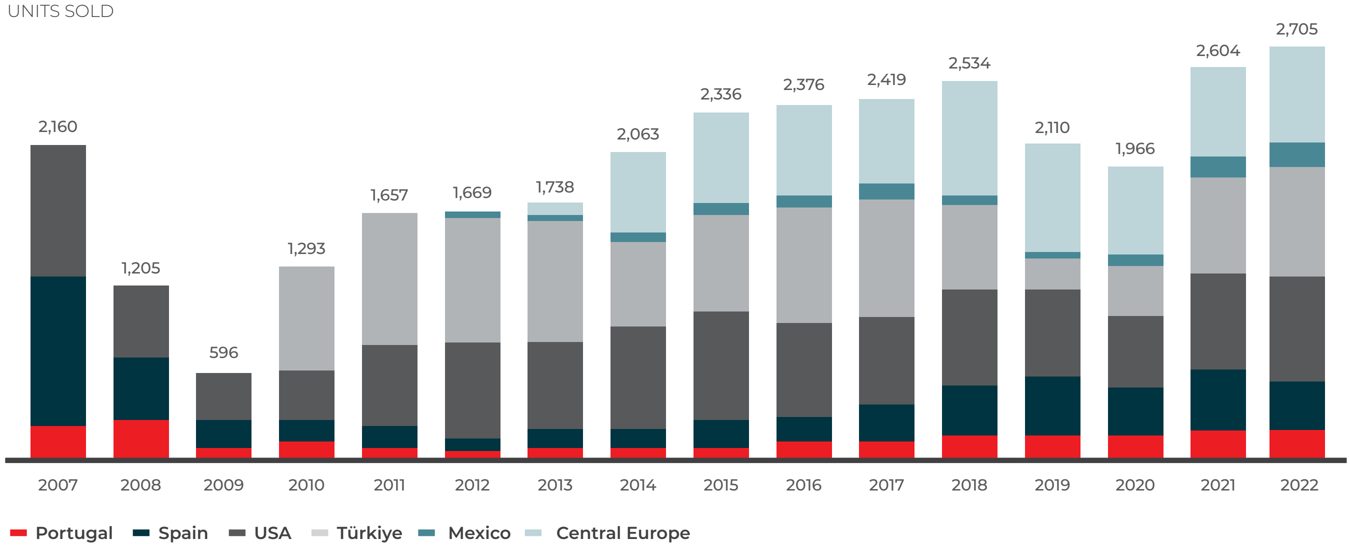


Following its strategy of portfolio growth and diversification, in 2022, Ascendum sold 2,705 units[2], which corresponds to an increase of 3.9%, compared to 2021, mainly driven by a very strong performance in the Turkish and Mexican markets.

In what concerns market share [3], Ascendum presented a good overall performance, particularly in the GPE segment, with an overall market share of 12.2%, of which we highlight the higher penetration of the Iberian, Slovakian and Austrian operations.

CONTRIBUTION OF EACH GEOGRAPHIC PLATFORM IN TERMS OF UNITS SOLD

UNITS SOLD



(2) Excluding backhoe loaders, motorgraders and skid steers.
(3) Excluding backhoe loaders, motorgraders and skid steers.

2022	PORTUGAL[1]	SPAIN[2]	USA	TÜRKIYE	MEXICO	CENTRAL EUROPE	TOTAL[3]
Total market	1,423	3,549	15,403	7,210	2,305	8,833	38,723
GPE	464	1,224	5,540	5,355	1,786	2,894	17,263
CSE	887	1,925	9,224	1,355	162	4,885	18,438
Road Machinery	72	400	639	500	357	1,054	3,022
Ascendum units sold	171	376	671	736	144	607	2,705
GPE	93	247	568	646	140	417	2,111
CSE	76	120	59	88	1	178	522
Road Machinery	2	9	44	2	3	12	72
Market share	12.0%	10.6%	4.4%	10.2%	6.2%	6.9%	7.0%
GPE	20.0%	20.2%	10.3%	12.1%	7.8%	14.4%	12.2%
CSE	8.6%	6.2%	0.6%	6.5%	0.6%	3.6%	2.8%
Road Machinery	2.8%	2.3%	6.9%	0.4%	0.8%	1.1%	2.4%

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

6.1 CONSTRUCTION EQUIPMENT

6.1.1 PORTUGAL

Despite the constraints on the economic activity in 2022, the construction sector continued to exhibit great resilience, reflected on the good performance in most sectorial indicators, namely a 9% growth in employment on the third quarter of 2022, reaching the highest level in 10 years, and homologue increases of 0.8% and 1.1% in construction investment and gross value added, respectively, during the first 9 months of 2022.

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 3.8% in 2022 (-3% in 2021).

The civil engineering sector estimates a more dynamic growth of 4.5%, derived from the high volume of tenders occurred in 2020 and 2021.

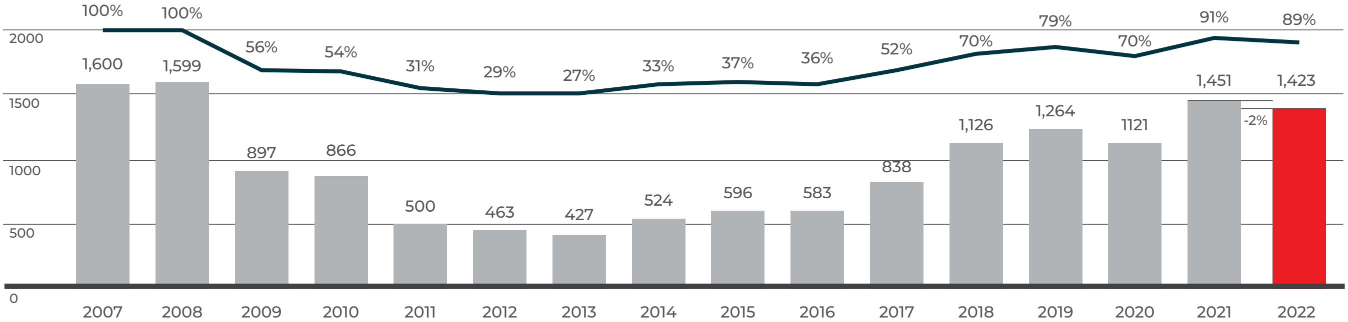
The Industry Confidence Indicator's improved to -3.6% (-4.2% in 2021) explained by the evolution of production prospects, product stocks and demand in general.

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 2022, the domestic market of construction equipment where Ascendum Máquinas operates[4] exhibited a slight decline of 2%, when compared to 2021, to 1,423 units sold reaching 89% of the peak year (2007).

EVOLUTION OF THE PORTUGUESE MARKET WHERE ASCENDUM MÁQUINAS OPERATES

UNITS SOLD



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

(4) Excluding backhoe loaders, motorgraders and skid steers.

Ascendum Máquinas' turnover increased by 6.8% to 71.6 million euros in 2022, driven by a 14.5% increase on the sale of new construction equipment and 16.8% boost in the after-sales business, counteracting the market stabilization observed in 2022, and more than offsetting the decline on the other business segment derived from the disposal of the forklift business in mid-2021.

In addition, both rental and agriculture (Kioti) segments exhibited a very positive performance by adding an incremental 0.8 million euros of revenue in 2022.

MILLION EUROS	2021	2022	Δ (22/21)
New and used machines	39.9	43.6	9.3%
After sales	14.6	17.1	16.8%
Rental	2.8	3.1	10.4%
Agriculture (Kioti)	5.6	6.1	9.3%
Other businesses	4.1	1.6	-59.7%
Total turnover	**67.1**	**71.6**	**6.8%**

6.1.2. SPAIN

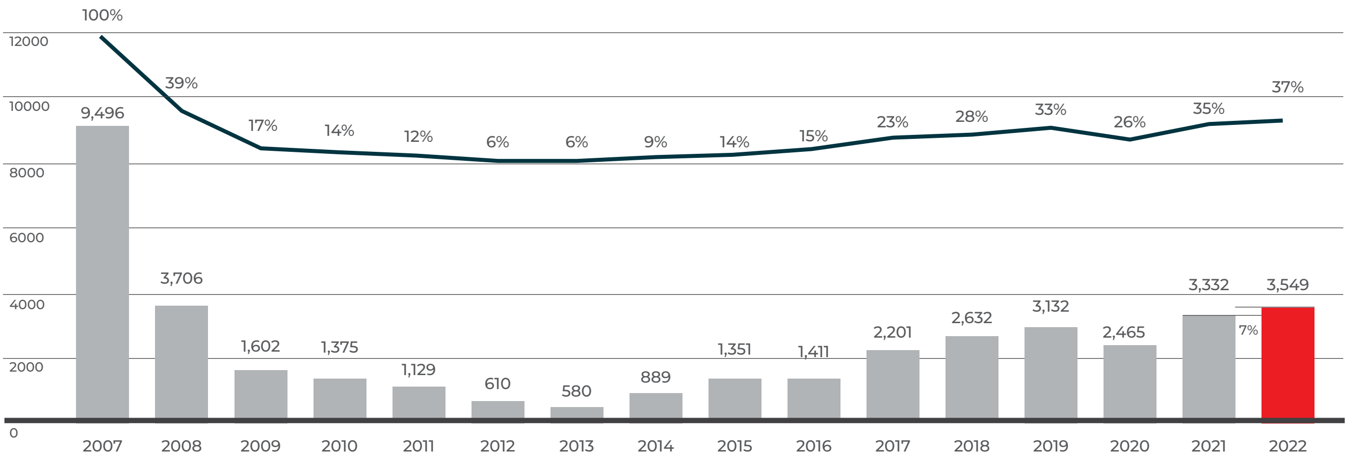
Ascendum operates in Spain through Ascendum Maquinaria, a company that imports and distributes VCE construction and industrial equipment, across the country, with its physical presence in Madrid, Barcelona, Granada, Valladolid, and Santiago de Compostela.

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 2022, the domestic market of construction equipment where Ascendum Maquinaria operates[5] resumed the positive trend initiated in 2013 – and interrupted by the COVID-19 pandemic impact – and expanded 7% to 3,549 units sold. The current addressable market represents 37% of the addressable market of 2007 (peak year).

EVOLUTION OF THE SPANISH MARKET WHERE ASCENDUM MAQUINARIA OPERATES

UNITS SOLD



Peak level index (2007=100%)

Surpassing the market trend in 2022 and despite some constraints in machine supply, Ascendum Maquinaria' s turnover increased by 9.0% to 107.4 million euros, mainly driven by a 31.7% boost on the sale of new equipment and a 3.4 million euros increment on the after-sales business.

The used equipment and the rental businesses also experienced a very positive performances, exhibiting a combined grow of 8.6%.

Given the different performances of each business segment, the sales mix was subject to a rebalance, with equipment sales representing 69.4% of overall turnover in 2022 (70.3% in 2021), followed by the after-sales with 27.8% (26.9% in 2021) and the rental with 2.8% (2.7% in 2021).

(5) Excluding backhoe loaders, motorgraders and skid steers.

MILLION EUROS	2021	2022	Δ (22/21)
New machines	58.4	62.7	7.4%
Used machines	10.9	11.8	7.7%
Rental	26.5	29.9	12.7%
After sales	2.7	3.0	12.3%
Total turnover	**98.5**	**107.4**	**9.0%**

6.1.3. 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.

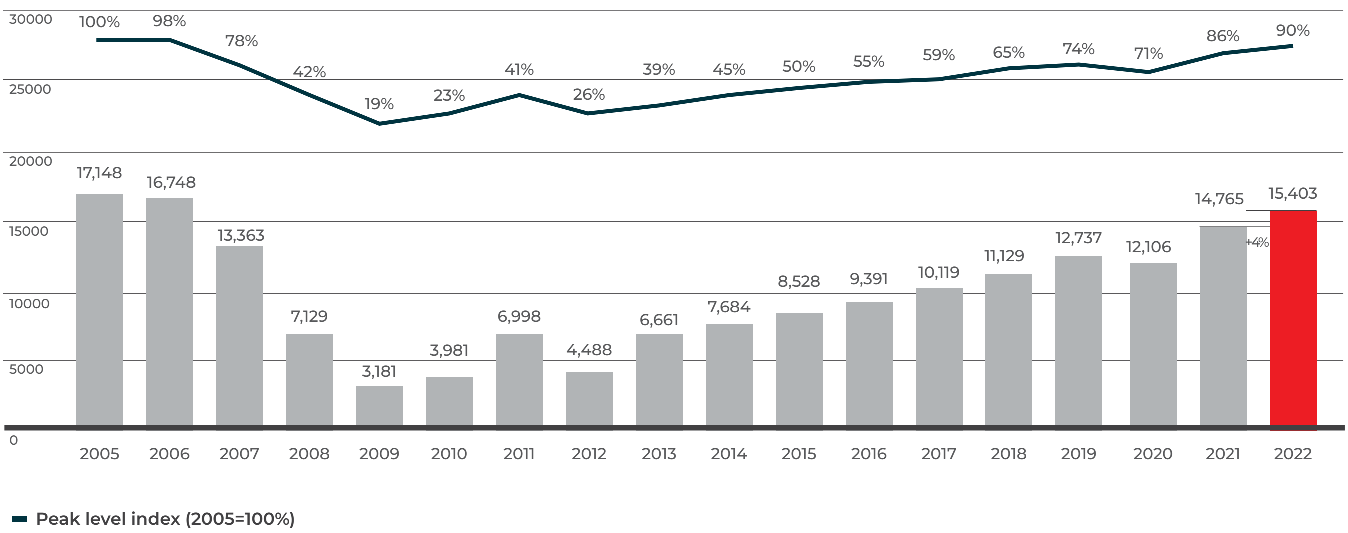
With activity in business segments relating to the sale, rental, and after-sales service of VCE construction and industrial equipment (among other brands), Ascendum Machinery has been recognized as the largest Volvo dealer in North America since 2005, having received several awards both in the financial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

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

Maintaining the growth trend that was interrupted in 2020 due to the COVID-19 pandemic, the domestic market of construction equipment where Ascendum Machinery operates[6] increased by 4% to 15,403 units sold in 2022.

EVOLUTION OF THE NORTH AMERICAN MARKET WHERE ASCENDUM MACHINERY OPERATES

UNITS SOLD



In 2022, and in line with the market trend, the operation in the USA reinforced its turnover by 3.5% to 427.1 million US dollars (405.6 million euros) mainly driven by the after-sales business that added an additional 12.7 million US dollars (12.1 million euros), representing 18.5% of 2022 turnover (16.1% in 2021).

The sale of construction equipment, still impacted by continuing supplier shortages and transportation and logistics delays, rose by 2.3% to 329.8 million US dollars (313.1 million euros) in 2022, while the rental business shrunk 23.0% to 18.4 million US dollars (17.4 million euros) due to the sale of the existing rental fleet and shortage of inventories to replace it.

MILLION US DOLLARS	2021	2022	Δ (22/21)
New and used machines	322.5	329.8	2.3%
Rental	23.8	18.4	-23.0%
After sales	66.3	79.0	19.1%
Total turnover	**412.6**	**427.1**	**3.5%**

(6) Excluding backhoe loaders, motorgraders and skid steers.

6.1.4. TÜRKIYE

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).

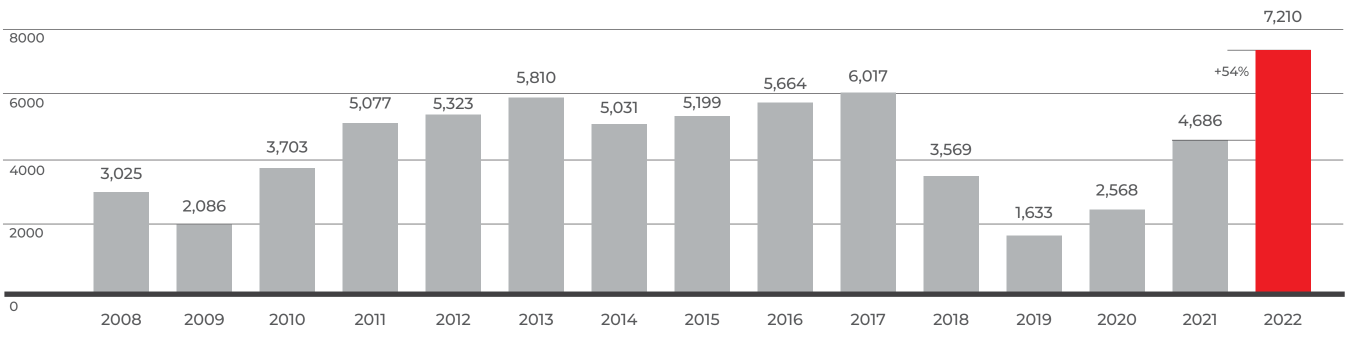
The overall macroeconomic picture in 2022 was vulnerable and uncertain, given rising inflation, contracting investment and financial sector vulnerabilities.

Due to the expected election in May (2023), the Turkish government has already started to execute expansionist monetary and fiscal policies. GDP is expected to increase by 5% in 2022 but regaining monetary policy credibility and containing high and rapidly rising inflation, that reached 64% at the end of 2022, remain major challenges.

The market where Ascendum Makina operates[7] confirmed the recovery tendency since the 2018 financial crisis and rose by 54% to 7,210 units in 2022.

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 29.7% to 194.4 million euros, very close to the pre-crisis level in 2017, boosted by the strong performance on the sale of equipment, which added 114 units in 2022 and by the after-sales increase by 28.5% to 36.7 million euros in 2022.

MILLION EUROS	2021	2022	Δ (22/21)
New and used machines	119.9	155.4	29.6%
Rental	1.4	2.3	63.9%
After sales	28.5	36.7	28.5%
Total turnover	**149.9**	**194.4**	**29.7%**

6.1.5. 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 *Istmo de Tehuantepec* and *the Mayan Train* railway projects.

The participation of Ascendum Maquinaria México in *Mayan Train* and *Santa María* dam, in Sinaloa, projects were the booster for the 2022 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*.

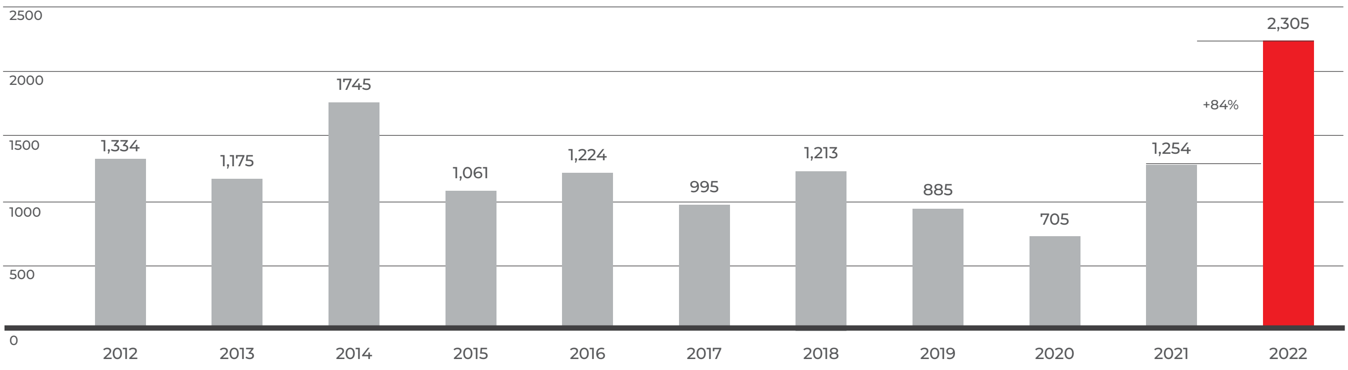
In 2022, Ascendum continued its strategy of strengthening the Mexican market operation, focusing on process improvement, optimization of the operational structure and enhancing employee skills.

The domestic market of construction equipment where Ascendum Maquinaria Mexico operates[8] increased by 84% to 2,305 units sold in 2022.

(7) Excluding backhoe loaders, motorgraders and skid steers.
(8) 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 improve by 40.7% to 78.0 million US dollars (74.1 million euros) in 2022, the highest since company's inception, driven by the strong performance on the sale of new equipment that added 47 units in 2022, despite product availability issues, followed by the after-sales business that rose 26.1%.

MILLION US DOLLARS	2021	2022	Δ (22/21)
New and used machines	44.8	65.7	46.9%
Rental	3.5	3.2	-9.0%
After sales	7.2	9.1	26.1%
Total turnover	**55.5**	**78.0**	**40.7%**

6.1.6. 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, Czechia, 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 6.7% from 8,280 units sold in 2021 to 8,833 units in 2022, as Austria, Czechia and Hungary markets combined recovered more than 600 units.

Of all the markets[9] encompassed in the Central Europe operation, the Austrian market is the largest one, accounting for 34.9% of total units sold in 2022, followed by Czechia (25.7%) and Hungary (14.6%). In fact, 75.6% of the sale of new machines performed by Ascendum in 2022 in Central Europe took place in one of those 3 markets, with particular emphasis on Austria, which alone accounted for 44.6%.

Ascendum sold 607 units in Central Europe in 2022, 68.7% of which pertain to general-purpose equipment. As with other geographies, product availability and production shortages negatively impacted Group operations in Central Europe.

(9) Excluding backhoe loaders, motorgraders and skid steers.

2022	AUSTRIA	CZECHIA	ROMANIA	HUNGARY	CROATIA	SLOVAKIA	TOTAL(*)
Total market	3,084	2,272	1,146	1,294	722	315	8,833
GPE	1,146	692	401	318	245	92	2,894
CSE	1,662	1,320	524	831	365	183	4,885
Road Machinery	276	260	221	145	112	40	1,054
Ascendum units sold	271	127	65	61	57	26	607
GPE	197	80	46	33	37	24	417
CSE	68	46	15	27	20	2	178
Road Machinery	6	1	4	1	0	0	12
Market share	8.8%	5.6%	5.7%	4.7%	7.9%	8.3%	6.9%
GPE	17.2%	11.6%	11.5%	10.4%	15.1%	26.1%	14.4%
CSE	4.1%	3.5%	2.9%	3.2%	5.5%	1.1%	3.6%
Road Machinery	2.2%	0.4%	1.8%	0.7%	0.0%	0.0%	1.1%

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

In 2022, the operation in Central Europe showed a strong turnover growth of 13.1%, mainly driven by the sale of construction equipment, which increased by 12.3%, representing 68.0% of 2022 turnover (68.4% in 2021). In terms of origination, 54.3% of the 2022 turnover comes from Austria, followed by Czechia with 18.3% and Romania with 8.3%.

MILLION EUROS	2021	2022	Δ (22/21)
New and used machines	128.3	144.1	12.3%
Rental	13.3	13.1	-1.7%
After sales	45.8	54.8	19.6%
Total turnover	**187.4**	**212.0**	**13.1%**

6.2. TRUCKS

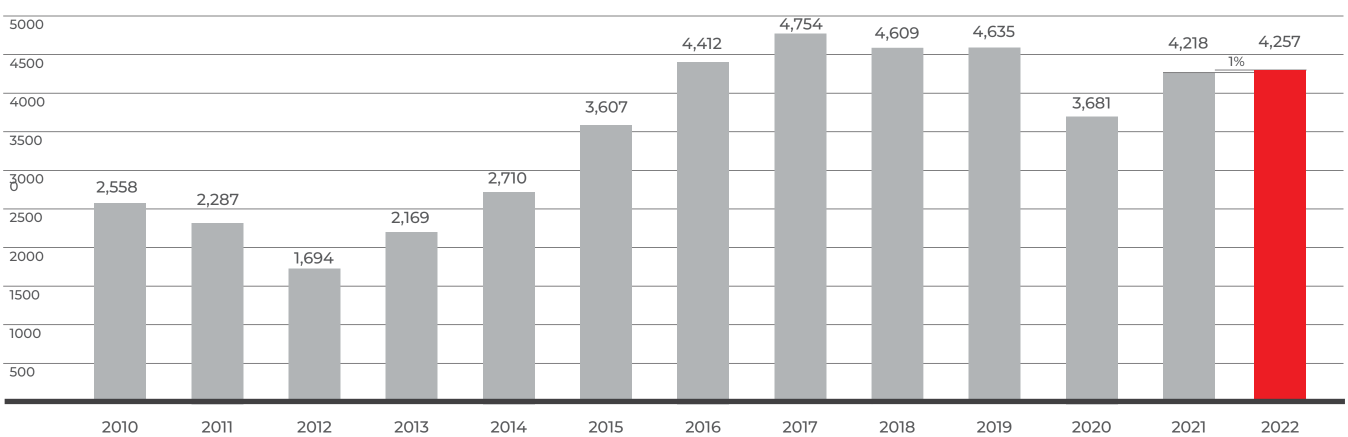
Regarding the truck business, the Group operates in Portugal through Ascendum Camiões, respectively, representing the Volvo brand in Coimbra, Viseu, Leiria and Albergaria.

The domestic market of heavy goods vehicles, with a gross weight over 10 tons, increased by 1% to 4,257 units in 2022.

In this segment (gross weight > 10 tons), Volvo's market share increased to 25% (19.8% in 2021) by selling 1,063 units (836 in 2021). Ascendum Camiões had a 15.1% weight on Volvo brand, which represents a 3.9 p.p. increase compared to 2021.

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

UNITS



Source: NORS.

Ascendum Camiões' turnover increase by 15.4% in 2022 to 29.4 million euros, mainly driven by the new trucks and after-sales businesses, which increased by 66.8% and 4.2%, respectively, more than offsetting the decline of 68.4% on the used truck segment, explained by product scarcity related to fewer trade-ins.

MILLION EUROS	2021	2022	Δ (22/21)
New trucks	10.1	16.9	66.8%
Used trucks	4.8	1.5	-68.4%
After sales	10.5	11.0	4.2%
Total turnover	**25.4**	**29.4**	**15.4%**

6.3. 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.

The national market for agriculture tractors experienced a slight decline of 3% to 5,758 units sold in 2022.

Despite product availability issues, Ascendum Agro exhibited a strong performance and its turnover rose by 26.1% to 11.5 million euros, driven by a strong performance on the sale of new machines (134 units in 2022 vs 108 units in 2021) and after-sales business, mainly explained by 3 new dealerships and a new branch in Azores.

MILLION EUROS	2021	2022	Δ (22/21)
New machines	7.3	9.3	26.7%
After sales	1.8	2.2	23.6%
Total turnover	**9.2**	**11.5**	**26.1%**

7. SUSTAINABILITY POLICY

Ascendum's approach to sustainability is based on the balance of three key elements: economic, social, and environmental. This approach is supported by a quality policy that aims to continually enhance the company's performance in all areas of operation. The sustainability policy reflects a commitment to creating a sustainable future through a balanced consideration of economic prosperity, social responsibility, and environmental protection.

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, the practice of amateur sports and fight against school abandonment. Some examples of the Corporate Center initiatives are:

- **FIA World Rallycross Championship 2022:** Ascendum was the hosting dealer and gold sponsor of the CE Dealer Team, in partnership with Volvo CE, the Official Track Building Partner. This event also promoted E-mobility machinery exhibition, "Change Starts Here" and "Going Electric" seminars, a fun zone for guests that included a kid's mini excavator sandpit and the Excavator Challenge;

SUSTAINABILITY POLICY PILLARS:

ECONOMIC
SOCIAL
ENVIRONMENTAL

- **Ascendum is a founding member and supporter of EPIS, a group called "Entrepreneurs for Social Inclusion."** EPIS works to prevent students from dropping out of school by offering both financial assistance and guidance through mentorship. The organization helps children and young adults stay in school and transition into society successfully;

- **Sponsorship of the GDD ("Grupo Deportivo Direito")**, the largest amateur sports club in Portugal and a non-profit organization recognized as of public utility that promotes amateur rugby and its values, combats school dropout, and helps integrate communities through sports.

PORTUGAL INITIATIVES

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

- **Ascendum Agro and the Polytechnic Institute of Beja (IPBeja) signed a protocol** of reciprocal collaboration in which they undertake to be preferential and privileged partners in all their initiatives that may be of common interest and benefit such as the organization of activities, practical demonstrations, seminars, events, workshops and training actions. This agreement allows students to benefit from internships with the reception, monitoring and supervision by Ascendum. Field tests of Valtra tractors incorporating precision farming technologies and/or technological innovations are planned as means of dissemination and demonstration in the student community.

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:

- In Ciempozuelos, **Ascendum Spain welcomed an EVP open day for students from the Secondary Degree in electromechanical machinery**, showing them our ways of working and what their professional future could be at Ascendum. During the event, students visited the Uptime Center and the workshop, and attended an interactive session with Techtool, testing some of the machines in the spot.

UNITED STATES OF AMERICA INITIATIVES

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

- **Volunteer work on 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).

TÜRKIYE INITIATIVES

Our Türkiye 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:

- **Ascendum Türkiye is working together with TEMA,** which is a Turkish organization focused on combating soil erosion, protecting natural habitats, and reforesting. As part of this partnership, Ascendum Türkiye is funding the planting of a new tree for every machine they sell, and also for every employee's birthday. They are sending gift certificates to their customers to show their appreciation and also to raise awareness about environmental issues such as soil erosion, deforestation, desertification, climate change, and biodiversity loss. TEMA's goal is to raise awareness about these issues and to encourage people to take action to protect the environment.
- **The services provided are being managed in line with the quality standards of ISO 9001:2015 and ISO 10002.** By doing so, the organization aims to ensure that the services are sustainable, successful, and meet customer expectations. Following these standards also helps the organization to maintain an efficient and effective operation over time. The focus is on quality management and customer satisfaction, which are essential for Ascendum's long-term success.

CENTRAL EUROPE GROUP INITIATIVES

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

- In **Romania**, we provided financial support to: "Daruieste Viata" (Give Life Association). This project involves building an oncology hospital for children. Our support was in the form of financial assistance to help to achieve its goals and success. By providing this support, we aim to make a positive impact on the lives of children with cancer and their families, and to contribute to the efforts to improve the quality of care and support for those affected by this illness.
- In **Austria**, Ascendum Baumaschinen Österreich GmbH provided financial support to the Child Protection Center in Salzburg. The purpose of the support was to help the center carry out the necessary reconstruction and adaptation work on their counselling and therapy rooms. We aim to contribute to the center's efforts to protect children and provide a safe and supportive environment for them to receive therapy services, helping to improve the quality of care and support provided to children in need.

- In **Czechia**, we provided financial support to a pediatric oncology at Faculty Hospital in Brno, which helps children receive the medical treatment they need for cancer. Ascendum contributed funds to support the important work of this organization and to make a positive impact on the lives of children and families affected by cancer. Our aim is to help provide access to the necessary medical treatment for these children and to support their recovery and well-being.

- In **Slovakia**, a school for disabled children in the Presov region received a donation. The donation was made using the proceeds from an advent benefit concert that was held in the city of Presov, located in eastern Slovakia. The aim of the donation was to provide much-needed resources and support to the school, which is a crucial institution that helps disabled children in the region.

MEXICO INITIATIVES

- In Mexico, **Ascendum opened the second generation of Ascendum University**, which is focused on change management. The university aims to inspire and motivate students to learn and grow, while also helping to strengthen the competitiveness of the company. This is the second time that Ascendum Mexico has offered this opportunity to recruit and train students from various fields, such as After-sales, Sales, Administration/ Finance, and Human Resources. The University provides a platform for students to acquire new skills, knowledge, and experiences, which they can use to unleash their true potential and contribute to the growth and success of the company.

- **The HR department of Ascendum Mexico involved all of the company's departments in helping communities in need and supporting important causes.** By doing so, the company aimed to promote a culture of social responsibility and foster a sense of belonging among its employees. The initiatives that were undertaken had a positive impact on the lives of many people and made a real difference in their communities. Through these efforts, Ascendum Mexico demonstrated its commitment to making a positive contribution to society, and also helped to create a more engaged and motivated workforce, who feel proud to be a part of a company that cares about social responsibility.

ENVIRONMENT, QUALITY AND SAFETY PILLAR

Since its foundation, Ascendum has been dedicated to reducing its impact on the environment and adhering to quality and safety standards. Ascendum has made a consistent effort to minimize its environmental footprint and ensure compliance with relevant laws and regulations regarding safety, quality, and environmental protection across all its operations. As a result, all the Group's activities strictly follow the applicable legislation in their respective regions and countries, with a focus on environmental sustainability and safety.

The Group has a rigorous environmental policy that aims to promote environmental awareness and improve energy performance, waste separation, recycling, and natural resource conservation. In 2022, Ascendum continued its efforts to implement environmental campaigns across various regions, with a focus on the United States, where additional measures were put in place to prevent leaks and spills from outside storage tanks. In Türkiye, the Group established a partnership with a certified organization to collect and treat used oils, and all branch locations continue to have recycling programs for all waste materials. In Portugal and Austria, the Group's companies have certified Environmental Management Systems (ISO 14001) that are subject to both internal and external audits to ensure compliance with environmental standards.

ENVIRONMENT, QUALITY AND SAFETY

GOALS

- TO PROMOTE ENVIRONMENTAL AWARENESS;

- TO IMPROVE ENERGY PERFORMANCE, WASTE SEPARATION AND RECYCLING;

- TO IMPROVE NATURAL RESOURCE CONSERVATION.

8. RISKS AND UNCERTAINTIES

8.1. 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.

The 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 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 2022, and 2021, the Group had a net debt of 42.2 million euros and 79.6 million 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 500 million euros.

In addition, it should be noted that on 31 December 2022 Current Assets are higher (+62%, +166 million euros) than Current Liabilities; therefore, this risk is minimized.

8.2. 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, Czechia, 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, the Group's exposure to exchange risk results from the fact that, on 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

EUR / Currency	2018	2019	2020	2021	2022
USD	1.145	1.123	1.227	1.133	1.067
TRY	6.059	6.684	9.113	15.234	19.965
MXN	22.492	21.220	24.416	23.144	20.856
CZK	25.724	25.408	26.242	24.858	24.116
HUF	320.98	330.53	363.89	369.19	400.87
HRK	7.413	7.440	7.552	7.516	7.537
RON	4.664	4.783	4.868	4.949	4.950

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 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 against the Euro in the coming years, the exchange rate risk management policy followed by the Group will aim to reduce, as much as possible, the sensitivity of its results to currency fluctuations through natural currency hedging policies.

8.3. INTEREST RATE RISK

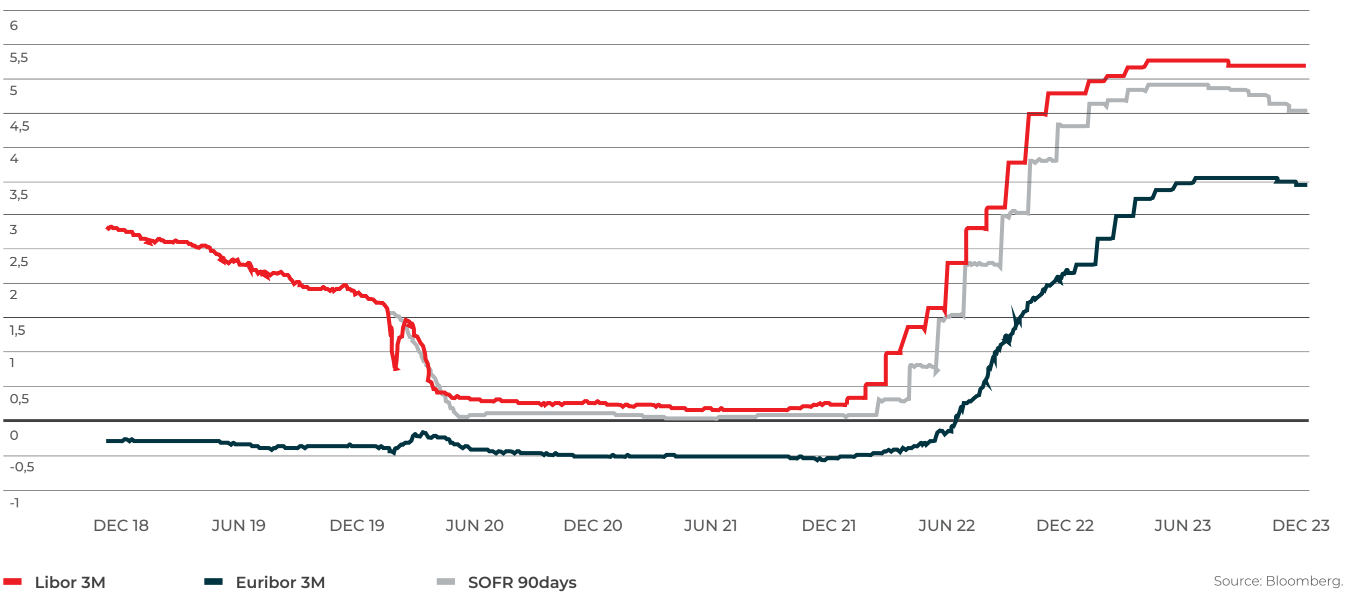
Interest rate risk reflects the possibility of fluctuations in the amount of future financial expenses on loans taken out, due to the evolution of the market interest rate level, which could adversely affect the Group's results.

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

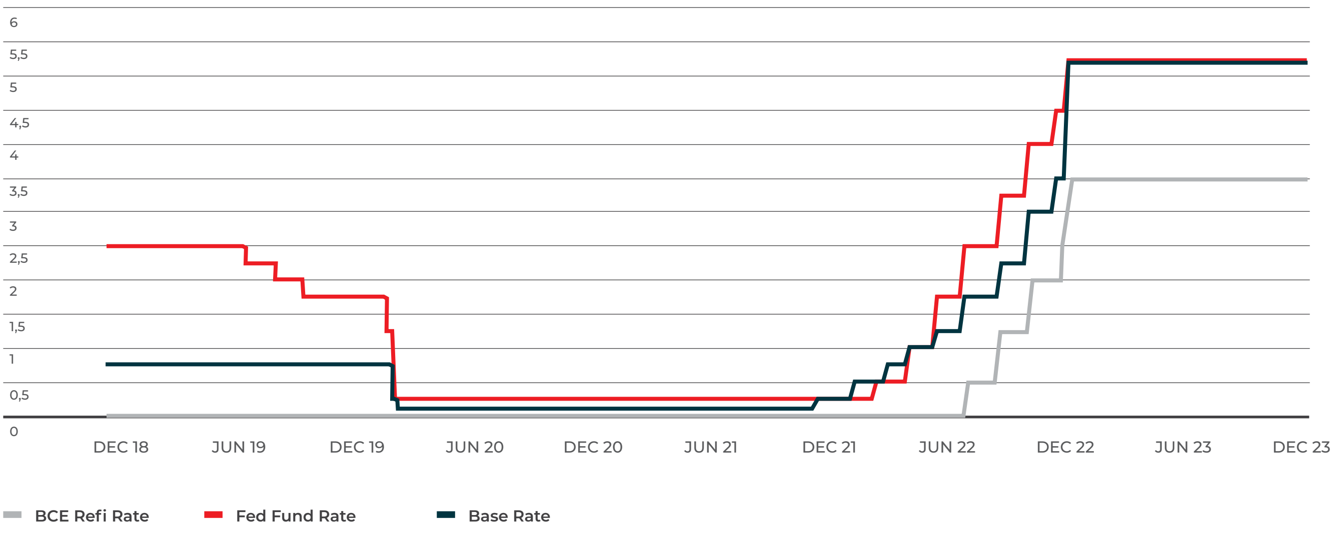
PERCENTAGE POINTS



Source: Bloomberg.

PROJECTED EVOLUTION OF REFERENCE INTEREST RATES

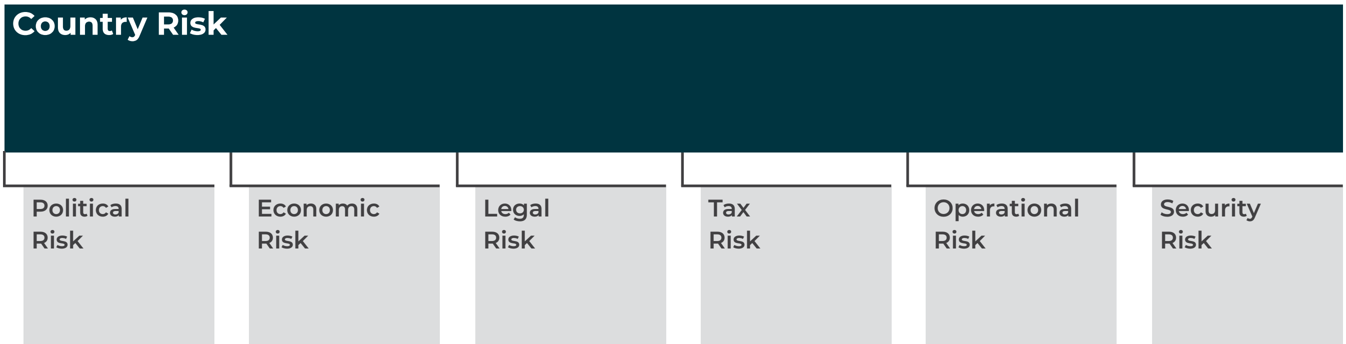
PERCENTAGE POINTS



8.4. 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 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 2022, the ratings of the countries in which the Group directly operates (Portugal, Spain, USA, Türkiye, Mexico, Austria, Czechia, Hungary, Romania, Slovakia and Croatia) were the following:

RATINGS AT 31/12/2022

Country	Moody's	Standard & Poor's	Fitch
Portugal	Baa2	BBB+ (4)	BBB+ (7)
Spain	Baa1	A	A-
USA	Aaa	AA+	AAA
Türkiye	B3 (1)	B (5)	B (8)
Mexico	Baa2 (2)	BBB	BBB-
Austria	Aa1	AA+	AA+
Czechia	Aa3	AA-	AA-
Hungary	Baa2	BBB	BBB
Romania	Baa3	BBB-	BBB-
Slovakia	A2	A+	A
Croatia	Baa2 (3)	BBB+ (6)	BBB+ (9)

(1) Downgrade from B2 on the 12 August 2022; (2) Downgrade from Baa1 on the 8 July 2022; (3) Upgrade from Ba1 on the 15 July 2022; (4) Upgrade from BBB on the 9 September 2022; (5) Downgrade from B+ on the 30 September 2022; (6) Upgrade from BBB- on the 14 July 2022; (7) Upgrade from BBB on the 28 October 2022; (8) Downgrade from BBB- to B+ on the 12 February 2022 and from B+ on the 8 August 2022; (9) Upgrade from BBB on the 13 July 2022

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.

9. FUTURE PERSPECTIVES

Looking forward, Ascendum is embracing a path that will both consolidate its growth and prepare it for new challenges ahead. As a result, Ascendum has established the following **3 main strategic axes** that will prepare it for the years to come:

BUSINESS	PEOPLE
- Reinforce the core & invest in growth - Continue the digital strategy and modernization - Provide the best service to our customers, by having a holistic approach to each customer leveraged on new IT tools and by providing one contact point and extended attending hours - Increase productivity and efficiency	- Transform our working environment in a much better place to work and make Ascendum a reference in the industry - Strengthen our teams, in particular the customer support areas

SUSTAINABILITY
- Accelerate e-mobility in the sectors we operate - Reduce our carbon footprint - Improve gender balance

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

On the 1st of January 2023, Croatia has changed its currency from the Kuna to the Euro. The Group does not anticipate this to have a material impact going forward.

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

11. DATE OF ANNUAL REPORT

10th March 2023

THE BOARD OF DIRECTORS

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

FINANC

FINANCIAL STATEMENTS


MORE.
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CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT DECEMBER 31, 2022 AND 2021

Amounts expressed in Euros

	NOTES	2022	2021
Assets			
Non current Assets			
Property, plant and equipment	7, 31	163,158,110	163,776,027
Investment properties	8	2,366,461	3,245,057
Goodwill	9	24,530,613	24,427,532
Intangible assets	6	15,084,606	11,659,975
Investments accounted for using the equity method	10	12,524,169	12,057,227
Financial assets at fair value through profit and losses	10	444	427
Other accounts receivable	13	193,188	302,200
Other financial assets	10	75,628	71,904
Deferred tax assets	15	11,867,567	10,016,304
		229,800,784	**225,556,652**
Current Assets			
Inventories	11, 31	198,286,939	165,694,420
Trade and other receivables	12, 31	124,943,923	104,604,934
Prepayments to suppliers	13	1,029,594	241,154
Income tax	23	351,529	4,251,145
State and other public entities	23	9,089,616	7,901,256
Other Accounts receivables	13, 31	2,387,554	2,195,944
Deferrals	14	1,967,567	1,168,058
Cash and bank deposits	16	94,092,516	78,956,887
		432,149,237	**365,013,798**
Total Assets		**661,950,021**	**590,570,449**
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	5,085,007	7,244,939
Retained earnings	18	69,875,113	21,059,255
Other reserves	18	93,883,259	111,754,957
Profit for the year	18	79,372,281	42,218,044
		266,215,659	**200,277,195**
Non-controlling interests	19	1,632,127	415,888
Total Equity	18	**267,847,786**	**200,693,083**
Liabilities			
Non current liabilities			
Provisions	25, 31	12,970,195	13,736,090
Borrowings	20, 31	84,300,595	111,150,013
Deferred tax liabilities	15, 31	17,512,383	18,676,411
Other liabilities	22, 31	12,842,693	7,521,916
		127,625,867	**151,084,429**
Current liabilities			
Trade and other payables	21, 31	125,084,794	113,183,194
Prepayments from customers	12	8,117,008	10,206,314
Income tax	23	8,630,131	5,892,716
State and other public entities	23	13,210,035	8,124,066
Borrowings	20, 31	52,001,183	47,419,868
Other liabilities	22, 31	36,975,899	34,094,861
Deferrals	24	22,457,317	19,871,918
		266,476,368	**238,792,937**
Total Liabilities		**394,102,235**	**389,877,366**
Total Equity and Liabilities		**661,950,021**	**590,570,449**

CERTIFIED ACCOUNTANT

Luís Manuel Almeida

THE BOARD OF DIRECTORS

Angela Vieira, Ernesto S. Vieira, João Mieiro (Chairman), 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, 2022 AND 2021

Amounts expressed in Euros

INCOME AND EXPENSES	NOTES	2022	2021
Sales and services rendered	31	1,201,621,657	1,025,415,768
Changes in inventories of production	11, 31	(774,976)	2,036,447
Works for the entity		3,414,838	3,155,175
Cost of sales	11, 31	(898,924,940)	(793,410,008)
Gross Profit		**305,336,580**	**237,197,381**
External supplies and services	31, 38	(54,822,259)	(48,137,782)
Personnel expenses	30, 31, 39	(102,279,070)	(85,716,208)
Inventories impairments (losses/reversals)	25, 31	2,105,830	(3,109,951)
Accounts receivable impairments (losses/reversals)	25, 31, 35	841,739	12,541
Provisions (increase/decrease)	25, 31	(864,973)	(4,683,026)
Impairment of non depreciable/amortizable investments (losses/reversals)	10.2, 31	17	13
Fair value (increase/decrease)	10.2, 31	(1,324)	54
Government grants	26, 31	737,608	1,950,660
Gains/losses on subsidiaries, associated companies and joint ventures	10.1, 31	220,971	371,554
Other income and gains	31, 32	7,940,508	10,656,170
Other expenses and losses	31, 40	(6,505,530)	(4,930,161)
Depreciation and amortization expenses/reversals	6, 7, 31	(35,814,711)	(37,344,169)
Impairment of depreciable/amortizable investments (losses/reversals)		(461,110)	(249,635)
Operating profit (before finance results and income tax)		**116,434,277**	**66,017,440**
Interest and similar finance incomes	31, 33, 35	1,182,672	101,611
Interest and similar finance costs	31, 33, 35	(6,874,350)	(6,616,834)
Net exchange differences	31, 35	(698,612)	(1,035,715)
Profit before income tax		**110,043,987**	**58,466,502**
Income tax expense	28, 31	(29,656,806)	(15,825,598)
Profit for the year	**31**	**80,387,181**	**42,640,904**
Attributable to:			
Owners of the parent		79,372,281	42,218,044
Non-controlling interests	19	(1,014,900)	422,860
	29, 31	80,387,181	42,640,904
Earnings per share	29	5.36	2.84

CERTIFIED ACCOUNTANT

Luís Manuel Almeida

THE BOARD OF DIRECTORS

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Nuno Colaço
Paulo Mieiro
Pedro Arêde
Pedro Mieiro
Rui A. Faustino
Rui Miranda
Tomas Jervell

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AT DECEMBER 31, 2022 AND 2021

Amounts expressed in Euros

	Share Capital	Reserves		
		Legal Reserves	Revaluation Reserves	Retained Earnings
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)
Exchange to Equity Method (Air Rail)				(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				
Other changes in equity of the subsidiaries				
Distributions				(8,000,000)
	0	**0**	**0**	**(8,000,000)**
As at December 31, 2021	**15,000,000**	**3,000,000**	**7,244,939**	**21,059,255**
As at January 1, 2022	**15,000,000**	**3,000,000**	**7,244,939**	**21,059,255**
Changes in the period:				
Consolidated profit application - 2021				42,218,044
Reclassification of reserves			(2,159,932)	140,213
Other changes in equity of subsidiaries				0
Financial statements exchange differences				6,709,216
Others				(251,614)
	0	**0**	**(2,159,932)**	**48,815,859**
Profit for the Year				
Comprehensive income for the year				
Operations with shareholders in the period:				
Distributions				
	0	**0**	**0**	**0**
As at December 31, 2022	**15,000,000**	**3,000,000**	**5,085,007**	**69,875,114**

The notes to the consolidated financial statements are an integral part of this statement at December 31, 2022

CERTIFIED ACCOUNTANT

Luís Manuel Almeida

THE BOARD OF DIRECTORS

Angela Vieira

Ernesto S. Vieira

João Mieiro (Chairman)

José Jensen L. Faria

Nuno Colaço

Paulo Mieiro

Pedro Arêde

Pedro Mieiro

Rui A. Faustino

Rui Miranda

Tomas Jervell

		Profit for the year	Subtotal	Non-controlling Interests	Total
Other Reserves	Total reserves				
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**
111,754,957	**143,059,151**	**42,218,044**	**200,277,194**	**415,888**	**200,693,083**
	42,218,044	(42,218,044)	0		0
2,128,302	108,583		108,583		108,583
	0		0		0
	6,709,216		6,709,216	201,339	6,910,555
	(251,614)		(251,614)		(251,614)
2,128,302	**48,784,229**	**(42,218,044)**	**6,566,185**	**201,339**	**6,767,524**
		79,372,281	79,372,281	1,014,900	80,387,181
		85,938,466	85,938,466	1,216,239	87,154,704
					0
(20,000,000)	(20,000,000)		(20,000,000)		(20,000,000)
(20,000,000)	**(20,000,000)**	**0**	**(20,000,000)**	**0**	**(20,000,000)**
93,883,259	**171,843,380**	**79,372,281**	**266,215,659**	**1,632,127**	**267,847,786**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEARS ENDED AT DECEMBER 31, 2022 AND 2021

Amounts expressed in Euros

	2022	2021
Consolidated profit for the year including non-controlling interests	**80,387,181**	**42,640,904**
Itens reclassified subsequently to net income:		
Fair value variation on available for sale financial assets		
Other changes in equity of the subsidiaries	0	(1,590,956)
Financial statements exchange differences	6,910,555	7,103,879
Other movements	(143,031)	(34,652)
Comprehensive income for the year	**87,154,704**	**48,119,175**
Owners of the parent	85,938,466	47,503,802
Non-controlling interests	1,216,239	615,373

The notes to the consolidated financial statements are an integral part of this statement at December 31, 2022

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CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEARS ENDED AT DECEMBER 31, 2022 AND 2021

Amounts expressed in Euros

	NOTES	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Accounts receivable		1,366,993,236	1,174,704,338
Accounts payable		(1,131,939,737)	(946,067,293)
Staff payable		(97,775,571)	(83,591,067)
Operating cash flows		**137,277,928**	**145,045,978**
Income tax payable/receivable		(29,374,074)	(14,743,777)
Other receivables/payables		(35,539,237)	(30,272,744)
Cash flows from operating activities (1)		**72,364,616**	**100,029,457**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments:			
Property, plant and equipment		(40,117,346)	(49,210,848)
Intangible assets		(4,256,026)	(1,414,358)
Receipts:			
Property, plant and equipment		29,580,524	24,083,040
Financial Investments		4,170,000	
Interest and similar income		2,410,426	1,373,295
Cash flows from investing activities (2)		**(8,212,422)**	**(25,168,871)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts:			
Borrowings			
Payments:			
Borrowings	20	(22,268,104)	(33,441,232)
Interest and similar costs		(7,274,953)	(6,611,247)
Dividends		(20,000,000)	(8,000,000)
Cash flows from financing activities (3)		**(49,543,057)**	**(48,052,479)**
Net increase/decrease in cash and cash equivalents (1+2+3)		**14,609,137**	**26,808,108**
Changes in perimeter variations			1,201,765
Net foreign exchange difference		526,492	338,516
Cash and cash equivalents at 1 January	16	**78,956,887**	**50,608,497**
Cash and cash equivalents at 31 December	16	**94,092,515**	**78,956,887**

The notes to the consolidated financial statements are an integral part of this statement at December 31, 2022

CERTIFIED ACCOUNTANT

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ANNEX

ANNEX TO THE CONSOLIDATED FINANCIAL STATEMENTS


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ANNEX TO THE CONSOLIDATED FINANCIAL STATEMENTS ON 31ST DECEMBER 2022

1. INTRODUCTORY NOTE

Ascendum consists in a group of companies located in Portugal, Spain, USA, Türkiye, Mexico, and Central Europe (Austria, Croatia, Slovakia, Hungary, Romania, and Czechia), 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° floor 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 2022, the 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, nº 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.	Rua do Brasil nº 27, 2695-535 S. João da Talha, Portugal	100%
ASCENDUM CAMIÕES, UNIPESSOAL LDA.	Rua do Brasil nº 27, 2695-535 S. João da Talha, Portugal	100%
ASCENDUM MÁQUINAS, UNIPESSOAL LDA.	Rua do Brasil nº 27, 2695-535 S. João da Talha, Portugal	100%
ASCENDUM PORTUGAL, Serviços de Gestão, S.A.	Rua do Brasil nº 27, 2695-535 S. João da Talha, Portugal	100%
ASCENDUM, S.A.	Praça Marquês de Pombal nº 3 A - 5º, 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, S.L.	Calle Alsasua, 16, 28023 MADRID - SPAIN	50%
BERGMANN AMERICAS, INC.	160 Conway Black Road, Spartanburg, SC 29307 - USA	100%
ASCENDUM MACHINERY, INC.	16810 Kenton Dr. Suite 300 - Huntersville, NC 28078 - 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, Istambul - Türkiye	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 STAVEBNÍ STROJE CZECH S.R.O	Plzeňská 430, 267 12 Loděnice, Czechia	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.U.	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 2022.

2.1.1. The impact of the adoption of the new standards and amendments to standards that became effective as of 1st January 2022 is as follows:

a. **IFRS 16** (amendment), 'Leases – COVID-19 related rent concessions beyond 30 June 2021'. This amendment extends the date of application of the IFRS 16 – 'Leases – COVID-19 related rent concessions' amendment from 30 June 2021 to 30 June 2022, allowing to recognise rent concessions related to COVID-19 as variable lease payments, and not as a modification to the lease. The conditions of application of the practical expedient remain, and the extension of the practical expedient can only be applied by the lessees who applied the previous practical expedient. This amendment did not have material effects on the Consolidated Financial Statements.

b. **IAS 16** (amendment), ‘Proceeds before intended use’. 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. This amendment did not have material effects on the Consolidated Financial Statements.

c. **IAS 37** (amendment), ‘Onerous Contracts – Cost of Fulfilling a Contract’. 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. These amendments did not have material effects on the Consolidated Financial Statements.

d. **IFRS 3** (amendment), ‘Reference to the Conceptual framework’. 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. These amendments did not have material effects on the Consolidated Financial Statements.

e. **Annual Improvements 2018 - 2020**. The 2018-2020 annual improvements impact: IFRS 1, IFRS 9, IFRS 16 and IAS 41. 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 2023, already endorsed by the EU

a. **IAS 1** (amendment), ‘Disclosure of accounting policies’ (effective for annual periods beginning on or after 1 January 2023). 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.

b. **IAS 8** (amendment), ‘Disclosure of accounting estimates” (effective for annual periods beginning on or after 1 January 2023). This amendment introduces the definition 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.

c. **IFRS 17** (new and amendment), ‘Insurance contracts’ (effective for annual periods beginning on or after 1 January 2023). This new standard replaces IFRS 4 and applies to all entities issuing insurance contracts, reinsurance contracts or investment contracts with discretionary participation in profit or loss if the entity issues insurance contracts. Under IFRS 17, insurers need to assess if a policy holder can benefit from a particular service as part of a claim or if the service is independent of the claim/risk event and do the unbundling of the non-insurance component. Under IFRS 17, the entities will need to identify portfolios of insurance contracts at initial recognition and divide them into a minimum of the following groups: i) contracts that are onerous at inception; ii) contracts that have no significant possibility of becoming onerous subsequently; and iii) remaining contracts in the portfolio. IFRS 17 requires a company to measure insurance contracts using updated estimates and assumptions that reflect the timing of cash flows and any uncertainty relating to insurance contracts. IFRS 17 requires a company to recognise profits as it delivers insurance services (rather than when it receives premiums), and to provide information about insurance contract profits the company expects to recognise in the future. IFRS 17 provides three measurement approaches for the accounting of different types of insurance contracts: i) General Measurement Model (GMM); ii) the Premium Allocation Approach (PAA), and iii) the Variable Fee Approach (VFA). IFRS 17 is applied retrospectively with some exemptions as at the transition date. This amendment is not applicable to Ascendum.

d. **IFRS 17** (amendment), 'Initial Application of IFRS 17 and IFRS 9 – Comparative Information' (effective for annual periods beginning on or after 1 January 2023). This amendment relates only to insurers' transitioning to 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 the Group.

e. **IAS 12** (amendment), 'Deferred tax related to assets and liabilities arising from a single transaction' (effective for annual periods beginning on or after 1 January 2023). 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. This 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 not in the scope of the initial recognition exemption for deferred taxes. This amendment is applied retrospectively. It is not expectable that this amendment implies 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 2023, but are not yet endorsed by the EU

a. **IAS 1** (amendment), 'non-current liabilities with covenants' (effective for annual periods beginning on or after 1 January 2024). This amendment is still subject to endorsement by the European Union. This amendment clarifies that liabilities are classified as either current or non-current balances depending on the rights that an entity must defer its settlement for at least 12 months after the reporting date. It clarifies also that the covenants that an entity is required to comply with, on or before the reporting date, affect the classification of a liability as current or non-current, even if the covenants are only assessed after the entity's reporting date. When an entity classifies liabilities arising from loan arrangements as non-current and those liabilities are subject to covenants, it is required to disclose information that enables investors to assess the risk that the liabilities could become repayable within 12 months, such as: a) the carrying amount of the liabilities; b) the nature of the covenants and the compliance date; and c) the facts and circumstances that indicate the entity may have difficulty complying with covenants when it is required to do so. This amendment is applied retrospectively. It is not expectable that this amendment implies material impacts on the Consolidated Financial Statements.

b. **IFRS 16** (amendment), 'Lease liability in a sale and leaseback' (effective for annual periods beginning on or after 1 January 2024). This amendment is still subject to endorsement by the European Union. The amendment introduces guidance for the subsequent measurement of lease liabilities, in the scope of sale and leaseback transactions that qualify as "sales" under IFRS 15, with higher impact when some or all the lease payments are variable lease payments that do not depend on an index or rate. Whilst subsequently measuring lease liabilities, seller-lessees determine "lease payments" and "revised lease payments" in a way that does not result in the seller-lessees recognizing any gains/(losses) relating with the right of use that they retain. This amendment is applied retrospectively. It is not expectable that this amendment implies material impacts on the Consolidated Financial Statements.

New standards summary:

DESCRIPTION	Changes	Effective date
1. Standards (new and amendments) effective as at 1st January 2022		
IFRS 16 – Leases – COVID-19 related rent concessions beyond 30 June 2021	Extension of the application period for the exemption in the recognition of rent concessions granted by lessors related to COVID-19, as lease modifications, until 30 June 2022.	1st April 2021
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
Annual improvements 2018 – 2020	Specific amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41.	1st January 2022
2. Standards (new and amendments) that will become effective, on or after 1st January 2023, already endorsed by the EU		
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
IFRS 17 – Insurance contracts	New accounting for insurance contracts, reinsurance contracts and investment contracts with discretionary participating features in profit or loss, in terms of aggregation, recognition, measurement, presentation and disclosure.	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
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, due to not being relevant for tax purposes.	1st January 2023
3. Standards (new and amendments) that will become effective, on or after 1st January 2023, not yet endorsed by the EU		
IAS 1 – Non-current liabilities with covenants	Classification of a liability as current or non-current, depending on an entity’s right to defer its settlement for at least 12 months after the reporting date, when subject to covenants.	1st January 2024
IFRS 16 – Lease liability in a sale and leaseback	Criteria to account for sale and leaseback transactions after the date of the transaction, when some or all the lease payments are variable.	1st January 2024

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. The resulting exchange rate differences 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 2022 and 2021 financial years, the rates used in the conversion of financial statements of foreign subsidiaries into Euros were the following:

2022 COMPANY	Currency	Year end exchange rate 2022	Average historical exchange rate 2022	Exchange rate Establishment date / Acquired	Year end exchange rate 2021
ASCENDUM MACHINERY, INC	USD	1.07	1.07	1.36	1.13
BERGMANN AMERICAS, INC	USD	1.07	1.07	1.11	1.13
ASCENDUM MAKİNA TİCARET A.Ş.	EUR	-	-	1.94	-
HARDPARTS MOÇAMBIQUE. LIMITADA	MZN	68.12	67.30	39.75	72.32
ASCENDUM MAQUINARIA MÉXICO, S.A. DE C.V.	USD	1.07	1.07	1.36	1.13
AIR-RAIL MAROC, S.A.R.L.A.U.	MAD	11.16	10.69	11.16	10.52
ASCENDUM ÉPÍTOGÉPEK HUNGÁRIA KERESKEDELMI KFT	HUF	400.87	391.32	298.15	369.19
ASCENDUM GRADEVINSKI STROJEVI HRVATSKA D.O.O	HRK	7.54	7.53	7.62	7.52
ASCENDUM MACHINERY SRL	RON	4.95	4.93	4.46	4.95
ASCENDUM STAVEBNÍ STROJE CZECH S.R.O	CZK	24.12	24.56	25.73	24.86
Applicability		Statement of financial position accounts except for equity	P&L	Issued Capital	Retained earnings

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 MÉXICO, S.A. DE C.V.	USD	1.13	1.18	1.36	1.23
AIR-RAIL MAROC, S.A.R.L.A.U.	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

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

iii. Leases for which the underlying asset has a value below 5 thousand 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 2022, 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 2022, 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 Építogépek Hungaria Kereskedelmi 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 is 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, considering certain assumptions about future events.

The most significant accounting estimates reflected in the consolidated financial statements for the years ended 31st December 2022 and 2021 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.

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-22	%	dec-21	%	dec-22	%	dec-21	%
US Dollar (USD)	170,083,976	26%	217,222,151	37%	123,522,552	31%	104,543,485	27%
Polish Zloty (PLN)	2,419	0%	2,463	0%		0%		0%
New Romanian Leu (RON)	5,192,764	1%	5,761,964	1%	2,310,504	1%	2,409,510	1%
Moroccan Dirham (MAD)	(21,517)	0%	(22,832)	0%		0%		0%
Hungarian Forint (HUF)	3,436,441	1%	3,167,277	1%	2,691,793	1%	1,954,687	1%
Croatian Kuna (HRK)	863,331	0%	1,443,647	0%	(32,728)	0%	(97,645)	0%
Czech Koruna (CZK)	12,814,768	2%	12,825,516	2%	2,160,428	1%	10,195,635	3%
Sub-Total	**192,372,182**	**29%**	**240,400,187**	**41%**	**130,652,548**	**33%**	**119,005,672**	**31%**
Total - Consolidated Balance Sheet - IFRS	**661,950,021**	**100%**	**590,570,449**	**100%**	**394,102,235**	**100%**	**389,877,366**	**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	(5,296,173)	5,296,173
Profit for the year	(448,813)	448,813
Equity	(2,544,665)	2,544,665
Liabilities	(2,751,509)	2,751,509

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-22 P&L	dec-21 P&L
Bank loans	1 p.p	1,363,018	1,384,383
Bank loans	(1 p.p)	(1,363,018)	(1,384,383)

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 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 2022 and 2021, the Group had a net debt (net debt = borrowings - cash and bank deposits) of 42.2 million euros and 79.6 million euros, respectively.

In addition, we emphasize that current assets are much higher than current liabilities, 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 2022 and 2021 are disclosed in Note 12.

On 31st December 2022 and 2021, 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 12.

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 2022, 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 2022 and 2021 are as follows:

COMPANY	Effective Shareholding percentage		Consolidation method
	dec-22	dec-21	
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, S.L.	50%	50%	Equity Method(*)
AMPLITUDE SEGUROS - CORRETORES DE SEGUROS, S.A.	33%	33%	Equity Method
ASCENDUM AGRO, EQUIPAMENTOS AGRÍCOLAS, S.A.	100%	100%	Full (***)
ASCENDUM AUTOMÓVEIS, UNIPESSOAL LDA.	-	100%	Full (**)
ASCENDUM CAMIÕES, UNIPESSOAL LDA.	100%	100%	Full
ASCENDUM MACHINERY, INC.	100%	100%	Full
BERGMANN AMERICAS, INC.	100%	100%	Full
ASCENDUM MAQUINARIA MÉXICO, 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 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.U.	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 July 2022 this company was sold.
(***) 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 2022, the changes occurred within the consolidation perimeter were:

- Ascendum Automóveis, Unipessoal, Lda. was sold in July 2022.

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.

6. INTANGIBLE ASSETS

During the financial years ended on 31st December 2022 and 2021, movements in intangible assets and in the respective amortizations and accumulated impairment losses, were as follows:

2022	Industrial Property and other rights	Computer Programs	Intangible assets in progress	Total
Gross assets:				
2022 Opening balance	7,129,839	7,527,942	3,000,251	17,658,032
Increase/Decrease		220,370	3,519,874	3,740,244
Translation differences	411,616	1,085		412,701
December 31, 2022 Final balance	7,541,455	7,749,397	6,520,124	21,810,976
Amortizations and accumulated impairment losses:				
2022 Opening balance	(1,145,963)	(4,852,094)	0	(5,998,057)
Amortization for the year	(120,631)	(614,514)		(735,145)
Translation differences	(73,341)	42,053		(31,288)
Disposals, transfers and write-offs	38,119			38,119
December 31, 2022 Final balance	(1,301,816)	(5,424,555)	0	(6,726,371)
Net Value	**6,239,639**	**2,324,842**	**6,520,124**	**15,084,606**

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
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**

The additions recorded in the "Intangible Assets" in 2022 in the amount of 3.7 million euros are almost entirely related to projects that integrate the "Lighthouse" program, which was already carried over from the previous exercise.

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 Factors), integrated into the technological transformation program of the Group called "Light House" that might be carried out successively over the next three to five years.

7. TANGIBLE FIXED AND RIGHT-OF-USE ASSETS

7.1. PROPERTY, PLANT AND EQUIPMENT:

During the financial years ended on 31st December 2022 and 2021, movements in property, plant and equipment, as well as in depreciations and accumulated impairment losses, were as follows:

2022	Land and Natural Resources	Buildings and Other Constructions	Basic Equipment	Transport Equipment	Administrative Equipment	Other Fixed Assets	Fixed assets in progress	Total
Gross Assets:								
2022 Opening balance	24,173,677	72,498,622	177,005,135	12,043,159	16,078,871	771,394	1,435,661	304,006,518
Additions	721,349	2,295,374	24,101,154	4,604,463	1,200,685	25,799	7,168,521	40,117,346
Disposals, transfers and write-offs	(2,915,057)	(4,112,139)	(12,958,333)	(263,265)	(1,166,378)	(176,921)	0	(21,592,094)
Translation differences	444,594	1,491,440	2,048,779	237,460	260,223	8,755	0	4,491,251
December 31, 2022 Final balance	22,424,563	72,173,297	190,196,735	16,621,817	16,373,401	629,027	8,604,182	327,023,021
Depreciations and accumulated impairment losses:								
2022 Opening balance	(289,279)	(32,828,018)	(111,670,552)	(5,329,948)	(12,196,314)	(617,953)	0	(162,932,064)
Depreciation for the year	(157,349)	(2,126,182)	(20,900,443)	(2,269,226)	(1,237,923)	(19,509)	0	(26,710,632)
Disposals, transfers and write-offs	120,857	505,170	2,301,703	315,854	1,059,705	161,786	0	4,465,074
Translation differences	(82,270)	(393,556)	(165,086)	(88,095)	(197,678)	(8,202)	0	(934,887)
Impairment losses								0
December 31, 2022 Final balance	(408,041)	(34,842,587)	(130,434,378)	(7,371,415)	(12,572,211)	(483,879)	0	(186,112,510)
Net Value	**22,016,523**	**37,330,710**	**59,762,357**	**9,250,402**	**3,801,190**	**145,148**	**8,604,182**	**140,910,511**

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**

In 2022 and 2021, 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 2022 and 2021, movements in right-of-use assets, as well as in depreciations and accumulated impairment losses, were as follows:

2022	Buildings and Other Constructions	Basic Equipment	Transport Equipment	Other Fixed Assets	Total
Gross Assets:					
2022 Opening balance (1)	25,135,136	3,461,937	15,914,270	0	44,511,343
Increase/Decrease in the Period (2)	2,461,607	423,679	(3,121,730)		(236,445)
2022 Final balance (1)+(2)=3	27,596,743	3,885,616	12,792,539	0	44,274,898
Depreciations and accumulated impairment losses:					
2022 Opening balance (4)	11,008,811	2,183,894	8,617,066	0	21,809,771
Increase/Decrease in the Period (5)	(2,765,682)	(756,457)	(4,332,001)	0	(7,854,140)
Depreciation for the year (6)	4,125,873	699,365	3,246,430	0	8,071,668
2022 Final balance (4)+(5)+(6)=7	12,369,002	2,126,803	7,531,494	0	22,027,299
Net Value (3)-(7)=8	**15,227,740**	**1,758,813**	**5,261,045**	**0**	**22,247,599**

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**

In 2022, no major changes occurred in the “Right-of-Use” assets.

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 Türkiye and Portugal.

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

2022	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	22,016,523	37,330,710	59,762,357	9,250,402	3,801,190	145,148	8,604,182	140,910,511
Right-of-Use Assets		15,227,740	1,758,813	5,261,045				22,247,599
Total	**22,016,523**	**52,558,451**	**61,521,170**	**14,511,447**	**3,801,190**	**145,148**	**8,604,182**	**163,158,110**

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**

8. INVESTMENT PROPERTIES

On 31st December 2022 and 2021, 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 (1st January 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 2022, independent external valuations were carried out on Ascendum S.A.´s assets (the main contributor to the total value of the Group's investment properties). The main Ascendum`s assets with a book value 1.1 million euros were valuated at 1.5 million euros. The Board considers the external valuation carried out in 2022 as adequate, supporting the internal valuations performed for other investment properties.

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 2022; 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.

In 2022, a property was sold by Ascendum S.A, which was part of this category of assets, generating a gain of 280 thousand euros.

The investment properties included in the consolidated statement of financial position for 2022 and 2021 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 2022 and 2021:

	Dec-21 Opening Balance	Increases	Decreases	Depreciation for the year	Dec-22 Final Balance
ASCENDUM, S.A.	2,388,780		(268,483)	(297,265)	1,823,032
GLOMAK, S.G.P.S, S.A.	586,590		(165,114)		421,476
ASCENDUM III, Máquinas, Lda	1,975		(282)		1,693
TEA ALOYA INMOBILIARIA, S.A.	78,260				78,260
ASCENDUM BAUMASCH ÖSTERREICH	189,453		(147,453)		42,000
TOTAL	**3,245,057**		**(581,332)**	**(297,265)**	**2,366,461**

	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.U.	78,260				78,260
ASCENDUM BAUMASCHINEN OSTERREICH, GmBH	(0)	189,453			189,453
TOTAL	**3,194,857**	**508,739**	**(90,003)**	**(368,535)**	**3,245,057**

During 2022 and 2021, 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 2022 and 2021.

GOODWILL	2022	2021
Gross Assets:		
Opening balance	26,519,718	27,262,338
Transfers write-offs and adjustments	103,081	(742,620)
Final balance	26,622,799	26,519,718
Amortizations and accumulated impairment losses:		
Opening balance	(2,092,186)	(2,092,186)
Final balance	(2,092,186)	(2,092,186)
Net Value	**24,530,613**	**24,427,532**

The total amount of Goodwill on 31st December 2022 and 2021 is presented in the following tables, as well as the methods and assumptions used to determine whether they are impaired:

2022	ASCENDUM MÁQUINAS, UNIPESSOAL LDA.	ASCENDUM MACHINERY, INC	ASCENDUM MAKİNA TİCARET A.Ş.	ASCENDUM MAQUINARIA MÉXICO, S.A. DE C.V.	ASCENDUM CENTRAL EUROPE GMBH	ASCENDUM MACHINERY, SRL
Goodwill	943,773	606,711	8,656,512	1,163,984	8,898,227	911,595
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)	7.9%	13.0%	14.8%	11.9%	9.0%	9.0%

2022 (CONTINUATION)	ASCENDUM PORTUGAL, SERVIÇOS DE GESTÃO, S.A.	GLOMAK SGPS, S.A.	GRANADA – SPAIN*	VOLCATALAN		TOTAL
Goodwill	155,000	202,085	2,255,828	736,897		24,530,613
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%	2%	2%	2%		
Applied discount rate (2)	7.9%	7.9%	7.7%	7.7%		

2021	ASCENDUM MÁQUINAS, UNIPESSOAL LDA.	ASCENDUM MACHINERY, INC	ASCENDUM MAKİNA TİCARET A.Ş.	ASCENDUM MAQUINARIA MÉXICO, S.A. DE C.V.	ASCENDUM CENTRAL EUROPE GMBH	ASCENDUM MACHINERY, SRL
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, SERVIÇOS DE GESTÃO, S.A.	GLOMAK SGPS, S.A.	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%		

(*) 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 2022, 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 evidence of impairment.

10. FINANCIAL INVESTMENTS AND OTHER FINANCIAL ASSETS

	2022	2021
Investments accounted for using the equity method	12,524,169	12,057,227
Financial assets at fair value through profit & loss	444	427
Other non-current financial assets	75,628	71,904

10.1. INVESTMENTS IN ASSOCIATES (EQUITY METHOD)

2022	Total, Equity	Net profit for the year	%,Share, capital,held	Participation book value	Appropriated result
AIR-RAIL, S.L.	6,277,964	1,420,180	50.00%	3,138,982	710,090
AIR RAIL MAROC, S.A.R.L.A.U.	(632,265)	0	50.00%	(316,132)	0
AIR-RAIL (PORTUGAL) Sociedade Unipessoal, LDA.	916,034	115,335	50.00%	458,017	57,668
Importadora Distribuidora de Maquinaria Industrial ZEPHIR, S.L.	205,481	(53,787)	50.00%	102,741	(26,894)
Disposal of Ascendum Automóveis, Unipessoal, Lda					(664,509)
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	**6,767,215**	**1,481,728**		**12,317,252**	**76,355**
Amplitude Seguros - Corretores de Seguros S.A.	621,371	433,847	33.33%	206,917	144,616
Total	**7,388,586**	**1,915,575**		**12,524,169**	**220,971**
(*) Forecast period	Cash flow projections for 5 years				
Growth rate (g) (1)	2.0%	2.0%			
Applied discount rate (2)	7.7%	7.7%			

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)	2.0%	2.0%			
Applied discount rate (2)	4.7%	4.7%			

The incorporation of the new business areas related to equipment for ports, airports, and railways, within the Group, through the joint financial investment in Air Rail and Zephir, generated a global goodwill of 8.7 million 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 2022 and 2021, the Group held the following securities portfolio:

	Shares	Share value Dec-22	Value at Dec-22
BCP	3,030	0,146	444
ESFG	1,020,000	0,000	0
Totals			**444**

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

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

	Dec-22	Dec-21
Fair Value on January, 1st	427	683
Increase/(decrease) in Fair Value - P&L	17	54
Other adjustments	0	(310)
Fair Value on December, 31st	444	427
Non current assets	444	427
Total	**444**	**427**

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

10.3. OTHER FINANCIAL ASSETS

	Dec-21 Opening Balance	Increase/ Decrease	Dec-22 Final Balance
ASCENDUM AGRO, EQUIPAMENTOS AGRÍCOLAS, S.A.	56	115	171
ASCENDUM, S.A.	15,557	4,343	19,899
ASCENDUM CAMIÕES, UNIPESSOAL, LDA.	5,755	1,921	7,676
ASCENDUM PORTUGAL, SERVIÇOS DE GESTÃO, S.A.	1,354	454	1,808
GLOMAK SGPS, S.A.	10,943	2,755	13,698
ASCENDUM AUTOMÓVEIS, UNIPESSOAL, LDA.	12,595	(12,595)	(0)
ASCENDUM MÁQUINAS, UNIPESSOAL LDA.	25,644	6,731	32,375
Total	**71,904**	**3,724**	**75,628**

11. INVENTORIES

Asof 31st December 2022, and 2021, this account has the following composition:

	Dec-22	Dec-21
Products and works in progress	5,512,846	5,577,618
Goods	200,909,934	169,074,053
Accumulated Inventories Impairments (Note 25)	(8,135,841)	(8,957,251)
Total	**198,286,939**	**165,694,420**

Since the turnover has increased significantly in 2022, compared to 2021, the level of stocks was also increased around 20%.

The cost of sales in the financial years ended on 31st December 2022 and 2021 is as follows:

	Dec-22 Goods	Dec-21 Goods
Opening inventories	169,074,053	176,980,110
Net purchases	930,760,820	785,503,952
Final inventories	200,909,934	169,074,053
Total	**898,924,940**	**793,410,008**

Changes in inventories of Work in progress (WIP) for the financial years ended on 31st December 2022 and 2021 are as follows:

	Finished, intermediate products, and works in progress	
	Dec-22	Dec-21
Final inventories	5,512,846	5,577,618
Inventory adjustments	710,204	603,838
Opening inventories	5,577,618	2,937,333
Total	**(774,976)**	**2,036,447**

12. TRADE AND OTHER RECEIVABLES

On 31st December 2022 and 2021, this account has the following breakdown:

	Dec-22	Dec-21
Customers - current	119,605,385	103,956,898
Customers - trade bills receivable	8,930,983	5,536,442
Customers - doubtful debts	11,499,102	12,364,266
	140,035,470	121,857,607
Accumulated impairment losses (Note 25)	(15,091,547)	(17,252,673)
Total	**124,943,923**	**104,604,934**

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 2022 and 2021 amounted to 8.1 million euros and 10.2 million 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 2022 and 2021, the profile of customer´s payments, excluding mainly the old balances in litigation (2022: 14.7 million euros; 2021: 16.8 million euros), and the assessment of default risk are shown in the following tables:

	2022	2021
Paid between 0 and 30 days	86.3%	84.2%
Paid between 30 and 60 days	6.9%	8.0%
Paid between 60 and 90 days	2.4%	3.3%
Paid between 90 and 365 days	3.5%	4.3%
Paid above 365 days	0.9%	0.2%
Invoices not paid	0.0%	0.1%
Total	**100%**	**100%**

PROBABILITY OF DEFAULT % 2022

Total	Current [0-30]	30 - 60 days	60 - 90 days	90 - 365 days	After 365 days
0.3%	0.1%	0.2%	0.7%	1.2%	31.8%

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%

13. OTHER ACCOUNTS RECEIVABLE AND PREPAYMENTS TO SUPPLIERS

On 31st December 2022 and 2021, this item has the following breakdown:

	Dec-22		Dec-21	
	Current	Non Current	Current	Non Current
Prepayments to suppliers	1,029,594		241,154	
Sub-total	**1,029,594**	**-**	**241,154**	**-**
Other accounts receivable	942,732	193,188	901,673	302,200
Accrued income	1,444,822		1,294,272	
Sub-total	**2,387,554**	**193,188**	**2,195,944**	**302,200**
Total	**3,417,148**	**193,188**	**2,437,098**	**302,200**

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

14. DEFERRALS — (ASSETS)

On 31st December 2022 and 2021, this item has the following breakdown:

	Dec-22	Dec-21
Deferred Costs:		
Insurance	84,101	148,211
Rents	229,892	141,148
Others	1,653,574	878,699
Total	**1,967,567**	**1,168,058**

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 2022 and 2021, are summarized as follows:

2022	Dec-21	P&L Impact	Equity Impact	Dec-22
Deferred Tax Assets:				
Non-tax deductible impairments	1,590,804	3,603,432		5,194,236
Carry forward tax losses	5,434,120	(1,452,399)		3,981,721
IFRS 16 recognition	27,117	39,381		66,498
Non-tax deductible amortizations	849,326	(173,948)		675,378
Amortization of Goodwill - Tax deductible	954,757	(155,363)		799,394
Carry forward of net Financing Expenses	438,053	0		438,053
Elimination - Internal Margins	152,266	124		152,391
Taxable Deferrals	78,685	(6,223)		72,462
Benefits (retirement plans)	424,231	(3,742)		420,489
Investment Properties Impairments	66,944	0		66,944
	10,016,304	1,851,263	0	11,867,567
Deferred Tax Liabilities:				
Depreciations resulting from legal and free revaluations	(3,402,085)	(53,125)	0	(3,455,210)
Effect of reinvesting capital gains generated by fixed assets disposals	(12,922,217)	1,439,686	(255,904)	(11,738,436)
Others	(2,352,108)	33,372	0	(2,318,737)
	(18,676,411)	**1,419,932**	**(255,904)**	**(17,512,383)**
Net effect	**(8,660,107)**	**3,271,195**	**(255,904)**	**(5,644,816)**

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)**

b. Tax losses carried forward:

2022	Tax losses carried forward	Deadline for the use of tax losses	Deferred tax base	Tax rate	Deferred tax assets
ASCENDUM ESPAÑA S.L -2001	126,614	N/A	126,614	25%	31,653
ASCENDUM ESPAÑA S.L -2002	248,502	N/A	248,502	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	1,591	N/A	1,591	25%	398
TEA ALOYA INMOBILIARIA, S.A.U.- 2021	1,553	N/A	1,553	25%	388
TEA ALOYA INMOBILIARIA, S.A.U.- 2022	1,661	N/A	1,661	25%	415
ASCENDUM MAQUINARIA MÉXICO, S.A. DE C.V. - 2019	2,484,484	2029	2,484,484	30%	745,345
ASCENDUM MAQUINARIA MÉXICO, S.A. DE C.V. - 2020	4,821,695	2030	4,821,695	30%	1,446,509
VOLRENTAL ATLÁNTICO, S.A.U. - 2007	46,861	N/A	46,861	25%	11,715
VOLRENTAL ATLÁNTICO, S.A.U. - 2008	59,901	N/A	59,901	25%	14,975
VOLRENTAL ATLÁNTICO, S.A.U. - 2009	37,277	N/A	37,277	25%	9,319
VOLRENTAL ATLÁNTICO, S.A.U. - 2011	2,389	N/A	2,389	25%	597
VOLRENTAL ATLÁNTICO, S.A.U. - 2012	1,286	N/A	1,286	25%	321
VOLRENTAL ATLÁNTICO, S.A.U. - 2013	691	N/A	691	25%	173
VOLRENTAL ATLÁNTICO, S.A.U. - 2014	1,101	N/A	1,101	25%	275
VOLRENTAL ATLÁNTICO, S.A.U. - 2015	1,427	N/A	1,427	25%	357
VOLRENTAL ATLÁNTICO, S.A.U. - 2016	1,113	N/A	1,113	25%	278
VOLRENTAL ATLÁNTICO, S.A.U. - 2017	1,836	N/A	1,836	25%	459
VOLRENTAL ATLÁNTICO, S.A.U. - 2018	1,222	N/A	1,222	25%	306
VOLRENTAL ATLÁNTICO, S.A.U. - 2019	500	N/A	500	25%	125
VOLRENTAL ATLÁNTICO, S.A.U. - 2020	519	N/A	519	25%	130
VOLRENTAL ATLÁNTICO, S.A.U. - 2021	711	N/A	711	25%	178
VOLRENTAL ATLÁNTICO, S.A.U. - 2022	379	N/A	379	25%	95
GLOMAK SPAIN - 2011	1,694,837	N/A	1,694,837	25%	423,709
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
Total	**14,465,648**		**14,465,648**		**3,981,721**

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
TEA ALOYA INMOBILIARIA, S.A.U.- 2017	5,666,188	2029	4,360,905	30%	1,308,271
TEA ALOYA INMOBILIARIA, S.A.U.- 2018	2,262,295	2030	1,741,144	30%	522,343
TEA ALOYA INMOBILIARIA, S.A.U.- 2019	978,162	N/A	978,162	25%	244,540
TEA ALOYA INMOBILIARIA, S.A.U.- 2020	1,716,675	N/A	1,716,675	25%	429,169
GLOMAK SPAIN - 2009	2,255,621	N/A	2,255,621	25%	563,905
GLOMAK SPAIN - 2010	1,199,837	N/A	1,199,837	25%	299,959
GLOMAK SPAIN - 2011	419,355	N/A	419,355	25%	104,839
GLOMAK SPAIN - 2012	925,878	N/A	925,878	25%	231,469
GLOMAK SPAIN - 2013	3,006,906	2023	3,006,906	25%	751,727
GLOMAK SPAIN - 2014	1,013,861	2024	1,013,861	25%	253,465
GLOMAK SPAIN - 2015	1,516,169	2024	1,516,169	32%	485,174
Total	**21,917,976**		**20,091,543**		**5,434,120**

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;
- 5 years for taxes losses related to 2022.

From 2023 onwards, tax losses are no longer subject to time limitation. On other hand, the deduction of tax losses decreased from 70% to 65% of the taxable profit.

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

The 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 rules (CIT code), under the Special Taxation System for Groups of Companies ("RETGS") outlined in Articles 70 and 71 of the CIT 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 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 CIT 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 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 Türkiye, the limitation period is five years; the tax returns for the Group's companies may be 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

	2022	2021
Austria	25.0%	25.0%
Angola	25.0%	25.0%
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%
Czechia	19.0%	19.0%
Romania	16.0%	16.0%
Mozambique	32.0%	32.0%
Türkiye	23.0%	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 2022 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 2022 and 2021, the breakdown of cash and cash equivalents was as follows:

	Dec-22	Dec-21
Cash	99,771	107,015
Current Bank Deposits	93,992,745	78,849,872
	94,092,516	**78,956,887**

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

17. SHARE CAPITAL STRUCTURE

On 31st December 2022, 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 5TH of April 2022, dividends in the amount of 20 million 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 2022 and 2021 were as follows:

	Dec-22	Dec-21
Opening balance on January, 1st	415,888	(199,485)
Net profit for the period attributed to non-controlling interests	1,014,900	422,860
Other variations in equity	201,339	192,514
Final balance on December, 31st	**1,632,127**	**415,888**

NON-CONTROLLING INTERESTS DETAIL	Dec-22	Dec-21
GLOMAK - SGPS, S.A.	1,505,704	289,112
VOLRENTAL ATLÁNTICO, S.A.U.	126,423	126,776
Total	**1,632,127**	**415,888**

20. BORROWINGS

On 31st December 2022 and 2021, the structure of this item was as follows:

	Dec-22		Dec-21	
	Current	Non Current	Current	Non Current
Bank loans/current accounts /overdrafts	67%	33%	76%	35%
Commercial papers	19%	48%	10%	51%
Lease liabilities	13%	19%	14%	14%
	100%	**100%**	**100%**	**100%**

	Dec-21	Net amortization in the year	Dec-22
Bank Loans Obtained			
Long Term (1)	95,408,573	(27,037,537)	68,371,036
Short Term (2)	40,704,354	4,296,369	45,000,723
Sub Total (1)+(2)	**136,112,927**	**(22,741,167)**	**113,371,759**
Lease Liabilities			
Long Term (3)	15,741,440	188,119	15,929,559
Short Term (4)	6,715,515	284,945	7,000,460
Sub Total (3)+(4)	**22,456,955**	**473,064**	**22,930,018**
Total (1)+(2)+(3)+(4)	**158,569,881**	**(22,268,104)**	**136,301,778**

Of the non-current bank loans obtained at the date of 31st December 2022, 5,3% 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 2022 the net cash flow related to bank loans obtained from financial entities represented a net payment of 22.7 million euros.

21. SUPPLIERS

On 31st December 2022 and 2021, this item was comprised of current payable balances to suppliers, all of which are due in the short term.

On 31st December 2022 and 2021, 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 2022 and 2021, this account had the following breakdown:

	Current liabilities		Non-Current Liabilities	
	Dec-22	Dec-21	Dec-22	Dec-21
Accrued expenses liabilities	29,647,268	23,604,813		
Asset suppliers	(350)	(350)	113,212	113,221
Other creditors	7,328,982	10,490,398	12,729,482	7,408,695
	36,975,899	**34,094,861**	**12,842,693**	**7,521,916**

The accrued expenses include accruals for staff payments and charges, interest payable, taxes, and other miscellaneous operating expenses. The increase is mainly explained by the accrued sub-dealers commissions in Türkiye.

The increase in the non-current liabilities resulted from improvements with the deliveries of new machines by VCE during 2022, mainly in the last half of the year, which allowed us to consolidate in part the stock of new machines in Ascendum Machinery, Inc..

23. INCOME TAX AND STATE AND OTHER PUBLIC ENTITIES

On 31st December 2022 and 2021, "Income Tax" and "State and Other Public Entities" have the following breakdown:

	Assets		Liabilities	
	Dec-22	Dec-21	Dec-22	Dec-21
Income Tax	351,529	4,251,145	8,630,131	5,892,716
Sub-Total	**351,529**	**4,251,145**	**8,630,131**	**5,892,716**
Value Added Tax	8,987,696	7,685,446	10,210,782	6,083,928
Withholding income tax	0	0	1,162,814	609,944
Social Security Contributions	0	0	1,609,705	1,288,553
Others	101,919	215,810	226,734	141,641
Sub-Total	**9,089,616**	**7,901,256**	**13,210,035**	**8,124,066**
Total	**9,441,145**	**12,152,400**	**21,840,166**	**14,016,782**

In the table above the main variations in 2022 compared to 2021, were the following:

The reduction in income tax assets is mainly explained by the decrease of around 3.6 million euros in the income tax from Ascendum Machinery Inc..

The increase of income tax in liabilities is basically explained by 1.5 million euros from Ascendum Baumaschinen Österreich, as a result of a higher profit before income tax recognized when compared to 2021.

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

24. DEFERRALS — LIABILITIES

On 31st December 2022 and 2021, the item “Deferrals” has the following structure:

	Dec-22	Dec-21
Deferrals		
Sales and services to recognize	7,138,926	8,381,476
Guarantees	13,344,456	11,440,325
Others	1,973,935	50,117
Total	**22,457,317**	**19,871,918**

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.

The increase in “others” is mainly related to customer downpayments.

25. PROVISIONS AND ACCUMULATED IMPAIRMENTS

Movements in provisions in the financial years ended on 31st December 2022 and 2021 were as follows:

2022	Opening balance	Exchange Rate effect	Perimeter variation	PL Increases	PL Reversals	Utilizations/ Adjustments	Total
Accumulated impairment losses - accounts receivable (Note 12)	17,252,673	151,321	0	116,627	(958,366)	(1,470,708)	15,091,547
Accumulated impairment losses - inventories (Note 11)	8,957,251	196,711	0	70,952	(2,176,781)	1,087,708	8,135,841
Provisions	13,736,090	2,060	0	933,819	(68,847)	(1,632,927)	12,970,195

2021	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

On 31st December 2022 and 2021, the details of "Provisions" presented in the consolidated statement of financial position were as follows:

DESCRIPTION	Dec-22	Dec-21
Provisions for guarantees	2,588,183	2,325,014
Provisions for risks and costs - Litigation	196,026	227,515
Other provisions	10,185,986	11,183,561
Total	**12,970,195**	**13,736,090**

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 2022 is included in "other provisions" an amount of 9.5 million euros intended to deal with contingencies and negative impacts that may occur for the Group, as a result of the 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.

26. GOVERNMENT GRANTS

	2022	2021
ASCENDUM BAUMASCHINEN ÖSTERREICH GMBH	692,462	153,584
ASCENDUM MACHINERY, INC.	0	1,691,855
ASCENDUM CENTRAL EUROPE GMBH	23,404	1,777
ASCENDUM STAVEBNÉ STROJE SLOVENSKO S.R.O	0	42,570
GLOMAK SGPS, S.A.	20,603	15,581
ASCENDUM GRADEVINSKI STROJEVI HRVATSKA D.O.O	1,139	45,293
Total	**737,608**	**1,950,660**

The government grants received by Ascendum in 2022 are basically a subsidy of the government that we received in Austria for our investment into the rental fleet.

The government grants received by the Group in 2021 are related to the government's aid for the COVID-19 pandemic.

27. FINANCIAL COMMITMENTS AND CONTINGENT ASSETS AND LIABILITIES

On 31st December 2022 and 2021, Ascendum has the following financial commitments:

	Dec-22	Dec-21
Bank Guarantees	1,856,310	6,710,677
Warranties granted to importers of represented brands	2,997,533	7,509,495
Guarantees provided in public tenders	1,027,493	258,835
Guarantees for suppliers of water, electricity, fuel and similar	164,117	208,861
Other guarantees	10,221,535	11,017,190
Total	**16,266,988**	**25,705,057**

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

Bank guaranties:

The decrease verified in this item is related to Standby Letters provided by Ascendum S.A. on behalf of the subsidiary Ascendum Maquinaria Mexico.

Warranties granted to importers of represented brands:

The decrease has occurred mainly in:
— Glomak SGPS, S.A.: 2.1 million euros
— Ascendum Automóveis: 2.4 million euros

Other guarantees:

The decrease 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 2022 and 2021 is as follows:

	Dec-22	Dec-21
Current Income Tax	(32,928,002)	(19,121,647)
Deferred Income Tax (Note 15)	3,271,196	3,296,049
Total	**(29,656,806)**	**(15,825,598)**

The increase in “Current income tax” in 2022, when compared to 2021 is essentially explained by the increase of the turnover.

The reconciliation of income tax is detailed below:

		2022		2021
Profit before income tax	110,043,987		58,466,502	
Income tax	22%	24,333,295	22%	12,920,405
Tax resulting from adjustments to the tax base		5,323,511		2,905,193
Total		**29,656,806**		**15,825,598**

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 million euros, represented by 15,000,000 shares with a nominal value of 1 (one) euro each.

In the 2022 and 2021 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-22	Dec-21
Net Profit/Loss of the period	80,387,181	42,640,904
Average number of ordinary shares	15,000,000	15,000,000
Basic earnings per share	**5.36**	**2.84**
Diluted earnings per share	**5.36**	**2.84**

30. NUMBER OF EMPLOYEES

In the financial years ended on 31st December 2022 and 2021, the average number of employees working for the Group was as follows:

	2022	2021
Board	24	30
Directors	64	57
Managers	156	171
Human Resources	19	13
Financial and Administrative	88	91
Logístics, IT, General support and others	62	52
Commercial	215	186
After-Sales	897	864
Total	**1,525**	**1,464**

31. CONTRIBUTION OF GEOGRAPHICAL AREAS TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION AND THE CONSOLIDATED INCOME STATEMENT ON 31ST DECEMBER 2022 AND 2021

The contribution of sales and services rendered by geographical market for the financial years ended on 31st December 2022 and 2021 were as follows:

MARKET	2022		2021	
	Amount	%	Amount	%
Portugal	170,450,008	14.18%	163,525,110	18.29%
Spain	133,364,602	11.10%	122,342,734	12.97%
United States of America	405,583,266	33.75%	346,697,917	32.68%
Türkiye	194,151,478	16.16%	149,675,712	11.73%
Mexico	74,112,669	6.17%	46,928,867	2.44%
Austria	115,067,750	9.58%	115,991,725	11.62%
Hungary	12,625,477	1.05%	10,434,246	1.38%
Romania	17,669,613	1.47%	12,766,167	1.58%
Croatia	15,259,568	1.27%	10,191,969	1.50%
Czechia	38,770,411	3.23%	30,261,111	3.72%
Slovakia	12,446,456	1.04%	7,742,682	0.99%
Mozambique	12,120,360	1.01%	8,857,528	1.10%
Total	**1,201,621,657**	**100%**	**1,025,415,768**	**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 2022 and 2021:

2022	Non-current Assets		Current Assets		
	Property, Plant and Equipment	Other Assets	Inventories	Trade Receivables and Other Assets	Assets total
Portugal	26,331,361	22,137,509	30,725,846	53,738,550	132,933,266
Spain	28,426,011	18,413,451	26,566,422	31,226,089	104,631,972
United States of America	54,005,848	8,330,439	62,496,532	41,062,849	165,895,668
Türkiye	6,707,863	1,993,817	20,595,456	62,077,861	91,374,998
Mexico	5,080,420	3,553,763	25,944,197	8,089,926	42,668,307
Austria	33,423,194	10,885,479	15,568,258	15,667,530	75,544,461
Hungary	1,503,264	613	1,735,106	857,056	4,096,039
Romania	1,533,967	914,320	1,229,795	2,575,443	6,253,525
Croatia	358,434	2,578	570,832	749,399	1,681,243
Czechia	4,959,979	289,449	4,581,906	5,731,876	15,563,209
Slovakia	516,799	161,573	1,594,768	3,242,334	5,515,473
Mozambique	310,971	(40,318)	6,677,821	8,843,386	15,791,860
Total	**163,158,110**	**66,642,674**	**198,286,939**	**233,862,298**	**661,950,021**

2022 (CONTINUATION)	Non-current Liabilities		Current Liabilities		
	Borrowings	Other Liabilities	Trade Payables and Other Liabilities	Borrowings	Liabilities Total
Portugal	60,049,260	12,563,011	30,053,570	22,315,347	124,981,188
Spain	1,475,058	1,067,111	16,883,800	1,669,106	21,095,074
United States of America	4,127,696	28,045,152	49,346,949	1,629,475	83,149,272
Türkiye	504,674	-	40,648,297	19,935,569	61,088,540
Mexico	6,327,945	-	20,413,435	978,312	27,719,692
Austria	7,829,209	511,845	34,969,817	3,745,586	47,056,457
Hungary	372,927	79,824	1,741,777	497,264	2,691,793
Romania	96,663	126,770	1,991,543	95,528	2,310,504
Croatia	110,438	139,128	(341,888)	59,595	(32,728)
Czechia	3,100,215	230,473	7,538,927	960,435	11,830,049
Slovakia	126,219	91,235	2,985,728	101,545	3,304,727
Mozambique	180,291	470,723	8,243,231	13,422	8,907,666
Total	**84,300,595**	**43,325,272**	**214,475,185**	**52,001,183**	**394,102,235**

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
Türkiye	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
Czechia	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
Türkiye	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)
Czechia	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**

2022	Sales and services rendered	Costs of sales	External supplies and services	Personnel costs	Other gains/ losses	Net Profit/Loss for the period
Portugal	170,450,008	(137,363,327)	(12,615,229)	(17,217,075)	(176,703)	3,077,675
Spain	133,364,602	(95,039,565)	(7,848,672)	(12,726,655)	(6,010,167)	11,739,543
United States of America	405,583,266	(303,955,748)	(4,963,324)	(33,532,160)	(27,044,274)	36,087,759
Türkiye	194,151,478	(149,617,653)	(12,011,987)	(6,617,630)	(10,588,686)	15,315,521
Mexico	74,112,669	(56,982,555)	(3,302,175)	(7,383,282)	(4,185,339)	2,259,318
Austria	115,067,750	(76,758,542)	(7,961,570)	(15,793,738)	(9,490,712)	5,063,188
Hungary	12,625,477	(8,526,230)	(820,865)	(1,221,148)	(1,160,150)	897,085
Romania	17,669,613	(12,591,536)	(633,213)	(1,652,265)	(961,242)	1,831,356
Croatia	15,259,568	(12,724,281)	(322,442)	(714,549)	(722,717)	775,579
Czechia	38,770,411	(27,720,318)	(1,945,852)	(3,797,913)	(3,194,790)	2,111,538
Slovakia	12,446,456	(9,136,726)	(918,367)	(1,128,296)	(945,569)	317,498
Mozambique	12,120,360	(8,508,460)	(1,478,563)	(494,359)	(727,858)	911,120
Total	**1,201,621,657**	**(898,924,940)**	**(54,822,259)**	**(102,279,070)**	**(65,208,207)**	**80,387,181**

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
Türkiye	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
Czechia	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 5.0 million euro mentioned in note 25.

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

MARKET	2022		2021	
	Amount	%	Amount	%
Construction equipment and other equipment	1,153,737,022	96.01%	967,309,491	94.33%
Vehicles	18,782,737	1.56%	32,872,644	3.21%
Trucks	29,101,898	2.42%	25,233,633	2.46%
Total	**1,201,621,657**	**100%**	**1,025,415,768**	**100%**

32. OTHER INCOME AND GAINS

In 2022 and 2021, "Other income and gains" was comprised by:

	2022	2021
Cash discounts obtained	296,824	293,982
Claims	150,796	210,562
Excess of income tax estimate	29,457	28,319
Adjustments related to prior years	11,103	111,931
Others	7,452,327	10,011,376
Total	**7,940,508**	**10,656,170**

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

c. On 31st December 2022 and 2021, financial results had the following composition:

INTEREST AND SIMILAR COSTS	2022	2021
Interests for Leases	1,150,981	1,107,233
Bank Interests	5,723,369	5,509,602
Total	**6,874,350**	**6,616,834**

The separate line of interest on lease contracts results from the disclosure rules of the IFRS 16, which came into force in 2019.

INTEREST AND SIMILAR INCOME	2022	2021
Interests	1,182,672	101,611
Total	**1,182,672**	**101,611**

d. Exchange differences on financial assets and liabilities related to operating activities in 2022 and 2021 were as follows:

GAIN / (LOSS)	2022	2021
Operational Foreign Exchange Gain (+) / Loss (-)	(653,444)	(4,346,026)
Financial Foreign Exchange Gain (+) / Loss (-)	(45,168)	3,310,311
Total	**(698,612)**	**(1,035,715)**

The major contributors to the Exchange differences were Türkiye, decreasing 1.0 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-22	Dec-21
Key management personnel	27,934	77,431

BALANCES WITH RELATED PARTIES	Dec-22	Dec-21
Customers/other accounts receivable:		
Nors, S.A.	749,134	399,335
Suppliers/other accounts payable:		
Nors, S.A.	4,846,209	5,583,596

TRANSACTIONS WITH RELATED PARTIES 2022	Sales	Services rendered	Purchases	Other Expenses	Other Income
Nors S.A.	190,687	1,662,786	22,759,957	313,241	25,418

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

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 2022, 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	444	fair value through other comprehensive income
Other accounts receivable (Note 13)	debt instruments	1,135,920	amortized cost
Other non-current financial assets (Note 10)	debt instruments	75,628	amortized cost
Trade and other receivables (Note 12)	debt instruments	124,943,923	amortized cost
Prepayments to suppliers (Note 13)	debt instruments	1,029,594	amortized cost
Cash and bank deposits (Note 16)	debt instruments	94,092,516	amortized cost
		221,278,024	

FINANCIAL LIABILITIES	Category	Book value	Valuation method
Borrowings (Note 20)	amortized cost	113,371,759	amortized cost
Other liabilities (Note 22)	amortized cost	20,171,325	amortized cost
Trade and other payables (Note 21)	amortized cost	125,084,794	amortized cost
Prepayments from Customers	amortized cost	8,117,008	amortized cost
		266,744,887	

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 2022 and 2021 for impairments of financial assets were as follows:

GAIN / (LOSS)	2022	2021
Accounts receivable impairments (losses/reversals)	841,739	12,541
	841,739	**12,541**

36. REMUNERATION OF THE MEMBERS OF THE GOVERNING BODIES

The remuneration of the members of the Governing Bodies of the Group in 2022 and 2021 were as follows:

BOARD	2022	2021
Board	4,457,188	4,187,166

37. REMUNERATION OF THE STATUTORY AUDITOR

The fees paid to the Statutory Auditor, PricewaterhouseCoopers & Associados – S.R.O.C., Lda., in the 2022 and 2021 financial years were as follows:

	Currency	2022	2021
Portugal	EUR	75,335	76,000
Spain	EUR	54,863	52,250
United States of America	USD	148,050	141,000
Mexico	USD	32,000	32,200
Türkiye	EUR	15,000	15,000
Romania	EUR	14,175	13,500
Hungary	EUR	13,200	12,000
Austria	EUR	26,434	25,175
Croatia	EUR	9,975	9,500
Slovakia	EUR	14,080	12,800
Czechia	EUR	17,819	16,770

38. EXTERNAL SUPPLIES AND SERVICES

In 2022 and 2021, external supplies and services had the following breakdown:

	2022	2021
Subcontracts/ Specialized services	22,804,601	22,859,230
Advertising and promotion	2,166,015	1,399,577
Surveillance and security	689,767	621,401
Maintenance/repairs/tools	3,165,990	2,405,806
Office supplies/technical documentation	968,681	769,627
Electricity/fuels/water/other fluids	1,271,582	799,641
Travel and accommodation	4,040,312	2,617,925
Transport of goods	4,970,880	4,638,462
Rents and leases	3,621,053	3,037,666
Communications	1,542,173	1,359,518
Insurance	3,132,117	2,649,655
Clean hygiene and comfort	1,166,184	1,164,909
Other external supplies and services	5,282,904	3,814,365
Total	**54,822,259**	**48,137,782**

The increase in External Suppliers and Services expenses occurred in 2022, when compared with 2021 is justified by the increase of activity, as well as the enhancement of modernization projects, transformation of the way of work and support systems.

39. PERSONNEL EXPENSES

In 2022 and 2021, the Personnel Expenses had the following breakdown:

	2022	2021
Payroll	57,460,135	49,328,171
Social charges	10,294,962	9,013,941
Insurance against labour accident	146,386	151,955
Commissions	13,828,804	10,457,872
Awards and Bonuses	10,227,886	8,280,151
Indemnities	622,358	105,546
Other staff related expenses	9,698,540	8,378,571
Total	**102,279,070**	**85,716,208**

Personnel expenses have increased in 2022, due to an increase in the number of employees (1,525 in 2022 versus 1,464 in 2021) and an increase in commissions and bonuses paid in 2022 (more 5.4 million euros) related to the increase in turnover in 2022 (more 176 million euros than 2021).

The item “Other staff costs” essentially includes costs related to other benefits, insurance, social spendings, overtime work and other expenses.

40. OTHER EXPENSES AND LOSSES

In 2022 and 2021 other expenses and losses had the following breakdown:

	2022	2021
Taxes and fees	2,013,092	1,710,033
Bank commissions and other charges	361,534	1,189,904
Adjustments related to prior years	37,044	41,320
Donations	116,053	31,355
Subscriptions and contributions	9,628	18,799
Other costs	3,968,179	1,938,749
Total	**6,505,530**	**4,930,161**

41. ENVIRONMENTAL INFORMATION

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

Ascendum's Board of Directors, in 2023, 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 2022 financial year.

42. SUBSEQUENT EVENTS

On the 1st of January 2023, Croatia has changed its currency from the Kuna to the Euro. The Group does not anticipate this to have a material impact going forward.

No 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 10th March, 2023. Additionally, the financial statements attached on 31St December 2022 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 (Chairman)
	José Jensen L. Faria
	Nuno Colaço
	Paulo Mieiro
	Pedro Arêde
	Pedro Mieiro
	Rui A. Faustino
	Rui Miranda
	Tomas Jervell

STATUTORY AUDIT REPORT

UNLOCKING A SUSTAINABLE FUTURE

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, 2022 (which shows total assets of Euro 661,950,021 and total shareholders' equity of Euro 267,847,786, including a net profit of Euro 79,372,281), the consolidated statement of income, 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, 2022, 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 Directors' 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;

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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.

March 10, 2023

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

Nuno Miguel Costa Guimarães Cordeiro Tavares, ROC nº 1838
Registered with the Portuguese Securities Market Commission under no. 20200031

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