UNLOCKING23

ANNUAL REPORT

ASCENDUM

ascendum.pt

Ascendum concluded 2023 with unprecedented results, reaching 1.3 billion euros in total sales, despite numerous challenges, including geopolitical, macroeconomic, and market uncertainties. With significant improvements in profitability and industry recognition, the year 2023 marked a period of significant consolidation of relevant investments in digital transformation initiatives, enhancing the way we work and connect with our customers.

As we look ahead, Ascendum remains committed to pioneering the path towards a more efficient, modern, and sustainable company.

2023 was our best year ever but you can still expect more from us!

UNLOCKING23
ANNUAL REPORT

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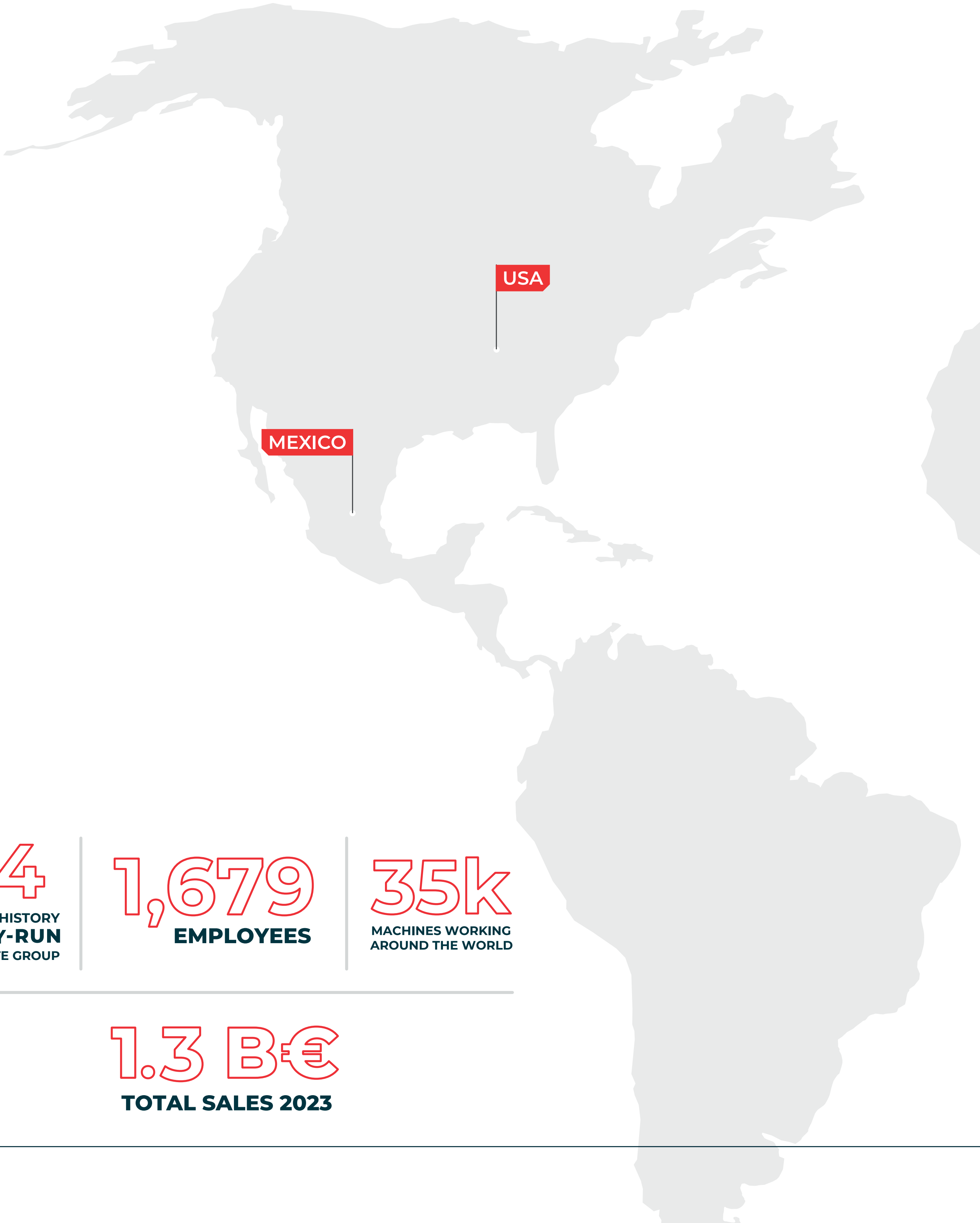
ASCENDUM

ASCENDUM GROUP WORLDWIDE

PRESENT WITH OVER 60 BRANCHES IN PORTUGAL, SPAIN, USA, TÜRKIYE, MEXICO, AUSTRIA, CZECHIA, HUNGARY, SLOVAKIA, ROMANIA AND CROATIA.



64
YEARS OF HISTORY
FAMILY-RUN
CORPORATE GROUP

1,679
EMPLOYEES

35k
MACHINES WORKING AROUND THE WORLD

1.3 B€
TOTAL SALES 2023

PORTUGAL (HQ)

Porto
Viseu
Albergaria
Coimbra
Leiria
Lisboa
Faro
Ponta Delgada

SPAIN

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

USA

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

MEXICO

Guadalajara
Monterrey
Tultitlán

TÜRKIYE

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

CENTRAL EUROPE:

AUSTRIA

Bergheim
Gumpoldskirchen
Lieboch
Salzburg
St. Marien
Villach
Vomp

CROATIA

Zagreb

CZECHIA

Brno
České Budějovice
Chrášťany
Poděbrady
Olomouc - Slavonín
Ostrava
Plzeň

HUNGARY

Budapest
Székesfehérvár

ROMANIA

Brasov
Bucharest
Timisoara

SLOVAKIA

Prešov
Senec
Žilina
Zvolen

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CONSO_ LIDATED

CONSOLIDATED MANAGEMENT REPORT

UNLOCKING EMPOWERED PEOPLE

1.

MESSAGE FROM THE CHAIRMAN OF THE EXECUTIVE BOARD OF DIRECTORS

Dear Shareholders,

As we ended our **record-breaking year ever**, there is no other way to start this message than with a sincere appreciation for the **hard work and commitment from our over than 1,600 employees**, who made sure that we exceeded **last years' historical performance once more, and by a large margin.**

To our shareholders and financial partners, I would also like to extend my gratitude for your trust in **Ascendum as your business partner**, in the different markets where we operate. Your continued belief in our vision, allow us to grow and seize new opportunities.

Ascendum had an **unprecedented year in 2023**, with **total sales exceeding the 1.3 billion euros** highmark (8.3% more than in 2022). We also **improved our profitability levels, with a 186 million euros EBITDA, a net profit margin of 8%**, and stable financial indicators - Equity/Assets of 38% and Net debt/EBITDA of zero. These results were possible even with the challenging and uncertain conditions we faced in 2023 (geopolitical, macroeconomic, FX and market wise).

2023 was marked by the continuous consolidation of important investments. Through our digital transformation programme and initiatives, that enhance the way we work and connect with our customers, optimizing our service performance, every step of their journey.

I am also very excited to share a big achievement from 2023, a true reflection of how our "Expect More" motto is going stronger: Ascendum won the Best Retail & Distribution Project category, at the Portugal Digital Awards® 2023, with its GenAI - New Service AI Assistant Project. These awards recognize companies that are driving the digital transformation of their businesses, keeping pace of market innovation.

As we continue to evolve and innovate, I could not be prouder of how Ascendum is pioneering the path to a more efficient, modern and sustainable company.

2023 was quite a year and you can still expect more from us!

Thank you for your never-ending commitment and dedication to Ascendum.

"Ascendum had an unprecedented year in 2023, with total sales exceeding the 1.3 billion euros highmark (8.3% more than in 2022). We also improved our profitability levels, with a 186 million euros EBITDA, a net profit margin of 8%."

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

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.

“Ascendum will continue to evolve and innovate, pioneering the path to a more efficient, modern and sustainable company.”

EXECUTIVE BOARD OF DIRECTORS

João Mieiro
President of the Executive Board & Chairman

- Angela Vieira
- Paulo Mieiro
- Rui Faustino
- Pedro Arêde
- Nuno Colaço

NON-EXECUTIVE BOARD OF DIRECTORS

- Pedro Mieiro
- Ernesto S. Vieira
- Tomás Jervell
- José Leite Faria
- Rui Miranda

SOUNDING BOARD

- EXECUTIVE BOARD OF DIRECTORS
- LOCAL CEO'S
- CORPORATE DIRECTORS

PORTUGAL	SPAIN	USA	TÜRKIYE	MEXICO	CENTRAL EUROPE
Angela Vieira (Chairwoman)	**João Mieiro (Chairman)**	**Paulo Mieiro (Chairman)**	**João Mieiro (Chairman)**	**Nuno Colaço (Chairman)**	**Paulo Mieiro (Chairman)**
Rui Faustino (CEO)	Juan A. Zurera (CEO)	Grant Adams (CEO)	Tolga Polat (CEO)	Jorge Rodriguez (CEO)	Thomaz Schmitz (CEO)
Ernesto S. Vieira	Paulo Mieiro	João Mieiro	Angela Vieira	Juan Antonio Zurera	Angela Vieira
Nuno Colaço	Rui Faustino	Nuno Colaço	Pedro Arêde	Luis Rubio	Nuno Colaço
Júlio Rodrigues	Jorge Guimarães	Francisco Ramos	Júlio Rodrigues		Rui Miranda

3. HIGHLIGHTS

3.1. RELEVANT FACTS

After two very outstanding years at the top of its historical performance (2021 and 2022), Ascendum managed to exceed expectations once more and 2023 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 1.3 billion euros, a 14% EBITDA margin and a new historic Net Income of 101.4 million euros (8% margin)** which lead to the strongest financial position ever with a Net Debt of 3 million euros and Equity of 323 million euros, resulting on robust solvency ratios Net Debt/EBITDA of zero and Equity/Assets of 38%.

EBITDA OF
186.2
Million Euros

EBITDA MARGIN
14%

NET INCOME OF
101.4
Million Euros

EQUITY OF
323
Million Euros

NET DEBT/EBITDA OF
ZERO

EQUITY/ASSETS OF
38%

TURNOVER OVER
1.3 B€

In 2023, we remained steadfast in the consolidation of our motto "EXPECT MORE. ASCENDUM IS MORE THAN YOU EXPECT" launched in 2022, **and the year was marked by the message of our 64th anniversary "64 YEARS AND YOU CAN STILL EXPECT MORE"**, which is a heritage of the way we do business with our customers and the way we interact with our employees.

Ascendum is fully focused on the digital transformation of our business, powered by the following initiatives: the Lighthouse program, the Ascendum Uptime Center, GENAI, Sales 2.0 and Service 2.0, leveraged by the Employer Value Proposition and Employer Brand initiatives, that are currently being enhanced and rolled out to the different geographic platforms.

* 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)	2023	2022	Δ (23/22)
Turnover	1,300,898	1,201,622	8.3%
EBITDA (1)	186,193	150,646	23.6%
EBITDA as a % of Turnover	14.3%	12.5%	1.8 pp
EBIT (2)	147,792	116,453	26.9%
EBIT as a % of Turnover	11.4%	9.7%	1.7 pp
Net Income with non-controlling interests	101,352	80,387	26.1%
NI as a % of Turnover	7.8%	6.7%	1.1 pp
Equity (with non-controlling interests)	322,841	267,848	20.5%
Net Debt (3)	2,795	42,209	-93.4%
Return on Equity (4)	31%	30%	1.4 pp
Return on Invested Capital (5)	45%	38%	7.8 pp
Net Debt / EBITDA	0.0x	0.3x	-0.3x
Equity / Net Debt	115.5x	6.3x	109.2x
Equity / Total Assets	38%	40%	-2.9 pp
Number of employees	1,679	1,525	10.1%

(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 (in 2022) and C2 R&D GROWTH XI - Fundo de Capital de Risco Fechado (in 2023).
(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, 2023 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, a new turmoil in the Middle East, sticky inflation and raising interest rates and some supply-chain bottlenecks that started with the COVID-19 pandemic:

- In 2023, the global economy is expected to have grown by 3.9% 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, – in the Euro Area, real GDP is expected to grow +1.1% in 2023 (-0.5% in 2022); in the USA, real GDP growth rate stabilize at 0.5% in 2023 (same as 2022); and in Türkiye, real GDP growth rate dropped to 1.0% in 2023 (+ 1.4% in 2022) mainly driven by the pervasive effects of the massive earthquakes in February 2023.

DEVALUATION OF USD AND TRY AGAINST THE EURO IN 2023:

The devaluation of the US Dollar against the Euro in 2023 (from EUR/USD 1.0666 on the 31st December 2022 to EUR/USD 1.1050 on the 31st December 2023) had a negative impact on the contribution of the North American and Mexican operations to the Group's results and Equity;

On the other hand, the 63.6% devaluation of the Turkish Lira against the Euro in 2023 (from EUR/TRY 19.9649 on 31st December 2022 to 32.6531 on 31st December 2023) penalized the Group's results by increasing the net exchange rate differences, arising from the exposure to monetary assets denominated in Turkish Liras (while having the Euro as the functional currency), contributing to negative exchange rate differences of 2.3 million euros in the Turkish operation.

GROWTH IN ASCENDUM ADDRESSABLE MARKET[1], FOR THE FIRST TIME SURPASSING THE "PEAK" YEAR LEVEL (2017):

2023 was marked by a global expansion, with a 15% increase in the number of units sold compared to 2022, totalling 44,447 units.

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

THE OPTIMIZATION AND EFFICIENCY MEASURES THAT ASCENDUM HAS BEEN ADOPTING AND ENHANCING OVER THE PAST FEW YEARS, AS WELL AS THE FOCUS ON KNOWLEDGE SHARING SYSTEMS, DIGITALIZATION, AND INVESTMENT IN HUMAN RESOURCES, HAD A POSITIVE EFFECT IN 2023:

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;

In **Spain**, a new paradigm has been set based on three pillars: (i) construction 4.0 focused on industrialization, automation of operations and collaborative environments (ii) new business models such as *smart maintenance* and "pay per use" and (iii) decarbonization. The strategic directions focus on innovation, quality, diversification, people, expertise and presence;

In the **USA**, the organizational structure was flattened, with a "shorter distance" between the executives and the employees in the field, allowing for quicker communication and more effective customer solutions. In addition, multiple outside sources were brought to introduce new analytical capabilities and improvements and the company joined the Group's strategic project aimed to improving the careers of our Service Technicians – Employee Value Proposition;

In **Türkiye**, economy is still recovering from both the financial crisis and devastating earthquakes felt in 2023 that affected negatively and pervasively its economy. Ascendum has been adjusting its strategy by implementing measures to consolidate the core business, control structural costs and focus on treasury management;

In **Mexico**, the Group continued 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 also being able to develop its customer base;

In **Central Europe**, the Group continued focused on optimizing processes improving the after-sales service.

THUS, DESPITE THE DEMANDING MACROECONOMIC AND SECTORAL FRAMEWORK, ASCENDUM'S EFFORTS CONTRIBUTED TO A VERY REMARKABLE PERFORMANCE IN 2023:

Operational performance – in 2023, the Group achieved Turnover of 1,301 million euros, EBITDA of 186.2 million euros (14% margin) and Net Income of 101.4 million euros (8% 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 zero and Equity/Assets of 38%, maintaining healthy financial indicators, despite the exposure to macroeconomic and sectoral demands amongst the Group's geographic platforms.

4. VISION AND VALUES

4.1. VISION

OUR VISION

"TO BE ONE OF THE WORLD
OF MACHINERY AND EQUIP
SOLUTIONS FOR CONSTRU
INDUSTRY, AGRICULT

"To be one of the world's largest distributors of machinery and equipment, providing global solutions for construction, infrastructure, industry, agriculture and trucks."

Ascendum is present in 14 countries: Portugal, Spain, USA, Türkiye, Mexico, Austria, Czechia, Croatia, Hungary, Slovakia, Romania, Moldova, Bosnia-Herzegovina, and Slovenia.

It represents several 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 agriculture and trucks markets.

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

"Global solutions"

Ascendum's core business is the sale of machines, equipment and parts, but also the provision of technical assistance, after-sales services, and solutions for the entire equipment value chain, including finance, logistics, technical training, and maintenance.

Our services 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 our competitiveness.

"Construction, industry and infrastructure"

Ascendum's equipment supports the operations of hundreds of companies across various sectors, namely construction and public works, earthworks, demolition, extraction and transformation, recycling and environmental sectors, forestry, and agriculture.

Ascendum's diverse customers include construction companies, quarries, mines, pulp and paper mills, marble, glass, and wood industries, as well as industrial waste and biomass operators, city councils, armed forces, and numerous other public and private entities.

Ascendum establishes partnerships with manufacturers of benchmark equipment in each area of expertise, ensuring quality, robustness, experience, and reliability.

D'S LARGEST DISTRIBUTORS PMENT, PROVIDING GLOBAL JCTION, INFRASTRUCTURE, TURE, AND TRUCKS".

WHAT DOES THIS VISION MEAN?

"Agriculture"

Ascendum imports agricultural equipment and solutions for farmers and agribusinesses distributing 2 brands through a network of dealers: Valtra and Kioti. Our offer includes solutions for easy-to-use tractors of different sizes and power for a wide range of applications, as well as tough and comfortable utility vehicles (UTV's).

"Trucks"

Ascendum sells and services new and used Volvo trucks, in Portugal, offering a wide range of models and tonnages.

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

To be Ascendum means being committed to these three values that are the basis of our culture and the pillars that give us a strong identity. With our values in place, seven core competencies were defined.

WE ARE AMBITIOUS

Because we dream and challenge the limits, showing willingness to explore new paths and generate results:

- We are open minded to innovation
- We are results oriented
- We have initiative and we make it happen

Our competencies:

- Openness to innovation
- Results Orientation
- Initiative

WE INSPIRE TRUST

Because we are solid, we work as a team with discipline and know-how, overcoming the adversities and expectations:

- We work together and celebrate together
- We share our knowledge
- We have know-how and technical strength

Our competencies:

- Know-How
- Teamwork

WE ARE CUSTOMER CENTRIC

Because we build close and trusting relationships with our customers, challenging, and adding value:

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

Our competencies:

- Proximity
- Commitment

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 1,679 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 it operates has placed it 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 EXCEPTIONAL PERFORMANCE IN THE MARKETS WHERE IT OPERATES, HAS EARNED ITS RECOGNITION AS ONE OF THE LARGEST AND BEST VCE DEALERS WORLDWIDE."

4.3.2. PRODUCT PORTFOLIO

	Portugal				Spain	
	Construction, Industrial and Infrastructure Equipment	Trucks	Airports/ Railways/Ports Infrastructure Equipment	Agricultural Equipment	Construction, Industrial and Infrastructure Equipment	Airports/Railways/ Ports Infrastructure Equipment
Import	VOLVO SENNEBOGEN PONSSE METSO:OUTOTEC MECALAC GOMACO		AIR-RAIL	KIOTI VALTRA	VOLVO ANACONDA LÄNNEN A-WARD GENESIS AND ALLU SBM MOBILE CRUSHERS AND MOBILE CONCRETE PLANTS	AIR-RAIL ZEPHIR
Retail	VOLVO SENNEBOGEN PONSSE METSO:OUTOTEC MECALAC GOMACO	VOLVO	AIR-RAIL		VOLVO ANACONDA LÄNNEN A-WARD GENESIS AND ALLU SBM MOBILE CRUSHERS AND MOBILE CONCRETE PLANTS	AIR-RAIL ZEPHIR
Rental	VOLVO MECALAC		AIR-RAIL		VOLVO ANACONDA LÄNNEN A-WARD GENESIS AND ALLU SBM MOBILE CRUSHERS AND MOBILE CONCRETE PLANTS	AIR-RAIL ZEPHIR
Aftermarket	VOLVO SENNEBOGEN PONSSE METSO:OUTOTEC MECALAC GOMACO ASCENDUM LUBRIFICATS ASCENDUM ENERGY	VOLVO	AIR-RAIL		VOLVO ANACONDA LÄNNEN A-WARD GENESIS AND ALLU TEREX GENIE SBM MOBILE CRUSHERS AND MOBILE CONCRETE PLANTS VOLMAQ OILS HARDPARTS NTN & TIMKEN	AIR-RAIL ZEPHIR
Remarketing	MULTI-BRAND				MULTI-BRAND	

	USA	Türkiye		Mexico	Central Europe*
	Construction, Industrial and Infrastructure Equipment	**Construction, Industrial and Infrastructure Equipment**	**Airports/Railways/ Ports Infrastructure Equipment**	**Construction, Industrial and Infrastructure Equipment**	**Construction, Industrial and Infrastructure Equipment**
Import	BERGMANN	VOLVO SDLG METSO	SANY	VOLVO SENNEBOGEN SDLG POWERSCREEN SHANTUI GEHL	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 GEHL	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 GEHL	VOLVO SENNEBOGEN
Aftermarket	VOLVO SENNEBOGEN DOOSAN SANDVIK LEEBOY VOLVO PENTA SDLG K-TEC BERGMANN	VOLVO SDLG METSO	SANY	VOLVO SENNEBOGEN TEREX TRUCKS SDLG POWERSCREEN SHANTUI GEHL	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

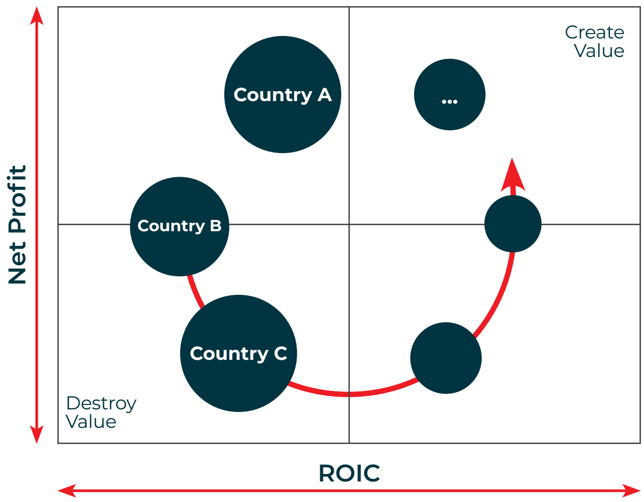
4.3.3. STRATEGY

After a long process of growth, the Group decided to focus its attention on 2 strategic axis (i) increase its profitability and return, aiming to be the best-in-class player in the global construction equipment industry landscape, and (ii) diversify from its Core, creating a 2nd revenue stream that could *rival with* the one related with the CE industry & allied products.

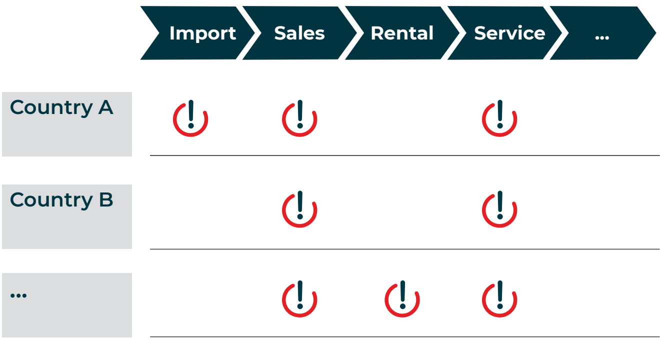
Regarding the first objective, we focused our attention on 2 main dimensions:

A. Optimization of Ascendum Portfolio
B. Value Spots in the Business Operations & Digitalization Strategy

A. Optimization of Ascendum Portfolio



B. Value Spots in the Business Operations & Digitalization Strategy



A. OPTIMIZATION OF ASCENDUM PORTFOLIO

In this regard, considering a 3-dimensional analysis (i) market fundamentals (ii) risk-return profile, and (iii) capital requirements, and on a long-term perspective (disregarding cyclicity), we *categorized* our different business segments (performing or underperforming), and based on that, took actions.

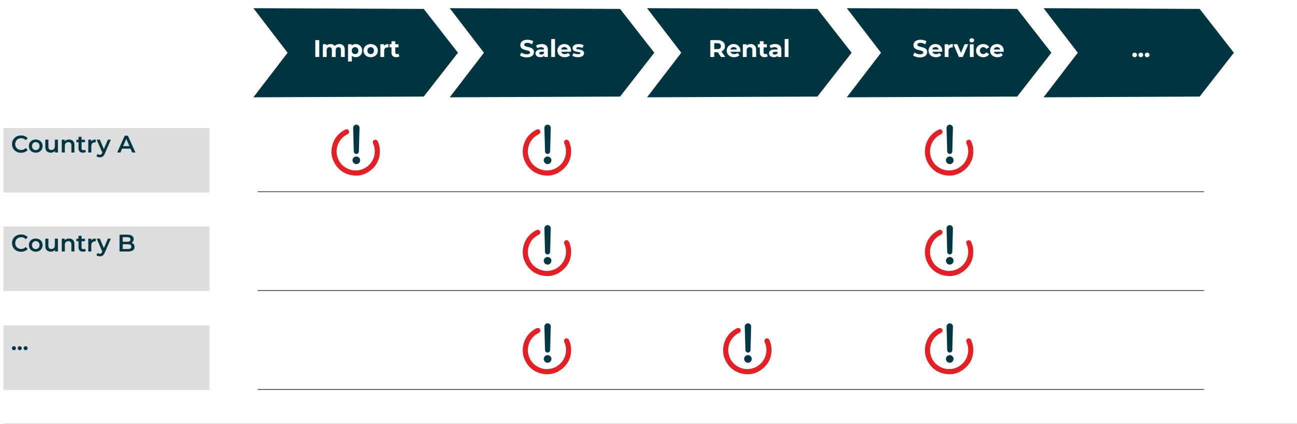
Dimension of Analysis	Metrics	Description
A. Market Fundamentals	**Addressable market size**	Addressable market given product portfolio
	Growth potential	Qualitative / quantitative assessment potential for the period 2024-2029
	Competitiveness / scalability of operation	Qualitative assessment of competitive pressure and scalability of operation (e.g., increase market share potential, etc.)
B. Risk Return Profile	**Sales potential & Profitability**	Sales & EBIT margin
	Return	ROIC
	Value	IRR/NPV/EV
	Risk	Qualitative assessment of execution risk to capture value (existing company, product portfolio, HR, existing Ascendum operation, etc.)
C. Capital Requirements	**Minimum entry ticket**	Upfront investment needed to enter the market
	Working capital	Average level of working capital (in terms of sales)
	Recurring capex	Average level of recurring capex needed to operate the business

Bearing this in mind, for businesses not meeting the standards established, a two-step methodology was adopted, firstly to focus on a potential turnaround, and secondly, when not feasible on the long-term, to divest.

As so, despite some very successful cases of turnaround occurring, Ascendum concluded that, on a long-term perspective, several operations did not present the fundamentals to meet the profitability & returns objective, and were, as a consequence disposed to players who were willing to develop those businesses – the divestment of the car business in Portugal was the illustrative example of the execution of this.

B. VALUE SPOTS IN THE BUSINESS OPERATIONS & DIGITALIZATION

On the 2nd axis, our analysis focused on opportunities to improve our operational performance, and capture material value to the Group.



In terms of approach, we performed a thorough peer analysis per segment across our footprint, benchmarking the best performers and highlighting the areas of improvement.

In parallel, the Group closely monitored key future trends in the CE industry and in the distribution, in order to anticipate challenges and proactively profit from potential opportunities. In this particular, CE industry wise **a set of success factors were identified:**

1. **Deep understanding** of customer's business and how they create value

2. **Well-positioned and right-sized** dealers/sales network

3. **High R&D investments** / being at the technological forefront with a focus on the aftermarket

FUTURE TRENDS

3

SUCCESS FACTORS

With the following topics playing a huge role on the **success on CE distribution:**

1. Customers expectation for value added services

2. Digital push from customers

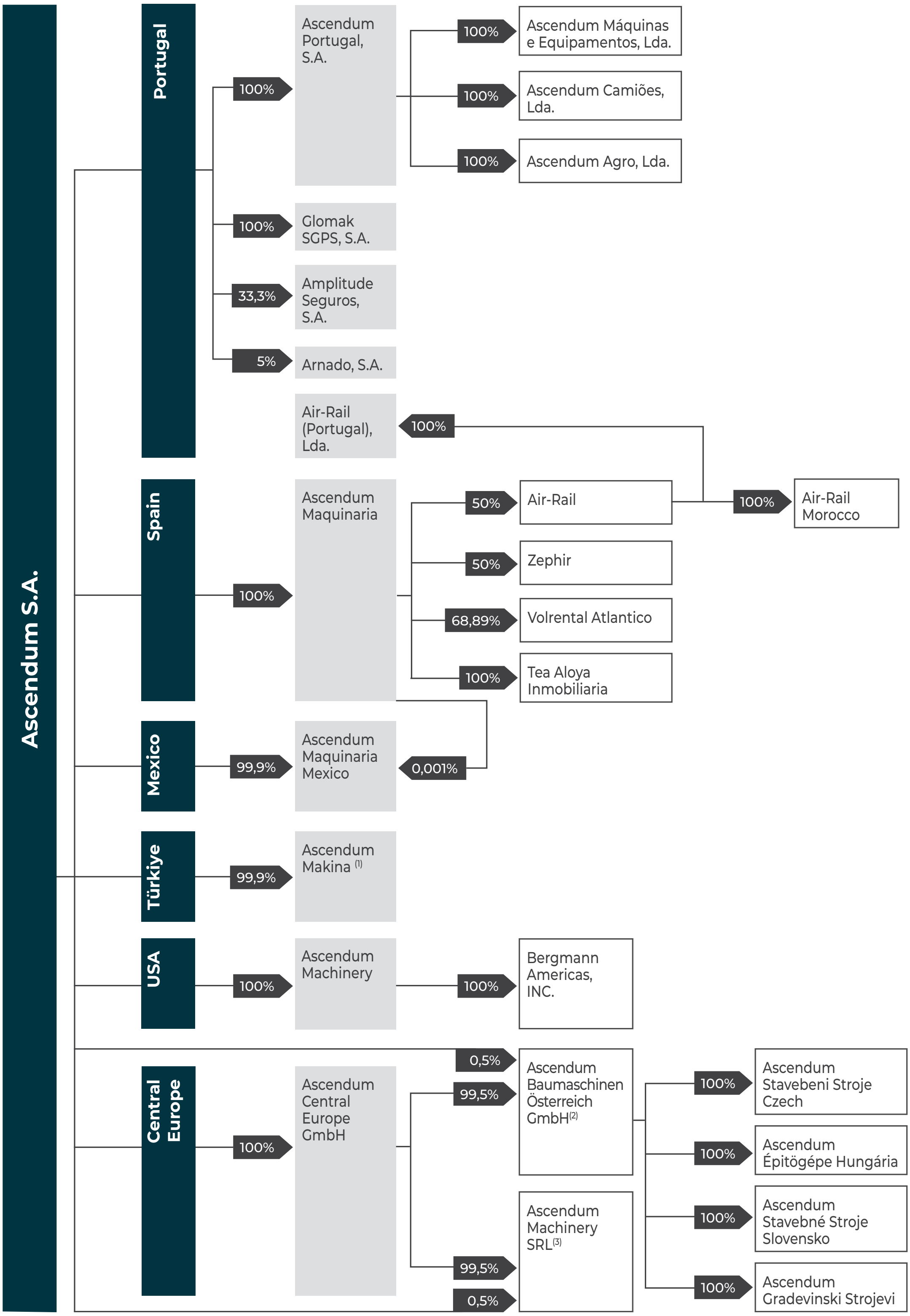
3. Rental competition increasing

Based on the above, Ascendum developed several initiatives of “operational excellence” and digitalization, technology based, of which the **Sales 2.0** and **Service 2.0** (already running and adding value to all stakeholders involved) are an example. On a more structural basis, the roll out of the core (Group ERP) to all CE operations and the Salesforce Lighthouse initiative will play a key role on this process.
To conclude, and despite still under development, we must highlight the GenAI - New Service AI Assistant Project, a joint project with Mckinsey that was awarded **Best Retail & Distribution Project at the Portugal Digital Awards® 2023.**

GenAI - New Service AI Assistant project: Winner of the Best Retail & Distribution Project Category, at the Portugal Digital Awards® 2023.

4.4. ASCENDUM ORGANIZATION

4.4.1. CORPORATE ORGANIZATIONAL CHART



(1) Company with 3 shareholders: Ascendum, S.A., Ascendum Portugal e Ascendum Máquinas e Equipamentos;
(2) Develops operations in Bosnia and Herzegovina and Slovenia through local subdealers;
(3) 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
Agricultural Equipment	Ascendum Agro					
Trucks	Ascendum Camiões					
Airports/ Railways/Ports Infrastructure Equipment	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 AWARENESS

A - NEW CORPORATE VIDEO

We have launched a new version of our Corporate Video, that portrays where Ascendum stands today, reflecting our dimension and strength: our business areas and related key sectors, worldwide operations, our value chain, our financial soundness and, above all, how we are continuously strengthening our A-team expertise to support our customers and keep their operations up and running (we have included parts of our Expect More video showing our teams).

Our updated Corporate Video also highlights how we are following the journey of the manufacturers towards electric and clean energy solutions providing a glimpse of the future.

A future where you really can expect more from ASCENDUM!

CORPORATE VIDEO

WATCH THE VIDEO THROUGH THIS QR CODE

B - WRX SPONSORSHIP - MONTALEGRE STOPOVER REINFORCED ASCENDUM POSITION AS A GLOBAL BENCHMARK

Following the partnership with Volvo CE (Official Track Builder Partner and Official Construction Equipment Supplier) and the success from the first edition in 2022, Ascendum was, for the second year in a row, Hosting Dealer of the Montalegre (Portugal) stopover, the Championship opening race that occurred on the 3^{rd} and 4^{th} of June, as well as the Gold Sponsor of the CE Dealer Team.

At this inaugural stopover, Ascendum extended a warm invitation to several of its stakeholders in a multi-market approach, providing a unique opportunity to welcome customers from 7 of our 14 geographies: Portugal, Spain, Austria, Czechia, Croatia, Romania, and Slovakia. **This approach gave an important insight into the Group's true dimensions along with its already known strategic drive to accelerate e-mobility.**

The main objective was to raise awareness among Ascendum's customers and stakeholders regarding e-mobility, carbon neutrality and the clean energy solutions already available on the market by providing a unique customer experience. Simultaneously, this event also contributed to taking the Ascendum brand awareness to another level.

The event achieved remarkable success - a sentiment strongly affirmed by our team, customers, and stakeholders.

C - 64 YEARS AND YOU CAN STILL EXPECT MORE

In April, Ascendum celebrated its 64th anniversary, a special occasion to reinforce our values and culture.

The campaign concept – **64 YEARS AND YOU STILL CAN EXPECT MORE** did not appear by coincidence, it was born from the employer brand campaign in 2022 – whose motto "EXPECT MORE", had much impact in positioning Ascendum as an attractive employer. In reality, it ended up becoming so much more, reinforcing our internal culture and sense of belonging.

4.5.2. BUSINESS TRANSFORMATION

A - LIGHTHOUSE PROGRAM

The Lighthouse Program is a global initiative that will include all markets within the Ascendum Group and represents the face of our digital transformation across various areas of our company, with the aim of making Ascendum a digital leader in the Construction Equipment Industry.

It roots back to 2019, when Ascendum started to implement projects focused on modernizing our work processes and empowering our people. The main goal was to develop a more unified business vision of our customers and their equipment across all Ascendum markets. The acceleration of modernization in our sector, particularly in areas like connectivity, electromobility, and automation, has driven our desire to stay ahead of the industry.

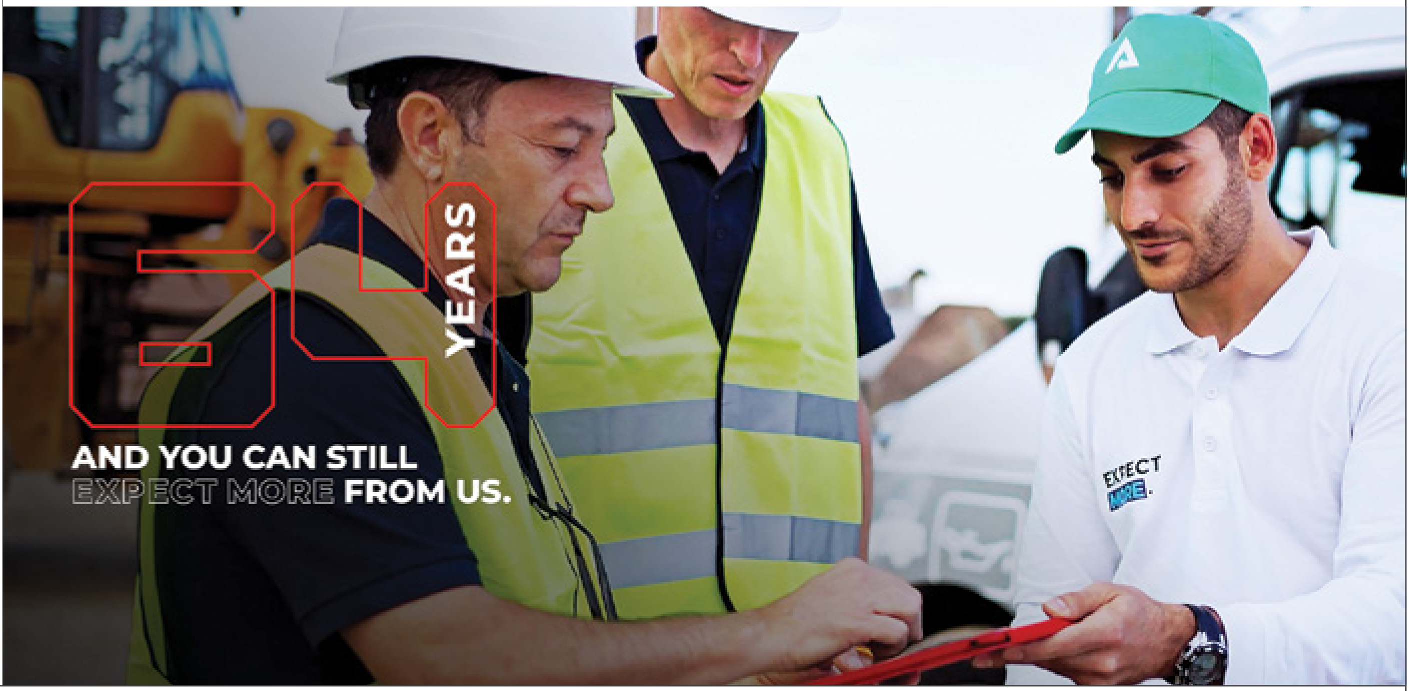
It started with a pioneering project – **Service 2.0** -, setting a new standard in After-Sales. The investment in transforming our After-Sales area, coupled with our proactive and agile customer-centric approach, has enabled us to:

- Make value-added commercial decisions
- Anticipate technical and operational decisions

The **Service 2.0** project also led to the establishment of our Service Support Center – **Ascendum Uptime Center**. This development involved the introduction of several new tools and processes, including:

- **SAP Core Project**
- Significant investment in **Salesforce solution**
- **Employee Value Proposition (EVP) Project** – Focused on empowering and retaining our people while attracting new talent.
- **Employer Brand** – An internal and external communication campaign that embodied the motto "Expect More."

This journey has earned us significant recognition, positioning us as a "Lighthouse" in the core industry of our business. It was thanks to this continued focus on productivity, efficiency, and modernization, that we paved the way for the creation of this global Lighthouse Program.



Grounded in pillars such as Sales, Service (After-Sales), Marketing, E-Commerce, and Integrated Data Analytics, the Lighthouse Program is powered by CRM (SAP) and supported by Salesforce software.

LIGHTHOUSE PROGRAM

7 PILLARS

SALES, SERVICE, MARKETING, E-COMMERCE, ANALYTICS, INTEGRATION AND LEARNING

Several strategic objectives have been defined for this program, including:

Establishing a global template model to optimize processes, accelerate our company's modernization, and achieve ROI in all Ascendum markets.

Providing a 360° view of our customers, allowing for the integration of Sales, Service, and Marketing on the same platform (Salesforce) in the future.

Enhancing our Business Insights supported by real-time data and analysis, combining existing data (in SAP Core) with CRM data (in Salesforce).

The Lighthouse Program's implementation is scheduled over a three-year period, with one market selected as a pilot for each pillar based on its availability and maturity.

In 2023, these were the main streams of this program that occur across our geographies:

Service:
- Kick-off of Service 2.0 in Austria
- Service 2.0 consolidation with new features in Portugal and Spain

E-Commerce: Kick-off in Portugal with the soft launch of the Customer Portal

Marketing: Kick-off of Marketing Automation in Spain

Sales: Sales 2.0 consolidation with new features in the USA

B - GENAI – NEW SERVICE AI ASSISTANT PROJECT

Ascendum won the Best Retail & Distribution Project category, at the Portugal Digital Awards® 2023, with its GenAI - New Service AI Assistant Project.

An Artificial Intelligence Project applied to our Service Assistance, aiming to substantially transform how Ascendum provides service to its customers. It resulted in the development of an AI assistant fully integrated into our Salesforce digital environment, that supports our Service Teams to identify relevant technical information, for different machine assistance situations.

PORTUGAL DIGITAL AWARDS 2023

GenAI

NEW SERVICE AI ASSISTANT

BEST RETAIL & DISTRIBUTION PROJECT CATEGORY WINNER

The Portugal Digital Awards, organized by IDC Portugal and Axians, recognize and reward the excellence of companies, with vision and audacity, who are driving the digital transformation of their businesses.

Ascendum remains committed to digital transformation and to being a pioneer in the sector we operate, now further affirmed by this prestigious award.

4.5.3. WEB DIGITAL STRATEGY

A - WE HAVE STRENGTHENED THE PATH TOWARDS A GLOBAL ALIGNMENT OF OUR WEBSITES

The global digital alignment of our machinery websites is ongoing and in 2023 we got closer to complete it with the go live of four new websites (WordPress technology):

Romania: Launched on 13th January 2023

USA: Launched on 26th January 2023

Portugal: Launched on 20th July 2023

Hungary: Launched on 21st July 2023

In the end of the year, we started the rollout process in Spain and the other Ascendum geographies will follow, according to the defined implementation plan.

WEBSITES
GLOBAL DIGITAL STRATEGY

4 NEW

WORDPRESS WEBSITES LAUNCHED

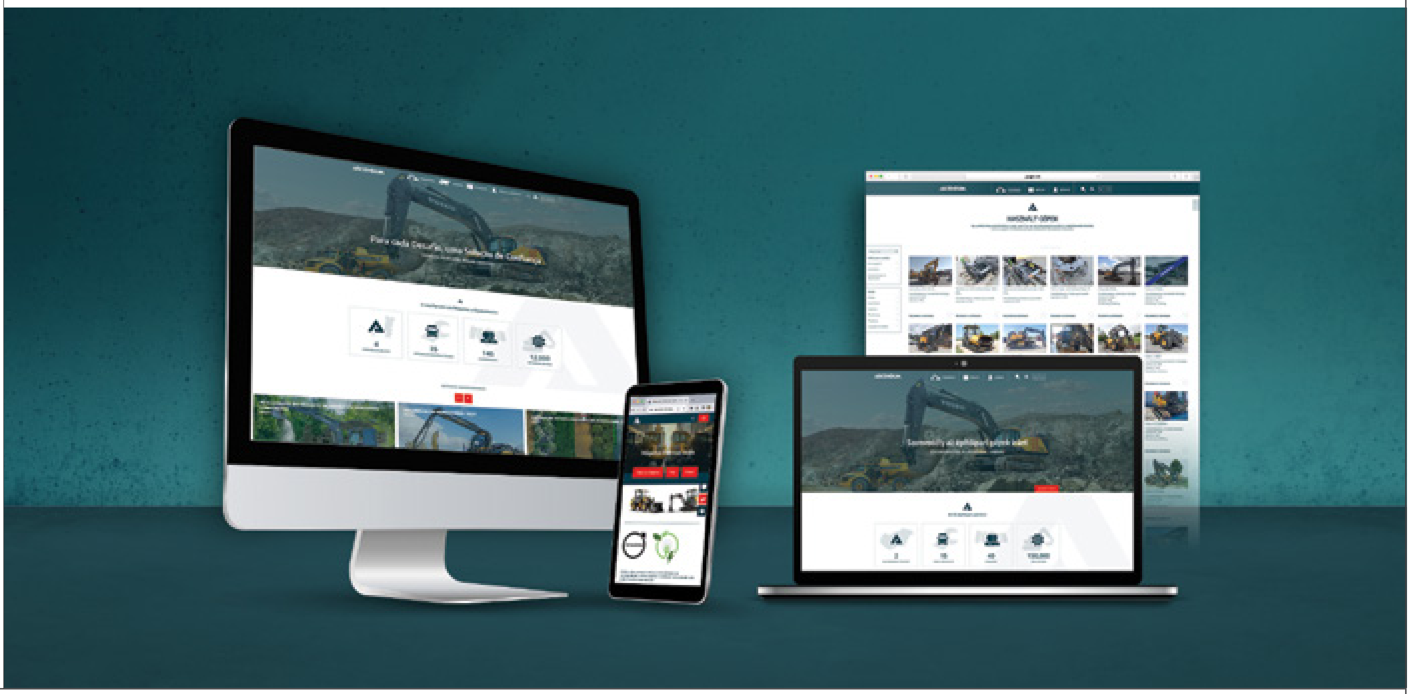
4.5.3. INVESTMENT IN PREMISES

One of Ascendum's objectives is to invest in new premises as well as in the modernization of current ones, which in 2023 was materialized in the relocation of our Savanah Branch in the USA to new facilities and in the opening of three new premisses in İzmir, Türkiye, in Brasov, Romania and in Santiago de Compostela, Spain.

INVESTMENT
IN NEW PREMISES

1 RELOCATION

3 OPENINGS

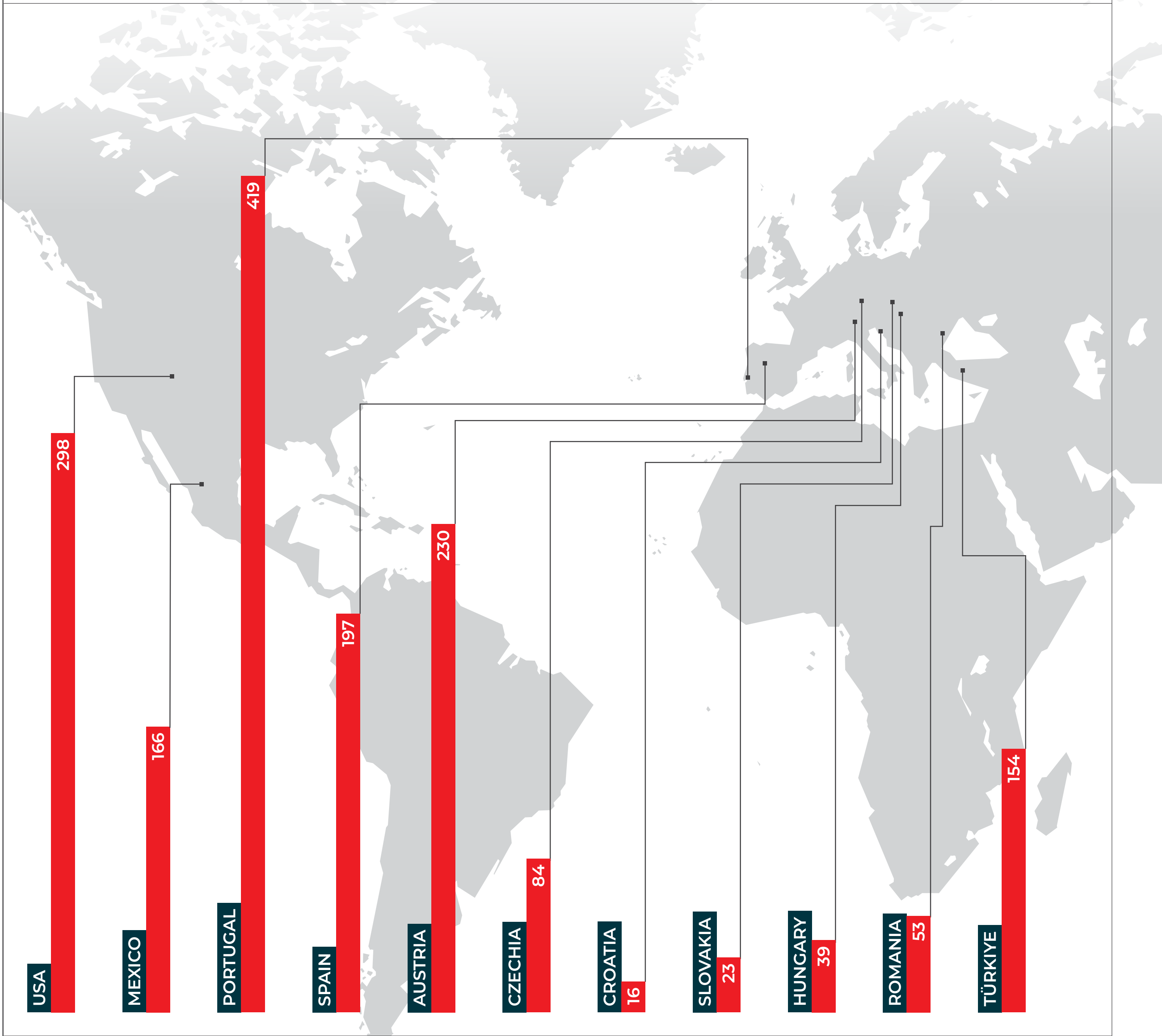


4.6. PEOPLE TRANSFORMATION

In 2023, the People & Culture department focused its efforts on strengthening our teams and advancing the enhancement and solidification of our Human Capital Management processes and models, contributing to the continued prosperity of the business. Furthermore, in parallel with our Digital Transformation Programs, we have been developing initiatives to ensure the upskilling and reskilling of our people, boost the adoption of new ways of work, foster digital literacy and awareness and investing in Artificial Intelligence tools.

The following map shows the distribution of employees by geography on 31st December 2023, 1,679 in total:

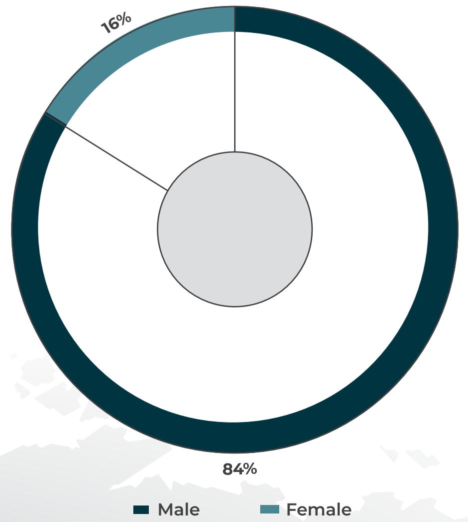
Similarly, to the representativeness of the businesses from the financial point of view, from the human standpoint the construction equipment business area also maintained its strong preponderance in Ascendum's operations, representing around 91% of the Group's total number of employees. In terms of gender, Ascendum's human resources are essentially composed of male employees (84%) and, in terms of qualifications, 28% have completed basic or secondary education, 39% have completed complementary or technical education, and 33% have some level of higher education.



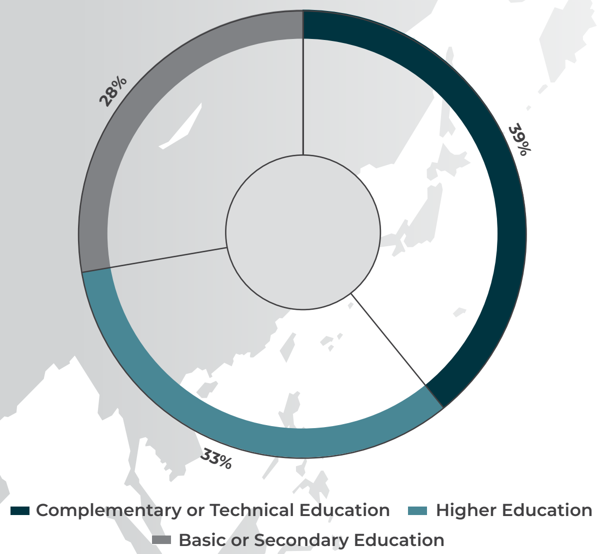
BOARD MEMBERS AND MANAGING DIRECTORS
28

TOTAL EMPLOYEES
1,679

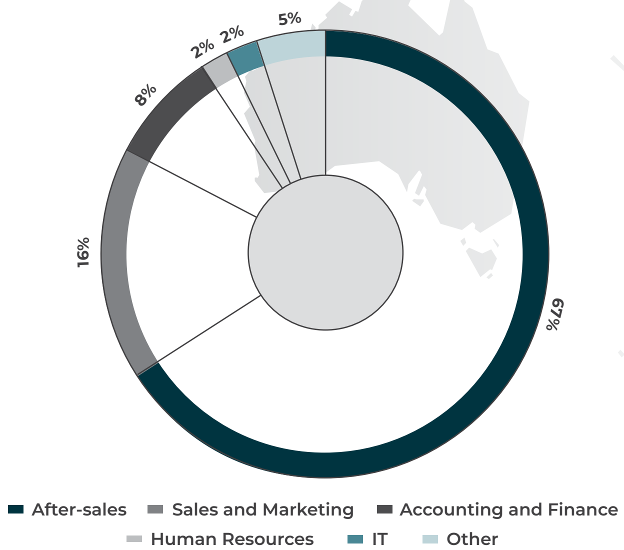
TOTAL EMPLOYEES
BY GENDER



TOTAL EMPLOYEES
BY LEVEL OF EDUCATION



TOTAL EMPLOYEES
BY ROLE



Regarding the distribution of employees by type of role, the After-Sales area is the most significant with 67% of the employees. Regarding distribution by management line, the Group has 28 Board Members and Managing Directors, 58 Directors and 183 Managers, with the remaining employees distributed between the 4th and 5th lines.

FOSTERING OUR PEOPLE IN THE DIGITAL TRANFORMATION ERA

The People Transformation team is focused on preparing our organization for the business transformations that lie ahead. These transformations will impact our ways of working and require a deep focus on Organizational Transformation and new roles design and recruitment, People Processes Digitalization and Reskilling and Upskilling of our people, overall and specifically on the scope of the Lighthouse Program, our business transformation program, through the adoption of the Salesforce tools.

ORGANIZATIONAL TRANSFORMATION

As our business transforms, new ways of work and new roles surface and the People Transformation team has been actively supporting our business in this transformation, namely through the design and definition of new roles and profiles as well as supporting the business in recruiting and selecting new people with the right set of skills.

PEOPLE PROCESSES DIGITALIZATION

The digitalization of our people management processes has been a strategic target for the People Transformation team, focusing particularly on the implementation of a common platform for the Ascendum Group. This transformation has evolved in 2023 with the harmonization of the Performance Management model and the continuing of the Success Factors implementation across geographies, a goal that will continue in 2024.

LIGHTHOUSE PROGRAM

Ascendum is dedicated to the comprehensive adoption of Salesforce through the Lighthouse Program across the organization. The People Transformation team has had an active participation in the program, namely in the Change & Adoption and the Learning streams to effectively support the upskilling and reskilling of our teams.

In terms of Change & Adoption, the Corporate People Transformation and Corporate Brand & Communication teams have established a work methodology that has been consistently implemented:

- **Communication:** For each Lighthouse stream, a comprehensive Communication Plan has been developed for both internal and external stakeholders, being directly or indirectly impacted by this transformation, aiming to address their pains and fears through strategically planned communication touchpoints, initiatives, and materials.

- **Training:** To effectively prepare our people to develop the necessary skills and learn to use the new systems for their daily tasks, a detailed training plan is being developed and implemented according to each stream's needs, with shared support materials such as FAQs and Quick Guides, Salesforce demo videos and live training sessions with Q&A. Additionally, a consistent support structure is ensured by the local teams to help users on a daily basis, and training reinforcements are done as needed.

- **Adoption Assessment:** the team designed an adoption assessment framework that is being applied to each Lighthouse stream that includes the monitoring of system usage and adoption KPIs as well as the launch of regular adoption surveys to collect feedback from our people throughout the transformation.

OTHER UPSKILLING & RESKILLING INITIATIVES

Cyber Security: In the year 2023, cybersecurity emerged as a top priority for Ascendum Group, prompting the launch of a Cybersecurity Training Program. Recognizing the ever-evolving threat landscape, Ascendum embarked on a mission to equip its workforce with the necessary knowledge and skills to protect its systems and data. With a completion rate of 85%, the success of the training program was a reflection to the commitment and the collective effort in mitigating cyber threats.

Artificial Intelligence tools: It is Ascendum's top priority to follow the evolution of new technologies in the workplace, providing the necessary tools and resources that will allow all employees to easily transform their ways of working. To boost the adoption of AI tools the People Transformation team has campaigned for the awareness and utilization of such tools and supported the implementation of specific in-house AI developed tools to boost the employees' efficiency and accuracy.

ASCENDUM CLIMATE SURVEY

In accordance with Ascendum's focus on its people, we again launched our climate survey in all our geographies. This survey edition had an astonishing participation rate of 95% overall and focused on three dimensions:

- **Engagement:** the degree to which an employee is motivated to work at Ascendum.

- **Climate:** The employees' perception of the working environment.

- **Culture:** the collection of values, expectations, and practices that guide and inform the actions of all employees.

The overall results were quite good and show a positive evolution from the previous surveys, demonstrating our commitment to our people. In summary, our people engagement with Ascendum:

88% of respondents **proud to work** for Ascendum

77% expecting to **continue representing** Ascendum in the **next 5 years**

49% of respondents are Promoters: eNPS shows most employees are likely to recommend Ascendum to a friend or colleague

Our people satisfaction:

>75% of people in Ascendum are **satisfied or very satisfied**, understand and like how their **career is managed** and are happy with **leaders** and **work conditions**.

85% feel their **work is challenging and interesting.**

Feedback is regularly shared (71% agree).

>60% consider the **training and development** opportunities/tools as adequate.

Our Culture – our employees perceive Ascendum culture as emphasizing collectiveness, digitalization, and customer focus, with a customer-centric approach and a strong result orientation.

Although the results were extremely positive, there is room for improvement and Ascendum focused its efforts on 4 main areas:

1. Reward & Recognition
2. Career Management
3. Training & Development
4. Communication

Following the survey, Ascendum launched a set of workshops in each geography to work collectively in defining priority areas of action and specific initiatives (>50 workshops). These workshops translated into >200 initiatives organized into local action plans, one for each geography, to be implemented until the end of 2024 and have been under delivery with an overall implementation rate of around 70% of the initiatives.

4.7. MAIN CONSOLIDATED INDICATORS

KEY PERFORMANCE INDICATORS (FIGURES IN THOUSAND EUROS)	2023	2022	Δ (23/22)
Turnover	1,300,898	1,201,622	8.3%
EBITDA (1)	186,193	150,646	23.6%
EBITDA as a % of Turnover	14.3%	12.5%	1.8 pp
EBIT (2)	147,792	116,453	26.9%
EBIT as a % of Turnover	11.4%	9.7%	1.7 pp
Net Income with non-controlling interests	101,352	80,387	26.1%
NI as a % of Turnover	7.8%	6.7%	1.1 pp
Total Assets	859,844	661,950	29.9%
Net Debt (3)	2,795	42,209	-93.4%
Equity with non-controlling interests	322,841	267,848	20.5%
Invested Capital (4)	325,636	310,057	5.0%
Return on Equity (5)	31%	30%	1.4 pp
Return on Invested Capital (6)	45%	38%	7.8 pp
Equity / Assets	38%	40%	-2.9 pp
Net Debt / EBITDA	0.0x	0.3x	-0.3x
Number of employees	1,679	1,525	10.1%

(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 (in 2022) and C2 R&D GROWTH XI - Fundo de Capital de Risco Fechado (in 2023).
(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 third year in a row, Ascendum surpassed the previous year historic high mark, with a 1,301 million euros turnover, a 186 million euros EBITDA and 101.4 million euros Net Income.

Ascendum showed strong solvency ratios in terms of financial performance levels, with a Net Debt/EBITDA ratio of zero and Equity/Assets of 38%, keeping its financial indicators healthy.

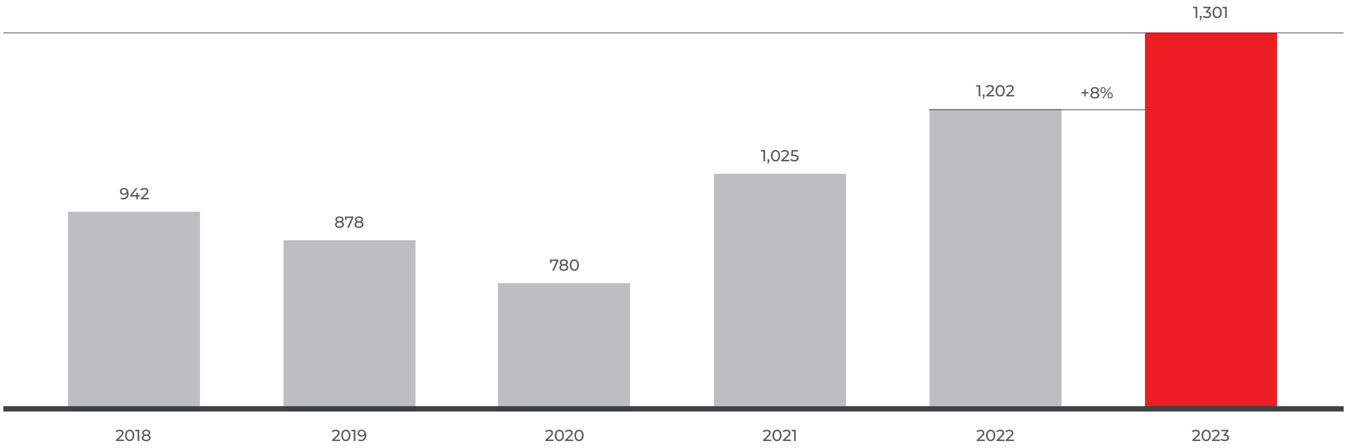
Ascendum's performance in 2023 reflects the ongoing efforts made in recent years, related to the structural improvement and efficiency enhancement, but also to the strengthening of its position in the markets where it operates. Thanks to the success of its growth strategy, diversification of the markets where it operates, as well as sharing of best practices in each of the geographies where it operates, the Group achieved a remarkable record of trust and value creation, shown, year after year, in a positive economic and financial performance.

TURNOVER

In 2023, Ascendum's Turnover increased by 8% to 1.3 billion euros, with the operations in Türkiye, the US, and Central Europe leading contribution for the new all-time high.

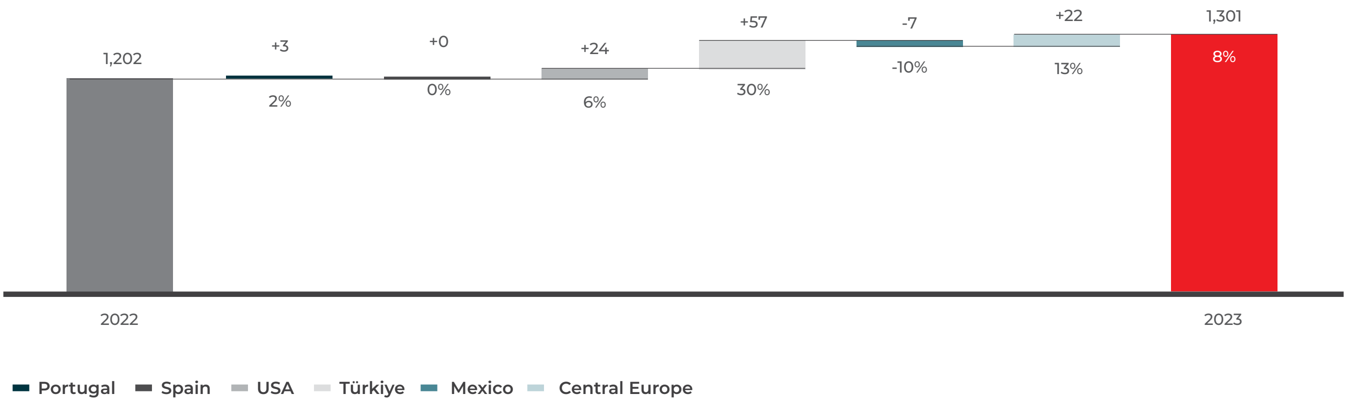
TURNOVER EVOLUTION

MILLION EUROS



CONTRIBUTION TO THE TURNOVER GROWTH RATE

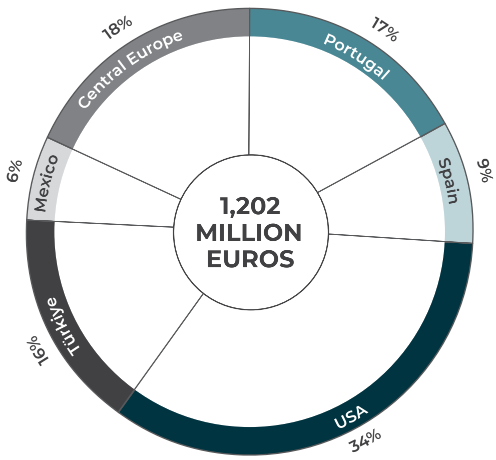
MILLION EUROS / % GROWTH RATE FROM 2022 TO 2023



External markets (Spain, USA, Türkiye, Mexico, and Central Europe) accounted for 84% of the Group's consolidated Turnover in 2023, while the operation in the US remained the Group's largest contributor with a relative weight over 33%.

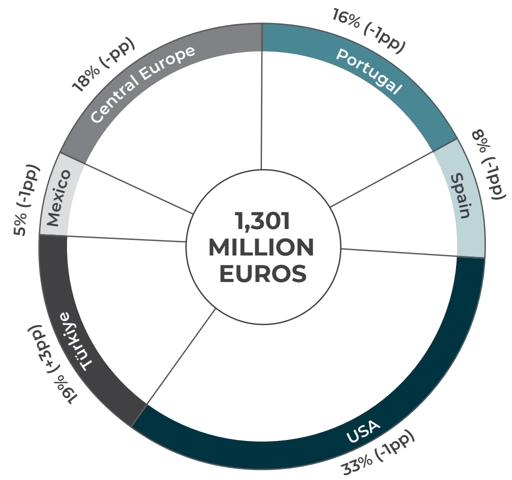
TURNOVER – 2022

% BY COUNTRY



TURNOVER – 2023

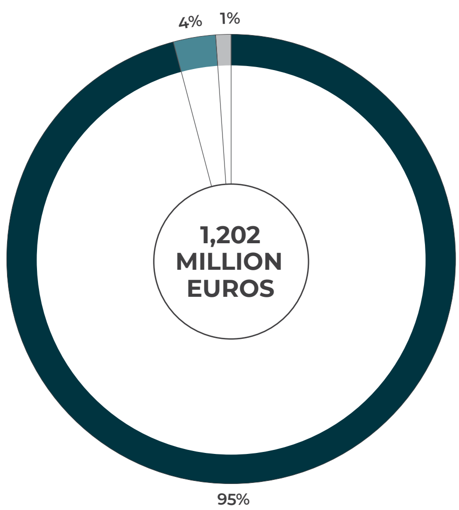
% BY COUNTRY



Portugal · Spain · USA · Türkiye · Mexico · Central Europe

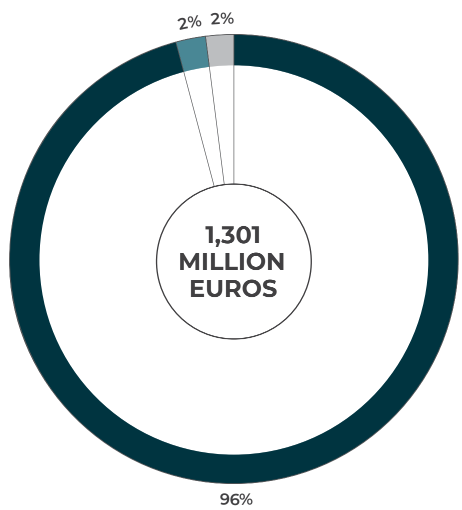
TURNOVER – 2022

% BUSINESS AREA



TURNOVER – 2023

% BUSINESS AREA



Construction, Industrial and Infrastructure Equipment · Vehicles · Agricultural Equipment

In terms of business areas, the construction, infrastructure and industrial equipment segment maintained its weight compared to 2022 (increasing 1 p.p. when compared with the homologue period, and with a 10% growth), representing 96% of the Group's Overall Turnover at the end of 2023. The vehicles (car and truck) business area saw its relative weight decrease from 4% to 2% (a decrease of 37% 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 the agricultural equipment segment represented 2% of the 2023 total turnover (increasing 1 p.p. when compared with the homologue period, and with a 21% growth).

EBITDA

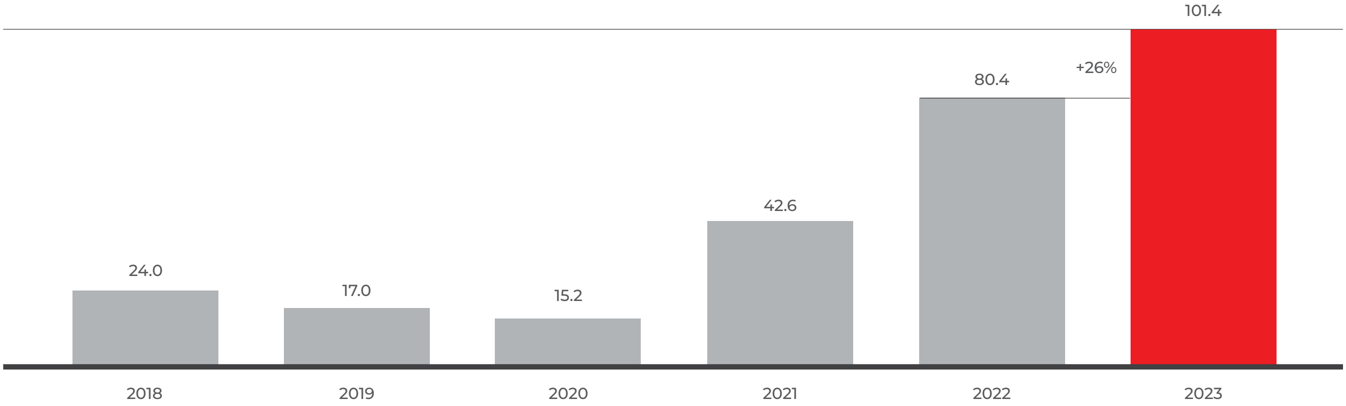
In 2023, Ascendum's EBITDA reached 186.2 million euros, equivalent to 14.3% of the Group's consolidated Turnover, corresponding to a 23.6% increase when compared to 2022. In addition, the Group's management efforts in terms of measures implemented to improve profitability allowed the increase of the EBITDA margin by 1.8 p.p. in 2023.

NET INCOME

The Group's Net Income hit 101.4 million euros in 2023, a record high for Ascendum, which corresponds to a 26% rise from the previous year, and a turnover margin of 7.8% (a 1.1 p.p. improvement over 2022).

NET INCOME EVOLUTION

MILLION EUROS

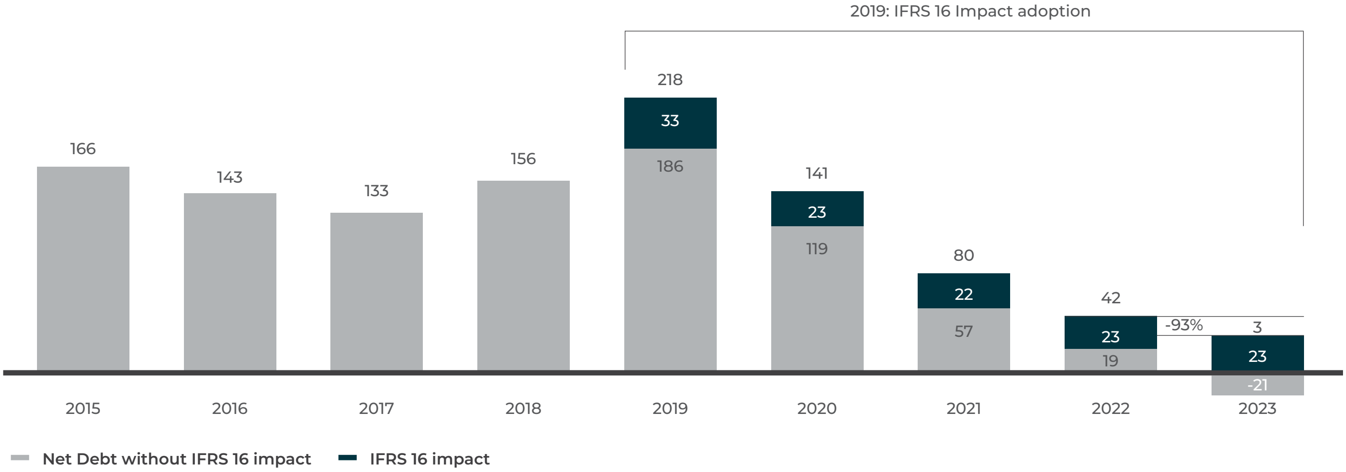


CONSOLIDATED NET DEBT

As of 31st December 2023, Net Debt was equal to 3 million euros (including the impact of the IFRS 16 adoption), a new historic low.

NET DEBT EVOLUTION

MILLION EUROS



In addition, the consolidated gross debt totaled 148 million euros, out of which 59% of medium and long-term debt (equivalent to 86.7 million euros) and 41% short-term debt (equivalent to 60.9 million euros).

At the end of the year, the Net Debt/EBITDA ratio was zero (0.3x below the ratio of 2022), while the Equity/Net Debt ratio stood at 115.5x.

The Group kept working to improve financial debt management, by aligning the liquidity requirements of each geographic platform with the stage and duration of its business, and by concentrating, like in previous years, on strengthening its position in the markets where it works and on enhancing the working capital cycle.

NET ASSETS AND EQUITY

In 2023, Ascendum's Assets totaled 860 million euros, representing an asset turnover ratio increase from 55% to 66%. In absolute terms, Ascendum's Total Assets increased by 198 million euros compared to 2022, given higher cash and equivalents (+ 47 million euros) and higher working capital levels (+80 million euros of inventories) .

In addition, in 2023, Equity (with non-controlling interests) totaled 322.8 million euros, representing an increase of 21% compared to 2022, equivalent to 55.0 million euros, whereas the ratio Equity/Assets was equal to 38%.

5. MACROECONOMIC CONTEXT

2023 has been a year of uncertainty, as widely predicted, driven by several factors simultaneously, namely wars (continuation in Ukraine, a new conflict in the Middle East), political polarization, remaining high inflation and interest rates to correct it, with consequent slower economic growth.

The main macroeconomic indicators are illustrated on the table below:

MACROECONOMIC INDICATORS	WORLD	CHINA	JAPAN	EURO ZONE	PORTUGAL	SPAIN	USA
Total population							
2023E (millions of people)	8,021	1,411	125	344	10	48	335
CAGR (23E-28E)	n.a	-0.1%	-0.6%	n.a	-0.2%	0.4%	0.6%
Gross Domestic Product							
2023E - nominal (B USD)	104,476	17,701	4,231	15,478	276	1,582	26,950
Real Growth Rate (22-23E)	3.9%	1.2%	0.5%	1.1%	0.6%	0.6%	0.5%
CAGR (18-23E)	3.9%	4.9%	0.1%	2.4%	1.6%	0.9%	1.9%
CAGR (23E-28E)	3.1%	4.9%	0.7%	1.5%	2.4%	2.2%	2.4%
Other Indicators (2023E)							
Inflation	6.88%	0.66%	3.21%	5.55%	5.54%	3.49%	4.08%
GFCF - real growth rate (22-23E)	n.a	n.a	n.a	2.8%	3.5%	1.9%	-0.5%
Unemployment rate	n.a	5.30%	2.45%	6.6%	6.57%	11.84%	3.57%
Gross Public Debt (% of GDP)	n.a	82.98%	255.24%	89.6%	108.50%	107.28%	123.29%
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	2.53%	-0.10%	4.50%	4.50%	4.50%	5.50%

Sources: World Bank, IMF (Economic Outlook - October 2023), AMECO, EY and Central Banks (respective reference rates).

MACROECONOMIC INDICATORS	EURO ZONE	TÜRKIYE	MEXICO	AUSTRIA	CZECHIA	CROATIA	HUNGARY	ROMANIA
Total population								
2023E (millions of people)	344	86	131	9	11	4	0	19
CAGR (23E-28E)	n.a	1.3%	1.0%	0.6%	-0.1%	0.2%	-0.1%	-0.7%
Gross Domestic Product								
2023E - nominal (B USD)	15,478	1,154	1,811	526	335,243	80	203,829	350
Real Growth Rate (22-23E)	1.1%	1.0%	0.8%	0.0%	3.3%	3.5%	4.2%	0.5%
CAGR (18-23E)	2.4%	4.7%	0.7%	0.8%	0.7%	3.1%	2.3%	2.5%
CAGR (23E-28E)	1.5%	4.0%	2.4%	1.8%	3.3%	3.5%	4.2%	4.8%
Other Indicators (2022E)								
Inflation	5.55%	51.17%	5.54%	7.84%	10.92%	8.56%	17.70%	10.68%
GFCF - real growth rate (22-23E)	2.8%	1.7%	n.a.	1.2%	2.0%	2.9%	5.0%	5.6%
Unemployment rate	6.6%	9.93%	2.89%	5.11%	2.80%	6.32%	3.90%	5.60%
Gross Public Debt (% of GDP)	89.6%	34.41%	52.67%	74.76%	41.47%	63.81%	68.71%	51.05%
CIT (or equivalent)	n.a	25%	24%	24%	19%	18%	9%	16%
VAT (or equivalent)	21%	20%	16%	20%	21%	25%	27%	19%
Central Bank Ref. Rate 31-Dec	4.50%	42.50%	11.25%	4.50%	6.25%	2.50%	10.00%	7.00%

Sources: World Bank, IMF (Economic Outlook - October 2023), AMECO, EY and Central Banks (respective reference rates).

GROWTH

There was a stabilization of growth at around 3%, being the forecast for 2024–25, however, below the historical (2000–19) average of 3.8%, with a withdrawal of fiscal support amid high debt weighing on economic activity, and low productivity growth.

For advanced economies, growth is projected to decline slightly from 1.6% in 2023 to 1.5% in 2024 before rising to 1.8% in 2025.

In the United States, growth is projected to fall from 2.5% in 2023 to 2.1% in 2024 and 1.7% in 2025, with the lagged effects of monetary policy tightening, gradual fiscal tightening, and a softening in labor markets, slowing demand.

In the euro area, growth is projected to recover from its low rate of an estimated 0.5% in 2023, to 0.9% in 2024 and 1.7% in 2025. Stronger household consumption, as the effects of the shock to energy prices subside and inflation falls, supporting real income growth, is expected to drive the recovery.

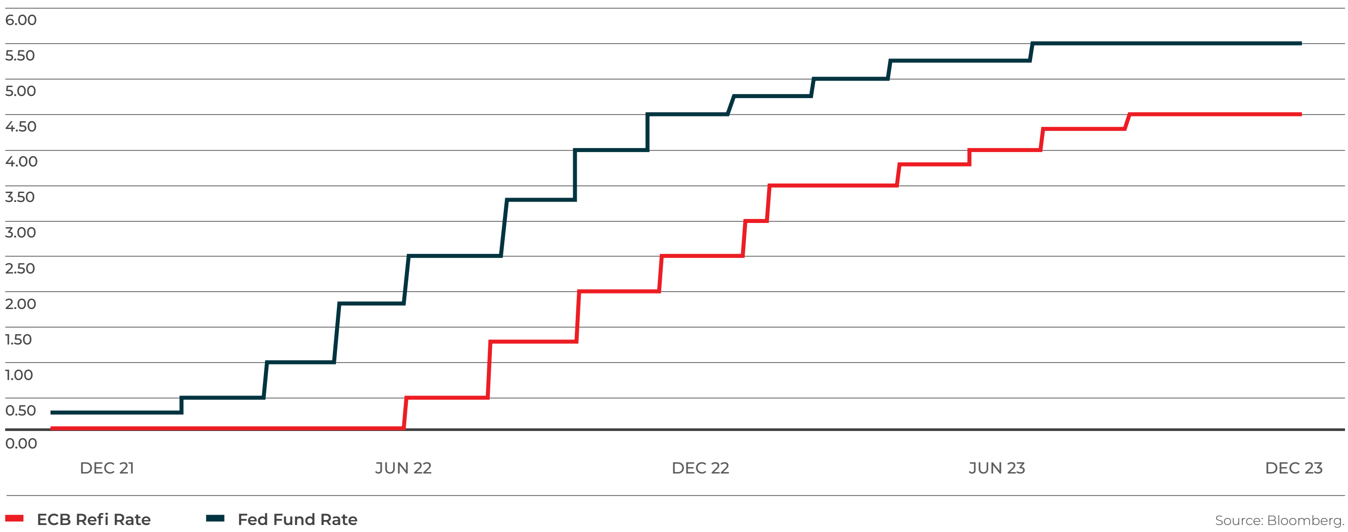
INFLATION

Supply-chain bottlenecks, started in the Covid-19 pandemic, continued to take effect, limiting sales in many sectors, despite having a decreasing effect, still contributed to inflation, which has risen and started to fall in 2023 to a world average of 6.8% (from 8.8% in 2022).

Policymakers' near-term challenge is to successfully manage the final descent of inflation to target, calibrating monetary policy in response to underlying inflation dynamics and — where wage and price pressures are clearly dissipating — adjusting to a less restrictive level.

EVOLUTION OF ECB AND US FEDERAL RESERVE REFERENCE INTEREST RATES

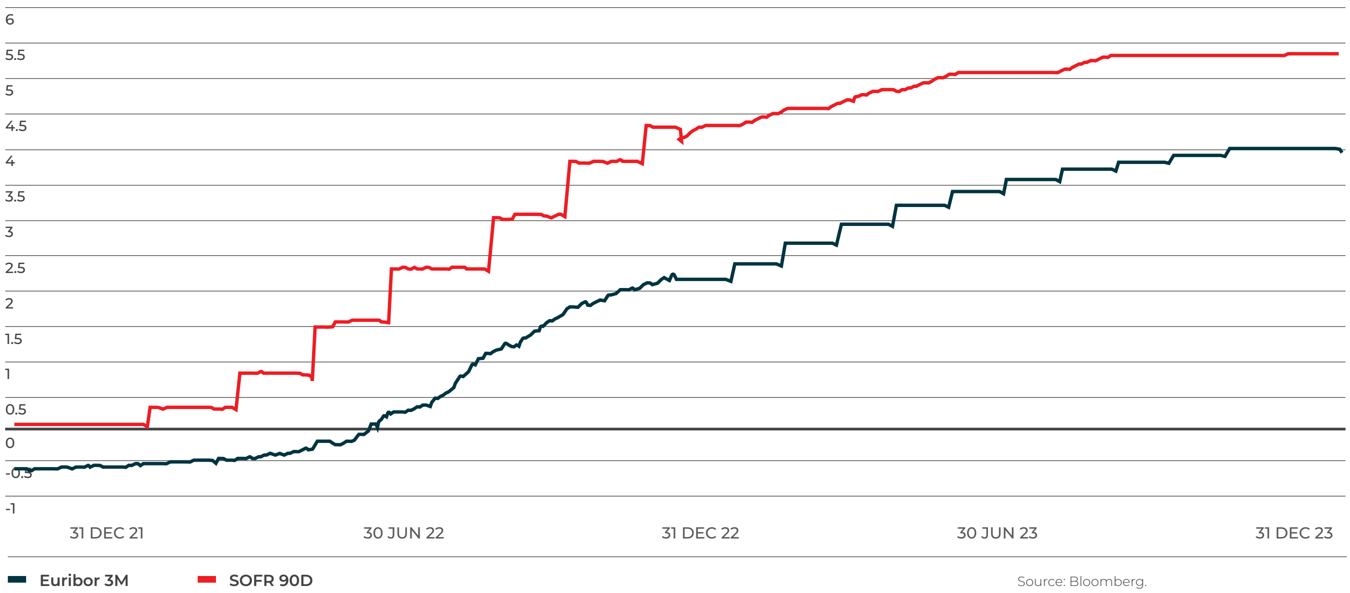
PERCENTAGE POINTS



Source: Bloomberg.

EVOLUTION OF EURIBOR 3M AND SOFR 90D INTEREST RATES

PERCENTAGE POINTS



Source: Bloomberg.

Inflation pressures have triggered a rapid and synchronized tightening of monetary conditions, alongside a stabilization of the US dollar against most other currencies, namely against the euro, at around 1.10.

EXCHANGE RATES (YEAR-END)

	2022	2023	Δ (23/22)
EUR/USD	1,07	1,11	4%
EUR/TRY	19,96	32,65	64%
EUR/MXN	20,86	18,72	-10%
EUR/CZK	24,12	24,72	3%
EUR/HUF	400,87	382,80	-5%
EUR/HRK	7,54	1,00	-87%
EUR/RON	4,95	4,98	1%
EUR/AOA	537,44	910,79	69%
EUR/MZN	68,12	70,09	3%

OUTLOOK FOR 2024

For 2024, with the likelihood of a hard landing receding as adverse supply shocks unwind, risks to the global outlook are broadly balanced.

As inflation declines toward target levels across regions, the near-term priority for central banks is to deliver a smooth landing, neither lowering rates prematurely nor delaying such lowering too much, correctly managing the final descent of inflation and enabling durable medium-term economic growth.

6. ASCENDUM'S PERFORMANCE IN 2023

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

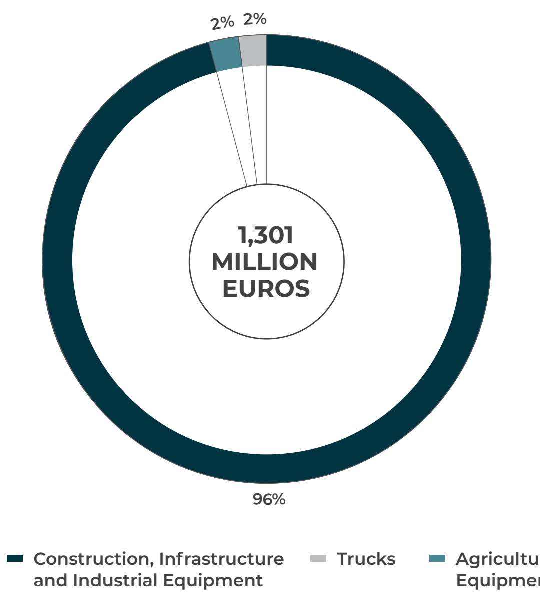
Since 2021, Ascendum is also present in Agriculture business area with a fully dedicated company, in Portugal:

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

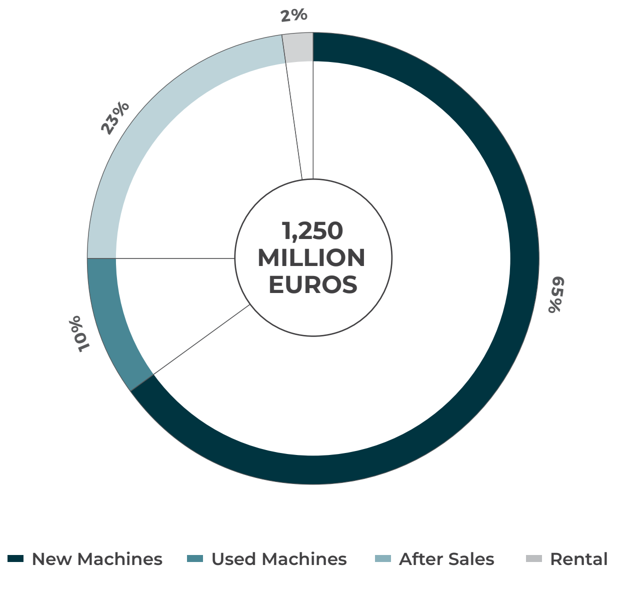
In 2023, the Construction and Industrial Equipment segment once again positioned itself as the largest contributor to the Group's Turnover, with a relative weight of 96%, with the Americas – USA and Mexico – as the leading geographic platform (38%), followed by the Iberian Peninsula (25%), Türkiye (19%) and Central Europe (18%).

BUSINESS AREA MILLIONS OF EUROS	IBERIAN PENINSULA	AMERICAS	TÜRKIYE	CENTRAL EUROPE	TOTAL
Construction, infrastructure and industrial equipment	268	496	252	234	1,250
Agricultural equipment	21	n.a.	n.a.	n.a.	21
Trucks	30	n.a.	n.a.	n.a.	30
Total	**319**	**496**	**252**	**234**	**1,301**

TURNOVER 2023



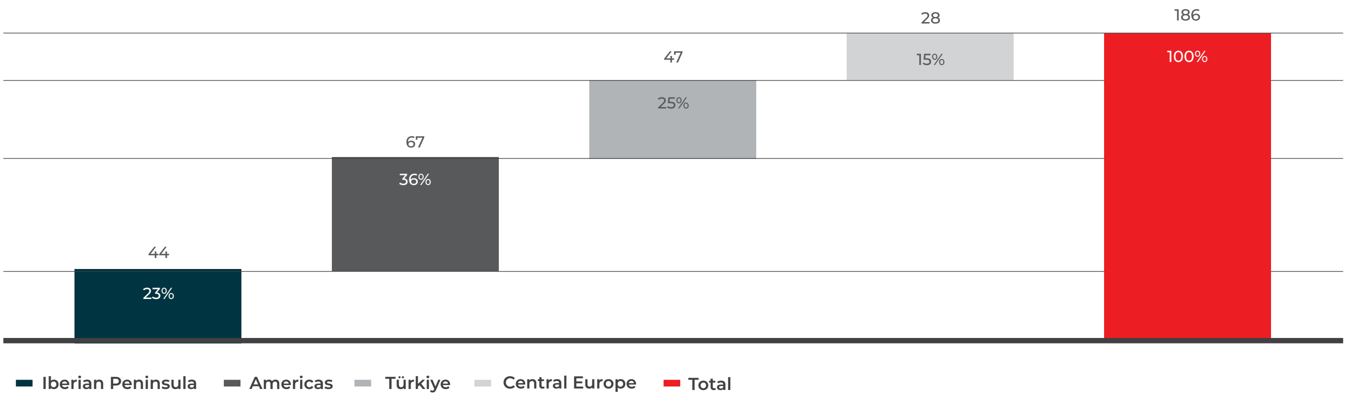
CONSTRUCTION, INFRASTRUCTURE AND INDUSTRIAL EQUIPMENT TURNOVER 2023



Regarding EBITDA, the Americas (USA and Mexico) were the main contributors to Ascendum's total EBITDA, with a relative weight of 36% in the Group's total EBITDA.

CONTRIBUTION OF EACH GEOGRAPHIC PLATFORM FOR ASCENDUM GROUP EBITDA

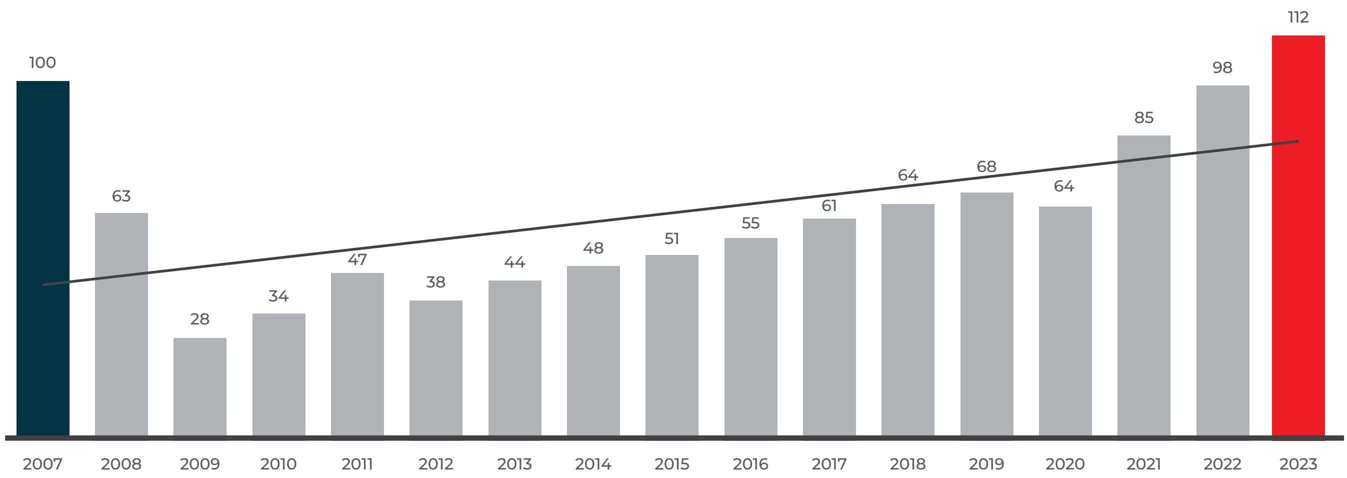
MILLION EUROS / % WEIGHT IN 2023



The construction, infrastructure and industrial equipment market where Ascendum operates, which had been steadily recovering from the world financial crisis of 2008 to 2010, except for the pandemic years, has surpassed the peak year (2007) in 2023, for the first time.

ASCENDUM ADDRESSABLE MARKET INDEX EVOLUTION

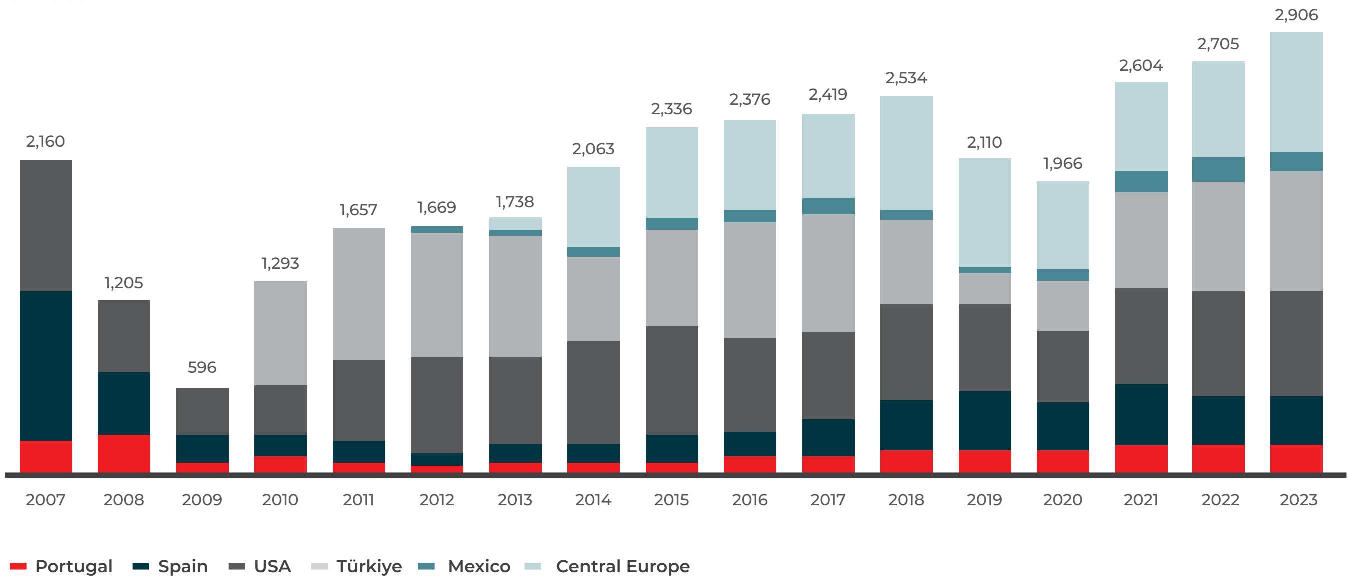
HISTORICAL PEAK YEAR 2007 = 39,702 UNITS (INDEX 100 = 2007)



In 2023, Ascendum sold 2,906 units[2], which corresponds to an increase of 7.4%, compared to 2022, mainly driven by a very strong performance in GPE and the Central Europe market.

CONTRIBUTION OF EACH GEOGRAPHIC PLATFORM IN TERMS OF UNITS SOLD

UNITS SOLD



In what concerns market share[3], Ascendum presented a good overall performance, particularly in the GPE segment, with an overall market share of 12.0%, of which we highlight the higher penetration of the Iberian Peninsula, Austrian, Czech, and Slovakian operations.

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

2023	PORTUGAL(1)	SPAIN(2)	USA	TÜRKIYE	MEXICO	CENTRAL EUROPE	TOTAL(3)
Total market	1,514	4,441	17,095	9,900	2,958	8,539	44,447
GPE	419	1,259	5,933	6,320	2,160	2,766	18,857
CSE	1,026	2,618	10,317	3,080	427	4,972	22,440
Road Machinery	69	564	845	500	371	801	3,150
Ascendum units sold	170	300	732	797	123	784	2,906
GPE	103	192	620	714	122	503	2,254
CSE	63	102	61	83	0	269	578
Road Machinery	4	6	51	0	1	12	74
Market share	11.2%	6.8%	4.3%	8.1%	4.2%	9.2%	6.5%
GPE	24.6%	15.3%	10.5%	11.3%	5.6%	18.2%	12.0%
CSE	6.1%	3.9%	0.6%	2.7%	0.0%	5.4%	2.6%
Road Machinery	5.8%	1.1%	6.0%	0.0%	0.3%	1.5%	2.3%

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

6.1 CONSTRUCTION, INDUSTRIAL AND INFRASTRUCTURE EQUIPMENT

6.1.1 PORTUGAL

Despite the lower dynamism on the economic activity observed in 2023, the construction sector exhibited a positive performance in most sectorial indicators, namely with a 2.5% growth in cement consumption on the third quarter of 2023 and a 70.9% growth on public tenders.

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 2.0% in 2023 (-3.6% in 2022).

The civil engineering sector estimates a more dynamic growth derived from the start of public investments in connection with European funds.

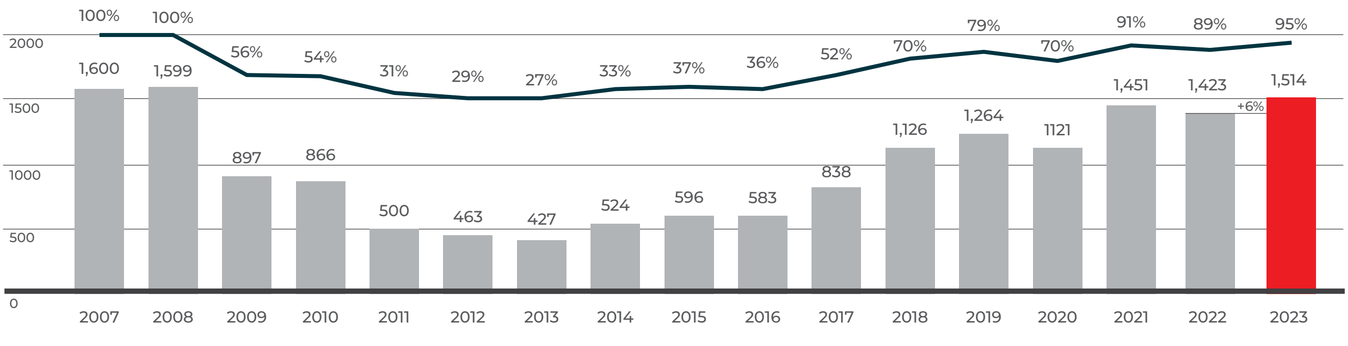
The Industry Confidence Indicator's improved to 7.6% (-4.0% in 2022) explained by the evolution of production prospects, product stocks and demand in general.

Ascendum operates in Portugal through Ascendum Máquinas, a company that distributes and markets VCE construction, infrastructure 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 2023, the domestic market of construction, infrastructure and industrial equipment.where Ascendum Máquinas operates[4] increased by 6%, when compared to 2022, to 1,514 units sold, reaching 95% 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 related to the construction, infrastructure and industrial equipment business increased by 15.5% to 73.8 million euros in 2023, driven by a 16.0% increase on the sale of new construction, infrastructure and industrial equipment and 13.2% boost in the after-sales business, surpassing the market in terms of performance.

With effects from 1st January, the agriculture business was transferred to Ascendum Agro. Please refer to 6.3. Agricultural Equipment for further details.

MILLION EUROS	2022	2023	Δ (23/22)
New and used machines	43.6	50.6	16.0%
After sales	17.1	19.4	13.3%
Rental	3.1	3.8	20.1%
Agriculture (Kioti)	6.1	-	-
Other businesses	1.6	-	-
Total turnover	**71.6**	**73.8**	**3.0%**

6.1.2. SPAIN

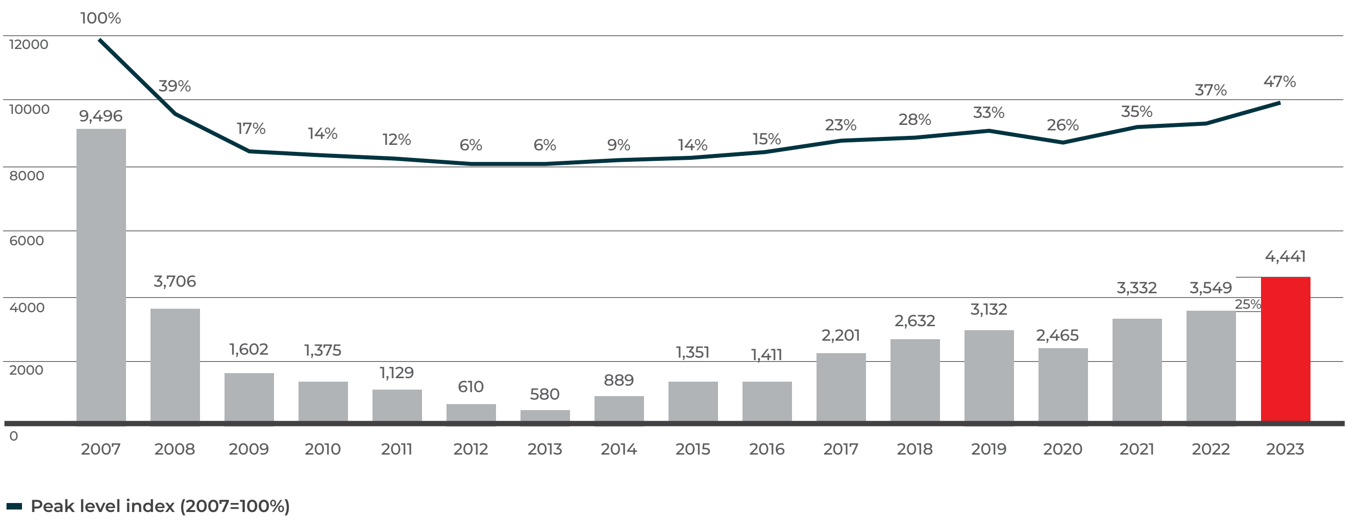
Ascendum operates in Spain through Ascendum Maquinaria, a company that imports and distributes VCE construction, infrastructure and industrial equipment, across the country, with premises in Madrid, Barcelona, Granada, Valladolid, and Santiago de Compostela.

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 2023, the domestic market of construction, infrastructure and industrial equipment where Ascendum Maquinaria operates[5] rose 25%, when compared to 2022, to 4,441 units sold, mainly driven by the boost on the compact segment that added 693 new units. The current addressable market represents 47% of the addressable market of 2007 (peak year).

EVOLUTION OF THE SPANISH MARKET WHERE ASCENDUM MAQUINARIA OPERATES

UNITS SOLD



Since most of the market increase was driven by compact equipment, Ascendum Maquinaria' s turnover remained stable in 2023 at 107.1 million euros, also driven by constraints in machine supply and inflationary pressures that were eased during the second half of 2023, when the market performance started to exhibit signs of slowing. As a result, the sale of new equipment declined by 6.1% (minus 76 units sold than in 2022).

The used equipment, the after-sales and the rental businesses experienced a positive performance, exhibiting a combined growth of 8.0%, which offset the negative impact of the new equipment business.

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

MILLION EUROS	2022	2023	Δ (23/22)
New machines	62.7	58.9	-6.1%
Used machines	11.8	14.0	19.2%
After sales	29.9	30.8	3.0%
Rental	3.0	3.4	13.6%
Total turnover	**107.4**	**107.1**	**-0.2%**

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.

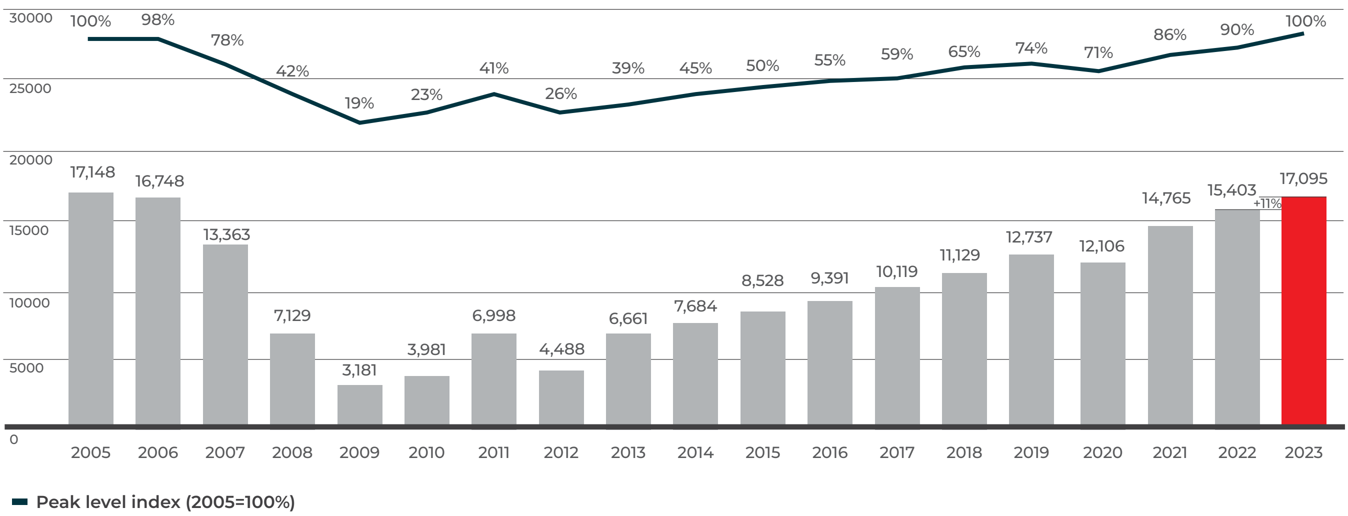
With activity in business segments relating to the sale, rental, and after-sales service of VCE Busines Area (among other brands), Ascendum Machinery has been recognized as the largest Volvo dealer in North America since 2005, having received several awards both in the financial and technical areas, 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 11% to 17,095 units sold in 2023, almost reaching the level of the peak year (2005).

EVOLUTION OF THE NORTH AMERICAN MARKET WHERE ASCENDUM MACHINERY OPERATES

UNITS SOLD



The American government has enacted several policies that encourage domestic and foreign companies to bring their manufacturing plants back to the country, leading to many successful projects nationwide.

In 2023, and in line with the market trend, the operation in the USA saw its turnover increase by 8.7% to 464.3 million US dollars (429.4 million euros) mainly driven by the equipment sales business that added an additional 31.8 million US dollars (29.4 million euros), representing 77.9% of 2023 turnover (77.2% in 2022).

The after-sales business also exhibited a very positive performance, rising 7.1% in 2023 to 84.6 million US dollars (78.3 million euros) in 2023, while the rental business remained stable at 18.2 million US dollars (16.8 million euros).

MILLION US DOLLARS	2022	2023	Δ (23/22)
New and used machines	329.8	361.5	9.6%
Rental	18.4	18.2	-1.0%
After sales	79.0	84.6	7.1%
Total turnover	**427.1**	**464.3**	**8.7%**

(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, infrastructure 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).

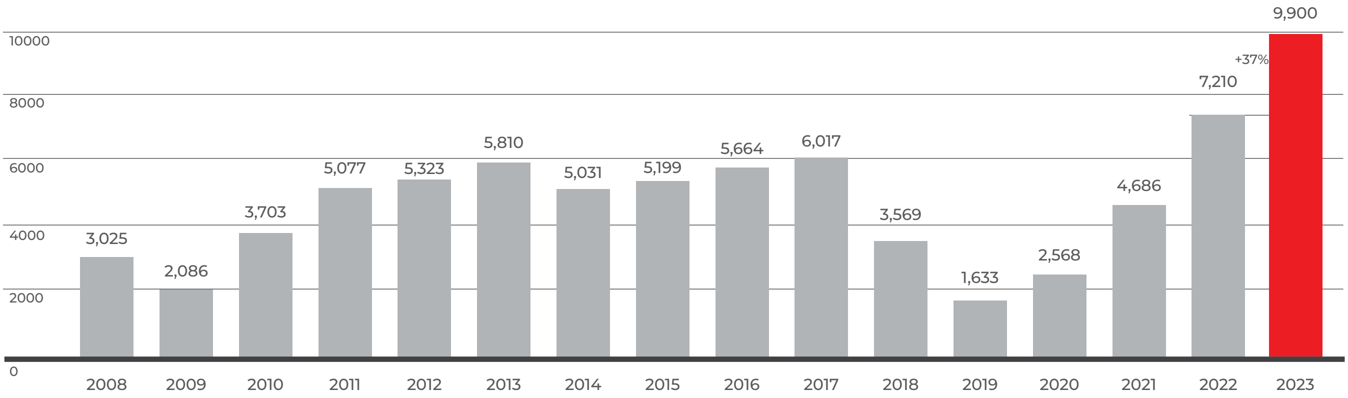
In February 2023, the southern of the country was scathed by devastating earthquakes causing massive causalities, near 2 million persons displaced in 11 cities, material damage to the buildings and infrastructure and as a result, weakened the Turkish economy in a pervasive manner. Thus, the main investments expected for the next few years are related to the infrastructure recovery.

Turkey's GDP is expected to increase 4% in 2023, and 2% to 3% in 2024. After the re-election of the previous government and President Recep Tayyip Erdoğan, in May 2023, inflation has been rising and reached 65% at the end of December 2023. Consequently, and due to Finance Minister and Central Bank Governor changes, the monetary and fiscal policies have been tightened. The Central Bank has gradually been increasing interest rates from the mid-year lows of 8.5% to 42.5%, which has restricted the access and availability of the credit facilities in the economy. With this more orthodox monetary policy it is expected that inflation will decline slowly to a 40% level in 2024.

The market where Ascendum Makina operates[7] confirmed the recovery tendency since the 2018 financial crisis and increased by 37% to 9,900 units in 2023.

EVOLUTION OF THE TURKISH MARKET WHERE ASCENDUM MAKINA OPERATES

UNITS SOLD



Ascendum Makina exhibited a very robust performance as its turnover rose by 29.5% to 251.7 million euros, boosted by the strong performance on the sale of equipment, which added 61 units in 2023 and by the after-sales increase of 10.7% to 40.6 million euros.

MILLION EUROS	2022	2023	Δ (23/22)
New and used machines	155.4	206.7	33.0%
Rental	2.3	4.3	87.5%
After sales	36.7	40.6	10.7%
Total turnover	**194.4**	**251.7**	**29.5%**

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, infrastructure and industrial equipment in Mexico.

In 2023, the Mexican market grew due to two factors: the presidential projects to be finished before the 2024 elections, and the regional infrastructure projects and private investments related to the nearshoring initiatives lead by the USA.

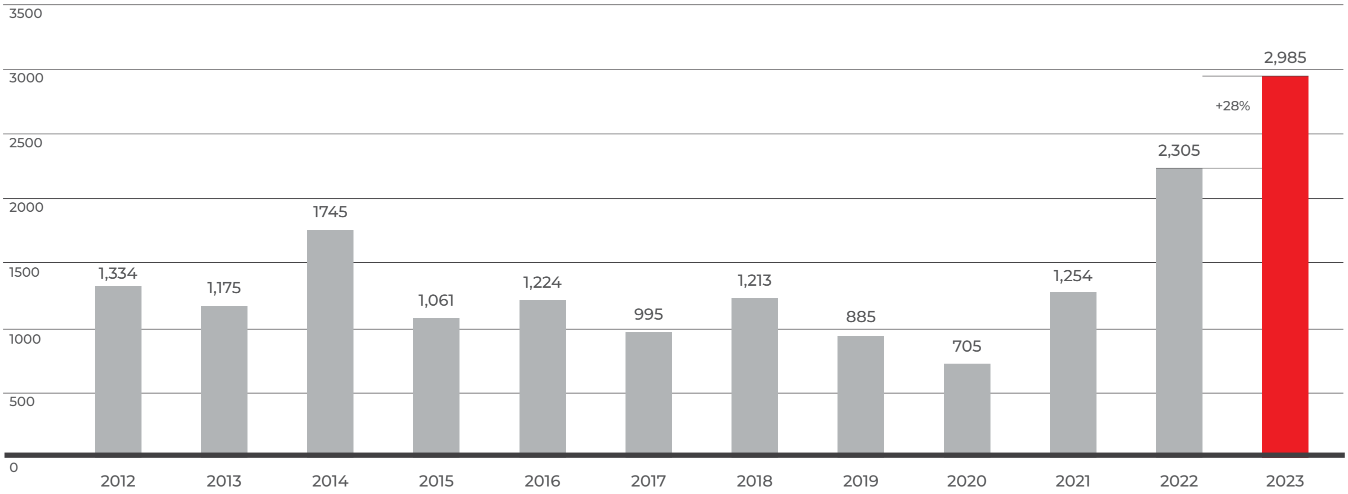
The participation of Ascendum Maquinaria México in the gas pipeline project in the northern region of the Country was the booster for the 2023 positive performance.

The domestic market of construction, infrastructure and industrial equipment where Ascendum Maquinaria Mexico operates[8] increased by 28% to 2,958 units sold in 2023.

(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



Ascendum Maquinaria Mexico saw its turnover decline by 7.6% to 72.1 million US dollars (66.7 million euros) in 2023, driven mainly by the end of the *Mayan Train* project.

Nonetheless, it is worth mentioning the that the after-sales business rose by 32.9% to 12.1 million US dollars (11.2 million euros).

MILLION US DOLLARS	2022	2023	Δ (23/22)
New and used machines	65.7	58.9	-10.4%
Rental	3.2	1.1	-66.3%
After sales	9.1	12.1	32.9%
Total turnover	**78.0**	**72.1**	**-7.6%**

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, infrastructure and industrial 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, infrastructure and industrial equipment where Ascendum operates declined by 3.3% from 8,833 units sold in 2022 to 8,539 units[9] in 2023.

Of all the markets[10] encompassed in the Central Europe operation, the Austrian market is the largest one, accounting for 30.3% of total units sold in 2023, followed by Romania (22.3%) and Czechia (20.8%). In fact, 73.4% of the sale of new machines performed by Ascendum in 2023 in Central Europe took place in one of those 3 markets, with particular emphasis on Austria, which alone accounted for 55.2%.

Ascendum sold 784 units in Central Europe in 2023, 64.2% 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.
(10) Excluding backhoe loaders, motorgraders and skid steers.

2023	AUSTRIA	CZECHIA	ROMANIA	HUNGARY	CROATIA	SLOVAKIA	TOTAL(*)
Total market	2,590	1,773	1,901	870	814	591	8,539
GPE	952	503	650	207	332	122	2,766
CSE	1,409	1,150	1,045	577	374	417	4,972
Road Machinery	229	120	206	86	108	52	801
Ascendum units sold	433	129	74	44	72	32	784
GPE	255	96	52	34	43	23	503
CSE	167	33	21	10	29	9	269
Road Machinery	11	0	1	0	0	0	12
Market share	16.7%	7.3%	3.9%	5.1%	8.8%	5.4%	9.2%
GPE	26.8%	19.1%	8.0%	16.4%	13.0%	18.9%	18.2%
CSE	11.9%	2.9%	2.0%	1.7%	7.8%	2.2%	5.4%
Road Machinery	4.8%	0.0%	0.5%	0.0%	0.0%	0.0%	1.5%

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

Despite the slight decline in the addressable market in 2023, the operation in Central Europe showed a strong turnover growth of 10.5%, mainly driven by the sale of new and used machines, which increased by 16.7%, representing 71.8% of 2023 turnover (68.0% in 2022). In terms of origination, 52.7% of the 2023 turnover comes from Austria, followed by Czechia with 19.9% and Romania with 8.8%.

MILLION EUROS	2022	2023	Δ (23/22)
New and used machines	144.1	168.2	16.7%
Rental	13.1	11.7	-10.9%
After sales	54.8	54.4	-0.8%
Total turnover	**212.0**	**234.2**	**10.5%**

6.2. TRUCKS

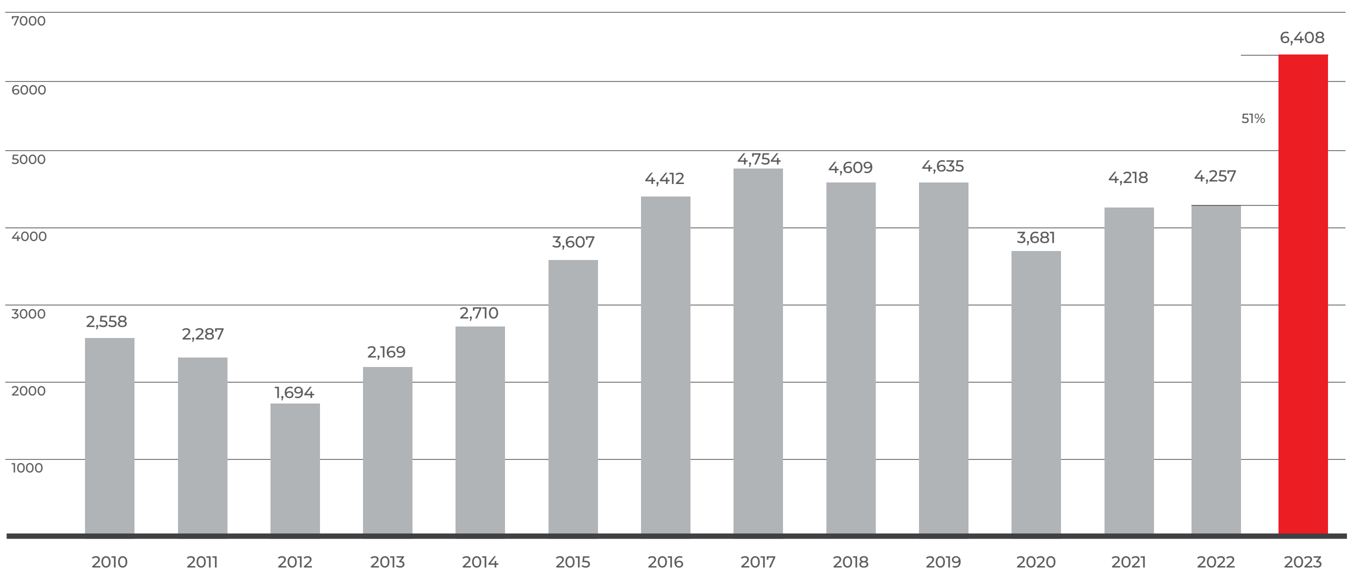
Regarding the truck business, the Group operates in Portugal through Ascendum Camiões, respectively, representing the Volvo brand in Coimbra, Viseu, Leiria and Albergaria.

The domestic market of heavy goods vehicles, with a gross weight over 10 tons, increased by 51% to 6,408 units in 2023, mainly driven by the impact of direct sales from the importers through the Portuguese market.

In this segment (gross weight > 10 tons), Volvo's market share increased to 26% (25% in 2022) by selling 1,676 units (1,063 in 2022). Ascendum Camiões had an 8.4% weight on Volvo brand.

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

UNITS



Source: NORS.

Ascendum Camiões' turnover increased by 2.4% in 2023 to 30.1 million euros, mainly driven by the used trucks and after-sales businesses, which, combined, increased by 11.2%, more than offsetting the decline of 4.2% on the new truck segment.

MILLION EUROS	2022	2023	Δ (23/22)
New trucks	16.9	16.2	-4.2%
Used trucks	1.5	1.9	25.7%
After sales	11.0	12.0	9.2%
Total turnover	**29.4**	**30.1**	**2.4%**

6.3. AGRICULTURAL EQUIPMENT

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

In 2023, the agricultural equipment business in Ascendum Máquinas (distribution of the Kioti brand) was transferred to Ascendum Agro.

Ascendum Agro exhibited a strong performance and its turnover rose by 82.3% to 21.0 million euros, driven mainly by the incorporation of the Kioti business. On a comparable basis, the agricultural equipment business grew 19.3% in 2023.

MILLION EUROS	2022	2023	Δ (23/22)
New machines	9.3	17.8	91.9%
Used machines	0.0	0.1	-
After sales	2.2	3.1	36.9%
Total turnover	**11.5**	**21.0**	**82.3%**

7. SUSTAINABILITY POLICY

Ascendum's sustainability strategy revolves around maintaining equilibrium across three fundamental pillars: economic, social, and environmental. This strategy is underpinned by a quality policy geared towards incessantly improving the company's performance across all operational domains. The sustainability policy underscores a dedication to forging a sustainable future by harmonizing economic viability, social accountability, and environmental preservation.

SUSTAINABILITY POLICY PILLARS:

ECONOMIC
SOCIAL
ENVIRONMENTAL

ECONOMIC PILLAR

Since its foundation, Ascendum has maintained a steadfast commitment to sustainable growth. The company's growth trajectory has consistently been guided by a conscientious consideration of the impact on stakeholders, informed by core principles such as entrepreneurship, innovation, and quality. These principles serve as the bedrock for Ascendum's endeavours, fostering the creation and equitable distribution of value among customers, suppliers, partners, and the broader community.

CORPORATE SOCIAL RESPONSIBILITY PILLAR

Ascendum prioritizes the importance of people and the communities where it conducts its operations, particularly in integrating disadvantaged youth and those vulnerable to dropping out of school. Despite having an integrated global policy and strategy, Ascendum recognizes the need for a blend of corporate and local initiatives in Corporate Social Responsibility to effectively reach all communities affected by its dispersed operations. This approach ensures that the company's efforts resonate with the unique needs and circumstances of each locality, thereby maximizing its positive impact on a broader scale.

CORPORATE INITIATIVES

Our Corporate Center directed its efforts towards promoting sustainable practices, fostering community integration, and providing support to associations and NGOs dedicated to social integration, combating school dropout rates, and promoting amateur sports. Here are a few examples of initiatives undertaken by the Corporate Center:

— Ascendum's involvement with EPIS extends beyond mere participation; it serves as a founding member and active advocate of the organization, "Entrepreneurs for Social Inclusion" (EPIS). Together, they address the pressing issue of student dropout rates in Portugal, providing financial support and mentorship programs to ensure that students facing socio-economic challenges remain in school and successfully complete their education.

— Ascendum Group proudly sponsors the GDD, or "Grupo Desportivo Direito," Portugal's largest amateur sports club and a non-profit organization of public utility. GDD promotes amateur rugby and its associated values while addressing broader social issues such as school dropout rates. Through its sports programs, GDD provides a constructive outlet for youth, fostering community integration and promoting social cohesion through shared experiences in sports.

PORTUGAL INITIATIVES

Our Portugal operation initiatives involve efforts to positively impact society and the community, particularly in areas related to education, employment, and employee well-being. The initiatives aim to create a positive social impact while also aligning with the company's values and objectives. Some examples of initiatives are:

— **Strengthening collaboration between the after-sales service areas and professional training schools,** offering apprenticeship programs in various technological courses as well as some in commercial and management support areas. These partnerships not only enable Ascendum to make an effective educational contribution to topics with less prominence in these courses' curriculum, expanding the range of learning opportunities available to these students, but also provide them with valuable professional experience that will be relevant as they enter the workforce. Grounded in the practical application of their learning, this approach also potentially encourages continuous self-learning and the identification of vocations conducive to further education and pursuit of advanced academic levels. In this context, we highlight projects developed in the northern region with ATEC, in the central region with ETAP, ATAR, and IPL, and in the southern region with DUAL, CENFIM, and the Polytechnic Institute of Beja.

— In another context, **Ascendum initiated a closer collaboration with EPIS, the Association of Entrepreneurs for Social Inclusion,** in 2023, specifically to activate a more inclusive recruitment strategy, particularly in the integration of people with disabilities. Expanding our job offerings to include candidates with disabilities equal to or greater than 65% is an objective the company has been building and structuring, balancing the sometimes-challenging demands of the heavy industry sectors we represent with the conditions required for successful integration.

— Continuing in the realm of social responsibility but focusing more internally within the organization, **Ascendum conducted several Focus Groups with different functional groups representing various companies and locations, to more effectively assess employees' working conditions and priorities.** The results of this work were integrated into an Action Plan with execution scheduled for the years 2024/2025. With these initiatives, the company aims to address the expressed needs of its employees, improving workstations and common areas in various facilities.

SPAIN INITIATIVES

Our Spain operation promoted social integration collaboration with NGOs that prioritize social integration and empower individuals with disabilities. An example of these initiatives is:

— **Ascendum is committed to fostering partnerships with suppliers who share our values of social responsibility and inclusivity.** In line with this commitment, Ascendum has partnered with an ESCID, from Grupo SIFU that have the mission to integrate individuals with disabilities into the workforce, ensuring their rights, autonomy, and economic stability. As part of this initiative, the supplier will manufacture and supply the new uniforms for service technicians across all Ascendum companies in Spain. By choosing this supplier, Ascendum not only ensures the highest quality uniforms for our employees but also contributes to creating a more inclusive workforce and society.

UNITED STATES OF AMERICA INITIATIVES

Our operations in the United States concentrated on backing NGOs dedicated to fostering social inclusion, combatting school dropout rates, and encouraging sports participation. Here is an example:

— **Our company participated in a volunteer initiative with 'Dream On 3,' a non-profit organization headquartered in Charlotte.** As part of this initiative, our team engaged in volunteer work to support the organization's mission. 'Dream On 3' specializes in creating personalized sports dreams for children between the ages of 5 and 21 who are facing disabilities or life-altering conditions. This collaboration reflects our commitment to giving back to the community and supporting initiatives that make a positive impact on the lives of those in need.

TÜRKIYE INITIATIVES

Our operations in Türkiye have directed their efforts towards supporting its community in times of crisis by swiftly mobilizing resources and expertise to aid in rescue and recovery efforts, adopting industry-focused quality standards and promoting innovation and infrastructure development. Here are some examples of initiatives:

— In early 2023, a devastating earthquake struck Türkiye, causing widespread destruction, and impacting countless lives. **Ascendum Türkiye swiftly mobilized its resources to aid in the relief efforts.** Our dedicated team, equipped with construction machinery and expertise, played a critical role in the rescue and recovery operations. Through our efforts, we successfully saved 18 individuals who were trapped under the rubble, demonstrating our unwavering commitment to supporting our community in times of crisis.

— **Our services adhere to the quality standards of ISO 9001:2015 and ISO 10002,** ensuring sustainability, success, and meeting customer expectations. Following these standards helps maintain efficient and effective operations over time, focusing on quality management and customer satisfaction, vital 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 good health and well-being and fight against school abandonment. Some examples of initiatives are:

— In **Austria**, Ascendum Baumaschinen Österreich GmbH provided financial support to the Child Protection Center in Salzburg, a first point of contact for abused and mistreated children. The donation supports the "Emergency aid for abused and mistreated children" project by Licht ins Dunkel. The Child Protection Center helps children and their families who have suffered from abuse and violence.

— In **Czechia**, Ascendum provided financial support to Krtek Children's Oncology Foundation, a charity project that the company supports every year. The foundation helps fund research into personalized medicine for pediatric cancer patients, as well as training, hospital room transformation, and home care. 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**, Ascendum contributed to the civic association "Kultura zo srdcom", which organized a benefit concert to aid a primary school with children with activity and attention disorders. Our donation aimed to provide essential resources and support to this vital institution, which plays a pivotal role in assisting disabled children in the region.

— In **Croatia**, donations were made for the Hockey Club Mladost to promote children's participation in the tournament in Canada. Hockey Club Mladost is one of the oldest and most successful sports clubs in Croatia, founded in 1946. The club has a long tradition of nurturing young talents and promoting the sport of hockey in the country. The club's mission is to provide a safe and stimulating environment for children and youth to learn and practice hockey, as well as to develop their physical, mental, and social skills.

— Also in **Croatia**, a contribution took place for the participation of students at the Fair of Trade Professions, an annual event organized by the Chamber of Crafts of Croatia, in cooperation with the Ministry of Education and Science, the Agency for Vocational Education and Training, and other relevant institutions and stakeholders. The fair aims to promote the importance and attractiveness of trade professions, such as carpentry, plumbing, hairdressing, pastry making, and many others, among the students, parents, teachers, and the general public.

MEXICO INITIATIVES

In Mexico, these initiatives underscore Ascendum's commitment to social responsibility, enhancing employee engagement and community impact. Together, these efforts exemplify our commitment to fostering a culture of care, inclusivity, and meaningful contribution:

— **Ascendum has launched the third generation of "Ascendum University",** expanding its reach to include a new branch in Guadalajara and Tultitlán. This initiative focuses on change management, aiming to inspire and motivate students while strengthening the company's competitiveness. Building on the success of previous generations, Ascendum Mexico continues to recruit and train students from diverse fields, including After-Sales, Sales, Administration/Finance, and Human Resources. The university serves as a platform for students to develop new skills, gain valuable knowledge, and acquire practical experience, empowering them to unleash their full potential and contribute to the company's growth and success.

— **KPI Recognition: Recognizing the achievements of our employees is paramount.** Therefore, we have implemented a bi-monthly KPI recognition program for the CST department, starting at our Tultitlán location, to ensure that employees feel valued and appreciated for their hard work.

— **Ascendum Kids Program:** In an effort to promote family engagement and strengthen bonds among our employees, we have introduced the Ascendum Kids program. Through this initiative, we invite children of employees to experience a day at Ascendum, participate in various fun activities, and gain insight into our work culture. The program aims to foster a sense of pride and connection among employees by involving their children in our company's activities.

— **In the past year, Ascendum employees actively engaged in altruistic efforts, contributing to two charitable campaigns.** They generously donated blankets for elderly individuals residing in hostels and toys for orphaned children. Collaborating with government agencies like DIF, these donations were efficiently collected and distributed to those in need. This initiative underscores Ascendum's commitment to community welfare and showcases the compassion and generosity of our employees.

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. Here are the main examples of initiatives undertaken within this pillar:

CORPORATE CENTER INITIATIVES

— **Ascendum & Volvo CE - Driving Sustainability in Motorsports:** Ascendum, as a key player in the construction equipment and machinery sector, partners with Volvo CE to promote sustainability in motorsports through the World Rallycross Championship. This initiative aims to raise awareness of the pivotal role that construction equipment plays in transitioning to a more sustainable future, particularly in the context of electric mobility. The sponsorship of the CE Dealer Team continues, supporting their participation in the championship and promoting the adoption of electric mobility solutions.

SPAIN INITIATIVES

— **Ascendum Maquinaria in Spain took the initiative to implement a Carbon Footprint Reduction and Energy Saving Plan on its facilities,** with the installation of solar panels in Ciempozuelos, Valladolid and Granada branches. This plan will consequently also reduce the energy costs associated with daily operations, by improving the current energy consumption, reducing emissions, and converting consumption from fossil to renewable sources. The final goal is to reduce 50% of the Carbon Footprint within 5 years, starting with a 15% reduction in the first year.

TÜRKIYE INITIATIVES

— **Ascendum Türkiye collaborates with TEMA, a Turkish organization dedicated to combating soil erosion, preserving natural habitats, and reforestation.** Through this partnership, Ascendum Türkiye funds the planting of a new tree for every machine sold and for every employee's birthday. Additionally, they provide gift certificates to customers to express appreciation and raise awareness about environmental issues such as soil erosion, deforestation, desertification, climate change, and biodiversity loss. TEMA aims to increase awareness and encourage environmental protection efforts.

ENVIRONMENT, QUALITY AND SAFETY

GOALS

- TO REDUCE IMPACT ON THE ENVIRONMENT;

- TO ENHANCE QUALITY AND SAFETY STANDARDS;

- TO MINIMIZE ENVIRONMENT FOOTPRINT

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 31st December 2023, and 2022, the Group had a net debt of 2.8 million euros and 42.2 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 554 million euros.

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, and Romania), (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	2018	2019	2020	2021	2022	2023
EUR / Currency						
USD	1.145	1.123	1.227	1.133	1.067	1.105
TRY	6.059	6.684	9.113	15.234	19.965	32.653
MXN	22.492	21.220	24.416	23.144	20.856	18.723
CZK	25.724	25.408	26.242	24.858	24.116	24.724
HUF	320.98	330.53	363.89	369.19	400.87	382.80
HRK	7.413	7.440	7.552	7.516	7.537	N/A
RON	4.664	4.783	4.868	4.949	4.950	4.976

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

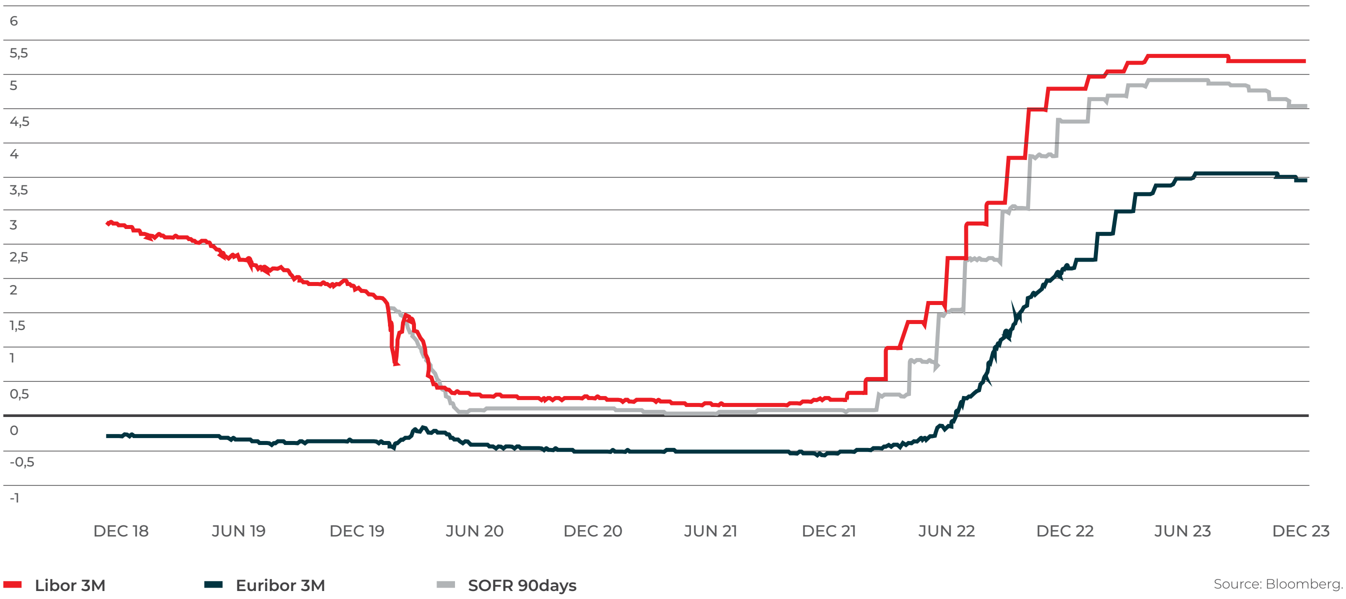
Interest rate risk reflects the possibility of fluctuations in the amount of future financial expenses on loans taken out, due to the evolution of the market interest rate level, which could adversely affect the Group's results.

The Group's indebtedness is mainly related to variable interest rates, which exposes the cost of the debt to interest rate volatility. The impact of this volatility on the Group's results or equity is not significant due to the effect of the following factors: (i) 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 approves the terms and conditions of financing by analysing 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

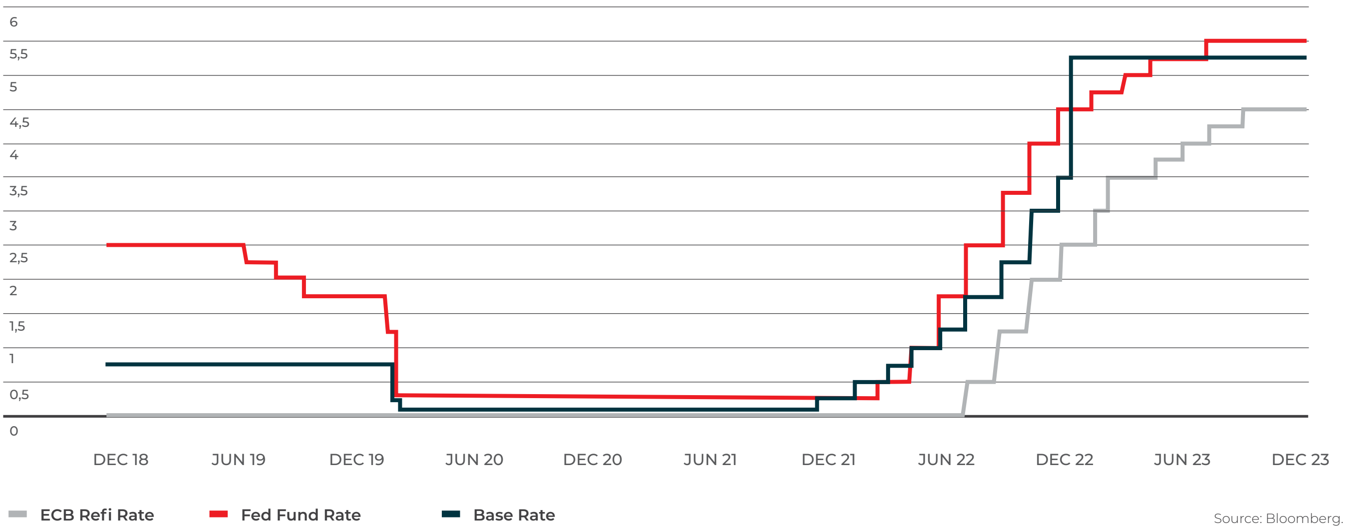
PERCENTAGE POINTS



Source: Bloomberg.

PROJECTED EVOLUTION OF REFERENCE INTEREST RATES

PERCENTAGE POINTS



Source: Bloomberg.

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:

Country Risk

- Political Risk
- Economic Risk
- Legal Risk
- Tax Risk
- Operational Risk
- Security Risk

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 31st December 2023, 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 31/12/2023

Country	Moody's	Standard & Poor's	Fitch
Portugal	A3(1)	BBB+	BBB+
Spain	Baa1	A	A-
USA	Aaa	AA+	AAA
Türkiye	B3	B	B
Mexico	Baa2	BBB	BBB-
Austria	Aa1	AA+	AA+
Czechia	Aa3	AA-	AA-
Hungary	Baa2(2)	BBB-	BBB
Romania	Baa3	BBB-	BBB-
Slovakia	A2	A+	A
Croatia	Baa2	BBB+	BBB+

(1) Upgrade from Baa2 on the 17th November 2023;
(2) Downgrade from BBB on the 27th January 2023.

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

2024 is expected to be a challenging and demanding year in terms of the geopolitical landscape, since, in one hand, both the Ukrainian conflict and the Middle East turmoil are expected to have persistent impacts in the world economy, and, on the other hand, a large number of relevant economies will have national elections, namely the United States, Austria, Croatia, Slovakia, Mexico and Portugal, with all the resulting implications. Notwithstanding the challenging context, Ascendum will be focused on performing at the highest level in its industry and, on its growth.

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

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

1st March 2024

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
Tomás Jervell

FINAN CIAL

FINANCIAL STATEMENTS

UNLOCKING BUSINESS ACHIEVEMENTS


ASCENDUM
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Epiroc
VOLVO PENTA

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31st DECEMBER, 2023 AND 2022

Amounts expressed in Euros

	NOTES	2023	2022
Assets			
Non current Assets			
Property, plant and equipment	7, 31	183,271,564	163,158,110
Investment properties	8	1,899,870	2,366,461
Goodwill	9	24,464,912	24,530,613
Intangible assets	6	17,224,423	15,084,606
Investments accounted for using the equity method	10	14,186,023	12,524,169
Financial assets at fair value through profit and losses	10	0	444
Other accounts receivable	13	230,215	193,188
Other financial assets	10	80,371	75,628
Deferred tax assets	15	8,959,631	11,867,567
		250,317,009	**229,800,784**
Current Assets			
Inventories	11, 31	279,190,638	198,286,939
Trade and other receivables	12, 31	149,968,324	124,943,923
Prepayments to suppliers	13	0	1,029,594
Income tax	23	11,904,311	351,529
State and other public entities	23	10,578,752	9,089,616
Other Accounts receivables	13, 31	7,088,136	2,387,554
Deferrals	14	5,965,277	1,967,567
Other financial assets	10	3,000,000	0
Cash and bank deposits	16	141,831,913	94,092,516
		609,527,351	**432,149,237**
Total Assets		**859,844,360**	**661,950,021**
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	5,122,486	5,085,007
Retained earnings	18	56,625,758	69,875,113
Other reserves	18	141,614,629	93,883,259
Profit for the year	18	101,351,981	79,372,281
		322,714,854	**266,215,659**
Non-controlling interests	19	126,194	1,632,127
Total Equity	18	**322,841,048**	**267,847,786**
Liabilities			
Non current liabilities			
Provisions	25, 31	13,296,457	12,970,195
Borrowings	20, 31	86,690,340	84,300,595
Deferred tax liabilities	15, 31	21,591,515	17,512,383
Other liabilities	22, 31	53,790,872	12,842,693
		175,369,184	**127,625,867**
Current liabilities			
Provisions	25, 31	1,003,042	0
Trade and other payables	21, 31	193,528,483	125,084,794
Prepayments from customers	12	12,407,229	8,117,008
Income tax	23	15,775,247	8,630,131
State and other public entities	23	14,584,837	13,210,035
Borrowings	20, 31	60,936,078	52,001,183
Other liabilities	22, 31	40,391,109	36,975,899
Deferrals	24	23,008,102	22,457,317
		361,634,128	**266,476,368**
Total Liabilities		**537,003,312**	**394,102,235**
Total Equity and Liabilities		**859,844,360**	**661,950,021**

CERTIFIED ACCOUNTANT

Luís Vicente

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 Tomás Jervell

CONSOLIDATED STATEMENT OF INCOME AT 31st DECEMBER, 2023 AND 2022

Amounts expressed in Euros

INCOME AND EXPENSES	NOTES	2023	2022
Sales and services rendered	31	1,300,898,301	1,201,621,657
Changes in inventories of production	11, 31	553,597	(774,976)
Works for the entity		3,451,549	3,414,838
Cost of sales	11, 31	(960,220,039)	(898,924,940)
Gross Profit		**344,683,408**	**305,336,580**
External supplies and services	31, 38	(58,666,730)	(54,822,259)
Personnel expenses	30, 31, 39	(107,765,887)	(102,279,070)
Inventories impairments (losses/reversals)	25, 31	1,165,792	2,105,830
Accounts receivable impairments (losses/reversals)	25, 31, 35	403,875	841,739
Provisions (increase/decrease)	25, 31	(2,134,942)	(864,973)
Impairment of non depreciable/amortizable investments (losses/reversals)	10.2, 31	1,915	17
Fair value (increase/decrease)	10.2, 31	0	(1,324)
Government grants	26, 31	633,574	737,608
Gains/losses on subsidiaries, associated companies and joint ventures	10.1, 31	1,525,010	220,971
Other income and gains	31, 32	8,562,197	7,940,508
Other expenses and losses	31, 40	(2,776,144)	(6,505,530)
Depreciation and amortization expenses/reversals	6, 7, 31	(37,660,200)	(35,814,711)
Impairment of depreciable/amortizable investments (losses/reversals)		(177,434)	(461,110)
Operating profit (before finance results and income tax)		**147,794,435**	**116,434,277**
Interest and similar finance incomes	31, 33, 35	2,473,771	1,182,672
Interest and similar finance costs	31, 33, 35	(9,866,856)	(6,874,350)
Net exchange differences	31, 35	(4,517,213)	(698,612)
Profit before income tax		**135,884,137**	**110,043,987**
Income tax expense	28, 31	(34,532,056)	(29,656,806)
Profit for the year	**31**	**101,352,081**	**80,387,181**
Attributable to:			
Owners of the parent		101,351,981	79,372,281
Non-controlling interests	19	100	(1,014,900)
	29, 31	101,352,081	80,387,181
Earnings per share	29	6.76	5.36

CERTIFIED ACCOUNTANT

Luís Vicente

THE BOARD OF DIRECTORS

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Pedro Mieiro
Rui A. Faustino
Rui Miranda
Tomás Jervell

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AT 31st DECEMBER, 2023 AND 2022

Amounts expressed in Euros

	Share Capital	Reserves		
		Legal Reserves	Revaluation Reserves	Retained Earnings
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
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				
Other changes in equity of the subsidiaries				
Distributions				
	0	**0**	**0**	**0**
As at December 31, 2022	**15,000,000**	**3,000,000**	**5,085,007**	**69,875,114**
As at January 1, 2023	**15,000,000**	**3,000,000**	**5,085,007**	**69,875,114**
Changes in the period:				
Consolidated profit application - 2022				79,372,281
Reclassification of reserves				(92,621,637)
Financial statements exchange differences				
Others			37,478	
	0	**0**	**37,478**	**(13,249,356)**
Profit for the Year				
Comprehensive income for the year				
Operations with shareholders in the period:				
Non-controlling interests acquisition				
Distributions				
	0	**0**	**0**	**0**
As at December 31, 2023	**15,000,000**	**3,000,000**	**5,122,486**	**56,625,758**

The notes to the consolidated financial statements are an integral part of this statement at 31st December, 2023

CERTIFIED ACCOUNTANT

Luís Vicente

THE BOARD OF DIRECTORS

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João Mieiro (Chairman)

José Jensen L. Faria

Nuno Colaço

Paulo Mieiro

Pedro Arêde

Pedro Mieiro

Rui A. Faustino

Rui Miranda

Tomás Jervell

Other Reserves	Total reserves	Profit for the year	Subtotal	Non-controlling Interests	Total
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
	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
(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**
93,883,259	**171,843,380**	**79,372,281**	**266,215,659**	**1,632,127**	**267,847,786**
	79,372,281	(79,372,281)	0		0
92,621,635	0		0		0
(4,890,364)	(4,890,364)		(4,890,364)		(4,890,364)
(195,934)	(158,456)		(158,456)		(158,456)
87,535,337	**74,323,461**	**(79,372,281)**	**(5,048,820)**	**0**	**(5,048,820)**
		101,351,981	101,351,981	100	101,352,081
		96,303,161	96,303,161	100	96,303,261
					0
196,033	196,033		196,033	(1,506,033)	(1,310,000)
(40,000,000)	(40,000,000)		(40,000,000)		(40,000,000)
(39,803,967)	**(39,803,967)**	**0**	**(39,803,967)**	**(1,506,033)**	**(41,310,000)**
141,614,629	**206,362,874**	**101,351,981**	**322,714,854**	**126,194**	**322,841,048**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEARS ENDED AT 31st DECEMBER, 2023 AND 2022

Amounts expressed in Euros

	2023	2022
Consolidated profit for the year including non-controlling interests	**101,352,081**	**80,387,181**
Itens reclassified subsequently to net income:		
Fair value variation on available for sale financial assets		
Financial statements exchange differences	(4,890,364)	6,910,555
Other movements	(158,456)	108,583
Comprehensive income for the year	**96,303,261**	**87,406,318**
Owners of the parent	96,303,161	85,938,466
Non-controlling interests	100	1,216,239

The notes to the consolidated financial statements are an integral part of this statement at 31st December, 2023

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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED AT 31st DECEMBER, 2023 AND 2022

Amounts expressed in Euros

	NOTES	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Accounts receivable		1,487,409,891	1,366,993,236
Accounts payable		(1,200,274,370)	(1,131,939,737)
Staff payable		(106,197,399)	(97,775,571)
Operating cash flows		**180,938,122**	**137,277,928**
Income tax payable/receivable		(36,052,332)	(29,374,074)
Other receivables/payables		(42,103,923)	(35,539,237)
Cash flows from operating activities (1)		**102,781,867**	**72,364,616**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments:			
Property, plant and equipment		(27,806,724)	(40,117,346)
Intangible assets		(3,091,817)	(4,256,026)
Financial Investments		(1,310,000)	0
Other financial assets		(3,000,000)	0
Receipts:			
Property, plant and equipment		18,483,722	29,580,524
Financial Investments		0	4,170,000
Interest and similar income		2,243,323	2,410,426
Cash flows from investing activities (2)		**(14,481,496)**	**(8,212,422)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts:			
Borrowings	20	62,871,644	25,151,764
Payments:			
Borrowings	20	(52,001,183)	(47,419,868)
Interest and similar costs		(10,702,854)	(7,274,953)
Dividends		(40,000,000)	(20,000,000)
Cash flows from financing activities (3)		**(39,832,393)**	**(49,543,057)**
Net increase/decrease in cash and cash equivalents (1+2+3)		**48,467,979**	**14,609,137**
Changes in perimeter variations			
Net foreign exchange difference		(728,581)	526,492
Cash and cash equivalents at 1 January	16	**94,092,516**	**78,956,887**
Cash and cash equivalents at 31 December	16	**141,831,913**	**94,092,516**

The notes to the consolidated financial statements are an integral part of this statement at 31st December, 2023

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ANNEX

ANNEX TO THE CONSOLIDATED FINANCIAL STATEMENTS

UNLOCKING A NEW LEVEL OF SERVICE


EXPECTMORE.

ANNEX TO THE CONSOLIDATED FINANCIAL STATEMENTS ON 31ST DECEMBER 2023

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). 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, 5th 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 trucks 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 2023, 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, Lda.	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 E EQUIPAMENTOS, 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 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%
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 2023.

2.1.1. The impact of the adoption of the new standards and amendments to standards that became effective as of 1st January 2023 is as follows:

a. IAS 1 (amendment), "Disclosure of accounting policies". 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". 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'. 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'. 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'. 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. These temporary differences are excluded from the scope of the exemption from recording deferred taxes upon initial recognition of assets or liabilities. This amendment is applied retrospectively. It is not expectable that this amendment implies material impacts on the Consolidated Financial Statements.

f. IAS 12 (amendment), 'International tax reform – Pillar two model rules'. Following the implementation of the OECD's Global Anti-Base Erosion ("GloBE") rules, there may be significant impacts on the calculation of deferred taxes of the entities impacted which, at this date, are difficult to estimate. This amendment to IAS 12 introduces: i) a temporary exception to the requirements to recognise and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes; and ii) targeted disclosure requirements for affected entities (entities belonging to multinational groups that have consolidated revenues of €750m in at least two out of the last four years), such as: the fact that the exception was applied, the current tax expense related to Pillar Two rules, and the reasonable estimate of the impact of Pilar Two rules between the date the legislation becomes enacted and the date it becomes effective. It is not expectable that this amendment implies material impacts 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 2024, already endorsed by the EU

a. IAS 1 (amendment), 'Classification of liabilities as Non-current and Current' and 'Non-current liabilities with covenants' (effective for annual periods beginning on or after 1 January 2024). These amendments clarify that liabilities are classified as either current or non-current balances depending on the rights that an entity has to defer its settlement for at least 12 months after the reporting date. They clarify 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 dates; and c) the facts and circumstances that indicate that the entity may have difficulty complying with covenants when it is required to do so. These amendments are 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.

2.1.3. Standards (new and amendments) that have been published and are mandatory for the accounting periods beginning on or after 1st january 2024, but are not yet endorsed by the EU

a. IAS 7 (amendment) and **IFRS 7** (amendment), 'Supplier finance arrangements' (effective for annual periods beginning on or after 1 January 2024). These amendments are still subject to endorsement by the European Union. These amendments require an entity to provide additional disclosures about its supplier finance arrangements to enable: i) the assessment of how supplier finance arrangements affect an entity's liabilities and cash flows; and ii) the understanding of the effect of supplier finance arrangements on an entity's exposure to liquidity risk and how the entity might be affected if the arrangements were no longer available. The additional requirements complement presentation and disclosure requirements already in IFRS as set out in the IFRS IC's Agenda decision of December 2020. It is not expectable that this amendment implies material impacts on the Consolidated Financial Statements.

b. IAS 21 (amendment), 'The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability' (effective for annual periods beginning on or after 1 January 2025). This amendment is still subject to endorsement by the European Union. This amendment adds requirements for determining whether a currency can be exchanged for another currency (exchangeability) and defining how to determine the spot exchange rate to be used when it is not possible to exchange a currency for a long period of time. This change also requires the disclosure of information that allows understanding how the currency that cannot be exchanged for another currency affects, or is expected to affect, the financial performance, financial position, and cash flows of the entity, in addition to the spot exchange rate used on the reporting date and how it was determined. 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 2023		
IAS 1 – Disclosure of accounting policies	Disclosure requirement for “material” accounting policies, rather than “significant” accounting policies.	1st January 2023
IAS 8 – Disclosure of accounting estimates	Definition of accounting estimate. Clarification as to the distinction between changes to accounting policies and changes to accounting estimates.	1st January 2023
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 simultaneous 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
IAS 12 – International Tax Reform – Pillar two model rules	Introduction of a temporary exception to the requirements to recognize and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. Requirement of targeted disclosure for affected entities (entities belonging to multinational groups that have consolidated revenues of €750m in at least two out of the last four years).	Immediately and 1st January 2023
2. Standards (new and amendments) that will become effective, on or after 1st January 2024, endorsed by the EU		
IAS 1 – Classification of liabilities as non-current and current and non-current liabilities with covenants	Classification of a liability as current or non-current, depending on an entity’s right to defer 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
3. Standards (new and amendments) that will become effective, on or after 1st January 2024, not yet endorsed by the EU		
IAS 7 and IFRS 7 – Supplier finance arrangements	Requirement to provide additional disclosures about supplier finance arrangements, the impact in liabilities and cash flows, as well as the impact in liquidity risk analysis, and how the entity would be impacted if these arrangements were no longer available.	1st January 2024
IAS 21 – The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability	Requirements for determining whether a currency is capable of being exchanged for another currency and, when exchange is not possible for a long period, the options for calculating the spot exchange rate to be used. Disclosure of the impacts of this situation on the liquidity, financial performance, and financial position of the entity, as well as the spot exchange rate used on the reporting date.	1st January 2025

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 recognized 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 recognized 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 2023 and 2022 financial years, the rates used in the conversion of financial statements of foreign subsidiaries into Euros were the following:

2023 COMPANY	Currency	Year end exchange rate 2023	Average historical exchange rate 2023	Exchange rate Establishment date / Acquired	Year end exchange rate 2022
ASCENDUM MACHINERY, INC	USD	1.11	1.08	1.36	1.07
BERGMANN AMERICAS, INC	USD	1.11	1.08	1.11	1.07
HARDPARTS MOÇAMBIQUE. LIMITADA	MZN	70.09	69.26	39.75	68.12
ASCENDUM MAQUINARIA MÉXICO, S.A. DE C.V.	USD	1.11	1.08	1.36	1.07
AIR-RAIL MAROC, S.A.R.L.A.U.	MAD	10.82	10.99	11.16	11.16
ASCENDUM ÉPÍTOGÉPEK HUNGÁRIA KERESKEDELMI KFT	HUF	382.80	381.90	298.15	400.87
ASCENDUM MACHINERY SRL	RON	4.98	4.95	4.46	4.95
ASCENDUM STAVEBNÍ STROJE CZECH S.R.O	CZK	24.72	24.01	25.73	24.12
Applicability		Statement of financial position accounts except for equity	P&L	Issued Capital	Retained earnings

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	1.05	1.36	1.13
BERGMANN AMERICAS, INC	USD	1.07	1.05	1.11	1.13
HARDPARTS MOÇAMBIQUE. LIMITADA	MZN	68.12	67.30	39.75	72.32
ASCENDUM MAQUINARIA MÉXICO, S.A. DE C.V.	USD	1.07	1.05	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

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 six 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 Group applies the following practical expedient under IFRS 16:

i. The contracts that contain lease and services components, the Group does 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 the 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 behaviour 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."

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 2023, 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 rate 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 2023 and 2022 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-23	%	dec-22	%	dec-23	%	dec-22	%
US Dollar (USD)	249,316,883	29%	170,083,976	26%	203,047,696	38%	123,522,552	31%
Polish Zloty (PLN)	2,419	0%	2,419	0%	-	0%		0%
New Romanian Leu (RON)	6,418,732	1%	5,192,764	1%	1,313,383	0%	2,310,504	1%
Moroccan Dirham (MAD)	(22,193)	0%	(21,517)	0%	-	0%		0%
Hungarian Forint (HUF)	7,022,648	1%	3,436,441	1%	5,809,490	1%	2,691,793	1%
Croatian Kuna (HRK)	5,645,787	1%	863,331	0%	4,169,277	1%	(32,728)	0%
Czech Koruna (CZK)	11,209,225	1%	12,814,768	2%	7,998,019	1%	2,160,428	1%
Sub-Total	**279,593,501**	**33%**	**192,372,182**	**29%**	**222,337,864**	**41%**	**130,652,548**	**33%**
Total - Consolidated Balance Sheet - IFRS	**859,844,360**	**100%**	**661,950,021**	**100%**	**537,003,312**	**100%**	**394,102,235**	**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	(7,029,015)	7,029,015
Profit for the year	(450,820)	450,820
Equity	(2,708,512)	2,708,512
Liabilities	(4,320,502)	4,320,502

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 interest rate volatility. The impact of this volatility on the Group's results or equity is not significant due to the effect of the following factors: (i) 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 approves the terms and conditions of financing by analysing 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-23 P&L	dec-22 P&L
Bank loans	1 p.p	1,476,264	1,363,018
Bank loans	(1 p.p)	(1,476,264)	(1,363,018)

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 2023 and 2022, the Group had a net debt (net debt = borrowings - cash and bank deposits) of 2.8 million euros and 42.2 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 2023 and 2022 are disclosed in Note 12.

On 31st December 2023 and 2022, 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 fulfilment 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 2023, 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 on 31st December 2023 and 2022 are as follows:

COMPANY	Effective Shareholding percentage		Consolidation method
	dec-23	dec-22	
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, LDA.	100%	100%	Full
ASCENDUM CAMIÕES, UNIPESSOAL LDA.	100%	100%	Full
ASCENDUM MACHINERY, INC.	100%	100%	Full
BERGMANN AMERICAS, INC.	100%	100%	Full
ASCENDUM MAQUINARIA MÉXICO, S.A. DE C.V.	100%	100%	Full
ASCENDUM MÁQUINAS E EQUIPAMENTOS, 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%	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%	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 June 2023 this company was merged into Ascendum Maquinaria.
(***) In 2023 this company was closed.

5. CHANGES IN THE CONSOLIDATION PERIMETER

During the year ended on 31st December 2023, the changes occurred within the consolidation perimeter were:

— Ascendum Espanha was merged into Ascendum Maquinaria in June 2023.

— Hardparts Moçambique, Limitada was closed in 2023.

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.

6. INTANGIBLE ASSETS

During the financial years ended on 31st December 2023 and 2022, movements in intangible assets and in the respective amortizations and accumulated impairment losses, were as follows:

2023	Industrial Property and other rights	Computer Programs	Intangible assets in progress	Total
Gross assets:				
2023 Opening balance	7,541,455	7,749,397	6,520,124	21,810,976
Increase/Decrease	-	5,343,831	(1,926,001)	3,417,830
Translation differences	(245,467)	(13,687)	-	(259,154)
December 31, 2023 Final balance	7,295,988	13,079,541	4,594,123	24,969,652
Amortizations and accumulated impairment losses:				
2023 Opening balance	(1,301,816)	(5,424,555)	-	(6,726,371)
Amortization for the year	(82,658)	(963,154)	-	(1,045,813)
Translation differences	(10,964)	802	-	(10,162)
Disposals, transfers and write-offs	37,116	-	-	37,116
December 31, 2023 Final balance	(1,358,322)	(6,386,907)	-	(7,745,229)
Net Value	**5,937,666**	**6,692,634**	**4,594,123**	**17,224,423**

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**

The additions recorded in the “Intangible Assets” in 2023, were mostly related to the AsSAP and Service 2.0 and Sales 2.0 ("Lighthouse") projects.

7. TANGIBLE FIXED AND RIGHT-OF-USE ASSETS

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

2023	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	25,883,496	48,855,149	71,998,627	9,156,488	4,234,597	149,341	1,234,505	161,512,204
Right-of-Use Assets	-	14,900,420	297,621	6,561,320	-	-	-	21,759,361
Total	**25,883,496**	**63,755,569**	**72,296,248**	**15,717,809**	**4,234,597**	**149,341**	**1,234,505**	**183,271,564**

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**	**52,558,450**	**61,521,170**	**14,511,447**	**3,801,190**	**145,148**	**8,604,182**	**163,158,110**

7.2. PROPERTY, PLANT AND EQUIPMENT

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

2023	Land and Natural Resources	Buildings and Other Constructions	Basic Equipment	Transport Equipment	Administrative Equipment	Other Fixed Assets	Fixed assets in progress	Total
Gross Assets:								
2023 Opening balance	22,424,563	72,173,297	190,196,735	16,621,817	16,373,401	629,027	8,604,182	327,023,021
Additions	4,744,159	17,570,294	34,968,841	3,915,010	2,530,706	16,815	4,996,864	68,742,690
Disposals, transfers and write-offs	(671,276)	(3,059,522)	(1,023,479)	(501,788)	(849,930)	(11,186)	(12,366,540)	(18,483,722)
Translation differences	(265,328)	(1,113,379)	(1,537,016)	(860,730)	(327,018)	(129,946)	-	(4,233,417)
December 31, 2023 Final balance	26,232,119	85,570,691	222,605,081	19,174,308	17,727,158	504,710	1,234,505	373,048,573
Depreciations and accumulated impairment losses:								
2023 Opening balance	(408,041)	(34,842,587)	(130,434,378)	(7,371,415)	(12,572,211)	(483,879)	-	(186,112,510)
Depreciation for the year	(109,266)	(2,187,724)	(21,819,661)	(3,033,047)	(1,264,550)	(14,145)	-	(28,428,393)
Disposals, transfers and write-offs	115,907	31,272	991,508	-	93,622	14,147	-	1,246,456
Translation differences	52,777	283,497	656,078	386,642	250,577	128,507	-	1,758,078
December 31, 2023 Final balance	(348,623)	(36,715,541)	(150,606,454)	(10,017,820)	(13,492,561)	(355,370)	-	(211,536,369)
Net Value	**25,883,496**	**48,855,149**	**71,998,627**	**9,156,488**	**4,234,597**	**149,341**	**1,234,505**	**161,512,204**

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)
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**

In 2023 and like the previous years, the Group invested on new premisses, namely the new branches in İzmir (Türkiye), Brasov (Romania), Savannah (USA) and Santiago de Compostela (Spain).

7.3. RIGHT-OF-USE ASSETS:

During the financial years ended on 31st December 2023 and 2022, movements in right-of-use assets, as well as in depreciations and accumulated impairment losses, were as follows:

2023	Buildings and Other Constructions	Basic Equipment	Transport Equipment	Other Fixed Assets	Total
Gross Assets:					
2023 Opening balance (1)	27,596,743	3,885,616	12,792,539	-	44,274,898
Increase/Decrease in the Period (2)	(2,951,704)	(3,010,676)	(1,175,877)		(7,138,257)
2023 Final balance (1)+(2)=3	24,645,039	874,940	11,616,662	-	37,136,641
Depreciations and accumulated impairment losses:					
2023 Opening balance (4)	12,369,002	2,126,803	7,531,494	-	22,027,299
Increase/Decrease in the Period (5)	(7,031,110)	(2,018,419)	(5,490,349)	-	(14,539,877)
Depreciation for the year (6)	4,406,726	468,935	3,014,196	-	7,889,857
2023 Final balance (4)+(5)+(6)=7	9,744,619	577,319	5,055,342	-	15,377,279
Net Value (3)-(7)=8	**14,900,420**	**297,621**	**6,561,320**	**-**	**21,759,361**

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**

In 2023, no major changes occurred in the “Right-of-Use” assets.

8. INVESTMENT PROPERTIES

On 31st December 2023 and 2022, 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 2023, the additions of Investment properties are related to rehabilitation works at the Leiria facilities.

The investment properties included in the consolidated statement of financial position for 2023 and 2022 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 2023 and 2022:

	Dec-22 Opening Balance	Increases	Decreases	Depreciation for the year	Dec-23 Final Balance
ASCENDUM, S.A.	1,823,032	114,716	-	(296,138)	1,641,610
GLOMAK, S.G.P.S, S.A.	421,476	-	(284,887)	-	136,589
ASCENDUM MÁQUINAS E EQUIPAMENTOS, UNIPESSOAL Lda.	1,693	-	(282)	-	1,411
TEA ALOYA INMOBILIARIA, S.A.	78,260	-	-	-	78,260
ASCENDUM BAUMASCHINEN ÖSTERREICH	42,000	-	-	-	42,000
TOTAL	**2,366,461**	**114,716**	**(285,169)**	**(296,138)**	**1,899,870**

	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 MÁQUINAS E EQUIPAMENTOS, UNIPESSOAL Lda.	1,975	-	(282)	-	1,693
TEA ALOYA INMOBILIARIA, S.A.	78,260	-		-	78,260
ASCENDUM BAUMASCHINEN ÖSTERREICH	189,453	-	(147,453)	-	42,000
TOTAL	**3,245,057**	-	**(581,332)**	**(297,265)**	**2,366,461**

During 2023 and 2022, 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 2023 and 2022.

GOODWILL	2023	2022
Gross Assets:		
Opening balance	26,622,799	26,519,718
Transfers write-offs and adjustments	(65,701)	103,081
Final balance	26,557,098	26,622,799
Amortizations and accumulated impairment losses:		
Opening balance	(2,092,186)	(2,092,186)
Final balance	(2,092,186)	(2,092,186)
Net Value	**24,464,912**	**24,530,613**

The total amount of Goodwill on 31st December 2023 and 2022 is presented in the following tables, as well as the methods and assumptions used to determine whether they are impaired:

2023	ASCENDUM MÁQUINAS E EQUIPAMENTOS, 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	586,785	8,656,512	1,123,534	8,898,227	906,271
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%	2%	3%	3%	2%	2%
Applied discount rate (2)	9.4%	13.0%	25.8%	13.8%	9.8%	9.8%

2023 (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	24,464,912
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)	9.4%	9.4%	9.4%	9.4%	

2022	ASCENDUM MÁQUINAS E EQUIPAMENTOS, 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%	

(*) 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 2023, 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, have not resulted in evidence of impairment.

10. FINANCIAL INVESTMENTS AND OTHER FINANCIAL ASSETS

	2023	2022
Investments accounted for using the equity method	14,186,023	12,524,169
Financial assets at fair value through profit & loss	-	444
Other current financial assets	3,000,000	-
Other non-current financial assets	80,371	75,628

10.1. INVESTMENTS IN ASSOCIATES (EQUITY METHOD)

2023	Total, Equity	Net profit for the year	%,Share, capital,held	Participation book value	Appropriated result
AIR-RAIL, S.L.	8,815,110	2,537,146	50.00%	4,407,555	1,268,573
AIR-RAIL MAROC, S.A.R.L.A.U.	(480,246)	-	50.00%	(21,845)	-
AIR-RAIL (PORTUGAL) Sociedade Unipessoal, LDA.	1,122,864	232,462	50.00%	561,432	116,231
Importadora Distribuidora de Maquinaria Industrial ZEPHIR, S.L.	173,352	(32,129)	50.00%	86,676	(16,065)
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	**9,631,080**	**2,737,479**		**13,967,463**	**1,368,740**
Amplitude Seguros - Corretores de Seguros S.A.	656,336	468,812	33.33%	218,560	156,271
Total	**10,287,416**	**3,206,291**		**14,186,023**	**1,525,010**
(*) Forecast period	Cash flow projections for 5 years				
Growth rate (g) (1)	2.0%	2.0%			
Applied discount rate (2)	9.4%	9.4%			

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%			

The incorporation of the new business areas related to equipment for ports, airports, and railways, within the Group in March 2010, 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.

The Board of Directors, based on the projected cash flows, discounted at the deemed applicable rate, concluded that, on 31st December 2023, 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, have not resulted in evidence of impairment.

10.2. EQUITY INSTRUMENTS AT FAIR VALUE THROUGH PROFIT AND LOSS

a. Securities portfolio:

In the financial years ended on 31st December 2023 and 2022, the Group held the following securities portfolio:

	Shares	Share value Dec-23	Value at Dec-23
BCP	-	0,000	-
ESFG	1,020,000	0,000	-
C2 R&D Growth XI - Fundo de Capital de Risco Fechado	120	25,000	3,000,000
Totals			**3,000,000**

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

During 2023 financial year we subscribed 120 participation units in C2 R&D Growth XI – Fundo de Capital de Risco Fechado for 3 million euros. This fund's policy is to invest in companies and projects that do research and development meaning that this investment is eligible under a tax incentive regime in Portugal for R&D (SIFIDE).

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

	Dec-23	Dec-22
Fair Value on January, 1st	444	427
Increase/(decrease) in Fair Value - P&L	(444)	17
Acquisitions	3,000,000	-
Fair Value on December, 31st	3,000,000	444
Current assets	3,000,000	-
Non current assets	-	444
Total	**3,000,000**	**444**

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

During the 2023 financial year, we divested the small stake we had in Banco Millennium BCP.

10.3. OTHER FINANCIAL ASSETS

As of 31st December 2023, and 2022, other financial assets refer to the amounts included in the following companies:

	Dec-22 Opening Balance	Increase/ Decrease	Dec-23 Final Balance
ASCENDUM AGRO, EQUIPAMENTOS AGRÍCOLAS, LDA.	171	4,279	4,451
ASCENDUM, S.A.	19,899	3,966	23,866
ASCENDUM CAMIÕES, UNIPESSOAL, LDA.	7,676	(419)	7,257
ASCENDUM PORTUGAL, SERVIÇOS DE GESTÃO, S.A.	1,808	151	1,959
GLOMAK SGPS, S.A.	13,698	638	14,336
ASCENDUM MÁQUINAS E EQUIPAMENTOS, UNIPESSOAL LDA.	32,375	(3,873)	28,502
Total	**75,628**	**4,743**	**80,371**

11. INVENTORIES

As of 31st December 2023, and 2022, this account has the following composition:

	Dec-23	Dec-22
Products and works in progress	5,418,212	5,512,846
Goods	280,088,349	200,909,934
Accumulated Inventories Impairments (Note 25)	(6,315,923)	(8,135,841)
Total	**279,190,638**	**198,286,939**

The increase in Inventory is related to both the higher activity level and the gradual decrease on the supply chain bottlenecks.

The cost of sales in the financial years ended on 31st December 2023 and 2022 is as follows:

	Dec-23 Goods	Dec-22 Goods
Opening inventories	200,909,934	169,074,053
Net purchases	1,039,398,454	930,760,820
Final inventories	280,088,349	200,909,934
Total	**960,220,039**	**898,924,940**

Changes in inventories of Work in Progress (WIP) for the financial years ended on 31st December 2023 and 2022 are as follows:

	Finished, intermediate products, and works in progress	
	Dec-23	Dec-22
Final inventories	5,418,212	5,512,846
Inventory adjustments	(648,231)	710,204
Opening inventories	5,512,846	5,577,618
Total	**553,597**	**(774,976)**

12. TRADE AND OTHER RECEIVABLES

On 31st December 2023 and 2022, this account has the following breakdown:

	Dec-23	Dec-22
Customers - current	144,848,449	119,605,385
Customers - trade bills receivable	8,108,134	8,930,983
Customers - doubtful debts	10,150,535	11,499,102
	163,107,118	140,035,470
Accumulated impairment losses (Note 25)	(13,138,794)	(15,091,547)
Total	**149,968,324**	**124,943,923**

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 2023 and 2022 amounted to 12.4 million euros and 8.1 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 2023 and 2022, the profile of customer´s payments, excluding mainly the old balances in litigation (2023: 13.6 million euros; 2022: 14.7 million euros), and the assessment of default risk are shown in the following tables:

	2023	2022
Paid between 0 and 30 days	87.0%	86.3%
Paid between 30 and 60 days	6.6%	6.9%
Paid between 60 and 90 days	2.3%	2.4%
Paid between 90 and 365 days	3.3%	3.5%
Paid above 365 days	0.8%	0.9%
Invoices not paid	0.0%	0.0%
Total	**100%**	**100%**

PROBABILITY OF DEFAULT % 2023

Total	Current [0-30]	30 - 60 days	60 - 90 days	90 - 365 days	After 365 days
0.2%	0.0%	0.3%	0.6%	0.5%	17.8%

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%

13. OTHER ACCOUNTS RECEIVABLE AND PREPAYMENTS TO SUPPLIERS

On 31st December 2023 and 2022, this item has the following breakdown:

	Dec-23		Dec-22	
	Current	Non Current	Current	Non Current
Prepayments to suppliers	-	-	1,029,594	
Sub-total	**-**	**-**	**1,029,594**	**-**
Other accounts receivable	4,633,555	230,215	942,732	193,188
Accrued income	2,454,581	-	1,444,822	
Sub-total	**7,088,136**	**230,215**	**2,387,554**	**193,188**

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

14. DEFERRALS — (ASSETS)

On 31st December 2023 and 2022, this item has the following breakdown:

	Dec-23	Dec-22
Deferred Costs:		
Insurance	143,254	84,101
Rents	208,614	229,892
Others	5,613,409	1,653,574
Total	**5,965,277**	**1,967,567**

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 2023 and 2022, are summarized as follows:

2023	Dec-22	P&L Impact	Equity Impact	Dec-23
Deferred Tax Assets:				
Non-tax deductible impairments	5,194,236	(167,579)	-	5,026,657
Carry forward tax losses	3,981,721	(2,444,606)	-	1,537,115
IFRS 16 recognition	66,498	-	-	66,498
Non-tax deductible amortizations	675,378	(68,387)	-	606,991
Amortization of Goodwill - Tax deductible	799,394	(155,363)	-	644,032
Carry forward of net Financing Expenses	438,053	-	-	438,053
Elimination - Internal Margins	152,391	(60)	-	152,331
Taxable Deferrals	72,462	(73,924)	-	(1,462)
Benefits (retirement plans)	420,489	1,983	-	422,472
Investment Properties Impairments	66,944	-	-	66,944
	11,867,567	(2,907,936)	-	8,959,631
Deferred Tax Liabilities:				
Depreciations resulting from legal and free revaluations	(3,455,210)	63,893	-	(3,391,317)
Effect of reinvesting capital gains generated by fixed assets disposals	(11,738,436)	(4,246,942)	1,285,795	(14,699,583)
Others	(2,318,737)	(1,181,878)	-	(3,500,615)
	(17,512,383)	**(5,364,927)**	**1,285,795**	**(21,591,515)**
Net effect	**(5,644,816)**	**(8,272,863)**	**1,285,795**	**(12,631,884)**

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	-	-	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	-	-	66,944
	10,016,304	1,851,263	-	11,867,567
Deferred Tax Liabilities:				
Depreciations resulting from legal and free revaluations	(3,402,085)	(53,125)	-	(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	-	(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)**

a. Tax losses carried forward:

2023	Tax losses carried forward	Deadline for the use of tax losses	Deferred tax base	Tax rate	Deferred tax assets
ASCENDUM MAQUINARIA - 2001	113,306	N/A	113,306	25%	28,327
ASCENDUM MAQUINARIA - 2002	248,502	N/A	248,502	25%	62,126
ASCENDUM MAQUINARIA - 2012	32,407	N/A	32,407	25%	8,102
ASCENDUM MAQUINARIA - 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
TEA ALOYA INMOBILIARIA, S.A.U.- 2023	2,049	N/A	2,049	25%	512
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
VOLRENTAL ATLÁNTICO, S.A.U. - 2023	249	N/A	249	25%	62
GLOMAK SPAIN - 2011	694,837	N/A	694,837	25%	173,709
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%	231,470
Total	**6,148,460**		**6,148,460**		**1,537,115**

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**

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 65% 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;
- No limitation for taxes losses related to 2023.

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, federal taxes are taxed through a tax consolidation, while estate taxes are computed on a stand alone basis. The 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, tax returns of 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 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

	2023	2022
Austria	24.0%	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%
Türkiye	25.0%	23.0%

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 2023 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.

As of 31st December 2023, the Pillar II legislation is not substantially enacted, and as per IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (§30-31), it is envisaged that changes to IAS 12 Income Taxes not to have material impacts on the Group accounts.

16. CASH AND BANK DEPOSITS

On 31st December 2023 and 2022, the breakdown of cash and cash equivalents was as follows:

	Dec-23	Dec-22
Cash	147,734	99,771
Current Bank Deposits	141,684,179	93,992,745
Total	**141,831,913**	**94,092,516**

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

17. SHARE CAPITAL STRUCTURE

On 31st December 2023, 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 19th of April 2023, dividends in the amount of 40 million euros were paid.

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

Legal reserve

Portuguese commercial 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 2023 and 2022 were as follows:

	Dec-23	Dec-22
Opening balance on January, 1st	1,632,127	415,888
Net profit for the period attributed to non-controlling interests	100	1,014,900
Other variations in equity	(1,506,033)	201,339
Final balance on December, 31st	**126,194**	**1,632,127**

NON-CONTROLLING INTERESTS DETAIL	Dec-23	Dec-22
GLOMAK - SGPS, S.A.	-	1,505,704
VOLRENTAL ATLÁNTICO, S.A.U.	126,194	126,423
Total	**126,194**	**1,632,127**

20. BORROWINGS

On 31st December 2023 and 2022, the structure of this item was as follows:

	Dec-23		Dec-22	
	Current	Non Current	Current	Non Current
Bank loans/current accounts /overdrafts	82%	25%	67%	33%
Commercial papers	5%	57%	19%	48%
Lease liabilities	13%	18%	13%	19%
	100%	**100%**	**100%**	**100%**

	Dec-22	Net amortization in the year	Dec-23
Bank Loans Obtained			
Long Term (1)	68,371,036	2,993,055	71,364,091
Short Term (2)	45,000,723	7,877,407	52,878,130
Sub Total (1)+(2)	**113,371,759**	**10,870,462**	**124,242,221**
Lease Liabilities			
Long Term (3)	15,929,559	(603,310)	15,326,249
Short Term (4)	7,000,460	1,057,488	8,057,948
Sub Total (3)+(4)	**22,930,018**	**454,179**	**23,384,197**
Total (1)+(2)+(3)+(4)	**136,301,778**	**11,324,640**	**147,626,418**

No amount is due in more than 5 years.

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

21. SUPPLIERS

On 31st December 2023 and 2022, this item was comprised of current payable balances to suppliers, all of which are due in the short term.

On 31st December 2023 and 2022, 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 2023 and 2022, this account had the following breakdown:

	Current liabilities		Non-Current Liabilities	
	Dec-23	Dec-22	Dec-23	Dec-22
Accrued expenses liabilities	35,050,190	29,647,268	-	-
Asset suppliers	(350)	(350)	112,738	113,212
Other creditors	5,341,270	7,328,982	53,678,134	12,729,482
	40,391,109	**36,975,899**	**53,790,872**	**12,842,693**

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 is related to the gradual normalization of the constrains felt on the supply chain and consequent normalization of the inventory levels, financed by non-bearing floor plans.

23. INCOME TAX AND STATE AND OTHER PUBLIC ENTITIES

On 31st December 2023 and 2022, "Income Tax" and "State and Other Public Entities" have the following breakdown:

	Assets		Liabilities	
	Dec-23	Dec-22	Dec-23	Dec-22
Income Tax	11,904,311	351,529	15,775,247	8,630,131
Sub-Total	**11,904,311**	**351,529**	**15,775,247**	**8,630,131**
Value Added Tax	10,091,454	8,987,696	11,726,391	10,210,782
Withholding income tax	-	-	971,292	1,162,814
Social Security Contributions	-	-	1,684,307	1,609,705
Others	487,298	101,919	202,847	226,734
Sub-Total	**10,578,752**	**9,089,616**	**14,584,837**	**13,210,035**
Total	**22,483,063**	**9,441,145**	**30,360,084**	**21,840,166**

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

24. DEFERRALS — LIABILITIES

On 31st December 2023 and 2022, the item "Deferrals" has the following structure:

	Dec-23	Dec-22
Deferrals		
Sales and services to recognize	7,619,517	7,138,926
Guarantees	14,142,535	13,344,456
Others	1,246,050	1,973,935
Total	**23,008,102**	**22,457,317**

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.

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

25. PROVISIONS AND ACCUMULATED IMPAIRMENTS

Movements in provisions in the financial years ended on 31st December 2023 and 2022 were as follows:

2023	Opening balance	Exchange Rate effect	Perimeter variation	PL Increases	PL Reversals	Utilizations/ Adjustments	Total
Accumulated impairment losses - accounts receivable (Note 12)	15,091,547	(12,541)	-	83,044	(486,919)	(1,536,338)	13,138,794
Accumulated impairment losses - inventories (Note 11)	8,135,841	(156,628)	-	-	(1,165,792)	(497,497)	6,315,923
Provisions	12,970,195	(284,629)	-	2,168,151	(33,209)	(521,009)	14,299,499

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	-	116,627	(958,366)	(1,470,708)	15,091,547
Accumulated impairment losses - inventories (Note 11)	8,957,251	196,711	-	70,952	(2,176,781)	1,087,708	8,135,841
Provisions	13,736,090	2,060	-	933,819	(68,847)	(1,632,927)	12,970,195

On 31st December 2023 and 2022, the details of "Provisions" presented in the consolidated statement of financial position were as follows:

DESCRIPTION	Dec-23	Dec-22
Provisions for guarantees	1,981,687	2,588,183
Provisions for risks and costs - Litigation	164,564	196,026
Other provisions	11,150,206	10,185,986
Non-current	**13,296,457**	**12,970,195**
Provisions for guarantees	1,003,042	-
Current	**1,003,042**	**-**
Total	**14,299,499**	**12,970,195**

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.

26. GOVERNMENT GRANTS

	2023	2022
ASCENDUM BAUMASCHINEN ÖSTERREICH GMBH	613,205	692,462
ASCENDUM CENTRAL EUROPE GMBH	12,940	23,404
GLOMAK SGPS, S.A.	2,130	20,603
ASCENDUM GRADEVINSKI STROJEVI HRVATSKA D.O.O	5,299	1,139
Total	**633,574**	**737,608**

The government grants received by Ascendum in 2023 are mainly related to a subsidy of the government that we received in Austria for our investment into the rental fleet.

27. FINANCIAL COMMITMENTS AND CONTINGENT ASSETS AND LIABILITIES

On 31st December 2023 and 2022, Ascendum has the following financial commitments:

	Dec-23	Dec-22
Bank Guarantees	1,737,557	1,856,310
Warranties granted to importers of represented brands	3,297,819	2,997,533
Guarantees provided in public tenders	290,310	1,027,493
Guarantees for suppliers of water, electricity, fuel and similar	450,021	164,117
Other guarantees	28,197,093	10,221,535
Total	**33,972,800**	**16,266,988**

28. INCOME TAX

Income tax recognized in the financial years ended on 31st December 2023 and 2022 is as follows:

	Dec-23	Dec-22
Current Income Tax	(26,259,193)	(32,928,002)
Deferred Income Tax (Note 15)	(8,272,863)	3,271,196
Total	**(34,532,056)**	**(29,656,806)**

The reconciliation of income tax is detailed below:

		2023		2022
Profit before income tax	135,884,137		110,043,987	
Income tax	23%	30,723,393	22%	24,333,295
Tax resulting from adjustments to the tax base		3,808,663		5,323,511
Total		**34,532,056**		**29,656,806**

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 2023 and 2022 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-23	Dec-22
Net Profit/Loss of the period	101,352,081	80,387,181
Average number of ordinary shares	15,000,000	15,000,000
Basic earnings per share	**6.76**	**5.36**
Diluted earnings per share	**6.76**	**5.36**

30. NUMBER OF EMPLOYEES

In the financial years ended on 31st December 2023 and 2022, the average number of employees working for the Group was as follows:

	2023	2022
Board	28	24
Directors	58	64
Managers	183	156
Human Resources	18	19
Financial and Administrative	99	88
Logístics, IT, General support and others	63	62
Commercial	219	215
After-Sales	1,011	897
Total	**1,679**	**1,525**

31. CONTRIBUTION OF GEOGRAPHICAL AREAS TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION AND THE CONSOLIDATED INCOME STATEMENT ON 31ST DECEMBER 2023 AND 2022

The contribution of sales and services rendered by geographical market for the financial years ended on 31st December 2023 and 2022 were as follows:

MARKET	2023		2022	
	Amount	%	Amount	%
Portugal	212,291,604	16.32%	209,134,142	17.40%
Spain	107,049,453	8.23%	106,800,828	8.89%
United States of America	429,422,482	33.01%	405,583,266	33.75%
Türkiye	251,620,127	19.34%	194,151,478	16.16%
Mexico	66,697,491	5.13%	74,112,669	6.17%
CEG	233,817,144	17.97%	211,839,274	17.63%
Total	**1,300,898,301**	**100%**	**1,201,621,657**	**100%**

CEG stands for Central Europe Group and comprises the companies in Austria, Czechia, Slovakia, Hungary, Croatia and Romania.

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 2023 and 2022:

2023	Non-current Assets		Current Assets		
	Property, Plant and Equipment	Other Assets	Inventories	Trade Receivables and Other Assets	Assets total
Portugal	27,673,440	26,868,401	70,958,311	79,768,148	205,268,300
Spain	35,925,711	17,274,215	23,357,590	22,865,088	99,422,604
United States of America	60,289,302	6,701,413	106,433,066	71,845,527	245,269,307
Türkiye	10,058,219	2,108,027	24,522,493	102,070,891	138,759,630
Mexico	4,349,803	2,071,238	21,602,256	9,654,606	37,677,904
CEG	44,975,090	12,022,150	32,316,923	44,132,453	133,446,615
Total	**183,271,565**	**67,045,444**	**279,190,638**	**330,336,713**	**859,844,360**

2023 (CONTINUATION)	Non-current Liabilities		Current Liabilities		
	Borrowings	Other Liabilities	Trade Payables and Other Liabilities	Borrowings	Liabilities Total
Portugal	57,588,722	13,845,145	54,004,624	23,128,660	148,567,150
Spain	4,329,952	683,988	25,692,606	1,804,465	32,511,012
United States of America	4,176,352	71,840,972	75,163,225	5,773,827	156,954,375
Türkiye	1,067,936	-	66,784,468	19,843,634	87,696,038
Mexico	8,287,070	-	13,851,718	1,300,836	23,439,625
CEG	11,240,307	2,308,740	65,201,409	9,084,656	87,835,112
Total	**86,690,340**	**88,678,844**	**300,698,050**	**60,936,078**	**537,003,312**

2022	Non-current Assets		Current Assets		
	Property, Plant and Equipment	Other Assets	Inventories	Trade Receivables and Other Assets	Assets total
Portugal	26,642,332	22,097,191	37,403,666	62,581,936	148,725,126
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
CEG	42,295,635	12,254,012	25,280,665	28,823,637	108,653,949
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	60,229,551	13,033,734	38,296,802	22,328,768	133,888,854
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
CEG	11,635,671	1,179,276	48,885,903	5,459,953	67,160,802
Total	**84,300,595**	**43,325,272**	**214,475,185**	**52,001,183**	**394,102,235**

2023	Sales and services rendered	Costs of sales	External supplies and services	Personnel costs	Other gains/ losses	Net Profit/Loss for the period
Portugal	181,287,657	(136,776,180)	(15,806,306)	(18,257,733)	(1,090,224)	9,357,213
Spain	138,053,400	(98,493,990)	(8,516,231)	(13,349,211)	(5,533,549)	12,160,418
United States of America	429,422,482	(323,257,992)	(5,156,395)	(36,226,422)	(28,371,783)	36,409,889
Türkiye	251,620,127	(181,467,713)	(11,546,584)	(8,818,815)	(19,587,514)	30,199,501
Mexico	66,697,491	(51,994,676)	(4,203,662)	(5,444,469)	(4,620,726)	433,957
CEG	233,817,144	(168,229,487)	(13,437,551)	(25,669,236)	(13,689,767)	12,791,103
Total	**1,300,898,301**	**(960,220,039)**	**(58,666,730)**	**(107,765,887)**	**(72,893,564)**	**101,352,081**

2022	Sales and services rendered	Costs of sales	External supplies and services	Personnel costs	Other gains/ losses	Net Profit/Loss for the period
Portugal	182,570,368	(145,871,787)	(14,093,792)	(17,711,434)	(904,561)	3,988,795
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
CEG	211,839,274	(147,457,632)	(12,602,309)	(24,307,910)	(16,475,180)	10,996,244
Total	**1,201,621,657**	**(898,924,940)**	**(54,822,259)**	**(102,279,070)**	**(65,208,207)**	**80,387,181**

32. OTHER INCOME AND GAINS

In 2023 and 2022, "Other income and gains" was comprised by:

	2023	2022
Cash discounts obtained	284,809	296,824
Claims	201,345	150,796
Excess of income tax estimate	20,580	29,457
Adjustments related to prior years	7,395	11,103
Others	8,048,068	7,452,327
Total	**8,562,197**	**7,940,508**

33. FINANCIAL RESULTS

a. On 31st December 2023 and 2022, financial results had the following composition:

INTEREST AND SIMILAR COSTS	2023	2022
Interests for Leases	1,291,126	1,150,981
Bank Interests	8,575,730	5,723,369
Total	**9,866,856**	**6,874,350**

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	2023	2022
Interests	2,473,771	1,182,672
Total	**2,473,771**	**1,182,672**

b. Exchange differences on financial assets and liabilities related to operating activities in 2023 and 2022 were as follows:

GAIN / (LOSS)	2023	2022
Operational Foreign Exchange Gain (+) / Loss (-)	(4,205,655)	(653,444)
Financial Foreign Exchange Gain (+) / Loss (-)	(311,559)	(45,168)
Total	**(4,517,213)**	**(698,612)**

The major contributor to the foreign exchange differences is Türkiye.

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-23	Dec-22
Key management personnel	24,289	27,934

BALANCES WITH RELATED PARTIES	Dec-23	Dec-22
Customers/other accounts receivable:		
Nors, S.A.	477,203	749,134
Suppliers/other accounts payable:		
Nors, S.A.	15,695,283	4,846,209

TRANSACTIONS WITH RELATED PARTIES 2023	Sales	Services rendered	Purchases	Other Expenses	Other Income
Nors S.A.	226,219	2,147,287	31,440,081	344,177	35,767

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

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 2023, 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	-	fair value through other comprehensive income
Other accounts receivable (Note 13)	debt instruments	4,863,770	amortized cost
Other non-current financial assets (Note 10)	debt instruments	80,371	amortized cost
Other current financial assets (Note 10)	debt instruments	3,000,000	amortized cost
Trade and other receivables (Note 12)	debt instruments	149,968,324	amortized cost
Cash and bank deposits (Note 16)	debt instruments	141,831,913	amortized cost
		299,744,378	

FINANCIAL LIABILITIES	Category	Book value	Valuation method
Borrowings (Note 20)	amortized cost	124,242,221	amortized cost
Other liabilities (Note 22)	amortized cost	59,131,792	amortized cost
Trade and other payables (Note 21)	amortized cost	192,006,490	amortized cost
Prepayments from Customers	amortized cost	12,407,229	amortized cost
		387,787,732	

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 2023 and 2022 for impairments of financial assets were as follows:

GAIN / (LOSS)	2023	2022
Accounts receivable impairments (losses/reversals)	403,875	841,739
Total	**403,875**	**841,739**

36. REMUNERATION OF THE MEMBERS OF THE GOVERNING BODIES

The remuneration of the members of the Governing Bodies of the Group in 2023 and 2022 were as follows:

BOARD	2023	2022
Board	5,169,578	4,457,188

37. REMUNERATION OF THE STATUTORY AUDITOR

The remuneration of the Statutory Auditor, PricewaterhouseCoopers, in the 2023 and 2022 financial years were as follows:

	Currency	2023	2022
Portugal	EUR	79,102	75,335
Spain	EUR	53,350	54,863
United States of America	USD	156,000	148,050
Mexico	USD	34,130	32,000
Türkiye	EUR	15,000	15,000
Romania	EUR	18,000	14,175
Hungary	EUR	18,700	13,200
Austria	EUR	29,300	26,434
Croatia	EUR	11,000	9,975
Slovakia	EUR	20,200	14,080
Czechia	EUR	21,189	17,819

38. EXTERNAL SUPPLIES AND SERVICES

In 2023 and 2022, external supplies and services had the following breakdown:

	2023	2022
Subcontracts/ Specialized services	23,316,213	22,804,601
Advertising and promotion	2,276,892	2,166,015
Surveillance and security	931,897	689,767
Maintenance/repairs/tools	3,675,216	3,165,990
Office supplies/technical documentation	1,141,669	968,681
Electricity/fuels/water/other fluids	3,648,457	3,625,799
Travel and accommodation	5,744,899	4,040,312
Transport of goods	6,640,375	4,970,880
Rents and leases	3,410,859	3,621,053
Communications	1,695,612	1,542,173
Insurance	3,521,868	3,132,117
Clean hygiene and comfort	1,271,179	1,166,184
Other external supplies and services	1,391,594	2,928,687
Total	**58,666,730**	**54,822,259**

The increase in External Suppliers and Services expenses occurred in 2023, when compared with 2022 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 2023 and 2022, the Personnel Expenses had the following breakdown:

	2023	2022
Payroll	62,783,921	57,460,135
Social charges	11,264,716	10,294,962
Insurance against labour accident	140,232	146,386
Commissions	13,772,939	13,828,804
Awards and Bonuses	9,080,600	10,227,886
Indemnities	479,878	622,358
Other staff related expenses	10,243,601	9,698,540
Total	**107,765,887**	**102,279,070**

Personnel expenses have increased in 2023, mainly due to an increase in the number of employees (1,679 in 2023 versus 1,525 in 2022) and the salaries update according to inflation.

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

40. OTHER EXPENSES AND LOSSES

In 2023 and 2022 other expenses and losses had the following breakdown:

	2023	2022
Taxes and fees	1,514,847	2,013,092
Bank commissions and other charges	1,166,488	361,534
Adjustments related to prior years	3,075	37,044
Donations	73,270	116,053
Subscriptions and contributions	9,036	9,628
Other costs	9,429	3,968,179
Total	**2,776,144**	**6,505,530**

41. ENVIRONMENTAL INFORMATION

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

Ascendum's Board of Directors, in 2024, 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 2023 financial year.

42. SUBSEQUENT EVENTS

No facts that affect the released financial information have occurred since 31st December 2023 and until the release of this report.

43. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were approved by the Board of Directors on 1st March 2024. Additionally, the financial statements attached on 31st December 2023 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
Luís Vicente	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
	Tomás Jervell

STATUTORY AUDIT REPORT

UNLOCKING A MORE RESPONSIBLE TOMORROW


VOLVO
ASCENDUM
CTEK
PVR
ELECTRIC
SSAB
SSAB
engcon

pwc

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, 2023 (which shows total assets of Euro 859,844,360 and total shareholders' equity of Euro 322,841,048 including a net profit of Euro 101,351,981), 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 material accounting policy information.

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, 2023, 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;

d) the adoption of appropriate accounting policies and criteria;

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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.

TM

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 8, 2024

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

Nuno Miguel Costa Guimarães Cordeiro Tavares

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Registered with the Portuguese Securities Market Commission under no. 20200031

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