



2020

MANAGEMENT REPORT AND
CONSOLIDATED FINANCIAL STATEMENTS

22

NORS

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a journey of commitment and trust

The global panorama we have witnessed - marked by the end of the pandemic scenario, but also brutally marked by the invasion of Ukraine by Russia, by the escalation of oil, energy and raw material prices, globally, generating a complex inflationary context, as well as by relevant political moments in some of the markets in which Nors operates (either of transition or of renewal of political forces) - once again presented us, in 2022, with the need, as an organisation, to anticipate and project the steps of the future in a more conscious, reflected, but equally agile manner. Undoubtedly, the volatility and unpredictability of the times have brought us that vision.

However, they have also brought us the ability to look at what's next with more audacity and ambition.

And the certainty of what we are capable of overcoming and achieving together, always with the mission of ensuring the sustainable and solid presence of the Nors Group throughout the world.

It was with this spirit of mission and the ability to rise to the top that 2022 was made, a year in which Nors experienced strong growth in its business and profitability, but also excellent performance in the Group's financial robustness indicators. We have strengthened our footprint, organically, in the markets and businesses in which we are present, and we have outlined new goals and horizons that will take shape in the near future. We have initiated and completed major projects and strengthened strategic axes of enormous importance for the Group, always focusing on our people, on our transformation, on our efficiency and on the sustained growth of Nors.

The results are clear to see and, once again, we close the year with a feeling of mission accomplished, achieving the goals we set out to achieve and with a very positive outlook on what the future holds.

We look to 2023, a year in which we will celebrate 90 years of legacy, with enormous expectations and with the certainty that, today, we are a Group with a dimension and capacity for delivery that we are very proud of. We will continue this journey with the commitment to contribute towards a better tomorrow, creating value for all our stakeholders. It will certainly be a journey made up of moments of great ambition, optimism and bravery, but also of much wisdom, pragmatism and reflection.



A message from

Tomás Jervell

Group CEO

identity and organisation

a journey from inside out

1.1. culture

1.2. business areas

1.3. big numbers

1.3.1. Business

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1.4. governance

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1.1. culture

strengthening the voice of our organisation

a DNA made of passion and humanism

The events, projects and challenges that have marked 2022 have played a fundamental role in strengthening the Group's organisational culture. The morphology of the organisation, the growth prospects and the strategic ambitions projected for the Nors brand have set ambitious challenges in terms of organisational culture.

As a result of an increasingly global and dynamic presence, Nors has sought to strengthen its footprint in the dozens of countries and companies that make up its portfolio, ensuring a more aggregative and close presence and consolidating its voice through the most diverse channels, messages and communication formats.

With an increasingly humanised approach, the personal stamp that the organisation has sought to imprint on the relationship with its internal stakeholders, in particular, is the mirror of a positioning truly committed to highlighting the concepts of proximity, transparency and empathy.

The year 2022 was thus an important stage for the creation of a cohesive and integrated narrative, which will be affirmed with even more full force over the coming years.



the richness of our plurality

Diversity is one of the key factors of the culture of a Group like Nors, which includes a multiplicity of genders, generations, cultures, skills, knowledge and professional experiences, and the Culture strategy has sought to capitalise on the added value that comes from this same plurality, rooting it in the leaders and ambassadors who defend Nors DNA on a daily basis.

Despite being heterogeneous, the history of the organisation has been built on a premise of proximity, optimism and thoughtfulness, which intrinsically mirrors what "being Nors" is: being a spokesperson of trust and transparency, whatever the challenge, assuming an integral and human presence in any situation.

Today, we increasingly continue to foster an attitude without borders and a permanent will to always be better: with the best (and most diverse) people by our side.





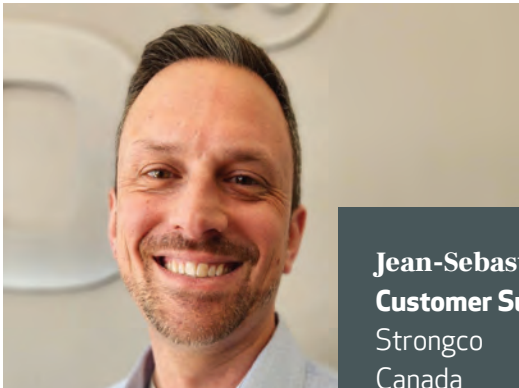
our people, our expression



Cibele Meireles
Test Driver
Auto Sueco São Paulo
Brazil

I was very well received at Auto Sueco São Paulo. I think that it only adds to Nors Group values of respect for women, diversity and inclusion.

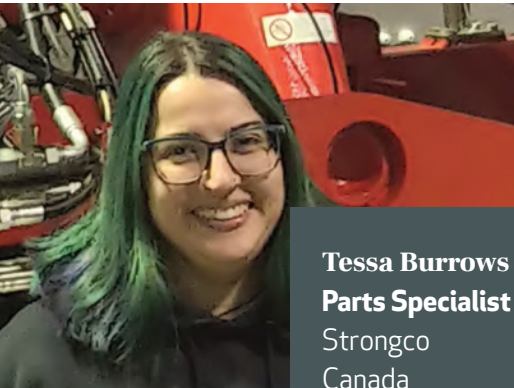
I hope to contribute in opening people's minds and change the idea that trucks were made for men, because we can do whatever we we want: all we have to do is fight. We have to add up and conquer our space, increasing the number of women in this kind of position.



Jean-Sebastien Racine
Customer Support Director
Strongco
Canada

It feels great to know that your opinions, ideas and experience are valued! I have had the privilege of participating in various discussions, workshops, and projects with colleagues from various countries and business units. Each interaction was infused with inclusiveness and genuine acceptance of what our background experience had to offer.

This allowed us to build strong relationships and no matter how far the distance is between us, we are always available to help each other. Additionally, the level of transparency demonstrated by our leaders, coupled with their legitimate interest in hearing what employees have to say, speak to a strong culture of trust.



Tessa Burrows
Parts Specialist | Crane Division
Strongco
Canada

This is a place that has given me the opportunity to succeed where previously I did not think it was possible. Trying to succeed in a male dominated auto mechanic environment was very difficult.

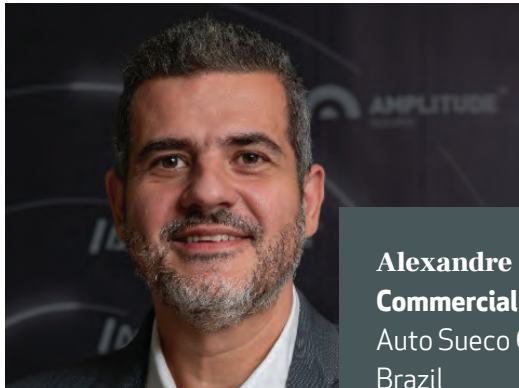
Strongco reached out and gave me that opportunity which has helped me grow through the process into the professional I am becoming. It seems cliché, but we really are a family, and everyone has a vested interest in wanting each of us to succeed.



Gaston Miguel
Technical Manager
Auto Sueco Angola
Angola

Being part of the Nors Group is one of the best things that have happened in my life: I started in my early youth and have never worked in any other company, so I have absorbed and passed on a lot of experience and knowledge. I would say that this is my home because I feel good and valued. Working at Nors Group is, as most people say, working as a family.

It is a heterogeneous Group with various companies and people of different cultures - this diversity is our driving force. Since there is clear communication between the different sectors and companies, the working atmosphere is positive and each of us tries to do our best. In addition, there is a continuous commitment towards developing the skills of its greatest asset: its people.



Alexandre Padovani
Commercial Director
Auto Sueco Centro Oeste
Brazil

I strongly identify with the Group's culture of excellence, dynamism and ambition, which values collaboration, respect and innovation through an accessible and very active executive management. The Group's professionalism encourages autonomy and sense of responsibility, which contributes to the improvement of skills and knowledge in the business's different areas.

In addition, the possibility of interacting with colleagues from different geographies allows us to expand our horizons and become more diverse and inclusive in our perspectives.

I am inspired by the Nors Group's commitment to social responsibility and sustainability, and proud to be part of a forward-looking team.



Eduardo Marques
Heavy-duty Mechanic
Auto Sueco Portugal
Portugal

My path has been one of continuous growth and learning. Nowadays, I believe that, in addition to a good working environment, it is extremely important to guarantee employee training.

The Nors Group is an excellent place to work and to grow personally and professionally. I think that nowadays, more important than a good salary is a good environment, security and stability in the workplace, and the group represents these three qualities that I value so much.



Vânia Silva
Director of Norshare Portugal
Nors, S.A.
Portugal

As a Nors employee, I feel privileged to be part of a group that invests in the personal and professional development of its collaborators and that values innovation as one of its central pillars. The collaborative culture of excellence and integrity, together with the commitment to social responsibility and environmental sustainability projects create an inspiring and motivating environment contributing to the company's success.

To me, Nors is more than a company, it is a community united around common goals, which fills me with pride and satisfaction.



Hipólito Sequeira
Warehouse Coordinator
Galius
Portugal

I try to pass on everything I know to leave future generations the tools necessary for them to continue to develop the greatest work and contribute so that the company is always at the top.

If I hadn't been in this Group, I wouldn't have had so many opportunities, there must be few business groups like Nors. I am very grateful and I try to give back the best way I know how. That's what I work for every day.

1.2. business areas

**our operations
worldwide**

a portfolio of ambition

With 90 years of existence, the Nors Group is historically associated with its leadership in the sectors of heavy mobility and construction, industrial and agricultural equipment, being the main partner of the Volvo Group since 1933. Today, with a more diversified portfolio, Nors integrates other complementary business units, in areas as diverse as recycling systems, glass for construction or the insurance sector, always with the key premise of responding, in a transversal and integrated way, to our customers' needs, all over the world.

NORS MOBILITY

/AutoSueco[®]

/AutoSueco[®]
AUTOMÓVEIS

Galius[®]

KINAI[®]

NORS AFTERMARKET

 **CIVIPARTS**[®]
keep moving

 **AS Parts**[®]

 **ONEDRIVE**[®]
leading car parts solutions

NORS OFF-ROAD

AGRONEW[®]
CONSTRUÇÃO E AGRÍCOLA

/AutoMaquinaria[®]

STRONGCO[®]

ASCENDUM

NORS VENTURES

 **AMPLITUDE**[®]
SEGUROS

sotkon[®]
waste systems

 **VITRUM**[®]



Nors Mobility

The Nors Mobility segment aggregates a set of solutions capable of responding to our customers' mobility and transportation needs.

From heavy vehicles, such as trucks and buses, to cars, generators and marine and industrial engines, we guarantee a dedicated offer with a global scope. In this business area, we integrate the Auto Sueco, Auto Sueco Automóveis, Galius and KinLai brands.



Auto Sueco started its activity in Portugal with the distribution of Volvo brand products. Today, with decades of history, besides Portugal, it is also present in 5 markets - Angola, Brazil, Botswana, Mozambique and Namibia - with a portfolio of products and services adapted to each geography. Taking a transversal approach, it distributes a diversified range of products, with a focus on Volvo trucks. The offer also encompasses Volvo buses, Volvo Penta marine and industrial engines, Kohler-SDMO generators and Isuzu buses, among others.



Auto Sueco Automóveis is the Nors Group brand operating in the retail car market in Portugal. With six dealerships from north to south of the country, it represents a comprehensive portfolio of brands in the light vehicle segment - Volvo, Mazda, Land Rover, Jaguar and Honda.



Galius began its operation in 2015, with the exclusive representation of Renault Trucks in the Portuguese market. Specialised in the commercialization of new and used trucks, it provides a transversal offer to the different transport sectors: distribution, construction, long distance, among others. It also guarantees an agile, integrated and efficient after-sales service, with a distribution and assistance network that includes nine locations throughout the country.



KinLai, founded in 2020, is the official distributor of Dongfeng Trucks in Angola. With a diversified portfolio of trucks, aimed at the medium and high ranges, it also operates in the medium duty segment, as well as in the pick-up and SUV segments. It also bets on offering special solutions, responding to the Angolan market's most particular needs.





Nors Off-road

The Nors Off-road segment includes the Nors Group's construction, industrial and agricultural equipment distribution business.

This business area includes the Ascendum, Auto Maquinaria, Strongco and AgroNew brands.



AgroNew is the official distributor of Case IH Agriculture, the Case New Holland brand for agricultural equipment, in the state of São Paulo. Starting its operation in 2002, AgroNew ensures the supply of the municipalities of Catanduva and Votupuranga and encompasses the distribution of three main products: agricultural tractors, grain harvesters and sugar cane harvesters, the main product sold in this area of operation.



Focused on the premises of quality, safety and performance, Auto Maquinaria started its operation in 2005 with the goal of providing a wide range of construction equipment in the Angolan territory. Providing integrated sales and after sales solutions, Auto Maquinaria is the official distributor for Volvo Construction Equipment in Angola, also representing Groove, Hyster, Epiroc and SDLG products in this market.



Strongco is the largest dealer of Volvo Construction Equipment construction and infrastructure equipment in Canada. With operations in 26 branches spread across the provinces of Alberta, Ontario, Quebec, Nova Scotia, New Brunswick, Newfoundland and Labrador and Prince Edward Island. Strongco was acquired by Nors in March 2020.



Ascendum, present in 14 countries, is one of the largest global distributors of Volvo Construction Equipment. Founded in 1959, it sells industrial and construction equipment, providing the respective technical assistance, equipment rental and logistics operations. With a transversal offer, it operates in sectors as diverse as construction and public works, extraction and transformation, handling and logistics, agriculture, energy, among others.





NORS AFTERMARKET

Nors Aftermarket

Nors Aftermarket is the Group's business segment that encompasses the distribution and retail of multi-brand parts for cars, trucks and buses.

This business area includes the brands Civiparts, in the heavy vehicle segment, and AS Parts and OneDrive, in the light vehicle segment.



Founded in 1982, Civiparts joined the Nors Group in 2003. Currently present in the Portuguese and Angolan markets, Civiparts specializes in the distribution of multi-brand workshop parts and equipment for the heavy vehicle segment (trucks and buses).



AS Parts starts its operation as a wholesaler in 2006, specializing in the independent distribution of parts, components and bodywork for the light vehicle segment, in Portugal.

With a wide multi-brand offer and having logistics efficiency and agility as its main competitive factors, AS Parts guarantees delivery coverage throughout the national territory, supplying numerous workshops and shops all over the country.



Under the OneDrive brand, the Group operates in the retail market of parts and accessories for light vehicles.

With distribution points in Portugal and Angola, OneDrive provides integrated services for parts identification, quotation, ordering and invoicing, ensuring a fast shipping and delivery service and specialised technical support.



NORS VENTURES

Nors Ventures

Nors Ventures is the Group's business segment that encompasses complementary businesses and solutions.

From insurance mediation to environmental solutions, through the commercialization of construction glass, this business axis has as its main goal to add value to the operation in a transversal logic.

Here, we find the brands Sotkon, Amplitude Seguros and Vitrum.



Present in Portugal, Spain, France, Angola and Turkey, Sotkon joined the Nors Group in 2008. Specialized in the development, marketing and distribution of modular systems for recycling and collection of urban waste through underground containers, it has more than 30,000 units installed worldwide.



Amplitude Seguros is an insurance and risk management consultancy, operating in different sectors of the economy and directing its offer to the Private and Business segments. Based in Portugal, Amplitude Seguros affirms a global presence through partnership agreements with different brokers, guaranteeing quality service to clients operating internationally, in any geography.



Vitrum started its operation in 2010 as an importer and distributor specializing in building glass, films and decorative vinyl in Angola. Positioning itself in the Angolan market as the first company specialized in building and decoration glass, Vitrum ensures quality customer service through two points of sale strategically located in Luanda.

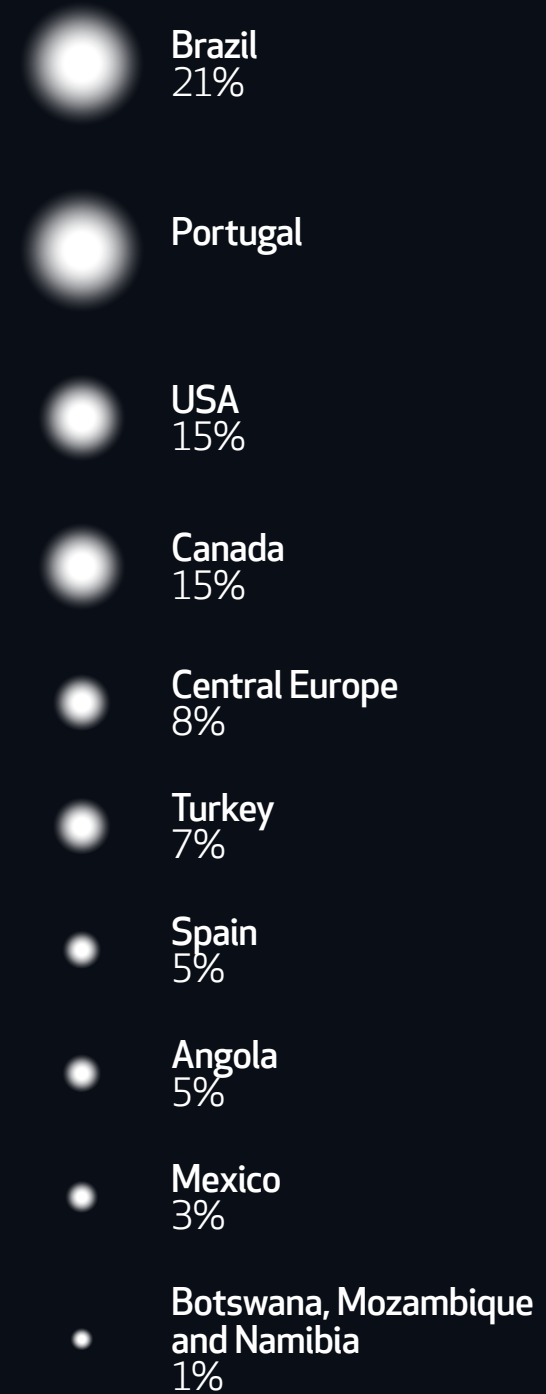
1.3 big numbers

big numbers, bigger results

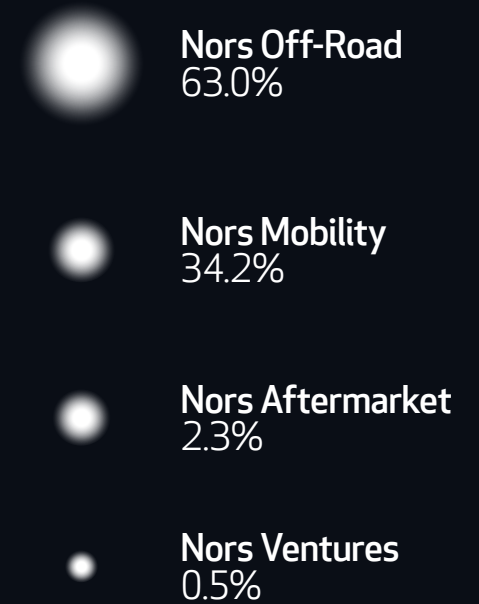
big numbers,
bigger results

1.3.1. business

sales by country

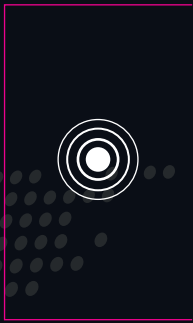
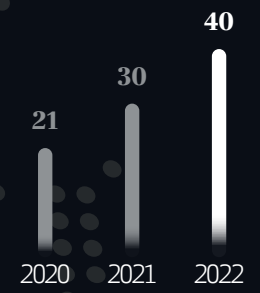
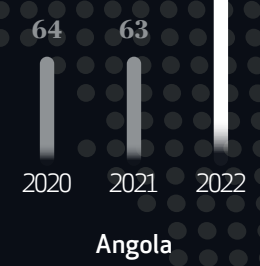
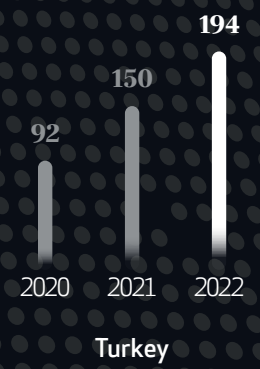
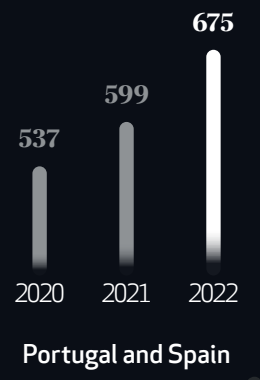
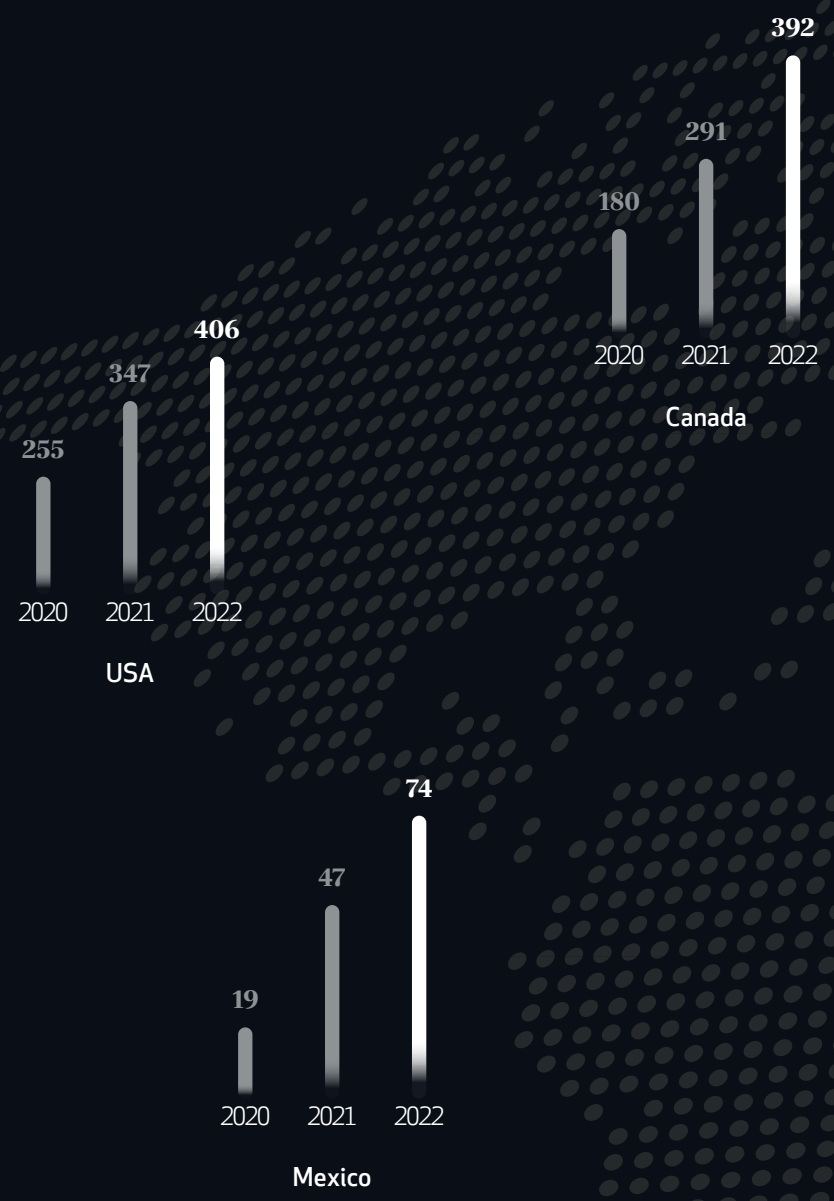


sales by business area



In the USA, Turkey, Central Europe, Mexico, Spain and Portugal the contribution of Ascendum Group is considered at 100%, although this joint venture is accounted for by the equity method.

evolution of sales
(millions of Euros)



press to mark

main indicators

aggregated values
thousands of Euros)

	Turnover ¹	Number of employees ²
2022	2 684 913	4 227
2021	2 041 437	4 044

In the USA, Turkey, Central Europe, Mexico, Spain and Portugal, the contribution of Ascendum Group is considered at 100%, although this joint venture is accounted for by the equity method.

consolidated values

(thousands of Euros)

Turnover ³

2022

1 483 291

2021

1 016 021

EBITDA ⁴

2022

192 318

-40 427 Depreciations and amortizations

2021

106 109

-39 634 Depreciations and amortizations

EBIT

2022

151 891

10.2% Turnover %

2 395 Net exchange differences

-10 597 Income from financial activity

2021

66 475

6.5% Turnover %

3 436 Net exchange differences

-12 128 Income from financial activity

EBT

2022

143 689

9.7% Turnover %

2021

57 782

5.7% Turnover %

Net Income

2022

115 528

7.8% Turnover %

2021

45 550

4.5% Turnover %

Total Assets

2022

925 469

2021

785 363

Equity with non-controlling interests

2022

338 325

2021

240 126

Net Debt (excluding leases) ⁵

2022

-7 871

2021

80 451

Net Debt (including leases) ⁶

2022

72 797

2021

167 247

Financial Autonomy ⁷

2022

37%

2021

31%

Net Debt (including leases) / Equity ⁸

2022

0.22

2021

0.70

Net Debt (with leases) / EBITDA

2022

0.38

2021

1.58

EBITDA Margin

2022

13.0%

2021

10.4%

WCN in sales days ⁹

2022

5

2021

16

ROI ¹⁰

2022

36.9%

2021

16.3%

ROE ¹¹

2022

53.7%

2021

24.9%

¹ Sales + provision of services + own work capitalised, aggregating 100% of joint ventures.

² No. of employees, aggregating 100% of joint ventures.

³ Sales + services rendered + own work capitalised.

⁴ EBITDA = Profit before tax + net financial results + results of associated companies and joint ventures - depreciation, amortisation and impairment losses on non-financial assets Consolidated EBITDA of the group, which appropriates the net profit of the joint ventures in the share of the capital held.

⁵ Financing obtained - cash and bank deposits - available financial investments

⁶ Financing obtained + operating lease liabilities - cash and bank deposits - available-for-sale investments

⁷ Total equity / Net assets.

⁸ Net Debt with leases / Total equity

⁹ (Inventories, income tax receivable and payable, accounts receivable and accounts payable) / Turnover x 365 dias.

¹⁰ Ebit/ Invested Capital (Total equity + net debt with leases)

¹¹ Net income from continued operations of the parent company / Equity without net income for the year and without non-controlling interests.

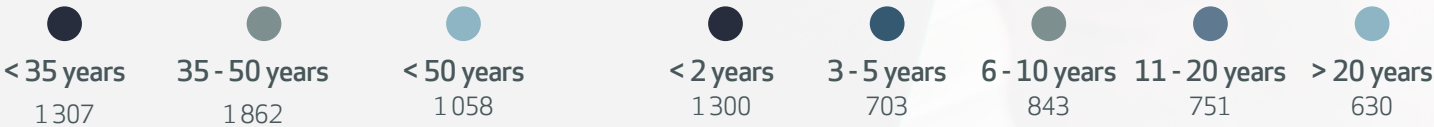
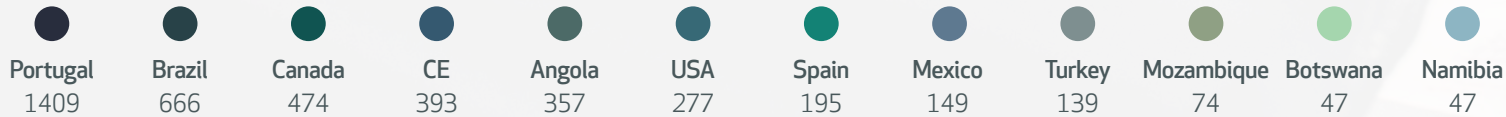
1.3.2. people

our people, in numbers



125 994
training hours

30
nationalities



1.4. governance model

**our
morphology**

1.4.1. governance model

The Governance Model identifies the Group's top management bodies and how they relate to each other. At Nors , the key governance bodies of the corporate model are the Board of Directors and the Executive Board, which has delegated powers for the day-to-day management of the Group. Other corporate governance bodies include the Statutory Auditor, the Remuneration Committee and the Company Secretary.

Nors ' Governance Model reflects the Group's purpose and value proposal, as well as a set of other governance principles that guide the organisation's morphology and its actions with its key stakeholders, of which we highlight:

ethics and conduct

Nors employees must guide their conduct by principles of honesty, integrity and absolute respect for Human Rights.

knowledge sharing and collaboration

The Group fosters an open, collaborative environment that promotes the sharing of organisational knowledge.

legal and regulatory compliance

All Group employees must, within the scope of their functions, comply with the law and internal regulatory documentation.

innovation and creativity

Nors promotes and values an environment of constant innovation and creativity, allowing the organisation to evolve and follow the latest market trends in its different areas of activity.

composition, operation and responsibilities by body

general meeting

The General Meeting is made up of all the shareholders with voting rights in the Group's parent company, Nors , S.A..

remuneration committee

The Remuneration Committee is elected at a General Meeting. Is responsible to define the remuneration of the company's governing bodies.

statutory auditor

By law, supervision of the company is led by a Statutory Auditor, who will be a chartered accountant or a firm of chartered accountants. The Statutory Auditor has the powers that the law attributes to the Audit Committee.

board of directors

The Group is managed by a Board of Directors elected at a General Meeting. The Board of Directors has the overall power to lead and manage the Group within the scope of the corporate purpose and the powers attributed to it by the Nors , S.A. articles of association.

executive board

The Executive Board is responsible for defining and implementing the transversal policies which materialise the strategy approved by the Board of Directors. It is also responsible for the day-to-day management of the Group's portfolio, monitoring the performance of its business areas and operations.

board of directors



Tomás Jervell
Chairman and Group CEO

Year of Admission
2000



Álvaro Nascimento
Non Executive Director

Year of Admission
2018



Álvaro Neto
Non Executive Director

Year of Admission
2018



Artur Santos Silva
Non Executive Director

Year of Admission
2018



José Jensen Leite de Faria
Member of Nors Executive Board
Chief Corporate Officer

Year of Admission
1998



José Manuel Bessa Leite de Faria
Non Executive Director

Year of Admission
1970



Júlio Rodrigues
Member of Nors Executive Board
Chief Corporate Officer

Year of Admission
2001



Francisco Jervell
Non Executive Director

in representation of Vellar II, S.A.

Year of Admission
2020



Francisco Ramos
Member of Nors Executive Board
Chief Operating Officer

Year of Admission
1996



Joana Jervell
Non Executive Director

Year of Admission
2022



Jorge Guimarães
Member of Nors Executive Board
Chief Operating Officer

Year of Admission
1978



Luís Jervell
Non Executive Director

Year of Admission
2018



Paulo Jervell
Non Executive Director

Year of Admission
1972



Rui Miranda
Member of Nors Executive Board
Chief Financial Officer

Year of Admission
1999

executive board



Tomás Jervell
Group CEO



Francisco Ramos
Chief Operating Officer



Jorge Guimarães
Chief Operating Officer



José Jensen Leite de Faria
Chief Corporate Officer



Júlio Rodrigues
Chief Corporate Officer



Rui Miranda
Chief Financial Officer

portugal

NORS MOBILITY

brazil

NORS MOBILITY

NORS AFTERMARKET

canada

NORS OFF-ROAD

NORS OFF-ROAD

NORS VENTURES

angola

NORS MOBILITY

NORS OFF-ROAD

botswana

NORS MOBILITY

NORS AFTERMARKET

namibia

NORS MOBILITY

mozambique

NORS MOBILITY

NORS OFF-ROAD

ascendum

Portugal, USA, Mexico, Turkey, Spain and Central Europe

1.4.3. ownership structure

ownership structure

The share capital of Nors , S.A, which is fully subscribed and paid up, is 30 million Euros (30,000,000 shares with a nominal value of 1 (one) Euro).

Nors ’ capital is still held by the two founding families: the Jervell Family and the Jensen Family. On 31 December 2022, the breakdown of the company’s share capital was as follows:



strategic approach

ready for the future

2.1. strategic planning	51
2.2. transformation	55
2.3. risk management	63
2.4. people	67
2.5. sustainability	80

2.1. strategic planning

**ambitious
by definition**

we move in search of new goals

In a word, the year 2022 gave us a premise: to build. Throughout the year, a scenario of constant reflection was fostered, as a result of numerous factors - projected growth, the entry of new players into the Group's leadership ranks, as well as the outputs of the numerous transformation projects that have accompanied Nors' strategy in recent years.

Thus, the Directorate General of Strategic Planning has asserted a transversal, proprietary and agile approach to the challenges underway, leveraging the Group's strategic positioning in the face of a journey as ambitious as the one that has been mapped out.

Over the following months, the work carried out in conjunction with the most diverse areas of the Group's operations - both corporate and within the different businesses - was extremely intense, complex and immersive, seeking to challenge new approaches and working models capable of advocating Nors' coming years on the most diverse fronts.

Seeking to define ambitious strategic goals in a medium and long-term scenario, this was, for the Group's strategy, a year of construction, development and conception of what will be the new strategic cycle of Nors.

“I believe that the Strategic Planning Direction has the great ambition of embodying what should be a common dream for Nors, which translates an integrated vision of all its stakeholders. In order to give shape to this great challenge, we set out on a journey of discovery that covers all sectors and geographies where we operate, based on frameworks of different areas of activity and exploring those that are the main trends identified by sector. We want to develop in this area the ability to anticipate the future, creating a future-proof company that prides itself on having a well-defined course.

Luís Diogo Jervell
Group Strategic
Planning Director



2.2. transformation

**we defy
change**

a paradigm of change and renovation

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When looking at the Group's recent years, it is inevitable not to feel the desire for change, agility and renewal that emerges from the various operating and business segments that constitute it.

With the acceleration of the growth of the organisation itself and in an increasingly challenging and demanding market context, it becomes crucial that the management models, processes and systems keep up with that same speed, taking maximum performance and efficiency out of the equation.

Today, and with an increasingly proprietary vision of what transformation is in the light of our context, there are countless action fronts that advocate a more agile, modern tomorrow that guarantees our leadership in the sector.

organisational transformation programmes: the basis of our evolution



With the start of its first wave of implementation in 2017, Core is the voice of the Nors Group's digital and technological transformation.

The year 2022 marked the continuation of the 2nd wave of the project, which began in the last four months of 2021. This stage of the project brought with it the challenge of transforming the Group's heavy mobility business in Portugal: thus, the companies Auto Sueco Portugal and Galius were absolutely committed to designing the technological solution that will transform the organisation's working model.

Throughout the year, more than 650 employees were involved in the implementation of rapid development tools and methodologies that will ensure greater agility in the delivery of new skills and services to the various stakeholders of Nors (customers, suppliers, partners and employees).

The new technological solution will position these businesses as leaders in their sector, through new and more efficient processes supported by tools that will boost their performance:

- A 360 customar app - which will enable global interaction between customers and the business as a whole
- A new CRM - a new approach to managing the entire customer journey
- A digital After Sales - a fully digital process from vehicle booking, reception and delivery
- A new DMS - revolutionising the dealership management systems

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FLOW

OPERATIONAL EFFICIENCY

Starting in 2019, Flow represents a new paradigm of operational efficiency, aiming to transform the after-sales areas of the Nors Group companies. Assuming a role as an element of change in the business model at the after-sales level, it aims to be the anchor programme that promotes the cultural transformation of the organisation, through the performance management of the operations, the involvement and empowerment of the teams and the optimisation and automation of processes, through the inclusion of the technological layer. As a programme based on Lean methodologies, the optimisation and adaptation of after-sales operations to the future needs of the customers of the various companies of the Group is the main objective of this journey of optimisation and technological transformation. It is intended that Flow embody a robust Operational Efficiency model, in line with a world in constant change.

THERE ARE FOUR MAJOR AREAS OF TRANSFORMATION FOR FLOW:

-  Processes
-  Planning
-  Teams
-  Digital

SUPPORTED IN THE FOLLOWING PHASES:

-  Diagnosis
-  Future vision
-  Implementation
-  Evaluation/mediation





With an approach focused on creating value and making the most of employees' time, Flow presupposes the assessment of where we are, the definition of where we want to be (through the drafting of an action plan), the right indicators to measure our performance, a culture that promotes change and constant improvement and, unavoidably, the necessary technology for the digitalisation of processes. Our reality will not be transformed in a flash, but rather it will be built and consolidated by small, successive changes that will enable us to achieve a more efficient tomorrow.

Andreia Barros
Operational Efficiency
Manager
-
Flow Coordinator

year	region	company	status
2019	Portugal	AS PT	Concluded
2021	Portugal	Galius	Conclusion 1H 2023
2021	Portugal	ASA	Conclusion 1H 2023
2022	Brazil	AS SP	Conclusion 2H 2023
2023	Brazil	AS CO	In diagnosis stage 1H 2023
2023	Canada	Strongco	In diagnosis stage 1H 2023
2023	Angola	Automaquinaria	Planned diagnosis 2H 2023
2023	Angola	AS AN	Planned diagnosis 2H 2023

In 2022, the programme started a new implementation phase through the companies Auto Sueco Automóveis and Galius, in Portugal and Auto Sueco São Paulo, in Brazil. For 2023, the implementation pipeline is equally ambitious by extending its implementation to operations in Canada and Angola.

-  - Nors Mobility
-  - Nors Off-Road

RPA

In 2019, following the creation of the continuous improvement plan for the Group's shared services centre (Norshare), the teams were challenged to identify the main efficiency limiters, and it was concluded that a large part was related to interaction with systems and the need to perform manual, repetitive tasks that do not create value and/or motivation. As a result of this moment of reflection, the need arose to explore new ways of approaching work processes -

"how can we increase our efficiency and add value to our target customer?" - and the opportunity to explore the concept of RPA (Robotic Process Automation). The solution, which is already a few years old and is pointed out by several consultants as a tool capable of responding to the specific needs of the processes typically carried out in Shared Services Centres all over the world, provides process automation, through robotisation.

Having assessed the relevance of implementing RPA in the context of Norshare, in order to free employees from repetitive functions with low added value, allowing them to dedicate themselves to tasks to which they can make a valuable contribution and which cannot be automated, the potential that this type of process could bring to both Norshare in particular and the Group was seen.

stage I

Diagnosis: Business Case

To evaluate the economic interest of the opportunities identified and to define the pipeline of processes to be robotized, based on prioritization. criteria.

stage II

Governance Model

Reflect on the organisational model for the RPA ecosystem best suited to Nors' ambitions and define responsibilities and interactions between stakeholders in the course of the robotisation cycle.

Training and qualification

To ensure the autonomy of Nors to operate with RPA, through the training of an initial set of employees.

Process automation

To carry out the survey, re-engineering and automation of an initial set of processes that would guarantee the economic viability of the investment and the appropriate training of employees.

When the teams were challenged to identify the main efficiency limiters, most of the blockages were related to interaction with systems and the need to perform manual, repetitive tasks with low added value. In addition to the economic factor associated with automation, one of the main advantages of RPA is to act on tasks whose elimination has the potential to influence the motivation of teams and enhance their function.

Ricardo Santos
Transformation Manager
Norshare Portugal
-
RPA Project Manager



2.3. risk management

**preventing,
adapting and
anticipating
risks**

an active role in defending the business and its sustainability

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The purpose of the Risk and Compliance area is to develop and actively manage an integrated risk management model within the Group, ensuring an approach adapted to the nature and morphology of its businesses, the geographies in which it operates and the set of strategic objectives that guide the operation.

Considering the size and geographical dispersal of the Group, as well as the constant evolution of the companies' obligations, the implementation of a Risk Management System in line with the best international practices contributes, today, to the fulfilment of the business' strategic objectives. With this system, it is possible not only to obtain a holistic view of all the organisation's risks, but also to ensure their management and continuous monitoring.

The Group's Risk Management is an integrated, continuous and dynamic process that involves the corporate areas of Nors, as well as the various business units that comprise the Group.



Nors Group is pursuing its ambition of sustained growth, with a presence on several continents, embracing an increasingly unpredictable, competitive and demanding world. In this context of modernisation, Nors has developed a risk management model focused on protecting its strategic objectives. We implement top down and bottom up risk management that always involves identifying uncertainties, promoting a closer look at our organisation and our surroundings (economy, customers, competitors, suppliers, employees,...).

The challenge is to find the right KRI's to monitor risk and promote action I believe this model makes us more agile and stronger.

Sónia Moreira
Group Risk and
Compliance Director

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2.4. people

**enhancing a
unique talent
experience**

an empathetic view on our organisation

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We are witnessing an extremely challenging global context for the areas of attraction and retention of talent, especially if we consider the great movements and trends that mark, today, the labour market. Never have employees' needs been so dynamic, so vast and so pressing. Nevertheless, over recent times, our people have been exemplary in their capacity for reinvention, energy and pragmatism, making the difference to the success of our operations.

In the wake of a new leadership coming on stage and with the definition of a renewed vision for the General Department of People and Communication, 2022 was the time to start a path of development, construction and reformulation of the various axes, projects and initiatives that the area comprises. To "flesh out" the vision that has been built was the motto of the various teams that make up the structure of the People and Communication area, in the various countries where we are present.

With the promise to adapt the strategy and the pipeline of initiatives to the constant demands of the context and the morphology of the organisation, the down-to-earth emphasis and a philosophy that favours convergence and alignment between the various poles of the Group's activity is part of an ambitious scenario, outlined in the medium/long term by the Management that unites the People, Communication and Culture areas.

“

People and their development experience, purpose and culture transmitted and made alive, alignment through convergent and unifying communication, shape what our mission is - a mission that has our People at its centre, those who build, are part of and are Nors' main asset. Starting from our strategic guidelines and our set of values, we define a path, on a journey from the inside out. Every day we make this path a reality through our projects, our communication tools and vehicles, "bringing our strategy to life". But, above all, we make this journey a reality through our "local arms", which make it operational in each geography, in each company, in each unit, with each person.

Ana Peneda
Group People and
Communication Director



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we are people, wherever we are

Over the last few years, the role of the Local Human Resources Departments in the geographies in which we operate has amplified Nors' increasingly global focus. Today, with processes and guidelines defined by the central structure, the initiatives that take place locally gain strength, contributing to the Group's acting with a single voice.

The premise think global, act local is part of a narrative that gains pace as local teams increasingly coordinate and align themselves with this global vision, allowing us to scale competencies, projects and strategic guidelines more effectively.



Vanessa Castro
HR Director
Angola and Southern Africa

The current management model has transformed the Angola and Southern Africa HR Department into a local department with a global voice. This has allowed us to develop strategic projects, maintaining the identity of each geography and a greater empowerment of our people. This local vision, integrated into the whole that is the Nors world, gives us a greater sense of belonging to our origins and to our 90-year legacy. The history that brought us here is part of our DNA and the change and updating of our processes reveals our innovative spirit, of wanting to do more and, above all, better.

In Canada, we are excited to be part of the Nors HR Implementation project, which will align our systems, processes and culture. Today, we have the foundation to collaborate with the global team to achieve our goals and implement these initiatives and strategies in each of our provinces. This environment of knowledge sharing, innovation and creativity breaks down geographical and cultural barriers, allowing us to align our principles with Nors' principles of honesty, integrity and respect. It is inspiring to be part of this global vision.



Lorraine Daymond
HR Director
Canada



Rogério Vita
HR Director
Brazil

Today, our operations are based on a central structure that allows us to manage the main guidelines and projects in the various countries, maintaining our principles, values, processes and, above all, promoting a unique culture - one of our greatest strengths. In turn, the local Human Resources Departments allow adaptation and customisation to the geographical context, respecting cultural aspects, the level of development, resources and legal regulations. They also play a fundamental role in providing feedback and suggestions that are always heard in the decision-making process.

Today it is possible for all Nors stakeholders to participate at the level of their responsibilities, with their different and particular contribution, in the various corporate projects, namely in terms of remuneration policy, performance management models, mobility, training, talent and skills. Thus, we are able to pursue a common goal, which is the management and development of our people and talents so that, in this way, our employees are motivated and aligned to contribute to the growth of the business and of Nors.



Sandra Gonçalves
HR Director
Portugal

change starts
with (the best)
people.

the initiatives that underpin our narrative

With an ambitious pipeline that is subdivided into 8 areas of action, built on a logic that begins with attraction and moves steadily and consistently towards the amplification of the Nors purpose within the community, the projects that make up the vision of the People and Communication area are numerous.

Based on the mission of contributing to an employee experience that responds, in an integrated way, to the needs of a morphologically diverse Group, all the planned initiatives have a vision aligned with the positioning outlined for the Group in the medium-term.



talent attraction & onboarding	norsgo	SAP SuccessFactors Recruiting			
hr processes, organizational & workforce management	HR Reporting & People Analytics	SAP SuccessFactors Employee Central			
compensation & benefits	nors+	drive results	drive productivity	Nors Remuneration Policy	
talent, learning & development	nba	drive development	Nors Talent Mapping & Succession Planning	SAP SuccessFactors Succession & Development	
Nors culture, employee experience & engagement	KICK-OFF MEETING 2023 TRIBUTES NORS 2023	RESULTS PRESENTATION 2023	ANNUAL MEETING 2023 WE NORS AWARDS	organisational climate	
internal communication	nors[in]tranet	NORS magazine	M T D MARK THE DAY		
brand & reputaion	90 YEARS NORS A LEGACY OF FUTURE	Social Media Strategy	Nors Annual Report		
corporate & social responsibility	MÃOS À OBRA	UNHCR The UN Refugee Agency	BRP	SERRAVES Nors culture sponsorship	Local communities social support

main programmes and initiatives

people and communication



Nors GO is the Group's new trainee programme, which seeks to attract, retain and prepare the future talent of the organisation. With its first edition projected for early 2023, in a pilot edition in Portugal, the programme is aimed at young graduates or those starting their professional experience, with different backgrounds and skills. More than just an internship programme, Nors GO aims to contribute effectively to the professional growth of the trainees, ensuring mentoring throughout the programme, continuous training, contact with Nors' leadership levels and the possibility of integration in the Group.

It is, at the same time, a programme based on the strategy of providing the Group with a pipeline of young talent, with excellent levels of training and prepared for the challenges of the future, which will allow not only the maintenance of a continuous rejuvenation of the Nors structures but, simultaneously, a refreshing of the set of skills, mindset and preparation for the leadership of the future.



The Group's new performance management model, called "Nors Drive", was designed and structured throughout 2022, with the objective of driving employee performance towards extraordinary results, promoting a spirit of mission and delivery, as well as the development of skills and behaviours in line with Nors' vision. Nors Drive consists of three systems: "Drive Results" and "Drive Productivity", focused on the quantitative aspect of performance, and "Drive Development", focused on how results are achieved.

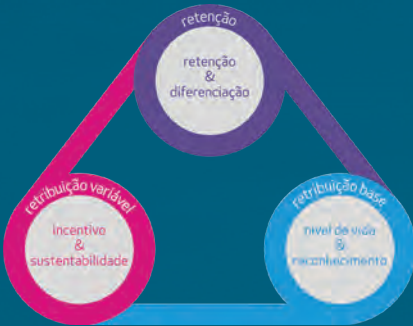
This new recognition system promotes the Group's alignment and aims to recognise and reward short-term results that contribute to the long-term success of the organisation. In turn, "Drive Development" is a future-oriented process that allows the assessment of stages of development and potential, contributing to other people management processes such as careers, mobility, training and succession, in an integrated management of talent in the medium and long term.



pay
police

Anchored in our integrated vision for the management of People in the Group, and embodying the structuring project started in 2021, the year 2022 saw the conclusion of this journey, with the definition and approval of renewed guiding principles for the remuneration policy, as well as a phased implementation and investment plan.

Thus, and as a response to the growing demands of the contexts, the main insights of the analysis carried out and the concerns of the main stakeholders, the new Nors Remuneration Policy was defined around 6 guiding principles, segmented into three vectors, which govern Nors' actions and vision in this area:



The measures arising from this new Pay Policy were various and represented a significant investment by the Group - with impacts both in terms of Fixed and Variable Remuneration, but also in terms of Benefits - and were defined and implemented in a customised manner by geography, as a result of the different needs identified.

This path outlined does not end in 2022, defining itself as a new paradigm applied to the management of the Remuneration Policy, with the objective of transforming it into a process in constant evolution and benchmarking against current market data, as well as business and individual performance indicators, materialising the meritocracy philosophy on which the new policy designed is based.



Thinking mobility,
building tomorrow
annual meeting
2022

Inspiration, leadership, change and future were the watchwords at Nors' 2022 Annual Meeting. Under the motto "Thinking mobility, building tomorrow", it was thinking about mobility and defining the Group's strategic guidelines for the future that made it a morning of sharing, convergence of ideas and a lot of ambition to the mix. The highlight of the event was the panel "Morning Coffee with Volvo Executive Leadership", which included Martin Lundstedt, President and CEO of the Volvo Group, Roger Alm, Executive Vice President of the Volvo Group and President of Volvo Trucks and Melker Jernberg, Executive Vice President of the Volvo Group and President of Volvo Construction Equipment.

In a discussion moderated by Nors Group CEO Tomás Jervell on the megatrends that are transforming the mobility and construction equipment industry and how we can make a difference in the future as global organisations, it was with an informal and enlightening tone that Nors' top management listened attentively to the approach of our longest and largest business partner.



For the People and Communication direction, 2022 was, to a large extent, a year very much dedicated to the construction, definition and planning of projects and initiatives whose implementation was planned for the following year(s). A clear example of this same premise is the celebration of Nors 90th anniversary, which will be marked in 2023. The definition of the Communication strategy that supports the commemoration of this historic milestone anticipates an outstanding year: under the motto "A legacy for the future", in 2023 we promise to join a path of stories, heritage and legacy to a future of ambition, growth and optimism. Above all, we want to share and celebrate this journey with all those who contribute daily to affirm the importance of this path.

2.5. sustainability

**our spirit
of mission**

an attentive and committed look at tomorrow

Today, the rapid pace at which new needs, solutions and challenges arise requires organizations to have a full, and increasingly proprietary, understanding of the global challenges that impose themselves.

Considering numerous factors, from its position in the value chain to its geographical dispersion, current business models and the opportunities and risks inherent to its spheres of activity, Nors' proposal within the scope of its ESG (Environmental, Social and Governance) strategy aims to mirror a clear purpose regarding the performance of a relevant, integral and transparent role in all the relationships it fosters as an organisation: with employees, customers, partners and all the stakeholders, decision-makers and agents of transformation that orbit around it.

Therefore, in 2022, under the need to systematise, in a more tangible and concrete way, a sustainability approach capable of responding to the positioning and strategic goals of the Group, also under development, a path was started to reformulate the strategic assumption that had been in force since 2019. In this way, the intention is to establish a medium/long-term vision that is capable of increasing the value of our performance, defining commitments, political ambitions and environmental, social and governance performance metrics as criteria for strategic decisions. A new strategic direction for the organisation is expected to be presented in the last quarter of 2023.



sustainable development goals

The set of universal premises comprising the United Nations Sustainable Development Goals aims to address, by 2030, the environmental, political and economic challenges faced by the entire world.

Nors' sustainability agenda is aligned with these globally recognised guidelines, with the objective of proposing concrete actions, carried out continuously and congruently, reinforcing these priorities.

- 1

- local community support - brazil
 - local community support - portugal
- 2

- local community support - brazil
 - local community support - portugal
- 3

- health awareness and prevention actions - brazil
 - donation of ventilators to the centro hospitalar universitário de são joão - portugal
- 4

- scholarship programme- angola
 - mãos à obra: project in the "da nossa terra" community - angola
- 7

- photovoltaic panel installation - portugal
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- joining the consortium route 25 - portugal
- 13

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- launch of the integrity line - portugal
 - support to the emergency fund for ukrainian refugees



our action in 2022: activities and initiatives

Group emergency fund support for ukrainian refugees



In April of 2022, Nors joined the Portugal Foundation with UNHCR (United Nations High Commissioner for Refugees) to support the Emergency Fund for refugees from Ukraine, through a monetary donation. Operating in more than 132 countries, the United Nations High Commissioner for Refugees has developed actions in the field and launched a fundraising campaign to help the Ukrainian people affected by the conflict.

Angola & Southern Africa scholarshio programme in angola



As part of the social action plan developed by the Angola & Southern Africa Local Corporate Centre, scholarships were awarded to 4 young people from needy families, aged between 17 and 21. These young people, who belong to the Nossa Terra Community and the Dom Bosco Shelter Centre, in Luanda, had the opportunity, with the support of the Nors teams in Angola, to develop Secondary Technical Courses in the areas of Mechanics and Mechatronics.

Angola & Southern Africa mãos à obra: the project that boosts the lives of hundreds of children in luanda



Nors' companies in Angola organised a team building activity to provide support to the local community, through the "Mãos à Obra" project. Under the motto "Moving forward is in our hands", this initiative, carried out by the CEOs and employees together with the Salesian Fathers Don Bosco, resulted in the transformation of pottery tables into school tables, to be donated to the Nossa Terra Community school. Thirty-four tables were built which will be used by hundreds of children in Angola.

Portugal donation of ventilators to centro hospitalar universitário de são joão



Two ventilators were donated to the Intensive Care Unit of Centro Hospitalar Universitário de São João, in Porto. The formal delivery of this equipment was attended by the Group CEO, Tomás Jervell, and the COO of Nors, Jorge Guimarães, and sought to support the health services of this unit, which were being impacted by the pandemic crisis resulting from Covid-19.



Portugal

joining the consortium route 25



Auto Sueco Portugal joined Route 25, a project that aims to contribute to raise the position of the Portuguese automotive industry to the top of the mobility value chain, positioning Portugal as a reference country in safe autonomous driving, regarding the development of sustainable transport technologies aligned with the European Strategy CCAM - Cooperative, connected and automated mobility.

This project is expected to generate a turnover of more than 100 million euros, as well as the development and launch of more than 50 new products, processes and services that will contribute to reduce CO2 emissions by 85% and to decrease the number of accidents by 30%.

Portugal

launch of the integrity line



In the last quarter of 2022, Nors' integrity line was launched in Portugal. It is a digital platform that allows employees and stakeholders to report grounded suspicions of violations of the law occurring within our organisation, in a secure, confidential and, if they wish, anonymous manner. This channel is intended for the reporting of behaviours that may constitute serious violations of the law, such as fraud, harassment, corruption, money laundering, among others, duly substantiated, contributing to strengthen the culture of transparency and integrity that Nors fosters.

Portugal

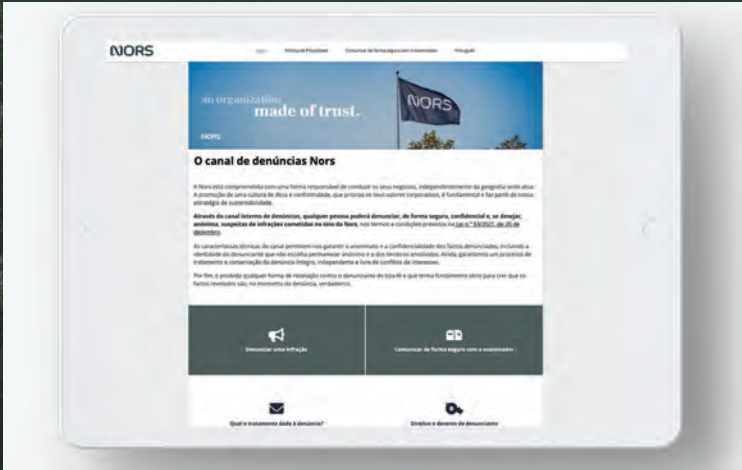
local community support



Aware of their social commitment, the Nors companies in Portugal have organised numerous social support initiatives with the aim of intervening directly in the local community, acting on the assumptions of proximity and the direct involvement of their employees. The multi-brand workshop chains TOPCAR, TOP TRUCK and Carwin (Aftermarket Portugal) converted the amount normally used for end-of-year gifts for partners and customers of the chains into food and rations to be donated to children and animal shelters. The associations supported were: Crescer Ser, Associação Bispo Dom Antonio Barroso, Ajuda de Berço, Associação a Casa do Caminho, União Zoófila, Associação ResGato, CROAM - Centro de Recolha de Animais de Matosinhos and Associação MIDAS.

In turn, Amplitude Seguros supported the Porto Solidário association, which acts under the motto "Nobody can be left behind", by offering the insurance of the association's distribution vehicle.

There was also a gathering of goods by the employees of Sotkon (such as clothes and toys, as well as a monetary donation), to support the association CAT - Centro de Acolhimento Temporário da Praia do Ribatejo.



Portugal

**photovoltaic panel installation
maia's after-sales unit**



In October 2022, the installation of 250 photovoltaic panels at the Auto Sueco Portugal After-Sales Unit in Maia was concluded, with an installed power of 114kWp and an estimated production of 151MWh. The installation concerns a unit of electric energy production for self-consumption in the infrastructures in question, and the surplus produced can be injected into the Public Electric Service Network, in order to avoid the waste of resources.

With a total investment of 70K€, this project has a predicted payback of 2.73 years and it is estimated that it will result in an average of about 75% of solar energy consumption per year. The remaining energy will come from the common electricity grid, which is currently 100% renewable energy, a requirement in the selection of the energy supplier. This represents a pilot project with the potential to be extended to other units of the Group.



Brazil

local community support



The employees of the Nors companies in São Paulo carried out various initiatives to support the local community, with the objective of providing support to institutionalised children. In one of the initiatives, 482 children, aged between 6 and 17, from the Casa da Criança and Lar Fabiano de Cristo institutions, which offer basic and special protection services to families and people in situations of vulnerability and social risk, were supported. Support was also given to the Shelter Home for Boys and Girls, with the donation of hundreds of toys, hygiene and cleaning products for the various children in this institution. During the year, AgroNew employees also collected donations to support the Catanduva Cancer Hospital, which treats patients from 19 municipalities in the region.



Brazil

health awareness and prevention actions



The Corporate Centre in Brazil developed awareness-raising actions around health-related themes, instigating prevention and raising awareness among its employees. These campaigns included themes such as "pink October", about breast cancer, and "blue November", related to prostate cancer, as well as the incentive to preventive vaccination against Influenza.



performance

the determination behind the performance

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**3.1.main macroeconomic
indicators**

**a view
over the
markets**

portugal

According to the most recent projections for the close of the year, Portuguese GDP has recovered above expectations, with an expected economic growth of 6.2% in 2022. After the recovery period from the pandemic crisis, the recent evolution of the Portuguese economy has been conditioned by the effects of the Russian military aggression against Ukraine, namely by the increase of geopolitical uncertainty and by the energy crisis in Europe, which contributed both to the increase of production costs and the prices of goods and services, and to the deterioration of economic agents' confidence.

Private consumption is forecast to increase by 5.9% in 2022, in a context of consumption recovering to pre-pandemic levels, real disposable income stagnating and the savings rate falling to historically low values. In relation to public consumption, real growth is forecast at 2.0% in 2022, compared to 4.6% last year. This development is explained by the reduction of the effects associated to the pandemic, including lower growth in general government employment.

Reflecting the lifting of restrictions on international mobility and the realisation of demand postponed during that period,

exports of services rebounded sharply in 2022 - particularly in the tourism sector, which increased by about 80%. Exports of goods also grew by 6.3% in 2022, benefiting from increased external demand. Overall, these effects led to a 17.7% increase in the volume of exports. In turn, the growth of imports in 2022 will have been 11.1%, and it is expected that this growth will gradually moderate over the next few years.

The labour market continued to perform well in 2022, with an unemployment rate of 5.9% - a historically low value - and is estimated to be close to full employment. Despite the slowdown in activity, the unemployment rate is projected to stabilise between 2023 and 2025, due to a context of labour shortage that encourages companies to retain workers.

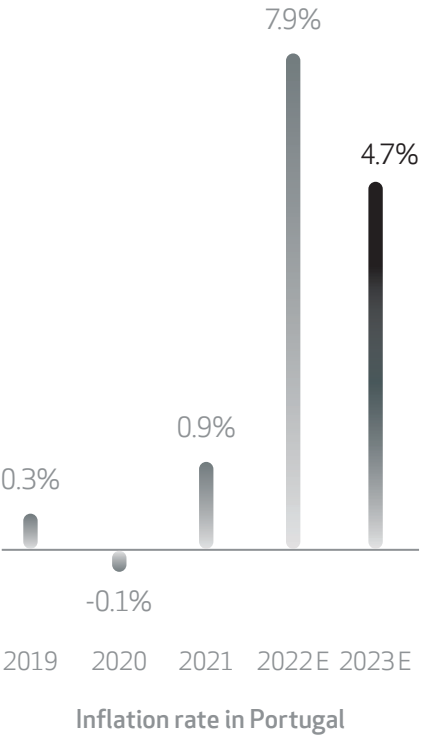
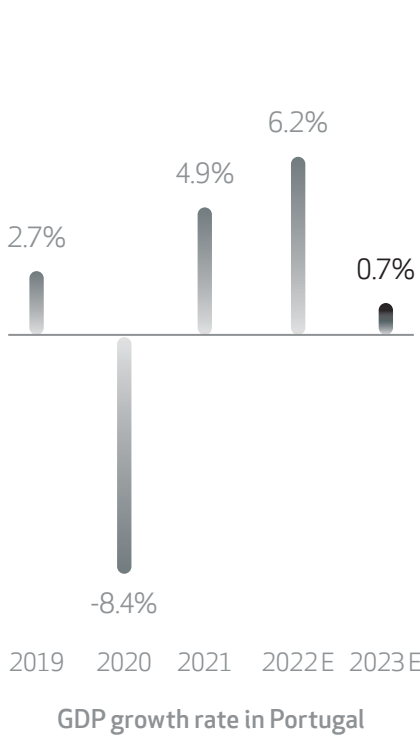
With regard to inflation, over 2022, there was a faster and more persistent increase than expected, standing at 7.9% at the end of the year. The price increase profile reflects, to a large extent, external pressures on energy and food goods, which subsequently spread to the remaining categories of goods and services.



These forecasts of a reduction in the pace of inflation are based on the response of the European Central Bank, with the increase of reference interest rates as a way of controlling demand.

To mitigate the effects on consumers, the Government has granted extraordinary subsidies to families and has applied measures to combat rising prices, namely specific rules for the increase of rents and for the renegotiation of mortgages for first homes, reduction of indirect taxes on fuel, among others.

In 2023, the Portuguese economy is expected to slow significantly, to a GDP growth rate of around 0.7%, with a projected acceleration to 2.4% in 2024.



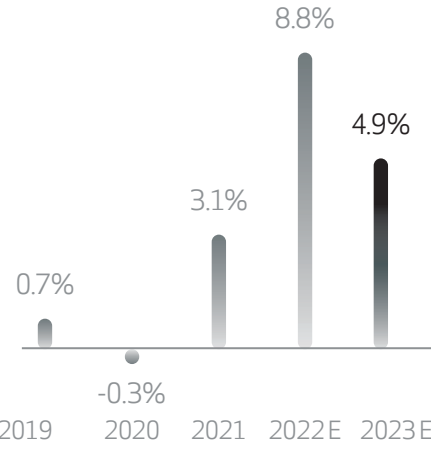
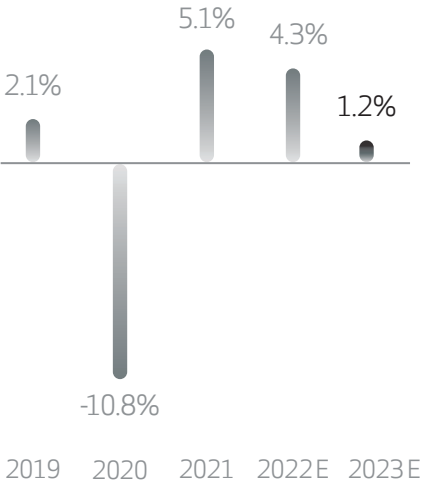
Source
International Monetary Fund
Bank of Portugal - Economic Bulletin December 2022

spain

After GDP growth of 5.1% in 2021 and a closing estimate of around 4.3% in 2022, Spanish economic activity is believed to lose strength throughout 2023, with growth expected to be around 1.2%. After a period of strong recovery in 2021 and the first half of 2022, the economy showed signs of slowing activity from the third quarter of the year, which was fundamentally due to the confluence of a set of adverse factors that negatively influenced the decisions of economic agents. This scenario of adversity included causes such as the energy crisis in Europe, persistently high inflation rates and the consequent restrictive monetary policy applied by the main global central banks, generating a general deterioration in confidence. In addition, the slowdown in the pace of GDP growth is intrinsically linked to the lower momentum of the sectors most affected by the health crisis, after the intense improvement felt as a result of the lifting of most of the pandemic containment measures.

With regard to the pace of price growth, 2022 is expected to have closed with average inflation of 8.8%, which will gradually moderate to 4.9% and 3.5% in 2023 and 2024, respectively.

Although high inflation leads to a reduction in overall purchasing power, the government has introduced several measures to protect households and businesses from rising prices, especially for energy. With demand prospects deteriorating and financing costs increasing, private investment is expected to remain subdued. The timely and effective use of EU funds will be crucial to support investment, raise long-term productivity and achieve the ecological transition. The labour market is showing very positive signs, with the number of workers and the unemployment rate evolving positively - namely the reduction of the unemployment rate from 14.8% in 2021 to 12.7% in 2022, the lowest since 2008.

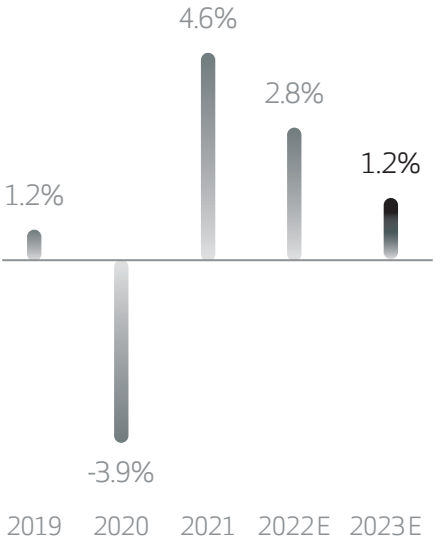


brazil

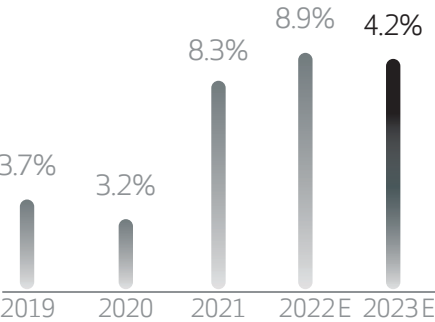
In Brazil, GDP grew by 2.8% in 2022. However, the deterioration of the outlook for the evolution of international markets, stricter fiscal policies and high interest rates generate forecasts of a slowdown of this indicator to 1.2% in 2023.

Fiscal policy was expansionist in 2022, driven by tax exemptions and social support under the "Brazil Aid" programme. However, by the end of 2022 it was signalled that policies would be reversed to cope with price increases and the need to reduce the budget deficit and public debt. There is a conviction on the part of public institutions that it is fundamental to consolidate public accounts, improve management of investment in infrastructure and increase incentives for the sustainability of the agricultural sector, thus promoting GDP growth in parallel with control of public finances. With regard to inflation, the Central Bank of Brazil continued to give priority to controlling prices, having revised the Selic rate upwards - from 9.25% at the start of the year to 13.75% at the end of the year.

The inflation forecast for 2023 and 2024 is for a drop from the 8.9% of 2022, with 4.2% in 2023 and 4.0% in 2024 - a forecast supported by the evolution in the price of oil and the significant reduction in consumption taxes, particularly with regard to energy products. This forecast presents some risks associated to the fact that the control of inflation is aligned with the control of the prices of regulated products (energy). In turn, the prices of industrial products and services, despite the forecast of slight increases, should remain dynamic, evolving in accordance with market conditions. Additionally, the low unemployment rate and the increase in real wages may have a negative impact on the evolution of inflation.



GDP growth rate in Brazil



Inflation rate in Brazil

Source
International Monetary Fund
OECD: Economic report

canada

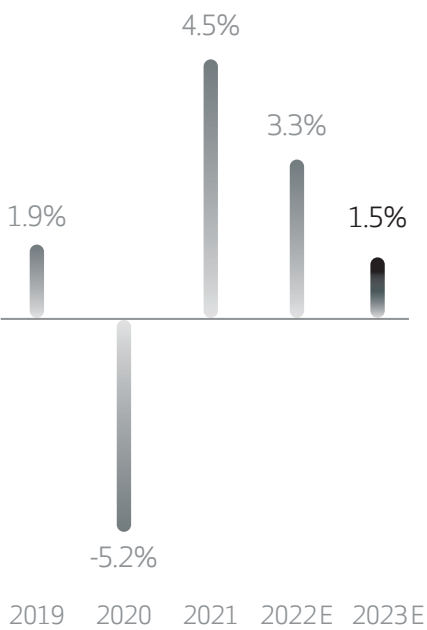
After 2020, a period when Canada's GDP contracted to -5.2%, 2021 and 2022 were years of recovery. While in 2021 GDP growth reached 4.5%, it is expected to settle at around 3.3% in 2022, showing a higher level of growth than pre-pandemic years. With regard to economic pressures arising from the conflict between Russia and Ukraine, Canada's geographical remoteness and its domestic capacity to produce oil and gas continue to help protect the country from more severe effects.

However, the increase in prices of food, services and even electricity has been significant, so inflation is expected to have reached 6.9% by 2022, the highest since 1982. In this sense, the Central Bank is adopting restrictive monetary policies, such as increasing the reference interest rate, since ensuring inflation control is one of the country's priorities.

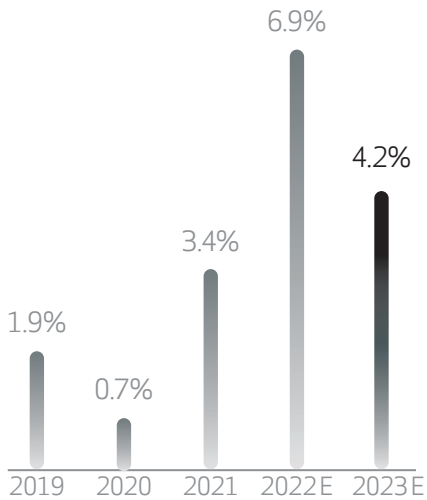
With the main economic indicators showing a positive evolution, the Public Debt ended 2021 at 112.9% and is expected to have decreased to 102.2% in 2022, reaching 98.7% in 2023.

The unemployment rate reached a historic low of 5.3% in 2022, driven by strong production growth, which led to an increase in employment. With slower output growth, the unemployment rate is expected to increase to 5.9% in 2023, in line with pre-pandemic levels.

In 2023, real GDP growth is expected to slow to 1.5%, due to the expected slowdown in the US economy and other major economies, which should penalise exports. At the same time, higher interest rates are expected to weigh on the growth of housing investment and private consumption and, on the other hand, business investment is expected to continue to recover from the low levels experienced during the COVID-19 crisis.



GDP growth rate in Canada



Source
International Monetary Fund
OECD: Economic report

angola

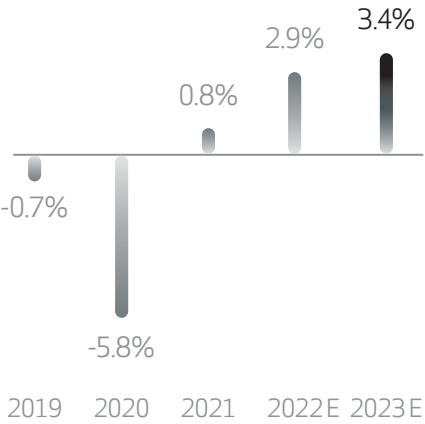
In 2022, the Angolan economy consolidates the recovery trend that began in 2021, after several years of recession. Projections point to GDP growth of around 2.9%, supported by growth of around 3.8% in the non-oil economy and around 2.2% in the oil economy, compared to GDP growth of 0.8% last year. The significant recovery of the oil sector contributed to this growth, but also that of the non-oil sector, which benefited from several factors such as the appreciation of the Kwanza in 2022, the end of COVID's restrictions, the reduction of VAT and a positive performance in agriculture.

The Angolan economy, directly impacted by the evolution of oil prices in recent years, had been in recession since 2016, which translated into an increase in the public debt to GDP ratio from 57.1% in 2015 to a peak of 136.5% in 2020, falling to 86.4% in 2021 and 56.6% in 2022, and it is expected that it will continue on this downward trajectory.

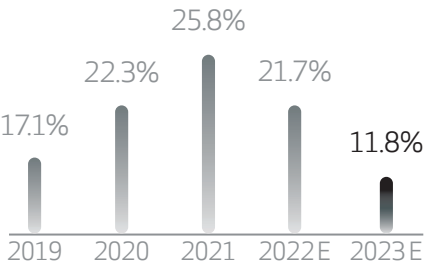
With regard to the inflation rate, although it remains high, it has shown a tendency to decrease as a result of the Central Bank of Angola maintaining a restrictive monetary policy.

The inflation rate in 2022 will have been 21.7%, and is expected to reach 11.8% in 2023. Even so, the recent depreciation of the kwanza, the high cost of foodstuffs on international markets and fuel are likely to exert some pressure on prices, which may slow the path of stabilisation of inflation.

The authorities' prudent policies have promoted the strengthening and consolidation of stability and sustainability of the Angolan economy, not only in the oil sector, but also in non-oil sectors such as finance, agriculture and telecommunications. For the next few years, the outlook for the Angolan economy remains positive, especially in the non-oil economy, and is driven by the implementation of structural reforms aimed at diversifying the economy and controlling inflation to boost domestic demand. Nevertheless, a slight decline in the oil economy is expected in the coming years, which may impact economic growth in the future.



GDP growth rate in Angola



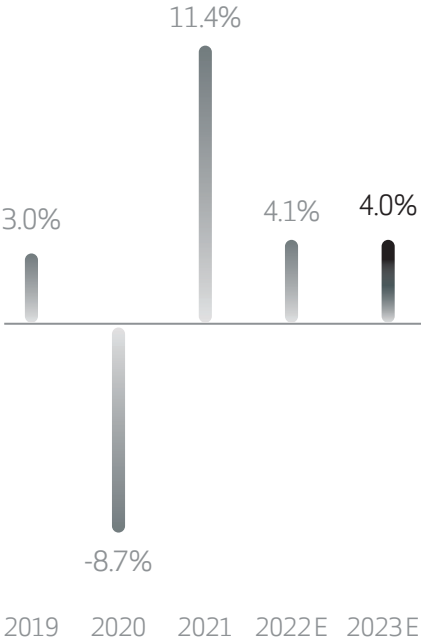
Source
International Monetary Fund
BPI Country Report Angola – December 2022

botswana

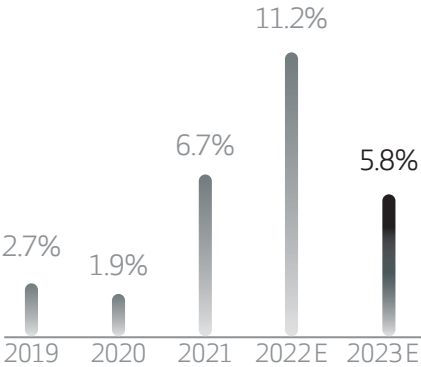
After registering a contraction in GDP of -8.7% in 2020 and growth of 11.4% in 2021, Botswana is estimated to have grown by 4.1% in 2022, based on a continued reactivation of economic activity, domestic demand and an acceleration in commodity prices.

With regard to the inflation rate, there is an upward trend, with 1.9% in 2020, 6.7% in 2021, and an estimated increase to 11.2% in 2022. As inflationary pressures have increased, the Bank of Botswana has been tightening monetary policy. It is expected to decelerate to 5.8% in 2023 and to stabilise at around 4.6% in the following years. On the other hand, the public deficit is expected to increase due to higher public spending to protect families against higher inflation.

Despite predicted GDP growth of around 4% from 2022 onwards, growth prospects remain unstable. This vulnerability is substantially related to substantive poverty levels, unemployment, deep social inequalities and Botswana's dependence on diamond exports.



GDP growth rate in Botswana



Inflation rate in Botswana

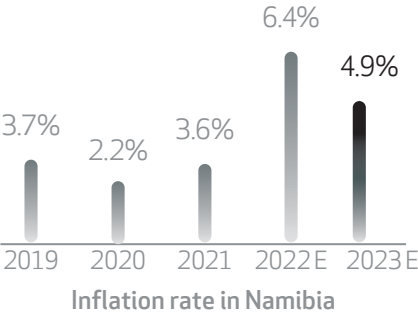
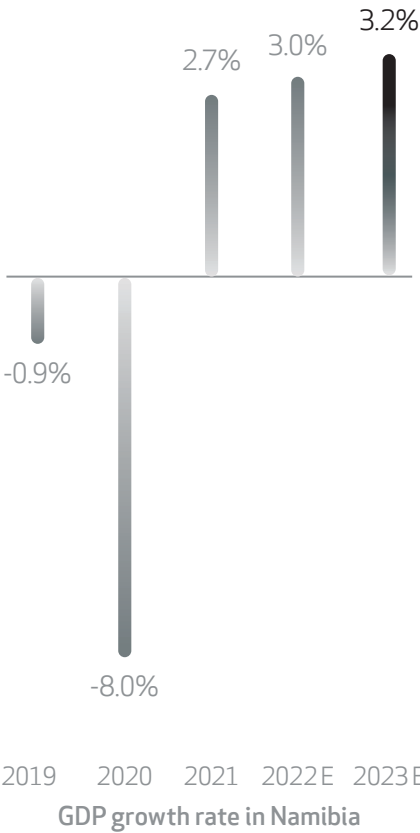
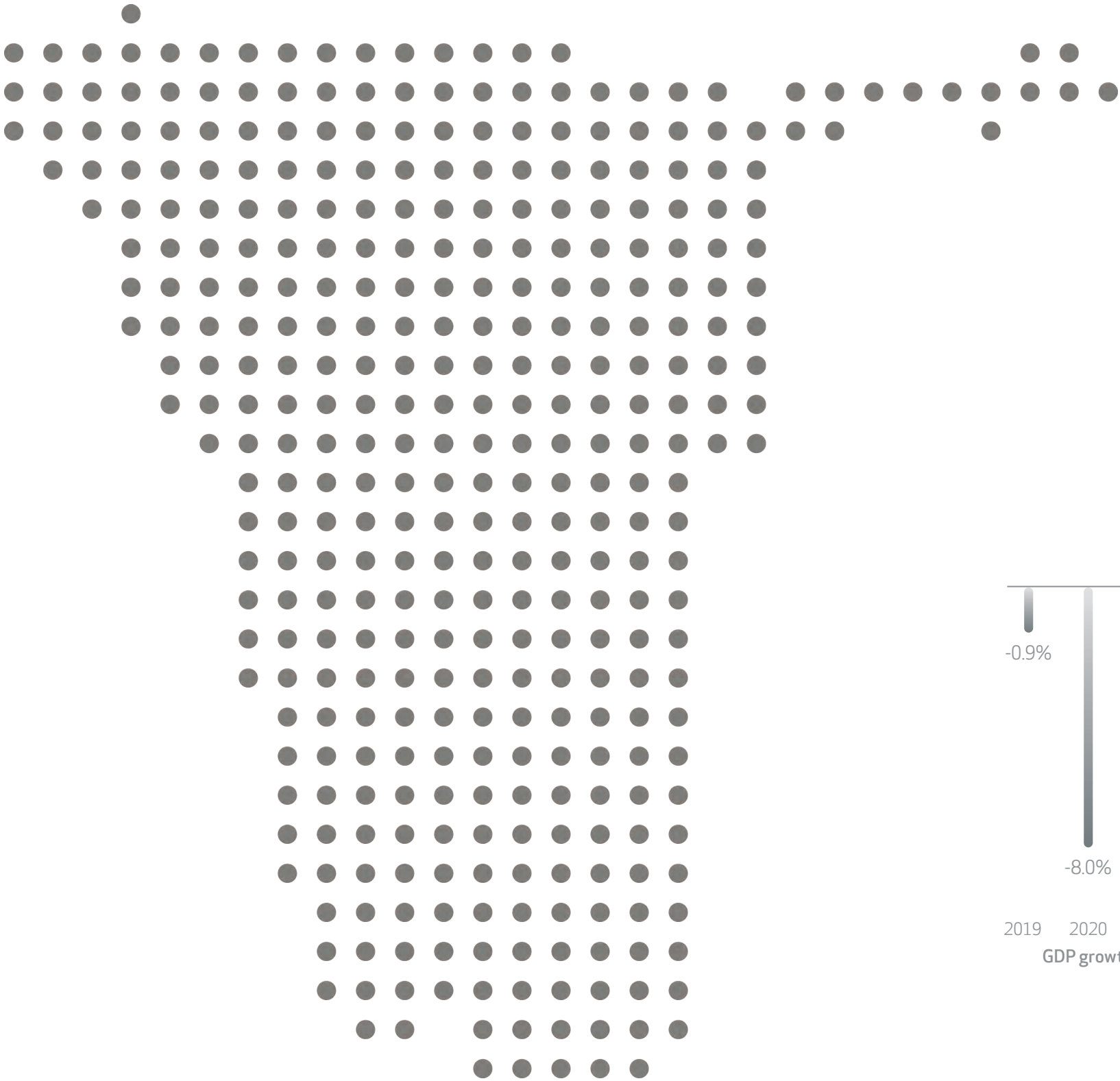
Source
International Monetary Fund
African Development Bank

namibia

After the deepest contraction in its recent history recorded during 2020 (-8.0%) due to the pandemic crisis, Namibia's economic performance has been recovering, with GDP growth of 2.7% in 2021 and 3.0% in 2022. The adverse effects of the pandemic on economic activity have diminished, with all COVID-19 related restrictions being lifted in July 2022.

Although at different paces, primary and tertiary industries, which include financial services, tourism, agriculture and the extractive industry, contributed essentially to this recovery. It is important to highlight the role of the substantial increase in production and global demand for commodities such as diamonds, gold and uranium by the main importing markets.

The inflation rate was 3.6% in 2021, 6.4% in 2022 and is expected to be 4.9% in 2023. Inflationary pressures increased as the effects of rising international oil and food prices spilled over into the domestic economy, largely due to spillovers from Russia's war in Ukraine.



Source
International Monetary Fund
World Bank

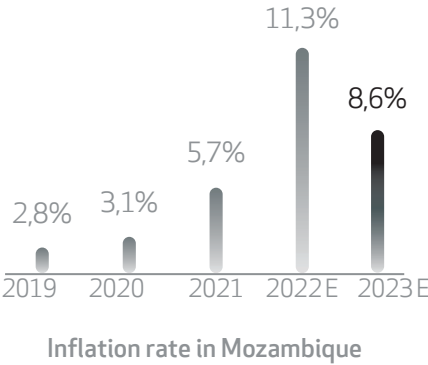
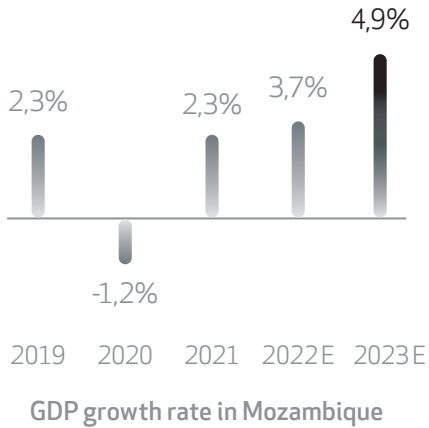
mozambique

In 2020, Mozambique saw its first economic contraction in nearly three decades, due to the COVID-19 pandemic that hit hard in services and the extractive industry. After the impact of the pandemic crisis, the country resumed its growth path, recording a 2.3% growth rate in 2021, with GDP growth expected to accelerate to 3.7% in 2022, 4.9% in 2023 and 8.2% in 2024, sustained by the contributions of agriculture, services and transport. The extractive industry also contributed to this effect, with the recovery of coal and aluminium production, with exports increasing significantly after the end of the COVID-19 restrictions, and benefiting in parallel from the start of natural gas exploration through the Coral Sul floating platform.

With regard to inflation, there was an increase from 5.7% in 2021 to 11.3% in 2022, due to the rise in oil prices on the international markets, which led the national regulator to increase domestic fuel prices several times, and, on the other hand, the worsening of food prices penalised by the adverse weather conditions at the start of the year.

On the other hand, the stabilisation of the Metical has helped dampen the upward pressure on inflation.

Despite the good prospects for the country, the main risks pointed out for the consolidation of this trajectory are the expressive climatic shocks affecting the territory, the strong dependence on some commodities, military unrest in the centre and north of the country and a scenario of greater currency devaluation (which would add additional pressure on prices).



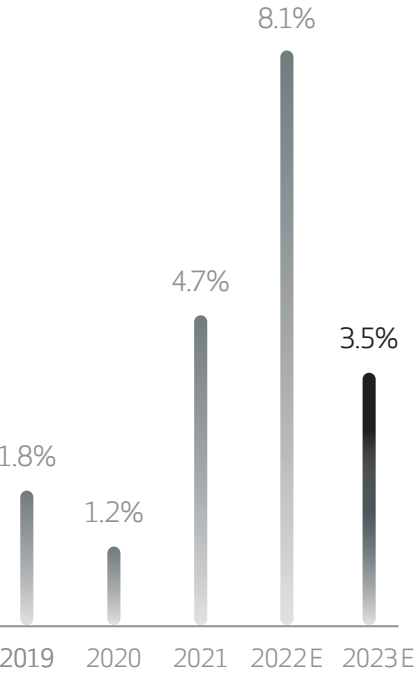
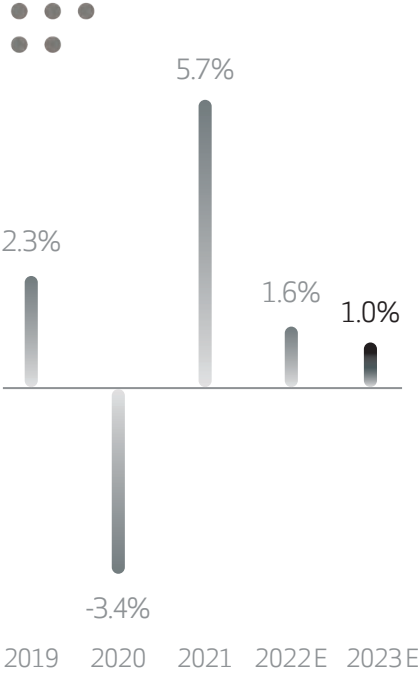
Source
International Monetary Fund
BPI Country Report Mozambique – December 2022

usa

After the economic recovery, with GDP growth standing at 5.7% in 2021, the year 2022 was marked, as expected, by a slowdown, with GDP growth standing at 1.6%. Forecasts indicate that the US economy will maintain this trend in the coming years (1.0% in 2023 and 1.2% in 2024). This movement is associated with forecasts of a slowdown in the levels of private investment, especially real estate investment, which is expected to remain moderate in 2023. In the opposite direction, the easing of restrictions in the global supply chain will mitigate the negative effects of all the uncertainty in the global markets.

Price pressures will ease as energy prices stabilise and demand slows, the latter linked to tight monetary policy on the part of the FED. In 2022, the inflation rate is set at 8.1%, and is expected to slow down over the next two years: 3.5% in 2023 and 2.2% in 2024.

The unemployment rate falls in 2022 to 3.7%, and is expected to increase slightly to around 4% in the next 2 years.

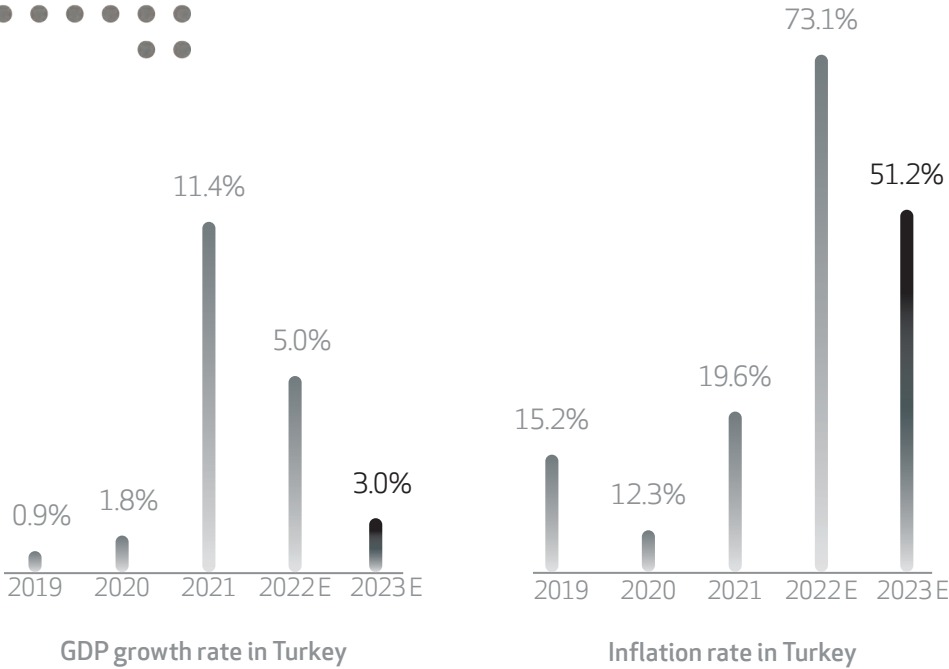
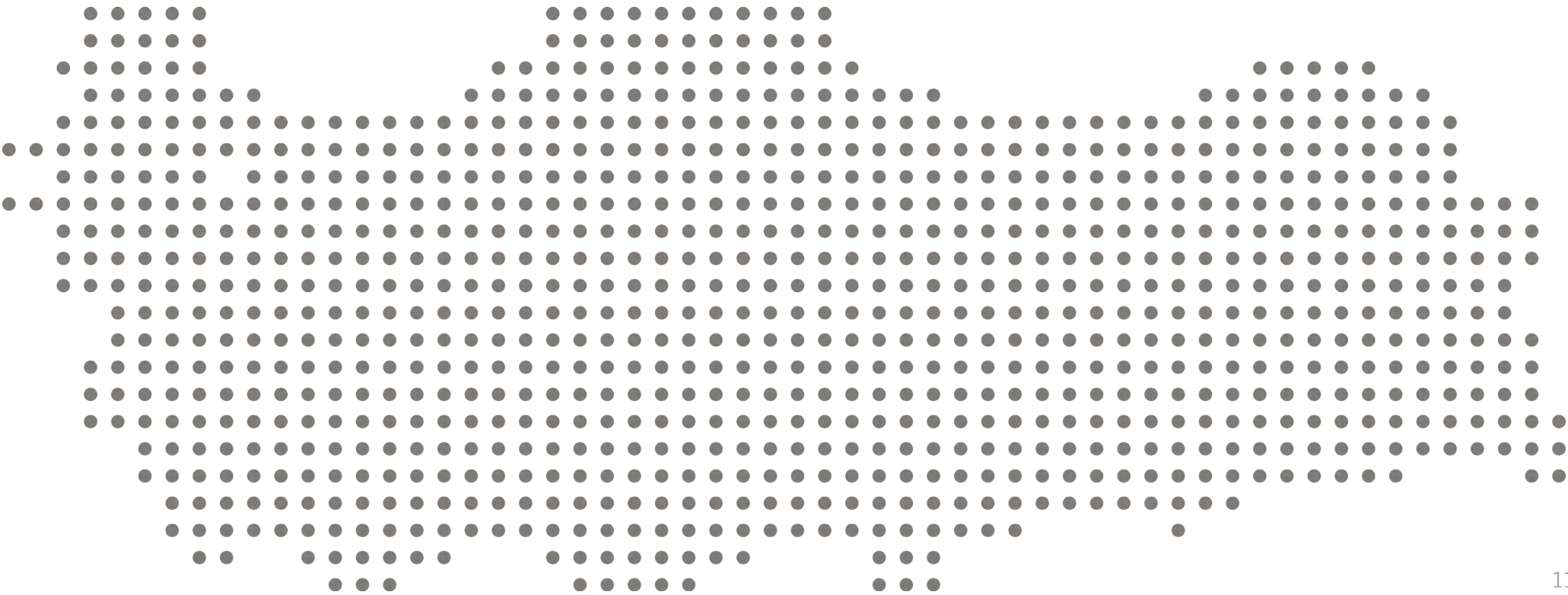


Source
International Monetary Fund
OECD: economic report November 2022

turkey

In 2022, the Turkish economy registered a fall in the evolution of GDP compared to the previous year of 6.4 p.p., which translated into a growth of 5.0%. For 2023, a deceleration to 3.0% is forecast, with the growth rate expected to stabilise at that level. Export growth will slow as external demand weakens.

With regard to price evolution, inflation will have reached 73.1% in 2022, and is expected to decrease in 2023, but it will remain at high levels, around 51.2%. As had been predicted in 2021, the combination of factors such as the decrease in the purchasing power of families and the uncertainty about the political course that the Turkish government will follow in 2023 could slow domestic and foreign investment in the country. The large external financing needs and low reserves leave the Turkish economy highly vulnerable.



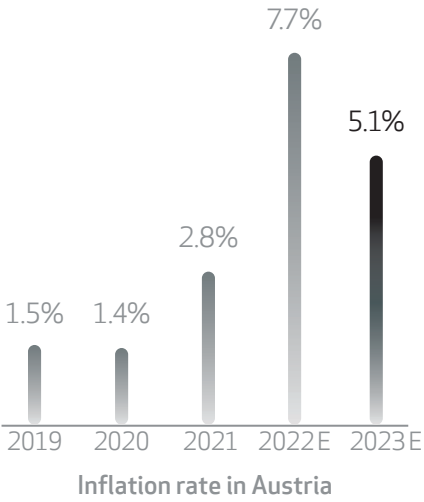
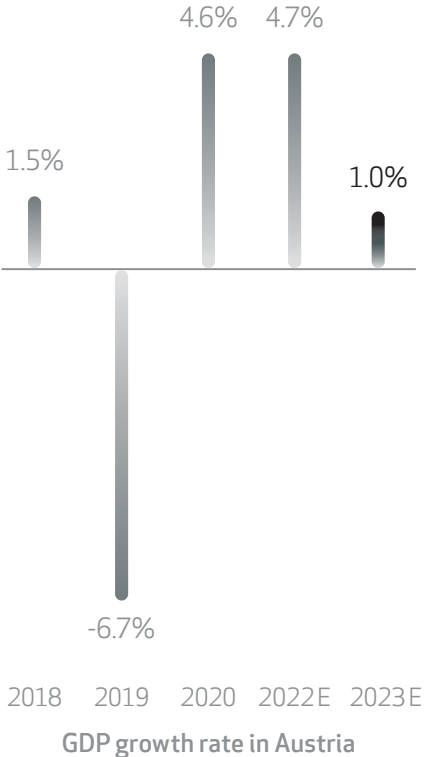
Source
International Monetary Fund
OECD: economic report November 2022

austria

The Austrian economy shows GDP growth of 4.7% in 2022, with a slowdown to 1.0% in 2023 and 1.9% in 2024 forecasted for the following years.

In 2022, disposable income decreased, consequently reducing private consumption - an indicator that should recover as the growth in salaries approaches the increase in prices. Lower external demand and deteriorating business confidence will weigh on private investment, partly justifying the practically zero GDP growth forecast for 2023.

The inflation rate was 2.8% in 2021 and it is estimated that in 2022 it will have reached 7.7%, settling at 5.1% in 2023. In fiscal terms, more restrictive policies and new measures are planned to curb price inflation, particularly in the energy sector.



Source
International Monetary Fund
OECD: economic report November 2022

hungary

Hungary's GDP growth is 5.7% in 2022 and is projected to be 1.8% in 2023. This slowdown is the result of numerous factors, such as persistently high levels of inflation, levels of external demand, low levels of confidence and also the negative impacts of the war in Ukraine.

Business investment is expected to slow down in the face of high interest rates and falling demand, although this should be partly offset by higher public investment linked to the inflow of EU funds.

Inflation peaks in 2022 at 13.9%, with a downward trend in the coming years (13.3% in 2023 and 5.6% in 2024).



Source
International Monetary Fund
OECD: economic report November 2022

romania

In light of the recovery of the Romanian economy presented in 2021, 2022 presents a GDP growth of 4.8%, reflecting the measures taken to combat the impacts caused by the pandemic. Despite this growth, in 2023, the projected GDP is 3.1%. Uncertainty over commodity prices and energy supply related to the war between Russia and Ukraine will have a significant impact on the behaviour of the Romanian economy next year.

Inflation has increased, largely due to the sharp rise in gas, energy and oil prices, but also due to rising food prices, with inflation levels of 13.3% expected in 2022, the highest in recent years. However, the pace of price growth is expected to slow in the coming years, to 11.0% in 2023 and 3.6% in 2024, through a tighter monetary policy.



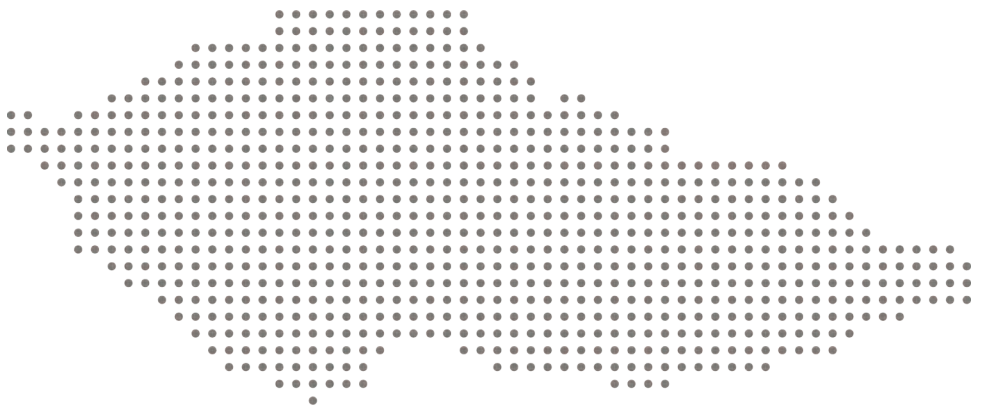
Source
International Monetary Fund
OECD: economic report November 2022

czech republic

In the Czech Republic, GDP growth is projected at 1.9% in 2022 - however, it is projected to contract slightly to 1.5% in 2023, and recover in 2024 to 3.9%. Escalating energy and essential commodity prices, as well as disruptions in the supply of gas and oil imported from Russia, have led to sharp increases in the cost of living and a risk of energy shortages. A slowdown in global growth, persistent constraints in global supply chains and tight financing conditions will put the brakes on activity in 2023.

Contrary to expectations, inflation reached 16.3% in 2022, and for the coming years is forecast to decline to 8.6% in 2023 and 2.5% in 2024 - however, it will remain above the 2.0% target.

Despite the decrease in real wages, unemployment levels will remain below 3.0%.



Source
OECD: economic report November 2022

croatia

In 2022, the Croatian market showed GDP growth of 5.9%, with growth expected to slow to 3.5% in 2023. Increased exports, employment and real wages support the stabilisation forecast for 2024 at around 3% growth.

Inflation accelerates in 2022, reaching 9.8%, and is expected to settle at 5.5% in 2023, followed by a gradual stabilisation.

Rising energy and food prices were the main factors contributing to this increase.

Source
International Monetary Fund
OECD: economic report November 2022



mexico

Regarding the Mexican economy, GDP growth is expected to slow from 2.1% in 2022 to 1.2% in 2023 - however, it is expected to return to values close to the current ones in 2024 (1.8%). The slight slowdown in the economy is directly related to Mexico's high dependence on the US economy.

Inflation is expected to be 8.0% in 2022, and 6.3% and 3.9% in 2023 and 2024, respectively.

Source
International Monetary Fund
OECD: economic report November 2022



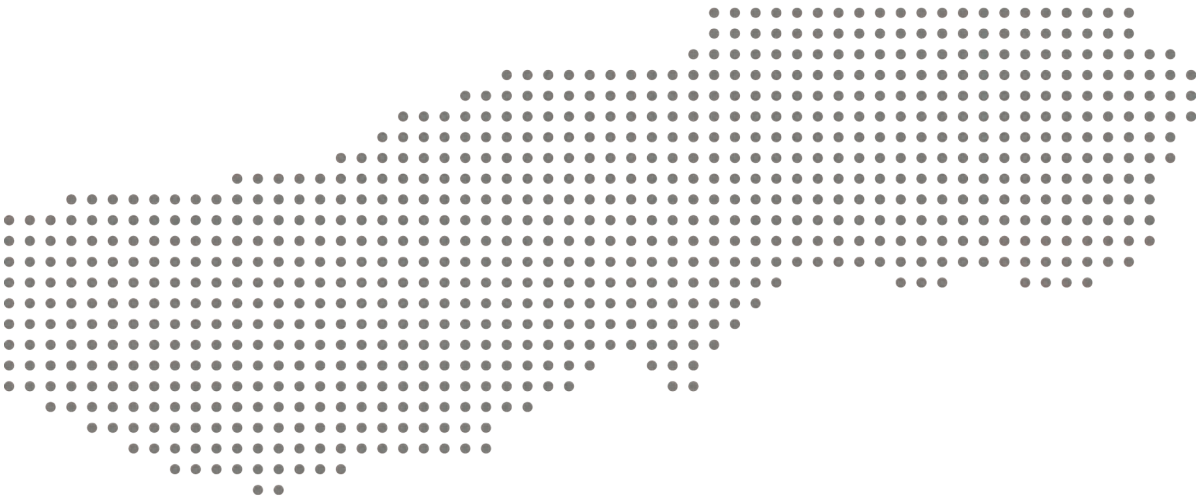
slovakia

The moment of uncertainty experienced due to the war in Ukraine is having a significant impact on Slovakia's economic activity and, consequently, on its economic growth, with GDP forecast to grow by 1.8% in 2022, 1.5% in 2023 and 3.4% in 2024.

In 2022, the inflation rate is expected to reach 11.9% - however, with the implementation of more restrictive monetary policies, it is expected that in 2023 the inflation rate will decrease to 10.1% and in 2024 to 4.4%.

Continued supply chain disruptions and subdued global demand will hold back export growth in 2023. On the flip side, investment growth will remain robust, underpinned by the absorption of EU funds.

Source
International Monetary Fund
OECD: economic report November 2022



3.2. economic performance

our results

3.2.1. global economic performance

2022 in motion: the indicators that tell the year

turnover

2022 was a year which once again registered exceptional growth in sales volume - with a positive evolution of 46.0% in relation to 2021, far exceeding the growth of 30.0% registered in the previous year.

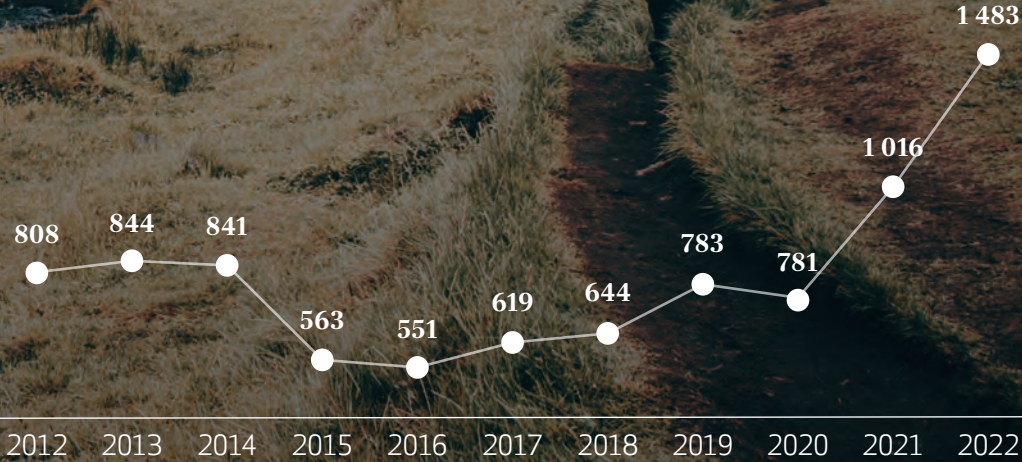
We have demonstrated, with great success, that the growth strategy initiated in recent years has enabled us to increase our sales volume to 1,483 million Euros - an all-time record achieved by Nors. All the geographical regions showed considerable positive evolution, demonstrating significant growth, both in percentage and absolute value.

We highlight the growth in Brazil with an increase in sales of 237 million Euros (+72.1%) and Canada, with an increase of 101 million Euros (+34.6%). Portugal and Africa showed sales growth of 19.0% and 80.6% respectively. The strong demand in all markets, the generalised increase in prices and the appreciation, against the Euro, of the currencies of the markets in which Nors is present contributed to achieving these results.

Even so, the year 2022 continued to present some constraints in our supply chain, generating limitations in product availability to meet market needs.

However, Nors was able to guarantee, together with its main suppliers, that the commitments to our clients would be fulfilled, and this was the main factor for the high level of success presented in this period.

consolidated turnover
(millions of Euros)



The joint ventures began consolidating by the equity method from 2012, whereas until that year they were consolidated by the proportional method. The figures shown in the chart are all calculated using the equity method, so they are comparable.

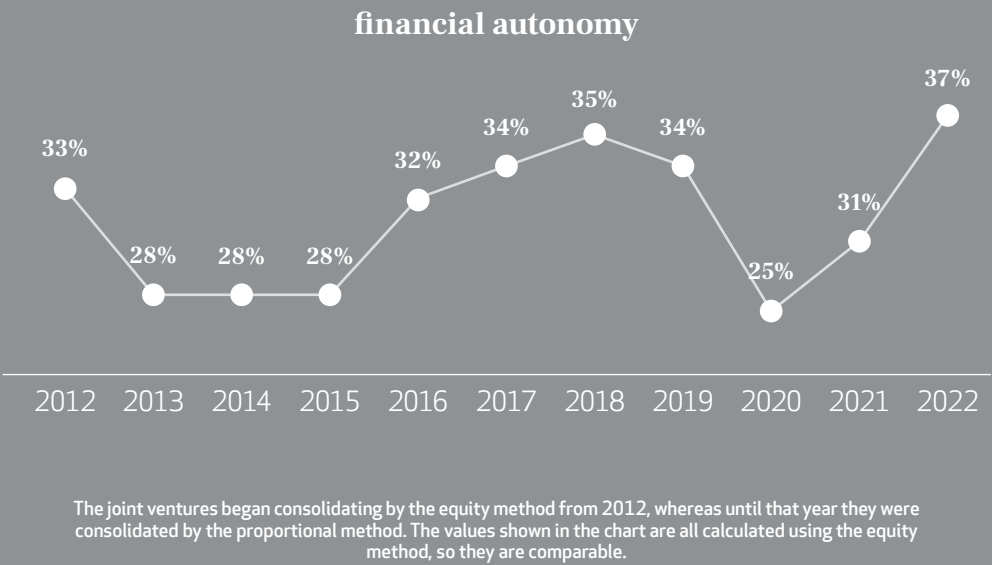
The breakdown of turnover by geography and business area is as follows:

thousands of Euros	sales 2022	% total sales	sales 2021	% total sales	var.
NORS MOBILITY	919 067	62.0%	607 091	59.8%	
AS Portugal	155 591		105 348		47.7%
AS Automóveis	73 180		73 400		-0.3%
Galius	69 243		64 372		7.6%
AS São Paulo	351 607		199 354		76.4%
AS Centro Oeste	183 067		108 249		69.1%
AS Angola	40 106		24 563		63.3%
Kinlai	6 445		1 801		257.8%
AS Botswana	13 194		7 660		72.3%
AS Namibia	20 725		17 395		19.1%
AS Moçambique	5 910		4 950		19.4%
NORS OFF-ROAD	488 677	32.9%	338 903	33.4%	
Strongco	391 933		291 098		34.6%
Auto Maquinaria	66 768		27 308		144.5%
Agro New	29 976		20 497		46.2%
NORS AFTERMARKET	62 295	4.2%	55 302	5.4%	
Aftermarket Portugal	49 822		45 327		9.9%
Aftermarket Angola	12 473		7 923		57.4%
Civiparts Espanha	0		2 052		n.a.
NORS VENTURES	13 167	0.9%	14 520	1.4%	
Sotkon	10 152		12 254		-17.2%
Amplitude	1 450		1 297		11.8%
Vitrum	1 565		970		61.4%
others	85	0.0%	205	0.0%	
total	1 483 291		1 016 021		

thousands of Euros	sales 2022	% total sales	sales 2021	% total sales
Portugal	359 522	24%	302 202	30%
Brazil	564 650	38%	328 099	32%
Canada	391 933	26%	291 098	29%
Angola	127 357	9%	62 566	6%
Namibia	20 725	1%	17 395	2%
Botswana	13 194	1%	7 660	1%
Mozambique	5 910	0%	4 950	0%
Spain	0	0%	2 052	0%
total	1 483 291		1 016 021	

financial autonomy

The equity item grew from 240.1 to 338.3 million Euros, corresponding to an increase of about 40.9%. This growth comes essentially from the positive impact of Nors Net Result. The increase in equity, proportionally higher than that of assets (it grew only 17.8%), resulted in a financial autonomy of 37%. A significant improvement compared to the 31% registered in 2021 and the best level in the last 10 years.



consolidated performance

thousands of Euros	2022	2021
turnover ¹	1 483 291	1 016 021
ebitda ²	192 318	106 109
%turnover	13.0%	10.4%
ebit	151 891	66 475
%turnover	10.2%	6.5%
Net exchange differences	2 395	3 436
Result of financial activity ³	-10 597	-12 128
rai	143 689	57 782
%turnover	9.7%	5.7%
turnover	115 528	45 550
%turnover	7.8%	4.5%

¹ Sales + service provision + work for the company itself

² Earnings before interest, taxes, depreciation and amortisation

³ Costs and revenues associated with financing activities

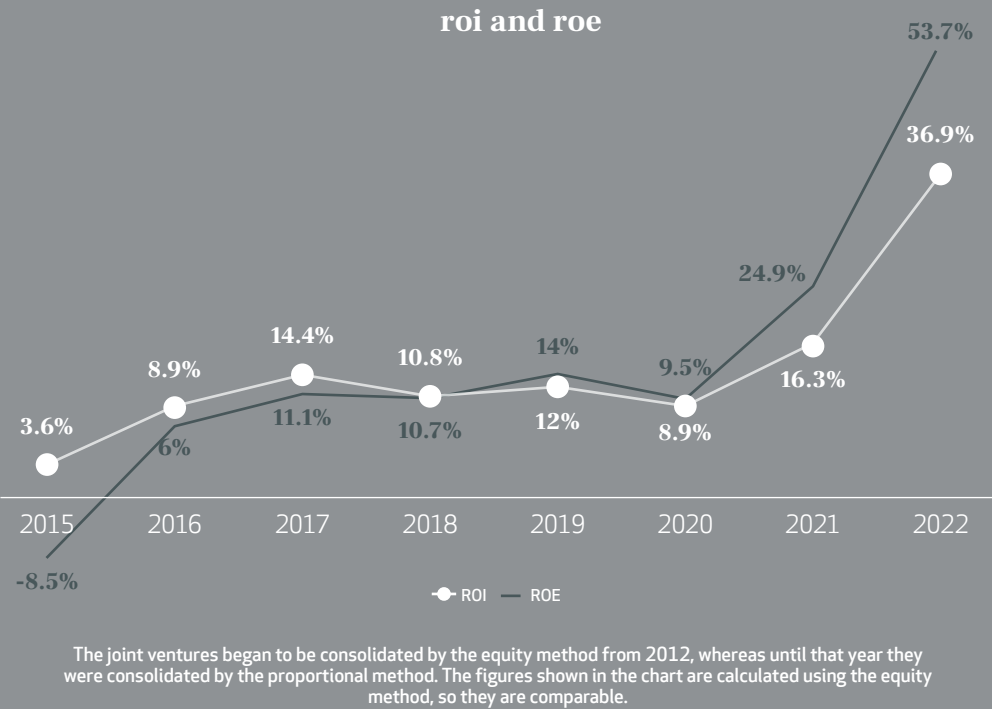
property performance

thousands of Euros	2022	2021
assets	925 469	785 363
Non-current assets	418 028	385 751
Inventories	263 982	228 918
Accounts receivable	127 037	102 568
Income tax recoverable	2 361	1 451
Cash and bank deposits	114 061	66 675
liabilities	587 144	545 237
Loans obtained	120 281	156 493
Lease liabilities	80 668	86 796
Accounts payable	360 696	284 775
Income tax payable	11 635	4 820
Other liabilities	13 863	12 353
equity	338 325	240 126
Capital	30 000	30 000
Reserves	182 517	152 711
Net income	114 169	45 565
Non-controlled interests	11 639	11 851
financial autonomy	37%	31%

roi and roe

With regard to profitability ratios, ROE increased from 24.9% to 53.7%, explained by the 150.6% increase in net profit attributable to the Nors Group's shareholders, which was greater than the 16.3% increase in shareholder investment, measured by the increase in equity capital excluded from net profit.

The ROI, also in 2022, showed an accentuated growth when compared to the same period in the previous year: from 16.3% to 36.9%. Contributing to this performance was the 128.5% increase in profit before tax and financial results, and the stabilisation of invested capital, with an increase of only 0.9%.



3.2.2. economic performance by business unit

the trajectory of our business

3.2.2.1. NORS MOBILITY

In Portugal, 2022 once again represented a year conditioned by a context of unpredictability generated by the global macroeconomic environment. For these reasons, multiple production constraints were maintained for the brands represented, with direct implications for the business activity of Auto Sueco Portugal, Galius and Auto Sueco Automóveis.

In a scenario in which the high-end truck market fell 5.3%, the companies from Portugal represented a combined market share of 34.5% - translating into 1,204 registrations (compared to 1,020 in 2021), in a total market of 3,488 trucks.

In Brazil, 2022 looked highly challenging. After an increase, in 2021, in the São Paulo and Centro Oeste markets, which translated into the largest combined market since Nors entered Brazil, it was expected that activity could slow down

- a situation that did not occur, with this geography once again exceeding growth expectations, both in terms of turnover and EBITDA.

In Angola, the economy evolved positively (+2.9% of GDP), reinforcing the feeling of a reversal of the recessionary cycle that the Angolan economy had presented since 2015. In direct relation to the levels of public and private investment in this geography, the high-end truck market grew 125.7%. Auto Sueco Angola and KinLai have thus absorbed the improved economic conditions, presenting a combined market share in the official high-end truck market of 74.7%.

In line with the excellent sales volume performance (+76.6%), EBITDA grew 303.3% - demonstrating a significant improvement in the profitability of these companies.

In Namibia, Botswana and Mozambique, 2022 reinforced the already very positive evolution seen in 2021, with considerable growth in sales volume in all these countries. All three markets showed positive EBITDA growth, particularly Auto Sueco Botswana (63.9%) and Auto Sueco Mozambique (141.4%). Auto Sueco Namíbia maintained its consistency, once again presenting EBITDA growth of over 1.0 million Euros.

NORS MOBILITY	units				amount in thousands of Euros			
	2019	2020	2021	2022	2019	2020	2021	2022
Trucks	5 283	4 472	6 172	6 963	411 591	280 036	408 975	652 629
Buses	215	230	164	413	14 454	41 085	18 170	41 781
Cars	2 295	1 761	1 518	1 505	70 998	60 256	51 415	58 717

thousands of Euros			
sales	2022	2021	var.
AS Portugal	155 591	105 348	47.7%
AS Automóveis	73 180	73 400	-0.3%
Galius	69 243	64 372	7.6%
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AS Namíbia	20 725	17 395	19.1%
AS Moçambique	5 910	4 950	19.4%
total	919 067	607 091	
ebitda	2022	2021	var.
AS Portugal	13 249	9 452	40.2%
AS Automóveis	944	601	57.1%
Galius	4 419	1 147	285.2%
AS São Paulo	30 573	16 143	89.4%
AS Centro Oeste	20 932	12 279	70.5%
AS Angola	10 775	2 930	267.7%
KinLai	1 516	117	1195.0%
AS Botswana	1 283	782	63.9%
AS Namíbia	1 455	1 294	12.4%
AS Moçambique	772	320	141.4%
total	85 919	45 066	

Auto Sueco Portugal

Auto Sueco Portugal is the exclusive distributor of Volvo trucks and buses and Volvo Penta marine and industrial engines for Portugal. The company is also the exclusive distributor of Kohler-SDMO generator sets for this market.

The year 2022 was a historic year for Auto Sueco Portugal in terms of market share in high-end trucks, reaching 21.4% and leading the market, with 748 units registered (+43.3% than the previous year), even with the market showing a slight retraction (-5.3%). This effect allowed the company to leverage sales, with an increase of 47.7% compared to 2021.

With regard to EBITDA, Auto Sueco Portugal grew 40.2%, a positive evolution based not only on the judicious management of expenses, but also on the improvement of profitability, with growth in the percentage margin in the commercial area and in the after-sales segment.

The year 2022 consolidated the results of the projects implemented in previous years, in terms of customer segmentation and definition of the commercial follow-up model, which leveraged relationships of trust and proximity with its customers. On the other hand, 2022 was also a year of great focus on the Core project, which aims to prepare the business for more modern and convergent relationship models with the various stakeholders that make up the operation.

Auto Sueco Portugal Volvo Trucks					
medium range trucks			heavy-duty trucks		
year	mshare	market	year	mshare	market
2018	4.6%	302	2018	14.3%	4 307
2019	5.8%	225	2019	14.3%	4 183
2020	9.5%	148	2020	17.2%	3 026
2021	7.0%	142	2021	14.2%	3 685
2022	9.7%	144	2022	21.4%	3 488

Auto Sueco Angola

Auto Sueco Angola is the official distributor of Volvo trucks, buses and cars in Angola, and is also the representative for Kohler-SDMO generator sets in this country. Taking into account the aforementioned Angolan market context and as shown by the analysis of the indicators, the company's overall results were positive.

The official market for high-end trucks (+ 16 tonnes) more than doubled compared to the previous year (+125.7%), rising from 140 vehicles in 2021 to 316 in 2022. A large part of this increase was captured by Auto Sueco Angola, which was able to achieve ample growth in market share, 54.1% in 2022 compared to 27.9% in 2021, clearly standing out as the market leader.

In this sense, driven by strong commercial activity and also by the growth in after-sales activity, Auto Sueco Angola's sales increased 63.3%. Absolute EBITDA grew 7.8 million Euros, representing a percentage increase of 267.7%.

high-end trucks			cars		
year	mshare	market	year	mshare	market
2018	36.3%	168	2018	0.8%	1 698
2019	31.7%	123	2019	3.0%	2 057
2020	25.6%	86	2020	4.0%	1 263
2021	27.9%	140	2021	1.9%	2 259
2022	54.1%	316	2022	3.1%	3 204

Auto Sueco Botswana, Auto Sueco Namíbia and Auto Sueco Moçambique

Auto Sueco Botswana is the exclusive representative for Volvo trucks and buses and Renault Trucks trucks in this territory. Auto Sueco Namibia is the exclusive representative for Volvo trucks and buses and Renault Trucks and UD Trucks trucks. In turn, Auto Sueco Moçambique operates in the distribution of Volvo trucks and buses, as well as VCE and SDLG construction equipment. In these markets, the companies also distribute Vesper Energy Solutions own-brand generator sets. In 2022, there was an across-the-board increase in market share in all three operations, even though there was a retraction in the number of units in all markets. Auto Sueco Botswana presented an increase in market share to 37.8% in 2022 against 19.6% in 2021 and, in Namibia, the increase in market share was 6.5 p.p. (31.8% in 2022, against 25.3% in 2021). Auto Sueco Moçambique showed a growth in market share in the official market for the high-end range of trucks (over 16 tonnes), reaching 81.2% in 2022 against 66.7% in 2021.

Auto Sueco Botswana saw its market contract by about 3.9%, but practically doubled its market share and the number of units registered, with 102 units in 2022 versus 55 units in 2021. In this sense, it recorded sales growth of 72.3%, supported mainly by growth in commercial activity, a segment in which it performed excellently. In this context, the structure remained frugal, which caused EBITDA to evolve positively by 63.9%.

In parallel, Auto Sueco Namíbia was penalised by the 22.0% drop in the market and, even though it remained in second position in the high-end truck market, it managed to substantially increase its market share in the Volvo brand, which translated into a number of units registered in line with the previous year (112 units in 2022 vs. 114 units in 2021). Thus, it was possible to register a sales growth of 19.1% and an EBITDA growth of 12.4%.

In turn, Auto Sueco Moçambique substantially strengthened the position of the Volvo brand, maintaining the dominant market position in a scenario of contraction (-11.5%) of the official market for high-end trucks (+ 16 tons) compared to 2021, almost completely dominating the Mozambican market, with a share of 81.2%. The joint effect of the market contraction and the increase in market share resulted in an increase in units registered (69 units in 2022 vs. 64 units in 2021). Thus, sales grew 19.4% and EBITDA grew 1.4 times.

Auto Sueco Botswana Volvo Trucks		
heavy-duty trucks		
year	mshare	market
2018	16,2%	222
2019	28,2%	301
2020	25,1%	171
2021	19,6%	281
2022	37,8%	270

Auto Sueco Namíbia Volvo Trucks		
heavy-duty trucks		
year	mshare	market
2018	16.8%	286
2019	21.9%	347
2020	32.2%	270
2021	25.3%	451
2022	31.8%	352

Auto Sueco Moçambique Volvo Trucks		
heavy-duty trucks		
year	mshare	market
2020	52.0%	98
2021	66.7%	96
2022	81.2%	85

Auto Sueco Centro Oeste and Auto Sueco São Paulo

Auto Sueco São Paulo and Auto Sueco Centro Oeste are Volvo truck and bus dealers in Brazil, respectively in the state of São Paulo and in the states of Mato Grosso, Rondônia and Acre (Centro Oeste).

After 2021, a year in which the combined market of ASSP and ASCO was the largest since Nors began its presence in the Brazilian market, in 2022 the high-end truck market in the states in which the two companies operate retracted -10.1% and -6.4%, respectively, reaching 8,339 units registered in São Paulo and 3,495 in Centro Oeste.

However, from 2021 to 2022, Auto Sueco São Paulo increased its high-end market share from 21.1% to 23.0% and its mid-range share from 10.1% to 14.5%. At the same time, Auto Sueco Centro Oeste increased its share of the high-end market from 27.7% in 2021 to 32.9% in 2022. In turn, the medium range market grew 11.3% and Auto Sueco Centro Oeste managed to capture another 0.7 p.p. of share, rising from 13.8% to 14.5%. With the increases in market share, both operations managed to increase the number of units delivered to clients in 2022, compared to 2021.

This operational improvement allows the companies to show a growth in EBITDA, with Auto Sueco São Paulo growing 89.4% and Auto Sueco Centro Oeste 70.5%, translating into an increase in the combined contribution to Nors' EBITDA of 23.1 million Euros.

Auto Sueco São Paulo
Volvo Trucks

medium-duty trucks

year	mshare	market
2018	6.5%	3 164
2019	6.3%	4 526
2020	7.9%	3 750
2021	10.1%	5 045
2022	14.5%	4 683

heavy-duty trucks

year	mshare	market
2018	22.3%	5 415
2019	22.4%	7 189
2020	22.0%	6 236
2021	21.1%	9 281
2022	23.0%	8 339

Auto Sueco Centro Oeste
Volvo Trucks

medium-duty trucks

year	mshare	market
2018	10,2%	713
2019	11,2%	687
2020	10,5%	636
2021	13,8%	1.137
2022	14,5%	1.266

heavy-duty trucks

year	mshare	market
2018	25,6%	2.195
2019	25,5%	3.810
2020	29,1%	2.781
2021	27,7%	3.734
2022	32,9%	3.495



Auto Sueco Automóveis

Auto Sueco Automóveis is the Group's retail car company in Portugal, with multi-brand dealerships in the region of Porto (Volvo, Mazda and Honda), greater Lisbon (Volvo, Jaguar, Land Rover and Mazda), Braga (Volvo) and Guimarães (Volvo).

Despite a slight recovery in the Portuguese car market (+6.6%) compared to the same period last year, Auto Sueco Automóveis had some difficulties in keeping pace with the market. This effect was essentially due to the increase in lead time of the brands represented, even though the company has built up an extensive commercial portfolio during this period. On the other hand, and as a result of the moment in time, there is a severe shortage of used cars, which made it impossible to achieve the sales objectives in this specific segment. Despite these effects, Auto Sueco Automóveis managed to practically maintain its sales mix in line with the previous year.

With regards to the market share of the makes it represents in the light passenger car market, the company maintained its market share in relation to the previous year. Regarding the market share of Auto Sueco Automóveis in the Volvo brand universe, the company saw its market share increase from 23.8% in 2021 to 26.8% in 2022.

This way, the company registers a stabilization in turnover, with the increase in the weight of the after sales activity and the improvement in operating margins leading to an increase of 57.1% in EBITDA.

cars			Volvo brand share	
year	mshare	market	year	mshare volvo
2018	1.0%	228 290	2018	28.2%
2019	1.0%	223 799	2019	27.7%
2020	1.2%	145 417	2020	28.0%
2021	0.9%	146 637	2021	23.8%
2022	0.9%	156 250	2022	26.8%

Galius

Galius is the exclusive distributor of Renault Trucks in Portugal. In 2022, the turnover related to commercial activity remained in line with 2021. However, the current market conditions allowed Galius to considerably increase the gross margin percentage of commercial activity, especially with regard to used trucks, which was largely due to the combined effect of high demand and a context of scarcity of vehicles.

With regard to the after-sales segment, we once again achieved very positive results, with a sales growth of 13.7% compared to 2021, with the consolidation of the activity of the most recent after-sales unit in Mangualde - a region with great exposure to the Renault brand - providing volume and profitability gains in the region's after-sales. In this sense, the company's performance in terms of Gross Margin, and consequently in terms of EBITDA, was substantially higher, rising from 1.1 million Euros in 2021 to 4.4 million Euros in 2022.

With regard to the Core project, similarly to what happened in Auto Sueco Portugal, this was a year of great focus on this project.

KinLai

KinLai is the official distributor of Dongfeng Trucks - the Chinese brand of high-end trucks in Angola - and of Dongfeng light vehicles.

In 2022, KinLai won an important slice of the high-end truck market (over 16 tonnes), ranking second in the market with 20.6% (up from 19.3% in 2021), representing an increase of 38 units against 2021.

The year is marked by a focus on the light vehicle sector, with 45 units sold in 2022, compared with 8 units in the previous year.

As this is its second full year of activity, it should be noted that KinLai reached an EBITDA of 1.5 million Euros in 2022, supported by its penetration of the truck market and its focus on the light vehicle segment.

Galius
Renault Trucks

medium-duty trucks

year	mshare	market
2018	11.6%	302
2019	6.2%	225
2020	8.1%	148
2021	4.3%	142
2022	10.4%	144

heavy-duty trucks

year	mshare	market
2018	14.9%	4 307
2019	12.4%	4 183
2020	10.8%	3 026
2021	13.5%	3 685
2022	13.1%	3 488



3.2.2.2. NORS OFF-ROAD

Nors directly operates the off-road business in Canada, Brazil and Angola. Additionally, it is present, indirectly, through its subsidiary Ascendum, in the markets of Portugal, Spain, USA, Turkey, Mexico and in Central Europe (Austria, Hungary, Czech Republic, Slovakia, Romania, Croatia, Slovenia, Bosnia and Moldova).

In Brazil, the Group operates in the agricultural machinery business, with Case distribution in the interior of São Paulo.

The agricultural machinery market has evolved favourably and the company has also made very positive progress in market share.

In Angola, Nors operates in the distribution of construction equipment. The company's business grew significantly, much associated with the growth of the mining sector in the country.

In Canada, where the Group operates in the distribution of heavy equipment for various sectors, we saw a market in slight decline.

However, the company was able to grow significantly, with very relevant gains in market share, reflecting the various investments we have made in its installed capacity.

Ascendum's business is carried out in various markets. In general, the performance of its companies was extremely positive, as detailed in the following section.

NORS OFF-ROAD	units				amount in thousands of Euros			
	2019	2020	2021	2022	2019	2020	2021	2022
Construction Equip.	2 186	2 633	3 761	4 002	829 389	911 349	1 276 914	1 592 735
Agricultural Equip.	98	164	211	187	9 365	9 966	14 914	22 371

thousands of Euros

sales	2022	2021	var.
Strongco	391 933	291 098	34.6%
Ascendum	1 201 622	1 025 416	17.2%
Auto-Maquinaria	66 768	27 308	144.5%
Agro New	29 976	20 497	46.2%
total	1 690 299	1 364 319	
ebitda	2022	2021	var.
Strongco	45 977	36 113	27.3%
Ascendum	150 646	111 .391	35.2%
Auto-Maquinaria	17 926	6 190	189.6%
Agro New	3 116	2 125	46.7%
total	217 665	155 819	

Strongco

Strongco sells, rents and services heavy equipment for various sectors, such as construction, infrastructure, mining, utilities, municipalities, waste management and forestry, and has 26 branches in Canada, in the provinces of Alberta, Ontario, Quebec and the Atlantic provinces.

After a major market recovery in 2021, in the face of the profound impact felt by the pandemic in 2020, the GPE (General Purpose Equipment) market, Strongco's main market, saw a slight drop (-2.8%) in 2022. Although the market contracted marginally, Strongco made significant gains in terms of market share in this equipment, rising from 7.7% in 2020 and 2021 to 11.1% in 2022, leading to a 40.9% increase in units sold (+193 units). With regard to the GPE equipment lines, the share in the wheel loaders market evolved positively from 10.7% in 2021 to 16.0% in 2022, and in the crawler excavators market it increased from 4.9% in 2021 to 5.4% in 2022. As regards articulated trucks, their market share increased substantially, from 18.6% in 2021 to 26.8% in 2022, which represented +40 units sold.

In turn, the Road market recorded a 51.3% growth compared with the same period the previous year. However, Strongco saw its market share decrease from 7.2% (2021), to 2.5% (2022), with 13 units sold in 2022, compared to the 25 registered the previous year. With regard to the Compact market, the market contracted around 8.1%, with Strongco increasing its market share in this range, from 0.6% in 2021 to 0.8% in 2022. In this sense, even with the market fall, Strongco sold 12 units more than in the same period, a total of 58 units in 2022, compared to 46 units in 2021.

In 2022, rental business corresponded to about 2.9% of the company's turnover, which represents a decrease compared with 2021 (5.3%). This scenario appears closely linked to the priority given to the sale of equipment, in a scenario of restriction in the supply of equipment by manufacturers, which decreased the availability of fleet allocated to this segment.

The company recorded a 34.6% increase in turnover and a 27.3% increase in EBITDA, which was largely due to the excellent commercial performance in the GPE segment and the greater after-sales activity.

GPE - general purpose equipment

year	mshare	market
2019	7.0%	5 240
2020	7.7%	4 640
2021	7.7%	6 148
2022	11.1%	5 973

road		
year	mshare	market
2019	6.5%	404
2020	6.2%	404
2021	7.2%	345
2022	2.5%	522

compact		
year	mshare	market
2019	1.1%	5 399
2020	0.6%	5 902
2021	0.6%	7 975
2022	0.8%	7 331

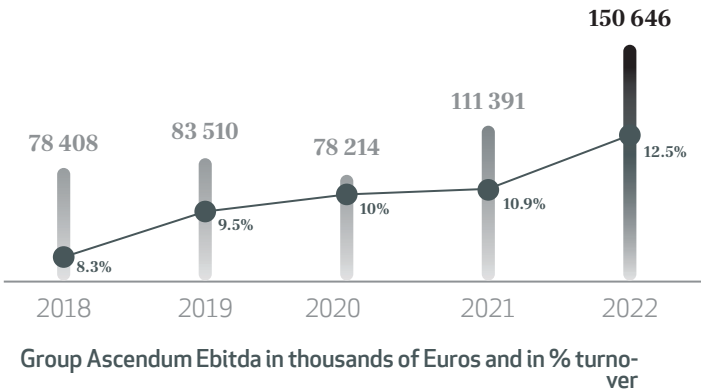
units sold in 2022		units
GPE - Wheel loaders		393
GPE - Excavators		163
GPE - Articulated haulers		103
Road		13
Compact		58



Ascendum

turnover by country					
thousands of Euros	2018	2019	2020	2021	2022
Portugal	161 520	182 668	169 530	196 950	182 571
Spain	126 141	130 100	83 029	97 775	133 365
USA	299 687	280 910	255 065	346 698	405 583
Turkey	147 846	75 831	91 512	149 676	194 151
Mexico	33 265	21 178	19 040	46 929	74 113
CEG ¹	173 115	187 724	162 239	187 388	211 839
total	941 574	878 411	780 415	1 025 416	1 201 622

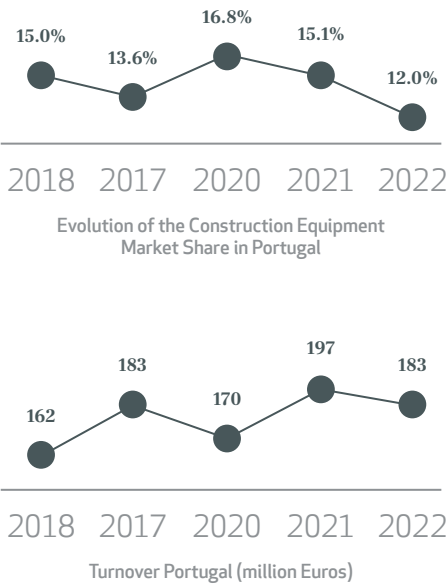
¹ CEG corresponds to 6 Central European countries - Austria, Hungary, Czech Republic, Slovakia, Romania and Croatia.



Portugal

In Portugal, Ascendum Máquinas recorded a turnover of 72 million Euros, a growth of 6.8% compared to 2021 (with 67 million Euros).

Ascendum Máquinas operates in the sectors of distribution and sale of industrial machinery and equipment, equipment rental, after sales service for construction equipment, manufacturing and extractive industries, recycling, forestry and agricultural tractors.

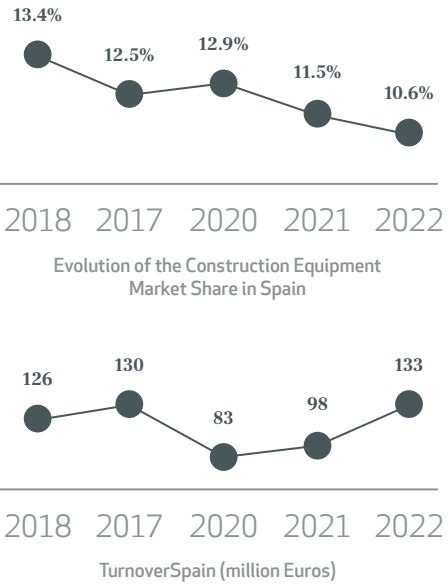


Spain

In Spain, Ascendum Maquinaria has a network of agents to provide continuity to its business, offering a wide range of products and services and being considered by its main customers as one of the companies with the highest quality in its line of business, in the Spanish market.

In 2022, the Spanish construction equipment market resumed the positive trend started in 2013 - and interrupted by the impact of the COVID-19 pandemic - and expanded 7% to 3,549 units sold.

Outperforming the market in 2022, and despite the restrictions in the supply of equipment, Ascendum Maquinaria's turnover increased by 9.0% to 107.4 million Euros, driven mainly by a 31.7% increase in the sale of new equipment and an increase of 3.4 million Euros in the after-sales business.

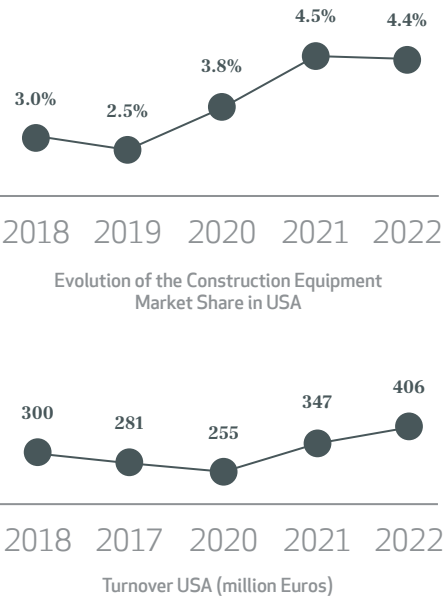


USA

In the United States of America, maintaining the growth trend that was interrupted in 2020 due to the COVID-19 pandemic, the construction equipment market, where Ascendum Machinery operates, increased by 4% in 2022.

In 2022, and in line with the market trend, the US operation strengthened its turnover by 3.5% to \$427.1 million (€405.6 million), driven mainly by the after-sales business, which represented an increase of an additional \$12.7 million (€12.1 million), accounting for 18.5% of 2022 turnover (16.1% in 2021).

Construction equipment sales, still impacted by ongoing supplier shortages and transportation and logistics delays, increased 2.3% to USD 329.8 million (EUR 313.1 million) in 2022, while rental business decreased 23.0% to USD 18.4 million (EUR 17.4 million) due to the sale of the existing rental fleet and the shortage of equipment to replace it.



Turkey

Despite the uncertainty and vulnerability of the macroeconomic context in Turkey, to which contribute the high levels of inflation, the contraction of investment and the vulnerabilities of the financial sector, - in addition to the geopolitical tensions felt in the territory -, the Turkish economy continues to perform positively, a fact proven by the performance recorded by the Group in that market.

The market where Ascendum Makina operates confirmed the recovery trend since the 2018 crisis and rose 54% to an unprecedented 7,210 units in 2022.

Mexico

In Mexico, levels of public investment remain at low levels, with the exception of some presidential projects, such as the Isthmus of Tehuantepec, the international airport in Mexico City (Aeropuerto Internacional Felipe Ángeles) and the Trem Maya railway project.

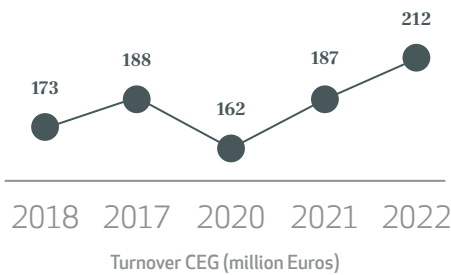
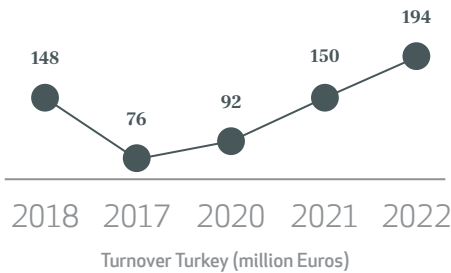
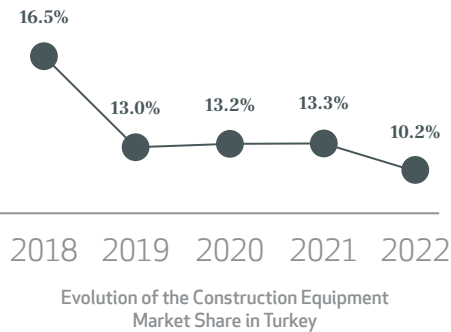
Despite the macroeconomic and operational context not yet proving favourable to the activity of Ascendum Maquinaria México, the fact that it is directly involved in the Trem Maya project, allowed, in 2022, to record a turnover 40.7% higher than that recorded in 2021 (74.1 millionEuros in 2022), with this being the company's best year, at the level of turnover.

CEG

In 2022, the CentralEurope operation achieved a turnover of approximately 212 millionEuros (13.1%abovethe2021turnover),withAustria(54.3%),followedbytheCzechRepublic(18.3%) and Romania (8.3%) as the largest contributors.

In consolidated terms, the turnover of the Ascendum Group exceeded the 1,200 million Euro mark for the first time in the Group's history, recording 1,202 million Euro (17.2% above the values recorded in 2021).

With regard to EBITDA, a historic milestone was also achieved, having recorded a growth of approximately 35.2%, when compared to 2021, reaching the 151 million Euro mark.



Auto Maquinaria

Auto Maquinaria is the Angolan distributor of Volvo Construction Equipment and SDLG construction equipment, and is also the exclusive representative of Grove, Hyster and Epiroc products in this market.

In 2022 sales increased 144.5%, essentially supported by the expansion of the market (+55.6%) arising from existing investments in the mining sector, activated by the increase in demand and the price of some commodities in international markets.

Worthy of note was the 2.9 times growth in EBITDA, ending 2022 with 17.9 million Euros compared to the 6.2 reached in 2021. This was made possible by the increased volume of commercial activity, but especially by the growth of the after-sales segment with a higher gross margin.

GPPE construction equipment		
year	mshare	market
2018	12.2%	288
2019	31.1%	180
2020	35.2%	125
2021	28.9%	270
2022	26.4%	420

Agro New

AgroNew represents Case IH Agriculture in the Catanduva and Votupuranga region, in the interior of the State of São Paulo, with three major products: agricultural tractors, grain harvesters and sugarcane harvesters, the latter being the main product of AgroNew's operation.

In 2022, the company showed high sales growth (+46.2%) compared to 2021, highlighted by its excellent commercial performance, especially in the sale of tractors - 88 units in 2022 and 72 units in 2021 - and in after-sales with sales growth of 41.2%, which led to a 46.7% increase in EBITDA, compared to 2021.

The company captured an additional 0.2 p.p. of market share, closing 2022 with a 6.8% share.

harvesters		
year	mshare	market
2018	3.9%	643
2019	4.2%	649
2020	4.4%	770
2021	6.6%	809
2022	6.8%	600



3.2.2.3. NORS AFTERMARKET

The year 2022 highlighted the success of the redesign of our logistics process in the Aftermarket sector, carried out in 2021. The area showed a total sales growth of 12.6%, highlighting the positive evolution of business efficiency. This scenario translates into a total EBITDA for the Aftermarket area of 6.2 million Euros, compared to a value close to zero in 2021.

thousands of Euros

sales	2022	2021	var.
Aftermarket Portugal	49 822	45 327	9.9%
Aftermarket Angola	12 473	7 923	57.4%
Civiparts Espanha	0	2 052	n.a.
total	62 295	55 302	
ebitda	2022	2021	var.
Aftermarket Portugal	3 510	334	951.3%
Aftermarket Angola	2 848	1 032	176.1%
Civiparts Espanha	-199	-1 857	n.a.
total	6.160	-491	

Onedrive Portugal, AS Parts and Civiparts Portugal

OneDrive Portugal and AS Parts are the brands responsible for the retail of parts for light vehicles in Portugal. Civiparts Portugal distributes multi-brand workshop parts and equipment for trucks and buses.

In Portugal, the Aftermarket business presented, in 2022, an increase in sales of 9.9%, when compared with 2021 - an evolution based on the benefits obtained, by improving the company's efficiency, from the implementation of the Core and OCLA projects, and from the restructuring of the logistics process carried out in 2021.

The Aftermarket business in Portugal is currently prepared to react quickly to the challenges that the market may present. Always seeking to meet the expectations of the level of service required by customers, we are convinced that the future of operations will gain importance within the Nors Group.



Civiparts Angola and OneDrive Angola

Civiparts Angola distributes multi-brand workshop parts and equipment for trucks and buses. OneDrive Angola is responsible for retail parts for light vehicles in this market.

Aftermarket Angola posted growth in sales of 57.4% and EBITDA of 176.1% - reaching an absolute value, for this last indicator, of 2.8 million Euros.

In 2022 the process of integrating the light and heavy Aftermarket businesses was concluded with a view to increasing the efficiency of the businesses - with results already obtained this year. It is our conviction that the foundations are in place for the results to continue to grow in the coming years.



3.2.2.4. NORS VENTURES

The year 2022 was marked by the positive evolution of Amplitude and Vitrum's results, whose EBITDA grew by 23.2% and 2,669.8% respectively - also highlighting Sotkon's absolute EBITDA of 2,049 thousand Euros, which represents 67% of Nors Ventures' EBITDA.

thousands of Euros

sales	2022	2021	var.
Sotkon	10 152	12 254	-17.2%
Amplitude	1 450	1 297	11.8%
Vitrum	1 565	970	61.4%
total	13 167	14 520	
ebitda	2022	2021	var.
Sotkon	2 049	3 395	-39.7%
Amplitude	577	469	23.2%
Vitrum	429	16	2 669.8%
total	3 055	3 879	

Sotkon

Sotkon is a company with several patented products, dedicated to the design, manufacture and sale of modular systems for recycling and collection of solid urban waste, through underground containers. Sotkon is present in several markets, namely Portugal, Spain and France.

The year 2022 was marked by Sotkon's strong investment in the commercial area, with the growth of the international distribution network which translated, already in 2022, into sales to new markets, such as the Croatian market and the Georgian market.

Sotkon showed a good financial performance - its turnover exceeded 10 million Euros and EBITDA was 2.0 million Euros. Despite representing a decrease in these indicators compared to 2021, we highlight the excellent performance and resilience shown by the company in a less favourable context of the buried container market.

With a view to the sustainability of its growth, Sotkon will continue to invest actively in research and development, evaluating new opportunities for collaboration with entities in the scientific and technological sector.

It will also focus on activities that promote its products and the visibility of the Sotkon brand in markets of strategic priority, in particular Portugal, Spain, France and Eastern Europe.

Amplitude Seguros

Amplitude Insurance is an insurance and risk broker that operates in various segments and sectors of the economy.

In 2022, the company continued to strengthen its position in the Insurance Brokers segment, presenting a turnover of €1.5 million (+11.8% compared to 2021) - growth supported by the acquisition of new clients and the increase in variable commissions related to the quality of the management of the insurance portfolio.

Sales growth translated into a 23.2% growth in Amplitude's EBITDA - excellent performance for the company after a 31.4% growth in 2021.

Amplitude will maintain its strategy of organic growth, always keeping in mind its role as the Nors Group's insurance and risk consultant, while leveraging the business opportunities generated by the sale of complementary services.

Vitrum

Vitrum is positioned in the Angolan market as a company specialised in construction glass and production and application of vinyl projects.

In 2022, Vitrum presented a 61.4% growth in turnover - an evolution supported not only by the growth in sales of construction glass, but also by the growth in vinyl application activity.

The increase in activity translated into an increase in absolute EBITDA, closing 2022 with a growth of 41.4 thousand Euros, compared to 2021.



**3.3. risks and
uncertainties**

**the pragmatism
of those who
overcome
uncertainty**

risks and uncertainties: we aspire thoughtfully

Our presence and international dimension is inherent to a set of risks that we quickly seek to identify and explore in order to mitigate their impact on the organisation. These can be characterised as endogenous, when related to quality policies, human resources or financing, or exogenous, encompassing factors such as exchange rate variation, regulation, political instability or economic evolution. Thus, the year 2022 was marked by the risks presented below.

credit risk

Exposure to default risk correlates with the commercial and operational activity of Nors' companies. In order to ensure its management, Nors has a specific area, governed by defined procedures and mechanisms for collecting financial and qualitative information. It is in the wake of this scenario that the assessment of debtors takes place, in compliance with their obligations, as well as the management of customer accounts and respective collection.

exchange rate risk

The fact that the majority of our operations are international exposes us to the possibility of registering gains or losses resulting from variations in the exchange rate between the different currencies in which we operate. This risk, which has an impact on shareholders' equity, earnings and cash flow, affects the operational view and the measurement of the capital invested in foreign subsidiaries with a currency other than the Euro. Occasionally, in order to mitigate this impact, foreign exchange forwards are contracted, namely in commercial transactions where the purchase and sale currencies are different, and financing instruments in a currency other than the functional currency, in order to implement a natural hedge with monetary balances in the same currency. In the scope of exchange rate risk management on equity, we seek to opt, whenever possible, for natural hedging strategies, without resorting to complex financial instruments.

This is a dynamic management, involving continual adaptation of the levels of hedging required.

interest rate risk

Although part of our structured debt is contracted at a fixed rate, the interest rate risk opens the possibility of fluctuations in the amount of financial charges borne by Nors, related to borrowings in the countries where we operate. However, with a wide presence over several markets and different inherent economic environments, we obtain a financing and investment portfolio that is less sensitive to interest rate increases affecting certain countries.

We use this geographical dispersion as a means of maintaining diversified sources of external financing with different interest rates, mitigating the risk of sudden increases in interest rates.

oil price risk

The oil price variation affects the economy of some markets where we are present, becoming a risk indicator, namely in the Angolan market and, to a lesser extent, in the province of Alberta, Canada.

The impact of the oil sector on the Angolan economy has a decisive influence on the country's economic performance, affecting the various economic agents in a direct or indirect manner - from the State to the corporate layer, to the individual consumer, including families.

As observed in the recent past, when there are significant drops in the price of oil on international markets, the impact on the Angolan economy is felt directly and expressively - tax revenues and the stock of foreign currency fall, leading to a contraction of imports and local trade. More recently, the increase in this commodity has made it possible to create liquidity in the Angolan economy, demonstrating its correlation with its behaviour on international markets.

In other markets, such as the province of Alberta in Canada, exposure to the exploration of oil correlates the levels of investment with the price of this commodity, reducing it at times of decline and increasing it at times of inflation, opening the door to fluctuations in the activity of the Group's operations in these markets.

The Board of Directors of the Group believes that, given its financial and liquidity situation, Nors will overcome any negative impacts that may arise from developments at international level, without calling into question the going concern principle applied in the preparation of these financial statements. On December 31st, 2022, we reached a negative net bank debt position, i.e. a net cash position of 7.9 million euros.

This value compares with the 80.5 million Euros of net bank debt that the Group had at the end of 2021. These amounts are divided between current and non-current financing obtained, cash and bank deposits contracted with various institutions, as well as debt securities with liquidity (Treasury Bonds of the Angolan State).

liquidity risk

Another risk faced by Nors is the lack of capacity to settle or meet obligations within the defined timeframes and at a reasonable price - the so-called liquidity risk. In this context, it becomes urgent to achieve three fundamental objectives: liquidity, security and financial efficiency. Liquidity allows permanent, efficient and sufficient access to funds, in order to meet current payments on their due dates, as well as possible requests for funds within the defined deadlines. Security, on the other hand, guarantees that the probability of default in the reimbursement of any application of funds is minimised.

Finally, financial efficiency ensures that Nors and our business units/management structures maximise the value created and minimise the opportunity cost of holding excess liquidity in the short term. The responsibility for managing liquidity risk lies with Nors' Finance Department. However, to ensure the existence of liquidity, both within the Group and in the various business units, there are working capital management parameters that allow, in a safe and efficient manner, to maximise the return obtained and minimise the associated opportunity costs. At Nors, all surplus liquidity is used to repay short-term debt: for this,

the worst case scenario is taken into account for the maturity analysis of each of the liability financial instruments, minimising the liquidity risk associated with these obligations.

In the context of uncertainty related to the war in Ukraine and the increase in interest rates, in order to mitigate undesirable effects, such as reduction of its turnover, constraints in supply or significant increase in prices, Nors implemented several measures to maintain credit lines available, the reduction of gross debt and careful analysis of its investment plan for 2023.

capital risk

Nors' main objective is to maintain the capacity to ensure the continuity of operations, providing adequate returns to shareholders and the corresponding benefits to the company's other stakeholders. In order to make this objective achievable, it is fundamental to carefully manage the capital employed in the business, establishing an optimal capital structure and ensuring the necessary reduction of its cost. With the purpose of maintaining or adjusting the capital structure considered adequate, the Board of Directors can propose to the Shareholders' General Meeting the measures it considers necessary.

Simultaneously, we seek to maintain a level of equity capital that is adequate to the characteristics of the core business, preserving a vision of continuity and expansion, guaranteeing shareholders a return on equity that is aligned with them.

3.4. 2023 in perspective

**ready for
whatever the
future brings**

an ambition with a 90-year history

When compared to the turbulence of the pandemic context in 2020, the end of 2021 and the year 2022 were marked by the recovery of global economic growth, due to the growing immunity of the population, and the easing of measures to restrict movement. On the other hand, 2022 was also impacted by the beginning of the war in Ukraine in February, whose consequences continue to be evidenced in the global macroeconomic dynamics, with no prospect of an end.

Nevertheless, 2022 was a historic year for the Nors Group, which recorded a trajectory of economic growth in all geographies, translating into the best year ever.

For 2023, the Group is expected to maintain its growth trajectory, investing in new acquisitions, with a view to consolidating its core business. In Portugal, a market typically with less volatility, it is estimated that in 2023 the truck and car sector will remain practically unchanged compared to 2022. It is thus expected that 2023 will be a year of consolidation of the results recorded in 2022.

In turn, Brazil - a geography that has been strengthening its position in the world commodities market - is seen by the Group as a market with high potential for growth and expansion of the core business.

Thus, it is expected that 2023 will represent a year of growth through organic growth and acquisitions in the Brazilian market - as evidenced by the acquisition on 1 March 2023 of Agrofito, a Case IH agricultural equipment distributor in the State of Mato Grosso.

In Canada, the forecast for 2023 is for market levels in line with 2022, the year that presented the largest GPE (General Purpose Equipment) market of the last 6 years. Considering the stabilization of the market, associated with the success of the Group's investment, we can affirm that this will be a geography in which Nors will be attentive to opportunities that may lead to an expansion of its business.

Finally, regarding the Angolan market there is the conviction that 2023 will show strong growth in the markets of high-end trucks and construction equipment, both supported by the price of oil, in line with the Angolan government's forecasts and with the continued expansion of mining activity.

It should also be noted that the global threats associated with the war in Ukraine remain and have exacerbated existing problems in the supply chains of some raw materials and industrial products, intensifying an inflationary trend that is affecting the pace of growth of the major global economies.

However, international logistics chains are expected to normalize by the end of 2023 - albeit with impacts on specific products - and that the inflationary environment of slowing down in the course of the year.

It is worth mentioning that the effects of this conflict on the Nors Group's activities were reduced in 2022, whilst keeping on the monitoring and and follow-up by the General Department of Risk and Compliance, which, along with the Group's companies, seeks to anticipate impacts and prepare contingency plans to mitigate risks and undesirable effects.

In summary, the outlook for 2023 appears to be positive, supported by the market forecasts, the existing business in the portfolio and the normalization of delivery times by manufacturers.

In addition to these factors, there is the fact that by the end of 2022, the Group registered a substantial reduction in its level of indebtedness and is in a solid financial position - which becomes especially critical in this context of constantly increasing interest rates - and

which will allow the Group to face the challenges that may eventually affect the different businesses.

Therefore, always with the common sense that characterizes us, we look with optimism to the year 2023 - with all the work undertaken in recent years in the strengthening of the Group's financial position, we reinforce our goal of expanding our business.

In conclusion, the Board of Directors of Nors has the firm conviction that the assumption of continuity of operations, used in the preparation of the consolidated financial statements remains appropriate.

statement on internal control over financial information

The Board of Nors is responsible for maintaining an appropriate internal control system. The company's internal control over financial reporting is designed to provide reasonable assurance of the reliability of the information and the preparation of the financial statements for internal and external purposes, in accordance with prudent criteria determined by top management and in compliance with the international accounting standards and principles issued by the IASB.

The company's internal control includes policies and processes that:

- i. relate to maintaining records that provide reasonable detail in order to accurately and appropriately reflect the transactions and changes in the company's assets, minimising its equity risk;
- ii. provide a reasonable guarantee that the transactions are recorded as necessary to enable the financial statements to be prepared in compliance with IFRS, enabling uniform accounting of the financial information obtained from the different Nors companies in different countries;
- iii. ensure, with a high degree of confidence, that the company's receivables and expenditure are solely realised upon authorisation from the management and the board;
- iv. provide reasonable security with regard to the timely prevention and detection of the inappropriate use of Nors' assets.

Due to the inherent limitations, all and any internal control over the financial reports may not prevent errors from being detected. In addition, projections of any assessment of efficacy in the future are subject to the risk that the controls may become inadequate due to changes in the conditions or that the degree of compliance with the policies and procedures may deteriorate.

Porto, March 23, 2023

the board of directors

Tomás Jervell

Álvaro Nascimento

Álvaro Neto

Artur Santos Silva

Francisco Jervell

Francisco Ramos

Joana Jervell

Jorge Nieto Guimarães

José Jensen Leite de Faria

Júlio Rodrigues

Luís Jervell

Paulo Jervell

Rui Miranda

financial information

a journey of performance

4.1. consolidated financial statements
4.2. annex to the financial statements
4.3. statutory auditor's report

175
182
290

**4.1. consolidated
financial statements**

the transparency of the results

consolidated statement of income
for the years ended on December 31, 2022 and 2021

amounts in thousands of euros	note	2022	2021
Turnover	2.1.2	1 483 291	1 016 021
Other operating income and gains	2.2	8 322	10 977
Cost of goods sold and materials consumed and variation in production inventories	4.1.2	-1 153 438	- 780 396
External supplies and services	2.3	- 58 877	- 50 161
Staff costs	2.4.1	- 113 497	- 95 426
Provisions (increases/decreases)	9.1	- 1 771	- 4 226
Other operating expenses and losses	2.3	- 11 454	- 12 450
Depreciation, amortisation and impairment losses on non-financial assets	3.6	- 40 427	- 39 634
operating income		112 148	44 705
results of associates and joint ventures	3.7	39 742	21 771
Net exchange differences	7.4	2 395	3 436
Income from financial activity	5.6	- 10 597	- 12 128
financial results		- 8 202	- 8 693
income before tax		143 689	57 782
income tax for the year	6.1.1	- 28 161	- 12 232
net income for the year from continuing operations		115 528	45 550
net income for the year attributable to:			
Nors' shareholders		114 169	45 565
Non-controlling interests		1 359	- 15
		115 528	45 550
basic and diluted earnings per share	5.1.2	3,85	1,52

the certified accountant

Lúcia Mendonça

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consolidated statement of comprehensive income
for the years ended on December 31, 2022 and 2021

amounts in thousands of euros	2022	2021
net income for the year, including non-controlling interests	115 528	45 550
components of other comprehensive income for the year which may be recycled through results:		
Variation in currency translation reserves	7 272	11 458
Other comprehensive income allocated to subsidiaries, associates and joint ventures	3 255	2 570
Other impacts related to the previous period	156	114
Impact of actuarial variation on post-employment benefit obligations	676	5 238
Impact of accounting for exchange rate risk hedging instruments	- 841	0
comprehensive consolidated income for the period attributable to:	126 046	64 931
Nors' equity holders	123 965	63 940
Non-controlling interests	2 081	991

the certified accountant

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consolidated statement of the financial position
at December 31, 2022 and 2021

amounts in thousands of euros	note	31.12.2022	31.12.2021
assets			
non-current assets			
Goodwill	3.1.	53 990	57 896
Intangible assets	3.2.	5 606	4 525
Tangible fixed assets	3.3.	130 194	134 950
Investment properties	3.4.	9 782	10 264
Assets under right of use	3.5.	52 738	55 517
Investments in associates and joint ventures	3.7.	133 473	100 478
Equity instruments at fair value through equity	7.3.1.	3 537	1 556
Debt instruments at amortised cost	5.4.2.	14 092	9 366
Accounts receivable	4.2.2.	106	239
Deferred tax assets	6.2.1.	14 511	10 959
		418 028	385 751
current assets			
Inventories	4.1.1.	263 982	228 918
Income tax recoverable	6.1.2.	2 361	1 451
Accounts receivable	4.2	127 037	102 568
Cash and bank deposits	5.4.1.	114 061	66 675
		507 441	399 613
total assets		925 469	785 363

equity and liabilities			
equity			
Share capital	5.1.1.	30 000	30 000
Legal reserves	5.1.4.	6 000	6 000
Adjustments in financial assets	5.1.5.	86 099	71 686
Results carried over and other reserves	5.1.6.	90 418	75 024
		212 517	182 710
net income for the year		114 169	45 565
		326 686	228 275
non-controlling interests	5.1.7.	11 639	11 851
total equity		338 325	240 126
non-current liabilities			
Financing obtained	5.2.	101 437	101 017
Lease liabilities	5.3.	58 844	63 020
Deferred tax liabilities	6.2.2.	4 683	4 286
Provisions	9.1.	7 180	5 207
Liabilities for defined benefits	2.4.2.	2 000	2 859
		174 144	176 389
current liabilities			
Financing obtained	5.2.	18 845	55 476
Lease liabilities	5.3.	21 824	23 776
Income tax payable	6.1.2.	11 635	4 820
Accounts payable	4.4.	360 696	284 775
		413 000	368 848
total liabilities		587 144	545 237
total equity and liabilities		925 469	785 363

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consolidated statement of changes in equity
for the years ended December 31, 2022 and 2021

amounts in thousands of euros	share capital	legal reserves	adjustments in financial assets	res. carried over and other reserves	net profit	subtotal	non controlling interests	total
balance at January 1, 2021	30 000	6 000	65 502	53 276	14 745	169 523	15 071	184 594
changes in the period:								
Appropriations of the 2020 consolidated net profit			7 614	7 132	-14 745	0		0
Variation in currency translation reserves				10 448		10 448	1 010	11 458
Impact of actuarial variation with obligations for post-employment benefits				5 238		5 238		5 238
Other comprehensive income allocated to subsidiaries, associates and joint ventures			2 570			2 570		2 570
Other			-4 000	4 932		932	-437	494
	0	0	6 184	27 749	-14 745	19 187	573	19 760
net profit for the period					45 565	45 565	- 15	45 550
consolidated comprehensive income for the year					63 940	63 940	991	64 931
transactions with equity holders in the period:								
Distributions				-6 000		-6 000	-3 779	-9 779
	0	0	0	-6 000	0	-6 000	-3 779	-9 779
balance at December 31, 2021	30 000	6 000	71 686	75 024	45 565	228 275	11 851	240 126

amounts in thousands of euros	share capital	legal reserves	adjustments in financial assets	res. carried over and other reserves	net profit	subtotal	non controlling interests	total
balance at January 1, 2022	30 000	6 000	71 686	75 024	45 565	228 275	11 851	240 126
changes in the period:								
Appropriations of the 2021 consolidated net profit			21 158	24 407	-45 565	0		0
Variation in currency translation reserves				6 550		6 550	722	7 272
Impact of actuarial variation with obligations for post-employment benefits				676		676		676
Impact of the accounting of instruments exchange rate hedging				-841		-841	0	-841
Other comprehensive income allocated to subsidiaries, associates and joint ventures			3 255			3 255		3 255
Other			-10 000	2 602		-7 398	-125	-7 523
	0	0	14 413	33 393	-45 565	2 242	598	2 840
net profit for the period					114 169	114 169	1 359	115 528
consolidated comprehensive income for the year					123 965	123 965	2 081	126 046
transactions with equity holders in the period:								
Distributions				-18 000		-18 000	-2 169	-20 169
	0	0	0	-18 000	0	-18 000	-2 169	-20 169
balance at December 31, 2022	30 000	6 000	86 099	90 418	114 169	326 686	11 639	338 325

the certified accountant

Lúcia Mendonça

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consolidated statement of cash flow
for the years ended December 31, 2022 and 2021

amounts in thousands of euros	note	2022	2021
cash flows from operational activities			
Receivables from customers		1 476 756	1 039 258
Payments to suppliers		-1 195 076	- 822 596
Payments to staff		- 108 980	- 90 510
cash flow generated by operations		172 700	126 152
Income tax payments/receivables		- 24 185	- 9 357
Other receivables/payments	5.4.	- 28 171	- 8 024
cash flow from operating activities (1)		120 345	108 771
cash flow from investment activities			
receivables from:			
Divestments of tangible fixed assets		918	4 450
Financial divestments	5.4.2.	8 232	1 583
Interest and similar income		2 555	1 589
Dividends and additional/supplementary payments	1.1.5.2.	10 000	4 000
receivables from investment activities		21 705	11 622
payments concerning:			
Acquisition of tangible fixed assets		- 4 939	- 13 996
Acquisition of intangible assets		- 1 966	- 3 194
Acquisition of financial investments	5.4.2.	- 12 689	0
payments from investment activities		- 19 594	- 17 190
cash flow from investment activities (2)		2 111	- 5 568
cash flow from funding activities			
receivables from:			
Financing obtained	5.5.1.	191 037	127 717
receivables from funding activities		191 037	127 717
payments concerning:			
Financing obtained	5.5.1.	- 227 444	- 185 246
Operating Leases	5.5.2.	- 17 827	- 16 443
Interests and similar expenses		- 8 909	- 9 287
Dividends		- 18 000	- 6 000
payments from funding activities		- 272 180	- 216 976
cash flow from funding activities (3)		- 81 142	- 89 259
net change in cash and cash equivalents (4)=(1)+(2)+(3)		41 313	13 944
Net foreign exchange effect		6 072	2 626
net cash and cash equivalents - beginning of period		5.4.1.	66 675
net cash and cash equivalents - end of period		5.4.1.	114 061

the certified accountant

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4.2. annex to the
financial statements

notes to the
consolidated
financial
statements

1. introducing the Group

Nors, S.A. is a public limited company whose origins date back to 1949, with head office in Porto, Portugal. The company and its subsidiaries are mainly engaged in trading in vehicles, namely cars, trucks, buses, machines and other industrial equipment, their components and workshop services. Nors corresponds to the corporate and institutional designation as a group of companies, with specific commercial designations according to each company's business. The Group's business is carried out with special relevance in Portugal, Angola, Brazil and Canada, directly, and also in the United States of America, Central Europe and Turkey, through joint ventures.

Company: NORS, S.A.
Head Office: Rua Manuel Pinto de Azevedo, n.º711, 1.º, Porto, Portugal
Legal Nature: Public Limited Company
Share Capital: €30,000,000
N.I.P.C.: 500 038 015

1.1. basis for presentation

1.1.1. approval of the financial statements

These consolidated financial statements were approved by the Board of Directors on March 23, 2023. Additionally, the accompanying consolidated financial statements as of December 31, 2022 are pending approval by the General Meeting of Shareholders. However, the Board of Directors of Nors believes that they will be approved without changes.

1.1.2. accounting reference

The consolidated financial statements for the year ended December 31, 2022 have been prepared in accordance with International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Committee ("SIC"), effective January 1, 2022 and as adopted by the European Union.

1.1.3. measurement basis

The consolidated financial statements of the Nors Group were prepared using the financial and accounting information of the companies included in the consolidation. To do so, the historic cost principle was followed and, for some financial instruments, the fair value principle, based on a going concern basis (notes 7.1. and 8.)

1.1.4. comparability

The consolidated financial statements are comparable in all material respects with the previous year.

1.1.5. basis of consolidation

1.1.5.1. subsidiaries

Financial holdings in companies in which Nors has control were included in the attached consolidated financial statements by the full consolidation method. Nors is understood to have control when the company has power over the affiliate or is exposed to or has rights over the variable returns of the company in question. This power arises directly form (e.g. by voting rights at general meetings and/or board of directors) or in a complex form (e.g. through contractual agreements with third parties). The ability to affect returns is determined by the effective power that Nors holds in the investee without the need to ally itself with third parties. The net income and other items of other comprehensive income and equity of controlled companies corresponding to third party participation in them (non-controlling interests) are presented in the consolidated statement of financial position and consolidated statement of other comprehensive income under specific items of "Non-controlling interests". The Nors companies included in the consolidated financial statements are detailed in note 10.1. Accrued losses of a subsidiary are attributed to non-controlling interests, in the proportions held, which may imply the recognition of negative non-controlling interests. In business combinations prior to 2010 the purchase method is followed. The assets and liabilities of each subsidiary are identified at their fair value at the acquisition date. Any excess of the cost of acquisition over the fair value of the net assets and liabilities acquired is recognised as goodwill (note 3.1.).

If the difference between the acquisition cost and the fair value of the net assets and liabilities acquired is negative, it is recognized as a gain in the income statement for the year, after new confirmation of the fair value attributed. Non-controlling interests are presented in proportion to the fair value of the identified assets and liabilities.
For business combinations occurring after January 1, 2010, Nors has applied the revised IFRS 3. Under this revised standard, the purchase method continues to be applied to business combinations, with some significant changes:

- a. all amounts comprising the purchase price are valued at fair value, there being the option on a transaction-by-transaction basis to measure the "non-controlling interests" at the proportion of the value of the net assets of the acquired entity or at the fair value of the assets and liabilities acquired.
- b. all costs associated with the acquisition are recorded as expenses. .

The revised IAS 27 has also been applied since January 1, 2010. This requires that all transactions with "non-controlling interests" be recorded in Equity, when there is no change in the control over the Entity, and goodwill or gains or losses are not recorded. When there is loss of control over the entity, any remaining interest in the entity is again measured at fair value, and a gain or loss is recognized in the results for the year.
The results of subsidiaries acquired or sold during the period are included in the income statement from the date of acquisition of control or until the date of loss of control. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by Nors. Transactions, margins generated between Nors companies, balances and dividends distributed between Nors companies are eliminated in the consolidation process.
In situations where Nors has, in substance, control over other entities created for a specific purpose, even if it does not directly hold equity interests in these entities, they are consolidated using the full consolidation method.

1.1.5.2. associates and joint ventures

Financial investments in associated companies and joint ventures (companies where Nors exercises significant influence, but does not have control over them by participating in the companies' financial and operating decisions independently - usually investments representing between 20% and 50% of a company's capital and/or for which there are shareholder agreements) are recorded using the equity method.

According to the equity method, financial investments are initially recorded at cost and are adjusted annually by the amount corresponding to the group's share in the variations in equity (including the net income) of the associates against gains or losses for the year, plus the dividends received and possible gains or losses generated in operations with other group companies, which affect the value of the group's assets.
The differences between the acquisition cost and the fair value of the associate's identifiable assets and liabilities at the date of acquisition, if positive, are recognised as Goodwill. If those differences are negative, they are recorded as a gain for the period in the item "Other Income and Gains" in the income statement, after reconfirming the attributed fair value.
An evaluation is made of the investments in associates when there are signs that the asset might be impaired, and the impairment losses that are confirmed are recorded as an expense. When impairment losses recognised in previous periods no longer exist, they are reversed.
When Nors ' share in the accrued loses of the associate company exceeds the book value of the financial investment, the investment is reported at nil whilst the equity of the affiliate is not positive. An exception to this is when Nors has taken on commitments with the associate, in which case a provision is recorded to meet those obligations
Unrealised gains in transactions with these associates are eliminated in proportion to Nors ' interest in them, to offset the financial investment in it. Unrealised losses are eliminated in a similar manner, but only up to the point where the asset transferred has no sign of impairment.
Whenever necessary, adjustments to the financial statements of the associates are made to align their accounting policies with those adopted by Nors .

1.1.5.3. concentration of business activities

When recording concentration transactions involving entities under the Group's control, assets and liabilities are valued at their book value, with no impact on results.

1.1.6. presentation currency and transactions in foreign currency

1.1.6.1. presentation currency

The consolidated financial statements presented are prepared in euros and presented in thousands of euros.

1.1.6.2. foreign currency transactions

Assets and liabilities expressed in the financial statements of foreign companies (companies that do not use the euro as their working currency) are converted into Euros using the exchange rates in force on the reference date of the consolidated statement of financial position. Income and expenses, as well as cash flows, are converted into Euros using the average foreign exchange rates ascertained during the financial year. The foreign exchange difference generated after January 1 is recorded in equity in the item “Other Reserves”. Accrued foreign exchange differences generated up to January 1, 2009 (date of transition to IFRS) were cancelled in the equity item “Other reserves”. Whenever a foreign entity is sold or liquidated, the accrued foreign exchange difference is recognised in the income statement as a gain or a loss on the disposal or on the liquidation.

In the 2022 and 2021 financial years, the rates used for converting Euros in the accounts of consolidated foreign entities were as follows:

currency	closing exchange rate 2022	average historical exchange rate 2022	closing exchange rate 2021	average historical exchange rate 2021
BRL	5.5351	5.4391	6.3101	6.3779
USD	1.0649	1.0530	1.1326	1.1827
CAD	1.4475	1.3692	1.4393	1.4826
BWP	13.6054	13.0053	13.2802	13.0880
NAD	18.1967	17.2052	18.0625	17.4766
MZN	68.3208	66.9779	72.4030	77.7584
AOA	539.1257	484.1660	624.5396	740.2572
MAD	11.1916	10.6391	10.5115	10.7805
CVE	110.2650	110.2650	110.2650	110.2650
TZS	2 178.9839	2 413.3221	2 617.2926	2 621.7057
KES	131.2653	124.2020	127.9932	129.7641
TRY	19.9340	17.3988	15.2335	10.5124

1.2. changes in accounting policies

Standards, amendments and interpretations adopted in 2022

standard	amendment	date of implementation
Standards and amendments endorsed by the European Union		
Reference to the Conceptual Framework (Amendments to IFRS 3)	In May 2020 the IASB issued Reference to the Conceptual Framework, which made amendments to IFRS 3 Business Combinations. The amendments updated IFRS 3 by replacing a reference to an old version of the Board’s Conceptual Framework for Financial Reporting with a reference to the latest version, which was issued in March 2018. The Amendments shall be applied to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2022. Earlier application is permitted if at the same time or earlier an entity also applies all the amendments made by Amendments to References to the Conceptual Framework in IFRS Standards, issued in March 2018.	January 1, 2022
Property, Plant and Equipment – Proceeds before Intended Use, Amendments to IAS 16 Property, Plant and Equipment	In May 2020, the IASB issued Property, Plant and Equipment—Proceeds before Intended Use, which made amendments to IAS 16 Property, Plant and Equipment. The Amendments would prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in a manner intended by management. Instead, an entity would recognise those sales proceeds in profit or loss. The Amendments shall be applied retrospectively for annual periods beginning on or after January 1, 2022, with earlier application permitted.	January 1, 2022
Onerous Contracts - Cost of Fulfilling a Contract	In May 2020, the IASB issued Onerous Contracts—Cost of Fulfilling a Contract, which made amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets. The objective of the Amendments is to clarify the requirements of IAS 37 on onerous contracts regarding the assessment of whether, in a contract, the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The Amendments shall be applied for annual periods beginning on or after January 1, 2022, with earlier application permitted.	January 1, 2022
Annual Improvements to IFRS Standards 2018 – 2020	On May 14, 2020, the IASB issued Annual Improvements to IFRS Standards 2018–2020 containing the following amendments to IFRSs: (a) permit an entity that is a subsidiary, associate or joint venture, who becomes a first-time adopter later than its parent and elects to apply paragraph D16(a) of IFRS 1 First-time Adoption of International Financial Reporting Standards, to measure the cumulative translation differences using the amounts reported by the parent, based on the parent’s date of transition to IFRSs; (b) clarify that the reference to fees in the 10 per cent test includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other’s behalf; (c) remove the potential confusion regarding the treatment of lease incentives applying IFRS 16 Leases as was illustrated in Illustrative Example 13 accompanying IFRS 16; and (d) remove the requirement in paragraph 22 of IAS 41 Agriculture for entities to exclude cash flows for taxation when measuring fair value applying IAS 41. The Amendments shall be applied for annual periods beginning on or after January 1, 2022, with earlier application permitted.	January 1, 2022
Standards and amendments endorsed by the European Union that the group opted not to apply in advance		
Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies	Following feedback that more guidance was needed to help companies decide what accounting policy information should be disclosed, the Board has today issued amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements. The key amendments to IAS 1 include: i) requiring companies to disclose their material accounting policies rather than their significant accounting policies; clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company’s financial statements. The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are consistent with the refined definition of material: “Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements”. The amendments are effective from January 1, 2023 but may be applied earlier.	January 1, 2023

Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates	The IASB has issued amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to clarify how companies should distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates. The amendments introduce a new definition for accounting estimates: clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. The effects of changes in such inputs or measurement techniques are changes in accounting estimates. The amendments are effective for periods beginning on or after January 1, 2023, with earlier application permitted, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments.	January 1, 2023
Amendments to IAS 12: deferred tax related to assets and liabilities arising from a single transaction	The IASB ('the Board') issued amendments to IAS 12 - 'Income Taxes', on May 7, 2021. The amendments require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. In specified circumstances, companies are exempt from recognising deferred tax when they recognise assets or liabilities for the first time. Previously, there had been some uncertainty about whether the exemption applied to transactions such as leases and decommissioning obligations—transactions for which companies recognise both an asset and a liability. The amendments clarify that the exemption does not apply and that companies are required to recognise deferred tax on such transactions. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations. The amendments are effective for annual reporting periods beginning on or after January 1, 2023. Earlier application is permitted.	January 1, 2023
IFRS 17 – Insurance Contracts	The IASB issued on May 18, 2017 a standard that superseded IFRS 4 and completely reformed the treatment of insurance contracts. The standard introduces significant changes to the way in which the performance of insurance contracts is measured and presented with various impacts also at the level of the financial position. The standard expected to be effective for annual periods beginning on or after January 1, 2023. However it is not applicable to Nors Group.	January 1, 2023
Amendments to IFRS 17 - Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information	The International Accounting Standards Board (IASB) has issued a narrow-scope amendment to the transition requirements in IFRS 17 - Insurance Contracts, providing insurers with an option aimed at improving the usefulness of information to investors on initial application of the new Standard. The amendment does not affect any other requirements in IFRS 17, IFRS 17 and IFRS 9 Financial Instruments have different transition requirements. For some insurers, these differences can cause temporary accounting mismatches between financial assets and insurance contract liabilities in the comparative information they present in their financial statements when applying IFRS 17 and IFRS 9 for the first time. The amendment will help insurers to avoid these temporary accounting mismatches and, therefore, will improve the usefulness of comparative information for investors. IFRS 17, including this amendment, is effective for annual reporting periods starting on or after January 1, 2023. However it is not applicable to Nors Group.	January 1, 2023
Standards and amendments not yet endorsed by the European Union		
Clarification requirements for classifying liabilities as current or non-current (amendments to IAS 1 – Presentation of Financial Statements)	IASB issued on January 23, 2020 narrow-scope amendments to IAS 1 Presentation of Financial Statements to clarify how to classify debt and other liabilities as current or non-current. The amendments clarify an IAS 1 criteria for classifying a liability as non-current: the requirement for an entity to have the right to defer the liability's settlement at least 12 months after the reporting period. The amendments aim to: a. specify that an entity's right to defer settlement must exist at the end of the reporting period and have substance; b. clarify that covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at the reporting date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date; and c. clarify the requirements to classify the liabilities that an entity will settle, or may settle, by issuing its own equity instruments (e.g. convertible debt). This amendment is effective for periods starting on January 1, 2024.	January 1, 2024
Lease liability in a sale-and-leaseback (amendments to IFRS 16 – Leases)	The IASB issued amendments to IFRS 16 - Leases in September 2022 that introduce a new accounting model for variable payments in a sale and leaseback transaction. The amendments confirm the following: - On initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. - After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognises no gain or loss relating to the right of use it retains. A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement. The amendments are effective for annual reporting periods beginning on or after January 1, 2024, with earlier application permitted. Under IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, a seller-lessee will need to apply the amendments retrospectively to sale-and-leaseback transactions entered into or after the date of initial application of IFRS 16. This means that it will need to identify and re-examine sale-and-leaseback transactions entered into since implementation of IFRS 16 in 2019, and potentially restate those that included variable lease payments.	January 1, 2024

The adoption of the amendments did not cause any material impact on the Group's consolidated financial statements, nor are any material impacts expected from the future application of the applicable standards.
During the year ended December 31, 2022 there were no changes in accounting policies.

1.3. significant accounting estimates and judgments

The preparation of consolidated financial statements requires the Group to make estimates and judgments that affect amounts and disclosures at the date of the consolidated financial position. To this end, the Board of Directors used its best knowledge and experience of past and/or current events in making certain assumptions as to future events.

The most significant estimates and judgments are presented below:

estimativas e julgamentos	notes
Actuarial assumptions	2.4. Employee benefits
Recoverability of goodwill	3.1. Goodwill
Recoverability of property, plant and equipment	3.3. Tangible fixed assets
Interest rates associated to assets and lease liabilities	3.5. Assets under right of use
Recoverability of inventories	4.1. Inventories
Recoverability of customer balances	4.2.1. Customers
Recognition of provisions	9.1. Provisions

The estimates and underlying assumptions were determined based on the best knowledge existing at the date of approval of the financial statements of the events and transactions in progress, as well as the experience of past and/or current events. However, situations may occur in subsequent periods that were not foreseeable at the date of approval of the financial statements and were not considered in these estimates.
Changes to the estimates that occur after the date of the financial statements will be corrected prospectively. For this reason and given the degree of uncertainty associated, the actual results of the transactions in question may differ from the corresponding estimates.
Changes to the estimates used by the management that occur after the date of these consolidated financial statements, will be recognised in net income, in accordance with IAS 8, using a prospective methodology.

2. operational performance

2.1. revenue and segment reporting

2.1.1. segment reporting

The Group presents operating segments based on internally produced management information.
In accordance with IFRS 8, an operating segment corresponds to a component of the Group:

- a. that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses related to transactions with other components of the same entity);
- b. whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance;
- c. and for which separate financial information is available.

The Group's main business activities are the vehicle trade, namely, cars, trucks, buses, machinery and other industrial equipments, their components and repair services, developing its activity focusing on 4 business areas:

- **Mobility:** represents vehicles (trucks, buses, cars, generators and marine and industrial engines) where the Auto Sueco, Auto Sueco Automóveis, Galius and KinLai brands are integrated;
- **Off-Road:** represents the business of distribution of construction, industrial and agricultural equipment, comprising the brands Agro New, Auto Maquinaria, Strongco and Ascendum;
- **Aftermarket:** represents the distribution and retail business of multi-brand parts for cars, trucks and buses where the brands Civiparts, AS Parts and OneDrive are integrated;
- **Ventures:** represents complementary businesses and solutions, including insurance mediation, environmental solutions, marketing of construction glass. It includes the brands Sotkon, Amplitude Seguros and Vitrum.

Thus, from the standpoint of segment reporting, in addition to the segments mentioned above, the Group classifies as "Other, eliminations and adjustments" the remainder of entities associated with holding companies, consolidation adjustments and elimination of movements between related parties.

2.1.2. revenue

Accounting policies

Net sales refer to revenues from sales and services rendered, and these are recognized when the responsibility is transferred from the Nors Group to the customer.

Recognition

A sale is recognized when the responsibility is transferred to the customer and usually occurs upon delivery to the customer. The value of discounts, returns and the variable sales price were taken into account when recognizing sales for the year. In accordance with IFRS 15, revenue from sales and services is recognized according to the 5-step model:

1. Identification of a contract with the customer;
2. Identification of separate performance obligations in the contract;
3. Determining the transaction price;
4. Allocating the transaction price to the separate performance obligations;
5. Revenue recognition when the entity satisfies a performance obligation.

Step 1

There is a contract covered by IFRS 15 when:

- It has been approved
- It establishes rights and obligations of the parties
- It establishes payment terms
- There is commercial substance
- Receipt is probable

There is a contract combination when the contracts are entered into on the same date or on dates close to each other with the same customer, as long as the following criteria are met:

- Contracts are negotiated as a pack with a sole commercial objective;
- The value of the consideration to be paid in a contract depends on the price or performance of another contract;

- The goods or services promised in the contracts are a sole performance obligation.

Contract modifications are treated as separate contracts when there are new products/services at market price. Contract modifications are treated as part of the original contract when there are new products/services at prices different from the market or when there are new products/services that are not different from the original contract. In the first case the adjustment is prospective and in the second case it is cumulative (the adjustment to the values already realised affects the profit or loss for the year).

Step 2

Performance obligations may be:

- A distinct product or service that may be used/sold separately;
- Different products or services only sold jointly;
- A set of different services provided over time (uniform pattern for transferring services within a period of time).

When a contract has an option to buy additional goods/services at no cost or with a discount, it is considered to have an additional performance obligation.

Step 3

The variable price component is only considered if it is highly probable that there will be no reversal of income to be recognised in the future. When there is no such risk, the entity determines the most probable result or the expected result.

When there is a significant financial component, not charged to the customer at a market interest rate, the price is adjusted, except if:

- The period between the performance obligation and the payment is less than one year;
- The payment time depends on the customer;
- The payment deferral is not related to the customer’s financial needs;
- The payment time varies according to factors not controlled by the customer or the seller.

The discount rate used is:

- the customer’s discount rate: if the payment occurs after the performance obligations have been fulfilled;
- the seller’s discount rate: if the payment occurs before the performance obligations have been fulfilled.

The discounted value is recognised as revenue. Interest is recognised against receivables applying a discount rate on the amount owed. When there is no cash consideration, the non-monetary consideration received is measured according to the fair value of the non-monetary consideration received. If this is not possible to determine, the fair value of the products/services delivered is used.

Values payable to customers are recorded as follows:

- as a price reduction, if the sum paid is not related to any service to be incurred by the seller as a means of meeting the performance obligation;
- as an expense, if the sum paid is similar to other purchases of goods/ services made by the entity.

Step 4

The price is allocated to each identified performance obligation based on their relative prices. The relative price (separate sale price) is estimated, if not directly observed, considering:

- Increased cost method;
- Market price of similar goods/services;
- Residual approach.

Discounts are allocated proportionally to all performance obligations. Specific performance obligations are attributed only if:

- The goods or services are sold separately;
- The goods or services are sold as a pack with a discount on a regular basis;
- The discount attributed to goods/services sold as a pack is similar to the discount in the contract under analysis.

The variable component is allocated proportionally to all performance obligations. It is attributed to specific performance obligations only if:

- The variable price component refers to specific goods/service.

Allocation of the variable component is consistent with the principle of allocating the contract price to the performance obligations.

Step 5

Revenue is recognised: :

- On a specific date;
- Or over time.

Revenue is recognised when there is a transfer of control, which may occur when there is:

- Legal property ownership;
- Physical property;
- Acceptance by the customer;
- Right to receipt.

When revenue is recognised over time, the following are used:

- Output methods (units produced or delivered);
- Or input methods (costs incurred, time spent).

Revenue is measured according to the fair value of the consideration received. Revenue is recorded net of returns, write offs and similar situations. Revenue from service provision is recognised in accordance with the percentage of finishing or based on the contract period when the provision of services is not linked to the execution of specific activities, but to providing a continuous service.

The cost of these repairs includes the incorporated materials and labour, the final cost and concomitantly the price to be paid by the customers known only on the date of concluding the repairs, with the issue of the respective invoice and delivery of the repaired item to the customer; it is also at that time that

the respective revenue is recognised. During the repair period, the cost is considered in “Inventories - Works in Progress”.

Incremental costs

Incremental costs from contracts are capitalised if the contract period is more than one year and a return is expected. Incremental costs are costs that would not be incurred if the contract were not obtained (such as commissions). Marketing costs and salaries of the commercial department are not incremental costs.

Agent/Principal

An entity is acting as a principal if:

- It is responsible for the services provided or the products delivered ;
- It retains the inventory risk;
- It has the liberty to establish prices and offer additional prices/services.

Revenue is recognised by the principal when the merchandise is sold by the agent to third parties. The agent accounts for the commission received as revenue.

Sales with repurchase agreements

A repurchase agreement is a contract where an entity sells an asset and has the obligation or the option to repurchase the asset at a later date.

Repurchase agreements generally take three forms:

- obligation of an entity to repurchase the asset (forward);
- right of an entity to repurchase the asset (call option); and;
- obligation of an entity to repurchase the asset at the customer’s request. (put option).

If an entity sells products and has the right (call option) or the obligation to repurchase (forward) at a lower price than the original price and:

- a. the transaction is a sale and leaseback operation, the contract is accounted for as a financing contract:

- the sale is not recognised ;
 - the sum received is accounted for through financial liabilities;
 - the asset is reclassified from Inventories to Tangible Fixed Assets;
 - the difference between the book value of the inventory and the repurchase;
 - price is depreciated over the period of the contract;
 - the rentals paid during the lease period are recorded against financial debt and interest.
- b. the transaction is not a sale and leaseback operation, the contract is accounted for as an operating lease:
- the sale is not recognised;
 - the part of the sum received corresponding to the book value of the inventory is recorded against lease liabilities;
 - the difference between the sale price and book value of the inventory is deferred and recognised in profit or loss for the period of the lease;
 - the asset is reclassified from Inventories to “Assets through lease”;
 - the difference between the book value of the inventory and the repurchase;
 - price is depreciated over the period of the contract;
 - the difference between the initial lease debt and the updated repurchase;
 - price at the present time is recognised as rentals in profit or loss during the lease period.

If the entity has the obligation to repurchase at the customer’s request (put option) and the repurchase price is lower than the original price and the fair value at the date of repurchase and:

- a. the customer has no economic incentive to exercise the option: the contract is accounted for as a sale with the right of return:

- on the sale date: the sale and corresponding sale cost are recognised according to the amounts that are not expected to be returned and a contractual asset (for the sale cost pending recognition) and a contractual liability (for the sale pending recognition) are accounted for in the amounts expected to be returned;
 - on the date of repurchase:
 - if the customer does not exercise the option and keeps the asset, the value of the sale and the cost of the sale that had been pending recognition are recognised and the contractual asset and contractual liability are derecognised;
 - if the customer exercises the option to return the asset, the repurchase price must be paid to the customer, the asset must be recognised in inventories and the contractual asset and contractual liability are de-recognised.
- b. the customer has an economic incentive to exercise the option: the contract is recognised as a lease (note 2.3.d).

Sales with the right of return

The following procedures are followed:

- Recognition of revenue in the value of the expected consideration;
- Non-recognition of revenue for products that are expected to be returned;
- Recognition of a contractual liability for the sum expected to be reimbursed to the customer;
- Capitalisation of an asset according to the right to recover products from customers (adjustment to the sales cost).

The customer’s right to exchange a product for a product of the same type, quality, price and condition is not a sale with the right of return. If the customer only has the right of return when the product sold is not working properly, IAS 37 is applied:

Sale of equipment to financial intermediaries with a repurchase commitment

This type of transaction generally involves 3 entities:

- Nors (supplier);
- The customer (lessee);
- The finance entity (lessor);

The normal process is:

- Nors issues an invoice to the lessor, in accordance with the sale price agreed with the Customer (lessee), and the Finance Entity (lessor) pays Nors the value of the invoice;
- At the same time, a rental contract is signed by the 3 parties, with the schedule of the instalments that must be paid by the lessee to the lessor, and the supplier undertakes, in favour of the financial institution, to repurchase the asset at the end of the rental period at a certain fixed price, should the lessee not exercise the option to buy the asset;
- Upon delivery of the asset, the supplier no longer has any control over the asset or management of it.

In cases where the repurchase value is less than half the initial value and where the contract period is more than half the useful life of the asset, and historically, it is found that the customer exercises the option to keep the asset, sales are accounted for as sales with the right of return. In any other cases, sales are accounted for as sales with repurchase agreements.

Licenses

Revenue from licenses to grant use of software is accounted for on a specific date.

Revenue from licenses to grant access to software is accounted for over time.

Bill and hold operations

Bill and hold operations are sales where the delivery is delayed at the request of the customer, but the buyer receives ownership and accepts invoicing.

The revenue is recognised when the buyer receives ownership as long as:

- It is probable that the delivery will be made;

- The items are available, identified and ready to deliver to the buyer at the time at which the sale is recognised;
- The buyer specifically recognises the deferred delivery instructions;
- And usual payment terms are applied.

Goods sold subject to installation and inspection

The revenue is immediately recognised when the customer accepts the goods, the installation is a simple process and the inspection is only made to check the contract values.

If the installation is a complex process, the revenue is recognised when the customer accepts the goods and the installation has been concluded.

Guarantees

If the customer can buy the guarantee separately, the latter is recognised as a separate obligation. Otherwise, the guarantee is accounted for in accordance with IAS 37.

There is no separate obligation when the guarantee is required by law, when the duration of the guarantee period is less than one year or when the guarantee pledge only includes services to guarantee the promised specifications of the product. When the equipment is sold, the provision for costs arising from a repair obligation is made when the obligation is probable and the costs can be reliably measured. The guarantees linked to the goods sold by Nors are the responsibility of their manufacturers.

As standard guarantees cannot be sold separately from the equipment, a provision for estimated future costs that are not reimbursable by the factories is considered in accordance with IAS 37.

Guarantee extensions and Assistance Contracts

Guarantee extensions and assistance contracts may be sold separately or in conjunction with the equipment. Sales of guarantee extensions and assistance contracts are considered to be a separate performance obligation. The revenue from these is accounted for during the validity of the guarantee or the duration of the assistance contract, based on historic curves of use of

the contract. Their related costs are accounted for when borne.

A provision is set up when, on the date of sale, the foreseen costs for fulfilling the contract are higher than the revenue from the sale. Recognition follows the pattern for standard guarantees.

Financial information of income and expenses by operating segments in 2022 and 2021

in thousands of Euros	consolidated		mobility	
	2022	2021	2022	2021
Turnover	1 483 291	1 016 021	919 067	607 091
Other operating income and gains	8 322	10 977	3 926	4 061
Cost of goods sold and materials consumed and variation in production	-1 153 438	-780 396	-744 373	-489 790
External supplies and services	-58 877	-50 161	-31 983	-24 553
Personnel Expenses	-113 497	-95 426	-48 147	-38 931
Provisions (increases/reductions)	-1 771	-4 226	204	-821
Other operating costs and losses	-11 454	-12 450	-12 778	-11 990
Depreciations, amortizations and impairment losses in non-financial assets	-40 427	-39 634	-15 768	-14 022
operating income	112 148	44 705	70 148	31 044
results of associates and joint ventures	39 742	21 771	3	0
Net exchange rate differences	2 395	3 436	1 502	1 655
Result of financial activity	-10 597	-12 128	-939	-857
financial income	-8 202	-8 693	563	798
income before taxes	143 689	57 782	70 714	31 843
Income tax for the period	-28 161	-12 232	-21 346	-10 123
net income from continuing operations	115 528	45 550	49 368	21 720
net income for the year attributable to:				
Nors' capital holders	114 169	45 565	49 232	22 719
Non-controlling interests	1 359	-15	1 593	159
	115 528	45 550	50 825	22 878
ebitda ¹	192 318	106 109	85 919	45 066

¹ EBITDA = Income before taxes + net financial income + income from associates and joint ventures - depreciation, amortization and impairment losses on non-financial assets

off-road		aftermarket		ventures		others, removals and adjustments	
2022	2021	2022	2021	2022	2021	2022	2021
488 677	338 903	62 295	55 302	13 167	14 520	85	205
1 975	3 400	599	1 172	186	125	1 637	2 219
-360 862	-244 869	-42 433	-39 428	-5 769	-6 160	0	-149
-13 364	-12 515	-4 256	-3 993	-2 281	-2 795	-6 993	-6 305
-43 509	-36 464	-6 791	-7 681	-1 953	-1 723	-13 097	-10 628
-524	146	0	0	0	0	-1 451	-3 550
-5 373	-4 171	-3 255	-5 864	-313	-714	10 264	10 290
-19 412	-20 484	-1 584	-2 032	-359	-327	-3 305	-2 768
47 608	23 944	4 576	-2 524	2 677	2 927	-12 860	-10 687
39 686	21 109	0	0	20	625	34	36
305	1 663	572	-85	96	31	-80	172
-3 457	-5 803	-1 014	-503	105	125	-5 293	-5 090
-3 151	-4 140	-443	-588	202	156	-5 373	-4 918
84 143	40 913	4 133	-3 112	2 898	3 708	-18 199	-15 569
-10 764	-2 639	592	-264	-443	-729	3 801	1 523
73 379	38 274	4 725	-3 376	2 455	2 979	-14 399	-14 046
73 259	38 240	4 733	-3 366	2 254	2 885	-15 309	-14 913
121	34	-7	-10	201	94	-548	-292
73 379	38 274	4 725	-3 376	2 455	2 979	-15 856	-15 205
106 706	65 538	6 160	(491)	3 055	3 879	(9 522)	(7 883)

In 2022, Nors had a turnover of 1,483 billion euros, with mobility sales representing 62.0% of turnover (+2.2p.p.), off-road sales 32.9% (-0.4p.p.), aftermarket sales 4.2% (-1.2p.p.) and sales of the ventures segment 0.9% (-0.5p.p.). The year 2022 was marked by the generalized growth of the most relevant business segments, associated with strong market demand.

In general, all geographies registered a positive evolution, highlighting the 42.1% and 61.3% growth in the Brazilian and Canadian markets, respectively.

Breakdown of revenue by country

The breakdown of revenue by geographic market is as follows:

	2022	2021
Portugal	359 522	302 202
Brazil	564 650	328 099
Canada	391 933	291 098
Angola	127 357	62 566
Other	39 829	32 056
total	1 483 291	1 016 021



The total allocated assets and liabilities, by segment, are presented as follows:

values in thousands of euros	consolidated		mobility	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
assets				
non-current assets				
Intangible assets	5 606	4 525	685	657
Tangible fixed assets	130 194	134 950	74 236	79 668
Assets under right of use	52 738	55 517	15 646	16 430
Debt instruments at amortized cost	14 092	9 366	12 115	7 497
Accounts receivable	106	239	0	0
Deferred tax assets	14 511	10 959	2 601	2 706
	217 247	215 556	105 283	106 957
current assets				
Inventories	263 982	228 918	112 416	78 478
Income tax recoverable	2 361	1 451	401	571
Accounts receivable	120 407	102 568	50 877	44 217
Cash and bank deposits	120 691	66 675	68 920	37 075
	507 441	399 613	232 614	160 341
total assets	724 688	615 169	337 897	267 299
liabilities				
non-current liabilities				
Financing obtained	99 687	101 017	0	0
Liabilities through leasing	58 844	63 020	24 339	28 562
Deferred tax liabilities	4 683	4 286	683	355
Provisions	7 180	5 207	1 478	1 487
Responsibilities for defined benefits	2 000	2 859	0	0
	172 394	176 389	26 500	30 404
current liabilities				
Financing obtained	20 595	55 476	5 455	5 907
Liabilities through leasing	21 824	23 776	13 416	15 074
Income tax payable	11 635	4 820	3 109	1 642
Accounts payable	360 696	284 775	156 711	118 348
	414 750	368 848	178 691	140 971
total liabilities	587 144	545 237	205 191	171 375

off-road		aftermarket		ventures		others, removals and adjustments	
31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021
- 1	- 1	1 308	1 622	547	538	3 067	1 708
22 034	21 476	1 070	1 208	653	728	32 202	31 870
28 653	30 183	4 450	5 828	- 99	15	4 088	3 061
1 977	1 860	0	0	0	10	0	0
106	239	0	0	0	0	0	0
4 091	5 216	366	429	1 146	1 005	6 307	1 603
56 860	58 973	7 193	9 087	2 246	2 296	45 664	38 242
129 884	131 823	20 053	16 845	1 629	1 738	0	34
1 350	194	252	125	21	73	337	487
42 919	39 860	17 686	10 184	3 736	3 868	5 188	4 439
32 052	21 036	1 673	2 512	1 796	1 504	16 249	4 548
206 206	192 913	39 664	29 666	7 183	7 183	21 774	9 509
263 066	251 887	46 857	38 754	9 429	9 479	67 438	47 751
0	0	0	0	0	0	99 687	101 017
28 660	27 330	3 859	4 883	- 94	3	2 079	2 242
1 612	1 459	87	108	28	63	2 272	2 301
549	8	80	103	0	0	5 074	3 610
2 000	2 859	0	0	0	0	0	0
32 821	31 656	4 026	5 094	- 65	66	109 112	109 170
950	27 155	0	0	6	2	14 184	22 412
6 623	6 593	923	1 230	- 4	13	867	866
7 701	2 930	654	195	171	53	0	0
108 258	100 965	26 594	15 987	2 626	2 706	66 508	46 770
123 531	137 643	28 171	17 412	2 799	2 774	81 558	70 048
156 352	169 299	32 197	22 506	2 734	2 839	190 671	179 218

The unallocated assets and liabilities arising from investment, financing and tax activities managed on a centralized and consolidated basis, are presented as follows:

values in thousands of euros	consolidated		mobility	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
assets				
non-current assets				
Goodwill	53 990	57 896	5 828	5 662
Investment properties	9 782	10 264	0	0
Investments in associates and joint ventures	133 473	100 478	0	0
Equity instruments at fair value through equity	3 537	1 556	0	0
total assets	200 781	170 194	5 828	5 662

	31.12.2022		31.12.2021	
	assets	liabilities	assets	liabilities
Alocated by segment	724 688	587 144	615 169	545 237
Non allocated	200 781		170 194	

Information by geography

The breakdown of the main totals of the financial statements by geography as of December 31, 2022 and 2021 is as follows:

values in thousands of euros	consolidated		portugal	
	2022	2021	2022	2021
Turnover	1 483 291	1 016 021	359 522	302 202
Ebitda	192 318	106 109	55 622	28 163
Net profit	115 528	45 550	41 567	12 754
Non-current assets	418 028	385 751	125 588	127 920
Current assets	507 441	399 613	106 463	87 995
Total assets	925 469	785 363	232 051	215 915
Non-current liabilities	172 394	176 389	130 688	135 881
Current liabilities	414 750	368 848	151 069	134 596
Total liabilities	587 144	545 237	281 756	270 477
Net debt	- 7 871	80 451	101 293	118 190

off-road		aftermarket		ventures		others, removals and adjustments	
31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021
2 650	13 028	0	0	0	0	45 512	39 206
0	0	118	121	218	218	9 446	9 924
133 108	100 139	265	231	100	109	0	0
0	0	0	0	0	0	3 537	1 556
135 758	113 167	383	352	318	327	58 494	50 686

brazil		canada		angola		others, removals and adjustments	
2022	2021	2022	2021	2022	2021	2022	2021
564 650	328 099	391 933	291 098	127 357	62 566	39 829	32 056
54 668	30 626	45 977	36 113	33 325	10 372	2 726	835
33 423	19 901	19 080	11 478	21 888	3 286	- 431	- 1 868
27 566	25 545	53 839	59 326	71 926	69 266	139 109	103 694
154 347	83 430	157 538	144 148	73 921	70 596	15 173	13 444
181 913	108 974	211 377	203 474	145 847	139 862	154 281	117 138
8 314	7 951	30 622	30 176	1 759	1 610	1 012	771
99 009	64 087	88 822	94 478	66 704	66 218	9 147	9 469
107 323	72 038	119 444	124 654	68 463	67 828	10 159	10 241
- 55 521	- 30 940	- 18 556	27 077	- 32 603	- 30 177	- 2 484	- 3 699

2.2. operating income and gains

Accrual accounting

Income is recorded in accordance with the accruals principle, whereby it is recognized as it is generated, regardless of when it is received or paid. The differences between the amounts received and paid and the corresponding income generated are recorded under the accruals and deferrals headings under "Accounts receivable" and "Accounts payable".

Income whose real value is not known is estimated based on the best assessment of the Boards of Directors of Nors and its subsidiaries.

For the periods ended December 31, 2022 and 2021, other operating income and gains are broken down as follows:

2.3. operating costs and losses

values in thousands of euros	2022	2021
Operating subsidies	152	443
Cash discounts	131	106
Capital Gains on disposal of property, plant and equipment and investment properties	931	1 321
Surplus tax estimate	937	691
Interest received from operating activities	38	178
Recoveries of costs and concessions	1 285	2 634
Rents and other income on investment properties	864	894
Income under guarantees	1 743	1 460
Other supplementary income	367	119
Remainder and other regularization inventories	425	743
Others	1 450	2 387
total	8 322	10 977

Accounting policy

Accrual accounting

Income and expenses are recorded according to the principle of accrual accounting, and so they are recorded as they are generated, regardless of the time when they are received or paid. The differences between the amounts received and paid and the corresponding income and expenses generated are recorded in the items “Other accounts receivable”, “Other accounts payable” and “Deferrals”.

Expenses and income whose real value is not known are estimated based on the best evaluation of the Boards of Directors of Nors and of its affiliates.



For the periods ended December 31, 2022 and 2021, operating expenses and losses are broken down as follows:

values in thousands of euros	2022	2021
cost of goods sold and materials consumed and variation of production (note 4.1.2.)	1 153 438	780 396
external supplies and services		
Subcontracts/Specialized Work	19 123	16 713
Fast wearing tools and utensils	556	1 535
Advertising and Promotion	1 464	920
Surveillance and Security	1 924	1 467
Maintenance and Repairs	4 892	4 398
Cleanliness, hygiene and comfort	2 034	1 767
Electricity and Fuel	4 370	3 092
Travel and Accommodation	2 473	3 386
Insurance	1 723	1 841
Guarantees	6 717	4 902
Contracts	1 802	1 316
Transport	4 292	3 858
Communications	1 541	1 511
Legalization of vehicles	1 121	797
Other external supplies and services	4 845	2 660
total external supplies and services	58 877	50 161
other operating expenses and losses		
Cash discounts granted	272	248
Indirect taxes and fees	4 221	3 116
Inventory losses and other inventory adjustments	620	2 490
Corrections related to previous years	83	433
Gifts and inventory samples	250	193
Interest expenses related to operating activities	421	93
Losses in disposal in fixed assets	2	244
Other expenses with the banking activity	1 662	1 276
Donations	213	143
Others	3 721	2 499
Inventories impairment (losses/reversals) (note 4.3)	- 22	1 886
Impairment of accounts receivable (losses/reversals) (note 4.3)	11	- 171
total other operating expenses and losses	11 454	12 450
staff costs (note 2.4.1)	113 497	95 426
provisions (increases/reductions) (note 9.1.)	1 771	4 226
depreciation, amortization and impairment losses on non-financial assets (note 3.2. to 3.5.)	40 427	39 634
total operating costs and losses	1 379 465	982 294

2.4. staff costs and other employee benefits

2.4.1. staff costs

In the periods ended December 31, 2022 and 2021, the personnel expenses were as follows

values in thousands of euros	2022	2021
Remuneration of Corporate Bodies	2 263	2 039
Staff Remuneration	91 452	72 379
Compensation	1 107	800
Charges on Remuneration	11 652	12 932
Other Staff Costs	7 023	7 277
total	113 497	95 426

On December 31, 2022 the number of employees is 2,702 (122 more than the previous year).

Remuneration of the members of Nors ’ governing bodies in the years 2022 and 2021 were as follows:

values in thousands of euros	2022	2021
Nors, S.A.	2 248	2 031
Auto Sueco (Angola)	15	8
total	2 263	2 039

2.4.2. defined benefits obligation

Accounting policies

Provisions for future employee benefit obligations

Pension obligations

In geographies where this is mandatory, employees have rights under the group's pension plans, which are either defined contribution or defined benefit plans. The liability recognized in the consolidated statements of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is updated annually by the Board of Directors with key assumptions provided by independent actuaries using the projected unit credit method. Actuarial valuations of the defined benefit plans are performed at least every three years. The present value of the defined benefit obligation is determined by discounting estimated future cash outflows using interest rates of high quality corporate bonds that are denominated in the currency in which the benefits

will be paid and that have terms to maturity approximating to the terms of the related pension obligation.

Net interest is determined by multiplying the defined benefits obligation or net asset by the discount rated used to determine the defined benefits obligation (at the beginning of the year) and is included in the employee’s future benefits.

Changes to actuarial gains and losses that arise when calculating the present value of the defined benefits obligation and of the fair value of the plan’s assets are recognised in OCI in the period in which they arise and are debited or credited in retained earnings. On a provisional basis, management estimates the changes in actuarial gains and losses. These estimates are adjusted when the annual evaluation or estimate is concluded by the independent actuaries.

The cost of past services are immediately recognised in operating expenses in the consolidated income statements.

For defined contribution plans, the contributions are recognised as post-employment benefit expenses when they are due. Contributions paid in advance are recognised as an asset, in as far as a monetary reimbursement or a reduction in future payments is available.

Other future employee benefit obligations

The Group also has other future obligations to its employees, including a pension plan without an associated fund and a noncontributory dental and healthcare plan. The expected costs with these benefits are accrued throughout the employment period, using the same accounting method used for the defined benefit pension plans. These obligations are evaluated annually by independent, qualified actuaries.

Each provision typology takes into consideration:

typology	description
Employee retirement benefits	post-employment benefits acquired by former Strongco employees and which have no underlying assets ("unfunded liabilities").
Defined benefit pension funds	post-employment benefits acquired by current and former Strongco employees that have funded liabilities but whose value is insufficient to meet future liability projections.

Judgments and estimates

In determining the obligations with benefits for retired employees and with defined benefit pension funds, the Group uses actuarial assumptions, such as the discount rate and expectations of average life expectancy, being a matter that requires judgments and estimates to be made by the Board of Directors. In the actuarial assumptions, the group evaluated the discount rate applicable to the defined benefit plan for employees and other post-employment benefits. As a result of this evaluation, the Group updated the discount rate in accordance with the indicative market reference rates for calculating the liability with post-employment benefits and other long-term benefits.

For the periods ended December 31, 2022 and 2021, the breakdown is as follows :

values in thousands of euros	31.12.2022	31.12.2021
Retiring allowance	5	
Post-retirement benefits	723	
post-employment benefits	727	718
Employee plan	1 071	
Executive plan	201	
pension plans with defined benefits	1 272	2 141
total	2 000	2 859

The benefits to retired employees correspond to 3 retired beneficiaries and are associated with benefits with health and dental plans not covered by active employees. The employee pension fund has benefits attributable to current and former employees, of which only 29 employees are still accruing benefits. Prior to the acquisition by the Nors group, Strongco transferred the majority of employees participating in the defined benefit pension plan to a closed defined contribution plan effective January 1, 2019. The employees retained their rights to the pension benefits they had earned up to December 31, 2018.

The executive pension fund currently has 6 beneficiaries already in the retirement period.

In the periods ended December 31, 2022 and 2021, the movements occurred as follows:

values in thousands of euros	2022	2021
opening balance	2 859	8 757
Translation differences	- 16	754
Reinforcements net of payments	51	280
Equity change	- 894	- 6 933
end balance	2 000	2 859

The current position of each defined benefit pension fund is as follows:

	31.12.2022		31.12.2021	
values in thousands of euros	employee plan	executive plan	employee plan	executive plan
Fair value of plan assets	28 390	564	36 574	705
Present value of funded obligations	29 460	765	38 574	846
plan status	-1 071	- 201	-2 000	- 142
accrued benefit liability	1 071	201	2 000	142

The risks associated with these plans are similar to those typical of benefit plans, including market risk, interest rate risk, liquidity risk, credit risk, longevity risk, etc. There are no significant risks associated with these plans that might be considered unusual or require special disclosure.

For the periods ended December 31, 2022 and 2021, the investment structure of plan assets is as follows:

	31.12.2022		31.12.2021	
values in thousands of euros	employee plan	executive plan	employee plan	executive plan
Shares	40.3%	0.0%	49.8%	0.0%
Bonds	58.1%	96.7%	48.7%	97.8%
Cash and money market	1.6%	3.3%	1.5%	2.2%
total	100.0%	100.0%	100.0%	100.0%

The group measures its accrued benefit obligations and the fair value of plan assets for accounting purposes as of December 31 of each year.

The main actuarial assumptions used were the following:

	31.12.2022		31.12.2021	
values in thousands of euros	employee plan	executive plan	employee plan	executive plan
discount rate	5.2%	5.1%	3.3%	2.6%
average life expectancy:				
Men up to 45 years old	40.7		40.6	
Women up to 45 years old	44.0		43.9	
Men up to 65 years old	22.0	23.2	21.9	21.9
Women up to 45 years old	24.4	25.0	24.3	24.3
duration of plan in years	12.0	5.2	14.8	6.1

The sensitivity of the main assumption of the current value of future liabilities is the following:

employee plan	valuation assumption	1 p.p. change	impact on provisions
Discount rate increase	5.2%	6.2%	-3 171
Discount rate decrease	5.2%	4.2%	4 134
Salary growth rate	2.9%	3.9%	4

executive plan	valuation assumption	1 p.p. change	impact on provisions
Discount rate increase	5.1%	6.1%	-35
Discount rate decrease	5.1%	4.1%	39

2.5. remuneration of the statutory auditor

In the 2022 and 2021 financial years, the fees paid to the firms of statutory auditors in the various countries in which Nors is present is related to the companies included in the consolidation using the full method, and is as follows:

values in thousands of euros	2022	2021
fees	478	414

In 2022 and 2021, the statutory audit firms corresponded to firms in KPMG's international network (made up of independent member firms associated with KPMG International Limited).

3. investmentos

3.1. goodwill

Accounting policies

Following the transition to the IFRS and as permitted by IFRS 1 - “First time Adoption of IFRS”, Nors chose to maintain the Goodwill resulting from business combinations that took place prior to the transaction date, recorded according to the previous accounting rules used by Nors. Goodwill represents the difference between the fair value of the acquisition cost and the fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiaries included in the consolidation at the date control is acquired and is allocated to each lowest cash-generating unit (CGU) or group of CGUs to which it is intended. Up to January 31, 2009, the contingent acquisition prices were determined based on the best estimate of probable payments, while subsequent changes were recorded in Goodwill. Since January 1, 2010, Goodwill is no longer corrected according to the final calculation of the value of the contingent price paid, that impact being recognised in profit or loss.

Impairment

The value of Goodwill is not amortised but is tested annually to check if there are any impairment losses. The recoverable amount is determined based on the highest out of the present value of estimated future cash flows expected to arise from continued use of the asset, and the value of the disposal less its sale costs. Goodwill impairment losses recorded in the financial year are recorded in the income statement for the year in the item “Impairment of non-depreciable assets” under "Other operating costs and losses". Impairment losses related to Goodwill cannot be reversed.

Judgments and estimates

Recoverability of goodwill

The complexity and level of judgment inherent to the model adopted for the calculation of impairment and the identification and aggregation of cash-generating units (CGU's) imply considering this issue as a significant accounting estimate. For the purposes of the impairment analysis, the recoverable amount was determined based on the value in use, according to the discounted cash flow method, based on the "business plan" developed by the persons in charge of the companies and duly approved by the Board of Directors of Nors and using discount rates that reflect the inherent risks of the business, or in the case of the real estate companies the sale value less costs to sell, as provided for in the regulations.

Methods and assumptions used

In the periods ended December 31, 2022 and 2021, the method and assumptions used in assessing the existence, or not, of impairment occurred as follows:

	31.12.2022			31.12.2021		
values in thousands of euros	goodwill	growth rate	discount rate after taxes	goodwill	growth rate	discount rate after taxes
company						
Auto Sueco Centro Oeste	1 354	3.00%	12.00%	1 187	3.00%	10.21%
NewOnedrive	2 258	1.75%	9.62%	2 258	2.00%	7.77%
Arrábida Peças	913	1.75%	9.62%	913	2.00%	7.77%
Auto Sueco São Paulo	7 376	3.00%	12.00%	6 470	3.00%	10.21%
ASFC	11 442	1.75%	10,77%	11 442	2.00%	7.79%
Civiparts S.A.	15 696	1.75%	9.62%	15 696	2.00%	7.77%
Amplitude	1 614	1.75%	10.44%	1 614	2.00%	9.49%
Promotejo	812			812		
Agro New	2 650	3.00%	12.00%	2 324	3.00%	10.21%
Galius	4 474	1.75%	9.62%	4 474	2.00%	7.77%
Strongco	5 400	1.75%	10.28%	10 704	2.00%	7.99%
total	53 990			57 896		

Movements in goodwill

In the periods ended December 31, 2022 and 2021, the movements in goodwill occurred as follows:

January, 2021	59 475
Additions/reviews	-2 740
Impact of exchange rate variations	1 162
December 31, 2021	57 896
Additions/reviews	-5 243
Impact of exchange rate variations	1 337
December, 2022	53 990

During the year ended December 31, 2020 the acquisition of Strongco Corporation occurred, and during the year 2021, the Goodwill generated by this operation was reviewed, as provided in IFRS 3 - Business Combinations. For further information see note 10.2.

The Board of Directors, based on the value of the projected cash flows at 5 years, which are based on historical performance and expectations of efficiency and organic growth, discounted at the applicable rate, concluded that, at December 31, 2022, the book value of the cash generating units does not exceed their recoverable value. In companies with real estate activities, the recoverable amount was determined by the fair value of the properties minus disposal costs, which is higher than the book value of net assets, including goodwill, and for this reason it is not necessary to consider an impairment of assets.

Sensitivity Analysis

The cash flow projections were based on historical performance and expectations of efficiency and organic growth. The management believes that a possible change (within a normal scenario) in the main assumptions used in the calculation of the recoverable amount will not result in impairment losses, making the WACC and the business growth rate vary by 1 p.p., Goodwill remains unimpaired.

3.2. intangible assets

Accounting policies

Recognition and initial measurement

Intangible assets are recorded at acquisition cost, less the accrued amortisations and accrued impairment losses. They are only recognised if it is probable that they will generate future economic benefits for Nors, if it is possible to reasonably measure their cost and if Nors has control over them. Research expenses incurred with new technical knowledge are recognised as an expense in the income statement when incurred. Development expenses, for which Nors demonstrates its ability to complete the development and begin marketing and/or using them, are capitalised if it is probable that the asset created will generate future economic benefits. Development expenses that do not meet these criteria are recorded as an expense in the income statement for the year in which they are incurred. Internal costs linked to the maintenance and development of software are recorded as expenses in the income statement when incurred, except when such costs are directly linked to projects which will probably generate future economic benefits for Nors. In such situations, these costs are capitalised as intangible assets.

Depreciations

Intangible assets are amortised using the straight-line method, for 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 amortised, but subject to an annual impairment test. Amortisation of intangible assets in the year is recorded in the income statement under "Depreciation, amortization and impairment losses on non-financial assets".

Movements in intangible assets

In the periods ended December 31, 2022 and 2021, the movements in intangible assets, as well as in the respective accumulated amortization and impairment losses, occurred as follows.:

values in thousands of euros	development projects	computer software	industrial property	other intangible assets	investments in progress	total
Acquisition value net of impairment	2 997	4 025	3 981	629	1 407	13 038
Accumulated depreciation	-2 143	-3 166	-3 660	- 628	0	-9 597
initial net value January 1, 2021	854	858	321	1	1 407	3 441
movements 2021						
Initial net value	854	858	321	1	1 407	3 441
Conversion differences - Acquisition value	0	17	38	53	0	108
Conversion differences - Depreciation accumulated	- 4	- 11	- 36	- 53	0	- 102
Additions	1 365	19	20	0	1 791	3 194
Transfer, sales and Write-offs/ Acquisition cost	- 108	178	- 1	0	-1 949	-1 881
Transfer, sales and Write-offs/ Accumulated amortization	539	- 66	0	0	0	473
Depreciation for the financial year	- 453	- 173	- 82	0	0	- 708
closing net value December 31, 2021	2 193	823	261	1	1 248	4 525
Acquisition or revalued cost	4 253	4 238	4 038	682	1 248	14 460
Accumulated depreciation	-2 061	-3 415	-3 777	- 681	0	-9 935
closing net value December 31, 2021	2 193	823	261	1	1 248	4 525

values in thousands of euros	development projects	computer software	industrial propperty	other intangible assets	investiments in progress	total
movements in 2022						
Initial net value	2 193	823	261	1	1 248	4 525
Conversion differences - Acquisition value	0	78	32	43	0	153
Conversion differences - Depreciation accumulated	- 1	- 57	- 30	- 43	0	- 131
Additions	49	158	60	0	1 699	1 966
Transfer, sales and Write-offs/ Acquisition cost	- 76	- 16	- 9	0	- 154	- 255
Transfer, sales and Write-offs/ Accumulated amortization	209	- 21	- 1	0	0	187
Depreciation for the financial year	- 574	- 188	- 77	0	0	- 839
closing net value December 31, 2022	1 799	776	236	1	2 793	5 606
Acquisition or revalued cost	4 226	4 458	4 121	725	2 793	16 323
Accumulated depreciation	-2 427	-3 681	-3 885	- 725	0	-10 718
closing net value December 31, 2022	1 799	776	236	1	2 793	5 606

3.3. tangible fixed assets

Accounting policies

Recognition and initial measurement

Tangible fixed assets acquired up to January 1, 2009 (transition date to IFRS) are recorded at their deemed cost, which corresponds to their acquisition cost, or revalued acquisition cost in accordance with generally accepted accounting principles in Portugal (and the countries of the respective Nors subsidiaries) up to that date, less depreciation and accumulated impairment losses.

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

Depreciation and impairment

Accounting policies

Pursuant to IAS 36 - Impairment of Assets, an impairment test is performed on Nors' assets at the date of each statement of financial position and whenever an event or change in circumstances is identified that indicate that the asset's book value might not be recoverable.

Whenever the asset’s book value is higher than its recoverable amount (defined as the highest out of the net sale price and the value in use, or as the net sale price for held-for-sale assets) an impairment loss is recognised. The net sale price is the amount that would be obtained with the disposal of the asset, less the costs directly attributable to the disposal, in a transaction between independent and knowledgeable entities. Value in use is the present value of the estimated future cash flows which are expected to arise from the continued use of the asset and from its disposal at the end of its useful life.

The recoverable amount is estimated for each asset individually, or if that is not possible, for a cash flow-generating unit to which the asset belongs.

The reversal of impairment losses recognised in previous periods is recorded when it is concluded that the recognised impairment losses no longer exist or that they have decreased. This analysis is performed whenever there are signs that the previously recognised impairment loss has reversed. The reversal of impairment losses is recognised in the income statement. However, the reversal of an impairment loss is carried out up to the maximum amount that is recognised (net of amortisation or depreciation) should the impairment loss not have been recognised in previous reporting periods.

Impairment losses detected in the realisable value of the tangible fixed assets are recorded in the income statement for the year in which they are estimated, in the item “Impairment of depreciable investments”.

Depreciation is calculated as from the time when the assets are ready for use, using the straight-line method, according to the following estimated useful lives:

	years
Buildings and other structures	20 - 50
Basic equipment	7 - 16
Transport equipment	4 - 5
Tools and utensils	4 - 14
Office equipment	3 - 14
Other tangible fixed assets	4 - 8

Subsequent costs

Expenses with repair and maintenance of tangible fixed assets are considered an expense in the year in which they occur. Improvements of significant amount, which increase the estimated period of use of the respective assets, are capitalized and depreciated in accordance with the remaining useful life of the corresponding assets.

Tangible fixed assets in progress

Tangible fixed assets in progress represent a tangible asset that is still in the construction/development stage, and are recorded at acquisition cost, less accrued impairment losses. These assets are transferred to tangible fixed assets and amortised as soon as the underlying assets are available for use and in the right condition to operate as intended by management.

Write-offs and disposals

Gains or losses resulting from the sale or write off of tangible fixed assets are determined as the difference between the selling price and the net book value on the date of disposal write off, and are recorded in the income statement as “Other income and gains” or “Other expenses and losses”. Depreciation of the tangible fixed assets for the year is recorded in the consolidated income statement under the item “Depreciation, amortization and impairment losses on non-financial assets.”

Leases from the landlord's point of view

Accounting policies

Leases from the lessor's point of view are classified as:

1. finance leases when all the risks and advantages inherent to the possession of the vehicles are substantially transferred to the third party;
2. operational leases if all the risks and advantages inherent to the possession of the leased asset are not substantially transferred through them.

The leasing contracts where the Group acts as lessor under operating leases, the values of the assets are maintained in the statement of financial position, under the heading of tangible fixed assets, and income is recognized over the lease contract on a straight-line basis (note 2.1.2).

Judgements and estimates

Recoverability of fixed tangible assets

The main sources of uncertainty arise from the period during which the assets will be in condition for use, the forecasts of their cash flows, estimates of their recoverable amounts, obtaining market comparables, growth rates, discount rates and sensitivity assumptions.

Movements in tangible fixed assets

In the periods ended December 31, 2022 and 2021, the movements in property, plant and equipment, as well as in the respective accumulated depreciation and impairment losses, were as follows:

values in thousands of euros	land and natural resources	buildings and other constructions
Acquisition or revalued cost net of impairment	22 824	140 581
Accumulated depreciation	0	-76 472
initial net value January 1, 2021	22 824	64 109
movimentos 2021		
Initial net value	22 824	64 109
Changes in perimeter - Acquisition cost	638	6 159
Changes in perimeter - Acquisition depreciation	0	-1 982
Acquisitions / new contracts	6 657	3 654
Transfer, salesand writeoffs - Acquisition cost	204	-1 125
Transfer, sales and writeoffs - Accumulated depreciation	0	551
Depreciation for the financial year	0	-5 742
Impairment Loss/Reversal	0	0
closing net value December 31, 2021	30 323	65 623
Acquisition or revalued cost netof impairment	30 323	149 268
Accumulated depreciation	0	-83 645
closing net value December 31, 2021	30 323	65 623
movements 2022		
Initial net value	30 323	65 623
Changes in perimeter - Acquisition cost	445	5 428
Changes in perimeter - Acquisition depreciation	0	-1 918
Acquisitions / new contracts	149	1 636
Transfer, salesand writeoffs - Acquisition cost	- 14	384
Transfer, sales and writeoffs - Accumulated depreciation	0	898
Depreciation for the financial year	0	-6 405
Impairment Loss/Reversal	- 660	-1 109
closing net value December 31, 2022	30 243	64 537
Acquisition or revalued cost netof impairment	30 243	155 608
Accumulated depreciation	0	-91 070
closing net value December 31, 2022	30 243	64 537

basic and transport equipment	office equipment	other tangible fixed assets	contracts with repurchase agreement	investments in progress	total
31 741	27 587	5 548	33 368	739	262 389
-24 270	-25 723	-4 900	-6 482	0	-137 847
7 472	1 865	648	26 885	739	124 542
7 472	1 865	648	26 885	739	124 542
1 450	1 941	348	127	8	10 669
-1 111	-1 856	- 312	0	0	-5 261
3 302	234	109	7 277	552	21 785
-3 496	237	472	-2 932	8	-6 632
1 312	- 209	- 269	1 279	0	2 663
-1 704	- 396	- 347	-4 053	0	-12 242
0	0	0	- 575	0	- 575
7 224	1 816	647	28 009	1 307	134 950
32 997	30 000	6 476	37 265	1 307	287 636
-25 773	-28 183	-5 829	-9 256	0	-152 686
7 224	1 816	647	28 009	1 307	134 950
7 224	1 816	647	28 009	1 307	134 950
1 034	536	294	- 96	11	7 652
- 788	- 476	- 264	0	0	-3 446
2 679	473	121	4 003	232	9 294
-1 068	-1 145	348	-7 510	- 716	-9 722
786	1 104	- 291	3 984	0	6 481
-1 985	- 484	- 302	-4 499	0	-13 675
0	0	0	428	0	-1 341
7 882	1 824	554	24 319	834	130 194
35 642	29 863	7 239	34 091	834	293 520
-27 760	-28 039	-6 686	-9 772	0	-163 326
7 882	1 824	554	24 319	834	130 194

In 2022 and 2021, the amounts disclosed in the lines "Transfers, disposals and write-offs" also include accounting reclassifications in accordance with Nors policies, namely of Investment Property due to change in the use of the assets.

3.4. investment properties

Accounting policies

Initial recognition and measurement

Investment properties, which correspond to real estate assets held to obtain income through rental or for capital appreciation, and not for use in the production or supply of goods and services or for administrative purposes, are recorded at cost and their fair value is disclosed.

Whenever the fair value of these assets is shown to be below their respective acquisition cost, an impairment loss is recorded in the year in which it is estimated, under the caption "Impairment of depreciable investments" in the income statement. When the accumulated impairment losses recorded cease to exist, they are immediately reversed by a counter-entry under the same caption in the profit and loss statement up to the limit of the amount that would have been determined, net of depreciation, if no impairment loss had been recognised for the asset in prior years. The fair value of investment properties that is subject to disclosure is determined based on property valuations performed by an independent specialised entity.

Depreciations

Depreciation is determined on a straight-line basis, as from the date the assets are in condition to be used, over a period of 20 to 50 years.

Detail of real estate assets

The Board of Directors believes that a possible change (within a scenario of normality) in the main assumptions used in the calculation of the fair value will not result in impairment losses, apart from the loss already recorded. Despite the changes in the book value, the fair value of the properties has not changed based on the valuations carried out.

		31.12.2022		31.12.2021	
		net book value	appraisal value	net book value	appraisal value
values in thousands of euros					
real estate	location				
Algarve house and land	Algarve	309	1 100	311	612
Porto warehouse	Porto	366	1 231	378	1 228
S. João da Talha building	S. João da Talha	1 927	4 891	1 997	4 891
Barreiro building and land	Barreiro	448	477	458	477
Matosinhos land	Matosinhos	2 925	2 925	2 925	2 926
Francos building	Porto	118	148	121	148
Gonçalo Cristóvão building	Porto	144	167	147	167
Warehouse Moreira da Maia	Maia	268	425	557	2 126
Brito Capelo offices	Matosinhos	935	968	929	967
Ovar Factory Building and Land	Ovar	2 331	5 801	2 430	5 880
Monte dos Burgos garages	Porto	10	13	10	13
total		9 782	18 146	10 264	19 436

The fair value of investment properties that are subject to disclosure at December 31, 2022 and 2021 was determined through a real estate evaluation carried out by the an expert evaluator who used the arithmetic average of the results of the market comparison method and the costs method.

Operating income and expenses

During the year ended December 31, 2022 and 2021, operating income and expenses directly associated with investment properties were as follows:

values in thousands of euros	2022	2021
Rent and other income	864	894
Depreciation	- 244	- 267
Maintenance and repairs	- 104	- 131

Movements in investment property

During the periods ended December 31, 2022 and 2021, movements in investment property, occurred as follows:

values in thousands of euros	land and natural resources	buildings and other constructions	investments in progress	total
Acquisition or revalued cost net of impairment	8 054	9 297	75	17 426
Accumulated depreciation	0	-5 716	0	-5 716
initial net value January 1, 2021	8 054	3 581	75	11 710
movements in 2021				
Initial net value	8 054	3 581	75	11 710
Acquisitions	0	37	0	37
Transfers, Disposals and Write-offs - Acquisition value	- 717	-1 448	19	-2 146
Transfers, Disposals and Write-offs - Accumulated Depreciations	0	929	0	929
Depreciation for the financial year	0	- 267	0	- 267
closing net value December 31, 2021	7 337	2 832	94	10 264
Acquisition or revalued cost net of impairment	7 337	7 886	94	15 317
Accumulated depreciation	0	-5 053	0	-5 053
closing net value December 31, 2021	7 337	2 832	94	10 264
movements in 2022				
Initial net value	7 337	2 832	94	10 264
Acquisitions	0	101	0	101
Transfers, Disposals and Write-offs - Acquisition value	- 150	- 372	-94	- 616
Transfers, Disposals and Write-offs - Accumulated Depreciations	0	276	0	276
Depreciation for the financial year	0	- 244	0	- 244
closing net value December 31, 2022	7 188	2 594	0	9 782
Acquisition or revalued cost net of impairment	7 188	7 615	0	14 802
Accumulated depreciation	0	-5 020	0	-5 020
closing net value December 31, 2022	7 188	2 594	0	9 782

In 2022 and 2021, the amounts disclosed in the lines "Transfers, disposals and write-offs" also include accounting reclassifications in accordance with Nors policies, namely to Tangible Fixed Assets due to changes in the use of the assets.

3.5. assets under right of use

3.5.1. leases from the point of view of the lessee

Accounting policies

Starting on January 1, 2019, operating leases where Nors is a lessee are recognised within the scope of IFRS 16 - Leases. During the transition, Nors opted for the modified partial retrospective approach. As such, a lease contract is based on “the right to control the use of an identified asset”. For all lease contracts, Nors recognises operating lease liabilities that reflect future lease payments, and “right of use” assets under “Assets through lease”. Exceptions to this recognition are only permitted in certain short-term leases, in contracts under 12 months whose renewal is not foreseen, and with low-value assets.

At the beginning of each contract, in order to determine its “rights of use” and its lease liability, future rentals are updated to the present time, for which fixed discount interest rates are used, taking into account the risk profile of each Nors subsidiary, its country of origin and the asset leased. These are defined for each contract following the practical procedures provided for in the standard. The main interest rate ranges in use at Nors are:

country	discount interest rate
Portugal	1.4% - 5.5%
Angola	34.9% - 36.0%
Brazil	8.6% - 15.4%
Canad	7.0% - 9.0%
Namibia	11.9% - 13.1%
Botswana	9.0% - 11.0%
Mozambique	21.8% - 23.4%

Judgements and estimates

Interest rates associated to lease assets and liabilities

Lease liabilities are initially measured based on the present value of the liabilities at that date. Subsequently, the lease liabilities are adjusted for the effect of profits, lease payments and possible changes in the lease contracts.

For the calculation of the present value of lease payments, where it is not possible to obtain the implicit interest rate, the Group uses the incremental financing rate.

The lease term is considered to be the non-cancellable lease period, taking into account the periods covered by an option to extend the lease, if it is reasonable for the Group to exercise that option. The lease term is comprised between the minimum corresponding to the non-cancellable period and the maximum corresponding to the period during which the contract is enforceable. Therefore, in determining the lease term, the Group makes judgement regarding the relevant factors that create an economic incentive to exercise the renewal or termination option.

Movements in rights of use of assets

In the periods ended December 31, 2022 and 2021, the movements in the rights of use of assets, occurred as follows:

values in thousands of euros	operating lease of buildings	operating lease of basic equipment	operating lease of vehicles	operating lease of office equipment	total
Acquisition or revalued cost net impairment	62 440	1 292	12 988	2 110	78 831
Accumulated depreciation	-16 181	- 476	-5 149	- 757	-22 563
initial net value January 1, 2021	46 259	817	7 839	1 353	56 268
movements in 2021					
Initial net value	46 259	817	7 839	1 353	56 268
Translation differences - Acquisition cost	3 247	31	955	0	4 233
Translation differences - Accumulated depreciation	-1 000	- 13	- 405	0	-1 418
Increases	6 532	0	904	2 007	9 442
Decreases and other regularizations - Acquisition cost	186	97	48	-1 712	-1 381
Decreases and other regularizations - Accumulated depreciation	964	- 178	1 127	137	2 049
Depreciation for the financial year	-10 027	- 56	-3 029	- 565	-13 676
closing net value December 31, 2021	46 161	697	7 438	1 220	55 517
Acquisition or revalued cost net impairment	72 405	1 420	14 895	2 405	91 125
Accumulated depreciation	-26 243	- 723	-7 457	-1 185	-35 608
closing net value December 31, 2021	46 161	697	7 438	1 220	55 517
movements in 2022					
Initial net value	46 161	697	7 438	1 220	55 517
Translation differences - Acquisition cost	1 484	128	- 41	0	1 571
Translation differences - Accumulated depreciation	- 434	- 67	- 7	0	- 509
Increases	8 550	0	4 137	1 314	14 001
Decreases and other regularizations - Acquisition cost	-6 344	742	-4 152	-1 040	-10 794
Decreases and other regularizations - Accumulated depreciation	3 663	- 215	4 179	277	7 904
Depreciation for the financial year	-10 979	- 208	-3 188	- 575	-14 951
closing net value December 31, 2022	42 100	1 076	8 366	1 196	52 738
Gross Value	76 094	2 290	14 839	2 680	95 903
Accumulated depreciation	-33 994	-1 214	-6 473	-1 483	-43 165
closing net value December 31, 2022	42 100	1 076	8 366	1 196	52 738

3.6.depreciation, amortization and impairment losses on non-financial assets

Depreciation, amortization and impairment expenses on non-financial assets in 2022 and 2021 were as follows:

nature	note	2022	2021
Depreciation of intangible assets	3.2	- 839	- 708
Depreciation of tangible fixed assets	3.3	-13 675	-12 242
AFT impairment losses	3.3	-1 341	- 575
Depreciation of Investment Property	3.4	- 244	- 267
Depreciation of Assets under Right of Use	3.5	-14 951	-13 676
Rental fleet depreciations	4.1.2.	-9 378	-12 167
total		-40 427	-39 635

3.7.financial holdings

Accounting policies

Financial investments in associates and joint ventures are recorded using the equity method and are included in the dconsolidated statement of financial position under the caption "Investments in associates and joint ventures".

When impairment triggers exist, financial investments in associates and joint ventures are subject to impairment testing. A loss is recognized in the income statement for the amount by which the asset's carrying amount exceeds its recoverable amount, the recoverable amount being the higher of the fair value of the investment less costs to sell and its value in use. Impairment losses on financial investments in associates are reversible.

For periods ending December 31, 2022 and 2021, the item breaks down as follows:

values in thousands of euros	% effective participation	31.12.2022	31.1.2.2021
Grupo Ascendum	50.00%	133 108	100 139
Sotkon Anadolu	50.00%	100	109
Groupauto Portugal & Palop	50.00%	265	231
total		133 473	100 478

The movements registered between the two periods are the following:

values in thousands of euros	2022	2021
balance on January 1	100 478	80 750
Share of profit (loss)	39 740	21 158
Distributed profits	-10 000	-4 000
Other movements in equity	3 255	2 570
balance on December 31	133 473	100 478

In the year of 2022, the main indicators of the companies entering by the equity method are:

values in thousands of euros	share capital (local currency)	working currency	assets	equity	turnover	net profit	% group
Grupo Ascendum	15 000	EUR	661 950	267 848	1 201 622	80 387	50.0%
Groupauto Portugal & PALOP - GPLP	25	EUR	1 353	530	943	68	50.0%
Sotkon Anadolu	50	TRY	219	200	118	39	50.0%

4. working capital

4.1. inventories

Accounting policies

Goods and raw materials, by-products and consumables

Goods and raw materials, by-products and consumables are valued at the lower out of the acquisition cost and the respective net realisable value (estimate of its selling price less the costs incurred with the disposal).
Equipment that was, or is, under short-term rental contracts (less than 1 year) during the year are considered to be available for immediate sale, and are included in the balance sheet under “Inventories” at the net book value.
Such equipment is depreciated based on the production units method, as this best reflects its specific wear and tear. The expenses of this depreciation are shown in the income statement under "Depreciation, amortization and impairment losses on non-financial assets".

Finished and semi-finished products and works in progress

Finished and semi-finished goods, as well as products and works in progress are valued at production cost, which is lower than the market value.
Production costs include the cost of the incorporated raw materials, direct labour, general manufacturing expenses and services carried out externally.

Impairment

Accrued impairment losses for depreciation of inventories reflect the difference between the acquisition or production cost and the market net realisable value of the inventories.
In the case of Inventories, impairment losses are calculated based on market values and on various inventory turnover indicators, which are subsequently reviewed and adjusted by the departments responsible, so as to ensure that the value of the inventories does not exceed their net realisable value.

Judgements and estimates

With regard to recoverability, the Group was obliged to temporarily close points of sale during the lockdown in 2020 and 2021, and therefore immediately adapted the level of orders of goods, avoiding the accumulation of stocks in the value chain and preserving its working.

The group believes that compared to the margins practised during the pandemic, the net realisable value of its inventories is higher overall than their book value, impairments having been created on inventories following the group’s accounting policies, without the need to significantly reinforce them during 2021 and 2022.

4.1.1. inventories – detailed by nature and impairment

In the periods ended December 31, 2022 and 2021, inventories were broken down as follows:

values in thousands of euros	31.12.2022	31.12.2021
Raw materials, by-products and consumables	18	3
Works in progress	5 656	4 475
Goods	268 305	236 237
Accumulated impairment losses (note 4.3)	-9 998	-11 797
total	263 982	228 918

4.1.2. cost of goods sold and materials consumed

In the periods ended December 31, 2022 and 2023, the cost of goods sold and materials consumed were broken down as follows:

values in thousands of euros	2022	2021
Initial inventories	236 240	240 759
Rental fleet depreciations	- 9 378	- 12 167
Net purchases	1 195 183	787 994
Closing Inventories	268 323	236 240
cost of goods sold and materials consumed	1 153 721	780 347
Change in production inventories	- 283	50
total	1 153 438	780 396

4.2. accounts receivable

At December 31, 2022 and 2021, this item had the following composition:

values in thousands of euros	31.12.2022	31.12.2021
non-current asset		
Other accounts receivable	106	239
	106	239
current asset		
Clients	86 935	68 968
Other accounts receivable	35 997	28 290
Deferral assets	4 105	5 310
	127 037	102 568
total	127 143	102 807

Accounting policies

Clients and other accounts receivable

Non-interest-bearing accounts receivable are recorded according to their nominal value, less any impairment losses so that they reflect their present net realisable value. These amounts are not discounted, as the effect of being financially updated is not considered to be material.

Deferrals

Nors recognizes expenses on an accrual basis, regardless of their payment. At the end of each period, expenses already paid but which should only economically affect the following period(s) are deferred under this heading.

Impairment of clients and other debtors

As far as the recoverability of trade balances and other amounts receivable are concerned, impairment losses are recorded based on the simplified model provided for in IFRS 9, recording the expected losses until maturity. In order to measure the estimated losses, balances are aggregated based on shared credit risk characteristics as well as days past due. The group periodically assesses expected credit losses and the impacts on all financial assets measured at amortized cost.

Nors follows the simplified approach to calculate impairment related to customers and other debtors. Under the simplified approach, an entity measures impairment

losses at an amount equal to lifetime expected credit losses for receivables arising from transactions within the scope of IFRS 15, and which do not contain a significant financing component. For receivables that have a significant financing component it is also Nors' option to apply the simplified approach. Expected credit losses are a probability-weighted estimate of credit losses. A credit loss is the difference between the cash flows that are due to an entity under the contract and the cash flows that the entity expects to receive discounted at the original effective interest rate. Because expected credit loss considers the amount and timing of payments, a credit loss arises even if the entity expects to receive in full but after the contractually defined timing.

Nors considers unpaid balances after 180 days from the agreed collection date to be in default and uses two levels to recognize impairments:

Specific impairment

Recognised in relation to cases in litigation, namely cases where collection relies on the intervention of third parties external to Nors (lawyers and similar agents), including in these cases those which are already in court, due to dispute or insolvency. The specific impairment is recognised on the total balance due by the third party, only excluding the amounts covered by credit insurance and/or real guarantees.

Generic impairment

When calculating generic impairments third-party balances are excluded, namely Nors companies (parent company; subsidiaries; associates; other related parties), Financial Entities (lessors and banks), Nors employes, third parties with an overall creditor balance (for example, advances), and values covered by credit insurance and/or real guarantees

To estimate credit losses to customers, contractual assets, and amounts receivable from leases, not included in the specific impairment, Nors uses the following intervals:

- not overdue;
- 30 days overdue;
- 31-60 days overdue;
- 61-90 days overdue;
- 91 -180 days overdue;
- More than 180 days overdue.

For the “not overdue”, to “91 - 180 days overdue” periods, the values ascertained for 2022 for Nors led to an impairment percentage of 0% being applied on the book value.

4.2.1. customers

In the periods ended December 31, 2022 and 2021, the customers item breaks down as follows:

values in thousands of euros	31.12.2022	31.12.2021
Customers, current account	90 161	72 616
Customers, bills of exchange receivable	958	830
Accumulated impairment losses on customers (note 4.3)	-4 184	-4 478
total	86 935	68 968

The amounts shown in the statement of financial position are net of accrued impairment losses that were estimated by Nors in accordance with the accounting policy adopted and disclosed, as well as on the assessment of the climate and economic environment at the date of the statement of financial position. Credit risk concentration is limited as the customer base is wide and not inter-related. The Board of Directors believes that the book values of trade accounts receivable is close to their fair value, hence it is considered that the credit risk does not exceed the recorded impairment losses.

Impairment losses at December 31, 2022 can be allocated to customers with doubtful debts, corresponding to customers for whom the group has turned to legal support (internal or external) for their recovery. The group assessed the current exposure to credit risk and the possible impact of future economic forecasts, and concluded that the impact of this component is small.

The amounts of trade balances recorded in assets are not influenced by advances made for acquiring services/goods, which are presented in liabilities in the item “Other accounts payable (customer advances)” and which at December 31, 2022 and 2021, amount to 59 826 thousand Euros and 48 691 thousand Euros respectively (note 4.4.2).

4.2.2. other accounts receivable

At December 31, 2022 and 2021, this item had the following composition:

values in thousands of euros	31.12.2022	31.12.2021
Advances to suppliers	4 670	2 429
Value Added Tax	4 781	4 136
Other balances with State and other public entities	7 855	4 647
Bonus receivable	3 424	3 214
Accrued Income	4 431	3 958
Other debtors	10 996	10 217
Impairment losses (note 4.3)	- 53	- 72
total	36 103	28 529

Impairment losses at December 31, 2022 and 2021 can be allocated to others debtors with doubtful debts, corresponding to third-party balances for whom the group has turned to legal support (internal or external) for their recovery. “Other balances with the State and other public bodies” corresponds to tax balances receivable/deductible by Nors entities in the various countries where they operate, other than value added tax and income tax for the year.

4.2.3. deferrals

At December 31, 2022 and 2021, this item in Assets had the following composition:

values in thousands of euros	31.12.2022	31.12.2021
Insurances to be recognized	535	313
Interests to be recognized	30	25
Other expenses to be recognized	3 540	4 972
total	4 105	5 310

The balance of other expenses to be recognised relates to deferred invoices awaiting credit notes, sickness allowance and rentals to be recognised in short-term contracts.

4.3. accrued impairment losses

In the periods ended December 31, 2022 and 2021, the movements under the accumulated impairment losses heading are broken down as follows:

values in thousands of euros	2022			2021		
	customers	other debtors	inventories	customers	other debtors	inventories
opening balance	4.478	72	11.797	4.117	120	13.806
Translation differences	70	3	153	169	5	771
Increases	1.894	185	1.792	1.202	33	3.135
Reversals	-2.027	-41	-1.814	-1.304	-101	-1.249
Uses/adjustments	-231	-166	-1.930	295	16	-4.666
end balance	4.184	53	9.998	4.478	72	11.797

Impact on results (reinforcement and reversals):

values in thousands of euros	2022	2021
Inventory impairment (reinforcement/reversals)	- 22	1 886
Impairment of accounts receivable (clients and other debtors) (increase/reversal)	11	- 171

4.4. accounts payable

In the periods ended December 31, 2022 and 2021, accounts payable break down as follows:

values in thousands of euros	31.12.2022	31.12.2021
Suppliers	228 693	167 251
Other accounts payable	126 471	111 895
Deferrals Liabilities	5 532	5 629
total	360 696	284 775

Accounting policies

Suppliers

The balance of suppliers is initially recorded at fair value and subsequently measured at amortized cost.

Other accounts payable

Debts to third parties that do not bear interest are recorded at their nominal value as the effect of financial activity is not considered material.

4.4.1. suppliers

At 31st December 2022 and 2021, this item was composed of current supplier balances payable, which are all due in the short term.

On these dates, the aggregate balance of the item suppliers was not affected by payment plans that incorporated interest payment and so the financial risk related to changes in interest rates here is residual.

Advances to suppliers are presented in Assets, in the item “Other accounts receivable” (note 4.2.2).

4.4.2. other accounts payable

At December 31, 2022 and 2021 this item had the following composition:

values in thousands of euros	31.12.2022	31.12.2021
Advances from customers	59 826	48 691
Withholding of income taxes	983	733
Value added tax	15 703	12 004
Contributions to Social Security	1 424	1 184
Other balances with State and other public entities	4 191	2 183
Investment providers	1 261	808
Remunerations and expenses	15 862	13 308
Accrued interest expenses	451	423
Accrued bonus expenses	1 607	1 142
Operating costs payable	217	443
Other creditors due to additional expenses	14 242	14 222
Other creditors	10 704	16 754
total	126 471	111 895

The value of "Advances from Customers" is directly related to advance payments from customers to guarantee future deliveries of vehicles and equipment, and are due in a period of less than 12 months.

4.4.3. deferrals

In the periods ended December 31, 2022 and 2021, the liability item related to deferrals is broken down as follows:

values in thousands of euros	31.12.2022	31.12.2021
Sales to be recognized	612	24
Other income to be recognized	4 616	5 337
Margin to be recognized - contracts with repurchase agreement	304	267
total	5 532	5 629

5. capital and funding

Nors' capital structure, determined by the proportion of equity and net debt, is managed in order to ensure the continuity and development of its operating activities, maximize shareholder return and optimize financing costs. The Group periodically monitors its capital structure, identifying risks, opportunities and the necessary adjustment measures to achieve these objectives.

5.1. equity

5.1.1. share capital

At December 31, 2021, the capital of Nors , S.A, which is fully subscribed and paid up, is 30 million Euros (30,000,000 shares with a nominal value of 1 (one) euro).

Identification of the corporate entities with more than 20% of the subscribed capital is as follows:

company and registered office	no. of shares	nominal value	percentage of capital
Prime Jervell Holding - Consultoria e Gestão, S.A. registered offices: Largo do Terreiro, n.º4 4050-603 Porto	18 801 000	1.00 €	62.80%
CADENA - S.G.P.S., LDA. registered offices: Rua Azenha de Cima, 141 4460-250 Matosinhos	8 700 000	1.00 €	29.00%

5.1.2. earning per share

Accounting policies

Earnings per share may be expressed from a “basic earnings” or “diluted earnings” point of view.

Basic earning

Basic earnings per share is calculated by dividing the profits or losses for the year by the weighted average number of ordinary shares in circulation during the period.

Diluted earning

Diluted earnings per share is calculated by dividing the profits or losses for the year by the weighted average number of ordinary outstanding shares during the period, adding the number of ordinary shares that can be issued, as a result of converting other instruments issued by the entity.

Earning per share is disclosed below:

	2022	2021
Net income for the period	115 527 986	45 550 294
Average number of ordinary shares	30 000 000	30 000 000
basic earning per share	3.85	1.52

During 2022 and 2021 there were no movements in the issuance, reduction or cancellation of shares, so the average number of ordinary shares outstanding during the year was 30,000,000. Nor has there been any issuance or redemption of any instruments that may be convertible into common shares. There are no shares with special and/or limited rights.

5.1.3. dividends

In accordance with the decision at the General Partners Assembly (May 27, 2022) this year dividends were paid through the distribution of free reserves in the total amount of 18, 000 thousand Euros.

5.1.4. legal reserve

Portuguese commercial legislation establishes that at least 5% of the annual net income of each company, ascertained in their individual accounts, must be used to reinforce the legal reserve until the latter represents at least 20% of the share capital. This reserve is not distributable unless the company is liquidated, but it may be used to absorb losses after other reserves are depleted or incorporated into capital. The sum shown in the Financial Position corresponds to the Legal Reserve of Nors , S.A.

5.1.5. adjustments to financial assets

Adjustment to financial assets covers variations from applying the equity method to the company's affiliates. This reserve cannot be distributed to the partners.

5.1.6. retained earnings and other reserves

This item includes translation reserves that reflect the exchange rate variations that occurred in the transposition of the financial statements of subsidiaries in a currency other than the Euro. Reserves available for distribution to the partners are ascertained based on the Individual Financial Statements of Nors , S.A.

5.1.7. non-controlling interests

In the periods ended December 31, 2022 and 2021, the movements in non-controlling interests occurred as follows:

values in thousands of euros	2022	2021
opening balance at January 1	11 851	15 071
Income for the year attributable to non-controlling interests	1 359	-15
Dividends distributed	-2 169	-3 779
Impact of exchange rate variations	722	1 010
Other changes in equity in associated companies	-125	-437
closing balance at December 31	11 639	11 851

Information on the affiliates that contribute to Non-Controlling Interests can be found in note 10.1. Of the balance on December 31, 2022, the most relevant amount refers to Auto-Sueco Angola (10, 070 thousand Euros).

5.2. obtained loans

Accounting policies

Loans are recorded in liabilities according to their nominal value less the transaction costs that are directly attributable to the issue of those liabilities. Financial charges are calculated according to the effective interest rate and accounted for in the income statement for the period in accordance with the principle of accrual accounting.

The effective interest rate is the rate that discounts future payments over the expected life of the financial instrument to the net carrying amount of the financial liability.

At December 31, 2022 and 2021, the item “Loans Obtained” is broken down as follows:

values in thousands of euros	31.12.2022			31.12.2021		
	current	non-current	total	current	non-current	total
Commercial paper	0	14 507	14 507	5 750	61 765	67 515
Secured current accounts	2 420	0	2 420	9 174	0	9 174
Bank loan	2 913	80 600	83 513	4 000	26 600	30 600
Bond loan	12 500	6 250	18 750	12 500	12 500	25 000
Bank overdrafts	556	0	556	144	0	144
Commercial credit lines	409	0	409	23 691	0	23 691
Other financing obtained	46	80	126	217	152	369
total	18 845	101 437	120 281	55 476	101 017	156 493

For Commercial Paper Programs, repayment is considered on the date of termination regardless of the terms for which they are contracted.

The debenture loan has the following conditions:

- Amount: 25 million Euros
- Date of the contract and subscription: March 12, 2020;
- Coupon: Euribor 6 months + spread
- Maturity: 2023 with amortization of 12,500 thousand Euros and 2024 with amortization of 6,250 thousand Euros.

As of December 31, 2022, the maturity of non-current financing obtained is as follows:

values in thousands of euros	2024	2025	2026+	total
Commercial paper	7 435	7 072	0	14 507
Bank loan	4 000	9 000	67 600	80 600
Bond loan	6 250	0	0	6 250
Other financing obtained	49	17	13	80
total	17 734	16 089	67 613	101 437

At December 31, 2022, Nors had 478,078 thousand Euros available in credit lines allocated as follows:

values in thousands of euros	contracted plafond	available plafond
Commercial paper	138 083	123 576
Secured current account	19 700	17 280
Bank loan	83 513	0
Bond loan	18 750	0
Bank overdrafts	33 157	32 601
Commercial lines of credit	305 029	304 621
Other financing obtained	126	0
total	598 359	478 078

5.3. lease liabilities

Accounting policies

At the inception of the lease, the Group recognizes lease liabilities measured at the present value of the future lease payments, which include fixed payments less lease incentives receivable, variable lease payments, and amounts expected to be paid as a guaranteed residual value. Lease payments also include the exercise price of purchase or renewal options reasonably certain to be exercised by the Group or payments of lease termination penalties if the lease term reflects the Group's option to terminate the lease. In calculating the present value of future lease payments, the Group uses an incremental financing interest rate if the interest rate implicit in the lease is not readily determinable. Subsequently, the value of lease liabilities is increased by the amount of interest and decreased by the lease payments.

As a result of the application of IFRS 15 and IFRS 16, the obligations related to repurchase agreements and right-of-use asset leases as of December 31, 2022 and 2021 are broken down as follows:

values in thousands of euros	31.12.2022	31.12.2021
Contracts with repurchase agreement	24 457	28 574
Operating leases	56 211	58 222
liabilities through leasing	80 668	86 796
current liabilities	21 824	23 776
non-current liabilities	58 844	63 020

The recognition obligations for future years on December 31, 2022 and 2021, respectively, are broken down as follows:

5.3.1. landlord's perspective (note 2.1.2)

values in thousands of euros	31.12.2022				31.12.2021			
	deferred rent	deferred interest	repurchase price	total	deferred rent	deferred interest	repurchase price	total
2023	3 553	- 225	4 380	7 709	4 253	- 287	5 862	9 829
2024	2 279	- 140	8 052	10 190	2 832	- 197	5 703	8 338
2025	1 222	- 66	4 341	5 497	1 747	- 121	3 976	5 601
2026	259	- 13	424	670	717	- 49	4 092	4 761
2027+	194	- 4	201	391	17	- 1	28	45
total	7 507	- 448	17 398	24 457	9 566	- 655	19 662	28 574

5.3.2. tenant perspective

values in thousands of euros	31.12.2022			31.12.2021		
	deferred rent	deferred interest	total	deferred rent	deferred interest	total
2023	16 219	-3 314	12 905	15 939	-3 658	12 281
2023-2027	38 954	-6 629	32 325	39 658	-7 489	32 169
2028+	11 968	-987	10 981	15 350	-1 578	13 772
total	67 141	-10 930	56 211	70 947	-12 725	58 222

5.4. cash at bank and in hand and debt instruments

5.4.1. cash at bank and in hand

Accounting policies

The amounts included in the heading “Cash at bank and in hand” correspond to the values in cash, bank deposits, term deposits and other treasury investments with a maturity of less than three months, and which may be immediately mobilizable with an insignificant risk of a change in value.

In the periods ended December 31, 2022 and 2021, cash and bank deposits were broken down as follows:

values in thousands of euros	31.12.2022	31.12.2021
Cash	215	356
Bank deposits	113 845	66 320
total	114 061	66 675

Explanations on the items in the Statement of Cash Flows is summarised in the table below:

item	source of flow
Other receipts/payments	Payments of Withholding Tax Payments of Social Security Contributions Withheld Valued Added Tax Payments and Receipts Receivables from Real estate Rents Compensation Claims

Payments in Financial Investments in 2022 relate to the acquisition of Angolan Government Treasury Bonds.

The receipts in Financial Disinvestments relate to Angolan Government Treasury Bonds which reached maturity during the period.

Dividends of 10,000 thousand Euros in 2022 and 4,000 thousand Euros in 2021 were received from the affiliate Ascendum, SA.

5.4.2. debt instruments

Accounting policies

Debt instruments at amortised cost

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

- The asset is held to receive contractual cash flows;
- The contractual cash flows of the asset represent solely principal and interest payments.

Financial assets included in this category are initially recognised at fair value and subsequently measured according to the amortised cost.

At December 31, 2022 and 2021, Nors held investments classified in this category, corresponding to Angola State Treasury Bonds accepted for trading on the Angola Securities Exchange (BODIVA), which have been acquired since 2016.

The balance of the item "Debt instruments at amortized cost" corresponds to Angolan Treasury Bonds with the purpose of holding them until maturity.

Movements recorded between the two periods are as follows:

values in thousands of euros	2022	2021
balance at January 1	9 366	10 037
Acquisitions in the fiscal year	12 689	0
Exchange variation	269	913
Divestments	-8 232	-1 583
balance at December 31	14 092	9 366

The lines currently held are set to mature in 2023.

5.5. cash flow from funding activities

5.5.1. financing obtained

The movements in the item financing obtained occurred as follows:

values in thousands of euros	2022	2021
balance at January 1	156 493	208 200
Exchange effect	195	5 822
Receivables from funding activities	191 037	127 717
Payments from funding activities	-227 444	-185 246
closing balance at December 31	120 281	156 493

5.5.2. lease liabilities

The movements in the lease liabilities item occurred as follows:

values in thousands of euros	2022	2021
balance at January 1	86 796	86 549
Exchange effect	1 248	3 000
Lease payments	-17 827	-16 443
Interest for the period for updating lease liabilities	4 171	4 324
New lease contracts	14 001	9 442
Termination of contracts and other regularizations	-7 721	-76
closing balance at December 31	80 668	86 796

5.6. income from financial activity

Accounting policies

Financial charges related to loans obtained (interest, premiums, ancillary costs and interest on finance leases) are recognised as an expense in the income statement for the period in which they are incurred, according to the principle of accrual accounting. Should they relate to qualifying assets, the financial charges will be duly capitalised as defined in the applicable IFRS standards.

In the periods ended December 31, 2022 and 2021, income from financial activities is broken down as follows:

values in thousands of euros	2022	2021
Interest and similar income obtained	2 810	1 554
Interest in bank loans - Commercial Paper	-1 308	-993
Interest Borrowings - Bonds	-293	-317
Interest Borrowings - Other	-3 502	-4 251
Interest from Leases	-21	-23
Interest from Leases - Repurchase agreements	-304	-319
Interest from Leases - Leases per IFRS 16	-4 171	-4 324
Capital Investment Tax	-891	-623
Taxes and other financial charges incurred	-2 917	-2 832
total	-10 597	-12 128

6. income tax

6.1. income tax for the period

Accounting policies

Income tax for the year is calculated based on the taxable results of the companies included in the consolidation, according to the tax rules in force in the location of the registered office of each Nors company, and considers deferred taxation. Current income tax is calculated based on the taxable results of the companies included in the consolidation. Whenever available, income tax for the year is calculated based on the tax regimes for groups of companies. Nors has a Special Regime for Taxation of Groups of Companies ("RETGS") based in Portugal, which is integrated by the companies headquartered in this country and directly and indirectly held by Nors, S.A. in more than 75%. The remaining Nors' companies headquartered abroad or which do not comply with the rules for participating in similar schemes are taxed on an individual basis and in accordance with the applicable legislation.

Uncertain tax positions

The amount of the estimated assets and liabilities recorded associated with tax processes arise from the Group's assessment with reference to the statement of financial position date regarding potential differences of understanding with the Tax Authorities. Regarding the measurement of uncertain tax positions, the Group takes into consideration the provisions of IFRIC 23 - "Uncertainty over income taxes", namely in measuring the risks and uncertainties in defining the best estimate of expenditure required to settle the liability, by considering all the possible controlled outcomes and associated probabilities.

6.1.1. tax recognized in the income statement

In the periods ended December 31, 2022 and 2021, the tax rates used for tax purposes were as follows:

country of origin of branch	2022	2021
Portugal	21%-24.5%	21%-24.5%
Angola	25.0%	25.0%
Brazil	34.0%	34.0%
Spain	20.0%	20.0%
Canada	25%-30%	25%-30%
France	26.5%	26.5%
Namibia	34.0%	34.0%
Botswana	22.0%	22.0%
Mozambique	32.0%	32.0%

Income tax for the year in the periods ended December 31, 2022 and 2021 is broken down as follows:

	2022	2021
Current tax	-31 556	-14 682
Deferred tax	3 395	2 450
total	-28 161	-12 232

The effective tax rate per country is:

	portugal	brazil	canada	angola	other	total
Positive income before tax	56 491	50 086	26 658	28 811	2 429	164 475
Tax for financial year	3 174	-16 668	-7 000	-5 280	- 521	-26 296
Effective tax rate	-6%	33%	26%	18%	21%	16%
Negative income before tax	-17 969	- 1	- 577	-1 678	- 561	-20 786
Tax for financial year	-85	6	0	- 7	-1 778	-1 864
Effective tax rate	0%	490%	0%	0%	-317%	-9%
Income before tax	38 522	50 085	26 081	27 133	1 868	143 689
Tax for financial year	3 089	-16 662	-7 000	-5 288	-2 299	-28 161
Effective tax rate	-8%	33%	27%	19%	123%	20%

6.1.2. tax recognized in the statement of financial position

In the periods ended December 31, 2022 and 2021, the items break down as follows:

values in thousands of euros	31.12.2022	31.12.2021
Income tax recoverable	2.361	1.451
Income tax payable	11 635	4 820

6.2. deferred tax

Accounting policies

Deferred taxes are calculated based on the statement of financial position liability method and reflect the temporary differences between the amount of assets and liabilities for the purpose of accounts reporting and the respective amounts for the purpose of taxation. Deferred tax assets and liabilities are not recognised when the temporary differences arise from Goodwill or from the initial recognition of assets and liabilities other than through business combination operations. Deferred tax assets and liabilities are calculated and evaluated annually using the taxation rates in force, or announced as being in force, at the expected date of reversal of the temporary differences. Deferred tax assets are only recorded when there are reasonable expectations of enough future tax profits for their use, or where there are taxable temporary differences that offset the temporary differences that are deductible in the period of their reversal. At the end of each financial year, a review of those deferred taxes is made, and these are reduced whenever their future use is no longer probable. Deferred taxes are recorded as an expense or income for the year, except if they are the result of items recorded directly in equity, in which case the deferred tax is also recorded against the same item.

6.2.1. deferred tax assets

values in thousands of euros	reporting tax losses	provisions and adjustments not accepted as tax costs	other	total
January 1, 2021	4 593	4 187	320	9 100
Exchange rate variation	12	514	0	526
Perimeter variation	0	-1.695	0	-1 695
Impact on income statement	1 399	1 112	516	3 028
Other Adjustments	0	127	- 127	0
December 31, 2021	6 004	4 246	708	10 959
Exchange rate variation	122	265	0	386
Perimeter variation	0	-218	0	- 218
Impact on income statement	- 581	3 458	768	3 645
Other Adjustments	- 13	- 638	389	- 261
December 31, 2022	5 532	7 113	1 866	14 511

The tax carryforward that gave rise to deferred tax assets as of December 31, 2022 is broken down as follows:

values in thousands of euros	portugal		brazil		spain		france		total	
	base	dta	base	dta	base	dta	base	dta	base	dta
2009					1 224	294			1 224	294
2010							285	71	285	71
2011							181	45	181	45
2012					882	212	262	65	1 144	277
2013			785	267	833	200			1 617	467
2014	1 551	326			398	96	68	17	2 017	438
2015			98	33	171	41	31	8	300	82
2016					180	43			180	43
2017			109	37	15	4			124	41
2018			1 226	417					1 226	417
2019	9 686	2 034	715	243					10 401	2 277
2020	600	126							600	126
2021	4 435	931			83	20			4 518	951
2022							11	3	11	3
balance in 31.12.2022	16 271	3 417	2 933	997	3 785	908	838	210	23 828	5 532
balance in 31.12.2021	18 591	3 904	3 255	1 107	3 872	774	827	219	26 544	6 004

6.2.2. deferred tax liabilities

values in thousands of euros	deferral of capital gains taxation	effect of fair value appreciation on land	other	total
January 1, 2021	416	1 909	1 332	3 151
Exchange rate variation	-	-	52	52
Impact on Income statement	(0)	-21	598	577
December 31, 2021	416	1 888	1 982	4 286
Exchange rate variation	-	-	147	147
Impact on Income statement	(0)	-28	278	250
December 31, 2022	416	1 860	2 408	4 683

Pursuant to the legislation in force in Portugal, losses from 2014 to 2016 can be reported for 12 years. Losses generated in 2017 and the following years can be reported for 5 years. Under the Covid-19 measures, the Portuguese government increased all these periods by 2 years.

In light of the State Budget for 2013, as from that year, deduction of tax losses is limited to 70% of the value of the taxable profit ascertained in the period in question, regardless of the period in which the tax loss was ascertained.

Pursuant to the legislation in force in Spain (Basque Country), tax losses generated between 2008 and 2017 can be reported for a period of fifteen years. Deduction of tax losses is limited to 50% of the value of the taxable profit ascertained in the period in question, regardless of the period in which the tax loss was ascertained.

In France, tax losses have no limited period of use.

In Brazil, tax losses have no limited period of use, although there is a yearly deduction limit of 30% of the taxable profit ascertained in the period in question.

In Angola, tax losses can be reported for a period of 3 years.

Nors’ companies based in Portugal, in which Nors S.A. directly or indirectly owns more than 75%, are taxed for Corporation Tax in accordance with the “RETGS” (Special Tax Regime for Groups of Companies), provided for in articles 69 and the following articles of the IRC (Portuguese Corporation Tax) Code. For taxation periods starting on or after January 1, 2017, local state tax is applied to the part of taxable profit subject to and not exempt from IRC that is in excess of 1,500 thousand Euros, with a rate of 3% up to 7,500 thousand Euros, a rate of 5% up to 35,000 thousand Euros and of 7% if it is higher than the latter amount.

According to the legislation in force, the tax declarations of Nors’ companies based in Portugal are subject to review and correction by the tax authorities for a period of four years (five years for Social Security), except when there have been tax losses, when tax benefits have been granted, or inspections, claims or other challenges are in progress, in which case, depending on the circumstances, the deadlines are extended or suspended. As such, the tax declarations of Nors’ companies since 2018 could still be subject to review.

The Board of Directors of Nors believes that any possible corrections resulting from reviews/inspections by the tax authorities on those tax declarations for the years open to inspection should not have a significant effect on the attached consolidated financial statements.

Pursuant to article 88 of the Portuguese Corporation Tax Code, companies based in Portugal are also subject to autonomous taxation on a series of charges at the rates envisaged in the above-mentioned article.

7. financial instruments and risk management

7.1. Financial risk management

The main objective of financial risk management is to support Nors in pursuing a long-term strategy, seeking to reduce unwanted financial risks, the associated volatility and trying to mitigate any negative impact on the group’s results that might arise from such risks. To this end, the group has developed a risk management methodology based on best practices, in order to ensure that there is independent and objective analysis of the organisational risks, so that they can be monitored, managed, consolidated and benchmarked between Nors’ various organisational levels.

7.1.1. exchange rate risk

Exchange rate risk management policy

Nors has international operations, with companies operating in different jurisdictions, and is, therefore, exposed to exchange rate risk. As Nors’ presence is geographically spread across various Regions and international markets, its activity is based on different currencies, and so the risk must be duly managed from a global perspective and at a central level. As such, it the exclusive responsibility of the CFO to define the preferential measures and initiatives that Nors and the Business Units and Management Structure must carry out in order to mitigate foreign exchange risk. Currencies with more significant exposure are the US dollar, the Brazilian real and the Canadian dollar. This balance sheet foreign exchange exposure is managed through natural hedging operations, namely by contracting financial debt in the currency of the place where the risk has been acknowledged. Nors’ Finance Department manages the foreign exchange variations of the companies, using greater or lesser structured financial instruments: forwards and financial debt.

Sensitivity analysis

The amount of Nors’ assets and liabilities (thousands of Euros) recorded in a currency other than the Euro, can be summarised as follows:

values in thousands of euros		assets		liabilities	
		moeda	31.12.2022	31.12.2021	31.12.2022
Brazilian Real	BRL	181 913	108 974	107 323	72 038
US Dollar	USD	145 847	139 493	68 463	67 749
Canadian Dollar	CAD	211 377	203 474	119 444	124 654
Botswana Pula	BWP	4 311	3 397	2 616	2 260
Namibian Dollar	NAD	8 651	8 316	4 755	5 287
Mozambique Metical	MZN	4 109	3 092	1 885	1 750
Angolan Kwanza	AOA	0	369	0	80
Moroccan Dinar	MAD	88	93	0	0
Cape Verde Escudo	CVE	0	0	0	0
Tanzanian Shilling	TZS	54	45	0	0
Kenyan Shilling	KES	0	0	0	0
Turkish Lira	TRY	100	109		

Assuming a foreign exchange scenario with a devaluation of 2% against the 2022 foreign exchanges of each currency, applying this to the direct contribution to Nors' financial position and Net Income in 2022, the main impacts (in thousands of Euros) can be summarised as follows:

values in thousands of euros		assets	liabilities	equity	Net foreign income
Brazilian Real	BRL	-3 567	-2 104	-1 463	- 655
US Dollar	USD	-2 860	-1 342	-1 517	- 429
Canadian Dollar	CAD	-4 145	-2 342	-1 803	- 374
Botswana Pula	BWP	- 85	- 51	- 33	- 14
Namibian Dollar	NAD	- 170	- 93	- 76	- 14
Mozambique Metical	MZN	- 81	- 37	- 44	- 9
Angolan Kwanza	AOA	0	0	0	0
Moroccan Dinar	MAD	- 2	0	- 2	0
Cape Verde Escudo	CVE	0	0	0	0
Tanzanian Shilling	TZS	- 1	0	- 1	0
Kenyan Shilling	KES	0	0	0	0
Turkish Lira	TRY	- 2	0	- 2	0

7.1.2. interest rate risk

Interest rate risk management policy

Part of Nors’ indebtedness is indexed to variable interest rates, exposing the cost of debt to volatility in the financial market.
The impact of this volatility on Nors’ income and equity is not significant due to the effect of the following factors: possible correlation between the level of market interest rates and economic growth (natural hedge) and the existence of liquidity or consolidated liquid assets at variable rates.

Sensitivity analysis

The Group uses the technique of sensitivity analysis that measures the estimated changes in results from an increase or decrease in market interest rates, with all other variables held constant. This is a purely illustrative example, since in practice market rates usually do not change in isolation.
The sensitivity analysis is based on the following assumptions:

- Changes in market interest rates affect interest income or expense of variable financial instruments;
- Changes in market interest rates affect the fair value of derivative financial instruments and other financial assets and liabilities;
- Changes in the fair value of derivative financial instruments and other financial assets and liabilities are estimated by discounting future cash flows from net present values using year-end market rates.

A 1% increase or decrease in the interest rates on which the interest on loans is calculated would have the following impact:

		2022	2021
values in thousands of euros	variation	results	results
Financing obtained	+ 1 p.p.	1 203	1 565
Financing obtained	-1 p.p.	-1 203	-1 565

7.1.3. liquidity risk

Liquidity risk management policy

Liquidity risk is defined as the risk of being unable to settle or fulfil obligations within the defined deadlines and at a reasonable price. There are three principal objectives of managing this risk at Nors:

- Liquidity: ensuring permanent, efficient access to sufficient funds to meet current payments on the respective due dates, as well as any requests for funds within the deadlines defined for that purpose, even if unforeseen;
- Security: minimising the probability of default in reimbursing any investment of funds;
- Financial efficiency: ensuring that Nors and the Business Units/ Management Structure maximise the value created and minimise the cost of the opportunity of holding short-term surplus liquidity.

Generally speaking, responsibility for the management of liquidity risk is incumbent upon Nors ’ Finance Department. However, to ensure that Nors and the Business Units/ Management Structures have liquidity, working capital management parameters have been defined, enabling the maximum return to be obtained, while minimising the associated opportunity costs in a secure and efficient manner. It is important to mention that at Nors all existing surplus liquidity must be invested in amortising short-term debt, and the most pessimistic scenario must be used as a basis for analysing the maturity of each of the liability financial instruments, so as to minimise the liquidity risk linked to these obligations.

As of December 31, 2022 and 2021, Nors has a net bank debt of 6,221 thousand Euros and 89,818 thousand Euros, respectively, divided between current and non-current loans and cash and bank deposits contracted with various institutions. As of December 31, 2022, there are outstanding credit facilities of 478,078 thousand Euros (see note 5.2). The Group has contracted loans that have associated contractual clauses that define compliance with certain financial covenants. The percentage, in terms of the balance outstanding at December 31 with financial covenants, is 72%, and at the date of the statement of financial position the Group is complying with the contracted covenants.

The main financial covenants contracted correspond to compliance with the following ratios:

- Net debt / Ebitda¹ < 4.0
- Financial Autonomy² > 27.0%

Loans in the form of commercial paper issues are classified as non-current liabilities when they are guaranteed for a period exceeding one year and it is the intention of the Group's Board of Directors to use this source of financing also for a period exceeding one year. As of December 31, 2022, Nors has current assets of 507,441 thousand Euros, which is higher than current liabilities of 413,000 thousand Euros. The Board of Directors is convinced that, given its financial and liquidity situation, the group will overcome the potential negative impacts of the context in which it operates, without calling into question the principle of continuity, applied in the preparation of these financial statements.

7.1.4. credit risk

Credit risk management policy

Credit risk refers to the risk of the counterparty defaulting on its obligations, resulting in possible losses for Nors , and so its exposure is mostly linked to trade receivables arising from operations. To cover credit risk, credit insurance or other hedging instruments can be contracted. When contracting credit insurance, the Accounts Receivable Areas of Norshare in the Regions must make an assessment of the need and the cost/benefit of contracting it, their conclusions being submitted to the Finance Department. Contracting any other hedging instruments is exclusively incumbent upon the CFO. The Board of Directors has approved a Customer and Credit Management Policy that mitigates this risk, namely in the following points:

- For all deals regarding products on credit from the commercial area, it is mandatory for the financial area of Accounts Receivable of Shared Services to analyse the credit and issue a technical opinion;
- Perform monthly impairment analyses on receivables;
- Monitor the evolution of credit at regular meetings.

¹ Net Debt equals "Financing obtained + lease liabilities - cash and bank deposits - available available financial investments".
² Financial Autonomy is equal to "Total Equity / Net Assets".

Maximum exposure to credit risk

The Group's maximum exposure to credit risk from financial assets corresponds to their net value, as follows:

values in thousands of euros	31.12.2022	31.12.2021
non-current		
accounts receivable (note 4.2)	106	239
current		
accounts receivable (note 4.2)	127 037	102 568
cash and bank deposits (note 5.4.1)	114 061	66 675
total	241 204	169 483

7.2. derivative financial instruments

Accounting policies

Nors uses derivative financial instruments when managing its financial risks, as a means of reducing its exposure to those risks. The derivative financial instruments normally used are “Foreign exchange forwards” (Cash flow hedges) and they aim to hedge the risk of foreign exchange rate variation in intra-group operations or margin protection on business with customers, as well as variable to fixed interest rate swaps, to hedge interest rate risk (Cash flow hedges).

The derivatives are initially recognised at their fair value at the date of entering into their contractual provisions and subsequently measured at their fair value. The method for recognising variations in fair value depends on whether or not that derivative is designated as a hedging instrument and, if designated, the nature of the hedged item. For each transaction, and at the time of their origin, Nors prepares documentation that justifies the relation between the hedging instrument and the item hedged, as well as the risk management objective and the strategy for the hedge transaction. Both at the date of negotiating the hedge and on an ongoing basis, Nors also documents its analysis of the efficacy with which the hedging instrument offsets the variations in fair value, or of the cash flows from the hedged instruments. According to IAS 39, the fair value of option type derivatives is separated into their intrinsic value and their temporary value, given that only the intrinsic value of these instruments may be designated as a hedging instrument. As such, the efficacy tests of the option type derivative only include the intrinsic value of these instruments. The fair value of the contracted derivatives for the purpose of hedging is presented in a specific note. Movements in the hedging reserve are presented in the consolidated

statement of changes in equity. The total fair value of a hedging derivative is classified as a non-current asset or liability when the residual maturity of the hedging instrument is more than 12 months, and as a current asset or liability when it is less than 12 months. Negotiation derivatives are classified as current assets or liabilities. Derivative instruments for which the company used hedge accounting are initially recorded according to their cost, which is the equivalent of their fair value, and are subsequently re-evaluated at fair value; the variations in the latter are recorded in “Fair Value Reserves”, in the case of cash flow hedges, in “Other reserves” in the case of foreign exchange risk hedges, in “net investment in a foreign operation” and in the income statement for the year in the case of fair value hedges. Derivative instruments for which the company has not used hedge accounting, although they were contracted with economic hedging objectives, are initially recorded according to their cost, which is the equivalent of their fair value, if any, and are subsequently reevaluated at their fair value, whose variations calculated through evaluations made by banks with whom Nors enters into the respective contracts, have a direct effect on the items of Financial income in the consolidated income statement. The Board of Directors regularly assesses Nors’ degree of exposure to various risks inherent to the activity of the different companies, namely price risk, interest rate risk and exchange rate risk. As at December 31, 2022 and 2021, the degree of exposure to the risk of variation in interest rate was considered low, taking into account that a significant part of the bank liabilities is represented by medium/long-term credit lines, with previously agreed financing terms. On the other hand, and although an increasing portion of the Consolidated Financial Position will be subject to the impacts of exchange rate variations (Euro/US Dollar, Euro/Real and Euro/Canadian Dollar), the degree of exposure was considered to be controlled by the policy followed of natural hedging through the contracting of bank loans in these currencies, especially in US dollars. As of December 31, 2022 and 2021, Nors had not negotiated any type of derivative financial instrument for exchange rate related to these currencies. However, the most recent changes in the capital market and the increased exposure of Nors' Consolidated Financial Position to exchange rate variations of the currencies mentioned above or others, may lead Nors' Board of Directors to introduce, in the short term, more derivative financial instruments in its risk management, duly adjusted to the typology of the respective risks.

7.3. debt and equity instruments

Accounting policies

Debt instruments at fair value through equity

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

- The objective of the business model is reached both through receipt of contractual cash flows and through the sale of financial assets;
- The contractual cash flows of the asset represent solely principal and interest payments.

The financial assets included in the category of fair value through equity are initially recognised and subsequently measured at fair value. Movements in the carrying amount are entered through other comprehensive income, except to recognise gains or impairment losses, income from interest and foreign exchange gains or losses, which are recognised in profit or loss. When the financial asset is derecognised, the accrued gain or loss previously recognised in other comprehensive income is reclassified as equity for the result.

Debt instruments at fair value through profit or loss

Financial assets are classified at fair value through profit or loss if they do not meet the criteria of fair value through other comprehensive income or amortised cost. This occurs when the initial objective is to recover the investment by selling the financial asset. Financial assets included in the category of fair value through profit or loss are measured at fair value with all the variations recorded in profit or loss.

Reclassifications

Reclassifications within the categories are only permitted when there are changes in the business model for financial asset management. Reclassifications are accounted for prospectively as from the date of reclassification.

Equity instruments

Investments in equity instruments (shareholdings under 20%) are measured at fair value. Equity instruments held for trading are measured through fair value, with changes in fair value accounted for in profit or loss. All other shareholdings are measured through fair value, with changes in fair value (except dividends) being accounted for in other comprehensive income. The values are not recycled from other comprehensive income to income (even when an equity instrument is sold). Accrued 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 or loss. Equity instruments at fair value through profit or loss are not subject to impairment tests. Equity instruments at fair value through equity are subject to impairment tests, and the impairment is accounted for in other comprehensive income.

7.3.1. equity instruments at fair value through capital

For the periods ended December 31, 2022 and 2021, this item breaks down as follows:

	% effective participation	31.12.2022	31.12.2021
Lince Innovation Fund	-	2 972	1 000
Grupo Auto Union Espanha GAUE SL	3.44%		
Aliance Automotive Espanha, S.L.	15.75%	565	556
Other participations	-		
total		3 537	1 556

As of December 31, 2022 and 2021, Nors holds interests in equity instruments by way of capital. Their fair value changes are not materially relevant.

7.4. financial assets and liabilities

Accounting policies

Balances and transactions expressed in foreign currency

Assets and liabilities expressed in foreign currency were converted into Euros using the exchange rates in force on the date of the statements of financial position. Favourable and unfavourable differences in foreign exchange, arising from the differences between the exchange rates in force on the date of the transactions and those in force on the date of collection, payment or on the date of the statement of financial position, are recorded as gains and losses in the consolidated income statement for the period.

In the period ended December 31, 2022, the item is detailed as follows:

financial assets	valuation method	book value
Debt instruments	Amortized cost	14 092
Other Accounts Receivable	Amortized cost	36 103
Customers	Amortized cost	86 935
Cash and Bank Deposits	Amortized cost	114 061
total		251 191

financial liabilities	valuation method	book value
Financing obtained	Amortized cost	120 281
Liabilities by Operating Lease	Amortized cost	80 668
Others accounts payable	Amortized cost	126 471
Suppliers	Amortized cost	228 693
total		556 114

Only Financial Assets - Customers and Other accounts receivable - show impairment losses, as set out in note 4.2.

Gains and losses on financial assets and liabilities are detailed as follows:

values in thousands of euros	gains/ (losses)	
	2022	2021
Accounts receivable	-11	171
Assets available for sale	0	0
Other assets at amortized cost	0	0
Cash and bank deposits	0	0
total	-11	171

Interest and similar expense for financial assets and liabilities are detailed as follows:

values in thousands of euros	gains/ (losses)	
	2022	2021
Accounts receivable	2 848	1 732
Liabilities at amortized cost	-13 828	-13 775
total	-10 980	-12 043

Exchange differences on financial assets and liabilities are detailed as follows:

values in thousands of euros	gains/ (losses)	
	2022	2021
Positive exchange rate difference	12 073	15 792
Negative exchange differences	-9 678	-12 357
total	2 395	3 436

8. operational risk management

Accounting policies

Identification of Nors’ corporate risks is incumbent upon the Board of Directors, with the advice of the Risk and Compliance Department, establishing the main risks to which the group as a whole is exposed, and defining the appropriate level of exposure of each of them. This combination is used to ascertain the organisational Risk Profile, which should guide the actions and initiatives to be adopted and implemented throughout Nors . Within this context, the main initiative carried out was the design and permanent update of Nors’ Corporate Policies. For each topic, these Corporate Policies define the main responsibilities, decisions and approvals among the Management Bodies, the Corporate Structures and the Business Units/Nors Companies.

8.1. price risk

Price risk is related to other assets and financial instruments and has additional exposure, and so the mechanisms to control or minimise it may involve using more sophisticated hedging instruments. Thus, Nors’ sensitivity and activity vis-à-vis variations in the prices of the said “held-for-sale investments” must be monitored by the Planning and Controlling Management Department and managed by the CFO, in accordance with the guidelines defined by the Board of Directors, whenever necessary.

8.2. environment risk

Environment risk arises from factors external to the company, which might affect the feasibility of its business model, jeopardising the fulfilment of the strategy and objectives. The more critical risks in this category were worked on by the Board of Directors and the action plan will be monitored and developed over time.

8.3. process and decision-making information risk

Process Risk is the risk of Nors not acquiring, managing, renewing and using the business’s assets in an efficient and effective manner. Decision-making information risk is the risk of the information used to support the execution of the business model, for internal or external reporting on performance and for continuous assessment of the business model. Process risk and information for decision-making risk will be mitigated both through actions by the Directors in each Business Unit and Company, and through the standards set out in the Corporate Policies.

8.4. information regarding the environmental area

The Nors Group adopts the necessary measures regarding the environmental area, in order to comply with the legislation in force. The Board of Directors of Nors does not consider that there are any risks related to environmental protection and improvement, having not received any administrative offenses related to this matter during the 2022 fiscal year.

8.5. organizational sustainability

Sustainable development is one of today's main concerns, which is why environmental and social issues are given importance in companies. Currently, the assertiveness of a truly universal positioning depends on the organizations' understanding of the global challenges that they face, as well as their ability to systematically identify the opportunities and risks inherent to their spheres of activity. Whether in relation to sustainable development or to the success and commercial performance of the various operations, the future performance of global entities is closely linked to an attentive and conscientious outlook. The Group's proposal within the scope of its ESG strategy mirrors a clear purpose regarding the performance of a relevant, integral and transparent role in all the relationships it fosters as an organization: with employees, customers, partners and all the stakeholders, decision-makers and agents of transformation that orbit around it. With the human dimension always at the center of each line of action, the strategy called "Sustainable Motions", brings to the company a dynamic and transversal vision about the commitment to generate value and transmit confidence to the communities impacted by Nors.

8.6. cybersecurity and information technology infrastructure

he operation of several of the Nors Group's business processes is essentially dependent on reliable Information Technology (IT) systems and infrastructure. The Group is therefore subject to possible disruptions, cyber-attacks and other types of security threats to the Group's business, which could have a detrimental impact on its operations, reputation and have a material adverse effect on its earnings and financial position. It has become increasingly complex to detect cyber-attacks and other security incidents in a timely manner and the Group focuses on seeking to investigate and manage the incidents in order to mitigate their occurrence.

Since the Nors Group depends on third parties, where significant parts of the maintenance and operations of the IT systems are subcontracted, precautions have been taken essentially at the level of the selection and ongoing management of these third parties. However, the possibility exists that events or incidents caused by vulnerabilities in its operations could cause interruption to its operations and even loss or leakage of information.

8.7. risk inherent in mergers and acquisitions, partnerships and divestitures

In addition to the Nors Group's internal work and its focus on growth, another essential branch in the execution of the group's strategy is its participation in group-wide mergers and, in particular, acquisitions, as well as in joint ventures, partnerships and other forms of cooperation. However, there is always a risk that these transactions are not entirely successful, or do not provide the expected benefits.

For example, in the case of acquisitions, there is the possibility of contingent liabilities, increased amortization expense and impairments related to goodwill and other intangible assets, and unforeseen difficulties in integrating an acquired entity. In order to mitigate this risk, Nors Group performs an analysis of potential acquisitions, business partners and joint ventures, which includes assessing the strategic need, defining the key areas to be filled, gathering and evaluating data and, finally, presenting an informed and fact-based proposal for decision making.

8.8. Human Resources risk - Lack of agility and organizational simplicity

Sometimes companies of a certain size and business diversity are subject to highly complex and inflexible structures, which can negatively affect the dynamics in decision making and, consequently, lead to a loss of opportunity. The existence of vertical and horizontal organizational structures can lead to disempowered and isolated self-focused teams, leading to long periods of decision-making processes that compromise the ability to respond to the market. Furthermore, in the presence of suboptimal team climates, there is a greater incentive for increased talent turnover and, with it, replacement costs. Nors Group aims to mitigate this lack of dynamics in decision making and organizational simplicity, through an organization based on the word agility and always with a renewed vision of the future, incorporating a participative, interventive and strategic leadership approach, where the major objectives that were at the genesis of it are clear and integrate the Group's long-term strategic vision.



9. provisions and contingencies

9.1. provisions

Accounting policies

Provisions

Provisions are recognised when, and only when, Nors has a current obligation (legal or constructive) as the result of a past event, whenever it is probable that in order to resolve that obligation, there will be an outflow of resources and the amount of the obligation may be reasonably estimated. Provisions are reviewed on the date of each statement of financial position and are adjusted so as to reflect the best estimate of the fair value at that date. Nors recognises provisions for restructuring costs whenever there is a formal, detailed restructuring plan and the latter has been communicated to stakeholders. Given the unpredictability of the timing of the reversal of the provisions and given the nature for which they are intended, Nors did not proceed to financially update them.

Each provision typology takes into consideration:

typology	description	
Provisions for taxes	provisions set up to cover additional tax assessments resulting from tax contingencies other than corporate income tax	
Provisions for guarantees to clients	disclosed the best estimates of present obligations of uncertain timing, related to guarantees provided to clients, arising from the normal flow of operations.	
Ongoing lawsuits	disclosed the best estimates of the global amount of outflows, which may occur in the future as a result of lawsuits filed in court by third parties.	
Other provisions	set of estimates of other present or constructive obligations of uncertain timing, not comprised in the above categories.	

In the periods ended December 31, 2022 and 2021, provisions were broken down as follows:
In the periods ended December 31, 2022 and 2021, the movements in provisions occurred as

financial assets	31.12.2022	31.12.2021
Taxes	0	429
Customer guarantees	668	292
Legal proceedings in progress	919	747
Other provisions	5 593	3 739
total	7 180	5 207

follows:

9.2. contingent assets and liabilities

financial assets	2022	2021
opening balance	5 207	1 750
Conversion differences	82	27
Increase	2 171	4 259
Reversals	- 400	- 33
By equity	-894	-5 238
Utilizations / Regularizations	1 013	4 442
closing balance	7 180	5 207

Accounting policies

Nors defines contingent liabilities as being (i) possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or otherwise of one or more future uncertain events, which are not fully under Nors ’ control or (ii) current obligations that arise from past events, but which have not been recognised because it is not probable that an outflow of resources incorporating economic benefits will be necessary to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are not recognised in Nors ’ financial statements, but are disclosed in the Notes to the Consolidated Financial Statements, unless there is only a remote chance of an outflow of funds affecting future economic benefits, in which case they are not even disclosed. Contingent assets are assets that might arise from past events and whose existence will only be confirmed by the occurrence or otherwise of one or more uncertain future events that are not fully under Nors ’ control. Contingent assets are not recognised in Nors ’ financial statements but are disclosed in the Notes to the Consolidated Financial Statements when it is probable that there will be a future economic benefit.

10. group structure

10.1. subsidiaries, joint ventures and associates of the Nors Group

Inclusion in the consolidation using the full consolidation method was based on IFRS 10 - "Consolidated financial statements" (control of the subsidiary through majority of voting rights or other mechanism, being the owner of the company's capital - note 1.1.5.1). For the companies that were included in the consolidation through the equity method due to the existence of shareholders' agreements that by their conditions determine the existence of joint control, the provisions of IFRS 11 - "Joint Ventures" were followed.

10.1.1. subsidiaries of the Nors Group

For the periods ended December 31, 2022 and 2021, the Group's companies, their respective headquarters and principal developed business included in the consolidation by the full consolidation method and the respective proportion of capital are as follows:

10.1.1.1. companies with registered offices based in Portugal

companies with registered offices based in Portugal	business activity	% of equity held 2021 (1) parent company	% of equity held 2022 (1) parent company
Nors, S.A. Registered offices :Rua Manuel Pinto de Azevedo, nº 711, 1º 4100 - 189 Porto	Shareholdings management in other companies	n.a.	n.a.
Amplitude Seguros - Corretores de Seguros S.A. Registered offices:Rua Brito Capelo, 97 4º A 4450-072 Matosinhos	Insurance Mediation	82.50%	82.50%
ASFC S.G.P.S., S.A. Registered offices:Rua Conde da Covilhã, 1637 4100-189 Porto	Management of shareholdings	100.00%	100.00%
Asinter - Comércio Internacional, Lda. Registered offices:Via Marechal Carmona,1637 4100 - 189 Porto	International Trade	70.00%	70.00%
ASMOVE - Consultoria e Projetos Internacionais, S.A. Registered offices: Rua Manuel Pinto de Azevedo, 711 - 2 4100-321 Porto	Import and export trade Provision of consultancy services	100.00%	100.00%
Auto-Sueco II Automóveis, S.A. Registered offices:Rua Manuel Pinto de Azevedo, 711 - 2 4100-301 Porto	Trade and Repair of vehicles	100.00%	100.00%

Civiparts - Comércio de Peças e Equipamentos, S.A. Registered offices: Rua D. Nuno Álvares Pereira, Armaz13/14/15ParqueOriente,Bobadela,1990-502 Sacavém	Trade, import and export of autoparts and provision of services	100.00%	-
Galius - Veículos, S.A. Registered offices: Rua Conde Covilhã, 1637 4100 - 189 Porto	Import, sale and After Sale of trucks and components	100.00%	100.00%
Grow - Formação Profissional, S.A. Registered offices: Rua Manuel Pinto de Azevedo, 711 - 2 4140 - 010 Porto	Vocacional Training Services	100.00%	100.00%
Imosócia – Sociedade Imobiliária, S.A. Registered offices: Rua Conde da Covilhã, 1637 4100-189 Porto	Purchase, sale,management and Administration of real estate	100.00%	100.00%
NewOneDrive, S.A. Registered offices: Parque Industrial do Seixal, 2ª Fase-Lote1, Quinta Nova 2840-068 Paio Pires	Trade in Parts and Accessories for vehicles	100.00%	100.00%
Auto Sueco Portugal, S.A. Registered offices: Rua Conde Covilhã, 1637 4149-010 Porto	Import, sale and After Sale of Volvo Trucks, Buses, Gensets,marine engines and components	100.00%	100.00%
Plurirent – Serviços de Aluguer, S.A. Registered offices: Rua Conde da Covilhã, 1637 4100-189 Porto	Purchase, sale and rental of passenger and goods vehicles without driver	100.00%	100.00%
Promotejo - Compra e Venda de Propriedades, S.A. Registered offices:Estrada Nacional 10, n.ºs 2-A e 2-B 2810-801 Almada	Purchase, sale and rental of land and buildings	100.00%	100.00%
SARI Serviços Aftermarket Região Ibéria, S.A. Registered offices: Rua Manuel Pinto de Azevedo, 4 4100-320 Porto	Provision ofmanagement support services	100.00%	100.00%
SGNT, SGPS S.A. Registered offices: Rua da Restauração, 348 Miragaia - Porto	Management of shareholdings in other companies	100.00%	-
Sotkon Portugal - Sistemas de Resíduos, S.A. Registered offices: Zona Industrial, Lote I - 27 2330-210 Entroncamento	Produção e comercialização de contentores subterrâneos para RSU	100.00%	100.00%
(1) directly and indirectly			

10.1.1.2. companies with registered offices based in other countries

companies with registered offices based in other countries	business activity	% of equity held 2021 (1) parent company	% of equity held 2022 (1) parent company
Agro New Máquinas Agrícolas, Ltda Registered offices: Rua Martinópolis nº720, Jardim Del Rey 15802-040 Catanduva, São Paulo (Brasil)	Trade, Import and Export of agricultural equipment, parts, lubricating oils and After Sales service	100.00%	100.00%
AS-Glass Angola, Lda. Registered offices: Estrada do Cacuo, Bairro Petrangol, Km 4,3, Ed.5 Município do Sambizanga, Luanda (Angola)	Trade in glass for construction	73.50%	73.50%
AS Parts Angola, Lda. Registered offices: Estrada do Cacuo, Bairro Petrangol, Km 3,4, Ed.2 Município do Sambizanga, Luanda (Angola)	Trade in parts and accessories for vehicles	98.01%	98.01%
Auto-Maquinária, Lda. Registered offices: Rua da Volvo, Bairro Candua, Município do Cacuo Luanda (Angola)	Trade, import and distribution of industrial and construction equipment, parts, tires, fuel and After Sales services	99.00%	99.00%
Nors International B. V. Registered offices: Amsteldijk 166 - 6HG 1079LH Amsterdam (Holanda)	Management of shareholdings in other companies	100.00%	100.00%
Auto Sueco Centro Oeste Concessionária de Veículos Ltda. Registered offices: RDV BR 364, Km 16,3, Distrito industrial, Cuiabá (Brasil)	Sale and After Sale of new and used trucks	100.00%	100.00%
Auto Sueco São Paulo Concessionária de Veículos Ltda. Registered offices: Av. Otaviano Alves de Lima, Nº4694 029.0001-000 São Paulo (Brasil)	Sale and After Sale of new and used trucks and buses	100.00%	100.00%
Auto-Sueco (Angola), S.A.R.L. Registered offices:: Av. 4 de Fevereiro, 95-3º, Apartado 34, Luanda (Angola)	Import, trade, and distribution of Volvo products	79.90%	79.90%
Auto-Sueco Kenya, Ltd. Registered offices:: Plot 1.2080 - Units 6 & 7 Apex Business Centre, Mombasa Rd, Industrial Area, Nairobi (Quénia)	Import, export, sale of motor vehicles, industrial equipment, engines, components and After-sales	99.99%	99.99%
Auto-Sueco (Tanzania) - Trucks, Busses and Const. Eq., Ltd. Registered offices: Kipawa Industrial Area Plot Nr. 92 Nyerere (Pugo) Road, P.O.Box 9303 Dar es Salaam (Tanzânia)	Import, export, sale of motor vehicles, industrial equipment, engines, and components	99.99%	99.99%
Auto Sueco Moçambique, S.A. Registered offices: Av. Da Namaacha nº 8274 Maputo (Moçambique)	Sale and After Sale of new and used trucks and buses	100.00%	100.00%

Auto-Sueco Vehicles, Spare Parts & Services (Botswana)(Pty) Ltd. Registered offices: Plot 47 - Gaborone International Commerce Park - Gaborone (Botswana)	Sale and After Sale of new and used trucks and trailers	99.19%	100.00%
Auto Sueco Vehicles, Spare Parts & Services (Namibia) (Pty), Ltd. Registered offices: 344 Independence Avenue 3º- Windhoek (Namibia)	Sale and After Sale: trucks and buses	100.00%	100.00%
Civiparts Angola - Comércio de Componentes e Equipamentos, S.A. Registered offices: Estrada do Cacuo, Km 3,4 - Luanda (Angola)	Trade in parts and equipment	100.00%	100.00%
Civiparts Maroc SA Registered offices: Chemin Tertiaire 1015 Sidi Moumen 20400 Casablanca (Marrocos)	Trade in parts and equipment	100.00%	100.00%
Civiparts España Registered offices: Av. Castilla nº 32 Nave 58 28850 Madrid San Fernando Henr (Espanha)	Trade in parts and equipment	100.00%	100.00%
Expressglass Angola Registered offices:: Estrada do Cacuo, Bairro Petrangol, Km 4,3, Ed.5 Município do Sambizanga, Luanda (Angola)	Sale and assembly of car parts and accessories	98.01%	-
Kinlai Registered offices:: Armazém Mulemba, Rua da Volvo - Luanda (Angola)	Import, trade, and distribution of Dongfeng products	99.99%	99.99%
Nors Brasil Participações, Ltda. Registered offices: Rua Pamplona 818, 9º, Conj. 92 - 01405-001 São Paulo (Brasil)	Shareholdings management in other companies	100.00%	100.00%
Nors Canada, Inc Registered offices: 1640 Enterprise Road Mississauga, Ontário (Canadá) L4W 4L4	Shareholdings management in other companies	100.00%	100.00%
Socibil - Imobiliária, SARL. Registered offices: Avª 4 de Fevereiro nº.95, 3º., Apº.34. - Luanda (Angola)	Buying and selling of real estate	100.00%	100.00%
Sogestim, Lda. Registered offices:: Estrada do Cacuo, Km 3,4 - Luanda (Angola)	Acquisition and sale of property and land, construction of buildings and land development	55.00%	55.00%
Sotkon Espanha Registered offices: C/ Orla Etorbidea 8-10 - Oficina 409 nivel 4º 20160 Lasarte, Oria (Espanha)	Production and Marketing of underground containers for MSW	100.00%	100.00%
Sotkon France, S.A. Registered offices: 93, Rue de la Villette 69003 Lyon (França)	Production and Marketing of underground containers for MSW	100.00%	100.00%

Sotkon Marocco, SARLAU Registered offices: Twin Center, Angle Bds Zerktowni - Al Massira Tour Ouest, 16e étage 20100 Casablanca (Marrocos)	Production and Marketing of underground containers for MSW	100.00%	100.00%
Strongco Corporation Registered offices: 1640 Enterprise Road Mississauga, Ontário (Canadá) L4W 4L4	Shareholdings management in other companies and provision of management support se	100.00%	100.00%
Strongco General Partner, Inc Registered offices: 1640 Enterprise Road Mississauga, Ontário (Canadá) L4W 4L4	Provision of management support services	100.00%	100.00%
Strongco Limited Partnership Registered offices: 1640 Enterprise Road Mississauga, Ontário (Canadá) L4W 4L4	Heavy equipment and components import, sale, rental and After Sales	100.00%	100.00%
Tecnauto Vehiculos, S.L. Registered offices: Polígono Ind. El Montavo c/Nobel 37008 Salamanca (Espanha)	Real Estate Management	100.00%	-
(1) directly and indirectly			

10.1.2. Nors Group joint ventures and associates

For the periods ended 31 December 2022 and 2021, the Group companies, their respective head offices and principal developed business included in the consolidation by the equity method and the respective proportion of share capital is as follows:

10.1.2.1. companies with registered offices based in Portugal

companies with registered offices based in Portugal	business activity	% of equity held 2021 (1) parent company	% of equity held 2022 (1) parent company
Air Rail Portugal, Sociedade Unipessoal, Lda Registered offices: Estrada Nacional 10, Apartado 2094 - 2696-801 São João da Talha - Loures	Trade and distribution of industrial equipment	25.00%.	25.00%
Ascendum, S.A. Registered offices: Praça Marquês de Pombal nº3 A-5º - 1250 - 161 Lisboa	Management of shareholdings Provision of technical administration, and management service	50.00%	50.00%
Ascendum Agro - Equipamentos Agrícolas, S.A. Registered offices: Parque Industrial Vale do Alecrim, Rua do Ferro 150, 2950-007 Palmela	Sale and After Sales services for agricultural equipment	50.00%	50.00%
Ascendum Automóveis, unipessoal, Lda. Registered offices: R. Vasco da Gama nº 15 2685-244 Portela	Sale and After Sales of automotive vehicles	50.00%	-
Ascendum Camiões, unipessoal, Lda. Registered offices: Rua Manuel Madeira, Marcos da Pedrulha, 3021-901 Coimbra	Truck Sale and After Sales	50.00%	50.00%

Ascendum Máquinas, Unipessoal, Lda Registered offices: Rua do Brasil, nº 27 – Apartado 2094 2696-801 São João da Talha	Import, Sale and After Sale of construction equipmen	50.00%	50.00%
Ascendum Portugal - Serviços de Gestão, SA Registered offices: Rua do Brasil, nº 27 – Apartado 2094 2696-801 São João da Talha	Management of shareholdings Provision of technical administration, andmanagement services	50.00%	50.00%
Centrocar, S.A. Registered offices: Rua Vilar do Senhor, 461 - 1º Andar 4455-213 Lavra - Matosinhos	Sale and After Sale of construction equipment	40.00%	40.00%
Glomak SGPS, S.A. Registered offices: Rua Vilar do Senhor, 461 4455-213 Lavra - Matosinhos	Management of shareholdings in other companies	50.00%	50.00%
Groupauto Portugal & Palop - GPLP, Lda Registered offices: Rua José Afonso, Edifício A. Santos Quinta de Santa Rosa 2680-593 Camarate - Loures	Rendering of consultancy and support services, management of partnerships in the area of automotive and parts management and distribution	50.00%	50.00%
(1) directly and indirectly			

10.1.2.2. companies with registered offices in other countries

companies with registered offices in other countries	business activity	% of equity held 2021 (1) parent company	% of equity held 2021 (1) parent company
Air-Rail, S.L. Registered offices: Calle Alsasua, 16 28023 Madrid (Espanha)	Trade and distribution of industrial equipment	25.00%	25.00%
Air-Rail Marrocos Marrocos	Trade and distribution of industrial equipment	25.00%	25.00%
Air-Rail Polska, Sp. z o.o Registered offices: Szpitalna 8/9, 00-031 Warszawa, Polónia	Trade and distribution of industrial equipment	13.00%	13.00%
Ascendum Construction Equipment, INC. Registered offices: 9115 Harris Corner Parkway, suite 450 Charlotte, NC 28269 Estados Unidos da América	Sale, After Sale and rental of construction equipment	50.00%	50.00%
Ascendum Maquinaria México, S.A de C.V Carretera Mexico Queretaro KM 32.5	Sale and After Sale of construction equipment	50.00%	50.00%
Ascendum Turk Makina, Limited Sirketi Registered offices: Fatih Mahallesi Katip Çelebi Caddesi, nº43 Tuzla - 34940 - Istambul (Turquia)	Sale and After Sale of construction equipment	50.00%	50.00%
Ascendum España, S.L. Registered offices: Parque Empresarial San Fernando, Edificio Munich, Planta 3, 28830 MADRID (Espanha)	Sale and After Sale of trucks and buses new and used	50.00%	50.00%

Ascendum, GmbH Registered offices: Grafenholzweg 1 5101 Bergheim / Salzburg (Austria)	Management of shareholdings Provision of technical administration, and management services	50.00%	50.00%
Ascendum Baumaschinen Österreich GmbH Registered offices: Grafenholzweg 1 5101 Bergheim / Salzburg (Austria)	Importer of Machinery Sale and After Sale: Construction equipment	50.00%	50.00%
Ascendum Építőgépek Hungária Registered offices: KAPCSOLAT 1141 Budapest Nótárius u. 13-15 (Hungria)	Importer of Machinery Sale and After Sale: Construction equipment	50.00%	50.00%
Ascendum Gradevinski Strojevi Registered offices: Karlovacka 94 10250 Zagreb - Lucko (Croácia)	Importer of Machinery Sale and After Sale: Construction equipment	50.00%	50.00%
Ascendum Machinery SRL Registered offices: Sos. Odaii, nr. 439, Sector 1 013606 Bucuresti (Roménia)	Importer of Machinery Sale and After Sale: Construction equipment	50.00%	50.00%
Ascendum Stavebeni Stroje Czech Registered offices: Plzenská 430 CZ - 267 12 Lodenice (República Checa)	Importer of Machinery Sale and After Sale: Construction equipment	50.00%	50.00%
Ascendum Stavebné Stroje Slovensko Registered offices: Pestovatelská 4316/10, 821 04 Bratislava - Ružinov-Ružinov (Eslováquia)	Importer of Machinery Sale and After Sale: Construction equipment	50.00%	50.00%
Sotkon Anadolu Turquia	Production and Marketing of underground containers for MSW	50.00%	50.00%
Bergman Americas Registered offices: 160 Conway Black Road, Spartanburg, SC 29307 Estados Unidos da América	Sale, After Sale and rental of construction equipment	50.00%	50.00%
Centrocar España Registered offices: Pol. Ind. La Sendilla, Avda. de las Palmeras, esq. C/ del Castaño 28350 Ciempozuelos - Madrid - Espanha	Sale, After Sale and rental of construction equipment	40.00%	40.00%
Centrocar Moçambique Registered offices: Avenida da namaancha, nº 730 Maputo (Moçambique)	Sale, After Sale and rental of construction equipment	32.00%	32.00%
Importadora Distribuidora de Maquinaria Industrial ZEPHIR, S.L. Registered offices: Calle Alsasua, 16 28023 Madrid (Espanha)	Import and trade of industrial equipment	25.00%	25.00%
Tea Aloya, Inmobiliaria, S.A.U. Registered offices: Parque Empresarial San Fernando, Edificio Munich, Planta 3, 28830 Madrid (Espanha)	Acquisition and sale of properties, and land, construction of buildings, and land development	50.00%	50.00%
Volmaquinaria de Construcción España, S.A.U. Registered offices: Parque Empresarial San Fernando, Edificio Munich, Planta 3, 28830 Madrid (Espanha)	Importer of Machinery Sale and After Sale: Construction equipment	50.00%	50.00%

Volrental Atlântico, S.A.U Registered offices: Carretera de Castillanº167 Betanzos - La Coruña (Espanha)	Rental of construction equipment	35.00%	35.00%
(1) directly and indirectly			

10.2. changes occurred in the consolidation perimeter

During the year ended December 31, 2021, there were the following changes in the composition of the consolidation perimeter:

- Liquidation of AS Parts Cabo Verde, S.A., Auto Sueco (Lobito), Ltd., Holding Expressglass, BV, Sotkon Angola, Lda. and Ascendum Makina Yatirim Holding, A.S., with no impact on the consolidated financial statements, as they are holding management companies and/or without operational activity;
- Liquidation of Sotkon TR Atik Sustemleri Sanayi Ve Ticaret Anonim Sirketi, which generated immaterial impacts, related to the recognition in the result for the year of the currency translation reserves in equity at the level of the consolidated financial statements,;
- Incorporation of Ascendum Agro, without material impacts on the consolidated financial statements.

During the year ended December 31, 2022, there were the following changes in the composition of the consolidation perimeter:

- Merger of Civiparts - Comércio de Peças e Equipamentos, S.A. into NewOneDrive, S.A. with no impact on the consolidated financial statements;
- Liquidation of SGNT, SGPS S.A., Expressglass Angola, and Tecnauto Vehiculos, S.L. with no impact on the consolidated financial statements, as these are holding management companies and/or companies with no operational activity;
- Sale in July 2022 of Ascendum Automóveis, unipessoal, Lda, with no material impact on the consolidated financial statements.

10.3. related party transactions

Balances and transactions between Nors and its subsidiaries, which are related parties of Nors, were eliminated in the consolidation process and therefore will not be disclosed in this note.

10.3.1. balances with related parties

The detail of balances between Nors and related entities, can be summarised as follows:

31.12.2022					
values in thousands of euros					
items	ascendum group	groupauto portugal & palop	bonusavailable	nortesaga investimentos sgps lda	total
assets					
Customers	2 222	180	35	18	2 454
Other accounts receivable			0	0	0
total	2 222	180	35	18	2 454
liabilities					
Suppliers	878	3	17		899
Other accounts payable			0		0
total	878	3	17	0	899

31.12.2021					
values in thousands of euros					
items	ascendum group	groupauto portugal & palop	bonusavailable	nortesaga investimentos sgps lda	total
assets					
Customers	2 449	199	64	21	2 733
Other accounts receivable			78	26	103
total	2 449	199	141	46	2 836
liabilities					
Suppliers	470	3	6		479
Other accounts payable			100		100
total	470	3	106	0	579

10.3.2. transactions with related parties

The detail of transactions between Nors and related entities can be summarised as follows:

31.12.2022					
values in thousands of euros					
items	ascendum group	groupauto portugal & palop	bonusavailable	nortesaga investimentos sgps lda	total
income and gains					
Turnover	22 884				22 884
Other operating income and gains	324	591	208	63	1 186
Interest and similar income obtained				18	18
total	23 208	591	208	80	24 087
expenses and losses					
Purchases of products and services	405				405
Other operating costs and losses					0
total	405	0	0	0	405

31.12.2021					
values in thousands of euros					
items	ascendum group	groupauto portugal & palop	bonusavailable	nortesaga investimentos sgps lda	total
income and gains					
Turnover	14 875				14 875
Other operating income and gains	333	441	23	60	856
Interest and similar income obtained				15	15
total	15 208	441	23	75	15 747
expenses and losses					
Purchases of products and services	1 917				1 917
Other operating costs and losses	0	13			14
total	1 917	13	0	0	1 931

The purchase and sale of goods and rendering of services to related parties were made at market prices.
The Board of Directors is considered a related party and its remuneration is disclosed in note 2.4.

11. inancial commitments undertaken and not included in the consolidated statement of financial position

11.1. bank guarantees

The company has contingent liabilities in respect of bank and other guarantees and other contingencies related to its business. A summary of the guarantees is presented below:

31.12.2022					
values in thousands of euros					
company	guarantees for financial entities	guarantees provided to importers of represented brands	guarantees provided in public tenders	other guarantees	total
Nors, S.A.	8.818		1.098		9.916
Auto Sueco II Automóveis, S.A.		6.430			6.430
Galius, S.A.			152		152
Sotkon Portugal			692		692
Sotkon Espanha			31		31
total	8.818	6.430	1.974	0	17.222

31.12.2021					
values in thousands of euros					
company	guarantees for financial entities	guarantees provided to importers of represented brands	guarantees provided in public tenders	other guarantees	total
Nors, S.A.	3.865	1.098	1.694	3.000	9.657
Auto Sueco Portugal, S.A.			1.514		1.514
Auto Sueco II Automóveis, S.A.		9.930			9.930
Galius, S.A.			169		169
Sotkon Portugal			846		846
Sotkon Espanha			79		79
total	3.865	11.028	4.302	3.000	22.194

Bank Guarantees relate essentially to guarantees provided to public entities within the scope of public tenders and also guarantees to clients and suppliers within the scope of Nors' operational activity.

11.2. other commitments

At December 31, 2022 there were no material contractual commitments to acquire fixed assets assumed by the Group.

12. subsequent events

Accounting policies

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

On December 23, 2022, the Nors Group, through its Brazilian law subsidiary Agro New, signed with the holders of the capital of Agrofito Case Máquinas Agrícolas Ltda. the "Contract for the purchase and sale of quotas and other agreements" with the purpose of acquiring the entire share capital of this company. The contract includes precedent clauses for its materialization, namely the approval by CADE and Case CNH. On March 1, 2023, the conditions materialised with the Nors Group taking control of the operation. Agrofito operates in the same market segment as Agro New, but in the southeast of the state of Mato Grosso, in Brazil, operating from 4 locations and with 147 employees. In fiscal year 2021, the company reported a turnover of €34,461 thousand and net assets of €15,732 thousand.

The contract provides for an acquisition price of 100% of the share capital of Agrofito for the amount of 24,246 thousand euros, based on the financial statements of June 30, 2022, subject to price adjustments for the variation of working capital requirements and net debt between the base date and the date of completion of the operation, i.e. March 1, 2023. Payments are made in 3 instalments: (i) 85% of the base acquisition price was settled on the closing date; (ii) 5% of the base acquisition price up to 60 days after the closing date, being linked to the price adjustment previously mentioned; (iii) the last 10% of the base acquisition price is retained for 5 years as a guarantee over the guarantees provided by the sellers. The last two instalments are subject to updates at the SELIC rate. Based on the base financial statements as at June 30, 2022, Agrofito's accounting net assets were €12,059 thousand, generating a difference value between the acquisition price and the net assets acquired of €12,187 thousand. In view of the uncertainty of the final price, the unawareness of the potential adjustments to the price referred to above and the unawareness of the value of the net assets at the closing date, at the date of approval of these financial statements it is not possible to disclose the allocation of the acquisition price to the net assets acquired as defined by accounting standards.

13. approval of the financial statements

These financial statements were approved by the Board of Directors on March 23, 2023. Additionally, the accompanying financial statements as of December 31, 2022, are pending approval by the Shareholders' General Meeting. However, the Board of Directors of Nors believes that they will be approved without changes.

Porto, March 23, 2023

the certified accountant

Lúcia Mendonça

board of directors

- Tomás Jervell
- Álvaro Nascimento
- Álvaro Neto
- Artur Santos Silva
- Francisco Jervell
- Francisco Ramos
- Joana Jervell
- Jorge Nieto Guimarães
- José Jensen Leite de Faria
- Júlio Rodrigues
- Luís Jervell
- Paulo Jervell
- Rui Miranda

4.3. Statutory auditors' report



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STATUTORY AUDITORS' REPORT

(Free translation from a report originally issued in Portuguese language. In case of doubt the Portuguese version will always prevail.)

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of **Nors, S.A.** (the Group), which comprise the consolidated statement of the financial position as at 31 December 2022 (showing a total of 925,469 thousand euros and total equity of 338,325 thousand euros, including a profit for the year of 114,169 thousand euros), and 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 accompanying notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of **Nors, S.A.** as at 31 December 2022 and of its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and further technical and ethical standards and guidelines as issued by Ordem dos Revisores Oficiais de Contas (the Portuguese Institute of Statutory Auditors). Our responsibilities under those standards are further described in the "Auditors' Responsibilities for the Audit of the consolidated Financial Statements" section below. We are independent of the Group in accordance with the law and we have fulfilled other ethical requirements in accordance with the Ordem dos Revisores Oficiais de Contas' code of ethics.

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

KPMG & Associados - Sociedade de Revisores Oficiais de Contas, S.A., sociedade anónima portuguesa e membro de rede global KPMG, controlada por firmas/membros independentes associadas com a KPMG International Limited, uma sociedade inglesa de responsabilidade limitada por garantia.

KPMG & Associados - Sociedade de Revisores Oficiais de Contas, S.A., Capital Social - 9.916.000 Euros - Pessoa Colectiva N.º PT 502 161 618 - Inscrição na O.R.O.C. N.º 1188 - Inscrição na C.M.V.M. N.º 20181489 Matriculada na Conservatória do Registo Comercial de Lisboa sob o N.º 611.202.161.618



Responsibilities of management for the consolidated financial statements

Management is responsible for:

- the preparation of consolidated financial statements that give a true and fair view of the Group's consolidated financial position, financial performance and the consolidated cash flows, in accordance with the International Financial Reporting Standards as adopted by the European Union.;
- the preparation of the consolidated management report in accordance with applicable laws and regulations;
- designing and maintaining an appropriate internal control system to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error;
- the adoption of accounting policies and principles appropriate in the circumstances; and,
- assessing the Group's ability to continue as a going concern, and disclosing, as applicable, the matters that may cast significant doubt about the Group's ability to continue as a going concern.

Auditors' responsibilities for the audit of the financial statements

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatements whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- 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 the events in a manner that achieves fair presentation;
 - obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion; and,
 - 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 the verification that the information contained in the consolidated management report is consistent with the consolidated financial statements.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

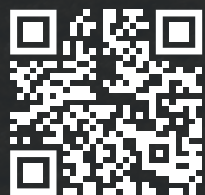
On the consolidated management report

Pursuant to article 451, nr. 3, al. (e) of the Portuguese Companies' Code, it is our opinion that the consolidated management report was prepared in accordance with the applicable legal and regulatory requirements, the information contained therein is consistent with the audited consolidated financial statements and, having regard to our knowledge and assessment of the Group, we have not identified any material misstatements.

29 March 2023

SIGNED ON THE ORIGINAL

KPMG & Associados
Sociedade de Revisores Oficiais de Contas, S.A.
(nr. 189 and registered at CMVM with the nr. 20161489)
represented by
Luís David Guimarães da Silva
(ROC nr. 1656 and registered at CMVM with the nr. 20161266)



Our performance has a digital side.

Accessing and sharing Nors' main results has become even easier. Consult the web page dedicated to demonstrating our performance in 2022 and discover the indicators that marked our year.



www.nors.com