



MANAGEMENT
REPORT AND
ACCOUNTS

2022



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REPORT AND
ACCOUNTS**

2022

LISNAVE - ESTALEIROS NAVAIS, S.A.
Share Capital: 5 000 000 euros
Registered Office: Mitrena – 2910-738 Setúbal
Under number 503 847 151
Company Number 503 841 151

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2022

LISNAVE - ESTALEIROS NAVAIS, S.A.
Management Report and Accounts 2022

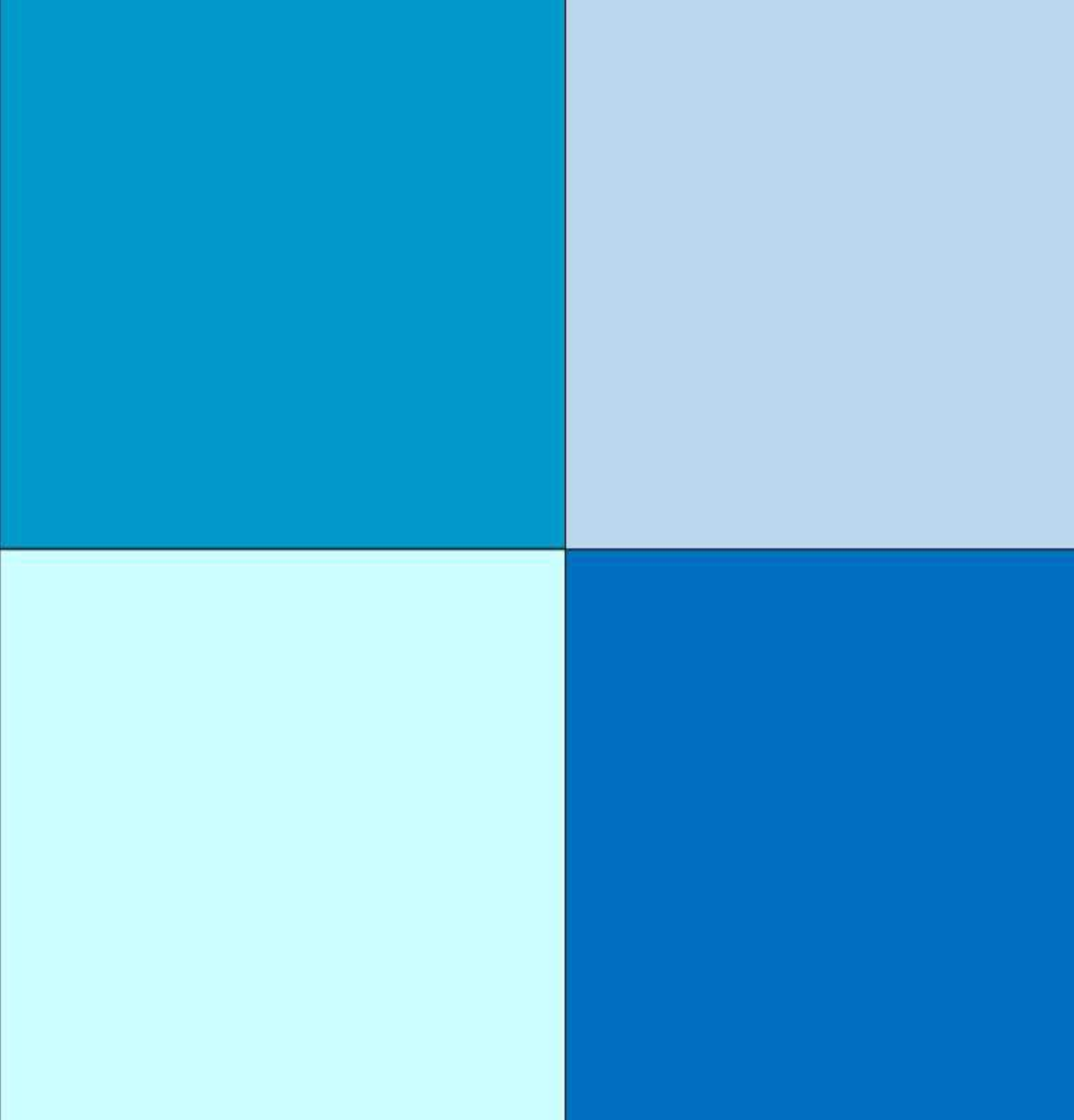
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April 2023

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MEMBERS OF CORPORATE BODIES

TERM OF OFFICE:
2021-2024
(FOUR YEAR PERIODS)

SHAREHOLDERS GENERAL ASSEMBLY

President:

Dr. Luís Miguel Nogueira Freire Cortes Martins

Vice-President:

Dr. Carlos Fernando Soares Pinheiro

Secretary:

Dr. Manuel Joaquim Rodrigues

BOARD OF DIRECTORS

Chairman:

Eng. José António Leite Mendes Rodrigues

Directors:

Eng. Nuno M. F. de Almeida Antunes dos Santos

Dra. Cláudia Cristina Pélaió Rodrigues Braz

Dr. Luís Manuel dos Santos Silva Patrão

Dr. João Rui Carvalho dos Santos

MANAGING DIRECTOR

Eng. Nuno M. F. de Almeida Antunes dos Santos

SUPERVISORY BOARD

President:

Eng. Manuel Serpa Leitão

Committee Members:

Dra. Tânia Sofia Luís Mineiro

Dr. Mário Alexandre Guerreiro Antão

Statutory Audit Firm:

"RSM & ASSOCIADOS – SROC, LDA." N.º 21

Representada por Dr. Joaquim Patrício da Silva
(ROC N.º 320)

Alternate:

Dr. António José Lino do Patrocínio Santos

ROC N.º 840

COMPANY SECRETARY

Dr. Carlos Fernando Soares Pinheiro

REMUNERATION COMMITTEE

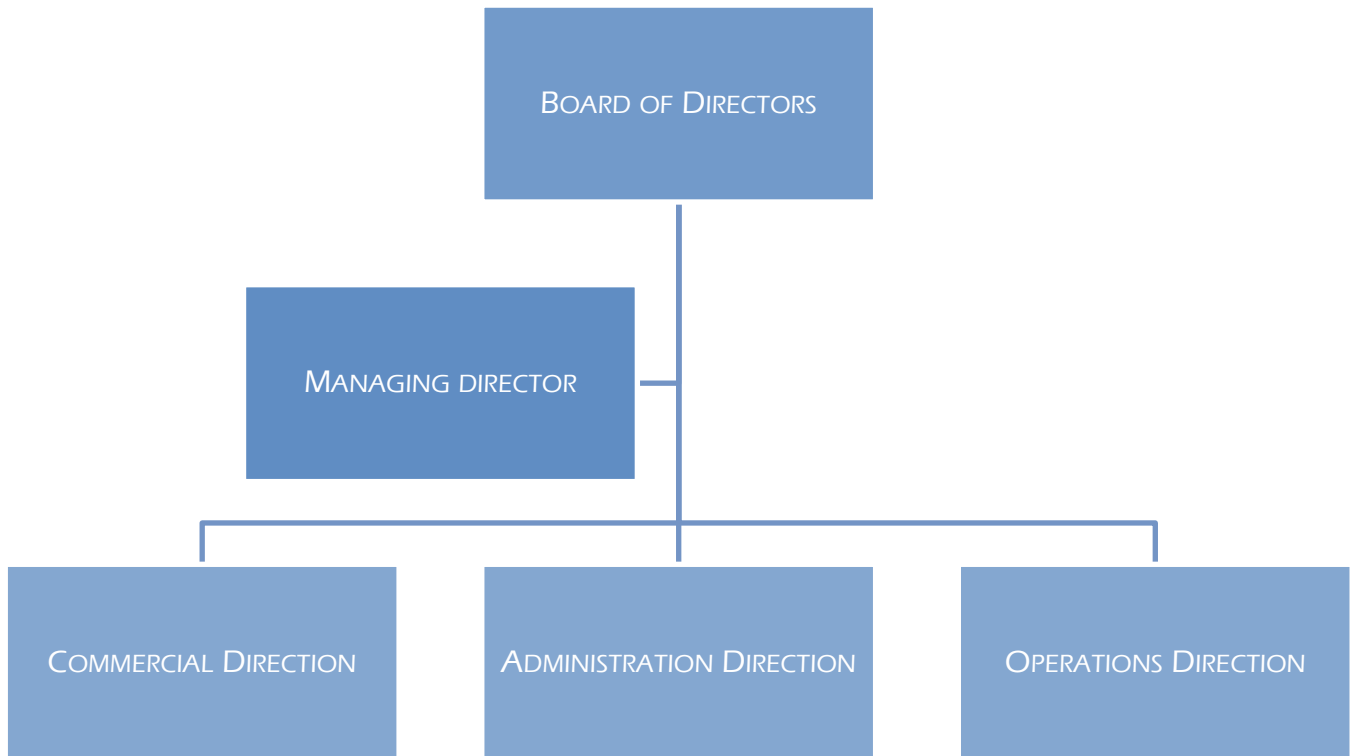
President:

Dr. Luis Miguel Nogueira Freire Cortes Martins

Secretary:

Eng. Jan Krabbenhöft

COMPANY STRUCTURE



ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE

Under the terms of the Law and the Bylaws of the Company, notice is hereby given for the Annual General Meeting of Shareholders of LISNAVE - ESTALEIROS NAVAIS, S.A., to be held on 30th March 2023, at 11:00 hours, at the Registered Office of the Company, Mitrena Shipyard, Setúbal, with the following Agenda:

- 1º - Discussion of the Management Report and Accounts for the 2022 Financial Year;
- 2º - Discussion of the Report of the Auditing Committee;
- 3º - Discussion of the Proposal for the Appropriation of Profits;
- 4º - General Assessment of the Management and Supervision of the Company.

The information referred to in Article 289 of the Code of Commercial Companies relating to the single item on the Agenda is at the disposal of the Shareholders at the Registered Office of the Company and in the Website during the time required by law.

Under the terms of the Law and of the Bylaws of the Company, Shareholders with the right to vote, holding at least one hundred Shares duly registered in their name no later than ten days before the date of the General Meeting of Shareholders may attend the meeting. Each group of one hundred Shares carries one vote.

For that purpose, Shareholders wishing to attend that Meeting shall advise accordingly the Chairman of the General Meeting of Shareholders, by letter, with the respective signature duly notarized or certified by the Company and, in this case, shall request the financial institutions where the Shares are registered to confirm to the Chairman of the Table of the General Meeting of Shareholders the existence of such registration, no later than five business days before the date of the General Meeting of Shareholders.

The General Meeting of Shareholders can only be held on a first call if Shareholders representing at least fifty per cent of the Share Capital are either present or represented.

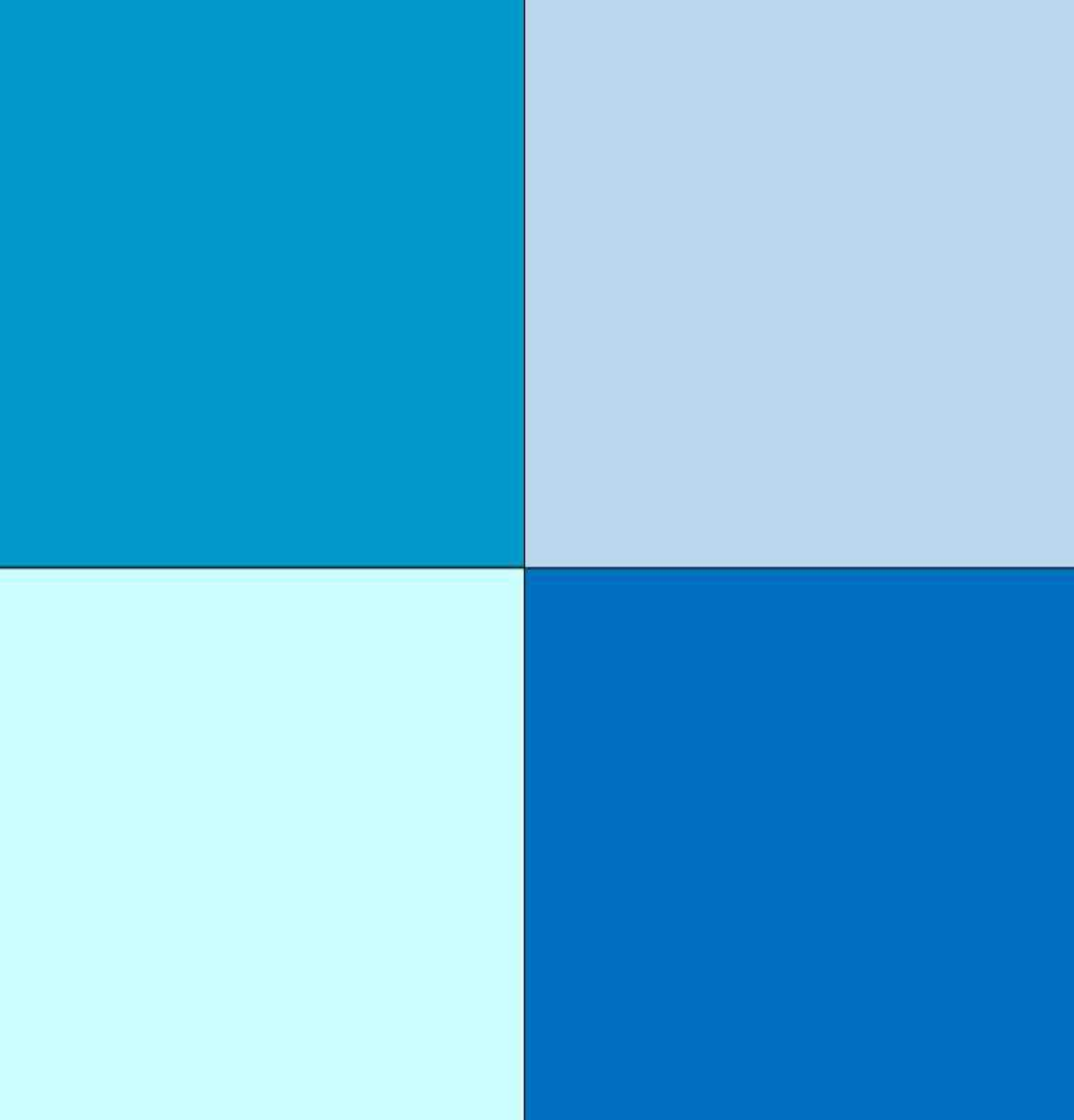
Shareholders without the right to vote cannot attend the General Meeting of Shareholders.

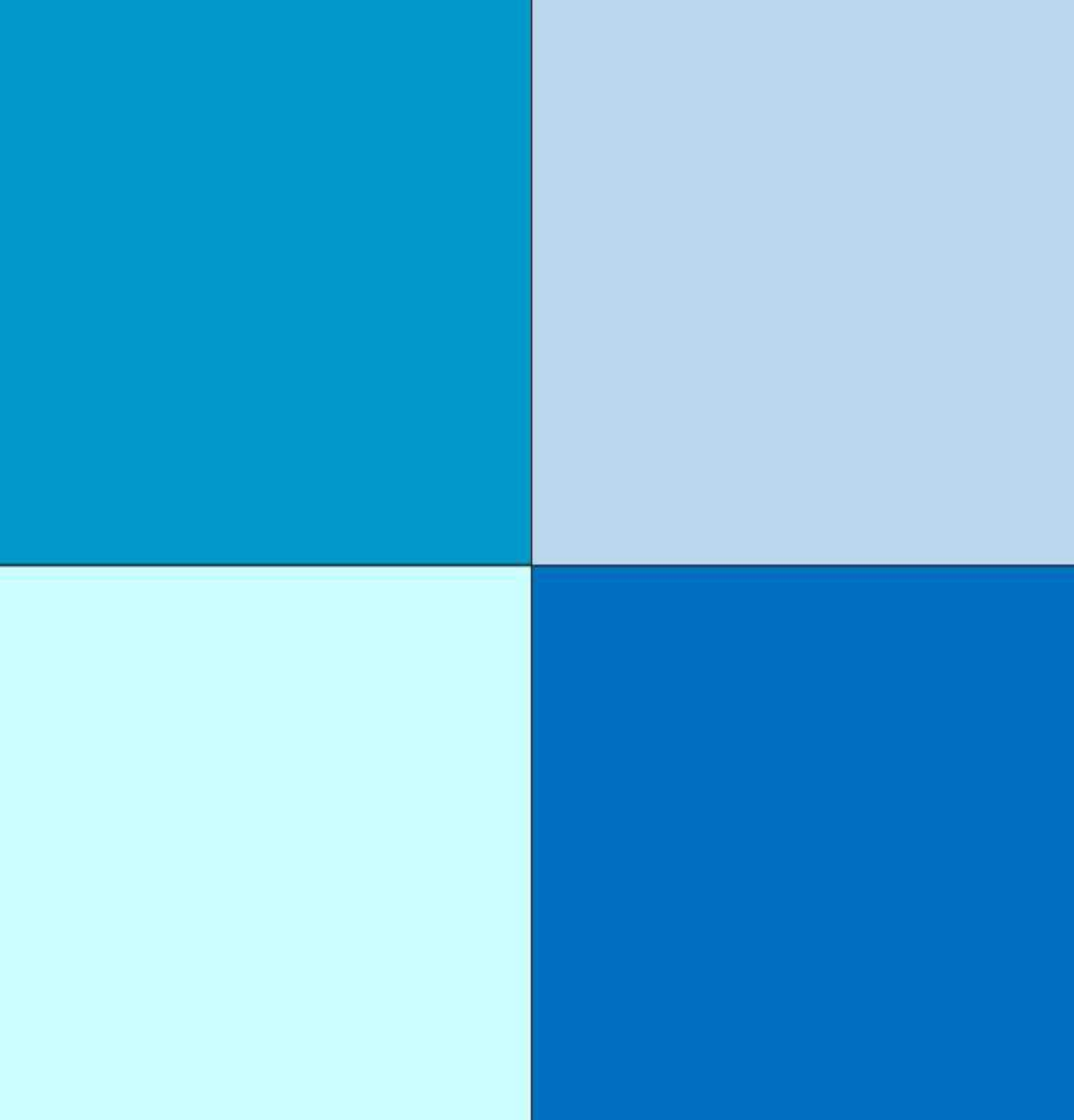
Setúbal, 27th February 2023

THE CHAIRMAN OF THE BOARD OF THE GENERAL MEETING



Dr. Luís Miguel Nogueira Freire Cortes Martins







BOARD OF DIRECTORS REPORT

1 | INTRODUCTION

LISNAVE - ESTALEIROS NAVAIS, S.A. recorded another good performance in 2022.

Continuing the trend that existed since the second half of 2021, the Shipyard was overloaded during the entire year of 2022. Once again, despite providing a greater volume of sales, this fact was reflected less favourably in the margins generated, though still positive.

In parallel to the normal daily operations arising from our business, in 2022 the continuous improvement and investment policy was continued with some projects that will continue to have a favourable impact on the Company in the medium/long term, namely:

☐ The photovoltaic power plant for self-consumption entered into operation, which has regularly ensured 5% to 7% of the Company's electricity consumption.

☐ A steel plasma cutting machine with numerical control entered successfully into operation, which has proven to be of the utmost importance in an ongoing construction project of five blocks of bow bulbs for container ships.

☐ Roadways and building façades were repaired and recovered, which had a positive impact on the image the Company shows to Customers and Employees. The repair of roadways also benefited

the safety and productivity by allowing a smoother movement of people and equipment.

☐ The structural recovery of the Inter-Dock Pumping Station of the Shipyard continued, in which the corresponding Draining Pumps were also rehabilitated.

☐ Structural repairs were also made on the concrete in the slabs of Docks 21 and 22.

☐ The structural recovery and modernisation of the cranes and the 500-tonne gantry crane was continued.

☐ Several berthing fenders were rehabilitated or replaced in the peers, lock, and platforms of the Hydrolift.

☐ The power supply capacity for ships in docks 20 and 21 was trebled, enabling the provision of a better service to our Customers and, simultaneously, the protection of the environment through an emission reduction of particles and greenhouse gases.

☐ Chargers for 30 electric cars were installed, which improved the Company's environmental performance.

☐ The workshop equipment certification was also continued, in accordance with the Machinery Directive 2006/42/EC.

☐ With the ongoing improvement of the safety conditions in mind, new lifelines in dock 30 and stainless-steel railings on the accesses to dock 20 were installed.

⑨ The gangways were structurally recovered and were benefitted by the installation of permanent safety nets.

⑨ New Ship Repair support equipment was purchased, namely mobile electrical installations, transport containers for materials and scaffoldings.

⑨ Awareness-raising and investment in Safety was continued, in order to achieve a Safety Culture that guarantees a working environment that protects the physical and psychological integrity of the Workers and ensures absolute compliance with the Company's responsibilities.

⑨ The process for obtaining the Safety Management System Certification according to the ISO 45001 standard was continued.

⑨ The Regulation for Alcohol and Drugs Control also entered into force, another important contribution to Safety at LISNAVE. Under this regulation, regular random alcohol and drug controls have been performed.

⑨ A new Performance Assessment system was drawn up, which will be an important tool for career management and for the identification and retention of talent.

⑨ A new program for the dematerialisation of administrative procedures was launched, the implementation of which passed through the dematerialisation of pay slips in January 2023.

⑨ The Protection Plan entered into force to prevent the irregular occurrences that sometimes take place in the Shipyard.

⑨ The first ESG Report (Environmental, Social, and Governance) of LISNAVE was issued, the content of which displays that a good financial performance is not incompatible with a remarkable performance in terms of Corporate Social Responsibility.

⑨ And, bearing in mind the extension of the current Shipyard Concession, a conversation with the Government has been started to find a period compatible with the profitability of the investments necessary in the near future.

As mentioned, these measures were started in parallel with the Company's current activity and, despite the additional pressure that these implied for its resources, they did not prevent the business from being run very successfully and the figure budgeted for the Net Result for the Financial Year was even exceeded, from 3.3 to 7 million euros.

In this context, the Board of Directors can only express its satisfaction at being able to share part of the results obtained, both with the Company's Workers and with its Shareholders.

As is customary, given the relevance of the cumulative business indicators both at regional and above all at national level, the Board of Directors would like to point out that in the period from the start of the Restructuring Plan (second semester of 1997) until the end of 2022, LISNAVE repaired/maintained 2794 vessels, from more than fifty countries from all over the world, which resulted in Sales of 2.64 billion euros, which includes a significant 2.46 billion, or rather, around 93.5%, for export.

With this activity it was possible to ensure the payment of global salaries equivalent to 1.51 billion euros and also payments to the State, in Social Security contributions, IRS, and Tax, of around 243 million euros. It should be noted that the amounts mentioned above are expressed in nominal values and have not been updated.

2022

In the beginning of 2022, LISNAVE continued to face particularly adverse working conditions, arising from the measures determined by the Authorities to contain the spread of the pandemic, which include closing borders and the fact that technicians and Shipowners' representatives were unable to travel to the ships undergoing repair, making it impossible to carry out normal work. This situation was aggravated by the effects of infection and prophylactic isolation, both among workers in general and among the ships' crews, despite the careful management of the Contingency Plan, with the implementation of various health, control, and protection measures.

These strong limitations, amplified by the effects, on costs and quality, of the scarcity and low qualification of the labour resources available in the market, which resulted in consecutive planning changes with undesirable consequences for the level of customer satisfaction, did not, however, prevent LISNAVE from successfully surpassing, through intense commercial activity, the targets set in the 2022 Budget, having repaired/maintained 90 ships in the period under review.

The average workload per vessel – which had remained at very low levels in previous years, as a consequence of the low profitability of the business which Shipowners continue to face, seeing that the level of prices that the market was willing to pay for its services was not sufficient to compensate the high operating costs of the vessels – remained at a high level. The average invoice stood at 1.23 million euros, compared to 1.13 million euros for 2021.

In this context, LISNAVE concluded 2022 with Ship-Repair Sales standing at 110.4 million euros, 19.8 million more than in the previous year.

The total Operating Income was 120.75 million euros, or rather, around 22.17 million euros more than in 2021, with total operating costs standing at 110.80 million euros, 18.53 million more than in the previous year.

Net Position stood at 41.56 million, which is around 8.3 times the Share Capital.

The Net Profit for the year was 7.075 million euros.

Meanwhile, LISNAVE maintained its traditional characteristics as a highly export-oriented Company, having repaired only three ships flying the Portuguese flag and having sold about 92% of its total Maintenance and Repair services to the external market.

With regard to – Employment - LISNAVE also maintained its habitual high level of employability, with charges of 69.26 million euros, an amount which corresponds to the average employment equivalent of more than 2,200 people per day.



It should be pointed out that the year was concluded without overdue debts, whether to Workers, Suppliers or to the State, to which about 4.93 million euros was paid in IRS, Social Security Contributions, and other Tax.

With regard to Fixed Assets, Investments made in the year amounted to 1.27 million euros, and the total amount of Investments made since 2000 now stand at 40.19 million euros.

Also worth mentioning is the amount of costs incurred by LISNAVE, with major repairs of infrastructures and equipment in the year standing at around 2.63 million euros.

On the other hand, although being the responsibility of the Concessionaire, LISNAVE-INFRAESTRUTURAS NAVAIS, S.A., it is also worth mentioning the Investments related with the maintenance of the operating conditions of the Shipyard, totalling, in the year, around 4.7 million euros. Among these investments with the rehabilitation of the Shipyard started in 2008, given the size of the sums involved, particular

emphasis is given to the structural repair of Dock 20, the repair of Pier 3, the repair of the lifting equipment, and the electrical rehabilitation of the Shipyard, which already total 36.41 million euros.

In the chapter on Human Resources, given its importance, it should be mentioned that, following negotiations with the Workers' Representatives, an Internal Agreement was reached in which a salary increase of 3.2% was agreed.

It is worth remembering, meanwhile, as the Board of Directors has pointed out since 2009, that given the unwillingness of the Workers' Representatives to conclude a Collective Bargaining Agreement suitable for the characteristics of this activity, LISNAVE has since decided to redirect its Strategic Human Resources Management Policy, which now has the close co-operation of LISNAVEYARDS.

In the context of this collaboration with LISNAVE and within the scope of the ongoing Rejuvenation Policy and the Strategic Plan for Staff Succession and Rejuvenation, LISNAVEYARDS hired 43 Direct Workers, 4 Technicians, 4 Administrative Staff, 5

Specialists, all of whom are Engineers, and 1 Manager.

As is known, this company, whose corporate purpose is similar to that of LISNAVE, started its Service Provision activity in February 2009, and as at 31 December, it had a staff of 304 Workers, 141 of whom were Direct Workers. On the same date, LISNAVE had a total of 125 Workers.

LISNAVE retained its Quality Certification in accordance with ISO Standard 9001:2015 and also the Certification of its Environmental Management System under ISO Standard 14001:2015. It also maintained its International Ship & Port Facility Security Code – ISPS and the Accreditation of the Calibration Laboratory. In 2022 it continued the process for Safety Certification under ISO Standard 45001:2019.

As at 31 December 2022, the shareholder structure of LISNAVE was the following:

- NAVIVESSEL, ESTUDOS E PROJECTOS NAVAIS, S.A. - 72.86%
- THYSSENKRUPP TECHNOLOGIES BETEILIGUNGEN GMBH - 20.00 %
- PARPÚBLICA, S.A. - 2.97%
- OTHER SHAREHOLDERS - 4.17%.

Concluding its general appraisal of the year, the Board of Directors wishes to express its satisfaction for the fact that, for the seventeenth time, it is again possible to submit to the General Meeting of Shareholders a proposal for the remuneration of the capital invested by the more than 200 Shareholders of the company.

Outlook for 2023

In a context of good expectation but of high contextual uncertainty, LISNAVE will continue to focus on seeking to increase productivity and diversify its markets and, also, on developing the recruitment and training of young human resources, essential for meeting its own needs.

In this way, reiterating its trust in the quality, responsibility, and involvement that Management and other Workers on all levels have demonstrated over the years, but well aware of the threat posed by the difficulties of the business, which include the unforeseeability and aggressiveness of the competition as well as, among others, geopolitical tensions, namely the uncertainty resulting from the latent conflict between Russia and the Ukraine, the Board of Directors expresses to the Shareholders, if in the meantime there is no substantial change in the prospects set out above or in the event of unforeseen threats of a different nature, its expectation that business activity in 2023 will probably be at a level similar to that of the year under review.

2/ GENERAL COMMENTS ON THE MARKET

Context

The year of 2022 began with an already growing inflation trend, resulting from disturbances in the logistics chain of energy, raw materials, food, and finished goods transport, which was worsened when the world economy opened after COVID-19, when the Russian Federation troops invaded Ukraine, and the occurrence of several natural catastrophes.

With the purpose of fighting inflation, in order to reduce it to acceptable levels, the main central banks began increasing interest rates, which had a strong influence in the money flow worldwide and in the economies of families and countries, resulting in a reduction in private consumption and investment, with the resulting decline in their economies' growth rate.

In this context, the United Nations Organization, in its report "World Economic Situation and Prospects 2023", estimates that the economy, which had recovered considerably in 2021 from the effects caused by the COVID-19 pandemic outbreak with a 5.8% growth, only grew by 3% in 2022. The same publication also estimates that the economies of the developed countries only grew by 2.6% in 2022, after the 5.2% growth in 2021.

In this group of economies, the biggest decline in growth was in the United States of America, with an estimated growth of 1.8% in 2022 after it had grown by 5.7% in 2021. In the euro area, the estimated economic growth was 3.2% after it had grown by 5.3% in 2021.

In the United Kingdom, it is estimated the economy grew by 4.3% after it had increased by 7.4% in 2021, whereas, in Japan, the estimated growth rate for 2022 was 1.6%, a similar figure to the one in 2021, which was 1.7%.

Regarding the economies of the developing countries, after having grown by 6.7% in 2021, it is now estimated they grew only by 3.9% in 2022, with African countries representing a growth of 3.7%, South Asia 4.8% – with emphasis to India

growing by 6.2% – and East Asia growing by 3.2% –, and with China growing by 3.0%.

Still in the group of developing countries, it is estimated that all Latin American and Caribbean countries grew by 3.8% in 2022, after the 6.6% growth in 2021, with South America growing by 3.9% and Central America and Mexico 3.3%.

In countries with economies in transition, this group including the countries directly involved in the war between the Russian Federation and Ukraine, it is estimated the economy had contracted 3%, with the Russian Federation and Ukraine contracting 3.5% and 36.0%, respectively. Still in this group of economies, it is estimated that countries in Southeast Europe have only grown by 2.8% after the 7.4% growth in 2021.

With the Russian Federation and Ukraine being part of the group of biggest energy, fertilizer, and cereals exporters, the war between both countries had a serious impact on energy and food prices worldwide. On the one hand, the price increase had repercussions in the inflation rise and, on the other hand, the sanctions applied to the Russian Federation by most OECD countries forced the redefinition of transport chains, both having a strong impact on world trade. Therefore, it is estimated a 6% growth in world trade in 2022, after the 10.5% growth in 2021.

Evolution of the World's Merchant Fleet and Freight Rates

According to Clarksons Research, the fleet of tankers of over 10,000 Deadweight Tonnes (DWT) grew, in number of vessels, by 2.5% during 2022, after having grown 1.0% in 2021. At the end of

2022, this fleet had reached 674.9 million DWT, which corresponded to a growth of 3.5% in relation to the end of 2021, a year in which it had grown 1.7%.

In terms of new constructions, 254 vessels with a total carrying capacity of around 28.5 million DWT were delivered, corresponding to 4.2% of the current capacity of this fleet. With regard to dismantling, 68 vessels were sold for scrap with a capacity of 5.3 million DWT, corresponding to 0.8% of the capacity of the existing fleet.

Based on the same source, in 2022 the bulk carrier fleet grew by 3.4% in terms of the number of vessels and 2.9% in DWT, reaching 972 million DWT at the end of the year, having delivered 429 vessels with a capacity of 31 million DWT, which corresponds to 3.2% of the current capacity of this fleet. In this same period, 46 vessels were sold for

scrap with a capacity of 4.7 million DWT, corresponding to 0.5% of the current capacity of this fleet.

The value of the steel of the vessels sold for decommissioning, which in the Indian market had grown around 40% in 2021 compared to 2020, reaching 560 USD/t both for tankers and bulk carriers, decreased around 6% in 2022 standing at around 525 USD/t.

At the end of 2022, the order book of new vessels in the tanker fleet was for 328 vessels with a carrying capacity of 28.4 million DWT, or rather, a tonnage corresponding to 4.2% of the tonnage of the existing fleet. Of these 28.4 million, 17.9 million – corresponding to 63% of the total and 2.7% of the existing fleet – are scheduled for delivery during 2023.



LISNAVE

In the bulk carrier fleet, the order book of new vessels comprised 921 vessels, with a carrying capacity of 71.5 million DWT, which corresponds to 7.4% of the existing fleet, with delivery of 37.2 million, or rather, 62% of the total and 3.8% of the existing fleet, contemplated for 2023. In 2022, according to “Clarksons Research”, world shipping was reduced by 0.3% compared to 2021, both in terms of volume and in tonne x mile.

This reduction was due to the dry cargo in bulk and the containerized cargo segments, with reductions of 2.2% and 2.8% respectively, given that the transport of energy cargo segments increased, with the liquid bulk transport growing by 3.9% and gas transport 4.2%.

These differences in behaviour of the various transport market segments, associated with the evolution of the respective fleets, have created different expectations in the various operators, impacting the evolution of the freight rates of each segment.

The liquid bulk carrier fleet, with a 3.4% growth, associated with a reduction in the fleet used for storage, generated a 4.6% increase in the transport offer. Although the increase in transport demand was 3.9%, a growth slightly below to the offer, the expectations and uncertainty created by the war in Ukraine associated with the sanctions applied to the Russian Federation led to a significant increase in the freight rates tendency in all fleet segments.





So, in average, in the case of the Modern Suezmax, the average one-year charter rate was around 26,370 USD per day, an increase of around 56% in relation to the average value of 2021.

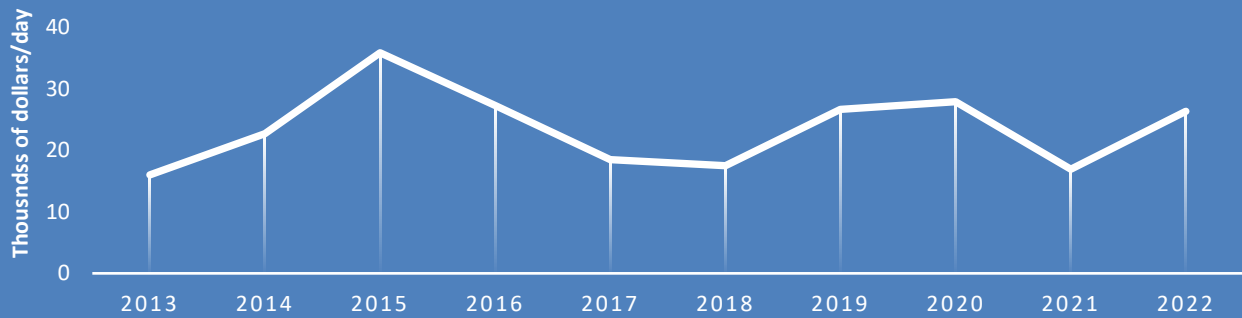
In the case of the dry bulk carrier fleet – with a 2.8% growth in the transport offer and a 2.2% reduction in demand –, where the consequences of the war in Ukraine most have been felt due to the constraints in the Black Sea and to the inflationary pressures which negatively influenced the consumption and, consequently, the demand in transport, the one-year charter rates suffered significant reductions in all market segments, where, in the case of “Capesize” carriers, it reached average values of around 21,400 USD per day – a

reduction of around 20% in relation to the average value of 2021.

The containerized cargo carrier fleet, which started 2022 still under the influence of the activity generated by post-COVID-19 which had already begun in 2021, during the first semester reached records high freight rates values. In the second semester, as the congestion in ports was being resolved and the consequences of the crisis affecting the world economy were being felt, the freight rates were reducing, reaching by the end of the year values around 70% lower than the ones at the beginning of the same year. Still, on a yearly average, the ships freight rates with a capacity of 6.800 TEU had a 43.3% growth compared to 2021.

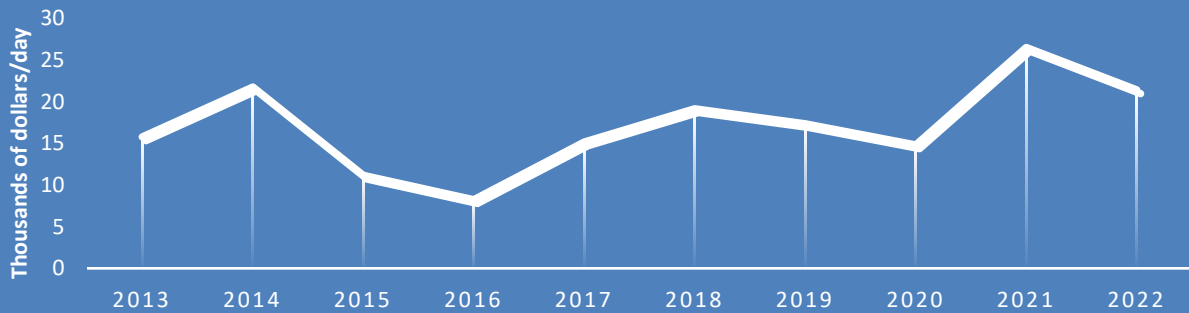
Freight Rates for Oil Tankers Modern Suezmax

Yearly average
Source: Clarkson Research



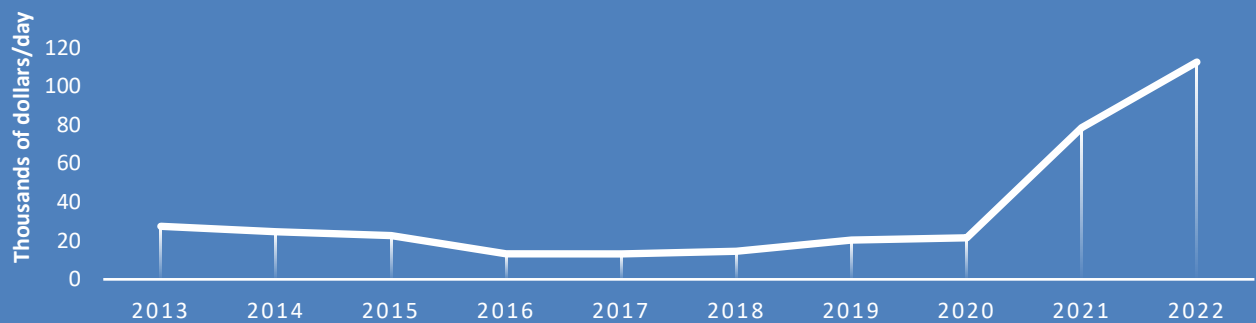
Freight Rates for Bulk Carriers Capesize – 12 months

Yearly average
Source: Clarkson Research



Freight rates for Container Carriers 6.800 TEU

Yearly average
Source: Clarkson Research



3 / SHIP REPAIR / MAINTENANCE BUSINESS

Demand

In the beginning of 2022, the inflationary pressure, which began at the end of 2021 and arising from the return to normality in the post-COVID-19, seemed to be temporary and to not require drastic measures to fight it. However, the invasion of Ukraine by troops of the Russian Federation, by creating strong disturbances in the transport chains, associated with the sanctions policy applied by most of OECD countries to the Russian Federation, ended up worsening it, causing a reduction in consumption and, consequently, in the world shipping of non-energy goods.

In the energy goods sector, despite the increase in transport volume, the uncertainties associated with the transition to less polluting energies were also felt, with the exception of the gas transport market.

Therefore, the order of new vessels was reduced by 40% in terms of transport capacity in comparison with 2021, despite prices only slightly increasing around 7%, with the exception of natural gas transport, which had a 140% increase in new orders also in terms of transport capacity. Thus, the order book of new constructions in comparison with 2021 was reduced in about 40% in the liquid bulk carriers and about 9% in the dry bulk carriers. The order book grew by about 90% in the natural gas transport segment.

Given the reduction in the number of shipyards seen in the last years and associated with the increasingly scarcity of skilled labour worldwide, it is estimated that the installed capacity will be in full power in the next 3.5 years.

Regarding the second-hand market, the prices have evolved in direct relation with world shipping. Therefore, in the liquid bulk shipping market, five-year-old ships had a price increase around 35% and in the dry bulk shipping market, ships with the same age had a reduction in about 10%.

The uncertainty caused by the war in Ukraine, the duration of the fight against the inflationary pressure, the entry into force of more standard rules in the fight against air and sea pollution, and the compliance with the ones already existing had a positive impact in the demand for ship repair and maintenance business.

So, in 2022, demand for ship repair for LISNAVE, measured in the number of consultations, grew 28% compared to 2021, a year in which demand had already grown by 6% compared to 2020. This growth was more significant in the dry bulk shipping and gas transport market, where the increase was 121% and 67% respectively, compared to 2021. In the liquid bulk shipping market segment, the demand increase was about 17%, and in the container ships segment there was an increase in demand of about 2%.

Demand outside of LISNAVE'S traditional markets, such as passenger ships, vehicle carriers, dredgers, etc., remained similar to that observed during 2021.



ITEMS	2022	2021	2020	2019	2018
Consultations	670	564	539	459	430
Orders	103	93	76	82	85
Commercial success rate (%)	15	16	14	18	20

The negotiations of these consultations generated 103 orders, around 11% more than in 2021, with the Success Rate reaching 15.4%. This reduction in Success Rate is the result of the high occupancy rate of the Shipyard, which meant a significant number of consultations had to be rejected, due to a lack of space at the dock.

Activity carried out

During 2022, 90 ships were completed for repairs/maintenance, 83 of which at dock.

As has happened since 2018, in 2022 LISNAVE was very active in installing new ballast water treatment systems, having installed thirty-six of these systems, after having already installed twenty-seven in 2021.

Its traditional market segments – liquid and dry bulk carriers – represented around 57% of its business in number of orders, and it should be pointed out that this is a continuation of the penetration into other market segments, such as gas carriers with 22% and container ships with 10%. In the liquid bulk carriers market segment, it should be pointed out the business in ship repair/maintenance of Shuttle Tankers, a segment where LISNAVE has a leading role at world level, representing around 12% of the total business in 2022, in terms of number of ships. Given the globalization in LISNAVE’S market, the vessels repaired during 2021 originated from 51 Customers located in 23 countries. The most important markets in terms of number of ships repaired were Greece with 17 ships, the United Kingdom with 15 ships, Norway with 11 ships and also Singapore with 8 ships.

YEARS	NATIONAL	FOREIGN	TOTAL	IN DOCK
2022	3	87	90	83
2021	1	79	80	77
2020	3	73	76	72
2019	2	70	72	68
2018	2	83	85	83



4 | INVESTMENTS / OTHERS

Continuing its policy of investment and renewal of infrastructures, in order to guarantee the maintenance and continuous improvement of the operating conditions of the Shipyard, as in previous years LISNAVE has ensured the investment both in new resources and in major repairs on infrastructures and existing equipment, having applied 1.27 million euros in the year. In this vein, it is also pointed out that the accumulated sums invested since 2000 already amount to around 40.2 million euros in nominal values, of which 30.1 million is in new investments and 10.1 million in major repairs to infrastructures and existing equipment.

In the Year under analysis, LISNAVE also bore costs of around 2.63 million euros with major repairs of infrastructures and equipment. It should be noted that, since 2009, a time in which, due to changes in accounting standards, these costs are no longer

capitalized, and the total sum now amounts to about 20 million euros.

In terms of new investments, we should point out the installation of chargers for electric cars, the certification of workshop equipment, the installation of lifelines, the installation of stainless steel railings on the access stairs to Dock 20, the acquisition of equipment and tools in the area of production – in particular, the acquisition of new equipment for the support infrastructures to ship repair, namely mobile illumination, transport containers, and scaffolding. The construction of the Solar Photovoltaic Plan (UPAC) of 1MW was also finished.

In terms of major repairs, we should highlight the repairs on the main roadways of the Shipyard, the recovery of the buildings' façades, the recovery of gangways, the rehabilitation of draining pumps of the CBED, the repair of the high floodgates, the rehabilitation and replacement of fenders in the Peers, Lock, and platform of the Hydrolift.

We should also mention other Investments such as the rehabilitation of the rail tracks in the cranes, the rehabilitation of equipment of the CBED, the conclusion of the installation of the new plasma cutting table in the Light Boiler Workshop, the life extension work carried out on the Floodgates of Platforms 31, 32, and 33 of the Hydrolift, the continuation of the structural rehabilitation of various cranes, the rehabilitation work to the 500t gantry crane, the continuation of the structural rehabilitation of the inter-dock pumping station and the repair of the concrete in the slabs of Docks 21 and 22, the rehabilitation of the fluid networks, the installation of the new power grid for ships of 440V/60Hz with 1MW of power for Docks 20 and 21 (Stage II), with an investment of around 4.74 million euros. These investments, while being the responsibility of the Concessionaire, LISNAVE - INFRAESTRUTURAS NAVAIS, S.A., add to the investments made in previous years, namely in the structural repair of Dock 20, Pier 3, in the electrical rehabilitation of the Shipyard (Stage I), in the waterproofing of the Hydrolift lock joints and the repair of the Hydrolift filling and draining vales, totalling around 36.41 million euros since 2008.

The projects indicated above, among others regarding policies of energy efficiency are expected to continue in 2023, in strict coordination with the Concessionaire, and investment in the production area will be reinforced.

Environmental Protection

Following the principles laid out in its environmental policy, during 2022 LISNAVE

maintained its concern with the preservation and protection of the environment in all areas of its intervention.

Ship repair and maintenance are important aspects in the modernization of the vessels. By fitting equipment that allow compliance with the new international requirements and maritime regulations, LISNAVE plays an active role in the ecological protection of the seas and oceans and of the marine species living in them.

Regarding alternative energies, and by taking advantage of the number of hours of sunlight, LISNAVE has invested in the production of electrical energy through photovoltaic panels and also in the heating of sanitary hot water, resorting to solar thermal panels, thus contributing to a reduction in its carbon footprint.

Endeavouring to ensure a prudent, efficient, and rational use of natural resources, it is worth noting, in terms of water resources, the efficiency of the wastewater treatment plants, which, autonomously, allow the treatment of almost all the effluent generated in the facility, including that from dockyard works.

In 2022, regarding processing and forwarding of waste generated, from a circular economy perspective, around 90% of it was recycled or recovered. Some examples are blasting grit from the pickling processes and the paper, cardboard, glass, and wood waste produced on a general basis. In the first example, the waste is forwarded to the cement industry, as an additive in iron, for the manufacture of cement, where practically all

the units of this industry existing in national territory are supplied with this material.

In the other cases, the waste is integrated in the waste streams existing at a national level. Also in 2022, and looking to warn the people in the Shipyard to the issue of climate change, following the Japanese botanist Miyawaki method, a Biodiversity Island was planted with 150 trees, 23 indigenous species, 50 m². A micro-forest in an industrial area, a contribution for promoting biodiversity.

The Company continues to safely and increasingly focus on raising the Shipyard's workers awareness of the natural heritage to be protected, thereby helping to defend the greater common good, sustainability. In this area, it engaged the Workers, who had voluntarily lent their faces to the cause, appearing in the photographs of an environmental awareness campaign.

Information Technologies

During 2022, regarding its IT strategy and in order to continue to improve its capacity to meet current and future challenges, namely in the information security and data protection fields, LISNAVE decided to migrate the SAP system hosted in the IBM Datacenter to a Cloud solution. In this context, the GRC system was also migrated to SAP ERP.

Several projects were developed during the year, with special emphasis given to the revision of the solution associated to the Performance Assessment process, in order to make it clearer and decentralized and where, among other changes,

the "Direct Management" became the first assessors.

As has been customary and according to the procedure followed in previous years, a test of the recovery plan for the systems installed in Mitrena was carried out, and the various redundancies of the local systems were successfully validated, with recovery times (RTO) of less than 20 seconds.

On the other hand, seeking to continue with the Information Technology Security Policy of LISNAVE and of the other companies of the NAVIVESSEL Group, various actions were organized, namely the preparation of Microsoft environments for MFA authentication, the update of the Firewall (Checkpoint), upgrade client (Checkpoint Endpoint – Sandblast) in the VDI and End User environments, implementation of new Wireless network technologies (HPE Aruba), the update of the VMware hosts firmware of DR and Production, the network Switches and Symantec Brightmail to its latest versions, recommended by the publishers and also the installation and configuration of an IdEntity Collector, with relevant gains in terms of the protection and safeguarding of data and of the systems, a necessary and indispensable condition for developing the Company's activity and its business.

Improvement actions were also made to the Hardware systems, namely the evolution of information disclosure platforms and evolution of the Safety and Environment training processes, with the acquisition of interactive Kiosks, the setup of 3 conference rooms with projector technology, as well as the expansion of the wireless network

coverage in the RMC, Offshore, Conjunto C1 buildings, and in the Training Centre Rooms.

On the other hand, and continuing the technological update process that had started in 2020, Windows 10 and Microsoft 365 was installed in more than 80 workstations.

Following the mentioned strategy and in order to keep addressing the growing demands of autonomy and mobility, LISNAVE also continued with the process of transitioning from Desktops to Laptops.

Quality /Other Certifications

As one of its main priorities, LISNAVE assumes Quality as a factor of success, striving to maintain the effectiveness and sustainability of its Quality Management System.

Seeking to ensure a high confidence level from its Customers and other representatives considered to be stakeholders, LISNAVE has always maintained a primary focus on the performance and achievement of works with a strict purpose of creation of added value to a service required to be of excellence, thereby obtaining a reference leadership in its market segment.

In 2022, with the renewal of the ISO 9001:2015 certification, LISNAVE focused once more on Quality, as a growth factor and sustained competitiveness. As such, it is an organization that finds in Quality management a crucial tool to overcome challenges and risks it encounters daily and progressively, facing and overcoming them, always aiming to contribute to the Customer's satisfaction.

In this sense, in 2022, LISNAVE has also ensured the compliance with the necessary and imposed requirements by NP EN ISO/IEC 17025:2018, thus maintaining its Calibration Laboratory accreditation.

Similarly, it has also maintained the certificate of International Ship & Port Facility Security Code.

Under the General Data Protection Regulation, LISNAVE has continuously ensured the commitment to the compliance of obligations it is bound to regarding the Workers' rights and the privacy and protection of their personal data, and also took steps to constantly update the internal documents guiding the different values by which the organization is governed, i.e., the Code of Conduct, which defines the applicable standards in terms of professional ethics.

5/ HUMAN RESOURCES

As has been reaffirmed in recent years, given the indispensability of ensuring its future survival and sustainability, LISNAVE decided, in due course, to rejuvenate the company and to make some aspects of the Employment Contract more flexible.

Accordingly, and in view of the systematic rejection by the Workers' Representative Bodies, of the various Company Agreement proposals presented meanwhile, LISNAVE decided to redirect its strategy and, to that effect, developed an extensive Youth Recruitment and Training Programme, in order to provide them with the technical skills indispensable for the productivity challenges ahead and so start the inevitable process of staff rejuvenation.

With regard to the aforementioned Rejuvenation Policy started in 2006, and centred on the selection of young people with a suitable profile to the sector of activity, up to 2022 LISNAVE organized the implementation of several Training Courses in the areas most requiring human resources in the Company, involving more than 560 students.

On the other hand, with the collaboration of its Shareholder NAVIVESSEL, LISNAVE also started in the past the legal procedures for the constitution of a new Company, which, having a corporate purpose similar to its own and operating on a service provision basis, would become, according to current requirements, the Company that would hire all future Workers.

This company, LISNAVEYARDS – NAVAL SERVICES, LDA., which has been providing services to LISNAVE since February 2009, had, on 31 December 2022, a staff of 304 Workers in the different professions related with the activity, 141 of whom were Direct Workers, having contracted 57 new Workers, among which were 43 Direct Workers, 4 Technicians, 5 Specialists, and 1 Manager in the course of the year.

Charges with Remunerations

Before presenting the most relevant indicators, it should be noted that, following the opportune approval of the proposal of the Board of Directors relating to participation in the results achieved, all Workers were awarded a Balance Sheet Bonus, comprising a fixed part of the Fixed Monthly Remuneration and two variable parts, one according to Absenteeism and the other dependent on the Performance Assessment,

corresponding to a maximum of 100% and in aggregate to a total bonus of 542 thousand euros.

The total amount of Staff Costs amounted to 8.7 million euros, as detailed in the following table.

Staff Costs

ITEMS	2022	2021
Remuneration, including Balance Sheet Bonus	5,782,003	5,436,348
Overtime	443,075	470,192
Bonuses, Subsidies and Other Remunerations	361,536	359,032
SUBTOTAL	6,586,614	6,265,572
Social Charges	2,082,820	2,098,311
TOTAL	8,669,434	8,363,883

(Amounts in euros)

The increase in the item “Remunerations” basically results from the constitution of a provision to the Balance Sheet Bonus.

Regarding the item “Overtime”, its reduction is related with the departure of workers, plus the fact that the percentage of workers inclined to work overtime is increasingly lower.



The increase in the item “Bonuses, Subsidies and Other Remunerations” is essentially related with the component “Other Remunerations”, arising from the aforementioned reduction in staff.

On the other hand, and regarding “Social Charges”, its reduction was essentially due to issues related with the items “Insurance” and “Social Action”.

Also related with this topic, we should mention that an agreement was reached with the Workers’ Representatives, under which a salary increase of 3.2% was agreed.

Training & Development

During 2022, the Company maintained its concern with the vocational training of its workers, having organised, sparingly and cautiously due to the recent pandemic context, 54 Vocational Training courses considered as priority, involving 391 participants and contemplating fundamental aspects for the good performance of the activity, both due to their technical component and the training and awareness of the areas of Quality, Safety, Environment, and Protection.

It should also be noted that despite the limitations already mentioned, around 45% of the number of hours of training carried out were dedicated to the important areas of Qualification/ Recycling/ Production Techniques.

Regarding the Annual Training Plan, during the year different training activities were organised with a total volume of training of 5,990.5 hours in diverse areas of knowledge.

Vocational Training | 2022

AREAS OF TRAINING	TOTAL HOURS	NR. OF PARTICIPANTS
Personal Development	1,351.5	62
Financial, Tax, and Accounting Management	69	6
Hardware and Software	20.5	5
Quality, Safety, Environment, and Protection	1,869.5	158
Qualification/Recycling/ Production Techniques	2,680	160
TOTAL	5,990.5	391

Youth Training

In relation to the Rejuvenation Plan that LISNAVE has been developing since 2006, 2 Youth Training courses were held in the year, totalling 8,378 hours of Training in which 24 students participated.

Strategic Succession Plan and Rejuvenation of Personnel

Following the aforementioned Youth Training and regarding the plan for identifying the needs for new resources, especially in the functional classes of Management and Preparation, several on Job Training processes were made, where the Workers were learning a new duty and were accompanied by a Tutor and that, in 2022, resulted in 18 cases of change of duties, 12 of which to Management or Preparation duties.

Personnel

In addition to the Training and Recruitment already mentioned, LISNAVE pressed ahead with the implementation of the Strategic Plan for Staff Succession and Rejuvenation taking into account the favourable conditions existing for the retirement of older Staff, recruiting and mobilising a total of 5 Engineers internally for the purpose.

Health and Safety at Work

In the course of the year LISNAVE maintained its traditional concern with the health of its Workers. In this perspective, besides occasional interventions, 607 examinations were performed, of which 435 were in LISNAVEYARDS and 172 in LISNAVE, subdivided into 49 admission, 233 periodic, and 325 occasional examinations.

On Health and Safety at Work, besides the fulfilment of the legislation and regulations in force, LISNAVE started the necessary procedures towards implementing the HSW Management System in accordance with the ISO 45001 Standard.

Indicators

In 2022, the number of accidents maintained in relation to the previous year, while in 2021 there was a change in the Accident Reporting procedure, now accounting for accidents that were not accounted for before.

Also in this year and following on from last year, LISNAVE did not record any very serious accidents among its Workers.

With regard to the accident rate and according to the calculation formula defined by the International Labour Organization, 2022 had a Frequency Rate of 30.06 and a Severity Index of 2052.82, thus worsening both indicators in relation to the previous year, related with the reduction of number of hours worked and with the increase of days lost, respectively.

Promotion of Occupational Safety and Health

Continuing with the objective of leveraging the continuous improvement of the said accident rates, LISNAVE promoted the holding of another series of safety training courses, of which the following are particularly noteworthy for their relevance: "Civil and Criminal Liability for Non-fulfilment of Safety Rules", "Professional Safety Training in the Assembly and Disassembly of Scaffolding and in Works at a Height", "Professional Training in the Inspection and Approval of Multidirectional Scaffolding", and "Risks in Machine and Equipment Operations".

On the other hand, it maintained its strong commitment to informing and raising awareness among the various participants with regard to



Safety and Health at Work and the Environment, having covered a total of 5,222 people in 2022, also including the reception and refresher courses for 4,232 Workers from Service Provider Companies.

With a view to promoting and divulging Health and Safety at Work, information was also provided in a more targeted way for specific situations to 990 persons, namely those involved in incidents or in work involving high safety risks, as well as in a broader context, awareness campaigns related with the areas of “Safety, Quality, the Environment, and Good Practices”, were resumed, promoted by the diverse productive sectors of the company aimed at LISNAVE’s Workers and managers of Service Provider Companies.

Besides the information and training referred to above, also worth highlighting are the distribution of information and basic safety rules to people who enter the Company’s facilities every day and who do not require safety training, such as salespeople, external technicians and other visitors, which in 2022, totaled 5,990 disclosures. Within the scope of this same policy, but with special incidence in the health area, LISNAVE promoted the habitual seasonal flu vaccination campaign, in which 40 Workers were vaccinated.



Internal Emergency Plan (IEP) – Emergency Exercises

Within the scope of the Internal Emergency Plan, and in order to test the response capability of our emergency, intervention, first-aid, and evacuation teams, as well as the internal bidirectional communication between the theatre of operations and those responsible for the IEP, real scale emergency exercises were performed – simulations, namely in vessels and in fixed facilities in the area of Fire Safety in Buildings (FSB). In this context too, the regular inspection by ANEPC was also performed, with a favourable report on the adoption of Self-Protective Measures in the Shipyard of Mitrena.

Safety Campaigns

Besides the aforementioned initiatives and in order to prevent professional risks and, mainly, continuing to promote a bigger and stronger Safety Culture of all Workers who perform their activity in the Shipyard, more specific Safety Campaigns were conducted, such as “Napo at LISNAVE” and “Respect the Lock-Out/Tag-Out”.

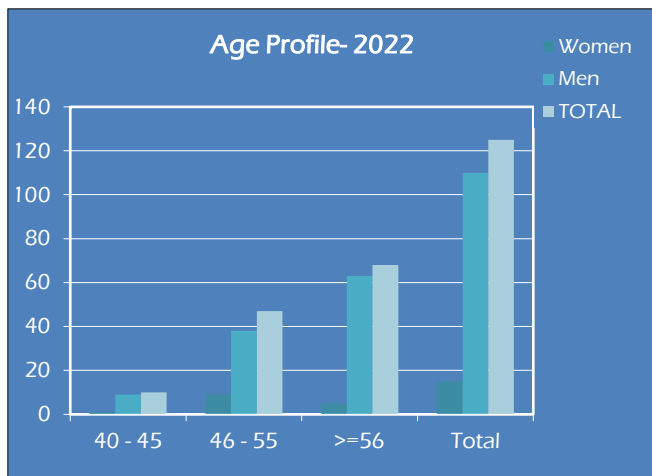


Other Indicators

The absenteeism rate in 2022 remained in line with the value recorded in the previous year.

Compared to the Staff Indicators at the end of 2021, LISNAVE's staff was reduced by 15 Workers, the vast majority of whom, under the terms of the law, having taken old-age retirement

On 31 December 2022, LISNAVE's total workforce was 125 Workers with an average age of 56.5 years.



6 | ECONOMIC AND FINANCIAL SITUATION

As mentioned above, LISNAVE repaired a total of 90 vessels in 2022, which corresponded to a total invoicing of 110.4 million euros.

Analyzing the following table, we can see that the value of total invoicing registered growth of 21.8% when compared with the previous year, being accompanied by an increase of 12.5% in terms of the number of vessels repaired.

Number of Vessels and Invoicing

ITEMS	2022	2021	2020	2019	2018
Vessels Repaired	90	80	76	72	85
Invoicing Vessels	110.4	90.6	87.0	62.2	80.7
Average Invoicing per Vessel	1.226	1.133	1.145	0.864	0.949

(Amounts in thousands of euros)

The average billing per ship, of 1.226 million euros, reflects an 8.3% increase when compared with the same period of the previous year, associated with the increase in the work content requested per ship in the so-called routine repairs.

Although there was a reduction in the value of the discounts granted to Customers, it still recorded a significant value, a consequence of the highly competitive market in which LISNAVE carries on its business.

Besides the increase in the number of ships repaired in the year compared to the previous year, when compared with the average of 76 vessels in the three-year period of 2019/2021, rose by 18.4%.

This result is directly related with the evolution of demand, measured in the number of enquiries received, which was 28.1% higher than that observed in the previous year, and with a more aggressive commercial strategy.

It is also important to note the evolution of the US Dollar (USD) exchange rate, which during 2022 and continuing the trend of last year, appreciated

against the Euro by around 4.4%, essentially from the 1st quarter.

Taking into account the fact that LISNAVE’s main customers still use the USD in their commercial

transactions, this appreciation was a factor that facilitated LISNAVE’s sales.

The following table presents the evolution of total Sales and Services Rendered:

Sales and Services Rendered

ITEMS	2022	2021	2020	2019	2018
Ship Repairs	110 370	90 618	86 995	62 189	80 657
Revenue from Ships in Progress	1 268	943	2 823	2 537	-970
Other Activities	5 460	4 951	3 339	5 705	2 817
Services Rendered	1 837	628	1 062	856	812
TOTAL	118 935	97 139	94 219	71 288	83 315

(Amounts in thousands of euros)

The aggregated amount of the items “Ship Repairs” and “Revenue from Ships in Progress” represented 93.9% of the total amount of “Sales and Services Rendered”, with the “Other Activities” and “Services

Rendered” items together recording a value of 7.3 million euros.



It should be pointed out that the amount of the item “Other Activities” registered an increase of 10.3% when compared with the previous year, resulting from the increase in Sales of “Other Services” and the Sale of Services to the Company LISNAVE INFRAESTRUTURAS NAVAIS, S.A., holder of the Mitrena Shipyard Concession Contract, related with the Shipyard Rehabilitation Investment Plan.

It should be mentioned that the 192.7% increase in the item “Services Rendered” is related with the

larger volume of scrap sold during 2022, when compared with the previous year.

In relation to the evolution of the Company’s economic situation, the following table presents the Income Statements for the years 2022/2018, where we can see, on the one hand, the evolution of the profitability of sales and, on the other, the evolution of the relative importance of the productive factors in the total operating income.

Income Statement

	2022		2021		2020		2019		2018	
ITEMS	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
Sales and services rendered	118 935		97 139		94 219		71 288		83 315	
Own work capitalised	0		3		7		2		1	
Other income and gains	1 815		1 440		1 582		1 247		1 005	
Total operating income	120 750	100	98 581	100	95 807	100	72 538	100	84 320	100
Costs of raw materials consumed	8 829	7.3	7 119	7.2	5 264	5.5	4 461	6.2	5 540	6.6
External supplies and services	90 567	75.0	75 116	76.2	70 364	73.4	59 641	82.2	65 746	78.0
Staff costs	8 669	7.2	8 364	8.5	9 586	10.0	9 353	12.9	11 412	13.5
Depreciation, Impairment, and Provisions	2 126	1.8	1 165	1.2	2 017	2.1	674	0.9	-5 989	-7.1
Fair value	137	0.1	0	0.0	0	0.0	0	0.0	0	0.0
Taxes	24	0.0	31	0.0	22	0.0	22	0.0	22	0.0
Other expenses and losses	449	0.4	474	0.5	485	0.5	456	0.6	784	0.9
Total operating costs	110 802	91.8	92 270	93.6	87 738	91.6	74 608	102.9	77 515	91.9
Operating results	9 948	8.2	6 311	6.4	8 069	8.4	-2 070	-2.9	6 805	8.1
Financing results	-9	0.0	-8	0.0	0	0.0	0	0.0	0	0.0
Pre-tax results	9 939	8.2	6 303	6.4	8 069	8.4	-2 070	-2.9	6 805	8.1
Income tax for the period (-)	-2 864	-2.4	-1 726	-1.8	-2 258	-2.4	113	0.2	-2 192	-2.6
Net result of the period	7 075	5.9	4 577	4.6	5 811	6.1	-1 957	-2.7	4 613	5.5

(Amounts in thousands of euros)

A brief analysis of the Income Statement shows that the economic performance of the company in 2022 significantly improved in relation to the previous year, returning a “Net Profit” of 7.1 million euros, the best in the last 6 years.

Analysing the information in greater detail it can also be seen that the “Operating results of the year” are influenced by the significant increase in the number of sales and by the maintenance of the Gross Margins of Projects.

This result is also influenced by the assessment made in 2022 to the investment property the company owns, which originated an impairment loss of 667.1 thousand euros.

LISNAVE continues to present a value in “Financing Results”, associated to the fact that, in view of the

pandemic situation, it had resorted to the Covid-19 Economy Support Line for Exporting Companies in the Industrial and Tourism sectors.

It should also be mentioned that, following the decision taken by Management at the end of 2003, exchange rate risks, related with the volatility of the Dollar, were eliminated in good time, given that the Company now bills its Customers in euros. In this way, the exchange differences in 2022 were not materially relevant.

In addition to the analysis of the economic evolution of the company for the period from 2018 to 2022, the following table shows the most important Economic Indicators and Ratios.

Economic Aggregates

ITEMS	2022	2021	2020	2019	2018
Overall Aggregates					
Gross value of production (GVP)	118 935	97 141	94 226	71 291	83 316
Gross value added (GVA)	22 821	17 371	21 525	8 330	13 302
Staff costs	8 669	8 364	9 586	9 353	11 412
Operating cash flow	12 074	7 476	10 087	-1 395	816
Average number of employees	132	143	159	188	229
Ratios					
Gross value of production per capita	901,0	679,3	592,6	379,2	363,8
Staff costs per capita	65,7	58,5	60,3	49,8	49,8
GVA/GVP	19%	18%	23%	12%	16%
Staff costs / GVA	38%	48%	45%	112%	86%

(Amounts in thousands of euros)

From their analysis it can be concluded that, in 2022, the Overall Aggregates and Ratios showed a positive performance when compared with those of the previous year.

So, the aggregates “Gross Value of Production (GVP)”, “Gross Value Added (GVA)”, and “Operating Cash Flow” evolved positively, as result of the already mentioned increase in sales and in the maintenance of the Gross Margin of Projects.

Net Position

ITEMS	2022	2021	2020	2019	2018
Share Capital	5 000	5 000	5 000	5 000	5 000
Shareholders loans	0	0	0	0	0
Legal reserve and retained earnings	29 481	27 903	26 092	28 049	23 436
Net result of the year	7 075	4 577	5 811	-1 957	4 613
Total Net Position	41 556	37 481	36 903	31 092	33 049

(Amounts in thousands of euros)

Notwithstanding these variations, the Company maintained a situation of economic sustainability, which allowed it, despite an extremely difficult year in world terms, to continue to operate and obtain positive results in a market characterized by strong competition and great unpredictability.

The evolution of the “Net Position”, for the period under review, is shown in the following table:



The Net Position on 31 December 2022 showed a value of 41.6 million euros. The book value per share, at the end of the year, was 41.56 euros, representing an increase of 731.1% compared to its nominal value.

Through the analysis of the main items of the Balance Sheet on 31 December 2022, for the last five years, set out in the following table, it is possible to analyse the evolution of the financial structure of the company.

Comparative Abridged Balance Sheets

ITEMS	2022	2021	2020	2019	2018
Assets					
Non-current assets	16 699	9 663	9 744	10 108	10 070
Inventories	2 183	1 923	1 947	1 988	1 962
Customers C/A (net of advance)	9 585	14 996	20 220	20 417	16 955
Other accounts receivable	19 121	9 990	7 583	4 977	6 885
Other Financial Assets	5 003	0	0	0	0
Cash and bank deposits	23 322	29 459	29 397	19 242	26 798
Deferrals	513	537	262	222	195
Total Assets	76 425	66 569	69 154	56 953	62 864
Liabilities					
Provisions	98	75	141	340	771
Other non-current payables	101	48	2	19	25
Non-current financing obtained	367	470	0	0	0
Financing obtained	113	94	0	0	0
Suppliers C/A (net of advance)	23 959	21 604	21 504	18 907	20 156
Other accounts payable	10 231	6 797	10 604	6 595	8 864
Deferrals	0	0	0	0	0
Total Liabilities	34 869	29 088	32 251	25 861	29 816
Net Position	41 556	37 481	36 903	31 092	33 049

(Amounts in thousands of euros)

In order to assess the Liquidity and Financial Structure of the Balance Sheet at the end of the year under review, a number of indicators were analysed which help to characterize the financial situation of the company, as follows:

Liquidity

Working capital in the order of 25.42 million euros and a Quick Ratio and Cash Ratio of 1.74 and 1.68, respectively, albeit lower than those recorded in the previous year, allow us to state that the Company's Short-term Financial Structure continues to be very solid.

The factors underlying this situation are the level of Cash Flow generated and the value of Cash and Banks, which stood at 23.3 million euros at the year end.

During the current economic year, it should be noted that the company has made financial applications in the amount of 11 million euros, which, adjusted to the quotation value on 31 December, resulted in a loss of 137.3 thousand euros.



Financial Structure

A non-current asset financing ratio of 2.49 and Total Solvency and Self-financing ratios of 119.2% and 54.4%, respectively, allow the conclusion that the financial structure of the Balance Sheet continues to be very comfortable and adequate for the Company's core business, which is carried on in an extremely competitive and highly unpredictable market.

Lastly, and in keeping with legal requirements, it is hereby declared that, on 31 December 2022, LISNAVE held no treasury shares and had no past-due debt to the State public sector, including the Social Security.

7/ *BUSINESS OUTLOOK FOR 2023*

2022 was an unusual year for Shipping, for Ship Repair and, consequently, for LISNAVE. In the containerised cargo shipping market, freight rates have reached record values and Operators of container ships, in particular very large ones, have obtained exceptional profits. As an example, one of our regular Customers has recorded its biggest profit of all time, reaching 30.9 billion USD. At the end of the year, this segment returned to "normalcy", while the liquid bulk carrier segment continued to benefit from the increase in freight rates.

With 2023 being an uncertain year due to the questions remaining in the short-term horizon – war in Ukraine, inflationary pressures, energy crisis, natural calamities, logistic crisis, human resources crisis, etc. – even so, the United Nations estimate that world economy will grow about

1.9% after the 3.0% growth estimated for 2022. It is expected that world shipping grows by 1.4% in terms of volume and by 2.6% in terms of tonne x mile in 2023, which, if it turns out to be the case, will have positive impacts in the fleets' activity and, consequently, in the Repair Shipyards.

With the market recovering its financial health and with Shipowners still having a low interest in repairing their ships in China due to their strict Covid regime in force and the consequent blocking risk of vessels in the shipyards, ship repair in Europe is still in high-demand. This uncommon scenario of ship repair of high-demand and scarcity of offer of shipyards in Western Europe, led Shipowners to reserve spaces in the docks well in advance, thus defining a major part of the ship repair activity for 2023.

Complementing this scenario, in view of the strong pressures to decarbonize the shipping sector and to comply with the goals on emissions, many Shipowners have clearly defined measures to be adopted in their ships in order to comply with recent international regulations regarding Energy Efficiency and Carbon Intensity having, therefore, already defined the retrofit projects for their ships with docking planned for 2023.

Having all these factors in place, LISNAVE begins its activity in 2023 in an unprecedented manner with docks 21 and 22 being booked until the beginning of the 4th quarter, with an order book of 30 orders, 5 of which are big repairs, which include upgrading the ships with the manufacturing and replacement of the bow bulb and 7 of which with retrofitting the installation of the "Alternate Marine Power" (AMP) or "Cold

Ironing”, which is the installation of an electrical power supply system which will function when the vessel is in the port, avoiding the unnecessary functioning of diesel generators and, consequently, helping to reduce the vessel’s emissions.

Regarding ballast water treatment systems (BWTS), the beginning of the downwards trend predicted to mid-2022 did not take place, now predicted to occur in the second half of 2023. Thus, in 2023, it is expected a slight reduction in the number of facilities compared to 2022 and a more steeply decline in 2024, until it ends in 2025.

In short, the prospects for a significant part of 2023 are supported by an unprecedented order book. However, with the ease of restrictions on the movement of persons in the Far East, there are many Shipowners who, during the year, will once again prefer the shipyards in China, reducing the demand for Europe’s shipyards, mainly in Western Europe.

Human Resources

In 2023 the Board of Directors intends to continue with its Strategic Human Resources Management policy, through the cooperation established with LISNAVEYARDS, in order to continue to foster,



through the latter, the creation of conditions that will ensure the future sustainability of this business sector in Portugal.

With this objective, LISNAVE intends to continue to collaborate with LISNAVEYARDS, seeking to ensure that it takes on greater responsibilities in developing the activity, in the light of the size of its staff, particularly as regards the number of its direct workers.

Seeking to continue the Rejuvenation Plan that the Company has been developing since 2006 and at the same time compensate for the courses that were postponed in 2020 and 2021, LISNAVE intends to organize three new youth training courses in the areas of Naval and Mechanical Metalworking, the recruitment and training of 20 new Direct and Indirect Workers, 5 Technicians, as well as the contracting of 20 new Managers, 15 of whom are Engineers.

Besides Youth Training, LISNAVE will continue with the training of its Workers, and, for the purpose, the Annual Training Plan for 2023 has been approved, within the scope of which 96 training courses are expected to be given, involving around 697 students, totalling 18,799 hours of training. On the other hand, LISNAVE will continue to promote the training of new management, both in-house and by resorting to external partners, as well as the measures considered necessary to put into effect the Human Resources Strategic Plan defined by the Company.

8/ PROPOSAL FOR THE APPROPRIATION OF PROFITS

Considering the level of performance achieved in 2022, the Board of Directors decided to award a Balance Sheet Bonus to all workers.

It therefore proposes to the Shareholders:

1. That the decision by the Board of Directors to award a Balance Sheet Bonus to all Company Workers, in the amount of € 1,000,000.00 (one million euros), already included in the Net Result for the Financial Year, be ratified, and that,
2. The Net Profit of the year, amounting to €7,074,968.39 (seven million, seventy-four thousand, nine hundred and sixty-eight euros and thirty-nine cents), be applied as follows:
 - Dividends..... 5,000,000.00 euros;
 - Retained earnings..... 2,074,968.39 euros.

9/ CLOSING REMARKS

Lastly, in closing the Management Report in respect of the business in 2022, the Board of Directors would like to express its profound gratitude and appreciation to the many people and entities that have directly or indirectly supported it in the pursuit of the established goals, in particular:

- 👤 The Customers and Suppliers, for the preference and confidence with which they have continued to distinguish LISNAVE;
- 👤 The Shareholders, for the support, co-operation and interest that they have always displayed in their monitoring of the more relevant aspects of the management of the Company;

- ④ To all the Company's Workers and other Employees and their Representative Bodies for their willingness commitment and very considerable professionalism;
- ④ The Audit Committee and the Auditors for the participative way in which they have performed their duties;
- ④ The Authorities in general and those of the Port Setúbal in particular for their initiative and co-operation in resolving issues inherent in the working of the Shipyard;
- ④ The Credit Institutions for the excellent relations they have maintained with LISNAVE

Setúbal, 28 February 2023

BOARD OF DIRECTORS

Chairman

José António Leite Mendes Rodrigues

Members

Nuno M. F. de Almeida Antunes dos Santos

Cláudia Cristina Pelaio Rodrigues Braz

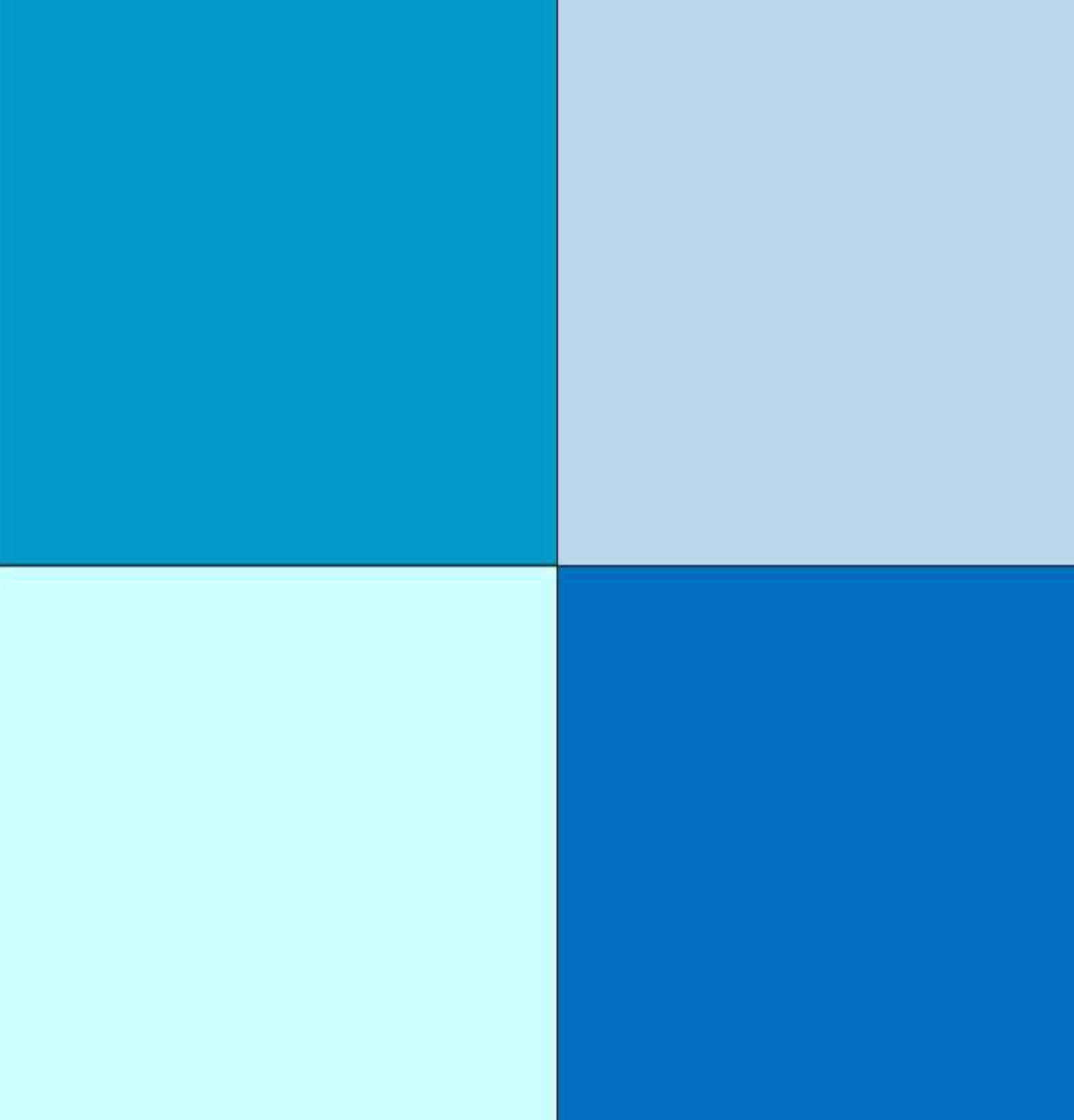
Luis Manuel dos Santos Silva Patrão

João Rui Carvalho dos Santos









BALANCE

STATEMENT OF CHANGES IN EQUITY

STATEMENT OF PROFIT AND LOSS BY ACTIVITY

CASH FLOW STATEMENT

ANNEX

AUDITING COMMITTEE REPORT AND ADVICE

LEGAL CERTIFICATION OF ACCOUNTS

EXTRACT OF THE MINUTE OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS

HELD ON 30TH MARCH 2023 RELATING TO THE APPROVAL OF DOCUMENTS

REPORTING THE ACCOUNTS FOR THE 2022 FINANCIAL YEAR

DELEGATIONS AND REPRESENTATIVE OFFICES

BALANCE

Items	Notes	31-Dec-22	31-Dec-21
Assets			
Non-current Assets			
Tangible assets	8	7 867 504,94	6 378 344,52
Investment properties	7	1 900 000,00	2 567 100,00
Other finance investments		3 171,60	1 585,80
Deferred tax assets	14	212 765,68	73 612,07
Other finance assets	15	5 860 044,00	-
Other accounts receivable	15	405 351,08	192 820,08
Non-current assets held for sale	8	450 000,00	450 000,00
		16 698 837,30	9 663 462,47
Current assets			
Inventories	10	2 183 250,26	1 923 282,67
Customers	15.1	13 071 775,66	15 702 896,72
Advances to suppliers	15.3	1 000 734,67	643 468,89
State and other public entities	14/17.1	3 391 679,90	2 641 160,29
Other accounts receivable	15.2	15 729 134,98	7 349 171,62
Deferrals	17.2	512 546,28	536 617,40
Other finance assets	15	5 002 703,13	-
Cash and short term deposits	4	23 321 513,87	29 459 086,75
		64 213 338,75	58 255 684,34
Total assets		80 912 176,05	67 919 146,81

(Amounts in euros)

Items	Notes	31-Dec-22	31-Dec-21
Equity and Liabilities			
Equity			
Realized Capital	15.6	5 000 000,00	5 000 000,00
Legal Reserves	17.3	1 398 173,26	1 398 173,26
Retained earnings	17.3	28 082 385,77	26 504 887,22
		34 480 559,03	32 903 060,48
Net profit/Loss for the period	17.3	7 074 968,39	4 577 498,55
Total equity		41 555 527,42	37 480 559,03
Liabilities			
Non-current liabilities			
Provisions	12	98 267,04	75 192,04
Obtained financing	15.4	366 600,00	470 000,00
Deferred tax liabilities	14	101 337,77	48 205,02
Other debts payable	15.4	0,00	0,00
		566 204,81	593 397,06
Current Liabilities			
Suppliers	15.3	24 959 843,46	22 247 595,06
Advances to customers	15	3 486 904,17	707 000,02
State and other public entities	14/17.1	1 981 951,79	242 877,54
Obtained financing	15.4	112 800,00	94 000,00
Other debts payable	15.5	8 248 944,40	6 553 718,10
		38 790 443,82	29 845 190,72
Total Liabilities		39 356 648,63	30 438 587,78
Total Equity and Liabilities		80 912 176,05	67 919 146,81

(Amount in euros)

STATEMENT OF CHANGES IN EQUITY

Description	Issued Capital	Legal Reserves	Earnings	Net Income	Total Equity
Position at 01/01/2021	5 000 000,00	1 398 173,26	24 693 593,05	5 811 294,17	36 903 060,48
Reminder of the distribution of the Net Income for the Period			5 811 294,17	-5 811 294,17	0,00
Changes for the period					
		0,00	0,00	0,00	0,00
Net income for the period				4 577 498,55	4 577 498,55
Operations with equity owners					
Dividends			-4 000 000,00		-4 000 000,00
	0,00	0,00	-4 000 000,00	4 577 498,55	577 498,55
Position at the end of 2021	5 000 000,00	1 398 173,26	26 504 887,22	4 577 498,55	37 480 559,03
Position at 01/01/2022	5 000 000,00	1 398 173,26	26 504 887,22	4 577 498,55	37 480 559,03
Reminder of the distribution of the Net Income for the Period			4 577 498,55	-4 577 498,55	0,00
Changes for the period					
		0,00	0,00	0,00	0,00
Net income for the period				7 074 968,39	7 074 968,39
Operations with equity owners					
Dividends			-3 000 000,00		-3 000 000,00
	0,00	0,00	-3 000 000,00	7 074 968,39	4 074 968,39
Position in the end of 2022	5 000 000,00	1 398 173,26	28 082 385,77	7 074 968,39	41 555 527,42

(Amounts in euros)

PROFIT AND LOSS STATEMENT

Income and Services	Notes	2022	2021
Sales of goods and services rendered	11	1 18 935 043,14	97 138 898,46
Works for the company		137,60	2 516,38
Costs of goods and materials consumption	10	(8 828 772,71)	(7 119 450,47)
Externals supplies and services	17.4	(90 567 220,98)	(75 116 336,99)
Personnel expenses	16	(8 669 434,42)	(8 363 882,45)
Impairment of inventories (losses/ gains)	10	(47 474,84)	19 510,25
Impairment of debts receivable (losses/ reversals)	15.1	86 092,27	97 972,51
Provisions (Increases/ Reductions)	12	(23 075,00)	35 539,19
Fair value increases/ reductions	17,7	(137 252,87)	0,00
Other incomes and earnings	17.5	1 815 312,23	1 439 548,23
Other expenses and losses	17.6	(473 690,92)	(505 202,57)
Earnings before Interest, Taxes, Depreciation and Amortization		12 089 663,50	7 629 112,54
Depreciation and amortization expenses/ reversals	8/17.8	(1 474 453,64)	(1 318 113,23)
Impairment of depreciable/ amortizable investments (losses/ reversals)	17.9	(667 100,00)	0,00
Operational earnings before Interest and Taxes		9 948 109,86	6 310 999,31
Interest and similar income obtained			0,00
Interest and similar expenses incurred	17.10	(9 350,47)	(7 950,85)
Earnings before Interest and Taxes		9 938 759,39	6 303 048,46
Period income taxes	14	(2 863 791,00)	(1 725 549,91)
Profit for the year		7 074 968,39	4 577 498,55
Profit by share		7,07	4,58

(Amounts in euros)

CASH FLOW STATEMENT

Items	Period	
	2022	2021
Cash flow from operating activities		
Receivable from customers	126 781 178,41	98 344 418,07
Payments to suppliers	-126 720 824,40	-97 831 739,48
Payments to employees	-5 613 440,17	-6 081 045,32
Cash Generated by Operations	-5 553 086,16	-5 568 366,73
Income Tax Payment / Receipt	-1 211 018,06	-3 479 485,63
Other payments/ receivable related to operating activity	15 977 050,95	13 355 716,41
	9 212 946,73	4 307 864,05
Flow from Operating Activities (1)	9 212 946,73	4 307 864,05
Payments related with:		
Tangible assets	-1 273 444,58	-795 313,03
Other assets	-11 000 000,00	
	-12 273 444,58	-795 313,03
Receivables related with:		
Tangible assets	32 000,00	
Interest and similar income	1 723,73	3 812,52
Flow from Investment Activities (2)	-12 239 720,85	-791 500,51
Payments related with:		
Financing obtained	-84 600,00	
Interest and similar expenses	-26 198,76	-18 194,63
Dividends	-3 000 000,00	-4 000 000,00
Receivables related with:		
Loans obtained		564 000,00
Flow from Financing Activities (3)	-3 110 798,76	-3 454 194,63
Changes in Cash and Cash Equivalent (4) = (1) + (2) + (3)	-6 137 572,88	62 168,91
Net Foreign Exchange Difference		184,92
Cash and Cash equivalents at Beginnings of period	-29 459 086,75	-29 397 102,76
Cash and Cash equivalents at End of period	23 321 513,87	29 459 086,75
	-6 137 572,88	62 168,91

(Amounts in euros)

ANNEX

(Amounts are stated in euros unless specifically indicated otherwise)

1. Corporate Identification

The Company was incorporated on March 12th 1997 under the business name of NAVENOVA – ESTALEIROS NAVAIS, S.A., its name subsequently being altered by a public deed dated July 31st 1997 to LISNAVE - ESTALEIROS NAVAIS, S.A.

Its main corporate purpose is the operation of shipyards for the construction and repair of ships relating to the exercising of the industry, trade as well the development of activities related with the latter or similar.

Its registered offices are situated in Mitrena, 2910 - 738 SETUBAL.

The Company capital is held mainly by NAVIVESSEL - ESTUDOS E PROJECTOS NAVAIS, S.A., which holds 72,86%, by THYSSENKRUPP INDUSTRIAL SOLUTIONS AG, which holds 20% of capital, by the PARPÚBLICA, SGPS,S.A. with 2,97% and by PUBLIC (OPT) with 4,17%.

2. General Accounting Policies used in the preparation of the Financial Statements

2.1 Basis of Preparation

The accompanying financial statements have been prepared in accordance with the Accounting and Financial Reporting Standards (IFRS) issued and in force as at December 31, 2022.

The preparation of the financial statements in conformity with the Accounting Standardisation System (SNC) requires the use of estimates, assumptions and critical judgments in the process of determining the accounting policies adopted by LISNAVE, ESTALEIROS NAVAIS, SA, having a significant impact on the carrying amounts of the assets and liabilities, as well as on the income and expenses of the reporting period.

Although these estimates are based on the best experience of the Board and on its best expectations in relation to the events and current and future operations, current and future results may differ from these

estimates. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are presented in Note 3.3.

2.2 Derogation of the Provisions of the SNC

During the year to which these financial statements refer, there were no exceptional cases that directly entailed derogation of any provision laid down in the SNC.

2.3 Comparability of the Financial Statements

The financial statements of LISNAVE, ESTALEIROS NAVAIS, S.A, for the year ended December 31, 2022, have been prepared on a going concern basis, from the accounting records and respective supporting documentation maintained in accordance with the law.

3. Accounting Policies

3.1 Measurement bases used in the preparation of the financial statements

On the preparation of the financial statements, the Company adopted:

- The Bases stated in the annex to Statute Law no. 158 enacted on July 13th 2009 which instituted the SNC;
- The NCRF in force on the present date with those exemptions described in Note 2.

Hence, the financial statements were drawn up in line with the bases of continuity, the accruals regime, the consistency of presentation, materiality and aggregation, non-compensation and comparative information.

Being based on the provisions of the NCRF, the accounting policies adopted by the Company were as follows:

a. Tangible Fixed Assets

Tangible Fixed Assets refer to assets used in production, in the rendering of services or in administrative use.

With the exception of the Lands that are not depreciable, Tangible Fixed Assets are depreciated during the expected economic period of life and evaluated in terms of impairment whenever there is an indication that the asset may be in an impairment situation. Depreciations are calculated on a duodecimal basis as from that time when the assets are available for use for the desired purpose, using the straight line method.

The depreciation rates have been defined with a view to wholly depreciating the assets until the end of their anticipated working lives and they are as follows:

	2022	2021
Buildings and Other Constructions	2,50% – 5,00%	2,50% – 5,00%
Basic Equipment	5,00% – 12,50%	5,00% – 12,50%
Transport Equipment	25,00%	25,00%
Administrative Equipment	6,25% – 33,33%	6,25% – 33,33%
Other Tangible Assets	16,67%	16,67%

The depreciation cost is recognised in the profit-and-loss account under the item Expenses / Reversions of Depreciation and Amortization.

The standard repair and maintenance costs are recognised as expenses in the period during which they occur.

Any gain or loss deriving from the derecognizing of a tangible asset (calculated as the difference between the sale value minus sales costs and the book value) is included in the result for the financial year in the year in which the asset is derecognized.

Tangible Fixed Assets in Progress relate to assets which are still at a construction or development stage and are measure at the cost of acquisition, only being depreciated when they are available for use.

Impairment

The Company evaluates whether there is any indicator that an asset may be impaired at the end of the year. Should there be any indicator, the Company estimates the recoverable amount of the asset (which is the highest between the fair value of the asset or of a cash generating unit minus the selling costs and

its value in use) and they recognize the impairment in the results for the financial year whenever the recoverable amount is lower than the book value.

When evaluating whether there is an indicator of impairment, the following situations are considered:

- During the period the market value of an asset reduced significantly more than that would be expected as a result of the passage of time or normal usage;
- During the period major alterations occurred – or will occur in the near future – with an adverse effect on the Company as regards the technological, market, economic or legal environment in which the Company operates or on the market to which the asset is dedicated;
- The market interest rates or other investment return market rates increased during the period and these increases will probably effect the discount rate used to calculate the value in use of an asset and will materially reduce the recoverable amount of the asset;
- The carrying amount of the net assets of the Entity is greater than its market capitalization;
- Evidence is available of the obsolescence of or physical damage to an asset;
- Major improvements with an adverse effect on the Entity occurred during the period, or it is expected they will occur in a near future to the extent that, or in the way in which, an asset is used it is expected to be used. These alterations include an asset which has become idle, plans to discontinue or restructure the operating unit to which the asset belongs, plans to dispose of an asset before the date expected previously;
- There is evidence in the internal reports that indicate that the economic performance of an asset is, or will be, worse than that expected.

Regardless of whether there are indicators of their being impaired any assets which is still not available for use is tested annually.

Impairment reversions are recognized under results and are only carried out up to the limit which would result if the asset had never been subject to impairment.

b. *Deferred Tax and Liabilities and Income Tax for the Period*

b.1. Deferred Tax Assets and Liabilities

Deferred Tax Assets and liabilities derive from the calculating of timing differences between the accounting base and the fiscal base of the assets and liabilities of the Company.

Deferred Tax Assets reflect:

- Timing differences which are deductible insofar as the existence of future taxable profits is probable with regard to which the deductible difference may be used;
- Unused tax losses and tax credits insofar as it is probable that future taxable profits are available against which they can be used.

Deductible timing differences are timing differences resulting in amounts which are deductible when determining taxable profit/tax loss for future periods when the carrying amount of the asset or liability is recovered or settled.

Deferred Tax Liabilities reflect taxable timing differences.

Taxable timing differences are timing differences resulting in amounts which are deductible when determining taxable profit/tax loss for future periods when the carrying amount of the asset or liability is recovered or settled.

Deferred taxes are not recognised as regards the timing differences associated with investments in branches and associates and interests in joint ventures as it is assumed that the following conditions have been simultaneously met:

- The Company is capable of controlling the timing of the reversion of the timing difference; and
- It is probable that the timing differences will not revert in the foreseeable future.

The measurement of Deferred Tax Assets and Liabilities:

- This is carried out in accordance with the rates which it is expected are applicable in the period during which the asset is realised or the liability settled based on the tax rates approved as at the date of the balance sheet and
- Reflects the tax impacts which follow and the Company expects, as at the date of the balance sheet, to recover or settle the carrying amount for its assets and liabilities.

b.2. Income Tax

The Income tax for the Period encompasses the deferred and current taxes of the financial year.

Current Tax is determined in line with the accounting result adjusted in accordance with the tax legislation in force.

The Company is subject to income tax at the rate of 21%, plus the Municipal Surcharge up to the maximum rate of 1.5% on the Taxable Profit and the State Surcharge rate, of 3% and 5% resulting in a maximum aggregate rate of 27.5%.

Under the terms of prevailing legislation, the corresponding tax returns are subject to revision by the tax authorities for a period varying between 4 and 5 years which may be extended under certain circumstances, to wit when there are tax losses or inspections, claims or challenges or are in progress.

The Board of Directors, based on the positions of its tax consultants and bearing in mind the responsibilities recognised, understands that any revisions of said tax returns will not result in material corrections to the consolidated financial statements.

c. Inventories

The inventories include the raw materials which are valued at the cost of acquisition or net realizable value, the lower of the two, with the costing method being the average cost one.

The cost of the inventories includes:

- Purchasing costs (purchasing cost, import duties, non-recoverable taxes, transport costs, handling and other directly attributable to purchase, deducting any commercial discounts, rebates and other similar items);
- Any other costs incurred to ensure placement of inventories at its facilities and desired conditions;
- Variations in fair value should the inventories be associated with hedging derivative instruments (§37 b) of the NCRF 27).

Whenever the net realizable value is lower than the cost of acquisition or production, there is a reduction in the value of the inventories by way of the recognition of a loss owing to impairment which is reverted when the grounds which gave rise to it cease to exist.

To this end, the net realizable value is the estimated selling price during the ordinary course of business activity minus the estimated finishing costs and the costs required making the sale. The estimates take

into account any variations related with events occurring after the end of the period insofar as said events confirm the existing conditions at the end of the period.

d. *Non-current assets held for sale*

Non-current assets are classified as held for sale when their carrying amount is primarily recovered through a sale transaction rather than through continuing use.

It is considered that this condition is met only when the sale is highly probable and the non-current asset is available for immediate sale in its present condition. The corresponding sale must be completed within one year from the date of the non-current asset classified as available for sale.

Non-current assets classified as held for sale are measured at the lower value between its carrying amount before classification and its fair value.

e. *Financial assets not included in the above paragraphs*

Financial assets are recognised when the Company is a party to the respective contractual relationship. Financial assets not included in the aforementioned paragraphs and which are not valued at fair value are valued at the cost or at the depreciated cost net of losses due to impairment, where applicable.

At the end of the year the company valued the impairment of these assets. Whenever there was objective evidence of impairment, the company recognised a loss owing to impairment in the profit-and-loss account.

Objective evidence that a financial asset or a group of assets could be in impairment bore in mind observable data which related to the following loss events:

- Significant financial difficulty of the debtor;
- Breach of contract such as failure to pay or default as regards the payment of interest or depreciation of debt;
- The Company, for economic or legal reasons related with the financial difficulty of the debtor provides the debtor with concessions which it would otherwise not consider;
- It has become probable that the debtor will file for bankruptcy or any other financial reorganization;
- Observable information indicating that there is a reduction in the measurement of the estimated future cash flows of a group of financial assets since their initial recognition.

Individual significant financial assets were valued individually for the purposes of impairment. The others were valued in line with similar credit risk characteristics.

Some specific aspects related with each of the types of financial assets are set out below.

e.1 Clients

Accounts receivable from Clients are measured at the time of initial recognition in accordance with the measurement criteria for Sales and the Rendering of Services described in paragraph I), being subsequently measured at cost minus impairment.

Impairment is determined in line with the criteria defined in paragraph e).

e.2 Advances to Suppliers

These balances do not earn interest or do they imply any kind of interest and hence they are presented at the respective nominal value, deducting losses owing to impairment, where applicable, determined in line with the criteria defined in paragraph e).

e.3 Other Credits Receivable

The other credits receivable are valued in the manner set out below:

- Staff – at cost minus impairment;
- Debtors owing to income accruals – at cost minus impairment;
- Other debtors - at cost minus impairment.

In both cases impairment is determined based on the criteria defined in paragraph e).

e.4 Cash and Banks

The amounts included under the item Cash and Banks correspond to cash amounts and other deposits, falling due in under three months, and which may be mobilized immediately with an insignificant risk of any alteration to value.

These balances are measured at cost.

For the purposes of the cash flow statement, the item “Cash and cash equivalents” not only includes Cash and Banks but also, where applicable:

- The bank overdrafts included under the item Financing Obtained from the Balance Sheet; and
- The Cash and cash equivalents balances included under the item Non-Current Assets held for Sale.

f. State and Other Public Bodies

The assets and liabilities balances of this item are calculated in line with prevailing legislation.

As regards assets for which no impairment was recognised as it is considered that this is not applicable in view of the specific nature of the relationship.

g. Assets and Liabilities Deferrals

This item reflects the transactions and other events with regard to which their total imputation to results in a single financial year is not appropriate.

h. Equity Items

h.1 Capital Realized

In compliance with the provisions of article 272 of the Trading Company Code (CSC) the memorandum of association indicates the timeframe for realizing the capital subscribed and not paid up as at the date of the deed. During this timeframe the respective shareholders are not entitled to vote at General Meetings under the terms defined in article 384, also of the CSC.

h.2 Legal Reserves

According to article 295 of the CSC, at least 5% of the result must be set aside for the formation or strengthening of the legal reserve until the latter represents at least 20% of the Share capital.

The legal reserve may not be distributed except in the event of liquidation and it can only be used to soak up losses once all the other reserves have been used up, or for incorporation in Share capital (article 296 of the CSC).

h.3 Results Carried Forward

This item does not include any gains owing to increases in Fair Value in Financial Instruments, Financial Investments and Investment Properties which, in accordance with no.2, article 32 of the CSC, would only be available for distribution when the elements or rights which gave rise thereunto have been disposed of, exercised, dissolved or settled.

i. Provisions

This item reflects the present obligations (legal or constructive) of the Entity deriving from past events whose settlement is expected to result in an outflow of resources from the Entity which incorporate economic benefits and whose timing and amount are uncertain, but whose value may be reliably estimated.

Provisions are measured by the best estimate of the expenditure required to settle the present obligation as at the date of balance sheet. Whenever the effect of the time value of money is material, the amount of a provision is the present value of the expenditure which it is expected will be necessary to settle the obligation using a pre-tax discount rate which reflects the current market valuations of the time value of money and the specific risks of the liabilities and which does not reflect risks with regard to which the estimates of future cash flows have been adjusted.

Some specific aspects relating to Provisions have been set out below.

i.1 Provisions for Court Proceedings

This item includes the provision for a lawsuit in progress regarding Accidents at Work. It is measured at its present value.

i.2 Other Provisions

This item includes, among others, the following provisions:

- Provisions for commissions payable, related with services rendered by the Company, penalties and invoice discussions;
- Other miscellaneous items.

These provisions are recorded at their present value.

j. Other Financial Liabilities not included in the previous paragraphs

Financial liabilities are recognised when the Company is a party to the respective contractual relationship.

Financial liabilities not included in the aforementioned paragraphs are valued at cost or depreciated cost under the terms indicated in the paragraphs below.

j.1 Suppliers

The accounts payable to suppliers are initially recognised at the respective fair value and, subsequently, are measured at cost.

j.2 Clients Advances

Client Advances do not earn interest nor involve any interest and are thus measured at cost.

j.3 Other Debts Payable

The other debts payable do not bear interest nor involve any interest and are thus measured at cost.

k. Effect of Alterations to Exchange Rates

Transactions in a foreign currency are converted into Euros at the rates on the transaction dates.

Any balances still outstanding at year-end are converted at the closing rate and the differential is recognised under results.

l. Rendering of Services

The Rendering of Services is measured at the fair value of remuneration received or to be received, deducting any amounts relating to commercial discounts and other discounts granted.

When the rendering of the service includes subsequent services, that correspondent part of the revenue is deferred and recognised as revenue during the period in which the service is carried out.

Although revenue is only recognised when it is likely that the economic benefits associated with the transaction will flow into the Company, should any uncertainty arise about the collectability of an amount

already included in the revenue, the bad debt amount – or the amount with regard to which recovery has ceased to be likely – is recognised as an impairment and not as an adjustment to the amount of revenue originally recognised.

Some specific aspects have been set out below about the recognition of Renderings of Services.

l.1 – Rendering of Services

Revenue from the Rendering of Services is recognised when the outcome of the transaction can be reliably estimated which occurs when all the following conditions have been met:

- The revenue amount can be reliably measured;
- It is likely that the economic benefits associated with the transaction will flow to the Company;
- The transaction completion stage as at the date of the balance sheet can be reliably measured; and
- Any costs incurred by the transaction and the costs to complete the transaction can be reliably measured.

The percentage of completion is determined in line with the proportion which the costs incurred to date has of the total estimated costs of the rendering of services (relating to services carried out or being carried out).

Progressive payments and client advances are not borne in mind when determining the percentage of completion.

m. Payroll Expenses

Payroll expenses are recognised when the service provided by the employees regardless of their date of payment.

Some specific aspects have been set out below relating to each of the types of Payroll Expenses.

m.1 Holidays and Holiday Allowances

According to the employment legislation in force, employees are entitled to holidays and holiday allowance in the year subsequent to that when the service is provided. Hence, an increase in the amount

to be paid in the following year was recognised in the results of the financial year, being reflected under the item "Other Debts Payable".

m.2 Employment Severance Benefits

The Company recognizes a liability and an expense for Employment Severance Benefits when it has already demonstrably committed to:

- Cease the employment of an employee or group of employees prior to the normal retirement date; or
- Provide severance benefits as a result of an offer made to encourage voluntary departure.

It is considered that the Company has already demonstrably committed when it has a detailed, formal plan as regards the severance and there is no realistic possibility of withdrawal and when the plan includes at least the following:

- The location, post and approximate number of employees whose services are to be severed;
- The severance benefit for each classification or post of employment; and
- The time when the plan is to be implemented.

Employment Severance Benefits are recognised as an expense immediately and whenever they fall due over 12 months after the balance sheet date they are measured at the discounted value.

In the case of offers made to encourage voluntary departure, the measurement of the Employment Severance Benefits is based on the number of employees who it is expected will accept the offer.

n. Contingent Assets and Liabilities

A Contingent Asset is a possible asset deriving from past events and whose existence shall only be confirmed by the occurrence or otherwise of one or more uncertain future events not totally under the control of the Entity.

Contingent Assets are not recognised in the financial statements so as not to result in the recognition of income which may never be realised. However, they are disclosed when the existence of a future inflow is likely.

A Contingent Liability is:

- A possible obligation which derives from past events and whose existence shall only be confirmed by the occurrence or otherwise of one or more uncertain future events not totally under the control of the Entity, or
- A present obligation which derives from past events but which is not recognised because:
 - It is not likely that an outflow of resources is required to settle the obligation or
 - The amount of the obligation cannot be measured with sufficient reliability.

Contingent Liabilities are not recognised in the financial statements so as not to result in the recognition of expenses which may never become effective. However, they are disclosed whenever there is a probability of future outflows which is not remote.

3.2 Value judgements made in the process of applying accounting policies

a. Useful Lives of Tangible and Intangible Fixed Assets

The useful life of an asset is the period during which an Entity expects that this asset will be available for its use and must be revised at least at the end of each financial year.

The amortisation/depreciation method to be applied and the estimated losses deriving from the replacement of equipment before the end of its useful life on the ground of technological obsolescence, is essential to determine the effective useful life of an asset.

These parameters are defined in accordance with the best management estimate for the assets and business in question, also considering the practices adopted by companies in those sectors in which the Company operates.

b. Deferred Tax Assets

The company records deferred taxes in accordance with NCRF 25.

These arise from the existence of deductible and / or taxable temporary differences and aim to correct specialization of income tax for the period.

The adoption of this standard includes the possibility that recovery or settlement of a certain amount, inherent to assets or liabilities, allows that future tax payments being larger or smaller than supposed to be, if such recoveries and / or settlements did not exist.

c. *Services Rendered Recognition*

The company recognizes revenue in accordance with the recommendations in NCRF 20.

The revenue associated with a transaction should be recognized by reference to the stage of completion of the transaction at the balance sheet date, when the outcome of that transaction involving the rendering of services can be reliably estimated. All following conditions must be met:

- The amount of revenue can be reliably measured;
- It is probable that the economic benefits associated with the transaction will flow to the Entity;
- The stage of completion of the transaction at the balance sheet date can be reliably measured; and
- Costs incurred with the transaction and the costs to complete the transaction can be reliably measured.

The recognition of revenue by reference to the completion stage of a transaction is often referred to as the method of the percentage of completion. Under this method, revenue is recognized in the accounting periods in which the services are provided. The recognition of revenue on this basis provides useful information on the extent of service activity and performance during a period.

The stage of a transaction can be determined by a variety of methods. An Entity uses the method that measures reliably the services performed.

Depending on the nature of the transaction, the methods may include:

- a) Surveys of work performed;
- b) Services performed to date as a percentage of total services to be performed; or
- c) The proportion of the costs incurred to date related to the estimated total costs of the transaction. Only costs that reflect services performed to date are included in costs incurred to date. Only costs that reflect services performed or to be performed are included in the estimated total costs of the transaction.

Progress payments and advances received from customers often do not reflect the services performed.

When the outcome of the transaction involving the rendering of services can't be reliably estimated, revenue should be recognized only to the extent of the expenses recognized are recoverable.

The Company uses the percentage of completion method in recognition of their services rendered. Use of this method requires the Company to estimate the services performed as a percentage of total services to be performed, which also need to be estimated.

d. Provisions for Taxes

The Company, supported by the positions of its tax consultants and bearing in mind the recognised responsibilities, believes that any revisions of said tax returns would not result in any material corrections to the consolidated financial statements which require the formation of any tax provision.

3.3 Main Sources for the Uncertainty of the Estimates

The estimates are based on the best knowledge to be found at any time and on any actions which it is planned to carry out, being permanently revised in line with the information available. Alterations to any subsequent circumstances and facts may lead to a revision of the estimates in the future meaning that the actual results may differ from the present estimates.

a. Impairment of Non-Financial Assets

Impairment occurs when the book value of an asset or a cash generating unit exceeds its recoverable amount which is the higher between the fair value minus the selling costs and its value in use.

The calculation of the fair value minus the selling costs is based on any information there is of contracts already signed in transactions of similar assets with entities in which there is no relationship between them or observable prices on the market minus incremental costs to sell the asset.

The value in use is calculated in line with a discounted cash flow model which considers a budget for the next five years which does not include restructuring activities with regard to which there is still no commitment to major future investments intended to improve future economic benefits which will derive from the cash generating unit which is being tested.

The recoverable amount is particularly sensitive to:

- The market share during the budget period;

- Inflation in the price of raw materials;
- Gross margin;
- Rate of growth used to extrapolate the cash flows beyond 5 years;
- Discount rates used to carry out the discount of future cash flows.

b. *Impairment of Accounts Receivable*

The credit risk of the balances of accounts receivable is evaluated at each reporting date, bearing in mind the historic information of the debtor and its risk profile as referred to in paragraph 3.1.

The accounts receivable are adjusted by the evaluation carried out of the estimated collection risks as at the Balance sheet date which may diverge from the actual risk to be incurred in the future.

c. *Provisions*

The recognition of provisions has inherent therein the determination of the probability of the outgoing of future flows and their reliable measurement. These factors are very often dependent on future events and are not always under the control of the Company meaning that they may lead to major future adjustments, either by dint of a variation in the budgets used or by the future recognition of provisions previously disseminated as contingent liabilities.

d. *Leases*

The Leasing Contracts, where the Company is the lessee, are classified as Financial Leases, if through them are transferred substantially all risks and rewards of the ownership, and as Operating Leases, if through them are not transferred substantially all the risks and rewards of the ownership.

The classification of Leases in Financial or Operational is made depending on the substance and not the form of the Contract.

In Leases considered as Operating, rents are recognized as costs in the Income Statement on a straight line basis over the period of the Contract.

4. *Cash Flows*

The Cash and Banks item on the Balance sheet can be broken down as follows:

	2022	2021
Cash on hands	22.940,15	54.578,30
Short-term deposits	798.573,72	404.508,45
Other Bank Deposits	22.500.000,00	29.000.000,00
	23.321.513,87	29.459.086,75

5. *Accountings Policies, Alterations to Accounting Estimates and Errors*

In the Financial Year 2022 no alterations occurred of accounting policies, accounting estimates or errors, passable to be reported in the present Note.

6. *Related Parties*

The Group to which the Company belongs is made up of the following entities:

Name	Location	% stake	% votes	Nature of Relationship	
				Services that LISNAVE provides / Transactions it carries out	Services that LISNAVE receives / Transactions it Receives
NAVIVESSEL- ESTUDOS E PROJECTOS NAVAIS, S.A.	Portugal	72,86%	72,86%	Dividends	Consultancy Services
THYSSENKRUPP TECHNOLOGIES BETEILIGUNGEN GMBH	Germany	20,00%	20,00%	Dividends	-
PARPÚBLICA, SGPS, S.A.	Portugal	2,97%	2,97%	Dividends	Member of the Statutory Audit Board and Non-Executive
OTHER SHAREHOLDERS		4,17%	4,17%	Dividends	
LISNAVE INFRAESTRUTURAS	Portugal	-	-	Recovery of shipyard	Shipyard Rent

REPROPEL	Portugal	-	-	Support services to repairs and commissions	Propeller repair services
GASLIMPO	Portugal	-	-	Support services	Gas research services
REBOCALIS	Portugal	-	-	Support services	Seamanship services
LISNAVE INTERNACIONAL	Portugal	-	-	-	International services
TECOR	Portugal	-	-	Support services	Treatment of surfaces
NAVALROCHA	Portugal	-	-	-	-
NAVALSET	Portugal	-	-	-	Support and Legal Advisory
LISNAVEYARDS	Portugal	-	-	Support services	Providing of sub contract services for repairs
DAKARNAVE	Senegal	-	-		

The parent Company is NAVIVESSEL, ESTUDOS E PROJECTOS NAVAIS, S.A. whose registered offices are situated in Portugal.

The final controlling parent Company is NAVALSET – SERVIÇOS INDUSTRIAIS E NAVAIS, S.A.

The amount of the transactions, outstanding balances, and adjustments to bad debts related with outstanding balances and the expenses recognised during the period in terms of bad debts from related parties are those indicated in the table below:

Name	Year	Clients	Suppliers	Sales and Rendering of Services	Purchases	Supplies and External Services
NAVIVESSEL-, ESTUDOS E PROJECTOS NAVAIS, S.A.	2022	-	312.107,75	-	-	295.504,92
	2021	-	312.267,75	-	-	295.504,92
THYSSENKRUPP TECHNOLOGIES BETEILIGUNGEN GMBH	2022	-	-	-	-	-
	2021	-	-	-	-	-
PARPÚBLICA, S.A. PORTUGUESE STATE	2022	-	-	-	-	-
	2021	-	-	-	-	-
OTHER SHAREHOLDERS	2022	-	-	-	-	-
	2022	-	-	-	-	-
LISNAVE INFRAESTRUTURAS	2022	675.945,19	-	1.650.947,47	-	4.006.859,51
	2021	2.374.434,68	-	3.044.270,84	-	3.267.569,45
REPROPEL	2022	53.250,07	-	108.311,58	-	6.784,60
	2021	65.477,37	11.512,80	68.824,10	-	19.110,00
GASLIMPO	2022	10.612,79	246.895,93	20.963,52	55.429,87	663.758,81
	2021	-	196.258,64	20.247,67	65.443,56	631.340,01
REBOCALIS	2022	-	519.368,14	23.532,23	-	1.418.918,55
	2021	-	531.049,40	19.908,46	-	1.136.028,81
LISNAVE INTERNACIONAL	2022	7.281,60	-	5.939,00	-	-
	2021	1.575,92	-	6.718,27	-	-
TECOR	2022	-	2.870.207,62	277.276,43	-	10.542.643,20
	2021	-	2.422.682,25	200.592,00	-	8.021.462,50
NAVALROCHA	2022	-	-	-	-	-
	2021	202,95	-	185,00	-	800,00
NAVALSET	2022	-	-	-	-	18.000,00
	2021	-	5.535,00	-	-	18.000,00
LISNAVEYARDS	2022	-	2.326.598,61	578.390,06	-	11.307.609,76
	2021	-	1.424.753,01	536.520,61	-	9.502.062,05
DAKARNAVE	2022	-	-	-	-	-
	2021	-	-	-	-	-

7. Investment Properties

The investment properties relate to the site of Quinta da Chanoca which is held for enhancement in the capital value. This item recorded an impairment loss of 667,100.00 € in 2022.

	2022	2021
Gross Value	2.567.100,00	2.567.100,00
Impairments	(667.100,00)	-
	1.900.000,00	2.567.000,00

8. Tangible Fixed Assets and Non-current Assets held for Sale

The gross carrying amount and accumulated depreciation and losses owing to impairment at the start and at the end of the period are as follows:

	Buildings and Other Constr.	Basic Equipment	Transport Equipment	Administrative Equipment	Others Fixed Assets	Fixed Assets in Progress	Total Tangible Assets
Costs:							
January 1st2021	1.811.296,59	10.343.212,73	148.737,73	1.638.872,96	8.693.510,99	993.558,87	23.629.189,87
Increases	-	-	-	-	-	1.215.773,88	1.215.773,88
Revaluations	-	-	-	-	-	-	-
Acquisition of a Subsidiary	-	-	-	-	-	-	-
Transfers	40.319,87	298.647,15	-	115.186,89	341.159,12	(795.313,03)	-
Disposals	-	-	-	-	-	-	-
Write-offs	-	-	-	-	-	-	-
Exchange Differences							
December 31st 2021	1.851.616,46	10.641.859,88	148.737,73	1.754.059,85	9.034.670,11	1.414.019,72	24.844.963,75
Increases	-	-	-	-	-	2.974.864,06	2.974.864,06
Revaluations	-	-	-	-	-	-	-
Acquisition of a Subsidiary	-	-	-	-	-	-	-
Transfers	9.998,66	1.021.189,35	61.340,91	83.945,13	96.970,44	(1.273.444,49)	-
Disposals	-	-	-	-	-	-	-
Write-offs	-	-	(57.000,02)	-	-	-	(57.000,02)
Exchange Differences							
December 31st 2022	1.861.615,12	11.663.049,23	153.078,62	1.838.004,98	9.131.640,55	3.115.439,38	27.762.827,79
Costs:							
January 1st2021	1.329.733,81	6.727.325,40	91.247,12	1.319.667,12	7.680.532,55	-	17.148.506,00
Increases	100.562,61	658.891,92	32.411,98	133.807,37	392.439,35	-	1.318.113,23
Revaluations	-	-	-	-	-	-	-

Transfers	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Write-offs	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-
December 31st 2021	1.430.296,42	7.386.217,32	123.659,10	1.453.474,49	8.072.971,90	-	18.466.619,23
Increases	84.447,93	807.320,77	29.746,36	154.167,11	398.771,47		1.474.453,64
Revaluations	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Write-offs	-	-	(45.750,02)	-	-	-	(45.750,02)
Transfers	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-
December 31st 2022	1.514.744,35	8.193.538,09	107.655,44	1.607.641,60	8.471.743,37	-	19.895.322,85
Net Book Value:							
As at December 31st 2022	346.870,77	3.469.511,14	45.423,18	230.363,38	659.897,18	3.115.439,29	7.867.504,94
As at December 31st 2021	421.320,04	3.255.642,56	25.078,63	300.585,36	961.698,21	1.414.019,72	6.378.344,52
As at January 01st 2021	481.562,78	3.615.887,33	57.490,61	319.205,84	1.012.978,44	993.558,87	6.480.683,87

In the period ended the Company recorded in non-current Assets held for sale as follows:

	2022	2021
Non-current Assets held for sale		
Gross	600.000,00	600.000,00
Impairment	(150.000,00)	(150.000,00)
	450.000,00	450.000,00

9. Impairment of Non-Current Assets

The value of impairment of non-current Assets held for sale amounted to 150.000,00 Euros.

According to NCRF 12, an Entity shall assess at each reporting date whether there is any indication that an asset may be impaired. If any, the Entity shall estimate the recoverable amount of the asset. During the year 2021, it wasn't requested a new external estimate, because it was understood that the assets value was duly evaluated.

In the year were not registered any impairment of tangible fixed assets or investment properties.

10. Inventories

The total carrying amount of inventories:

	2022	2021
Raw materials, subs. and consumption		
Gross	2.779.549,73	2.472.107,30
Impairments	(596.299,47)	(548.824,63)
	2.183.250,26	1.923.282,67

The inventory amounts recognised as an expense during the period are shown in the tables below.

a) Cost of goods sold and materials consumed:

	Raw materials and consumable supplies
Inventories as at January 1st 2021	2.515.243,71
Purchases	7.076.314,06
Inventories as at December 31st 2021	2.472.107,30
	7.119.450,47
	2.472.107,30
Inventories as at January 1st 2022	9.136.215,14
Purchases	2.779.549,73
	8.828.772,71

b) Impairment of inventories recognized as a loss / gain for the period:

	2022	2021
Impairment losses		
Raw materials and consumable supplies	47.474,84	-
	47.474,84	-
Reversion of impairment losses		
Raw materials and consumable supplies	-	19.510,25
	-	-
	-	19.510,25

11. Revenue

Revenue is itemized as follows:

	2022	2021
Sale of Goods		
By-products, waste and scrap		
Portugal	1.329.422,36	221.440,30
	1.329.422,36	221.440,30
Rendering of Services		
Services		
Total Europe	71.660.213,50	49.761.227,66
Portugal	8.418.096,22	12.826.914,64
U.E.	42.165.345,78	19.612.963,15
Others	21.076.771,50	17.321.349,87
Total Africa	8.420.886,35	6.815.789,00
Total America	9.288.870,00	21.125.499,00
Total Asia	19.937.322,00	13.014.309,50
Total Oceania	8.298.328,93	6.200.633,00
	117.605.620,78	96.917.458,16
	118.935.043,14	97.138.898,46

Years	By-products, waste and scrap	Ship Repairing	O. Activities	Rendering of Services	Total
2022	1.329.422,36	111.637.938,56	5.459.926,52	507.755,70	118.935.043,14
2021	221.440,30	91.560.076,47	4.951.145,01	406.236,68	97.138.898,46

12. Provisions

The movement in provisions, by each provision, has been shown in the table below:

	Provisions for Court Proceedings in progress	Provisions for Commissions/ Claim	Other Provisions	Total
As January 01st 2021	67.717,04	41.151,19	31.863,00	140.731,23
Increases for the year	-	-	-	-
Utilisation for the year	-	(30.000,00)	-	(30.000,00)
Reversals for the year	-	(11.151,19)	(24.388,00)	(35.539,19)
As December 31st 2021	67.717,04	-	7.475,00	75.192,04
As January 01st 2022	67.717,04	-	7.475,00	75.192,04
Increases for the year	-	-	23.075,00	23.075,00
Utilisation for the year	-	-	-	-
Reversals for the year	-	-	-	-
As December 31st 2022	67.717,04	-	30.550,00	98.267,04

13. Effects of Alterations to Exchange Rate

The amount of the exchange gains/losses recognised in the results is that indicated in the table below:

	2022	2021
Exchange gains included under:		
Other income and gains	1.105,79	821,86
	1.105,79	821,86
Exchange losses included under:		
Other expenses and losses	1.515,97	1.359,92
	1.515,97	1.359,92

14. Income Tax

The Expense (income) regarding current taxes is that shown in the table below:

	2022	2021
Current Tax		
IRC (corporation tax) for the year	2.949.811,86	1.517.169,17
Deferred Tax		
Originating from, and the object of reversion of timing differences	(86.020,86)	208.380,74
Other movements		
	2.863.791,00	1.725.549,91

The Adjustment recognised in the current tax period for previous periods is that shown in the table below.

	2022	2021
Excess Tax Estimate	-	-
Insufficient Tax Estimate	(16.276,47)	(111.912,83)
	(16.276,47)	(111.912,83)

During the year 2022, there were no other changes in tax rates or imposition of new taxes.

The change in the value recorded in deferred taxes results from the variation of its base (taxable temporary differences).

The numerical reconciliation between the effective average rate of tax and the applicable rate of is that indicated in the table below.

	Tax Base		Rate of Tax	
	2022	2021	2022	2021
Pre-Tax result	9.938.759,39	6.303.048,46		
Rate of Income tax in Portugal	21%	21%		
Tax on profit at the nominal rate	2.087.139,47	1.323.640,18	21,00%	21,00%
Non-taxable Income				
Reversal of adjustments and impairment	89.478,42	709.003,72		
Reversion of provisions taxed in previous years	-	65.539,19		
Accounting Gains	27.766,26	-		
Excellentia Insurance Policy	342.818,00	182.396,00		
Fiscal Benefits	81.103,00	74.993,00		
	541.165,68	1.031.931,91	(1,14%)	(3,44%)
Costs not deductible for tax purposes				
Donations	-	-		
Fines, administrative fines and compensatory interest	774,19	148,36		
Undocumented expenses	88.826,20	98.007,99		
Depreciations not accepted for tax purposes	751.733,41	33.805,87		
Recording of impairment losses	190.816,99	-		
Excellentia Insurance Policy	130.287,00	-		
Provisions beyond legal limits	23.075,00	-		
Bad Credits	-	4.554,58		
Insufficiency Taxes Estimate	16.276,47	111.912,83		
Positive difference between capital gains and losses	28.043,92	-		
Corrections on previous Financial Years	79.354,68	32.218,01		
Others	103.805,09	72.236,75		
	1.412.992,95	352.884,39	2,99%	1,18%
Tax loss deduction	-	-		
Taxable profit	10.810.586,66	5.624.000,94		
Rate of Income tax in Portugal	21%	21%		
Tax calculated	2.270.223,20	1.181.040,20	22,84%	18,74%
Autonomous taxation	171.900,53	128.048,93	2,73%	2,03%
Municipal Surcharge	162.158,80	84.360,01	2,57%	1,34%
State Surcharge	345.529,33	123.72003	5,48%	1,96%
Effect of increase/reversion of deferred taxes	(86.020,86)	208.380,74	(1,36%)	3,31%
	593.567,80	544.509,71	9,42%	8,64%
Income tax	2.863.791,00	1.725.549,91	27,38%	27,38%

Deferred taxes can be broken down as follows:

	Balance Sheet Accounts		Income Statement Accounts	
	2022	2021	2022	2021
Deferred Tax Assets				
Others	212.765,68	73.612,07	(162.521,14)	(162.521,14)
	212.765,68	73.612,07	73.612,07	(162.521,14)
Deferred Tax Liabilities				
Excellentia Insurance Policy	(101.337,77)	(48.205,02)	(48.205,02)	(45.859,60)
	(101.337,77)	(48.205,02)	(48.205,02)	(45.859,60)

15. Financial Instruments

The disclosures of this note cover the following Balance sheet items:

Assets

	2022	2021
Non-current		
Other Financial Assets	6.000.000,00	-
Losses Financial Investments	(139.956,00)	-
Other Receivables	405.351,08	192.820,08
	6.265.395,08	192.820,08
Current		
Clients		
Gross amount	14.067.636,89	16.719.018,65
Impairments	(995.861,23)	(1.016.121,93)
Advances to Suppliers	1.107.670,09	781.377,32
Impairments	(106.935,42)	(137.908,43)
Other Receivables	15.775.612,25	7.430.507,45
Impairments	(46.477,27)	(81.335,83)
Other Financial Assets	5.002.703,13	-
	34.804.348,44	23.695.537,23

Liabilities

	2022	2021
Non- current		
Obtained financing	366.600,00	470.000,00
Current		
Suppliers	24.959.843,46	22.247.595,06
Obtained financing	112.800,00	94.000,00
Clients advances	3.486.904,17	707.000,02
Other accounts payable	8.248.944,40	6.553.715,10
	36.808.492,03	29.602.310,18

Equity

	2022	2021
Share Capital	5.000.000	5.000.000
	5.000.000	5.000.000

15.1 Clients

The clients aging can be broken down in the manner indicated in the table below:

	Gross Amount	Impairment	Net Balance
2022	14.067.636,89	995.861,23	13.071.775,66
2021	16.719.018,65	1.016.121,93	15.702.896,72

	Net Balance	Debt not due	Debt due				
			<30 Days	30-60 Days	61-90 Days	91-120 Days	> 120 Days
2022	13.071.775,66	8.189.794,10	1.622.119,18	583.481,48	1.582,94	37.288,43	2.637.509,53
2021	15.702.896,72	11.180.754,58	1.892.481,99	48.817,08	420,49	360,77	2.580.061,81

The movement in the item impairment of debts receivable can be broken down as follows:

	Opening Balance	Increase	Utilization	Reversion	Closing Balance
2022 Exercise					
Clients	1.016.121,93	-	-	20.260,70	995.861,23
Suppliers	137.908,43	3.386,15	-	34.359,16	106.935,42
Other debtors	81.335,83	-	-	34.858,56	46.477,27
	1.235.366,19	3.386,15	-	89.478,42	1.149.273,92
2021 Exercise					
Clients	1.016.121,93	-	-	-	1.016.121,93
Suppliers	201.022,38	-	-	63.113,95	137.908,43
Other debtors	116.194,39	-	-	34.858,56	81.335,83
	1.333.338,70	-	-	97.972,51	1.235.366,19

15.2 Other Credits Receivable

The Others Credits Receivable can be broken down as follows:

	2022	2021
Other non-current credits receivable		
Other financial assets	405.351,08	192.820,08
Other current credits receivable		
Debtors for accrued income		
Revenue from orders in progress	15.108.072,86	7.221.664,99
Interest on time deposits	13.589,00	738,00
Rent	509.248,94	-
Others	4.653,81	72.205,27
Other debtors and creditors		
Staff	35.039,24	4.039,49
Court Proceedings	42.279,00	42.279,00
Others	62.729,40	89.580,70
Impairment	(46.477,27)	(81.335,83)
	15.729.134,98	7.349.171,62

In order to ensure the accounting treatment in accordance with NCRF 20 for repairs / works in progress ongoing for the Year 2023, we proceeded to an analysis of revenue and costs associated with each. In respect of the costs already incurred, invoicing already issued and margin / mark-up estimated, we proceeded to the registration of an income increase accordingly. The change in this item relates to major repairs carried over from year, which are estimated to be completed during the first quarter of 2023.

15.3 Suppliers

The suppliers balance can be broken down as follows:

	2022	2021
Suppliers Current Account		
National	16.413.552,50	15.715.664,29
Foreigners	606.997,24	1.009.159,71
Parent Company	-	5.535,00
Subsidiary Company	6.275.195,25	4.898.523,85
Suppliers: receiving and conferring	1.664.098,47	618.712,21
	24.959.843,46	22.247.595,06
Advances to Suppliers		
National	764205,60	777.606,96
Impairments	(106.935,42)	(137.908,43)
Foreigners	343.464,49	3.770,36
	1.000.734,67	643.468,89

15.4 Obtained Financing

The Obtained financing can be broken down as follows:

	2022	2021
Obtained financing – Non current Bank loan	366.600,00	470.000,00
	366.600,00	470.000,00
Obtained financing – Current Bank loan	112.800,00	94.000,00
	112.800,00	94.000,00

15.5 Other Accounts Payable

Other Accounts Payable can be broken down as follows:

	2022	2021
Other accounts payable – non current Other financial assets	-	-
Other accounts payable – current		
Creditors from accrued expenses		
Remunerations to be settled – holidays and holiday pay	904.665,84	969.289,20
Yard rent	-	110.064,25
Commissions	1.721.139,52	1.766.635,69
Brokers	549.207,93	1.061.663,65
Claims e Settlements	-	164.023,60
Internal works	1.791.047,79	11.760,67
Costs Centre	397.306,71	301.458,13
Project Costs	818.305,52	1.356.596,42
Others	399.483,54	215.369,22
Agents	638.164,63	47.198,45
Other debtors and creditors		
Staff – Balance Sheet Bonuses	1.000.000,00	520.000,00
Miscellaneous	29.622,92	29.658,82
	8.248.944,40	6.553.718,10

15.6 Share Capital

The amount of nominal share capital and share capital to be paid up and respective period is indicated in the table below:

	2022	2021
Nominal share capital issued	5.000.000,00	5.000.000,00
Nominal share capital issued and paid up		
NAVIVESSEL- ESTUDOS E PROJECTOS NAVAIS, S.A.	3.643.030,00	3.642.865,00
THYSSENKRUPP TECHNOLOGIES BETEILIGUNGEN GMBH	1.000.000,00	1.000.000,00
PARPÚBLICA, PARTICIPAÇÕES PÚBLICAS, SGPS, S.A.	148.330,00	148.330,00
OTHER SHAREHOLDERS	208.640,00	208.805,00
	5.000.000,00	5.000.000,00
Capital to be paid	-	-

Share capital is represented by 1,000,000 Nominative Shares with a nominal value of 5 Euros each.

15.7 Guarantees

Financial assets provided as backing, as an attachment or promissory attachment as collateral are as follows:

Entities	Beneficiary	Currency	Amount
M/BCP	Alfândega de Lisboa	EUR	55.660,00
M/BCP	Alfândega de Setúbal	EUR	100.000,00

15.8 Risks relating to Financial Instruments

The financial risk is the risk of the fair value or future cash flows of a financial instrument varying and of obtaining results other than those expected, whether these are positive or negative, altering the net worth of the Company.

When carrying out its current activities the Company is exposed to a variety of financial risks liable to alter its net worth which, depending on their nature, can be grouped into the following categories:

- Market risk
 - Interest rate risk
 - Exchange rate risk
 - Other price risks
- Credit risk
- Liquidity risk

The management of the aforementioned risks – risk which largely derives from the unpredictability of the financial markets – requires the careful application of a series of rules and methodologies approved by the Board whose ultimate objective is the minimisation of their potential negative impact on the net worth and performance of the Company.

With this objective in mind, all management is geared towards two essential concerns:

- To reduce, whenever possible, any fluctuations in the results and cash-flows subject to situations of risk;
- To limit any deviations from the forecast results by way of strict financial planning based on multiannual budgets.

As a rule, the Company does not assume speculative positions meaning that, generally speaking, the operations carried out in the context of financial risk management are aimed at controlling already existing risks to which the Company is exposed.

The Board defines principles for risk management as a whole and policies which cover specific areas such as fore risk, interest rate risk, liquidity risk, credit risk and the use of derivative or non-derivative financial instruments and the investment of excess liquidity.

The management of financial risks including their identification and evaluation – is carried out by the Financial Management in accordance with policies approved by the Board.

Interest rate risk

Interest rate risk is the risk of the fair value or the future cash flows of a financial instrument varying owing to alterations to market interest rates, altering the net worth of the Company.

The Company has no financing and it is thus not subject to interest rate risk.

Exchange rate risk

The exchange rate risk is the risk of the fair value or cash flows of a financial instrument varying as a result of alterations to exchange rates.

The internationalisation of the Company forces it to be exposed to the exchange rate risk of the currencies of various countries.

Exposure to exchange rate risk essentially derives from the operating activities of the Company (in which the expenses, income, assets and liabilities are denominated in currencies different from the reporting currency). However, transactions and balances in foreign currency are immaterial.

Credit risk

The credit risk is the risk of a counterparty failing to meet its obligations under the terms of a financial instrument, bringing about a loss.

The Company is subject to risk in credit as regards the following operating activity – Clients, suppliers and other credits receivable and others debts payable.

The management of credit risk with regard to clients and other credits receivable is carried out as follows:

- Following policies, procedures and controls established by the Company;
- The debits outstanding are monitored on a regular basis;
- For new clients, whose relationship with the Company is recent, down payments are requested on part of the order made;
- The Company has a credit insurance policy in force.

16. Payroll Expenses

The details for Payroll Expenses are those indicated in the table below:

	2022	2021
Remunerations of the Governing Bodies	434.691,60	581.241,21
Staff Remunerations	6.151.922,76	5.684.330,53
Other Remunerations	-	-
Compensations	-	-
Charges on Remunerations	1.262.159,94	1.286.987,64
Accident at work and professional illness insurance	151696,20	153.191,14
Social action expenses	751.880,04	838.467,32
Other staffing expenses	(82.916,12)	(180.335,39)
	8.669.434,42	8.363.882,45

The Company established in 2008, an Insurance Policy (OEXL103112067) which translates into a financial investment to 10 years.

As regards the value of liabilities for past services (net of the asset of the policy OEXL103112068) it is presented in assets for a value of 405.351 euros (2021: 192.820). The value of liability was adjusted by interest expenses and expenses of the current services, a net total of 215.531 euros recognized under the heading of personal expenses and the actuarial losses and for the return of the assets of OEXL103112068 policy.

The actuarial gain is generated by the reduction of the population safe.

The values indicated above, supported by a technical study prepared by an Independent Entity, took into account the appropriate variables.

17. Other Information

17.1 State and Other Public Entities

This item can be broken down in the way indicated in the table below:

	2022	2021
Balance to be received		
Income tax	18.406,01	21.500,50
VAT	3.373.273,89	2.611.418,18
	3.391.679,90	2.641.160,29
Balance to be paid		
Income tax	1.738.993,86	-
Income tax withholdings	106.091,43	103.743,74
Social Security contribution	136.723,64	138.990,94
WCF / Work Compensation Funds	142,86	142,86
	1.981.951,79	242.877,54

17.2 Deferrals

The expenses to be recognised can be broken down as follows:

	2022	2021
Expenses to be Recognized		
Insurance Policies	364.520,91	378.400,83
Software assistance	136.519,26	146.915,98
Advertising contract	8.932,52	8.431,95
Other expenses	2.573,59	2.868,64
	512.546,28	536.617,40

17.3 Reserves and Results

This item can be broken down in the manner indicated in the table below:

	Legal Reserves	Retained Earnings	Net Income for the Period	Total
Balance on January 1 st 2021	1.398.173,26	24.693.593,05	5.811.294,17	31.903.060,48
Transfer to Legal Reserve	-	-	-	-
Dividends	-	(4.000.000,00)	-	(4.000.000,00)
Remainder of the distribution of the net income	-	5.811.294,17	(5.811.294,17)	-
Net income for the period	-	-	4.577.498,55	4.577.498,55
Others	-	-	-	-
Balance on December 31st 2021	1.398.173,26	26.504.887,22	4.577.498,55	32.480.559,03
Balance on January 1st 2022	1.398.173,26	26.504.887,22	4.577.498,55	32.480.559,03
Transfer to Legal Reserve	-	-	-	-
Dividends	-	(3.000.000,00)	-	(3.000.000,00)
Remainder of the distribution of the net income	-	4.577.498,55	(4.577.498,55)	-
Net income for the period	-	-	7.074.968,39	7.074.968,39
Others	-	-	-	-
Balance on December 31st 2022	1.398.173,26	28.082.385,77	7.074.968,39	36.555.527,42

17.4 Supplies and External Services

This item can be broken down as indicated in the table below:

	2022	2021
Subcontracts	60.594.039,50	48.502.396,92
Specialised works	5.298.349,51	4.675.770,05
Advertising	128.897,80	60.859,93
Surveillance and security	535.376,68	746.908,47
Fees	214.234,58	203.166,81
Commissions	3.122.676,65	2.410.415,85
Upkeep and repair	4.780.326,00	3.787.936,33
Tools and utensils	22.867,25	5.910,60
Books and technical documentation	39.348,45	35.589,85
Office material	69.164,43	57.002,06
Gifts to clients	44.660,30	35.964,12
Electricity	1.209.202,94	2.060.681,25
Fuels	1.645.199,78	1.317.036,43
Travel and accommodation	313.927,99	138.069,03
Staff/load transport	1.137.468,44	1.122.016,77
Rentals and hire	5.800.589,62	4.705.570,47
Communication	75.950,46	79.144,08
Insurance policies	1.329.266,28	1.528.033,34
Royalties	47.635,36	46.877,57
Litigation and notaries	1.502,42	1.129,18
Out-of-pocket expenses	99.032,08	48.892,57
Cleaning, hygiene and comfort	512.245,59	302.110,63
Others	3.545.258,87	3.244.854,68
	90.567.220,98	75.116.336,99

Operating Leases

During the 2021 e 2022 exercises were recognised as costs the amounts of 128.196,66 e 116.786,65 euros, respectively, related to the rents of operating lease contracts, included under the heading income and rentals.

In addition, at the date of the balance, the company held operating lease contracts, whose rents are due as follows:

Total of future minimum payments:	2022	2021
No more than 1 year	126.272,29	125.943,91
More than 1 year and no more than 5 years	227.666,39	274.088,75
More than 5 years	-	-
Total	353.938,68	400.032,66

17.5 Other Income and Gains

This item can be broken down as indicated in the table below:

	2022	2021
Supplementary Income		
Others	497.297,98	453.403,66
Discounts obtained for prompt payment	300.223,42	252.707,08
Inventory gains	48.998,10	57.387,41
Income and Gains on remaining Assets		
Exchange differences assets	1.105,79	821,86
Income and gains on Non-Financial Investments		
Disposals of tangible fixed assets	27.766,26	
Others	1.508,26	121.308,83
Others		
Corrections on previous periods	923.424,86	525.733,09
Excess tax estimate	165,41	-
Tax return	1.917,00	-
Other unspecified items	247,42	25.739,78

Interest earned		
Free Deposits	12.657,73	2.446,52
Other similar income	-	-
	1.815.312,23	1.439.548,23

17.6 Other Expenses and Losses

This item can be broken down as indicated in the table below:

	2022	2021
Taxes	24.299,34	31.122,32
Bad debts	-	4.554,58
Cash discounts	-	-
Losses on inventories	17.362,30	7.091,85
Losses on Disposals / Write-offs	-	-
Others		
Corrections related to prior periods	79.354,68	32.218,01
Donations	83.400,00	67.500,00
Membership fees	113.730,28	113.465,96
Insufficiency to estimate taxes	46.383,15	132.286,69
Undocumented expenses	88.826,20	98.007,99
Fines and penalties		
Not tax fines	219,48	148,31
Others	218,72	203,05
Interest paid		
Default and compensatory interests	554,71	0,05
Foreign exchange losses		
Others	1.515,97	1.359,92
Other expenses and losses		
Others	17.826,09	17.243,84
	473.690,92	505.202,57

17.7 Fair value increases / reductions

This item can be broken down as indicated in the table below:

	2022	2021
Gains by increase Fair value		
Financial instruments	2.703,13	-
Losses through reduction of fair value		
Financial instruments	139.956,00	-
	137.252,87	

17.8 Expenses/Reversions of Depreciation and Amortization

This item can be broken down as indicated in the table below:

	2022	2021
Depreciation and amortization expenses		
Investment Properties	-	-
Tangible Fixed Assets	1.474.453,64	1.318.113,23
	1.474.453,64	1.318.113,23

17.9 Impairment of depreciable/amortizable investments (losses/reversals)

This item can be broken down as indicated in the table below:

	2022	2021
Impairment of Investments		
	667.100,00	-
	667.100,00	-

17.10 Interest and Similar Expenses

This item can be broken down as indicated in the table below:

	2022	2021
Interest and similar expenses		
Obtained financing interest	9.350,47	7.950,85
	9.350,47	7.950,85

18. Events after the Balance Sheet Date

The date whereupon the financial statements are authorized for issue was February 27th 2023.

These financial statements were authorized for issue by the Board of Directors.

There are no events between the balance sheet date and the authorization date for issue which have not already been registered or disclosed in the present financial statements.

19. Other Information Required by Laws

Under the terms and for the purposes of the provisions of article 447 of the Company Trading Code, it is hereby informed that the members of the Board of Directors of the Company José António Leite Mendes Rodrigues and Cláudia Cristina Peláio Rodrigues Braz, are indirect holders and under the nº2 of the same article, 364.286 Shares each one, through the NAVIVESSEL - ESTUDOS E PROJECTOS NAVAIS, S.A. and of NAVALSET, SERVIÇOS INDUSTRIAIS E NAVAIS, S.A..

As regards the Company Supervisory Body, it is hereby informed that the latter does not find itself in any of the situations foreseen in the main body of this Article.

Under the terms and for the purposes of paragraph 4 of Article 448 of the Code of Commercial Companies, it is declared that, according to the records of the Company, as at the closing date of the Financial Year, the following Shareholders held respectively 72,86% and 20% of the Share Capital of LISNAVE:

- NAVIVESSEL- ESTUDOS E PROJECTOS NAVAIS, S.A. – **Holder of 728.606 Shares.**
- THYSSENKRUPP TECHNOLOGIES BETEILIGUNGEN GMBH – **Holder of 200.000 Shares.**

Under the terms and for the purposes of paragraph 1 of Article 66 A of the Code of Commercial Companies, we hereby inform that there are no transactions excluded from the Balance Sheet.

Under the terms and for the purposes of the provisions of paragraph 2 of Article 66 A of the Code of Commercial Companies, we hereby inform you that the total fees invoiced by the Statutory Auditor for the financial years 2021 and 2022 were 37,000.00 euros and 32,400.00 euros, respectively.

The positions held by the Directors of LISNAVE in other Companies are detailed as follows:

<i>Directors</i>	<i>Companies</i>	<i>Position Held</i>
<i>Eng. José António Leite Mendes Rodrigues</i>	NAVIVESSEL, S.A. NAVALSET, S.A. LISNAVE INFRAESTRUTURAS NAVAIS, S.A. LISNAVE INTERNACIONAL, S.A. LISNAVE YARDS, LDA. DAKARNAVE, CHANTIERS NAVALS DE DAKAR, S.A.	Chairman of Board of Directors Chairman of Board of Directors Chairman of Board of Directors Chairman of Board of Directors Director Chairman of Board of Directors
<i>Dra. Cláudia Cristina Pelaió Rodrigues Braz</i>	NAVIVESSEL, S.A. NAVALSET, S.A. LISNAVE INFRAESTRUTURAS NAVAIS, S.A. LISNAVE INTERNACIONAL, S.A. DAKARNAVE, CHANTIERS NAVALS DE DAKAR, S.A.	Director Director Director Director Director
<i>Dr. Luís Manuel dos Santos Silva Patrão</i>	ANA, S.A. ASSOCIAÇÃO MUTUALISTA MONTEPIO GERAL	Director N/Executive Director N/Executive
<i>Dr. João Rui Carvalho dos Santos</i>	NAVIVESSEL, S.A. DAKARNAVE, CHANTIERS NAVALS DE DAKAR, S.A. NAVALROCHA, S.A. GASLIMPO, S.A. ASSOCIAÇÃO DAS INDÚSTRIAS NAVAIS FENAME – FED. NACIONAL DO METAL AISET – ASSOC. IND. PENÍNSULA SETÚBAL CPS – COMUNIDADE PORTUÁRIA SETÚBAL LISNAVE YARDS, LDA. TECOR – TECNOLOGIA ANTICORROÇÃO, S.A. REBOCALIS – REB. E ASSIST. MARÍTIMA, LDA. REPROPEL, SOCIEDADE REPARAÇÃO HÉLICES, LDA	Director Director Director Director President Vice-President President of Supervisory Board President of Supervisory Board Director Director Director Director

AUDITING COMMITTEE REPORT AND ADVICE

2022 FINANCIAL YEAR

1. In compliance with legal provisions and the Memorandum of Association, of «LISNAVE - Estaleiros Navais, S.A.», Supervisory Board, in the exercise of its responsibilities, and after having reviewed the Balance Sheet, the Income Statement by Nature, the Statement of Changes in Equity, the Cash Flow Statement, the Annex and all other account reporting items prepared by the Board of Directors and included in the 2021 Management Report & Accounts, hereby issues its Report and Opinion on these account reporting items.
2. The Supervisory Board has monitored LISNAVE activity with the appropriate frequency throughout the financial year, by examining the documents submitted and the briefings it regularly held with the Board of Directors and Statutory Auditor. It verified the regularity of the bookkeeping, accounting records and respective documentation and also the compliance of accounting policies and valuation criteria adopted with the Accounting Standardization System. It became aware and was informed about the current constraints and main challenges for the Company's business.
3. It is the belief of the Supervisory Board that the technical procedures followed, leading to the preparation of the financial statements submitted and, in particular, taking into account the explanations included in the Annex to the Balance Sheet and to the Income Statement, complemented by the content of the management report prepared by the Board of Directors, reflect the amounts shown in the respective supporting documents and, as a whole, provide a true financial and economic overview of the assets and the results in accordance with the guidelines of the Accounting Standards System.
4. The Supervisory Board considered the work carried out by the Statutory Auditors and the Auditors' Report, which is attached, an opinion with which the Supervisory Board agrees and should be taken as an integral part of this Report.
5. In the Management Report it has prepared, the Board of Directors explains how the activity was carried out in the year 2022, developed in a context globally characterised by: (i) adverse market conditions at the start of 2022, due to the measures imposed by the Authorities to contain the spread of the pandemic; (ii) an increase in demand expressed in the number of enquiries arising from the strong commercial action undertaken, which grew by 28% compared to 2021; (iii) the high occupancy rate of the Shipyard led to the rejection of some enquiries; (iv) the continued low profitability that Shipowners continue to face, with an impact on the average work content per ship that they hire; (v) different behaviour of the various

segments of the shipping market, associated with the evolution of the respective fleets, generating positive evolution of the freight rates of container ships and tankers, which contrasts with the decrease of the freight rate of bulk carriers (vi) scarcity and low qualification of labour resources available in the market; (vii) continued expansion of Lisnave into other market segments, such as gas carriers and container ships. In 2022 continuity was also given to the various projects in the field of (i) investment, such as the structural renovation of the Pumping Station between Docks and of several cranes, and the repair of building facades and streets, among others; (ii) human resources, through implementation of a new performance assessment system (iii) safety, by continuing to invest in awareness-raising actions as well as in improving the safety conditions under which employees operate, in order to protect their physical and psychological integrity; (iv) sustainability, such as the installation of chargers for electric vehicles or the start of the dematerialization program for administrative processes, with the expectation that all will have favourable impacts on the Company in the medium/long term.

6. Lisnave's business performed well during 2022, exceeding the business objectives set in the budget for the year, expressed by:

- A commercial success rate of 15.4%, a decrease compared to the previous year, which had stood at 16%, due to the high occupancy rate of the shipyard. In 2022, the 670 enquiries generated 103 orders, both indicators increasing compared to the previous year;
- The average work content per ship reached €1.23 million, up from €1.13 million in 2021;
- Preservation of Lisnave's leading position in the Ship Repair market worldwide and of its essentially export-oriented vocation, reflected in sales and services rendered to the external market amounting to 93,5% of the total.

7. In relation to the values expressed in the financial statements for the year, the following indicators should be highlighted:

- Global volume of Sales and Services Rendered, 119 million euros, which translates as an increase of 22.4% in relation to 2021, 97 million euros;
- External Supplies and Services in the order of 90.6 million euros, representing 75% of total operating income;
- Earnings generated by operations (EBITDA) in the financial year, a positive 12.1 million euros;
- Cash flow from operating activities, positive in the amount of 9.2 million euros, which translates as an increase of 114% compared to the same period last year;
- Cash flow from investment activities, negative, in the amount of 12.2 million euros, essentially reflecting investments in other financial assets;

- A positive net profit of 7,075 thousand euros, reflecting the good performance recorded during the year, reinforcing the economic and financial sustainability of Lisnave.

In view of the above, taking into account the information received from the Board of Directors, the conclusions and information included in the Legal Certification of Accounts and the actions taken during the year in the exercise of our responsibilities, we are of the opinion that:

- a) That the Management Report and Accounts for the Financial Year be approved;
- b) The proposal of application of the positive Net Result of the financial year, of 7,074,968.39 euros, presented by the Board of Directors, should be approved.

Finally, the Auditing Committee wishes to thank the Board of Directors, the employees with whom it came into contact and the Official Auditors for their cooperation and for the support given in carrying out their work.

Lisbon, March 9th, 2023

THE SUPERVISORY BOARD'S

Manuel Serpa Leitão
- President -

Tânia Sofia Luís Mineiro
- Statutory Auditor -

Mário Alexandre Guerreiro Antão
- Statutory Auditor -

STATUTORY AUDIT 2022

AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements prepared by **LISNAVE – Estaleiros Navais, S.A. (the Entity)**, comprising the balance sheet as at 31 December 2021 (showing a total of 80.912.176,05 euros and a total equity of 41.555.527,42 euros including a net profit of 7.074.968,39 euros), the income statement by nature, the statement of comprehensive income, the statement of changes in equity and the cash flow statement for the year ended on that date, as well as the notes to the financial statements which include a summary of the most significant accounting policies.

In our opinion, the attached financial statements give a true and fair view in all material aspects of the financial position of **LISNAVE – Estaleiros Navais, S.A.**, as of 31 December 2021 and its financial performance and cash flows for the year ended on that date, in accordance with the Accounting and Financial Reporting Standards as adopted in Portugal under the Accounting Standards System.

Basis of Presentation

Our audit has been carried out in accordance with the International Standards on Auditing (ISA) and all other technical and ethical standards and guidelines of the Register of Auditors. Our responsibilities, pursuant to these standards, are described in the section “Auditor’s responsibility for the audit to the financial statements” below. We are legally independent from LISNAVE – Estaleiros Navais, S.A. , and we have complied with all other ethical requirements of the code of ethics of the Register of Auditors.

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

Responsibility of the management and the supervisory bodies for the financial statements.

The management body is responsible for:

- preparing financial statements that give a true and fair view of the financial position, the financial performance, and the cash flows of LISNAVE – Estaleiros Navais, S.A. , in accordance with the Accounting and Financial Reporting Standards as adopted in Portugal under the Accounting Standards System;
- preparing the management report in accordance with applicable legal and regulatory provisions;

- creating and maintaining an appropriate internal control system so that the financial statements can be prepared free of material misstatement whether due to fraud or error;
- adopting accounting policies and criteria that are appropriate in the circumstances; and
- assessing LISNAVE – Estaleiros Navais, S.A. 's capacity to continue as a going concern, disclosing any matters that may cast significant doubt on the continuity of the business, as applicable.

The supervisory body is responsible for supervising the preparation and disclosure procedure of LISNAVE – Estaleiros Navais, S.A. 's financial information.

Auditor's responsibility for auditing the financial statements

Our responsibility consists of obtaining reasonable assurance on whether the financial statements, as a whole, are free of material misstatements whether due to fraud or error and issuing a report expressing our opinion. Reasonable assurance is a high level of assurance but not a guarantee that an audit conducted in accordance with ISAs will always detect a misstatement when it exists. Misstatements may derive from fraud or error and are deemed to be material if, separately or jointly, they can be reasonably expected to influence the users' economic decisions based on those financial statements.

As part of an audit carried out in accordance with ISAs, we exercise professional judgment and remain professionally sceptical throughout the audit. We also:

- identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures that address these 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 overriding 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 LISNAVE – Estaleiros Navais, S.A. '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 the 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 LISNAVE – Estaleiros Navais, S.A. 's ability to continue as a going concern. If we conclude that a material uncertainty exists, we

are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause LISNAVE – Estaleiros Navais, S.A. to cease to continue as a going concern;

- evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a fair presentation;
- 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 of the consistency of the information included in the management report with the financial statements.

REPORTING ON OTHER LEGAL AND REGULATORY REQUIREMENTS

On the management report

In compliance with article 451(3)(e) of the Commercial Companies Code, we are of the opinion that the management report has been prepared in accordance with the applicable legal and regulatory requirements in force, the information contained therein is consistent with the audited financial statements and, to the best of our knowledge and assessment of LISNAVE – Estaleiros Navais, S.A. , we have not identified any material inaccuracies.

Lisbon, 07th of March 2023

RSM & ASSOCIADOS - SROC, LDA

Represented by Joaquim Patrício da Silva (Roc nº 320)

EXTRACT OF THE MINUTE OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS HELD ON 30TH MARCH 2023 RELATING TO THE APPROVAL OF DOCUMENTS REPORTING THE ACCOUNTS FOR THE 2022 FINANCIAL YEAR

The Annual General Meeting of LISNAVE - ESTALEIROS NAVAIS, S.A., was held at the Company's Registered Offices at 11.00 a.m. on the thirty day of March two thousand twenty-three.

Dr. Luís Miguel Nogueira Freire Cortes Martins, Chairman of the Board of the general meeting, chaired the meeting assisted by the Vice – Chairman Dr. Carlos Fernando Pinheiro and by the Secretary of the board, Dr. Manuel Joaquim Rodrigues.

The Chairman also confirmed, through the respective attendance list, that the following Shareholders having voting rights were present or represented:

- NAVIVESSEL - ESTUDOS E PROJECTOS NAVAIS, S. A., represented by Dra. Ana Rita Martins Rodrigues Eusébio, holder of 728.573 (seven hundred and twenty-eight thousand, five hundred and seventy three) shares, representing 72,86% (Seventy-two point eighty-six percent) of the votes;
- THYSSENKRUPP INDUSTRIAL SOLUTIONS AG, represented by Eng. Jan Krabbenhöft, holder of 200.000 (two hundred thousand) shares, representing 20% (twenty per cent) of the votes;
- PARPÚBLICA PARTICIPAÇÕES PÚBLICAS (SGPS), S.A., represented by Dr. Carlos Ribeiro, holder of 29.666 (twenty-nine thousand, six hundred and sixty-six) shares, representing 2,96% (two point ninety-six per cent) of the votes;
- João Alexandre Dinis de Sousa, holder of 10.000 (ten thousand) shares, representing 1% (One per cent) of the votes;

The Board of Directors and the Auditing Committee were present.

Item 1 – TO DISCUSS AND APPROVE THE 2022 ANNUAL MANAGEMENT REPORT AND ACCOUNTS

... the Chairman submitted the Report and Accounts for the year 2022 to the vote, which was unanimously approved.

Item 2 - TO DISCUSS AND APPROVE THE AUDITING COMMITTEE REPORT

...the Chairman submitted the Auditing Committee Report to the vote, which was unanimously approved.

Item 3 – TO DISCUSS AND APPROVE THE PROPOSAL FOR THE APPROPRIATION OF PROFITS

... the Chairman declared that the Table had received a Proposal for the Appropriation of Profits presented by the Board of Directors, which he read out, the contents of which were as follows:

“Considering the level of performance achieved in the Financial Year 2022, the Board of Directors decided to assign a Balance Sheet Bonus to workers.

In this way, it proposed to the Shareholders:

1. That the decision of the Board of Directors be ratified to assign a Balance Sheet Bonus to the generality of the Company's Employees, in the amount of € 1,000,000.00 (one million euros), already included in the Net Income for the Year and which,
2. The Net Income for the Year, in the amount of € 7,074,968.39 (seven million, and seventy-four thousand, nine hundred and sixty-eight euros and thirty-nine cents), is given the following application:

Dividends	5,000,000.00 euros
Retained Earnings	2,074,968.39 euros

Mitrena, March 30th 2023

The Board of Directors"

(following are signatures of two LISNAVE Directors)

Itemc4 - TO CARRY OUT A GENERAL APPRAISAL OF THE MANAGEMENT AND SUPERVISION OF THE COMPANY

..., the Chairman stated that the Table had received a Proposal subscribed by Shareholder NAVIVESSEL, ESTUDOS E PROJECTOS NAVAIS, S.A., which he read out, the contents of which were as follows:

“Considering the competent and efficient way in which the Company's Corporate Officers had performed their respective duties, especially during 2020, NAVIVESSEL, ESTUDOS E PROJECTOS NAVAIS, S.A., proposes that the General Meeting approve a vote of praise for the Board of Directors and Audit Committee of LISNAVE, ESTALEIROS NAVAIS S.A.. “

Caparica, March 30th, 2023

The Representative of Shareholder NAVIVESSEL”

Submitted to the vote, this proposal was approved unanimously.

The Chairman of the Board joined the vote of praise proposed by Shareholder NAVIVESSEL.

The vote was tabled, this proposal was adopted unanimously.

If there is nothing more to be addressed, the President has closed the meeting from which this Minutes will be drawn up, which will be signed by the President and other Members of the Bureau.

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