MANAGEMENT REPORT and ACCOUNTS 2023

LISNAVE
ESTALEIROS NAVAIS, S.A.

Management Report and Accounts

2023

LISNAVE | ESTALEIROS NAVAIS, S.A.

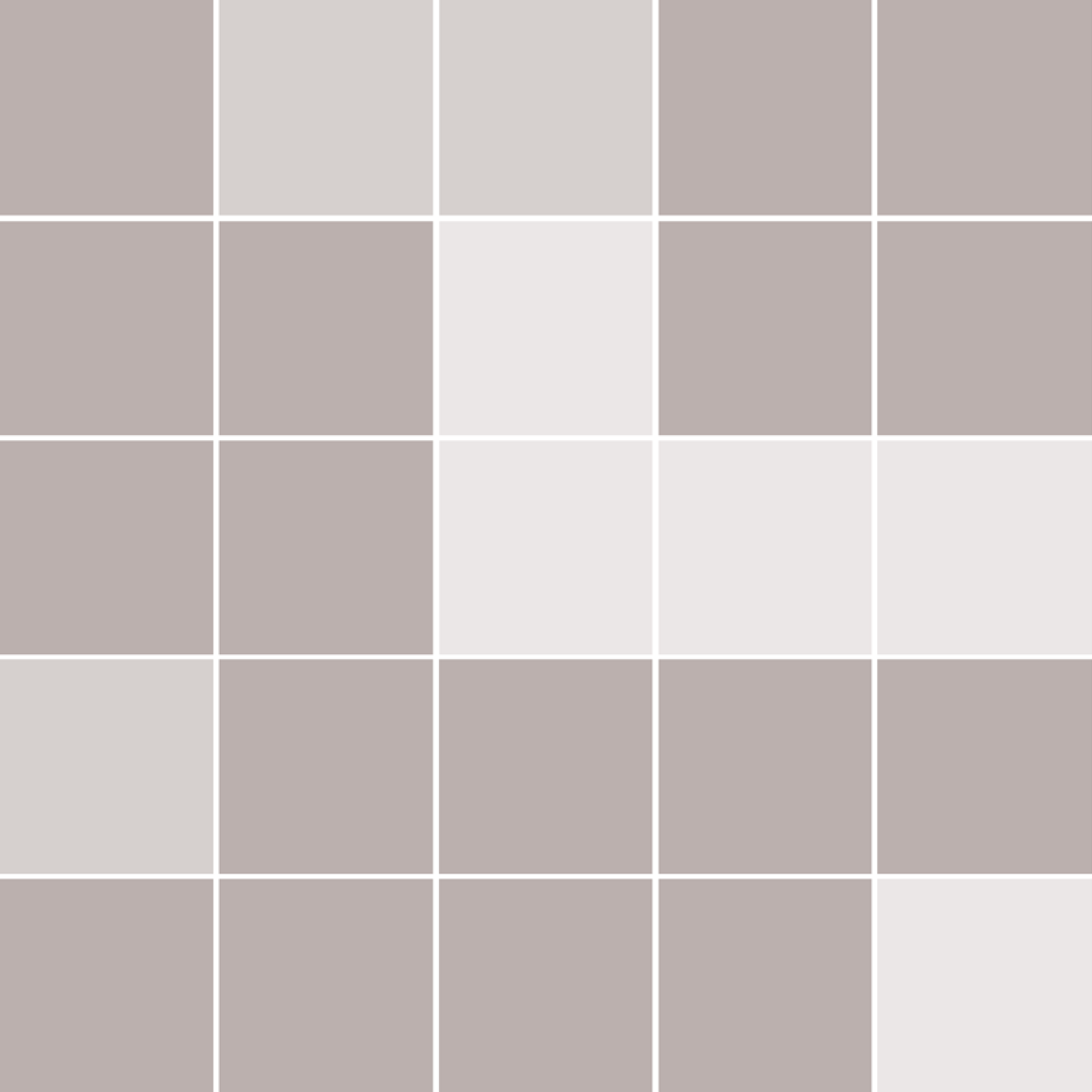
Share Capital: 5 000 000 euros

Registered Office: Mitrena – 2910-738 Setúbal

Under number 503 847 151

Company Number 503 841 151

INDEX



Members of Corporate Bodies

Term of office:

2021-2024

(Four Year Periods)

Shareholders General Assembly

Chairman:
Dr. Luís Miguel Nogueira Freire Cortes Martins
Vice-Chairman:
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 Pelaio Rodrigues Braz
Dr. Luís Manuel do Santos Silva Patrão (deceased in 16/07/2023)
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." Nº21
Representada por Dr. Joaquim Patrício da Silva
ROC Nº 320
Alternate:
Dr. António José Lino do Patrocínio Santos
ROC Nº 840

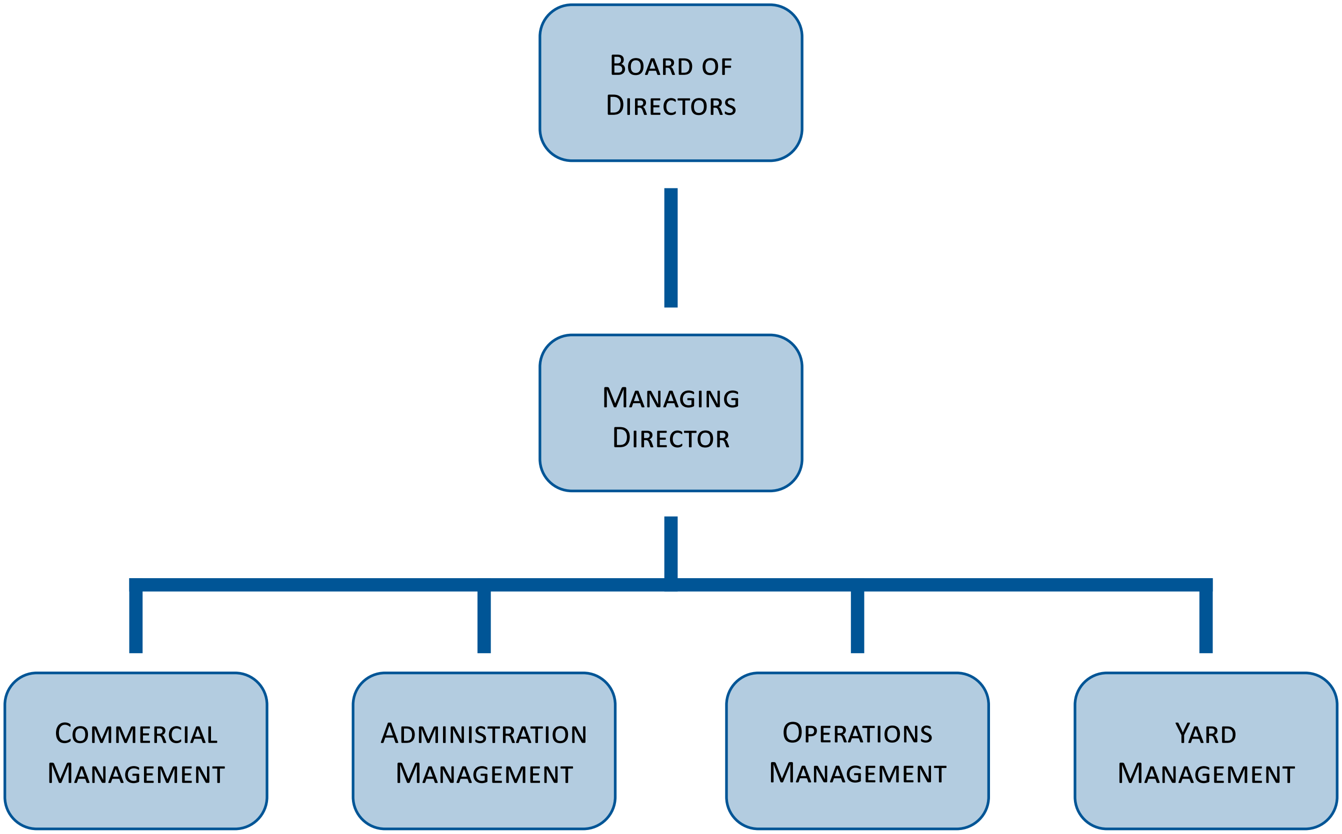
Company Secretary

Dr. Carlos Fernando Soares Pinheiro

Remuneration Committee

President:
Dr. Luís 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 05th April 2024, 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 2023 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, 01st March 2024

The Chairman of the Board of the General Meeting

Dr. Luís Miguel Nogueira Freire Cortes Martins


SAMBA SPIRIT
ALIANÇA

Board of Directors' Report

1. Introduction

Lisnave – Estaleiros Navais, S.A. recorded its best ever performance in 2023.

Continuing the trend observed since 2021, the shipyard was still overloaded during 2023. The workload generated a turnover of 168.8 million euros and net profits of 15.9 million euros.

Despite the intense activity, in 2023 we continued our investment and continuous improvement policy, with the development of some projects that will continue to have a favourable impact on the company in the medium/ long term, namely:

- The company's organisational structure was changed with the creation of the Yard Management. This new management is responsible, among other things, for ensuring the shipyard has the most suitable equipment and infrastructures, in optimum operating, safety and environmental performance conditions.
- Awareness-raising and investment in safety continued, in order to achieve a Safety Culture that guarantees a working environment that protects the physical and psychological integrity of workers and ensures absolute compliance with the company's responsibilities.
- The process of obtaining the Safety Management System Certification according to ISO 45001 was completed.
- The workshop equipment certification was continued in accordance with the Machinery Directive 2006/42/EC.
- An Incident Investigation Procedure and the respective Accident at Work Dismissal process were implemented.
- There was a significant recovery in Yearly Industrial Hygiene Planning compared to previous years.
- A project is currently underway to implement an electronic platform for monitoring the Safety Qualification of Service Providers.
- A project for the Dematerialisation of Safety Procedures is underway.
- The Security Manual has been prepared and implemented.
- Effective sanctions have been applied in all identified cases of Security Incidents, clearly having a deterrent effect which, in the first year, resulted in a reduction of around 30% in thefts from the shipyard and ships.
- The National and NATO Secret accreditations has been obtained.
- The implementation of a biometric identification system, with facial recognition, for effective access and time & attendance control is underway.
- Awareness-raising and investment in the Environment continued, in order to achieve an Environmental Culture that guarantees a working atmosphere that protects the environment and ensures absolute compliance with the Company's responsibilities.
- Membership of the Green Marine Europe Programme, which certifies the environmental performance of some leading shipyards, ports, and shipowners, was formalised.
- Studies and actions are underway to implement and comply with the provisions of the Single Environmental Permit and benchmark documents.

- The implementation of hydroblasting technology is currently underway in collaboration with another company of the Group, with notable advantages in terms of safety, the environment, maintenance and logistics, among others.
- The portfolio of non-resident service providers was diversified to provide the best possible response to the order book.
- The major shipyard equipment and infrastructure maintenance project continued.
- The implementation of an electronic platform for Asset Maintenance Management is underway.
- The "RH24" project is underway, with the aim of improving the recruitment, satisfaction, motivation, and retention indicators of employees.
- The programme for the dematerialisation of administrative processes was continued, the first implementation of which involved the dematerialisation of payslips.
- The construction for the ESG compliance is underway.
- And with the extension of the shipyard's current concession in mind, discussions with the government have continued, so as to ensure a deadline compatible with making the necessary investments in the near future profitable.

As mentioned, all these measures were developed in parallel with the company's daily business and, despite the additional pressure on its resources, did not prevent the business from operating very successfully.

In this context, the Board of Directors can only express its satisfaction at being able to share part of the results obtained, once again, with both the Company's Employees and 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 2023, LISNAVE repaired/maintained 2870 vessels, from more than fifty countries from all over the world, which resulted in Sales of 2.81 billion euros, which includes a significant 2.63 billion, or rather, around 93.6%, for export.

With this activity, it was possible to ensure the payment of salaries equivalent to 1.60 billion euros and also payments to the State, in Social Security contributions, IRS and other taxes, of around 249 million euros. It should be noted that these amounts are expressed in nominal values and have not been updated.

The average workload per vessel remained high. The average invoice stood at 2.21 million euros, compared to 1.23 million euros in 2022.

In this context, LISNAVE ended the 2023 financial year with Ship Repair Sales of 168.1 million euros, 57.8 million more than in the previous year.

Total Operating Income was 172.28 million euros, around 51.53 million euros more than in 2022, with Total Operating Costs standing at 149.29 million euros, 38.48 million more than in the previous year.

Net Position stood at 52.47 million euros, which is around 10.5 times the Share Capital.

Net profits for the year totalled 15.9 million euros.

Meanwhile, LISNAVE maintained its traditional characteristics as a strongly export-orientated company, having repaired only 1 ship flying the Portuguese flag and having sold around 96% of its total maintenance and repair services to foreign markets.

With regard to employment, LISNAVE also maintained its usual high level of employability, with charges totalling 92.06 million euros, an amount that corresponds to the average employment equivalent of more than 2,600 people per day.

It should be pointed out that the financial year ended with no overdue debts, whether to employees, suppliers, or the State, to which around 6.22 million euros were paid in IRS, social security contributions and other taxes.

With regard to fixed assets, the number of investments made in the financial year amounted to 1.77 million euros, with the total amount of investments made since 2000 now totalling 41.96 million euros.

Also noteworthy is the amount of costs incurred by LISNAVE with major repairs of infrastructures and equipment in the year, totalling around 8.26 million euros.

In the Human Resources chapter, given its importance, it should be mentioned that, following negotiations with the Workers' Representatives, an Internal Agreement was signed under which a 4.2 % wage increase was agreed.

It is worth remembering, meanwhile, as the Board of Directors has been pointing out since 2009, that given the unwillingness of the Workers' Representatives to sign a Collective Bargaining Agreement suitable to the characteristics of this activity, LISNAVE has since decided to redirect its Strategic Human Resources Management Policy, which now relies on the close co-operation of LISNAVEYARDS – NAVAL SERVICES, LDA.

In the context of this collaboration with LISNAVE and as part of the ongoing Rejuvenation Policy and the Strategic Plan for Succession and Staff Rejuvenation, in 2023 LISNAVEYARDS hired 42 new workers, 23 of whom are direct workers and 17 of whom are Specialists.

As is well known, this company, whose corporate purpose is similar to LISNAVE's, started its service provision business in February 2009 and had 305 workers at its service on 31 December 2023, 116 of whom were direct employees. On the same date, LISNAVE had a total of 118 workers.

LISNAVE retained its Quality Certification in accordance with ISO 9001:2015 and also its Environmental Management System Certification in accordance with ISO 14001:2015. It also maintained the International Ship & Port Facility Security Code -ISPS and the Calibration Laboratory Accreditation. In 2023, ISO 45001:2019 Security Certification was obtained.

The shareholder structure of LISNAVE on 31 December 2023 was the following:

- Navivessel, Estudos e Projectos Navais, S.A. – 72.87%
- Thyssenkrupp Technologies Beteiligungen GMBH – 20%
- Parpública, S.A. – 2.97%
- Other Shareholders – 4.16%

Concluding its general appraisal of the financial year, the Board of Directors would like to express its satisfaction at the fact that, for the eighteenth time, it is again possible to present to the General Shareholders' Meeting a proposal for the remuneration of the capital invested by the Company's more than 200 shareholders.

Outlook For 2024

In a context of more moderate market expectations compared to the previous year and high economic uncertainty, Lisnave will continue to focus on increasing productivity and diversifying its markets, as well as on recruiting and training young human resources, which are essential for meeting its own needs.

In this way, reiterating its trust in the quality, responsibility and engagement that Management and all other Workers, at all levels, have demonstrated over the years, but well aware of the threats that lie ahead - among others, the unpredictability and aggressiveness of competition, as well as geopolitical tensions -, the Board of Directors expresses to the Shareholders, if in the meantime there are no substantial changes to the prospects set out above or unforeseen threats of a different nature, its expectation that business activity in 2024 will be positive, albeit at lower levels than in 2023.

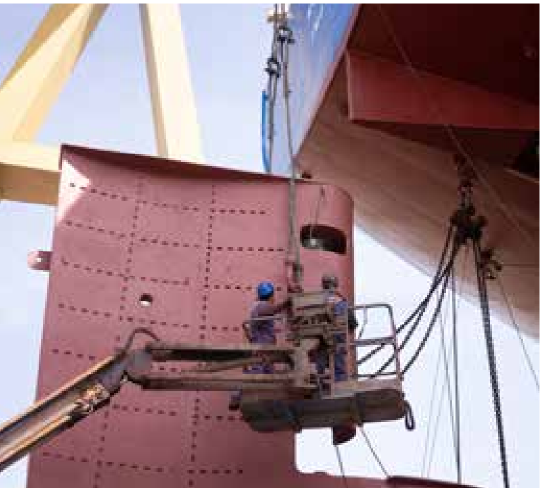
2. General Comments on the Market

Context

The world economy, which a year ago was expected to grow by around 1.9 % in 2023, has proved to be more resilient than expected, despite the uncertainties caused by the increase in geopolitical conflicts and widespread armed clashes around the world, aggravated by the consequences of climate change.

The policy of the main Central Banks of raising interest rates as a way of combating inflation, which had taken hold as a result of the invasion of Ukraine by the troops of the Russian Federation and the consequent disruption in the supply chains which caused shortages of raw materials and food products, resulted in inflation rates dropping by half, in general, in all economies.

This reduction in inflation, combined with the stabilisation - albeit upwards - of interest rates, has meant that disposable incomes for families in most developed countries have grown, which has led to an increase in private consumption, thus contributing to the expected reduction in world economic growth not reaching the estimated figure.



World Economy - Real Growth in Gross Domestic Product and Maritime Transport

World	2024 (Est.) 2.4	2023 2.7	2022 3.0	2021 6.0	2022 -4.3	2019 2.5
Developed countries	1.3	1.6	2.6	5.5	-4.0	1.8
United States of America	1.4	2.5	1.9	5.8	-2.2	2.3
Japan	1.2	1.7	0.9	2.2	-4.2	-0.4
European Union	1.2	0.5	3.4	5.6	-5.6	1.8
United Kingdom and Northern Ireland	0.4	0.5	4.3	8.7	-10.4	1.6
Economies in transition	2.3	3.3	-1.7	5.5	-2.7	2.6
Russian Federation	1.3	2.7	-2.1	5.6	-3.0	2.0
Southeastern Europe	2.9	2.2	3.2	7.4	-2.9	3.6
Ukraine	3.5	4.6	-29.1	3.4	-3.8	3.2
Developing economies	4.0	4.1	3.9	6.8	-1.3	3.5
Africa	3.5	3.3	3.5	5.2	-2.6	2.7
South Asia	5.2	5.3	6.3	4.9	-2.1	3.2
India	6.2	6.3	7.7	9.1	-6.6	3.7
East Asia	4.6	4.9	3.2	7.6	1.1	5.5
China	4.7	5.3	3.0	8.4	2.2	6.0
Latin America and the Caribbean	1.6	2.2	3.8	6.6	-7.3	-0.7
South America	1.6	1.4	3.9	7.0	-7.0	-1.2
Central America and Mexico	2.6	3.5	3.4	5.7	-8.0	0.5
World trade	2.4	0.6	5.7	10.5	-8.3	1.0
Maritime transport (tonne)	2.1	3.0	-0.4	3.4	-3.4	0.5
Maritime transport (tonne X mile)	2.7	5.0	0.0	3.2	-1.6	0.8

Sources: United Nations – “*World Economic Situation and Prospects 2024*” and “*Clarksons Research*”

As a result of the above, the United Nations, in its report "World Economic Situation and Prospects 2024", estimates that the world economy will grow by 2.7% in 2023, after having grown by 3% in 2022.

In the economies of developed countries, growth in 2023 was estimated at 1.6%, after 2.6% in 2022. In this group of countries, only the economies of the United States of America and Japan grew more than in the previous year.

In the countries with economies in transition, a group that includes the Russian Federation and Ukraine, whose war which began in February 2022 – the result of the invasion of Ukraine by Russian Federation troops – continues, the economy is estimated to have grown by 3.3%, with the Russian Federation and Ukraine growing by 2.7% and 4.6% respectively.

The war between the Russian Federation and Ukraine – countries that export energy products, fertilisers and cereals – has generated strong worldwide disturbances in both the price and availability of these commodities, which, aggravated by the sanctions applied to the Russian

Federation by most OECD countries, has contributed to a general increase in inflation and forced the redefinition of transport chains, resulting in a sharp reduction in world trade, which in 2023 had a marginal growth of 0.6%, following the 5.7% growth recorded in 2022.

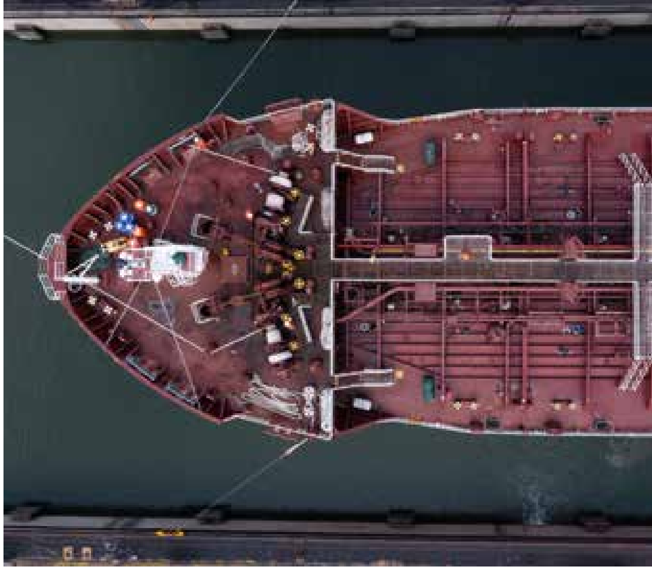
Evolution of the World's Merchant Fleet and Freight Rates

According to "Clarkson Research" magazine, the fleet of tankers above 10.000 Deadweight Tonnes (DWT) grew in number of vessels by 1.6% during 2023, after having grown by 2.7% in 2022. By the end of 2023, this fleet had reached 689.3 million DWT, corresponding to a growth of 1.9% compared to the end of 2022, a year in which it had grown by 3.7%.

Tankers with DWT over 10.000

	2024	2023	2022	2021	2020	2024	2023	2022	2021
	millions of DWT					DWT growth			
Existing Fleet	689.3	676.1	652.2	641.5	622.3	1.9%	3.7%	1.7%	3.1%
Deliveries		14.9	28.5	26.1	23.6		-47.7%	9.2%	10.6%
Scrap		1.8	4.5	15.4	4.5		-61.3%	-70.5%	245.0%
Order Book	47.9	28.4	47.9	54.2	51.0	68.7%	-40.7%	-11.6%	6.3%
	number of vessels					growth in numbers			
Existing Fleet	7.558	7.438	7.245	7.176	6.988	1.6%	2.7%	1.0%	2.7%
Deliveries		141	254	255	233		-44.5%	-0.4%	9.4%
Scrap		21	61	186	45		-65.6%	-67.2%	313.3%
Order Book	577	328	428	469	485	75.9%	-23.4%	-8.7%	-3.3%

(stocks on 01 January)



In this fleet, 141 new vessels were delivered, with a total carrying capacity of around 14.9 million DWT, corresponding to 2.2% of current capacity, and 21 of these ships were sold for scrap, with a capacity of 1.8 million DWT, corresponding to 0.3% of current capacity. Based on the same source, the dry cargo bulk carrier fleet grew by 3% in number of vessels and 3.1% in DWT in 2023, standing at 1,002.9 million DWT at the end of the year, with 488 vessels having been delivered with a capacity of 35.3 million DWT, corresponding to 3.5% of this fleet's current capacity. In the same period, 93 vessels with a capacity of 4.5 million DWT were sold for scrap, corresponding to 0.5% of the current capacity of this fleet.

Dry cargo bulk carriers with DWT over 10,000

	2024	2023	2022	2021	2020	2024	2023	2022	2021
	millions of DWT					DWT growth			
Existing fleet	1,002.9	972.2	944.8	912.2	879.0	3.1%	2.9%	3.6%	3.8%
Deliveries		35.3	32.8	37.9	49.0		7.6%	-13.5%	-22.6%
Scrap		4.5	5.5	5.2	15.8		-17.7%	4.0%	-66.7%
Order book	86.8	71.5	66.0	55.8	86.6	21.4%	8.3%	18.3%	-35.6%
	number of vessels					growth in numbers			
Existing fleet	13,559	13,164	12,693	12,312	11,958	3.0%	3.7%	3.1%	3.0%
Deliveries		488	524	439	497		-6.9%	19.4%	-11.7%
Scrap		93	53	58	143		75.5%	-8.6%	-59.4%
Order book	1,140	921	774	617	854	23.8%	19.0%	25.4%	-27.8%

(stocks on 01 January)

The value of the steel of the vessels sold for decommissioning, which in the Indian market during 2022 had decreased by around 6% compared to 2021, reaching 525 US dollars for both tankers and bulk carriers, in 2023 decreased further, in the case of tankers to 495 US dollars per tonne and in the case of bulk carriers to 515 US dollars per tonne, a reduction of 5.7% and 1.9% respectively.

At the end of 2023, the order book for new vessels in the tanker fleet totalled 577 ships with a carrying capacity of 47.9 million DWT, or rather, a tonnage corresponding to 6.9% of the tonnage of the existing fleet. Of these, 9.5 million – corresponding to 19.8% of the total and 1.4% of the existing fleet – are scheduled for delivery during 2024.

In the dry bulk carriers' fleet, the order book for new ships consisted of 1,140 vessels, with a carrying capacity of 86.8 million DWT, which corresponds to 8.7% of the existing fleet, with 36.1 million, or rather 41.6% of the total and 3.6% of the existing fleet, scheduled for delivery in 2024.

In 2023, according to "Clarkson Research", world maritime transport grew by 3% in volume compared to 2022, and by 5% in tonnes per mile – this growth was mainly due to the redistribution of liquid bulk transport flows caused by the sanctions against the Russian Federation following the invasion of Ukraine.

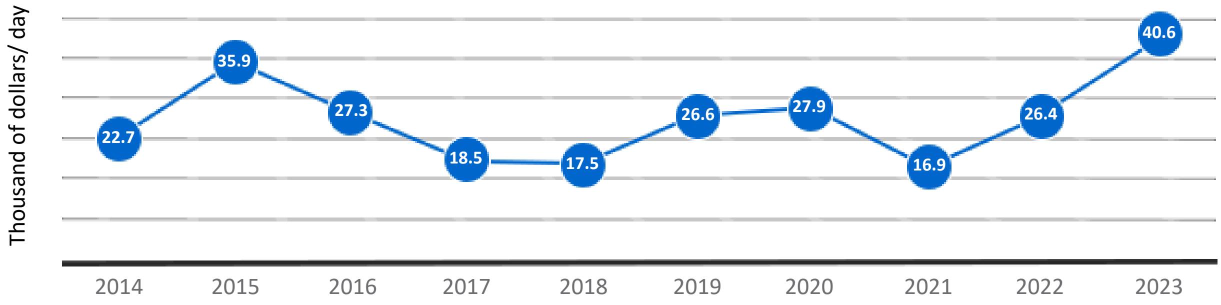
The volume growth in maritime transport was due to the bulk cargo segments, both dry and liquid, with the liquid bulk segment growing by 3.1% and the dry bulk segment by 4.3% – this growth was fundamentally supported by the reopening of China after the COVID-19 pandemic. In the containerised cargo segment, growth was residual, at just 0.1%.

These differences in the behaviour of the various segments of the transport market, combined with the evolution of the respective fleets, generated different expectations in the various operators, with consequences for the evolution of freight rates in each segment.

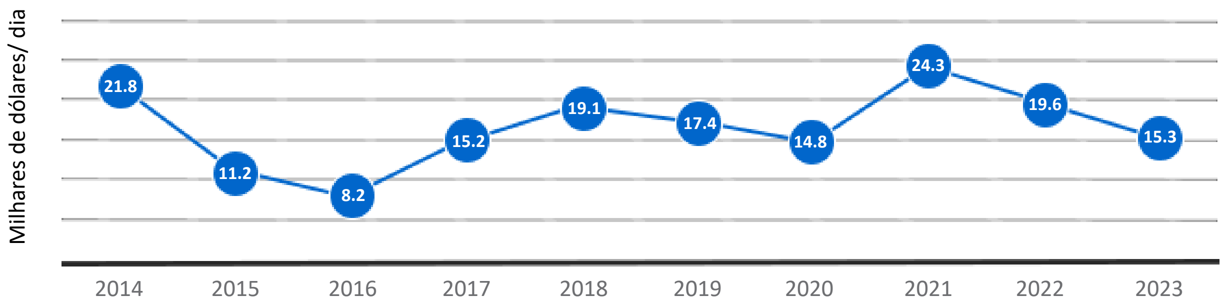
The liquid bulk transport fleet, with growth of 1.9%, combined with a reduction in the fleet used for storage, generated an increase in the transport supply of 3.3%. With transport demand having grown by 3.1% in volume – a slightly lower growth than supply, due to the reorganisation of maritime flows – and with the average distance between the transport origin and destination having increased, transport demands in Tonne x Mile increased by 8.8%, which meant that freight rate trends in all fleet segments once again saw significant growth.

Thus, in average terms, in the case of the Modern Suezmax, the average one-year charter rate was 40,572 US dollars per day, an increase of 53.9% compared to the average figure for 2022.

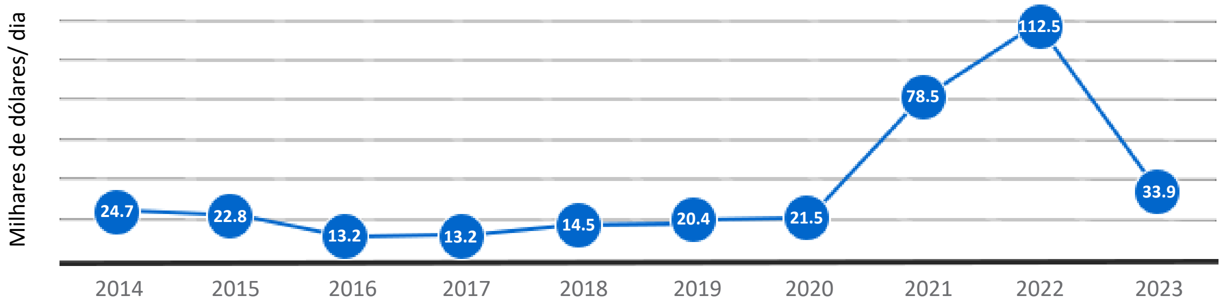
Freight Rates for Oil Tankers
Modern Suezmax



Freight Rates for Bulk Carriers
Cape Size - 12 months



Freight Rates for Container Carriers
6,800 TEU



Yearly Averages - Source: "Clarkson Research"

The dry bulk fleet – with a 3.2% growth in transport supply and a 4.3% growth in demand – as a result of China's post–COVID-19 reopening, which occurred mainly in the last four months of the year, was not enough to have a positive influence on freight rates in this market segment over 12 months. As a result, one-year charter rates decreased significantly in all market segments, with Capesize reaching an average of 15,264 US dollars per day – a 22% reduction on the average for 2022.

The containerised cargo transport fleet, with an 8% growth in its transport supply capacity and a practically stabilised demand compared to 2022, despite the 2.8% speed reduction employed by shipowners to reduce transport costs and improve the supply/demand ratio, saw a sharp reduction in its freight rates in all segments. Thus, in average yearly terms, freight rates for ships with a capacity of 6,800 TEU decreased by 69.9% compared to 2022.

3. Ship Repair/Maintenance Business

Demand

World economic activity (which in 2020 to 2022 was strongly conditioned by the COVID-19 pandemic, to which was added, in early 2022, the effect of the invasion of Ukraine by Russian Federation troops) seemed, at the beginning of 2023, to have reached a certain stability with the opening up of the Chinese economy in the post COVID-19 period, the stabilisation of the new transport chains resulting from the consequences of the conflict between the Russian Federation and Ukraine, and the reduction in the inflation rate, which was finally reduced by the increase in interest rates decided by the main Central Banks.

At the end of 2023, in addition to the looming threats to worldwide economic activity – persistently high interest rates that stifle the economies of the most indebted countries and families, preventing an increase in private consumption and, consequently, economic activity – the conflict between Israel and Hamas started, which is already causing further and serious disruption to transport chains.

This conflict, with the disturbance it is causing in the Gulf of Aden and the Red Sea, together with the reduced business in the Panama Canal caused by the drought affecting that region, are causing major new challenges in the worldwide shipping market.

As a result, the sale of ships for scrap has remained at record levels in recent decades – around 11 million DWT, similar to the figure for 2022 – contributing to the average ageing of the active fleet, with all this entails in terms of polluting emissions and worsening the climate crisis.

The order for new ships grew by 5% in terms of transport capacity compared to 2022, as a result of the increase in the dry bulk market with a 12% increase and 235% in the liquid bulk market, as the containerised cargo and natural gas transport segments decreased by around 43% and 64% respectively.

As a result, the order book for new vessels grew by 7% in terms of transport capacity, with the liquid bulk segment growing by 39%, dry bulk by 4% and natural gas by 8%, while the containerised cargo segment was the only one to see its order book decrease by 9%.

Given the reduction in the number of shipyards for new builds in recent years – a reduction of around 10% – associated with the increasing scarcity of skilled labour worldwide, it is estimated that the installed production capacity will be at full load in the next 3 to 5 years.

Regarding the second-hand market, five-year-old liquid bulk carriers, which had risen in price by around 35% in 2022, rose again by around 15% in 2023. Dry bulk carriers of the same age, which in 2022 had decreased in price by around 10%, reversed the trend and increased by around 15%.

The "stability" mentioned above – the opening up of the Chinese economy post COVID-19, the stabilisation of the new transport chains and the reduction in the inflation rate – has meant that the demand for ship repair for Lisnave, in number of enquiries, has returned to pre-pandemic levels and, compared to 2022, has decreased by around 36% – it should be noted that the figure of 730 enquiries received in 2022 had never been reached in this century.

The reduction in demand for ship repairs to Lisnave was seen in all market segments, with the dry bulk transport market recording the greatest reduction: - 58%, although it has returned to the normal number of enquiries of the last decade. In the liquid bulk market, there was a reduction of 32%, in the containerised cargo market segment it was 38% and in the gas carriers market it was 40%. Demand outside Lisnave's traditional markets, such as passenger ships, vehicle carriers, dredgers, etc., decreased by 18%, although it also reached figures similar to those of the pre-pandemic years.

As a result of the aforementioned reduction, 499 enquiries were negotiated - 26 per cent less than the previous year - which generated 63 orders, around 39% less than in 2022, with a commercial success rate of 13%. This reduction is a consequence of the high occupancy rate of the shipyard, which had already happened in 2022, which meant that a significant number of enquiries had to be declined due to lack of space at the dock.

	2023	2022	2021	2020	2019
Enquiries	499	670	564	539	459
Orders	63	103	93	76	82
Commercial Success Rate (%)	13	15	16	14	18

Business Conducted

During 2023, 76 ships completed repairs/ maintenance, 75 of which at dock.

As has happened since 2018, in 2023 Lisnave was very active in installing new ballast water treatment systems, having installed 22 of these systems, after having installed 36 in 2022. Also supporting shipowners in their fight against climate change, AMP – Alternative Marine Power – systems were installed on 7 container ships to reduce emissions of polluting gases when the ships are at port.

In addition, as part of the fight against climate change, new bulbs were completely built and installed on 5 container ships, with the largest work done by Lisnave during 2023 being the transformation of a dry bulk carrier into a juice carrier, with the installation of the respective tanks and the entire refrigeration system.

Its traditional market segments – liquid and dry bulk carriers – accounted for around 58% of its business in number of orders. It is worth noting the continued penetration of other market segments, such as gas carriers (with 17%) and container ships (with 18%). In the liquid bulk carrier market segment, it is worth highlighting the business in the repair/ maintenance of Shuttle Tankers, a segment in which Lisnave has a leading role worldwide, accounting for around 18% of total business in 2023, in terms of the number of ships.

Years	National	Foreign	Total	In Dock
2023	1	75	76	75
2022	3	87	90	83
2021	1	79	80	77
2020	3	73	76	72
2019	2	70	72	68

Given the globalisation of Lisnave's market, the ships repaired in 2023 originated from 39 clients located in 17 countries, with the most significant markets in terms of the number of ships repaired being Norway (17 ships), Greece (14 ships), Great Britain (8 ships) and Brazil (8 ships).

4. Investments/ Others

Lisnave, continuing its policy of investment and renovation of infrastructures, in order to guarantee the maintenance and continuous improvement of the shipyard's operating conditions, has, as in previous years, invested in both new resources and major repairs to existing infrastructures and equipment, having applied around 1.77 million euros in the financial year, and it should be noted that the accumulated sum of investments made since 2000 has already totalled around 41.96 million euros in nominal values, of which 31.8 million correspond to new investments and 10.1 million to major repairs to existing infrastructures and equipment.

In the financial year under analysis, Lisnave also bore costs of around 8.26 million euros for major repairs to infrastructure and equipment. It should be noted that since 2009, the year in which, due to changes in accounting standards, these costs were no longer capitalised, their total sum has risen to around 28.31 million euros.

In terms of new investments, we should highlight the modernisation of the radio controls for the hydrolift hauling winches, the purchase of anti-pollution barriers, the replacement of a CBED drainage pump, the certification of lifting gear and workshop equipment, the purchase of new equipment and tools in the production area, in particular the purchase of new ship repair support equipment, such as hoists, clamps, shackles, pneumatic grinders, a laser shaft aligner, ATEX LED projectors and transport containers. Also important was the purchase of welding machines and decoilers, as well as the installation of welcoming booths, the upgrade and reinforcement of the CCTV system, the purchase of various equipment for the training school, the upgrade of the changing room entrance doors and the construction of new women's bathrooms.

Regarding major repairs, it is worth highlighting the rehabilitation of the roof and façades of the Offshore Warehouse and Heavy Boiler Workshop, the rehabilitation (in terms of civil construction) of buildings, the rehabilitation of planks and gateways, the repair of balconies and dock accesses, the rehabilitation and miscellaneous repairs to the fenders in the piers, lock and hydrolift platform and the rehabilitation of the retaining walls at the waste yard. In terms of the main infrastructures, we highlight the repair up to Level 4 of various cranes and rail tracks, the general maintenance of the hydrolift platform gates, the rehabilitation of the hauling winches at Docks 20, the repair of the liquid wedge sewage pipes at the hydrolift platforms near the entrance to pumping station no. 2 (CB2), the rehabilitation of the flood gates and main valves at the inter-dock pumping station (CBED), the repair of various pipes and the reconstruction of a new artesian borehole to replace the existing Borehole No. 3.

On the other hand, other extraordinary investments should be mentioned, such as the continuation of the structural rehabilitation of the 500t gantry crane, the structural rehabilitation of the CBED and the repair of the concrete on the slabs of Docks 21 and 22, the rehabilitation of the fluid networks and the installation of the new plasma cutting machine in the pipe workshop, investments which, while being the responsibility of the concessionaire, Lisnave - Infraestruturas Navais, S.A., add to the investments made in previous years, namely the costs of structural repairs to Dock 20 and Pier 3, electrical rehabilitation of the Shipyard (Phase I), waterproofing of the hydrolift lock joints and rehabilitation of lifting gear, totalling around 36.42 million euros since 2008.

For 2024, we plan to continue with the aforementioned projects, including energy efficiency, as well as new infrastructure for hydroblasting, upgrading the wastewater treatment plants and rehabilitating the Pier 0 bridge, in coordination with the concessionaire, as well as increasing investment in the production area.

Environmental Protection

During 2023, Lisnave demonstrated its concern for the preservation and protection of the environment in all areas of its business.

Ship maintenance, repair and conversion play an important role in extending the life of ships, thus contributing to the preservation of resources, and reducing the carbon footprint, from a circular economy perspective.

This industry has been implementing technological innovations in maritime transport for several decades to improve navigation systems, working conditions, safety, and environmental protection.

Examples include changes resulting from directives issued by the International Maritime Organisation or the European Union, such as the introduction of double hulls on oil tankers, the installation of ballast water treatment systems, atmospheric emissions treatment systems, changes to bow bulb geometries with their replacement/reconversion, intervention in dual fuel engines, among others.

Lisnave, due to its geographical location, supplies its own potable water and also treats its industrial and domestic wastewater, similar to a small urban settlement.

This autonomy also extends to the management of its waste, of which around 90% is processed and sent to licensed units for recycling or recovery.

As a way of celebrating the 5th of June, World Environment Day, a sustainable souvenir – a pencil with a seed so everyone could plant a flower, an aromatic herb, or a tree – was distributed to all those present at Lisnave's premises.

The Biodiversity Island created following the method of the Japanese botanist Miyawaki (150 trees, 23 native species, in an area of 50m²), celebrated its first anniversary in

November 2023. The date was celebrated on site, with a visit and corresponding photographic record to monitor the growth. The micro-forest surprised us with a 90% survival rate, clearly above average for this type of planting system. A micro-forest in an industrial zone is a contribution to promoting biodiversity and decarbonization.

At the end of the year, at a ceremony held in Bilbao, Lisnave formally became a member of the Green Marine Europe certification programme. In order to obtain this important certification in 2024, specific to Shipyards, Ports and Ships, Lisnave will have to demonstrate a more ambitious environmental concern than compliance with legislation, attested to by an accredited verifier.

Accordingly, and continuing on its path towards sustainability, Lisnave will develop ESG indicators as a way of assessing its performance.

Lisnave continues to raise awareness among the Shipyard's population about the heritage to be protected, thus aiming to contribute to the defence of the common good.

Information Technologies

During 2023 and following the process started in 2022, Lisnave completed the migration to Cloud-based SAP S/4 RISE, migrating its SAP systems to a more secure and resilient infrastructure. We highlight the robustness of the physical and logical security of the information systems, thus preventing and mitigating different vulnerabilities, with a particular focus on cyber-attacks.

Software-wise, Lisnave has promoted the development and/or improvement of various processes that are expected to be completed by 2024, such as *(i)* the Performance Assessment Process, where, in addition to the introduction of "Direct Management" as the first assessors, the implementation of the self-assessment stage was also completed; *(ii)* the dematerialisation of processes, where work began on implementing this solution in expenditure documents and absence justification; *(iii)* the Central Tool Management, where a platform was developed with the aim of tracking the tools supplied to Lisnave workers and subcontractors and, simultaneously, performing various analyses and consulting the history of the entire tool management process.

Pursuing its strategy of technological evolution, in 2023 Lisnave began implementing an access control system using Mifare RFID technology and biometrics with facial recognition.

On the other hand, in order to continue improving communication, Lisnave has decided to extend the allocation of company mobile phones to a greater number of workers, in an effort to further streamline the different internal processes and facilitate contact between different productive forces within the organisation.

Regarding Lisnave's systems and those of the other Navivessel Group companies, the recommended and necessary upgrades have been made to increase the robustness and protection of information and data.

As is customary and in accordance with the procedure followed in previous years, a test was conducted on the recovery plan for the systems installed at the shipyard, including LISNAVE's Core communications component in a DR environment, and the various redundancies of the local systems were successfully validated, with recovery times (RTO) of less than 20 seconds.

Additionally, several improvement projects were conducted, namely *(i)* Redundancy implementation in the Core component for SAP Link, *(ii)* SW Core configurations for SAP RISE, *(iii)* SW Primavera migration to centralise the application, (iv) modernisation and optimisation of the backup platform with the upgrade from Veritas Backup Exec to Veeam Data Platform.

On the other hand and continuing the technological update process that began in 2020, Windows 10 and Microsoft 365 were installed in a further 85 workstations.

With the aim of continuing to meet the growing demands for autonomy and mobility, LISNAVE continued the process of switching from desktops to laptops.

Quality/ Other Certifications

LISNAVE, aware of a highly competitive and constantly shifting market, prioritises quality as a success factor and seeks to support its strategic orientation towards continuous improvement and optimisation of its processes, always working towards the maximum expectation and satisfaction of its customers and other stakeholders.

LISNAVE's Quality Management System, which is self-sustaining and effective in increasingly meeting new needs, develops and implements Innovation and Development actions with the aim of increasing competitiveness and achieving the highest quality and excellence in its services so as to be the Leader in its market segment.

In 2023, LISNAVE maintained its QMS in accordance with ISO 9001 and the confidence of LRQA, proven in the confidence of LRQA, proven in the Monitoring Audit conducted, ensuring quality as a tool implemented to define, control, and minimise the existing risks associated with all its business activities.

In 2023, LISNAVE also maintained the accreditation of its Calibration Laboratory, meeting the regulatory requirements in accordance with NP EN ISO/IEC 17025.

LISNAVE maintained the certificate of International Ship & Port Facility Security Code, complying with all the requirements defined by the Competent Authority.

LISNAVE has also obtained "NATO Secret" and "National Secret" accreditation, and its respective Control Post has been officially accredited.

Under the General Data Protection Regulation and the General Regime for the Prevention of Corruption, LISNAVE undertakes to comply with the many legal requirements in force regarding workers' rights, the privacy of their personal data and the prevention of corruption, ensuring the existence of a Whistleblowing Channel, ensuring its Code of Conduct is up-to-date and setting rules on professional ethics.

5. Human Resources

As has been reaffirmed in recent years LISNAVE decided in due course to rejuvenate the company and to make some aspects of the employment contract more flexible.

To this end, in 2006 it began developing an extensive Youth Recruitment and Training Programme, aimed at selecting young people with the right profile for the business sector, providing them with the technical skills they need for future productivity challenges and, thus, beginning the inevitable staff rejuvenation process.

As part of this rejuvenation policy, LISNAVE has organised 48 training courses by 2023 in the areas where the company has the greatest need for human resources, with over 620 trainees in total.

On the other hand, LISNAVE also began, with the collaboration of the shareholder NAVIVESSEL, the legal procedures for the incorporation of a new company, LISNAVEYARDS – NAVAL SERVICES, LDA. which, since February 2009, has been providing services to LISNAVE, having hired 42 workers in 2023, including 23 direct workers and 17 specialists. On 31 December 2023, LISNAVEYARDS had a staff of 305 workers in the various professions related to the business, 116 of whom were direct workers.

Remuneration Costs

Before presenting the most relevant indicators, it should be noted that, following the timely approval of the Board of Directors' proposal on profit-sharing, a Balance Sheet Bonus was awarded to all Employees, comprising a fixed part of the monthly fixed remuneration and two variable parts, one depending on absenteeism and the other on performance assessment, corresponding to a maximum of 175% and, in aggregate, a total bonus of 0.97 million euros.

Overall staff costs amounted to 9.23 million euros, as detailed in the following table.

Staff Costs

ITEMS	2023	2022
Remuneration, including Balance Sheet Bonus	6,096,371	5,782,003
Overtime	419,352	443,075
Bonuses, Allowances and Other Remunerations	328,501	361,536
SUBTOTAL	**6,844,224**	**6,586,614**
Social Charges	2,382,664	2,082,820
TOTAL	**9,226,888**	**8,669,434**

(Amounts in euros)

The increase in the " Remunerations" item basically results from the constitution of a provision for a Balance Sheet Bonus.

Regarding the " Overtime" item, its reduction is related to the departure of workers due to retirement, which naturally also reduces the percentage of workers inclined to work overtime.

The reduction in the "Bonuses, Subsidies and Other Remuneration" item is essentially related to the "Other Remunerations" component and the staff reduction mentioned above.

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

Also related to this topic, we should mention that an agreement was reached with the Workers' Representatives, under which a general salary increase of 4.2% was agreed with effect from 01st January 2023.

Training & Development

During 2023, LISNAVE maintained its concern with the vocational training of its workers, having organised 97 vocational training courses considered as priorities, involving a total of 970 participants, and covering fundamental aspects for the good performance of the business, both due to their technical component and to the training and awareness-raising in the areas of Quality, Safety, Environment and Protection.

It should also be noted that despite the high level of business at the shipyard, around 55% of the number of training hours were dedicated to the important areas of Quality, Safety, Environment and Protection.

During the year, and as part of the Annual Training Plan, a total of 6,339 hours of training were organised, subdivided into diverse knowledge areas, as shown below.

Vocational Trainning | 2023

Areas of Training	Total Hours	No. of Trainees
Personal Development	689,5	359
Financial, Tax, and Accounting Management	88	11
Hardware e Software	5	2
Quality, Safety, Environment, and Protection	3,498.5	476
Qualification/Recycling/ Production Techniques	2,058	122
Total	**6,339**	**970**

Youth Training

Regarding the rejuvenation programme that Lisnave has been developing since 2006, 5 youth training courses were held during the year, totalling 20,392 hours of training in which 55 trainees participated.

Strategic Plan For Succession And Personnel Rejuvenation

Management And Preparation

Following the aforementioned Youth Training, and as part of a plan to identify the needs for new resources, particularly in the functional classes of Management and Preparation, various On-the-Job Training processes were held, where the Workers, accompanied by a tutor, were in the process of learning a new duty and which, in 2023, resulted in 10 cases of change of duty, 9 of which were 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, considering the retirement of older staff. To this end, it recruited internally and mobilised a total of 3 Specialists from Project Management for the Quality Control and Infrastructure Sectors.

Occupational Health And Safety

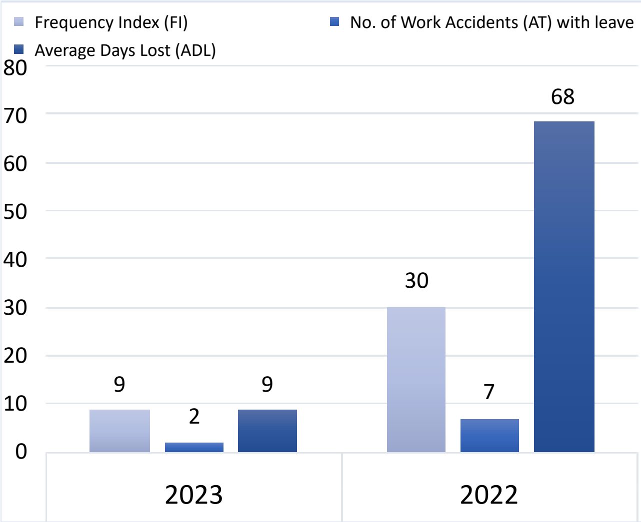
Throughout the year, Lisnave maintained its traditional concern for workers' health. With this in mind, besides occasional interventions, 571 medical examinations were performed, 446 of which were in LisnaveYards and 125 in Lisnave, subdivided into 87 admission examinations, 288 periodic examinations and 196 occasional examinations.

On Occupational Health and Safety, in addition to complying with current legislation and regulations, in July Lisnave obtained certification of its Management System in accordance with the ISO 45001 standard, and during the 4th quarter began carrying out internal audits to assess the performance of the OHSMS in the shipyard's various processes and business activities.

Indicators

In 2023, the number of accidents at work decreased compared to the previous year, and no serious accidents were recorded among all the company's workers.

With regard to accidents, and in accordance with the calculation formula defined by the International Labour Organisation, 2023 had a frequency rate of 9.20 and a severity index of 82.81, thus showing a significant improvement in both indicators when compared to the figures recorded in the previous year, as shown in the following graph.



Promotion Of Occupational Safety And Health

Continuing with the objective of promoting continuous improvement of said accident rates, LISNAVE organised another series of safety training sessions, among which the following are particularly noteworthy due to their relevance:

"Verification of Work Equipment in accordance with Decree-Law 50/2005 of 25 February", "Risks in Machine and Tool Operation", "Investigation and Analysis of Incidents", "Civil and Criminal Liability for Non-Compliance with Safety Rules" and "Protection & Safety in the Use of Chemical Agents which are Carcinogenic, Mutagenic and Toxic to Reproduction".

On the other hand, it maintained its strong commitment to informing and raising awareness among the various stakeholders in matters of Occupational Health and Safety and the Environment, having covered a total of 6,822 people in 2023, also including the welcoming and refreshing of 5,388 workers from Service Provider companies.

With a view to promoting and publicising Occupational Health and Safety, training was also provided – more specifically targeted at specific situations – to 1,434 workers, namely those involved in incidents or work with a high safety risk, as well as, in a broader context, awareness-raising activities related to the areas of "Safety, Quality, Environment and Good Practices", promoted by the company's diverse production sectors, aimed at LISNAVE's workers and managers of Service Provider companies.

Besides the information and training mentioned above, it is also worth highlighting the distribution of information and basic safety rules to people who enter the Company's facilities on a daily basis and who do not require safety training, such as salespeople, external technicians, and other visitors, which totalled 5,568 disclosures in 2023.

As part of this same policy, but with a special focus on health, LISNAVE organised the usual seasonal flu vaccination campaign, in which 40 workers participated.

Internal Emergency Plan (IEP) – Emergency Drills

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 two-way communication between the theatre of operations and those responsible for the IEP, full-scale emergency drills were conducted - 3 on the ships and 1 at the fixed installations. In this context, an internal audit was also conducted to monitor the performance of the emergency preparedness and response process in the area of Fire Safety in Buildings (FSB).

Safety Campaigns

Besides the initiatives already mentioned, and in order to prevent occupational risks and, above all, to continue promoting a greater and stronger safety culture among all the workers who operate at the shipyard, a number of more specific safety campaigns were held, such as "The Evolution of Safety and Its Impact", "Today is World Safety Day" and

"Wearing Safety Glasses".

Psychosocial Risks

Aware of the importance of mental health for the sustainability of an organisation, in 2023 LISNAVE started the Challenge 4S project – "Challenge transition for a shipbuilding sector smart skills change", funded by the Erasmus+ Programme.

The project, which involves the collaboration of 8 partners from 4 European countries, accompanied by 3 high-level international representatives as associated partners, is developed as part of the Pact for Skills in Shipbuilding (P4S Shipbuilding) and engages a diverse group of stakeholders who contribute to the lifecycle stages from design to construction and subsequent operation and maintenance in terms of skills and retraining the workforce for the challenges related to new digital technologies. The approach consists of developing and implementing four specific pilot training actions addressing different topics related to digitalisation in shipbuilding. The actions and the related skills cover different levels of the EQF, and each pilot project is implemented in a target country in collaboration with a training institution and a stakeholder from the industrial and business sector.

In Portugal, Challenge 4S is represented by LISNAVE in partnership with OUTCOME, and focuses specifically on leadership skills within the scope of psychosocial risk management and mental health promotion in the maritime sector.

In this context, 12 focus group sessions were held between 20 and 26 September 2023, with a total attendance of 88 workers from the various hierarchical levels and departments of LISNAVE.

As a complement, 70% of workers also completed a COPSOQ psychosocial risk questionnaire.

Once all the information had been consolidated, 3 cross-cutting courses were developed, presented, and included in the International Project catalogue:

- Leadership Development in the Maritime Industry (32h)
- Digital Well-Being in the Maritime Industry (8h)
- Psychological first aid (applied to the maritime industry) (8h)

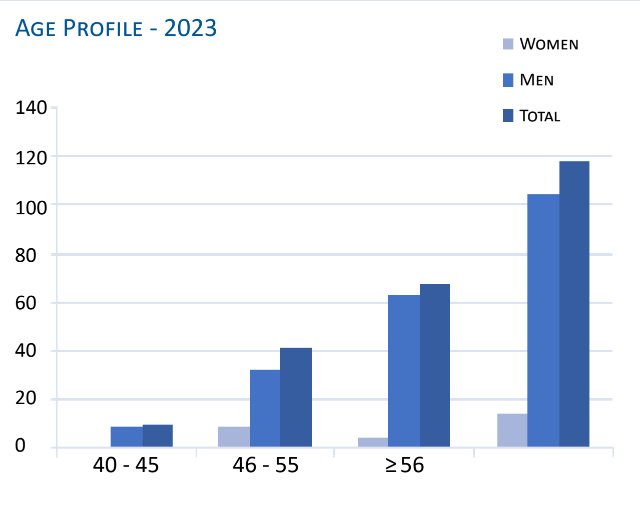
In 2024 the pilot actions will take place and the results of the training actions will be assessed.

Other Indicators

Regarding absenteeism, this rate decreased significantly in 2023 compared to the previous year.

Compared to the Staff Indicators at the end of 2022, in 2023 LISNAVE's staff was reduced by 7 Workers, most of whom were retired due to old age.

On 31st December 2023, LISNAVE had a total staff of 118 workers with an average age of 56.90 years, as shown in the following table:



The policy of support and donations to social organisations continued in 2023.

During 2023, 484 alcohol checks and 429 drug checks were conducted, with 8 and 12 positive results respectively, leading to the applicable awareness-raising procedures.

6. Economic and Financial Situation

As mentioned above, in 2023 LISNAVE repaired a total of 76 ships, corresponding to a total invoicing of 168.1 million euros.

Analysing the following table, we can see that, despite the 15.6% reduction in the number of ships repaired, total invoicing grew significantly by 52.3% compared to the previous year.

Number of Ships and Invoicing

ITEMS	2023	2022	2021	2020	2019
Vessels Repaired	76	90	80	76	72
Vessels Invoicing	168.1	110.4	90.6	87.0	62.2
Average Invoicing per Vessel	2.212	1.226	1.133	1.145	0.864

(Amounts in thousands of euros)

The average invoicing per vessel, at 2.212 million euros, reflects a sharp increase of 80.4% when compared to the same period last year, associated with the increase in the amount of work requested per ship, particularly in major repairs.

Although the discounts granted to customers were the lowest in recent years, they still reached a significant amount, revealing the extremely competitive market in which LISNAVE operates. The number of vessels repaired during the year, besides the reduction compared to the previous year, when compared to the average of 82 vessels in the three-year period 2020/2022, decreased by 7.3%.

This result is directly related to the trend in demand, measured in the number of enquiries received which, despite the fact the company continued with its aggressive commercial strategy, was 36% lower than in the previous year, remaining at the 2019 level.

It is also important to note the evolution of the exchange rate of the US dollar (USD), which during the 2023 financial year, reversing the trend of last year, devalued against the Euro by around 2%.

The following table shows the evolution of total sales and services rendered:

Sales And Services Rendered

ITEMS	2023	2022	2021	2020	2019
Ship Repairs	168,126	110,370	90,618	86,995	62,189
Revenue from Ships in Progress	-3.659	1,268	943	2,823	2,537
Other Activities	2.880	5,460	4,951	3,339	5,705
Services Rendered	1,454	1,837	628	1,062	856
Total	**168,801**	**118,935**	**97,139**	**94,219**	**71,288**

(Amounts in thousands of euros)

The aggregated amount of the items "Ship Repairs" and "Revenue from Ships in Progress" accounted for 97.4% of the total amount of "Sales and Services Rendered", while the items "Other Activities" and "Services Rendered" together recorded an amount of 4.3 million euros.

It should be pointed out that the amount of the item "Other Activities" decreased by 47.2% compared to the previous year. This is directly related to the agreement between Lisnave - Estaleiros Navais, S.A. and Lisnave - Infraestruturas Navais, S.A., holder of the Mitrena Shipyard concession contract, to settle the current and extraordinary maintenance amounts, corresponding to the investment cycle made between 2018 and 2023 It should be mentioned that the 20.9% reduction in the "Services Rendered" item is related to the lower volume of scrap sold in 2023 compared to the previous year.

With regard to the evolution of the company's economic situation, the following table presents the income statements for the financial years 2023/2019, 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 productive factors in total operating income.

Income Statement

ITEMS	2023		2022		2021		2020		2019	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Sales and services rendered	168,801		118,935		97,139		94,219		71,288	
Own work capitalised	0		0		3		7		2	
Other income and gains	3,478		1,815		1,440		1,582		1,247	
Total operating income	**172,279**	**100**	**120,750**	**100**	**98,581**	**100**	**95,807**	**100**	**72,538**	**100**
Costs of raw materials consumed	11,484	6,7	8,829	7,3	7,119	7,2	5,264	5,5	4,461	6,2
External supplies and services	122,451	71,1	90,567	75,0	75,116	76,2	70,364	73,4	59,641	82,2
Staff costs	9,227	5,4	8,669	7,2	8,364	8,5	9,586	10,0	9,353	12,9
Depreciation, impairment, and provisions	3,543	2,1	2,126	1,8	1,165	1,2	2,017	2,1	674	0,9
Fair value	-422	-0,2	137	0,1	0	0,0	0	0,0	0	0,0
Taxes	26	0,0	24	0,0	31	0,0	22	0,0	22	0,0
Other expenses and losses	2,978	1,7	449	0,4	474	0,5	485	0,5	456	0,6
Total operating costs	**149,286**	**86,7**	**110,802**	**91,8**	**92,270**	**93,6**	**87,738**	**91,6**	**74,608**	**102,9**
Operating results	**22,993**	**13,3**	**9,948**	**8,2**	**6,311**	**6,4**	**8,069**	**8,4**	**-2,070**	**-2,9**
Financing results	0	0,0	-9	0,0	-8	0,0	0	0,0	0	0,0
Pre-tax results	**22,992**	**13,3**	**9,939**	**8,2**	**6,303**	**6,4**	**8,069**	**8,4**	**-2,070**	**-2,9**
Income tax for the period (-)	-7,081	-4,1	-2,864	-2,4	-1,726	-1,8	-2,258	-2,4	113	0,2
Net profit for the period	**15,912**	**9,2**	**7,075**	**5,9**	**4,577**	**4,6**	**5,811**	**6,1**	**-1,957**	**-2,7**

(Amounts in thousands of euros)

A brief analysis of the Income Statement shows that in 2023 the company's economic performance improved significantly compared to the previous year, achieving a "Net Profit" of 15.9 million euros, the best ever since it was established.

Analysing the information in greater detail, it can also be seen that the "Operating Results for the Year" are influenced by the significant increase in the number of sales, accompanied by a 3.5% improvement in the Gross Margins of Projects.

During the year 2023, Lisnave settled the loan granted through the COVID-19 Economic Support Line for Exporting Companies in Industry and Tourism, and there was no existing bank financing as of 31 December.

On the other hand, following an interpretative change regarding the classification of the blasted grit, a provision was created for other risks and charges (environmental liabilities), amounting to 2.2 million euros.

In addition to analysing the company's economic development for the period 2019 to 2023, the following map shows the most important economic indicators and ratios:

Economic Aggregates

ITEMS	2023	2022	2021	2020	2019
Overall aggregates					
Gross value of production (GVP)	168,802	118,935	97,141	94,226	71,291
Gross value added (GVA)	40,725	22,821	17,371	21,525	8,330
Staff costs	9,227	8,669	8,364	9,586	9,353
Operating cash flow	26,536	12,074	7,476	10,087	-1,395
Average number of employees	**121**	**132**	**143**	**159**	**188**
Ratios					
Gross production value per capita	1,395.1	901.0	679.3	592.6	379.2
Staff costs per capita	76.3	65.7	58.5	60.3	49.8
GVA / GVP	24%	19%	18%	23%	12%
Staff costs / GVA	23%	38%	48%	45%	112%

(Amounts in thousands of euros)

From their analysis, it can be concluded that in 2023 the overall aggregates and ratios showed a positive performance when compared to the previous year.

So, the "Gross Value of Production (GVP)", "Gross Value Added (GVA)" and "Operating Cash Flow" aggregates evolved positively as a result of the aforementioned increase in sales and the Gross Margin of Projects.

Notwithstanding these variations, the company maintained a situation of economic sustainability which allowed it, despite the extremely difficult year worldwide, to continue operating and achieve very significant positive results in a highly competitive market characterised by great unpredictability. The evolution of the "Net Position" under review is shown in the following table:

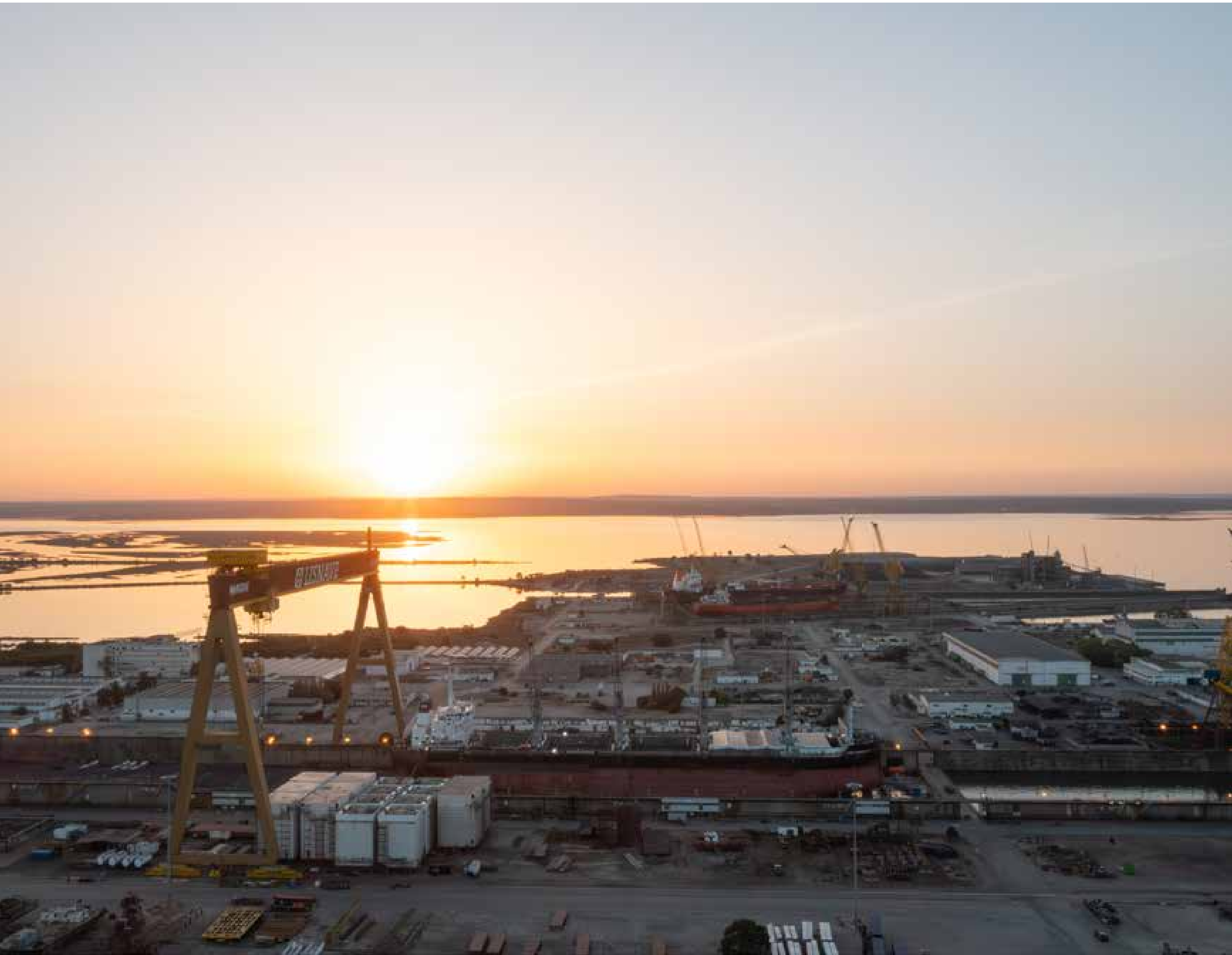
Net Position

ITEMS	2023	2022	2021	2020	2019
Share capital	5,000	5,000	5,000	5,000	5,000
Legal reserve and retained earnings	31,556	29,481	27,903	26,092	28,049
Net profit for the year	15,912	7,075	4,577	5,811	-1,957
Total Net Position	**52,467**	**41,556**	**37,481**	**36,903**	**31,092**

(Amounts in thousands of euros)

The net position on 31st December 2023 was 52.5 million euros. The book value per share at the end of the year was 52.47 euros, representing an increase of 949.3 % compared to its nominal value.

Through analysis of the main items on the Balance Sheet on 31st December 2023 for the last five years, as shown in the following table, it is possible to analyse the evolution of the company's financial structure.



Comparative Abridged Balance Sheets

ITEMS	2023	2022	2021	2020	2019
Assets					
Non-current assets	18,680	16,699	9,663	9,744	10,108
Inventories	2,201	2,183	1,923	1,947	1,988
Customers C/A (Net of advances)	16,557	9,585	14,996	20,220	20,417
Other accounts receivable	28,295	19,121	9,990	7,583	4,977
Other Financial Assets	5,040	5,003	0	0	0
Cash and bank deposits	34,735	23,322	29,459	29,397	19,242
Deferrals	440	513	537	262	222
Total Assets	**105,949**	**76,425**	**66,569**	**69,154**	**56,953**
Liabilities					
Provisions	2,397	98	75	141	340
Deferred tax liabilities	30	101	48	2	19
Non-current financing obtained	0	367	470	0	0
Financing obtained	0	113	94	0	0
Suppliers C/A (net of advances)	29,013	23,959	21,604	21,504	18,907
Other accounts payable	22,041	10,231	6,797	10,604	6,595
Total Liabilities	**53,481**	**34,869**	**29,088**	**32,251**	**25,861**
Net Position	**52,467**	**41,556**	**37,481**	**36,903**	**31, 092**

(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 to help characterise the Company's financial situation, as follows:

Liquidity

Working capital (in the order of 36.22 million euros and a Quick Ratio and Cash Ratio of 1.71 million euros and 1.67 million euros, respectively, although the latter is slightly lower than in the previous financial 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 amounted to 34.7 million euros at the end of the year.

During the current financial year, the company continued to subscribe to financial investments totalling 11 million euros, which, adjusted to the quotation value on 31 December, resulted in a potential gain of 258 thousand euros.

Financial Structure

The Non-Current Assets Financing Ratio of 2.81 and the Total Solvency and Self-financing Ratios of 98.1% and 49.5%, respectively, lead to the conclusion that the financial structure of the Balance Sheet continues to be comfortable and adequate for the company's core business, which operates in a highly competitive market characterised by a high degree of unpredictability.

Finally, and in accordance with legal provisions, it is hereby declared that, on 31 December 2023, Lisnave held no treasury shares and there were no past-due debts to the State's public sector, including Social Security.

7. Business Outlook For 2024

2022 was an unusual year for shipping, with very positive consequences for European repair shipyards. Lisnave was no exception, and even managed to benefit from an extension of this positive trend until the end of 2023, closing the year with historic sales figures and net results.

The slowdown in the market, which was expected for mid--2023, only came towards the end of the year, with the consequences only being felt in 2024.

Besides the gradual return to "normality" after the consequences of the worldwide events at the beginning of the decade, the world's merchant fleet is ageing, with the average age of commercial ships over 10,000 DWT being very close to 15 years old, an age at which their maintenance will become much more expensive and shipowners will tend to look for geographies with lower prices, such as China and Turkey.

On the other hand, in 2023 there was an increase in the volume of worldwide maritime transport, due to the redistribution of liquid bulk transport flows, caused by the conflict between the Russian Federation and Ukraine and also by the reduction of the Panama Canal passage flow, due to the drought affecting that region. At the beginning of 2024, a new disruption in the supply chain routes was triggered by the conflicts in the Gulf of Aden and the Red Sea which, in addition to the impact on the world economy, could give us a competitive advantage with Turkish shipyards by diverting the routes of ships that no longer pass through the Suez Canal to a location closer to Lisnave.

Lisnave's main catchment markets (maritime transport of oil, gas, and containers), 2022 and 2023 were very positive years for shipowners. In the transport of containerised cargo, 2021 and 2022 were exceptional, but the drastic reduction in freight rates which occurred in 2023 led shipowners in this sector to implement cost-cutting measures, including laying off thousands of employees.

Specifically, regarding Shuttle Tankers, although 2023 was an exceptional year for Lisnave with 14 ships (having repaired the most ships of this type worldwide in 2023), 2024 is expected to be a very poor year in this sector, as a result of the reduced number of ships of this type requiring docking on Lisnave's catchment route (vessels that are 5, 10 or 15 years old).

On the other hand, the market share of LNG tankers has increased in recent years and is expected to continue to rise until at least 2026. Not only is there an increase in the number of vessels (and in the orderbook), but much of the LNG transport flow in the spot market has been diverted from Asian to European markets due to the conflict in Ukraine, causing more vessels of this type to come into Lisnave's catchment area.

As for ballast water treatment system (BWTS) installations, the downward curve, which was expected in mid-2022, began in 2023 and the number of installations is expected to decrease more sharply in 2024 until it ends in 2025.

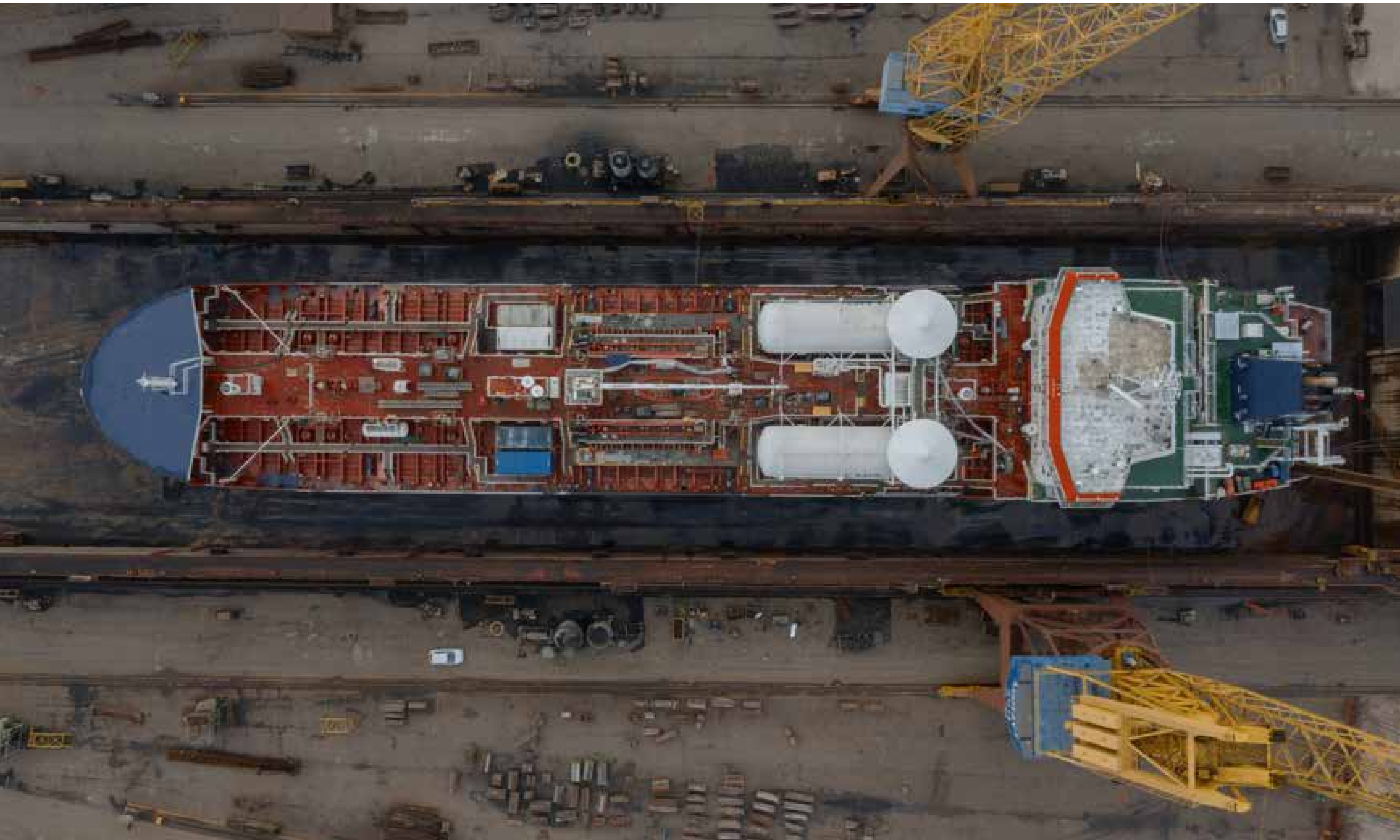
The major topic nowadays is the decarbonisation of the maritime transport sector. There has been a significant increase in environmental regulations and policies, and strict indicators have been imposed with which shipowners and their ships will have to comply.

According to the UN, an additional 8 to 28 billion dollars will be required annually to decarbonise ships by 2050 and the costs of the green transition may prove prohibitively expensive for some, or even unsustainable for many, particularly small shipowners.

Quite a few shipowners have already set out the measures to be implemented on their ships to comply with recent international regulations regarding Energy Efficiency and Carbon Intensity, something that LISNAVE already noted in 2023.

Regarding competition, it is worth mentioning the full resumption of shipyards in the Far East as soon as the pandemic restrictions were lifted, prompting shipowners who prefer this region and the low prices to return to the old-fashioned way of managing the maintenance and docking of their ships. This phenomenon began to be felt at the end of 2023, with a drastic reduction in enquiries and the order book.

For 2024, a gradual reduction in demand is expected from shipyards in Western Europe, which includes LISNAVE, and competition in this region is expected to become more aggressive in the second half of the year, which could lead to a need to reduce prices in order to secure business.



In 2024, Lisnave's Board of Directors intends to continue with its Strategic Human Resources Management policy, through the co-operation established with LisnaveYards, so as to continue to promote, through the latter, the creation of conditions which ensure the future sustainability of this business sector in Portugal.

To this end, Lisnave intends to continue collaborating with LisnaveYards, seeking to ensure that the latter undertakes greater responsibilities in the development of the business, depending on the size of its staff, particularly with regard to the number of direct workers.

Thus, with the aim of continuing with the Rejuvenation Plan which the company has been developing since 2006, Lisnave intends to organise two new youth training courses in the areas of Naval Metalworking and Shipboard Firefighting, with a total of 20 trainees, as well as recruiting and training 6 new direct/ indirect workers, 17 technicians, and hiring 15 new managers, 12 of whom are engineers.

Besides youth training, Lisnave also intends to continue training its workers, having approved the Annual Training Plan for 2024, under which it is estimated that 140 training courses will be held, with around 2,141 trainees participating, totalling 21,620 hours of training. On the other hand, Lisnave will continue to promote the training of new management, both internally and through external partners, as well as the measures deemed necessary to continue with the realisation of the strategic Human Resources plan defined by the company.

8. Proposal for the Appropriation of Profits

Considering the level of performance achieved in 2023, the Board of Directors has decided to award a Balance Sheet Bonus to all Workers.

It therefore proposes to the Shareholders:

A. That the decision of the Board of Directors to award a Balance Sheet Bonus to most of the Company's Workers, in the amount of 1,400,000.00€ (one million four hundred thousand euros), already included in the Net Profit for the financial year, be ratified, and that.

B. B. The Net Profit for the Year, amounting to 15,911,867.68€ (fifteen million, nine hundred and eleven thousand, eight hundred and sixty-seven euros and sixty-eight cents), be applied as follows:

- Dividends .... 15,900,000.00 euros;
- Retained Earnings .... 11,867.68 euros.

9. Closing Remarks

Finally, in closing the Management Report for 2023, the Board of Directors would like to express its profound gratitude and appreciation to the many people and entities who, directly or indirectly, supported it in the pursuit of the established goals, particularly:

- To Customers and Suppliers, for the preference and confidence with which they have continued to honour Lisnave;
- To the Shareholders, for their support, co-operation, and interest in monitoring the most important aspects of the Company's management;
- To all the Company's Workers and Employees and their representative Bodies, for their willingness, commitment, and high standards of professionalism;
- To the Audit Committee and the Auditors, for the participative way in which they performed their duties;
- To the Authorities in general, and those of the Port of Setúbal in particular, for their initiative and co-operation in resolving the issues inherent to the operation of the Shipyard;
- To the credit institutions, for the excellent relations they have maintained with Lisnave;
- And, finally, to Mr Luis Manuel dos Santos Silva Patrão, Director of Lisnave, our deepest condolences for his passing in 2023 and our sincere gratitude for the way in which he always followed and supported the company's business.

Setúbal, 29 February 2024

Board of Directors

Chairman

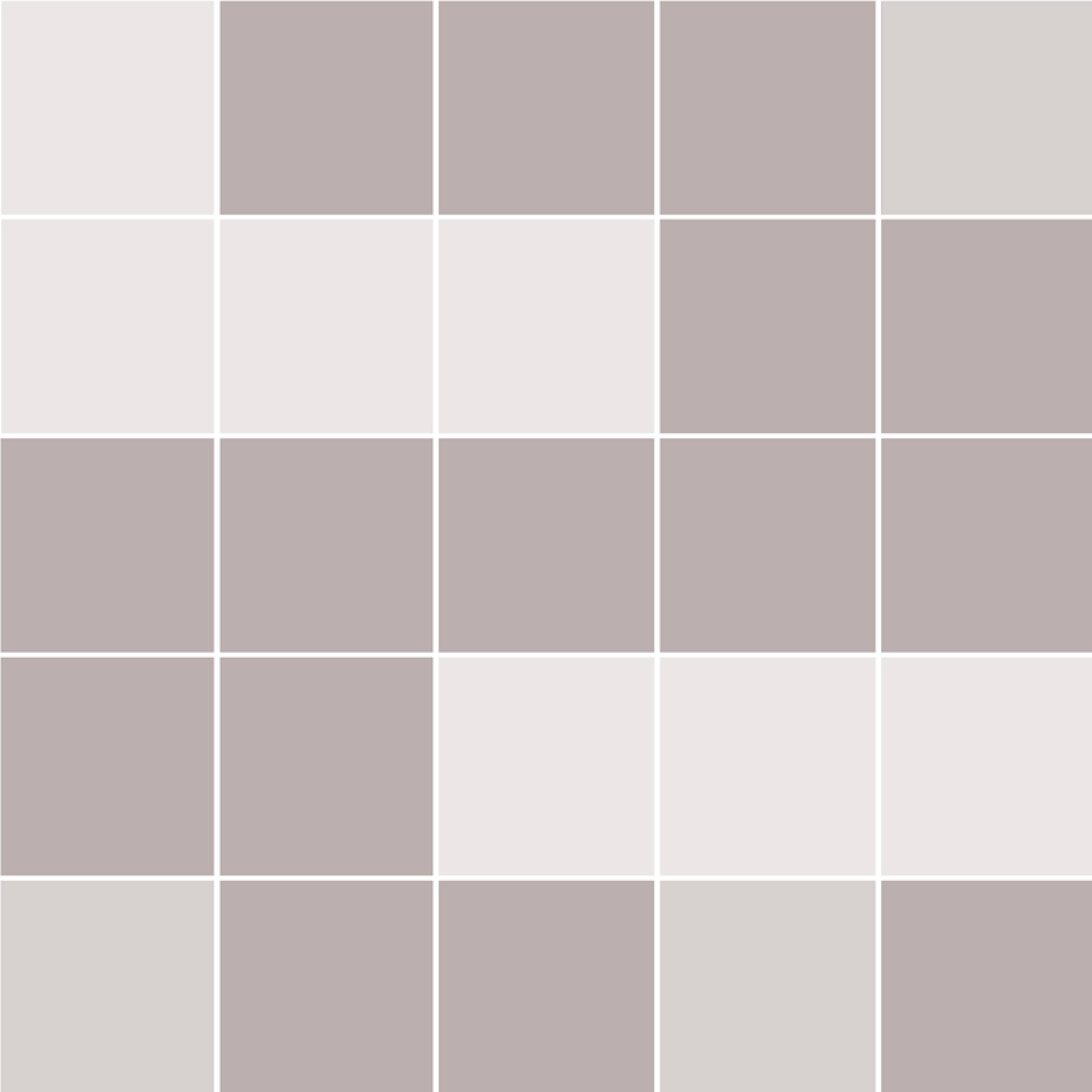
José António Leite Mendes Rodrigues

Members

Nuno M. F. de Almeida Antunes dos Santos

Cláudia Cristina Pelaio Rodrigues Braz

João Rui Carvalho dos Santos




LISNAVE

- 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 05th April 2024 relating to the approval of documents reporting the Accounts for the 2023 Financial Year
- Delegations and Representative Offices

Balance

Items	Notes	31/dec/23	31/dec/22
Assets			
Non-current Assets			
Tangible assets	8	9,678,309.85	7,867,504.94
Investment properties	7	1,900,000.00	1,900,000.00
Other finance investments		3,755.72	3,171.60
Deferred tax assets	14	760,658.49	212,765.68
Other finance assets	15	6,217,416.00	5,860,044.00
Other accounts receivable	15	119,785.08	405,351.08
Non-current assets held for sale	8	0.00	450,000.00
		18,679,925.14	**16,698,837.30**
Current assets			
Inventories	10	2,201,045.70	2,183,250.26
Customers	15.1	22,662,806.22	13,071,775.66
Advances to suppliers	15.3	744,800.19	1,000,734.67
State and other public entities	14/17.1	3,886,731.57	3,391,679.90
Other accounts receivable	15.2	24,407,819.28	15,729,134.98
Deferrals	17.2	440,373.38	512,546.28
Other finance assets	15	5,040,495.30	5,002,703.13
Cash and short-term deposits	4	34,735,220.83	23,321,513.87
		94,119,292.47	**64,213,338.75**
Total assets		**112,799,217.61**	**80,912,176.05**

(Amounts in euros)

Items	Notes	31/dec/23	31/dec/22
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	30,157 354.16	28,082,385.77
		36,555,527.42	**34,480,559.03**
Net profit/Loss for the period	17.3	15,911,867.68	7,074,968.39
Total equity		**52,467,395.10**	**41,555,527.42**
Liabilities			
Non-current liabilities			
Provisions	12	2,397,217.04	98,267.04
Obtained financing	15.4	0.00	366,600.00
Deferred tax liabilities	14	29,946.27	101,337.77
		2,427,163.31	**566,204.81**
Current Liabilities			
Suppliers	15.3	29,758,062.35	24,959,843.46
Advances to customers	15	6,105,687.17	3,486,904.17
State and other public entities	14/17.1	5,481,591.10	1,981,951.79
Obtained financing	15.4		112,800.00
Other debts payable	15.5	16,559,318.58	8,248,944.40
		57,904,659.20	**38,790,443.82**
Total Liabilities		**60,331,822.51**	**39,356,648.63**
Total Equity and Liabilities		**112,799,217.61**	**80,912,176.05**

(Amounts in euros)

Statement of Chances in Equity

Description	Issued Capital	Legal Reserves	Earnings	Net Income	Total Equity
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					
(2)		**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
(5)	**0.00**	**0.00**	**-3,000,000.00**	**7,074,968.39**	**4,074,968.39**
Position at the end of 2022	**5,000,000.00**	**1,398,173.26**	**28,082,385.77**	**7,074,968.39**	**41,555,527.42**
Position at 01/01/2023	**5,000,000.00**	**1,398,173.26**	**28,082,385.77**	**7,074,968.39**	**41,555,527.42**
Reminder of the distribution of the Net Income for the Period			7,074,968.39	-7,074,968.39	0.00
Changes for the period					
		0.00	**0.00**	**0.00**	**0.00**
Net income for the period				**15,911,867.68**	**15,911,867.68**
Operations with equity owners					
Dividends			-5,000,000.00		-5,000,000.00
(5)	**0.00**	**0.00**	**-5,000,000.00**	**15,911,867.68**	**10,911,867.68**
Position in the end of 2023	**5,000,000.00**	**1,398,173.26**	**30,157,354.16**	**15,911,867.68**	**52,467,395.10**

(Amounts in euros)

Profit and Loss Statement

Income and Services	Notes	2023	2022
Sales of goods and services rendered	11	168,801,212.91	118,935,043.14
Operating subsidies		112,800.00	0.00
Works for the company		313.81	137.60
Costs of goods and materials consumption	10	(11,483,738.89)	(8,828,772.71)
Externals supplies and services	17.4	(122,450,563.54)	(90,567,220.98)
Personnel expenses	16	(9,226,887.73)	(8,669,434.42)
Impairment of inventories (losses/ gains)	10	(1,267.72)	(47,474,84)
Impairment of debts receivable (losses/ reversals)	15.1	107,883.21	86,092.27
Impairment of non-depreciable investments/amortisation (losses/ reversals)		150,000.00	0.00
Provisions (Increases/ Reductions)	12	(2,298,950.00)	(23,075.00)
Fair value increases/ reductions	17.7	422,249.00	(137,252.87)
Other incomes and earnings	17.5	3,364,717.98	1,815,312.23
Other expenses and losses	17.6	(3,004,207.34)	(473,690.92)
Earnings before Interest, Taxes, Depreciation and Amortization		**24,493,561.69**	**12,089,663.50**
Depreciation and amortization expenses/ reversals	8/17.8	(1,500,856.25)	(1,474,453.64)
Impairment of depreciable/ amortizable investments (losses/ reversals)	17.9	0.00	(667,100.00)
Operational earnings before Interest and Taxes		**22,992,705.44**	**9,948,109.86**
Interest and similar income obtained			0.00
Interest and similar expenses incurred	17.10	(297.01)	(9,350.47)
Earnings before Interest and Taxes		**22,992,408.43**	**9,938,759.39**
Period income taxes	14	(7,080,540.75)	(2,863,791.00)
Profit for the year		**15,911,867.68**	**7,074,968.39**
Profit by share		**15.91**	**7.07**

(Amounts in euros)

Cash Flow Statement

	Period	
Items	**2023**	**2022**
Cash flow from operating activities		
Receivable from customers	154,187,754.27	126,781,178.41
Payments to suppliers	-146,703,705.36	-126,720,824.40
Payments to employees	-5,722,208.89	-5,613,440.17
Cash Generated by Operations	1,761,840.02	-5,553,086.16
Income Tax Payment / Receipt	-4,075,781.73	-1,211,018,06
Other payments/ receivable related to operating activity	20,231,883.07	15,977,050.95
	17,917,941.36	9,212,946.73
Receipts relating to extraordinary items		
Flow from Operating Activities (1)	**17,917,941.36**	**9,212,946.73**
Payments related with:		
Tangible assets	-1,769,644.70	-1,273,444.58
Other assets		-11 000 000.00
	-1,769,644.70	-12,273,444.58
Receivables related with:		
Tangible assets	450,000.00	32,000.00
Interest and similar income	193,539.16	1,723.73
Flow from Investment Activities (2)	**-1,126,105.54**	**-12,239,720.85**
Payments related with:		
Financing obtained	-359,412.00	-84,600.00
Interest and similar expenses	-18,495.18	-26,198.76
Dividends	-5,000,000.00	-3,000,000.00
Flow from Financing Activities (3)	**-5,377,907.18**	**-3,110,798.76**
Changes in Cash and Cash Equivalent		
(4) = (1) + (2) + (3)	**11,413,928.64**	**-6,137,572.88**
Net Foreign Exchange Difference	**221.68**	
Cash and Cash equivalents at Beginnings of period	**-23,321,513.87**	**-29,459,086.75**
Cash and Cash equivalents at End of period	**34,735,220.83**	**23,321,513.87**
	11,413,928.64	**-6,137,572.88**

(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 Setúbal.

The Company capital is held mainly by Navivessel - Estudos e Projectos Navais, S.A., which holds 72,87%, by ThyssenKrupp Industrial Solutions AG, which holds 20% of capital, by Parpública, SGPS, S.A. with 2,97% and by Public (OPT) with 4,16%.

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, 2023.

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, S.A., 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 31st, 2023, 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 and Investment Properties

a.1. 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:

	2023	2022
Buildings and Other Constructions	2.5% – 5%	2.5% – 5%
Basic Equipment	5% – 12.5%	5.00% – 12.5%
Transport Equipment	25%	25%
Administrative Equipment	6.25% – 33.33%	6.25% – 33.33%
Other Tangible Assets	16.67%	16.67%

The residual value is considered to be nil, so the depreciable value on which depreciation is levied coincides with the cost.

The depreciation methods estimated useful life and residual value are reviewed at the end of each year and the effects of changes are treated as changes in estimates i.e. the effect of changes is treated prospectively.

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 or 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.

a.2. Investment Properties

Investment Properties essentially comprise buildings and other constructions held for income and/or capital appreciation. These are assets that are not used in the production or supply of goods and services that form part of the entity's corporate purpose, nor for administrative purposes or for sale during its current activity. The model for recognising investment properties is the same as for tangible fixed assets. Expenses incurred with investment properties in use, namely maintenance, repairs, insurance, and property taxes (municipal property tax), are recognised in the income statement for the period to which they refer, under the respective expense items. Improvements which are expected to generate additional future economic benefits are capitalised under investment property.

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 l), 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. The amounts recognised as fair value gains for previous years are also not available for distribution to shareholders.

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. Revenue from the 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 Allowances 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 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:

	2023	2022
Cash on hands	30,927.99	22,940.15
Short-term deposits	4,704,292.84	798,573.72
Other Bank Deposits	30,000,000.00	22,500,000.00
	34,735,220.83	**23,321,513.87**

5. Accountings Policies, Alterations to Accounting Estimates and Errors

In the Financial Year 2023 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	72.87%	72.87%	Dividends	Consultancy Services
ThyssenKrupp Technologies Beteiligungen GmbH	Germany	20%	20%	Dividends	-
Parpública, SGPS, S.A.	Portugal	2.97%	2.97%	Dividends	Member of the Statutory Audit Board and Non-Executive
Público (OPT)		4.16%	4.16%	Dividends	-
Lisnave Infraestruturas Navais, S.A.	Portugal	-	-	Recovery of shipyard	Shipyard rent
Repropel, Lda.	Portugal	-	-	Support services to repairs and commissions	Propeller repair services
Gaslimpo, S.A.	Portugal	-	-	Support services	Gas research services
Rebocalis, Lda.	Portugal	-	-	Support services	Seamanship services
Lisnave Internacional, S.A.	Portugal	-	-	-	International services
Tecor, S.A.	Portugal	-	-	Support services	Treatment of surfaces
NavalRocha, S.A.	Portugal	-	-	-	-
Navalset, S.A.	Portugal	-	-	-	Support and Legal Advisory
LisnaveYards, Lda.	Portugal	-	-	Support services	Providing of subcontract services for repairs
Dakarnave, S.A.	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.	2023	-	303,720.30	-	39,500.00	267,710.18
	2022	-	312,107.75	-	-	295,504.92
ThyssenKrupp Technologies Beteiligungen GmbH	2023	-	-	-	-	-
	2022	-	-	-	-	-
Parpública, S.A. Estado Português	2023					-
	2022	-	-	-	-	-
Other Shareholders	2023	-	-	-	-	-
	2022	-	-	-	-	-
Lisnave - Infraestruturas Navais, S.A.	2023	591,707.19	-	5,012,514.58	-	3,841,952.14
	2022	675,945.19	-	1,650,947.47	-	4,006,859.51
Repropel, Lda.	2023	107,199.27	-	107,952.49	-	
	2022	53,250.07	-	108,311.58	-	6,784.60
GasLimpo, S.A.	2023	-	225,337.75	20,408.27	147,116.84	678,958.05
	2022	10,612.79	246,895.93	20,963.52	55,429.87	663,758.81
Rebocalis, Lda.	2023	-	436,429.32	20,837.44	-	1,319,679.45
	2022	--	519,368.14	23,532.23	-	1,418,918.55
Lisnave Internacional, S.A.	2023	1,414.90	-	4,600.00	-	-
	2022	7,281.60	-	5,939.00		-
Tecor, S.A.	2023	-	4,206,441.10	244,277.52	-	12,228,723.16
	2022	-	2,870,207.62	277,276.43	-	10,542,643.20
NavalRocha, S.A.	2023	-	-	-	-	1,845.00
	2022	-	-	-	-	-
Navalset, S.A.	2023	-	9,840.00	-	-	24,000.00
	2022	-	-	-	-	18, 000.00
LisnaveYards, Lda.	2023	-	3,194,367.08	669,940.58	-	13,407,904.23
	2022	-	2,326,598.61	578,390.06	-	11,307,609.76
Dakarnave, S.A.	2023	-	-	-	-	-
	2022	-	-	-	-	-

7. Investment Properties

Investment property relates to the Quinta da Chanoca site, which is held for capital appreciation. This item has an impairment loss recorded since the 2022 financial year, totalling 667,100.00 euros.

	2023	2022
Gross Value	2,567,100.00	2,567,100.00
Impairments	(667,100.00)	(667,100.00)
	1,900,000.00	**1,900,000.00**

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 1st 2022	**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
Transfers	9,998.66	1,021,189.35	61,340.91	83,945.13	96,970.44	(1,273,444.49)	-
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**	**3,115,439.29**	**27,762,827.79**
Increases	-	-	-	-	-	3,331,661.16	3,311,661.16
Transfers		789,624.79	63,500.00	83,035.24	833,484.67	(1,769,644.70)	-
Write-offs	-	(54,812.00)	-	-	-	-	(54,812.00)
Exchange Differences							
December 31st 2023	**1,861,615.12**	**12,397,862.02**	**216,578.62**	**1,921,040.22**	**9,965,125.22**	**4,657,455.75**	**31,019,676.95**
Amortisation and Impairments							
January 1st 2022	**1,430,296.42**	**7,386,217.32**	**123,659.10**	**1,453,474.49**	**8,072,971.90**	**-**	**18,466,619.23**
Amortisation	84,447.93	807,320.77	29,746.36	15,4167.11	398,771.47		1,474,453.64
Write-offs	-	-	(45,750.02)	-	-	-	(45,750.02)
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**
Amortisation	68,256.70	914,059.81	41,084.40	101,378.66	376,076.68		1,500,856.25
Write-offs	-	(54,812.00)	-	-		-	(54,812.00)
December 31st 2023	**1,583,001.05**	**9,052,785.90**	**148,739.84**	**1,709,020.26**	**8,847,820.05**	**-**	**21,341,387.10**

Net Book Value:							
As at December 31st 2023	278,614.07	3,345,076.12	67,838.78	212,019.96	1,117,305.17	4,657,455.75	9,678,309.85
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 January 01st 2022	421,320.04	3,255,642.56	25,078.63	300,585.36	961,698.21	1,414,019.72	6,378,344.52

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

Non-current Assets held for sale	2023	2022
Gross	-	600,000.00
Impairment	-	(150,000.00)
	-	450,000.00

9. Impairment of Non-Current Assets

Assets held for sale were sold in 2023.

10. Inventories

The total carrying amount of inventories:

Raw materials, subsidiaries and consumption	2023	2022
Gross	2,798,612.89	2,779,549.73
Impairment	(597,567.19)	(596,799.47)
	2,201,045.70	2,183,750.26

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 2022	2,472,107.30
Purchases	9,136,215.14
Inventories as at December 31st 2022	2,779,549.73
	8,828,772.71
Inventories as at January 1st 2023	2,779,549.73
Purchases	11,502,802.05
Inventories as at December 31st 2023	2,798,612.89
	11,483,738.89

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

	2023	2022
Impairment losses		
Raw materials and consumable supplies	1,267.22	47,474.84
	1,267.22	**47,474.84**
Reversion of impairment losses		
Raw materials and consumable supplies	-	-
	-	-

11. Revenue

Revenue is itemized as follows:

	2023	2022
Sale of Goods		
By-products, waste and scrap		
Portugal	878,488.20	1,329,422.36
	878,488.20	**1,329,422.36**
Rendering of Services		
Services	-	-
Total Europe	**84,367,731.12**	**71,660,213.50**
Portugal	5,652,169.07	8,418,096.22
U.E.	61,257,614.55	42,165,345.78
Others	17,457,947.50	21,076,771.50
Total Africa	**7,859,899.00**	**8,420,886.35**
Total America	**57,249,964.80**	**9,288,870.00**
Total Asia	**5,690,197.49**	**19,937,322.00**
Total Oceania	**12,754,932.30**	**8,298,328.93**
	167,922,724.71	**117,605,620.70**
	168,801,212.91	**118,935,043.14**

Years	By-products, waste and scrap	Ship Repairing	Other Activities	Rendering of Services	Total
2023	878,488.20	164,466,983.64	2,880,195.33	575,545.74	**168,801,212.91**
2022	1,329,422.36	111,637,938.56	5,459,926.52	507,755.70	**118,935,043.14**

12. Provisions

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

	Provisions for Court Proceedings in progress	Other Provisions	Total
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**
As January 01st 2023	**67,717.04**	**30,550.00**	**98,267.04**
Increases for the year	72,000.00	2,226,950.00	2,298,950.00
Utilisation for the year	-	-	-
Reversals for the year	-	-	-
As December 31st 2023	**139,717.04**	**2,257,500.00**	**2,397,217.04**

The increases in the year relating to other provisions relate to other estimated future risks and charges relating to environmental liabilities.

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:

	2023	2022
Exchange gains included under:		
Other income and gains	4,049.08	1,105.79
	4,049.08	**1,105.79**
Exchange losses included under:		
Other expenses and losses	2,568.66	1,515.97
	2,568.66	**1,515.97**

14. Income Tax

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

	2023	2022
Current Tax		
IRC (corporation tax) for the year	7,699,825.06	2,949,811.86
	4,049.08	**1,105.79**
Deferred Tax		
Originating from, and the object of reversion of timing differences	(619,284.31)	(86,020.86)
Other movements		
	7,080,540.75	**2,863,791.00**

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

	2023	2022
Excess Tax Estimate	42,601.09	-
Insufficient Tax Estimate	-	(16,276.47)
	42,601.09	**(16,276.47)**

During the year 2023, 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	
	2023	2022	2023	2022
Pre-Tax result	22,992,408.43	9,938,759.39		
Rate of Income tax in Portugal	21%	21%		
Tax on profit at the nominal rate	**4,828,405.77**	**2,087,139.47**	**21%**	**21%**
Non-taxable Income				
Reversal of adjustments and impairment	256,031.41	89,478.42		
Negative difference between tax gains and losses	174,000.00	27,766.26		
Excellentia Insurance	-	342,818.00		
Excess estimate for tax	42,601.00	-		
Tax benefits	183,291.42	81,103.00		
	1,275,2082.23	541,165.68	(0.60%)	(1.14%)
Costs not deductible for tax purposes				
Donations	11,620.29	-		
Fines, administrative fines and compensatory interest	161.14	774.19		
Undocumented expenses	90,772.38	88,826.20		
Depreciations not accepted for tax purposes	150,305.00	751,733.41		
Recording of impairment losses	24,452.07	190,816.99		
Excellentia Insurance Policy	285,566.00	130,287.00		
Provisions beyond legal limits	2,298,950.00	23,075.00		
Bad Credits	104,495.59	-		
Insufficiency Taxes Estimate	-	16,276.47		
Positive difference between capital gains and losses	-	28,043.92		
Accounting losses	150,000.00	-		
Corrections on previous Financial Years	2,343,178.70	79,354.68		
Others	-	103,805.09		
	5,624,599.86	**1,412,992.95**	**5.14%**	**2.99%**
Taxable profit	27,961,084.37	10,810,586.66		
Rate of Income tax in Portugal	21%	21%		
Tax calculated	**5,869,827.72**	**2,270,223.20**	**25.54%**	**22.84%**
Autonomous taxation	207,526.86	171,900.53	0.90%	2.73%

Municipal Surcharge	419,416.27	162,158.80	1.82%	2.57%
State Surcharge	1,203,054.22	345,529.33	5.23%	5.48%
Effect of increase/reversion of deferred taxes	(619,284.31)	(86,020.86)	(2.69%)	(1.36%)
	1,210,713.04	**593,567.80**	**30.80%**	**9.42%**
Income tax	**7,080,540.68**	**2,863,791.00**	**27.38%**	**27.38%**

Deferred taxes can be broken down as follows:

	Balance Sheet Accounts		Income Statement Accounts	
	2023	**2022**	**2023**	**2022**
Deferred Tax Assets				
Others	760,658.49	212,765.68	(547,892.81)	(139,153.61)
	760,658.49	**212,765.68**	**(547,892.81)**	**(139,153.61)**
Deferred Tax Liabilities				
Excellentia Insurance Policy	(29,946.27)	(101,337.77)	(71,391.50)	53,132.75
	(29,946.27)	**(101,337.77)**	**(71,391.50)**	**53,132.75**

15. Financial Instruments

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

Assets

	2023	**2022**
Non-current		
Other Financial Assets	6,000,000.00	6,000,000.00
Losses Financial Investments	217,416.00	(139,956.00)
Other Receivables	119,785.08	405,351.08
	6,337,201.08	**6,265,395.08**
Current		
Clients		
Gross amount	23,586,163.00	14,067,636.89
Impairments	(923,356.78)	(995,861.23)
Advances to Suppliers	851,215.41	1,107,670.09

Impairments	(106,415.22)	(106,935.42)
Other Receivables	24,419,436.99	15,775,612.25
Impairments	(11,618.71)	(46,477.27)
Other Financial Assets	5,040,495.30	5,002,703.13
	52,855,919.99	**34,804,348.44**

Liabilities

	2023	2022
Non- current		
Obtained financing	-	366,600.00
Current		
Suppliers	29,758,062.35	24,959,843.46
Obtained financing	-	112,800.00
Clients advances	6,105,687.17	3,486,904.17
Other accounts payable	16,559,318.58	8,248,944.40
	52,423,068.10	**36,808,492.03**

Equity

	2023	2022
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
2023	23,586,163.00	923,356.78	22,662,806.22
2022	14,067,636.89	995,861.23	13,071,775.66

	Net Balance	Debt not due	Debt due				
			< 30 Days	30-60 Days	61-90 Days	91-120 Days	> 120 Days
2023	22,662,806.22	17,631,171.23	761,520.62	217,679.00	746,077.47	4,203.15	3,302,154.75
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

After the close of the period and up to the drafting of this annex, 3 amounts have been received relating to the vessel NEGRA MATTEA in the amounts of:

- 1st receipt of 31/01/2024 - 860,646.01 euros;
- 2nd receipt of 23/02/2024 - 848,700.37 euros;
- 3rd receipt of 23/02/2024 - 837,302.20 euros.

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

	Opening Balance	Increase	Utilization	Reversion	Closing Balance
2023 Exercise					
Clients	995,861.23	-	-	72,504.45	923,356.78
Suppliers	106,935.42	23,184.35	-	23,704.55	106,415.22
Other debtors	46,477.27	-	-	35,858.56	11,618.71
	1,149,273.92	**23,184.35**	**-**	**132,067.56**	**1,041,380.71**
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**

15.2. Other Credits Receivable

The Other Credits Receivable can be broken down as follows:

	2023	2022
Other non-current credits receivable		
Other financial assets	119,785.08	405,351.08
Other current credits receivable		
Debtors for accrued income		
Revenue from orders in progress	24,095,839.08	15,108,072.86
Interest on time deposits	205,548.00	13,589.00
Rent	-	509,248.94
Others	1,199.25	4,653.81
Other debtors and creditors		
Staff	52,443.44	35,039.24
Court Proceedings	42,279.00	42,279.00
Others	22,129.22	62,729.40
Impairment	(11,618.71)	(46,477.27)
	24,407,819.28	**15,729,134.98**

In order to ensure the accounting treatment in accordance with NCRF 20 for repairs/ works in progress ongoing for the Year 2024, 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 2024.

15.3. Other Financial Assets

The amounts relating to other financial assets refer to investments made in bonds recorded at fair value, at the quoted market price on 31/12/2023.

15.4. Suppliers

The suppliers balance can be broken down as follows:

	2023	2022
Suppliers Current Account		
National	20,328,543.48	16,413,552.50
Foreigners	777,550.88	606,997.24
Parent Company	9,840.00	-
Subsidiary Company	8,366,296.15	6,275,195.25
Suppliers: receiving and conferring	275,831.84	1,664,098.47
	29,758,062.35	**24,959,843.46**
Advances to Suppliers		
National	703,573.42	764,205.60
Impairments	(106,415.22)	(106,935.42)
Foreigners	147,641.99	343,464.49
	744,800.19	**1,000,734.67**

15.5. Obtained Financing

The Obtained financing can be broken down as follows:

	2023	2022
Obtained financing – Non current		
Bank loan	-	366,600.00
		366,600.00
Obtained financing – Current		
Bank loan	-	112,800.00
	-	**112,800.00**

15.6. Other Accounts Payable

Other Accounts Payable can be broken down as follows:

	2023	2022
Other accounts payable – non current		
Other financial assets	-	-
Other accounts payable – current		
Creditors from accrued expenses		

Remunerations to be settled – holidays and holiday pay	905,121.86	904,665.84
Yard rent	344,189.36	-
Commissions	1,299,210.03	1,721,139.52
Brokers	1,738,515.16	549,207.93
Internal works	5,113,761.51	1,791,047.79
Costs Centre	667,820.08	397,306.71
Project Costs	4,466,489.76	818,305.52
Others	502,354.06	399,483.63
Agents	37,713.05	638,164.63
Other debtors and creditors		
Staff – Balance Sheet Bonuses	1,440,000.00	1,000,000.00
Miscellaneous	44,143.71	29,622.92
	16,559,318.58	**8,248,944.40**

15.7. Share Capital

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

	2023	2022
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.	3,643,555.00	3,643,030.00
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	208,115.00	208,640.00
	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.

15.8. 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

15.9. 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 xchange 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:

	2023	2022
Remunerations of the Governing Bodies	428,652.50	434,691.60
Staff Remunerations	6,415,571.10	6,151,922.76
Other Remunerations	-	-
Compensations	-	-

Charges on Remunerations	1,234,200.48	1,262,159.94
Accident at work and professional illness insurance	145,354.20	151,696.20
Social action expenses	715,295.97	751,880.04
Other staffing expenses	287,813,48	(82,916.12)
	9,226,887.73	**8,669,434.42**

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 119,785 euros (2022: 405.351). The value of liability was adjusted by interest expenses and expenses of the current services, a net total of 285,566 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:

	2023	2022
Balance to be received		
Income tax	-	18,406.01
VAT	3,886,731.57	3,373,273.89
	3,886,731.57	**3,391,679.90**
Balance to be paid		
Income tax	5,244,023.82	1,738,993.86
Income tax withholdings	101,520.15	106,091.43
Social Security contribution	135,889.26	136,723.64
WCF / Work Compensation Funds	157.87	142.86
	5,481,591.10	**1,981,951.79**

17.2. Deferrals

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

	2023	2022
Expenses to be Recognized		
Insurance Policies	424,417.36	364,520.91
Software assistance	8,770.73	136,519.26
Advertising contract	3,643.33	8,932.52
Other expenses	3,541.96	2,573.59
	440,373.38	**512,546.28**

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 1st 2022	1,398,173.26	26,504,887.22	4,577,498.55	32,480,559.03
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
Balance on December 31st 2022	**1,398,173.26**	**28,082,385.77**	**7,074,968.39**	**36,555,527.42**
Balance on January 1st 2023	**1,398,173.26**	**28,082,385.77**	**7,074,968.39**	**36,555,527.42**
Dividends	-	(5,000,000.00)	-	(5,000,000.00)
Remainder of the distribution of the net income	-	7,074,968.39	(7,074,968.39)	-
Net income for the period	-	-	15,911,867.68	15,911,867.68
Balance on December 31st 2023	**1.398.173.26**	**30.157.354.16**	**15.911.867.68**	**47.467.395.10**

17.4. Supplies and External Services

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

	2023	2022
Subcontracts	82,831,583.00	60,594,039.50
Specialised works	6,364,599.21	5,298,349.51
Advertising	100,955.63	128,897.80
Surveillance and security	453,957.36	535,376.68
Fees	201,170.87	214,234.58
Commissions	4,107,074.22	3,122,676.65
Upkeep and repair	6,364,455.96	4,780,326.00
Tools and utensils	46,270.01	22,867.25
Books and technical documentation	42,404.82	39,348.45
Office material	90,995.78	69,164.43
Gifts to clients	73,056.65	44,660.30
Electricity	917,412.83	1,209,202.94
Fuels	2,568,506.26	1,645,199.78
Travel and accommodation	545,772.54	313,927.99
Staff/load transport	1,224,431.13	1,137,468.44
Rentals and hire	9,681,655.17	5,800,589.62
Communication	76,633.50	75,950.46
Insurance policies	1,848,207.41	1,329,266.28
Royalties	48,686.80	47,635.36
Litigation and notaries	2,263.00	1,502.42
Out-of-pocket expenses	117,189.93	99,032.08
Cleaning, hygiene and comfort	473,045.70	512,245.59
Others		3,545,258.87
	122,450,563.54	**90,567,220.98**

Operating Leases

During the 2022 e 2023 exercises were recognised as costs the amounts of 137,042.58 e 155,492.67 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:

	2023	2022
Total of future minimum payments:		
No more than 1 year	209,999.44	126,272.29
More than 1 year and no more than 5 years	270,387.17	227,666.39
More than 5 years	-	-
Total	**480,386.61**	**353,938.68**

17.5. Other Income and Gains

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

	2023	2022
Supplementary Income		
Others	596,610.31	497,297.98
Discounts obtained for prompt payment	492,032.83	300,223.42
Inventory gains	144,926.74	48,998.10
Income and Gains on remaining Assets		
Exchange differences asset	4,049.08	1,105.79
Income and gains on Non-Financial Investments		
Disposals of tangible fixed assets	-	27,766.26
Others	2,307.03	1,508.26
Others		
Corrections on previous periods	1,448,667.31	923,424.86
Excess tax estimate	42,601,03	165.41
Tax return	0	1,917.00
Other unspecified items	274,686.30	247.42
Interest earned		
Free Deposits	358,837.29	12,657.73
Other similar income	-	-
	3,364,717.98	**1,815,312.23**

17.6. Other Expenses and Losses

This item can be broken down as indicated in the table below. The change in this item is due to the regularisation of accrued income from previous years relating to internal works.

	2023	2022
Taxes	26,405.98	24,299.34
Bad debts	104,495.59	-
Cash discounts	-	-
Losses on inventories	49,656.21	17,362.30
Losses on Disposals / Write-offs	150,000.00	-
Others		
Corrections related to prior periods	2,343,178.70	79,354.68
Donations	92,120.29	83,400.00
Membership fees	113,742.00	113,730.28
Insufficiency to estimate taxes	14,102.95	46,383.15
Undocumented expenses	90,772.38	88,826.20
Fines and penalties		
Not tax fines	161.14	219.48
Others	209.28	218.72
Interest paid		
Default and compensatory interests		554.71
Foreign exchange losses		
Others	2,568.66	1,515.97
Other expenses and losses		
Others	16,794.16	17,826.09
	3,004,207.34	**473,690.92**

17.7. Fair value increases/ reductions

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

	2023	2022
Gains by increase Fair value		
Financial instruments	422,249.00	2,703.13
Losses through reduction of fair value		
Financial instruments	-	139,956.00
	422,249.00	**137,252.87**

17.8. Expenses/ Reversions of Depreciation and Amortization

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

	2023	2022
Depreciation and amortization expenses		
Investment Properties	-	-
Tangible Fixed Assets	1,500,856.25	1,474,453.64
	1,500,856.25	**1,474,453.64**

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

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

	2023	2022
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:

	2023	2022
Interest and similar expenses		
Obtained financing interest	297.01	9,350.47
	297.01	**9,350.47**

18. Events after the Balance Sheet Date

The date whereupon the financial statements are authorized for issue was February 29th 2024.

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 Pelaio 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 72,87% and 20% of the Share Capital of Lisnave:

- Navivessel – Estudos e Projectos Navais, S.A. – **Holder of 728.711 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 2022 and 2023 were 32,400.00 euros and 32,400.00 euros, respectively.

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

Directors	Companies	Position Held
Eng. José António Leite Mendes Rodrigues	Navivessel, S.A.	Chairman of Board of Directors
	Navalset, S.A.	Chairman of Board of Directors
	Lisnave Infraestruturas Navais, S.A.	Chairman of Board of Directors
	Lisnave Internacional, S.A.	Chairman of Board of Directors
	Dakarnave, S.A.	Chairman of Board of Directors
	Lisnave Yards, Lda.	Director
Dra. Cláudia Cristina Pelaio Rodrigues Braz	Navivessel, S.A.	Director
	Navalset, S.A.	Director
	Lisnave Infraestruturas Navais, S.A.	Director
	Lisnave Internacional, S.A.	Director
	Dakarnave, S.A.	Director
Dr. João Rui Carvalho dos Santos	Navivessel, S.A.	Director
	Dakarnave, S.A.	Director
	NavalRocha, S.A.	Director
	Gaslimpo, S.A.	Director
	Tecor – Tecnologia Anticorrosão, S.A.	Director
	Rebocalis – Reb. e Assist. Marítima, Lda.	Director
	Repropel, Lda	Director
	Lisnave Yards, Lda	Director
	Lisnave Yards. Lda.	Director
	Fename – Fed. Nacional do Metal	Vice-President
	AISET – Assoc. Ind. Península Setúbal	President of Supervisory Board
	CPS – Comunidade Portuária Setúbal	President of Supervisory Board
	Associação das Indústrias Navais	President

Supervisory Board's Report and Opinion 2023 Financial Year

Dear Shareholders,

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 2023 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 became aware and was informed about the outlook for 2024, the current constraints and the 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 prepared, the Board of Directors explains how business was conducted in 2023, developed in a global context characterised by: (i) resilient market conditions, despite armed conflicts in various regions of the world, which led to the stabilisation of new transport chains; (ii) decrease in demand, expressed by the number of enquiries, by 30% compared to 2022; (iii) a high occupancy rate at the Shipyard has resulted in a significant decline in the number of enquiries; (iv) growing activity associated with the fight against climate change - installation of ballast water treatment systems; systems to reduce emissions of polluting gases and new bulbs; (v) different behaviours of the different transport market segments, associated with the evolution of the respective fleets, generated positive developments in tanker freight rates, which contrasts with the decrease in freight rates for bulk carriers and container ships (vi) scarcity of labour pools available on the market; (vii) LISNAVE's continued focus on other market segments, such as passenger ships, vehicle carriers and dredgers. The year 2023 was also highlighted by some of the following projects (i) revision of the organisational structure, with the creation of the Shipyard Management; (ii) continued awareness-raising to achieve a Safety Culture; (iii) drafting and implementation of a Protection Manual; (iv) various investments to maintain and improve the shipyard's operating conditions; (v) becoming a member of the Green Marine Europe Programme, which certifies the shipyard's environmental performance; (iv) ongoing dialogue with the government to extend the current concession for a period compatible with making the necessary investments profitable in the near future.

6. LISNAVE's business performed very well in 2023, surpassing the business objectives established in the budget for the year, expressed by:

- 13.4% commercial success rate, a decrease compared to the previous year, which had stood at 15.4%, due to the high occupancy rate of the shipyard. In 2023, the 467 enquiries generated 63 orders, with both indicators decreasing compared to the previous year;
- The average workload per ship reached 2.21 million euros, 80.4% higher than the 1.23 million euros recorded in 2022;
- Maintenance of LISNAVE's prominent position in the world Naval Repair market and its essentially export vocation, translated into sales and services rendered to the foreign market accounting for 96.1% of the total.

7. With regard to the amounts expressed in the financial statement for the financial year, the following indicators should be noted:

- Overall volume of Sales and Services rendered was 169 million euros, an increase of 50 million euros compared to 2022;
- External Supplies and Services, amounting to 122.5 million euros, accounting for 71% of total operating income;
- Profit from operations (EBITDA) of 24.5 million euros for the year, an increase of more than 100% compared to 2022;

- Positive cash flow from operating activities of 17.9 million euros, an increase of 95% compared to the same period last year;
- Positive net profit of 15,912 thousand euros, reflecting the best performance ever recorded, reinforcing LISNAVE's economic and financial sustainability.

In view of the foregoing, considering the information received from the Board of Directors, the conclusions and information contained in the Statutory Audit and the actions we have developed during the year as part of our duties, we believe that:

a. The Management Report and Accounts for the Financial Year should be approved;

b. The proposal for the appropriation of the positive net profit for the year, amounting to 15,911,867.68 euros, presented by the Board of Directors, be approved.

Finally, the Supervisory Board would like to thank the Board of Directors, the employees with whom it had contact and the Statutory Auditors for their co-operation and support in its work.

Lisbon. 13th March 2024

The Supervisory Board,

Manuel Serpa Leitão

CHAIRMAN

Tânia Sofia Luís Mineiro

STATUTORY AUDITOR

Mário Alexandre Guerreiro Antão

STATUTORY AUDITOR

Statutory Audit 2023

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 31st December 2023 (showing a total of 112,799,217.61 euros and a total equity of 52,467,395.10 euros including a net profit of 15,911,867.68 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 31st December 2023 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 Opinion

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 misstatements 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, paragraph 3, subparagraph e) of the Portuguese 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, 11th of March 2024

RSM & ASSOCIADOS - SROC, LDA

Represented by Joaquim Patrício da Silva (Statutory Auditor no. 320)

Registered with the Portuguese Securities Market Commission (CMVM) under no. 20160076

2023

Extract of the Minute of the Annual General Meeting of Shareholders held on 05th April 2024 relating to the Approval of Documents reporting the Accounts for the 2023 Financial Year

On the fifth day of April two thousand and twenty-four, at eleven o'clock, the Annual General Meeting of Lisnave – Estaleiros Navais, S.A. met at the company's headquarters.

The Chairman of the Shareholders General Assembly, Luís Miguel Nogueira Freire Cortes Martins, assisted by the Vice-Chairman, Carlos Fernando Soares Pinheiro, and the Secretary, Manuel Joaquim Rodrigues, took charge of the proceedings.

The Chairman of the Shareholders General Assembly also confirmed, by means of the respective attendance register, that the following shareholders with voting rights were present and duly represented:

- Navivessel, Estudos e Projectos Navais, S.A., represented by Dr. Ana Rita Martins Rodrigues Eusébio, holder of 728,711 (seven hundred and twenty-eight thousand, seven hundred and eleven) shares, representing 72.87% (seventy-two point eighty-seven per cent) of the votes;
- Thyssenkrupp Technologies Beteiligungen GMBH, represented by Dr. Oliver Juckenhöfel, holder of 200,000 (two hundred thousand) shares, representing 20% (twenty percent) of the votes;
- Parpública - Participações Públicas (SGPS) S.A., represented by Dr. Marco Neves, 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;
- Mr. João Alexandre Dinis de Sousa, holder of 10,000 (ten thousand) shares, representing 1% (one per cent) of the votes.

Also present were the members of the Board of Directors and the Company's Supervisory Board, as well as Dr Joaquim Patrício da Silva, representative of RSM & Associados - SROC, Lda., n. 320.

The Chairman of the Shareholders General Assembly, declaring that all the legal requirements for the meeting to meet and be able to validly deliberate had been met, and considering that the full Notice of Meeting had not been read, proceeded to read out the items on the Agenda, which were as follows:

Item One - Deliberate on the Management Report and Accounts for the Financial Year 2023.

..., the Chairman of the Shareholders General Assembly then put the Management Report and Accounts for 2023 to a joint vote, which was unanimously approved.

Item Two - Deliberate on the Audit Board Report.

..., the Chairman of the Shareholders General Assembly put the Audit Board Report to the vote, which was unanimously approved.

Item Three - Decide on the Proposal for the Appropriation of Profits.

..., the President of the Shareholders General Assembly recalled the content of the proposal for the appropriation of profits signed by the Board of Directors, the content of which was as follows:

"Proposal for the Appropriation of Profits

Considering the level of performance achieved in the 2023 Financial Year, the Board of Directors has decided to award a Balance Sheet Bonus to the Employees.

It therefore proposes to the Shareholders:

- That the decision of the Board of Directors to award a Balance Sheet Bonus to most of the Company's Employees, in the amount of 1,400,000.00€ (one million four hundred thousand euros), already included in the Net Profit for the Year, be ratified and that,
- The Net Profit for the financial year, totalling 15,911,867.68€ (fifteen million, nine hundred and eleven thousand, eight hundred and sixty-seven euros and sixty-eight cents), be appropriated as follows:
    - Dividends .... 15,900,000.00 Euros;
    - Retained Earnings .... 11,867.68 Euros."

..., the President of the Shareholders General Assembly put it to the vote, which was also unanimously approved.

ITEM FOUR - General appraisal of the company's management and supervision.

Moving on to item four, the President of the Shareholders General Assembly informed the meeting that a proposal had been received by the General Meeting, signed by the shareholder NAVIVESSEL, ESTUDOS E PROJECTOS NAVAIS, S.A., which he read aloud:

"Proposal

NAVIVESSEL, ESTUDOS E PROJECTOS NAVAIS, S.A., considering the competent and efficient way in which the members of the Company's Governing Bodies have carried out their respective mandates, particularly during the 2023 financial year, proposes that this General Meeting of Shareholders approve a Vote of Praise for the Board of Directors and Supervisory Board of LISNAVE - ESTALEIROS NAVAIS S.A."

The President of the Shareholders General Assembly associated himself with the vote of praise proposed by shareholder NAVIVESSEL.

When put to the vote, this proposal was unanimously approved.

The Chairman of LISNAVE's Board of Directors, José Rodrigues, took the word and, in addition to thanking the Board of Directors for the proposed vote of praise and confidence, which had been approved by all those present, congratulated the Managing Director on the Company's excellent performance and the excellent results achieved in the financial year under review.

There being no further business, the President of the Shareholders General Assembly declared the meeting closed. These minutes will be drawn up and signed by the Presiden, Vice-President and Secretary of the Board.

Delegations & Representative Offices

GERMANY
Zoepffel & Schneider GmbH
Hamburg – Germany
Tel.: + 49 408 797 850
info@zoepffel-schneider.com

BRAZIL
Quilha Engenharia Naval e Representações
Rio de Janeiro – Brazil
Tel.: + 55 2l2 539 302 3
quilha@netyet.com.br

CANADA
Wisepool Enterprises. Ltd.
Vancouver – Canada
Tel.: + l 604 272 187 3
wisepool@shaw.ca

CYPRUS
WSR – Services Ltd.
Limassol – Cyprus
Tel.: + 357 253 444 18
mail.cy@umarwrs.com

EUA/ MEXICO
Gretmar Inc.
Tampico – Mexico
Tel.: + 1 251 716 87 32
shiprepair@gretmar.net

GREECE
Resolute Maritime Services Inc.
Athens – Greece
Tel.: + 30 211 182 900 0
main@resolute.gr

INDIA
Amicus Navium Private Ltd.
Mumbai – India
Tel.: + 91 98198 95982
enquiries@amicusnavium.com

THE NETHERLANDS/ BELGIUM/ LUXEMBOURG
Esma Marine Agencies BV
Amsterdam – The Netherlands
Tel.: + 31 203 121 350
shiprepair@esma.nl

HONG-KONG/ REPUBLIC OF CHINA/ TAIWAN/ MACAU/ PHILIPINES
Transma Limited
Wanchan – Hong Kong
Tel.: + 852 286 116 23
transma@transma.com.hk

ITALY/ MONACO/ SWITZERLAND
Cambiaso Risso Service SAM
Monaco
Tel.: + 377 988 013 60
tech@cariservice.com

NORWAY
Ulrik Qvale & Partners
Oslo – Norway
Tel.: + 47 225 116 16
post@uqp.no

UNITED KINGDOM/ IRELAND
Calvey Marine Limited
Storrington – United Kingdom
Tel.: + 44 903 748 860
calvey@calveymarine.co.uk

SINGAPORE/ MALAYSIA/ THAILAND/ INDONESIA
Amicus Navium Private Ltd.
Singapore
Tel.: + 65 975 053 11
enquiries.sg@amicusnavium.com