Ocean Wilsons
Holdings Limited

Interim Report 2021

Cover: The Gibb's Hill Lighthouse.

Contents

Interim statement

Highlights

- Solid first half performance for both Ocean Wilsons Investments Limited ("OWIL" or "investment portfolio") and Wilson Sons Limited. OWIL's net return for the six months ended 30 June 2021 was 9.0%, outperforming the benchmark by 3.3%. Operational indicators from Wilson Sons are on a positive trajectory as the Brazilian market starts its rebound from the impact of COVID-19 on imports and exports.

- Operating profit for the period was 83.0% higher than the comparable period at US$50.7 million (2020: US$27.7 million).

- OWIL returned US$29.5 million for the period (2020: US$13.8 million loss); assets and cash under management was US$25.0 million higher at US$335.9 million compared to 31 December 2020 (US$310.9 million).

- Net profit after tax for the period was US$51.8 million (2020: US$18.4 million loss).

- Net cash inflow from operating activities for the period of US$41.6 million (2020: US$68.5 million).

- Dividends paid to shareholders in the period of US$24.8 million (2020: US$10.6 million).

About Ocean Wilsons Holdings Limited

Ocean Wilsons Holdings Limited ("Ocean Wilsons" or the "Company") is a Bermuda investment holding company which, through its subsidiaries, operates a maritime services company in Brazil and holds a portfolio of international investments. The Company is listed on both the London Stock Exchange and the Bermuda Stock Exchange. It has two principal subsidiaries: Wilson Sons Limited ("Wilson Sons") and Ocean Wilsons (Investments) Limited (together with the Company and their subsidiaries, the "Group").

At 30 June 2021 Ocean Wilsons holds a 57% interest in Wilson Sons which is fully consolidated in the Group accounts with a 43% non-controlling interest. Wilson Sons is one of the largest providers of maritime services in Brazil with over three thousand employees and activities including towage, container terminals, offshore oil and gas support services, small vessel construction, logistics and ship agency.

Objective

Ocean Wilsons focuses on long-term performance and value creation. This approach applies to both OWIL and our investment in Wilson Sons. The long-term strategy, managed by the Board, enables Wilson Sons' investments to grow and develop sustainable results with less pressure to produce short-term performance at the expense of longer-term value creation. This same view allows the Investment Manager of OWIL to make investment decisions to achieve long-term capital growth.

Chairmans Statement

The Group has delivered a strong financial performance with its returns on the investment portfolio and has demonstrated both operational and financial resilience with its direct investment in Wilson Sons. Against the backdrop of continuing challenges and the recovery from the impacts of COVID-19 on our investments, the Board is pleased with the Investment Manager's performance and with the Management team of Wilson Sons continued focus on growth and innovation and their commitment to ensuring the welfare of our employees and on continuity of services to our customers.

We continue to drive strategies that we consider will improve the current trading discount of our stock and improve market valuations of our investment in Wilson Sons to match its industry peers in Brazil. As such, in May of this year, we announced that Wilson Sons would undertake a corporate restructuring that includes the reverse merger of the Bermuda-registered Wilson Sons, into its Brazilian subsidiary, Wilson Sons Holdings Brasil (WS S/A), and the listing of its shares on the Novo Mercado, with former shareholders and holders of Wilson Sons BDRs receiving shares of WS S/A on a 1:1 basis. Since Wilson Sons' announcement of this restructuring, Wilson Sons' share price has increased 25% as at 31 July 2021

COVID-19

Wilson Sons provides port and maritime logistics services which is classified as essential activities by the Brazilian government limiting the negative effects of COVID-19 on the company's results up to this time. The company does not predict any material impact on its long-term performance as the global economy is expected to gradually recover in the coming years.

Regarding the progress of vaccination, government authorities prioritized the vaccination of port workers throughout the country. As such, we expect to have more than 90% of employees vaccinated by September 2021.

Environmental, Social and Governance Practices ("ESG")

The Group continues to evolve and seek improvements in its ESG practices. In 2021 Wilson Sons is participating in the S&P ESG Corporate Sustainability Assessment with results to be disclosed at year end.

In response to the COVID-19 pandemic, Wilson Sons has developed a detailed set of working practices and protocols to ensure (i) the health, safety and well-being of our employees, clients and other stakeholders and (ii) the continuity of all our operations safely, in line with best practice, as well as health authority rules and guidance.

Workplace safety improvement reflects our relentless commitment to safety, with a reduction of 83% in lost-time injuries per one million man-hours worked between 2011 and the first half of 2021.

Wilson Sons continues to monitor its performance through various environmental and other social responsibility indicators with a number of actions and results disclosed in the Integrated Annual Report and the Bloomberg ESG Survey published on the company's investor relations website (wilsonsons.com.br/ir).

Interim statement

OWIL Report

Market backdrop

The past six months proved to be another positive one for stock markets. Risk assets generally continued their upward march with world equities rising by 12.3% in US dollar terms. Confounding many commentators who had expected 2021 to be less good for US equities given the market's bias towards technology and growth stocks, the US market continued to outperform and returned just under 15% for the first half of the year. Elsewhere, Europe returned 11.8% year-to-date and emerging markets a more modest 7.4% albeit with significant variation at the country level with China barely positive for the year (+1.8%) compared to +10% and +19.7% for Brazil and Russia respectively.

Bonds had a more difficult period with global treasuries down 4.6%, investment grade bonds down 1.7% while high yield bonds were up 2.1%. Similarly, US treasuries declined by 2.6% and emerging market bonds were down 1% in USD terms. Rounding-off the picture commodities delivered mixed returns with energy continuing its strong run (up 28.7% year-to-date) and industrial metals lagged although was positive while gold declined 6.8% in the first half of the year.

Portfolio commentary

While most economies started the period in lockdown, equity markets chose to look through this predicting a wave of activity as economies reopened and vaccination rates crept up. This was initially expressed by a swing towards more cyclical names further boosted by higher oil prices. However, towards the end of the period the uncertainty, and delay in some cases, of the reopening process gave markets the jitters leading to a move back to higher quality, growth stocks which led to strong performance for our active managers later in the period. The investment portfolio was up 9.5% in the first half of the year, whilst its benchmark, the US CPI Urban Consumers NSA + 3%, returned 5.7% over the same period. The MSCI ACWI gained 12.3% while the Bloomberg Barclays Global Treasury index fell by 4.5%.

Cumulative Portfolio Returns

Performance (Time-weighted)	YTD	3 Years p.a.	5 Years p.a.
OWIL (net)	9.0%	8.8%	9.1%
Performance Benchmark*	5.7%	5.5%	5.4%
MSCI ACWI + FM	12.3%	14.5%	14.6%
MSCI Emerging Markets	7.4%	11.3%	13.9%

***Notes:**
The OWIL Performance Benchmark which came into effect on 1 January 2015 is US CPI Urban Consumers NSA +3% p.a. This has been combined with the old benchmark (USD 12 Month LIBOR +2%) for periods prior to the adoption of the new benchmark.

Investment Portfolio at 30 June 2021

	Market Value $000	% of NAV	Primary Focus
Findlay Park American Fund	35,390	10.5	US Equities – Long Only
Adelphi European Select Equity Fund	18,216	5.4	Europe Equities – Long Only
BlackRock European Hedge Fund	15,887	4.7	Europe Equities – Hedge
GAM Star Fund PLC – Disruptive Growth	15,843	4.7	Technology Equities – Long Only
Egerton Long – Short Fund Limited	15,522	4.6	Europe/US Equities – Hedge
Select Equity Offshore, Ltd	13,251	3.9	US Equities – Long Only
Vulcan Value Equity Fund	13,197	3.9	US Equities – Long Only
Schroder ISF Asian Total Return Fund	10,202	3.0	Asia ex-Japan Equities – Long Only
Greenspring Global Partners VI, LP	7,987	2.4	Private Assets – US Venture Capital
Goodhart Partners: Hanjo Fund	7,924	2.4	Japan Equities – Long Only
Top 10 Holdings	**153,419**	**45.7**	
NG Capital Partners II, LP	7,027	2.1	Private Assets – Latin America
NTAsian Discovery Fund	6,923	2.1	Asia ex-Japan Equities – Long Only
Pangaea II, LP	6,405	1.9	Private Assets – GEM
Hudson Bay International Fund Ltd	6,159	1.8	Market Neutral – Multi-Strategy
Pershing Square Holdings Ltd	6,055	1.8	US Equities – Long Only
Silver Lake Partners IV, LP	5,479	1.6	Private Assets – Global Technology
Impax Environmental Markets Fund	5,448	1.6	Environmental Equities – Long Only
Prince Street Opportunities Fund	5,357	1.6	Emerging Markets Equities – Long Only
Indus Japan Long Only Fund	5,345	1.6	Japan Equities – Long Only
KKR Americas XII, LP	5,326	1.6	Private Assets – North America
Top 20 Holdings	**212,943**	**63.4**	
Remaining Holdings	**121,300**	**36.1**	
Cash	**1,670**	**0.5**	
TOTAL	**335,913**	**100.0**	

Wilson Sons Report
The Wilson Sons second quarter 2021 earnings report released on 12 August 2021 is available on the Wilson Sons website: www.wilsonsons.com.br

In the report, Fernando Salek, CEO of Operations in Brazil said:

"Wilson Sons 2Q21 EBITDA of US$41.1 million increased 11.4% against 2Q20 (US$36.9 million) with strong operating results. In BRL terms EBITDA grew 9.8%.

Robust container terminal results were driven by import and transshipment volumes in 2Q21 with a growing domestic economic activity in the quarter, although the lack of availability of empty containers and logistic bottlenecks continues to be a challenge for export volumes. The Salvador terminal had an all-time record first half, handling 184,000 TEUs. The Rio Grande terminal total volumes grew 10.8% against 2Q20 with an emphasis on the largest simultaneous transshipment operation in terminal history, with 13,580 TEUs and two 300 metre long vessels.

Towage results continued solidly driven by commodity volumes with chemicals and oil performing well. Oil and gas services demand remains challenging, with oversupply for offshore supply vessels.

Despite the complications of the COVID-19 pandemic in Brazil, the company delivered robust growth in the quarter driven by the container terminals and towage volumes. Health and safety continue to be fundamental for our business in these difficult times and we are closely monitoring the evolution of the pandemic in the country."

Group Results
Revenue
Revenue increased by 8.4% compared to the first half of the prior year to US$188.9 million (2020: US$174.2 million). In Brazilian Real ("BRL") terms, revenues rose 19.1%. Revenues were up for all lines of business compared to the first half of the prior year, save for offshore support bases. Container terminals had increased import volumes and higher storage revenue with a 2.8% increase in revenues to US$69.3 million (2020: US$67.4 million). Logistics revenues increased 8.4% as airport imports increased correlating with the increases experienced at shipping ports. Towage revenues for the first half of the year were US$92.9 million, an increase of 12.9% (2020: US$82.3 million) as a result of both increased volumes and improving revenue per manoeuvre. Shipping agency and shipyard services both improved with the increased activity across the business lines. Offshore support bases continue to struggle with a market backdrop of the pressured oil and gas sectors.

Operating volumes (to 30 June)	2021	2020	% Change
Container Terminals (container movements in TEU '000s)*	**538.6**	484.0	11.3%
Towage (number of harbour manoeuvres performed)	**29,957**	25,175	19.0%
Offshore Vessels (days in operation)	**2,573**	2,553	0.8%

* TEUs stands for "twenty-foot equivalent units".

Operating profit
Operating profit was US$23.0 million better than the comparative period at US$50.7 million (2020: US$27.7 million). This favourable result is primarily driven by higher revenues and a stronger USD/BRL exchange rate for the period. Raw materials and consumables increased US$2.1 million over the prior period as economic activity is climbing to pre-pandemic levels. Employee costs decreased US$3.5 million over the prior period; however, these costs continue to climb quarterly as the workforce resumes activity with increased overtime costs as we continue to take measures to protect our employees during the pandemic by managing work crew scheduling. Other operating expenses increased 17.6% during the first half of the year as Wilson Sons had to rent tugs to manage demand while their own vessels were dry-docked for repairs and maintenance. Additionally, based on the performance of OWIL in the first half of the year, operating expenses include a US$1.2 million performance fee accrual. The depreciation and amortisation expense at US$25.3 million was US$0.5 million lower than the comparative period (2020: US$25.8 million). Foreign currency exchange gains were US$2.3 million, a US$14.0 million improvement on the prior period loss (2020: US$11.7 million loss), arose from the Group's foreign currency monetary items and reflect the movement of the BRL against the USD during the period.

Share of results of joint ventures
The share of results of joint ventures is Wilson Sons' 50% share of the net results for the period from our offshore support vessel joint venture. The net loss attributable to Wilson Sons for the period was US$0.8 million (2020: US$5.2 million loss) principally due to improved foreign exchange gains and tax credits associate with previous losses.

Returns on the investment portfolio at fair value through profit and loss
The gain for the period on the investment portfolio of US$29.5 million (2020: US$13.8 million loss) comprises unrealised gains on financial assets at fair value through profit and loss of US$23.4 million (2020: US$18.3 million loss), investment income of US$1.2 million (2020: US$1.5 million) and realised profits on the disposal of financial assets at fair value through profit and loss of US$5.0 million (2020: US$3.0 million).

Finance costs
Finance costs for the period were US$3.2 million more than the comparative period at US$14.6 million (2020: US$11.4 million) which was driven by interest on bank loans and overdrafts which were US$3.2 million higher than the prior year at US$7.8 million (2020: US$4.6 million).

Exchange rates
The Group reports in USD and has revenue, costs, assets and liabilities in both BRL and USD. Therefore, movements in the USD/BRL exchange rate can impact the Group both positively and negatively from period to period. In the six months to 30 June 2021 the BRL depreciated 3.8% against the USD from R$5.00 at 1 January 2020 to R$5.20 at the period end. In the comparative period in 2020 the BRL depreciated 26.5% against the USD from R$4.03 to R$5.48.

Interim statement

The principal effects from the movement of the BRL against the USD on the income statement are:

	2021 US$ million	2020 US$ million
Exchange gain/(loss) on monetary items[1]	**2.3**	(11.7)
Deferred tax on retranslation of fixed assets[2]	**6.6**	(21.2)
Deferred tax on exchange variance on loans[3]	**(3.7)**	19.6
Total	**5.2**	(13.3)

1. This arises from the translation of BRL denominated monetary items in USD functional currency entities.
2. The Group's fixed assets are located in Brazil and therefore future tax deductions from depreciation used in the Group's tax calculations are denominated in BRL. When the BRL depreciates against the US Dollar the future tax deduction in BRL terms remain unchanged but are reduced in US Dollar terms and vice versa.
3. Deferred tax credit arising from the exchange losses on USD denominated borrowings in Brazil.

The average USD/BRL exchange rate in the period at R$5.39 was 9.6% higher (2020: R$4.92) than the comparative period in 2020. A higher average exchange rate negatively impacts BRL denominated revenues and benefits BRL denominated costs when converted into our reporting currency.

Profit/(Loss) before tax

Profit before tax increased US$68.0 million to US$66.2 million compared with prior year (2020: US$1.8 million loss) with this sharp increase mainly attributable to the improvement in operating profit of US$23.0 million and the results of improved stock market conditions as the investment portfolio produced returns of US$29.5 million. Additionally, losses from the share of results of joint ventures were US$0.8 million (2020: US$5.2 million loss) which was offset by increased finance costs of US$3.2 million at US$14.6 million (2020: US$11.4 million).

Taxation

The corporate tax rate prevailing in Brazil is 34%. The Group recorded an income tax expense for the period of US$14.4 million (2020:US$16.6 million). The principal net expenses not included in determining taxable profit in Brazil are foreign exchange losses on monetary items, share of results of joint ventures and deferred tax items. These are mainly deferred tax credits arising on the retranslation of BRL denominated fixed assets in Brazil and the deferred tax charge on the exchange losses on USD denominated borrowings.

Profit/(Loss) for the period

After deducting the profit attributable to non-controlling interests of US$12.3 million (2020: US$0.6 million loss), the profit attributable to equity holders of the Company is US$39.5 million (2020: US$17.8 million loss). The earnings per share for the period was US 111.7 cents (2020: US 50.2 cents loss per share).

Investment portfolio performance

As markets continue to improve while the global economy navigates its way through the pandemic recovery, the investment portfolio and cash under management was US$25.0 million higher at US$335.9 million as at 30 June 2021 (31 December 2020: US$310.9 million), after paying dividends of US$2.5 million to the parent company, deducting management and other fees of US$1.4 million and accruing US$1.2 million in performance fees year based on current performance.

Cash flow and debt

Net cash inflow from operating activities for the period was US$41.6 million (2020: US$68.5 million). Dividends of US$24.8 million were paid to shareholders in the period (2020: US$10.6 million) with a further US$14.9 million paid to non-controlling interests in our subsidiaries (2020: US$6.4 million). At 30 June 2021, the Group had cash and cash equivalents of US$55.6 million (31 December 2020: US$63.3 million). Group borrowings including lease liabilities at the period end were US$518.8 million (31 December 2020: US$500.6 million). New loans were raised in the period of US$8.0 million (2020: US$47.2 million) while capital repayments on existing loans in the period of US$41.1 million (2020: US$20.5 million) were made. The Group's reported borrowings do not include the Company's 50% share of our offshore vessel joint venture's debt being US$209.9 million.

Balance sheet

Equity attributable to shareholders at the balance sheet date was US$20.5 million higher at US$576.3 million compared with US$555.8 million at 31 December 2020. The main movements in equity for the half year was the profit for the period of US$39.5 million, dividends paid of US$24.8 million and a positive currency translation adjustment of US$2.7 million. The currency translation adjustment arises from exchange differences on the translation of operations with a functional currency other than USD.

Other matters

Principal risks

The Board reported on the principal risks and uncertainties faced by the Company in the Annual Report and Financial Statements for the year ended 31 December 2020. A detailed explanation can be found in the Report of Directors on pages 30 to 33 of the Annual Report and Financial Statements which are available on the website at www.oceanwilsons.bm.

Related party transactions

Related party transactions during the period are set out in note 19.

Going concern

The Group closely monitors and manages its liquidity risk. The Group has considerable financial resources including US$55.6 million in cash and cash equivalents and the majority of the Group's borrowings have a long maturity profile. The Group's business activities together with the factors likely to affect its future development and performance are set out in the Chairman's statement and Investment Manager's report. The financial position, cash flows and borrowings of the Group are also set out in the Chairman's statement. Details of the Group's borrowings are set out in note 15 to the accounts. Based on the Group's cash forecasts and sensitivities run, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operation for the foreseeable future.

The Group manages its liquidity risk and does so in a manner that reflects its structure and two distinct businesses, being the parent company along with OWIL and Wilson Sons.

OWIL

The parent company and OWIL have combined cash and cash equivalents of US$2.1 million. They have no debts but have made commitments in respect of investment subscriptions amounting to US$38.0 million, details are provided in note 18. The timing of the investment commitments may be accelerated or delayed in comparison with those indicated in note 18.

However, highly liquid investments held are significantly in excess of the commitments. Neither Ocean Wilsons nor OWIL have made any commitments or have obligations towards Wilsons Sons and its subsidiaries and their creditors or lenders. Therefore, in the unlikely circumstance that Wilsons Sons was to encounter financial difficulty, the parent company and its subsidiary have no obligations to provide support and have sufficient cash and other liquid resources to continue as a going concern on a standalone basis.

Wilson Sons

Wilson Sons has cash and cash equivalents of US$53.5 million. All of the debt, as set out in note 15, and all of the lease liabilities, as set out in note 11, relate to Wilson Sons, and generally have a long maturity profile. The debt held by Wilson Sons is subject to covenant compliance tests as summarised in note 15, which were in compliance with at 30 June 2021.

Wilson Sons has adequate cash, other liquid resources and undrawn credit facilities to enable it to meet its obligations as they fall due in order to continue its operations.

Based on the Board's review of Wilson Sons' going concern assessment and the liquidity and cash flow reviews of the Company and its subsidiary OWIL, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis in preparing the Interim report and accounts.

Responsibility statement

The Directors confirm that this condensed interim financial information has been prepared in accordance with IAS 34 and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- an indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements and a description of the principal risks and uncertainties for the remaining six months of the financial year; and

- material related party transactions in the first six months and any material changes in the related party transactions described in the last Annual Report.

J F Gouvêa Vieira
Chairman
11 August 2021

Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income

for the six months ended 30 June 2021

	Notes	**Unaudited six months to 30 June 2021 US$'000**	Unaudited six months to 30 June 2020 US$'000
Revenue	3	**188,877**	174,211
Raw materials and consumables used		**(11,216)**	(9,163)
Employee benefits expense	5	**(53,369)**	(56,868)
Depreciation and amortisation expense		**(25,270)**	(25,842)
Amortisation of right-of-use assets		**(5,982)**	(5,312)
Other operating expenses		**(44,677)**	(37,982)
Gain on disposal of property, plant and equipment		**2**	295
Foreign exchange gains/(losses) on monetary items		**2,315**	(11,657)
Operating profit		**50,680**	27,682
Share of results of joint ventures	16	**(749)**	(5,212)
Returns on investment portfolio at fair value through profit and loss	6	**29,548**	(13,761)
Other investment income		**1,307**	923
Finance costs	7	**(14,584)**	(11,413)
Profit/(loss) before tax		**66,202**	(1,781)
Income tax expense	8	**(14,424)**	(16,572)
Profit/(loss) for the period		**51,778**	(18,353)
Other comprehensive income: items that may be reclassified subsequently to profit and loss			
Exchange differences arising on translation of foreign operations		**4,804**	(59,471)
Effective portion of changes in fair value of derivatives		**106**	(156)
Other comprehensive income/(loss) for the period		**4,910**	(59,627)
Total comprehensive income/(loss) for the period		**56,688**	(77,980)
Profit/(loss) for the period attributable to:			
Equity holders of the Company		**39,516**	(17,766)
Non-controlling interests		**12,262**	(587)
		51,778	(18,353)
Total comprehensive income/(loss) for the period attributable to:			
Equity holders of the Company		**42,284**	(52,173)
Non-controlling interests		**14,404**	(25,807)
		56,688	(77,980)
Earnings per share			
Basic and diluted	10	**111.7c**	(50.2c)

Condensed Consolidated Interim Statement of Financial Position

as at 30 June 2021

	Notes	**Unaudited as at 30 June 2021 US$'000**	Audited as at 31 December 2020 US$'000
Non-current assets			
Goodwill		**13,518**	13,429
Right-of-use assets	11	**192,922**	149,278
Other intangible assets		**16,190**	16,967
Property, plant and equipment	12	**579,229**	579,138
Deferred tax assets		**23,366**	29,716
Investment in joint ventures	16	**25,774**	26,185
Related party loans		**30,634**	30,460
Recoverable taxes		**6,170**	11,006
Other non-current assets		**4,749**	4,905
Other trade receivables	14	**11,278**	9
		903,830	861,093
Current assets			
Inventories		**12,658**	11,764
Financial assets at fair value through profit and loss	13	**334,243**	347,464
Trade and other receivables	14	**61,793**	47,807
Recoverable taxes		**27,036**	22,479
Cash and cash equivalents		**55,616**	63,255
		491,346	492,769
Total assets		**1,395,176**	1,353,862
Current liabilities			
Trade and other payables		**(52,823)**	(47,298)
Tax liabilities		**(878)**	(114)
Lease liabilities	11	**(23,725)**	(18,192)
Bank overdrafts and loans	15	**(44,514)**	(58,672)
		(121,940)	(124,276)
Net current assets		**369,406**	368,493
Non-current liabilities			
Bank loans	15	**(269,387)**	(283,989)
Post-employment benefits		**(1,739)**	(1,641)
Deferred tax liabilities		**(43,761)**	(50,987)
Provisions for tax, labour and civil cases		**(9,508)**	(9,560)
Lease liabilities	11	**(181,150)**	(139,702)
		(505,545)	(485,879)
Total liabilities		**(627,485)**	(610,155)
Net assets		**767,691**	743,707
Capital and reserves			
Share capital		**11,390**	11,390
Retained earnings		**621,783**	603,996
Capital reserves		**31,991**	31,991
Translation and hedging reserve		**(88,827)**	(91,595)
Equity attributable to equity holders of the Company		**576,337**	555,782
Non-controlling interests		**191,354**	187,925
Total equity		**767,691**	743,707

Condensed Consolidated Statement of Changes in Equity

as at 30 June 2021

For the six months ended 30 June 2020 (unaudited)	Share capital US$'000	Retained earnings US$'000	Capital reserves US$'000	Hedging and Translation reserve US$'000	Attributable to equity holders of the Company US$'000	Non-- controlling interests US$'000	Total equity US$'000
Balance at 1 January 2020	11,390	588,160	31,991	(61,748)	569,793	216,067	785,860
Currency translation adjustment	–	–	–	(34,317)	(34,317)	(25,154)	(59,471)
Effective portion of changes in fair value of derivatives	–	–	–	(90)	(90)	(66)	(156)
Loss for the period	–	(17,766)	–	–	(17,766)	(587)	(18,353)
Total comprehensive loss for the period	–	(17,766)	–	(34,407)	(52,173)	(25,807)	(77,980)
Dividends (note 9)	–	(10,609)	–	–	(10,609)	(6,418)	(17,027)
Share options exercised in subsidiary	–	1,272	–	–	1,272	1,032	2,304
Share based expense (note 5)	–	–	–	–	–	105	105
Balance at 30 June 2020	11,390	561,057	31,991	(96,155)	508,283	184,979	693,262
For the six months ended 30 June 2021 (unaudited)							
Balance at 1 January 2021	**11,390**	**603,996**	**31,991**	**(91,595)**	**555,782**	**187,925**	**743,707**
Currency translation adjustment	**–**	**–**	**–**	**2,708**	**2,708**	**2,096**	**4,804**
Effective portion of changes in fair value of derivatives	**–**	**–**	**–**	**60**	**60**	**46**	**106**
Profit for the period	**–**	**39,516**	**–**	**–**	**39,516**	**12,262**	**51,778**
Total comprehensive income for the period	**–**	**39,516**	**–**	**2,768**	**42,284**	**14,404**	**56,688**
Dividends (note 9)	**–**	**(24,754)**	**–**	**–**	**(24,754)**	**(14,948)**	**(39,702)**
Share options exercised in subsidiary	**–**	**3,025**	**–**	**–**	**3,025**	**3,860**	**6,885**
Share based expense (note 5)	**–**	**–**	**–**	**–**	**–**	**113**	**113**
Balance at 30 June 2021	**11,390**	**621,783**	**31,991**	**(88,827)**	**576,337**	**191,354**	**767,691**

Share capital

The Group has one class of ordinary share which carries no right to fixed income.

Capital reserves

The capital reserves arise principally from transfers from revenue to capital reserves made in the Brazilian subsidiaries arising in the following circumstances:

(a) profits of the Brazilian subsidiaries and Brazilian holding company which in prior periods were required by law to be transferred to capital reserves and other profits not available for distribution; and

(b) Wilson Sons' byelaws require the company to credit an amount equal to 5% of the company's net profit to a retained earnings account to be called legal reserve until such amount equals 20% of the Wilson Sons share capital.

Hedging and translation reserve

The hedging and translation reserve arises from exchange differences on the translation of operations with a functional currency other than US Dollars and effective movements on designated hedging relationships.

Amounts in the statement of changes in equity are stated net of tax where applicable.

Condensed Consolidated Interim Statement of Cash Flows
for the six months ended 30 June 2021

	Notes	**Unaudited six months to 30 June 2021 US$'000**	Unaudited six months to 30 June 2020 US$'000
Net cash inflow from operating activities	17	**41,582**	68,500
Investing activities			
Interest received		**861**	945
Income received from underlying investment vehicles		**1,162**	1,513
Proceeds on disposal of financial assets at fair value through profit and loss	13	**56,036**	32,980
Proceeds on disposal of intangible assets		**4**	–
Proceeds on disposal of property, plant and equipment		**49**	156
Purchase of property, plant and equipment		**(16,585)**	(40,968)
Purchase of intangible asset		**(405)**	(502)
Purchase of financial assets at fair value through profit and loss	13	**(14,429)**	(13,407)
Advance for future capital increase in joint ventures	16	**(9,985)**	–
Net cash provided by/(used in) investing activities		**16,708**	(19,283)
Financing activities			
Dividends paid	9	**(24,754)**	(10,609)
Dividends paid to non-controlling interests in subsidiary		**(14,948)**	(6,418)
Repayments of borrowings		**(41,059)**	(20,468)
Payments of lease liabilities		**(4,376)**	(3,240)
New bank loans drawn down		**7,978**	47,167
Net cash inflow arising from issue of new shares in subsidiary under employee stock option scheme		**6,885**	2,304
Net cash (used in)/provided by financing activities		**(70,274)**	8,736
Net (decrease)/increase in cash and cash equivalents		**(11,984)**	57,953
Cash and cash equivalents at beginning of period		**63,255**	68,979
Effect of foreign exchange rate changes		**4,345**	(26,517)
Cash and cash equivalents at end of period		**55,616**	100,415

Notes to Condensed Consolidated Interim Financial Information

for the six months ended 30 June 2021

1 General Information

The condensed consolidated interim financial information is not the Company's statutory accounts. The auditors of the Company have not made any report thereon under section 90(2) of the Bermuda Companies Act.

Ocean Wilsons Holdings Limited ("Ocean Wilsons" or the "Company") is a Bermuda investment holding company which, through its subsidiaries, operates a maritime services company in Brazil and holds a portfolio of international investments. The Company is listed on both the London Stock Exchange and the Bermuda Stock Exchange. It has two principal subsidiaries: Wilson Sons Limited ("Wilson Sons") and Ocean Wilsons (Investments) Limited ("OWIL") (together with the Company and their subsidiaries, the "Group").

Ocean Wilsons Holdings Limited is a company incorporated in Bermuda under the Companies Act 1981 and the Ocean Wilsons Holdings Limited Act, 1991. The condensed consolidated interim financial information is presented in US Dollars, the currency of the primary economic environment in which the Group operates.

2 Accounting polices

The condensed consolidated interim financial information of the Company for the six months ended 30 June 2021 comprises the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in associates and jointly controlled entities.

The condensed set of financial statements has been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") and in accordance with IAS 34 – Interim Financial Reporting. For these purposes, IFRS comprise the standards issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

The condensed consolidated interim financial information has been prepared on the basis of accounting policies consistent with those applied to the consolidated financial statements for the year ended 31 December 2020.

3 Revenue

An analysis of the Group's revenue is as follows:

	Unaudited six months to 30 June 2021 US$'000	Unaudited six months to 30 June 2020 US$'000
Sales of services (note 3.1)	**188,877**	174,211
Income from underlying investment vehicles (note 6)	**1,162**	1,513
Other investment income	**1,307**	923
	191,346	176,647

3 Revenue (continued)

3.1 Disaggregated revenue information

The following is an analysis of the Group's revenue from sales of services for the period:

	Unaudited six months to 30 June 2021 US$'000	Unaudited six months to 30 June 2020 US$'000
Harbour manoeuvres	**83,776**	73,873
Special operations	**9,156**	8,433
Ship agency	**4,247**	4,006
Total Towage and ship agency services	**97,179**	86,312
Container handling	**36,453**	35,636
Warehousing	**16,426**	15,429
Ancillary services	**10,622**	8,960
Oil and Gas support base	**3,183**	4,535
Other services	**5,830**	7,371
Total Port terminals	**72,514**	71,931
Logistics	**16,012**	14,768
Total Logistics	**16,012**	14,768
Shipyard	**3,172**	1,200
Total Shipyard	**3,172**	1,200
Total	**188,877**	174,211

	Unaudited six months to 30 June 2021 US$'000	Unaudited six months to 30 June 2020 US$'000
Timing of revenue recognition		
At a point of time	**185,705**	173,011
Over time	**3,172**	1,200
	188,877	174,211

3.2 Contract balance

Trade receivables are generally received within 30 days of the invoice date. The carrying amount of operational trade receivables at the end of reporting period was US$49.6 million (31 December 2020: US$40.6 million). These amounts included US$12.7 million (31 December 2020: US$10.4 million) of contract assets (unbilled accounts receivables).

There were no contract liabilities as at 30 June 2021 (31 December 2020: nil).

Notes to Condensed Consolidated Interim Financial Information

4 Business and geographical segments

Business segments

Ocean Wilsons Holdings Limited has two reportable segments: maritime services and investments. These segments report their financial and operational data separately to the Board. The Board considers these segments separately when making business and investment decisions. The maritime services segment provides towage and ship agency, port terminals, offshore, logistics and shipyard services in Brazil through Wilson Sons. The investment segment holds a portfolio of international investments.

Segment information relating to these businesses is presented below:

	Maritime services US$'000	Investment US$'000	Unallocated US$'000	Consolidated US$'000
Result – six months to 30 June 2021 (unaudited)				
Revenue	188,877	–	–	188,877
Segment result	53,459	(2,953)	(2,141)	48,365
Share of results of joint venture	(749)	–	–	(749)
Returns on investment portfolio at fair value through profit and loss	–	29,548	–	29,548
Other investment income	1,307	–	–	1,307
Finance costs	(14,584)	–	–	(14,584)
Foreign exchange gains/(losses) on monetary items	2,416	3	(104)	2,315
Profit/(loss) before tax	41,849	26,598	(2,245)	66,202
Tax	(14,424)	–	–	(14,424)
Profit/(loss) after tax	27,425	26,598	(2,245)	51,778
Other information – six months to 30 June 2021 (unaudited)				
Capital additions	16,990	–	–	16,990
Depreciation and amortisation	(25,270)	–	–	(25,270)
Amortisation of right-of-use assets	(5,982)	–	–	(5,982)
Balance Sheet – as at 30 June 2021 (unaudited)				
Segment assets	1,054,889	335,913	4,374	1,395,176
Segment liabilities	(625,147)	(1,554)	(784)	(627,485)
Net Assets	429,742	334,359	3,590	767,691

4 Business and geographical segments (continued)

	Maritime services US$'000	Investment US$'000	Unallocated US$'000	Consolidated US$'000
Result – six months to 30 June 2020 (unaudited)				
Revenue	174,211	–	–	174,211
Segment result	41,906	(1,420)	(1,147)	39,339
Share of results of joint venture	(5,212)	–	–	(5,212)
Returns on investment portfolio at fair value through profit and loss	–	(13,761)	–	(13,761)
Other investment income	923	–	–	923
Finance costs	(11,413)	–	–	(11,413)
Foreign exchange (losses)/gains on monetary items	(11,653)	(12)	8	(11,657)
Profit/(loss) before tax	14,551	(15,193)	(1,139)	(1,781)
Tax	(16,572)	–	–	(16,572)
Loss after tax	(2,021)	(15,193)	(1,139)	(18,353)
Other information – six months to 30 June 2020 (unaudited)				
Capital additions	43,173	–	–	43,173
Depreciation and amortisation	(25,842)	–	–	(25,842)
Amortisation of right-of-use assets	(5,312)	–	–	(5,312)
Balance Sheet – as at 31 December 2020				
Segment assets	1,039,374	310,882	3,606	1,353,862
Segment liabilities	(609,104)	(621)	(430)	(610,155)
Net Assets	430,270	310,261	3,176	743,707

Finance costs and associated liabilities have been allocated to reporting segments where interest costs arise from loans used to finance the construction of fixed assets in that segment.

Geographical Segments

The Group's operations are located in Bermuda and Brazil. The Group, through its participation in an offshore vessel joint venture in Panama, earns income in that country and in Uruguay. All the Group's sales are derived in Brazil.

The following is an analysis of the carrying amount of segment assets and additions to property, plant and equipment and intangible assets, analysed by the geographical area in which the assets are located.

	Carrying amount of segment assets		Additions to property, plant and equipment and intangible assets	
	Unaudited 30 June 2021 US$'000	Audited 31 December 2020 US$'000	**Unaudited six months to 30 June 2021 US$'000**	Unaudited six months to 30 June 2020 US$'000
Brazil	**1,054,889**	994,826	**16,990**	43,173
Bermuda	**340,287**	359,036	**–**	–
	1,395,176	1,353,862	**16,990**	43,173

Notes to Condensed Consolidated Interim Financial Information

5 Employee benefits expense

	Unaudited six months to 30 June 2021 US$'000	Unaudited six months to 30 June 2020 US$'000
Aggregate remuneration comprised:		
Wages and salaries	**43,199**	45,209
Share based expense	**113**	105
Social security costs	**9,675**	11,261
Other pension costs	**382**	293
	53,369	56,868

6 Returns on investment portfolio at fair value through profit and loss

	Unaudited six months to 30 June 2021 US$'000	Unaudited six months to 30 June 2020 US$'000
Unrealized gains/(losses) on financial assets at fair value through profit and loss	**23,398**	(18,301)
Income from underlying investment vehicles	**1,162**	1,513
Profit on disposal of financial assets at fair value through profit and loss	**4,988**	3,027
	29,548	(13,761)

7 Finance costs

	Unaudited six months to 30 June 2021 US$'000	Unaudited six months to 30 June 2020 US$'000
Interest on lease liabilities	**6,790**	6,839
Interest on bank overdrafts and loans	**7,755**	4,552
Other interest	**39**	22
	14,584	11,413

8 Taxation

	Unaudited six months to 30 June 2021 US$'000	Unaudited six months to 30 June 2020 US$'000
Current		
Brazilian taxation:		
Corporation tax	**10,549**	10,989
Social contribution	**4,035**	4,056
Total current tax	**14,584**	15,045
Deferred tax – origination and reversal of timing differences	**(160)**	1,527
Total taxation	**14,424**	16,572

Brazilian corporation tax is calculated at 25% (2020: 25%) of the assessable profit for the year.

Brazilian social contribution tax is calculated at 9% (2020: 9%) of the assessable profit for the year.

At the present time, no income, profit, capital or capital gains taxes are levied in Bermuda and accordingly, no provision for such taxes has been recorded by the Company. In the event that such taxes are levied, the Company has received an undertaking from the Bermuda Government exempting it from all such taxes until 31 March 2035. The Group is monitoring the ongoing development of the G20 initiative to implement a global minimum tax rate as it relates to its corporate structure.

9 Dividends

	Unaudited six months to 30 June 2021 US$'000	Unaudited six months to 30 June 2020 US$'000
Dividend declared and paid to equity holders in the current period of 70 cents (2020: 30 cents) per share	**24,754**	10,609

10 Earnings per share

The calculation of the basic and diluted earnings per share is based on the following data:

	Unaudited six months to 30 June 2021 US$'000	Unaudited six months to 30 June 2020 US$'000
Earnings:		
Earnings for the purposes of basic earnings per share being net profit/(loss) attributable to equity holders of the Company	**39,516**	(17,766)
Number of shares:		
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	**35,363,040**	35,363,040

Notes to Condensed Consolidated Interim Financial Information

11 Lease arrangements

11.1 Right-of-use assets

	Operational facilities US$'000	Floating craft US$'000	Buildings US$'000	Vehicles, plant and equipment US$'000	Total US$'000
Cost or valuation					
At 1 January 2020	**186,026**	**4,481**	**6,449**	**12,703**	**209,659**
Transfers from property, plant and equipment	–	–	–	495	495
Contractual amendments	9,376	52	201	83	9,712
Additions	1,553	3,504	19	124	5,200
Exchange differences	(42,245)	(759)	(772)	(1,745)	(45,521)
Terminated contracts	–	–	(200)	(1,911)	(2,111)
At 31 December 2020	**154,710**	**7,278**	**5,697**	**9,749**	**177,434**
Contractual amendments	**34,780**	**110**	**10**	**3**	**34,903**
Additions	**–**	**7,353**	**16**	**145**	**7,514**
Exchange differences	**8,255**	**797**	**(259)**	**182**	**8,975**
Terminated contracts	**–**	**–**	**(109)**	**(399)**	**(508)**
At 30 June 2021	**197,745**	**15,538**	**5,355**	**9,680**	**228,318**
Accumulated amortisation					
At 1 January 2020	8,269	2,276	1,469	8,634	20,648
Transfers from property, plant and equipment	–	–	–	471	471
Charge for the year	7,280	2,995	1,099	1,062	12,436
Exchange differences	(1,810)	(521)	(77)	(1,060)	(3,468)
Terminated contracts	–	–	(70)	(1,861)	(1,931)
At 31 December 2020	**13,739**	**4,750**	**2,421**	**7,246**	**28,156**
Charge for the year	**3,639**	**2,042**	**503**	**424**	**6,608**
Exchange differences	**755**	**204**	**(218)**	**176**	**917**
Terminated contracts	**–**	**–**	**(62)**	**(223)**	**(285)**
At 30 June 2021	**18,133**	**6,996**	**2,644**	**7,623**	**35,396**
Carrying Amount					
At 30 June 2021 (unaudited)	**179,612**	**8,542**	**2,711**	**2,057**	**192,922**
At 31 December 2020 (audited)	140,971	2,528	3,276	2,503	149,278

Operational facilities

The main lease commitments included as operational facilities are described below:

Tecon Rio Grande

The Tecon Rio Grande lease was signed on 3 February 1997 for a period of 25 years renewable for a further 25 years. Tecon Rio Grande was granted the right to renew the lease as set out in the contract amendment signed on 7 March 2006 due to compliance with the contractual requirements to make additional investments in expanding the terminal by constructing a third berth and achieving the minimum annual container volume handled.

Tecon Salvador

Tecon Salvador S.A. has the right to lease and operate the container terminal and heavy cargo terminal in the Port of Salvador for 25 years renewed in 2016 for a further 25 years. The total lease term of 50 years, until March 2050, is provided in the second addendum to the rental agreement. This addendum requires the Group to make a minimum specified investment in expanding the leased terminal area.

11 Lease arrangements (continued)

11.1 Right-of-use assets (continued)

Wilson Sons shipyard

Lease commitments mainly refer to a 60-year right to lease from June 2008 and operate an area located adjacent to our shipyard in Guarujá, São Paulo state. The initial lease of 30 years is renewable for a further period of 30 years at the option of the Group. The area has been used to expand and develop the Wilson Sons shipyard. Management's intention is to exercise the renewal option.

Brasco

The Brasco lease commitments mainly refers to a 30-year lease expiring in 2043 to operate a port area in Caju, Rio de Janeiro, with convenient access to service the Campos and Santos oil producing basins.

Logistics

Lease commitments mainly refer to the bonded terminals and distribution centres located in Santo André, São Paulo state and Suape, Pernambuco state with terms ranging between 18 and 24 years.

Floating craft

Variable chartering of vessels for maritime transport between port terminals. Payments made relating to the number of vessel trips were not included in the measurement of lease liabilities because they relate to variable payments.

Buildings

The Group has lease commitments for its Brazilian business headquarters, branches and commercial offices in several Brazilian cities.

Vehicles, plant and equipment

Rental contracts mainly for forklifts, vehicles for operational, commercial and administrative activities and other operating equipment.

11.2 Lease liabilities

	Discount rate	**Unaudited 30 June 2021 US$'000**	Audited 31 December 2020 US$'000
Lease liabilities by class of asset			
Operational facilities	5.17% – 9.33%	**191,680**	150,513
Buildings	4.41% – 12.9%	**2,555**	2,932
Vehicles, plant and equipment	4.87% – 12.9%	**1,615**	1,690
Floating craft	7.75% – 8.54%	**9,025**	2,759
Total		**204,875**	157,894
Total current		**23,725**	18,192
Total non-current		**181,150**	139,702

Notes to Condensed Consolidated Interim Financial Information

11 Lease arrangements (continued)

11.2 Lease liabilities (continued)

The breakdown of lease liabilities by maturity is as follows:

	Unaudited 30 June 2021 US$'000	Audited 31 December 2020 US$'000
Maturity analysis – contractual undiscounted cash flows		
Within one year	**24,940**	19,153
In the second year	**22,807**	17,365
In the third to fifth years inclusive	**64,721**	49,353
After five years	**373,099**	292,766
Total cash flows	**485,567**	378,637
Adjustment to present value	**(280,692)**	(220,743)
Total lease liabilities	**204,875**	157,894

Inflation adjustment of the lease liabilities

The table below presents the lease liabilities balance considering the projected future inflation rate in the discounted payment flows. For the purposes of this calculation, all other assumptions were maintained.

	Unaudited 30 June 2021 US$'000	Audited 31 December 2020 US$'000
Actual flow	**485,567**	378,637
Embedded interest	**(280,692)**	(220,743)
Lease liabilities	**204,875**	157,894

11.3 Amounts recognised in profit and loss

	Unaudited six months to 30 June 2021 US$'000	Unaudited six months to 30 June 2020 US$'000
Amortisation of right-of-use assets	**(6,608)**	(6,486)
Amortisation of PIS and COFINS[1]	**626**	1,174
Net Amortisation of right-of-use assets	**(5,982)**	(5,312)
Interest on lease liabilities	**(7,237)**	(7,790)
Interest of PIS and COFINS	**447**	951
Variable lease payments not included in the measurement of lease liabilities[2]	**(1,117)**	(968)
Expenses relating to short-term leases	**(13,325)**	(8,953)
Expenses relating to low-value assets	**(311)**	(568)
Total	**(27,525)**	(22,640)

1. The PIS (Program of Social Integration) and COFINS (Contribution for the Financing of Social Security) are federal taxes based on the turnover of companies.
2. The amounts refer to payments, which exceeded the minimum forecast volumes of Tecon Rio Grande and Tecon Salvador.

The Group is not able to estimate the future cash outflows related to variable lease payments due to operational, economic and foreign exchange uncertainties.

11 Lease arrangements (continued)

11.4 Amounts recognised in the statement of cash flows

	Unaudited six months to 30 June 2021 US$'000	Unaudited six months to 30 June 2020 US$'000
Payment of lease liability	**(4,376)**	(3,237)
Interest paid – lease liability	**(7,237)**	(7,805)
Short-term leases paid	**(13,325)**	(8,953)
Variable lease payments	**(1,117)**	(968)
Low-value leases paid	**(311)**	(568)
Total	**(26,366)**	(21,531)

12 Property, plant and equipment

	Land and buildings US$'000	Floating Craft US$'000	Vehicles, plant and equipment US$'000	Assets under construction US$'000	Total US$'000
Cost or valuation					
At 1 January 2020	313,432	516,361	231,226	292	1,061,311
Additions	25,901	10,216	25,284	–	61,401
Transfers	148	(124)	(24)	–	–
Transfers to right-of-use assets	–	–	(495)	–	(495)
Transfers to intangible assets	–	–	(99)	–	(99)
Exchange differences	(56,443)	–	(42,819)	–	(99,262)
Disposals	(3,725)	(969)	(4,039)	–	(8,733)
At 1 January 2021	**279,313**	**525,484**	**209,034**	**292**	**1,014,123**
Additions	**3,711**	**9,736**	**2,318**	**820**	**16,585**
Transfers	**(22)**	**–**	**22**	**–**	**–**
Transfers from intangible assets	**(1)**	**–**	**–**	**–**	**(1)**
Exchange differences	**6,717**	**–**	**6,572**	**–**	**13,289**
Disposals	**38**	**(114)**	**(552)**	**–**	**(628)**
At 30 June 2021	**289,756**	**535,106**	**217,394**	**1,112**	**1,043,368**
Accumulated depreciation and impairment					
At 1 January 2020	91,945	217,369	124,948	–	434,262
Charge for the year	6,774	29,030	11,989	–	47,793
Elimination on construction contracts	–	13	–	–	13
Transfers to right-of-use assets	–	–	(471)	–	(471)
Exchange differences	(16,691)	–	(22,764)	–	(39,455)
Disposals	(2,400)	(829)	(3,928)	–	(7,157)
At 1 January 2021	**79,628**	**245,583**	**109,774**	**–**	**434,985**
Charge for the period	**3,957**	**13,382**	**6,557**	**–**	**23,896**
Elimination on construction contracts	**–**	**25**	**–**	**–**	**25**
Exchange differences	**2,234**	**–**	**3,580**	**–**	**5,814**
Disposals	**–**	**(113)**	**(468)**	**–**	**(581)**
At 30 June 2021	**85,819**	**258,877**	**119,443**	**–**	**464,139**
Carrying Amount					
At 30 June 2021 (unaudited)	**203,937**	**276,229**	**97,951**	**1,112**	**579,229**
At 31 December 2020 (audited)	199,685	279,901	99,260	292	579,138

The Group has pledged assets with a carrying amount of approximately US$252.5 million (31 December 2020: US$253.6 million) to secure loans granted to the Group.

There were no capitalised borrowing costs in 2021 (2020: US$3.0 million, at an average interest rate of 2.49%).

Notes to Condensed Consolidated Interim Financial Information

13 Financial assets at fair value through profit or loss

	Unaudited six months to 30 June 2021 US$'000	Audited year to 31 December 2020 US$'000
Financial assets at fair value through profit or loss		
At 1 January	**347,464**	298,839
Additions, at cost	**14,429**	63,723
Disposals, at market value	**(56,036)**	(45,154)
Increase/(decrease) in fair value of financial assets at fair value through profit and loss	**23,398**	(29,055)
Profit on disposal of financial assets at fair value through profit and loss	**4,988**	1,001
At period end	**334,243**	347,464
OWIL	**334,243**	307,874
Wilson Sons	**–**	39,590
Financial assets at fair value through profit and loss held at period end	**334,243**	347,464

Wilson Sons Limited

The Wilson Sons investments are held and managed separately from the OWIL portfolio and consist of US Dollar denominated depository notes.

OWIL portfolio

The Group has not designated any financial assets that are not classified as trading investments as financial assets at fair value through profit and loss.

Financial assets at fair value through profit and loss above represent investments in listed equity securities, funds and unquoted equities that present the Group with opportunity for return through dividend income and capital appreciation.

Included in financial assets at fair value through profit and loss are open ended funds whose shares may not be listed on a recognised stock exchange but are redeemable for cash at the current net asset value at the option of the Group. They have no fixed maturity or coupon rate. The fair values of these securities are based on quoted market prices where available. Where quoted market prices are not available, fair values are determined by third parties using various valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

14 Trade and other receivables

	Unaudited 30 June 2021 US$'000	Audited 31 December 2020 US$'000
Trade and other receivables		
Other trade receivables	**11,278**	9
Total other non-current trade receivables	**11,278**	9
Amount receivable for the sale of services	**49,973**	41,152
Allowance for bad debts	**(390)**	(554)
Total current trade receivables	**49,583**	40,598
Prepayments	**5,796**	4,252
Insurance claim receivable	**750**	995
Other receivables	**5,664**	1,953
Total other current trade receivables	**12,210**	7,200
Total current trade and other receivables	**61,793**	47,807

Ageing of trade receivables	Unaudited 30 June 2021 US$'000	Audited 31 December 2020 US$'000
Current	**43,504**	34,561
From 0 – 30 days	**4,170**	4,800
From 31 – 90 days	**1,033**	852
From 91 – 180 days	**786**	197
More than 180 days	**480**	742
Total	**49,973**	41,152

Due to the COVID-19 pandemic, the Company has reviewed the variables that make up the methodology of measurement of estimated losses. There has been no increase in customer default rate due to the outbreak. Additionally, the Company created a credit committee to monitor and, if necessary, propose payment terms to those customers with credit risk.

The Board considers that the carrying amount of trade and other receivables approximates their fair value.

15 Bank loans and overdrafts

	Annual interest rate %	Unaudited 30 June 2021 US$'000	Audited 31 December 2020 US$'000
Secured borrowings			
BNDES – FMM linked to US Dollar[1]	2.07% to 5.00%	**146,021**	146,446
BNDES – Real	6.64% to 13.23%	**57,087**	55,177
BNDES – FMM Real[1]	8.59%	**774**	805
Total BNDES		**203,882**	202,428
Banco do Brasil – FMM linked to US Dollar[1]	2.00% – 4.00%	**74,791**	75,795
Bradesco – NCE – Real[2]	5.08% – 5.45%	**35,228**	38,660
Itaú – NCE – Real[2]	3.38%	**–**	4,056
Santander – Real	6.44%	**–**	8,056
China Construction Bank – Real	5.65%	**–**	13,666
Total others		**110,019**	140,233
Total borrowings		**313,901**	342,661

1. As an agent of Fundo da Marinha Mercante's ("FMM"), Banco Nacional de Desenvolvimento Econômico e Social ("BNDES") and Banco do Brasil ("BB") finances the construction of tugboats and shipyard facilities.
2. NCE is an export credit note.

Notes to Condensed Consolidated Interim Financial Information

15 Bank loans and overdrafts (continued)

The breakdown of bank overdrafts and loans by maturity is as follows:

	Unaudited 30 June 2021 US$'000	Audited 31 December 2020 US$'000
Within one year	**44,514**	58,672
In the second year	**38,712**	44,707
In the third to fifth years (inclusive)	**95,464**	96,250
After five years	**135,211**	143,032
Total	**313,901**	342,661
Amounts due for settlement within 12 months	**44,514**	58,672
Amounts due for settlement after 12 months	**269,387**	283,989

The analysis of borrowings by currency is as follows:

	BRL US$'000	BRL linked to US Dollars US$'000	US Dollars US$'000	Total US$'000
30 June 2021 (unaudited)				
Bank loans	**93,090**	**220,811**	**–**	**313,901**
Total	**93,090**	**220,811**	**–**	**313,901**
31 December 2020 (audited)				
Bank loans	120,420	222,241	–	342,661
Total	120,420	222,241	–	342,661

Loan agreement for civil works

In December 2018, the subsidiary Tecon Salvador S.A. signed a US$67.9 million financing agreement with the BNDES to be used for civil works during the terminal's expansion. The civil works for this expansion were completed in October 2020.

Guarantees

Loans with the BNDES and Banco do Brasil rely on corporate guarantees from Wilson Sons de Administração e Comércio Ltda. For some contracts, the corporate guarantee is in addition to a pledge of the respective financed tugboat or a lien over the logistics and port operations equipment financed.

The loan agreement for Tecon Rio Grande from Banco Santander for the purchase of equipment relies on a corporate guarantee from Wilson, Sons de Administração e Comércio Ltda.

The loan agreement for Tecon Rio Grande from Banco Itaú for the purchase of equipment relies on a corporate guarantee from Wilport Operadores Portuários Ltda.

The loan agreement for Tecon Salvador from Banco Bradesco for the purchase of equipment relies on a corporate guarantee from Wilport Operadores Portuários Ltda.

Undrawn credit facilities

At 30 June 2021, the Group had available US$14.5 million (31 December 2020: US$19.1 million) of undrawn borrowing facilities in relation to (i) the Salvador container terminal expansion and (ii) the dry-docking, maintenance and repair of tugboats. In addition, the Group has US$9.4 million in contracted financing for the future construction of tugboats.

Covenants

Wilson, Sons de Administração e Comércio Ltda. ("WSAC") as corporate guarantor has to comply with annual loan covenants for Wilson Sons Estaleiros, Brasco Logística Offshore and Saveiros Camuyrano Serviços Marítimos S/A in respect of loan agreements signed with BNDES.

Wilport Operadores Portuários Ltda. as corporate guarantor for loan agreements signed with both Bradesco for Tecon Salvador S.A and Tecon Rio Grande and BNDES for Tecon Salvador S.A has to comply with annual loan covenants including ratios of debt service coverage, net debt ratio over EBITDA and equity over total assets. For the BNDES agreements the Salvador container terminal has to comply with the debt service coverage ratio covenant.

At 30 June 2021, the Company was in compliance with all covenants in the above mentioned loan agreements.

15 Bank loans and overdrafts (continued)

Fair value

Management estimates the fair value of the Group's borrowings as follows:

	Unaudited 30 June 2021 US$'000	Audited 31 December 2020 US$'000
Bank loans		
BNDES	**203,882**	202,428
Banco do Brasil	**74,791**	75,795
Bradesco – NCE – Real	**35,111**	40,577
Itaú	**–**	4,060
Santander	**–**	8,045
China Construction Bank	**–**	13,657
Total	**313,784**	344,562

16 Joint ventures

The Group holds the following significant interests in joint operations and joint ventures at the end of the reporting period:

	Place of incorporation and operation	Proportion of ownership interest	
		30 June 2021	30 June 2020
Towage			
Consórcio de Rebocadores Baia de São Marcos[3]	Brazil	**50%**	50%
Logistics			
Porto Campinas, Logística e Intermodal[3]	Brazil	**50%**	50%
Offshore			
Wilson, Sons Ultratug Participações S.A.[1]	Brazil	**50%**	50%
Atlantic Offshore S.A.[2]	Panamá	**50%**	50%

1 Wilson, Sons Ultratug Participações S.A. controls Wilson, Sons Offshore S.A. and Magallanes Navegação Brasileira S.A. These latter two companies are indirect joint ventures of the Company.

2 Atlantic Offshore S.A. controls South Patagonia S.A. This company is an indirect joint venture of Wilson Sons.

3 Joint Operations.

Notes to Condensed Consolidated Interim Financial Information

16 Joint ventures (continued)

The Group's interests in joint ventures are accounted for on the equity basis.

	Unaudited six months to 30 June 2021 US$'000	Unaudited six months to 30 June 2020 US$'000
Revenue	**55,389**	60,025
Raw materials and consumables used	**(4,272)**	(3,498)
Employee benefits expense	**(18,638)**	(17,800)
Amortisation of right-of-use assets	**(5,228)**	(5,222)
Depreciation and amortisation	**(19,355)**	(20,529)
Other operating expenses	**(9,082)**	(7,652)
Gain on disposals of property, plant and equipment	**1**	–
(Loss)/profit from operating activities	**(1,185)**	5,324
Finance income	**48**	(359)
Interest on lease liabilities	**(127)**	(347)
Finance costs	**(7,821)**	(8,271)
Foreign exchange gains/(losses) on monetary items	**4,217**	(21,605)
Loss before tax	**(4,868)**	(25,258)
Income tax credit	**3,368**	14,834
Loss for the period	**(1,500)**	(10,424)
Participation	**50%**	50%
Equity result	**(749)**	(5,212)

	Unaudited 30 June 2021 US$'000	Audited 31 December 2020 US$'000
Right-of-use assets	**4,563**	15,036
Property, plant and equipment	**555,504**	578,803
Long-term investment	**2,146**	2,103
Other current assets	**9,955**	10,871
Trade and other receivables	**35,929**	33,065
Cash and cash equivalents	**28,848**	23,341
Total assets	**636,945**	663,219
Bank loans	**419,731**	433,190
Lease liabilities	**4,765**	15,273
Other non-current liabilities	**23,818**	38,739
Trade and other payables	**111,082**	96,394
Equity	**77,549**	79,623
Total liabilities	**636,945**	663,219

We have not provided separate disclosure of all material joint ventures because they belong the same economic group and are managed on a unified basis. Wilson Sons holds a non-controlling interest in Wilson, Sons Ultratug Participações S.A and Atlantic Offshore S.A.

Wilson, Sons Ultratug Participações S.A is a controlling shareholder of Wilson, Sons Offshore S.A. and Magallanes Navegação Brasileira S.A, while Atlantic Offshore S.A. is a controlling shareholder of South Patagonia S.A.

16 Joint ventures (continued)

Guarantees

Loan agreements of Wilson, Sons Ultratug Participações S.A. and subsidiaries with the BNDES are guaranteed by a lien on the financed supply vessels and in the majority of the contracts a corporate guarantee from both Wilson Sons Holdings Brasil Ltda. and Remolcadores Ultratug Ltda, each guaranteeing 50% of its subsidiary's debt balance with the BNDES. As at 30 June 2021, Wilson Sons 50% share of the amounts outstanding under the loan agreements is US$171.0 million (2020: US$170.7 million).

Wilson, Sons Ultratug Participações S.A. subsidiary's loan agreement with Banco do Brasil is guaranteed by a pledge on the financed offshore support vessels. The security package also includes a standby letter of credit issued by Banco de Crédito e Inversiones - Chile for part of the debt balance, assignment of Petrobras' long-term contracts and a corporate guarantee issued by Inversiones Magallanes Ltda - Chile. A cash reserve account of US$2.1 million is required to be maintained until full repayment of the loan agreement. As at 30 June 2021, Wilson Sons 50% share of the loan amounts outstanding under the loan agreements is US$25.4 million (2020: US$25.7 million).

The loan agreements for Atlantic Offshore from Deutsche Verkehrs-Bank "DVB" and Norddeutsche Landesbank Girozentrale Trade "Nord/LB" for the financing of the offshore support vessels is guaranteed by a pledge on the vessels, the shares of Atlantic Offshore and a corporate guarantee for half of the credit from Wilson Sons Holdings Brasil Ltda. and Remolcadores Ultratug Ltda, which is the partner in the business, guarantee the other half of the loans. As at 30 June 2021, Wilson Sons 50% share of the loan amounts outstanding under the loan agreements is US$10.2 million (2020: US$10.7 million).

Covenants

On 30 June 2021 Wilson Sons Ultratug Participações S.A.'s subsidiary was not in compliance with one of its covenants' ratios. On the assumption of a non-attainment, the joint venture's subsidiary has to be capitalized within a year in the amount necessary (US$6.0 million) to reach the required ratio. Since there was already a financial contribution through an advance for future capital increase in the first half of 2021 of US$9.985 million, management's understanding is that there is no breach of a clause or event that prompts negotiation or a waiver letter from Branco do Brasil. There are no other capital commitments for any of the joint ventures or joint operations.

Atlantic Offshore S.A. has to comply with specific financial covenants on its two loan agreements with Deutsche Verkehrs-Bank "DVB" and Norddeutsche Landesbank Girozentrale Trade "Nord/LB". At 30 June 2021 the subsidiary was in compliance with all loan agreement clauses.

Notes to Condensed Consolidated Interim Financial Information

17 Notes to the cash flow statement

	Unaudited six months to 30 June 2021 US$'000	Unaudited six months to 30 June 2020 US$'000
Reconciliation from profit/(loss) before tax to net cash from operating activities		
Profit/(loss) before tax	**66,202**	(1,781)
Share of results of joint venture	**749**	5,212
Returns on investment portfolio at fair value through profit and loss	**(29,548)**	13,761
Other investment income	**(1,307)**	(923)
Finance costs	**14,584**	11,413
Foreign exchange (gains)/losses on monetary items	**(2,315)**	11,657
Operating profit	**48,365**	39,339
Adjustments for:		
Amortisation of right-of-use assets	**5,982**	5,312
Depreciation of property, plant and equipment	**23,896**	24,412
Amortisation of intangible assets	**1,374**	1,430
Share based payment expense	**113**	105
Gain on disposal of property, plant and equipment	**(2)**	(295)
(Increase)/decrease in provisions	**(703)**	25
Operating cash flows before movements in working capital	**79,025**	70,328
(Increase)/decrease in inventories	**(894)**	1,030
(Increase)/decrease in receivables	**(15,521)**	5,923
(Decrease)/increase in payables	**5,524**	(17)
(Increase)/decrease in other non-current assets	**(715)**	16,527
Cash generated by operations	**67,419**	93,791
Income taxes paid	**(13,814)**	(12,635)
Interest paid	**(12,023)**	(12,656)
Net cash from operating activities	**41,582**	68,500

18 Commitments

At 30 June 2021 the Group had entered into commitment agreements with respect to trading investments. These commitments relate to capital subscription agreements entered into by OWIL. The expiry dates of the outstanding commitments may be analysed as follows:

	Unaudited 30 June 2021 US$'000	Audited 31 December 2020 US$'000
Within one year	**4,904**	4,670
In the second to fifth year inclusive	**3,726**	5,153
After five years	**29,391**	35,495
Total	**38,021**	45,318

The expiry date is not indicative of when a commitment call may be made and could be accelerated. There may be situations when commitments may be extended by the manager of the underlying structure beyond the initial expiry date dependent upon the terms and conditions of each individual structure.

At 30 June 2021 the Group had contractual commitments to suppliers for the acquisition and construction of property, plant and equipment amounting to US$10.9 million (2020: US$1.6 million). The amount mainly refers to investments in the Salvador container terminal with some smaller amounts related to the Rio Grande container terminal and Offshore support bases.

19 Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

Transactions between the group and its associates, joint ventures and other investments are disclosed below.

	Dividends received/ Revenue from services		Amounts paid/ Cost of services	
	Unaudited six months to 30 June 2021 US$'000	Unaudited six months to 30 June 2020 US$'000	**Unaudited six months to 30 June 2021 US$'000**	Unaudited six months to 30 June 2020 US$'000
Joint ventures				
1. Allink Transportes Internacionais Limitada	**–**	–	**(125)**	(111)
3. Consórcio de Rebocadores Baía de São Marcos	**–**	129	**–**	(6)
4. Wilson Sons Ultratug Participações S.A.	**262**	263	**–**	–
Others				
7. Hanseatic Asset Management LBG	**–**	–	**(1,329)**	(1,343)
8. Gouvêa Vieira Advogados	**–**	–	**(13)**	(16)
9. Jofran Services	**–**	–	**–**	(92)

Notes to Condensed Consolidated Interim Financial Information

19 Related party transactions (continued)

	Amounts owed by related parties		Amounts owed to related parties	
	Unaudited 30 June 2021 US$'000	Unaudited 30 June 2020 US$'000	**Unaudited 30 June 2021 US$'000**	Unaudited 30 June 2020 US$'000
Joint ventures				
1. Allink Transportes Internacionais Limitada	**–**	1	**(19)**	–
2. Consórcio de Rebocadores Barra de Coqueiros	**–**	45	**–**	–
3. Consórcio de Rebocadores Baía de São Marcos	**–**	1,782	**(335)**	–
4. Wilson Sons Ultratug Participações S.A.	**20,639**	10,215	**–**	–
5. Atlantic Offshore S.A	**20,167**	20,167	**–**	–
6. Porto Campinas, Logística e Intermodal Ltda.	**13**	10	**–**	–
Others				
7 Hanseatic Asset Management LBG	**–**	–	**(276)**	(235)

1. Mr A C Baião is a Director of Wilson Sons and a shareholder and Director of Allink Transportes Internacionais Limitada. Allink Transportes Internacionais Limitada is 50% owned by the Group and rents office space from the Group.
2. Mr. W H Salomon is chairman of Hanseatic Asset Management LBG. Fees were paid to Hanseatic Asset Management LBG for acting as Investment Manager of the Group's investment portfolio.
3. Mr. J F Gouvêa Viera is a partner in the law firm Gouvêa Vieira Advogados. Fees were paid to Gouvêa Vieira Advogados for legal services.
4. Related party loans with Wilson, Sons Ultratug Participações S.A. (interest – 0.3% per month with no maturity date) and other trade payables and receivables from Wilson, Sons Offshore S.A. and Magallanes Navegação Brasileira S.A.
5. Related party loans with Atlantic Offshore S.A. (with no interest and with no maturity date).
6. Advance for future capital increase from Porto Campinas.
7. Mr W H Salomon is Chairman of Hanseatic Asset Management LBG. Fees were paid to Hanseatic Asset Management LBG for acting as Investment Manager of the Group's investment portfolio and administration services.
8. Mr J F Gouvêa Vieira is a partner in the law firm Gouvêa Vieira Advogados. Fees were paid to Gouvêa Vieira Advogados for legal services.
9. Mr J F Gouvêa Vieira is a Director of Jofran Services. Directors' fees and consultancy fees were paid to Jofran Services.

20 Coronavirus ("COVID-19")

Wilson Sons was deemed as an essential service with respect to its maritime logistics services by the Brazilian Government which allows it to operate with limited restrictions, as such our employees are prioritized for receiving vaccinations. Wilson Sons anticipates having 90% of its workforce vaccinated by September 2021 and a gradual return of office workers commencing in the fourth quarter of 2021. Wilson Sons does not predict any material impact on its long-term performance as the global economy and the interim results indicate signs of gradual recovery throughout the first half of 2021.

At the time of writing, the effects of COVID-19 have not caused any changes in the circumstances that could require an impairment charge to be made against any of the Group's assets.

Management will continue to review key assumptions used in determining value and carefully monitor short-term fluctuations and macroeconomic assumptions related to the impact of COVID-19.

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